

pininfarina

PININFARINA GROUP

QUARTERLY REPORT AT MARCH 31, 2001

Pininfarina S.p.a. – Share Capital: 9,317,000 euros, fully paid in
Registered Office: 61 Corso Stati Uniti, Turin
Tax I.D. and Registration No. 00489110015, Turin Company Register

CONSOLIDATED FINANCIAL HIGHLIGHTS

(in millions of lire)

	1st quarter 2001	1st quarter 2000	2000 fiscal year
Operating Data			
Net revenues	396,664	372,368	1,323,591
Value of production	417,597	385,302	1,376,019
Gross operating result	20,494	24,253	86,527
Operating income	10,732	10,908	42,504
Net financial income	879	4,088	13,965
Profit before taxes	7,230	11,282	36,545
Net profit for the period/year	3,357	5,207	17,103
Cash flow*	12,085	17,341	59,936
Financial Data			
Net fixed assets	196,362	203,223	201,942
Net invested capital	131,927	53,439	167,086
Group interest in shareholders' equity	290,652	269,965	287,451
Net financial position	208,647	264,459	170,787
Other Data			
Capital investments for the period/year	21,507	13,248	39,782
Research and development outlays	25,724	18,313	36,135
Performance Indicators (%)			
Gross operating result/Net revenues	5.17	6.51	6.54
ROS (operating income/net revenues)	2.71	2.93	3.21
ROI (operating income/net invested capital)	8.13	20.41	25.44
ROE (net profit/shareholders' equity)	1.15	1.93	5.95
Net financial income/net revenues	0.22	1.10	1.06

* Group interest in net profit plus depreciation and amortization.

Financial Statements

(in lire)

Reclassified Consolidated Balance Sheet

(in millions of lire)

3/31/00		3/31/01	12/31/00	Change
A) Net non-current assets				
16,751	Net intangible assets	15,016	15,728	(712)
203,223	Net fixed assets	196,362	201,942	(5,580)
788	Net financial assets	2,583	2,741	(158)
220,762		213,961	220,411	(6,450)
B) Working capital				
93,576	Inventory	117,229	106,249	10,980
134,297	Trade accounts receivable, net	233,347	239,768	(6,421)
35,515	Other assets	28,989	34,818	(5,829)
(338,971)	Trade accounts payable	(393,110)	(369,216)	(23,894)
(14,407)	Taxes payable	(10,914)	(9,099)	(1,815)
(77,333)	Other liabilities	(57,575)	(55,845)	(1,730)
(167,323)		(82,034)	(53,325)	(28,709)
53,439	C) Net invested capital (A+B)	131,927	167,086	(35,159)
47,933	D) Reserve for termination indemnities	49,922	50,422	(500)
5,506	E) Net capital requirements (C-D)	82,005	116,664	(34,659)
F) Shareholders' equity				
18,634	Share capital	18,040	18,634	(594)
246,124	Reserves	269,255	251,714	17,541
5,207	Net profit for the period/year	3,357	17,103	(13,746)
269,965		290,652	287,451	3,201
G) Net financial position				
5,920	Long-term debt	5,150	5,200	(50)
(270,379)	Net financial assets	(213,797)	(175,987)	(37,810)
(264,459)		(208,647)	(170,787)	(37,860)
5,506	H) Total as in E (F+G)	82,005	116,664	(34,659)

Reclassified Consolidated Profit and Loss Account

(in millions of lire)

2000 fiscal year	%		1Quarter 2001	%	1Quarter 2000	%	Change
1,323,591	96.19	Net revenues	396,664	94.99	372,368	96.64	24,296
1,275	0.09	Changes in inv. of work in process and finished products	8,213	1.97	1,949	0.51	6,264
49,060	3.57	Other income and revenues	12,720	3.05	9,237	2.40	3,483
2,093	0.15	Fixed assets constructed internally	0	0.00	1,748	0.45	(1,748)
1,376,019	100	Value of production	417,597	100	385,302	100	32,295
(1,136,461)	(82.59)	Raw materials and outside services	(355,275)	(85.08)	(316,243)	(82.08)	(39,032)
9,368	0.68	Change in inventory of raw, ancillary and consumable materials and goods	2,767	0.66	(3,977)	(1.03)	6,744
248,926	18.09	Value added	65,089	15.59	65,082	16.89	7
(162,400)	(11.80)	Personnel costs	(44,595)	(10.68)	(40,829)	(10.60)	(3,766)
86,526	6.29	Gross operating result	20,494	4.91	24,253	6.29	(3,759)
(42,833)	(3.11)	Depreciation and amortization	(8,728)	(2.09)	(12,134)	(3.15)	3,406
(1,190)	(0.09)	Provisions	(1,034)	(0.25)	(1,211)	(0.31)	177
42,503	3.09	Operating income	10,732	2.57	10,908	2.83	(176)
13,966	1.01	Net financial income	879	0.21	4,088	1.06	(3,209)
(19,924)	(1.45)	Other income (charges), net	(4,381)	(1.05)	(3,714)	(0.96)	(667)
36,545	2.66	Profit before taxes	7,230	1.73	11,282	2.93	(4,052)
(19,442)	(1.41)	Income taxes for the period/year	(3,873)	(0.93)	(6,075)	(1.58)	2,202
17,103	1.24	Net profit	3,357	0.80	5,207	1.35	(1,850)

