



## Pininfarina Group, third quarter of 2002

### **Profitability improves despite decrease in value of production.**

### **The Group and Volvo Car Corporation sign a Memorandum of Understanding on the engineering of a new product.**

The Board of Directors of Pininfarina S.p.A. met today in Turin under the chairmanship of Sergio Pininfarina to review the performance of the Group's Parent Company and its subsidiaries during the third quarter of 2002.

*Turin* – The consolidated data show that, as expected, the Group's industrial operations decreased their output, causing value of production to decline from 592.1 million euros in the first nine months of 2001 to 424.4 million euros (-28.3%) in the same period this year. Nevertheless, consolidated EBIT was 18.8 million euros (21.5 million euros in the first nine months of 2002) and the ratio of EBIT to value of production improved to 4.4% (3.6% at September 30, 2001), reflecting the beneficial impact of gains in efficiency and the ability to cut costs by a greater percentage than the decrease in production value. Net profit was also up, rising to 9.1 million euros, or 28.1% more than the 7.1 million euros earned in the first nine months of 2001. Part of this gain is due to the tax savings made possible by the Tremonti Bis law. The ratio of net profit to value of production grew to 2.1% (1.2% at September 30, 2001).

The net financial position was positive by 109.7 million euros, down slightly from 112.1 million euros at September 30, 2001.

The outlook for the balance of the year is for value of production, in keeping with the trend for the first nine months of the year. Net profit for the full year, however, should be higher than the figure reported in 2001.

Pininfarina S.p.A., the Group's Parent Company, ended the first nine months of 2002 with a net profit of 2.8 million euros, about the same as in the corresponding period last year. Earnings for the full year should be slightly higher than the figure at September 30, 2002.

Salient events occurring after the end of the third quarter included the opening of a new Engineering Center in Cambiano. The inauguration ceremony, which took place on October 14, was attended by Romano Prodi, President of the European Commission, representatives of national and local institutions, and members of the Italian and international press. The establishment of this new Center is a key step in Pininfarina's strategy of offering carmakers a complete and integrated range of first-class services, and underscores the Group's commitment to investing in the future even in difficult times such as the one that the automobile industry is currently experiencing. A major development that will help the growth of Pininfarina's engineering operations is a Memorandum of Understanding signed with Volvo Car Corporation to develop a new car for the Swedish carmaker. Starting from the Volvo Cars' styling definition, Pininfarina will be responsible for the entire project and it will supply all product and process engineering, prototyping and testing services. Other engineering projects include development work for Jaguar and Hafei, a Chinese company, and support services in connection with the start of production of the Ford StreetKa. Production of this car, which was unveiled in September 2001 at the Paris Motor Show, will begin before the end of the year at facilities operated by Pininfarina.

New developments in the area of automotive design included the presentation of the "Enzo" at the Paris Motor Show. Production of this new, high-performance Ferrari will be limited to just 399 cars. In addition, GM-Daewoo will present the new-generation Nubira at the Seoul Motor Show in November 2002. This car was designed by Pininfarina, as was the Tacuma, which was unveiled at the 2000 Geneva Motor Show. The Group's industrial design operations posted gains in value of production and profitability by developing several successful new products, including Lange's World Cup ski boots and the Acropolis kitchen for Snaidero.

As required under the Rules of the Markets Organized and Managed by Borsa Italiana S.p.A., the Company's Board of Directors adopted an "Internal Dealing" Code of Conduct. Under this Code, information

must be communicated to the market within 10 trading days after the close of each calendar quarter, if the transaction(s) involved have an aggregate value equal to or greater than 25,000 euros, or promptly, if the transaction(s) involved have an aggregate value equal to or greater than 125,000 euros. "Significant persons" are barred from engaging in transactions involving the securities of Pininfarina S.p.A. for 60 days prior to Board of Directors Meetings convened to approve draft annual or semiannual financial statements of Pininfarina S.p.A. and the Pininfarina Group, and for 15 days prior to Board of Directors Meetings convened to approve quarterly financial statements. The Board further agreed that the provisions of the Internal Dealing Code of Conduct also apply to information concerning stock options and option rights.

Lastly, the deed establishing the merger by absorption of Pininfarina International S.p.A. into Pininfarina S.p.A., effective December 1, 2002, was signed prior to the start of the Board of Directors Meeting.