PININFARINA GROUP

Interim Report on Operations at March 31, 2011

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, 2011

Approved by the Board of Directors
on May 13, 2011

Honorary Chairman	Sergio	Pininfarina
Board of Directors		
Chairman*	Paolo	Pininfarina
Chief Executive Officer	Silvio Pietro	Angori
Directors	Gianfranco	Albertini (2)
	Edoardo	Garrone (1) (3)
	Enrico	Parazzini (2) (3)
	Carlo	Pavesio (1)
	Roberto	Testore (1) (2) (3)

(1) Member of the Nominating and Compensation Committee

(2) Member of the Internal Control Committee

(3) Member of the Committee for Transactions with Related Parties

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 external parties and in court proceedings.

CONTENTS

Pininfarina Group

Pininfarina Group

Review of Operating and Financial Performance

The most significant issues that arise from the comparison between the consolidated data for the first quarter of 2011 and those at March 31, 2010 are reviewed below:

- The sharp reduction in value of production is due primarily to the end of the automobile contract manufacturing activities, which were shut down in November 2010 but were still active in the first quarter of 2010. The Service Sector, consisting of the styling and engineering operations, increased its overall business volume, but the loss at the EBIT level was larger than in 2010.

- Following the cancellation of the joint venture agreements with Volvo Car Corporation regarding Pininfarina Sverige AB, the data for the first quarter of 2011 no longer include the income statement results of this subsidiary, which contributed 1.5 million euros to the consolidated net result at March 31, 2010.

- The Group’s balance sheet and financial position at March 31, 2011 deteriorated compared with the first quarter of 2010, owing mainly to the terms of the Mitsubishi arbitration award, handed down in July 2010, which produced negative economic/financial effects amounting to 28.5 million euros. More specifically, consolidated shareholders’ equity decreased from 44.8 million euros at March 31, 2010 to the current 14.4 million euros, while net financial debt grew from 38.2 million euros in the first quarter of 2010 to 76.9 million euros in same period this year. Compared with the data at December 31, 2010, shareholders’ equity decreased by 6.6 million euros, due mainly to the loss for the period, and financial debt increased by 17.9 million euros, primarily as a result of changes in working capital.

At March 31, 2011, the consolidated value of production totaled 13.4 million euros, or 76.9% less than in the first three of 2010 (57.9 million euros).

EBITDA were negative by 4 million euros, compared with negative EBITDA of 2.7 million euros in the first quarter of 2010. On the other hand, the operating loss decreased by 1.5 million euros, amounting to 6.3 million euros (loss of 7.8 million euros at March 31, 2010). A reduction in depreciation and amortization (2.3 million euros) and lower writedowns (0.5 million euros) helped reduced the wider loss shown at the EBITDA level by the quarter-over-quarter comparison.

Financial activities generated net financial expense of 58,000 euros at March 31, 2011, as against net financial income of 0.6 million euros in the first quarter of 2010. The switch from a net positive to a net negative is due mainly to a decrease in interest earned on financial receivables owed by outsiders and the Pininfarina Sverige joint venture, due to a difference in repayments collected in the two periods under comparison, and the resulting decrease in interest income.

The Group’s interest in the result reported by the joint ventures Pininfarina Sverige (positive by 1.5 million euros at March 31, 2010) and Véhicules Electriques Pininfarina Bolloré (negative by 115,000 euros at March 31, 2010) was equal to zero, due to the cancellation of the joint venture agreement with Volvo, with regard to the former, and the sale of Pininfarina’s interest to the Bolloré Group (transaction closed on April 27, 2011), with regard to the latter.

The loss before taxes totaled 6.3 million euros (loss of 5.8 million euros at March 31, 2010). The net loss (after taxes of 179,000 euros) widened to 6.5 million euros, or 0.4 million euros more than the loss of 6.1 million euros reported in the first quarter of 2010.

The net financial position showed a negative balance of 76.9 million euros, compared with a negative balance of 59 million euros at December 31, 2010 (negative balance of 38.2 million euros at March 31, 2010). This deterioration of 17.9 million euros reflects primarily the effect of net working capital dynamics, as payments to suppliers attributable to production activities that ended in 2010 continued in the first quarter of 2011.

The Group's staff decreased from 856 employees at March 31, 2010 to 826 employees in the first quarter of 2011 (-3.5%). In addition, 603 employees worked at the Pininfarina Sverige A.B. joint venture in Sweden (695 employees a year earlier).

Performance of the Group's Business Sectors in the first three months of 2011

Operations Sector

Following the end of the automobile contract manufacturing activities in 2010, the "Manufacturing Sector" was renamed the "Operations Sector." In 2011, the Operations Sector included mainly activities involving the sale of spare parts for cars made in previous years, costs and revenues related to support activities and residual customer activities. Therefore, this change should be taken into account when making a comparison with the 2010 data.

The value of production totaled 2.2 million euros (47.6 million euros in 2010). In the first quarter 2010, a total of 2,224 automobiles were produced in Italy, including 762 for Alfa Romeo and 1,462 for Ford.

La Pininfarina Sverige A.B. invoiced 2,607 cars, compared with 2,938 units in the first quarter of 2010 (-11.3%).

The Sector's EBIT, while negative by 4.4 million euros, improved compared with negative EBIT of 6.3 million euros at March 31, 2010.

Service Sector

The value of production of this Sector, which includes the styling and engineering operations, amounted to 11.2 million euros, or 7.7% more than the amount reported at March 31, 2010 (10.4 million euros). Engineering services provided by the German subsidiaries account for most of this increase.

The Sectors' EBIT were negative by 1.9 million euros, with the loss increasing by 0.4 million euros compared with March 31, 2010, when EBIT were negative by 1.5 million euros.

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

1) The net financial positions of the Pininfarina Group with current and non-current components listed separately, is shown on page 13 of this document;
2) There were no past-due amounts (financial or related to tax or employee benefit liabilities) owed by the Pininfarina Group. No actions against the Group have been filed by creditors.
3) The transactions with related parties of the Pininfarina Group are listed on page 46 of this document.

4) Insofar as the current year is concerned, compliance with the applicable covenants will be verified upon the publication of the consolidated financial statements at December 31, 2011. Presently, owing in part to the negative effects caused by the Mitsubishi arbitration award in 2010, the data at March 31, 2011 and projected data show non-compliance with the required financial parameters in 2011. With regard to this issue, the Company and the Lender Institutions are jointly pursuing a process to officially amend the terms of the existing agreement with regard to the income statement and balance sheet data upon which the financial covenants are based. The Lender Institutions, in keeping with the collaborative approach that has always guided their actions towards the Company, indicated their willingness to consider requests to amend the contractual stipulations. Based on these considerations, the Company is confident that it will be able to comply also in 2011 with the covenants of the current Rescheduling Agreement or, possibly, with those of an amended Agreement.

5) The implementation of the plan to restructure the indebtedness of Pininfarina S.p.A. is proceeding in accordance with the agreements currently in effect.

6) As for the progress made in implementing the Industrial Plan, nothing has changed compared with the situation described in the Report of the Board of Directors on the 2010 annual financial statements.

Significant Events Occurring After March 31, 2011 and Outlook for the Balance of 2011

Significant events occurring after March 31, 2011, which were already disclosed in the press release issued on April 29, 2011 in connection with the approval of the 2010 financial statements, are reviewed below.

On April 1, 2011, Pininfarina S.p.A. entered into an agreement with a company of the Cecomp Group, Bolloré S.A. and Véhicules Electriques Pininfarina Bolloré S.A.S. (VEPB) involving the leasing of certain business operations until December 31, 2013. The abovementioned business operations include the Bairo Canavese plant with its equipment, employment contracts for 57 employees, the existing provision for termination indemnities applicable to these employees and some contracts for the supply of utilities. Over the duration of the agreement, Pininfarina will receive a consideration of 14 million euros.

On April 11, 2011, the Government’s Legal Services Office served notice on the Company that it was appealing to the Supreme Court of Cassation a decision by which a higher-level tax commission fully upheld the position of Pininfarina S.p.A. in a dispute with the Internal Revenue Agency concerning VAT that started in 2006.

On April 12, 2011, the Internal Revenue Police, acting further to a tax audit launched in June 2010, served the Company with a Tax Audit Report, the main issues of which concerned the agreements executed on December 31, 2008 by Pininfarina S.p.A., its shareholder Pincar S.p.A. (now Pincar S.r.l) and the Lender institutions to recapitalize the Company and the tax treatment of these agreements with regard to some indirect taxes.

On April 27, 2011, Pininfarina S.p.A. sold to the Bolloré Group its interest in the 50-50 joint venture Véhicules Electriques Pininfarina Bolloré S.A.S. for a price of 10 million euros, which is substantially the same as the investment's carrying amount. In the second quarter of 2011, this transaction will generate a gain of about 9 million euros in the consolidated income statement, consistent with projections for the 2011 reporting year.

Following the end of contract manufacturing activities in 2010, the Pininfarina Group is now focused on the delivery of styling and engineering services. Consequently, the value of production is expected to be down sharply, falling by more than 50% compared with 2010. Despite this drastic reduction in value of production, both EBIT and the net result for the year are expected to be marginally in the black and, in any case, better than the amounts projected in the Industrial and Financial Plan.

On the balance sheet side, the possibility that new shareholders could enter the Company's ownership structure could help strengthen the existing shareholders' equity.

In 2011, under the Rescheduling Agreement with the Lender Institutions currently in effect, the Company will still not be required to pay interest on its remaining gross long-term indebtedness nor will it have to repay principal (except for the payments due to Fortis Bank, now Banca Nazionale del Lavoro S.p.A.). In view of these considerations and based on estimates for the current year, the Company expects to increase its liquidity, thanks to the collection of loans receivable and the divestment of equity investments. The amounts generated by transactions that are not strictly related to operating activities will be larger than the financial resources needed to fund working capital requirements, the dynamics of which are now structurally different following the change in business model that occurred in 2010 and 2011. Therefore, it seems reasonable to state that, over the medium term, the existing liquidity will be sufficient to secure the normal progress of the Group's operations and the timely compliance with the financial obligations towards all of its stakeholders. However, at the end of 2011, the net financial position is expected to show a deterioration of about 25% compared with 2010.

Assessment of Going Concern Viability

No new developments occurred compared with the situation described in the Report of the Board of Directors on the 2010 Annual Financial Statements, which should be consulted for additional information.

