

pininfarina

PININFARINA GROUP

QUARTERLY REPORT AT SEPTEMBER 30, 2004

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

CONSOLIDATED FINANCIAL HIGHLIGHTS

(in thousands of euros)

6/30/04		9/30/04	9/30/03
	Operating Data		
236,203	Net revenues	350,823	527,160
319,055	Value of production	453,173	586,927
21,552	EBITDA	25,739	35,679
12,304	EBIT	12,262	22,069
1,225	Net financial income	490	3,599
7,431	Profit before taxes	4,231	16,501
2,326	Group interest in net profit for the period	856	7,075
11,564	Cash flow*	14,315	20,554
	Balance Sheet Data		
195,359	Net non-current assets	208,229	120,503
173,183	Net invested capital	188,073	68,494
173,410	Group interest in shareholders' equity	171,715	172,400
26,878	Net financial position	10,945	129,784
	Performance Indicators (%)		
6.75	EBITDA/Value of production	5.68	6.08
3.86	ROS (EBIT/Value of production)	2.71	3.76
6.76	ROI (EBIT/Net invested capital)	6.52	32.22
1.34	ROE (Net profit/Shareholders' equity)	0.50	4.10
0.38	Net financial income/Value of production	0.11	0.61
	Other Data		
33,971	Capital investments for the period/year	49,460	16,886
	*Group interest in net profit plus depreciation and amortization.		

Reclassified Consolidated Balance Sheet
(in thousands of euros)

6/30/04		9/30/04	12/31/03	Change
	A) Net non-current assets			
87,583	Net intangible assets	102,141	60,000	42,141
102,330	Net fixed assets	103,284	104,315	(1,031)
5,446	Net financial assets	2,804	8,559	(5,755)
195,359		208,229	172,874	35,355
	B) Working capital			
124,566	Inventory	117,815	86,227	31,588
66,015	Trade accounts receivable, net	68,136	71,360	(3,224)
54,869	Other assets	54,671	45,898	8,773
(136,957)	Trade accounts payable	(129,426)	(146,904)	17,478
(10,872)	Reserve for risks and charges	(12,108)	(14,584)	2,476
(119,797)	Other liabilities	(119,244)	(121,092)	1,848
(22,176)		(20,156)	(79,095)	58,939
173,183	C) Net invested capital (A+B)	188,073	93,779	94,294
	D) Reserve for termination indemnities			
26,651		27,303	25,999	1,304
146,532	E) Net capital requirements (C-D)	160,770	67,780	92,990
	F) Shareholders' equity			
9,317	Share capital	9,317	9,317	-
161,767	Reserves	161,542	154,245	7,297
2,326	Net profit for the year/period	856	10,145	(9,289)
173,410		171,715	173,707	(1,992)
	G) Net financial position			
56,870	Long-term debt	62,041	2,112	59,929
(83,748)	Net liquid assets	(72,986)	(108,039)	35,053
(26,878)		(10,945)	(105,927)	94,982
146,532	H) Total as in E (F+G)	160,770	67,780	92,990

Reclassified Consolidated Profit and Loss Account
(in thousands of euros)

6/30/04	9/30/04	%	9/30/03	%	Change
236,203 Net revenues	350,823	77.41	527,160	89.82	(176,337)
40,436 Changes in inventory of work in process and finished products	38,694	8.54	38,406	6.54	288
15,548 Other income and revenues	22,769	5.02	19,618	3.34	3,151
26,868 Fixed assets constructed internally	40,887	9.02	1,743	0.30	39,144
319,055 Value of production	453,173	100.00	586,927	100.00	(133,754)
(243,275) Purchases of raw materials and outside services	(347,391)	(76.66)	(488,215)	(83.18)	140,824
(2,096) Change in inventory of raw materials	(6,953)	(1.53)	6,965	1.19	(13,918)
73,684 Value added	98,829	21.81	105,677	18.01	(6,848)
(52,132) Personnel costs	(73,090)	(16.13)	(69,998)	(11.93)	(3,092)
21,552 EBITDA	25,739	5.68	35,679	6.08	(9,940)
(9,238) Depreciation and amortization	(13,459)	(2.97)	(13,479)	(2.30)	20
(10) Provisions	(18)	(0.00)	(131)	(0.02)	113
12,304 EBIT	12,262	2.71	22,069	3.76	(9,807)
1,225 Net financial income	490	0.11	3,599	0.61	(3,109)
(6,098) Other income (charges), net	(8,521)	(1.88)	(9,167)	(1.56)	646
7,431 Profit before taxes	4,231	0.93	16,501	2.81	(12,270)
(5,015) Income taxes	(3,526)	(0.78)	(9,426)	(1.61)	5,900
(90) Minority interest in net profit (loss)	151	0.03	0	0	151
2,326 Net profit for the period/year	856	0.19	7,075	1.21	(6,219)

