



Semiannual Report of the Pininfarina Group Going Concern Viability and Business Outlook for 2011

Turin, August 4, 2011 – The Board of Directors of Pininfarina S.p.A., meeting today under the chairmanship of Paolo Pininfarina, approved the financial report on the Group's performance in the first half of 2011. The table below shows the consolidated operating and financial highlights of the Pininfarina Group at June 30, 2011 and provides a comparison with those for the first half of 2010:

(Amounts in millions of euros)	First half of 2011	First half of 2010	Amount of change
Value of production	31.3	127.0	-95.7
EBITDA (1)	5.7	-23.5	29.2
EBIT (1)	1.5	-32.6	34.1
Net profit (loss)	0.6	-29.5	30.1
Net financial position (2)	-72.1	-37.7	-34.4
Shareholders' equity (2)	21.6	22.2	-0.6

(1) EBITDA represent the profit or loss from operations before depreciation, amortization and additions to provisions. EBIT represent the profit or loss from operations.

(2) At December 31, 2010, the net financial position and shareholders' equity were equal to -59 million euros and 21 million euros, respectively.

Pursuant to Article 154 *bis*, Section 2, of the Uniform Financial Code, Gianfranco Albertini, in his capacity as Corporate Accounting Documents Officer, declares that the accounting information provided in this press release is consistent with the information in the supporting documents and in the Company's books of accounts and other accounting records.

The most significant issues that arise from the comparison between the consolidated data for the first half of 2011 and those at June 30, 2010 are summarized below:

- The sharp reduction in value of production is due primarily to the end of the automobile contract manufacturing activities, which were shut down in November 2010 but were still active in the first quarter last year. The Service Sector, consisting of the styling and engineering operations, which starting this year represents the Group's core business, increased its overall business volume, with different contributions provided by the Italian operations (in line with 2010) and the international operations (up compared with 2010). However, the Sector's loss was larger than at June 30, 2010.

- Due to the cancellation of the joint venture agreements with Volvo Car Corporation regarding Pininfarina Sverige A.B. and the divestment of the interest held in the Véhicules Electriques Pininfarina Bolloré SAS joint venture, the data for the first half of 2011 no longer include the income statement results of these subsidiaries, which provided a positive contribution of 3 million euros to the consolidated net result at June 30, 2010.

- At June 30, 2011, the consolidated shareholders' equity was little changed compared both with the same period last year and December 31, 2010. However, net financial debt grew by 13.1 million euros, increasing from 59 million euros at December 31, 2010 to 72.1 million euros at June 30, 2011, due mainly to changes in working capital.



More specifically, **EBITDA** (equal to the profit or loss from operations before depreciation, amortization and additions to provisions), which was negative by 23.5 million euros in the first half of 2010, reflecting charges of 22.6 million euros for the Mitsubishi arbitration award, turned positive by 5.7 million euros at June 30, 2011, due mainly to the gain of 8.9 million euros generated by the divestment of the interest held in the Véhicules Electriques Pininfarina Bolloré joint venture.

EBIT (equal to the profit or loss from operations) were positive by 1.5 million euros in the first half of 2011 (due to the contribution provided by the abovementioned sale of an equity investment), compared with a negative balance of 32.6 million euros at June 30, 2010. The loss incurred in 2010 reflected the negative effect of the Mitsubishi arbitration award (totaling 28.5 million euros), offset in part by a decrease in depreciation and amortization amounting to about 8.5 million euros.

Net financial expense amounted to 0.5 million euros, as against net financial income of 0.5 million euros in the first six months of 2010. This negative change is mainly due to the following factors: higher interest rates paid, absence of the interest income generated by sales volumes invoiced for the Alfa Romeo production order (ended in November 2010) and a reduction in interest earned on loans receivable, which decreased compared with the first half of 2010.

The **net profit** for the first six months of 2011 totaled 0.6 million euros, as against a net loss of 29.5 million euros at June 30, 2010, which included 28.5 million euros attributable to the Mitsubishi arbitration award.

Group interest in shareholders' equity increased from 21 million euros at December 31, 2010 to 21.6 million euros at June 30, 2011. The shareholders' equity of Pininfarina S.p.A. totaled 26.3 million euros at June 30, 2011, for a decrease of 8.9 million euros compared with the amount at December 31, 2010 (35.2 million euros).

