

## PRESS RELEASE

### **PIAGGIO GROUP: DECISIVE NEW PHASE OF GROWTH ON ASIAN MARKETS**

*6 april 2011* – From Vietnam, the Piaggio Group today announced a decisive new phase of growth in Asia involving an important expansion in its manufacturing and sales operations throughout the area. The Group is targeting revenues of approximately 1 billion euro on Asian markets within four years.

The announcement was made by Piaggio Group Chairman and CEO Roberto Colaninno during the inauguration of the new industrial site for the expansion of the Group's Vietnamese plant (from the current 26,000 m<sup>2</sup> to approximately 50,000 m<sup>2</sup>) near Hanoi in Vinh Phuc province. On the site the Group will set up the first two-wheeler R&D centre in Asia and plans to treble annual production capacity at the Vietnamese plant – which began manufacturing operations in June 2009 – from the current 100,000 scooters to 300,000 scooters, to meet the strong rise in demand for two-wheelers on the Vietnamese market and on other South East Asian markets. In the Vinh Phuc area, the Piaggio Group will also build a scooter engine production plant, with an annual production capacity of 250,000 units.

At the ceremony, Mr Colaninno said: "Today is a highly important event for our Group, laying the foundation for us to become one of the most important Italian industrial players in the whole of Asia. Thanks to the extraordinary success of our initial investment in Vietnam, today we are moving into the second phase of our growth strategy. The major expansion of the industrial facility in Vietnam is part of our strategic plans, which see Asia as the main growth factor for the Piaggio Group in the next few years. In recent years we have seen a sharp increase in demand for two-wheelers in Asia, especially in Vietnam, South East Asia and India. I am convinced demand will continue to grow at a healthy rate over the coming years, in parallel with the rapid urbanisation of the main Asian nations and rising consumer spending power. The Piaggio Group is poised to reap the benefits of this growth."

So far the Piaggio Group has made investments totalling 30 million euro in Vietnam. The expansion announced today will involve investments in Asia for 150 million euro between 2011 and 2014. Approximately 60 million euro will focus on the plants of the Piaggio Vietnam Company Limited subsidiary, for development of the two-wheeler business in South East Asia. Another 90 million euro will be invested in the Group's Indian subsidiary, Piaggio Vehicles Private Limited, to finance growth in both the commercial vehicles and the two-wheeler businesses: in fact, in 2012 the Group plans to launch production of the Vespa scooter developed for the Indian market. The Piaggio Group expects its 2011-2014 investment program to generate revenues in Asia of approximately 1 billion euro in 2014. The new R&D Centre in Vinh Phuc will work on new vehicle concepts and new engines to cut fuel consumption and emissions, factors of particular importance for Asian consumers. Since the start-up of local production in June 2009, Piaggio has sold more than 100,000 scooters on the Asian market. The Group is also ready to respond to growing scooter demand in Indonesia – where it recently established a new sales company – and in Taiwan, Korea, Malaysia, the Philippines, Australia and Thailand, where the Piaggio Group scooter range made its debut at the Bangkok International Motor Show.

For the Vietnamese market, the Piaggio Group offer for 2011 includes a range of two-wheelers powered by four-stroke 125 and 150cc electronic injection engines, delivering cutting-edge ecosustainable performance: the Vespa LX, the Vespa S and the Piaggio Liberty. In this area Piaggio will also be launching the Fly compact scooter and a new model of the Zip 100, at a particularly competitive price, re-designed specifically to address the needs of Asian consumers.