

# Bit Market Services

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PRESS RELEASE

**PIAGGIO GROUP: 2015 DRAFT FINANCIAL STATEMENTS**

**Consolidated net sales 1,295.3 million euro (1,213.3 €/mln in 2014)**

**Ebitda 161.8 million euro (159.3 €/mln in 2014)**

**Ebitda margin 12.5% (13.1% in 2014)**

**Industrial gross margin 374.4 million euro (364.7 €/mln in 2014)**

**Return on net sales 28.9% (30.1% in 2014)**

**Ebit 56.7 million euro (69.7 €/mln in 2014)**

**Ebit margin 4.4% (5.7% in 2014)**

**Net profit 11.9 million euro (16.1 €/mln in 2014)**

**Net financial position -498.1 million euro**

**(-492.8 million euro at 31 December 2014)**

**Proposed dividend of 0.05 euro (equivalent to approximately 18 million euro)**

\* \* \*

**The Piaggio Group reconfirms its leadership on the European two-wheeler market with a 15.2% overall share and a 24.1% share of the scooter sector**

**Revenue growth on all lines of business (two-wheelers, commercial vehicles, spares and accessories) and in the main geographical areas (EMEA, India, Asia Pacific)**

**In the scooter sector, revenue growth for the Vespa brand (+3.5%)**

**In motorcycles, revenues rise 27.4% for Moto Guzzi and 36% for Aprilia**

**Commercial three-wheel vehicles: leadership in Cargo segment confirmed in India**

\* \* \*

**Capital expenditure 101.9 million euro (+7.4%)**

**The new robotised paint shop in Pontedera nears completion, to open in April 2016 to coincide with the 70th anniversary of the Vespa**

\* \* \*

**Update of the 2014-2017 Business Plan**

*Milan, 11 March 2016* - At a meeting today chaired by Roberto Colaninno, the Board of Directors of Piaggio & C. S.p.A. examined and approved the 2015 draft financial statements.

## Piaggio Group business and financial performance at 31 December 2015<sup>1</sup>

Group **consolidated net sales** in 2015 totalled **1,295.3 million euro**, an **improvement of 6.8%** from 1,213.3 million euro in 2014.

The Piaggio Group recorded **revenue growth** in all the main **geographical areas** where it operates, thanks to a positive exchange-rate effect, with net sales of 745.4 million euro in the **EMEA and Americas** areas (+6.6% on 2014), 353.7 million euro in **India** (+8.9%) and 196.2 million euro in **Asia Pacific** (+3.8%).

Similarly, **revenues rose on all Group lines of business**. Turnover in the **two-wheeler sector** was **884.9 million euro**, an increase of 5.2% from 841 million euro in 2014 (the figure includes spares and accessories). Revenues for **commercial vehicles**, including spares and accessories, were 410.4 million euro, an increase of 10.2% from 372.3 million euro in 2014.

The 2015 **industrial gross margin** was **374.4 million euro**, up 9.7 million euro (+2.7%) from 2014. The return on net sales was 28.9%, a slight decrease from 30.1% in 2014 generated largely by the exchange-rate effect. Amortisation and depreciation included in the industrial gross margin totalled 36.9 million euro, compared with 34.5 million euro in 2014.

**Operating expense** in 2015 was **317.7 million euro** (295 million euro in 2014). The increase of 22.7 million euro from 2014 reflected the increase in amortisation and depreciation in operating expense (68.1 million euro in 2015 from 55.1 million euro in 2014), higher communication and marketing at international level, and commitments for Aprilia Racing activities.

The changes in the income statement described above generated **consolidated EBITDA of 161.8 million euro**, up from 159.3 million euro in 2014, with an **EBITDA margin** of 12.5% (13.1% in 2014).

**EBIT** in 2015 was **56.7 million euro**, down by 13 million euro from 69.7 million euro in 2014 due to an increase in amortisation and depreciation (105 million euro in 2015, 89.6 million euro in 2014). The **EBITDA margin** was 4.4% (5.7% in 2014).

The Piaggio Group closed 2015 with **profit before tax of 20.1 million euro**, compared with 26.5 million euro in 2014. Income tax for the period was 8.2 million euro (10.5 million euro in 2014), with an impact on pre-tax profit of 41%.

2015 closed with a **net profit of 11.9 million euro**, down from 16.1 million euro in 2014 mainly as a result of higher amortisation and depreciation expense.

**Net debt** at 31 December 2015 was **498.1 million euro**, an increase of approximately 5.3 million euro from 492.8 million euro at 31 December 2014, largely due to the reduction in shareholders' equity on distribution of dividends, offset only in part by the positive trend in working capital.

**Operating cash flow** for the year was up to 109.8 million euro, an **increase of 4.5 million euro** (or +4.3%) from 105.3 million euro in 2014.

