

PRESS RELEASE**PIAGGIO OBTAINS MANUFACTURING LICENCE
FOR VESPA PLANT IN VIETNAM
NEW INDUSTRIAL SITE INAUGURATED IN THE PRESENCE OF
FOREIGN MINISTER MASSIMO D'ALEMA**

Vinh Phuc (Vietnam), 9 October 2007 – The Piaggio Group is making its official debut in Vietnam. Two separate ceremonies held today inaugurated its project for the production of Vespa scooters for the domestic market.

In the morning, at the central offices of Vinh Phuc Province, Provincial Governor Nguyen Ngoc Phi presented the manufacturing licence authorising Piaggio to begin Vespa production to the Group's top managers. The ceremony was attended by the Vinh Phuc Provincial Communist Party Secretary, Trinh Dinh Dung; Piaggio was represented by the Group Chairman and Chief Executive Officer, Roberto Colaninno, the Senior Vice President for Operations, Daniele Bandiera, and the Senior Vice President for Finance, Michele Pallottini

Subsequently, in the presence of the Italian Deputy Prime Minister and Minister for Foreign Affairs, Massimo D'Alema, the Italian Ambassador to Vietnam, Alfredo Matacotta Cordella and the Vietnamese Ambassador to Italy, Nguyen Van Nam, the delegation moved to the Binh Xuyen Industrial Park (province of Vinh Phuc), for the inauguration of the site on which the Piaggio Group production facility will be built.

The Vietnam Project, approved by the Piaggio & C. S.p.A. Board of Directors on 7 September 2007, is part of the Piaggio Group general international growth programme outlined in the 2007-2009 Three-Year Plan.

Production operations at the Group's new plant in Vietnam—welding, painting and final assembly of Vespa scooters, with areas for stores, testing, quality control and offices—are expected to begin within about two years from receipt of the manufacturing licence, which took place today, and formation of the Vietnamese company, scheduled for the end of the year.

Total investment through to start-up of production operations, including in loco Vespa production commissioning, is estimated in a range of 25-30 million US dollars. Production capacity at the facility could reach 100,000 scooters/year.

Piaggio Group Chairman and CEO Roberto Colaninno said: "After India and China, Piaggio is completing its strategic investment plan in Asia, and taking a vitally important new step towards globalisation of its industrial and commercial operations. We are particularly proud that with this initiative the Group is undertaking the largest investment by an Italian business in Vietnam, an extraordinarily young and rapidly



growing country. And it is doing so with the Vespa product and brand, already a well known name on the local market, confirming the unique appeal of an Italian product that has established itself as a status symbol all over the world.”

Estimates put initial sales of Vespa scooters produced in Vietnam at approximately 20,000 scooters/year, rising, over the following 5 years, to approximately 50,000 scooters, in addition to sales of vehicles produced in other Piaggio Group factories. Sales growth will be assisted by the planned expansion of the local sales network from today's 35 outlets to more than 100. In 2006 Piaggio sold approximately 7,500 two-wheelers in Vietnam, including 6,000 Vespa scooters.

Management and coordination of the Project will be handled by Piaggio Group top management. The chairman and CEO of the new Vietnamese company will be Roberto Cristiani, 45, who has held a number of increasingly senior posts within the Group, notably in south-east Asia and China.

The workgroup will consist of the heads of various Piaggio functions in plant and production, development, procurements and logistics, who will also provide support in loco where necessary.

For more information:

IMMSI Press Office

Via Vivaio, 6 - 20122 Milan – Italy

Massimiliano Levi

Tel. +39 02 76212621

Fax +39 02 76212629

massimiliano.levi@immsi.it

www.immsi.it

Piaggio Group Press Office

Via Vivaio, 6 - 20122 Milan – Italy

Roberto M. Zerbi

Tel. +39 02 76212643-44-45-46

Fax +39 02 76212629

press@piaggio.com

www.piaggio.com