



PRESS RELEASE

**PIAGGIO GROUP: THE BOARD OF DIRECTORS APPROVES
THE 2009 ANNUAL REPORT**

**Industrial gross margin € 467.1 million (468.8 million in 2008)
growing in comparison to turnover (from 29.9% to 31.4%)**

**Ebitda € 200.8 million (+6.2% in comparison to 2008)
with Ebitda margin rising from 12% in 2008 to 13.5% in 2009**

Pre-tax result € 74.1 million (+24.3% in comparison to 2008)

Net profit € 47.4 million (+9.4% in comparison to 2008)

Net debt € 352.0 million (-7.7 million in comparison to 2008)

Revenues € 1,486.9 million (-5.3% in comparison to 2008)

Increased market share in Europe in the 2-wheel business

Increased total turnover in the commercial vehicle business

**Sharp increase in Asian markets, both for 2-wheelers and for the commercial
vehicle business**

Piaggio & C. S.p.A.: net profit € 46.1 million (+53.6% in comparison to 2008)

Suggested dividend of € 0.07 per share (0.06 in 2008)

Suggested annulment of 24,247,007 own shares in the Company's portfolio

**Maurizio Roman appointed General Manager for Product Development and
Strategies**

Milan, 26 February 2010 – The Board of Directors of Piaggio & C. S.p.A. met today in Milan. The meeting, chaired by Roberto Colaninno, examined and approved the 2009 Annual Report.

In 2009, the Group's **operating management** and **profitability improved significantly**, despite the exceptional difficulties of the macroeconomic scenario and the substantial fall in demand in the 2-wheel and commercial vehicle business.



in India and Europe. Special attention will also be paid to the growth of the Group's motorcycle brands in Europe, and to consolidating its leadership in the scooter business in Europe and America, as well as to the development of sales of Vespa scooters in Vietnam – which officially started at the end of June 2009 – also by enlarging the range of scooters offered.

In 2010, the Piaggio Group will concentrate on future development and new investments; the most important of which include the industrialization of the new Diesel engines with the beginning of production at the new site in India, designed for their manufacturing.

Piaggio & C. S.p.A.

In 2009, the Parent company's turnover was € 1,125.8 million, with an Ebitda of € 124.7 million, an operating result of € 38.8 million and a post-tax net profit of € 46.1 million.

Suggested cancellation of shares of the Company

The Board of Directors of Piaggio & C. S.p.A. has decided to submit to the General Shareholders Meeting's approval the proposal to modify the Stock Option plan for 2007-2009, devoting thereto up to 3,300,000 shares of the Company in portfolio (amounting to 0.83% of the share capital), and to cancel 24.247.007 shares of the Company in its portfolio (amounting to 6.12 % of the share capital), after deleting the nominal value of circulating ordinary shares and without reducing the numeral amount of the share capital. It has also been decided to submit to the General Shareholders Meeting's approval the proposal to provide for a dividend, upon payment, for up to nominal Euro 2,891,410.20, other than Euro 6,673,309.80 as share premium and excluding the pre-emption right as under section 2441 (5) and (8) Italian Civil Code and 134 Legislative Decree no. 58/1998, by issuing up to 5,220,000 ordinary shares for subscription by the beneficiaries of the Stock Option Plan of 2007-2009.



Suggested dividend of € 7 cents

The Board of Directors will suggest to the General Assembly to pay a **dividend of € 7 cents per share** (in comparison to the €6 cent dividend of 2008), including the quota for own shares under art. 2357-ter Italian Civil Code, for a total value of € 25,794,573.07 million.

The ex dividend date is 17/05/2010, while payment will take place on 20/05/2010.

Appointment of General Manager for Product Development and Strategies

During the same meeting, the Board of Directors appointed Maurizio Roman, who joined the Group on 1 January 2010, as General Manager for Product Development and Strategies.

* * *

The manager in charge of drafting accounting-corporate documents, Ms. Alessandra Simonotto, certifies (art. 154 bis (2) Leg. Decree 58/1998 (T.U.F.)) that the accounting information contained in this release matches the documentary results, the records and books of the company.

