



Quarterly Report and Stockholders' Meeting of the Pininfarina Group

Value of production up 13% in the first quarter of 2003.

The Extraordinary Stockholders' Meeting approves the 2002 Annual Report and the merger by absorption of Pininfarina Ricerca e Sviluppo S.p.A. and Industrie Pininfarina S.p.A into Pininfarina.

Turin – The Board of Directors of Pininfarina S.p.A. met today under the chairmanship of Sergio Pininfarina and approved the quarterly report on the Group's operations in the first quarter of 2003.

During the first three months of the year, production value rose to 165.8 million euros, or 13.09% more than the 146.6 million euros reported in the first quarter of 2002. Business was up in all areas during the period. The industrial operations continued to ramp up production of the Streetka for Ford, reaching full capacity by the end-of-March contractual deadline. As a result, all employees were removed from the Government's layoff benefits program as of the end of January, and the payroll grew to 2,500 employees by March 31, 2003. The engineering operations more than doubled their production value, compared with the first three months of 2002.

At the operating level, the Group incurred most of the startup costs for the Ford order in the first quarter of the year. This situation, which was announced when the Board of Directors approved the preliminary Annual Report, produced lower operating results than in the first three months of 2002. EBIT declined to 4.6 million euros, compared with 4.8 million euros in the first quarter of 2002 (-4.2%). Over the same period, net profit decreased from 1.5 million euros to 1.4 million euros. The net financial position was positive by 97.8 million euros, compared with 116.4 million euros at December 31, 2002 and 87.4 million euros at March 31, 2002.

Significant developments that occurred during the first three months of 2003 included the presentation of the Enjoy concept car at the Geneva International Motor Show. This small roadster, built on a Lotus powertrain, can be configured for use both on the racetrack and on the road. AutoWeek, a prestigious U.S. magazine, named the Enjoy Most Fun Car.

The stockholders of Pininfarina S.p.A., convened today at 10 AM for Ordinary and Extraordinary Meetings, met under the chairmanship of Sergio Pininfarina and approved the 2002 Annual Report.

The 2002 consolidated financial statements show that production value decreased to 529.8 million euros, or 28.61% less than the 742.2 million euros reported in 2001. However, the ratio of EBIT to production value improved to 3.94% (3.44 % in 2001). Net profit increased by 60.21%, rising from 9.3 million euros in 2001 to 14.9 million euros in 2002, owing in part to the tax incentives available under current laws. The consolidated net financial position was positive by 116.4 million euros, a gain of 3.83% compared with December 31, 2001, when it totaled 112.1 million euros.

The performance in the opening quarter of 2003 confirmed the Group's expectations for the current year: an increase of about 30% in the value of production compared with 2002, but lower margins due to a change in the production mix and the startup costs incurred by the Open Air Systems GmbH joint venture. This operating company will design, engineer and manufacture retractable roof systems. Pininfarina S.p.A., the Group's Parent Company, ended 2002 with net profit of 2.9 million euros, down from 5 million euros in 2001. The decrease is the result of a reduction in other financial income, which was caused by challenging conditions in the financial markets, and a rise in operating costs that occurred when employees and businesses formerly operated by the subsidiaries were transferred to the Parent Company. The net financial position improved to a positive 63.7 million euros, up from 51.1 million euros at the end of 2001.

The Stockholders' Meeting approved the distribution of a dividend (unchanged from 2002) of 0.3814 euros on each savings share and 0.34 euros on each ordinary share against presentation on May 26, 2003 of Coupon No. 3 for both the ordinary and savings shares. The dividends will be payable as of May 29, 2003.



The outlook for 2003 is for a significantly higher net profit than in 2002.

The stockholders also authorized the purchase of treasury shares up to a limit of 10% of the Company's capital stock.

The Ordinary Stockholders' Meeting elected a new Board of Directors for three years, from 2003 to 2005. The new Directors are: Elisabetta Carli, Mario Renzo Deaglio, Cesare Ferrero, Franzo Grande Stevens, Carlo Pavesio, Andrea Pininfarina, Lorenza Pininfarina, Paolo Pininfarina and Sergio Pininfarina. The Meeting also elected a new Board of Statutory Auditors that comprises Lamberto Jona Celesia (Chairman) and Giorgio Giorgi and Giacomo Zunino (Statutory Auditors).

The Extraordinary Stockholders' Meeting approved the merger by absorption of Pininfarina Ricerca e Sviluppo S.p.A. and Industrie Pininfarina S.p.A. into Pininfarina S.p.A. The resulting more streamlined organization is the natural extension of the strategy pursued in recent years to transfer the activities of smaller subsidiaries to their parent companies and organize the Group's operations into business units that can benefit from a greater wealth of human and technical resources.

The purpose of streamlining the Group's operational and corporate organization is to concentrate all of the activities and services that the Pininfarina Group can offer to its customers in a single company structured by business units, so as to benefit from the significant synergies that can be realized by using less complex operating and administrative organizations, which are inherently leaner and less costly. This new structure, by providing quick decision times and a more flexible organization, will also help the Group meet its customers' growing demand for global services and respond to the steadily increasing concentration of the automobile industry.

