PIAGGIO &C.s.p.a.

PRESS INFORMATION

PRESS RELEASE

PIAGGIO GROUP: APPROVAL FOR NEW 2007-2009 PLAN

- **CAGR ('06-'09) ON CONSOLIDATED NET SALES CLOSE TO 7%**
- **2009 EBITDA AROUND 14% OF NET SALES**
- **EBITDA/NET DEBT RATIO CLOSE TO 1 IN 2009**
- **CUMULATED CAPEX OF MORE THAN € 320 M FOR THE THREE YEARS**

The Board of Directors also approved a proposed stock option plan for Piaggio Group top management and a proposal to request authorisation for the purchase and disposal of own shares to service the Plan. The proposals will be presented for approval at the next ordinary Shareholders' Meeting.

Pontedera, 11 April 2007 – Piaggio Group chairman and chief executive officer Roberto Colaninno today presented the 2007-2009 business plan to the Board of Directors.

The Group's new business plan targets consolidation and expansion of Piaggio's position as world leader of Italian-made light mobility in terms of innovation, design and creativity. To achieve its goal, the Piaggio Group aims to:

- become a top-quality global producer serving customer needs through solutions providing excellence in service and excellence in terms of individual product features (urban and non-urban)
- strengthen its position as a manufacturer sensitive to social, environmental and safety issues
- represent a benchmark, on worldwide markets, for innovation and development through an organisational system embracing creativity and talent.

Specifically, over the next three years the Piaggio Group will focus on:

- consolidating its European leadership in the scooter and light transport vehicles businesses
- growing its international 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.

Over the three-year period 2007-2009, Piaggio projects a compound annual growth rate (CAGR 2006-2009) of nearly 7% in Group net sales (not including the 45%-held Piaggio Zongshen joint venture in China), with an EBITDA margin of around 14% of net sales in 2009.

Its target by the end of 2009 is an EBITDA/net debt ratio close to 1, after capital expenditure totalling more than € 320 million in the three years.

Scooter business

In the scooter business, the Piaggio Group intends to consolidate its European market leadership through continuous enhancements to its product ranges and the introduction of models featuring innovative solutions (e.g., three-wheel scooters, hybrid engines). It will also strengthen the identity of each brand (Piaggio, Vespa, Gilera, Aprilia, Scarabeo, Derbi), with a view to segmenting the customer base according to market demand.

The plan also envisages improvements in the after-sales service, expansion of the distribution network and start-up of further sales channels. Sales volumes will be augmented on the North American market and production in China will be expanded to meet the growing demand for products.

Motorcycle business

The main focus in the motorcycle business will be generalized growth on the European market through a repositioning designed to enhance Group brands and broaden the product offer. To this end, Derbi will focus on the small and medium cc segment, Aprilia on the medium and top end with high-performance high-tech vehicles, while Moto Guzzi will expand its range of products featuring unique design and its historic brand values.

The off-road segment will be extended and the Group is planning entry into the Superbike world championship, leveraging Aprilia's winning technological and racing tradition. Special attention will be given to in-house development and production of new medium and large displacement engine solutions for the new range of bikes, utilising the design and manufacturing competences of the Pontedera engine centre. Intragroup synergies among the Piaggio brands will continue while the accessories portfolios will be expanded and the end user service will be improved. The Group also plans growth of the entire motorcycle sector on the North American market.

Light transport vehicles business (LTV)

The business plan for the next three years in the LTV sector is subdivided between the European market and the Indian market.

In Europe, Piaggio will focus on the light transport niche, where it offers a unique product range, with on-going enhancements to its product portfolio. It will continue to extend the sales network in Italy and Europe by optimising sub-dealer performance and assessing new sales channels. Marketing strategies will take a more targeted approach, leveraging extensions to service offers for greater satisfaction and retention of professional customers.