For further information:

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CONSOLIDATED INCOME STATEMENT

INCOME STATEMENT				
<i>In thousands of euro</i>	Notes	2009	2008	Variation
Net revenues	4	1,486,882	1,570,060	(83,178)
<i>including transactions with related parties</i>		7	58	(51)
Cost of materials	5	871,653	936,603	(64,950)
<i>including transactions with related parties</i>		38,800	43,855	(5,055)
Cost of services and leases	6	272,065	292,920	(20,855)
<i>including transactions with related parties</i>		3,679	1,557	2,122
Staff costs	7	242,916	250,967	(8,051)
Depreciation of real property, plant and machinery	8	37,148	38,073	(925)
Amortization of intangible assets	8	59,230	56,467	2,763
Other operating profits	9	135,938	133,474	2,464
<i>including transactions with related parties</i>		1,538	2,035	(497)
Other operating costs	10	35,387	33,993	1,394
<i>including transactions with related parties</i>		2	10	(8)
Operating result		104,421	94,511	9,910
Result of shareholdings	11	450	12	438
Financial income	12	4,455	6,367	(1,912)
Financial charges	12	33,275	41,288	(8,013)
<i>including transactions with related parties</i>		161	246	(85)
Profits/(losses) after exchange rate differences	12	(1,958)	31	(1,989)
Pre-tax result		74,093	59,633	14,460
Annual income tax	13	26,674	16,302	10,372
Result deriving from operations		47,419	43,331	4,088
Assets destined for disinvestment:				
Profits or losses from assets destined for disinvestment	14			0
Consolidated net result		47,419	43,331	4,088
Attributable to:				
Holding company's shareholders		46,031	43,001	3,030
Minority shareholders		1,388	330	1,058
Result per share (figures in €)	15	0.12	0.11	0,01
Diluted result per share (figures in €)	15	0.12	0.11	0,01

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES
Statement of Assets and Liabilities

<i>In thousands of euro</i>	Notes	As of December 31 2009	As of December 31 2008	Variation
ASSETS				
Non-current assets				
Intangible assets	16	641,254	648,234	(6,980)
Real property, plant and machinery	17	250,415	250,354	61
Investment in real estate	18			0
Shareholdings	19	239	239	0
Other financial assets	20	343	359	(16)
<i>including transactions with related parties</i>		9		9
Long term tax credits	21	4,990	8,166	(3,176)
Deferred tax receivables	22	46,462	36,227	10,235
Trade receivables	23		0	0
Other receivables	24	12,914	12,587	327
<i>including transactions with related parties</i>		459	799	(340)
Total non-current assets		956,617	956,166	451
Assets destined for sale	28			0
Current assets				
Trade receivables	23	103,164	90,278	12,886
<i>including transactions with related parties</i>		477	460	17
Other receivables	24	24,198	21,380	2,818
<i>including transactions with related parties</i>		4,066	1,961	2,105
Short-term tax receivables	21	23,979	27,772	(3,793)
Inventories	25	252,496	257,961	(5,465)
Other financial assets	26	4,127	5,787	(1,660)
<i>including transactions with related parties</i>			45	(45)
Cash and cash equivalents	27	200,239	39,985	160,254
Total current assets		608,203	443,163	165,040
TOTAL ASSETS		1,564,820	1,399,329	165,491

<i>In thousands of euro</i>	Notes	As of December 31 2009	As of December 31 2008	Variation
NET EQUITY AND LIABILITIES				
Net equity				
Capital and reserves attributable to parent company's shareholders	31	421,661	396,767	24,894
Capital and reserves attributable to minority shareholders	31	2,141	1,454	687
Total net equity		423,802	398,221	25,581
Non-current liabilities				
Financial liabilities falling due in more than one year	32	443,164	264,789	178,375
<i>including transactions with related parties</i>		16,000		16,000
Pension funds and employees' benefits	36	61,859	64,160	(2,301)
Other long-term funds	34	22,965	21,678	1,287
Taxes payable	37		166	(166)
Other long-term payables	38	6,485	5,965	520
Deferred taxes payable	35	29,694	31,795	(2,101)
Total non-current liabilities		564,167	388,553	175,614
Current liabilities				
Financial liabilities falling due within one year	32	113,178	140,691	(27,513)
Trade payables	33	345,987	362,224	(16,237)
<i>including transactions with related parties</i>		13,242	8,712	4,530
Taxes payable	37	18,952	19,065	(113)
Other short term payables	38	79,567	70,677	8,890
<i>including transactions with related parties</i>		607	600	7
Current share of other long-term funds	34	19,167	19,898	(731)
Total current liabilities		576,851	612,555	(35,704)
TOTAL NET EQUITY AND LIABILITIES		1,564,820	1,399,329	165,491

