PIAGGIO &C.s.p.a.

PRESS INFORMATION

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PRESS RELEASE

Meeting of the Board of Directors

PIAGGIO GROUP: 1st QUARTER 2007

- **NET SALES € 394.2 MLN (+ 5.3% FROM € 374.2 MLN IN 1Q '06) MORE THAN MAKING UP THE IMPACT OF THE ITALIAN POST OFFICE ORDER (REVENUES OF € 34.6 MLN IN 1Q '06)**
- **EBITDA € 44.4 MLN (+ 3.3% YoY)**
- **NET PROFIT € 9.7 MLN AFTER TAX OF € 7.7 MLN (NET PROFIT OF € 10.2 MLN IN 1Q '06 AFTER TAX OF € 5 MLN)**
- **NET DEBT € 344.8 MLN**

Milan, 7 May 2007 – At a meeting today in Milan chaired by Roberto Colaninno, the Board of Directors of Piaggio & C. S.p.A. examined and approved the Group's results for the first quarter of 2007.

Compared with the year-earlier first quarter, the latest figures reflect significant growth in net sales, which more than made up the contribution of the Italian Post Office order won by Piaggio & C. at the end of 2005 which provided revenues of € 34.6 million in the first quarter of 2006.

Growth was driven both by the Motorcycle business (+22%) and by operations in North America (+7.6%) and India (+12.2%).

Piaggio Group consolidated **net sales** in the first quarter of 2007 amounted to **€ 394.2 million, an improvement of 5.3%** (+16.1% net of the Italian Post Office contribution in 1Q 2006) on the year-earlier figure (€ 374.2 million). Specifically, revenues from sales of vehicles, spare parts and accessories for the Piaggio brand (including LTV) and the Vespa, Gilera and Derbi brands amounted to € 278.8 million (+0.6% YoY); Aprilia and Moto Guzzi revenues showed a YoY improvement of 19%, to reach a total of € 115.4 million.

The **industrial gross margin** was **€ 115.7 million**, up 2.5% from the year-earlier first quarter (€ 112.9 million), with a return on net sales of 29.3%.

Consolidated **EBITDA** including extraordinary expenses of € 2.0 million for restructurings was **€ 44.4 million**, a rise of 3.3% from € 43 million a year earlier. The **EBITDA margin** was 11.3% (11.5% in the first quarter of 2006).

2007 first quarter **operating profit** amounted to **€ 25.6 million**, compared with € 23 million in the year-earlier first quarter. Profitability improved to 6.5% (6.1% in the first quarter of 2006).

The first quarter of 2007 closed with a **consolidated net profit of € 9.7 million**, compared with net profit of € 10.2 million in the corresponding year-earlier period, after tax of € 7.7 million (€ 5 million in the first quarter of 2006) and a net financial charge of € 8.1 million (€ 7.8 million in the first quarter of 2006).

The consolidated **net financial position** at 31/03/2007 reflected debt of **€ 344.8 million** compared with debt of € 318.0 million at 31/12/2006, owing to greater absorption of resources in the first quarter due to the seasonal nature of the two-wheeler business.

Shareholders' equity at 31 March 2007 was **€ 456.3 million,** compared with € 438.7 million at 31 December 2006.

Significant events after 31 March 2007
On 4 April 2007 the revolutionary **Gilera Fuoco 500ie** three-wheel scooter was presented in Berlin.

On 11 April 2007 the Board of Directors approved the **2007-2009 Three-Year Plan**.
Over the next three years the Piaggio Group will focus in particular on:

- consolidating its European leadership in the scooter business;
- growing its motorcycle business;
- introducing further innovations in its product range and engines;
- extending penetration of the Indian and North American markets;
- expanding its Chinese joint venture;
- building the new diesel engine factory in India;
- planning entry on to new international markets.

On 16 April 2007 marketing of the Piaggio **Mp3 250** three-wheel scooter began in North America.

Outlook
During 2007 the Piaggio Group will work to confirm and strengthen its position as international leader for innovation, design and creativity on the light mobility market.

At a meeting held today, the Shareholders approved a stock option plan for Piaggio Group top management and authorized acquisition and disposal of own shares to service the plan.

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Glossary

Industrial gross margin: “Net sales” minus “Cost of sales” for the period. “Cost of sales” comprises: Cost of materials (direct and consumables), Additional purchase costs (transport incoming materials, customs, handling, warehousing), Staff costs for direct and indirect manpower and related expenses, Third-party machinings, Energy, Depreciation of property, plant and equipment and industrial equipment, External maintenance and cleaning costs net of recovery of costs recharged to suppliers.

EBITDA: “Operating profit” gross of amortisation of intangible assets and depreciation of property, plant and equipment as reflected on the face of the income statement

Operating expense: staff costs, cost of services and use of third-party assets, and operating costs net of operating income not included in the industrial gross margin. Operating expense also includes amortisation and depreciation not included in industrial gross margin.

Working capital net sum of: Current and non-current trade and other receivables, Inventories, Trade and other non-current payables and Current trade payables, Other receivables (Current and non-current tax receivables, Deferred tax assets) and Other Liabilities (Tax liabilities and Other current liabilities)

Property, plant and equipment, net: Property, plant and equipment and industrial equipment, net of accumulated depreciation, plus assets held for sale,

Intangible assets, net: capitalised development costs, costs for patents and knowhow, goodwill arising from Group internal mergers/acquisitions

Non-current financial assets: Equity investments, Other non-current financial assets and any portion of Guarantee deposits reflected in Other current financial assets

Provisions: Pension funds and employee benefits, Other non-current provisions, Current portion of other non-current provisions, Deferred tax liabilities.

Net financial position: Medium/long-term financial liabilities, Short-term financial liabilities less Short-term financial assets and less cash and cash equivalents.