PININFARINA GROUP

Interim Report on Operations
at March 31, 2010

Pininfarina S.p.A. – Share Capital: 30,166,652 euros, fully paid in. Registered Office: 6 Via Bruno Buozzi, Turin

Tax I.D. and Turin Company Register No. 00489110015

PININFARINA GROUP

Interim Report at March 31, 2010

Approved by the Board of Directors
on April 30, 2010

Honorary Chairman	Sergio	Pininfarina

Board of Directors

Chairman *	Paolo	Pininfarina
Chief Executive Officer	Silvio Pietro	Angori
Directors	Gianfranco	Albertini (2)
	Edoardo	Garrone (1)
	Enrico	Parazzini (2)
	Carlo	Pavesio (1)
	Roberto	Testore (1) (2)

(1) Member of the Nominating and Compensation Committee

(2) Member of the Internal Control Committee

Board of Statutory Auditors

Chairman	Nicola	Treves
Statutory Auditors	Giovanni	Rayneri
	Mario	Montalcini
Alternates	Alberto	Bertagnolio Licio
	Guido	Giovando

Secretary to the Board of Directors — Gianfranco Albertini (§)

§ Corporate Accounting Documents Officer

Independent Auditors — PricewaterhouseCoopers S.p.A.

* Powers
Pursuant to Article 22 of the Bylaws, the Chairman is the Company's legal representative vis-à-vis outsiders and before the courts.

Contents

Pininfarina Group

Review of Operating and Financial Performance	page	7
Reclassified Consolidated Income Statement	page	10
Reclassified Consolidated Statement of Financial Position	page	11
Consolidated Net Financial Position	page	12
Consolidated Net Borrowings	page	13
Companies of the Pininfarina Group	page	14
Consolidated Statement of Financial Position	page	16
Consolidated Income Statement	page	18
Consolidated Statement of Comprehensive Income	page	19
Income Statement Pursuant to Consob Resolution No. 15519 of July 27, 2006	page	19
Statement of Changes in Consolidated Shareholders' Equity	page	20
Consolidated Statement of Cash Flows	page	21
Notes to the Financial Statements	page	22
Other Information	page	50

The Pininfarina Group

Review of Operating and Financial Performance

An overview of the main developments that characterized the Group's performance in the first quarter of 2010 is provided below:

- The number of cars produced in Italy was about the same as in the first three months of 2009. As a result of this stable level of production, made possible by the agreements reached with customers about end-of-contract volumes, the profitability of these activities improved and the operating loss decreased by more than one-third compared with the negative amount reported at March 31, 2009. In Sweden, a substantial gain in the number of Volvo C70 cars invoiced enabled the local joint venture to increase its contribution to the consolidated bottom line. In the service area, the performance of the design and engineering operations reflected the combined impact of diverging trends: compared with the first quarter of 2009, volumes and margins held relatively steady for the design and engineering activities carried out by the international subsidiaries, but revenues from development services provided to customers in Italy decreased.

- At March 31, 2010, the Group's balance sheet and financial position was significantly stronger than a year earlier, due to the completion of the Second Phase of the Framework Agreement with the Lender Institutions. Specifically, consolidated shareholders' equity grew from 1.5 million euros at March 31, 2009 to 44.8 million euros at March 31, 2010, while net borrowings decreased by about 70% from 125 million euros in the first quarter of 2009 to 38.2 million euros in the same period this year.

- In the first quarter of 2010, one of the most critical factors in assessing the Group's going concern viability — the outstanding VAT dispute with the Revenue Administration — was resolved positively, when the Regional Tax Commission ruled in Pininfarina's favor.

Insofar as specific data are concerned: the value of production decreased to 57.9 million euros, or 11.7% less than in the first three months of 2009 (65.6 million euros).

EBITDA were negative by 2.7 million euros, compared with negative EBITDA of 0.2 million euros in the first quarter of 2009. At the EBIT level, the loss widened by 1.4 million euros to a total of 7.8 million euros (negative EBIT of 6.4 million euros at March 31, 2009). Lower depreciation and amortization (-1 million euros) and a decrease in additions to provisions (-0.2 million euros) helped contain the increase in the reported loss.

Financial transactions generated net financial income of 0.6 million euros, up from net financial income of 0.4 million euros at March 31, 2009.

The Group's interest in the result of the Pininfarina Sverige joint venture was positive by 1.5 million euros (negative by 51,000 euros in the first quarter of 2009), while the consolidation of the Véhicules Electriques Pininfarina – Bolloré joint venture had a negative impact of 115,000 euros (charge of 334,000 euros in the first three months of 2009). It is important to keep in mind that the latter company is in its startup phase, which will end when production of the first commercially viable electric car will begin.

The loss before taxes totaled 5.8 million euros (loss of 8.1 million euros at March 31, 2009), while the net loss (after income taxes of 237,000 euros) narrowed to 6.1 million euros, or 27.4% less than in the first quarter of 2009, when the net loss amounted to 8.4 million euros.

The net financial position was negative by 38.2 million euros, compared with net borrowings of 43.7 million euros and 125 million euros at December 31, 2009 and March 31, 2009, respectively. A decrease in gross borrowings that was proportionately larger than the reduction in liquid assets during the quarter accounts for the improvement of 5.5 million euros. On March 2, 2010, pursuant to the terms of the Rescheduling Agreement with the Lender Institutions, the Group repaid the second installment of 33.8 million euros, in accordance with the amortization plan.

The Group had 856 employees at March 31, 2010, down from 1,891 employees a year earlier (-54.7%). An additional 695 employees worked for the Pininfarina Sverige A.B. joint venture in Sweden (692 employees a year earlier). However, the data at March 31, 2009 included 900 employees of the Group's Parent Company who, following the divestment of some business operations on December 31, 2009, are on the payroll of De Tomaso Automobili S.p.A. as of January 1, 2010.

Performance of the Group's Business Segments in the First Three Months of 2010

Manufacturing Operations

Value of production increased to 47.6 million euros, or 6.7% more than in the first quarter of 2009, when it totaled 44.6 million euros. A stabilization of production volumes during the closing phase of manufacturing orders was one of the main reasons for the gain in profitability compared with the first three months of 2009. The EBIT reported by the manufacturing operations were negative by 6.3 million euros, but the loss was about 34% smaller than at March 31, 2009, when it amounted to 9.5 million euros.

A comparison of the number of cars invoiced in the first three months of 2010 and 2009 is provided below:

Car models	March 31, 2010	March 31, 2009	Change
Alfa Romeo Brera	532	430	102
Alfa Romeo Spider	230	288	(58)
Ford Focus Coupé Cabriolet	1,462	1,504	(42)
Total	**2,224**	**2,222**	**2**

Pininfarina Sverige A.B. invoiced 2,938 automobiles, up from 1,604 units in the first three months of 2009 (+83%). This increase in orders attests to the renewed success of the Volvo C70 model, following its restyling in the second half of 2009, both in Europe and North America.

Service Operations

The service operations, which include design and engineering, reported value of production of 10.4 million euros, half the amount at March 31, 2009 (21 million euros). This significant reduction in value of production is due in its entirety to a drop in engineering services provided by the Group's Parent Company, as delays in new product launches by customers, caused by the continuing effect of the global economic crisis, drastically cut demand for these services. Moreover, the data for the first quarter of 2009 benefited from a substantial volume of activity related to the development of the electric car for the Véhicules Electriques Pininfarina Bolloré joint venture, which has since been completed. The developments described above also affected profitability, with EBIT falling to a negative 1.5 million euros at March 31, 2010, as against positive EBIT of 3 million euros a year earlier.

The Group's design activities in Italy and its engineering operations in Germany and Morocco performed consistent with projections in the first three months of 2010, with expectations of improved results for the full year compared with 2009.

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

1) The net financial positions of Pininfarina Group, with current and non-current components listed separately, are shown on page 12 of this document.
2) There were no past-due amounts (commercial, financial or related to tax or employee benefit liabilities) owed by the Pininfarina Group. No actions against the Group have been filed by creditors.
3) The transactions with related parties of Pininfarina Group are listed on page 50 of this document.
4) The results for the first quarter of 2010 show that the Company is in compliance with the covenants of the Rescheduling Agreement with the Lender Institutions currently in effect.
5) The implementation of the plan to restructure the indebtedness of Pininfarina S.p.A. is proceeding according to plan.
6) As for the progress made in implementing the Industrial Plan, thus far, there have been no changes from the situation described in the Report of the Board of Directors on the 2009 annual financial statements.

Outlook for the Balance of 2010 and Significant Events Occurring After March 31, 2010

The 2010 reporting year will end with negative EBITDA and EBIT. Specifically, the production orders will come to an end and the service operations will face another challenging year in the markets where they operate. As a result, value of production is expected to decrease by about 20% compared with the amount reported in 2009. The net loss for the year should be significantly smaller than the amount reported in 2009 and in line with the projections of the Industrial and Financial Plan. At December 31, 2010, the net financial position is expected to show relatively little change compared with the end of 2009. Based on the outlook for the current year, the Company expects to be in compliance with the covenants of the agreements with its Lender Institutions.

On April 30, 2010, Pininfarina S.p.A. paid an installment of 4.4 million euros of the debt owed to the Lender Institutions, in accordance with the Rescheduling Agreement currently in effect. Since the signing of the Rescheduling Agreement, the Group's Parent Company has repaid a total of 84 million euros in principal amount to the creditor banks (including Fortis Bank).

There have been no new developments in the dispute with Mitsubishi Motor Europe subsequent to the disclosure provided to the market on March 29, 2010.

Assessment of the Company's Viability as a Going Concern

There are no new disclosures beyond the information provided in the Report of the Board of Directors on the 2009 annual financial statements, which should be consulted for additional details.

April 30, 2010

Paolo Pininfarina
Chairman
of the Board of Directors

Reclassified Consolidated Income Statement

(in thousands of euros)

	Data	at				Data at
	3/31/10	%	3/31/09	%	Change	12/31/09
Net revenues	55,224	95.31	60,400	92.06	(5,176)	186,176
Changes in inventory of work in progress and finished goods	2,207	3.81	3,719	5.67	(1,512)	8,992
Other income and revenues	513	0.89	1,094	1.67	(581)	6,447
Work performed internally and capitalized	0	0	394	0.60	(394)	0
Value of production for the period	**57,944**	**100.00**	**65,607**	**100.00**	**(7,663)**	**201,615**
Net gain/(loss) on disposal of non-current assets	0	0	2	0.00	(2)	4,658
Raw materials and outside services (*)	(48,713)	(84.07)	(47,489)	(72.38)	(1,224)	(140,138)
Change in inventory of raw materials	1,715	2.96	(1,844)	(2.81)	3,559	(4,324)
Value added	**10,946**	**18.89**	**16,276**	**24.81**	**(5,330)**	**61,811**
Labor costs (**)	(13,693)	(23,63)	(16,460)	(25.09)	2,767	(58,884)
EBITDA	**(2,747)**	**4.74**	**(184)**	**(0.28)**	**(2,563)**	**2,927**
Depreciation and amortization	(3,713)	(6.41)	(4,669)	(7.12)	956	(15,134)
(Additions)/Utiliz. of provis. and (Writedowns)	(1,354)	(2.34)	(1,588)	(2.42)	234	(23,664)
EBIT	**(7,814)**	**(13.349)**	**(6,441)**	**(9.82)**	**(1,373)**	**(35,871)**
Net financial income (expense)	593	1.03	391	0.60	202	3,074
Valuation of investments by the equity method	1,397	2.41	(2,038)	(3.11)	3,435	2,231
Profit before taxes	**(5,824)**	**(10.05)**	**(8,088)**	**(12.33)**	**2,264**	**(30,566)**
Income taxes	(237)	(0.41)	(280)	(0.42)	43	(180)
Net profit (loss)	**(6,061)**	**(10.46)**	**(8,368)**	**(12.75)**	**2,307**	**(30,746)**
Minority interest in net profit (loss)	**0**	**0,00**	**0**	**0,00**	**0**	**0**

(*) **Raw materials and outside services** is shown net of utilizations of the provisions for warranties and the provisions for risks and charges amounting to 312,000 euros in 2009 and 281,000 euros in 2010.