Consolidated Statement of Cash Flow

(in millions of lire)

	3/31/01	12/31/00	Change
A) Net liquid assets at beginning of period	175,987	246,396	(70,409)
B) Net cash flow from operating activities			
Group interest in net profit for the period/year	3,357	17,103	(13,746)
Depreciation and amortization	8,728	42,833	(34,105)
(Gains) Losses on sale of non-current assets	3	(3,105)	3,108
Change in working capital	28,574	(90,517)	119,091
Net change in reserve for termination indemnities	(500)	1,795	(2,295)
Other changes	0	15,040	(15,040)
	40,162	(16,851)	57,013
C) Cash flow from investing activities			
Investments in fixed and intangible assets	(2,580)	(39,782)	37,202
Proceeds from sale of non-current assets	278	8,141	(7,863)
	(2,302)	(31,641)	29,339
D) Cash flow from financing activities			
New borrowings	0	0	0
Loan repayments	(50)	(15,843)	15,793
	(50)	(15,843)	15,793
E) Distribution of net profit	0	(6,074)	6,074
F) Net cash flow for the period/year (B+C+D+E)	37,810	(70,409)	108,219
G) Net liquid assets at end of period (A+F)	213,797	175,987	37,810

Consolidated Net Financial Position

(in millions of lire)

3/31/00		3/31/01	12/31/00	Change
91,435	Liquid assets	59,362	59,058	304
190,830	Fixed-income securities, net	130,867	100,819	30,048
4,513	Listed equity securities, net	24,418	16,956	7,462
(16,389)	Short-term bank borrowings	(850)	(846)	(4)
270,389	Net short-term financial assets	213,797	175,987	37,810
(5,930)	Long-term bank debt	(5,150)	(5,200)	50
264,459	Net financial position	208,647	170,787	37,860

Production of Complete Cars and Car Bodies

12/31/00	Complete cars	3/31/01	3/31/00
2,357	Fiat coupé	0	549
435	Lancia k S.W.	1	165
710	Alfa spider	1,355	0
779	Alfa GTV	931	0
18,697	Mitsubishi Pajero Pinin	3,668	6,963
1,065	Peugeot 306 convertible	2,015	0
15,585	Peugeot 406 coupé	4,803	4,472
39,628	Total	12,773	12,149
	Car bodies		
189	Bentley Azure	69	74
250	Rolls Royce Cornice	30	48
6,706	Peugeot 306 convertible	0	2,577
11	Peugeot 406 coupé	0	0
19	Mitsubishi Pajero Pinin	0	0
7,175	Total	99	2,699
46,803	Grand total	12,872	14,848

Analysis of the Financial Statements

Balance Sheet

Net capital requirements fell by 34,659 million lire (17,900,000 euros) during the first quarter. A breakdown of this change is provided below:

Net non-current assets declined by 6,450 million lire (3,331,000 euros) to 213,961 million lire (110,502,000 euros).

Working capital was a negative 82,034 million lire (42,367,000 euros), for an increase of 28,709 million lire (14,827,000 euros). This unfavorable change is the net result of the following items: a rise in inventory resulting from purchases of the materials needed to fill orders for the three-door and five-door Mitsubishi Pajero Pinin, an increase in trade accounts payable and decreases in trade accounts receivable and other assets.

The **reserve for termination indemnities** decreased by 500 million lire (258,000 euros) to 49,922 million lire (25,783,000 euros).

Net capital requirements, which totaled 82,005 million lire (42,352,000 euros) at March 31, 2001, or 34,659 million lire (17,900,000 euros) more than at the beginning of the period, are covered by:

Shareholders' equity of 290,652 million lire (150,109,000 euros). The increase of 3,201 million lire (1,653,000 euros) is equal to the difference between the portion of the net profit for 2000 allocated to equity reserves and the net profit for the period.

Net financial assets, which increased to 208,647 million lire (107,757,000 euros), for a gain of 37,860 million lire (19,553,000 euros).

Profit and Loss Account

Consolidated **net revenues** amounted to 396,664 million lire (204,860,000 euros), for a gain of 6.52%, or 24,296 million lire (12,548,000 euros), compared with March 31, 2000.

The **value of production** came to 417,597 million lire (215,671,000 euros). This amount, which is greater by 8.38%, or 32,295 million lire (16,679,000 euros), than the figure for the first quarter of 2000, includes net revenues, the change in inventory of work in progress, semi-finished goods and finished products (8,213 million lire, or 4,242,000 euros) and other income and revenues (12,720 million lire, or 6,569,000 euros).

Purchases of materials and outside services grew to 355,275 million lire (183,184,000 euros), for an increase of 12.34%, which is equivalent to 39,032 million lire (20,158,000 euros).

The **change in inventory of raw, ancillary and consumable materials and goods** amounted to 2,767 million lire (1,429,000 euros). The rise in inventory, which grew by 6,744 million lire (3,483,000 euros) compared with March 31, 2000, is due almost entirely to purchases of materials for the production of the two Mitsubishi models.

Value added, which was 7 million lire (4,000 euros) more than a year earlier, was equivalent to 15.59% of the value of production, a decline of 1.3 percentage points.

