



A comparison between Motorcycle and Scooter segments

Reference frames, Present, Future

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The Piaggio Group

The Piaggio Group, based in Pontedera (Pisa, Italy), is one of the world's top manufacturers of two-wheel motor vehicles

- Controlled by Immsi S.p.A.
- Headed by Roberto Colaninno, Piaggio Group CEO
- Listed on the Milan Stock Exchange since 11 July 2006
- Ranks as one of the world's top four players in its core business, with a consolidated leadership position on European PTW market:
 - 5 R&D centres
 - More than 7,000 employees.
- The product range includes scooters, motorcycles and mopeds from 50cc up to 1200cc
- Seven are the Brands : Piaggio, Vespa, Gilera, Aprilia, Moto Guzzi, Derbi and Scarabeo brands
- The Group also manufactures 3/4 light transport vehicles for the Ape, Porter and Quargo ranges



Production plants



Pontedera (Pisa): three plants

- PTW for the Piaggio, Vespa and Gilera brands
- Light transport vehicles (LTVs) for the European market
- Engines for Group scooters and Aprilia motorcycles

Scorzè (Venice): Aprilia and Scarabeo brands PTWs

Mandello del Lario (Lecco): Moto Guzzi vehicles and engines

Barcelona (Spain): Derbi brand PTWs

Baramati (India): 3-4w LTVs for the local market

Vinh Phuc (Vietnam): Vespa for local market and ASEAN area

Piaggio Group holds a joint venture in China (Foshan) owned 45% by Piaggio, and therefore not included in the Group's consolidated results.



Business results (2008)



Piaggio Group shipped 648,600 vehicles worldwide:

- 470,500 PTW business
- 178,100 LTV business.
- Consolidated net sales: € 1.570,1 million
- Consolidated EBITDA: € 189,1 million
- Operating profit: € 94,5 million
- Pre-tax profit: € 59,6 million
- Net profit: € 43,3 million