In India, Piaggio will extend its offer for the cargo segment, where it is current market leader, notably with the introduction of the new 4-wheel vehicle, and upgrade its offer for the passenger segment. Improvements will be made to the customer service and the distributor network will be expanded. The vehicle production factory will be extended to reach a capacity of 200,000 units over the next few years and will be built up the new diesel engine plant, which is scheduled to begin operations as from 2010.

Expansion of geographical markets

In both the two-wheel and the LTV sectors, the Piaggio Group intends to enhance operations in core markets where it is already present and plan entry into new markets.

Specifically:

- In North America it will be expanding its motorcycle and scooter range for the Vespa, Moto Guzzi, Aprillia and Piaggio brands and extending the distribution network to deliver one of the best and most comprehensive customer services. Action will be taken to boost market penetration, raising customer awareness of the benefits of two-wheel light transport (traffic, fuel consumption, environmental impact).
- In China, the joint venture will develop new vehicles to take advantage of growth opportunities on the domestic market, it will continue to produce vehicles for the European market and it will maintain its component sourcing activities.
- The Group will also look carefully at possible entry on to new two-wheel markets in Brazil, Vietnam and India. Its strategic approach to operations in new areas will be based on markets offering high growth rates over the next few years and limited investment requirements.

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The Board of Directors also approved the proposal for an incentives and loyalty-building plan for the top management of Piaggio & C. S.p.A. ("Piaggio" or also the "Company") and its Italian and non-Italian subsidiaries (the "2007-2009 Plan"), to be presented—subject to revocation of the shareholder resolutions of 8 March 2006 with regard to the current incentives plan—at the next ordinary Shareholders' Meeting called for 27 April 2007 on first call and 7 May 2007 on second call.
The incentives plan is not open to the chairman and chief executive officer Roberto Colaninno nor to any other member of the Board of Directors. The 2007-2009 Plan envisages the free assignment to beneficiaries of options for the purchase of Piaggio ordinary shares already issued and held by the Company. The stock required for realisation of the 2007-2009 Plan will be created through transactions on own shares for which the Board of Directors will ask the above Shareholders' Meeting to approve an authorisation pursuant to arts. 2357 and 2357-ter of the Italian Civil Code and art. 132 of Legislative Decree 58/1998.
Specifically, the 2007-2009 Plan is intended for the managers of the Company or of subsidiaries and for directors with powers in the subsidiaries, to be identified from time to time by the chief executive officer of the Company, as authorised by the Board of Directors, in relation to the role and responsibilities of each individual within the Piaggio Group organisation. The 2007-2009 Plan concerns a total of 10,000,000 options for the purchase of 10,000,000 Piaggio ordinary shares, representing 2.52%

of share capital, at a price that will be fixed at a value equivalent to the “normal value” of the shares as determined under tax laws. Options granted to the 2007-2009 Plan beneficiaries may be exercised, in one or more occasions, between the first business day after the end of the third year from the grant date and the end of the fifth year after the grant date.

In addition to approval of the proposal for the 2007-2009 Plan, the next ordinary Shareholders' Meeting will be asked to authorise the purchase and disposal of own shares for execution of the Plan. The proposed authorisation is for the purchase, in one or more transactions and at any time, over the maximum period allowed by law as from the date of the shareholder resolution, of ordinary shares of the Company, up to a maximum amount of 10,000,000 shares representing 2.52% of share capital, for a consideration within a range from a minimum price to a maximum price corresponding to the mean official Piaggio ordinary share price in the ten trading days preceding each purchase transaction, minus or plus 10% respectively. Shares will be purchased on regulated markets only, in accordance with the procedures established in the regulations for the organisation and management of such markets, pursuant to art. 144-bis, par 1, lett. b) of Consob Regulation 11971/1999 and in a manner permitting equality of treatment of shareholders as envisaged by art. 132 of Legislative Decree 58/1998.
Disposal of the own shares purchased as described above will be through assignment to beneficiaries who exercise the stock options granted to them in accordance with the terms and conditions of the 2007-2009 Plan.

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