PININFARINA GROUP

Quarterly Report at March 31, 2008

Pininfarina S.p.A. – Share Capital: 9,317,000 euros, fully paid in – Registered Office: 6 Via Bruno Buozzi, Turin
Tax I.D. and Registration No. 00489110015, Turin Company Register

PININFARINA GROUP

Quarterly Report at March 31, 2008

Approved by the Board of Directors
on May 12, 2008

Honorary Chairman

Honorary Chairman	Sergio	Pininfarina

Board of Directors

Chairman and Chief Executive Officer*	Andrea	Pininfarina (3)
Vice Chairman	Paolo	Pininfarina (2) (3)
Directors	Elisabetta	Carli
	Mario Renzo	Deaglio (2) (3)
	Edoardo	Garrone (1) (3)
	Carlo	Pavesio (1) (2) (3)
	Lorenza	Pininfarina (3)
	Sergio	Pininfarina (1)

(1) Member of the Nominations and Compensation Committee.

(2) Member of the Internal Control Committee.

(3) Member of the Strategy Committee.

Board of Statutory Auditors

Chairman	Giacomo	Zunino
Statutory Auditors	Fabrizio	Cavalli
	Piergiorgio	Re
Alternates	Nicola	Treves
	Pier Vittorio	Vietti

Secretary to the Board of Directors

Gianfranco Albertini

Independent Auditors

PricewaterhouseCoopers S.p.A.

*Powers
Under Article 22 of the Bylaws, the Chairman and Chief Executive Officer is the Company's legal representative vis-à-vis external parties and in court proceedings. Accordingly, he is empowered to carry out all actions that are consistent with the Company's purpose and do not conflict with the provisions of Article 2384 of the Italian Civil Code.

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The Pininfarina Group

Review of Operating and Financial Performance

The quarterly financial statements at March 31, 2008 were prepared in accordance with the international accounting principles set forth in IAS 34 and comply with IFRS guidelines. The accounting principles applied, which are reviewed beginning on page 21 of this Report, are consistent with those that have been used to prepare annual and interim data beginning with the annual financial statements at December 31, 2005.

In 2008, the turnaround in the Group's operating performance, as projected in the guidelines of the Industrial and Financial Plan approved by the Board of Directors and announced to the financial markets, is expected to produce a sharp gain in EBITDA and a much lower operating loss compared with 2007. Consequently, the data for the first quarter of the year are of special importance in determining if the Company's efforts and the programs that are being implemented are producing satisfactory results this year and assessing the magnitude of the improvements that are being achieved.

The indicators of the Group's operating performance at March 31, 2008 confirm expectations, both in absolute terms and relative to the results for the first three months of 2007, and show that the improvement reported in the second half of 2007 is continuing.

The highlights of the Group's operating results for the first quarter of 2008 are reviewed below:

- EBITDA, which were still negative at March 31, 2007, showed further significant gains, turning positive by a substantial amount, in line with the projections of the Industrial Plan.

- EBIT reported by the manufacturing operations showed a significant improvement, with the loss cut to about half the amount reported in the first quarter of 2007, even though the number of invoiced cars was 20% lower due mainly to the changeover to the 2008 model year. Programs implemented to increase productivity and reduce manufacturing costs and overhead are beginning to produce results that are positive, but not yet fully satisfactory.

- The steady revenue stream and profitability of the service operations — even though not all areas contributed equally — confirmed the wisdom of the reorganization effort launched at the end of 2006, which will continue with additional important changes in 2008 and 2009.

- The positive contribution provided by the Pininfarina Sverige A.B. joint venture continued to increase, despite the challenges that the Volvo C70 model is facing in the United States because of the declining value of the U.S. dollar versus the euro.

In the first quarter of 2008, production value totaled 145.5 million euros, or 24.1% less than in the same period last year 2007 (191.8 million euros). EBITDA were positive by 4.4 million euros, marking a sharp improvement from a loss of 2.6 million euros in the first three months of 2007. Despite a decrease in sales revenues, reported EBIT showed an improvement of 5.6 million euros, with the loss shrinking to 5.8 million euros (loss of 11.4 million euros at March 31, 2007). The Group's level of indebtedness, which was virtually unchanged from the end of 2007 as negotiations with credit institutions to reschedule/refinance the existing bank debt continued, is the main reason for the increase in net financial expense, which totaled 5.7 million euros in the first quarter of 2008 (expense of 1.5 million euros at March 31, 2007). The Group's interest in the net profit of the Pininfarina Sverige joint venture amounted to 1.4 million euros, or 27% more than in the first three months of 2007 (1.1 million euros).

The loss before taxes totaled 10.2 million euros (loss of 11.8 million euros at March 31, 2007) and the net loss (after a tax benefit of 0.3 million euros) amounted to 9.7 million euros (loss of 9.9 million euros after a tax benefit of 1.9 million euros in the first quarter of 2007).

The net financial position was negative by 235 million euros, compared with net borrowings of 185.5 million euros at December 31, 2007 and of 131.8 million euros at March 31, 2007. The increase of 49.5 million euros in the negative balance reflects primarily the utilization of liquid assets required by changes in working capital that resulted from a delay until February in the resumption of production activities, due to the changeover to the 2008 model year, for the Alfa Romeo and Ford Focus orders.

The Group had 2,650 employees at March 31, 2008, down from 2,856 employees a year earlier (-7.2%). An additional 853 employees worked for the Pininfarina Sverige A.B. joint venture in Sweden.

Performance of the Group's Business Segments in the First Three Months of 2008

Manufacturing Operations

The manufacturing operations generated production value of 111.2 million euros (30.1% less than the 159.1 million euros reported in the first quarter of 2007). The main reason for the decrease in the year-over-year comparison is because production of the Alfa Romeo models, which underwent a major styling overhaul, began in February and was ramped up only gradually. The Ford model was also the subject of significant improvements, but first-quarter data for 2007 and 2008 are more readily comparable, as last's year output was also reduced by the model changeover process.

The table below provides a breakdown of the number of cars invoiced during the period:

Car models	March 31, 2008	March 31, 2007	Change
Alfa Romeo Brera	940	1,396	(456)
Alfa Romeo Spider	737	1,984	(1,247)
Mitsubishi Colt CZC	1,063	1,007	56
Ford Focus Coupé Cabriolet	3,275	3,189	86
Total	**6,015**	**7,576**	**(1,561)**

Pininfarina Sverige A.B. invoiced 4,531 cars in the first quarter of 2008. The decrease compared with the 5,566 units sold in the same period last year is due mainly to lower sales in North America caused by the continuing appreciation of the euro versus the U.S. dollar.

The EBIT reported by the manufacturing operations were negative by 6.9 million euros, but the loss narrowed by 5.6 million euros compared with March 31, 2007 (-12.5 million euros). The comments provided when reviewing the Group's overall performance also apply to explain the reasons for the loss incurred by the manufacturing operations.

Service Operations

The service operations, which include styling and engineering, increased production value to 34.3 million euros, or 4.9% more than in the first quarter of 2007, when it totaled 32.7 million euros. With regard to profitability, EBIT for the first three months of 2008 were positive by 1.1 million euros, about the same as in the same period last year, confirming the ability of these operations to deliver reliable results.

Outlook for the Balance of the Year and Significant Events Occurring Since March 31, 2008

Based in part on the results for the first quarter, projections for all of 2008 continue to call for EBITDA to grow to an amount greater than 5% of production value. The result from operations, while still expected to be negative, should show a significant improvement compared with 2007.

At the end of 2008, the net financial position should be roughly in line with the level reported at December 31, 2007, due to the impact of programs implemented in accordance with the Financial Plan. The debt rescheduling/refinancing agreement that is being negotiated with the lender banks and the timing and terms with which the recently approved capital increase will be carried out will also have an impact on the year-end financial position.

No additional significant events occurred since the Shareholders' Meeting of April 29, 2008. The disclosures provided on that occasion should be consulted for additional information.

May 12, 2008

Andrea Pininfarina
Chairman
of the Board of Directors

Reclassified Consolidated Income Statement

(in thousands of euros)

	Data at					Data at
	3/31/08	%	**3/31/07**	%	**Change**	**12/31/07**
Net revenues	131,893	90.64	178,398	93.01	(46,505)	712,960
Changes in inventory of work in process and finished products	11,183	7.69	12,666	6.60	(1,483)	(60,458)
Other income and revenues	1,520	1.04	665	0.35	855	14,224
Work performed internally and capitalized	912	0.63	76	0.04	836	3,705
Value of production	**145,508**	**100.00**	**191,805**	**100.00**	**(46,297)**	**670,431**
Net gain on disposal of non-current assets	3,329	2.29	314	0.16	3,015	4,869
Raw materials and outside services	(116,651)	(80.17)	(148,728)	(77.54)	32,077	(521,186)
Change in inventory of raw materials	5,663	3.89	(7,966)	(4,15)	13,629	(10,557)
Value added	**37,849**	**26.01**	**35,425**	**18.47**	**2,424**	**143,557**
Labor costs	(33,480)	(23.01)	(38,007)	(19.82)	4,527	(130,734)
EBITDA	**4,369**	**3.00**	**(2,582)**	**(1.35)**	**6,951**	**12,823**
Depreciation and amortization	(9,233)	(6.34)	(9,541)	(4.97)	308	(42,802)
(Additions to provisions/ Writedowns)/Utilizations (*)	(957)	(0.66)	694	0.36	(1,651)	(73,369)
EBIT	**(5,821)**	**(4.00)**	**(11,429)**	**(5.96)**	**5,608**	**(103,348)**
Net financial income (expense)	(5,728)	(3.94)	(1,459)	(0.76)	(4,269)	(10,648)
Other income (expense), net	1,386	0.95	1,113	0.58	273	3,294
Profit before taxes	**(10,163)**	**(6.99)**	**(11,775)**	**(6.14)**	**1,612**	**(110,702)**
Income taxes for the period	421	(0.29)	1,872	0.98	(1,451)	(3,823)
Profit (Loss) for the period	**(9,742)**	**(6.70)**	**(9,903)**	**(5.16)**	**161**	**(114,525)**

(*) As of March 31, 2008, utilizations of provisions are being reclassified to the corresponding income statement items.

Reclassified Consolidated Balance Sheet

(in thousand of euros)

	Data at			Data at
	3/31/08	**12/31/07**	**Change**	**3/31/07**
Net non-current assets (A)				
Net intangible assets	6,857	7,098	(241)	7,761
Net property, plant and equipment	261,620	269,855	(8,235)	297,819
Equity investments	32,791	31,965	826	36,090
Total A	**301,268**	**308,918**	**(7,650)**	**341,670**
Working capital (B)				
Inventory	40,204	22,717	17,487	42,564
Net trade receivables and other receivables	167,108	114,075	53,033	170,558
Deferred-tax assets	6,285	5,482	803	26,112
Trade accounts payable	(184,925)	(161,555)	(23,370)	(205,920)
Provision for risks and charges	(6,780)	(6,838)	58	(7,530)
Other liabilities	(34,533)	(32,758)	(1,775)	(60,976)
Total B	**(12,641)**	**(58,877)**	**46,236**	**(35,192)**
Net invested capital (C=A+B)	**288,627**	**250,041**	**38,586**	**306,478**
Provision for termination indemnities (D)	**24,275**	**25,617**	**(1,342)**	**29,732**
Net capital requirements (E=C-D)	**264,352**	**224,424**	**39,928**	**276,746**
Shareholders' equity (F)	**29,329**	**38,971**	**(9,642)**	**144,937**
Net financial position (G)				
Long-term debt	(147,588)	22,420	(170,008)	82,597
(Net liquid assets)	382,611	163,033	219,578	49,212
Total G	**235,023**	**185,453**	**49,570**	**131,809**
Total as in E (H=F+G)	**264,352**	**224,424**	**39,928**	**276,746**

The data shown as "Net liquid assets" and "Long-term debt" at March 31, 2007 have been restated due to the reclassification of short-term amounts. The total net financial position is unchanged.

