



Piaggio & C. S.p.A.

Explanatory Memorandum

Financial Statements of Piaggio & C S.p.A. as of 31 December 2016; presentation of Consolidated Financial Statements of the Piaggio Group as of 31 December 2016; Directors' Report on Operations for 2016 and proposal for the allocation of operating profits; Board of Statutory Auditors Report; Independent Auditors' Report; related and consequent resolutions.

Dear Shareholders,

The Board of Directors of your Company has convened the ordinary Shareholders' Meeting for your approval of the draft financial statements for Piaggio & C. S.p.A. at 31 December 2016.

The financial statements at 31 December 2016 closed with a profit of Euro 14.003.073,35; we refer to the Report on Operations prepared by the Board of Directors and available for Shareholders.

Therefore, we propose to allocate the profit as follows:

- Euro 700.153,67 as legal reserve;
- Euro 13.302.919,68 as earnings reserve from the valuation of investments with the equity method.

Furthermore, taking into account the amount of the available reserves in the financial statement of the Company (equal to Euro 21.382.533,87) and – pursuant to the article 2426 no. 5 of the Italian civil code – the amount of the development costs and the purchase of treasury share, we are submitting, for your approval, the proposal to distribute a dividend of Euro 0.055 for every qualifying share and therefore (taking into account the 3.054.736 treasury shares in the Company's portfolio) a total of Euro 19.698.450,42 from the "Retained Earnings" reserve.

The Board of Directors will also report on the consolidated financial statements at 31 December 2016.

Therefore we are submitting the following draft resolution for your approval:

"The Ordinary General Shareholders Meeting of Piaggio & C. S.p.A.,

- *having heard and approved the statements of the Board of Directors;*
- *and in acknowledgement of the Report of the Board of Statutory Auditors, the Report of the Auditing Company and the Consolidated Financial Statements as at 31 December 2016,*

resolved

1. *to approve the Report of the Board of Directors and the Financial Statements as of 31 December 2016 in their entirety;*
2. *to approve the following allocation of the profits:*
 - *Euro 700.153,67 as legal reserve;*
 - *Euro 13.302.919,68 as Earnings reserve from the valuation of investments with the equity method;*
3. *to distribute a dividend of Euro 0,055, before tax, to every ordinary qualifying share and therefore (taking into account the 3.054.736 treasury shares in the Company's portfolio) a total of Euro 19.698.450,42., using for such purpose the "Retained Earnings" reserve for the entire amount;*

This document has been written in Italian and translated in English. For any conflict or discrepancies between the two texts the Italian text shall prevail.

3. to establish 24th April 2017 as the coupon no. 10 detachment date, 25th April 2017 as dividend record date and 26th April 2017 as the date from which the dividend is payable".

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The documentation required by Article 154-*ter* of the Legislative Decree no. 58/1998 will be made publicly available at least twenty one days prior to the date of the Shareholders' Meeting on first call.

Mantova, February 27, 2017

For the Board of Directors
Chairman and Chief Executive Officer
(Roberto Colaninno)