



Pininfarina Group: quarterly report and shareholders' meeting

The Shareholders' Meeting approves the Annual Report on a good 2001 and votes to distribute a dividend of 0.3814 euros on each savings share and 0.34 euros on each ordinary share.

Turin - The Directors of Pininfarina S.p.A. met today under the chairmanship of Sergio Pininfarina prior to attending the Ordinary and Extraordinary Shareholders' Meetings, which were held at Pininfarina Ricerca e Sviluppo S.p.A. facility in Cambiano. The Directors reviewed the Group's performance in the first quarter of 2002, which was later explained to the stockholders in the course of the Ordinary Meeting.

The report for the first quarter shows consolidated value of production of 146.6 million euros, or 32.01% less than the 215.7 million euros reported in the first quarter of 2001. This trend, which had been forecast when the preliminary 2001 data was released, was due to the general weakness of the automobile market. Lower demand throughout Europe, which is the principal market of the carmakers Pininfarina serves, and capital investment cutbacks by the major automobile manufacturers took a toll on the Group's production output (7,562 units, down 41.25% from 12,872 units in the first quarter of 2001).

EBIT for the quarter were 4.7 million euros, compared with 5.5 million euros in the first three months of 2001. While EBIT were lower in absolute terms, they improved as a percentage of the value of production, rising from 2.57% in the first quarter of 2001 to 3.25% in the same period this year. The net financial position was positive by 87.3 million euros, compared with a positive balance of 112.1 million euros at the end of 2001. This reduction was due entirely to temporary shifts in working capital.

The Ordinary and Extraordinary Shareholders' Meetings of Pininfarina S.p.A., convened also on May 15, 2002 under the chairmanship of Sergio Pininfarina, unanimously approved the Parent Company's 2001 Annual Report as submitted by the Board of Directors.

Confirming the preliminary data released after the Board of Directors meeting of March 27, 2002, the consolidated financial statements show value of production amounting to 742.2 million euros in 2001, up from 710.7 million euros in 2000. This increase (+4.4%) reflects both the contribution of a different and more favorable manufacturing mix (+3.3% despite a 10% drop in the number of units produced, which fell from 46,803 in 2000 to 41,766 in 2001) and continued growth by the Group's design, engineering and testing operations (+16.69%). This positive performance validates the effectiveness of the current strategy, which is focused on transforming Pininfarina into a service company.

Group EBIT grew from 21.9 million euros in 2000 (3.09% of the value of production) to 25.5 million euros in 2001 (3.44% of the value of production).

Consolidated net profit totaled 9.3 million euros, compared with 8.8 million euros in 2000. In 2001, the ratio of net profit to value of production also improved, rising to 1.26% (1.24% in 2000). At December 31, 2001, the net financial position was positive by 112.1 million euros, for a gain of 27% over the figure at the end of 2000 (88.2 million euros).

The performance of the Pininfarina Group in 2002 will reflect a decrease in both consolidated value of production and profit margins. Moreover, the mix of manufacturing business (the production of the Ford StreetKa, with its attendant startup costs, will not begin until the fourth quarter of 2002) and design and engineering services will continue to shift in favor of the latter, but the beneficial impact of this change on the bottom line will not be apparent until 2003. The depth of the Group's commitment to developing its engineering business will be underscored by the inauguration, in the early fall, of the new Engineering Center, with more than 12,000 square meters of space, that is being built at Pininfarina Ricerca e Sviluppo's facility in Cambiano (Turin).

The Group's Parent Company, Pininfarina S.p.A., ended 2001 with net profit of 5.02 million euros, down from 8.3 million euros in 2000. Reductions in dividend income and other financial income account for this decrease.

The Ordinary Shareholders' Meeting authorized the Board of Directors to adopt a stock option plan for executives of the Pininfarina Group for the period from 2002 to 2004. Treasury shares currently held by the



Company will be reserved for the exercise of these options. The Ordinary Shareholders' Meeting also renewed the authorization to purchase treasury shares.