Group **shareholders' equity** at 31 December 2015 was **404.3 million euro** (413.1 million euro at 31 December 2014).

Piaggio Group **capital expenditure** in 2015 amounted to **101.9 million euro** (+7.4% from 94.9 million euro in 2014), of which **31.4 million euro for R&D expenditure** (31.8 million euro in

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<sup>1</sup> The main alternative performance indicators used by the Piaggio Group, representing the data monitored by management, are as follows:

- EBITDA: earnings (EBIT) before amortisation and depreciation and impairment losses on property, plant and equipment and intangible assets, as reflected in the consolidated income statement;
- Industrial gross margin: net sales less costs to sell;
- Net financial position: gross financial debt less cash and cash equivalents, and other current financial receivables. Determination of the net financial position does not include other financial assets and liabilities arising from measurement at fair value, derivatives designated or not as hedges, fair value adjustments of the related hedged items and related accruals.

2014) and approximately 70.5 million euro for property, plant and equipment, investment property and intangible assets (63.1 million euro in 2014).

Among investments in Group industrial assets, a particularly important project is the **new automated paint shop** nearing completion at the **Piaggio industrial facility in Pontedera** (Pisa). In 2014, investment at Pontedera included the insourcing of high-precision aluminium machining operations, with the opening of a dedicated shop.

The new paint shop is a completely robotised operation. It will be completed and opened in April 2016, to coincide with the 70th anniversary of the Vespa, whose first patent dates back to 23 April 1946. The new facility will enable Piaggio to improve still further finished product quality and efficiency on all vehicle paint processes.

**The total workforce** of the Piaggio Group at 31 December 2015 numbered **7,053 employees**. The Group's Italian employees numbered 3,638, unchanged from the previous year.

### **Business performance in 2015**

In 2015, the **Piaggio Group sold 519,700 vehicles worldwide** (546,500 in 2014).

The reduction of 4.9% in Group sales volumes was effectively counterbalanced - in terms of revenue growth - by the shift in the product mix towards **products with higher value per unit** (notably, with a 26.7% revenue increase in the motorcycle segment) and by the Piaggio Group's **premium price policy**.

In 2015, the Group sold **322,500 two-wheelers** (334,200 in 2014), generating **net sales of 884.9 million euro, an improvement of 5.2%** from 841 million euro in 2014. The figure includes **spares and accessories**, where sales totalled **123.9 million euro** (+8.3% from 2014). In the two-wheeler business, the Piaggio Group reported **revenue growth in all the main geographical areas** where it operates, with **turnover of 665.5 million euro** in the **EMEA and Americas** areas (+5% from 2014), **196.2 million euro** in **Asia Pacific** (+3.8%) and **23.2 million euro** in **India** (+26.2%).

On the **European two-wheeler market**, the **Piaggio Group reconfirmed its absolute leadership, closing 2015 with an overall market share of 15.2%** and a **24.1% market share in scooters** (approximately 11 percentage points ahead of the second European competitor). The Group also maintained a particularly strong positioning on the **North American scooter market**, with a **market share of more than 20%**.

In the **scooter sector**, the Group reported **higher net sales** for the **Vespa brand** (+3.5% on 2014), for 2015 **worldwide shipments of 166,000 scooters**.

Revenues also improved in **motorcycles, with an overall increase of 26.7%**.

The revenue improvement was **27.4% for the Moto Guzzi brand**, thanks to the success of the key **new products** launched by the Piaggio Group in the first half of 2015: the motorbikes in the V7 750 range (44% increase in sales volumes from 2014) and the California 1400 range (36% increase in sales volumes). **In 2015, Moto Guzzi shipped a total of 7,880 vehicles, for growth of 24% from 2014.**

Similarly, in the motorcycle sector, the **Aprilia brand** reported **revenue growth of 36%** from 2014. The **Aprilia super sports bikes with the V4 engine**, assisted by the benefits of Aprilia's MotoGP and Superbike activities, and its victory in the **2015 Superstock 1000 FIM Cup**, generated strong growth in sales in 2015, with an improvement of 56% in sales volumes for the **RSV4 range** and 74% in sales volumes for the **Tuono 1100** models.

In the **commercial vehicles** sector, the Group sold **197,200 vehicles** (212,300 in 2014) for **net sales of 410.4 million euro** (+10.2% from 372.3 million euro in 2014). The figure includes

**spares and accessories**, where **sales totalled 42.7 million euro** (+24.2% from 34.4 million euro in 2014).

In **commercial vehicles**, in the **EMEA and Americas** area, the Piaggio Group reported **net sales of 79.8 million euro**, for **revenue growth of 21.1%** from 2014, and 12,800 shipments, an improvement of 27.1% from 2014.