Personnel costs totaled 44,595 million lire (23,031,000 euros), for a gain of 9.22%, which is equivalent to 3,766 million lire (1,945,000 euros).

At 20,494 million lire (10,584,000 euros), the **gross operating result** was 3,759 million lire (1,941,000 euros), or 15.50% less than at March 31, 2000.

Depreciation and amortization declined to 8,728 million lire (4,508,000 euros), down 28.07%, or 3,406 million lire (1,759,000 euros).

Provisions for risks and writedowns fell by 14.62% to 1,034 million lire (534,000 euros), or 177 million lire (91,000 euros) less than in the first quarter of 2000.

Operating income came to 10,732 million lire (5,543,000 euros), for a decline of 1.61%, which is equivalent to 176 million lire (91,000 euros). The ratio of operating income to value of production was 2.57%, compared with 2.83% in the first quarter of 2000.

Net financial income fell to 879 million lire (454,000 euros), down 78.49%, or 3,209 million lire (1,657,000 euros), from the same period a year ago.

Net other charges amounted to 4,381 million lire (2,263,000 euros), for a year-on-year increase of 17.96%, or 667 million lire (344,000 euros).

Profit before taxes decreased to 7,230 million lire (3,734,000 euros). This amount, which is equivalent to 1.73% of the value of production (2.93% at March 31, 2000), was lower by 35.92%, or 4,052 million lire (2,093,000 euros), than the figure for the first quarter of 2000.

Income taxes for the period, which declined by 36.25%, or 2,202 million lire (1,137,000 euros), to 3,873 million lire (2 million euros), were equivalent to 53.57% of profit before taxes (53.85% at March 31, 2000).

Net profit amounted to 3,357 million lire (1,734,000 euros), which is equivalent to 0.80% of the value of production. In the first quarter of 2000, net profit had been up by 55.11% to 5,207 million lire (2,689,000 euros), an amount equal to 1.35% of the value of production.

Statement of Cash Flow

Net liquid assets at the end of the period showed an increase of 37,810 million lire (19,527,000 euros) compared with December 31, 2000. The main reasons for this change are explained below.

Net cash flow from operating activities rose by 57,013 million lire (29,445,000 euros) due to an increase in working capital that more than offset a decline in net profit and depreciation and amortization.

Cash flow from investing activities, which required 2,302 million lire (1,189,000 euros), was lower by 29,339 million lire (15,152,000 euros) due to the difference between the investments and proceeds from the sale of investments booked for the quarter and those recorded for all of 2000.

Cash flow from financing activities, while negative at 50 million lire (26,000 euros) due to the repayment of medium-term financing, which required an outlay of 50 million lire (26,000 euros), posted an increase of 15,793 million lire (8,156,000 euros).

There was no **distribution of net profit**.

Review of Operating Performance and Significant Events That Occurred During the First Quarter of 2001

During the first quarter of 2001, the Pininfarina Group posted an increase of 8.38% in the value of production.

The output of complete cars and car bodies was virtually in line with budget expectations. The Company manufactured 12,872 vehicles, compared with 14,848 units in the first quarter of 2000. The production of Alfa Romeo Spider and GTV models reached full capacity and output of Peugeot 406 Coupé cars held at about the same level as that of the Peugeot 306 convertible model. A smaller number of Mitsubishi Pajero Pinin cars came off the assembly line.

The most important event for the Group's design operations was the presentation of the Osée at the Geneva Motor Show. This prototype, which is based on a Citroën platform, was extremely well received by industry experts and the press winning *AutoWeek's* Best Concept Award. The Osée prototype marks the beginning of a collaborative relationship with Citroën for the development of prototypes for motor shows. The Osée is the first sports car presented by Citroën that has a centrally placed engine. Another significant development was the signing of a memorandum of understanding with the Portuguese Government to prepare a study on the feasibility of manufacturing an automobile in Portugal. With this agreement, Pininfarina Studi e Ricerche gained the status of technical consultant to the Portuguese Government on all matters concerning the development of a local automobile industry. During the quarter, the Group reached an agreement with Hyundai for the use of the Pininfarina logo on the Matrix compact minivan, the styling development of which was completed some time ago. Work for all established customers continued on schedule.

On February 27, 2001, at the Geneva Motor Show, Ford Europe and Pininfarina announced the signing of a new agreement for the engineering and production of the Ford Ka convertible beginning in 2003.

A review of the performance of the individual operating companies is provided below.

Industrie Pininfarina S.p.a. generated a value of production of 386,480 million lire (199,600,000 euros), for a gain of 25,548 million lire (13,194,000 euros). This improvement (+7.08%) reflects a rise in the production of complete cars at the expense of the output of car bodies. However, this shift in the manufacturing mix, along with the expansion of the engineering operations, produced an increase in costs, which caused the net profit for the quarter to decline by 1,944 million lire (1,004,000 euros) to 3,836 million lire (1,981,000 euros). The production currently scheduled should enable the company to earn a net profit for the year that is in line with the amount achieved in 2000.

Pininfarina Studi e Ricerche reported a value of production totaling 13,824 million lire (7,140,000 euros), for a gain of 37.62%, or 3,779 million lire (1,952,000 euros). During the first quarter of 2001, the company operated close to breakeven (loss of 238 million lire or 123,000 euros). This result was not significantly different from a year ago—it was down by 65 million lire (34,000 euros) — and reflects a trend that has traditionally characterized the company's performance throughout the year. As was the case in 2000, all indicators of the company's profitability should turn up as the year progresses.

