



Piaggio Aero Industries S.p.A. in Extraordinary Administration - AT A GLANCE -

Villanova d'Albenga, April 30th, 2019



Introduction



Piaggio Aero
Industries
S.p.A.

- Piaggio Aero Industries S.p.A. ("**Piaggio Aerospace**" or the "**Company**") is one of the key Italian players in aviation industry, focused on engineering, manufacturing and support of aero-engines and aircraft for civil and military purposes, including remote piloting systems (Unmanned Aerial Vehicle - UAV).
- Piaggio Aerospace fully owns Piaggio America Inc. ("**PAM**"), active as customer service in North America, Piaggio Aviation S.p.A. ("**PAV**"), owner of the P.180 intellectual properties, and Piaggio Aero Engines Canada ("**PAEC**"), which owns a 25% stake of a joint venture with Pratt & Whitney Canada.
- The ultimate shareholder of Piaggio Aerospace is the sovereign UAE fund Mubadala.



2014-2017
Restructuring
Plan and
recent events

- During the last years Piaggio Aerospace faced financial difficulties, due to exogenous and endogenous reasons, which led the Company to enter into a restructuring plan, both in 2014 and in 2017.
- Neither of the said plans succeeded in overcoming the Piaggio Aerospace crisis and, therefore, on November 22nd, 2018, the Company filed before the Ministry of Economic Development a formal request for being admitted to the extraordinary administration proceedings regulated by the Law Decree no. 347 of 23 December 2003, as converted into Law no. 39 of 18 February 2004 (as subsequently amended) (the "**Marzano Law**").
- On December 3rd, 2018, the Ministry of Economic Development admitted Piaggio Aerospace to the said proceedings and appointed Mr. Vincenzo Nicastro to act as extraordinary commissioner for the purpose of such proceedings.



T53



T55-L-712E and 55-L-714A



Main features of the Extraordinary Administration

Scope of the Extraordinary Administration

- Extraordinary administration proceedings pursuant to the Marzano Law, are aimed at preserving the business of insolvent companies through *(i)* the sale of their business according to a plan which provides for the temporary continuance of the business for two years; or *(ii)* the economic and financial restructuring of these companies according to a restructuring plan lasting two years.



Powers and duties of the extraordinary commissioner

- From the date of his appointment, the extraordinary commissioner took possession of, and control over, all the Piaggio Aerospace assets and is fully empowered to conduct its business and manages its assets.
- The extraordinary commissioner exercises his powers under the control and direction of the Ministry of Economic Development and the Surveillance Committee.