At June 30, 2011, the Group had 774 employees (847 a year earlier, -8.6%), without counting the 631 employees on the payroll of Pininfarina Sverige A.B. (709 employees at June 30, 2010).

When reviewing the performance of the individual Sectors, it is important to keep in mind that, following the end of the automobile contract manufacturing activities in 2010, the "Manufacturing Sector" was renamed the "Operations Sector." In 2011, the Operations Sector included mainly activities involving the sale of spare parts for cars made in previous years, costs and revenues attributable to corporate departments and residual customer activities, including the income from the leasing of business operations (which included the Bairo Canavese plant and 57 employees) used to manufacture electric cars for a car sharing service planned by the Paris municipal administration. A comparison with the data for 2010 should take this change into account.

The **Operations Sector** generated value of production of 5.1 million euros in the first six months of 2011 (104.9 million euros in the first half of 2010), accounting for 16.3% of total consolidated value of production (82.6% the previous year). The Sectors' EBIT were positive by 3.8 million euros, thanks to a gain of 8.9 million euros earned on the sale to the Bolloré Group of the investment held in the Véhicules Electriques Pininfarina Bolloré SAS joint venture. In the first half of 2010, the Production Sector reported a loss of 30.2 million euros (including 28.5 million euros attributable to the Mitsubishi award).

In the first half of 2011, the value of production reported by the **Service Sector** increased to 26.2 million euros, up from 22.1 million euros at June 30, 2010 (+18.6%). The contribution provided to the total for the Group grew to 83.7%, up from 17.4% in the first six months of 2010. This increase reflects mainly a different mix in the value of production in the two periods under comparison. Specifically, the data for the first half of 2010 still included the contribution of contract



manufacturing activities, which came to an end at December 31, 2010. The Sector's EBIT were negative by 2.4 million euros, unchanged compared with the first half of 2010.

Assessment of the Company's Viability as a Going Concern

With regard to the issue of evaluating problems and risks and assessing the Company's viability as a going concern, there were no material changes compared with the situation presented by the Board of Directors in its Report on Operations included in the 2010 Annual Report, which should be consulted for detailed information.

As it is well known, Pininfarina S.p.A. has been in the subject of sales negotiations since September 2009, which have not yet yielded concrete results, even though discussions between Banca Leonardo & Co., the Company's advisor, and potential buyers, which include the Bolloré Group, are continuing.

Since the execution of the Agreements signed on December 31, 2008, the Lender Institutions never failed to provide their constructive and essential support to the Group, and no indication of a change in this approach has been perceived thus far.

In terms of liquidity, the current agreements with the Lender Institutions enabled the Group to maintain a significant amount of resources, sufficient to avoid any concern over the medium term.

The Group's semiannual results, while lower than expectations, do not justify a change in the income statement, cash flow and balance sheet scenario over the medium term.

In view of the considerations provided above, while there are still risks concerning the ability of the Group to continue operating as a going concern, the Directors have confidence in the effectiveness of the activities that are being implemented to restore the financial and industrial health of the Pininfarina Group.

Information Required by the Consob Pursuant to Article 114, Section 5 of Legislative Decree No. 58/98

- 1) The net financial positions of the Pininfarina Group and Pininfarina S.p.A., with current and non-current components listed separately, are shown in the annexes to this press release.
- 2) There were no past-due amounts (financial or related to tax or employee benefit liabilities) owed by the Pininfarina Group. No actions against the Group have been filed by creditors.
- 3) The transactions with related parties of the Pininfarina Group and Pininfarina S.p.A. are listed in the annexes to this press release.
- 4) The implementation of the plan to restructure the indebtedness of Pininfarina S.p.A. is proceeding according to plan, consistent with the agreements with the Lender Institutions and without any change from the situation outlined in the Report of the Board of Directors included in the 2010 Annual Report approved on April 29, 2011.
- 5) As for the progress made in implementing the Industrial Plan, thus far, there have been no significant new developments from the situation described in the Report of the Board of Directors included in the 2010 Annual Report approved on April 29, 2011.



Business Outlook for 2011

The 2011 reporting year is expected to end with a loss at the EBIT and bottom line levels (the previous guidance projected marginal profitability for both indicators). However, the loss amounts will be relatively modest and not comparable with those incurred in 2010. As announced in earlier disclosures, the net financial position at the end of 2011 is expected to show a deterioration of about 25% compared with 2010.

