



## Quarterly report and Annual Shareholders' meeting of Pininfarina S.p.a.

Friday, 12 May 2006

### Quarterly Report Press Release

Turin – The Board of Directors of Pininfarina S.p.A. met today under the chairmanship of Sergio Pininfarina and approved the report on operations of the Group in the first three months of 2006.

The quarterly financial statements at March 31, 2006 were prepared in accordance with the international accounting principles set forth in IAS 34 and comply with IFRS guidelines. In order to allow the comparison of homogeneous data, the financial statements for the first three months of 2005 have been restated in accordance with the same principles.

In the first quarter of 2006, the Pininfarina Group was busy on two fronts. On the manufacturing side, it ramped up production of two new models (the Alfa Romeo Brera and the Volvo C70). Meanwhile, its service business continued to develop both future Pininfarina products and design and engineering projects for third parties.

At March 31, 2006, value of production totaled 134.4 million euros, or 34.9% more than in the same period in 2005 (99.6 million euros). Despite this sharp increase in revenues, the Group still reported a loss both at the operating level (-11.4 million euros, +21.6 million euros at March 31, 2005) and in terms of its bottom line (-8.1 million euros, +22 million euros at March 31, 2005). These results are roughly in line with the forecast provided for 2006, which called for a breakeven year, but only after the Group's activities begin to operate at full capacity in the second half of the year.

If one is to view the 2006 and 2005 quarterly figures in a similar light, it is important to keep in mind that the data for 2005:

benefited from a gain of 30.2 million euros on the sale of the investment in the Open Air Systems GmbH joint venture;

reflected a cost structure that, while the number of units manufactured was declining as the various models were reaching the end of their production runs (Ford Streetka and Mitsubishi Pajero Pinin), was certainly less penalizing than the situation that existed in the first quarter of 2006, when the Group was stepping up production of the Alfa Romeo Brera, Mitsubishi Colt CZC and Volvo C70 and preparing to start manufacturing the Alfa Romeo Spider and Ford Focus CC.

The net financial position was positive by 26.7 million euros, an improvement over the negative balance of 6.9 million euros at December 31, 2005 (+36 million euros at March 31, 2005). An increase in liquidity made possible by changes in working capital requirements and a positive difference between production loans receivable and payable are the main reasons for this improvement.

At March 31, 2006, the Group had 2,738 employees (4.6% more than the 2,618 employees on staff at March 31, 2005). Another 702 were employed by Sverige A.B., Pininfarina's Swedish joint venture.

A review of the data by business segment shows that the manufacturing operations generated total value of production of 97.4 million euros (+72.4%, compared with 56.5 million euros in 2005). This increase is explained by the following factors:

higher unit output (+8.3%);

expanded processing assignment due to a change in the production cycle;

greater unit value of the products manufactured this year as compared with those manufactured in 2005.

EBIT were negative by 12.1 million euros, compared with positive EBIT of 22.8 million euros at March 31, 2005 (which included a gain of 30.2 million euros on the sale of the investment in Open Air Systems GmbH).



In the coming weeks, the Alfa Romeo Spider will join other recently introduced models on the production line. Manufacture of the Ford Focus CC will follow in the second half of the year, completing the line of products that the Group will be manufacturing in the coming years. The rehiring of employees who were enrolled in the Special Government Layoff Benefits Fund has been virtually completed. To meet the temporary staffing requirements that occur when model production is being ramped up, the Group signed an agreement allowing it to use employees seconded from other businesses (more than 400 employees for all of 2006).

The value of production generated by the Group's service businesses, which include design, industrial design and engineering, amounted to 37 million euros, or 14.2% less than at March 31, 2005, when it amounted to 43.1 million euros. A decrease in development work for Pininfarina products accounts for the shortfall. On the other hand, assignments for non-captive customers increased, allowing the improvement in profitability that started in the second half of 2005 to continue in the first quarter of 2006. Specifically, the EBIT of the service business were positive by 0.6 million euros, compared with negative EBIT of 1.2 million euros at March 31, 2005.

