2010 DRAFT FINANCIAL STATEMENTS
SIGNIFICANT EVENTS OCCURRING SINCE DECEMBER 31, 2010
GOING CONCERN VIABILITY AND OUTLOOK FOR 2011
REPORT ON CORPORATE GOVERNANCE AND THE COMPANY'S OWNERSHIP STRUCTURE
THE BOARD CONVENES AN ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING

Turin, March 23, 2011 – The Board of Directors of Pininfarina S.p.A., meeting today under the chairmanship of Paolo Pininfarina, approved a draft of the 2010 Financial Statements of the Company and the Group and the Annual Report on Corporate Governance and the Company's Ownership Structure, and agreed to convene an Ordinary and Extraordinary Shareholders' Meeting.

The table below shows the consolidated operating and financial highlights of the Pininfarina Group for 2010 and provides a comparison with those at December 31, 2009:

(Amounts in millions of euros)	**2010 draft financial statements**	**2009**	**Amount of change**
Value of production	204.6	201.6	+3.0
EBITDA	-6.3	2.9	-9.2
EBIT	-20.0	-35.9	+15.9
Net financial income (expense)	0.7	3.1	-2.4
Valuation of invest. by equity method	-12.9	2.2	-15.1
Net profit (loss)	-33.1	-30.7	-2.4
Net financial position	-59.0	-43.7	-15.3
Shareholders' equity	21.0	48.7	-27.7

EBITDA represent the profit or loss from operations before depreciation, amortization and additions to provisions, writedowns and utilizations of provisions.
EBIT represent the profit or loss from operations.

Pursuant to Article 154 *bis,* Section 2, of the Uniform Financial Code, Gianfranco Albertini, in his capacity as Corporate Accounting Documents Officer, declares that the accounting information provided in this press release is consistent with the information in the supporting documents and in the Company's books of accounts and other accounting records.

For the Pininfarina Group, 2010 was a year marked by important industrial, strategic and nonrecurring events, all of which had impact on reported results. The main events are reviewed below:

● Insofar as the industrial activities are concerned, car production under contracts with Ford and Alfa Romeo ended in July and November, respectively. After engaging in contract car manufacturing for a number of years, the Group thus brought to its end an activity that represented its most important business in terms of value of production, economic margins and financial impact, but, in recent years, was also the main cause of the challenges faced by the Parent Company.

● At the strategic level, the Company laid the groundwork for a redefinition of the Group that is more consistent with its new mission, which, as defined in the 2008 Industrial Plan, calls for focusing on styling and engineering services, establishing a direct presence in the most promising markets and expanding in the ecomobility sector. On December 1, 2010, in keeping with this approach, **a new company, Pininfarina Automotive Engineering (Shanghai), became operational in China. Its mission is to deliver engineering services directly to customers in the fastest growing market in the world and, at the same time, serve as an operational "antenna" for activities in Italy.** Also in December, **negotiations got under way with Volvo Car Corporation, the Group's partner in the Pininfarina Sverige joint venture in Sweden, with a view to Pininfarina's disengagement from its investment in this subsidiary in the spring of 2013 (pursuant to the terms of the joint venture agreements), after a partnership of almost 10 years that involved the development and production of the Volvo C70 model, a project pursued jointly by both companies since 2003.** Noteworthy developments among various projects carried out in the ecomobility area (mainly involving electric cars and hybrid busses) included the presentation of the Nido EV prototype in May 2010, in connection with the celebrations for Pininfarina's 80th year of business activity, and the collaboration with the Bolloré Group, which, as explained later in this press release when commenting significant events occurring after December 31, 2010, is highly significant from a financial standpoint.

● As for nonrecurring events and their impact on the Group's income statement, balance sheet and cash flow, developments deserving mention included the outcome of the dispute with Mitsubishi Motor Europe, which had a negative impact of 22.6 million euros on EBITDA and of 28.5 million euros both on EBIT and the net financial position. In addition, the decision to terminate the Pininfarina Sverige joint venture required the Company to recognize an impairment loss of 15.3 million euros, in order to align the carrying amount of this investment with its expected realizable value. The combined economic impact of these two events amounted to 43.8 million euros in 2010, offset in part by the reversal of surplus provisions totaling 10.9 million euros, recognized in connection with the end manufacturing activities, and other factor that helped mitigate the effect of these charges on the bottom line.

