First half of 2002

Profitability ratio is up although value of production is down.
The new Engineering Centre will open in October .

The Board of Pininfarina S.p.A. met in Turin today, Tuesday, September 10, 2002, under the chairmanship of Sergio Pininfarina and approved the Report on Operations in the First Half of 2002 for Pininfarina S.p.A. and the Pininfarina Group.

Consistent with the forecast provided in the previous quarterly report, the value of production was down 32.2% in the first half of 2002, totaling 297.5 million euros (438.7 million euros in the first six months of 2001). At the same time, EBIT declined to 13 million euros (17.7 million euros in the first half of 2001), but the ratio of EBIT to value of production improved to 4.4%, compared with 4% in the first six months of 2001. The net profit for the period was up both in absolute terms (7.3 million euros, compared with 6.8 million euros in the first half of 2001) and as a percentage of the value of production (2.5%, up from 1.6% in the first six months of 2001).
The net financial position was positive by 119.2 million euros, an improvement of about 6.3% over the figure at December 31, 2001 (112.1 million euros).

The unfavorable conditions that characterized the economy in general and the automobile industry in particular had a negative impact on the Group’s manufacturing operations, causing an overall decline in the number of cars produced (15,614 compared with 24,993 in the first half of 2001). In addition, production of the Peugeot 306 Cabriolet came to an end after eight years, during which 78,000 units were successfully manufactured while production of the new Ford StreetKa, which will join the five models currently being manufactured for Alfa Romeo, Mitsubishi and Peugeot, is expected to start in the fourth quarter. A significant development that demonstrates the improved efficiency of the Group’s industrial operations was the decrease in production costs, which was proportionately greater than the reduction in the value of production.
Sales of the Group’s engineering services to carmakers in Europe and the rest of the world were adversely affected by the negative environment that exists in the auto industry. This environment caused some customers to suspend the development of new products. Despite the current economic conditions, the Group is continuing to implement the capital investment programs needed to expand its engineering business, in the belief that, once this transition phase is over, it will be well positioned to take advantage of any recovery, thanks to the competitive advantages provided by its newly attained critical mass and a complete spectrum of high-quality services. The new Engineering Center, a facility with over 12,000 square meters of space that boasts state-of-the-art equipment, is scheduled to open on October 14, 2002. The expanded R&D operations will be staffed by 400 highly specialized technicians, up from 200 employees working in that area today. Finally, the positive impact of the Tremonti Bis law, which helped reduce taxable income, produced a favorable influence on the increase of the net profit.

The performance of the Group was satisfactory during the first six months of 2002, taking into account that it was busy reorganizing its engineering operations concurrently with a change in the mix of manufacturing orders and at a time when economic conditions were unfavorable. The Group’s production activity will continue to decrease in the second half of the year. However, the decline in the value of production will be in line with the trend of the first six months of 2002, while net profit for the full year should be higher than in 2001.

Noteworthy events in the first half of 2002 included the establishment of Open Air Systems GmbH in February. This new 50-50 joint venture with Webasto AG that will design, engineer and manufacture convertible roof systems is still in the startup phase. Nevertheless, it has already won two important contracts to develop and manufacture roof systems, validating the wisdom of the strategy that led to its creation.

Pininfarina S.p.A. closed the first six months of 2002 with a net profit for the period of 4.2 million euros, compared with 4.7 million euros in the same period last year. A reduction in net financial income is the main

reason for this decrease. The net financial position was stable, with net liquid assets totaling 51.1 million euros (51.8 million euros at June 30, 2001).
For the year as a whole, Pininfarina S.p.A. expects to report results that are in line with those achieved in 2001.

Reclassified Profit and Loss Account (in thousands of euros)

31.12.2001		30.06.2002	30.06.2001	Change
	Financial income and charges Income from investments in:			
5.944	subsidiaries and affiliated companies	5.906	5.944	(38)
1.487	other companies	900	1.487	(587)
7.431		**6.806**	**7.431**	**(625)**
	Other financial income: Long-term loans receivable:			
26	interest received from subsidiaries	6	0	6
855	Securities shown under current assets other than equity investments	606	443	163
1.337	Income other than the above	445	1.273	(828)
(1)	Interest expense and other financial charges: interest paid to subsidiaries	(5)	(1)	(4)
(255)	interest paid to others	(129)	(743)	614
1.962		923	972	(49)
(1.875)	**Adjustments to the value of financial assets** Provision for fluctuations in the value of the investment portfolio	**(1.147)**	**(1.018)**	**(129)**
0	Provision for the impact of foreign exchange fluctuations on the investment portfolio	0	0	0
(1.875)		**(1.147)**	**(1.018)**	**(129)**
4.639	**Other operating income** Non-financial income	**2.630**	**2.313**	**317**
	Other operating charges			
(3.157)	Non-financial services	(1.484)	(1.682)	198
(1.268)	Personnel	(1.339)	(423)	(916)
(77)	Depreciation and amortization	(38)	(33)	(5)
(3)	Provisions	0	0	0
(97)	Miscellaneous operating charges	(100)	(46)	(54)
(4.602)		**(2.961)**	**(2.184)**	**(777)**
7.555	**Operating profit Extraordinary income and charges**	**6.251**	**7.514**	**(1.263)**
0	Gains on disposal of assets	0	0	0
0	Other income	0	0	0
0	Losses on disposal of assets	0	0	0
(127)	Other charges	0	0	0
(127)	**Net extraordinary loss**	**0**	**0**	**0**
7.428	**Profit before taxes**	**6.251**	**7.514**	**(1.263)**
(3.220)	**Income taxes for the period** Current taxes	**(2.287)**	**(2.787)**	**500**
817	Deferred taxes	218	0	218
5.025	**Net profit for the period**	**4.182**	**4.727**	**(545)**