(**) **Labor costs** is shown net of utilizations of the provision for restructuring programs amounting to 182,000 euros in 2009 and 760,000 euros in 2010. In 2010, it includes the cost of De Tomaso Automobili employees seconded under a subcontracting agreement with the Group's Parent Company.

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

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

Reclassified Consolidated Statement of Financial Position

(in thousands of euros)

	Data at			Data at
	3/31/10	**12/31/09**	**Change**	**3/31/09**
Net non-current assets (A)				
Net intangible assets	3,605	3,732	(127)	4,307
Net property, plant and equipment	81,171	84,576	(3,405)	112,686
Equity investments	42,115	38,622	3,493	32,209
Total A	**126,891**	**126,930**	**(39)**	**149,202**
Working capital (B)				
Inventory	11,322	7,534	3,788	18,783
Net trade receivables and other receivables	58,114	59,631	(1,517)	106,672
Non-current assets held for sale	0	0	0	0
Deferred-tax assets	1,120	1,170	(50)	1,388
Trade accounts payable	(72,856)	(62,574)	(10,282)	(84,565)
Provisions for risks and charges	(19,062)	(18,957)	(105)	(27,841)
Other liabilities (*)	(12,680)	(10,366)	(2,314)	(15,519)
Non-current liabilities attributable to assets held for sale	0	0	0	0
Total B	**(34,042)**	**(23,562)**	**(10,480)**	**(1,082)**
Net invested capital (C=A+B)	**92,849**	**103,368**	**(10,519)**	**148,120**
Provis. for termination indemnities (D)	**9,877**	**10,954**	**(1,077)**	**21,683**
Net capital requirements (E=C-D)	**82,972**	**92,414**	**(9,442)**	**126,437**
Shareholders' equity (F)	**44,812**	**48,740**	**(3,928)**	**1,477**
Net financial position (G)				
Long-term debt	77,165	65,453	11,712	75,792
(Net liquid assets)/Net borrowings	(39,005)	(21,779)	(17,226)	49,168
Total G	**38,160**	**43,674**	**(5,514)**	**124,960**
Total as in E (H=F+G)	**82,972**	**92,414**	**(9,442)**	**126,437**

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

Consolidated Net Financial Position

(in thousands of euros)

	Data at			Data at
	3/31/10	**12/31/09**	**Change**	**3/31/09**
Cash and cash equivalents	48,674	75,143	(26,469)	50,577
Current assets held for trading	49,014	50,902	(1,888)	60,268
Current loans receivable and other receivables	28,568	17,688	10,880	34,213
Available-for-sale current assets	0	0	0	0
Loans receivable from related parties and joint ventures	17,904	17,904	0	17,904
Due to banks	(28,718)	(29,662)	944	(44,331)
Current liabilities under finance leases	(48,393)	(71,273)	22,880	(109,929)
Loans payable to related parties and joint ventures	0	0	0	0
Current portion of long-term bank debt	(28,044)	(38,923)	10,879	(57,870)
Net liquid assets/(Net borrowings)	**39,005**	**21,779**	**17,226**	**(49,168)**
Long-term loans and other receiv. from outsiders	59,024	70,012	(10,988)	87,293
Long-term loans and other receivables from related parties and joint ventures	27,097	26,856	241	45,414
Held-to-maturity non-current assets	257	753	(496)	768
Long-term liabilities under finance leases	(92,160)	(91,793)	(367)	(118,524)
Long-term bank debt	(71,383)	(71,281)	(102)	(90,743)
Net long-term debt	**(77,165)**	**(65,453)**	**(11,712)**	**(75,792)**
Net financial position	**(38,160)**	**(43,674)**	**5,514**	**(124,960)**

Consolidated Net Borrowings

(CESR /05-04b)

(in thousands of euros)

		Data at			Data at
		3/31/10	**12/31/09**	**Change**	**3/31/09**
A.	Cash	(48,674)	(75,143)	(26,469)	(50,577)
B.	Other liquid assets	0	0	0	0
C.	***Securities held for trading***	***(49,014)***	***(50,902)***	***(1,888)***	***(60,268)***
D.	***Total liquid fund (A.)+(B.)+(C.)***	***(97,688)***	***(126,045)***	***(28,357)***	***(110,845)***
E.	***Current financial receivables***	***(46,472)***	***(35,592)***	***(10,880)***	***(52,117)***
F.	Short-term bank account overdrafs	28,718	29,662	944	44,331
	Current portion of secured bank loans	*5,037*	*5,037*	*0*	*5,346*
	Current portion of unsecured bank loans	*23,007*	*33,886*	*10,878*	*52,524*
G.	Current portion of non-current debt	28,044	38,923	10,879	57,870
H.	Other current financial payables	48,393	71,273	22,880	109,929
I.	***Current financial debt (F.)+(G.)+(H.)***	***105,155***	***139,858***	***34,703***	***212,130***
J.	***Debt / Net current Financial (Position)***	***(39,005)***	***(21,779)***	***17,226***	***49,168***
	Non-current portion of secured bank loans	*27,920*	*27,920*	*0*	*34,656*
	Non-current portion of unsecured bank loans	*43,464*	*43,361*	*(103)*	*56,086*
K.	Non-current bank account overdrafs	71,384	71,281	(103)	90,743
L.	Bonds issued	0	0	0	0
M.	Other non-current financial payables	92,160	91,793	(367)	118,524
N.	***Non-current net financial debt (K.)+(L.)+(M.)***	***163,544***	***163,074***	***(470)***	***209,266***
O.	***Net financial debt (J+N)***	**124,539**	**141,295**	**16,756**	**258,435**

(1) The "Net Borrowings" schedule provided above is presented in accordance with the format recommended by the Consob in Communication DEM No. 6064293 of July 28, 2006, which implements E.U. Regulation CESR/05-04b. Because the purpose of the abovementioned schedule is to show "Net Borrowings," assets are shown with a minus sign and liabilities with a plus sign. In the "Net Financial Position" schedule provided on the previous page, assets are shown with a plus sign and liabilities with a minus sign.

The reason for the difference between the amount of the "Net Financial Position" schedule and that of the "Net Borrowings" schedule is that the latter does not include loans receivable and long-term financial receivables.
The total amount of those differences at the respective reference dates is shown below:

- At March 31, 2010: 86,379,000 euros;
- At December 31, 2009: 97,621,000 euros;
- At March 31, 2009: 133,475,000 euros.

Companies of the Pininfarina Group at March 31, 2010
(data presented in accordance with the IAS accounting principles)

Pininfarina S.p.A., the Group's Parent Company, reported value of production of 53 million euros at March 31, 2010, down from 61.2 million euros in the first three months of 2009 (-13.3%). EBITDA were negative by 4.3 million euros (+1 million euros in the first quarter of 2009). EBIT were also negative by 8.9 million euros (-5 million euros at March 31, 2009). The net loss widened to 8.4 million euros, or 3.6 million euros more than the amount lost in the first three months of 2009 (-4.8 million euros), causing shareholders' equity to decrease to 54.3 million euros, down from 62.7 million euros at December 31, 2009. At 38.1 million euros, net borrowings showed a reduction of 7.7 million euros compared with the 45.8 million euros owed at the end of 2009. The Company had 612 employees on its payroll at March 31, 2010, down from 1,646 employees a year earlier. The comments provided about the consolidated data for the first three months of 2010 apply to a significant extent also to the performance of the Group's Parent Company.

The **Pininfarina Deutschland** Group reported value of production of 3.6 million euros (3 million euros at March 31, 2009) and a net loss of 250,000 euros (net loss of 359,000 euros a year earlier). Net borrowings increased to 4.4 million euros, compared with 3.3 million euros at December 31, 2009. There were 183 employees on the payroll at March 31, 2010, up from 172 employees a year earlier.

The **Pininfarina Extra** Group ended the first three months of 2010 with value of production of 1 million euros (0.9 million euros at March 31, 2009) and a net profit of 147,000 euros (net loss of 95,000 euros a year earlier). The net financial position was positive by 2.3 million euros, up from a positive balance of 1.9 million euros at December 31, 2009. The staff decreased to 21 employees at March 31, 2010, down from 27 employees at the end of the first quarter of 2009.

At the end of the first quarter of 2009, following the divestment of its subsidiaries and business operations, **Matra Automobile Engineering SAS** reported a net loss of 1.3 million euros, as against a net profit of 1 million euros at March 31, 2010. The net financial position was positive by 1.6 million euros, down from 3 million euros at December 31, 2009. This company has one employee.

In the first quarter of 2010, **Pininfarina Maroc SAS** reported a value of production of 253,000 euros and a net loss of 22,000 euros (358,000 euros and 4,000 euros, respectively, at March 31, 2009). The net financial position was positive by 450,000 euros, unchanged from a year earlier. The company had 39 employees on its payroll, 6 fewer than at March 31, 2009.

RHTU AB completed the liquidation process in December 2009. At March 31, 2009, it reported a net profit of 128,000 euros and a positive net financial position of 1.1 million euros.

Pininfarina Sverige AB reported value of production of 73.5 million euros and a net profit of 2.4 million euros for the first quarter of 2010, as against value of production of 49.5 million euros and a net loss of 100,000 euros at March 31, 2009 (data for 100% of the company). A total of 2,938 cars were produced during the first three months of 2010, compared with 1,604 units a year earlier. Net indebtedness amounted to 75.3 million euros, down from 88.5 million euros at December 31, 2009. The company had 695 employees, 3 more than at March 31, 2009.

Véhicules Electriques Pininfarina Bolloré S.A.S.

The net loss of 115,000 euros incurred by the joint venture with the Bolloré Group (net loss of 334,000 euros in the first quarter of 2009) is the combined result of operating costs and interest expense. This company, which will market the electric car that is currently being developed by Pininfarina S.p.A., will become operational in 2011, when market sales of the electric car are expected to begin. Net indebtedness, owed in its entirety to the Bolloré Group, totaled 26.3 million euros (14.2 million euros at March 31, 2009). The company has no employees on its payroll.