Insofar as the current year is concerned, compliance with the applicable covenants will be verified upon the publication of the consolidated financial statements at December 31, 2011. Presently, owing in part to the negative effects caused by the Mitsubishi arbitration award in 2010, projections show non-compliance with the required financial parameters in 2011. With regard to this issue, the constructive discussions started with the Lender Institutions are continuing with the aim of implementing a technical solution the outline of which has already been developed. The Lender Institutions, in keeping with the collaborative approach that has always guided their actions towards Pininfarina, indicated that they would be willing to consider the requests to amend the contractual stipulations put forth by the Company.

Material Events Occurring After June 30, 2011

On April 12, 2011, the Internal Revenue Police, acting further to a tax audit launched in June 2010, served the Company with a Tax Audit Report, the main assessments of which concerned the agreements executed on December 31, 2008 by the Company, its shareholder Pincar S.p.A. (now Pincar S.r.l) and the Lender Institutions to recapitalize Pininfarina S.p.A. and the tax treatment of these agreements with regard to some indirect taxes. Insofar as the tax treatment is concerned, on July 25, 2011, the Revenue Agency ruled that the abovementioned indirect taxes could not be levied on Pininfarina S.p.A., thereby effectively voiding the assessments listed in the Tax Audit Report issued by the Revenue Police.

Thus far, no other material events requiring disclosure occurred after June 30, 2011.

Contacts:

Pininfarina:

Gianfranco Albertini, Chief Financial Officer and Investor Relations Manager, tel. 011,9438367

Francesco Fiordelisi, Corporate and Product Communications Manager, tel. 011,9438105/335,7262530

Studio Mailander:

Carolina Mailander, tel. 011,5527311/335,6555651

RECLASSIFIED FINANCIAL STATEMENTS

The reclassified financial statements contain data that were not audited by the Independent Auditors. They regroup the data presented in the financial statements required under current statutes differently, with the objective of providing a more immediate understanding of the data, without affecting the logic of their presentation. It is important to keep in mind that the data shown for "EBITDA," "EBIT" and "Gross result" in the reclassified financial statements have the same meaning as the data shown for "Profit (Loss) from operations before depreciation, amortization and provisions," "Profit (Loss) from operations" and "Profit (Loss) before taxes" in the IAS/IFRS financial statements.

PININFARINA GROUP Reclassified Consolidated Income Statement

(in thousands of euros)

	First half		Data at		Change	Data at
	2011	%	First half 2010	%		
Net revenues	27,324	87.24	120,586	94.98	(93,262)	204,407
Changes in inventory of finished goods and work in progress	2,049	6.54	5,680	4.47	(3,631)	(1,133)
Other income and revenues	1,948	6.22	702	0.55	1,246	1,359
Value of production	31,321	100.00	126,968	100.00	(95,647)	204,633
Net gain (loss) on disposal of non-current assets	8,894	28.40	(29)	(0.02)	8,923	2,453
Raw materials and outside services (*)	(13,095)	(41.81)	(128,497)	(101.21)	115,402	(161,758)
Change in inventory of raw materials	(98)	(0.31)	5,963	4.70	(6,061)	(4,132)
Value added	27,022	86.28	4,405	3.47	22,617	41,196
Labor costs (**)	(21,274)	(67.92)	(27,936)	(22.00)	6,662	(47,455)
EBITDA	5,748	18.36	(23,531)	(18.53)	29,279	(6,259)
Depreciation and amortization	(2,591)	(8.27)	(8,316)	(6.55)	5,725	(12,389)
(Additions)/Utiliz. of provis. and (Writedowns)	(1,695)	(5.41)	(786)	(0.62)	(909)	(1,350)
EBIT	1,462	4.68	(32,633)	(25.70)	34,095	(19,998)
Net financial income (expense)	(466)	(1.49)	463	0.36	(929)	676
Valuation of investments by the equity method	-	0.00	2,969	2.35	(2,969)	(12,895)
Gross profit (loss)	996	3.19	(29,201)	(23.00)	30,197	(32,217)
Income taxes	(391)	(1.25)	(345)	(0.27)	(46)	(859)
Net profit (loss)	605	1.94	(29,546)	(23.27)	30,151	(33,076)

(*) **Raw materials and outside services** is shown net of utilizations of the provisions for warranties, the provisions for risks and charges and the provision for restructuring programs amounting to 1,743,000 euros in 2010 and 1,294,000 euros in 2011.