The 2010 data for the activities that supply engineering and styling services show diverging trend within the Group. In the case of engineering, compared with 2009, business activity and margins continued to improve in Germany, held relatively steady in Morocco but were below expectations in Italy. Styling activities continued to perform according to plan—with better results than in 2009 in the non-automotive area—in terms both of business volume and margins.

With regard to the commitments and restrictions of the Rescheduling Agreement between Pininfarina S.p.A. and the Lender Institutions, the data for 2010 show that the Company was in compliance with the covenants of the Agreement with regard both to the EBITDA and liquidity amounts at the end of the year.

In 2010, Pininfarina S.p.A. paid to its financial creditors the contractually required amount, which totaled 58.5 million euros, thereby reducing its medium/long-term gross indebtedness, which currently stands at 209.8 million euros in principal amount.

It is worth mentioning that negotiations for the sale of the Pininfarina Group that started in August 2009 progressed to an operational phase in the closing months of 2010. The Company is confident that future events will lead to a stronger financial position and create new economic opportunities for Pininfarina, which, in addition to facing market conditions that are extremely competitive, is also suffering from the uncertainty surrounding its future ownership structure.

The 2010 data of the Pininfarina Group show a **value of production** of 204.6 million euros, compared with 201.6 million euros reported at December 31, 2009 (+1.5%). An breakdown of the value of production by individual business segment shows that the manufacturing operations contributed 77% of the total amount (69% in 2009), with the combined contribution of the styling and engineering operations accounting for the remaining 23% (31% in 2009).

EBITDA were negative by 6.3 million euros (-3% of value of production), down from positive EBITDA of 2.9 million euros (+1.4% of value of production) the previous year. However, it is important to keep in mind that the loss reported in 2010 reflects an increase in charges of 22.6 million euros due to the Mitsubishi arbitration award.

EBIT were negative by 20 million euros (-9.8% of value of production), compared with negative EBIT of 35.9 million euros in 2009 (-17.8% of value of production).
This reduction in operating loss was achieved despite a negative effect from nonrecurring events that was larger than in 2009.

Financial transactions generated **net financial income** of 0.7 million euros (3.1 million euros in 2009).

The following **valuation adjustments** were made to the carrying amounts of the investments in joint ventures:

● a positive adjustment of 3.1 million euros (3.9 million euros at December 31, 2009) for ***Pininfarina Sverige A.B.***, the carrying amount of which was reduced by 15.3 million euros to reflect the impairment loss suffered by the investment held in this company by the Pininfarina Group. The decision to terminate the joint venture agreement made it necessary to writedown this investment's carrying amount to its expected realizable value in 2013.

● a negative adjustment of 0.7 million euros (1.7 million euros in 2009) for ***Véhicules Electriques Pininfarina-Bolloré S.A.S.***, which corresponds to 50% of the operating and financial expenses incurred by this company in 2010.

The **loss for the year,** after **taxes** of 0.9 million euros (0.2 million euros at December 31, 2009), amounted to 33.1 million euros, compared with a net loss of 30.7 million euros in 2009.

The Board of Directors did not recommend the distribution of a dividend.

Shareholders' equity decreased by 27.7 million euros, falling from 48.7 million euros in 2009 to 21 million euros at December 31, 2010. This reduction is the net result of the loss for the year of 33.1 million euros, offset in part by a positive change of 5.4 million euros in the Reserve for currency translations..

The **net financial position** was negative by 59 million euros, compared with a negative balance of 43.7 million euros at December 31, 2009 (-35%). This deterioration is due mainly to the impact of the Mitsubishi arbitration award, which caused loans receivable carried at 47.7 million euros to be written down by 5.9 million euros and required the payment of 22.6 million euros to Mitsubishi, for a total charge of 28.5 million euros. However, in terms of cash flow, the arbitration award generated actual net proceeds of 19.2 million euros. Medium/long-term gross indebtedness decreased by 58.5 million euros, due to the payments made to the financial creditors in 2010.

The table below shows the operating and financial highlights of Pininfarina S.p.A., the Group's Parent Company:

(Amounts in millions of euros)	**2010 draft financial statements**	**2009**	**Amount of change**
Value of production	182.8	182.5	+0.3
EBITDA	-10.1	3.2	-13.3
EBIT	-25.4	-33.9	+8.5
Net financial income (expense)	0.8	3.4	-2.6
Writedown of Pininfarina Sverige JV	-2.6	0	-2.6
Net profit (loss)	-27.5	-30.4	+2.9
Net financial position	-60.9	-45.8	-15.1
Shareholders' equity	35.2	62.7	-27.5

EBITDA represent the profit or loss from operations before depreciation, amortization and additions to provisions, writedowns and utilizations of provisions.
EBIT represent the profit or loss from operations, net of the writedown of the investment in Pininfarina Sverige A.B.