Consolidated Net Financial Position

(in thousands of euros)

	Data at			Data at
	3/31/08	**12/31/07**	**Change**	**3/31/07**
Cash and cash equivalents	89,150	98,008	(8,858)	13,734
Current assets held for trading	59,645	62,862	(3,217)	62,821
Current loans receivable and other receivables	44,251	40,226	4,025	43,652
Available-for-sale current assets	0	0	0	0
Loans receivable from associates and joint ventures	17,904	17,904	0	17,904
Bank account overdrafts	(54,503)	(58,430)	3,927	(32,073)
Current liabilities under finance leases	(349,644)	(193,356)	(156,288)	(90,695)
Loans payable to associates and joint ventures	0	0	0	0
Current portion of long-term bank debt	(189,414)	(130,247)	(59,167)	(64,555)
Net liquid assets	**(382,611)**	**(163,033)**	**(219,578)**	**(49,212)**
Long-term loans and other receivables from outsiders	96,401	143,517	(47,116)	204,320
Long-term loans and other receivables from associates and joint ventures	63,858	62,665	1,193	81,807
Available-for-sale non-current assets	0	0	0	0
Long-term liabilities under finance leases	0	(156,290)	156,290	(264,119)
Long-term bank debt	(12,671)	(72,312)	59,641	(104,605)
Long-term debt	**147,588**	**(22,420)**	**170,008**	**(82,597)**
Net financial position	**(235,023)**	**(185,453)**	**(49,570)**	**(131,809)**

The data shown as "Net liquid assets" and "Long-term debt" at March 31, 2007 have been restated due to the reclassification of short-term amounts. The total net financial position is unchanged.

Consolidated Balance Sheet – Assets

	Note ref.	3/31/08	12/31/07
Property, plant and equipment		261,620,466	269,854,859
Land and buildings	7	93,694,442	94,446,177
Land		21,315,991	21,315,991
Buildings		61,778,300	62,440,399
Leased property		10,600,150	10,689,787
Plant and machinery	7	162,258,122	169,227,259
Machinery		30,049,956	31,260,592
Plant		34,248,203	35,788,733
Leased machinery and equipment		97,959,963	102,177,934
Furniture, fixtures and other prop., plant and equip.	7	4,891,102	5,354,622
Furniture and fixtures		1,953,931	1,980,761
Hardware and software		1,855,541	1,997,293
Other prop., plant and equip. (incl. vehic.)		1,081,630	1,376,568
Other leased property, plant and equip.		0	0
Assets under construction	7	776,800	826,801
Investment materials		0	0
Intangible assets		6,856,707	7,097,751
Goodwill	8	2,301,012	2,301,012
Licenses and trademarks	8	4,102,073	4,331,596
Other intangibles	8	453,622	465,143
Long-term investments		32,791,331	31,965,176
Subsidiaries		0	0
Associated companies	9	0	744,800
Joint ventures	9	32,219,650	30,648,695
Other companies	9	571,681	571,681
Deferred-tax assets		6,284,611	5,481,850
Non-current financial assets		160,259,042	206,182,052
Held-to-maturity non-current investments		0	0
Loans and other receivables from:		160,259,042	206,182,052
Outsiders	10	96,401,175	143,517,428
Related parties and joint ventures	10	63,857,867	62,664,624
Available-for-sale non-current financial assets		0	0
Held-for-sale other non-current assets		0	0
TOTAL NON-CURRENT ASSETS		**467,812,157**	**520,581,688**
Inventory	11	31,626,988	21,380,099
Raw materials		22,428,825	16,757,639
Work in process		6,794,012	3,253,524
Finished goods		2,404,151	1,368,936
Contract work in progress	11	8,576,872	1,336,869
Current financial assets		121,799,801	120,992,876
Current assets held for trading	10	59,644,579	62,862,293
Current loans receivable and other receivables from:		62,155,222	58,130,583
Outsiders	10	44,251,044	40,226,405
Related parties and joint ventures	10	17,904,178	17,904,178
Available-for-sale current financial assets		0	0
Held-to-maturity current investments		0	0
Trade receivables and other receivables		167,107,596	114,075,418
Trade receivables from:		121,082,977	86,284,005
Outsiders		115,577,330	80,252,005
Related parties and joint ventures		5,505,647	6,032,000
Other receivables		46,024,619	27,791,413
Cash and cash equivalents		89,150,062	98,008,444
Cash on hand		940,869	1,082,203
Short-term bank deposits		88,209,193	96,926,241
TOTAL CURRENT ASSETS		**418,261,319**	**355,793,706**
TOTAL ASSETS		**886,073,476**	**876,375,394**

Consolidated Balance Sheet – Liabilities and Shareholders' Equity

	Note ref.	3/31/08	12/31/07
Common shares	12	9,301,042	9,301,042
Additional paid-in capital		34,652,765	34,652,765
Reserve for treasury stock		12,000,000	12,000,000
Statutory reserve		2,231,389	2,231,389
Stock option reserve	14	2,232,280	2,232,280
Reserve for currency translations		(32,957)	(133,198)
Other reserves		85,174,895	82,251,468
Retained earnings (Loss carryforward)		(106,488,528)	10,959,948
Profit (Loss) for the year	13	(9,741,889)	(114,525,048)
GROUP INTEREST IN SHAREHOLDERS' EQUITY		29,328,997	38,970,646
Minority interest in shareholders' equity		0	0
TOTAL SHAREHOLDERS' EQUITY		**29,328,997**	**38,970,646**
Long-term borrowings		12,671,311	228,602,431
Liabilities under finance leases	15	0	156,290,028
Other indebtedness owed to:		12,671,311	72,312,403
Outsiders	15	12,671,311	72,312,403
Related parties and joint ventures		0	0
Deferred-tax liabilities		3,214,018	3,255,954
Provision for termination indemnities		24,274,926	25,616,906
Provision for pensions and severance pay		1,148,388	1,107,423
Provision for termination indemnities		23,126,538	24,509,483
TOTAL NON-CURRENT LIABILITIES		**40,160,255**	**257,475,291**
Current borrowings		593,560,546	382,032,482
Due to banks	15	54,502,742	58,429,837
Liabilities under finance leases	15	349,643,789	193,355,300
Bonds outstanding and other borrowings owed to:		189,414,015	130,247,345
Outsiders	15	189,414,015	130,247,345
Related parties and joint ventures		0	0
Other payables		23,918,320	21,573,456
Wages and salaries		16,111,268	10,863,652
Due to social security institutions		4,530,808	6,175,947
Due to employees		648,670	362,893
Other liabilities		2,627,574	4,170,964
Trade accounts payable		184,924,893	161,554,656
Accounts payable to outsiders		176,332,467	155,591,365
Accounts payable to related parties and joint ventures		420,752	434,732
Advances received for work in progress		8,171,674	5,528,559
Provision for current taxes		1,255,592	1,197,751
Income taxes		561,068	481,399
Other taxes		694,524	716,352
Provision for other liabilities and charges		6,780,475	6,838,667
Provision for warranties	16	2,568,755	2,146,961
Provision for restructuring programs	16	1,745,527	2,025,047
Other provisions	16	2,466,193	2,666,659
Other liabilities		6,144,398	6,732,444
TOTAL CURRENT LIABILITIES		**816,584,224**	**579,929,456**
TOTAL LIABILITIES		**856,744,479**	**837,404,748**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**886,073,476**	**876,375,394**

Consolidated Income Statement (*)

	Note ref.	3/31/08	3/31/07
Sales and service revenues		131,893,077	178,398,330
Increase in Company-produced non-current assets		911,822	75,699
Change in inventory of finished goods and work in process		11,183,219	12,666,205
Change in contract work in progress		6,576,516	5,323,184
Change in inventory of work in process, semifinished goods and finished goods		4,606,703	7,343,021
Other income and revenues	17	1,519,577	665,069
Value of production		**145,507,695**	**191,805,303**
Gain on the sale of non-current assets	18	3,329,422	336,848
Amount earned on the sale of equity investments		*2,638,870*	*0*
Raw materials and consumables used		(91,425,639)	(135,958,209)
Raw materials and components		(97,088,611)	(127,992,056)
Change in invent. of raw materials, subsidiary materials and consumables		5,662,972	(7,966,153)
Addition to provision for inventory risk		0	0
Other variable production costs		(2,789,741)	(2,631,724)
Consumables		(1,414,139)	(1,384,179)
Utilities		(199,398)	(169,701)
External maintenance costs		(1,176,204)	(1,077,844)
Variable external engineering services		(6,764,576)	(8,172,841)
Wages, salaries and employee benefits		(33,480,144)	(37,561,188)
Production staff, office staff and managers		(31,445,056)	(32,887,750)
Independent contractors		(1,193,702)	(3,441,925)
Social security and other post-employment benefits		(841,386)	(1,231,513)
Curtailment of the provision for termination indemnities		0	0
Depreciation, amortization and writedowns		(10,190,256)	(9,703,319)
Depreciation of property, plant and equipment	19	(8,938,839)	(9,056,509)
Loss on disposal of property, plant and equipment		(78)	(22,791)
Amortization of intangibles	20	(294,130)	(484,643)
(Additions to provisions/Writedowns)		(957,209)	(139,376)
Utilization of negative goodwill		**0**	**0**
Foreign exchange gains (losses)		45,342	(1,247)
Other expenses		(10,053,236)	(9,542,609)
Profit (Loss) from operations		**(5,821,134)**	**(11,428,986)**
Financial income (expense), net	21	(5,728,208)	(1,459,053)
Dividends		0	0
Value adjustments	22	1,386,245	1,121,033
Nonrecurring income (expense)		0	(8,087)
Profit (Loss) before taxes		**(10,163,097)**	**(11,775,093)**
Income taxes for the period	23	421,208	1,871,911
Net profit (loss) for the period		**(9,741,889)**	**(9,903,182)**

	3/31/08	31/03/07
Net profit (loss) for the period	(9,741,889)	(9,903,182)
Number of common shares, net	9,301,042	9,300,547
Basic earnings (loss) per share	(1.05)	(1.06)

In order to make the results for the two periods presented above more readily comparable, the data for the first quarter of 2007 shown for "Additions to provisions/Writedowns" and "Other expenses" have been reclassified, with no impact on "Profit (Loss) from operations."

(*) As required by Consob Resolution No. 15519 of July 27, 2006, the impact on the income statement of transactions with related parties is shown in a separate schedule provided on the following page.

