

PRESS RELEASE

PIAGGIO GROUP APPROVES PLAN TO LAUNCH VESPA IN INDIA

New facility to produce up to 150,000 vehicles/year

Investments totalling approximately 30 million euro in financial years 2010 and 2011, already provided in the Three-Year Plan

By the end of 2012 production start-up and launch of the Vespa LX 125

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Group performance in the first five months of the year: consolidated net sales rise approximately 6% from January-May 2009

Milan, 4 June 2010 – At a meeting yesterday in Milan chaired by Roberto Colaninno, the Board of Directors of Piaggio & C. S.p.A. approved the strategic guidelines and industrial plan of a new Piaggio Group initiative in India for the production and sale of two-wheel vehicles, beginning with a Vespa LX 125 model specially developed for the Indian market.

India's two-wheeler market – the world's second-largest – grew at an average annual rate of 7% between 2004 and 2009, with 8.4 million vehicles sold in 2009. Of the total, the scooter segment accounted for 15% of the total market, with sales totalling 1.3 million units in 2009 and estimated average annual growth of more than 13%.

The plan approved yesterday by the Piaggio Board of Directors provides for the construction of a new facility in India to produce up to 150,000 units/year and the launch of a Vespa LX 125 model by the end of 2012.

The Plan will entail investments totalling 30 million euro in financial years 2010 and 2011, with the goal of achieving revenues of approximately 70 million euro in 2015 – when investment payback is projected – on sales of approximately 110,000 scooters. The investment is covered by the programmes drawn up under the Three-Year Plan approved by the Group Board of Directors on 2 July 2009.

The new Piaggio industrial initiative in India will have the support of the Group's local industrial and commercial operations through the Piaggio Vehicles Private Ltd. subsidiary, whose extraordinary growth – from 35,000 vehicles produced and sold in 2003 to more than 182,000 in 2009 – has established Piaggio as the leader in three-wheel light commercial vehicles on the Indian market.

At its Baramati plant, Piaggio Vehicles Private Ltd. is also completing industrialisation of the new 1 and 1.2 litre diesel and turbodiesel engines intended for the new Piaggio commercial vehicles to be marketed on the European and Asian markets.

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During the meeting the Chairman reported to the Piaggio Board of Directors on Group performance in the first five months of 2010.

Despite the weakness in demand in the European market in general, and the Italian market in particular, Piaggio Group performance from January to May 2010 was positive, with a 5.8% increase in consolidated net sales to 654.1 million euro in the first five months of 2010, compared with 618.5 million euro in the year-earlier period.

Specifically, in the EMEA area, in the two-wheeler and commercial vehicles businesses the Group reported revenues for 444 million euro, down 4.9% from the first five months of 2009; by contrast in Asia (commercial vehicles in India, two-wheelers in Vietnam and Asia-Pacific) Group revenues amounted to 200 million euro, an improvement of 74.2% from 115 million euro in January-May 2009.

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The manager in charge of preparing the company accounts and documents, Alessandra Simonotto, certifies, in accordance with paragraph 2 art. 154 bis of Legislative Decree no. 58/1998 (Consolidated Financial Act), that the accounting disclosures in the press release correspond to the documentation, the ledgers and the accounting records.

For more information: www.piaggiogroup.com