



Pininfarina: growth in the first half of 2003

**Value of production +37.6%, income before taxes +48.8%.
Great success of the Maserati Quattroporte.**

Turin – The Board of Directors of Pininfarina S.p.A. met today in Turin under the chairmanship of Sergio Pininfarina and approved the Report on Operations in the First Half of 2003 for Pininfarina S.p.A. and the Pininfarina Group.

During the first half of 2003, the value of production of the Pininfarina Group rose 37.6% to 409.4 million euros, up from 297.5 million euros in the same period last year. EBIT grew by 15.4%, rising from 13 million euros in the first six months of 2002 to 15 million euros in the same period this year. At 12.2 million euros, income before taxes was 48.8% higher than the 8.2 million euros earned in the first half of 2002. The net profit decreased 28.4% to 5.3 million euros (7.4 million euros in the first six months of 2002) due to the increased tax liability incurred this year, as the Group is no longer able to benefit fully from the tax savings allowed under the Tremonti Law.

The net financial position was positive by 142.6 million euros, for a gain of 22.5% over the figure at December 31, 2002 (116.4 million euros).

The Group's manufacturing operations benefited from the start of the Ford Streetka order, which has been proceeding successfully in terms of production volume, time and cost. The start-up costs incurred in connection with the Ford Streetka order, which accounted for a major portion of the period's manufacturing output, were booked in the first half of 2003. Initial customer demand — over 10,000 units registered by August 31, 2003 — bode well for the commercial success of this model.

The engineering operations, which are still in the midst of a streamlining effort, started to generate higher revenues and began contributing to the Group's profitability. The expectations for the second half of 2003 are for a further increase in engineering work and a slower pace of activity for the manufacturing operations, due to the smaller number of work days and the impact of seasonal factors on the demand for certain models.

Overall, 2003 should end with value of production and profit margins in line with those reported at June 30, 2003.

Pininfarina S.p.A. ended the first half of 2003 with net profit for the period of 8.9 million euros, up sharply from the 4.2 million euros earned in the first six months of 2002. Increases in financial income and dividends from subsidiaries and affiliated companies are the main reasons for this gain. The net financial position also improved, with net liquid assets rising to 71.6 million euros (63.7 million euros at December 31, 2002). For the year as a whole, the Company expects to post significantly better overall results than in 2002.

The most significant event that has occurred since June 30, 2003 was the announcement on August 6, 2003 that Pininfarina S.p.A., the Group's Parent Company, reached an agreement to buy the engineering, testing and prototype development operations of Matra Automobile from Lagardère SCA. Approval from the regulatory authorities is expected soon. This acquisition will strengthen Pininfarina's engineering capabilities and will help augment and round out the Group's knowhow and customer base. It will also benefit the Group's manufacturing operations by providing them with a wealth of diversified design projects and a size better suited to competing successfully in the international markets.

On September 9, 2003, at the Frankfurt International Motor Show, Luca Cordero di Montezemolo and Sergio Pininfarina unveiled the Maserati Quattroporte, a luxury flagship car designed by Pininfarina that received accolades both from the trade press and the public.

**Pininfarina Group Reclassified Balance Sheet (in thousands of euros)**

6/30/02		6/30/03	12/31/02	Change
	A) Net non-current assets			
6,061	Net intangible assets	5,55	6,231	-681
93,621	Net fixed assets	90,687	93,227	-2,54
2,329	Net financial assets	5,815	3,352	2,463
102,011		102,052	102,81	-758
	B) Working capital			
49,218	Inventory	105,238	68,583	36,655
88,113	Trade accounts receivable, net	102,235	45,082	57,153
23,547	Other assets	33,619	22,343	11,276
-	Trade accounts payable	-	-	-86,389
148,059		195,097	108,708	
-14,553	Taxes payable	-11,999	-13,475	1,476
-35,074	Other liabilities	-84,578	-40,543	-44,035
-36,808		-50,582	-26,718	-23,864
65,203	C) Net invested capital (A+B)	51,47	76,092	-24,622
25,326	D) Reserve for termination indemnities	25,173	25,866	-693
39,877	E) Net capital requirements (C-D)	26,297	50,226	-23,929
	F) Shareholders' equity			
9,317	Share capital	9,317	9,317	-
142,432	Reserves	154,225	142,432	11,793
7,359	Net profit for the year/period	5,333	14,914	-9,581
159,108		168,875	166,663	2,212
	G) Net financial position			
2,057	Long-term debt	1,766	1,457	309
-	Net financial assets	-	-	-26,45
121,288		144,344	117,894	
-		-	-	-26,141
119,231		142,578	116,437	
39,877	H) Total as in E (F+G)	26,297	50,226	-23,929