Reclassified Consolidated Profit and Loss Account

(in thousands of euros)

	from 7/1/04 to 9/30/04	%	from 7/1/03 to 9/30/03	%	Change
Net revenues	114,620	85.46	160,081	90.18	(45,461)
Changes in inventory of work in process and finished products	(1,742)	(1.30)	9,401	5.30	(11,143)
Other income and revenues	7,221	5.38	6,297	3.55	924
Fixed assets constructed internally	14,019	10.45	1,743	0.98	12,276
Value of production	134,118	100.00	177,522	100.00	(43,404)
Purchases of raw materials and outside services	(104,116)	(77.63)	(143,924)	(81.07)	39,808
Change in inventory of raw materials	(4,857)	(3.62)	(794)	(0.45)	(4,063)
Value added	25,145	18.75	32,804	18.48	(7,659)
Personnel costs	(20,958)	(15.63)	(21,060)	(11.86)	102
EBITDA	4,187	3.12	11,744	6.62	(7,557)
Depreciation and amortization	(4,221)	(3.15)	(4,627)	(2.61)	406
Provisions	(8)	(0.01)	(44)	(0.02)	36
EBIT	(42)	(0.03)	7,073	3.98	(7,115)
Net financial income	(735)	(0.55)	1,089	0.61	(1,824)
Other income (charges), net	(2,423)	(1.81)	(3,881)	(2.19)	1,458
Profit before taxes	(3,200)	(2.39)	4,281	2.41	(7,481)
Income taxes	1,489	1.11	(2,539)	(1.43)	4,028
Minority interest in net profit (loss)	241	0.18	0	0.00	241
Net profit for the period/year	(1,470)	(1.10)	1,742	0.98	(3,212)

Consolidated Statement of Cash Flow

(in thousands of euros)

	9/30/04	12/31/03	Change
A. Net liquid assets at beginning of period	108,039	117,894	(9,855)
B. Net cash flow from operating activities			
Net profit for the period/year	856	10,145	(9,289)
Depreciation and amortization	13,459	18,094	(4,635)
(Gains) Losses on sale of non-current assets	(1,028)	(325)	(703)
Change in working capital	(58,939)	3,833	(62,772)
Net change in reserve for termination indemnities	1,304	133	1,171
Other changes	(1,836)	368	(2,204)
	(46,184)	32,248	(78,432)
C. Cash flow from investing activities			
Investments in fixed and intangible assets	(55,215)	(37,690)	(17,525)
Investments in financial assets	5,755	(5,207)	10,962
Proceeds from sale or redemption of non-current assets	1,674	3,915	(2,241)
	(47,786)	(38,982)	(8,804)
D. Cash flow from financing activities	62,041	0	62,041
E. Distribution of net profit	(3,124)	(3,121)	(3)
F. Net cash flow for the period (B+C+D+E)	(35,053)	(9,855)	(25,198)
G. Net liquid assets at end of period (A+F)	72,986	108,039	(35,053)

Consolidated Net Financial Position

(in thousands of euros)

6/30/04		9/30/04	12/31/03	Change
10,945	Liquid assets	7,505	35,776	(28,271)
55,594	Fixed-income securities, net	54,038	57,704	(3,666)
8,387	Listed equity securities, net	11,443	14,559	(3,116)
	Accounts receivable from associated companies	-	-	-
83,748	Net short-term liquid assets	72,986	108,039	(35,053)
(56,870)	Long-term bank debt	(62,041)	(2,112)	(59,929)
26,878	Net financial position	10,945	105,927	(94,982)

