PIAGGIO & C. s.p.a.

PRESS INFORMATION

PRESS RELEASE

THE PIAGGIO GROUP: 2009-2012 STRATEGIC PLAN APPROVED

Presentation of the Plan to Analysts and Investors today at 9:00 in Milan

Development of industrial and sales operations in Asia

Assuming leadership in offering motors with little or no environmental impact

Growth in the offering of commercial vehicles with new product ranges in Europe and Asia

Consolidated turnover of about € 1,880 million in 2012

2012 EBITDA: more than € 248 million (13.2% of the turnover)

Focus on managing cash flow, increasing with higher sales

Debt/equity ratio decidedly less than 1 in 2012

Investments of € 90-100 million/year

Milan, 3 July 2009 – The chairman and executive director of Piaggio & C. S.p.A., Roberto Colaninno, presented the Board of Directors with the 2009-2012 Strategic Plan for the Piaggio Group yesterday evening.

The Plan, which for the first time embraces a time frame of four years, aims to create the conditions for strong growth in Asia by strengthening the direct industrial presence and by increasing the offering of two-wheel vehicles – to be produced in India as well – and commercial vehicles, backed by the development of distribution structures, organisation, and human resources.

On the European domestic market, Group strategies will focus on consolidating their current leadership position by developing and renewing the product range in the scooter sector - with various Group brand names – as well as rationalising the motorcycle range and accentuating the different brand name missions of Aprilia, Moto Guzzi, and Derbi.

In the Americas, the 2009-2012 Plan aims to develop research and development activities in order to pursue an industrial strategy based on competitive costs in all segments of the scooter market. As for motorcycles, the Group intends to work on the growth of different brand names, also through the development of sport bikes with mid-sized engines.

As a result of its in-house technological innovation, the Group will be looking towards establishing a leadership in new motors with little or no environmental impact and reduced fuel consumption: the Group will focus on the growing availability of hybrid, electric, and bi-fuel technologies applicable to both two-wheel and commercial transport.
In the meantime, production of new 1000 and 1200 cc diesel and turbo diesel

engines will start up in India. These engines are to be the fundamental feature of the Group's expanded range of commercial vehicles, produced and marketed in both Europe and Asia, which will lead to growth and segmentation of the Ape, Quargo, and Porter lines.

The 2009-2012 Plan also aims at increased standardisation in product development processes, backed by a reduction in the complexity of the various product ranges, and the international development of current Sourcing, R&D, and IT structures.

At the end of the plan period (2012), it is expected that the group will have reached a consolidated turnover of about € 1,880 million with sales volumes of about 750,000 units, and an EBITDA of more than € 248 million (13.2% of the turnover).

The Plan calls for a debt/equity ratio (net financial debt/net assets) well below 1 by 2012.
The focus will be placed on managing the cash flow – growing thanks to the increase in the consolidated turnover – oriented towards debt reduction, returns on invested capital (dividend policy) and R&D and fixed asset investments of about € 90-100 million per year for the development of new products, plants, and processes.

During the meeting, the Chairman of the Board of Statutory Auditors stated that the Board of Auditors had verified that all the commitments undertaken by the Company at the time of the listing had been completely satisfied.

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The 2009-2012 Plan will be illustrated today, July 3, 2008, during the Piaggio Group Analyst and Investor Meeting to be held at the Triennale in Milan (Viale Alemagna, 6) at 9 AM.

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