

pininfarina

PININFARINA GROUP

Interim Report on Operations at September 30, 2009

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 September 30, 2009

Approved by the Board of Directors
on November 12, 2009

Honorary Chairman	Sergio	Pininfarina
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Board of Directors

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

(1) Member of the Nominating and Compensation Committee.

(2) Member of the Internal Control Committee.

Board of Statutory Auditors

Chairman	Nicola	Treves
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Statutory Auditors	Giovanni	Rayneri
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Mario	Montalcini
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Alternates	Alberto	Bertagnolio Licio
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Guido	Giovando
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Secretary to the Board of Directors	Gianfranco	Albertini
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Independent Auditors	PricewaterhouseCoopers S.p.A.	
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* Pursuant to Article 22 of the Bylaws, the Chairman is the Company's legal representative vis-à-vis outsiders and before the courts.

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Pininfarina Group

Interim Report on Operations at September 30, 2009

Three significant events concerning Pininfarina S.p.A. had an impact on the Group in the third quarter of 2009: the successful completion of a capital increase, the payment of the first installment of the debt owed to the Lender Institutions that are parties to the Rescheduling Agreement and the start of negotiations to divest business operations with about 900 production-area employees.

The share capital increase launched on July 13, 2009 was completed on September 28, 2009. Pincar S.r.l., the Company's majority shareholder, acquired through subscription and paid-in the 7,663,541 Pininfarina S.p.A. common shares remaining unsubscribed at the end of the Stock Exchange offering period. As a result of the completed capital increase, the Group's Parent Company announced that, net of transaction costs, its shareholders' equity had increased by 69.8 million euros, including 8.8 million euros contributed in cash and 61 million euros obtained by utilizing an advance on future capital contributions provided by forgiving a second tranche of financial receivables subject of an assignment contract signed by the Lender Institutions and Pincar S.r.l. on June 19, 2009. Pininfarina's new share capital is thus comprised of 30,166,652 shares, par value 1 euro each, up from 9,317,000 shares before the increase. This transaction marks the completion of the Second Phase of the Framework Agreement signed by the Lender Institutions, Pincar S.r.l. and Pininfarina S.p.A. on December 31, 2008, the overall effects of which were the recapitalization of Pininfarina S.p.A. by 249.8 million euros and a reduction of medium- and long-term gross borrowings by 241 million euros, compared with the situation that existed before December 31, 2008 (before debt restructuring the medium- and long-term debt owed to banks and leasing companies amounted to 558 million euros).

On September 30, 2009, consistent with the obligations undertaken under the Rescheduling Agreement, the Group's Parent Company paid the first installment, amounting to 38.8 million euros, of the remaining indebtedness owed to the Lender Institutions. As a result, the remaining medium- and long-term debt of Pininfarina S.p.A. totaled 276.1 million euros at September 30, 2009.

On October 15, 2009, after negotiations lasting about four weeks, Pininfarina S.p.A. announced the signing of a preliminary contract for the sale of certain business operations to IAI - Innovation in Auto Industry S.p.A., a company wholly owned by the Rossignolo Family. In addition, Pininfarina S.p.A. received from FinPiemonte-Partecipazioni S.p.A., a finance company controlled by the Piedmont Regional Administration, an irrevocable offer to buy the Grugliasco factory, excluding the Wind Tunnel. The contract sets forth Pininfarina's commitment to sell to IAI the business operations comprised of:

- Machinery, equipment and accessories currently located at the Grugliasco production facility that are used for vehicle sheet-metal bodywork and painting, except for those specifically used for vehicles currently produced by Pininfarina;
- The existing contracts between Pininfarina and 900 Pininfarina production employees (including 875 factory staff and 25 office staff);
- The provision for termination indemnities applicable to the transferred employees, the funding for which will be transferred in full to IAI on the contract closing date;

- A lease for the entire Grugliasco factory, excluding the Wind Tunnel, (the Building) and for service and utility contracts and certifications pertaining to the buildings.

Pursuant to the contract, IAI will be provided with the customary guarantees for any prior-period liabilities incurred by the transferred Business Operations and with a specific commitment by the Lender Institutions parties to the Agreements of December 31, 2008 and by Fortis Bank (collectively referred to as the Creditor Banks) to approve the Transaction and refrain from actions against IAI for any indebtedness owed by the transferred Business Operations. IAI will enter into a subcontracting agreement (at cost) with Pininfarina for the premises, equipment and tools, systems and human resources needed to provide the sheet-metal bodywork and painting services required to carry out until completion existing production orders for Alfa Romeo and Ford. The parties have further agreed to enter into a collaboration contract for the styling of the first vehicle that IAI will produce. Should Pininfarina request it, IAI will enter into a multi-year painting services contract (on market terms) that will go into effect upon the expiration of the production orders currently handled by Pininfarina.