To a large extent, the comments provided when reviewing the consolidated data are also applicable to those of Pininfarina S.p.A.

Information Required by the Consob Pursuant to Article 114, Section 5 of Legislative Decree No. 58/98

1) The net financial positions of Pininfarina S.p.A. and the Pininfarina Group, with current and non-current components listed separately, are shown in the schedules annexed to this press release;
2) There were no past-due amounts (financial or related to tax or employee benefit liabilities) owed by the Pininfarina Group. No actions against the Group have been filed by creditors.
3) The transactions with related parties of Pininfarina S.p.A. and the Pininfarina Group are listed in the Annexes to this press release.
4) In 2010, the Company complied with the covenants set forth in the Rescheduling Agreement with the Lender Institutions currently in effect and, in general, with all of the commitments undertaken by the Company pursuant to the abovementioned agreement. Insofar as the current year is concerned, compliance with the applicable covenants will be verified upon the publication of the consolidated financial statements at December 31, 2011. Presently, owing in part to the negative effects caused by the Mitsubishi arbitration award in 2010, projections show non-compliance with the required financial parameters in 2011. With regard to this issue, the Company is engaged in constructive discussions with the Lender Institutions about the Company's interpretation of some of the income statement and balance sheet data upon which the financial covenants are based. The Lender Institutions, in keeping with the collaborative approach that has always guided their actions towards the Company, indicated that they would be willing to consider requests to amend the contractual stipulations. Based on these considerations, the Company is confident that it will be able to comply also in 2011 with the covenants of the current Rescheduling Agreement or, possibly, with those of an amended Agreement.
5) The implementation of the plan to restructure the indebtedness of Pininfarina S.p.A. is proceeding in accordance with the agreements currently in effect with the Lender Institutions.
6) As for the progress made in implementing the Industrial Plan, thus far, while in some cases the technical modalities employed were different from those originally envisioned, the strategic and economic substance of the Plan's projections is being achieved.

Two important transactions stand out among the **significant events occurring after December 31, 2010:**

On March 9, 2011, **Pininfarina S.p.A. entered into a preliminary agreement with Cecomp S.p.A., Bolloré s.a. and Véhicules Electriques Pininfarina Bolloré s.a.s. (VEPB) involving the leasing of certain business operations until December 31, 2013. The final agreement will be executed once the procedure required by the labor unions is completed.** The abovementioned business operations include the Bairo Canavese plant with its equipment, employment contracts for 57 employees, the existing provision for termination indemnities applicable to these employees and some contracts for the supply of utilities. Over the duration of the agreement, Pininfarina will receive a consideration of 14 million euros. The plant will be used to manufacture about 4,000 electric cars based on the design of the Bluecar developed by Pininfarina for VEPB. These cars will be used by the Bolloré Group for a car sharing services that will launch in the fall of 2011 in Paris and in 40 neighboring municipalities. This transaction is particularly important, not only for its financial implications, but also because it represents another step forward in the implementation of the electric car project that the Pininfarina and Bolloré Groups have been jointly pursuing. Moreover, the success of this "pilot" project is particularly important for Pininfarina in terms of its future developmental and industrial impact on the possible production of electric automobiles on a larger scale.

On March 22, 2011, Pininfarina S.p.A. exercised the put option it held pursuant to the contractual stipulations of the agreement executed with the Bolloré Group in September 2010, by which it sold to its French partner its interest in the 50-50 joint venture called Véhicules Electriques Pininfarina Bolloré s.a.s. The agreed consideration of 10 million euros is substantially the same as the amount at which this investment is carried in the accounting records. The sale is expected to close within 30 days from the put exercise date, with the price due upon closing. This transaction, which does not constitute a change to the Company's Industrial Plan, is being executed within the framework of the excellent industrial relationship that exists between the Pininfarina and Bolloré Groups, as exemplified by the recent signing of the abovementioned preliminary agreement for the leasing of business operations, by which the Company is making available equipment and employees for the electric car project.