Motorcycle and scooter, the

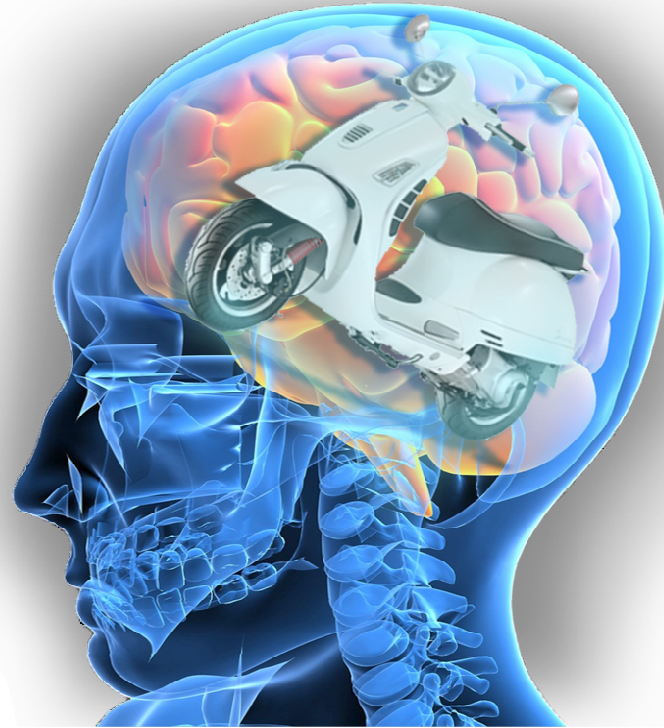




Two of a different kind

Scooter

- rationality
- urban mobility needs
- traffic challenge



Motorcycle

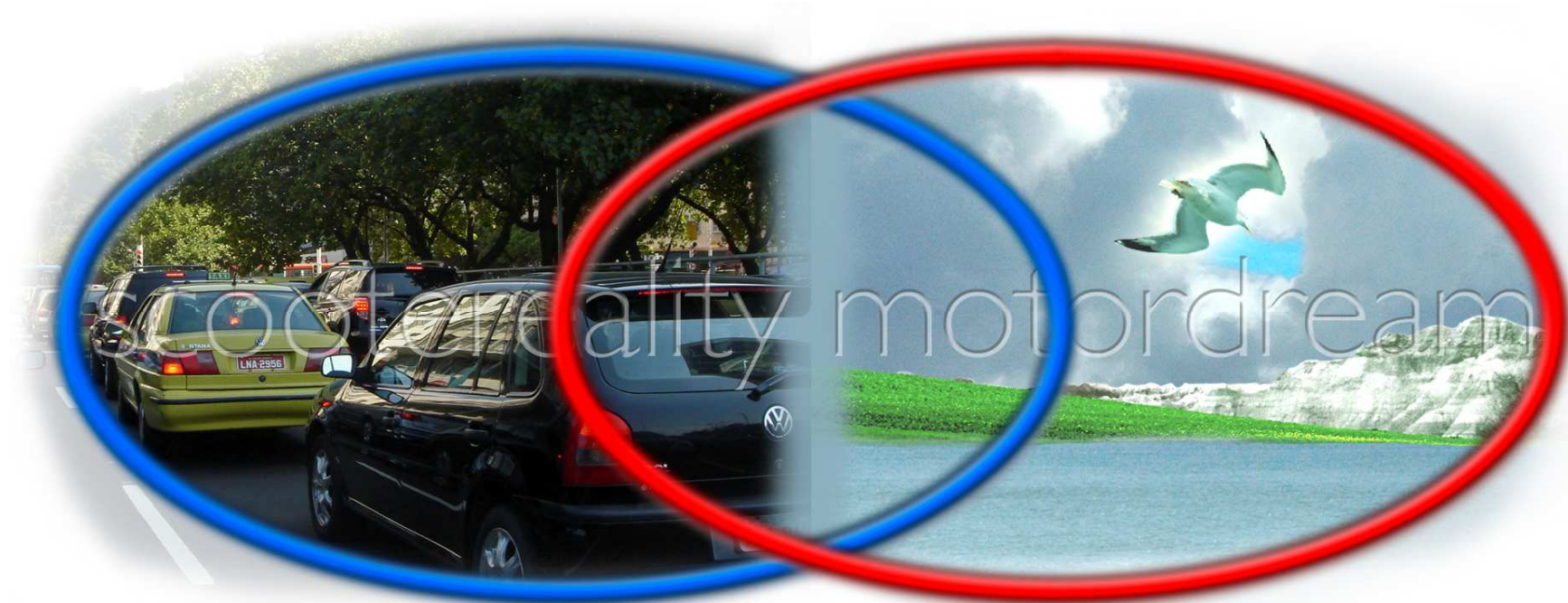
- passion
- emotion
- self fulfillment



Contiguous different worlds

No insuperable barriers separate the worlds.
Scooters can dream and Motorcycles can be useful in the
cities:

both help saving time and gasoline, reducing pollution
both avoid traffic jam, parking issues



but certainly they remain two different worlds



Different effects of the economical crisis

Scooter as a concrete answer to mobility needs:

- is less crisis-sensitive
- shows quick reaction to economical incentives
- rewards “value for money”:
 - cheap/runabout models
 - essential models