Lastly, the Ordinary Shareholders' Meeting approved the distribution of a dividend that, at 0.3814 euros on each savings share and 0.34 euros on each ordinary share, is about the same as last year. The dividend will be payable as of June 6, 2002, against presentation on June 3, 2002 of Coupon No. 2 for both the ordinary and savings shares.

The Extraordinary Shareholders' Meeting approved the merger by absorption of Pininfarina International S.A. into Pininfarina S.p.A.. Pininfarina International S.A. is a subholding company based in Luxembourg that became a corporation under Italian law on December 15, 2001. The Extraordinary Shareholders' Meeting also voted to amend Articles 6, 14, 17 and 22 of the Company's Bylaws. In response to the amendments to Articles 14, 17 and 22, the Board of Directors reconvened after the Shareholders' Meeting and appointed three new Vice Chairmen: Andrea Pininfarina (Executive Vice Chairman and Chief Executive Officer), Lorenza Pininfarina (Vice Chairman in charge of Corporate Image and Brand Strategy) and Paolo Pininfarina (Vice Chairman in charge of Product Design and Quality Systems).

Reclassified profit and loss account of Pininfarina S.p.A. (in thousands of euros)

	2001	2000	Change
Financial income and charges			
Income from investments in:			
subsidiaries and affiliated companies	5,944	9,633	(3,689)
other companies	1,487	1,074	413
	7,431	10,707	(3,276)
Other financial income:			
Long-term loans receivable:			
interest received from subsidiaries	26	35	(9)
Securities shown under current assets other than equity investments	855	1,185	(330)
Income other than the above	1,337	1,861	(524)
Interest expense and other financial charges:			
interest paid to subsidiaries	(1)	(6)	5
interest paid to others	(255)	(365)	110
	1,962	2,710	(748)
Adjustments to the value of financial assets:			
Provision for fluctuations in the value of the investment portfolio	(1,875)	(432)	(1,443)
Provision for the impact of foreign exchange fluctuations on the investment portfolio	0	(31)	31
	1,875	(463)	(1,412)
Other operating income	4,639	4,674	(35)
Non-financial income			
Other operating charges			
Non-financial services	(3,157)	(3,624)	467
Personnel	(1,268)	(774)	(494)
Depreciation and amortization	(77)	(66)	(11)
Provisions	(3)	0	(3)
Miscellaneous operating charges	(97)	(119)	22
	(4,602)	(4,583)	(19)
Operating profit	7,555	13,045	(5,490)



Extraordinary income and charges	0	0	0
Gains on disposal of assets			
Other income	0	0	0
Losses on disposal of assets	0	0	0
Other charges	127	0	127
Net extraordinary loss	(127)	0	(127)
Profit before taxes	7,428	13,045	(5,617)
Income taxes for the year	3,220	4,921	1,701
Current taxes			
Deferred taxes	817	216	601
Net profit for the year	5,025	8,340	(3,315)

Reclassified balance sheet of Pininfarina S.p.A. (in thousands of euros)

	31.12.2001	31.12.200	Change
A) Net non-current asset			
Net intangible assets	54	20	34
Net fixed assets	1,1897	1,183	14
Net financial assets	53,416	49,916	3,500
	54,667	51,119	3,548
B) Treasury stock	2,017	1,881	136
C) Working capital			
Receivables due from Group companies	1,232	1,349	(177)
Receivables due from outsiders	1,599	575	1,024
Payables due to Group companies	(1,346)	(281)	(1,065)
Payables due to outsiders	(1,285)	(1,071)	(214)
	200	572	(372)
D) Net invested capital (A+B+C)	56,884,	53,572	3,312
E) Reserve for termination indemnities	335	190	145
F) Net capital requirements (D-E)	56,549	53,382	3,167
G) Shareholders' equity			
Share capital	9,317	9,624	(307)
Reserves	90,366	85,846	4,520
Net profit for the period/year	5,025	8,340	(3,315)
	104,708	103,810	898
H) Available reserves	2,977	1,987	990
I) Net liquid assets			
Debt securities, net	(39,254)	(38,850)	(404)
Listed equity securities, net	(9,217)	(6,876)	(2,341)
Bank and cash on hand	(2,665)	(6,689)	4,024
	(51,136)	(52,415)	1,279
L) Total as in F (G+H+I)	56,549	53,382	3,167