Consolidated Income Statement Pursuant to Consob Resolution No. 15519 of July 27, 2006

	Note ref.	3/31/08	*Amt. with related parties*	3/31/07	*Amt. with related parties*
Sales and service revenues		131,893,077	309,353	178,398,330	391,956
Increase in Company-produced non-current assets		911,822		75,699	
Change in inventory of finished goods and work in process		11,183,219	0	12,666,205	0
Change in contract work in progress		6,576,516		5,323,184	
Change in inventory of work in process, semifinished goods and finished goods		4,606,703		7,343,021	
Other income and revenues		1,519,577		665,069	
Value of production		**145,507,695**	**309,353**	**191,805,303**	**391,956**
Gain on the sale of non-current assets		3,329,422		336,848	
Amount earned on the sale of equity investments		*2,638,870*		*0*	
Raw materials and consumables used		(91,425,639)	0	(135,958,209)	0
Raw materials and components		(97,088,611)		(127,992,056)	
Change in invent. of raw materials, subsidiary materials and consumables		5,662,972		(7,966,153)	
Other variable production costs		(2,789,741)	0	(2,631,724)	0
Consumables		(1,414,139)		(1,384,179)	
Utilities		(199,398)		(169,701)	
External maintenance costs		(1,176,204)		(1,077,844)	
Variable external engineering services		(6,764,576)		(8,172,841)	
Wages, salaries and employee benefits		(33,480,144)	0	(37,561,188)	0
Production staff, office staff and managers		(31,445,056)		(32,887,750)	
Independent contractors		(1,193,702)		(3,441,925)	
Social security and other post-employment benefits		(841,386)		(1,231,513)	
Curtailment of the provision for termination indemnities		0		0	
Depreciation, amortization and writedowns		(10,190,256)	0	(9,703,319)	0
Depreciation of property, plant and equipment		(8,938,839)		(9,056,509)	
Loss on disposal of property, plant and equipment		(78)		(22,791)	
Amortization of intangibles		(294,130)		(484,643)	
(Additions to provisions/Writedowns)		(957,209)		(139,376)	
Utilization of negative goodwill		**0**	**0**	**0**	**0**
Foreign exchange gains (losses)		45,342		(1,247)	
Other expenses		(10,053,236)		(9,542,609)	
Profit (Loss) from operations		**(5,821,134)**	**309,353**	**(11,428,986)**	**391,956**
Financial income (expense), net		(5,728,208)	1,269,175	(1,459,053)	1,230,767
Dividends		0		0	
Value adjustments		1,386,245		1,121,033	
Nonrecurring income (expense)		0		(8,087)	
Profit (Loss) before taxes		**(10,163,097)**	**1,578,527**	**(11,775,093)**	**1,622,722**
Income taxes for the period		421,208		1,871,911	
Net profit (loss) for the period		**(9,741,889)**	**1,578,527**	**(9,903,182)**	**1,622,722**

In order to make the results for the two periods presented above more readily comparable, the data for the first quarter of 2007 shown for “Additions to provisions/Writedowns” and “Other expenses” have been reclassified, with no impact on “Profit (Loss) from operations.”

Statement of Changes in Consolidated Shareholders’ Equity

	12/31/05	Fair value gains (losses)	Translation restatements	Profit (Loss) for the period	Employee stock option plan	Changes to reserves	Dividends	Purchases / Sales of treasury shares	12/31/06
Common shares	9,312,155							(23,308)	9,288,847
Additional paid-in capital	36,215,861							(1,611,677)	34,604,184
Reserve for treasury stock	12,000,000								12,000,000
Statutory reserve	2,231,389								2,231,389
Stock options reserve	1,320,733				911,547				2,232,280
Reserve for currency translat.	(252,864)		1,759,601						1,506,737
Fair value reserve	12,507,513	(12,507,513)							0
Other reserves	110,942,932					(7,790,896)			103,152,036
Retained earnings	12,382,791					(437,391)			11,945,400
Profit (Loss) for the period	(8,103,394)			(21,883,216)		8,103,394			(21,883,216)
GROUP INTEREST IN SHAREHOLDERS' EQUITY	188,557,116	(12,507,513)	1,759,601	(21,883,216)	911,547	(124,893)		(1,634,985)	155,077,657
Minority interest in profit and res.									
TOTAL SHAREHOLDERS' EQUITY	**188,557,116**	**(12,507,513)**	**1,759,601**	**(21,883,216)**	**911,547**	**(124,893)**		**(1,634,985)**	**155,077,657**

	12/31/06	Fair value gains (losses)	Translation restatements	Profit (Loss) for the year	Employee stock option plan	Changes to reserves	Dividends	Purchases / Sales of treasury shares	12/31/07
Common shares	9,288,847							12,195	9,301,042
Additional paid-in capital	34,604,184							48,581	34,652,765
Reserve for treasury stock	12,000,000								12,000,000
Statutory reserve	2,231,389								2,231,389
Stock options reserve	2,232,280								2,232,280
Reserve for currency translat.	1,506,737		(1,639,935)						(133,198)
Fair value reserve	0								0
Other reserves	103,152,036					(20,900,568)			82,251,468
Retained earnings	11,945,400					(985,452)			10,959,948
Profit (Loss) for the period	(21,883,216)			(114,525,048)		21,883,216			(114,525,048)
GROUP INTEREST IN SHAREHOLDERS' EQUITY	155,077,657		(1,639,935)	(114,525,048)		(2,804)		60,776	38,970,646
Minority interest in profit and res.									
TOTAL SHAREHOLDERS' EQUITY	**155,077,657**		**(1,639,935)**	**(114,525,048)**		**(2,804)**		**60,776**	**38,970,646**

	12/31/07	Fair value gains (losses)	Translation restatements	Profit (Loss) for the period	Employee stock option plan	Changes to reserves	Dividends	Purchases / Sales of treasury shares	3/31/08
Common shares	9,301,042								9,301,042
Additional paid-in capital	34,652,765								34,652,765
Reserve for treasury stock	12,000,000								12,000,000
Statutory reserve	2,231,389								2,231,389
Stock options reserve	2,232,280								2,232,280
Reserve for currency translat.	(133,198)		100,241						(32,957)
Fair value reserve	0								0
Other reserves	82,251,468								85,174,895
Retained earnings	10,959,948					2,923,428			(106,488,528)
Profit (Loss) for the period	(114,525,048)			(9,741,889)		(117,448,476)			(9,741,889)
GROUP INTEREST IN SHAREHOLDERS' EQUITY	38,970,646		100,241	(9,741,889)		114,525,048			29,328,997
Minority interest in profit and res.									
TOTAL SHAREHOLDERS' EQUITY	**38,970,646**		**100,241**	**(9,741,889)**					**29,328,997**

Consolidated Cash Flow Statement (*)

	Data at 3/31/08	3/31/07
Profit (Loss) for the period	**(9,741,889)**	**(9,903,182)**
Restatements	*6,463,913*	*5,819,306*
- Income taxes	(421,208)	(1,871,911)
- Depreciation of property, plant and equipment	8,938,839	9,056,509
- Amortization of intangibles	294,130	484,643
- Writedowns and additions to provisions	957,209	(694,254)
- Provision for pensions and seniority indemnities	(1,341,980)	(1,179,973)
- (Gains) Losses on sale of non-current assets	(3,329,343)	(314,057)
- Unrealized (gains) losses on derivatives	0	0
- (Gains) Losses on available-for-sale financial assets	(11,777)	(7,673)
- (Financial income)	(5,064,751)	(5,024,814)
- Financial expense	7,787,272	6,491,540
- (Dividends)	0	0
- Value adjustment to shareholders' equity	(1,386,245)	(1,121,033)
- Other restatements	41,767	330
Changes in working capital	*(46,814,835)*	*6,304,555*
- Inventories	(10,246,889)	732,313
- Contract work in progress	(7,240,003)	(826,100)
- Trade accounts receivable	(53,558,533)	(38,622,990)
- Accounts receivable from joint ventures	526,353	552,360
- Trade accounts payable	23,342,450	38,952,140
- Accounts payable to joint ventures	(13,980)	(796,893)
- Other changes	375,767	6,313,725
Cash flow from operating activities	**(50,092,811)**	**2,220,680**
(Financial expense)	(7,787,272)	(6,491,540)
(Income taxes)	0	1,871,911
Net cash flow used in operating activities	**(57,880,083)**	**(2,398,949)**
- Purchases of property, plant and equipment	(1,192,056)	(17,303,988)
- Proceeds from sale of property, plant and equipment	1,125,000	3,367,982
- Non-current loans receivable from borrowers outside the Group	46,309,328	3,788,534
- Non-current loans receivable from joint ventures	(1,193,245)	(1,237,998)
- Financial income	5,076,529	5,032,487
- Dividends	0	0
- Other equity investments	3,198,962	669,903
Net cash used in investing activities	**53,324,517**	**(5,683,080)**
- Proceeds from the issuance of shares	0	0
- Purchases of treasury shares	0	203,467
- Borrowings from lenders outside the Group	(475,961)	4,377,609
- Loans payable to joint ventures	0	0
- Dividends paid	0	0
Net cash used in financing activities	**(475,961)**	**4,581,076**
- Other non-cash items	100,240	(441,009)
Increase (Decrease) in cash and cash equivalents	**(4,931,288)**	**(3,941,962)**
- Cash and cash equivalents at beginning of period	39,578,608	(14,397,898)
Cash and cash equivalents at end of period	**34,647,320**	**(18,339,860)**
Cash and cash equivalents	89,150,062	13,733,592
Bank account overdrafts	(54,502,742)	(32,073,452)
Net cash and cash equivalents at end of period	*34,647,320*	*(18,339,860)*

(*) As required by Consob Resolution No. 15519 of July 27, 2006, the impact on the cash flow statement of transactions with related parties, which refer exclusively to transactions with the Pininfarina Sverige AB joint venture, are commented in Notes 9 and 10 to the financial statements.

Companies of the Pininfarina Group at March 31, 2008
(data presented in accordance with IAS accounting principles)

Pininfarina Extra Group ended the first three months of 2008 with value of production of 1.3 million euros (1.1 million euros at March 31, 2007). The net profit for the period amounted to 111,000 euros, compared with 177,000 euros in the first quarter of 2007, and the net financial position showed a positive balance of 1.9 million euros, up from 1.6 million euros at March 31, 2007.

At March 31, 2008, the **Matra Automobile Engineering Group** reported value of production of 15.5 million euros and a consolidated loss of 1.6 million euros, compared with 16.3 million euros and -0.3 million euros, respectively, a year earlier. The net financial position improved slightly, with the negative balance decreasing to 24.6 million euros (25.1 million euros at March 31, 2007).

The **Pininfarina Deutschland GmbH Group** booked value of production of 3.7 million euros, exactly the same amount as in the first three months of 2007, and a net profit of 1 million euros, up from 233,000 euros last year. This remarkable improvement compared with the first quarter of 2007 reflects the contribution of the facilities in Munich and Stuttgart, both of which are now fully operational, following an in-depth restructuring of the German operations in the second half of 2006.

In the first three months of 2008, **RHTU AB** had value of production of 1.1 million euros (the same as in the first quarter of 2007) and a net loss of 80,000 euros (88,000 euros a year earlier).

Pininfarina Sverige AB ended the first three months of 2008 with value of production of 118.4 million euros and a net profit of 2.3 million euros. At March 31, 2007, the corresponding amounts were 147.8 million euros and 1.9 million euros, respectively (data for 100% of the company). The joint venture produced 4,531 cars, down from 5,566 units in the first quarter of 2007. The improvement in earnings reported at March 31, 2008 was made possible by steady gains in productivity and management efficiency, which offset the impact of a decrease in the number of invoiced cars that reflects mainly the effect of an unfavorable euro/U.S. dollar exchange rate on sales in North America.

Pininfarina S.p.A., the Group's Parent Company, reported value of production of 123.9 million euros at March 31, 2008, compared with 169.7 million euros in the first three months of 2007 (-27%), and positive EBITDA of 4.1 million euros (negative EBITDA of 2.9 million euros a year earlier). EBIT were negative by 5.1 million euros, but this amount was less than half the 11.1 million euros lost in the first quarter of 2007.
The net loss for the period, which is after net financial expense of 5.3 million euros (1.1 million euros in the first three months of 2007) and a tax liability of 0.3 million euros (tax benefit of 1,9 million euros at March 31, 2007) amounted to 10.7 million euros (loss of 10.3 million euros in the first quarter of 2007). At March 31, 2008, the net financial position was negative by 207.7 million euros (-102.7 million euros a year earlier). A significant portion (53.6 million euros) of the 105-million-euro increase in the negative balance is attributable to a writedown of financial receivables recognized in the financial statements at December 31, 2007. The remarks made in the review of the consolidated results for the first three months of 2008 apply to the Parent Company as well.