NEED



FEEL

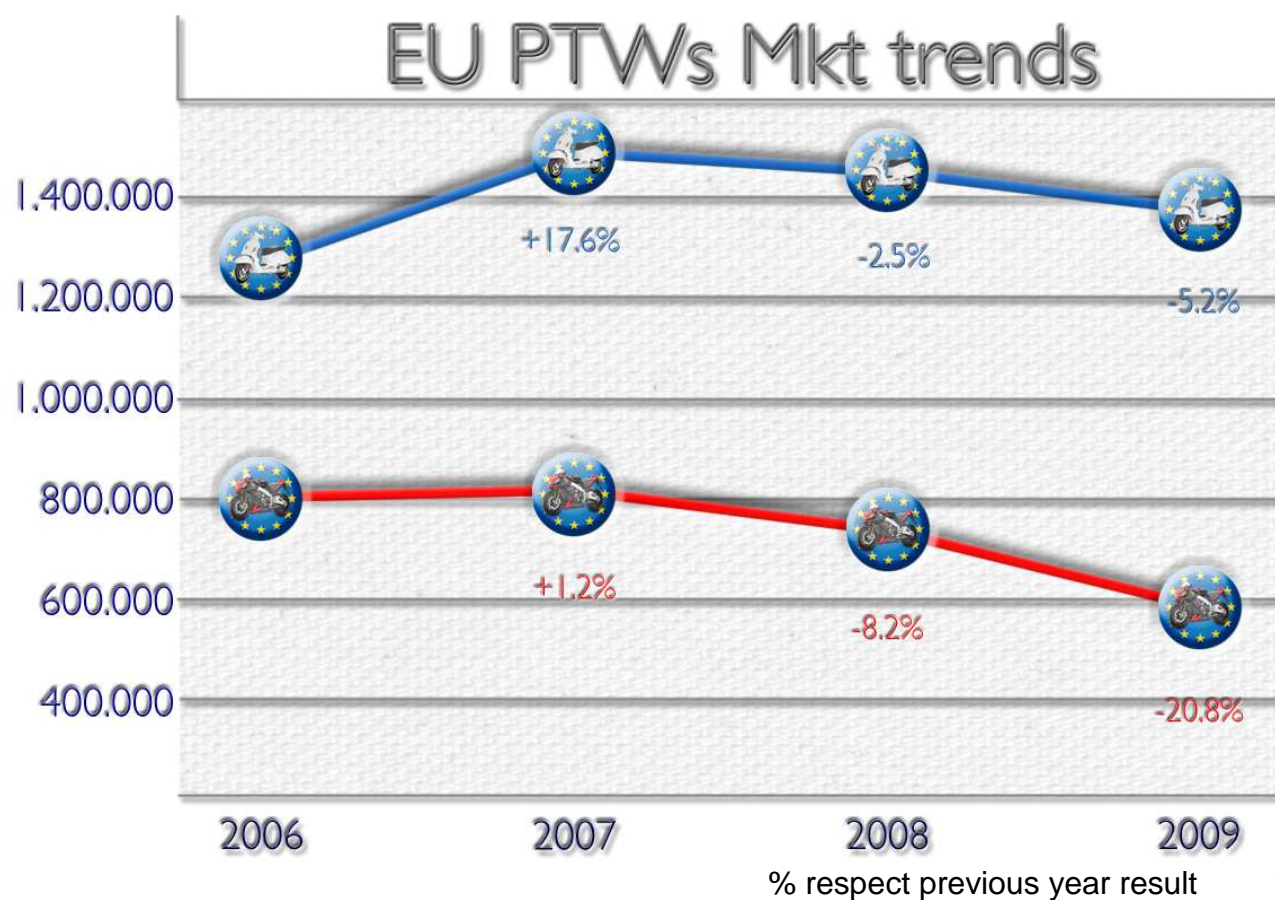
Motorcycle as an expression of personality:

- is more crisis-sensitive, but shows positive interest towards:
 - motorsports
 - intangible assets (style)
 - prestige and distinctiveness of Brands



Different effects of the economical crisis

The economical crisis casts its effects on both Markets.
An indepth analysis shows distinguished reactions between
Scooters and Motorcycles

