



PRESS RELEASE

QUARTERLY REPORT OF THE PININFARINA GROUP

First quarter of 2004 in line with expectations.

Turin, May 11, 2004 – The Board of Directors of Pininfarina S.p.A. met today at 9:00 AM under the chairmanship of Sergio Pininfarina and approved the quarterly report on the Group's operations in the first quarter of 2004.

During the first three months of the year, **production value** totaled 157.1 million euros, or 5.2% less than the 165.8 million euros booked in the first quarter of 2003, due to a decrease in manufacturing output (-23.6%) that affected all contract orders. On the other hand, **the design and engineering operations more than doubled their contribution** compared with last year, continuing the upward trend that started in 2003. During the first three months of 2004, the scope of consolidation was expanded to include the companies headed by Matra Automobile Engineering SAS and the Pininfarina Sverige A.B. joint venture, which were not included in the financial statements at March 31, 2003.

At 3.3 million euros (4.6 million euros at March 31, 2003), **EBIT** were equal to 2.1% of production value (2.8% a year ago). **Profit before taxes** was up 30%, rising from 2.0 million euros to 2.6 million euros. **Net profit** grew to 1.7 million euros, or 21.4% more than the 1.4 million euros earned in the first quarter of 2003.

The Group's operating performance in the first three months of 2004 was satisfactory overall, as negative factors such as the expected decrease in manufacturing activity and the startup costs incurred by the operations headed by Matra Automobile Engineering SAS were offset in part, at the operating level, by the increased profitability of the engineering and design operations of Pininfarina S.p.A.

The **net financial position** was positive by 65.9 million euros, compared with 105.9 million euros at December 31, 2003 and 97.8 million euros at March 31, 2003. This decrease reflects the use of resources to develop future manufacturing contract orders, which were funded primarily with internally generated funds.

The results for the first quarter of 2004 confirm the **outlook for the current year** that was announced when the preliminary 2003 financial statements were presented. While value of production is expected to decrease by about 10% compared with 2003, net profit should hold at last year's level both in absolute and percentage terms.

The **Group's Parent Company, Pininfarina S.p.A.**, absorbed the subsidiaries Industrie Pininfarina S.p.A. and Pininfarina Ricerca e Sviluppo S.p.A., effective January 1, 2004. To allow a homogeneous comparison between the first quarter of 2003 and the same period in 2004, the consolidated data at March 31, 2003 have been restated to include the contribution of the merged companies. The comments provided in this press release refer to these pro forma consolidated data.

In the first three months of 2004, **production value** totaled 145.3 million euros, or 10.6% less than in the same period a year ago due to the decrease in manufacturing volume discussed above. **EBIT** increased to 6.3 million euros, up from 5.0 million euros in the first quarter of 2003 (+26%). The ratio of EBIT to production value was 4.3% (3.1% at March 31, 2003). This increase was made possible by the strong performance of the engineering and design operations. At 5.4 million euros, **profit before taxes** was 2.3 million euros more (+74.2%) than in the first three months of 2003. The **net profit** totaled 3.4 million euros, compared with 2.1 million euros at March 31, 2003 (+61.9%). Net profit was equal to 2.3% of production value (1.37% a year ago). The **net financial position** was positive by 114.2 million euros, up from 96.2 million euros at December 31, 2003 and 90.9 million euros at March 31, 2003.

As for the **outlook for the balance of the current year**, the comments regarding the consolidated results apply to the Group's Parent Company as well.

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Reclassified Profit and Loss Account
(in thousands of euros)

12/31/03	3/31/04	%	3/31/03	%	Change
688,549 Net revenues	122,784	78.14	138,260	83.41	(15,476)
Change in inventory of work in process 14,337 and finished products	(37,777)	(24.04)	19,049	11.49	(56,826)
27,572 Other income and revenues	7,515	4.78	8,444	5.09	(929)
48,757 Fixed assets constructed internally	64,619	41.12	0	0.00	64,619
779,215 Value of production for the period	157,141	100.00	165,753	100.00	(8,612)
Purchases of raw materials (639,255) and outside services	(122,875)	(78.19)	(141,701)	(85.49)	18,826
2,974 Change in inventory of raw materials	(571)	(0.36)	6,945	4.19	(7,516)
142,934 Value added	33,695	21.44	30,997	18.70	2,698
(97,827) Personnel costs	(25,505)	(16.23)	(22,111)	(13.34)	(3,394)
45,107 EBITDA	8,190	5.21	8,886	5.36	(696)
(18,094) Depreciation and amortization	(4,650)	(2.96)	(4,203)	(2.54)	(447)
(499) Provisions	(281)	(0.18)	(45)	(0.03)	(236)
26,514 EBIT	3,259	2.07	4,638	2.80	(1,379)
4,010 Net financial income	744	0.47	58	0.03	686
(8,334) Other income (charges), net	(1,358)	(0.86)	(2,718)	(1.64)	1,360
22,190 Profit before taxes	2,645	1.68	1,978	1.19	667
(12,064) Income taxes for the year/period	(945)	(0.60)	(589)	(0.36)	(356)
19 Minority interest in net income (loss)	41	0.03	0	0.00	41
10,145 Net profit for the year/period	1,741	1.11	1,389	0.84	352

Reclassified Balance Sheet
(in thousands of euros)

3/31/03		3/31/04	12/31/03	Change
A) Net non-current assets				
5,847	Net intangible assets	76,133	60,000	16,133
90,498	Net fixed assets	101,575	104,315	(2,740)
4,356	Net financial assets	8,401	8,559	(158)
100,701		186,109	172,874	13,235
B) Working capital				
94,532	Inventory	96,755	86,227	10,528
75,759	Trade accounts receivable, net	67,431	71,360	(3,929)
23,111	Other assets	52,497	45,898	6,599
(141,198)	Trade accounts payable	(129,922)	(146,904)	16,982
(13,077)	Taxes payable	(12,496)	(14,584)	2,088
(44,856)	Other liabilities	(124,230)	(121,092)	(3,138)
(5,729)		(49,965)	(79,095)	29,130
94,972	C) Net invested capital (A+B)	136,144	93,779	42,365
24,820	D) Reserve for termination indemnities	25,961	25,999	(38)
70,152	E) Net capital requirements (C-D)	110,183	67,780	42,403
F) Shareholders' equity				
9,317	Share capital	9,317	9,317	0
157,240	Reserves	165,039	154,245	10,794
1,388	Net profit for the year/period	1,741	10,145	(8,404)
167,945		176,097	173,707	2,390
G) Net financial position				
1,429	Long-term debt	25,872	2,112	23,760
(99,222)	Net financial assets	(91,786)	(108,039)	16,253
(97,793)		(65,914)	(105,927)	40,013
70,152	H) Total as in E (F+G)	110,183	67,780	42,403

Consolidated Net Financial Position
(in thousands of euros)

	3/31/04	12/31/03	Change
Liquid assets	23,390	35,776	(12,386)
Debt securities, net	55,894	57,704	(1,810)
Listed equity securities, net	8,729	14,559	(5,830)
Loans receivable from associated companies	3,773	0	3,773
Net short-term financial assets	91,786	108,039	(16,253)
Long-term bank debt	(25,872)	(2,112)	(23,760)
Net financial position	65,914	105,927	(40,013)