Pininfarina S.p.A. Reclassified Profit and Loss Account (in thousands of euros)

31.12.2001		30.06.2003	30.06.2002	Change
	Financial income and charges			
	Income from investments in:			
5,906	subsidiaries and affiliated companies	11,813	5,906	5,907
1,032	other companies	742	900	- 158
6,938		12,555	6,806	5,749
	Other financial income:			
	Long-term loans receivable:			
7	interest received from subsidiaries	0	6	-6
1,161	Securities shown under current assets other than equity investments	497	606	-109



- 258	Income other than the above	1,683	445	1,238
-5	interest paid to subsidiaries	-5	-5	0
-330	interest paid to others	-159	-129	-30
575		2,016	923	1,093
	Adjustments to the value of financial assets			
-1,531	Provision for fluctuations in the value of the investment portfolio	-334	-1,147	813
-203	Provision for the impact of foreign exchange fluctuations on the investment portfolio	-166	0	-166
-1,734		-500	-1,147	647
	Other operating income			
5,815	Non-financial income	6,434	2,63	3,804
	Other operating charges			
-4,463	Non-financial services	-3,326	-1,484	-1,842
-3,116	Personnel	-3,824	-1,339	-2,485
-81	Depreciation and amortization	-46	-38	-8
0	Provisions	0	0	0
-221	Miscellaneous operating charges	-85	-100	15
-7,881		-7,281	-2,961	-4,32
3,713	Operating profit	13,224	6,251	6,973
	Extraordinary income and charges			
0	Gains on disposal of assets	0	0	0
0	Other income	0	0	0
0	Losses on disposal of assets	0	0	0
0	Other charges	-6	0	-6
0	Net extraordinary income (loss)	-6	0	-6
3,713	Profit before taxes	13,218	6,251	6,967
	Income taxes for the period			
-1,18	Current taxes	-3,988	-2,287	-1,701
348	Deferred taxes	-296	218	-514
2,881	Net profit for the period	8,934	4,182	4,752

Pininfarina S.p.A. Reclassified Balance Sheet (in thousands of euros)

6/30/02		6/30/03	12/31/02	Change
	A) Net non-current assets			
50	Net intangible assets	79	43	36
1,199	Net fixed assets	1,163	1,191	-28
53,416	Net financial assets	41,21	41,376	-166
54,665		42,452	42,61	-158
2,054	B) Treasury stock	3,061	2,754	307
	C) Working capital			
906	Receivables due from Group companies	538	341	197
1,881	Receivables due from outsiders	3,814	3,584	230
-21	Payables due to Group companies	-454	-755	301



-1,36	Payables due to outsiders	-2,954	-1,55	-1,404
1,406		944	1,62	-676
58,125	D) Net invested capital (A+B+C)	46,457	46,984	-527
481	E) Reserve for termination indemnities	2,127	529	1,598
57,644	F) Net capital requirements (D - E)	44,33	46,455	-2,125
	G) Shareholders' equity			
9,317	Share capital	9,317	9,317	0
92,221	Reserves	94,033	94,273	-240
0	Net profit for the year	0	2,881	-2,881
4,182	Net profit for the period	8,934	0	8,934
105,72				
2,977	H) Unavailable reserve	3,694	3,694	0
	I) Net liquid assets			
-21,83	Debt securities, net	-50,359	-54,357	3,998
-8,795	Listed equity securities, net	-10,905	-8,902	-2,003
-20,428	Bank and cash on hand	-10,384	-451	-9,933
-51,053		-71,648	-63,71	-7,938
57,644	L) Total as in F (G + H + I)	44,33	46,455	-2,125