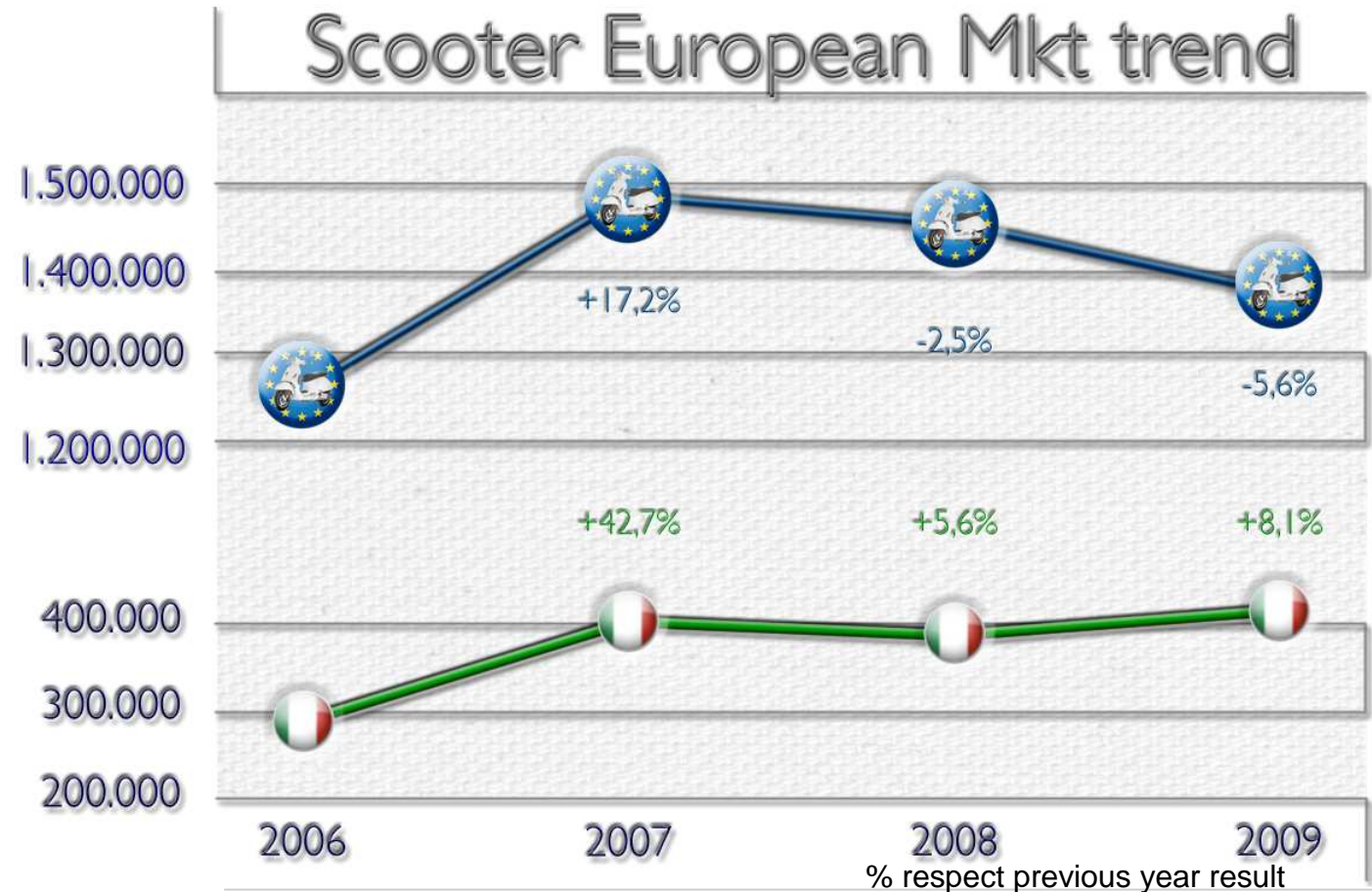




Rational and incentivable

Scooter Mkt trend is balanced by Italian Mkt which demonstrates huge effects of Gov. incentives in fighting the crisis.

Economical factors are basic in rational choices.