Pininfarina Deutschland GmbH achieved a remarkable increase in the value of production, which rose 27.14%, or 1,604,024 German marks (820,121 euros), to 7,514,027 German marks (3,841,847 euros). This gain was produced with virtually no increase in labor costs, as the company's flexibility enabled it to rely heavily on outsourcing arrangements. Based on the current order backlog, the result for the full year should be in line with the amount reported last year.

As explained in the 2000 Annual Report Pro-Tools S.r.l. transferred all of its corporate assets and employees to Industrie Pininfarina S.p.a. and Pininfarina Studi e Ricerche S.p.a. on December 1, 2000. Consequently, this company was dormant during the first quarter of 2001. At the Extraordinary Meeting of May 3, 2001, the partners agreed to replenish the losses and recapitalize the company at 90 million lire (46,000 euros). At the same meeting, the partners approved the merger by absorption of Pro-Tools into Industrie Pininfarina S.p.a.

Pininfarina Extra S.r.l. reported a value of production of 924 million lire (477,000 euros), for a gain of 19.69%, which is equivalent to 152 million lire (78,000 euros). Higher royalty income accounts for most of the increase. Net profit for the period amounted to 8 million lire (4,000 euros), for a decrease of 4 million lire (2,000 euros) from the first quarter of 2000. During the period under review, construction of the Tigne Point development in Malta got underway and the company made presentations in Beijing and London. Based on current forecasts, the company should close the year with higher revenues and with profitability that is in line with the level achieved in 2000.

A review of the performance of the holding companies is provided below.

Pininfarina S.p.a. had net financial income of 1,496 million lire (773,000 euros), or 2,611 million lire (1,349,000 euros) less than in the first quarter of 2000. This decline of 63.50% is due mainly to the unsettled conditions in the financial markets, which prevented the company from matching the substantial capital gains it earned during the same period last year. Net financial assets amounted to 102,306 million lire (52,837,000 euros), for an improvement of 0.81%, or 817 million lire (422,000 euros). Net profit for the period came to 230 million lire (119,000 euros), a decline of 1,505 million lire (777,000 euros).

The dividends declared by the various Group companies against the 2000 net profit, which had not been collected as of March 31, 2001, amounted to 11,510 million lire (5,944,00 euros), compared with 18,632 million lire (9,623,000 euros) last year. A breakdown of the income from equity investments generated by these distributions, inclusive of the respective dividend tax credits, is as follows: 11,429 million lire (5,903,000 euros) from Industrie Pininfarina S.p.a. and 81 million lire (42,000 euros) from Pininfarina Extra S.r.l. Pininfarina International S.a. and Pro-Tools S.r.l. did not declare dividends. Contrary to the previous year, Pininfarina Studi e Ricerche S.p.a. also failed to declare a dividend, choosing instead to conserve its resources for the ambitious capital investment program scheduled for the next two years.

The result for 2001 as a whole should be adversely affected by an expected reduction in financial income.

Pininfarina International S.a. also reported a decrease in financial income, which fell by 17,389,280 Luxembourg francs (431,070 euros). Net profit for the period amounted to

1,948,783 Luxembourg francs (48,309 euros), a decline of 5,373,753 Luxembourg francs (133,212 euros) from the figure at March 31, 2000. For the year as a whole, the drop in financial income should have a negative impact on the performance of this company.

Notes to the Financial Statements

The consolidated financial statements of the Pininfarina Group for the three months ended March 31, 2001 were prepared in accordance with Consob Regulation No. 11971 of May 14, 1999. They include the financial statements at March 31, 2001 of Pininfarina S.p.a., the Group's Parent Company, and of those subsidiaries in which it holds, directly or indirectly, the majority of the votes that can be cast at Regular Shareholders' or Partners' Meetings. These companies are consolidated on a line-by-line basis. The associated company Pininfarina Extra S.r.l. is consolidated by the equity method.

The quarterly report has not been audited.

The financial statements have been prepared in accordance with the same criteria and principles used for the 2000 annual financial statements and reference is hereby made to the notes to those financial statements.

There was no change to the scope of consolidation during the period under review.

Pininfarina Group
Consolidated Financial Statements
at March 31, 2001
(in lire)

BALANCE SHEET – ASSETS

(in millions of lire)