INCOME STATEMENT Parent Company Piaggio & C

<i>In thousands of euro</i>	Notes	2009	2008	Variation
Net revenues	4	1,125,773	1,276,332	(150,559)
<i>including transactions with related parties</i>		109,329	159,261	(49,932)
Cost of materials	5	629,965	719,603	(89,638)
<i>including transactions with related parties</i>		52,490	67,568	(15,078)
Cost of services and leases	6	256,432	279,661	(23,229)
<i>including transactions with related parties</i>		51,507	38,701	12,806
Staff costs	7	192,127	205,157	(13,030)
<i>including transactions with related parties</i>		34		34
Depreciation of real property, plant and machinery	8	30,357	32,170	(1,813)
Amortization of intangible assets	8	55,556	54,597	959
Other operating profits	9	105,617	90,510	15,107
<i>including transactions with related parties</i>		36,202	17,507	18,695
Other operating costs	10	28,179	27,040	1,139
<i>including transactions with related parties</i>		2	28	(26)
Operating result		38,774	48,614	(9,840)
Result of shareholdings	11	32,207	18,090	14,117
Financial income	12	7,465	5,054	2,411
<i>including transactions with related parties</i>		5,004	646	4,358
Financial charges	12	34,021	41,673	(7,652)
<i>including transactions with related parties</i>		14,040	16,420	(2,380)
Profits/(losses) after exchange rate differences		501	140	361
Pre-tax result		44,926	30,225	14,701
Annual income tax	13	(1,127)	241	(1,368)
Result deriving from operations		46,053	29,984	16,069
Assets destined for disinvestment:				
Profits or losses from assets destined for disinvestment	14			0
Net result		46,053	29,984	16,069
Result per share (figures in €)	15	0.12	0.08	0.04
Diluted result per share (figures in €)	15	0.12	0.08	0.04

STATEMENT OF ASSETS AND LIABILITIES Parent company Piaggio & C

<i>In thousands of euro</i>	Notes	As of December 31 2009	As of December 31 2008	Variation
ASSETS				
Non-current assets				
Intangible assets	16	547,185	523,287	23,898
Real property, plant and machinery	17	184,376	195,060	(10,684)
Investment in real estate	18			0
Shareholdings	19	40,481	64,673	(24,192)
Other financial assets	20	21,188	24,359	(3,171)
<i>including transactions with related parties</i>		1,355	24,239	(22,884)
Long term tax credits	21	892	1,234	(342)
Deferred tax receivables	22	29,377	22,493	6,884
Trade receivables and other credits	23	4,332	4,899	(567)
<i>including transactions with related parties</i>		321	398	(77)
Total non-current assets		827,831	836,005	(8,174)
Assets destined for sale	28			0
Current assets				
Trade receivables and other receivables	24	173,332	138,873	34,459
<i>including transactions with related parties</i>		79,279	64,145	15,134
Short-term tax receivables	21	4,695	20,694	(15,999)
Inventories	25	195,817	211,452	(15,635)
Other financial assets	26	28,585	39,120	(10,535)
<i>including transactions with related parties</i>		28,585	34,937	(6,352)
Cash and cash equivalents	27	175,991	11,312	164,679
Total current assets		578,420	421,451	156,969
TOTAL ASSETS		1,406,251	1,257,456	148,795

<i>In thousands of euro</i>	Notes	As of December 31 2009	As of December 31 2008	Variation
NET EQUITY AND LIABILITIES				
Net equity				
Capital	29	191.617	192.148	(531)
Share premium reserve	29	3.493	3.493	0
Legal reserve	29	8.996	7.497	1.499
Other reserves	29	38.100	19.583	18.517
Profit (loss) carried over	29	60.082	54.361	5.721
Annual profit (loss)	29	46.053	29.984	16.069
Total net equity		348.341	307.066	41.275
Non-current liabilities				
Financial liabilities falling due in more than one year	30	443.164	290.505	152.659
<i>including transactions with related parties</i>		16.000	146.257	(130.257)
Other long-term payables	36	6.276	5.884	392
Pension funds and employees' benefits	34	58.547	61.974	(3.427)
Other long-term funds	32	26.933	27.084	(151)
Deferred taxes payable	33	25.704	27.432	(1.728)
Total non-current liabilities		560.624	412.879	147.745
Current liabilities				
Financial liabilities falling due within one year	30	109.761	121.410	(11.649)
<i>including transactions with related parties</i>		6.785	247	6.538
Trade payables	31	299.709	325.346	(25.637)
<i>including transactions with related parties</i>		36.987	27.478	9.509
Taxes payable	35	12.005	15.664	(3.659)
Other short term payables	36	61.420	62.840	(1.420)
<i>including transactions with related parties</i>		6.595	8.643	(2.048)
Current share of other long-term funds	32	14.391	12.251	2.140
Total current liabilities		497.286	537.511	(40.225)
TOTAL NET EQUITY AND LIABILITIES		1.406.251	1.257.456	148.795