Concurrently with the signing of the Contract with IAI and as an integral part of the Transaction, Pininfarina received from FinPiemonte-Partecipazioni S.p.A., a finance company controlled by the Piedmont Regional Administration, an irrevocable offer to buy the buildings, excluding the Wind Tunnel, based on expert appraisal. At closing, the buildings must be transferred free of any encumbrances (the buildings are currently encumbered by a mortgage held by Banca Fortis). The proceeds from the sale will be used to fund the provision for termination indemnities applicable to the transferred employees and the guarantees and other charges arising from the Transaction.

All transfers are scheduled to take place on or before December 31, 2009, but may be postponed if any of the following conditions precedent is not satisfied by that date:

- Signing of a final contract for the sale of the Building by Pininfarina to FinPiemonte-Partecipazioni, concurrently with the payment of the stipulated price and signing of the lease agreement with IAI;
- Completion within the statutory deadline of the union consultation procedure required by Article 47 of Law No. 428 of December 29, 1990 in connection with the sale of the Business Operations and transfer of employees to IAI;
- Signing of two Regional Agreements providing financing to IAI for the establishment of the venture and for the research projects referred to in the IAI industrial plan;
- The approval of the Transaction by the Creditor Banks and a declaration by the Creditor Banks that they will refrain from actions against IAI for any indebtedness owed by the transferred Business Operations.

This development represents a highly attractive opportunity for Pininfarina, which, once the Transaction is completed, will have achieved an optimum size to develop its future production, styling and engineering activities in accordance with its industrial plan, the implementation of which will be significantly accelerated. The cooperation of the unions, public institutions and the Creditor Banks is essential for the success of the Transaction, which is particularly important for preserving current employment levels and for the continuation of the restructuring process required to ensure the Group's future viability as a going concern, which is the Company's primary objective.

Review of Operating and Financial Performance

In the third quarter of 2009, exceptionally challenging conditions continued to characterize the global economy as a whole and particularly the automotive sector, which is the industry in which the Pininfarina Group operates. The continuing contraction in demand for automobiles and the postponement of new projects by carmakers had a further negative impact on sales volumes and profit margins. Nevertheless, the Group was able to minimize the impact of this negative business environment during the first nine months of 2009. As a result, even though its business volume fell significantly short of expectations, it reported operating and financial results that were in line with the projections of the Financial Plan approved by the Board of Directors of Pininfarina S.p.A. in the second half of 2008.

Compared with the same period last year, the data for the first nine months of 2009 show a significant decrease in value of production and EBITDA and a larger operating loss, compared with the first nine months of 2008. However, thanks mainly to the reduction in financial expense made possible by the Rescheduling Agreement signed with the Lender Institutions and a positive performance by the joint ventures, the net loss was 27% smaller than at September 30, 2008.

More specifically, consolidated value of production totaled 176.7 million euros at September 30, 2009, a decrease of 61.8% compared with the same period last year (462 million euros). The main reasons for the decrease of 285.3 million euros are a shortfall of about 68% in the number of cars invoiced, compared with the first nine months of 2008, and a change in the scope of consolidation, as the data for 2009 no longer include the French business operations that were consolidated in 2008.

Despite the sharp reduction in value of production, EBITDA (which represent the profit or loss from operations before depreciation, amortization and additions to provisions) were positive by 3.2 million euros in the first nine months of 2009 (positive EBITDA of 26.2 million euros at September 30, 2008). This result, was achieved without the benefit of gains on the sale of property, plant and equipment, which totaled 6.9 million euros in 2008.

In the first nine months of 2009, EBIT (which represent the profit or loss from operations) were negative by 24.5 million euros, a loss 16.2 million euros larger than the negative EBIT reported at September 30, 2008. Compared with the first nine months of 2008, the EBIT amount reflects a reduction of 16.7 million euros in depreciation and amortization expense and an increase of 9.9 million euros in additions to provisions. There are two main reasons for the decrease in depreciation and amortization: the value of some assets was written down, due to the impairment test at December 31, 2008, and cutbacks in production volumes, compared with the first nine months of 2008, caused total depreciation and amortization expense to decrease.

The increase in additions to provisions, compared with the amount at September 30, 2008, is the net result of reductions in some provisions for risks that were no longer deemed necessary and the recognition, at September 30, 2009, of a provision for order inventory writedowns, amounting to 12.8 million euros, related to the electric car project.