Forecasts for the balance of the year call for consolidated value of production to top 700 million euros. The increase over the 2005 figure (383 million euros) will be realized mainly once the full new product line is in place.

For all of 2006, EBIT should be close to breakeven, with the profitability of the Group's regular operations increasing sufficiently in the second half of the year to offset the losses incurred during the first six months of 2006. The net financial position should contract compared with the first three months of the year, reflecting the completion of the Group's capital investment programs.

The early positive feedback that is coming from the international markets strengthens the conviction that the new models, which have required an unprecedented manufacturing and financial effort, will be successful commercially. Specifically:

The commercial launch of the Volvo C70 (more than 3,600 cars produced thus far) in March in the United States and Great Britain, and in Italy and the rest of Europe a few days ago, points to greater demand than was originally anticipated;

The Mitsubishi Colt CZC (over 1,000 units manufactured thus far) seems headed for commercial success. Following its pan-European launch in March and even before the launch of the Open Doors, which is scheduled for June in Europe, orders have been very strong, especially in Germany;

The award received by the Alfa Romeo Spider, which was voted Cabrio of the Year at the Geneva Motor Show, bodes well for its future on the eve of the start of production. The Spider will complement the Alfa Romeo Brera (more than 6,000 units sold thus far);

Lastly, the Ford sales network has steadily growing expectations of success for the Focus CC, which, after being previewed in Geneva, will be officially introduced to the public at the London Motor Show in July.

### **Annual Shareholders' Meeting**

The Shareholders' Meeting of Pininfarina S.p.A., which was convened today at 10:45 AM under the chairmanship of Sergio Pininfarina, approved the 2005 Annual Report.

The beginning of the complete renewal of the line of vehicles manufactured by the Group and the consolidation of its international presence were the two developments that characterized 2005. Specifically, production of the Alfa Romeo Brera and Volvo C70 got under way during the year and, on the international front, the Swedish subsidiaries Pininfarina Sverige and RHTU Sverige and the French subsidiaries Matra Automobile Engineering Maroc and Matra Développement became fully operational.

In 2005, the value of production generated by the Pininfarina Group totaled 383 million euros, compared with 557.8 million euros reported at the end of 2004 (-31.3%). A significant shortfall in the contribution provided by the manufacturing operations (value of production of 214.8 million euros, or 47% less than in 2004), which is cyclical in nature, could be offset only in part by the steady growth enjoyed by the service operations (value of production of 168.2 million euros, +10%).



The year ended with negative EBIT of 8.3 million euros (-2.2% of value of production), due mainly to the sharp contraction experienced by the manufacturing operations. In 2004, the Group reported positive EBIT of 8.1 million euros (1.4% of value of production).

The net loss for the year amounted to 8.1 million euros (loss of 2.4 million euros at December 31, 2004).

The Group's net financial position was negative by 6.9 million euros, compared with a surplus of 71.6 million euros at December 31, 2004. This change in financial structure reflects the Group's strong commitment to growing its businesses, both in Italy and abroad, through new forms of cooperation with its customers (joint ventures). Specifically, the main reasons for the increase in indebtedness are the need to fund the work needed to develop and produce the new models and the contribution of the Group's pro rata share of equity capital provided to Pininfarina Sverige AB, which this past December bought the Uddevalla plant from Volvo Car Corporation.

At December 31, 2005, the Group had 2,733 employees (5.5% more than the 2,591 employees on staff at the end of 2004). Another 671 have been working at the Swedish subsidiary Pininfarina Sverige since November 2005.