Production of Complete Cars and Car Bodies

12/31/03	6/30/04		9/30/04	9/30/03
		Complete cars		
2,094	899	Alfa Romeo Spider	1,011	1,856
1,521	313	Alfa Romeo GTV	550	1,300
7,386	2,253	Peugeot 406 Coupé	3,264	6,022
8,704	4,083	Mitsubishi Pajero Pinin	6,066	6,352
23,579	6,174	Ford Streetka	7,730	18,207
43,284	13,722	Total	18,621	33,737
		Car bodies		
1	0	Mitsubishi Pajero Pinin	0	1
1	0	Peugeot 406 Coupé	0	1
2	0	Total	0	2
43,286	13,722	Grand total	18,621	33,739

Analysis of the Reclassified Financial Statements

Balance Sheet

Net **intangible assets and fixed assets** totaled 205.4 million euros at September 30, 2004, or 41.1 million euros more than at the beginning of the year.

Financial fixed assets came to 2.8 million euros. The decrease of 5.8 million euros reflects a writedown of the investment in Open Air Systems GmbH.

At September 30, 2004, **working capital** was negative by 20.2 million euros, but the negative balance contracted by 58.9 million euros, due mainly to an increase in current assets, which was proportionately greater than the rise in current liabilities.

The **reserve for termination indemnities** grew to 27.3 million euros, or 1.3 million euros more than at the beginning of the year.

Net capital requirements increased by 93 million euros to 160.8 million euros.

Shareholders' equity totaled 171.7 million euros. The decrease of 2 million euros is the net result of the transfer to retained earnings of the unappropriated 2003 net profit and the smaller impact of the net profit for the nine months of 2004 relative to the figure for the full year.

The **net financial position**, while still positive, contracted by 95 million euros to 10.9 million euros reflecting primarily changes in working capital and the impact of ongoing capital expenditures.

Profit and Loss Account

The Group had **net revenues** of 350.8 million euros, or 176.3 million euros less (-33.4%) than in the third quarter of 2003.

The **value of production for the period** came to 453.2 million euros, decreasing by 133.8 million euros, or 22.8%, compared with the figure for the first nine months of 2003. This item includes net revenues, a 38.7-million-euro rise in the inventory of work in process and finished goods (virtually no change), other income and revenues of 22.8 million euros (+3.2 million euros) and fixed assets constructed internally totaling 40.9 million euros (+39.1 million euros).

Purchases of materials and outside services were down 140.8 million euros (-28.8%) to 347.4 million euros.

The **change in inventory of raw, ancillary and consumable materials and goods** was negative by 7 million euros, compared with a positive change of 7 million euros a year ago.

As a result, **value added** decreased to 98.8 million euros, compared with 105.7 million euros at September 30, 2003. The ratio of value added to value of production was 21.8% (a gain of 3.8 percentage points).

Personnel costs came to 73.1 million euros, for an increase of 3.1 million euros compared with September 30, 2003. The ratio of personnel costs to value of production was 16.1% (+4.2 percentage points).

EBITDA totaled 25.7 million euros. This amount, which was 10 million euros less (28%) than the figure at September 30, 2003, was equivalent to 5.7% of the value of production (6.1% a year earlier).

Depreciation and amortization amounted to 13.5 million euros, about the same as in the first nine months of 2003.

Provisions for risks and writedowns decreased by 113,000 euros to 18,000 euros.

EBIT, which totaled 12.3 million euros, decreased by 9.8 million euros (-44.3%) compared with the first nine months of 2003. The ratio of EBIT to value of production was 2.7% (3.8% at September 30, 2003).

Net financial income amounted to 490,000 euros. A reduction in liquid assets is the main reason for the decrease of 3.1 million euros.

Net other charges came to 8.5 million euros, or 0.6 million euros less (-7.6%) than at September 30, 2003.

Profit before taxes totaled 4.2 million euros, or 12.3 million euros less than in the first nine months of 2003. It was equivalent to 0.9% of the value of production (2.8% in the same period last year).

Income taxes for the period decreased by 5.9 million euros to 3.5 million euros. The tax rate was equal to 83.3% of the profit before taxes (57.1% at September 30, 2003).

The **minority interest in net loss** amounted to 151,000 euros.

