This announcement is not an offer for sale of securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. Piaggio & C. S.p.A. does not intend to register any portion of the offering of the securities in the United States or to conduct a public offering of the securities in the United States. Copies of this announcement are not being made and may not be distributed or sent into the United States, Canada, Australia or Japan.

This communication is directed only at persons who (i) are outside of the United Kingdom or (ii) have professional experience in matters relating to investments or (iii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc”) of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (all such persons together being referred to as “relevant persons”). This communication must not be acted on or relied on by persons who are not relevant persons. Any investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons.

PRESS RELEASE

Board of Directors meeting

PIAGGIO GROUP: 1st QUARTER 2006¹

- NET SALES: € 374.2 MLN (+ 19.8% FROM € 312.3 MLN IN 1Q ’05)
- EBITDA: € 43 MLN (+ 75.3% FROM 1Q ’05)
- PROFIT FOR THE PERIOD: € 10.2 MLN (LOSS OF € 10.9 MLN IN 1Q ’05)
- NET DEBT DOWN TO € 397.7 MLN

Milan, 3 May 2006 – 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 results for the first quarter of 2006.

Compared with the year-earlier first quarter, and even excluding the order placed by the Italian Post Office, the figures reflect significant growth in net sales, arising largely from the motorcycle business and in India and North America. All profit indicators improved, driven by the gradual strengthening at Aprilia/Guzzi. A further

¹ The figures for the first quarter of 2005 have been restated for compliance with the IAS-IFRS standards.
decrease was reported in net debt, which benefited from cash flows despite the seasonal slowdown in business in the first quarter.

Piaggio Group consolidated net sales for the first quarter of 2006 totalled € 374.2 million, up by 19.8% (+ 8.7% net of the first-quarter portion of the Italian Post Office order for € 34.6 million) from the year-earlier first quarter (€ 312.3 million).

The industrial gross margin was € 112.9 million, an increase of 22.8% from the first quarter of 2005 (€ 91.9 million), standing at 30.2% of turnover (29.4% in 1Q 2005).

Consolidated EBITDA was € 43 million, up by 75.3% from € 24.5 million in the year-earlier first quarter. The return on net sales improved by almost 4 percentage points to 11.5% (7.8% in 1Q 2005).

Operating income for the first quarter of 2006 amounted to € 23 million, over € 1.1 million a year earlier, with profitability rising to 6.1%.

After a net financial charge of € 7.8 million and tax of € 4.9 million, Piaggio closed the first quarter with a consolidated net profit of € 10.2 million. This compared with a loss of € 10.9 million in the first quarter of 2005.

Consolidated net debt decreased from € 411.4 million at 31/12/2005 to € 397.7 million at 31/03/2006. The reduction of € 13.7 million arose from cash flow on operations despite higher absorption of resources due to the seasonal nature of the two-wheeler business.

Shareholders’ equity at 31 March 2006 was € 359.3 million compared with € 348.5 million at 31 December 2005.

At an extraordinary meeting, the Board of Directors implemented powers granted by the extraordinary Shareholders’ meetings of 7 June 2004 and 8 March 2006 to service the stock option plan of October 2003, and approved an increase in share capital from € 194,827,431.24 to € 205,941,272.16, an overall nominal amount of € 11,113,840.92, through issuance of 21,372,771 new ordinary shares with a par value of € 0.52 each, to be offered to the holders of the stock options.

Not for distribution in the United States, Canada, Australia or Japan