The comments made with respect to the consolidated data also apply to Pininfarina S.p.A., the Group's Parent Company (the financial statements of Pininfarina S.p.A. were prepared in accordance with Italian accounting principles). Value of production amounted to 340.4 million euros (37.8% less than the 547.3 million euros reported at the end of 2004) and EBIT were negative by 37.9 million euros (positive EBIT of 18.5 million euros in 2004). The difference between the EBIT shown on the income statement of Pininfarina S.p.A. and the corresponding amount in the consolidated income statement is due not only to the difference in the scope of operations, but also to the different manner in which gains on the sales of equity investments (Open Air Systems GmbH and PF RE S.A.) are treated under Italian accounting principles and the IASs. The year ended with a net loss of 13.5 million euros, which includes a 6.3-million-euro writedown of the value at which the investment in Pininfarina Deutschland GmbH is carried (net profit of 13.8 million euros in 2004). The net financial position totaled 56.8 million euros, down from 104.3 million euros at the end of 2004.

**In view of the operating results for 2005 and considering the financial commitments that the Company will continue to face in 2006, the Board of Directors did not propose the distribution of a dividend.**

In February, the Group offered a world preview of three new models at its Geneva Motor Show booth: the Ferrari 599 GTB Fiorano, which was designed by Pininfarina; the Alfa Spider, which was named "Cabrio of the Year 2006"; and the Mitsubishi Colt CZC. The Group handled every phase of development, from design to engineering and production, for the Alfa Spider and the Mitsubishi Colt CZC. Two other models — the Ford Focus CC and the Volvo C70 — received the same enthusiastic response from the press and the public as the rest of the Pininfarina lineup.

The Shareholders' Meeting approved the financial statements of Pininfarina S.p.A. at December 31, 2005 and passed resolutions concerning the following:

- Election to the Board of Directors, for a term of office that expires on the date of the Shareholders' Meeting convened to approve the annual financial statements at December 31, 2008, of:

Franco BERNABÈ  
Elisabetta CARLI  
Mario Renzo DEAGLIO  
Edoardo GARRONE  
Carlo PAVESIO  
Andrea PININFARINA  
Lorenza PININFARINA  
Paolo PININFARINA  
Sergio PININFARINA



- Election to the Board of Statutory Auditors of:

Giacomo ZUNINO – Chairman of the Board of Statutory Auditors  
 Piergiorgio RE – Statutory Auditor  
 Fabrizio CAVALLI – Statutory Auditor  
 Nicola TREVES – Alternate  
 Pier Vittorio VIETTI – Alternate

- Purchase of up to 400,000 common shares, which will be used for share exchange purposes. Of the total number of shares, up to 250,000 may be used to carry out the 2002-2004 and 2005-2007 stock option plans available to executives of the Company and its Italian subsidiaries. The authorization to purchase the shares, in one or more installments, will be valid for 18 months from the date of this resolution. The purchase price may not be lower by more than 15% nor higher by more than 15% than the shares' closing price on the stock market trading day prior to the date of the transaction. Permission was also requested to sell — at any time, either all at once or in installments — the treasury shares that the Company currently holds and those that it may purchase in accordance with the abovementioned motion. The sales price may not be lower by more than 10% than the shares' closing price on the stock market trading day prior to the date of sale or, if the shares are used for stock option plan purposes, the sales price may not be less than the value of the shares at the time the options were offered, determined in accordance with the provisions of the tax laws. Currently, Pininfarina S.p.A. holds 53,720 treasury shares, equal to 0.58% of its total share capital.

**Consolidated Financial Statements of the Pininfarina Group at December 31, 2005  
 Reclassified Consolidated Income Statement (in thousands of euros)**

