PRESS RELEASE

Meeting of the Board of Directors

PIAGGIO GROUP: 1st QUARTER 2007

- NET SALES € 394.2 MLN (+ 5.3% FROM € 374.2 MLN IN 1Q ’06) MORE THAN MAKING UP THE IMPACT OF THE ITALIAN POST OFFICE ORDER (REVENUES OF € 34.6 MLN IN 1Q ’06)
- EBITDA € 44.4 MLN (+ 3.3% YoY)
- NET PROFIT € 9.7 MLN AFTER TAX OF € 7.7 MLN (NET PROFIT OF € 10.2 MLN IN 1Q ’06 AFTER TAX OF € 5 MLN)
- NET DEBT € 344.8 MLN

Milan, 7 May 2007 – 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’s results for the first quarter of 2007.

Compared with the year-earlier first quarter, the latest figures reflect significant growth in net sales, which more than made up the contribution of the Italian Post Office order won by Piaggio & C. at the end of 2005 which provided revenues of € 34.6 million in the first quarter of 2006.

Growth was driven both by the Motorcycle business (+22%) and by operations in North America (+7.6%) and India (+12.2%).

Piaggio Group consolidated net sales in the first quarter of 2007 amounted to € 394.2 million, an improvement of 5.3% (+16.1% net of the Italian Post Office contribution in 1Q 2006) on the year-earlier figure (€ 374.2 million). Specifically, revenues from sales of vehicles, spare parts and accessories for the Piaggio brand (including LTV) and the Vespa, Gilera and Derbi brands amounted to € 278.8 million (+0.6% YoY); Aprilia and Moto Guzzi revenues showed a YoY improvement of 19%, to reach a total of € 115.4 million.

The industrial gross margin was € 115.7 million, up 2.5% from the year-earlier first quarter (€ 112.9 million), with a return on net sales of 29.3%.

Consolidated EBITDA including extraordinary expenses of € 2.0 million for restructurings was € 44.4 million, a rise of 3.3% from € 43 million a year earlier. The EBITDA margin was 11.3% (11.5% in the first quarter of 2006).

2007 first quarter operating profit amounted to € 25.6 million, compared with € 23 million in the year-earlier first quarter. Profitability improved to 6.5% (6.1% in the first quarter of 2006).
The first quarter of 2007 closed with a **consolidated net profit of € 9.7 million**, compared with net profit of € 10.2 million in the corresponding year-earlier period, after tax of € 7.7 million (€ 5 million in the first quarter of 2006) and a net financial charge of € 8.1 million (€ 7.8 million in the first quarter of 2006).

The consolidated **net financial position** at 31/03/2007 reflected debt of **€ 344.8 million** compared with debt of € 318.0 million at 31/12/2006, owing to greater absorption of resources in the first quarter due to the seasonal nature of the two-wheeler business.

**Shareholders’ equity** at 31 March 2007 was **€ 456.3 million**, compared with € 438.7 million at 31 December 2006.

**Significant events after 31 March 2007**
On 4 April 2007 the revolutionary **Gilera Fuoco 500ie** three-wheel scooter was presented in Berlin.

On 11 April 2007 the Board of Directors approved the **2007-2009 Three-Year Plan**. Over the next three years the Piaggio Group will focus in particular on:
- consolidating its European leadership in the scooter business;
- growing its 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.

On 16 April 2007 marketing of the Piaggio **Mp3 250** three-wheel scooter began in North America.

**Outlook**
During 2007 the Piaggio Group will work to confirm and strengthen its position as international leader for innovation, design and creativity on the light mobility market.

At a meeting held today, the Shareholders approved a stock option plan for Piaggio Group top management and authorized acquisition and disposal of own shares to service the plan.

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Glossary

**Industrial gross margin**: “Net sales” minus “Cost of sales” for the period. “Cost of sales” comprises: Cost of materials (direct and consumables), Additional purchase costs (transport incoming materials, customs, handling, warehousing), Staff costs for direct and indirect manpower and related expenses, Third-party machinings, Energy, Depreciation of property, plant and equipment and industrial equipment, External maintenance and cleaning costs net of recovery of costs recharged to suppliers.

**EBITDA**: “Operating profit” gross of amortisation of intangible assets and depreciation of property, plant and equipment as reflected on the face of the income statement.

**Operating expense**: staff costs, cost of services and use of third-party assets, and operating costs net of operating income not included in the industrial gross margin. Operating expense also includes amortisation and depreciation not included in industrial gross margin.

**Working capital** net sum of: Current and non-current trade and other receivables, Inventories, Trade and other non-current payables and Current trade payables, Other receivables (Current and non-current tax receivables, Deferred tax assets) and Other Liabilities (Tax liabilities and Other current liabilities)

**Property, plant and equipment, net**: Property, plant and equipment and industrial equipment, net of accumulated depreciation, plus assets held for sale.

**Intangible assets, net**: capitalised development costs, costs for patents and knowhow, goodwill arising from Group internal mergers/acquisitions

**Non-current financial assets**: Equity investments, Other non-current financial assets and any portion of Guarantee deposits reflected in Other current financial assets

**Provisions**: Pension funds and employee benefits, Other non-current provisions, Current portion of other non-current provisions, Deferred tax liabilities.

**Net financial position**: Medium/long-term financial liabilities, Short-term financial liabilities less Short-term financial assets and less cash and cash equivalents.