PININFARINA GROUP

Consolidated Financial Statements at March 31, 2010

Consolidated Statement of Financial Position

	Note ref.	3/31/10	12/31/09
Property, plant and equipment		81,171,112	84,576,075
Land and buildings	7	62,700,286	63,177,154
Land		16,984,045	16,984,045
Buildings		35,833,187	36,220,418
Leased property		9,883,054	9,972,691
Plant and machinery	7	15,974,019	18,789,977
Machinery		4,032,216	5,833,477
Plant		11,276,303	11,948,166
Leased machinery and equipment		665,500	1,008,334
Furniture, fixtures and other property, plant and equipment	7	1,968,807	2,080,944
Furniture and fixtures		375,922	399,093
Hardware & software		851,093	925,420
Other property, plant and equipment (including vehicles)		741,792	756,431
Assets under construction	7	528,000	528,000
Intangible assets		3,604,782	3,732,110
Goodwill	8	1,043,495	1,043,495
Licenses and trademarks	8	2,287,141	2,393,764
Other intangibles	8	274,146	294,851
Equity investments		42,114,526	38,622,053
Joint ventures	9	41,685,613	38,182,341
Other companies	9	428,913	439,712
Deferred-tax assets	33	1,119,893	1,169,977
Non-current financial assets		86,378,750	97,621,842
Held-to-maturity long-term investments	10	257,247	753,247
Loans and other receivables form:		86,121,503	96,868,595
Outsiders	10	59,024,100	70,012,328
Related parties and joint ventures	10	27,097,403	26,856,267
Available-for-sale non-current financial assets		0	0
TOTAL NON-CURRENT ASSETS		**214,389,063**	**225,722,057**
Inventory		10,416,486	6,244,220
Raw materials	11	6,434,046	4,718,772
Work in process	11	3,096,379	740,894
Finished goods	11	886,061	784,554
Contract work in progress	11	905,601	1,289,831
Current financial assets		95,486,406	86,494,095
Current assets held for trading	10	49,013,937	50,902,010
Current loans receivables and other receivables from:		46,472,469	35,592,085
Outsiders	10	28,568,291	17,687,907
Related parties and joint ventures	10	17,904,178	17,904,178
Trade receivables and other receivables	11	58,114,421	59,630,771
Trade receivables from:	12	48,018,269	42,696,078
Outsiders		45,332,517	39,839,048
Related parties and joint ventures		2,685,752	2,857,030
Other receivables		10,096,152	16,934,693
Cash and cash equivalents	13	48,673,785	75,143,337
Cash on hand		378,282	1,281,793
Short-term bank deposits		48,295,503	73,861,544
TOTAL CURRENT ASSETS		**213,596,699**	**228,802,254**
Held-for-sale non-curret assets		**0**	**0**
TOTAL ASSETS		**427,985,762**	**454,524,311**

As required by Consob Resolution No. 15519 of July 27, 2006, the impact of transactions with related parties on the statement of financial position of the Pininfarina Group is shown in a separate schedule in the Note entitled "Other Information."

Consolidated Statement of Financial Position

	Note ref.	3/31/10	12/31/09
Common shares	14	30,150,694	30,150,694
Additional paid-in capital	15	46,442,181	46,442,181
Reserve for treasury stock	16	175,697	175,697
Statutory reserve	17	2,231,389	2,231,389
Reserve for currency translations	18	(642,934)	(2,775,698)
Other reserves	19	7,873,665	7,873,665
Retained earnings	20	(35,357,643)	(4,610,937)
Profit (Loss) for the period	21	(6,060,579)	(30,746,706)
GROUP INTEREST IN SHAREHOLDERS' EQUITY		**44,812,470**	**48,740,285**
Minority interest in shareholders' equity		**0**	**0**
TOTAL SHAREHOLDERS' EQUITY		**44,812,470**	**48,740,285**
Long-term borrowings	23	163,543,304	163,073,835
Liabilities under finance leases		92,159,862	91,792,791
Other indebtedness owed to:		71,383,442	71,281,044
Outsiders		71,383,442	71,281,044
Deferred-tax liabilities	33	2,365	2,365
Provision for termination indemnities		9,876,342	10,955,068
Provision for termination indemnities		9,876,342	10,955,068
TOTAL NON-CURRENT LIABILITIES		**173,422,011**	**174,031,268**
Current borrowings	23	105,154,805	139,857,834
Due to banks		28,717,896	29,662,152
Liabilities under finance leases		48,392,563	71,273,148
Bonds outstanding and other borrowings owed to:		28,044,346	38,922,534
Outsiders		28,044,346	38,922,534
Other payables	24	10,939,622	8,814,308
Wages and salaries		5,524,683	2,372,810
Due to social security institutions		711,599	879,313
Vacation days, sick days and personal days		192,812	121,455
Other liabilities		4,510,528	5,440,730
Trade accounts payable	24	72,856,196	62,574,036
Accounts payable to outsiders		71,756,022	61,293,384
Account payable to associated companies and joint ventures		61,870	58,658
Advances received for work in progress		1,032,304	1,221,994
Provision for current taxes		604,433	440,513
Direct taxes		32,050	26,431
Other taxes		572,383	414,082
Provision for other liabilities and charges	25	19,062,235	18,957,116
Provision for warranties		5,377,090	5,281,529
Provision for restructuring programs		1,840,591	2,464,423
Other provisions		11,844,554	11,211,164
Other liabilities		1,133,990	1,108,951
TOTAL CURRENT LIABILITIES		**209,751,281**	**231,752,758**
TOTAL LIABILITIES		**383,173,292**	**405,784,026**
Liabilities attributable to held-for-sale assets		**0**	**0**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**427,985,762**	**454,524,311**

Consolidated Income Statement (*)

	Note ref.	3/31/10	3/31/09
Sales and service revenues	26	55,224,461	60,400,486
Increase in Company-produced non-current assets		0	393,525
Change in inventories of finished goods and work in progress		2,207,216	3,718,541
Change in contract work in progress		(249,776)	3,026,873
Change in inventories of work in progress, semifinished and finished goods		2,456,992	691,668
Other income and revenues	27	512,486	1,093,982
Total value of production		**57,944,163**	**65,606,534**
Gain on the sales of non-current assets	28	0	1,875
Amount earned on the sale of equity investments		*0*	*0*
Raw materials and consumables used		(41,576,176)	(35,909,186)
Raw materials and components		(43,291,450)	(33,945,296)
Change in inventories of raw materials, subsidiary materials and consumables		1,715,274	(1,843,890)
Provision for inventory risk		0	(120,000)
Other variable production costs		(965,917)	(2,066,257)
Consumables		(329,627)	(960,721)
Utilities		0	(21,258)
External maintenance costs		(636,290)	(1,084,279)
External variable engineering services		(1,874,912)	(4,543,288)
Wages, salaries and employee benefits	29	(13,692,562)	(16,460,354)
Production staff, office staff and managers		(11,579,738)	(15,520,802)
Independent contractors		(1,547,607)	0
Social security and other post-employment benefits		(565,217)	(939,552)
Depreciation, amortization and writedowns		(5,067,839)	(6,137,141)
Depreciation of property, plant and equipment		(3,515,978)	(4,409,325)
Loss on disposals of property, plant and equipment		(260)	0
Amortization of intangibles		(197,341)	(259,753)
Additions to provisions/Writedowns		(1,354,260)	(1,468,063)
Foreign exchange gains (losses)		3,011	69,832
Other expenses	30	(2,583,790)	(7,003,464)
Profit (Loss) from operations		**(7,814,022)**	**(6,441,450)**
Financial income (expense), net	31	593,193	391,480
Dividends		0	0
Value adjustments	32	1,396,950	(2,037,655)
Profit (Loss) before taxes		**(5,823,879)**	**(8,087,624)**
Income taxes for the period	33	(236,700)	(280,299)
Profit (Loss) for the period		**(6,060,579)**	**(8,367,923)**
Minority interest in shareholders' equity		**0**	**0**

	3/31/10	3/31/09
Profit (Loss) for the period	(6,060,579)	(8,367,923)
Number of common shares, net	30,150,694	9,301,042
Basic earnings (loss) per share	(0.20)	(0.90)

(*) As required by Consob Resolution No. 15519 of July 27, 2006, the impact of transactions with related parties on the income statement of the Pininfarina Group is shown in a separate schedule on the page that follows and in the Note entitled "Other Information."

Consolidated Statement of Comprehensive Income

(in thousands of euros)

	3/31/10	3/31/09
Group interest in net profit (loss) (A)	**(6,061)**	**(8,368)**
Gains (Losses) from translation of financial statements of foreign companies	2,133	(160)
Total other gains (losses), net of tax effect (B)	2,133	(160)
Total comprehensive net profit (loss) (A)+(B)	**(3,928)**	**(8,528)**
Minority interest in total comprehensive net profit (loss)	0	0
Total comprehensive net profit (loss)	**(3,928)**	**(8,528)**
Shareholders of the controlling company	**(3,928)**	**(8,528)**
Minority interest	0	0

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

		3/31/10	Amt.with related parties	3/31/09	Amt.with related parties
Sales and service revenues	26	55,224,461	268,853	60,400,486	7,657,254
Increase in Company-produced non-current assets		0		393,525	
Change in inventories of finished goods and work in progress		2,207,215	0	3,718,541	0
Change in contract work in progress		(249,776)		3,026,873	
Change in inventories of work in progress, semifinished and finished goods		2,456,992		691,668	
Other income and revenues	27	512,486		1,093,982	
Total value of production		**57,944,163**	**268,853**	**65,606,534**	**7,657,254**
Gain on the sales of non-current assets	28	0		1,875	
Amount earned on the sale of equity investments		*0*		*0*	
Raw materials and consumables used		(41,576,176)	0	(35,909,186)	0
Raw materials and components		(43,291,450)		(33,945,296)	
Change in inventories of raw materials, subsidiary materials and consumables		1,715,274		(1,843,890)	
Provision for inventory risk		0		(120,000)	
Other variable production costs		(965,917)	0	(2,066,257)	0
Consumables		(329,627)		(960,721)	
Utilities		0		(21,258)	
External maintenance costs		(636,290)		(1,084,279)	
External variable engineering services		(1,874,912)	(3,212)	(4,543,288)	(5,093)
Wages, salaries and employee benefits	29	(13,692,562)	0	(16,460,354)	0
Production staff, office staff and managers		(11,579,738)		(15,520,802)	
Independent contractors		(1,547,607)		0	
Social security and other post-employment benefits		(565,217)		(939,552)	
Depreciation, amortization and writedowns		(5,067,839)	0	(6,137,141)	0
Depreciation of property, plant and equipment		(3,515,978)		(4,409,325)	
Loss on disposals of property, plant and equipment		(260)		0	
Amortization of intangibles		(197,341)		(259,753)	
Writedowns		(1,354,260)		(1,468,063)	
Foreign exchange gains (losses)		3,011		69,832	
Other expenses	30	(2,583,790)		(7,003,464)	
Profit (Loss) from operations		**(7,814,022)**	**265,641**	**(6,441,450)**	**7,652,161**
Financial income (expense), net	31	593,193	241,136	391,480	683,613
Dividends		0		0	
Value adjustments	32	1,396,950		(2,037,655)	
Profit (Loss) before taxes		**(5,823,879)**	**506,777**	**(8,087,624)**	**8,335,774**
Income taxes for the period	33	(236,700)		(280,299)	
Profit (Loss) for the period		**(6,060,579)**	**506,777**	**(8,367,923)**	**8,335,774**
Minority interest in shareholders' equity		**0**	**0**	**0**	**0**

Statement of Changes in Consolidated Shareholders' Equity

	12/31/08	Total Profit (Loss) for the year	Translation restatements	Capital increase	Capital increase expenses	3/31/09
Common shares	9,301,042					9,301,042
Additional paid-in capital	26,843,769					26,843,769
Reserve for treasury stock	175,697					175,697
Statutory reserve	2,231,389					2,231,389
Reserve for currency translat.	(4,964,782)	(160,461)				(5,125,243)
Other reserves	187,873,265					187,873,265
Retained earnings	(7,328,866)		(204,125,840)			(211,454,706)
Profit (Loss) for the period	(204,125,840)	(8,367,923)	204,125,840			(8,367,923)
GROUP INTEREST IN SHAREHOLDERS' EQUITY	**10,005,676**	**(8,528,384)**	**0**	**0**	**0**	**1,477,291**
Minority interest in profit and res.	0					
TOTAL SHAREHOLDERS' EQUITY	**10,005,676**	**(8,528,384)**	**0**	**0**	**0**	**1,477,291**