In **India**, net sales for commercial vehicles at the subsidiary **Piaggio Vehicles Private Limited (PVPL)** amounted to **330.6 million euro** (+7.9% on 306.3 million euro in 2014), despite a 3.3% slowdown in sales on the **Indian three-wheeler market** as a whole compared with 2014. On the Indian **three-wheel commercial vehicle** market, PVPL had an **overall share of 30.9%**; it strengthened its **leadership in the Cargo segment** with a **market share rising to 54.1%** (52.2% in 2014), and maintained a significant share (25.7%) of the **Passenger** segment.

In 2015 the **PVPL production hub** also exported **26,100 three-wheel commercial vehicles worldwide**. These sales arose in part in the EMEA and Americas area and in part in the India area, in connection with responsibility for management of the individual markets.

### Significant events in 2015

In addition to the information published at the time of approval of the 2015 third-quarter results:

Starting in September 2015, the Vespa 946 Emporio Armani was launched on the leading world markets. Specifically, on 17 September 2015 in Japan, 18 September in Vietnam, 21 September in Indonesia, 14 October in the USA and 30 October in the People's Republic of China.

On 2 October 2015, Piaggio Fast Forward, a subsidiary of Piaggio & C. S.p.A. based in the US state of Massachusetts, where it conducts research into innovative mobility and transport solutions, held its first event, in Milan.

The meeting, with the title *The Shape of Things to Come*, involved thousands of university students, physically in The Mall location in Milan and in streaming from all over the world. The event was attended by Piaggio Group senior management, including Roberto Colaninno (Group Chairman and CEO), Matteo Colaninno (Group Deputy Chairman) and Michele Colaninno (Immsi Group CEO and COO, and a Piaggio Group director). The speakers, in addition to Roberto Colaninno, included several members of the Piaggio Fast Forward Advisory Board and Board of Directors: Nicholas Negroponte (co-founder MIT Media Lab, Professor of Media Technology at the MIT); Jeffrey Schnapp (co-director Berkman Center for Internet & Society, Professor at Harvard University); Greg Lynn (designer, founder Greg Lynn FORM, Professor at Yale University); Doug Brent (Vice President Technology Innovation at Trimble); Beth Altringer (psychologist, designer, lecturer at the Harvard Engineering & Design School); Sasha Hoffman (co-founder Fuzzy Compass, active member of the Boston Entrepreneurship Ecosystem).

On 4 October 2015, Lorenzo Savadori won the 2015 World Superstock 1000 FIM Cup on the Aprilia RSV4 RF and Aprilia won the Manufacturers' title in the same championship.

During October 2015, the Piaggio Group began marketing the new versions of the Piaggio Porter, powered by the new MultiTech Euro 6 petrol engine, which, compared with the previous models, offers enhanced performance and cuts emissions and fuel consumption.

On 17 November 2015, at the EICMA motor show in Milan, the Piaggio Group previewed a number of new products, including the new Piaggio Medley high-wheel scooter, the new Piaggio Liberty generation, the special Vespa "Settantesimo" models in the PX, Primavera and GTS versions, as well as the Piaggio Wi-Bike, the pedal-assisted bicycle in four different configurations, entirely developed and built by Piaggio in Italy. The Group also showed new products in the motorcycle sector: Moto Guzzi presented the V9 range, the Bobber motorbike with large wheels and a dark spirit, and the V9 Roamer, a smart classic mid-range custom motorbike. Moto Guzzi also presented the V7 II Stornello 750, and the powerful 1400cc MGX-21 'Flying Fortress'. To celebrate 54 world titles and its Superstock 1000 success, Aprilia unveiled

the new Aprilia Racing Factory Works projects: custom racing bikes up to 230 hp for professional riders, collectors and devotees.

On 3 December 2015, the European Investment Bank and Piaggio signed a 70 million euro finance contract to fund Piaggio Group research and development projects at the Group's Italian sites. The seven-year loan will support the development of innovative technological product and process solutions in active and passive safety, sustainability (including electric motors and reduction of fuel consumption in combustion engines) and customer satisfaction, based on research into new mobility concepts, new driver-vehicle interfaces, and communication and web access protocols.

### **Significant events after 31 December 2015**

On 14 January 2016, the Group launched the new Piaggio Liberty, the scooter regarded as a milestone in the development of two-wheel mobility. Originally presented in 1997, the Piaggio Liberty has been a market best-seller with more than 900,000 scooters shipped in 18 years. The new Piaggio Liberty also features the new Piaggio iGet engines, in an air-cooled version, the state of the art in the respective displacement categories.

On 2 March 2016 the new Aprilia RS-GP 2016 was presented in Losail, in preparation for the 2016 Grand Prix motorcycle racing season. The new motorbike is a milestone in Aprilia's young and victorious racing track record, with 54 world titles won in around 20 years: this is the first MotoGP bike on which Aprilia has designed, developed and built every component, beginning with the engine, a unit featuring the exclusive narrow V4 architecture implemented on the entire supersports line from the Noale-based factory.