May 13, 2011

Paolo Pininfarina
Chairman
of the Board of Directors

Reclassified Consolidated Income Statement

(in thousands of euros)

	Data at					Data at
	First quarter 2011	**%**	**First quarter 2010**	**%**	**Change**	**2010**
Net revenues	10,411	77.73	55,224	95.31	(44,813)	204,407
Change in inventory of work in progress and finished goods	2,583	19.29	2,207	3.81	376	(1,133)
Other income and revenues	400	2.98	513	0.88	(113)	1,359
Value of production	**13,394**	**100.00**	**57,944**	**100.00**	**(44,550)**	**204,633**
Net gain/(loss) on disposal of non-current assets	15	0.11	-	-	15	2,453
Raw materials and outside services (*)	(6,421)	(47.94)	(48,713)	(84.07)	42,292	(161,758)
Change in inventory of raw materials	(104)	(0.77)	1,715	2.96	(1,819)	(4,132)
Value added	**6,884**	**51.40**	**10,946**	**18.89**	**(4,062)**	**41,196**
Labor costs (**)	(10,879)	(81.22)	(13,693)	(23.63)	2,814	(47,455)
EBITDA	**(3,995)**	**(29.82)**	**(2,747)**	**(4.74)**	**(1,248)**	**(6,259)**
Depreciation and amortization	(1,462)	(10.92)	(3,713)	(6.41)	2,251	(12,389)
(Additions)/Utiliz. of provis. and (Writedowns)	(824)	(6.15)	(1,354)	(2.34)	530	(1,350)
EBIT	**(6,281)**	**(46.90)**	**(7,814)**	**(13.49)**	**1,533**	**(19,998)**
Net financial income (expense)	(58)	(0.43)	593	1.03	(651)	676
Valuation of investments by the equity method	-	-	1,397	2.41	(1,397)	(12,895)
Profit (Loss) before taxes	**(6,339)**	**(47.33)**	**(5,824)**	**(10.05)**	**(515)**	**(32,217)**
Income taxes	(179)	(1.34)	(237)	(0.41)	58	(859)
Net profit (loss)	**(6,518)**	**(48.66)**	**(6,061)**	**(10.46)**	**(457)**	**(33,076)**

(*) **Raw materials and outside services** is shown net of utilizations of the provision for warranties and the provisions for risks amounting to 281,000 euros in 2010 and 459,000 euros in 2011.

(**) **Labor costs** is shown net of utilizations of the provision for restructuring programs amounting to 760,000 euros in 2010 and 612,000 euros in 2011.

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 intangibles.
- **(Additions)/Utilizations of provisions and (Writedowns)** includes (Additions)/Utilizations of provisions and (Writedowns) and Addition to the provision for inventory risk.
- **Net financial income (expense)** includes Net financial income (expense) and Dividends.

Reclassified Consolidated Statement of Financial Position

(in thousands of euros)

	Data at			Data at
	3/31/11	**12/31/10**	**Change**	**3/31/10**
Net non-current assets (A)				
Net intangible assets	2,993	3,095	(102)	3,605
Net property, plant and equipment	71,909	73,190	(1,281)	81,171
Equity investments	29,729	30,862	(1,132)	42,115
Total A	**104,631**	**107,146**	**(2,515)**	**126,891**
Working capital (B)				
Inventory	3,779	1,419	2,360	11,322
Net trade receivables and other receivables	21,739	28,300	(6,561)	58,114
Assets held for sale	1,131	-	1,131	-
Deferred-tax assets	967	1,012	(45)	1,120
Trade accounts payable	(19,193)	(34,901)	15,708	(72,856)
Provisions for risks and charges	(6,420)	(7,214)	794	(19,062)
Other liabilities (*)	(6,850)	(6,662)	(188)	(12,680)
Liabilities related to assets held for sale	-	-	-	-
Total B	**(4,847)**	**(18,046)**	**13,199**	**(34,042)**
Net invested capital (C=A+B)	**99,784**	**89,100**	**10,684**	**92,849**
Provision for termination indemnities (D)	**8,500**	**9,121**	**(621)**	**9,877**
Net capital requirements (E=C-D)	**91,284**	**79,979**	**11,305**	**82,972**
Shareholders' equity (F)	**14,422**	**21,004**	**(6,582)**	**44,812**
Net financial position (G)				
Long-term debt	184,558	173,036	11,522	77,165
(Net liquid assets)/Net borrowings	(107,696)	(114,061)	6,365	(39,005)
Total G	**76,862**	**58,975**	**17,887**	**38,160**
Total as in E (H=F+G)	**91,284**	**79,979**	**11,305**	**82,972**

(*) **Other liabilities** includes the following statement of financial position items: Deferred taxes, Other payables, Provision for current taxes and Sundry liabilities.

Consolidated Net Financial Position

(in thousands of euros)

	Data at			Data at
	3/31/11	12/31/10	Change	3/31/10
Cash and cash equivalents	75,788	86,374	(10,586)	48,674
Current assets held for trading	51,749	47,832	3,917	49,014
Current loans receivable and other receivables	11,292	10,988	304	28,568
Loans receivable from associates and joint ventures	17,904	17,904	-	17,904
Short-term bank debt	(26,000)	(26,000)	-	(28,718)
Current liabilities under finance leases	(12,200)	(12,200)	-	(48,393)
Current portion of long-term bank debt	(10,837)	(10,837)	-	(28,044)
Net liquid assets/(Net borrowings)	**107,696**	**114,061**	**(6,365)**	**39,005**
Long-term loans and other receiv. from outsiders	-	11,292	(11,292)	59,024
Long-term loans and other receivables from associates and joint ventures	9,113	8,952	161	27,097
Non-current assets held to maturity	257	257	-	257
Long-term liabilities under finance leases	(116,546)	(116,131)	(415)	(92,160)
Long-term bank debt	(77,382)	(77,406)	24	(71,383)
Net long-term debt	**(184,558)**	**(173,036)**	**(11,522)**	**(77,165)**
NET FINANCIAL POSITION	**(76,862)**	**(58,975)**	**(17,887)**	**(38,160)**

Consolidated Net Borrowings

(CESR/05-04b recommendations – E.U. Regulation No. 809/2004)

(in thousands of euros)

		Data at			Data at
		3/31/11	12/31/10	Change	3/31/10
A.	Cash	(75,788)	(86,374)	(10,586)	(48,674)
B.	Other liquid assets	-	-	-	-
C.	Securities held for trading	(51,749)	(47,832)	3,917	(49,014)
D.	***Total liquid funds (A.)+(B.)+(C.)***	***(127,537)***	***(134,206)***	***(6,669)***	***(97,688)***
E.	***Current financial receivables***	***(29,196)***	***(28,892)***	***304***	***(46,472)***
F.	**Short-term bank debt**	**26,000**	**26,000**	-	**28,718**
	Current portion of secured bank loans	5,037	5,037	-	5,037
	Current portion of unsecured bank loans	5,800	5,800	-	23,007
G.	**Current portion of non-current debt**	**10,837**	**10,837**	-	**28,044**
H.	Other current financial payables	12,200	12,200	-	48,393
I.	***Current financial debt (F.)+(G.)+(H.)***	***49,037***	***49,037***	-	***105,155***
J.	***Debt/Net current financial (position)***	***(107,696)***	***(114,062)***	***(6,365)***	***(39,005)***
	Non-current portion of secured bank loans	22,633	22,783	150	27,920
	Non-current portion of unsecured bank loans	54,749	54,623	(126)	43,464
K.	**Non-current bank debt**	**77,382**	**77,406**	**24**	**71,384**
L.	Bonds outstanding	-	-	-	-
M.	Other non-current financial payables	116,546	116,131	(414)	92,160
N.	***Non-current net financial debt (K.)+(L.)+(M.)***	***193,928***	***193,537***	***(391)***	***163,544***
O.	**Net financial debt (J+N) (1)**	**86,232**	**79,475**	**(6,756)**	**124,539**

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, 2011: 9,370,000 euros
- At December 31, 2010: 20,500,000 euros
- At March 31, 2010: euro 86,379,000 euros

Companies of the Pininfarina Group at March 31, 2011

Pininfarina S.p.A., the Group's Parent Company, reported value of production of 7 million euros at March 31, 2011, down from 53 million euros in the first three months of 2010 (-86.8%). EBITDA were negative by 5 million euros (-4.3 million euros in the first quarter of 2010). EBIT were also negative by 7 million euros (-8.9 million euros at March 31, 2010). The net loss decreased to 7.1 million euros, or 1.3 million euros less than in the first three months of 2010 (-8.4 million euros). Shareholders' equity totaled 28.1 million euros, down from 35.2 million euros at December 31, 2010. At 78.6 million euros, net borrowings showed an increase of 17.7 million euros compared with 60.9 million euros owed in 2010. The Company had 532 employees on its payroll at March 31, 2011, down from 612 employees a year earlier (-13.1%). 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 5.2 million euros (3.6 million euros at March 31, 2010; +44.4%) and a net profit of 0.3 million euros (net loss of 0.3 million euros a year earlier). Net borrowings increased to 3 million euros, compared with 2.2 million euros at December 31, 2010. There were 232 employees on the payroll at March 31, 2011, up 26.8% compared with 183 employees a year earlier.

The **Pininfarina Extra** Group ended the first three months of 2011 with value of production of 1 million euros, unchanged compared with the first quarter of 2010, and a net profit of 147,000 euros, also the same as a year earlier. The net financial position was positive by 3 million euros, up from a positive balance of 2.7 million euros at December 31, 2010. The staff decreased to 20 employees at March 31, 2011, down from 21 employees at the end of the first quarter of 2010.

In the first quarter of 2011, **Pininfarina Maroc SAS** reported a value of production of 0.4 million euros (0.3 million euros in 2010) and a net profit of 34,000 euros, as against a net loss of 22,000 euros at March 31, 2010. The net financial position was positive by 0.7 million euros, with the positive balance increasing from 0.6 million euros in the 2010 financial statements. The company had 39 employees on its payroll, the same as at March 31, 2010.

Matra Automobile Engineering SAS reported a net profit of 61,000 euros (net profit of 1 million euros in the first quarter of 2010). The net financial position was positive by 1 million euros, for a gain of 0.2 million euros compared with December 31, 2010. This company's staff was unchanged at one employee.

Pininfarina Sverige AB reported value of production of 76.9 million euros and a net profit of 1.8 million euros for the first quarter of 2011, as against value of production of 73.5 million euros and a net profit of 2.4 million euros at March 31, 2010. A total of 2,607 cars were produced during the first three months of 2011, compared with 2,938 units a year earlier. Net indebtedness amounted to 15.4 million euros, down from 34.1 million euros at December 31, 2010. The company had 603 employees, down from 695 employees at March 31, 2010.

Véhicules Electriques Pininfarina Bolloré S.A.S., the joint venture with the Bolloré Group, reported a net loss of 115,000 euros and net borrowings of 26.3 million euros in the first quarter of 2010. Following the exercise of the put option in March 2011 and the sale of the corresponding investment in April 2011, no adjustments to the carrying amount of the investment were recognized in the income statement.

Pininfarina Automotive Engineering (Shanghai) Co. Ltd, which was established in 2010, is currently in the operational startup phase. It generated no value of production, reported a net loss of 87,000 euros, due to the initial operating costs it incurred, and its net financial position was positive by 23,000 euros. This company has 2 employees.