(**) **Labor costs** is shown net of utilizations of the provision for restructuring programs amounting to 965,000 euros in 2010 and 763,000 euros in 2011.

Pursuant to Consob Resolution No. DEM/6064293 of July 28, 2006, a reconciliation of the data for the period with the those in the reclassified statements is provided below:

- **Raw materials and outside services** includes Raw materials and components, Other variable production costs, Variable external engineering services, Foreign exchange gains (losses) and Sundry expenses.
- **Depreciation and amortization** includes depreciation of property plant and equipment and amortization of intangible assets.
- **(Additions)/Utilizations of provisions and (Writedowns)** includes (Additions)/Utilizations of provisions and (Writedowns) and Addition to provision for inventory risk.
- **Net financial income (expense)** includes Net financial income (expense) and dividends.

PININFARINA GROUP

Reclassified Consolidated Balance Sheet

(in thousands of euros)

	Data at		Change	Data at
	6/30/11	12/31/10		6/30/10
Net non-current assets (A)				
Net intangible assets	3,107	3,095	12	3,457
Net property, plant and equipment	71,132	73,190	(2,058)	76,657
Investments in associates	29,730	30,861	(1,131)	44,519
Total A	103,969	107,146	(3,177)	124,633
Working capital (B)				
Inventory	3,116	1,419	1,697	18,146
Net trade receivables and other receivables	21,470	28,300	(6,830)	55,778
Deferred-tax assets	917	1,012	(95)	1,066
Trade accounts payable	(15,513)	(34,901)	19,388	(84,428)
Provisions for other liabilities and charges	(6,283)	(7,214)	931	(9,159)
Other liabilities (*)	(6,588)	(6,662)	74	(36,258)
Total B	(2,881)	(18,046)	15,165	(54,855)
Net invested capital (C=A+B)	101,088	89,100	11,988	69,778
Provision for termination indemnities (D)	7,387	9,121	(1,734)	9,861
Net capital requirements (E=C-D)	93,701	79,979	13,722	59,917
Shareholders' equity (F)	21,562	21,004	558	22,186
Net financial position (G)				
Long-term debt	191,699	173,036	18,663	161,226
(Net liquid assets) / Net borrowings	(119,560)	(114,061)	(5,499)	(123,495)
Total G	72,139	58,975	13,164	37,731
Total as in E (H=F+G)	93,701	79,979	13,722	59,917

(*) Other liabilities includes the following balance sheet items: Deferred taxes, Other payables, Provision for current taxes and Sundry liabilities.

PININFARINA GROUP
Consolidated Net Financial Position

(in thousands of euros)

	<u>Data at</u>			<u>Data at</u>
	<u>6/30/11</u>	<u>12/31/10</u>	<u>Change</u>	<u>6/30/10</u>
Cash and cash equivalents	83,812	86,374	(2,562)	63,570
Current assets held for trading	50,589	47,832	2,757	51,019
Current loans receivable and other receivables	11,292	10,988	304	54,828
Loans receivable from related parties and joint ventures	17,904	17,904	-	17,904
Due to banks	(21,000)	(26,000)	5,000	(21,009)
Current liabilities under finance leases	(12,200)	(12,200)	-	(25,606)
Current portion of long-term bank debt	(10,837)	(10,837)	-	(17,211)
Net liquid assets / (Net borrowings)	119,560	114,061	5,499	123,495
Long-term loans and other receiv. from outsiders	-	11,292	(11,292)	11,292
Long-term loans and other receivables from associates and joint ventures	-	8,952	(8,952)	17,904
Held-to-maturity non-current assets	257	257	-	257
Long-term liabilities under finance leases	(116,965)	(116,131)	(834)	(112,306)
Long-term bank debt	(74,991)	(77,406)	2,415	(78,373)
Net long-term debt	(191,699)	(173,036)	(18,663)	(161,226)
NET FINANCIAL POSITION	(72,139)	(58,975)	(13,164)	(37,731)

PININFARINA GROUP
Consolidated Net Borrowings
(CESR /05-04b)

(in thousands of euros)