3/31/00		3/31/01	12/31/00
	B) NON-CURRENT ASSETS		
	I Intangible assets:		
3,514	3) rights to use intellectual property	3,843	3,555
387	6) intangible assets under formation and adv.	4,703	4,734
12,377	7) others	6,470	7,439
473	consolidation difference	0	0
16,751	Total	15,016	15,728
	II Fixed assets:		
95,409	1) land and buildings	95,904	96,938
76,830	2) plant and machinery	74,646	78,118
22,606	3) industrial and trade equipment	16,785	17,718
8,110	4) other goods	8,970	9,168
268	5) fixed assets under construction and adv.	57	0
203,223	Total	196,362	201,942
	III Financial assets:		
	1) investments in:		
0	b) associated companies	308	308
788	c) other companies	2,275	2,433
788	Total	2,583	2,741
220,762	Total non-current assets B)	213,961	220,411
	C) CURRENT ASSETS		
	I Inventory:		
69,229	1) raw, ancillary and consumable materials	85,342	82,575
24,347	3) work in progress on job orders	31,630	23,440
0	4) finished products and goods	257	234
93,576	Total	117,229	106,249
	II Receivables:		
134,269	1) trade accounts	233,347	238,941
28	3) due from associated companies	0	165
32,396	5) due from others	23,226	25,637
166,693	Total	256,573	264,743
	III Current financial assets:		
4,402	3) other investments	20,927	13,314
111	4) treasury stock	3,491	3,642
190,830	5) other securities	130,867	100,819
195,343	Total	155,285	117,775
	IV Liquid assets:		
91,264	1) cash at banks and post offices	59,273	59,028
171	3) cash and cash equivalents on hand	89	30
91,435	Total	59,362	59,058
547,047	Total current assets C)	588,449	547,825
	D) PREPAYMENTS AND ACCRUED INCOME		
3119	Other prepayments and accrued income	5,763	9,181
3,119	Total prepaym. and accr. income D)	5,763	9,181
770,928	TOTAL ASSETS	808,173	777,417

BALANCE SHEET – LIABILITIES AND SHAREHOLDERS’ EQUITY

(in millions of lire)

3/31/00		3/31/01	12/31/00
	A) SHAREHOLDERS’ EQUITY		
18,634	I) Share capital	18,040	18,634
71,420	II) Share premium reserve	71,420	71,420
3,057	III) Revaluation reserve	3,057	3,057
3,727	IV) Legal reserve	4,321	3,727
50,000	V) Reserve for treasury stock	50,000	50,000
	VII) Other reserves:		
37,404	- special reserve	42,400	41,796
0	- reserve for out-of-period income	70	70
69,981	- consolidation reserve	81,838	81,644
10,535	- undistributed profit	16,149	0
5,207	IX) Net profit for the period/year	3,357	17,103
269,965	Total shareholders’ equity A)	290,652	287,451
	B) RESERVES FOR RISKS AND CHARGES		
17,833	2) Reserve for taxation	20,365	21,194
11,822	3) Other provisions	5,970	5,454
29,655	Total reserves for risks and charges B)	26,335	26,648
47,933	C) RES. FOR TERMIN.INDEMNITIES	49,922	50,422
	D) PAYABLES		
15,041	1) Bonds	0	0
7,278	3) Due to banks	6,000	6,046
676	5) Advances	2,390	4,201
338,295	6) Trade accounts	390,721	364,889
0	9) Due to associated companies	0	126
14,407	11) Taxes payable	10,914	9,099
3,420	12) Due to social security authorities	3,608	6,827
35,330	13) Other payables	25,024	19,833
414,447	Total payables D)	438,657	411,021
	E) ACCR. LIABILITIES AND DEFERRED INCOME		
8,928	Accrued liabilities and deferred income	2,607	1,875
8,928	Total accr. liabil. and def. income E)	2,607	1,875
770,928	TOTAL LIABILITIES AND SHAREHOLDERS’ EQUITY	808,173	777,417
	MEMORANDUM ACCOUNTS AND OTHER COMMITMENTS		
548,617	Securities pledged as collateral	0	0
259,407	Third-party equip. under gratuitous loans	259,407	259,407
165,000	Contractual commitments under leases	195,000	195,000
0	Leased third-party equipment	122,367	122,367
1,103	Joint guarantee for retirement benefits	0	0
5	Sureties	5	5
974,132	Tot. memo. accts. and other commits.	576,779	576,779

PROFIT AND LOSS ACCOUNT

(in millions of lire)

2000 fiscal year		1st quarter 2001	1st quarter 2000
	A) Value of production		
1,323,591	1) Revenues from sales and services	396,664	372,368
1,275	2) Changes in inventory of work in progress, semifinished goods and finished products	8,213	1,949
2,093	4) Increase in fixed assets constructed internally	0	1,748
49,060	5) Other income and revenues	12,720	9,237
1,376,019	Total value of production A)	417,597	385,302
	B) Cost of sales		
1,038,189	6) Raw, ancill., consum. materials and goods	328,737	296,827
80,539	7) Services	19,121	14,420
30,934	8) Use of third-party assets	10,657	7,996
	9) Personnel:		
115,176	a) wages and salaries	31,737	28,917
39,007	b) social contributions	11,078	10,170
8,217	c) termination indemnities	1,780	1,742
	10) Depreciation, amortization and writedowns:		
7,433	a) amortization	1,173	1,727
35,400	b) depreciation	7,555	10,407
1,184	d) writedowns of receiv. included in work.cap.	1,034	633
(9,368)	11) Changes in inventory of raw, ancillary and consumable materials and goods	(2,767)	3,977
6	12) Provisions for risks	0	578
5,047	14) Other operating costs	1,093	501
1,351,764	Total cost of sales B)	411,198	377,895
24,255	Diff. between sales and cost of sales (A-B)	6,399	7,407
	C) Financial income and charges		
7,745	15) Income from investments in: - other companies	1,855	62
	16) Other financial income:		
4,276	c) from securities shown under current assets other than equity investments	713	2,504
14,057	d) income other than the above	1,759	4,979
(11,285)	17) Interest and other financial charges: - paid to others	(2,299)	(1,761)
14,793	Total financial income and charges C)	2,028	5,784
	D) Adjustments to the value of financial assets		
69	18) Revaluations of: a) equity investments	0	2
(896)	19) Writedowns of: b) non-current financial assets which do not constitute equity investments	(1,149)	(1,698)
(827)	Tot. adjust. to value of financial assets D)	(1,149)	(1,696)
	E) Extraordinary income and charges		
8,450	20) Income: -other income	3	92
(10,126)	21) Charges: -other charges	(50)	(305)
(1,676)	Tot. extraordinary income and charges E)	(47)	(213)
36,545	Profit before taxes (A-B+C+D+E)	7,231	11,282
19,442	22) Income taxes for the period/year	3,874	6,075
17,103	26) Net profit for the period/year	3,357	5,207