Notes to the Quarterly Consolidated Financial Statements

1. General Information

The Pininfarina Group is an industrial enterprise that is centered around a core of automotive operations and based on the establishment of comprehensive collaborative relationships with carmakers.

Pininfarina operates as a global partner. Its highly flexible approach enables it to work with customers through the entire product development process — design, planning, development, industrialization and manufacturing — or to provide support during any one of these phases.

The Group has production and development facilities in Italy, France, Germany, Sweden and Morocco. Its customers are located mainly in Italy, France, Great Britain and China.

Pininfarina is a corporation that has its registered office at 6 via Bruno Buozzi, in Turin.

The Company's shares are traded on the Borsa Italiana securities market.

This consolidated quarterly report was approved by the Board of Directors on May 12, 2008.

2. Accounting Principles

2.1 Presentation criteria

As required by:

- Legislative Decree No. 38 of February 28, 2005;
- European Regulation No. 1606 of July 19, 2002;
- Article 82 of Issuers' Regulations No. 11971, as amended.
- Article 82 of Issuers' Regulations No. 11971, as amended by Consob Resolution No. 14990 of April 14, 2005, as replaced by Article 154-*ter* , Section 5, of the Uniform Finance Code.

The consolidated financial statements include a balance sheet, an income statement, a cash flow statement and a statement of changes in shareholders' equity.

With regard to the adoption of IAS 1, the Group chose to use the same financial statement presentation formats as Pininfarina S.p.A., because of their ability to deliver reliable and meaningful information:

- Balance sheet: assets and liabilities are divided into the current and non-current categories;
- Income statement: the individual items have been classified by type;
- Cash flow statement: statement prepared by the indirect method.

2.2 Consolidation

(a) Subsidiaries

These are companies over which the Group exercises control, as defined in IAS 27 – *Consolidated Financial Statements and Separate Financial Statements*. Control is presumed to exist when the Group controls more than half of the voting rights, either directly or as a result of shareholders' agreements or potential voting rights. Subsidiaries are consolidated from the moment the Group is able to exercise control and are deconsolidated when control ends.

The Group accounts for the acquisition of controlling interests by the purchase method. This method, which is provided in IFRS 3, Business Combinations, requires that the acquiree's identifiable assets and liabilities be recognized at their fair value as of the acquisition date

The cost of acquisition is the sum of the price paid plus any incidental charges.

Any difference between the cost paid and the Group's pro rata interest in the fair value of the net assets it acquired is capitalized and recognized as goodwill, if positive, or charged directly to income, if negative.

Revenues and expenses and receivables and payables that arise from transactions between Group companies are eliminated in the consolidation process. When necessary, the accounting principles of subsidiaries are amended to make them consistent with those of the Group's Parent Company.

(b) Associated Companies and Joint Ventures

Associated companies are companies over which the Group exercises a significant influence, but not control. The Group is deemed to exercise significant influence, as defined in IAS 28 – Investments in Associates, when it controls between 20% and 50% of the voting rights at a Shareholders' Meeting.

Joint ventures are companies over which the Group exercises joint control, as defined in IAS 31 – Interests in Joint Ventures.

Investments in associated companies and joint ventures are recognized initially at cost and are then valued by the equity method.

The Group's investments in associated companies and joint ventures include any goodwill that was recognized at the time of acquisition, less accumulated impairment losses.

The Group's income statement reflects the Group's pro rata interest in the result of associated companies and joint ventures. If an associated company or a joint venture recognizes an adjustment that entails a direct charge to shareholders' equity, the Group recognizes its pro rata share of the charge and shows it in its statement of changes in shareholders' equity.

The Group's pro rata interest in losses incurred by an associated company or a joint venture is recognized in the Group's financial statements until the value of the corresponding equity investment is written off. Any additional loss is posted to the provisions for risks and charges only to the extent that the Group has undertaken obligations or made payments on behalf of the associated company or joint venture.

Gains generated through transactions with an associated company or a joint venture are eliminated against the value of the investment. The same is done for losses, unless the losses stem from an impairment of the assets subject of the transaction. When necessary, the accounting principles of associated companies and joint ventures are amended to make them consistent with those of the Group's Parent Company.

Consistent with the provisions of Paragraph 38 of IAS 31 – Interests in Joint Ventures and Paragraph 14 of IAS 27 – Consolidated Financial Statements and Separate Financial Statements, the 60% interest held in Pininfarina Sverige A.B. is valued by the equity method in the consolidated financial statements.

(c) Other Companies

Investments in other companies that constitute available-for-sale financial assets are valued at fair value, if available, and any resulting gains or losses are recognized in equity until the assets are sold or their value is impaired. At that point, accumulated gains or losses previously recognized in equity are reflected on the income statement for the period. Investments in small companies for which a fair value may not be available are carried at cost, adjusted for any impairment losses. Dividends received from these companies are recognized as Other income (expense) generated from equity investment transactions.

2.3 Translation of Items Denominated in Foreign Currencies

(a) Functional Currency and Presentation Currency

The financial statements of subsidiaries, associated companies and joint ventures are presented in the corresponding functional currency, which is the currency used in their primary business environment. The presentation currency of the Pininfarina Group is the euro.

(b) Assets, Liabilities and Transactions in Currencies Other Than the euro

Transactions executed in currencies other than the euro are recognized initially at the exchange rate in force on the date of the transaction.

Monetary assets and liabilities denominated in currencies other than the euro are converted into euros at the exchange rate in force on the balance sheet date. All translation differences are recognized in the income statement, except for differences stemming from loans in foreign currencies that hedge investments in foreign subsidiaries. These differences, and the corresponding tax consequences, are recognized directly in equity until the equity investment is sold, at which point the translation differences are recognized in the income statement.

Non monetary items that are carried at historical cost are translated into euros at the exchange rate in force when the underlying transaction was first recognized.

Non monetary items that are carried at fair value are translated into euros at the exchange rate in force on the date when each item’s fair value was determined.

No company of the Pininfarina Group operates in a high-inflation economic environment.

(c) Group Companies

The assets and liabilities of Group companies that use a functional currency different from the euro are translated into euros at the exchange rate in force on the balance sheet date. The income statement is translated at the average exchange rate for the reporting period. Translation differences are recognized directly in equity and are shown separately in the reserve for currency translations. When an investee company is sold, the corresponding portion of this reserve is reflected in the income statement.

Goodwill and fair value adjustments to the assets and liabilities of foreign companies are translated into euros at the year-end exchange rate.

	Mar. 31, 2008	**Avg. 2008**	**Dec. 31, 2007**	**Avg. 2007**
Euro vs currency:				
- U.S. dollar	1.581	1.498	1.332	1.311
- Swedish kronor	9.940	9.400	9.346	9.131
- Moroccan dirham	11.500	11.397	11.160	11.132

2.4 Property, Plant and Equipment

All classes of property, plant and equipment are carried at their historical cost, less accumulated depreciation and impairment losses, except for land, which is carried at its historical cost less impairment losses. Cost includes all expenses directly attributable to the purchase.

Costs incurred after an asset has been acquired can be capitalized only if it is likely that they will produce future economic benefits and if the costs can be measured reliably.

The depreciation of buildings and other general-purpose assets is computed on a straight-line basis, so as to distribute each asset's residual carrying value over its estimated useful life.

Extraordinary maintenance costs that have been capitalized and added to the carrying value of an existing asset are depreciated over the residual useful life of the asset or over the period of time until the next maintenance overhaul, whichever is shorter.

The residual values and useful lives of property, plant and equipment are reviewed and changed, if necessary, on the balance sheet date.

Gains and losses on the sale of property, plant and equipment are recognized in the income statement. They represent the difference between an item's carrying amount and its sales price.

In this and subsequent sections of these notes, the term "impairment" shall mean the adjustment made to the carrying amount of a non-current asset to make it consistent with the asset's recoverable value.

2.5 Intangible Assets

(a) Goodwill

Goodwill represents the excess of the price paid for net identifiable assets at the time of their acquisition over their fair value.

Goodwill generated upon the purchase of an interest in a subsidiary or affiliated company is included in the value of the investment in the company in question.

Goodwill is tested for impairment at least once a year and, if an impairment loss is detected, its carrying amount is adjusted accordingly.

Any gain or loss generated by the sale of an equity investment must also take into account the carrying amount of the corresponding goodwill.

An impairment test is performed by comparing the carrying amount of goodwill with the present value of the cash flows that homogeneous groups of assets are expected to generate.

(b) Software and Other Licenses

The cost actually incurred to secure software licenses and other similar licenses, including the expenses required to put them into use, are capitalized and amortized over the estimated useful lives of the licenses (three to five years).

The costs incurred to maintain software are treated as operating expenses and charged to income in the year they are incurred.

Costs incurred to develop software that can be identified and controlled by the Pininfarina Group and which has a high probability of producing greater economic benefits than the costs incurred during a single year are capitalized as an intangible asset and amortized over the useful life of the corresponding asset (not more than three years).

(c) Research and Development Costs

Research costs are charged to income in the year they are incurred.

Development costs, other than those referred to in the paragraph below, are capitalized as intangible assets only if they can be measured reliably and it is clear that the project for which they are being incurred has a high chance of success, both in terms of technical feasibility and commercial acceptance. Development costs that do not meet these characteristics are treated as operating expenses.

Development costs that were charged to income in previous years may not be capitalized at a later date, even if they then meet the requirements for capitalization.

Development costs with a finite useful life are amortized from the date the resulting product was brought to market over the length of time during which they are expected to produce economic benefits, but not more than five years.

The Pininfarina Group carries out development work on behalf of its clients under contracts that involve the styling, engineering and manufacture of automobiles or just design and engineering work. These contracts with outsiders, which are covered by the provisions of IAS 11 – Construction Contracts, are handled on an inventory basis and, consequently, do not generate capitalized intangible assets. Styling activities carried out for internal use are deemed to be the same as research activities and the resulting costs are charged to income when incurred.

Development work performed under styling, engineering and production contracts is included in the amount of financial receivables recognized in accordance with IFRIC 4 (see Note 2.17 b below) or, if IFRIC 4 is not applicable, in the value of special-purpose assets that are part of property, plant and equipment.

(d) Other Intangibles

Other intangibles acquired separately are capitalized at cost. Those acquired through business combinations are capitalized at their fair value as of the date of acquisition.

After initial recognition, intangibles with a finite useful life are carried at cost less depreciation and impairment losses. Intangibles with an undefined useful life are carried at cost less impairment losses.

The useful lives of other intangibles are reviewed once a year. Any resulting changes are applied from that point on.

2.6 Recoverable Amount of Assets

The recoverable amount of intangibles with an indefinite useful life that are not amortized should be tested for impairment at least once a year.

Assets that are amortized are tested for impairment only when there is an indication that their carrying amount may not be recoverable.

The amount of the impairment writedown should be equal to the difference between an assets' carrying amount and its recoverable amount, computed as the greater of the asset's sales price (net of transaction costs) and its value in use.