	Data at			Data at
	6/30/11	12/31/10	Change	6/30/10
A. Cash	(83,812)	(86,374)	(2,562)	(63,570)
B. Other liquid assets	0	0	0	0
C. Securities held for trading	(50,589)	(47,832)	2,757	(51,019)
D. Total liquid assets (A.)+(B.)+(C.)	(134,401)	(134,206)	195	(114,589)
E. Current financial receivables	(29,196)	(28,892)	304	(72,732)
F. Current bank debt	21,000	26,000	5,000	21,009
<i>Current portion of secured bank loans</i>	5,037	5,037	(0)	5,037
<i>Current portion of unsecured bank loans</i>	5,800	5,800	0	12,174
G. Current portion of non-current debt	10,837	10,837	0	17,211
H. Other current financial liabilities	12,200	12,200	0	25,606
I. Current financial debt (F.)+(G.)+(H.)	44,037	49,037	5,000	63,826
J. Net current Financial debt/(position)	(119,560)	(114,062)	5,499	(123,495)
<i>Non-current portion of secured bank loans</i>	20,114	22,783	2,669	25,401
<i>Non-current portion of unsecured bank loans</i>	54,877	54,623	(254)	52,972
K. Non-current bank debt	74,991	77,406	2,415	78,373
L. Bonds outstanding	0	0	0	0
M. Other non-current financial liabilities	116,965	116,131	(834)	112,306
N. Non-current net financial debt (K.)+(L.)+(M.)	191,956	193,537	1,581	190,679
O. Net financial debt (J+N)	72,396	79,475	7,080	67,184



Pininfarina S.p.A

Financial Statements at June 30, 2011

PININFARINA S.p.A
Balance Sheet

	6/30/11	12/31/10
Land and buildings	50,113,266	50,805,155
Land	11,176,667	11,176,667
Buildings	29,501,730	30,014,345
Leased property	9,434,869	9,614,143
Plant and machinery	9,382,011	10,472,296
Machinery	343,804	408,723
Plant	9,038,207	10,063,573
Leased machinery and equipment	-	-
Furniture, fixtures and other property, plant and equipment	1,104,690	1,298,768
Furniture and fixtures	110,930	155,656
Hardware & software	489,186	609,928
Other property, plant and equipment (including vehicles)	504,574	533,184
Assets under construction	-	-
Property, plant and equipment	60,599,967	62,576,219
Goodwill	-	-
Licenses and trademarks	731,742	660,481
Other intangibles	-	-
Intangible assets	731,742	660,481
Subsidiaries	23,744,332	23,424,332
Affiliated companies	-	-
Joint ventures	29,427,683	39,447,683
Other companies	645	645
Equity investments	53,172,660	62,872,660
Deferred-tax assets	-	-
Held-to-maturity long-term investments	-	-
Loans and other receivables from:		
Outsiders	3,714,894	24,391,529
Related parties and joint ventures	3,714,894	13,099,253
Available-for-sale non-current financial assets	-	-
Non-current financial assets	3,714,894	24,391,529
TOTAL NON-CURRENT ASSETS	118,219,263	150,500,889
Raw materials	74,186	171,776
Work in process	-	-
Finished goods	592,959	608,274
Inventory	667,145	780,050
Contract work in progress	1,220,865	325,371
Current assets held for trading	49,822,664	47,317,074
Current loans receivables and other receivables from:		
Outsiders	29,196,454	28,892,406
Related parties and joint ventures	11,292,276	10,988,228
Available-for-sale current financial assets	17,904,178	17,904,178
Available-for-sale current financial assets	-	-
Current financial assets	79,019,118	76,209,480
Financial derivatives	-	-
Trade receivables from:		
Outsiders	6,704,287	14,501,689
Related parties and joint ventures	5,629,960	12,744,031
Other receivables	1,074,327	1,757,658
Other receivables	7,959,826	7,366,396
Trade receivables and other receivables	14,664,113	21,868,085
Cash on hand	43,759	20,291
Short-term bank deposits	78,625,239	80,607,693
Cash and cash equivalents	78,668,998	80,627,984
TOTAL CURRENT ASSETS	174,240,239	179,810,969
Held-for-sale non-current assets	-	-
TOTAL ASSETS	292,459,502	330,311,859