On March 21, 2011, the Revenue Police, acting further to a tax audit launched in June 2010, notified to the Company a tax audit report alleging the existence in the 2008 tax year of an unreported prior-period gain of about 180 million euros subject to corporate income tax (IRES). However, the use of available tax losses would reduce this amount by more than 90%. This issue stems from the first phase of the transaction to restructure and recapitalize the Company implemented by the Lender Institutions and Pincar S.p.A. The tax audit is currently in its final phase with regard to some issues concerning indirect taxes applicable to certain aspects of the abovementioned transaction. In this case as well, Pininfarina S.p.A. is confident that it acted correctly and looks forward to a positive resolution of these issues.

Assessment of Going Concern Viability and Outlook for 2011

Assessment of Going Concern Viability

The Board of Directors, having analyzed all of the circumstances described above, finds positive signs of improvement in the Company's business trends and, at the same time, some lingering questions about the ability of the Group and the Company to continue operating based on the going concern assumption.
Considering the results reported in 2010 and the events that took place after December 31, 2010, having performed the required reviews and assessed the relevant uncertainties, the Directors have a reasonable expectation that the Group and the Company will still have adequate resources to continue operating in the foreseeable future and that there are concrete possibilities that they may bring to a successful conclusion the transactions of the Industrial and Financial Plan, thereby completing the current financial and business restructuring process.
For the reasons, the Board of Directors is continuing to adopt the going concern assumption in the preparation of the financial statements.

Outlook for 2011

With the end of the contract manufacturing operations in 2010, the Company completed a significant phase in the process of restructuring its industrial activities. The absence of the revenues generated by the contract car manufacturing activity is expected to produce a drop of more than 50% in the value of production compared with the amount reported in 2010. Despite such a drastic reduction in the value of production, both the EBIT and net result of the Pininfarina Group are expected to be marginally positive in 2011.
On the balance sheet side, the possibility that new shareholders could enter the Company's ownership structure could help strengthen the existing shareholders' equity.
In 2011, under the Rescheduling Agreement with the Lender Institution currently in effect, the Company will still not be required to pay interest on its remaining gross long-term indebtedness nor will it have to repay principal (except for the payments due to Fortis Bank, now Banca Nazionale del Lavoro S.p.A.). In view of these considerations and based on estimates for the current year, the Company expects to be cash flow positive, thanks to the collection of loans receivable and the divestment of equity investments. The amounts generated by transactions that are not strictly related to operating activities will be larger than the financial resources needed to fund working capital requirements, the dynamics of which are now structurally different following the change in business model that occurred in 2010 and 2011. Therefore, it seems reasonable to state that, over the medium term, the existing liquidity will be sufficient to secure the normal progress of the Group's operations and the timely compliance with the financial obligations towards all of its stakeholders. However, at the end of 2011, the net financial positions is expected to show a deterioration of about 25% compared with 2010.
Insofar as the current year is concerned, compliance with the applicable covenants will be verified upon the publication of the consolidated financial statements at December 31, 2011. Presently, owing in part to the negative effects caused by the Mitsubishi arbitration award in 2010, projections show non-compliance with the required financial parameters in 2011. With regard to this issue, the Company is engaged in constructive discussions with the Lender Institutions about the Company's interpretation of some of the income statement and balance sheet data upon which the financial covenants are based. The Lender Institutions, in keeping with the collaborative approach that has always guided their actions towards the Company, indicated that they would be willing to consider requests to amend the contractual stipulations. Based on these considerations, the Company is confident that it will be able to comply also in 2011 with the covenants of the current Rescheduling Agreement or, possibly, with those of an amended Agreement.

The Board of Directors also approved the annual **Report on Corporate Governance and the Company's Ownership Structure** for 2010. With regard to the requirements of Article 89 *bis,* Section 2, of the Issuers' Regulations, the Company announces that information about compliance with the Corporate Governance Code (Report on Corporate Governance and the Company's Ownership Structure) will be available on the "Finance" page of the Company website (www.pininfarina.com) on April 7, 2011 and in the other modalities required under current laws.

Lastly, the Board of Directors agreed to convene an **Ordinary and Extraordinary Shareholders' Meeting** for **April 29, 2011, at 4:00 PM, at the offices of Pininfarina S.p.A. in Cambiano (TO).** The Meeting's Agenda includes the approval of the 2010 financial statements, the allocation of the year's result and, in the extraordinary session, some amendments to the Bylaws, required to make them consistent with current regulations, and a motion not to replenish the portion of the Revaluation reserve used to cover the 2010 loss.

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