Net profit totaled 856,000 euros, or 0.2% of the value of production (1.2% at September 30, 2003), compared with 7.1 million euros in the first nine months of 2003.

Statement of Cash Flow

During the first nine months of 2004, **net liquid assets** decreased by 35.1 million euros as a result of the following changes:

Net cash flow from operating activities was negative by 46.2 million euros, posting a decrease of 78.4 million euros attributable primarily to changes in working capital.

Cash flow from investing activities was net negative by 47.8 million euros, reflecting the increased capital investments required to develop new projects.

Cash flow from financing activities totaled 62 million euros, compared with a zero balance at December 31, 2003.

There was no change in the **distribution of net profit**.

Review of Operating Performance and Significant Events in the Third Quarter of 2004

Three main factors continued to influence the Group's performance in the third quarter of 2004:

- A decrease in the production of automobiles due to a change in the model lineup;
- Steady gains by the design and engineering operations;
- The impact of companies that are still in the startup phase and are not yet able to contribute earnings to the Group.

The results of the Pininfarina Group during the first nine months of 2004 confirm the trend outlined in the Semiannual Report: both the value of production and profit margins fell below the level achieved in the same period last year.

The Group's manufacturing operations completed the orders for Alfa Romeo and Peugeot, produced about the same number of Mitsubishi vehicles as they did in the first nine months of 2003 and built fewer Ford Streetka cars than a year ago, when this model was first launched. The more stable demand experienced this year is more consistent with real demand for a niche vehicle such as the Streetka.

The news that Pininfarina will begin production, at its facilities, of a new convertible for Ford that is based on the Focus Vignale concept car, the star of the Paris Motor Show, was officially announced on November 4, 2004.

The associated company Open Air Systems GmbH continued to manufacture retractable roofs for BMW-MINI and made further progress in developing the orders in its portfolio, some of which are related to models that the Group is scheduled to produce in the future. Pininfarina Sverige AB and RHTU Sverige AB began preproduction on the new Volvo convertible and the car's retractable roof, respectively.

The design operations used the Paris Motor Show for the world unveiling of two new models: the Ferrari F430 and the Peugeot 1007. Both cars were extremely well received by the trade press and by the public. In addition, the presentation of the Nido, a prototype that embodies safety advances for small cars, and the Double-Face, a production concept car that uses technological and process innovations developed in cooperation with Matra Automobile Engineering, helped bolster the Group's image as a global partner for the automotive industry.

The engineering operations are developing projects for Alfa Romeo, Ford, Mitsubishi and Volvo that will be built in the future at the Group's factories and are also handling assignments for Peugeot and Chery. An important development in this area was a new order received from Changfeng, a large new Chinese customer. This order demonstrates the success that Pininfarina is having in China, where the Group's presence is now well established. In the engineering area, the contribution of the French companies headed by Matra Automobile Engineering SAS is of fundamental importance to the Group's strategy of providing a more complete range of services to the Group's customers.

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

Pininfarina S.p.A. reported a value of production of 415.3 million euros in the first nine months of 2004, for a decrease of 28.1% compared with the same period last year. It built a total of 18,621 vehicles, down 44.8% from the 33,739 units it manufactured in the first nine months of 2003. This decrease in business volume had a negative impact on profitability, which was lower than at September 30, 2003 both in absolute terms and percentage terms. EBIT fell to 7.6

million euros (12.0 million euros at September 30, 2003), equal to 1.8% of the value of production (2.1% a year ago).

The German associated company Open Air Systems GmbH continued to grow, adding staff as it booked new orders. Its impact on the consolidated financial statements at September 30, 2004 was a loss of 5.8 million euros (2.2 million euros last year) and a value of production of 24.4 million euros. These data are consistent with the performance of a startup company established in 2002. Open Air Systems is expected to reach breakeven by 2006.

Pininfarina Deutschland GmbH reported a value of production of 6.4 million euros (11 million euros at September 30, 2003). The net loss for the period totaled 2 million euros (net loss of 1.4 million euros at September 30, 2003). This company is operating in a stagnant German market characterized by rising pressure on profit margins and a decrease in the use of outsourcing contracts by customers. In order to improve the value of these operations, the Group is studying the possibility of integrating the skillset of this company with automotive capabilities. A mix of this kind would enable the company to offer customers a more complete product line and supply services with greater value added. This strategy of integration has already proved successful for the engineering services offered by the Group's Italian and French companies.