PININFARINA GROUP

Consolidated Financial Statements

at March 31, 2011

Consolidated Statement of Financial Position (*)

	Note ref.	3/31/11	12/31/10
Land and buildings	1	60,559,214	61,033,633
Land		16,984,045	16,984,045
Buildings		34,050,663	34,435,444
Leased property		9,524,506	9,914,143
Plant and machinery	1	9,844,714	10,555,592
Machinery		362,657	408,723
Plant		9,482,057	10,146,870
Leased machinery and equipment		-	-
Furniture, fixtures and other property, plant and equipment	1	1,505,528	1,600,868
Furniture and fixtures		274,232	287,399
Hardware & software		712,190	779,718
Other property, plant and equipment (including vehicles)		519,106	533,751
Assets under construction	1	-	-
Property, plant and equipment		**71,909,456**	**73,190,093**
Goodwill	2	1,043,495	1,043,495
Licenses and trademarks	2	1,695,208	1,784,778
Other intangibles	2	253,818	266,491
Intangible assets		**2,992,521**	**3,094,764**
Joint ventures	3	29,477,683	30,609,018
Other companies		251,717	251,717
Equity investments		**29,729,400**	**30,860,735**
Deferred-tax assets	**17**	**967,387**	**1,011,828**
Held-to-maturity long-term investments	4	257,247	257,485
Loans and other receivables form:	5	9,113,042	20,244,365
Outsiders		-	11,292,276
Related parties and joint ventures		9,113,042	8,952,089
Available-for-sale non-current financial assets		-	-
Non-current financial assets		**9,370,289**	**20,501,850**
TOTAL NON-CURRENT ASSETS		**114,969,053**	**128,659,270**
Raw materials		68,206	171,776
Work in process		-	-
Finished goods		620,240	646,517
Inventory	**7**	**688,446**	**818,293**
Contract work in progress	**8**	**3,090,982**	**600,540**
Current assets held for trading	6	51,749,175	47,831,894
Current loans receivables and other receivables from:	5	29,196,454	28,892,406
Outsiders		11,292,276	10,988,228
Related parties and joint ventures		17,904,178	17,904,178
Available-for-sale current financial assets		-	-
Current financial assets		**80,945,629**	**76,724,300**
Financial derivatives		**-**	**-**
Trade receivables from:	9	13,095,278	19,927,420
Outsiders		11,750,530	18,199,977
Related parties and joint ventures		1,344,748	1,727,442
Other receivables	10	8,644,094	8,372,829
Trade receivables and other receivables		**21,739,372**	**28,300,249**
Cash on hand		551,520	1,838,205
Short-term bank deposits		75,236,883	84,535,924
Cash and cash equivalents	**11**	**75,788,403**	**86,374,129**
TOTAL CURRENT ASSETS		**182,252,832**	**192,817,511**
Held-for-sale non-curret assets	12	1,131,335	-
TOTAL ASSETS		**298,353,220**	**321,476,781**

Consolidated Statement of Financial Position (*)

	Note ref.	3/31/11	12/31/10
Common shares		30,150,694	30,150,694
Additional paid-in capital		16,077,451	16,077,451
Reserve for treasury stock		175,697	175,697
Statutory reserve		2,231,389	2,231,389
Reserve for currency translations		2,500,442	2,563,904
Other reserves		7,874,050	7,874,050
Retained earnings		(38,069,399)	(4,992,913)
Profit (Loss) for the period		(6,517,981)	(33,076,486)
GROUP INTEREST IN SHAREHOLDERS' EQUITY	13	14,422,343	21,003,786
Minority interest in shareholders' equity		-	-
TOTAL SHAREHOLDERS' EQUITY		**14,422,343**	**21,003,786**
Liabilities under finance leases		116,545,667	116,131,206
Other indebtedness owed to:		77,381,982	77,405,750
Outsiders		77,381,982	77,405,750
Related parties and joint ventures		-	-
Long-term borrowings	**14**	**193,527,649**	**193,536,956**
Deferred-tax liabilities	**17**	**1,566**	**1,566**
Provision for termination indemnities		8,503,451	9,122,951
Other		-	-
Provision for termination indemnities		8,503,451	9,122,951
TOTAL NON-CURRENT LIABILITIES		**202,432,666**	**202,661,473**
Bank account overdrafts		26,000,000	26,000,000
Liabilities under finance leases		12,199,807	12,199,807
Bonds outstanding and other borrowings owed to:		10,837,102	10,837,102
Outsiders		10,837,102	10,837,102
Related parties and joint ventures		-	-
Current borrowings	**14**	**49,036,909**	**49,036,909**
Wages and salaries		3,540,242	2,153,925
Due to social security institutions		865,935	1,487,468
Vacation days, sick days and personal days		1,122,805	1,516,775
Other payables	**15**	**5,528,982**	**5,158,168**
Accounts payable to outsiders		17,121,888	33,003,933
Account payable to associated companies and joint ventures		28,397	45,605
Advances received for work in progress		2,042,254	1,851,082
Trade accounts payable	**15**	**19,192,539**	**34,900,620**
Direct taxes		95,728	42,807
Other taxes		666,457	924,647
Provision for current taxes	**15**	**762,185**	**967,454**
Financial derivatives		-	-
Provision for warranties		529,392	569,010
Provision for restructuring programs		1,792,675	2,405,194
Other provisions		4,097,845	4,239,758
Provision for other liabilities and charges	**16**	**6,419,912**	**7,213,962**
Other liabilities		557,684	534,410
TOTAL CURRENT LIABILITIES		**81,498,211**	**97,811,523**
TOTAL LIABILITIES		**283,930,877**	**300,472,995**
Liabilities attributable to held-for-sale assets		-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**298,353,220**	**321,476,781**

(*) Pursuant to 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 Income Statement (*)

	Note ref.	First quarter 2011	First quarter 2010
Sales and service revenues	18	10,411,085	55,224,461
Increase in Company-produced non-current assets		-	-
Change in inventories of finished goods and work in progress		2,583,472	2,207,216
Change in contract work in progress		2,610,699	(249,776)
Change in inventories of work in progress, semifinished and finished goods		(27,227)	2,456,992
Other income and revenues	19	398,509	512,486
Total value of production		**13,393,066**	**57,944,163**
Gain on the sales of non-current assets		**15,244**	**-**
Amount earned on the sale of equity investments		-	-
Raw materials and components		(1,327,406)	(43,291,450)
Change in inventories of raw materials, subsidiary materials and consumables		(103,570)	1,715,274
Provision for inventory risk		-	-
Raw materials and consumables used		**(1,430,976)**	**(41,576,176)**
Consumables		(186,226)	(329,627)
External maintenance costs		(272,027)	(636,290)
Other variable production costs		**(458,253)**	**(965,918)**
External variable engineering services		**(1,546,167)**	**(1,874,912)**
Production staff, office staff and managers		(10,391,031)	(11,579,738)
Independent contractors		-	(1,547,607)
Social security and other post-employment benefits		(487,555)	(565,217)
Wages, salaries and employee benefits	**20**	**(10,878,586)**	**(13,692,562)**
Depreciation of property, plant and equipment		(1,307,048)	(3,515,978)
Amortization of intangibles		(102)	(260)
Loss on disposals of property, plant and equipment		(155,211)	(197,341)
Additions to provisions/Writedowns	21	(824,377)	(1,354,260)
Depreciation, amortization and writedowns		**(2,286,738)**	**(5,067,839)**
Foreign exchange gains (losses)		**4,498**	**3,011**
Other expenses	**22**	**(3,093,355)**	**(2,583,790)**
Profit (Loss) from operations		**(6,281,267)**	**(7,814,022)**
Financial income (expense), net	**23**	**(57,580)**	**593,193**
Dividends		**-**	**-**
Valuation of equity investment by the equity method	**24**	**-**	**1,396,950**
Profit (Loss) before taxes		**(6,338,847)**	**(5,823,879)**
Income taxes for the period	**17**	**(179,134)**	**(236,700)**
Profit (Loss) for the period		**(6,517,981)**	**(6,060,579)**
Attributable to:			
- Shareholders of the controlling company		(6,517,981)	(6,060,579)
- Minority interest		-	-
Profit (loss) diluted for share			
- Profit (Loss) for the period		(6,517,981)	(6,060,579)
- Number of common shares net		30,150,694	30,150,694
- Basic earnings (loss) diluted per share		(0.22)	(0.20)

(*) Pursuant to 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

	First quarter 2011	First quarter 2010
Profit (Loss) for the period	**(6,517,981)**	**(6,060,579)**
Other components of comprehensive net profit (loss)		
Gains (Losses) from translation of financial statemens of foreign value - IAS 21	(63,462)	2,132,764
Other	-	-
Total components in total comprehensive net profit (loss)	**(63,462)**	**2,132,764**
TOTAL COMPREHENSIVE NET PROFIT (LOSS)	**(6,581,443)**	**(3,927,815)**
- Shareholders of the controlling company	(6,581,443)	(3,927,815)
- Minority interest	-	-

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

	Note ref.	First quarter 2011	Amt.with related parties	First quarter 2010	Amt.with related parties
Sales and service revenues	18	10,411,085	247,253	55,224,461	268,853
Increase in Company-produced non-current assets		-		-	
Change in inventories of finished goods and work in progress		2,583,472	-	2,207,216	-
Change in contract work in progress		2,610,699		(249,776)	
Change in inventories of work in progress, semifinished and finished goods		(27,227)		2,456,992	
Other income and revenues	19	398,509		512,486	
Total value of production		**13,393,066**	**247,253**	**57,944,163**	**268,853**
Gain on the sales of non-current assets		**15,244**		**-**	
Amount earned on the sale of equity investments		-		-	
Raw materials and components		(1,327,406)		(43,291,450)	
Change in inventories of raw materials, subsidiary materials and consumables		(103,570)		1,715,274	
Provision for inventory risk		-		-	
Raw materials and consumables used		**(1,430,976)**	-	**(41,576,176)**	-
Consumables		(186,226)		(329,627)	
External maintenance costs		(272,027)		(636,290)	
Other variable production costs		**(458,253)**	-	**(965,918)**	-
External variable engineering services		**(1,546,167)**	**(25,292)**	**(1,874,912)**	**(3,212)**
Production staff, office staff and managers		(10,391,031)		(11,579,738)	
Independent contractors		-		(1,547,607)	
Social security and other post-employment benefits		(487,555)		(565,217)	
Wages, salaries and employee benefits	**20**	**(10,878,586)**	-	**(13,692,562)**	-
Depreciation of property, plant and equipment		(1,307,048)		(3,515,978)	
Amortization of intangibles		(102)		(260)	
Loss on disposals of property, plant and equipment		(155,211)		(197,341)	
Additions to provisions/Writedowns	21	(824,377)		(1,354,260)	
Depreciation, amortization and writedowns		**(2,286,738)**	-	**(5,067,839)**	
Foreign exchange gains (losses)		**4,498**		**3,011**	
Other expenses	**22**	**(3,093,355)**		**(2,583,790)**	
Profit (Loss) from operations		**(6,281,267)**	**221,961**	**(7,814,022)**	**265,641**
Financial income (expense), net	**23**	**(57,580)**	137,901	**593,193**	241,136
Dividends		**-**		**-**	
Valuation of equity investment by the equity method	**24**	**-**		**1,396,950**	
Profit (Loss) before taxes		**(6,338,847)**	**359,862**	**(5,823,879)**	**506,777**
Income taxes for the period	**17**	**(179,134)**		**(236,700)**	
Profit (Loss) for the period		**(6,517,981)**	**359,862**	**(6,060,579)**	**506,777**

Statement of Changes in Consolidated Shareholders' Equity

	12/31/09	Total Profit (Loss) for the year	Translation restatements	**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	-	(642,924)
Other reserves	7,873,665	-	-	7,873,665
Retained earnings	(4,610,937)	-	(30,746,706)	(35,357,643)
Profit (Loss) for the year	(30,746,706)	(6,060,579)	30,746,706	(6,060,579)
GROUP INTEREST IN SHAREHOLDERS' EQUITY	48,740,285	(3,927,815)	-	44,812,470
Minority interest in profit and res.	-	-	-	
TOTAL SHAREHOLDERS' EQUITY	**48,740,285**	**(3,927,815)**	**-**	**44,812,470**