PININFARINA S.p.A. Balance Sheet

	6/30/11	12/31/10
Share capital	30,150,694	30,150,694
Additional paid-in capital	-	16,077,451
Reserve for treasury stock	175,697	175,697
Statutory reserve	2,231,389	2,231,389
Other reserves	2,646,208	7,874,050
Retained earnings / (Loss carryforward)	-	6,225,851
Profit / (Loss) for the period	(8,855,183)	(27,531,144)
HAREHOLDERS' EQUITY	26,348,805	35,203,988
Liabilities under finance leases	116,964,734	116,131,206
Other indebtedness owed to:	74,491,161	76,755,750
Outsiders	74,491,161	76,755,750
Related parties and joint ventures	-	-
Long-term borrowings	191,455,895	192,886,956
Deferred-tax liabilities	-	-
Provision for termination indemnities	7,044,935	8,794,690
Other provision for pensions	-	-
Provision for termination indemnities	7,044,935	8,794,690
TOTAL NON-CURRENT LIABILITIES	198,500,830	201,681,646
Due to banks	21,000,000	26,000,000
Liabilities under finance leases	12,199,807	12,199,807
Other borrowings owed to:	11,079,808	11,079,808
Outsiders	10,837,102	10,837,102
Related parties and joint ventures	242,706	242,706
Current borrowings	44,279,615	49,279,615
Wages and salaries payable	2,383,716	1,985,314
Due to social security institutions	562,809	881,550
Other liabilities	831,609	1,348,100
Other payables	3,778,134	4,214,964
Accounts payable to outsiders	12,808,485	32,221,573
Account payable to related parties and joint ventures	50,684	98,777
Advances received for work in progress	783,352	537,174
Trade accounts payable	13,642,521	32,857,524
Income taxes	-	-
Other taxes	86,500	262,568
Provision for current taxes	86,500	262,568
Financial derivatives	-	-
Provision for warranties	491,464	569,010
Provision for restructuring programs	1,479,413	2,405,194
Other provisions	3,852,220	3,837,350
Provisions for risks and charges	5,823,097	6,811,554
Other liabilities	-	-
TOTAL CURRENT LIABILITIES	67,609,867	93,426,225
TOTAL LIABILITIES	266,110,697	295,107,871
Liabilities attributable to held-for-sale assets	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	292,459,502	330,311,859

PININFARINA S.p.A.
Income Statement

	First half 2011	First half 2010
Sales and service revenues	15,352,954	111,867,533
Increase in Company-produced non-current assets	-	-
Change in inventories and contract work in progress	880,179	4,644,149
Change in contract work in progress	895,494	1,542,004
Change in inventories of finished goods and work in process	(15,315)	3,102,145
Other income and revenues	1,572,294	222,137
Value of production	17,805,427	116,733,819
Gain on disposal of property, plant and equip. / equity investments	25,244	1,231
<i>Amount earned on the sale of equity investments</i>	-	-
Raw materials and components	(2,330,842)	(93,732,523)
Change in inventories of raw materials	(97,590)	5,963,216
Additions to provision for obsolescent/slow moving inventory items	-	(751,460)
Raw materials and consumables used	(2,428,432)	(88,520,767)
Consumables	(337,072)	(595,301)
External maintenance costs	(358,928)	(1,232,810)
Other variable production costs	(696,000)	(1,828,111)
External variable engineering services	(1,689,784)	(3,325,106)
Production staff, office staff and managers	(11,836,281)	(16,443,686)
Independent contractors and temporary workers	-	(3,495,178)
Retirement and other post-employment benefits	(856,009)	(1,267,051)
Wages, salaries and employee benefits	(12,692,290)	(21,205,915)
Depreciation of property, plant and equipment	(1,996,069)	(7,664,140)
Amortization of intangibles	(171,300)	(239,261)
Loss on disposals of property, plant and equipment / equity investments	(102)	(30,184)
(Additions to), Utilizations of provisions, (Writedowns)	(1,564,667)	254,989
Depreciation, amortization and writedowns	(3,732,138)	(7,678,596)
Foreign exchange gains (losses)	11,875	(88,456)
Other expenses	(5,242,593)	(28,221,990)
Profit / (Loss) from operations	(8,638,691)	(34,133,891)
Net financial income / (expense)	(442,159)	409,302
Dividends	310,400	98,175
Profit (Loss) before taxes	(8,770,450)	(33,626,414)
Income taxes	(84,733)	(71,537)
Profit (Loss) for the period	(8,855,183)	(33,697,951)

PININFARINA S.p.A.
Net Financial Position

(in thousands of euros)