Pininfarina Group
Consolidated Financial Statements
and Analysis Schedules
at March 31, 2001
(in euros)

CONSOLIDATED FINANCIAL HIGHLIGHTS

(in thousands of euros)

	1st quarter 2001	1st quarter 2000	2000 fiscal year
Operating Data			
Net revenues	204,860	192,312	683,578
Value of production	215,671	198,992	710,655
Gross operating result	10,584	12,526	44,687
Operating income	5,543	5,634	21,951
Net financial income	454	2,111	7,213
Profit before taxes	3,734	5,827	18,874
Net profit for the period/year	1,734	2,689	8,833
Cash flow*	6,241	8,956	30,954
Financial Data			
Net fixed assets	101,413	104,956	104,294
Net invested capital	68,135	27,599	86,293
Group interest in shareholders' equity	150,109	139,425	148,456
Net financial position	107,757	136,582	88,204
Other Data			
Capital investments for the period/year	11,107	6,842	20,546
Research and development outlays	13,285	9,458	18,662
Performance Indicators (%)			
Gross operating result/Net revenues	5.17	6.51	6.54
ROS (operating income/net revenues)	2.71	2.93	3.21
ROI (operating income/net invested capital)	8.13	20.41	25.44
ROE (net profit/shareholders' equity)	1.15	1.93	5.95
Net financial income/net revenues	0.22	1.10	1.06

* Group interest in net profit plus depreciation and amortization.

Reclassified Consolidated Balance Sheet

(in thousands of euros)

3/31/00		3/31/01	12/31/00	Change
A) Net non-current assets				
8,651	Net intangible assets	7,755	8,123	(368)
104,956	Net fixed assets	101,413	104,294	(2,881)
407	Net financial assets	1,334	1,416	(82)
		110,502	113,833	3,331
B) Working capital				
48,328	Inventory	60,543	54,873	5,670
69,359	Trade accounts receivable, net	120,514	123,830	(3,316)
18,342	Other assets	14,972	17,982	(3,010)
(175,074)	Trade accounts payable	(203,024)	(190,684)	(12,340)
(7,741)	Taxes payable	(5,637)	(4,699)	(938)
(39,939)	Other liabilities	(29,735)	(28,842)	(893)
(86,415)		(42,367)	(27,540)	(14,827)
27,599	C) Net invested capital (A+B)	68,135	86,293	(18,158)
24,755	D) Reserve for termination indemnities	25,783	26,041	(258)
2,844	E) Net capital requirements (C-D)	42,352	60,252	(17,900)
F) Shareholders' equity				
9,624	Share capital	9,317	9,624	(307)
127,112	Reserves	139,059	129,999	9,060
2,689	Net profit for the period/year	1,734	8,833	(7,099)
139,425		150,109	148,456	1,653
G) Net financial position				
3,057	Long-term debt	2,660	2,686	(26)
(139,639)	Net financial assets	(110,417)	(90,890)	(19,527)
(153,582)		(107,757)	(88,204)	(19,523)
2,844	H) Total as in E (F+G)	42,352	60,252	(17,900)

Reclassified Consolidated Profit and Loss Account

(in thousands of euros)

2000 fiscal year	%		1Quarter 2001	%	1Quarter 2000	%	Change
683,258	96.19	Net revenues	204,860	94.99	192,312	96.64	12,548
659	0.09	Changes in inv. of work in process and finished products	4,242	1.97	1,007	0.51	3,235
25,337	3.57	Other income and revenues	6,569	3.05	4,771	2.40	1,799
1,081	0.15	Fixed assets constructed internally	0	0.00	903	0.45	(903)
710,655	100	Value of production	215,671	100	198,992	100	16,679
(586,933)	(82.59)	Raw materials and outside services	(183,484)	(85.08)	(163,326)	(82.08)	(20,158)
4,838	0.68	Change in inventory of raw, ancillary and consumable materials and goods	1,429	0.66	(2,054)	(1.03)	3,483
128,560	18.09	Value added	33,616	15.59	33,612	16.89	4
(83,873)	(11.80)	Personnel costs	(23,031)	(10.68)	(21,086)	(10.60)	(1,945)
44,687	6.29	Gross operating result	10,584	4.91	12,526	6.29	(1,941)
615)	(0.09)	Provisions	(534)	(0.25)	(625)	(0.31)	91
21,951	3.09	Operating income	5,543	2.57	5,634	2.83	(91)
7,213	1.01	Net financial income	454	0.21	2,111	1.06	(1,657)
(10,290)	(1.45)	Other income (charges), net	(2,263)	(1.05)	(1,918)	(0.96)	(344)
18,874	2.66	Profit before taxes	3,734	1.73	5,827	2.93	(2,093)
(10,041)	(1.41)	Income taxes for the period/year	(2,000)	(0.93)	(3,137)	(1.58)	1,137
8,833	1.24	Net profit	1,734	0.80	2,689	1.35	(955)