	12/31/08	Total Profit (Loss) for the year	Translation restatements	Capital increase	Capital increase expenses	12/31/09
Common shares	9,301,042			20,849,652		30,150,694
Additional paid-in capital	26,843,769		(26,843,769)	48,996,682	(2,554,501)	46,442,181
Reserve for treasury stock	175,697					175,697
Statutory reserve	2,231,389					2,231,389
Reserve for currency translat.	(4,964,781)	2,189,083				(2,775,698)
Other reserves	187,873,265		(179,999,600)			7,873,665
Retained earnings	(7,328,866)		2,717,929			(4,610,937)
Profit (Loss) for the year	(204,125,840)	(30,746,706)	114,525,048	0		(30,746,706)
GROUP INTEREST IN SHAREHOLDERS' EQUITY	**10,005,676**	**(28,557,623)**	**400**	**69,846,334**	**(2,554,501)**	**48,740,285**
Minority interest in profit and res.	0					
TOTAL SHAREHOLDERS' EQUITY	**10,005,676**	**(28,557,623)**	**400**	**69,846,334**	**(2,554,501)**	**48,740,285**

	12/31/09	Total Profit (Loss) for the year	Translation restatements	Capital increase	Capital increase expenses	3/31/10
Common shares	30,150,694					30,150,694
Additional paid-in capital	46,442,181					46,442,181
Reserve for treasury stock	175,697					175,697
Statutory reserve	2,231,389					2,231,389
Reserve for currency translat.	(2,775,698)	2,132,764				(642,934)
Other reserves	7,873,665					7,873,665
Retained earnings	(4,610,937)		(30,746,706)			(35,357,643)
Profit (Loss) for the period	(30,746,706)	(6,060,579)	30746,706			(6,060,579)
GROUP INTEREST IN SHAREHOLDERS' EQUITY	**48,740,285**	**(3,927,815)**	**0**	**0**	**0**	**44,812,470**
Minority interest in profit and res.						
TOTAL SHAREHOLDERS' EQUITY	**48,740,285**	**(3,927,815)**	**0**	**0**	**0**	**44,812,470**

Consolidated Statement of Cash Flows (*)

	Data at	
	3/31/10	**31/03/09**
Profit (loss) for the period	**(6,060,579)**	**(8,367,923)**
Restatements	*2,220,228*	*6,891,064*
- Income taxes	236,700	280,299
- Depreciation of property, plant and equipment	3,515,978	4,409,325
- Amortization of intangibles	197,341	259,753
- Writedowns and additions to provisions	1,354,260	1,468,063
- Provision for pensions and seniority indemnities	(1,078,726)	(604,411)
- (Gains) Losses on sale of non-current assets	260	(1,875)
- (Gains) Losses available for sale financial assets	0	0
- (Financial income)	(1,444,795)	(2,686,428)
- Financial expense	851,602	1,743,001
- (Dividends)	0	0
- Value adjustment to shareholders' equity	(1,396,950)	2,037,655
- Other restatements	(15,442)	(14,320)
Changes in working capital	*9,141,128*	*(26,000,882)*
- Inventories	(4,172,266)	1,272,222
- Contract work in progress	384,230	(3,182,223)
- Trade accounts receivable and other receivables	1,345,070	(7,612,900)
- Accounts receivable from joint ventures	171,278	(6,967,787)
- Trade accounts payable	10,294,390	(8,270,660)
- Accounts payable to joint ventures	3,212	15,335
- Other changes	1,115,216	(1,254,870)
Cash flow from operating activities	**5,300,779**	**(27,477,741)**
(Financial expense)	(851,602)	(1,743,001)
(Income taxes)	(236,700)	(280,299)
Net cash flow used in operating activities	**4,212,477**	**(29,501,041)**
- Purchases of property, plant and equipment	(181,288)	(160,938)
- Proceeds from sale of property, plant and equipment	0	1,875
- Non-current loans receivable from borrowers outside the Group	2,491,918	(6,690,226)
- Non-current loans receivable from joint ventures	(241,136)	(653,756)
- Financial income	1,444,795	2,686,428
- Other equity investments	(2,095,523)	165,913
Net cash used in investing activities	**1,418,766**	**(4,650,703)**
- Borrowings from lenders outside the Group	(33,289,305)	1,165,698
- Other non-cash items	2,132,765	(160,461)
- Non-current assets held for sales or belonging to discontinued operations and related liabilities	0	(2,090,001)
Increase (Decrease) in cash and cash equivalents	**(25,525,297)**	**(31,056,506)**
- Cash and cash equivalents at beginning of the period	45,481,185	37,301,931
Cash and cash equivalents at end of the period	**19,955,888**	**6,245,424**
Cash and cash equivalents	48,673,784	50,576,823
Bank account overdrafts	(28,717,896)	(44,331,399)
Net cash and cash equivalents at end of the period	*19,955,888*	*6,245,424*

(*) Pursuant to Paragraph 7 of IAS 7 – Cash Flow Statements, transactions that did not produce a change in a cash position are not reflected in the statement provided above. As required by Consob Resolution No. 15519 of July 27, 2006, the impact of transactions with related parties on the Pininfarina Group, which reflects exclusively transactions with the Pininfarina Sverige AB and Véhicules Electriques Pininfarina-Bolloré SAS joint ventures, are discussed in Notes 10, 12 and 24 to the financial statements of the Pininfarina Group and in the Note entitled "Other Information."

Notes to the Financial Statements

1. General Information

The Pininfarina Group is centered around a core of automotive operations and based on the establishment of comprehensive collaborative relationships with carmakers. Operating 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, Germany, Sweden and Morocco. Its customers are located mainly in Italy, France, Great Britain and China.

The headquarters of Pininfarina S.p.A., the Group's Parent Company, are located at 6 Via Bruno Buozzi, in Turin. The Company's shares are traded on the Borsa Italiana securities market.

A list of the registered offices and other facilities where the Group companies conduct their business operations is provided in Note 6.

This interim report on operations of the Pininfarina Group is presented in euros, which is the currency used in the main markets in which the Group operates.

This interim report on operations was approved by the Board of Directors on April 30, 2010.

Changes in the Scope of Consolidation and the Group's Structure

The scope of consolidation did not change during the first quarter of 2010.

2. Accounting Principles

2.1. Presentation Criteria

Principles for the Preparation of the Interim Report on Operations

The interim report at March 31, 2010 of the Pininfarina Group was prepared in accordance with the International Financial Reporting Standards ("IFRS") published by the International Accounting Standards Board ("IASB") and adopted by the European Union, which are based on the going concern principle.

Issues related to the going concern principle are discussed in the section of the Annual Report at December 31, 2009 entitled "Assessment of the Company's Viability as a Going Concern and Business Outlook."

This interim report was prepared in accordance with the requirements of IAS 34 – *Interim Financial Reporting.* The accounting principles applied were the same as those used in the consolidated annual financial statements at December 31, 2009.

For the sake of full disclosure, it must be pointed out that new accounting principles, amendments and interpretations applicable as of 2010 had no impact on the data for the first quarter of 2010.

As part of the process of preparing these interim financial statements, management was required to make estimates and assumptions, based on the information available as of the date of this report, which have an impact on the reported amounts of revenues, expenses, assets and liabilities. Should actual circumstances prove to be different from those upon which the estimates and assumptions are based, the accounting effects of the resulting revisions will be recognized in the reporting period when the actual circumstances occur.

Moreover, as a rule, non-current assets are fully tested for impairment only in connection with the preparation of the annual financial statements, unless there are strong impairment indicators.

Actuarial valuations of employee benefit provisions are performed in connection with the preparation of the semiannual and annual financial statements.

The interim report on operations at March 31, 2010 was not audited.

2.2. Financial Statement Schedules

The financial statement schedules used in this interim consolidated report are the same as those used in the annual consolidated financial statements:

- Consolidated statement of financial position, in which current and non-currents assets and liabilities are classified separately;
- Consolidated income statement and statement of comprehensive income, shown as two separate schedules in which operating costs are classified by type;
- Consolidated statement of cash flows, in which the cash flow from operating activities is presented in accordance with the "indirect method," as allowed by IAS 7;
- Statement of changes in consolidated shareholders' equity.

Moreover, as required by Consob Resolution No. DEM/6064293 of July 28, 2006, income and expense that originate from nonrecurring transactions or from events that do not occur frequently in the normal course of business are specifically identified in the income statement with costs classified by type. The impact of the abovementioned transactions or events is shown in a separate schedule in the "Other Information" section of this Report.

Also pursuant to the abovementioned Consob Resolution, in the statement of financial position and statement of cash flows the amounts attributable to positions or transactions with related parties are listed separately from the other amounts in the corresponding accounts.

2.3 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.

Véhicules Electriques Pininfarina Bolloré SAS, a 50-50 joint venture established to develop the electric cart is also valued by the equity method.

(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 are carried at their current value or fair value, if it can be determined. Dividends received from these companies are recognized under Dividends in the income statement.

2.4 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 at the end of the period. 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 at the end of the period. 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 end-of-period exchange rate.

The table below lists the exchange rates used to translate financial statements denominated in currencies other than the Group's presentation currency:

	Mar. 31, 2010	**Avg. 2010**	**Mar. 31, 2009**	**Avg. 2009**
Euro vs currency:				
- U.S. dollar	1.348	1.383	1.331	1.303
- Swedish kronor	9.713	9.946	10.940	10.941
- Moroccan dirham	11.203	11.078	11.159	11.097

2.5 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.

Special-purpose assets used to produce specific cars under contract manufacturing agreements are depreciated by the units of production method, in accordance with Paragraphs 50 and 60 of IAS 16 – *Property, Plant and Equipment.*

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.

2.6 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 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.

Development work performed under styling, engineering and production contracts is included in the amount of financial receivables recognized in accordance with IFRIC 4 – *Determining Whether an Arrangement Contains a Lease* (see Note 2.19 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.

2.7 Recoverable Amount of Assets

The recoverable amount of intangibles with an indefinite useful life that are not amortized must 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 or CGUs.

a) Identification of Cash Generating Units and Allocation of Assets

CGUs, which reflect the Group's organizational and business structure, are defined as homogeneous aggregations that generate cash flows independently through the ongoing utilization of the assets allocated to them, in accordance with the recommendations of IAS 36 – *Impairment of Assets*, and based on two operating segments identified in accordance with IFRS 8 – *Segment Information:* 1) Styling and Engineering, and 2) Manufacturing.

Within the Manufacturing segment, the Group identifies other minimal CGUs, to which it allocates the assets used to manufacture automobiles, consisting of property, plant and equipment, and financial receivables recognized in accordance with IFRIC 4 – *Determining Whether an Arrangement Contains a Lease* (see Note 2.19 – Leases, below).

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

Financial receivables recognized in accordance with IFRIC 4 – *Determining Whether an Arrangement Contains a Lease* are valued at amortized costs. Consequently, they must be tested for impairment, as required by IAS 39 – *Financial Instruments: Recognition and Measurement*, 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.

c) Impairment Test of Property, Plant and Equipment

A full impairment test of property, plant and equipment is performed in connection with the preparation of annual financial statements.

2.8 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 investments.

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.

(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 Investments

Available-for-sale financial investments 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 flows, 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 reporting year, the Group tests its financial assets for objective indications of the existence of impairment losses. Specifically:

- in the case of financial assets valued at amortized cost, the required writedown is equal to the difference between their carrying value and the present value of the cash flows expected from the assets, discounted at the original effective interest rate;

- in the case of financial assets valued at cost, the required writedown is equal to the difference between their carrying value and the present value of the cash flows expected from the assets, discounted at the current market rate of return for similar financial assets.

Any impairment of available-for-sale financial assets, which are assets that the Group does not own at this time, must be recognized in accordance with Paragraphs 67 to 70 of IAS 39.

2.9 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.

As required by IAS 2 – *Inventories,* 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.

2.10 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.

2.11 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.