Pininfarina Sverige AB, a joint venture with Volvo Car Corporation that is not yet operational, reported a net loss of 227,000 euros. RHTU Sverige AB, which is also in the startup phase, closed the first quarter of its existence with a loss of 16,000 euros.

After its first full year of operation, the Matra Automobile Engineering Group reported a value of production of 32.4 million euros and a net loss of 3.4 million euros. There was a surge in engineering work in the third quarter, as compared with the previous six months. This improvement helped reduce the net loss, and the positive trend is expected to continue in the last quarter of 2004. Sufficient funds have been set aside in the reserve for future losses to offset the impact of the loss in the consolidated financial statements for all of 2004.

Pininfarina Extra S.r.l. closed the first nine months of 2004 with a value of production of 2.8 million euros (+64.7% compared with September 30, 2003). Net profit totaled 362,000 euros (76,000 euros at September 30, 2003), equivalent to 12.9% of the value of production (4.4% in the same period last year).

PF RE S.A., a subsidiary based in Luxembourg, reported a net profit of 7,000 euros (62,000 euros at September 30, 2003). PF Services S.A. ended the first nine months of 2004 with a net profit of about 4,000 euros (6,000 euros at September 30, 2003).

For the year as a whole, the consolidated results should show that the value of production is down about 20% compared with 2003. Profitability is also expected to be lower, both in absolute terms and as a percentage of the value of production.


The consolidated net financial position was positive by 10.9 million euros, compared with a positive balance of 105.9 million euros at December 31, 2003. This significant decrease, which was discussed in the review of the semiannual results, reflects the absorption of financial resources in connection with:

- The simultaneous development of five models that are scheduled to go into production during a 12-month period, starting in the second half of 2005;
- The financial support provided to Matra Automobile Engineering SAS and Open Air Systems GmbH during their startup periods.

The financial resources needed to meet the commitments described above were secured through financing arrangements on terms that attest to the high credit rating enjoyed by the Group and its industrial operations.

The year-end outlook calls for a further deterioration of the financial position, which is expected to remain in negative territory through 2005. Starting in the second half of 2006, once the production of new models reaches full capacity and the companies currently in startup become fully operational, the trend should gradually reverse itself.

November 12, 2004

A handwritten signature in black ink, appearing to read 'S. Pininfarina', is written over a horizontal line.

Sergio Pininfarina
Chairman of the Board of Directors

Notes to the Financial Statements

The consolidated financial statements of the Pininfarina Group for the three months ended September 30, 2004 were prepared in accordance with Consob Regulation No. 11971 of May 14, 1999.

They include the financial statements at September 30, 2004 of Pininfarina S.p.A., the Group's Parent Company, and of those subsidiaries in which it holds, directly or indirectly, the majority of the votes that can be cast at Regular Shareholders' or Partners' Meetings. These companies are consolidated on a line-by-line basis.

The investments in the associated company Open Air Systems GmbH (50% interest) and Pasiphae S.a.r.l (20% interest) are valued by the equity method.

Equity investments the amount of which is not significant are carried at their purchase or subscription cost.

This quarterly report has not been audited.

The accounting principles and valuation criteria applied in preparing the financial statements at September 30, 2004 are the same as those used in the preparation of the annual financial statements at December 31, 2003. The accounting principles and valuation criteria are explained in detail in the notes to the 2003 annual financial statements.

Scope of Consolidation

These financial statements are based on a scope of consolidation that is significantly different compared with December 31, 2003, due to the inclusion of the following new companies: RHTU Sverige AB, MD SAS and MAEM SAS. Compared with September 30, 2003, the difference in the scope of consolidation is even greater due to the inclusion of Pininfarina Sverige AB, a company in which the Group acquired a 60% interest on November 17, 2003.