The establishment of this provision for writedowns, recognized in accordance with accounting principles, was required because of a delay in the signing of a second engineering development contract between Pininfarina S.p.A. and the Véhicules Electriques Pininfarina Bolloré SAS joint venture, with potentially adverse consequences in terms of the concrete possibility of recovering the costs incurred by Pininfarina S.p.A. during the first nine months of 2009. The delay in signing the contract is due both to technical and financial reasons. It also reflects the impact of an aggressive policy of financial incentives provided by the French government to support the development of electric cars and the related technological and production activities, which has caused Bolloré to slow down this project while waiting to see what the final overall financial strategy will look like. In any case, the parties are engaged in an ongoing dialog, seeking an agreement for the continuation of the project as originally planned.

The sharp reduction in net borrowings and interest expense (about half of which is nominal interest; see Note 29 to the financial statements) that resulted from the signing of the Framework Agreement and Rescheduling Agreement with the Lender Institutions on December 31, 2008 produced a significant improvement in the Group's financial performance. Specifically, while the Group reported net financial expense of 13.1 million euros for the first nine months of 2008, it earned net financial income of 2.8 million euros in the same period this year.

Value adjustments, which were positive by 3.4 million euros (negative by 2.1 million euros at September 30, 2008) refer to:

- a positive contribution of 5.1 million euros (the Group's pro rata interest in net profit) provided by the Pininfarina Sverige A.B. joint venture (4.3 million euros at September 30, 2008);
- a negative contribution of 1.7 million euros (loss of 6.4 million euros a year ago) attributable to the Véhicules Electriques Pininfarina Bolloré SAS joint venture. The loss reflects primarily the pro rata share of the reversal, upon consolidation, of the margin realized between Pininfarina S.p.A., the Group's Parent Company, and the French joint venture, in connection with development work for the electric car completed thus far.

At September 30, 2009, the loss before taxes amounted to 18.2 million euros (loss of 23.5 million euros in the first nine months of 2008).

The Group recognized a tax benefit of 0.2 million euros at September 30, 2009, as against an income tax burden of 1.4 million euros a year earlier. This improvement is due mainly to the reversal of the excess portion of a provision for taxes recognized by the Group's Parent Company in the financial statements at December 31, 2008 and to a decrease in the amount subject to the Regional Tax on Production Activities that resulted from a reduction in labor costs compared with the first nine months of 2008.

As a result of the factors outlined above, the net loss for the first nine months of 2009 totaled 18.1 million euros, an amount 27.3% smaller than the 24.9 million euros lost in the same period a year ago.

The net financial position was negative by 43.1 million euros, as against net borrowings of 100.1 million euros at December 31, 2008 and 215.6 million euros at September 30, 2008. The improvement of 57 million euros is mainly the result of a reduction of about 61 million euros in medium- and long-term indebtedness owed to banks and leasing companies made possible by the implementation of the Second Phase of the Framework and Rescheduling Agreement with the Lender Institutions. A breakdown of current and non-current components of the net financial position of the Group and Pininfarina S.p.A. is provided in the schedules included in this interim report on operations.

There were no past due financial payables or tax-related or employee benefit payables owed by the Pininfarina Group at September 30, 2009. Past-due trade payables owed at the consolidated level (about 100,000 euros, equal to 0.1% of trade payables at September 30, 2009) were related to a special situation involving a supplier who is a party to composition with creditors proceedings. No supplier has taken legal action against the Group with regard to past-due payables.

In 2009, pursuant to the Rescheduling Agreement, the Company is required to comply with two financial covenants: EBITDA must be better than (12,100,000 euros) — the amount in parentheses is a negative amount — and liquid assets must be higher than 79,700,000 euros. Compliance with these covenants will be verified based on the 2009 consolidated financial statements published by the Company on its website, in accordance with the compliance requirements applicable each time to publicly traded companies, or supplied to the Lender Institutions, if the Company's shares have been delisted. The Company's compliance with the covenants, or lack thereof, must be certified by means of documents supplied by the Independent Auditors.

While the Group's financial data at September 30, 2009 are irrelevant in terms of compliance with the covenants or lack thereof, which must be determined on an annual basis, they indicate that the Group was in compliance with both covenants at September 30, 2009. For the analytical meaning of "EBITDA" and "liquid assets," please see the information provided in Annex I appended to the Notes to the 2008 Financial Statements.

A more detailed review of the data by business segment shows that the **manufacturing operations** generated value of production totaling 125.7 million euros (65.4% less than in the first nine months of 2008), accounting for 71.1% of total consolidated value of production (78.6% the previous year).

Reflecting the impact of a 68.2% reduction in sales volume, EBIT for the manufacturing operations were negative by 17.3 million euros, a loss that was 57.3% larger than at September 30, 2008, when it amounted to 11 million euros.