Consolidated Statement of Cash Flow

(in thousands of euros)

	3/31/01	12/31/00	Change
A) Net liquid assets at beginning of period	90,890	127,253	(36,363)
B) Net cash flow from operating activities			
Group interest in net profit for the period/year	1,734	8,833	(7,099)
Depreciation and amortization	4,508	22,121	(17,614)
(Gains) Losses on sale of non-current assets	2	(1,604)	1,605
Change in working capital	14,757	(46,748)	61,505
Net change in reserve for termination indemnities	(258)	927	(1,185)
Other changes	0	7,768	(7,768)
	20,742	(8,703)	29,445
C) Cash flow from investing activities			
Investments in fixed and intangible assets	(1,332)	(20,546)	19,213
Proceeds from sale of non-current assets	144	4,204	(4,061)
	(1,189)	(16,341)	15,152
D) Cash flow from financing activities			
New borrowings	0	0	0
Loan repayments	(26)	(8,182)	8,156
	(26)	(8,182)	8,156
E) Distribution of net profit	0	(3,137)	3,137
F) Net cash flow for the period/year (B+C+D+E)	19,527	(36,363)	55,890
G) Net liquid assets at end of period (A+F)	110,417	90,890	19,527

Consolidated Net Financial Position

(in thousands of euros)

3/31/00	3/31/01	12/31/00	Change
47,222 Liquid assets	30,658	30,501	157
98,555 Fixed-income securities, net	67,587	52,069	15,518
2,331 Listed equity securities, net	12,611	8,757	3,854
(8,464) Short-term bank borrowings	(439)	(437)	(2)
139,644 Net short-term financial assets	110,417	90,890	19,527
(3,062) Long-term bank debt	(2,660)	(2,686)	26
136,582 Net financial position	107,757	88,204	19,553

BALANCE SHEET – ASSETS

(in euros)

3/31/00		3/31/01	12/31/00
	B) NON-CURRENT ASSETS		
	I Intangible assets:		
1,814,830	3) rights to use intellectual property	1,984,744	1,836,004
199,869	6) intangible assets under formation	2,428,897	2,444,907
6,392,187	7) others	3,341,476	3,841,923
244,284	consolidation difference	0	0
8,651,170	Total	7,755,117	8,122,834
	II Fixed assets:		
49,274,636	1) land and buildings	49,530,282	50,064,299
39,679,384	2) plant and machinery	38,551,442	40,344,580
11,675,025	3) industrial and trade equipment	8,668,729	9,150,583
4,188,465	4) other goods	4,632,618	4,734,877
138,410	5) fixed assets under construction and adv.	29,438	0
104,955,920	Total	101,412,509	104,294,339
	III Financial assets:		
	1) investments in:		
0	b) associated companies	159,069	159,069
406,968	c) other companies	1,174,939	1,256,540
406,968	Total	1,334,008	1,415,608
114,014,058	Total non-current assets B)	110,501,634	113,832,782
	C) CURRENT ASSETS		
	I Inventory:		
35,753,795	1) raw, ancillary and consumable materials	44,075,465	42,646,428
12,574,176	3) work in progress on job orders	16,335,532	12,105,750
0	4) finished products and goods	132,729	120,851
48,327,971	Total	60,543,726	54,873,029
	II Receivables:		
69,344,151	1) trade accounts	120,513,668	123,402,728
14,461	3) due from associated companies	0	85,215
16,731,138	5) due from others	11,995,228	13,240,406
86,089,750	Total	132,508,896	136,728,349
	III Current financial assets:		
2,273,443	3) other investments	10,807,894	6,876,107
57,327	4) treasury stock	1,802,951	1,880,936
98,555,470	6) other securities	67,587,165	52,068,668
100,886,240	Total	80,198,010	60,825,711
	IV Liquid assets:		
47,133,922	1) cash at banks and post offices	30,611,950	30,485,418
88,314	3) cash and cash equivalents on hand	45,964	15,494
47,222,236	Total	30,657,914	30,500,912
282,526,197	Total current assets C)	303,908,545	282,928,001
	D) PREPAYMENTS AND ACCRUED INCOME		
1,610,829	Other prepayments and accrued income	2,976,341	4,741,591
1,610,829	Total prepaym. and accr. income D)	2,976,341	4,741,591
398,151,084	TOTAL ASSETS	417,386,521	401,502,373

BALANCE SHEET – LIABILITIES AND SHAREHOLDERS' EQUITY

(in euros)