2.12 Non-current Assets Held for Sale

Non-current assets held for sale and discontinued operations refer to businesses or assets (or groups of assets) that have been sold or are in the process of being sold, the carrying value of which was or will be recovered mainly through a sale rather than through their ongoing use. These assets are valued at the lower of their net carrying value or their fair value, less costs to sell. In accordance with Paragraphs 38-40 of IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations,* the amounts applicable to non-current assets or a disposal group classified as held for sale must be shown separately on the balance sheet.

2.13 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 resold.

The share capital of Pininfarina S.p.A. consists of 30,166,652 common shares, par value 1 euros each. There are no other classes of shares.

2.14 Liabilities for Borrowings and Leases

Initially, liabilities for borrowings and leases are recognized at fair value, net of any incidental charges. Subsequently, as required by IAS 39 – *Financial Instruments: Recognition and Measurement,* 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.

2.15 Deferred Taxes

As required by IAS 12 – *Income 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.

2.16 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 the purposes of IAS 19 – *Employee Benefits,* 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 actuarial valuation required to determine the amount of the provision is carried out in connection with the preparation of the semiannual and annual reports.

The portion of the cumulative amount of the actuarial gains and losses generated by changes in estimates that exceeds by more than 10% the defined-benefit plan's liability 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.
If the liability decreases, the Company recognizes the resulting gains or losses when the decrease occurs.

(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 gives rise to an implied obligation.

(c) Employee Benefits Paid in Shares of Stock

The Group does not have employee benefits paid in shares of stock (stock option plans).

2.17 Provisions for Risks and Charges

Additions are made to the provisions for risks and charges in accordance with IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets* 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 expects to incur on the balance sheet date to satisfy the obligations.
Provisions established in previous years are reviewed on each reporting date and adjusted to reflect best current estimates.

More detailed information about the provisions for risks is provided in Note 25.

2.18 Revenue Recognition

As required by IAS 18 – *Revenues,* revenues 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.

2.19 Leases

(a) When the Pininfarina Group Is the Lessee

Pursuant to IAS 17 – *Leases,* 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 the interpretation 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 – *Determining Whether an Arrangement Contains a Lease* 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 – *Determining Whether an Arrangement Contains a Lease,* 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 – *Determining Whether an Arrangement Contains a Lease* 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.

2.20 Dividend Distributions

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

2.21 Financial Expense

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

Effective January 1, 2009, the Pininfarina Group adopted IAS 23R – *Borrowing Costs,* which substantially amended the previous version published in 1993. Under this new standard, borrowing costs directly attributable to the purchase, construction or production of an assets for which a substantial period of time will be required before it can be ready for use or for sale must be capitalized.

The adoption of this new reporting standard did not have a material effect during the first quarter of 2010.

2.22 Construction Contracts

The Group accounts for styling and engineering contracts in accordance with IAS 11 – *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, as required by Paragraph 25 of IAS 11 – *Construction Contracts.* 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 up to the amount of the costs incurred. If the amount of the advances is larger than that of the costs incurred, the difference is recognized ad a liability under Advances received for contract work in progress.

2.23 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.

In accordance with the provisions of Paragraph 17 of IAS 20 – *Accounting for Government Grants and Disclosure of Government Assistance,* 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.

2.24 Events Occurring After March 31, 2010

On April 30, 2010, Pininfarina S.p.A. paid an installment amounting to 4.4 million euros, owed to the Lender Institutions in accordance with the current Rescheduling Agreement. Additional information is provided in Note 13.

No other significant events occurred after March 31, 2010.

3. Financial Risk Factors

The Group’s financial instruments include the following:

- Cash and cash equivalents;
- Current assets held for trading, which consist mainly of government securities and other traded financial assets with a low risk profile;
- Loans and other receivables owed by outsiders and Group companies;
- Medium- and long-term loans payable;
- Liabilities under leases;
- Trade receivables and payables.

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

Financial risks, as identified in IFRS 7, 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 cash flows*).

Currency Risk: The Group borrows in its functional currency, which is the euro. Because it operates in an international environment, it has a limited exposure to fluctuations in the exchange rates of the following currencies versus the euro: Swedish kroner (SEK), U.S. dollar (USD) and Moroccan dirham (MAD).

The loan that Pininfarina S.p.A. provided to the Pininfarina Sverige AB joint venture is in euros and, consequently, entails no currency risk exposure. The currency risk arises only in connection with purchases of certain car components in U.S. dollars. However, due to the low transaction volume and because fluctuation ceilings are provided for in the underlying contracts with the buyer of the cars, the risk is limited.

Risk of Changes in Fair Value: The Group carries on its financial statements some "Current assets held for trading," which it measures at fair value. At March 31, 2010, the fair value of these assets, which consisted mainly of government securities and other highly rated listed securities, amounted to 49 million euros.

Price Risk: The Group's exposure to price risk is minimal because, by contract, the price at which it sells cars must be sufficient to cover any increases in the cost of purchased components.

Credit Risk: The Group does business with a limited number of customers, who are deemed to be reliable counterparts. Financial transactions are executed exclusively with financial institutions the reliability of which is beyond question.

The IFRIC 4 receivable owed by Fiat, which totaled 39.9 million euros at March 31, 2010, including both short and long-term amounts, is not exposed to a significant credit risk, in light of the new agreements executed with this customer in the first quarter of 2010, pursuant to which the full amount will be paid by the first quarter of 2012.

The IFRIC 4 receivable owed by Mitsubishi, amounting to 47.7 million euros at March 31, 2010, has a very high risk exposure, given the dispute pending with this customer. It must be pointed out that the collection of this receivable represents one of the main uncertainties concerning the achievement of the objectives of the Industrial Plan, upon which the Group's ability to operate as a going concern is based. Additional information is provided in the Report on Operations and Note 25 to the 2009 annual financial statements "Provisions for Risks and Charges and Contingent Liabilities."

Liquidity Risk: As a result of the Framework Agreement executed on December 31, 2008 with all of the Lender Institutions, with the exception of Fortis Bank, which was implemented in two phases, the Group was recapitalized by the amount of 250 million euros. In addition, the Group and the abovementioned Lender Institutions signed a Rescheduling Agreement, annexed to the Framework Agreement, the main features of which are:

- a reduction of 250 million euros of the disbursements for principal repayments originally required under lending and financing agreements;
- mandatory early repayments owed by Pininfarina S.p.A. to the Lender Institutions upon the occurrence of certain events involving mainly some asset divestments and the collection of the Mitsubishi receivable;
- a deferral to 2012 of the start of the accrual and payment of interest.

The combination of the financial benefits produced by the Rescheduling Agreement, the cash and cash equivalents, government securities and other financial assets held by the Company, and the availability of the Layoff Benefits Fund until August 2010, when, under the applicable regulation, conventional safety-net programs will become available for another five-year period, significantly reduces the exposure to the liquidity risk, at least for a 12-month period.

The divestment of business operations resulted in a drastic reduction of the Group's staff, with a resulting strong positive impact on cash outflows related to personnel costs.

However, the liquidity risk will be affected by the Group's ability to achieve the objectives of the Industrial and Financial Plan, which are described in detail in the Report on Operations included in the 2009 annual report.

Risk of Default and Debt Covenants: This risk refers to the possibility that loan agreements executed by the Group may contain provisions pursuant to which, upon the occurrence of certain events, the counterparties may demand the immediate repayment of the loaned amounts, thereby creating a liquidity risk. At December 31, 2009, the Group was in compliance with the debt covenants.

Interest Risk: The Group receives financing from credit institutions at regular market rates. The Rescheduling Agreement signed with the Lender Institutions on December 31, 2008 did not change the interest rates charged. However, it postponed to 2012 the start of the accrual and payment of interest. The Group is exposed to fluctuations in the following interest rates:

- Medium- and long-term loans: six-month Euribor plus a spread of 1.1%;
- Finance leases with Banca Italease S.p.A.: three-month Euribor plus a spread of 0.9%;
- Finance leases with Locat, BNP Paribas Lease Group and UBI Leasing: three-month Euribor plus a spread of 1.3%;
- Finance leases with Leasint, MPS Leasing & Factoring and Selmabipiemme Leasing: fixed rate of 5.7%;
- Building leases with Locat: three-month Euribor plus a spread of 0.83%.

Interest on short-term credit lines (operating lines) is computed at the six-month Euribor plus a spread of 1%, with regular accrual and payment due at the end of each utilization period.

The table that follows, which completes the disclosures required by IFRS 7, lists the types of financial instruments included in the financial statements, showing the valuation criteria applied and, for financial instruments measured at fair value, where they are listed (income statement or shareholders' equity).

Types of financial instruments	Criteria applied to measure financial instruments in financial statements							
	Financial instruments measured at fair value with fv difference recognized in:		Financial instruments valued at amortized cost	Investments in unlisted companies valued at cost	Carrying amount at 3/31/10	Fair value at 3/31/10	Carrying amount at 12/31/09	Fair value at 12/31/09
	Income statement	Shareholder's equity						
Assets								
Investments in other companies	0	0	0	428,913	428,913	428,913	439,712	439,712
Non-current financial assets (1)	0	0	97,366,978	0	97,366,978	97,366,978	97,621,842	97,621,842
Current assets held for trading	49,013,937	0	0	0	49,013,937	49,013,937	50,902,010	50,902,010
Current financial assets (2)	0	0	35,484,241	0	35,484,241	35,484,241	35,592,085	35,592,085
Trade receivables	0	0	48,018,269	0	48,018,269	48,018,269	42,696,078	42,696,078
Other receivables	0	0	10,096,152	0	10,096,152	10,096,152	16,934,693	16,934,693
Cash and cash equivalents	0	0	48,673,785	0	48,673,785	48,673,785	75,143,337	75,143,337
Liabilities								
Long-term borrowings	0	0	163,543,304	0	163,543,304	163,543,304	163,073,835	163,073,835
Current borrowing	0	0	105,154,805	0	105,154,805	105,154,805	139,857,834	139,857,834
Trade accounts payable	0	0	72,856,196	0	72,856,196	72,856,196	62,574,036	62,574,036
Other payables and Other liabilities	0	0	4,510,528	0	4,510,528	4,510,528	5,440,730	5,440,730
Other liabilities	0	0	1,133,990	0	1,133,990	1,133,990	1,108,952	1,108,952

(1) Includes 59,024,100 euros representing the long-term portion of IFRIC 4 receivables.

(2) Includes 28,568,291 euros representing the short-term portion of IFRIC 4 receivables.

4. Accounting for Financial Derivatives

The Group did not execute transactions involving financial 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 at fair value in the financial statements 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 hedges;
- Cash flow hedges;
- Transactions hedging 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 recognized in the statement of changes in shareholders' equity.

(a) Fair Value Hedges

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 Hedges

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 the income statement when incurred.

The amounts accumulated in shareholders' equity 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 hedging 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 shareholders' equity 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 shareholders' equity are transferred to the income statement.

(c) Transactions Hedging 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 profit or loss.

5. Operating Segments

The adoption of *IFRS 8 – Operating Segments,* applicable as of 2009, had no impact of the segment information provided by the Pininfarina Group, which is based on two operating segments: 1) Styling and Engineering, and 2) Manufacturing.

Consistent with the provisions of Paragraphs 5 to 10 of IFRS8, each styling and/or engineering contract signed with a customer represents a separate operating segment within the Styling and Engineering segment.

Within the Production segment, the operating segments coincide with the two current production contracts: Alfa Brera and Spider, and Ford Focus CC.