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### **Piaggio & C. S.p.A.**

In 2015, the parent reported net sales of 743.5 million euro and net profit of 15.1 million euro.

The Board of Directors will ask the shareholders to approve distribution of a gross dividend of 0.05 euro per entitled ordinary share (0.072 euro for financial year 2014), equivalent to approximately 18 million euro. The ex dividend date (coupon no.9) is 18 April 2016, the record date is 19 April 2016 and the payment date is 20 April 2016.

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### **Outlook**

In a general economic context likely to see a strengthening of the global economic upturn, where uncertainty will nonetheless remain with regard to the speed of European growth and the risk of a slowdown in some Asian countries in the Far East, Piaggio Group commercial and industrial operations will focus on:

- confirming the leadership position on the European two-wheeler market, taking full advantage of the expected recovery through:
  - a further strengthening of the product range, to grow sales and margins in the high-wheel scooter sector with the new Liberty and Medley and in the motorcycle sector, with the renewed Moto Guzzi and Aprilia ranges;
  - entry on to the e-bike market, with the new Piaggio Wi-Bike, leveraging the Group's leadership in technology and design;
  - maintenance of current positions on the European commercial vehicle market;
- consolidation in the Asia Pacific region by exploring new opportunities in mid-range motorcycles and replicating the premium strategy in Vietnam throughout the region, with a special focus on the Chinese market;
- strengthening sales on the Indian scooter market by extending the offer of Vespa products and introducing new models in the premium scooter and motorcycle segments for the other Group brands;

- growing commercial vehicle sales in India and the emerging countries, aiming for further growth in exports to Africa and South America.

As far as technology is concerned, the Piaggio Group will be working to develop new solutions for mobility today and tomorrow. This is the strategic objective of Piaggio Fast Forward, established in Cambridge, Massachusetts, to work with university teachers and researchers and in cooperation with top world players, for the development of innovative solutions for future mobility; similarly, the PADc (Piaggio Advanced Design center) in Pasadena will continue to explore the new frontiers of design for innovative, functional and efficient products with a unique style worthy of the Piaggio Group and its most prestigious brands.

In Europe, the Group R&D centres with a more traditional approach to new product development and production start-ups, will continue work on technologies and platforms that focus on the functional and emotional aspects of its vehicles, through continuous development in power trains, wider use of digital platforms connecting user and vehicle, and trials of new product and service configurations. They will be flanked by Aprilia Racing, which is not only a victorious racing division but also a profit centre for the development and sale of top-level motorcycles and a cutting-edge development platform in testing new materials and technological solutions of benefit to all Group products.

At a more general level, the Group maintains its constant commitment – a characteristic of recent years and continuing in 2016 – to generate higher productivity through close attention to cost and investment efficiency, in compliance with the ethical principles adopted by the Group.

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#### **Authorisation for the purchase and sale of own shares**

At today's meeting, the Board of Directors agreed to present to the shareholders' meeting a proposal for the renewal of the authorisation for the purchase and sale of own shares granted by the Annual General Meeting of 13 April 2015, which is due to expire on 13 October 2016. The proposal aims to provide the company with a useful strategic investment opportunity for the purposes allowed under law, including the purposes contemplated in the market practices allowed by the Consob pursuant to art. 180, paragraph 1, lett c) of the Consolidated Finance Act with resolution no. 16839 of 19 March 2009 and Regulation CE no. 22/2003 of 22 December 2003, and also for purchases of own shares for subsequent cancellation.

Authorisation to purchase own shares will be requested for a period of 18 months, as from the shareholder resolution date; authorisation to sell own shares will be requested for an unlimited period.

As of today, the number of own shares in portfolio stands at 1,896,000, representing 0.525% of share capital.

All information concerning the terms and procedures of the authorisation will be set out in the Illustrative Report on Own Share Purchases, to be made available to shareholders within the terms envisaged by current laws.

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#### **Update of the 2014-2017 Business Plan**

The Board of Directors approved an update of the 2014-17 Business Plan, also for the purpose of impairment testing. The update takes the related cash flows forward to 2019 while making no changes to the basic assumptions. The review is dictated largely by exogenous considerations relating to weaker general economic conditions and market demand than previously assumed.

The results of the review are in any case in line with consensus forecasts.

The updated Plan confirms the Piaggio Group strategy to leverage its consolidated leadership in Europe in order to obtain the maximum benefit from the market turnaround after several consecutive years of decline.

The Group will also be aiming to penetrate new customer segments, with the development of projects such as e-bikes on Western markets and small-medium displacement motorbikes in Latin America.

On the Asian markets, the Piaggio Group intends to maintain its position as reference player on the Vietnamese premium scooter market, supported by the full renewal of its product ranges, which has already seen the launch of the new Piaggio Liberty and Medley models.