The change in the corporate purpose of Pininfarina S.p.A. caused by the absorption of its two subsidiaries provides the holders of ordinary and savings shares with a share redemption option, as required under Article 2437 of the Italian Civil Code. Upon completion of the merger, shares tendered for redemption will be redeemed at the average of the closing prices for the ordinary and savings shares in the six months prior to the date of the Stockholders' Meeting, which amounts to 18.865 euros and 18.984 euros, respectively. The stockholders who did not attend the Meeting will be informed of the terms and procedures for exercising their share redemption right through a notice that will be published in a nationally circulated newspaper as soon as the motion adopted by the Extraordinary Meeting that approved the merger is entered into the Turin Company Register.

Following the Stockholders' Meeting, the Board of Directors also held a meeting that had on its Agenda the election of the corporate officers for three years from 2003 to 2005. The Board elected Sergio Pininfarina Chairman and Andrea Pininfarina Chief Executive Officer, and selected the members of the Compensation Committee and Internal Audit Committee.

Reclassified Profit and Loss Account (in thousands of euros)

| 12/31/02 | % | 12/31/01 | % | Change | |
|--|---------|----------|---------|--------|----------|
| Net revenues | 485,826 | 91.70 | 701,457 | 94.51 | -215,631 |
| Change in inventory of work in process and finished products | 16,266 | 3.07 | 16,064 | 2.16 | 202 |
| Other income and revenues | 27,701 | 5.23 | 24,496 | 3.30 | 3,205 |
| Fixed assets constructed internally | 26 | 0.00 | 204 | 0.03 | -178 |
| Value of production | | | | | |



| | | | | | |
|---|----------------|---------------|----------------|---------------|-----------------|
| for the period | 529,819 | 100.00 | 742,221 | 100.00 | -212,402 |
| Purchases of raw materials and outside services | -414,878 | (78.31) | -596,946 | (80.43) | 182,068 |
| Change in inventory of raw materials | -1,765 | (0.33) | -16,465 | (2.22) | 14,7 |
| Value added | 113,176 | 21.36 | 128,81 | 17.35 | -15,634 |
| Personnel costs | -74,666 | (14.09) | -85,51 | (11.52) | 10,844 |
| EBITDA | 38,51 | 7.27 | 43,3 | 5.83 | -4,79 |
| Depreciation and amortization | -17,473 | (3.30) | -17,611 | (2.37) | 138 |
| Provisions | -176 | (0.03) | -188 | (0.03) | 12 |
| EBIT | 20,861 | 3.94 | 25,501 | 3.44 | -4,64 |
| Net financial income | 1,635 | 0.31 | 6,473 | 0.87 | -4,838 |
| Other charges, net | -10,358 | (1.96) | -11,692 | (1.58) | 1,334 |
| Profit before taxes | 12,138 | 2.29 | 20,282 | 2.73 | -8,144 |
| Income taxes | 2,776 | 0.52 | -10,932 | (1.47) | 13,708 |
| Net profit | 14,914 | 2.81 | 9,349 | 1.26 | 5,565 |

Net Financial Assets (in thousands of euros)

| | 12/31/02 | 12/31/01 | Change |
|--|----------------|----------------|--------------|
| Liquid assets | 17,333 | 45,571 | -28,238 |
| Debt securities, net | 88,905 | 57,538 | 31,367 |
| Listed equity securities, net | 11,656 | 11,235 | 421 |
| Short-term bank borrowings | - | - | - |
| Net short-term financial assets | 117,894 | 114,344 | 3,55 |
| Long-term bank debt | -1,457 | -2,244 | 787 |
| Net financial position | 116,437 | 112,1 | 4,337 |

Reclassified Balance Sheet (in thousands of euros)

| A) Net non-current assets | 12/31/02 | 12/31/01 | Change |
|--------------------------------|----------------|----------------|--------------|
| Net intangible assets | 6,231 | 6,686 | -455 |
| Net fixed assets | 93,227 | 98,004 | -4,777 |
| Net financial assets | 3,352 | 1,46 | 1,892 |
| | 102,81 | 106,15 | -3,34 |
| B) Working capital | | | |
| Inventory | 68,583 | 54,283 | 14,3 |
| Trade accounts receivable, net | 45,082 | 74,188 | -29,106 |
| Other assets | 22,343 | 23,309 | -966 |
| Trade accounts payable | -108,708 | -142,427 | 33,719 |
| Taxes payable | -13,475 | -14,692 | 1,217 |
| Other liabilities | -40,543 | -31,224 | -9,319 |
| | -26,718 | -36,563 | 9,845 |



| | | | |
|---|-----------------|----------------|---------------|
| C) Net invested capital (A+B) | 76,092 | 69,587 | 6,505 |
| D) Reserve for termination indemnities | 25,866 | 26,998 | -1,132 |
| E) Net capital requirements (C-D) | 50,226 | 42,589 | 7,637 |
| F) Shareholder's equity | | | |
| Share capital | 9,317 | 9,317 | 0 |
| Reserves | 142,432 | 136,023 | 6,409 |
| Net profit for the year | 14,914 | 9,349 | 5,565 |
| | 166,663 | 154,689 | 11,974 |
| G) Net financial position | | | |
| Long-term debt | 1,457 | 2,244 | -787 |
| Net financial assets | -117,894 | -114,344 | -3,55 |
| | -116,437 | -112,1 | -4,337 |
| H) Total as in E (F+G) | 50,226 | 42,589 | 7,637 |