A comparison between the number of vehicles invoiced in the first nine months of 2009 and 2008 is provided below:

Cars models	9/30/09	9/30/08	Change
Alfa Romeo Brera	1,394	3,247	(1,853)
Alfa Romeo Spider	868	2,377	(1,509)
Mitsubishi Colt CZC	0	2,845	(2,845)
Ford Focus Coupè Cabriolet	3,888	10,899	(7,011)
Total	6,150	19,368	(13,218)

In Sweden, Pininfarina Sverige A.B. sold 6,159 Volvo C70 automobiles, a decrease of 44.1% compared with the 11,013 units shipped in the first nine months of 2008. Even though car demand remained weak both in Europe and in North America, the contribution provided by this joint venture to the Group's income statement at September 30, 2009 increased to 5.1 million euros (+18.6%). This level of profitability was achieved by containing operating costs, downsizing the company's staff, reducing depreciation and amortization and increasing efficiency.

The **service operations** reported value of production totaling 51 million euros, compared with 98.9 million euros at September 30, 2008 (-48.4%), accounting for 28.9% of the Group's total value of production, up from 21.4% in the first nine months of 2008. It is worth noting that the Group's scope of consolidation in the first nine months of 2009 was different from the same period last year. Specifically, the Matra Group was fully operational in the first nine months of 2008, contributing 41.8 million euros to value of production, while only Matra Automobile Engineering S.A.S., a company no longer operational, was present at September 30, 2009, generating 2 million euros in value of production.

The service operations reported negative EBIT of 7.2 million euros, as against positive EBIT of 2.7 million euros at September 30, 2008, owing in part to the recognition of a provision for order inventory writedowns amounting to 12.8 million euros in 2009, which was established for the reasons explained earlier in this press release.

Assessment of the Company's Viability as a Going Concern

With regard to the issue of evaluating problems and risks and assessing the Company's viability as a going concern — which was discussed in the Report on Operations of the Board of Directors included in the 2008 Annual Report and the Semiannual Financial Report at June 30, 2009, providing disclosures that are still relevant and should be consulted for additional information — an update of the developments that occurred since August 5, 2009, the date of the meeting of the Board of Directors that approved the financial statements at June 30, 2009, is provided below:

Updated Information About the Framework Agreement

The increase in the share capital of Pininfarina S.p.A., scheduled for the Second Phase of the Framework Agreement signed by Pincar S.r.l., Pininfarina S.p.A. and the Lender Institutions, was completed on September 28, 2009. More detailed information is provided earlier in this Report.

Updated Information About the Dispute with Mitsubishi Motor Europe

Pininfarina is currently a party to arbitration proceedings before the International Chamber of Commerce in Paris in an action against Mitsubishi Motor Europe. In the course of these proceedings, each party has put forth claims seeking compensation for damages from the opposing party. There were no new events requiring disclosure compared with the situation described in the Report on Operations of the Board of Directors included in the 2008 Annual Report approved by the Shareholders' Meeting on April 23, 2009 and in the update provided with the publication of the semiannual data on August 7, 2009.

As for the duration of the proceedings, the Board of Arbitrators indicated that it expects to hand down an award between the end of 2009 and the beginning of 2010.

Updated Information About the Dispute with the Internal Revenue Administration

On February 26, 2009, in a new development concerning the dispute between the Company and the revenue administration that was the subject of disclosures provided in the 2008 Annual Report and in the 2009 Semiannual Financial Report, the Turin Provincial Tax Commission informed Pininfarina S.p.A. that it had handed down a decision in the tax dispute that was pending before the Commission.

By this decision, the lower court magistrate upheld in part the arguments of the Turin Internal Revenue Agency, but, while the proceedings continue at the next jurisdictional level, reduced the amount owed by Pininfarina from about 69.5 million euros to about 30 million euros, plus interest.

On April 8, 2009, Pininfarina S.p.A. filed an appeal challenging the decision of the lower-court magistrate before the Regional Tax Commission. A hearing before the Regional Commission has been scheduled for November 17, 2009.

On October 1, 2009 Equitalia Nomos S.p.A. – Collection Agent for the Provincial Administration of Turin – notified to the company the following documents (i) an injunction to pay the amounts already entered into the tax liability lists, the payment of which was stayed on July 16, 2008; and (ii) a tax bill requesting payment of the additional amounts entered into the tax liability lists by the Internal Revenue Agency following the decision handed down by the Provincial Tax Commission.

On October 2, 2009, Pininfarina filed with the Collection Agent an application to pay in installments the additional amounts, which totaled 25.4 million euros in principal amount. On October 9, 2009, the Collection Agent informed Pininfarina that its installment payment application had been accepted and that the corresponding repayment plan consisted of 72 monthly payments averaging 402,000 euros each.