	Data at			Data at
	6/30/11	12/31/10	Change	6/30/10
Cash and cash equivalents	78,669	80,628	(1,959)	60,075
Current assets held for trading	49,823	47,317	2,506	50,612
Current loans receivable and other receivables	11,292	10,988	304	54,828
Loans receivable from related parties and joint ventures	17,904	17,904	-	17,904
Due to banks	(21,000)	(26,000)	5,000	(21,000)
Current liabilities under finance leases	(12,200)	(12,200)	-	(25,606)
Loans payable to related parties and joint ventures	(243)	(243)	-	(205)
Current portion of long-term bank debt	(10,837)	(10,837)	-	(17,211)
Net liquid assets / (Net borrowings)	113,408	107,557	5,851	119,397
Long-term loans and other receiv. from outsiders	-	11,292	(11,292)	11,292
Long-term loans and other receivables from associates and joint ventures	3,715	13,099	(9,384)	22,183
Held-to-maturity non-current assets	-	-	-	-
Long-term liabilities under finance leases	(116,965)	(116,131)	(834)	(112,306)
Long-term bank debt	(74,491)	(76,756)	2,265	(77,623)
Net long-term debt	(187,741)	(168,496)	(19,245)	(156,454)
NET FINANCIAL POSITION	(74,333)	(60,939)	(13,394)	(37,057)

**Transactions with Related Parties of the Pininfarina Group at June 30, 2011**

Transactions with related parties and intra-Group transactions were neither atypical nor unusual and were conducted in the normal course of business by the companies of the Group.

These transactions were settled on market terms, consistent with the nature of the goods exchanged or the services provided.

Company consolidated by the equity method:

	Commercial		Financial		Operating		Financial	
	Receivables	Payables	Receivables	Payables	Revenues	Costs	Income	Expense
Pininfarina Sverige AB	728,814	44,190	17,904,178	-	494,505	23,586	279,647	-
Total	728,814	44,190	17,904,178	-	494,505	23,586	279,647	-

Transactions with Related Parties of Pininfarina S.p.A. at June 30, 2011

Transactions with related parties and intra-Group transactions were neither atypical nor unusual and were conducted in the normal course of business by the companies of the Group.

These transactions were settled on market terms, consistent with the nature of the goods exchanged or the services provided.

The table below shows transactions between Pininfarina S.p.A. and other Group companies executed in the first half of 2011:

	Commercial		Financial		Operating		Financial	
	Receivables	Payables	Receivables	Payables	Income	Expense	Income	Expense
Pininfarina Extra S.r.l.	42,708	6,494	-	242,706	184,794	17,527	-	-
Pininfarina Deutschland GmbH	-	-	1,014,894	-	-	-	11,581	-
mxp Entwicklung GmbH Monaco	121,276	-	2,700,000	-	226,026	-	33,519	-
mxp Entwicklung GmbH Leonberg	58,088	-	-	-	76,288	-	-	-
Pininfarina Sverige AB	724,814	44,190	17,904,178	-	494,505	23,586	279,647	-
Pininfarina Automotive Engineering (Shanghai) Co Ltd	127,441	-	-	-	127,441	-	-	-
Pininfarina Maroc SAS	-	-	-	-	-	-	-	-
Total	1,074,326	50,684	21,619,072	242,706	1,109,053	41,113	324,746	-

The receivable owed by Pininfarina Extra S.r.l. in connection with the filing of a national consolidated income tax return amounted to 242,706 euros.

Compensation of Directors, Statutory Auditors and Executives with Strategic Responsibilities

The table below lists the compensation owed to the Directors and Statutory Auditors of Pininfarina S.p.A. for their services:

(in thousands of euros)	First half 2011	First half 2010
Directors	391	375
Statutory Auditors	48	48
Total	439	423

The total cost incurred in the first six months of 2011 for the compensation of executives of Pininfarina S.p.A. with strategic responsibilities amounted to about 1.8 million euros.

Other Related Parties

In addition to the amounts listed in the table above, transactions with other related parties requiring disclosure include legal consulting services provided by Studio Professionale Pavesio e Associati, related to the Director Carlo Pavesio, for a total amount of 195,000 euros, and commercial consulting services provided by Pantheon Italia S.r.l., related to the Director Roberto Testore, for a total amount of 55.814 euros.