The recoverable amount of the assets is determined by grouping basic cash generating units.

a) Identification of Cash Generating Units (CGUs) and Allocation of Assets

The identification of the CGUs, carried out in accordance with the recommendations of IAS 36, is consistent with the segment information requirements of IAS 14, according to which disclosures must be provided for two business segments: 1) Styling and engineering, and 2) Manufacturing.
Within the Manufacturing segment, the Group identifies three minimal CGUs, to which it allocates the assets used in connection with the manufacturing contracts for the Alfa Brera and Spider, the Mitsubishi Colt CZC and the Ford Focus convertible.
The following types of assets are allocated to the minimal CGUs:

- Property, plant and equipment;
- Financial receivables recognized in accordance with IFRIC 4 (see Note 2.17 – Leases below).

b) Impairment Test of Financial Receivables Recognized in Accordance with IFRIC 4

Financial receivables recognized in accordance with IFRIC 4 are valued at amortized costs. Consequently, they must be tested for impairment, as required by IAS 39, at each financial statement reference date.
Paragraph 59 of IAS 39 states that an asset or a group of assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that the loss events have an impact on the estimated future cash flows of the asset. As explained in the Report on Operations, the reduction in the production volumes projected contractually over the life cycles of the Alfa Brera and Mitsubishi orders represents an impairment indicator.

c) Impairment Test of Property, Plant and Equipment

The impairment test of property provided no evidence that a writedown of the carrying values was required. The carrying values of these assets approximate their fair values, less costs to sell.
At this point, there are no impairment indicators with regard to the assets used for the Ford Focus CC order.

2.7 Financial Assets

The Group divides its investments into four categories: a) financial assets carried at fair value through profit and loss; b) loans and other financial receivables; c) held-to-maturity investments; and d) available-for-sale financial assets.

The basis for this classification is the reasoning behind an asset's acquisition. Management allocates financial assets to the appropriate category at the time of purchase.

(a) Financial Assets Carried at Fair Value Through Profit and Loss

This category is divided into two classes: 1) financial assets held for trading and 2) assets designated into the category from the inception. An asset is included in this category if it was acquired mainly to be resold over the short term or if it was placed in this category by the Company's management.

Any derivatives that do not qualify as hedges are included in the held-for-trading class.

Financial assets that fall into these two classes are listed as current assets when they are held for trading or are expected to be sold within 12 months from the balance sheet date.

(b) Loans and Other Financial Receivables

Loans and other financial receivables are non-derivative financial assets that entail fixed or determinable payments, are not traded on a regulated market and are not held for trading. They are listed as current assets, except for the portion due after one year, which is classified under non-current assets.

(c) Held-to-maturity Investments

These are non-derivative financial assets that entail fixed or determinable payments and have a fixed maturity and which the Group plans and has the financial ability to hold to maturity.

(d) Available-for-sale Financial Assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale and those non-derivative financial assets that do not fall into any of the previous categories. These assets are listed as current assets, unless management decides not to sell them within 12 months from the balance sheet date, in which case they are reclassified under non-current assets.

Purchases and sales of financial assets are recognized on the transaction date, which is the date when the Group agrees to buy or sell an asset.

All financial assets (except for financial assets carried at fair value) whose changes in value are recognized in earnings, are initially recognized at their fair value, plus transaction costs.

Financial assets are removed from the financial statements when they cease to deliver cash flow, or the right to receive such cash flow is transferred, or when the Group effectively transfers all of the risks and benefits inherent in ownership to a third party.

Following their purchase, assets that are categorized either as Available-for-sale financial assets or as Financial assets carried at fair value (whose changes in value are recognized in earnings) are valued at fair value. The assets included in the other two categories (Loans and other financial receivables and Held-to-maturity investments) are valued at their amortized cost, computed by the effective interest method.

Realized and unrealized gains and losses from changes in the fair value of financial assets categorized as Financial assets carried at fair value (whose changes in value are recognized in earnings) are reflected in the income statement in the year when they are generated.

Unrealized gains and losses from changes in the fair value of non-monetary securities categorized as Available-for-sale assets are recognized in equity. When securities categorized as Available-for-sale assets are sold or their value is impaired, adjustments to their fair value that have accumulated in a separate shareholders' equity reserve are recognized in earnings as a gain or loss on the sale.

The fair value of investments in listed securities is based on current bid prices. If an active market is not available for these financial assets or they are unlisted equity securities, fair value is determined by the Group using such valuation techniques as making reference to market transactions involving similar instruments or discounting future cash flows, adjusted as necessary to reflect the specific characteristics of the issuers.

At the end of each fiscal year, the Group tests its financial assets for objective indications of the existence of impairment losses. In the case of financial assets that represent equity investments categorized as Available-for-sale assets, a significant and prolonged decline in their fair value, as compared to their cost, is one of the elements that should be considered in determining a loss of value. If this type of evidence exists for a financial asset categorized as an Available-for-sale asset, the accumulated loss, calculated as the difference between the asset's cost and its current fair value (net of previous writedowns), is reversed out of shareholders' equity and posted to the income statement. Writedowns that have been recognized in earnings cannot be reversed.

2.8 Inventory

Inventory is carried at cost or estimated net realizable value, whichever is smaller. Net realizable value is the selling price in the ordinary course of business, less the variable costs necessary to make the sale.

Cost is determined by the FIFO ("first-in, first-out") method. The cost of finished goods and semifinished goods includes design, raw materials and direct labor costs, as well as other direct costs and other indirect costs that can be allocated to the manufacturing operations based on a normal level of production capacity. This costing formula does not include borrowing costs.

2.9 Trade Receivables and Other Receivables

Trade receivables are initially recognized at fair value. Subsequently, they are valued at amortized cost computed by the effective interest rate method, net of writedowns for uncollectible accounts. Writedowns of receivables are accounted for as if there was objective evidence that the Group will be unable to collect the full amounts that customers have agreed to pay on the dates due. The amount of the writedown, which should correspond to the difference between the carrying amount of the receivables and the present value of future collections, discounted at the effective interest rate, is recognized in the income statement.

2.10 Cash and Cash Equivalents

The Cash and cash equivalents account includes cash on hand, readily available bank deposits, overdraft facilities and liquid investments due within three months. Overdraft utilizations are recognized as current liabilities.

2.11 Share Capital

The Company's common share capital is listed in the shareholders' equity section of the balance sheet.

Incidental expenses incurred to issue share capital or options are recognized under shareholders' equity.

If a Group company buys shares of Pininfarina S.p.A. or Pininfarina S.p.A. purchases treasury shares (within the constraints of the applicable statutes), the price paid, net of any directly attributable incidental charges, is deducted from shareholders' equity until the shares are canceled, reissued, awarded to employees or sold.

2.12 Borrowings

Initially, borrowings are recognized at fair value, net of any incidental charges. Subsequently, they are valued by the amortized cost method. Any difference between the collection amount, net of any incidental charges, and the redemption amount is recognized in earnings on an accrual basis, computed by the effective interest rate method.

The portion of borrowings that is due within one year is listed among current liabilities. The portion due after one year is recognized as a non-current liability only if the Group has an unconditional contractual right to defer repayment.

2.13 Deferred Taxes

Deferred taxes are computed on all temporary differences between the carrying amount of assets and liabilities and the amount attributed to those assets and liabilities for tax purposes. Temporary differences are not computed on:

- Goodwill generated by a business combination;
- Initial recognition of assets and liabilities upon the execution of a transaction that is not a business combination and has no impact on reported results for the period or on taxable income.

Deferred-tax liabilities are computed using the tax rates in force in the business environments in which the companies of the Group operate and in accordance with the tax laws that have been enacted, or which can be deemed to have been virtually enacted, as of the balance sheet date and which are expected to apply when the temporary differences that required the recognition of a deferred-tax liability are reversed.

Deferred-tax assets are recognized only if it is likely that the Company will have earned sufficient taxable income to offset them when the temporary differences that required their recognition are reversed.

Deferred-tax assets are reviewed at each balance sheet date and are adjusted to reflect changes in the expectation that the Company will earn sufficient taxable income in the future to utilize all or part of the deferred-tax assets.

Deferred-tax liabilities are computed on temporary differences generated in connection with equity investments in subsidiaries, associated companies and joint ventures, except in those cases where the reversal of the temporary differences can be controlled by the Group and it is unlikely to occur in the near future.

Deferred-tax liabilities on components of shareholders' equity are posted directly to shareholders' equity.

2.14 Employee Benefits

(a) Pension Plans

The employees of the Pininfarina Group have access to defined-contribution and defined-benefit plans. None of these plans has dedicated plan assets.
For IFRS purposes (IAS 19), the Provision for termination indemnities attributable to employees of the Pininfarina Group, computed in accordance with Article 2120 of the Italian Civil Code, consists of:

- a defined-benefit pension plan for the benefits that vested prior to the effective date of Legislative Decree No. 252 of December 5, 2005;
- a defined-contribution pension plan for the benefits that vested from 2007 on.

Defined-benefit plans are pension plans in which the pension benefit that an employee will receive at the end of the employment relationship is defined based on such factors as age, years of services and salary earned.
Defined-contribution plans are plans under which the Group pays a fixed contribution and has no further statutory or implied obligations to pay additional sums, should the plan's assets prove to be inadequate to pay benefits for current or past service.

The liability recognized in the financial statements for defined-benefit plans is the present value of the obligation on the balance sheet date, adjusted for actuarial gains and losses and for the cost of benefits paid for past service.

The portion of the cumulative amount of the actuarial gains and losses generated by changes in estimates that is larger than 10% of the fair value of plan assets or 10% of the plan's liabilities, whichever is greater, is recognized in the income statement on a pro rata basis over the average expected remaining working life of the employees who are enrolled in the plan.

Under defined-contribution plans, the Group makes contributions to public and private pension funds on a statutory, contractual or voluntary basis and incurs no further obligation. Contributions are reflected in the income statement as part of labor costs when they become due. Contributions made in advance are recognized as a prepaid expense only if the Group expects to receive a refund or a reduction in future payments.

(b) Incentives, Bonuses and Profit Sharing Plans

The Group recognizes the costs and liabilities that arise from profit sharing plans in accordance with a formula that is based on the profit attributable to shareholders, with appropriate adjustments. The Group sets aside a provision only if it is contractually obligated to do so or if established practice is to create such a provision.

(c) Employee Benefits Paid in Shares of Stock

The Group's management, at its sole discretion and from time to time, awards bonuses to key employees in the form of options to buy Company shares. The right to exercise the options vests after one year of service, if certain personal objectives are reached. The fair value of the options is a labor cost of the fiscal year and is added to a special equity reserve for the duration of the option vesting period. When the options are exercised, the amount collected, net of any transaction costs, is added to share capital (the portion corresponding to the par value of the shares) and to additional paid-in capital (the amount paid in excess of par value).

2.15 Provisions for Risks and Charges

Additions are made to the provisions for risks and charges when:

- The Group incurs a statutory or implied obligation as a result of past events;
- It is likely that resources will have to be expended to satisfy this obligation;
- The amount of the obligation can be determined reliably.

Additions to these provisions are based on the present value of the best estimates made by the Company's management of the costs that the Pininfarina Group will incur on the balance sheet date to satisfy the obligations.
The provisions for risks and charges reflect primarily the best available estimates of the Group's liability for future warranty costs on the pool of cars in circulation that the Group has manufactured. The warranty commitment stems from contractual obligations to customers.

The provisions for risks and charges also include amounts set aside to cover the Group's pro rata share in losses of associated companies and joint ventures, in those cases where Pininfarina is contractually obligated to cover those losses.

2.16 Revenue Recognition

Revenues should reflect the fair value of the goods and services sold, net of VAT, returns, discounts and intra-Group transactions. Revenues are recognized as follows:

(a) Sale of Goods

Revenues are recognized when the Company has transferred all significant risks and benefits inherent in ownership, and the revenue amount can be estimated reliably.

(b) Provision of Services

Service revenues are recognized based on the progress made in delivering the services in question during the year in which they are being provided.

(c) Interest

Interest income is recognized on an accrual basis at amortized cost computed by the effective interest rate method. The effective interest rate is the rate used to accurately discount the cash flows that a financial instrument is expected to generate over its life.