The notification of these documents was an action that the Internal Revenue Administration was required to take pursuant to law, of which the Company was already aware when preparing the 2008 Annual Report and the Semiannual Financial Report at June 30, 2009, that has no impact on an assessment of the degree of probability that this tax dispute will ultimately result in a disbursement. Specifically, should the Company be successful in its appeal, the abovementioned amounts will have to be refunded within 90 days from the notification of the relevant decision. Therefore, since no new material developments have occurred compared with the information provided in earlier accounting documents, the Company continues to believe that there is no need to establish a provision for risks and charges.

In view of the considerations provided above, while there are significant risks concerning the ability of the Group and the Company to continue operating as a going concern, the Directors have confidence in the effectiveness of the activities that are being implemented to restore the financial and industrial health of the Pininfarina Group.

Outlook for the Balance of 2009

Consistent with the guidance provided in the Report on Operations of the 2008 Annual Report and in connection with the approval of the results for the first half of 2009, the Group expects to end the current year with a net loss, but the amount of the loss should be substantially lower and not comparable with the loss reported in 2008. The consolidated operating results for the first nine months of 2009 were consistent with the projections of the Financial Plan upon which the current Rescheduling Agreement with the Lender Institutions is based. At the end of 2009, due to the completion of the second phase of the Framework Agreement described above, both net financial position and shareholders' equity are expected to show an improvement, compared with December 31, 2008.

Significant Events Occurring After September 30, 2009

Other than the development described above, no significant events occurred after September 30, 2009.

November 12, 2009

Paolo Pininfarina
Chairman
of the Board of Directors

Reclassified Consolidated Income Statement

(in thousands of euros)

	Dat at		9/30/08		Change	Data at
	9/30/09	%	9/30/08	%		12/31/08
Net revenues	161,830	91.58	442,258	95.73	(280,428)	527,304
Changes in inventory of work in progress and finished goods	8,740	4.95	11,611	2.51	(2,871)	(1,935)
Other income and revenues	5,730	3.24	7,285	1.58	(1,555)	10,202
Work performed internally and capitalized	406	0.23	845	0.18	(439)	117
Value of production for the period	176,706	100.00	461,999	100.00	(285,293)	535,688
Net gain (loss) on disposal of non-current assets	54	0.03	6,984	1.51	(6,930)	(160)
Raw materials and outside services (*)	(125,601)	(71.08)	(351,517)	(76.09)	225,916	(407,261)
Change in inventory of raw materials	(3,416)	(1.93)	760	0.16	(4,716)	(6,608)
Value added	47,743	27.02	118,226	25.59	(70,483)	121,659
Labor costs (**)	(44,557)	(25.22)	(92,035)	(19.92)	47,478	(114,714)
EBITDA	3,186	1.80	26,191	5.67	(23,005)	6,945
Depreciation and amortization	(12,965)	(7.34)	(29,659)	(6.42)	16,694	(34,974)
(Add. to)/Util. of provisi. and (Writedowns)	(14,730)	(8.34)	(4,826)	(1.04)	(9,904)	(149,773)
EBIT	(24,509)	(13.88)	(8,294)	(1.80)	(16,215)	(177,802)
Net financial income (expense)	2,820	1.60	(13,059)	(2.83)	15,879	(21,619)
Value adjustments	3,449	1.95	(2,117)	(0.46)	5,566	(2,090)
Profit (Loss) before taxes	(18,240)	(10.33)	(23,470)	(5.08)	5,230	(201,511)
Income taxes	184	0.10	(1,428)	(0.31)	1,612	(2,615)
Net profit (loss)	(18,056)	(10.23)	(24,898)	(5.39)	6,842	(204,126)
Minority interest in net profit (loss)	0	0	0	0	0	0

(*) **Raw materials and outside services** is shown net of utilizations of the provisions for warranties and the provisions for risks and charges amounting to 407,000 euros in 2008 and 2,263,000 euros in 2009.

(**) **Labor costs** is shown net of utilizations of the provision for restructuring programs amounting to 594,000 euros in 2008 and 1,287,000 euros in 2009.