	Data at				Change
	12/31/05	%	12/31/04	%	
Net revenues	461,426	120.47	466,229	83.59	(4,803)
Changes in inventory of work in process and finished products	(85,206)	(22.25)	57,617	10.33	(142,823)
Other income and revenues	5,391	1.41	33,926	6.08	(28,535)
Increase in non-current assets constructed internally	1,419	0.37	0	0	1,419
<b>Value of production</b>	<b>383,030</b>	<b>100</b>	<b>557,772</b>	<b>100</b>	<b>(174,742)</b>
Net gain on the sale of non-current assets	32,443	8.47	1,066	0.19	31,377
Purchases of raw materials and outside services	(296,307)	(77.36)	(423,355)	(75.90)	127,048
Change in inventory of raw materials	(5,794)	(1.51)	(8,237)	(1.48)	2,443
<b>Value added</b>	<b>113,372</b>	<b>29.60</b>	<b>127,246</b>	<b>22.81</b>	<b>(13,874)</b>
Personnel costs	(102,906)	(26.87)	(101,095)	(18.12)	(1,811)
<b>EBITDA</b>	<b>10,466</b>	<b>2.73</b>	<b>26,150</b>	<b>4.69</b>	<b>(15,685)</b>
Depreciation and amortization	(16,373)	(4.27)	(17,855)	(3.20)	1,483
Additions to provisions	(2,374)	(0.62)	(225)	(0.04)	(2,149)
<b>EBIT</b>	<b>(8,281)</b>	<b>(2.16)</b>	<b>8,070</b>	<b>1.45</b>	<b>(16,351)</b>



Net financial income	1,370	0.36	1,567	0.28	(197)
Other income (expense), net	(2,590)	(0.68)	(3,604)	(0.65)	1,014
<b>Profit before taxes</b>	<b>(9,501)</b>	<b>(2.48)</b>	<b>6,033</b>	<b>1.08</b>	<b>(15,534)</b>
Income taxes	1,398	0.36	(8,438)	(1.51)	9,836
<b>Net profit (loss)</b>	<b>(8,103)</b>	<b>(2.12)</b>	<b>(2,405)</b>	<b>(0.43)</b>	<b>(5,698)</b>

**Consolidated Financial Statements of the Pininfarina Group at December 31, 2005**  
**Reclassified Consolidated Balance Sheet (in thousands of euros)**

	Data at		
	12/31/05	12/31/04	Change
<b>Net non-current assets (A)</b>			
Intangible assets, net	6,284	5,744	540
Property, plant and equipment, net	203,057	158,159	44,898
Investments in associates	34,592	3,017	31,575
<b>Total A</b>	<b>243,933</b>	<b>166,920</b>	<b>77,013</b>
<b>Working capital (B)</b>			
Inventories	32,358	45,455	(13,097)
Net trade receivables and other receivables	122,455	98,290	24,165
Deferred-tax assets	20,927	25,304	(4,377)
Trade payables	(129,079)	(125,613)	( 3,466)
Provision for other liabilities and charges	( 2,728)	( 4,310)	1,582
Other liabilities	( 63,706)	( 59,050)	( 4,656)
<b>Total B</b>	<b>( 19,773)</b>	<b>( 19,924)</b>	<b>151</b>
<b>Net invested capital (C=A+B)</b>	<b>224,160</b>	<b>146,996</b>	<b>77,164</b>
<b>Provision for termination indemnities (D)</b>	<b>28,709</b>	<b>26,012</b>	<b>2,697</b>
<b>Net capital requirements (E=C-D)</b>	<b>195,451</b>	<b>120,984</b>	<b>74,467</b>
<b>Shareholders' equity (F)</b>	<b>188,557</b>	<b>192,569</b>	<b>( 4,012)</b>
<b>Net financial position (G)</b>			
Long-term debt	96,146	16,727	79,419
(Net liquid assets)	( 89,252)	( 88,312)	( 940)
<b>Total G</b>	<b>6,894</b>	<b>( 71,585)</b>	<b>78,479</b>
<b>Total as in E (H=F+G)</b>	<b>195,451</b>	<b>120,984</b>	<b>74,467</b>