(d) Royalties

Royalty income is recognized on an accrual basis, taking into account the terms of the underlying contracts.

(e) Dividends

Dividends are recognized in the year in which the shareholders acquire the right to receive payment.

2.17 Leases

(a) When the Pininfarina Group Is the Lessee

Leases covering property, plant and equipment are deemed to be finance leases when the Pininfarina Group assumes substantially all of the risks and rewards incidental to the ownership of an asset.

An asset acquired under a finance lease is recognized as a component of Property, plant and equipment and depreciated over the life of the asset or the term of the lease, whichever is shorter. Leased assets are capitalized at the start of the lease at the fair value of the leased asset or at the present value of the lease payments, whichever is smaller. Lease payments are broken down into principal repayment and interest, which is determined by applying a constant interest rate to the outstanding balance.

The current portion of the indebtedness to the lessor is recognized as a current liability and the portion due after one year is booked as a non-current liability.

The interest paid is charged to income over the term of the lease.

Leases in which the lessor (third party) retains substantially all of the risks and rewards incidental to ownership are recognized as operating leases. Payments, net of any incentives received from the lessor, are recognized in the income statement on an accrual basis over the term of the lease.

(b) When the Pininfarina Group Is the Lessor

The Pininfarina Group applies IFRIC 4 (Determining Whether an Arrangement Contains a Lease) to investments in plant and machinery acquired for special purposes under some contracts for the design, engineering and production of automobiles.

IFRIC 4 applies to those arrangements that, while not having the legal formalities of a lease, convey to one of the parties the right to use certain assets in exchange for a series of payments.

According to IFRIC 4, an arrangement contains a lease if the following conditions are met:
- Fulfillment of the arrangement is dependent on the use of a specific asset;
- The arrangement conveys to the buyer the right to control the use of the asset subject of the arrangement;
- The determination that the arrangement contains a lease is made at the inception of the arrangement;
- It is possible to separate lease-related payments from other payments required under the arrangement.

In other words, IFRIC 4 can be used to identify a lease and separate it from an underlying arrangement between the parties and measure the lease in accordance with IAS 17 (Leases).

When a finance lease does exist, the Pininfarina Group recognizes a receivable of an amount equal to the present value of the lease payments. The difference between the gross amount of the receivable and its present value, which represents the interest income component, is reflected in the income statement over the term of the lease at a constant periodic interest rate.

The Group does not own assets leased to third parties under operating leases.

2.18 Dividend distributions

The Pininfarina Group recognizes a liability for dividends that become payable when a dividend distribution is approved by the Shareholders’ Meeting.

2.19 Financial Expense

Consistent with Paragraph 7 of IAS 23, financial expense is charged to income in the year it is incurred.

2.20 Construction Contracts

Costs incurred in connection with construction contracts are recognized when incurred.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognized only to the extent of contract costs incurred and presumed recoverable.

When the outcome of a construction contract can be estimated reliably and it is likely that the contract will be profitable, revenues are recognized on an accrual basis over the life of the contract.

Conversely, if it is likely that the contract will produce a loss (that is, total contract costs exceed contract revenues), the entire loss should be recognized in the year in which the Company’s management becomes aware of the loss.

The Pininfarina Group allocates contract costs and revenues to each fiscal year by the percentage of completion method. The percentage of completion is the ratio of total costs incurred through the reporting date and the overall estimated costs needed to complete the contract. Costs incurred in a given fiscal year in connection with activities that have not yet been performed are excluded from the percentage of completion computation. Instead, they are recognized as inventory, advances or other assets, depending on their nature.

Progress billings on account are included in Contract work in progress.

2.21 Government grants

Government grants are recognized in the financial statements at fair value only when there is reasonable certainty that the Group has satisfied all of the requirements set forth in the terms of the grants.

Government grant revenues are reflected in the income statement in proportion to the costs incurred.

Government grants toward the purchase of property, plant and equipment are recognized as deferred income and credited to the income statement in proportion to the depreciation of the assets for which they were awarded.

2.22 Valuations That Affect the Financial Statements

(a) Current and Deferred Taxes

The computation of current taxes made in the financial statements represents a best estimate of the weighted average of the tax liability that will be reflected in the annual financial statements.

In these financial statements, in view of the results that the Group is expected to report over the intermediate term and of the tax loss carryforward, the Company did not recognize any new deferred-tax assets or liabilities.

Deferred-tax assets recognized by foreign Group companies in accordance with IAS 12 – Income Taxes were retained.

Estimates of deferred-tax assets and liabilities, including those that were not recognized, were made based on the new tax rates of the 2008 Budget Law. These estimates do not take into account future changes in tax rates.

(b) Estimate of Fair Value

The fair value of financial instruments that are traded on an active market is based on their market value on the balance sheet date. The reference market price for financial assets held by the Pininfarina Group is their current sales price (purchase price for financial liabilities).

The Group does not hold financial instruments that are not traded on an active market. Consequently, it does not use valuation techniques or make assumptions about the market conditions on the balance sheet date.

The fair value of receivables is assumed to approximate their face value, net of valuation adjustments made to reflect collectibility.

The fair value of financial liabilities is determined for reporting purposes by discounting the contractual cash flows at an interest rate that approximates the market rate at which the Group borrows.

(c) Impairment

An estimate of the impairment of goodwill is made by discounting the cash flows anticipated in the business plan prepared by the Group's management. Actual results can vary from the estimates in the business plan due to a variety of factors that are beyond the Group's control.

The process of estimating cash flows for the purpose of testing for impairment the assets allocated to the cash generating units is based on production volumes, which, in turn, are estimated based on the production budgets communicated by customers and on conservative estimates of the overall volumes scheduled under the corresponding contracts.

(d) Financial Plans of Leases in Which the Group Is Either the Lessor or the Lessee

Financial plans prepared to account for leases in which the Group is the lessor are affected by changes in the volumes of cars that are manufactured and invoiced. In any event, leases in which the Group is either the lessor or the lessee are accounted for in compliance with the terms of the leases. Contracts covering design, engineering and production orders are subject to change while they are being performed (e.g., engineering change requests) and these changes are anticipated and provided for in the contracts. As a result, it is possible for the cash flows expected from these contracts to change.

(e) Accounting for the Provision for Termination Indemnities

The provision for termination indemnities is akin to a defined-benefit plan (a defined-benefit plan is one in which the pension benefit payable to employees at the end of the employment relationship is predefined based on such factors as age, years of service and salary). Estimates of these factors, while made conservatively based on historical Company data, are subject to change.

(f) Stock Option Plans

In view of the prices at which the Company's shares have traded in recent months and short-term price expectations and taking into account overall market conditions, the Company did not recognize any cost with regard to the 2007 batch of options awarded to eligible beneficiaries.

3 Managing Financial Risk

The financial instruments that the Group uses to finance its operations include bank borrowings, leases in which it is the lessee, leases in which it is the lessor and are recognized in accordance with IFRIC 4 and short-term bank deposits.

The Group uses other financial instruments, such as trade payables and receivables, for operating purposes.

The Group's cash resources are managed centrally by Pininfarina S.p.A.

The Group does not execute transactions involving derivatives such as interest rate swaps and forward currency contracts, either for speculative purposes or as cash flow hedges or to hedge changes in fair value.

The financial risks that affect the Group are summarized below:

- The risk that the value of a financial instrument could fluctuate as a result of changes in foreign exchange rates (currency risk);
- The risk that the fair value of a financial instrument could change as a result of changes in market interest rates (interest rate risk on fair value);
- The risk that the value of a financial instrument could fluctuate due to changes in market prices (price risk);
- The risk that the counterpart could fail to perform its obligations (credit risk);
- The risk of facing difficulties in securing the financial resources needed to meet commitments arising from financial instruments (liquidity risk);
- The risk that future financial flows of a financial instrument could fluctuate due to changes in market interest rates (interest risk on financing instruments).

Currency Risk: The Group borrows in euros. It operates in an international environment and is exposed to fluctuations in currency translation rates, particularly with regard to the value of the Swedish kronor (SEK) and U.S. dollar (USD) versus the euro. The currency risk arises from the following commercial transactions:

- Sales of automobiles to Volvo through the Swedish joint venture Pininfarina Sverige AB. In this case, the currency risk is assumed by the counterpart pursuant to the terms of the underlying contracts.

- Purchases of automobile components in U.S. dollars. In this case, the currency risk is minimal because the underlying contract sets maximum variability thresholds.

Risk of Changes in Fair Value: The investment portfolio of Pininfarina S.p.A. consists of securities of top-rated companies. These assets are subject to significant changes in fair value caused by changes in stock market prices.

Price Risk: The Group's exposure to price risk is minimal because the price at which it sells cars is defined contractually.

Credit Risk: The Group does business with a limited number of customers. In all cases, the Group's customers are deemed to be reliable counterparts, and financial transactions are executed exclusively with financial institutions the reliability of which is beyond question. Receivables recognized upon the accounting of leases in which the Group is the lessor identified in accordance with IFRIC 4 are booked under the assumption that the Group will continue to operate as a going concern and that such receivables will be collected upon the payment of the price of its cars and not based on a right held by the Group, even in the event of liquidation or other composition with creditors proceedings.

Liquidity Risk: Pininfarina S.p.A. entered into finance leases as lessee to finance capital investments needed to manufacture the Alfa Brera, Alfa Spider, Ford Focus CC and Mitsubishi Colt CZC models. Originally, the repayment plan was structured so that the cash outflows for principal and interest would coincide with the cash inflows from car sales. Delays incurred in connection with the ramping up of production, concurrently with a reduction in orders under the Alfa Brera and Spider and Mitsubishi Colt CZC orders, created an unfavorable misalignment of the abovementioned cash flows, which resulted in the agreement providing a moratorium in principal repayments until April 30, 2008.

In addition, in order to provide the Pininfarina Sverige AB joint venture with the financial resources needed to develop and manufacture the Volvo C70 convertible, Pininfarina S.p.A. signed loan agreements for medium- and long-term financing facilities with Italian banks and guaranteed the finance leases executed by the Swedish joint venture with the same banks.
No corporate assets have been provided to secure the abovementioned financing facilities and leases and no financial compliance covenants are included in the loan agreements.

Interest Risk on Fair Value and Liquidity Flows: The Group receives financing from credit institutions at regular market rates. The Group is exposed to changes in interest rates, but its exposure in terms of interest payable is substantially offset by changes in interest receivable.

4 Accounting for Derivatives

The Group has not executed transactions involving derivatives, either for hedging or speculative purposes. The paragraphs that follow are not applicable to the Group at this point. They are provided solely for information purposes.

Derivatives are recognized in the financial statements at fair value when the contracts are signed. Valuations made subsequent to the purchase of the financial instruments are made at fair value, but the accounting treatment of gains and losses differs according to whether a financial instrument is classified as a hedge.

There are three types of hedges:

- Fair value hedge;
- Cash flow hedge;
- Hedging of a net investment in foreign operations.

Before entering into a hedging contract, the Group documents the relationship between the hedge and the instrument that is being hedged and the Group's risk management strategies and objectives. The Group also assesses whether the derivative possesses and will continue to possess over its life the effectiveness requirements needed to qualify it for recognition as a hedge. Changes in the fair value of hedging instruments are recorded in the fair value reserve listed in the statement of changes in shareholders' equity.

(a) Fair Value Hedge

Changes in the fair values of fair value hedges are reflected in the income statement together with the changes in fair value of the hedged assets or liabilities.

(b) Cash Flow Hedge

The portion of the gain or loss on a hedging instrument that can be classified as effective is recognized directly in equity. The non-effective portion is reflected in earnings when incurred.