On the Indian market, the Piaggio Group is targeting higher sales of two-wheelers, with the expansion of the product range for both scooters and small-medium displacement motorbikes. With regard to 3- and 4-wheel light commercial vehicles, the Group is also looking to consolidate its position as benchmark player on the Indian three-wheeler market, and grow its presence in four-wheel vehicles in the one-ton and up to 0.5 ton segments. It will also continue to develop export operations (with priority on Africa and Latin America) for vehicles produced in India.

With regard to key economic and financial indicators, the 2016-2019 Plan forecasts consolidated net sales of between 1,750 and 1,850 million euro in 2019. The Ebitda projection for 2019 is approximately 255 million euro. Piaggio Group net debt is expected to be approximately 400 million euro in 2019 (from 498 million euro at 31.12.2015).

### **Conference call with analysts**

The presentation of the financial results as at and for the year ended 31 December 2015, which will be illustrated during a conference call with financial analysts, is available on the corporate website at [www.piaggiogroup.com/it/investor](http://www.piaggiogroup.com/it/investor) and on the “eMarket Storage” authorised storage mechanism on the website [www.emarketstorage.com](http://www.emarketstorage.com).

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The Piaggio Group consolidated income statement, consolidated statement of financial position and consolidated statement of cash flows as at and for the year ended 31 December 2015 are set out below.

The manager in charge of preparing the company accounts and documents, Alessandra Simonotto, certifies, pursuant to paragraph 2 of art. 154 bis of Legislative Decree no. 58/1998 (Consolidated Law on Financial Intermediation), that the accounting disclosures in this statement correspond to the accounting documents, ledgers and entries.

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In line with the recommendations of CESR Communication 05-178b, attention is drawn to the fact that this press release contains a number of indicators that, though not yet contemplated by the IFRS (“Non-GAAP Measures”), are based on financial measures envisaged by the IFRS. These indicators – presented in order to assist assessment of the Group’s business performance – should not be considered as alternatives to those envisaged by the IFRS and are consistent with those in the Piaggio Group 2014 Annual Report and quarterly and half-year reports. Furthermore, since determination of such indicators is not specifically regulated by the IFRS, the methods used may not coincide with those adopted by other companies/groups, and consequently the indicators in question may not be comparable. In compliance with Consob Communication no. 9081707 of 16 September 2009, it should be noted that the alternative performance indicators (“Non-GAAP Measures”) have not been audited by the independent auditors.

This press release may contain forward-looking statements relating to future events and Piaggio Group business and financial results. By their nature, these statements are subject to inherent risks and uncertainties, since they relate to events and depend on circumstances that may or may not occur or exist in the future. Actual results may differ materially from those expressed in such statements as a result of a variety of factors.

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## FINANCIAL STATEMENTS

### Consolidated Income Statement

	2015		2014	
	Total	<i>of which related parties</i>	Total	<i>of which related parties</i>
<i>In thousands of euro</i>				
Net Sales	1,295,286	794	1,213,272	166
Cost of materials	770,297	25,616	707,515	20,674
Cost of services and use of third-party assets	235,892	3,776	212,638	3,715
Employee expense	213,326		211,513	
Depreciation and impairment property, plant and equipment	45,552		41,710	
Amortisation and impairment intangible assets	59,491		47,934	
Other operating income	106,180	737	97,123	2,491
Other operating expense	20,198	33	19,424	19
<b>EBIT</b>	<b>56,710</b>		<b>69,661</b>	
Results of associates	295	141	(184)	(113)
Finance income	878		1,606	
Finance costs	37,476	157	43,504	388
<i>of which non-recurring</i>			3,552	
Net exchange-rate gains/(losses)	(304)		(1,065)	
<b>Profit before tax</b>	<b>20,103</b>		<b>26,514</b>	
Income tax expense	8,236	(655)	10,450	(125)
<i>of which non-recurring</i>			(977)	
<b>Profit from continuing operations</b>	<b>11,867</b>		<b>16,064</b>	
Discontinued operations:				
Profit or loss from discontinued operations				
<b>Profit (loss) for the period</b>	<b>11,867</b>		<b>16,064</b>	
<b>Attributable to:</b>				
Equity holders of the parent	11,873		16,065	
Minority interests	(6)		(1)	
<b>Earnings per share (in €)</b>	<b>0.033</b>		<b>0.044</b>	
<b>Diluted earnings per share (in €)</b>	<b>0.033</b>		<b>0.044</b>	