**Consolidated Financial Statements of the Pininfarina Group at December 31, 2005**  
**Cash Flow Statement**

	Data at	
	12/31/05	12/31/04
<b>Profit for the period</b>	<b>(8,103,394)</b>	<b>(2,404,679)</b>
<b>Restatements</b>	(13,102,221)	30,597,636
- Income taxes	(1,397,604)	8,437,555
- Depreciation of property, plant and equipment	15,026,620	16,419,756
- Amortization of intangibles	1,345,925	1,435,562
- Writedowns	481,955	1,003,939
- Provision for pensions and seniority indemnities	2,696,702	1,239,898
- (Gains) Losses on sale of non-current assets	(32,442,882)	(1,066,075)
- (Financial income)	(11,026,783)	(6,297,427)
- Financial expense	10,572,826	4,000,413
- (Dividends)	( 916,542)	( 648,708)
- Value adjustment to shareholders' equity	2,620,233	6,021,592
- Unrealized (gains) losses on foreign exchange transactions	( 62,671)	51,131
<b>Changes in working capital</b>	<b>56,564</b>	<b>4,035,881</b>
- Inventories	4,364,151	12,046,322
- Contract work in progress	8,733,584	37,758,306
- Trade accounts receivable	(24,164,947)	(138,035)
- Trade accounts payable	3,528,918	(20,350,061)
- Other items	7,594,858	(25,280,651)
<b>Cash flow from operating activities</b>	<b>(21,149,051)</b>	<b>32,228,838</b>
(Financial expense)	(10,572,826)	( 4,000,413)
(Income taxes)	1,397,604	( 8,437,555)
<b>Net cash from operating activities</b>	<b>(30,324,273)</b>	<b>19,790,870</b>
- Acquisition of a subsidiary, net of cash acquired		
- Purchases of property, plant and equipment	(64,924,329)	(35,702,500)
- Proceeds from sale of property, plant and equipment	35,555,877	3,710,165
- Non-current financial assets	18,872,612	(38,648,748)
- Financial income	11,026,783	6,297,427
- Dividends received	916,542	648,708





- Other equity investments	(34,820,149)	(565,935)
<b>Net cash used in investing activities</b>	<b>(63,696,937)</b>	<b>(44,470,013)</b>
- Purchases of treasury shares	2,434,864	(112,046)
- Long-term borrowings from lenders outside the Group	126,531,099	96,196,419
- Dividends paid	( 3,122,051)	( 3,124,779)
<b>Net cash used in financing activities</b>	<b>62,146,975</b>	<b>48,489,581</b>
- Other non-cash items	536,452	930,697
<b>Increase (Decrease) in cash and cash equivalents</b>	<b>62,683,427</b>	<b>49,420,278</b>
- Cash and cash equivalents at beginning of period	26,568,454	38,892,006
<b>Net cash and cash equivalents at end of period</b>	<b>89,251,881</b>	<b>88,312,284</b>

**Consolidated Financial Statements of the Pininfarina Group at December 31, 2005**  
**Net Financial Position (in thousands of euros)**

	Data at		
	12/31/05	12/31/04	Change
Cash and cash equivalents	15,585	26,568	(10,983)
Current assets held for trading	60,865	88,410	( 27,545)
Current loans receivable and other receivables	59,348	16,110	43,238
Available-for-sale current assets	0	0	0
Loans receivable from associates and joint ventures	0	0	0
Bank account overdrafts	( 501)	( 468)	( 33)
Current liabilities under finance leases	( 46,045)	( 42,308)	( 3,73)
Loans payable to associates and joint ventures	0	0	0
<b>Net liquid assets</b>	<b>89,252</b>	<b>88,312</b>	<b>940</b>
Long-term loans and other receivables from outsiders	125,095	63,800	61,295
Long-term loans and other receivables from associates and joint ventures	116,377	94,543	21,834
Available-for-sale non-current assets	26,015	19,256	6,759
Long-term liabilities under finance leases	(205,205)	( 74,127)	( 131,078)
<b>Long-term bank debt</b>	<b>( 158,428)</b>	<b>( 120,199)</b>	<b>( 38,229)</b>
<b>Long-term debt</b>	<b>( 96,146)</b>	<b>( 16,727)</b>	<b>( 79,419)</b>
<b>Net financial position</b>	<b>( 6,894)</b>	<b>71,585</b>	<b>( 78,479)</b>



