



Pininfarina Group – a good third quarter

The Pininfarina Group closed the third quarter of 2001 with value of production up 15% over the same period last year. This positive result was announced today when the Board of Directors of Pininfarina S.p.A. met in Turin under the chairmanship of Sergio Pininfarina to review the performance of the Parent Company and its subsidiaries during the third quarter.

A review of the consolidated data shows that the value of production rose from 514.674 million euros at September 30, 2000 to 592.125 million euros at September 30, 2001. This increase, which was achieved despite a 7% drop in the production of complete cars and car bodies (33,543 units manufactured during the first nine months of 2001 compared with 35,988 units in the same period last year), shows that the strategy of transforming Pininfarina into a provider of services to the automotive industry, particularly in the field of engineering, is beginning to bear fruit. The Group's profitability for the first nine months of 2001 also improved, with consolidated EBIT rising from 12.744 million euros at September 30, 2000 to 21.550 million euros at September 30, 2001. Over the same period, the ratio of EBIT to the value of production increased from 2.4% to 3.6%. At 7.124 million euros, net profit was higher than the 5.113 million euros reported at September 30, 2000. The net financial position shows a positive balance of 113.9 million euros, compared with a positive balance of 88.2 million euros at December 31, 2000.

The Group's industrial operations should experience a slowing down during the fourth quarter of 2001. Nevertheless, year-end value of production and earnings are expected to be higher than in 2000, though the growth rate should be lower than in the first nine months of the year. In the first nine months of 2001, the Group's Parent Company, Pininfarina S.p.A., earned a net profit of 2.878 million euros, compared with 7.376 million euros in the same period last year. Unfavorable conditions in the financial markets and a decrease in income from equity investments in subsidiaries account for this decrease. Among the events that occurred in recent months, the signing of a letter of intent this past October by Pininfarina and the German Company Webasto AG to establish a 50-50 joint venture is particularly significant. This transaction is fully consistent with Pininfarina's strategy of expanding in the areas of product and process engineering.

The new Company, which will begin operating in Germany next year, will rely on the combined expertise of both Companies in roof systems for convertible cars (soft-tops and retractable hardtops). Webasto will provide specialized design and production knowhow for retractable roofs, while Pininfarina will draw on its unique tradition and wealth of expertise in designing and constructing open-top automobiles. Another important development was the signing of a third contract with the Hafei Industrial Group Corporation of Harbin, China. Pininfarina previously handled the design, engineering and industrialization of a minivan that is currently being manufactured and sold in China and is enjoying considerable success. In 2001, Pininfarina completed work on a second contract for a city car scheduled for market launch in the near future.

In September 2001, it signed a new cooperation agreement, this time to style, design, prototype and test a new vehicle that, interestingly enough, will comply with European registration standards. The establishment of stronger ties with this Chinese Company underscores the quality of the services offered by Pininfarina and opens up the possibility of making further inroads in a market with enormous growth potential. At the Frankfurt International Motor Show this past September, Pininfarina presented the Start to the international press. This concept car, which is a styling exercise based on Ford mechanical and technology, was developed to emphasize the importance of the Company's new partnership with Ford Europe on the engineering and production of the Ford StreetKa, scheduled for market introduction in 2003. Lastly, on October 15, 2001, following negotiations that began on September 19 as part of its reorganization effort, Pininfarina signed an agreement with all of the Unions and Company Employee Representatives on the reduction in the workforce of around 500 people in the production area. These measures (Turn over, Special Government Layoff Benefits Fund and relocations) will be offset in part by the hiring, starting next year, of 200 new employees with professional skills that are consistent with the increasingly high standards of quality that will be embodied by Pininfarina's future products. The Company's new strategy will also require the hiring of 150 additional employees for its Engineering Department, coherently with the new strategies.