Pininfarina Group
Consolidated Financial Statements
at September 30, 2004

Balance Sheet – Assets
(in euros)

6/30/04		9/30/04	12/31/03
	B) NON-CURRENT ASSETS		
	I) Intangible assets		
3,743,281	3 Rights to use intellectual property	3,607,931	4,170,989
78,505,499	6 Intangible assets under formation	92,423,561	52,767,456
5,333,744	7 Others	6,109,835	3,061,519
87,582,524	Total	102,141,327	59,999,964
	II) Fixed assets		
56,975,244	1 Land and buildings	58,682,845	57,939,026
30,376,963	2 Plant and machinery	30,161,893	30,512,750
8,847,038	3 Industrial and trade equipment	8,378,174	7,456,759
4,402,995	4 Other goods	4,485,381	8,055,529
1,727,331	5 Fixed assets under construction and advances	1,575,560	351,435
102,329,571	Total	103,283,853	104,315,499
	III) Financial assets		
	1 Investments in:		
4,781,690	a) associated companies	2,141,900	7,901,316
664,098	d) other companies	662,001	657,490
5,445,788	Total	2,803,901	8,558,806
195,357,883	Total non-current assets B)	208,229,081	172,874,269
	C) CURRENT ASSETS		
	I) Inventory		
24,860,529	1 Raw, ancillary and consumable materials	20,000,925	26,956,711
6,443,452	2 Work in process and semifinished goods	5,712,523	16,239,686
91,888,434	3 Work in progress on job orders	90,541,065	42,122,288
1,374,004	4 Finished products and goods	1,560,568	908,168
124,566,419	Total	117,815,081	86,226,853
	II) Receivables		
62,529,166	1 Trade accounts	54,172,726	69,408,255
9,246,760	3 Due from associated companies	13,913,819	1,951,859
50,283,102	5 Due from others	51,070,274	41,310,453
122,059,028	Total	119,156,819	112,670,567
	III) Current financial assets		
8,386,724	3 Other investments	8,441,815	11,562,193
3,061,041	4 Treasury stock	3,001,457	2,997,154
55,594,347	5 Other securities	54,037,998	57,703,963
67,042,112	Total	65,481,270	72,263,310
	IV) Liquid assets		
10,835,169	1 Cash at banks and post offices	7,368,693	35,697,245
109,398	3 Cash and cash equivalents on hand	136,131	78,696
10,944,567	Total	7,504,824	35,775,941
324,612,126	Total current assets C)	309,957,994	306,936,671
	D) PREPAYMENTS AND ACCRUED INCOME		
4,585,889	Other prepayments and accrued income	3,650,260	4,587,973
4,585,889	Total prepayments and accrued income D)	3,650,260	4,587,973
524,555,898	TOTAL ASSETS	521,837,335	484,398,913

Balance Sheet – Liabilities and Shareholders' Equity
(in euros)

6/30/04		9/30/04	12/31/03
	A) SHAREHOLDERS' EQUITY		
9,317,000	I Share capital	9,317,000	9,317,000
36,885,352	II Share premium reserve	36,885,352	36,885,352
7,872,866	III Revaluation reserve	7,872,866	1,578,884
2,231,389	IV Legal reserve	2,231,389	2,231,389
27,951,000	V Reserve for treasury stock	27,951,000	27,951,000
	VII Other reserves		
86,362,848	a) miscellaneous reserves	86,375,628	85,577,414
463,197	c) minority interest in share capital and reserves	225,733	20,974
2,326,417	IX Net profit for the period/year	855,687	10,144,734
173,410,069	Total shareholders' equity A)	171,714,655	173,706,747
	B) RESERVES FOR RISKS AND CHARGES		
6,960,453	2 Reserve for taxation	6,948,254	7,749,873
3,911,086	3 Other provisions	5,159,563	6,834,176
10,871,539	Total reserves for risks and charges B)	12,107,817	14,584,049
	C) RESERVE FOR TERMINATION INDEMNITIES		
26,650,925		27,302,669	25,998,571
26,650,925		27,302,669	25,998,571
	D) PAYABLES		
	1 Bonds		
56,870,353	3 Due to banks	62,041,345	2,113,616
-	4 Due to other lenders	-	-
50,168,393	5 Advances	54,949,607	38,879,559
	6 Trade accounts		
135,270,440	- Due within one year	127,930,958	141,425,614
1,938,067	- Due after one year	-	994,581
1,686,899	9 Due to associated companies	1,494,778	695,266
7,196,858	11 Taxes payable	8,273,735	19,552,250
6,322,653	12 Due to social security authorities	6,707,322	3,333,938
16,960,911	13 Other payables due within one year	12,538,310	25,026,039
3,000,000	13b Other payables due after one year	3,000,000	3,000,000
279,414,574	Total payables D)	276,936,055	235,020,863
	E) ACCRUED LIABILITIES AND DEFERRED INCOME		
34,208,791	Other accrued liabilities and deferred income	33,776,139	35,088,683
34,208,791	Total accrued liabilities and deferred income E)	33,776,139	35,088,683
524,555,898	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	521,837,335	484,398,913
	Memorandum accounts and other commitments		
48,815,500	Securities pledged as collateral	45,891,500	43,180,000
133,972,292	Third-party equipment under gratuitous loans	133,972,292	133,972,292
74,591,142	Lease installments payable	74,591,142	96,729,823
6,300,860	Sureties	1,368,468	6,265,606
1,500,000	Commitments to buy investment fund shares	1,500,000	1,500,000
265,179,794	Total memorandum accounts and other commitments	257,323,402	281,647,721