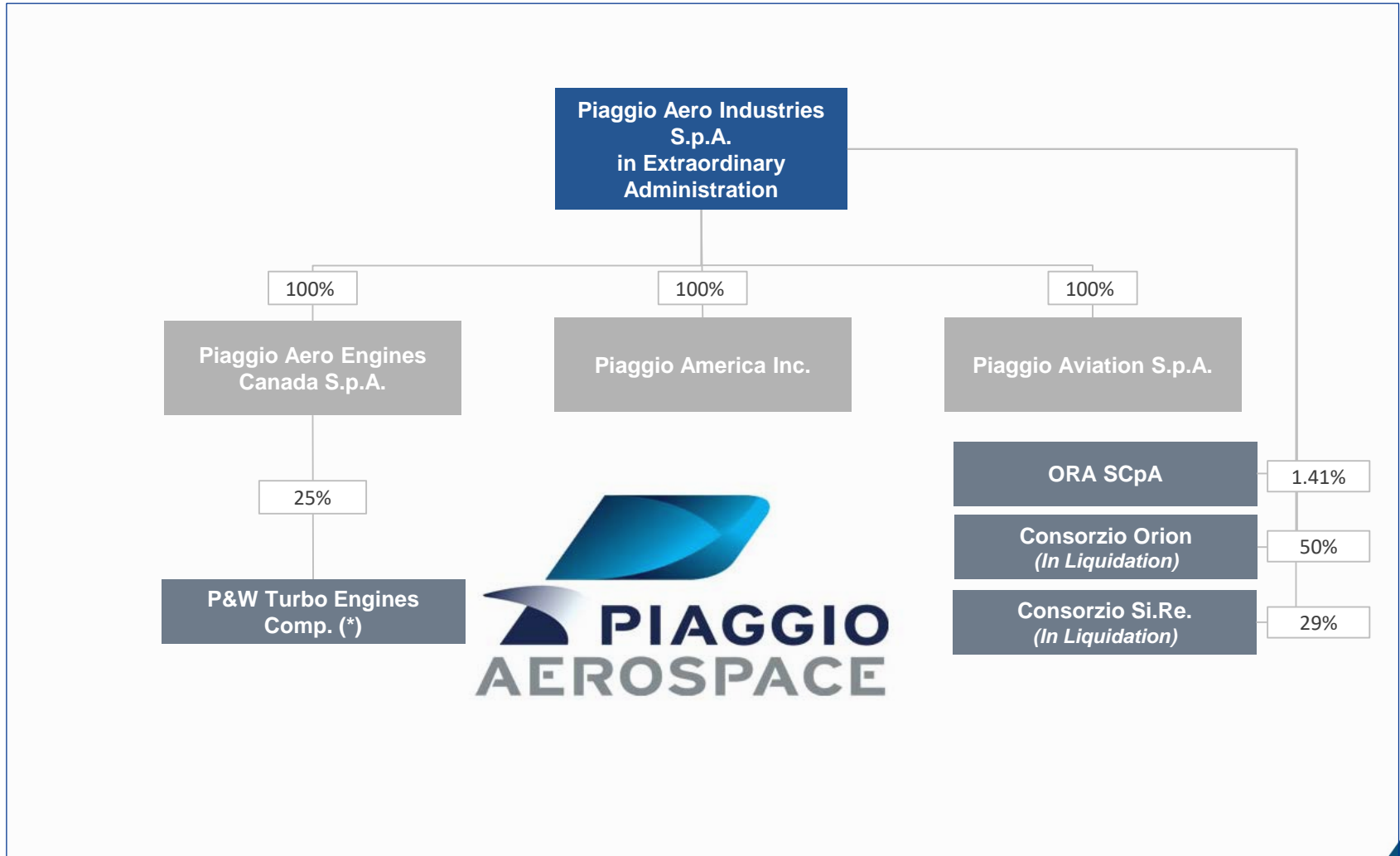
T53



T55-L-712E and 55-L-714A



Group Overview



(*) JV with Pratt & Whitney Canada

Business Units

AVIATION

ENGINE

DEVELOPMENT

PRODUCTION & SALE

CUSTOMER SERVICE

MANUFACT. & ASSEMBLY

MRO

P.180 AVANTI EVO



% completion

Development, production and commercialization of turboprop business aircraft (P.180 Avanti EVO).



- Customer support;
- Maintenance and support services

P.1HH



% completion

Development, production and sale of an unmanned aircraft system (P.1HH).



- Customer support;
- Initial Logistic Support (ILS)

MPA (Manned Patrol Aircraft)



% completion

Development, production and sale of manned patrol aircraft (MPA).



ENGINE and SPARES



T53
T55-L-712E and 55-L-714A

- Manufacturing of spare parts, assembly and testing of a wide range of engines;
- Sale of spare parts;
- 25% stake in a JV with Pratt & Whitney Canada (held by PAEC);
- Main programs:
 - PW200;
 - F135;
 - T53, T55, L712 – 14;
 - RTM 322 – Aneto 1K

- Maintenance, repair and overhaul of wide range of engines, covered by license agreements;

- Main programs:
 - Viper 632;
 - GEM;
 - T53, T55, L712 – 14;
 - RR 250.

As of today the Company has 10 active programs, in the forms of: i) LTA (Long Term Agreement); ii) RSP (Risk Sharing Partnership); iii) LA (Licensing Agreement).

CIVIL

MILITARY

CIVIL / MILITARY

KEY CUSTOMERS

Government

- Italian Institutional Customers:
 - Air Force
 - Navy
 - Army;
 - Fire Department
 - Police
 - State Forestry
 - Coast Guard
 - Finance Police
- Foreign Institutional Customers.

Private

- Corporates
- Private individuals



- Italian Institutional Customers (Italian Army, Navy and Air Force; Ministry of Economy and Defense...)
- Foreign Institutional Customers (Foreign Armed Forces...)

Geographical Presence

PIAGGIO AERO INDUSTRIES S.P.A. IN EXTR. ADMIN.



Villanova d'Albenga, Liguria, Italy *

- #FTE: ~ 832
- Activities: Development, production, sales, MRO (Maintenance, Repair and Overhaul), CS (Customer Service)
- Status: Property



Genoa airport, Liguria, Italy

- #FTE: ~ 223
- Activities: Development and testing for P.1HH; CS and painting for P.180
- Status: Rent