## Consolidated Statement of Comprehensive Income

	2015	2014
<i>In thousands of euro</i>		
<b>Profit (loss) for the period (A)</b>	<b>11,867</b>	<b>16,064</b>
<b>Items that cannot be reclassified to profit or loss</b>		
Re-measurement of defined benefit plans	1,841	(5,594)
Total	<b>1,841</b>	<b>(5,594)</b>
<b>Items that may be reclassified to profit or loss</b>		
Gains (losses) on translation of financial statements of foreign entities	3,313	8,215
Total gains (losses) on cash flow hedges	244	735
Total	<b>3,557</b>	<b>8,950</b>
<b>Other comprehensive income (B)*</b>	<b>5,398</b>	<b>3,356</b>
<b>Total comprehensive income (expense) for the period (A + B)</b>	<b>17,265</b>	<b>19,420</b>
* Other comprehensive income (expense) takes related tax effects into account		
<b>Attributable to:</b>		
Equity holders of the parent	17,189	19,430
Minority interests	76	(10)

**Consolidated Statement of Financial Position**

	<u>At 31 December 2015</u>		<u>At 31 December 2014</u>	
	<b>Total</b>	<i>of which related parties</i>	<b>Total</b>	<i>of which related parties</i>
<i>In thousands of euro</i>				
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets	673,986		668,354	
Property, plant and equipment	307,608		307,561	
Investment property	11,961		11,961	
Equity investments	9,529		8,818	
Other financial assets	24,697		19,112	
Non-current tax receivables	5,477		3,230	
Deferred tax assets	56,434		46,434	
Trade receivables				
Other receivables	13,419	153	13,647	197
<b>Total non-current assets</b>	<b>1,103,111</b>		<b>1,079,117</b>	
<b>Assets held for sale</b>				
<b>Current assets</b>				
Trade receivables	80,944	1,150	74,220	856
Other receivables	29,538	8,879	36,749	9,440
Current tax receivables	21,541		35,918	
Inventories	212,812		232,398	
Other financial assets	2,176			
Cash and cash equivalents	101,428		98,206	
<b>Total current assets</b>	<b>448,439</b>		<b>477,491</b>	
<b>TOTAL ASSETS</b>	<b>1,551,550</b>		<b>1,556,608</b>	

	<u>At 31 December 2015</u>		<u>At 31 December 2014</u>	
	<b>Total</b>	<i>of which related parties</i>	<b>Total</b>	<i>of which related parties</i>
<i>In thousands of euro</i>				
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
<b>Shareholders' equity</b>				
Share capital and reserves attributable to equity holders of the parent	404,535		412,147	
Share capital and reserves attributable to minority interests	(242)		922	
<b>Total shareholders' equity</b>	<b>404,293</b>		<b>413,069</b>	
<b>Non-current liabilities</b>				
Borrowings due after one year	520,391	2,900	506,463	2,900
Trade payables				
Other non-current provisions	9,584		10,394	
Deferred tax liabilities	4,369		5,123	
Pension funds and employee benefits	49,478		55,741	
Non-current tax payables			0	
Other non-current payables	4,624		3,645	
<b>Total non-current liabilities</b>	<b>588,446</b>		<b>581,366</b>	
<b>Current liabilities</b>				
Borrowings due within one year	105,895		102,474	
Trade payables	380,363	10,108	386,288	15,580
Non-current tax payables	14,724		14,445	
Other current liabilities	48,050	8,666	49,148	8,397
Current portion of other non-current provisions	9,779		9,818	
<b>Total current liabilities</b>	<b>558,811</b>		<b>562,173</b>	
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>1,551,550</b>		<b>1,556,608</b>	

## Consolidated Statement of Cash Flows

This schedule shows the determinants of changes in cash and cash equivalents net of bank overdrafts, as required by IAS 7.

	2015		2014	
	Total	of which related parties	Total	of which related parties
<i>In thousands of euro</i>				
<i>Operating assets</i>				
Consolidated net profit (loss)	11,873		16,065	
Earnings attributable to minority interests	(6)		(1)	
Tax for the period	8,236		10,450	
Depreciation property, plant and equipment	45,523		41,419	
Amortisation intangible assets	59,491		47,934	
Allowances for risks, retirement funds and employee benefits	17,032		17,453	
Impairment losses / (Reversals)	2,470		(1,969)	
Losses / (Gains) on sale of property, plant and equipment	(251)		32	
Losses / (Gains) on sale of intangible assets	0		0	
Finance income	(877)		(905)	
Dividend income	(130)		(5)	
Finance costs	36,751		41,044	
Income from public grants	(3,487)		(2,823)	
Share of results of associates	(141)		113	
<i>Change in working capital:</i>				
(Increase)/Decrease in trade receivables	(4,957)	(294)	3,383	8
(Increase)/Decrease in other receivables	8,113	605	(10,040)	(2,244)
(Increase)/Decrease in inventories	19,586		(24,590)	
Increase/(Decrease) in trade payables	(5,925)	(5,472)	40,124	4,376
Increase/(Decrease) in other payables	(119)	269	3,229	1,923
Increase/(Decrease) in provisions for risks	(9,913)		(15,495)	
Increase/(Decrease) in retirement funds and employee benefits	(14,613)		(2,851)	
Other changes	16,375		(38,193)	
<b>Cash generated by operating activities</b>	<b>185,031</b>		<b>124,374</b>	
Interest expense paid	(32,790)		(36,180)	
Tax paid	(23,400)		(21,832)	
<b>Cash flow from operating activities (A)</b>	<b>128,841</b>		<b>66,362</b>	
<i>Investing activities</i>				
Investment in property, plant and equipment	(38,062)		(36,628)	
Sale price or redemption value of property, plant and equipment	581		833	
Investment in intangible assets	(63,828)		(58,265)	
Sale price or redemption value of intangible assets	56		59	
Sale price of financial assets	47		915	
Interest collected	749		528	
<b>Cash flow from investing activities (B)</b>	<b>(100,457)</b>		<b>(92,558)</b>	
<i>Financing activities</i>				
Exercise of stock options			5,076	
Exercise of stock options with sale of own shares			245	
Own share purchases	(34)		(3,787)	
Outflow for dividends paid	(26,007)			
Loans received	58,130		207,973	
Outflow for loan repayments	(49,270)		(134,683)	
Finance leases received			267	
Repayment of finance leases	(31)		(5,835)	
<b>Cash flow from financing activities (C)</b>	<b>(17,212)</b>		<b>69,256</b>	
Increase / (Decrease) in cash and cash equivalents (A+B+C)	11,172		43,060	
<b>Opening balance</b>	<b>90,125</b>		<b>52,816</b>	
Exchange differences	5		(5,751)	
<b>Closing balance</b>	<b>101,302</b>		<b>90,125</b>	