**Pininfarina S.p.A. – Financial Statements at December 31, 2005**  
**Reclassified Income Statement (in accordance with Italian accounting principles) (in thousands of euros)**

	12/31/05	%	12/31/04	%	Change
<b>Net revenues</b>	<b>420,561</b>	<b>123.56</b>	<b>454,046</b>	<b>82.96</b>	<b>(33,485)</b>
Changes in inventory of work in process, finished products and contract work	(84,711)	(24.89)	59,446	10.86	(144,157)
Other income and revenues	4,519	1.33	33,832	6.18	(29,313)
<b>Value of production for the period</b>	<b>340,369</b>	<b>100.00</b>	<b>547,324</b>	<b>100.00</b>	<b>(206,955)</b>
Purchases of raw materials and outside services	(286,274)	(84.11)	(434,304)	(79.35)	148,030
Change in inventory of raw, ancillary and consumable materials and merchandise	(5,813)	(1.71)	(8,191)	(1.50)	2,378
<b>Value added</b>	<b>48,282</b>	<b>14.19</b>	<b>104,829</b>	<b>19.15</b>	<b>(56,547)</b>
Personnel costs	(69,347)	(20.37)	(71,320)	(13.03)	1,973
<b>EBITDA</b>	<b>(21,065)</b>	<b>(6.19)</b>	<b>33,509</b>	<b>6.12</b>	<b>(54,574)</b>
Depreciation and amortization	(14,446)	(4.24)	(14,794)	(2.70)	348
Additions to provisions	(2,367)	(0.70)	(225)	(0.04)	(2,142)
<b>EBIT</b>	<b>(37,878)</b>	<b>(11.13)</b>	<b>18,490</b>	<b>3.38</b>	<b>(56,368)</b>
Net financial income (expense)	2,524	0.74	2,696	0.49	(172)
Adjustments to the value of financial assets	(6,379)	(1.87)	(257)	(0.05)	(6,122)
Other income (expense), net	24,280	7.13	6,005	1.10	18,275
<b>Profit before taxes</b>	<b>(17,453)</b>	<b>(5.13)</b>	<b>26,934</b>	<b>4.92</b>	<b>(44,387)</b>
Income taxes	3,982	1.17	(13,102)	(2.39)	17,084
<b>Net profit</b>	<b>(13,471)</b>	<b>(3.96)</b>	<b>13,832</b>	<b>2.53</b>	<b>(27,303)</b>

**Pininfarina S.p.A. – Financial Statements at December 31, 2005**  
**Reclassified Balance Sheet (in accordance with Italian accounting principles) (in thousands of euros)**





	12/31/05	12/31/04	Change
<b>A) Net non-current assets</b>			
Intangible assets	2,742	3,231	(489)
Property, plant and equipment	82,396	73,705	8,691
Non-current financial assets	75,585	55,797	19,788
<b>Total (A)</b>	<b>160,723</b>	<b>132,733</b>	<b>27,990</b>
<b>B) Treasury shares</b>	<b>134</b>	<b>2,995</b>	<b>(2,861)</b>
<b>C) Working capital</b>			
Inventory	94,521	186,464	(91,943)
Trade receivables	86,888	50,926	35,962
Other assets	25,348	36,466	(11,118)
Customer advances	(45,321)	(122,613)	77,292
Trade payables	(110,031)	(115,028)	4,997
Provision for risks and charges	(9,889)	(8,765)	(1,124)
Other liabilities	(51,309)	(45,289)	(6,020)
<b>Total (C)</b>	<b>(9,793)</b>	<b>(17,839)</b>	<b>8,046</b>
<b>D) Net invested capital (A+B+C)</b>	<b>151,064</b>	<b>117,889</b>	<b>33,175</b>
<b>E) Provision for termination indemnities</b>	<b>(29,734)</b>	<b>(27,404)</b>	<b>(2,330)</b>
<b>F) Net capital requirements (D-E)</b>	<b>121,330</b>	<b>90,485</b>	<b>30,845</b>
<b>Covered by:</b>			
<b>G) Shareholders' equity</b>			
Paid-in share capital	9,317	9,317	0
Revaluation reserves	7,873	7,873	0
Retained earnings	79,344	55,938	23,406
Reserve for accel. depreciation	20,741	20,741	0
Reserve for grants (pursuant to Law No. 488/92)	12,094	9,356	2,738
Other reserves	62,126	74,700	(12,574)
Net profit (loss) for the period	(13,471)	13,832	(27,303)
<b>Total (G)</b>	<b>178,024</b>	<b>191,757</b>	<b>(13,733)</b>
<b>H) Restricted reserve</b>	<b>134</b>	<b>2,995</b>	<b>(2,861)</b>
<b>I) Net financial position</b>			
Long-term debt	156,489	118,235	38,254