Reclassified Balance Sheet (in thousands of euros)

30.06.2001		30.06.2002	31.12.2001	Change
16	**A) Net non-current assets** Net intangible assets	**50**	**54**	**(4)**
1.218	Net fixed assets	1.199	1.197	2
52.066	Net financial assets	53.416	53.416	(0)
53.300		**54.665**	**54.667**	**(2)**
1.924	**B) Treasury stock**	**2.054**	**2.017**	**37**
1.191	**C) Working capital** Receivables due from Group companies	**906**	**1.232**	**(326)**
668	Receivables due from outsiders	1.881	1.599	282
(79)	Payables due to Group companies	(21)	(1.346)	1.325
(1.167)	Payables due to outsiders	(1.360)	(1.285)	(75)
613		**1.406**	**200**	**1.206**
55.837	**D) Net invested capital (A+B+C)**	**58.125**	**56.884**	**1.241**
206	**E) Reserve for termination indemnities**	**481**	**335**	**146**
55.631	**F) Net capital requirements (D-E)**	**57.644**	**56.549**	**1.095**
9.317	**G) Shareholders' equity** Share capital	9.317	9.317	0
91.169	Reserves	92.221	90.366	1.855
0	Net profit for the year	0	5.025	(5.025)
4.727	Net profit for the period	4.182	0	4.182
105.213		**105.720**	**104.708**	**1.012**
2.174	**H) Available reserves**	**2.977**	**2.977**	**0**
(40.201)	**I) Net liquid assets** Debt securities, net	**(21.830)**	**(39.254)**	**17.424**
(9.428)	Listed equity securities, net	(8.795)	(9.217)	422
(2.127)	Bank and cash on hand	(20.428)	(2.665)	(17.763)
(51.756)		**(51.053)**	**(51.136)**	**83**
55.631	**L) Total as in F (G+H+I)**	**57.644**	**56.549**	**1.095**

Consolidated Profit and Loss Account (in thousands of euros)

31.12.2001		30.06.2002	%	30.06.2001	%	Change
701.457	Net revenues	284.510	95,62	415.689	94,75	(131.179)
16.064	Change in inventory of work in process and finished products	215	0,07	5.416	1,23	(5.201)
24.496	Other income and revenues	12.810	4,31	14.360	3,27	(1.550)
204	Fixed assets constructed internally	0	-	3.280	0,75	(3.280)
742.221	**Value of production for the period**	**297.535**	**100,00**	**438.745**	**100,00**	**(141.210)**
(596.946)	Purchases of raw materials and outside services	(230.718)	(77,54)	(347.505)	(79,20)	116.787
(16.465)	Change in inventory of raw materials	(5.185)	(1,74)	(15.110)	(3,44)	9.925
128.810	**Value added**	**61.632**	**20,71**	**76.130**	**17,35**	**(14.498)**
(85.510)	Personnel costs	(39.945)	(13,43)	(46.950)	(10,70)	7.005
43.300	**EBITDA**	**21.687**	**7,29**	**29.180**	**6,65**	**(7.493)**
(17.611)	Depreciation and amortization	(8.585)	(2,89)	(10.585)	(2,41)	2.000
(188)	Provisions	(94)	(0,03)	(815)	(0,19)	721

25.501	**EBIT**	**13.008**	**4,37**	**17.780**	**4,05**	**(4.772)**
6.473	Net financial income (expense)	1.577	0,53	2.388	0,54	(811)
(11.692)	Other charges, net	(6.394)	(2,15)	(5.938)	(1,35)	(456)
20.282	**Profit before taxes**	**8.191**	**2,75**	**14.230**	**3,24**	**(6.039)**
(10.932)	Income taxes for the year/period	(832)	(0,28)	(7.354)	(1,68)	6.522
9.349	Net profit for the year/period	7.359	2,47	6.876	1,57	483

Consolidated Balance Sheet (in thousands of euros)

31.06.2001		31.06.2002	31.12.2001	Change
	A) Net non-current assets			
12.778	Net intangible assets	6.061	6.686	(625)
98.138	Net fixed assets	93.621	98.004	(4.383)
1.460	Net financial assets	2.329	1.460	869
112.376		**102.011**	**106.150**	**(4.139)**
	B) Working capital			
45.179	Inventory	49.218	54.283	(5.065)
141.136	Trade accounts receivable, net	88.113	74.188	13.925
16.795	Other assets	23.547	23.309	238
(213.800)	Trade accounts payable	(148.059)	(142.427)	(5.632)
(6.087)	Taxes payable	(14.553)	(14.692)	139
(32.767)	Other liabilities	(35.074)	(31.224)	(3.850)
(49.544)		**(36.808)**	**(36.563)**	**(245)**
62.832	**C) Net invested capital (A+B)**	**65.203**	**69.587**	**(4.384)**
26.216	**D) Reserve for termination indemnities**	**25.326**	**26.998**	**(1.672)**
36.616	**E) Net capital requirements (C-D)**	**39.877**	**42.589**	**(2.712)**
	F) Shareholders' equity			
9.317	Share capital	9.317	9.317	0
135.453	Reserves	142.432	136.023	6.409
6.876	Net profit for the year/period	7.359	9.349	(1.990)
151.646		**159.108**	**154.689**	**4.419**
	G) Net financial position			
2.476	Long-term debt	2.057	2.244	(187)
(117.506)	Net financial assets	(121.288)	(114.344)	(6.944)
(115.030)		**(119.231)**	**(112.100)**	**(7.131)**
36.616	**H) Total as in E (F+G)**	**39.877**	**42.589**	**(2.712**