Pratica di Mare, Lazio, Italy

- #FTE: ~ 13
- Activities: CS for Institutional fleet
- Status: Rent



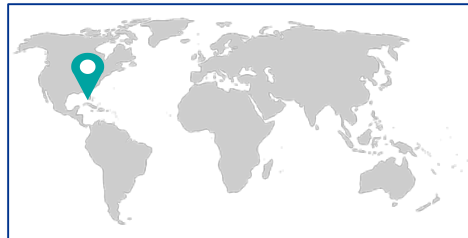
Trapani, Sicily, Italy

- #FTE: ~ 0
- Activities: Development and testing for P.1HH
- Status: Rent



Piaggio America Inc. ("PAM"), West Palm Beach, Florida, USA

- #FTE: ~ 8
- Activities: Sales and CS P.180



VILLANOVA FACILITY



MAIN FEATURES

Surface (m ²)	127,000
Offices Area (m ²)	8,800
Production Area (m ²)	44,950
Warehouse Area (m ²)	1,900
Completion year	2014

* Villanova Plant includes 23 FTE of Piaggio Aviation S.p.A. ("PAV")

Piaggio Aerospace re-launch



1

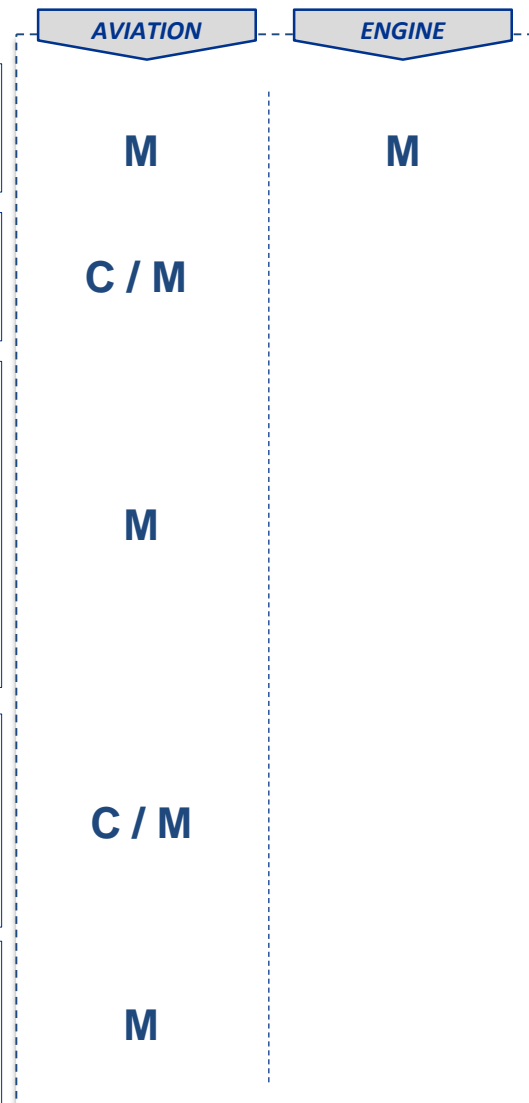
Negotiations with Institutional customers

- Establishment of an integrated hub for the maintenance of military aircraft of national institutional customers.
- Re-start of P.180 production activity;
- Re-start of P.180 refitting and maintenance activity.
- Completion of P.1HH development activities and related certifications;
- Commitment to the acquisition of 2 systems^(*) in the short term (plus other systems in the medium term);
- Retain and enhance technological skills in order to create the conditions for the participation in international military projects, as the European program entitled MALE 2020 – 2025, in partnership with other industrial partners.

2

Other negotiations

- Strengthening of commercial activities through the participation in international exhibitions and events, as the LIMA 2019 (one of the most important Far East aerospace event), held in March in Malaysia, and the EBACE (the main business aviation exhibition in Europe), incoming in May in Switzerland.
- Discussions with potential partners to complete the development and production of MPA program.



^(*) each system consists of one ground control station and two aircraft.

C = Civil; M = Military

Contact list



Registered office:
Largo Angelo Fochetti, 29
00154 Rome, Italy

Headquarters
Viale Generale Disegna, 1
17038 Villanova d'Albenga (SV), Italy

Mr. Vincenzo Nicastro
Extraordinary Commissioner

piaggioaeroamministrazionestraordinaria2@pec.piaggioaero.it

BonelliErede

Via delle Casaccie, 1
16121 Genoa, Italy

Mr. Marco Arato
Partner

marco.arato@belex.com



Via Cappuccio, 14
20123 Milan, Italy

Mr. Fabio Cassi
Partner

f.cassi@cassieassociati.it



Via Ettore Petrolini, 2
00197 Rome, Italy

Mr. Mario Sacchi Lodispoto
Partner

msacchilodispoto@kpmg.it

Mrs. Elisabetta Varni
Partner

elisabetta.varni@belex.com

Mr. Matteo Pattavina
Director

m.pattavina@cassieassociati.it

Mr. Marco Bottini
Senior Manager

marcobottini@kpmg.it