**INCOME STATEMENT PIAGGIO & C SPA**

	Note	2015		2014	
		Total	of which related parties	Total	of which related parties
In thousands of euro					
Net Sales	3	743,470	95,344	716,426	105,169
Cost of materials	4	433,400	56,407	406,334	45,444
Cost of services and use of third-party assets	5	182,570	43,449	173,929	39,004
Employee expense	6	159,033	42	162,662	4
Depreciation and impairment property, plant and equipment	7	27,561		28,210	
Amortisation and impairment intangible assets	7	48,109		38,775	
Other operating income	8	113,109	43,915	113,729	36,073
Other operating expense	9	15,582	770	15,534	909
<b>EBIT</b>		<b>(9,676)</b>		<b>4,711</b>	
Results of associates	10	49,919		42,194	
Finance income	11	705	352	1,158	319
Finance costs	11	26,750	33	32,642	411
of which non-recurring	43			3,552	
Net exchange-rate gains/(losses)	11	(590)		(498)	
<b>Profit before tax</b>		<b>13,608</b>		<b>14,923</b>	
Income tax expense	12	(1,450)	(534)	113	(64)
of which non-recurring	43			(977)	
<b>Profit from continuing operations</b>		<b>15,058</b>		<b>14,810</b>	
Discontinued operations:					
Profit or loss from discontinued operations	13				
<b>Consolidated net profit (loss)</b>		<b>15,058</b>		<b>14,810</b>	

**STATEMENT OF COMPREHENSIVE INCOME**

In thousands of euro	Note	2015	2014	Change
<b>Profit (loss) for the period (A)</b>		<b>15,057</b>	<b>14,810</b>	<b>247</b>
Items that cannot be reclassified to profit or loss				
Re-measurement of defined benefit plans	40	2,080	(5,159)	7,239
<b>Total</b>		<b>2,080</b>	<b>(5,159)</b>	<b>7,239</b>
Items that may be reclassified to profit or loss				
Total fair value gains (losses) on available-for-sale financial assets	40			0
Total gains (losses) on cash flow hedges	40	245	735	(490)
<b>Total</b>		<b>245</b>	<b>735</b>	<b>(490)</b>
<b>Other comprehensive income (B)*</b>		<b>2,325</b>	<b>(4,424)</b>	<b>6,749</b>
<b>Total comprehensive income (expense) for the period (A + B)</b>		<b>17,382</b>	<b>10,386</b>	<b>6,996</b>

\* Other comprehensive income (expense) takes related tax effects into account

**Statement of Financial Position**

	Note	At 31 December 2015		At 31 December 2014	
		Total	of which related parties	Total	of which related parties
In thousands of euro					
<b>ASSETS</b>					
Non-current assets					
Intangible assets	14	577,138		572,402	
Property, plant and equipment	15	188,433		197,006	
Investment property	16	0		0	
Equity investments	32	64,317		63,480	
Other financial assets	33	20,328		13,316	
Non-current tax receivables	21	634		893	
Deferred tax assets	17	32,522		29,653	
Other receivables	20	2,839	153	3,430	197
<b>Total non-current assets</b>		<b>886,211</b>		<b>880,180</b>	
<b>Assets held for sale</b>					
Current assets					
Trade receivables	19	57,244	18,428	74,669	35,867
Other receivables	20	91,417	77,052	82,536	64,364
Current tax receivables	21	5,942		3,266	
Inventories	18	157,233		170,645	
Other financial assets	34	13,403	13,403	13,669	13,669
Cash and cash equivalents	35	12,745		29,196	
<b>Total current assets</b>		<b>337,984</b>		<b>373,981</b>	
<b>TOTAL ASSETS</b>		<b>1,224,195</b>		<b>1,254,161</b>	



