



Quarterly Report of the Pininfarina Group

Friday, 11 November 2005

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 nine months of 2005.

The quarterly financial statements at September 30, 2005 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 nine months of 2004 have been restated in accordance with the same principles.

Consolidated Financial Highlights (in millions of euros):

	September 30,	September 30,
	2005	2004
Production value	272.5	422.4
EBIT*	9.2	8.2
Net profit	11.5	(1.9)
Net financial position	42.1	74.8

* The amount shown for EBIT in the reclassified income statement is the same as “Profit (Loss) from operations” in the income statement presented in the IAS/IFRS format.

At September 30, 2005, production value amounted to 272.5 million euros, or 35.5% less than in the first nine months of last year. Despite this decrease, all profitability indicators confirmed the positive trend of the first half of the year, improving both in absolute terms and as a percentage of production value compared with the first nine months of 2004. The balance of the net financial position, while positive by 42.1 million euros, was lower than the 71.6 million euros reported at December 31, 2004 (74.8 million euros at September 30, 2004).

A review of the data by business segment shows that the manufacturing operations generated production value totaling 145.3 million euros (53.4% less than in 2004), accounting for 53.3% of total consolidated production value (73.8% last year). The process of gearing up for new orders is the reason for this decrease. With regard to these orders, production of two important models - the Alfa Romeo Brera, which will be manufactured at Group facilities in Italy, and the Volvo C70, which will be made by Pininfarina Sverige at a factory in Sweden staffed with more than 700 employees — got under way in the past few weeks. Three additional new models will join these two on the production line in the first half of 2006: the Alfa Romeo Spider, the Mitsubishi Colt C.C. and the Ford Focus C.C. The Group will then be producing a full model lineup and will be able to rehire all of the employees who are currently enrolled in the Special Government Layoff Benefits Fund so to reach a number of 3,000 employees spread all over the 6 countries in which Pininfarina is present.

The Group's service businesses, which include the design, industrial design and engineering operations, generated production value totaling 127.2 million euros, for an increase of 14.9% compared with the data at September 30, 2004. These businesses accounted for 46.7% of total Group production value in the first nine months, up from 26.2% a year ago. These operations are continuing to expand their customer base and recently signed another contract in the all-important Chinese market.



The outlook for the rest of the year continues to call for consolidated production value to be about 30% lower than at December 31, 2004, as the contribution that the Alfa Brera and Volvo C70 are beginning to provide will help reduce the decrease reported at September 30, 2005. Year-end EBIT should be close to breakeven and the net financial position should show a somewhat lower balance than at September 30, 2005.

**Consolidated Financial Statements of the Pininfarina Group
at September 30, 2005
Reclassified Consolidated Income Statement**

(in thousands of euros)

	Data at					Data at
	9/30/05	%	9/30/04	%	Change	12/31/04
Net revenues	211,129	77.47	320,003	75.76	(108,874)	466,229
Changes in inventory of work in process and finished products	56,479	20.72	80,218	18.99	(23,739)	57,617
Other income and revenues	4,939	1.81	22,162	5.25	(17,223)	33,926
Increase in non-current assets constructed internally	-	-	-	-	-	-
Value of production for the period	272,547	100.00	422,383	100.00	(149,836)	557,772
Net gain on the sale of non-current assets	32,521	11.93	1,050	0.25	31,471	1,066
Purchases of raw materials and outside services	(200,395)	(73.53)	(321,646)	(76.15)	121,251	(423,356)
Change in inventory of raw materials	(9,394)	(3.45)	(6,937)	(1.64)	(2,457)	(8,237)
Value added	95,279	34.96	94,850	22.46	429	127,246
Personnel costs	(73,750)	(27.06)	(73,542)	(17.41)	(208)	(101,095)
EBITDA	21,529	7.90	21,308	5.04	222	26,150
Depreciation and amortization	(12,332)	(4.52)	(13,106)	(3.10)	774	(17,855)
Provisions	-	-	-	-	-	(225)
EBIT	9,197	3.37	8,201	1.94	996	8,070
Net financial income	3,585	1.32	1,145	0.27	2,440	1,567
Other income (expense), net	(3,710)	(1.36)	(6,026)	(1.43)	2,316	(3,604)
Profit before taxes	9,072	3.33	3,320	0.79	5,752	6,033



Income taxes	2,413	0.89	(5,253)	(1.24)	7,666	(8,438)
Minority interest in net (profit) loss	-	-	-	-	-	-
Net profit	11,485	4.21	(1,933)	(0.46)	13,418	(2,405)

**Consolidated Financial Statements of the Pininfarina Group
at September 30, 2005
Reclassified Consolidated Balance Sheet**

(in thousands of euros)

	Data at		Change	Data at
	9/30/05	12/31/04		9/30/04
Net non-current assets (A)				
Intangible assets	5,742	5,744	(2)	4,558
Property, plant and equipment	195,962	158,159	37,803	145,036
Non-current financial assets	2,589	3,017	(428)	2,546
Total A	204,293	166,920	37,373	152,140
Working capital (B)				
Inventory	47,417	45,455	1,962	60,076
Net trade receivables and other receivables	67,187	98,290	(31,103)	103,997
Deferred-tax assets	26,232	25,304	928	25,650
Trade payables	(93,214)	(125,613)	32,399	(135,957)
Provision for other liabilities and charges	(1,027)	(4,310)	3,283	-
Other liabilities	(56,558)	(59,049)	2,491	(64,051)
Total B	(9,963)	(19,923)	9,960	(10,285)
Net invested capital (C=A+B)	194,330	146,997	47,333	141,855
Provision for termination indemnities (D)	28,001	26,012	1,989	25,447
Net capital requirements (E=C-D)	166,329	120,985	45,344	116,408
Shareholders' equity (F)	208,428	192,569	15,859	191,235
Net financial position (G)				
Long-term debt	53,207	35,983	17,224	(30,179)
(Net liquid assets)	(95,306)	(107,567)	12,261	(44,648)
Total G	(42,099)	(71,584)	29,485	(74,827)
Total as in E (H=F+G)	166,329	120,985	45,344	116,408