	12/31/09	Total Profit (Loss) for the year	Translation restatements	**12/31/10**
Common shares	30,150,694	-	-	30,150,694
Additional paid-in capital	46,442,181	-	(30,364,730)	16,077,451
Reserve for treasury stock	175,697	-	-	175,697
Statutory reserve	2,231,389	-	-	2,231,389
Reserve for currency translat.	(2,775,698)	5,339,602	-	2,563,904
Other reserves	7,873,665	-	385	7,874,050
Retained earnings	(4,610,937)	-	(381,976)	(4,992,913)
Profit (Loss) for the year	(30,746,706)	(33,076,486)	30,746,706	(33,076,486)
GROUP INTEREST IN SHAREHOLDERS' EQUITY	48,740,285	(27,736,884)	385	21,003,786
Minority interest in profit and res.	-	-	-	
TOTAL SHAREHOLDERS' EQUITY	**48,740,285**	**(27,736,684)**	**385**	**21,003,786**

	12/31/10	Total Profit (Loss) for the year	Translation restatements	**3/31/11**
Common shares	30,150,694	-	-	30,150,694
Additional paid-in capital	16,077,451	-	-	16,077,451
Reserve for treasury stock	175,697	-	-	175,697
Statutory reserve	2,231,389	-	-	2,231,389
Reserve for currency translat.	2,563,904	(63,462)	-	2,500,442
Other reserves	7,874,050	-	-	7,874,050
Retained earnings	(4,992,913)	-	(33,076,486)	(38,069,399)
Profit (Loss) for the year	(33,076,486)	(6,517,981)	33,076,486	(6,517,981)
GROUP INTEREST IN SHAREHOLDERS' EQUITY	21,003,786	(6,581,443)	-	14,422,343
Minority interest in profit and res.		-	-	
TOTAL SHAREHOLDERS' EQUITY	**21,003,786**	**(6,581,443)**	**-**	**14,422,343**

Consolidated Statement of Cash Flows (*)

	First quarter 2011	First quarter 2010
Profit (loss) for the period	**(6,517,981)**	**(6,060,579)**
Restatements		
- Income taxes	179,134	236,700
- Depreciation of property, plant and equipment	1,307,048	3,515,978
- Amortization of intangibles	155,211	197,341
- Writedowns and additions to provisions	(866,769)	275,534
- (Gains) Losses on sale of non-current assets	(15,244)	260
- Financial expense	930,821	851,602
- (Financial income)	(873,241)	(1,444,795)
- (Dividends)	-	-
- Value adjustment to shareholders' equity	-	(1,396,950)
- Other restatements	61,060	(15,442)
Total Restatements	**878,020**	**2,220,228**
Changes in working capital		
- (Increase) / decrease inventories	145,642	(4,172,266)
- (Increase) / decrease contract work in progress	(2,490,442)	384,230
- (Increase) / decrease trade accounts receivable and other receivables	5,623,704	1,345,070
- (Increase) / decrease accounts receivable from joint ventures	382,694	171,278
- Increase / (decrease) trade accounts payable	(16,310,734)	10,294,390
- increase / (decrease) accounts payable to joint ventures	(17,208)	3,212
- Other changes	828,648	1,115,216
Total changes in working capital	**(11,837,696)**	**9,141,130**
Cash flow from operating activities	**(17,477,657)**	**5,300,779**
(Financial expense)	(243,252)	(851,602)
(Income taxes)	(129,134)	(236,700)
Net cash flow used in operating activities	**(17,850,043)**	**4,212,477**
- Purchases of property, plant and equipment	(94,485)	(181,288)
- Proceeds from sale of property, plant and equipment	15,247	-
- Proceeds from sale of asset held for sale	-	-
- Non-current loans receivable from borrowers outside the Group	10,820,918	2,491,918
- Non-current loans receivable from joint ventures	(805)	(241,136)
- Financial income	506,639	1,444,795
- Dividends	-	-
- Other equity investments	(3,833,197)	(2,095,523)
Net cash used in investing activities	**7,414,318**	**1,418,766**
- Proceeds from the issuance of shares	-	-
- Borrowings from lenders outside the Group	(150,000)	(33,289,305)
- Other non-cash items	-	2,132,765
Net cash used in financing activities	**(150,000)**	**(31,156,540)**
Increase (Decrease) in cash and cash equivalents	**(10,585,725)**	**(25,525,297)**
- Cash and cash equivalents at beginning of the period	60,374,129	45,481,185
Net cash and cash equivalents at end of the period	**49,788,403**	**19,955,888**
Composed by:		
Cash and cash equivalents	75,788,403	48,673,784
Bank account overdrafts	(26,000,000)	(28,717,896)

(*) As required by Paragraph 7 of IAS 7 – Statement of Cash Flows, this document does not reflect transactions that did not result in change in cash flow. Pursuant to 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 5, 9 and 15 (a) to the financial statements of the Pininfarina Group.

Notes to the Consolidated Financial Statements

GENERAL INFORMATION

Foreword

The core business of the Pininfarina Group (hereinafter the "Group") is 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 process of developing new products—design, planning, development, industrialization and manufacturing—or to provide support separately during any one of these phases with the utmost flexibility. The Group has production facilities and service centers in Italy, Germany, Morocco and Sweden. Its customers are located mainly in Italy, Germany, Great Britain and China.

Pininfarina S.p.A., the Group's Parent Company, is listed on Borsa Italiana. Its headquarters are located at 6 via Bruno Buozzi, in Turin. Market investors own 22.66% of its share capital, with the remaining 77.34% held by the following shareholders:

- Pincar S.r.l. 76.06%. Pursuant to the Framework Agreement of December 31, 2008, the shares held by Pincar S.r.l. are encumbered by a senior pledge, without voting rights, for the benefit of the Lender Institutions of Pininfarina S.p.A.
- Segi S.r.l., controlling company of Pincar S.r.l., 0.60%.
- Seglap S.s. 0.63%.
- Treasury shares held by Pininfarina S.p.A. 0.05%.

A listing of the companies included in the Group, with their complete name and address, is provided later in this Report.

The Consolidated Interim Report on Operations of the Group is presented in euros, the functional and presentation currency of the Group's Parent Company, which is where most of the activities and consolidated revenues are concentrated, and its main subsidiaries.

Financial Statement Schedules

The Consolidated Interim Report on Operations uses the same schedules as those of the annual consolidated financial statements, which include the following:

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

Moreover, as required by Consob Resolution No. 15519 of July 28, 2006, the Group presents the following information in separate schedules:

- The effects of transactions or positions with related parties on the income statement and cash flow, as classified by IAS 24 – Related Party Disclosures (pages 18. 19. 21 and 23).
  Related-party transactions affecting the statement of financial position are not presented in a separate schedule because they are listed as separate items on the consolidated statement of financial position shown on pages 18 and 19.
- The net financial position balance, with a breakdown of the main components and a listing of amounts payable to or receivable from related parties, is provided on page 13, in the Report on Operations.

The notes also include a disclosure about the effects of nonrecurring events or transactions or of transactions or events that are not repeated frequently in the normal course of business (page 46).

Accounting Principles

The Consolidated Interim Report on Operations at March 31, 2011 was prepared in accordance with the International Financial Reporting Standards ("IFRSs"), as issued by the International Accounting Standards Board ("IASB") and adopted by the European Union, and are consistent with the regulations enacted to implement Article 9 of Legislative Decree No. 38/2005.
The designation IFRSs includes the International Financial Reporting Standards, the International Accounting Standards ("IAS") and all of the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously called the Standing Interpretation Committee ("SIC"), adopted by the European Commission as of the date of meeting of the Board of Directors convened to approve the draft financial statements and listed in the applicable regulations published by the European Union as of the abovementioned date.
The Consolidated Interim Report on Operations was prepared based on the going concern assumption. Information about this issue is provided in the sections of the Report on Operations of the 2010 Annual Report entitled "Assessment of Going Concern Viability" and "Outlook for 2011."

This Interim Report at March 31, 2011 was prepared in accordance with the requirements of IAS 34 – Interim Financial Reporting. The accounting principles applied are consistent with those used in the consolidated annual financial statements at December 31, 2010.

For the sake of full disclosure, it must be pointed out that amendments to and interpretations of accounting principles applicable as of 2011 had no impact on the Interim Report on Operations. Moreover, the Group did not opt for early adoption of any accounting principle, amendment or interpretation.

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.

This Interim Report on Operations was not audited.

VALUATION CRITERIA

Consolidated Interim Report on Operations

The Consolidated Interim Report on Operations includes the interim financial statements of all subsidiaries, from the date the Group acquires their control until the moment when control ceases to exist. Joint ventures and associates are valued by the equity method, in accordance with Paragraph 38 of IAS 31 – Interests in Joint Ventures and Paragraph 11 of IAS 28 – Investments in Associates, respectively.
Expenses, revenues, receivables, payables, gains and losses generated by transactions between Group companies are eliminated in the consolidation process.
When necessary, the accounting principles of subsidiaries, associates and joint ventures are amended to make them consistent with those of the Group's Parent Company.

A list of the companies consolidated line by line is provided below:

Name	Registered office	% interest held directly or indirectly	Held by	Currency	Share capital
Pininfarina Extra S.r.l.	Turin Via Bruno Buozzi 6	100	Pininfarina S.p.A.	EUR	388,000
Pininfarina Extra USA Corp.	Florida-Fort Lauderdale 1710 West Cypress Creed Road	100	Pininfarina Extra S.r.l.	USD	10,000
Pininfarina Deutschland GmbH	Leonberg Riedwiesenstr. 1	100	Pininfarina S.p.A.	EUR	3,100,000
mpx Entwicklung GmbH	München Frankfurter Ring 17	100	Pininfarina Deutschland GmbH	EUR	25,000
mpx Entwicklung GmbH	Leonberg Riedwiesenstr. 1	100	Pininfarina Deutschland GmbH	EUR	26,000
Matra Automobile Engineering SAS	Paris, 68 rue du Faubourg Saint-Honoré	100	Pininfarina S.p.A.	EUR	971,200
Pininfarina Maroc SAS	Casablanca - 57, Bd Abdelmoumen, Residence EL HADI "A", BP 20360	100	Pininfarina S.p.A. (99,9%) Matra Automobile Engineering SAS (0,1%)	MAD	8,000,000
Pininfarina Automotive Engineering (Shanghai) Co Ltd	Units 418-419, n.569 An Chi Road, Anting Town, Shanghai		Pininfarina S.p.A.	EUR	400,000

In the first quarter of 2011, the scope of consolidation did not change compared with the previous year.

A list of joint ventures and associated companies is provided below:

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

The interest held in Véhicules Electriques Pininfarina Bolloré SAS, a 50-50 joint venture with the Bolloré Group, was valued by the equity method until December 31, 2010. Due to its sale on April 27, 2011, this investment was valued and reclassified among “Non-current assets held for sale,” as required by IFRS 5.

The table below lists the exchange rates used to translate financial statements denominated in functional currencies different from the presentation currency:

Euro vs currency:	**First quarter 2011**	**2011**	**First quarter 2010**	**2010**
- U.S. dollar	1.421	1.368	1.348	1.383
- Swedish kronor	8.933	8.864	9.713	9.946
- Moroccan dirham	11.327	11.224	11.203	11.078
- Renminbi (Yuan)	9.304	9.005	n.a.	n.a.

FINANCIAL RISK MANAGEMENT

The Group’s financial instruments include the following:

- Cash and cash equivalents;
- Current assets held for trading;
- Loans and other receivables owed by outsiders, related parties and joint ventures;
- Loans payable and liabilities under leases;
- Trade receivables and payables.

