

**PRESS RELEASE****PIAGGIO GROUP: FIRST QUARTER 2011****Net sales € 351.7 million (€ 340.6mln in Q1 2010)****149,000 shipments (143,700 in Q1 2010)****EBITDA € 33.7 million (€ 31.8 mln in Q1 2010)
with EBITDA margin rising to 9.6% (9.3% in Q1 2010)****EBIT € 12.2 million (€ 11.3 mln in Q1 2010)****Profit before tax € 5.6 million (€ 5.4mln in Q1 2010)****Net profit € 3 million € 2.9mln in Q1 2010)****Net debt € 406.4 million (-16.2 million on Q1 2010)**

29 April 2011 – At a meeting today in Mantua chaired by Roberto Colaninno, the Board of Directors of Piaggio & C. S.p.A. examined and approved the quarterly report at 31 March 2011.

In the first quarter of 2011 the Piaggio Group posted **improved results compared with the first three months of 2010** – for all the main indicators – despite the weakness of European two-wheeler demand, which generated a 6.6% decline in the scooter segment and a 2.3% decline in the motorcycle segment in the first quarter of 2011 compared with the first quarter of 2010. The Group's performance stemmed from its solid position in the EMEA area, where it maintained its market shares in the main scooter and motorbike segments, but above all from the globalisation strategy for investments, production and sales the Group has been pursuing with determination, in both the two-wheeler and the commercial vehicles businesses.

In the first three months of 2011 the Piaggio Group shipped a total of **149,00 vehicles worldwide, for volume growth of 3.7%** (143,700 vehicles in the first quarter of 2010).

Group **consolidated net sales** in the first quarter of 2011 amounted to **351.7 million euro**, up by 3.3% from 340.6 million euro in the first quarter of 2010.

In the **two-wheeler sector**, where it shipped 83,700 vehicles, the Group reported a downturn of 4.5% on the first three months of 2010, reflecting the fall in sales in Europe, offset to a large extent by higher sales in South East Asia. In **commercial vehicles**, with worldwide shipments of 65,300 vehicles, the Piaggio Group recorded an improvement of 16.3% on the year-earlier period, assisted in particular by the continuing expansion of the Indian market.

The first-quarter **industrial gross margin** was 102.6 million euro, stable with respect to the year-earlier figure (102.5 million euro).

Consolidated EBITDA improved in the first quarter of 2011 to 33.7 million euro, an increase of 6.0% from 31.8 million euro in the first quarter of 2010. The **EBITDA margin** also strengthened, from 9.3% in the first three months of 2010 to 9.6% in the first quarter of 2011.

First-quarter **EBIT** was 12.2 million euro, up by 7.3% on 11.3 million euro in the year-earlier period.

In the first quarter of 2011 the Piaggio Group reported **profit before tax** of 5.6 million euro, compared with 5.4 million euro in the first quarter of 2010.

The 2011 first quarter closed with a **net profit** of 3 million euro, compared with 2.9 million euro in the year-earlier period.

Net debt at 31 March 2011 stood at 406.4 million euro, compared with 349.9 million euro at 31 December 2010. The increase was due to the seasonal nature of the two-wheeler business, which absorbs significant cash in the first half of the year and generates cash in the second half. On a **like-for-like basis**, compared with the first quarter of 2010, net debt at 31 March 2011 was down 16.2 million euro from 422.6 million euro at 31 March 2010.

Shareholders' equity at 31 March 2011 totalled 439.4 million euro, against 442.9 million euro at 31 December 2010.

Outlook

During 2011 the Piaggio Group will continue to pursue its strategy to expand its industrial and commercial presence on the main Asian markets, strengthening its leadership on the Indian three- and four-wheel light commercial vehicle market and boosting market share in scooters in Vietnam. The Piaggio Group will begin a decisive new phase of growth in Asia, which will bring an important expansion in its industrial and sales operations throughout the region, targeting revenues of approximately 1 billion euro on the Asian markets within four years.

At central level, Piaggio Group R&D will focus on the renewal of the product range – scooters, motorcycles and commercial vehicles – with special attention to development of fuel-efficient engines with low/zero environmental impact.

Share buyback program

At the meeting, in connection with the authorisation for the purchase and disposal of own shares given by the Piaggio shareholders' meeting of 13 April 2011, the Board of Directors approved a share buyback program under the “market practices” allowed by Consob pursuant to art. 180, par 1, head c), of the consolidated finance act with resolution no. 16839 of 19 March 2009, and EC Regulation no. 2273/2003 of 22 December 2003.

Specifically, the purpose of the buyback program is to build a “securities store” to be used to execute future possible investments involving own-share exchanges, swaps, contributions, sales or other operations on shares, including pledges for financing operations arranged by the company, and to service future stock option plans.