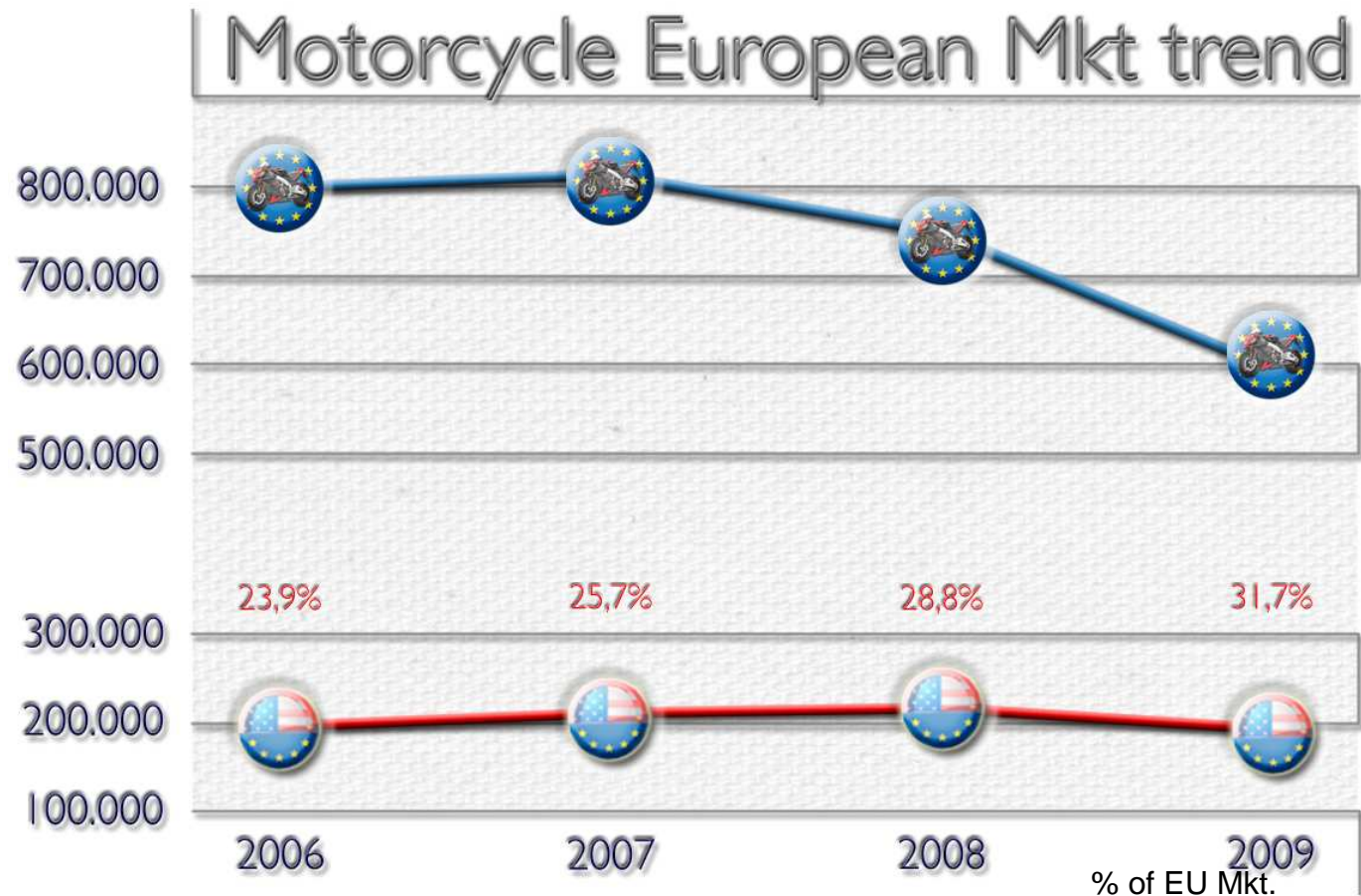




Tangible “intangibles” effects

As Motorcycle Eu Mkt suffers relevantly the crisis, Western traditional Brands are quite constant and increase their % on total:

“Intangibles” are relevant factors for motorcycles.

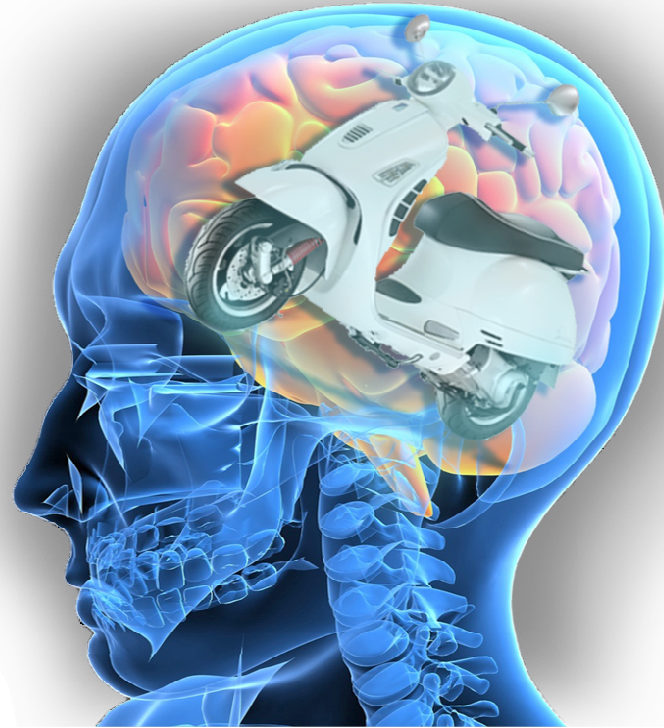




Different Critical Success Factors

Scooters:

- Reliability
- Functionality
- Safety and Comfort
- Value for Money



Motorcycles:

- Design & Innovation
- Technical level
- Accessibility
- Brand Identity & Reference world (sport, community)



Different Technical Frames

Scooters:

- Higher production volumes
- High Standardization
- High Engines carry over
- Functional and smart rather than sophisticated technical solution
- Challenging price competition



Low Technical Barrier

High Technical Barrier



Motorcycles:

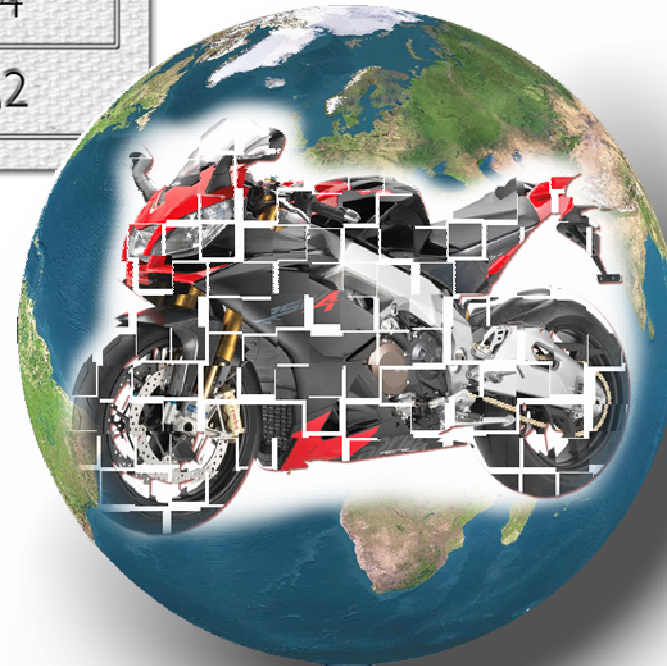
- Lower production volumes
- Engines and frames dedicated to a single model or Brand
- Need of refined technical solution
- Challenging technical competition



Different Suppliers Frames

	Motorcycles	Scooters
Total n° of Models	1.883	1038
Average sell-out top 20	11.401	17.407
Average sell out	430,5	1147,3
<1.000 pcs sellers (n°)	1709	804
<1.000 pcs sellers (%)	21,1	11,2

High fragmentation of Motorcycle Mkt requests a high number of models, quick reaction to Mkt changes, short Supplier chain due to high technical competition





Over the crisis: new words for new world

Incoming social and personal behaviours, such as...



ecofriendship

Consciousness and self consciousness about Nature's worth, resources limitedness, Carbonprint relevance.



respect

Awareness about the role and dignity of every human being on the Planet



socialize

Socializing, grouping to be worth more and to be a part of virtual or real communities.

...leads to the birth of a new customer with new values and greater awareness



New words for new customers

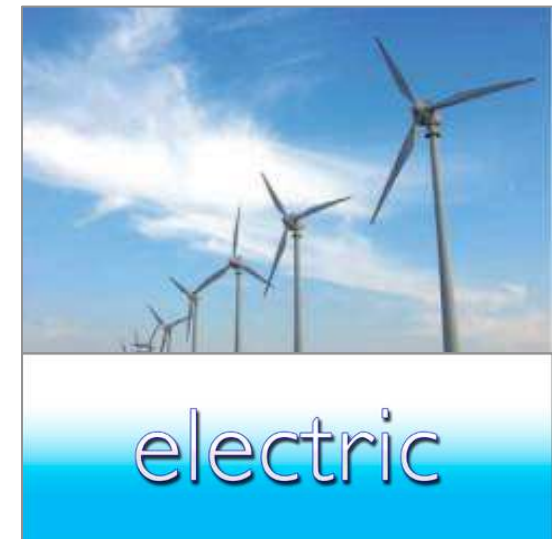


Scooters will be even more:

- functional, safe, practical
- car alternative, real urban solution
- eco sustainable
- beneficial in terms of social costs

The process must be pushed and sustained by:

- Governments
- Manufacturers
- Associations





New words for new customers



Motorcycles will be even more emotional
but in quite a new way:

- less aggressive/machomachine
- more socializing and aggregating
- ecofriendly
- intangible assets leader

Initiatives aimed to promote this new
trends should be held by:

- Main Manufacturers
- National and International Federations
- Sport Associations
- Governments





Conclusions

Both Scooter and Motorcycle segments have the possibility to overcome the crisis :

- Scooters can be more and more one of the best solution for personal urban mobility, adding to their traditional advantages the flexibility towards new Engines technologies for Low or Zero Emission (such as Hybrids and Electrics).
- Motorcycles will remain one of most popular answer to human need of freedom and self fulfillment, expecially if they will be able to conjugate their own values to new customer languages and references.

..... But Institutions should sustain the markets
and cooperate with Manufacturers
to catch the incoming opportunities



Thank you for your attention