The table provides the required segment information at March 31, 2010 and shows a comparison with the same period last year: (amounts in thousands of euros):

	Manufacturing	Styling and engineering	Total for the Group
Value of production	50,099	11,357	61,456
Intra-segment value of production	(2,528)	(984)	(3,512)
Value of production	**47,571**	**10,373**	**57,944**
EBIT	(6,289)	(1,524)	(7,814)
Financial income (expense)			593
Interest in results of associates	1,512	(115)	**1,397**
Profit (Loss) before taxes			(5,824)
Income taxes			(237)
Profit (Loss) for the period			**(6,061)**

The results of by segment at March 31, 2009 are provided below: (amounts in thousands of euros)

	Manufacturing	Styling and engineering	Total for the Group
Value of production	48,039	22,420	70,459
Intra-segment value of production	(3,451)	(1,401)	(4,852)
Value of production	**44,588**	**21,019**	**65,607**
EBIT	(9,486)	3,045	(6,441)
Financial income (expense)			391
Interest in results of associates	(51)	(1,987)	**(2,038)**
Profit (Loss) before taxes			(8,088)
Income taxes			(280)
Profit (Loss) for the period			**(8,368)**

A breakdown of sales by geographic destination is as follows:

	3/31/10	3/31/09	Change
ITALY	17,470	17,470	2,531
E.U.	38,794	38,794	(6,479)
OUTSIDE THE E.U.	4,136	4,136	(958)
Total	**60,400**	**60,400**	**(5,176)**

6. Scope of Consolidation at March 31, 2010

List of Equity Investments

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	30,166,652	EUR	-	-	-

List of companies consolidated line by line

Name	Registered office	Country	Share capital	Currency	% interest held directly or indirectly	Consolidated companies	% capital share
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.	Florida-Fort Lauderdale 1710 West Cypress Creed Road	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	München Frankfurter Ring 17	DE	25,000	EUR	100	Pininfarina Deutschland GmbH	100
mpx Entwicklung GmbH	Leonberg Riedwiesenstr. 1	DE	26,000	EUR	100	Pininfarina Deutschland GmbH	100
Matra Automobile Engineering SAS	Paris, 68 rue du Faubourg Saint-Honoré	FR	971,200	EUR	100	Pininfarina S.p.A.	100
Pininfarina Maroc SAS	Casablanca - 57, Bd Abdelmoumen, Residence EL HADI "A", BP 20360	MA	8,000,000	MAD	100	Pininfarina S.p.A.	99,9
						Matra Automobile Engineering SAS	0,1

List of companies valued by the equity method in the consolidated financial statements

Name	Registered office	Country	Share capital	Currency	% interest held directly or indirectly	Consolidated companies	% capital share
Pininfarina Sverige A.B.	Uddevalla Varsvagen 1	SE	8,965,000	SEK	60	Pininfarina S.p.A.	60
Véhicules Electriques Pininfarina-Bolloré SAS	Puteaux 31-32 Quai de Dion Bouton	FR	20,040,000	EUR	50	Pininfarina S.p.A.	50
Pininfarina Recchi Buildingdesign S.r.l.	Torino Via Montevecchio 28	IT	100,000	EUR	50	Pininfarina Extra S.r.l.	50

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) Viale Venezia 24	IT	100,000	EUR	0	Pininfarina Extra S.r.l.	10,8

7. Property, Plant and Equipment

	Land	Buildings	Leased property	Total
Net value at December 31, 2009	**16,984,045**	**36,220,418**	**9,972,691**	**63,177,154**
Additions	0	256	0	256
Retiremens	0	0	0	0
Depreciation	0	(387,487)	(89,637)	(477,124)
Net value at March 31, 2010	**16,984,045**	**35,833,187**	**9,883,054**	**62,700,286**

The amount in the "Lease property" column refers to the Cambiano real estate complex, which is held under a finance lease and accounted for in accordance with IAS 17 – Leases.

The buildings and land that Pininfarina S.p.A. owns in Cambiano, San Giorgio and Bairo Canavese are encumbered by a mortgage provided to Banca Nazionale del Lavoro SpA – BNP Paripas Group (formerly Fortis Bank) to secure the remaining debt of 32.2 million euros at March 31, 2010. Those owned by Pininfarina Deutschland in Germany are encumbered by a mortgage that secures a loan amounting to 750,000 euros.

	Machinery	Plant	Leased plant machinery	Total
Net value at December 31, 2009	**5,833,477**	**11,948,166**	**1,008,334**	**18,789,977**
Additions	0	20,650	0	20,650
Retiremens	0	0	0	0
Depreciation	(1,801,261)	(692,513)	(342,834)	(2,836,608)
Net value at March 31, 2010	**4,032,216**	**11,276,303**	**665,500**	**15,974,019**

	Furniture and fixtures	Hardware & software	Other prop., plant and equipment	Total
Net value at December 31, 2009	**399,093**	**925,420**	**756,431**	**2,080,944**
Additions	21,406	27,049	41,656	90,112
Retiremens	0	0	0	0
Depreciation	(44,577)	(101,376)	(56,296)	(202,247)
Net value at March 31, 2010	**375,922**	**851,093**	**741,792**	**1,968,807**

There was no change in assets under construction during the first quarter of 2010.

8. Intangible Assets

	Goodwill	Licenses and trademarks	Other intangibles	Total
Net value at December 31, 2009	**1,043,495**	**2,393,764**	**294,851**	**3,732,110**
Additions	0	70,013	0	70,014
Retiremens	0	0	0	0
Depreciation	0	(176,636)	(20,705)	(197,341)
Net value at March 31, 2010	**1,043,495**	**2,287,141**	**274,146**	**3,604,782**

9. Equity Investments

Investments in joint ventures

	12/31/09	Purchases	Interest in result	Sales	Other changes	3/31/10
Pininfarina Sverige A.B.	36,255,726	0	1,511,548	0	2,106,322	39,873,595
Véhicules Electriques Pininfarina-Bolloré SAS	1,876,615	0	(114,598)	0	0	1,762,017
Pininfarina Recchi Buildingdesign S.r.l.	50,000	0	0	0	0	50,000
Total	**38,182,341**	**0**	**1,396,950**	**0**	**2,106,322**	**41,685,613**

The interest in the net profit of Pininfarina Sverige AB, amounting to 1,511,548 euros, is equal to 60% of the net profit earned by this Swedish joint venture in the first quarter of 2010.
Other changes includes the changes in translation reserve.

The interest in the loss of Véhicules Electriques Pininfarina-Bolloré SAS, amounting to 114,598 euros, is equal to 50% of the net loss incurred by the joint venture in the first three months of 2010.

Investments in other companies

	3/31/10	12/31/09	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	171,072	171,072	0
Numero Design Sarl	0	10,799	10,799
Total	**428,913**	**439,712**	**(10,799)**

The writeoff of the investment in Nord Est Design S.r.l. (investment held by Pininfarina Extra S.r.l.) reflects a change in the expected outcome of its liquidation, as foreseeable at this time.

10. Financial Assets

Held-to-maturity non-current financial assets

The amount of 257,247 euros represents the guarantee provided by Matra Automobile Engineering SAS to the buyers of its Ceram SAS subsidiary as protection from any liability that may arise subsequent to the sale. The amount is held in an escrow account at the Rothschild bank until December 31, 2010.

Loans and other receivables from outsiders

	12/31/09	Reclassif.	Increases	Collections	Writedowns	3/31/2010
Non-current loans and other receiv.	70,012,328	(10,988,228)	0	0	0	59,024,100
Current loans and other receivables	17,687,907	10,988,228	0	(107,845)	0	28,568,291
Total	**87,700,235**	**0**	**0**	**(107,845)**	**0**	**87,592,391**

The reclassification from non-current to current refers to the receivables representing the 2010 guaranteed production volumes, which will be collected in the first quarter of 2011.

The collection of financial receivables refers to the recovery of the receivables representing volumes produced by the Group's Parent Company during the period.

Loans and other receivables from affiliated companies and joint ventures

	3/31/10	12/31/09	Change
Non-current loans owed by Pininfarina Sverige AB	27,097,403	26,856,267	241,136
Current loans owed by Pininfarina Sverige AB	17,904,178	17,904,178	0
Total	**45,001,581**	**44,760,445**	**241,136**

Loans receivable from joint ventures accrue interest at market rates.

The increase in this account reflects the accrual of the interest for the period.

Even though Pininfarina S.p.A. owns 60% of Pininfarina Sverige AB, this company is valued by the equity method, as required by Paragraph 38 of IAS 31 – *Interests in Joint Ventures* and Paragraph 14 of IAS 27 – *Consolidated and Separate Financial Statements.*

The loan owed by Pininfarina Sverige AB, which was intended to provide this subsidiary with a portion of the financial resources needed to develop the Volvo C70 Convertible and set up the production line at a plant in Uddevalla, Sweden, will be repaid in full at the end of the first half of 2012.

Current assets held for trading

	Equity securities	Fixed income securities	Mutual funds	Total
Value at December 31, 2009	**1,724,694**	**43,376,635**	**5,800,680**	**50,902,010**
Fair value adjustment recognized in earnings	10,216	288,914	25,871	325,001
Purchases	0	10,068,634	0	10,068,634
Sales	0	(11,366,359)	(915,350)	(12,281,709)
Value at March 31, 2010	**1,734,910**	**42,367,824**	**4,911,201**	**49,013,937**

This category includes financial assets held for trading, which do not present a significant credit risk exposure because they consist mainly of government securities and other highly rated instruments.

Management of the investment portfolio is outsourced to top flight counterparties with a market reputation of high reliability. These assets are measured at fair value, based on their market prices.

The balance at March 31, 2010 included a restricted investment of 2,299,999 euros. Of this amount, 2,000,000 euros secure a surety provided to De Tomaso Automobili S.p.A. to cover compensation payment obligations, as is customary in transactions involving the sale of business operations, with a maximum guaranteed liability equal to the sales price. The surety has a term of five years and 30 days from the end of the 2009 reporting year.

11. Inventory and Contract Work in Progress

	3/31/10	12/31/09	Change
Raw materials	9,160,046	7,444,772	1,715,274
Work in process	3,096,379	740,894	2,355,485
Finished goods	886,061	784,554	101,507
Inventory obsolescence	(2,726,000)	(2,726,000)	0
Total	**10,416,486**	**6,244,220**	**4,172,266**

	3/31/10	12/31/09	Change
Contract work in progress	13,666,269	14,050,499	(384,230)
Allowance	(12,760,668)	(12,760,668)	0
Total	**905,601**	**1,289,831**	**(384,230)**

12. Trade Receivables and Other Receivables

Trade receivables from outsiders

	3/31/10	12/31/09	Change
Receivables from customers	47,729,248	42,080,183	(5,649,065)
Allowance for doubtful accounts	(2,396,732)	(2,241,135)	(155,595)
Total	**45,332,517**	**39,839,048**	**5,493,469**

The net carrying amount of trade receivables is deemed to be approximately the same as their fair value.

	12/31/09	Additions	Utilizations	3/31/10
Allowance for doubtful accounts	2,241,135	173,557	(17,960)	2,396,732
Total	**2,241,135**	**173,557**	**(17,960)**	**2,396,732**

The allowance for doubtful accounts was computed based on the assessment of the risk presented by some minor receivables.

Other receivables

	3/31/10	12/31/09	Change
Overpayments to social security institutions	199,944	198,748	1,196
Receivable from employees	10,456	5,928	4,528
VAT overpayments	1,491,380	8,480,232	(6,988,852)
Current taxes	2,294,266	2,291,711	2,556
Receivable from Equitalia	1,574,269	1,174,571	399,698
Advances to suppliers	1,449,673	921,188	528,485
Accrued income and prepaid expense	840,959	1,274,535	(433,576)
Sundry receivables	2,235,207	2,587,783	(352,576)
Total	**10,096,152**	**16,934,693**	**(6,838,541)**

The recovery of VAT overpayments by the Group's Parent Company accounts for most of the change in this account.