Share buybacks under the program will be compliant with the procedures and limits laid down in the shareholder resolution mentioned above, specifically:

- the buyback may be for up to a maximum of 15,000,000 Piaggio no par value ordinary shares, and, therefore, within the legal limits (20% of the share capital pursuant to art. 2357, par 3, Italian Civil Code) including own shares held as of today by the company (4,882,711 ordinary shares, representing 1.31% of the share capital);
- the own-share buyback shall be within the limits of the distributable earnings and available reserves reflected in the most recent approved financial statements (including interim financial statements) at the time of the transaction;
- own-share buybacks shall be conducted in compliance with the operating conditions established by Consob pursuant to art. 180, par 1, head c), of the consolidated finance act with resolution no. 16839 of 19 March 2009 and by EC Regulation no. 2273/2003 of 22 December 2003 where applicable, and specifically with a consideration that shall not exceed the higher of the price of the most recent independent transaction and the price of the highest current offer in the trading locations where the purchase takes place, without prejudice to the condition that the

per-share consideration shall not be more than 20% below and 10% above the arithmetic average of the official Piaggio share price in the ten trading days before each purchase transaction;

- the buybacks shall be executed in compliance with art. 144-*bis*, par 1, head b) of Consob Regulation 11971/1999 (and subsequent amendments) and with any applicable provisions, so as to ensure equality of treatment of the shareholders as laid down in art. 132 of the consolidated finance act, and therefore on regulated markets, in accordance with the operating procedures established in the market organisation and management regulations, which do not allow purchase offers to be directly matched with predetermined sale offers;
- the buyback program may be executed, in one or more transactions, no later than 13 October 2012.

* * *

The manager in charge of preparing the company accounts and documents, Alessandra Simonotto, certifies, pursuant to paragraph 2, art. 154 bis of Legislative Decree no. 58/1998 (Consolidated Law on Financial Intermediation), that the accounting disclosures in this statement correspond to the accounting documents, ledgers and entries.

www.piaggiogroup.com

CONSOLIDATED INCOME STATEMENT

Pursuant to Consob Resolution no. 15519 of 27 July 2006

In thousands of euro	Note	Q1 2011		Q1 2010	
		Total	of which related parties (Chapter E)	Total	of which related parties (Chapter E)
Net sales	4	351,679	191	340,564	
Cost of materials	5	211,901	7,674	202,030	6,169
Cost of services and use of third-party assets	6	64,873	999	62,673	553
Employee expenses	7	64,205		62,200	
Depreciation property, plant and equipment	8	9,093		9,168	
Amortisation intangible assets	8	12,478		11,295	
Other operating income	9	26,279	182	23,477	404
Other operating expense	10	3,255		5,344	82
EBIT		12,153		11,331	
Share of result of associates	11				
Finance income	12	1,126		679	
Finance expense	12	7,209	28	7,262	12
Net exchange-rate gains/(losses)	12	(465)		669	
Profit before tax		5,605		5,417	
Income tax	13	2,635		2,562	
Result from on-going operations		2,970		2,855	
Discontinued operations:					
Profit or loss from discontinued operations	14				
Net profit (loss) for the period		2,970		2,855	
Attributable to:					
Equity holders of the parent		2,995		2,868	
Minority interests		(25)		(13)	
Earnings per share (in €) *	15	0.008		0.008	
Diluted earnings per share (in €) *	15	0.008		0.008	

* After the cancellation of 24,247,007 shares on 10 May 2010, the average number of outstanding shares in 2010 was re-computed as envisaged by IAS 33

CONSOLIDATED BALANCE SHEET

Pursuant to Consob Resolution no. 15519 of 27 July 2006

In thousands of euro	Note	At 31 March 2011		At 31 December 2010	
		Total	of which related parties (Chapter E)	Total	of which related parties (Chapter E)
ASSETS					
Non-current assets					
Intangible assets	16	650,365		652,622	
Property, plant and equipment	17	250,853		256,759	
Investment property	18				
Equity investments	19	194		194	
Other financial assets	20	334		334	
Non-current tax receivables	21	1,013		967	
Deferred tax assets	22	45,798		46,294	
Trade receivables	23				
Other receivables	24	12,222	444	12,655	443
Total non-current assets		960,779		969,825	
Assets held for sale	28				
Current assets					
Trade receivables	23	137,274	2,304	90,421	2,210
Other receivables	24	30,773	5,826	23,300	5,983
Current tax receivables	21	37,577		44,200	
Inventories	25	258,957		240,066	
Other financial assets	26	14,608		23,051	
Cash and cash equivalents	27	143,604		154,859	
Total current assets		622,793		575,897	
TOTAL ASSETS		1,583,572		1,545,722	

In thousands of euro	Note	At 31 March 2011		At 31 December 2010	
		Total	of which related parties (Chapter E)	Total	of which related parties (Chapter E)
LIABILITIES AND SHAREHOLDERS' EQUITY					
Shareholders' equity					
Share capital and reserves attributable to equity holders of parent	29	437,770		441,277	
Share capital and reserves attributable to minority interests	29	1,588		1,613	
Total shareholders' equity		439,358		442,890	
Non-current liabilities					
Borrowings due after one year	30	334,156	2,900	371,048	2,900
Trade payables	31	163		88	
Other non-current provisions	32	16,966		16,993	
Deferred tax liabilities	33	31,482		32,338	
Pension funds and employee benefits	34	57,327		58,636	
Non-current tax payables	35	3,462		3,361	
Other non-current payables	36	4,198		4,202	
Total non-current liabilities		447,754		486,666	
Current liabilities					
Borrowings due within one year	30	230,471		156,800	
Trade payables	31	343,793	16,623	352,627	12,857
Tax liabilities	35	24,252		19,290	
Other current liabilities	36	81,294	334	69,503	342
Current portion of other non-current provisions	32	16,650		17,946	
Total current liabilities		696,460		616,166	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1,583,572		1,545,722	