PROFIT AND LOSS ACCOUNT
(in euros)

6/30/04		9/30/04	9/30/03
	A) Value of production		
236,203,218	1 Revenues from sales and services	350,823,402	527,160,319
	Changes in inventory of work in progress, semifinished goods		
40,435,748	2 and finished products	38,694,014	38,406,018
26,867,968	4 Increase in fixed assets constructed internally	40,886,648	1,743,227
15,547,564	5 Other income and revenues	22,768,626	19,618,302
319,054,498	Total value of production A)	453,172,690	586,927,866
	B) Cost of sales		
167,436,927	6 Raw, ancillary and consumable materials and goods	229,440,891	385,996,145
50,437,386	7 Services	82,343,632	51,740,744
27,698,344	8 Use of third-party assets	39,364,490	55,593,514
	9 Personnel:		
36,760,723	a) wages and salaries	51,492,942	50,366,747
13,388,336	b) social contributions	18,498,491	16,502,058
1,983,379	c) termination indemnities	3,098,178	3,129,374
	10 Depreciation, amortization and writedowns:		
1,522,721	a) amortization	2,197,852	2,581,846
7,715,614	b) depreciation	11,261,602	10,896,892
249,642	d) writedowns of receivables	6,066	362,949
	Changes in inventory of raw, ancillary and consumable		
2,096,182	11 materials and goods	6,952,622	(6,965,446)
9,744	12 Provisions for risks	18,329	131,089
1,501,185	14 Other operating costs	1,942,105	875,481
310,800,183	Total cost of sales B)	446,617,200	571,211,393
8,254,315	Difference between sales and cost of sales (A-B)	6,555,490	15,716,473
	C) Financial income and charges		
	15 Income from investments in:		
604,109	- other companies	628,174	742,228
	16 Other financial income:		
516,527	b) from securities shown under current assets other than equity	750,076	1,106,343
954,583	d) income other than the above	1,027,742	3,255,619
	17 Interest and other financial charges:		
(850,232)	- paid to others	(1,916,358)	(1,505,312)
1,224,987	Total financial income and charges C)	489,634	3,598,878
	D) Adjustments to the value of financial assets		
	18 Revaluations of:		
	a) equity investments		
	19 Writedowns of:		
(3,119,626)	a) equity investments	(5,759,416)	(2,322,223)
	b) non-current financial assets which do		
(175,577)	not constitute equity investments	(221,610)	(522,311)
(3,295,203)	Total adjustments to the value of financial assets D)	(5,981,026)	(2,844,534)
	E) Extraordinary income and charges		
1,637,443	20 Income	3,614,304	74,973
(390,367)	21 Charges	(448,328)	(44,986)
1,247,076	Tot. extraordinary income and charges E)	3,165,976	29,987
7,431,175	Profit before taxes (A-B+C+D+E)	4,230,074	16,500,804
(5,014,995)	22 Income taxes for the period/year	(3,525,812)	(9,426,158)
(89,763)	23 Minority interest in net profit (loss)	151,425	0
2,326,417	26 Net profit for the period/year	855,687	7,074,646

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