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

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

Reclassified Consolidated Balance Sheet

(in thousands of euros)

	Data at			Data at
	9/30/09	12/31/08	Change	9/30/08
Net non-current assets (A)				
Net intangible assets	3,887	4,553	(666)	6,593
Net property, plant and equipment	105,310	116,948	(11,638)	236,416
Equity investments	40,005	34,413	5,592	34,166
Total A	149,202	155,914	(6,712)	277,175
Working capital (B)				
Inventory	8,648	16,873	(8,225)	35,803
Net trade receivables and other receivables	73,156	92,092	(18,936)	123,436
Non-current assets held for sale	0	7,040	(7,040)	14,863
Deferred-tax assets	1,206	1,311	(105)	5,467
Trade accounts payable	(68,619)	(92,836)	24,217	(154,165)
Provisions for risks and charges	(24,340)	(27,066)	2,726	(12,790)
Other liabilities (*)	(12,510)	(16,004)	3,494	(28,645)
Non-current liabilities attributable to assets held for sale	0	(4,950)	4,950	(9,218)
Total B	(22,459)	(23,540)	1,081	(25,249)
Net invested capital (C=A+B)	126,743	132,374	(5,631)	251,926
Provis. for termination indemnities (D)	21,002	22,287	(1,285)	23,619
Net capital requirements (E=C-D)	105,741	110,087	(4,346)	228,307
Shareholders' equity (F)	62,673	10,006	52,667	12,689
Net financial position (G)				
Long-term debt	103,786	116,681	(12,895)	(107,578)
(Net liquid assets)/Net borrowings	(60,718)	(16,600)	(44,118)	323,196
Total G	43,068	100,081	(57,013)	215,618
Total as in E (H=F+G)	105,741	110,087	(4,346)	228,307

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

Consolidated Net Financial Position

(in thousands of euros)

	Data at			Data at
	9/30/09	12/31/08	Change	9/30/08
Cash and cash equivalents	68,393	75,230	(6,837)	115,923
Net cash included in available-for-sale assets	0	0	0	1,563
Current assets held for trading	48,631	54,699	(6,068)	50,972
Current loans receivable and other receivables	17,592	37,541	(19,949)	42,014
Available-for-sale current assets	0	0	0	0
Loans receivable from associates and joint ventures	17,904	17,904	0	17,904
Due to banks	(29,697)	(37,928)	8,231	(30,329)
Current liabilities under finance leases	(38,469)	(85,060)	46,591	(349,658)
Loans payable to associates and joint ventures	0	0	0	0
Loans payable to banks	(23,636)	(45,786)	22,150	(171,585)
Net liquid assets (debt)	60,718	16,600	44,118	(323,196)
Long-term loans and other receivables from outsiders	74,001	(82,846)	(8,845)	90,045
Long-term loans and other receivables from associates and joint ventures	36,148	44,760	(8,612)	54,862
Available-for-sale non current assets	768	766	2	0
Long-term liabilities under finance leases	(123,950)	(142,600)	18,650	0
Long-term bank debt	(90,753)	(102,453)	11,700	(37,329)
Net long-term debt	(103,786)	(116,681)	12,894	107,578
Net financial position	(43,068)	(100,081)	57,013	(215,618)

Consolidated Net Financial Indebtedness Statement

(CESR /05-04b)

(in thousands of euros)

	Data at			Data at
	9/30/09	12/31/08	Change	9/30/08
A. Cash	(68,393)	(75,230)	(6,837)	(117,486)
B. Other liquid assets	0	0	0	0
C. <i>Securities held for trading</i>	<u>(48,631)</u>	<u>(54,699)</u>	<u>(6,068)</u>	<u>(50,972)</u>
D. <i>Total liquid fund (A.)+(B.)+(C.)</i>	<u>(117,024)</u>	<u>(129,929)</u>	<u>(12,905)</u>	<u>(168,458)</u>
E. <i>Current financial receivables</i>	<u>(35,496)</u>	<u>(55,445)</u>	<u>(19,949)</u>	<u>(59,918)</u>
F. Short-term bank account overdrafts	29,697	37,928	8,231	30,329
<i>Current portion of secured bank loans</i>	5,346	5,346	0	5,346
<i>Current portion of unsecured bank loans</i>	<u>18,290</u>	<u>40,440</u>	<u>22,150</u>	<u>166,239</u>
G. Current portion of non-current debt	23,636	45,786	22,150	171,585
H. Other current financial payables	38,469	85,060	46,591	349,658
I. <i>Current financial debt (F.)+(G.)+(H.)</i>	<u>91,802</u>	<u>168,774</u>	<u>76,972</u>	<u>551,572</u>
J. <i>Debt/Net current Financial (Position)</i>	<u>(60,718)</u>	<u>(16,600)</u>	<u>44,118</u>	<u>323,196</u>
<i>Non-current portion of secured bank loans</i>	31,233	34,657	3,424	36,579
<i>Non-current portion of unsecured bank loans</i>	<u>59,520</u>	<u>67,796</u>	<u>8,276</u>	<u>750</u>
K. Non-current bank account overdrafts	90,753	102,453	11,700	37,329
L. Bonds issued	0	0	0	0
M. Other non-current financial payables	123,950	142,600	18,650	0
N. <i>Non-current net financial debt (K.)+(L.)+(M.)</i>	<u>214,703</u>	<u>245,053</u>	<u>30,350</u>	<u>37,329</u>
O. <i>Net financial debt (J+N) (1)</i>	<u>153,985</u>	<u>228,453</u>	<u>74,468</u>	<u>360,525</u>