Assets held for trading consist mainly of government securities, bonds and other financial assets, generally traded on regulated markets, with a low risk profile, held because they are readily salable and provide principal protection.
The Group did not execute any derivative contracts, either for speculative purposes or to hedge cash flows or changes in fair value.

As required by IFRS 7 concerning financial risks, the schedule below lists the types of financial instruments included in this Consolidated Interim Report on Operations and shows the valuation criteria applied in each case:

	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 3/31/11	Fair value at 3/31/11	Carrying amount at 3/31/11	Fair value at 12/31/10
	Income statement	Shareholder's equity						
Assets								
Investments in other companies	-	-	-	251,717	251,717	251,717	251,717	251,717
Loans and other receivables	-	-	38,566,743	-	38,566,743	38,566,743	49,394,256	49,394,256
Current assets held for trading	51,749,175	-	-	-	51,749,175	51,749,175	47,831,894	47,831,894
Trade receivables and other receivables	-	-	21,739,373	-	21,739,373	21,739,373	28,300,248	28,300,248
Cash and cash equivalents	-	-	75,788,403	-	75,788,403	75,788,403	86,374,129	86,374,129
Liabilities								
Liabilities under finance leases	-	-	128,745,474	-	128,745,474	128,745,474	128,331,013	128,331,013
Bonds outstanding and other borrowings	-	-	114,219,804	-	114,219,084	114,219,084	114,242,852	114,242,852
Other payables and Other liabilities	-	-	20,873,029	-	20,873,029	20,873,029	36,951,802	36,951,802

Financial risk factors, as identified in IFRS 7 – Financial Instruments: Disclosures, are summarized below:

- The risk that the fair value or the future cash flows of a financial instrument could fluctuate as a result of changes in market prices (“market risk”). The market risk includes the following risks: currency risk, interest rate risk and price risk.
- The risk that the value or the future cash flows of a financial instrument could fluctuate as a result of changes in foreign exchange rates (“currency risk”).
- The risk that the value or the future cash flows of a financial instrument could fluctuate as a result of changes in market interest rates (“interest rate risk”).
- The risk that the value or the future cash flows of a financial instrument could fluctuate as a result of changes in market prices (other than changes determined by the interest rate risk or the currency risk), irrespective as to whether such fluctuation are determined by factors specific to the financial instrument or its issuer or by factors that affect all similar market-traded financial instruments (“price risk”).
- The risk that one of the parties causes the other party to incur a financial loss by failing to fulfill an obligation (“credit risk”).
- The risk that an entity may be unable to fulfill obligations associated with financial liabilities (“liquidity risk”).

(a) Currency Risk

The Group executed most of its financial instruments in euros, which is its functional and presentation currency. 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), Moroccan dirham (MAD) and Chinese renminbi yuan (CNY).
The loan that Pininfarina S.p.A. provided to the Pininfarina Sverige AB joint venture, which is reflected in the line item “Loans and other receivables from related parties and joint ventures,” is in euros and, consequently, entails no currency risk exposure.
It is also worth noting that, as part of the stipulations with the counterparty in the abovementioned Swedish joint venture, the redemption value of the capital provided by Pininfarina S.p.A. is subject to the currency risk to the extent that, pursuant to the joint venture agreement, should Pininfarina S.p.A. exercise its exit option by 2013, the redemption price will be the value in euros of its pro rata interest in the joint venture’s shareholders’ equity stated in the local currency (SEK), net of non-taxed reserves, but not more than 30 million euros and not less than 15 million euros. As of the writing of this Interim Report, the abovementioned value was greater than 30 million euros.
During first quarter of 2011, the Group was exposed to the currency risk in connection with purchases of certain car components in U.S. dollars. However, due to the low transaction volume and because the agreements with some customers made it possible to reflect a portion of the currency translation differences on the sales prices of the cars, the exposure was limited. Following the end of the production orders for the Fiat Group and Ford at the end of 2010, the Group is no longer exposed to this risk.

(b) Interest Rate Risk

The Group executed leases and loan agreements with several Italian credit institutions at standard market rates. Loans and other receivables owed by outsiders and Group companies, including Pininfarina Sverige AB, were executed on the same basis.
The Rescheduling Agreement signed with the Lender Institutions on December 31, 2008 recapitalized the Group by about 241 million euros, without changing the interest rates of the original loan agreements. Moreover, it postponed to January 1, 2012 the start of the accrual and payment of interest.
The Group, as a debtor, is thus exposed to the risk of fluctuation in interest rates as follows:

- 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%.

The table that follows provides a breakdown by fixed and variable interest rate of the gross indebtedness at March 31, 2011 and shows a comparison with the previous year:

	3/31/11	%	12/31/10	%
- Fixed interest rate	58,098,837	24%	57,809,455	24%
- Variable interest rate	184,865,721	76%	184,764,410	76%
Gross Financial Debt	**242,964,558**	**100%**	**242,573,865**	**100%**

As a lender, the Group is exposed to the risk of fluctuations in interest rates with regard to the loan it provided to Pininfarina Sverige AB, which accrues interest at the three-month Euribor + a spread of 0.83%. The balance outstanding at March 31, 2011 was 27 million euros.
Short-term operating credit lines accrue interest at the six-month Euribor + a spread of 1%, with regular maturity and payment and the expiration of each utilization period.

(c) Price Risk

Current assets held for trading, which totaled 51.7 million euros at March 31, 2011, are measured at fair value. Because they consist mainly of government securities and highly rated bonds and other financial assets, most of which are traded on regulated market, the price risk presented by these assets is deemed to be limited.

(d) Credit Risk

Styling and engineering contracts, which are the Group's primary revenue source after the end of the production contracts, are executed with customer located both inside and outside the European Union. For customers outside the E.U., in order to minimize credit risk, the Group seek to align both invoicing and payments with the project completion progress and requests cash advances.
Financial transactions are executed exclusively with financial institutions the reliability of which is beyond question.
With regard to receivables arising from the recognition of leases in which the Group is the lessor in accordance with IFRIC 4 – Determining Whether an Arrangement Contains a Lease, the Group's credit risk exposure for the receivable owed by Fiat, totaling 11.3 million euros at March 31, 2011, is extremely limited, given the agreements reached with the counterparty, pursuant to which the entire amount will be collected in the first quarter of 2012.

(e) Liquidity Risk

In previous years, as a result of the Framework Agreement executed on December 31, 2008 with all of the Lender Institutions, with the exception of Fortis Bank (now Banca Nazionale del Lavoro S.p.A.), which was implemented in two phases, the Group was recapitalized thanks to the execution with the same Lender Institutions of a Rescheduling Agreement that, in a nutshell, had the following positive effects:

- A reduction of 241 million euros of the disbursements for principal repayments originally required under loan agreements and finance leases, which was completed in 2010;
- Deferral to 2012 of the start of the accrual and payment of interest and remaining principal amounts, except for any 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 receivables, which occurred on July 30, 2010.

This having been stated and based on the considerations that follow, the liquidity risk appear to be under control, at least for the next 12 months:

- At March 31, 2011, the Group held net liquid assets and assets held for trading totaling 101.5 million euros. Pursuant to the Rescheduling Agreement, no repayment is due in 2011, except for mandatory early repayments owed by Pininfarina S.p.A. to the Lender Institutions upon the sale of certain specific assets, currently not foreseeable, but with no impact on net indebtedness. The repayment to the Lender Institutions of any amounts thus collected would result in a perfect match of cash inflows and outflows, with no impact on the net financial position. Beyond the Rescheduling Agreement, the Group will be required to pay two installments of the financial debt owed to Fortis Bank (now Banca Nazionale del Lavoro S.p.A.) amounting to about 5.6 million euros.
- The maximum amount of the operating credit lines currently provided by the Lender Institutions under the Framework Agreement, which are renewable each year until 2015, is 49.7 million euros.
- Insofar as the financial resources needed for personnel expenses are concerned, it is worth mentioning that access to the Special Layoff Benefits Fund was extended until August 2011 and that regular safety-net programs provided under the relevant laws are available for an additional five years.

(f) Risk of Default and Debt Covenants

This risk refers to the possibility that, in addition to the provisions of the Rescheduling Agreement, the leases and 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, 2010, the Group was in compliance with the debt covenants. With regard to 2011, please see the description provided on page 9, Item 4, as part of the disclosures required by Article 114, Section 5, of Legislative Decree No. 58/98.

SEGMENT INFORMATION

Following the termination of its car manufacturing activities at the end of 2010, the Group, consistent with management's decision to organize its operations based on the different products and services, identifies two reporting segments: (i) Styling and Engineering; and (ii) Operations, which replaces Manufacturing.
Within the Styling and Engineering segment, each styling or engineering contract signed with a customer represents an "operating segment," as defined above, consistent with Paragraphs from 5 to 10 of IFRS 8 – Operating Segments.
In the Operations area, the operating segments coincide with a series of activities involving mainly the sale of spare parts for cars made in previous years by Pininfarina S.p.A., support functions and residual activities in the industrial consulting area.

Financial income and expense and income taxes are not allocated to the reporting sectors because the relevant decisions are made by management on an aggregate segment basis. Intra-segment transactions are executed on standard market terms.
In accordance with Paragraph 4 of IFRS 8, the Group presents segment information only for its consolidated financial statements.
The schedule that follows shows the Group's segment information for the first quarter of 2011 and provides a comparison with the same period last year.
The amounts are in thousands of euros.

	First quarter 2011			First quarter 2010		
	Operations A	Design& Engineering B	Total A + B	Operations/ Productions A	Design& Engineering B	Total A + B
Segment value of production	4,390	12,207	16,597	50,099	11,357	61,456
Value of production from transactions with other operating segments	(2,178)	(1,025)	(3,203)	(2,528)	(984)	(3,512)
Total value of production	**2,212**	**11,182**	**13,394**	**47,571**	**10,373**	**57,944**
Operating profit	**(4,418)**	**(1,863)**	**(6,281)**	**(6,289)**	**(1,524)**	**(7,814)**
Financial income / (expenses)			(58)			593
Dividend			-			-
Valuation of equity investment by the equity method	-	-	-	1,512	(115)	1,397
Profit / (loss) before taxes			**(6,339)**			**(5,824)**
Income taxes			(179)			(237)
Profit / (loss) of the period			**(6,518)**			**(6,061)**
Other information requested by IFRS 8:						
- Depreciation and amortisation	(718)	(744)	(1,462)	(2,992)	(721)	(3,713)
- Impairment	-	(698)	(698)	-	(184)	(184)
- Non-cash items other than depreciation and amort.	-	(126)	(126)	(938)	(231)	(1,170)
- Gains on disposals	15	-	15	-	-	-

Please consult the comments provided in the Report on Operations for an analysis of the operating segments.

A breakdown of assets and liabilities by segment is provided below:

	First quarter 2011	First quarter 2010
Italy	2,004	20,001
UE	6,312	32,045
Non UE countries	2,096	3,178
Total	**10,411**	**55,224**

Pininfarina S.p.A. is chiefly responsible for the decrease in revenues, which reflects the drastic reduction caused by the end of the car manufacturing operations.

1. Property, Plant and Equipment

The net carrying amount of property, plant and equipment totaled 71.9 million euros at March 31, 2011, down from 73.2 million euros at the end of the previous year, due mainly to the impact of the depreciation for the year. Capital expenditures were limited in the first quarter of 2011 and there were no significant commitments to buy property, plant and equipment at the end of the reporting period.