The receivable owed by Equitalia Nomos S.p.A. represents the installments paid by the Company until January 2010 for the liability entered into the tax rolls in connection with a dispute with the Revenue Administration.
On April 22, 2010, as a result of the decision handed down on February 17, 2010 by the Regional Tax Commission, which was favorable to the Company, Equitalia Nomos S.p.A. refunded a portion of the abovementioned installments, for a total of 1,185,972, pending a determination of the final refund owed to the Company, net of any tax payments owed in connection with some minor issues.

Receivables owed by related parties and joint ventures

Trade receivables owed by joint ventures at March 31, 2010 and December 31, 2009 reflect invoices issued for services provided by Pininfarina S.p.A. pursuant to its agreements with Volvo in connection with the production of the Volvo C70 Convertible by the Pininfarina Sverige AB joint venture at a factory in Uddevalla, Sweden.

13. Cash and Cash Equivalents

"Short-term bank deposits" include 5,000,594 euros held in escrow at Banca Intermobiliare. This escrow account was established as part of the transactions with De Tomaso Automobili S.p.A. in connection with a surety provided by Pininfarina S.p.A. to De Tomaso Automobili S.p.A. to guarantee full payment of the liabilities owed to suppliers of services and utilities to the Grugliasco plant, which were transferred to the buyer as part of the business operations.

On April 20, 2010, in a subsequent event concerning this surety, De Tomaso Automobili S.p.A., having determined that Pininfarina S.p.A. had paid the liabilities owed to suppliers of services and utilities to the Grugliasco plant, asked Banca Intermobiliare to reduce the surety from the original amount of 5,000,000 euros to 612,531.46 euros.

As a result, on April 26, 2010, Banca Intermobiliare released 4,387,468.74 euros from the escrow account and, on April 30, 2010, Pininfarina S.p.A. used this amount for a partial repayment to the Lender Institutions.

14. Share Capital

	No. of shares	Common shares	Treasury shares	Total
Balance at January 1, 2009	9,317,000	9,317,000	15,958	9,301,042
Balance at March 31, 2009	9,317,000	9,317,000	15,958	9,301,042
Balance at January 1, 2010	30,166,652	30,166,652	15,958	30,150,694
Balance at March 31, 2010	30,166,652	30,166,652	15,958	30,150,694

The Company's total authorized share capital is comprised of 30,166,652 common shares, par value of 1 euro each.

All issued shares have been fully paid-in.

At March 31, 2010, the Company held 15,958 of its own shares, valued at 42,927 euros. Following the adoption of IAS 32 and IAS 39 in January 2005, this amount is deducted from shareholders' equity.

These shares are held as treasury shares.

It is worth mentioning that the shares held by Pincar Srl are encumbered by a senior lien for the benefit of the creditor banks and that, in the second half of 2009, Pincar Srl retained the services of Leonardo & Co. S.p.A. for the purpose of selling its Pininfarina S.p.A. shares and reimburse the creditor banks for the financial receivables they assigned to Pincar Srl during the two phases of the Framework Agreement.

15. Additional Paid-in Capital

This reserve was unchanged compared with December 31, 2009.

16. Reserve for Treasury Stock

This reserve was unchanged compared with December 31, 2009.

17. Statutory Reserve

This reserve was unchanged compared with December 31, 2009.

18. Reserve for Currency Translations

The change in this reserve, compared with December 31, 2009, reflects the impact of translating into the consolidation currency financial statements denominated in foreign currencies.

19. Other Reserves

This reserve was unchanged compared with December 31, 2009.

20. Retained Earnings/(Loss Carryforward)

The change in this reserve reflects the impact of the net loss for the 2009 reporting year.

21. Earnings per Share

a) Basic profit (loss) per share

The loss per share was computed by dividing the net loss for the period by the number of common shares outstanding at the end of the period (excluding treasury shares).

	3/31/10	12/31/09	3/31/09
Net profit (loss)	(6,060,579)	(30,746,706)	(8,367,923)
Number of common shares, net	30,150,694	30,150,694	9,301,042
Basic earnings (loss) per share	(0.20)	(1.02)	(0.90)

The diluted loss per share is the same as the basic loss per share.

22. Stock Options

The Group does not have a stock option plan or any other arrangement involving stock options.

23. Borrowings

	3/31/10	12/31/09	Change
Non-current	**163,543,304**	**163,073,835**	**469,469**
Liabilities under finance leases	92,159,862	91,792,791	367,071
Bonds outstanding and other borrowings	71,383,442	71,281,044	102,398
Current	**105,154,805**	**139,857,834**	**(34,703,029)**
Due to banks	28,717,896	29,662,152	(944,256)
Liabilities under finance leases	48,392,563	71,273,148	(22,880,585)
Bonds outstanding and other borrowings	28,044,346	38,922,534	(10,878,188)
Total	**268,698,109**	**302,931,669**	**(34,233,560)**

The decrease of 22,513,514 euros in current and non-current liabilities under finance leases is the net result of the following transactions:

- Reduction of 22,880,585 euros for the repayment made to the creditor banks on March 2, 2010, as required by the Framework Agreement.
- Addition of 367,071 euros for accrued interest payable.

The decrease of 10,775,790 euros in other indebtedness, which includes medium- and long-term debt, is the net result of the following transactions:

- Reduction of 10,878,188 euros for the repayment made to the creditor banks on March 2, 2010, as required by the Framework Agreement.
- Addition of 102,398 euros for accrued interest payable.

The interest payable accrued in the first quarter of 2010, which, however, did not require a cash outlay, was added to the carrying amount of the corresponding liabilities.

A breakdown of financial liabilities by lender is provided below:

	Remaining indebtedness at 12/31/2009	Repayments at 3/02/2010	Figurative charges at 3/31/2010	Remaining indebtedness at 3/31/2010
Banca Intesa	27,880,522	3,926,223	36,289	23,990,588
Banca Italease	2,090,878	294,467	2,735	1,799,147
Unicredit Corporate Banking Spa	13,428,441	1,891,007	17,461	11,554,895
Unicredit Corporate Banking Spa (ex B.Roma)	9,293,507	1,308,741	13,891	7,998,657
Banca Nazionale del Lavoro	4,224,406	594,882	5,491	3,635,015
Banca Regionale Europea	4,646,370	654,371	6,081	3,998,081
Banca Regionale Europea (ex B.Pop.Bergamo)	6,970,269	981,556	9,122	5,997,835
Banca Popolare di Novara	8,712,740	1,226,945	11,334	7,497,128
Leasint (Leasing Alfa)	36,372,772	5,070,511	140,781	31,443,042
MPS Leasing (Leasing Alfa)	18,186,387	2,535,256	70,391	15,721,521
Selmabipiemme (Leasing Alfa)	18,186,387	2,535,256	70,391	15,721,521
Release Spa (ex B.Italease - Leasing Ford)	48,276,963	6,814,682	36,064	41,498,345
BNP Paribas (Leasing Mitsubishi)	15,451,070	2,177,026	18,593	13,292,637
UBI Leasing (Leasing Mitsubishi)	7,725,534	1,088,513	9,297	6,646,318
Locat (Leasing Mitsubishi)	15,451,070	2,177,026	18,593	13,292,637
Locat (Leasing Cambiano)	3,415,757	482,314	2,960	2,936,403
Total	**240,313,073**	**33,758,776**	**469,474**	**207,023,771**
BANKS	77,247,133	10,878,192	102,403	66,471,345
LEASING	163,065,940	22,880,584	367,071	140,552,426
Total	**240,313,073**	**33,758,776**	**469,474**	**207,023,771**

The schedule above does not include the remaining indebtedness for bank overdraft facilities (28,717,896 euros) and the amount of 32,206,443 euros owed to Banca Nazionale del Lavoro-BNP Paribas Group (formerly Fortis Bank), with whom Pininfarina S.p.A. executed a settlement agreement based on a multi-year amortization plan, the last payment of which is due on December 31, 2015. The balance of 750,000 euros refers to bank indebtedness of the Pininfarina Deutschland subsidiary.

As required by IAS 1 – *Presentation of Financial Statements* (Paragraphs 60 and following), the Pininfarina Group reclassified its borrowings in accordance with the new maturities set forth in the Framework Agreement, which, basically, call for the repayment of obligations under leases and medium- and long-term facilities to begin in 2012 and sets the final maturity at 2014 for obligations under leases and at 2015 for medium- and long-term facilities and the indebtedness owed to Fortis Bank.

At March 31, 2010, a total of 28.7 million euros had been drawn against available credit lines of up to about 50 million euros. The 50-million-euro ceiling was set in the Rescheduling Agreement.

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

	3/31/10	12/31/09
due within 1 year	105,154,805	139,857,834
due between 1 and 5 years	163,543,304	147,246,632
due after 5 years	0	15,827,204
Total	**268,698,109**	**302,931,669**

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

Borrowings (in thousands of euros)	**Amount at 12/31/09**	**Amount at 3/31/10**	**Amount due within 1 year**	**Amt. due from 1 to 5 years**	**Amount due after 5 years**
Total loans and other facilities	(110,203)	(99,428)	(28,044)	(71,383)	0
Total obligations under finance leases	(163,067)	(140,552)	(48,393)	(92,161)	0
Total liabilities for short-term credit lines	(29,662)	(28,718)	(28,718)	0	0
Total	**(302,932)**	**(268,698)**	**(105,154)**	**(163,544)**	**0**

There are no borrowings in currencies different from the euro. The Company is exposed to interest rate fluctuations on some facilities that are tied to the Euribor. Additional information about interest rates paid on indebtedness is provided earlier in this Report in Note 3 "Financial Risk Factors." 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. In addition, the Rescheduling Agreement includes financial covenants based on the consolidated data, with which the Group was in compliance at December 31, 2009. Additional information is provided in the Report on Operations and Annex I included in the 2009 Annual Report.

On April 30, 2010, in a subsequent event concerning its borrowings, Pininfarina S.p.A. paid 4,387,468.54 euros to the Lender Institutions who are parties to the Framework Agreement. As a result, the amount owed as of the date of this document for obligations under finance leases and long-term borrowings, including the indebtedness payable to Banca Nazionale del Lavoro – BNP Paribas Group (formerly Fortis Bank), totaled 235,592,744 euros.

24. Trade Accounts Payable and Other Payables

Accounts payable to outsiders

	3/31/10	**12/31/09**	**Change**
Accounts payable to suppliers	71,756,022	61,293,384	10,462,638
Advances received for work in progress	1,038,304	1,221,994	(183,690)
Total	**72,794,326**	**62,515,378**	**10,278,948**

Accounts payable to associated companies and joint ventures

	3/31/10	**12/31/09**	**Change**
Pininfarina Sverige AB	61,870	58,658	3,212
Total	**61,870**	**58,658**	**3,212**

Other liabilities

	3/31/10	**12/31/09**	**Change**
Income tax withheld from employees	506,623	1,222,700	(716,077)
Amounts owed to employees	492,596	692,668	(200,072)
Miscellaneous payables	3,511,309	3,525,362	(14,053)
Total	**4,510,528**	**5,440,730**	**(930,202)**

25. Provisions for Risks and Charges

	12/31/09	Additions	Utilizations	3/31/10
Provision for warranties	5,281,529	145,296	(49,735)	5,377,090
Provision for restructuring	2,464,423	136,365	(760,197)	1,840,591
Other provisions	11,211,164	888,243	(254,853)	11,844,554
Total	**18,957,116**	**1,169,904**	**(1,064,785)**	**19,062,235**

The "Provision for restructuring charges" reflects a best estimate of the liability for restructuring charges. Utilizations correspond to the cost incurred for retirement incentives and for the use of the long-term unemployment benefit program by the Group's Parent Company in the first quarter of 2010.

