

## PRESS RELEASE

### **PIAGGIO GROUP: NEW R&D CENTRE IN FOSHAN, CHINA**

*Foshan (PRC), June 7 2011* – The Piaggio Group will be opening a **new research and development centre** in the People's Republic of China to conduct research in advanced technological innovation at the service of all the Group's operations in Asia.

The news was announced today in **Foshan**, China by Piaggio Group Chairman and CEO **Roberto Colaninno** during a meeting with Foshan mayor **Li Yiwei**, Deputy Mayor **Li Zifu** and **Li Jian**, Director of the Foshan Economy and Trade Bureau. The meeting was attended also by the Consul General of Italy in Canton, **Paolo Miraglia del Giudice**, who played a very valuable role in developing the relationship with the local institutions. The meeting was also attended by a delegation of Piaggio Group management including, among others, Piaggio Director and Immsi CEO **Michele Colaninno**, General Manager of Finance for the Piaggio Group **Michele Pallottini** and Director of Product Development and Strategies **Davide Scotti**.

An industrial metropolis in **Guangdong** province with a population of seven million, Foshan is home to **Piaggio Zongshen Foshan Motorcycle Co. Ltd.**, a joint venture owned 45% by the Piaggio Group, 45% by the Zongshen Group – one of China's biggest manufacturers of motorcycles and motorcycle engines – and 10% by the **Municipality of Foshan**.

During the meeting **Roberto Colaninno** stated: "The birth of this important research centre, which will be 100 percent owned by the Piaggio group, is a response to the need to develop new engines and vehicles specifically designed to meet the needs of Asian markets. Specifically, demand for two-wheeled vehicles and lightweight commercial vehicles is destined to grow rapidly in the years to come thanks to rapid urbanisation in Asia and consumers' growing purchasing power. There is also strong demand for technological solutions that will drastically reducing polluting emissions and fuel consumption, increasingly important factors for Asian consumers. The Piaggio Group's direct presence, with its own researchers and laboratories, on the world's biggest motorcycle market will allow us to further develop environmentally sound mobility technologies, an area in which the Group is already in the forefront of development world-wide".

Foshan mayor **Li Yiwei** expressed great interest in the Piaggio Group's new initiative in Foshan, calling it "an excellent plan" and adding that "there are a lot of Chinese engineers in Foshan, and all of them would love to work for Piaggio". The mayor also agreed that Piaggio could set up a special company which would be entirely Italian-owned, contrary to the usual practice for foreign investment in China, and offered the initiative all his support, guaranteeing that authorisation would be granted rapidly.

The new Piaggio research and development centre in Foshan will be concerned with **electric engines, Diesel engines** and small **commercial vehicles with little or no environmental impact**. The plan for the Group's new R&D centre in China involves construction of laboratories with high tech instruments employing about 50 engineers. The Centre will also work in the field of scouting and qualitative assessment of components to support the Piaggio Group's international purchasing activities.

The Foshan research centre will be part of an innovative organisational model based on the network concept, integrating all the Group's worldwide research, development and purchasing activities currently performed in Europe, India and China.