Tables, denominated in euros, showing the changes that occurred in the first quarter of 2011 and a review of the components of property, plant and equipment are provided below.

	Land	Buildings	Leased property	Total
Cost at December 31, 2010	16,984,045	54,629,600	13,066,662	84,680,307
Accumulated depreciation and impairment	-	(20,194,156)	(3,452,519)	(23,646,675)
Net value at December 31, 2010	**16,984,045**	**34,435,444**	**9,614,143**	**61,033,632**
Additions	-	-	-	-
Retiremens	-	-	-	-
Depreciation	-	(384,757)	(89,637)	(474,394)
Impairment	-	-	-	-
Reclassification	-	-	-	-
Other	-	(25)	-	(25)
Net value at March 31, 2011	**16,984,045**	**34,050,663**	**9,524,506**	**60,559,214**
Composed by:				
Cost at March 31, 2011	16,984,045	54,629,600	13,066,662	84,680,307
Accumulated depreciation and impairment	-	(20,578,937)	(3,542,156)	(24,121,093)

The Land and buildings category reflects the carrying amount of Company owned or leased real estate complexes, including production facilities located at 6 via Castellamonte, in Bairo Canavese (TO) and on Strada provinciale per Caluso, in San Giorgio Canavese (TO); the styling and engineering center at 30 via Nazionale, in Cambiano (TO); a building owned by Pininfarina Deutschland GmbH in Renningen, near Stuttgart, in Germany; and two properties in Turin and Beinasco (TO).
The "Leased property" column reflects the carrying amount of a portion of the Cambiano real estate complex held under a finance lease recognized in accordance with IAS 17 – Leases.
All land and buildings located in Italy, which are owned by Pininfarina S.p.A., the Group's Parent Company, are encumbered by a mortgage for the benefit of Fortis Bank (now Banca Nazionale del Lavoro S.p.A.) securing the remaining indebtedness, which totaled 27.2 million euros at March 31, 2011.
The building owned by Pininfarina Deutschland GmbH is encumbered by a mortgage securing a loan of 650,000 euros received by the German subsidiary.

	Machinery	Plant	Leased plant machinery	Total
Cost at December 31, 2010	61,329,025	162,397,531	122,353,360	346,079,916
Accumulated depreciation and impairment	(60,920,302)	(152,250,661)	(122,353,360)	(335,524,323)
Net value at December 31, 2010	**5,833,477**	**10,146,870**	**-**	**10,555,593**
Additions	-	6,988	-	6,988
Retiremens	-	(14,559)	-	(14,559)
Depreciation	(46,066)	(657,241)	-	(703,307)
Impairment	-	-	-	-
Reclassification	-	-	-	-
Other	-	-	-	-
Net value at March 31, 2011	**362,657**	**9,482,057**	**-**	**9,844,714**
Composed by:				
Cost at March 31, 2011	61,329,025	162,389,960	122,353,360	346,072,345
Accumulated depreciation and impairment	(60,966,368)	(152,907,903)	(122,353,360)	(336,227,631)

At March 31, 2011, the “Plant and machinery” category included: (i) generic production plant and machinery located mainly at the Bairo and San Giorgio Canavese production facilities; and (ii) the carrying amount of the Acoustic and Aerodynamic Research Center (wind tunnel) located in Grugliasco (TO).

	Furniture and fixtures	Hardware & software	Other prop., plant and equipment	Total
Cost at December 31, 2010	4,252,569	8,064,498	1,813,651	14,130,719
Accumulated depreciation and impairment	(3,965,170)	(7,284,780)	(1,279,901)	(12,529,851)
Net value at December 31, 2010	**287,399**	**779,718**	**533,751**	**1,600,868**
Additions	23,036	13,017	-	36,052
Retiremens	(891)	(502)	(596)	(1,989)
Depreciation	(35,265)	(80,042)	(14,041)	(129,348)
Impairment	-	-	-	-
Reclassification	-	-	-	-
Other	(48)	-	(8)	(56)
Net value at March 31, 2011	**274,232**	**712,190**	**519,106**	**1,505,528**
Composed by:				
Cost at March 31, 2011	4,274,666	8,077,013	1,813,047	14,164,727
Accumulated depreciation and impairment	(4,000,434)	(7,364,823)	(1,293,941)	(12,659,199)

The additions shown for “Furniture and fixtures” at March 31, 2011 reflects investments made by the group headed by the Pininfarina Deutschland subsidiary.

2. Intangible Assets

At March 31, 2011, the net carrying amount of intangible assets totaled 3.0 million euros, down from 3.1 million euros a year earlier. The amortization for the year accounts for most of the decrease.

A table, denominated in euros, and a review of the components of intangible assets are provided below.

	Goodwill	Licenses and trademarks	Other intangibles	Total
Cost at December 31, 2010	1,043,495	11,887,162	2,070,128	15,000,784
Accumulated depreciation and impairment	-	(10,102,384)	(1,803,637)	(11,906,020)
Net value at December 31, 2010	**1,043,495**	**1,784,778**	**266,491**	**3,094,764**
Additions	-	47,399	6,200	53,599
Retiremens	-	(631)	-	(631)
Depreciation	-	(136,338)	(18,873)	(155,211)
Impairment	-	-	-	-
Reclassification	-	-	-	-
Other	-	-	-	-
Net value at March 31, 2011	**1,043,495**	**1,695,208**	**253,818**	**2,992,521**
Composed by:				
Cost at March 31, 2011	1,043,495	11,933,930	2,076,328	15,053,752
Accumulated depreciation and impairment	-	(10,238,722)	(1,822,510)	(12,061,233)

Additions for the period refer mainly to software development activities and purchases of licenses by Pininfarina S.p.A.
The remaining goodwill of 1,043,495 euros, which is the Group's only intangible asset with an indefinite useful life, originates from the consolidation of Pininfarina Extra S.r.l. Within the Pininfarina Group, the Pininfarina Extra subgroup, which is comprised of Pininfarina Extra S.r.l. and Pininfarina Extra USA Corp., engages in styling activities that re not related to the automotive industry. Consequently, it constitutes a separate cash generating unit.

3. Investments in Joint Ventures

The table below shows the changes that occurred in the first quarter of 2011 in the carrying amount of investments in joint ventures:

	12/31/10	Interest in result	Held-for-sale non-current assets	3/31/11
Pininfarina Sverige A.B.	29,427,683	-	-	29,427,683
Véhicules Electriques Pininfarina-Bolloré SAS	1,131,335	-	(1,131,335)	-
Pininfarina Recchi Buildingdesign S.r.l.	50,000	-	-	50,000
Total	**30,609,018**	**-**	**(1,131,335)**	**29,477,683**

(a) Pininfarina Sverige AB

In the first quarter of 2011, following the cancellation of the agreements between the joint venture partners, the carrying amount of the interest held in this Swedish subsidiary was adjusted to its expected realizable value, which was the same as the amount determined at December 31, 2010.

(b) Véhicules Electriques Pininfarina Bolloré SAS

The interest held in Véhicules Electriques Pininfarina Bolloré SAS, a 50-50 joint venture with the Bolloré Group, was valued by the equity method until December 31, 2010. Due to its sale on April 27, 2011, this investment was valued and reclassified among "Non-current assets held for sale," as required by IFRS 5.

4. Held-to-Maturity Assets

The amount of 257,485 euros shown at March 31, 2011 represented 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. This amount is being held in a dedicated escrow account until January 31, 2012.

5. Loans and Receivables

The table that follows shows the changes that occurred in loans and receivables from outsiders and joint ventures.

	12/31/10	Reclassif.	Increases	Collections	Writedowns	3/31/11
Outsiders	11,292,276	(11,292,276)	-	-	-	-
Related parties and joint ventures	8,952,089	-	160,953	-	-	9,113,042
Non-current loans and other receiv.	**20,244,365**	**(11,292,276)**	**160,953**	**-**	**-**	**9,113,042**
Outsiders	10,988,228	11,292,276	-	(10,988,228)	-	11,292,276
Related parties and joint ventures	17,904,178	-	-	-	-	17,904,178
Current loans and other receiv.	**28,892,406**	**11,292,276**	**-**	**(10,988,228)**	**-**	**29,196,454**
Loans and other receivable	**49,136,771**	**-**	**160,953**	**(10,988,228)**	**-**	**38,309,496**

The balance shown for "Loans and receivables from outsiders" includes financial assets, valued at their amortized cost, that were recognized due to the adoption of IFRIC 4 – Determining Whether an Arrangement Contains a Lease. These receivables, which are due in February 2012, represent the present value of the cash consideration owed to Pininfarina S.p.A. by the Fiat Group as reimbursement for the investment made and financed by Pininfarina S.p.A. to develop two cars models—Alfa Brera and Alfa Spider—and set up the production lines.

The line item "loans and receivables from related parties and joint ventures" represents the outstanding balance of a loan, which accrues interest at regular market rates, provided by Pininfarina S.p.A. to the Pininfarina Sverige AB joint venture to provide it with the financial resources needed to develop the Volvo C70 Convertible and set up the production line at a plant in Uddevalla, Sweden. This loan will be repaid in full at the end of the first half of 2012.

6. Current assets held for trading

Current assets held for trading consist mainly of government securities and highly rated equity and debt securities, which represent temporary, unrestricted investments of liquid assets that are not subject to a significant risk exposure. However, these investments do not meet all of the requirements needed to qualify as "liquid assets."
These assets are measured at fair value, based on their market prices. Changes in fair value are recognized in the income statement under "Financial income/expense, net."

Management of the investment portfolio is outsourced to top flight counterparties with a market reputation of high reliability.
The balance at March 31, 2011 included a restricted investment of 2,312,830 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 expires on January 30, 2015.

7. Inventory

	3/31/11	12/31/10
Raw materials	1,360,922	1,480,287
Work in process	-	-
Finished goods	620,240	646,517
(Inventory obsolescence)	(1,292,716)	(1,308,511)
Inventory	**688,446**	**818,293**

The table below shows the changes that occurred in first quarter of 2011 in the provision for inventory writedowns, which reflects the risk for obsolescent and slow turnover items that arose during the phase out of the production activities.

	First quarter 2011	2010	First quarter 2010
At the beginning of the period	**1,308,511**	**2,726,000**	**2,726,000**
Additions	-	924,198	-
Utilizations	(15,795)	(1,832,687)	-
Other	-	(509,000)	-
At the end of the period	**1,292,716**	**1,308,511**	**2,726,000**

8. Contract Work in Progress

The balance of gross contract work in progress less advances received is shown among current assets as current work in progress.
The table below shows the balances at March 31, 2011 and a comparison with the data for the previous year:

	3/31/11	12/31/10
Contract work in progress	3,090,982	13,361,208
Allowance	-	(12,760,668)
Total Contract Work in Progress	**3,090,982**	**600,540**

In the first quarter of 2011, upon the termination of the order for the engineering development of the electric car, Pininfarina S.p.A. concluded that certain costs incurred for activities carried out in 2009 were no longer recoverable. Consequently, it wrote off the order inventory, concurrently utilizing the provision for writedown originally recognized for this purpose.