26. Revenues

	3/31/10	3/31/09	Change
Sales revenues - Italy	15,918,446	14,727,536	1,190,910
Sales revenues - UE	26,511,054	27,051,442	(540,388)
Sales revenues - Non UE countries	126,026	2,861	123,165
Services revenues - Italy	4,082,828	2,742,470	1,340,358
Services revenues - UE	5,534,069	11,742,563	(6,208,494)
Services revenues - Non UE countries	3,052,038	4,133,614	(1,081,576)
Total	**55,224,461**	**60,400,486**	**(5,176,025)**

Sales revenues totaled 55.2 million euros in the first quarter of 2010. The decrease of 8.6%, compared with the same period last year, is mainly the result of a shortfall in the revenues generated by the engineering services operations.

"Service revenues in Italy" includes 2 million euros invoiced by Pininfarina S.p.A. to Open Air System Italia S.r.l. (supplier of retractable roof systems) in accordance with a settlement reached by the two companies in March 2010 to finalize the respective commercial positions related to the Ford and Alfa programs, which are scheduled to end in the near future.

27. Other Income and Revenues

	3/31/10	3/31/09	Change
Amounts rebilled	152,728	156,605	(3,877)
Out-of-period income	278,950	166,739	112,211
Insurance settlements	3,313	130,966	(127,653)
Royalties	0	125,000	(125,000)
Rebilling	26,362	11,218	15,144
Research grants	32,664	24,817	7,847
Operating grants	0	451,402	(451,402)
Sundry items	18,470	27,235	(8,765)
Total	**512,486**	**1,093,982**	**(581,496)**

28. Gains on the Sale of Non-current Assets

	3/31/10	12/31/09	Change
Gain on the sale of equity investments	0	0	0
Gain on the sale of other assets	0	1,875	(1,875)
Total	**0**	**1,875**	**(1,875)**

29. Personnel expense

	3/31/10	3/31/09	Change
Wages and salaries	9,709,352	12,212,621	(2,503,269)
Employee benefits	2,630,583	3,490,462	(859,879)
Independent contractors	1,547,607	0	1,547,607
Addition to Provision for termination indemnities	565,217	939,552	(374,335)
Utiliz.Prov.restruct.charges	(760,197)	(182,281)	(577,916)
Total	**13,692,562**	**16,460,354**	**(2,767,792)**

"Wages, salaries and employee benefits" decreased due to the downsizing of the Parent Company's staff, following the sale of business operations at the end of 2009. The amount shown for "Contractors" reflects the costs rebilled to Pininfarina S.p.A. by De Tomaso Automobili S.p.A., in the first quarter of 2010, for employees transferred with the divested business operations but seconded to plants operated by Pininfarina S.p.A. in San Giorgio and Bairo Canavese.

The increased use of the "Provision for restructuring charges," compared with the first three months of 2009, is due to an increase in the use of retirement incentives and the effect of the long-term unemployment benefit program.

A breakdown of the Group's workforce at March 31, 2010 is as follows:

	3/31/10	12/31/09	Change
Executives	33	35	(2)
Office staff	701	789	(88)
Production staff	122	1067	(945)
Total	**856**	**1,891**	**(1,035)**

The year-over-year decrease reflects the impact of the contract to sell certain business operations, which the Parent Company executed on December 31, 2009, and other staff reductions.

30. Other Expenses

	3/31/10	3/31/09	Change
Travel expenses	301,181	394,284	(93,104)
Rentals	731,500	951,100	(219,600)
Fees paid to Directors and Statutory Auditors	253,679	260,859	(7,180)
Consulting and other services	21,172	3,032,924	(3,011,752)
Other personnel costs	230,654	274,880	(44,226)
Telegraph and postage	106,869	73,590	33,279
Cleaning and waste disposal services	193,923	422,143	(228,221)
Advertising	93,969	235,285	(141,316)
Taxes	113,518	31,907	81,611
Insurance	179,576	227,462	(47,887)
Membership dues	24,238	51,968	(27,730)
Out-of-period charges	21841	120,598	(98,757)
General services	42,336	402,942	(360,606)
Sundry expenses	269,334	523,521	(254,187)
Total	**2,583,790**	**7,003,464**	**(4,419,674)**

A significant portion of the decrease in "Consulting and other services" (about 1.7 million euros) is attributable to Matra Automobiles Engineering SAS. In 2009, this French subsidiary incurred costs related to the sale of its operating activities and to file an application for tax credits for research programs in 2006, 2007 and 2008.

The rest of the decrease (about 1.3 million euros) is attributable to the Parent Company, which in the first quarter of 2009 incurred costs for services used to implement Phase II of the Framework Agreement, which did not recur in 2010.

31. Financial Income (Expense), Net

	3/31/10	3/31/09	Change
Financial expense paid to banks	(226,805)	(460,645)	233,840
Financial expense paid under leases	(367,071)	(792,402)	425,331
Financial exp. on medium- and long-term borrowings	(257,726)	(765,927)	508,201
Realized losses from marking securities to market	0	(275,973)	275,973
Total financial expense	**(851,602)**	**(2,294,948)**	**1,443,346**
Bank interest earned	92,259	145,720	(53,461)
Realized gains from marking securities to market	198,270	732,807	(534,537)
Interest earned on long-term loans to outsiders	622,822	1,124,288	(501,406)
Interest earned on long-term loans to joint ventures	241,136	683,613	(442,477)
Gains on trading securities	290,248	0	290,248
Total financial income	**1,444,795**	**2,686,428**	**(1,241,633)**
Net financial income (expense)	**593,193**	**391,480**	**201,713**

32. Valuation of Equity Investments by the Equity Method

	3/31/10	3/31/09	Change
Pininfarina Sverige AB	1,511,548	(51,017)	1,562,565
Véhicules Electriques Pininfarina-Bolloré SAS	(114,598)	(1,986,638)	1,872,040
Total	**1,396,950**	**(2,037,655)**	**3,434,605**

The increase of 1,562,565 euros for the pro rata interest in the result of Pininfarina Sverige AB corresponds to 60% of the net profit earned by this Swedish joint venture in the first quarter of 2010 as a result of the higher volumes invoiced during the period.

The positive change of 1,872,040 euros includes 1,819,638 euros, corresponding to 50% of the smaller margin generated during the period by Pininfarina SpA in transactions with the Véhicules Electriques Pininfarina-Bolloré joint venture.

33. Income Taxes for the Period

	3/31/10	3/31/09	Change
Current taxes	(189,026)	(357,218)	168,192
Prepaid taxes	(50,084)	104,263	(154,347)
Deferred taxes	2,410	(27,344)	29,754
Total	**(236,700)**	**(280,299)**	**43,599**

The decrease in current taxes reflects primarily the reduced impact of labor costs on the IRAP taxable base and a decrease in operating results reported by the Parent Company.

Residual effects on subsidiaries and consolidation entries are the main reason for the changes in prepaid and deferred taxes.

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

Other Information

Disclosure Required Pursuant to Consob Communication No. DEM/6064293 of July 28, 2006

Transactions with related Parties of the Pininfarina Group at March 31, 2010

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

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

Companies consolidated by the equity method

(in thousands of euros)	Trade Receivables	Trade Liabilities	Financial Receivables	Financial Liabilities	Revenues	Costs	Financial Income	Financial Expense
Pininfarina Sverige AB	2,674	62	45,002	0	262	3	241	0
Véhicules Electriques Pininfarina Bolloré S.A.S.	0	0	0	0	7	0	0	0
Totale	**2,674**	**62**	**45,002**	**0**	**269**	**0**	**241**	**0**

The table below shows the maximum exposure for the loan owed by the Pininfarina Sverige joint venture in 2010:

(in thousands of euros)	Amount at 3/31/10	Amount in 2010
Pininfarina Sverige AB	45,002	45,002

Compensation of Directors, Statutory Auditors and Executives with Strategic Responsibilities

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

(in thousands of euros)	3/31/10	3/31/09
Directors	225	235
Statutory Auditors	29	26
Total compensation	**254**	**261**

The total cost incurred in the first quarter of 2010 for the compensation of executives of Pininfarina S.p.A. with strategic responsibilities amounted to about 0.6 million euros.

Other Related Parties

No transactions with other related parties requiring disclosure occurred in the first quarter of 2010.

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 statement of financial position and income statement amounts presented below have been restated to eliminate the impact of the following extraordinary transaction:

i. Settlement between Pininfarina S.p.A. and Open Air System Italia S.r.l. (see Note 26 to the financial statements)

Consolidated Balance Sheet	**Statutory financial statements at 3/31/10**	**Statutory financial statements at 3/31/10 net of extraordinary transactions**
Net intangible assets	3,604,782	3,604,782
Net property, plant and equipment	81,171,112	81,171,112
Non-current financial assets	86,378,750	86,378,750
Equity investments	42,114,526	42,114,526
Inventory	11,322,087	11,322,087
Current financial assets	95,486,406	95,486,406
Net trade receivables and other receivables	58,114,421	56,114,421
Deferred-tax assets	1,119,893	1,119,893
Cash and cash equivalents	48,673,785	48,673,785
Held-for-sale assets	0	0
TOTAL ASSETS	**427,985,762**	**425,985,763**
Reserves	50,873,049	50,873,049
Profit (Loss) for the period	(6,060,579)	(6,060,579)
TOTAL SHAREHOLDERS' EQUITY	**44,812,470**	**44,812,470**
Long-term borrowings	163,543,304	163,543,304
Deferred-tax liabilities	2,365	2,365
Provision for termination indemnities	9,876,342	9,876,342
Current borrowings	105,154,805	105,154,805
Other payables	10,939,622	10,939,622
Trade accounts payable	72,856,196	72,856,196
Provision for current taxes	604,433	604,433
Provision for other liabilities and charges	20,196,225	20,196,225
Liabilities attributable to held-for-sale assets	0	0
TOTAL LIABILITIES	**383,173,292**	**383,173,292**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**427,985,762**	**425,985,762**

Consolidated Income Statement	Statutory financial statements at 3/31/10	Statutory financial statements at 3/31/10 net of extraordinary transactions
Net revenues	55,224,461	53,224,461
Change in inventory of finished goods and work in process	2,207,216	2,207,216
Other income and revenues	512,486	512,486
Company-produced non-current assets	0	0
Value of production	**57,944,163**	**55,944,163**
Net gain on the sale of non-current assets	(260)	(260)
Raw materials and outside services used	(48,713,057)	(48,713,057)
Change in inventory of raw materials	1,715,274	1,715,274
Value added	**10,946,121**	**8,946,121**
Labor costs	(13,692,562)	(13,692,562)
EBITDA	**(2,746,441)**	**(4,746,441)**
Depreciation and amortization	(3,713,319)	(3,713,319)
(Additions to provisions/Writedowns) / Utilizations	(1,354,260)	(1,354,260)
EBIT	**(7,814,022)**	**(9,814,022)**
Financial income (expense), net	593,193	593,193
Other income (expense), net	1,396,950	1,396,950
Profit before taxes	**(5,823,879)**	**(7,823,879)**
Income taxes for the year	(236,700)	(236,700)
Net profit (loss) for the year	**(6,060,579)**	**(8,060,579)**

Positions or Transactions Arising from Atypical and/or Unusual Dealings

As required by the Consob Communication of July 28, 2006, the Pininfarina Group discloses that in the first quarter of 2010 it was not a party to transactions arising from atypical or unusual dealings, as defined in the abovementioned Communication, according to which atypical and/or unusual dealings are dealings that, because of their significance/material amount, nature of the counterpart, subject of the transaction, method used to determine the sales price and timing of the event, could create doubts as to: the fairness and/or completeness of the information provided in the financial statements, the existence of a conflict of interests, the safety of the corporate assets and the protection of minority shareholders.