(1) The Net Financial Indebtedness Statement provided above is being presented in the format recommended by the Consob in Communication DEM No. 6064293 of July 28, 2006, which implements E.U. Regulation No. CESR/05-04b. Because the subject of the abovementioned statement is Net Financial Indebtedness, assets are shown with a minus sign and liabilities with a plus sign. This approach is consistent with the presentation method used for Net Financial Indebtedness in the Prospectus. In the Consolidated Net Financial Position Statement presented in the preceding page, assets are shown with a positive sign and liabilities with a negative sign.

The reason for the difference between amounts shown for Net financial position and Net financial debt is that Net financial debt does not include loans receivable, long-term financial receivables and, limited to December 31, 2008 and September 30, 2009, non-current assets held to maturity. The amounts of the abovementioned differences, at the respective reporting dates, are as follows:

- 110,916,000 euros at September 30, 2009;
- 128,372,000 euros at December 31, 2008;
- 144,907,000 euros at September 30, 2008.

Companies of the Pininfarina Group at September 30, 2009 **(data presented in accordance with the IAS accounting principles)**

The **Pininfarina Extra** Group (which includes the data of the Pininfarina Extra USA Corp. subsidiary) ended the first nine months of 2009 with value of production of 2.8 million euros (5.7 million euros at September 30, 2008). The sharp reduction in the volume of business, which was particularly pronounced during the first half of the year, reflected a rapid deterioration of conditions in the company's markets caused by the global economic crisis. The net profit declined to 0.1 million euros, down from 1 million euros in the first nine months of 2008. The net financial position was positive by 1.4 million euros, 0.3 million euros less than a year earlier. At September 30, 2009, there were 22 employees on the payroll, down from 25 employees at the end of September 2008.

At September 30, 2009, **Matra Automobile Engineering S.A.S.** reported value of production of 2 million euros and a net loss of 0.8 million euros, compared with 41.8 million euros and 5.2 million euros, respectively, in the first nine months of 2008. The net financial position improved from net indebtedness of 23.2 million euros in the first nine months of 2008 to net financial assets of 2.4 million euros in the same period this year. Since January 1, 2009, following the divestments of its subsidiaries and business operations in the second half of 2008, this company has been concerned with managing its remaining working capital and the tax credits owed by the French government for research projects. The company's entire indebtedness outstanding in 2008 was owed to Pininfarina S.p.A., which had written down the corresponding financial receivable in its separate financial statements at December 31, 2008 and wrote off the entire amount in September 2009. The company had only one employee at September 30, 2009 (466 employees a year earlier).

The **Pininfarina Deutschland** Group reported value of production of 8.9 million euros (11.4 million euros at September 30, 2008) and a net loss of 0.8 million euros (net profit of 1.2 million euros last year). Net indebtedness totaled 4.2 million euros, compared with 4.4 million euros at September 30, 2008. The Pininfarina Deutschland Group had 161 employees at September 30, 2009, down from 173 employees a year earlier.

In the first nine months of 2009, **Pininfarina Maroc S.A.S.** generated value of production of 1.3 million euros, earning a net profit of 0.2 million euros (1.8 million euros and 0.4 million euros, respectively, in the same period last year). At September 30, 2009, the net financial position was positive by 0.3 million euros, as against net borrowings of 0.3 million euros a year earlier. This company had 44 employees at September 30, 2009, 16 fewer than in the first nine months of 2008.

RHTU AB, a company that has been in liquidation since June 1, 2009, ended the first nine months of 2009 with a net profit of 0.2 million euros (breakeven a year earlier). The net financial position was positive by 0.9 million euros, up from a positive balance of 0.5 million euros at September 30, 2008. This company has no employees.

Pininfarina Sverige AB reported value of production of 165.9 million euros and a net profit of 8.2 million euros, compared with 300 million euros and 7.2 million euros, respectively, at September 30, 2008. The results achieved by this company, which is consolidated by the equity method, are evidence of its ability to maintain a strong level of operating efficiency, despite a reduction in the number of Volvo C70 cars it invoiced (6,159 in the first nine months of 2009, down from 11,013 in the same period last year) caused by challenging market conditions both in Europe and the United states. Net indebtedness decreased from 156.2 million euros in the first nine months of 2008 to 117.8 million euros at September 30, 2009. The company had 687 employees in the first nine months of 2009 (783 employees last year).