Consolidated profit and loss account. (in thousands of euros)

	12.31.2001	%	12.31.2000	%	Change
Net revenues	701,457	94,51	683,578	96,19	17,879
Changes in inv. of work in process and finished products	16,064	2,16	658	0,09	15,406
Other income and revenues	24,496	3,30	25,337	3,57	(841)
Fixed assets constructed internally	204	0,03	1,081	0,15	(877)
Value of production	742,221	100,00	710,654	100,00	31,567
Purchases of raw materials and outside services	(596,946)	(80,43)	(586,933)	(82,59)	(10,013)
Change in inventory of raw materials	(16,465)	(2,22)	4,838	0,68	(21,303)
Value added	128,810	17,35	128,559	18,09	251
Personnel costs	(85,510)	(11,52)	(83,872)	(11,80)	(1,638)
EBITDA	43,300	5,83	44,687	6,29	(1,387)
Depreciation and amortization	(17,611)	(2,37)	(22,121)	(3,11)	4,510
Provisions	(188)	(0,03)	(615)	(0,09)	427
EBIT	25,501	3,44	21,951	3,09	3,550
Net financial income	6,473	0,87	7,213	1,01	(740)
Other charges, net	(11,692)	(1,58)	(10,290)	(1,45)	(1,402)
Profit before taxes	20,282	2,73	18,874	2,66	1,408
Income taxes for the year	(10,932)	(1,47)	(10,041)	(1,41)	(891)
Net profit	9,349	1,26	8,833	1,24	516

Consolidated net financial position (in thousands of euros)

	12.31.2001	12.31.2000	Change
Liquid assets	45,571	30,501	15,070
Debt securities, net	57,538	52,068	5,470
Listed equity securities, net	11,235	8,757	2,478
Short-term bank borrowings	0	(436)	437
Net short-term financial assets	114,344	90,890	23,455
Long-term bank debt	(2,244)	(2,686)	441
Net financial position	112,100	88,204	23,896

Consolidated balance sheet (in thousands of euros)

	12.31.2001	12.31.2000	Change
A) Net non-current assets			
Net intangible assets	6,686	8,123	(1,437)
Net fixed assets	98,004	104,294	(6,290)
Net financial assets	1,460	1,416	44
	106,150	113,833	(7,683)

B) Working capital			
Inventory	54,283	54,873	(590)
Trade accounts receivable, net	74,188	123,830	(49,642)
Other assets	24,424	17,982	6,442
Trade accounts payable	(142,427)	(190,684)	48,257
Taxes payable	(14,692)	(4,699)	(9,993)
Other liabilities	(31.224)	(28,842)	(2,382)
	(36,563)	(27,540)	(9,023)
C) Net invested capital (A+B)	69,587	86,293	(16,706)
D) Reserve for termination indemnities	26,998	26,041	957
E) Net capital requirements (C-D)	42,589	60,252	(17,663)
F) Shareholders' equity			
Share capital	9,317	9,624	(307)
Reserves	136,023	129,999	6,027
Net profit for the year	9,349	8,833	516
G) Net financial position	154,689	148,456	6,233
Long-term debt	2,244	2,686	(442)
Net financial assets	(114,344)	(90,890)	(23,454)
	(112,100)	(88,204)	(23,896)
H) Total as in E (F+G)	42,589	60,252	(17,663)