9. Trade Receivables from Customers, Related Parties and Joint Ventures

The following table shows the trade receivable balances at March 31, 2011 and the comparable data for the previous year:

	3/31/11	12/31/10
Receivables IT	2,530,747	7,741,551
Receivables UE	6,990,440	7,174,905
Receivables EXTRA UE	5,152,470	5,727,796
Allowance for doubtful accounts	(2,923,127)	(2,444,274)
Total receivables from Customers	**11,750,530**	**18,199,978**
Pininfarina Sverige A.B.	1,344,748	1,327,442
Véhicules Electriques Pininfarina Bolloré SAS	-	400,000
Total receivables Related Parties and Joint Ventures	**1,344,748**	**1,727,442**
Total receivables	**13,095,278**	**19,927,420**

The trade receivables owed by Pininfarina Sverige AB reflect technical support services provided by Pininfarina S.p.A. pursuant to its agreements with Volvo in connection with the production of the Volvo C70 Convertible at the joint venture's factory in Uddevalla, Sweden.
A receivable owed by Véhicules Electriques Pininfarina Bolloré for styling analysis activities for electric vehicles developed by the joint venture was collected in the first quarter of 2011.

The Group's main counterparties are top carmakers with a high credit rating. Since there are no receivable insurance contracts, the Group's maximum exposure to the credit risk is equal to the carrying amount of the receivables less the allowance for doubtful accounts. The balance shown for trade receivables represents exclusively receivables denominated in euros. The Group did not assign any receivables to factors in 2010 and 2011.

The following changes occurred in the allowance for doubtful accounts:

	First quarter 2011	2010	First quarter 2010
At the beginning of the period	**2,444,273**	**2,241,135**	**2,241,135**
Additions	562,576	527,644	173,557
Utilizations	(83,722)	(324,506)	(17,960)
At the end of the period	**2,923,127**	**2,444,273**	**2,396,732**

The addition for the period refers mainly to a receivable owed to the Group's Parent Company by a customer located outside the European Union the recoverability of which has become questionable.

10. Other Receivables

A breakdown of “Other receivables” at March 31, 2011 and a comparison with 2010 is provided below:

	3/31/11	12/31/10
VAT overpayments	3,233,958	3,266,984
Current taxes	2,794,491	2,340,091
Advances to suppliers	746,030	615,273
Overpayments to social security institutions	349,937	188,561
Receivable from employees	8,574	7,858
Accrued income and prepaid expense	790,414	938,397
Sundry receivables	720,689	1,015,665
Total	**8,644,094**	**8,372,829**

11. Cash and Cash Equivalents

The table below show a breakdown of this account and provides a comparison with the data for the previous year:

	3/31/11	12/31/10
Cash on hand	551,520	1,838,205
Short-term bank deposits	75,236,883	84,535,924
Cash and cash equivalents	**75,788,403**	**86,374,129**
(Bank account overdrafts)	(26,000,000)	(26,000,000)
Net cash and cash equivalents at end of the period	**49,788,403**	**60,374,129**

There were no restrictions encumbering the Group’s liquid assets at March 31, 2011.

12. Non-current Assets Held for Sale

As required by IFRS 5 – Non-current Assets Held for Sale, this item reflects the net carrying amount of the interest held by the Group in the Véhicules Electriques Pininfarina Bolloré S.A.S. 50-50 joint venture, which Pininfarina S.p.A. sold to its French partner on April 27, 2011, collecting proceeds of 10 million euros (substantially the same as the investment’s carrying amount in the separate financial statements).

13. Shareholders’ Equity

(a) Share Capital

	3/31/11		12/31/10	
	Valore	*Nr.*	**Valore**	*Nr.*
Common share	30,166,652	*30,166,652*	30,166,652	*30,166,652*
(Treasury share)	(15,958)	*(15,958)*	(15,958)	*(15,958)*
Share Capital	**30,150,694**	*30,150,694*	**30,150,694**	*30,150,694*

Following the capital increase carried out on September 28, 2009, the share capital of Pininfarina S.p.A., the Group’s Parent Company, is comprised of 30,166,652 common shares, par value 1 euro each. There are no other classes of shares.
Treasury shares are held consistent with the limits imposed by Article 2357 of the Italian Civil Code.
As required by the Framework Agreement of December 31, 2008, the shares held by Pincar S.r.l., equal to 76.06% of the share capital, are encumbered by a senior lien, without voting rights, for the benefit of the Lender Institutions of Pininfarina S.p.A. Detailed information about the Company’s shareholders is provided in the “General Information” section of these Notes.

(b) Additional Paid-in Capital

This reserve totaled 16,077,451 euros.

(c) Reserve for Treasury Stock

This reserve, which amounted to 175,697 euros, unchanged compared with the previous year, is carried in accordance with the provisions of Article 2357 of the Italian Civil Code.

(d) Statutory Reserve

The statutory reserve, which was unchanged compared with the previous year, represents the portion of the earnings of Pininfarina S.p.A., the Group’s Parent Company, that, pursuant to the provisions of Article 2430 of the Italian Civil Code, cannot be distributed as dividends.

(e) Reserve for Currency Translations

The reserve for currency translations reflects the cumulative differences from the translation of financial statements of companies with functional currencies different from the euro, which is the Group’s presentation currency. These companies are Pininfarina Sverige AB, Pininfarina Maroc SAS and the recently established Pininfarina Automotive Engineering (Shanghai) Co Ltd.

(f) Other reserves

The balance shown for Other reserves was unchanged compared with the previous year.

The Group does not have any stock option plans or other instruments requiring share-based payment transactions.

(g) Retained Earnings (Loss Carryforward)

At March 31, 2011, the loss brought forward totaled 38,069,399 euros. The negative increase of 33,076,486 euros compared with December 31, 2010 corresponds to the consolidated loss incurred in 2010.

14. Borrowings

The table below shows the changes in the Group's indebtedness that occurred in 2011:

	12/31/10	Reclassification between current and non-current	Variation of bank overdrafts	Repayment	Figurative interests	3/31/11
Liabilities under financial leases	116,131,206	-	-	-	414,461	116,545,667
Other indebtedness	77,405,750	-	-	(150,000)	126,232	77,381,982
Non-current liabilities	**193,536,956**	**-**	**-**	**(150,000)**	**540,693**	**193,927,649**
Bank account overdrafts	26,000,000	-	-	-	-	26,000,000
Liabilities under financial leases	12,199,807	-	-	-	-	12,199,807
Other indebtedness	10,837,102	-	-	-	-	10,837,102
Current liabilities	**49,036,909**	**-**	**-**	**-**	**-**	**49,036,909**
Current and non-current liabilities	**242,573,865**	**-**	**-**	**(150,000)**	**540,693**	**242,964,558**
Composed by:						
Liabilities under financial leases	128,331,013	-	-	-	414,461	128,745,474
Other indebtedness	88,242,852	-	-	(150,000)	126,232	88,219,084
Total leasing liabilities and other indebtedness	**216,573,865**	**-**	**-**	**(150,000)**	**540,693**	**216,964,558**

Other financial debt includes the amounts owed to the Lender Institutions of Pininfarina S.p.A., parties to the Rescheduling Agreement, and to Fortis Bank (now Banca Nazionale del Lavoro S.p.A.) pursuant to the corresponding loan agreements.

The repayment column reflects the repayment made by the Pininfarina Deutschland subsidiary on indebtedness owed to Banca Intesa SanPaolo (Frankfurt branch).

At March 31, 2011, a total of 26 million euros had been drawn from short-term credit lines, compared with a maximum usable amount of 49.7 million euros, as defined in the Framework Agreement executed with the Lender Institutions of Pininfarina S.p.A. A breakdown of gross borrowings by maturity is as follows:

	3/31/11	Amount at 3/31/11	Amount due from 1 to 5 years	Amount due after 5 years
Liabilities under financial leases	128,745,475	12,199,807	116,545,668	-
Other indebtedness	88,219,083	10,837,102	77,381,981	-
Total leasing liabilities and other indebtedness	**216,964,558**	**23,036,909**	**193,927,649**	**-**

The table below, which is being provided for the sake of full disclosure and consistency with the information provided in previous years, shows a breakdown of the Group's borrowings by lender and the changes that occurred in 2011:

	12/31/10	Repayments	Figurative charges	3/31/11
Leasint	28,904,728	-	144,692	29,049,420
MPS Leasing	14,452,364	-	72,346	14,524,710
Selmabipiemme	14,452,364	-	72,345	14,524,710
Release Spa (ex B.Italease)	37,660,433	-	62,278	37,722,711
Lease Group Spa (ex BNP Paribas)	12,078,785	-	24,005	12,102,790
UBI Leasing	6,039,392	-	12,003	6,051,395
Unicredit Leasing Spa (ex LOCAT)	14,742,950	-	26,792	14,769,742
Total Leasing	**128,331,016**	**-**	**414,462**	**128,745,478**
Banca Intesa Sanpaolo Spa	21,807,829	-	45,597	21,853,426
Banca Italease Spa	1,635,469	-	3,428	1,638,897
Unicredit Corporate Banking Spa	10,503,564	-	21,951	10,525,515
Unicredit Corporate Banking Spa (ex B.Roma)	7,270,709	-	15,096	7,285,805
Banca Nazionale del Lavoro	3,304,278	-	6,904	3,311,182
Banca Regionale Europea	3,634,359	-	7,62	3,641,979
Banca Regionale Europea (ex B.Pop.Bergamo)	5,452,107	-	11,389	5,463,496
Banca Popolare di Novara	6,815,002	-	14,246	6,829,248
Banca Intesa Sanpaolo (Frankfurt - DE)	650,000	(150,000)	-	500,000
Total Bank	**61,073,317**	**(150,000)**	**126,231**	**61,049,547**
BNL (Ex Fortis Bank)	27,169,533	-	-	27,169,533
Total	**216,573,865**	**(150,000)**	**540,693**	**216,964,558**

By virtue of the court injunctions served on Pininfarina S.p.A. on March 28, 2008 and April 19, 2008, Fortis Bank S.A. (now Banca Nazionale del Lavoro S.p.A.) was granted court-ordered mortgages on all of the buildings owned by the Company, which secure loans currently totaling about 27.2 million euros.

In addition, Pininfarina S.p.A. is the guarantor of obligations, denominated in euros, under finance leases executed by the Pininfarina Sverige AB joint venture, which were not restructured in 2008. At March 31, 2011, the outstanding balance of these leases was about 35.9 million euros.

Consequently, the Company does not owe any amounts subject to the currency risk. Information about its net borrowings, computed in accordance with Consob Communication No. 6064293 of July 28, 2006, is provided on page 14 of the Report on Operations.

The indebtedness payable to Banca Intesa SanPaolo, amounting to 500,000 euros, is owed by Pininfarina Deutschland, which is the only company consolidated line by line that owed medium/long-term debt.

15. Trade Accounts Payable and Other Payables

(a) Trade Accounts Payable

	3/31/11	12/31/10
Accounts payable to suppliers	17,121,888	33,003,933
Accounts payable to related parties and joint ventures	28,397	45,605
Advances received for work in progress	2,042,254	1,851,082
Total	**19,192,539**	**34,900,620**

The balance at March 31, 2011 does not include any material past-due amounts and reflects payables that will be settled within 12 months from the end of the reporting year.

As was the case in previous years, accounts payable to related parties and joint ventures includes the amount owed to Pininfarina Sverige AB.