Net financial assets	(213,317)	(222,502)	9,185
<b>Total (I)</b>	<b>(56,828)</b>	<b>(104,267)</b>	<b>47,439</b>
<b>L) Total as in F (G+H+I)</b>	<b>121,330</b>	<b>90,485</b>	<b>30,845</b>

**Pininfarina S.p.A. – Financial Statements at December 31, 2005**  
**Cash Flow Statement (in accordance with Italian accounting principles) (in thousands of euros)**

	12/31/05	12/31/04	Change
<b>A) Net financial assets at January 1</b>	<b>222,502</b>	<b>101,950</b>	<b>120,552</b>
<b>B) Cash flow from operating activities</b>			
Net profit (loss) for the year	(13,471)	13,832	(27,303)
Depreciation and amortization	14,446	14,794	(348)
(Gains) Losses on sale of non-current assets	(24,401)	(1,024)	(23,377)
Change in working capital	(8,046)	(5,056)	(2,990)
Net change in provision for termination indemnities	2,330	1,571	759
Other items	6,333	(5,286)	11,619
	<b>(22,809)</b>	<b>18,831</b>	<b>(41,640)</b>
<b>C) Cash flow from investing activities</b>			
Investments in non-current assets:			
Intangible assets	(1,178)	(1,098)	(80)
Property, plant and equipment	(21,493)	(12,015)	(9,478)
Equity investments	(37,177)	(1,947)	(35,230)
Treasury shares	2,861	(4)	2,865
Proceeds from sale of non-current assets	48,483	1,674	46,809
Derecognition of loans receivable	(13,004)	0	(13,004)
	<b>(21,508)</b>	<b>(13,390)</b>	<b>(8,118)</b>
<b>D) Cash flow from financing activities</b>	<b>38,254</b>	<b>118,235</b>	<b>(79,981)</b>
<b>E) Distribution of net profit</b>	<b>(3,122)</b>	<b>(3,124)</b>	<b>2</b>
<b>F) Net cash flow for the period (B+C+D+E)</b>	<b>(9,185)</b>	<b>120,552</b>	<b>(129,737)</b>
<b>G) Net financial assets at December 31 (A+F)</b>	<b>213,317</b>	<b>222,502</b>	<b>(9,185)</b>

**Pininfarina S.p.A. – Financial Statements at December 31, 2005**  
**Net Financial Position (in accordance with Italian accounting principles) (in thousands of euros)**



	<b>12/31/05</b>	<b>12/31/04</b>	<b>Change</b>
Bank and postal accounts	11,754	19,060	(7,306)
Cash and securities on hand	69	88	(19)
Publicly traded equity securities, net	11,546	8,813	2,733
Other securities	49,496	80,438	(30,942)
Loans receivable from subsidiaries	140,452	101,100	39,352
Loans receivable from affiliated companies	0	13,003	(13,003)
<b>Cash and cash equivalents, net</b>	<b>213,317</b>	<b>222,502</b>	<b>(9,185)</b>
Bank debt	(156,489)	(118,235)	(38,254)
<b>Total net financial position</b>	<b>56,828</b>	<b>104,267</b>	<b>(47,439)</b>