The amounts accumulated in a shareholders' equity account are transferred to the income statement in the year or years in which the planned transaction covered by the hedge has an impact on the income statement (for example, when a planned sale is executed).

When a financial instrument matures and/or is sold, or when it no longer meets the requirements for classification as a hedge, the gains and/or losses accumulated in a shareholders' equity account are held in that account until the planned transaction covered by the hedge has an impact on the income statement. If, instead, the Group no longer believes that the planned transactions will be executed, the gains and/or losses accumulated in a shareholders' equity account are transferred to the income statement.

(c) Hedging of a Net Investment in Foreign Operations

Instruments that hedge a net investment in foreign operations are accounted for in the same manner as cash flow hedges.

(d) Financial Instruments That Do Not Meet the Requirements to Be Classified as Hedges

Financial instruments that do not meet the requirements to be classified as hedges are classified among financial assets or liabilities carried at fair value, with changes of value recognized in earnings.

5. **Segment Information**

a) Primary Segment

Area of Business

The Group is organized on a global scale and operates in two main areas of business: vehicle manufacturing and styling/engineering. These areas of business constitute the primary segment for segment reporting purposes.

The results of this segment at March 31, 2008 are provided below:

(in thousands of euros)

	Manufacturing	**Styling and engineering**	**Total for the Group**
Value of production	112,782	34,913	147,695
Intra-segment value of production	(1,619)	(568)	(2,187)
Value of production	**111,163**	**34,345**	**145,508**
EBIT	(6,890)	1,069	(5,821)
Financial income (expense)			(5,728)
Interest in results of associates	1,386	0	1,386
Profit (Loss) before taxes			**(10,163)**
Income taxes			421
Profit (Loss) for the period			**(9,742)**

The results of this segment at March 31, 2007 are provided below:

(in thousands of euros)

	Manufacturing	**Styling and engineering**	**Total for the Group**
Value of production	168,762	34,856	203,618
Intra-segment value of production	(9,654)	(2,159)	(11,813)
Value of production	**159,108**	**32,697**	**191,805**
EBIT	(12.507)	1,078	(11,429)
Financial income (expense)			(1,467)
Interest in results of associates	1,121	0	1,121
Profit (Loss) before taxes			(11,775)
Income taxes			1,872
Profit (Loss) for the period			(9,903)

b) Secondary Segment

Geographic Destination of Sales

A breakdown of sales by geographic destination is as follows (in million of euros):

	3/31/08	**3/31/07**
ITALY	40.0	82.1
REST OF EU	89.1	94.0
EXTRA EU.	2.8	2.3
Total	**131.9**	**178.4**

6. List of Consolidate Companies

List of Consolidated Companies

Name	Registered office	Country	Share capital	Currency	% interest held directly or indirectly	Consolidated companies	% capital share
Parent Company							
Parent Company							
Pininfarina S.p.A.	Turin Via Bruno Buozzi 6	IT	9,317,000	EUR	-	-	-
List of companies consolidated line by line							
Italian subsidiaries							
Pininfarina Extra S.r.l.	Turin Via Bruno Buozzi 6	IT	388,000	EUR	100	Pininfarina S.p.A.	100
Foreign subsidiaries							
Pininfarina Extra USA Corp.	New York 1, Penn Plaza Suite 3515	USA	10,000	USD	100	Pininfarina Extra S.r.l.	100
Pininfarina Deutschland GmbH	Leonberg Riedwiesenstr. 1	DE	3,100,000	EUR	100	Pininfarina S.p.A.	100
mpx Entwicklung GmbH	Munich Frankfurter Ring 17	DE	25,000	EUR	100	Pininfarina Deutschland GmbH	100
Matra Automobile Engineering SAS	Trappes - cedex 8, avenue J. D'Alembert	FR	971,200	EUR	100	Pininfarina S.p.A.	100
CERAM SAS	Mortefontaine	FR	1,000,000	EUR	100	Matra Automobile Engineering SAS	100
D3 SAS	Courbevoie 11, rue Paul Bert	FR	306,000	EUR	100	Matra Automobile Engineering SAS	100
Plazolles Modelage S.a.r.l.	Garges Les Gonesses Zac de l'Argentine - 9, rue J. Anquetil	FR	8,000	EUR	100	D3 SAS Matra Automobile Engineering SAS	70 30
Matra Automobile Engineering Maroc SAS	Zenata Casablanca - Sidi Bernoussi Km 12, Autoroute de Rabat	MA	8,000,000	MAD	100	Matra Automobile Engineering SAS CERAM SAS	99,9 0,1
RHTU Sverige A.B.	Uddevalla Varsvagen 1	SV	100,000	SEK	100	Pininfarina S.p.A.	100
List of companies valued by the equity method in the consolidated financial statements							
Pininfarina Sverige A.B.	Uddevalla Varsvagen 1	SV	8,965,000	SEK	60	Pininfarina S.p.A.	60

The only change that occurred in the scope of consolidation compared with December 31, 2007 is the deconsolidation of Pasiphae S.a.r.l., following the sale of the investment in this company in March 2008.

Pininfarina S.p.A. held a 20% in Pasiphae.

List of Unconsolidated Companies

Name	Registered office	Country	Share capital	Currency	% interest held directly or indirectly	Consolidated companies	% capital share
Italian subsidiaries							
Nord Est Design S.r.l.	Maniago (PN) Via Dante 28	IT	100,000	EUR	-	Pininfarina Extra S.r.l.	40
Foreign subsidiaries							
Numero Design S.a.r.l.	Sceaux Sentier des Torque, 4 Chemin du rue d'Aulnay	FR	8,000	EUR	-	D3 SAS	40

List of joint venture

Name	Registered office	Country	Share capital	Currency	% interest held directly or indirectly	Consolidated companies	% capital share
Italian joint venture							
Pininfarina Recchi Buildingdesign S.r.l.	Torino Via Montevecchio 28	IT	100,000	EUR	-	Pininfarina Extra S.r.l.	50
Foreign joint venture							
Vehicules Electriques Pininfarina-Bolloré SAS.	Puteaux 31-32 Quai De Dion Bouton	FR	40,000	EUR	-	Pininfarina S.p.A.	50

7. Property, Plant and Equipment

	3/31/08	12/31/07	Change
Land and buildings	93,694,442	94,446,177	(751,735)
Plant and machinery	162,258,122	169,227,259	(6,969,137)
Furniture, fixture and other prop., plant and equip.	4,891,102	5,354,622	(463,520)
Assets under construction	776,800	826,801	(50,001)
Total	**261,620,466**	**269,854,859**	**(8,234,393)**

On January 1, 2004, as allowed under the recognition options provided in IFRS 1, paragraphs 16-19, land and buildings were revalued based on reports by independent appraisers.

The revaluations, net of the deferred taxes, were recognized with offsetting entries posted to shareholders' equity.

Most of the year-over-year decrease is due to the depreciation expense for the period.

8. Intangible Assets

	3/31/08	12/31/07	Change
Goodwill	2,301,012	2,301,012	0
Licenses and trademarks	4,102,073	4,331,596	(229,523)
Other intangibles	453,622	465,143	(11,521)
Total	**6,856,707**	**7,097,751**	**(241,044)**

The decrease reflects the impact of the depreciation expense for the period.

9. Equity Investments

Investment in associated companies

	3/31/08	12/31/07	Change
Pasiphae S.a.r.l.	0	744,800	(744,800)
Total	**0**	**744,800**	**(744,800)**

In the first quarter of 2008, Pininfarina S.p.A sold its investment in Pasiphae S.a.r.l., generating a gain of 2,638,870 euros.

Investments in joint ventures

	12/31/07	Purchases	Interest in result	Sales	Other changes	3/31/08
Pininfarina Sverige A.B.	30,648,695	0	1,386,245	0	114,710	32,149,650
Vehicules Electriques Pininfarina-Bolloré SAS	0	20,000	0	0	0	20,000
Pininfarina Recchi Buildingdesign S.r.l.	0	50,000	0	0	0	50,000
Total	**30,648,695**	**70,000**	**1,386,245**	**0**	**114,710**	**32,219,650**

The interest in result, amounting to 1,386,245 euros, is equal to 60% of the net profit earned by the joint venture in the first quarter of 2008. Other changes includes a change in the reserve for currency translations.

In February 2008, Pininfarina S.p.A. and Bolloré SA established a 50-50 joint venture that will market an electric car manufactured by Pininfarina S.p.A.

In March 2008, Pininfarina Extra S.r.l. and Recchi Ingegneria e Partecipazioni S.p.A. established a 50-50 joint venture that will provide integrated design and engineering services.

Investments in other companies

	3/31/08	12/31/07	Change
Banca Passadore S.p.A.	257,196	257,196	0
Idroenergia Soc. Cons. a.r.l	516	516	0
Unionfidi S.c.r.lp.A. Torino	129	129	0
Midi Ltd	213,840	213,840	0
Numero Design Sarl	60,000	60,000	0
Nord Est Design S.r.l.	40,000	40,000	0
Total	**571,681**	**571,681**	**0**

10. Financial Assets

Loans and other receivables from outsiders

	12/31/07	Increases	Writedowns	Repayments	3/31/08
Loans receivable	183,743,833	0	0	(43,091,614)	140,652,219
Total loans receivable	**183,743,833**	**0**	**0**	**(43,091,614)**	**140,652,219**

The decrease in loans receivable reflects primarily the collection of the portion of receivables owed for guaranteed production volumes from 2005 to 2007, which the Parent Company invoiced early in 2008.

The table below shows separately the current and non-current portions of these receivables:

	3/31/08	12/31/07	Change
Non-current loans and other receiv.	96,401,175	143,517,428	(47,116,253)
Current loans and other receivables	44,251,044	40,226,405	4,024,639
Total	**140,652,219**	**183,743,833**	**(43,091,614)**

None of the non-current receivables is due in more than five years.

Loans and other receivables from affiliated companies and joint ventures

	3/31/08	12/31/07	Change
Non-current loans owed by Pininfarina Sverige AB	63,857,867	62,664,624	1,193,243
Current loans owed by Pininfarina Sverige AB	17,904,178	17,904,178	0
Total	**81,762,045**	**80,568,802**	**1,193,243**

Loans receivable from joint ventures accrue interest at market rates.

The increase reflects the interest accrued for the period on financial receivables owed to Pininfarina S.p.A. by Pininfarina Sverige AB.

Even though Pininfarina S.p.A. owns 60% of Pininfarina Sverige AB, this company is valued by the equity method, as required by IAS 31, Paragraph 38 and IAS 27, Paragraph 14.

Held-for-sale current assets

	Equity securities	Fixed income securities	Mutual funds	Total
Value at December 31, 2007	5,841,453	40,590,225	16,430,615	62,862,293
Fair value adjustment recognized in earnings	(712,436)	(356,956)	(682,169)	(1,751,561)
Purchases	4,030,531	6,018,750	11,031,915	21,081,196
Sales	(6,080,027)	(7,202,351)	(9,264,971)	(22,547,349)
Value at March 31, 2008	**3,079,521**	**39,049,668**	**17,515,390**	**59,644,579**

11. Inventory and Contract Work in Progress

	3/31/08	12/31/07	Change
Raw materials	22,428,825	16,757,639	5,671,186
Work in process	6,794,012	3,253,524	3,540,488
Finished goods	2,404,151	1,368,936	1,035,215
Total	**31,626,988**	**21,380,099**	**10,246,889**

	3/31/08	12/31/07	Change
Contract work in progress	8,576,872	1,336,869	7,240,003
Total	**8,576,872**	**1,336,869**	**7,240,003**

12. Share Capital

	No. of shares	Common shares	Treasury shares	Total
Balance at December 31, 2006	9,317,000	9,317,000	28,153	9,288,847
Balance at March 31, 2007	9,317,000	9,317,000	16,453	9,300,547
Balance at December 31, 2007	9,317,000	9,317,000	15,958	9,301,042
Balance at March 31, 2008	9,317,000	9,317,000	15,958	9,301,042

A total of 9,317,000 common shares, par value of 1 euro each, were outstanding at December 31, 2007.