(b) Other Payables

	3/31/11	12/31/10
Amounts owed to employees	3,540,242	2,153,925
Income tax withheld from employees	865,935	1,487,468
Miscellaneous payables	1,122,805	1,516,775
Total	**5,528,982**	**5,158,168**

16. Provisions for Risks and Charges, Contingent Liabilities and Legal Disputes

(a) Provisions for Risks and Charges

A listing and review of the changes that occurred in the provisions for risks and charges in the first quarter of 2011 is provided below:

	12/31/10	Additions	Utilizations	Other changes	3/31/11
Provision for warranties	569,010	-	(39,618)	-	529,392
Provision for restructuring	2,405,194	-	(612,519)	-	1,792,675
Other provisions	4,239,758	261,801	(403,714)	-	4,097,845
Total	**7,213,962**	**261,801**	**(1,055,851)**	**-**	**6,419,912**

The “Provision for warranties” covers the best estimate of the Company’s contractual and statutory obligations with regard to costs entailed by warranties provided on certain components of the vehicles it manufactured for a specific period, starting from the sale of the vehicles to end customers. The abovementioned estimate was determined based on the Company’s experience, specific contractual terms and product specification, and defect incidence data generated by the statistical survey systems of the Company’s customers.
The “Provision for restructuring charges” reflects a best estimate of the liability for restructuring programs and its utilization for the period covers the costs incurred for retirement incentives.
“Other provisions” reflects best estimates of the liabilities that may arise from the renegotiation of certain aspects of the contract with Volvo and other minor liabilities of the Matra Automobile Engineering SAS subsidiary arising from disputes with employees and the revenue administration.

(b) Contingent Liabilities and Legal Disputes

(b1) Dispute with the Revenue Administration

On April 11, 2011, the Government's Legal Services Office served notice on the Company that it was appealing to the Supreme Court of Cassation a decision by which a higher-level tax commission fully upheld the position of Pininfarina S.p.A. in a dispute with the Internal Revenue Agency concerning VAT that started in 2006. The focus of the dispute was the contention that VAT should have been levied on the amounts invoiced in 2002 and 2003 by Industrie Pininfarina S.p.A. (merged into Pininfarina S.p.A. in 2004) to Peugeot Citroen Automobiles, whose tax representative in Italy was Gefco Italia S.p.A.
At this point, it is impossible to predict the decision of the Supreme Court of Cassation with regard to the appeal filed by the Government's Legal Services Office. The Company is confident that its actions were proper and is currently finalizing activities to defend its position.

17. Current and Deferred Taxes

(a) Current Taxes

A breakdown of the "Income taxes" line item of the income statement is provided below:

	First quarter 2011	**First quarter 2010**
IRES / Local taxes	(61,692)	(66,026)
IRAP	(73,000)	(123,000)
Total current taxes	**(134,692)**	**(189,026)**
Variation of deferred tax asset	(44,442)	(50,084)
Variation of deferred tax liabilities	-	2,410
Deferred taxes	**(44,442)**	**(47,674)**
Income tax	**(179,134)**	**(236,700)**

The current taxes payable refer mainly to the regional taxes (IRAP) owed by Pininfarina S.p.A. and Pininfarina Extra S.r.l.
Within the Pininfarina Group there are two agreements governing the filing of national consolidated tax returns: (i) one for the Italian companies of the Group, i.e., Pininfarina S.p.A. and Pininfarina Extra S.r.l., (ii) and another one for the Pininfarina Deutschland GmbH Group, which includes this company and its subsidiaries, both called MPX Entwicklung GmbH, located one in Munich and one in Stuttgart.

(b) Deferred Taxes

The change is due to consolidation entries.

18. Sales and Service Revenues

	First quarter 2011	First quarter 2010
Sales revenues - Italy	202,765	15,918,446
Sales revenues - UE	1,452,371	26,511,054
Sales revenues - Non UE countries	108,736	126,026
Services revenues - Italy	1,800,775	4,082,828
Services revenues - UE	4,859,452	5,534,069
Services revenues - Non UE countries	1,986,986	3,052,038
Total	**10,411,085**	**55,224,461**

The end of the activities engaged in contract car manufacturing and sales is the main reason for the reduction in sales revenues.
Segment information is provided on page 30.

19. Other Income and Revenues

	First quarter 2011	First quarter 2010
Amounts rebilled	150,663	152,728
Out-of-period income	94,142	278,950
Insurance settlements	-	3,313
Rebilling	26,334	26,362
Operating grants	114,622	32,664
Sundry items	12,748	18,470
Total	**398,509**	**512,486**

Rental income refers mainly to rent on two building located in Renningen, near Stuttgart, in Germany, owned by the Pininfarina Deutschland GmbH subsidiary.
Out-of-period income refers to out-of-period income and estimating differences, other than errors, resulting from the regular updating of estimates made in previous years.

20. Wages, Salaries and Employee Benefits

	First quarter 2011	First quarter 2010
Wages and salaries	(8,667,779)	(9,709,352)
Employee benefits	(2,335,771)	(2,630,583)
Independent contractors	-	(1,547,607)
Utiliz.Prov.restruct.charges	612,519	760,197
Wages, Salaries and Employee Benefits	**(10,391,031)**	**(13,127,345)**
Addition to Provision for termination indemnities	(487,555)	(565,217)
Total	**(10,878,586)**	**(13,692,562)**

The amount shown for Independent contractors reflects the costs of seconded employees of De Tomaso Automobili S.p.A. employed in the manufacturing processes terminated at the end of 2010.
Utilization of the provision for restructuring charges refers to the amounts paid to employees who left the Company in 2011, in accordance with the separation incentive program.
The table below shows the number of employees March 31, 2011 and, as required by Article 2472 of the Italian Civil Code, the average number of employees, computed by adding and dividing by two the number of employees at the beginning and at the end of the year:

	First quarter 2011		First quarter 2010	
	March 31, 2011	**Average**	**March 31, 2010**	**Average**
Executives	27	28	33	33
Office staff	698	694	701	697
Production staff	101	101	122	122
Total	**826**	**823**	**856**	**852**

21. Additions to Provisions, Utilizations of Provisions and Writedowns

	First quarter 2011	First quarter 2010
Additions to allowance for doubt. accounts	(562,576)	(173,557)
Additions to provisions for risks	(261,801)	(1,169,904)
Writedowns of equity investmens	-	(10,799)
Total	**(824,377)**	**(1,354,260)**

Additional information is provided in Note 16.

22. Other Expenses

	First quarter 2011	First quarter 2010
Travel expenses	(320,463)	(301,181)
Rentals	(527,609)	(731,500)
Fees paid to Directors and Statutory Auditors	(308,751)	(253,679)
Consulting and other services	(956,958)	(21,172)
Other personnel costs	(208,908)	(230,654)
Telegraph and postage	(92,632)	(106,869)
Cleaning and waste disposal services	(106,247)	(193,923)
Advertising	(128,720)	(93,969)
Taxes	(150,405)	(113,518)
Insurance	(121,624)	(179,576)
Membership dues	(26,613)	(24,238)
Out-of-period charges	(12,135)	(21,841)
General services	(81,846)	(42,336)
Sundry expenses	(50,445)	(269,334)
Total	**(3,093,355)**	**(2,583,790)**

The decrease in “Consulting and other services” compared with the first quarter of 2010 is due mainly to a restatement of the balance shown at March 31, 2010 required by a change of about 1 million euros in the estimate of a cost recognized in 2010.

23. Financial Income (Expense), Net

	First quarter 2011	First quarter 2010
Financial expense paid to banks	(240,319)	(226,805)
Financial expense paid under leases	(414,461)	(367,071)
Financial exp. on medium- and long-term borrowings	(275,093)	(257,726)
Total financial expense	**(929,873)**	**(851,602)**
Bank interest earned	181,695	92,259
Realized gains from marking securities to market	205,604	488,518
Interest earned on long-term loans to outsiders	347,193	622,882
Interest earned on long-term loans to joint ventures	137,901	241,136
Total financial income	**872,393**	**1,444,795**
Net financial income (expense)	**(57,480)**	**593,193**

Interest paid – credit lines refers to the use of the credit line in day-to-day operations. As a result of the signing of the Framework Agreement, credit line utilization may not be greater than 49.7 million euros and this amount was never exceeded in the first quarter of 2011. Interest earned – credit lines represents interest accrued on credit balances in the corresponding bank accounts.
The amount shown for “Current assets held for trading” reflects trading gains and losses and the effect of measuring these assets at fair value at the end of each period.
“Financial expense paid under finance leases,” amounting to 414,461 euros, was recognized as a result of the valuation of liabilities by the amortized cost method. Pursuant to the Rescheduling Agreement executed with the Lender Institutions on December 31, 2008, interest charges will be payable starting in the first half of 2012. Their amount decreased significantly compared with the previous year due to a reduction in gross borrowings.
“Financial expense on medium/long-term borrowings,” amounting to 275,093 euros, reflects the valuation of liabilities by the amortized cost method (126,230 euros), the interest accrued on the debt owed to Fortis Bank (now BNL of the BNP Paribas Group), which is the only bank that refused to sign the Framework Agreement (146,028 euros) and interest accrued on loans owed by foreign companies for the balance. The interest owed to Fortis Bank is payable on June 30, 2011, as stipulated, while the interest owed on medium/long-term borrowings is payable in the first half of 2012.
“Interest earned on long-term loans to outsiders,” amounting to 347,193 euros, originates from the valuation of financial assets recognized by the amortized cost method, in accordance with IFRIC 4.
“Interest earned on long-term loans to related parties and joint ventures,” totaling 137,901 euros, refers to the interest accrued on the loan provided in Pininfarina Sverige AB.

24. Valuation of Equity Investments by the Equity Method

Due to recent events discussed in detail in Note 3 “Investments in Joint Ventures,” no adjustments were recognized in the first quarter of 2011.

OTHER INFORMATION

Events Occurring After March 31, 2011

A review of significant events occurring after March 31, 2011 and the Group's business outlook is provided in a separate section of Report of the Board of Directors on Operations.

Transactions with Related Parties

The table below, which is being presented pursuant to Consob Communication No. DEM/6064293 of July 28, 2006, provides an overview of transactions with related parties, including intra-Group transactions. These transactions were carried out on market terms, consistent with the nature of the goods exchanged or the services provided, and were neither atypical nor unusual, for the purposes of the abovementioned communication.

	Commercial		Financial		Operating		Financial	
	Receivables	Payables	Receivables	Payables	Revenues	Costs	Income	Expense
Pininfarina Sverige AB	1,344,748	28,397	27,017,220	-	249,353	25,292	137,901	-
Total	**1,344,748**	**28,397**	**27,017,220**	**-**	**249,353**	**25,292**	**137,901**	**-**

In addition to the amounts reported in the table above, transactions with other related parties requiring disclosure included legal consulting services provided to Pininfarina S.p.A. by Studio Professionale Pavesio e Associati, related to the Director Carlo Pavesio, for a total amount of 14,133 euros, and commercial consulting services provided by Pantheon Italia S.r.l., related to the Director Roberto Testore, for a total amount of 15,814 euros.

Material Extraordinary Transactions

As required by the Consob Communication No. DEM/6064293 of July 28, 2006, the Company discloses that it reclassified the net carrying amount of its investment in the Véhicules Electriques Pininfarina Bolloré joint venture, valued at 1,131,335 euros, from "Investments in joint ventures" to "Non-current assets held for sale."

Atypical and Unusual Dealings

As required by the Consob Communication No. DEM/6064293 of July 28, 2006, the Pininfarina Group discloses that in the first quarter of 2011 it was not a party to 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 counterparty, 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.