3/31/00		3/31/01	12/31/00
	A) SHAREHOLDERS' EQUITY		
9,623,658	I) Share capital	9,317,000	9,623,658
36,885,352	II) Share premium reserve	36,885,352	36,885,352
1,578,809	III) Revaluation reserve	1,578,809	1,578,809
1,924,835	IV) Legal reserve	2,231,492	1,924,835
25,822,845	V) Reserve for treasury stock	25,822,845	25,822,845
	VII) Other reserves:		
19,317,554	- special reserve	21,897,773	21,585,833
0	- reserve for out-of-period income	36,152	36,152
36,142,170	- consolidation reserve	42,265,800	42,165,607
5,440,873	-Undistributed profit	8,340,262	0
2,689,191	IX) Net profit for the period/year	1,733,746	8,832,962
139,425,287	Total shareholders' equity A)	150,109,231	148,456,052
	B) RESERVES FOR RISKS AND CHARGES		
9,209,976	2) Reserve for taxation	10,517,645	10,945,788
6,105,553	3) Other provisions	3,083,248	2,816,756
15,315,529	Total reserves for risks and charges B)	13,600,893	13,762,543
24,755,329	C) RES. FOR TERMIN. INDEMNITIES	25,782,561	26,040,790
	D) PAYABLES		
7,768,028	1) Bonds	0	0
3,758,773	3) Due to banks	3,098,741	3,122,498
349,125	5) Advances	1,234,332	2,169,635
174,714,787	6) Trade accounts	201,790,556	188,449,441
0	9) Due to associated companies	0	65,074
7,440,594	11) Taxes payable	5,636,611	4,699,241
1,766,283	12) Due to social security authorities	1,863,376	3,525,851
18,246,422	13) Other payables	12,924,334	10,242,890
214,044,012	Total payables D)	226,547,950	212,274,631
	E) ACCR. LIABILITIES AND DEFERED INCOME		
4,610,927	Accrued liabilities and deferred income	1,345,886	968,357
4,610,927	Total accr. liabil. and def. income E)	1,345,886	968,357
398,151,084	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	417,386,521	401,502,373
	MEMORANDUM ACCOUNTS AND OTHER COMMITMENTS		
283,337,035	Securities pledged as collateral	0	0
133,972,535	Third-party equip. under gratuitous loans	133,972,535	133,972,535
85,215,388	Contractual commitments under leases	100,709,095	100,709,095
0	Leased third-party equipment	63,197,281	63,197,281
569,652	Joint guarantee for retirement benefits	0	0
2,582	Sureties	2,582	2,582
503,097,192	Tot. memo. accts. and other commits.	297,881,494	297,881,494

PROFIT AND LOSS ACCOUNT (in euros)

2000 fiscal year		1 quarter 2001	1 quarter 2000
	A) Value of production		
683,577,704	1) Revenues from sales and services	204,859,859	192,312,023
	2) Changes in inventory of work in progress, semifinished goods and finished products	4,241,661	1,006,574
658,483			
1,080,944	4) Increase in fixed assets constructed internally	0	902,767
25,337,375	5) Other income and revenues	6,569,332	4,770,512
710,654,506	Total value of production A)	215,670,852	198,991,876
	B) Cost of sales		
536,179,872	6) Raw, ancill., consum. materials and goods	169,778,492	153,298,352
41,594,922	7) Services	9,875,172	7,447,308
15,976,078	8) Use of third-party assets	5,503,881	4,129,589
	9) Personnel:		
59,483,440	a) wages and salaries	16,390,793	14,934,384
20,145,434	b) social contributions	5,721,310	5,252,367
4,243,726	c) termination indemnities	919,293	899,668
	10) Depreciation, amortization and writedowns:		
3,838,824	a) amortization	605,804	891,921
18,282,574	b) depreciation	3,901,832	5,374,767
611,485	c) writedowns of receives. incl. in work. cap.	534,016	326,917
(4,838,168)	11) Changes in inventory of raw, ancillary and consumable materials and goods	(1,429,036)	2,053,949
3,099	12) Provisions for risks	0	298,512
2,606,558	14) Other operating costs	564,487	258,745
698,127,844	Total cost of sales B)	212,366,044	195,166,480
12,526,662	Diff. between sales and cost of sales (A-B)	3,304,808	3,825,396
	C) Financial income and charges		
3,999,959	15) Income from investments in:		
	- other companies	958,028	32,020
	16) Other financial income:		
2,208,370	c) from securities shown under current assets other than equity investments	368,234	1,293,208
7,259,835	d) income other than the above	908,448	2,571,439
(5,828,216)	17) Interest and other financial charges:		
	- paid to others	1,187,335	909,481
7,639,947	Total financial income and charges C)	1,047,375	2,987,187
	D) Adjustments to the value of financial assets		
35,636	18) Revaluations of:		
	a) equity investments	0	1,033
	19) Writedowns of:		
(462,745)	b) non-current financial assets which do not constitute equity investments	(593,409)	(876,944)
(427,110)	Tot. adjust. to value of financial assets D)	(593,409)	(875,911)
	E) Extraordinary income and charges		
4,364,061	20) Income:		
	-other income	1,549	47,514
(5,229,643)	21) Charges:		
	-other charges	(26,339)	(157,519)
(865,582)	Tot. extraordinary income and charges E)	(24,790)	(110,005)
18,873,917	Profit before taxes (A-B+C+D+E)	3,733,984	5,826,667
10,040,955	22) Income taxes for the period/year	2,000,238	3,137,476
8,832,962	26) Net profit for the period/year	1,733,746	2,689,191

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