



PRESS RELEASE

Board of Directors meeting

PIAGGIO APPROVES
2005 DRAFT FINANCIAL STATEMENTS *

- **NET SALES €1,451.8 MLN**
- **EBITDA €184.8 MLN, A 12.7% RETURN ON NET SALES**
 - **OPERATING INCOME €94.3 MLN**
 - **NET PROFIT €37.9 MLN**
 - **NET DEBT DOWN TO €411.4 MLN**

Milan, 8 March 2006 – At a meeting today in Milan chaired by Roberto Colaninno, the Board of Directors of Piaggio & C. S.p.A. examined and approved the 2005 draft financial statements. These will be presented for the approval of shareholders at the meeting convened for 28 April (first call) and 3 May (second call).

Following the acquisition of the Aprilia Group (Aprilia and Moto Guzzi) at the end of December 2004, 2005 saw Piaggio consolidate its position as a top world player on the two-wheel vehicle market.

During the year the Piaggio Group maintained its leadership position on the European scooter market. In the motorcycle business, the Aprilia brand strengthened its reputation for innovative products at the leading edge of technology, while Moto Guzzi presented a number of models that were warmly received by the market.

With shipments of more than 610,000 vehicles during the year, the Piaggio Group's 2005 **consolidated net sales** totalled € 1,451.8 million, an overall increase of € 367.6 million on the 2004 figure of € 1,084.2 million¹. This reflected the consolidation of Aprilia for € 351 million and growth in the light transport business.

* The 2005 figures reflect the current structure of the Piaggio Group, after the Aprilia Group acquisition on 30 December 2004. Consequently, the 2005 income statement is not comparable with the 2004 results, due to the change in the scope of consolidation. Figures at 31 December 2004 have been restated for compliance with the IAS/IFRS standards.

¹ Engine sales to Aprilia, a component of Piaggio's 2004 results, are now an intragroup item and therefore no longer reflected in the accounts.



The **industrial gross margin** was € 438.2 million, an increase of € 115.3 million from 2004 and an improvement in the return on net sales (from 29.8% to 30.2% in 2005).

EBITDA amounted to € 184.8 million. The return on net sales, 11.3% in 2004, was 12.7%, a gain achieved largely through improved operating efficiency.

After depreciation and amortisation for € 90.5 million, **operating income** totalled € 94.3 million, up € 32 million from 2004. Group profitability also made further progress, from 5.7% to 6.5%.

Net financial charges in 2005 amounted to € 30.3 million.

2005 closed with a **consolidated net profit** of € 37.9 million (after minority interests of € 0.2 million).

Net debt stood at € 411.4 million, down by € 110.1 million from € 521.5 million at the end of 2004. The reduction arose from cash flow on operations totalling € 128.6 million and more efficient management of working capital, which decreased by € 70.2 million.

Shareholders' equity amounted to € 348.5 million, up from € 251.2 million at 31 December 2004 as a result of profit for the year and the effect of fair-value measurement of the warrants issued for banks at the time of the Aprilia acquisition.

The Board of Directors meeting was followed by an ordinary and extraordinary meeting of Piaggio & C. S.p.A. shareholders, who carried a resolution to apply for Piaggio & C. S.p.A. ordinary shares to be listed on the Borsa Italiana automated trading system, and completed the procedures required under Legislative Decree 58/1998.

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