	At 31 December 2015			At 31 December 2014	
	Total	of which related parties		Total	of which related parties
In thousands of euro	Not e				
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>					
Shareholders' equity					
Share capital	39	207,614		207,614	
Share premium	39	7,171		7,171	
Legal reserve	39	17,643		16,902	
Other reserves	39	11,001		10,756	
Retained earnings (accumulated losses)	39	61,834		71,725	
Profit (loss) for the year	39	15,058		14,810	
<b>Total shareholders' equity</b>		<b>320,321</b>		<b>328,978</b>	
Non-current liabilities					
Borrowings due after one year	36	495,386	2,900	472,439	2,900
Other non-current provisions	26	7,220		8,089	
Pension funds and employee benefits	27	47,885		54,051	
Non-current tax payables	28	0		0	
Other non-current payables	33	1,434		1,666	
<b>Total non-current liabilities</b>		<b>551,925</b>		<b>536,245</b>	
Current liabilities					
Borrowings due within one year	36	49,704	10,023	62,380	3,856
Trade payables	25	246,893	19,754	266,143	8
Non-current tax payables	28	6,465		7,131	
Other current liabilities	33	41,365	6,498	46,961	16,974
Current portion of other non-current provisions	26	7,522		6,323	
<b>Total current liabilities</b>		<b>351,949</b>		<b>388,938</b>	
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>1,224,195</b>		<b>1,254,161</b>	

## Statement of Cash Flows

This schedule shows the determinants of changes in cash and cash equivalents net of bank overdrafts, as required by IAS 7.

	Note	2015	2014
In thousands of euro			
Operating assets			
Profit (loss) for the year		15,057	14,810
Tax for the period	12	(1,450)	113
Depreciation property, plant and equipment	7	27,561	28,211
Amortisation intangible assets	7	48,109	38,776
Non-monetary costs for stock options		0	0
Allowances for risks, retirement funds and employee benefits		15,433	16,076
Impairment losses / (Reversals)		4,628	4,164
Losses / (Gains) on sale of property, plant and equipment		(46)	(4,346)
Finance income	11	(704)	(1,158)
Dividend income		(52,395)	(44,380)
Finance costs	11	27,340	33,140
Change in working capital:			
(Increase)/Decrease in trade receivables	21	(1,594)	3,409
(Increase)/Decrease in other receivables	22	8,576	(9,974)
(Increase)/Decrease in inventories	23	13,412	(13,013)
Increase/(Decrease) in trade payables	30	(9,506)	21,218
Increase/(Decrease) in other payables		(15,571)	3,252
Increase/(Decrease) in current provisions for risks	31	(5,253)	(12,548)
Increase/(Decrease) in non-current provisions for risks	31	(869)	(1,002)
Increase/(Decrease) in retirement funds and employee benefits	32	(15,147)	(3,612)
Other changes		6,940	(2,758)
<b>Cash generated by operating activities</b>		<b>64,521</b>	<b>70,378</b>
Interest expense paid		(24,230)	(34,070)
Tax paid		(7,927)	(10,217)
<b>Cash flow from operating activities (A)</b>		<b>32,364</b>	<b>26,091</b>
Investing activities			
Investment in property, plant and equipment	15	(19,053)	(24,651)
Sale price or redemption value of property, plant and equipment		112	5,383
Investment in intangible assets	14	(56,010)	(55,958)
Sale price or redemption value of intangible assets		56	58
Investment in non-current financial assets		(2,785)	(4,507)
Loans given		266	(717)
Reimbursement loans granted		0	0
Sale price of financial assets		0	0
Interest collected		565	302
Dividends from equity investments		46,469	44,084
<b>Cash flow from investing activities (B)</b>		<b>(30,380)</b>	<b>(36,006)</b>
Financing activities			
Own share purchases	28	(34)	(3,787)
Proceeds on exercise of stock options	28	0	5,321
Outflow for dividends paid	28	(26,007)	0
Loans received	29	61,528	208,554
Outflow for loan repayments	29	(52,124)	(159,592)
Repayment of finance leases	29	0	(5,809)
<b>Cash flow from financing activities (C)</b>		<b>(16,637)</b>	<b>44,687</b>
<b>Increase / (Decrease) in cash and cash equivalents (A+B+C)</b>		<b>(14,653)</b>	<b>34,772</b>
Opening balance		27,416	(7,448)
Exchange differences		(71)	92
<b>Closing balance</b>		<b>12,692</b>	<b>27,416</b>

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