All issued shares have been fully paid-in.

At March 31, 2008, the Company held 15,958 treasury shares, valued at 121,951 euros.
This amount was deducted from shareholders' equity upon the adoption of IAS 32 and IAS 39 in January 2005.
These shares are held as treasury shares.

13. Earnings per Share

a) Basic earnings (loss) per share

Basic earnings per share are computed by dividing the profit for the year by the number of common shares outstanding at March 31, 2008 (excluding treasury shares).

	3/31/08	12/31/07	3/31/07
Net profit (loss)	(9,741,889)	(114,525,048)	(9,903,182)
Number of common shares, net	9,301,042	9,301,042	9,300,547
Basic earnings (loss) per share	(1.05)	(12.31)	(1.06)

b) Diluted earnings (loss) per share

The diluted earnings per share are the same as the basic earnings per share.

14. Stock Options

In view of the prices at which the Company's shares have traded in recent months and short-term price expectations and taking into account overall market conditions, the Company did not recognize any costs with regard to the 2007 batch of options awarded to eligible beneficiaries.

15. Borrowings

	3/31/08	12/31/07	Change
Non-current	**12,671,311**	**228,602,431**	**(215,931,120)**
Liabilities under finance leases	0	156,290,028	(156,290,028)
Bonds outstanding and other borrowings	12,671,311	72,312,403	(59,641,092)
Current	**593,560,546**	**382,032,482**	**211,528,064**
Due to banks	54,502,742	58,429,837	(3,927,095)
Liabilities under finance leases	349,643,789	193,355,300	156,288,489
Bonds outstanding and other borrowings	189,414,015	130,247,345	59,166,670
Total	**606,231,857**	**610,634,913**	**(4,403,056)**

No Group assets have been pledged as collateral with the exception of assets held under finance leases and a mortgage on a building owned by Pininfarina Deutschland GmbH in Renningen.

Pursuant to the injunctions notified to Pininfarina S.p.A. on March 28, 2008 and April 19, 2008, Banca Fortis was allowed to encumber all of the buildings owned by the Company with court ordered mortgages that secure claims of about 45 million euros.

As a result of the moratorium currently in effect with most of the lender institutions, the amounts owed by the Parent Company under finance leases and financing facilities did not change during the period. As required by IAS 1.65, the entire amount attributable to financial obligations for which the benefit of installment repayment was no longer contractually available as a result of a failure to make payments due by March 31, 2008 was reclassified as short term. Consequently, a portion of the obligations under finance leases and other financial payables were reclassified as current liabilities.

Moreover, the failure to make payments due between March 31, 2008 and the date when this Quarterly Report was approved caused the Company to forego the benefit of installment repayment for an additional amount equal to 8.0 million euros.

A breakdown of long-term borrowings by maturity is as follows:

	12/31/08
due within 1 year	593,560,546
due between 1 and 5 years	12,671,311
due after 5 years	0
Total	**606,231,857**

The table below provides a breakdown of medium-and long-term borrowings by type and maturity:

Borrowings (in thousands of euros)	**Amount at 12/31/07**	**Amount at 03/31/08**	**Amount due within 1 year**	**Amt. due from 1 to 5 years**	**Amount due after 5 years**
Total loans and other facilities	(202,560)	(202,085)	(189,414)	(12,671)	0
Total obligations under finance leases	(349,645)	(349,644)	(349,644)	0	0
Total liabilities for short-term credit lines	(58,430)	(58,503)	(58,503)	0	0
Total	**(610,635)**	**(606,232)**	**(593,561)**	**(12,671)**	**0**

At March 31, 2008, a total of 54.5 million euros had been drawn down from available credit lines totaling about 70 million euros. At March 31, 2008, past due indebtedness amounted to 33.2 million euros.

There are no borrowings in currencies different from the euro. The Company (the Group) is exposed to interest rate fluctuations on some facilities that are tied to the Euribor. The carrying amount of these facilities approximates their fair value.

Some loan agreements and finance leases contain express cancellation clauses which, if exercised, cause the borrower to lose the benefit of repayment in installments and can result in the lender demanding repayment in a lump sum.

Pininfarina S.p.A. has currently been granted a moratorium by most of its lender banks, pursuant to which it has not been making principal repayments on its long-term debt since December 1, 2007.

The agreement with the lender banks provided for a moratorium expiring on April 30, 2008 (negotiations to extend the deadline to June 30, 2008 are ongoing), followed by an agreement to reschedule/refinance the entire debt exposure.

16. Provision for Other Liabilities and Charges

	3/31/08	12/31/07	Change
Provision for warranties	2,568,755	2,146,961	421,794
Provision for restructuring	1,745,527	2,025,047	(279,520)
Other provisions	2,466,193	2,666,659	(200,466)
Total	**6,780,475**	**6,838,667**	**(58,192)**

17. Other Income and Revenues

	3/31/08	12/31/07	Change
Amounts rebilled	176,691	6,622	170,069
Out-of-period income	896,727	86,008	810,719
Insurance settlements	7,600	3,800	3,800
Royalties	125,000	125,000	0
Rebilling of lease payments	38,959	76,268	(37,309)
Operating grants	58,517	60,634	(2,117)
Sundry items	216,083	306,737	(90,654)
Total	**1,519,577**	**665,069**	**854,508**

Out-of-period income, which refers to the Parent Company, consists mainly of price differences attributable to previous years.

18. Gain on the Sale of Non-current Assets

	3/31/08	3/31/07	Change
Gain on the sale of equity investments	2,638,870	0	2,638,870
Gain on the sale of other assets	690,552	336,848	353,704
Total	**3,329,422**	**336,848**	**2,992,574**

The gain on the sale of equity investments refers to the disposal of the investment in Pasiphae S.a.r.l.

The gain on the sale of other assets earned in the first quarter of 2008 was generated by the sale of vintage automobiles owned by Pininfarina S.p.A.

19. Depreciation of property, plant and equipment

	3/31/08	3/31/07	Change
Land and buildings	802,355	764,090	38,265
Plant and machinery	7,835,353	8,071,767	(236,414)
Furniture, fixture and other prop., plant and equip.	301,131	220,652	80,479
Total	**8,938,839**	**9,056,509**	**(117,670)**

20. Amortization of intangibles

	3/31/08	3/31/07	Change
Licences and trademarks	87,483	447,691	(360,208)
Other intangibles	206,647	36,952	169,695
Total	**294,130**	**484,643**	**(190,513)**

21. Financial Income (Expense), Net

	3/31/08	3/31/07	Change
Financial expense paid to banks	(945,803)	(648,605)	(297,198)
Financial expense paid under leases	(5,272,380)	(3,868,024)	(1,404,356)
Financial exp. on medium- and long-term borrowings	(3,077,821)	(1,974,911)	(1,102,910)
Realized losses from marking securities to market	(1,508,732)	0	(1,508,732)
Total financial expense	**(10,804,736)**	**(6,491,540)**	**(4,313,196)**
Bank interest earned	238,280	22,434	215,846
Realized gains from marking securities to market	545,705	867,114	(321,409)
Interest earned on long-term loans to outsiders	3,011,591	2,897,268	114,323
Interest earned on long-term loans to joint ventures	1,269,175	1,237,998	31,177
Gains on trading securities	11,777	7,673	4,104
Total financial income	**5,076,529**	**5,032,487**	**44,041**
Net financial income (expense)	**(5,728,208)**	**(1,459,053)**	**(4,269,155)**

22. Value adjustments

	3/31/08	3/31/07	Change
Revaluation (Writedowns) of equity investments	1,386,245	1,121,033	265,212
Total	**1,386,245**	**1,121,033**	**265,212**

23. Income taxes for the period

	3/31/08	3/31/07	Change
Current taxes	(423,490)	(1,008,852)	585,362
Prepaid taxes	921,939	2,327,804	(1,405,866)
Deferred taxes	(77,240)	552,959	(630,199)
Total	**421,208**	**1,871,911**	**(1,450,703)**

Prepaid taxes of 921,939 euros include 880,000 euros recognized to reflect the deferred-tax assets resulting from the tax loss carryforward of companies included in the Pininfarina Deutschland Group. This amount was computed assessing conservatively the possibility of future recovery, based on updated strategic plans and the corresponding tax plans.

Other Information

Material Extraordinary Events and Transactions

As required by the Consob Communication of July 28, 2006, the tables that follow show the impact of extraordinary events or transactions and transactions and events that occur only infrequently in the normal course of business.

The balance sheet and income amounts presented below have been restated to eliminate the impact of the following extraordinary transactions:

1. Sale of the investment in Pasiphae S.a.r.l.;
2. Sale of vintage automobiles.

	Statutory financial statements at 3/31/08	**Statutory financial statements at 3/31/08 net of extraordinary transactions**
Net intangible assets	6,856,707	6,856,707
Net property, plant and equipment	261,620,466	261,917,024
Non-current financial assets	160,259,042	160,259,042
Equity investments	32,791,331	33,536,131
Inventory	40,203,860	40,203,860
Current financial assets	121,799,801	121,799,801
Net trade receivables and other receivables	167,107,596	167,107,596
Deferred-tax assets	6,284,611	6,284,611
Cash and cash equivalents	89,150,062	84,641,393
TOTAL ASSETS	**886,073,476**	**882,606,165**
Reserves	39,070,887	39,070,887
Profit (Loss) for the period	(9,741,889)	(13,071,126)
TOTAL SHAREHOLDERS' EQUITY	**29,328,997**	**25,999,761**
Long-term borrowings	12,671,311	12,671,311
Deferred-tax liabilities	3,214,018	3,214,018
Provision for termination indemnities	24,274,926	24,274,926
Current borrowings	593,560,546	593,560,546
Other payables	23,918,320	23,780,245
Trade accounts payable	184,924,893	184,924,893
Provision for current taxes	1,255,592	1,255,592
Provision for other liabilities and charges	12,924,873	12,924,873
TOTAL LIABILITIES	**856,744,478**	**856,606,404**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**886,073,476**	**882,606,165**

	Statutory financial statements at 3/31/08	Statutory financial statements at 3/31/08 net of extraordinary transactions
Net revenues	131,322,099	131,322,099
Change in inventory of finished goods and work in process	11,183,219	11,183,219
Other income and revenues	2,090,555	2,090,555
Company-produced non-current assets	911,822	911,822
Value of production	**145,507,695**	**145,507,695**
Net gain on the sale of non-current assets	3,329,343	105
Raw materials and outside services used	(116,650,823)	(116,650,823)
Change in inventory of raw materials	5,662,972	5,662,972
Value added	**37,849,187**	**34,519,949**
Labor costs	(33,480,144)	(33,480,144)
EBITDA	**4,369,043**	**1,039,804**
Depreciation and amortization	(9,232,968)	(9,232,968)
(Additions to provisions/Writedowns) / Utilizations	(957,209)	(957,209)
EBIT	**(5,821,134)**	**(9,150,372)**
Financial income (expense), net	(5,728,208)	(5,728,208)
Other income (expense), net	1,386,245	1,386,245
Profit before taxes	**(10,163,097)**	**(13,492,334)**
Income taxes for the period	421,208	421,208
Net profit (loss) for the period	**(9,741,889)**	**(13,071,126)**

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