Véhicules Electriques Pininfarina Bolloré SAS, a joint venture established in February 2008, reported a net loss of 0.6 million euros attributable mainly to interest charges and startup and operating costs (loss of 0.2 million euros at September 30, 2008). Net borrowings totaled 22.3 million euros, compared with 22.2 million euros at September 30, 2008. This company has no employees.

Pininfarina S.p.A., the Group's Parent Company, reported value of production of 161.9 million euros at September 30, 2009, compared with 404.7 million euros in the first nine months of 2008 (-60%). EBITDA were positive by 2.5 million euros (positive EBITDA of 23.7 million euros a year earlier). The net loss totaled 20.5 million euros, compared with a net loss of 19.3 million euros at September 30, 2008. The net financial position, while negative by 43.9 million euros, showed a marked improvement compared with December 31, 2008, when net indebtedness amounted to 99.2 million euros (-190 million euros at September 30, 2008). At the same time, shareholders' equity grew from 25.8 million euros at December 31, 2008 to 73.7 million euros in the first nine months of 2009 (36.8 million euros at September 30, 2008). The factors that affected the consolidated operating results in the first nine months of 2009 are valid for the most part for the Parent Company as well. At September 30, 2009, the Company had 1,597 employees (1,736 employees at September 30, 2008).

PININFARINA GROUP

Consolidated Financial Statements at September 30, 2009

Consolidated Balance Sheet - Assets

	Note ref.	9/30/09	12/31/08
Property, plant and equipment		<u>105,310,054</u>	<u>116,948,452</u>
Land and buildings	7	70,117,986	71,479,412
Land		17,142,610	17,142,610
Buildings		42,913,048	44,005,563
Leased property		10,062,328	10,331,239
Plant and machinery	7	32,459,863	42,218,902
Machinery		7,245,875	10,198,101
Plant		24,205,654	30,570,083
Leased machinery and equipment		1,008,334	1,450,718
Furniture, fixtures and other property, plant and equipment	7	2,204,205	2,616,538
Furniture and fixtures		502,810	663,028
Hardware & software		933,234	1,028,049
Other property, plant and equipment (including vehicles)		768,161	925,461
Assets under construction	7	<u>528,000</u>	<u>633,600</u>
Intangible assets		<u>3,887,480</u>	<u>4,552,545</u>
Goodwill	8	1,043,495	1,043,495
Licenses and trademarks	8	2,520,145	3,119,908
Other intangibles	8	<u>323,840</u>	<u>389,142</u>
Equity investments		<u>40,004,808</u>	<u>34,412,502</u>
Joint ventures	9	39,565,096	33,876,821
Other companies	9	<u>439,712</u>	<u>535,681</u>
Deferred-tax assets	31	<u>1,205,920</u>	<u>1,310,914</u>
Non-current financial assets		<u>110,916,093</u>	<u>128,372,549</u>
Held-to-maturity long-term investments	10	767,750	766,292
Loans and other receivables form:		110,148,343	127,606,257
Outsiders	10	74,000,667	82,845,811
Related parties and joint ventures	10	36,147,676	44,760,446
Available-for-sale non-current financial assets		0	0
Held-for-sale other non-current assets		0	0
TOTAL NON-CURRENT ASSETS		<u>261,324,357</u>	<u>285,596,962</u>
Inventory		<u>7,707,393</u>	<u>13,510,479</u>
Raw materials	11	5,543,588	9,707,163
Work in process	11	1,135,199	2,802,513
Finished goods	11	1,028,606	1,000,803
Contract work in progress	11	<u>940,254</u>	<u>3,362,442</u>
Current financial assets		<u>84,127,942</u>	<u>110,143,580</u>
Current assets held for trading	10	48,631,333	54,698,684
Current loans receivables and other receivables from:		35,496,609	55,444,896
Outsiders	10	17,592,431	37,540,718
Related parties and joint ventures	10	17,904,178	17,904,178
Available-for-sale current financial assets		0	0
Held-to-maturity current investments		0	0
Trade receivables and other receivables		<u>73,155,666</u>	<u>92,091,770</u>
Trade receivables from:		44,520,396	49,632,788
Outsiders		41,265,402	45,417,522
Related parties and joint ventures	13	3,254,994	4,215,266
Other receivables	12	<u>28,635,270</u>	<u>42,458,982</u>
Cash and cash equivalents		<u>68,392,631</u>	<u>75,229,700</u>
Cash on hand		1,039,809	1,575,468
Short-term bank deposits		<u>67,352,822</u>	<u>73,654,232</u>
TOTAL CURRENT ASSETS		<u>234,323,886</u>	<u>294,337,971</u>
Held-for-sale non-current assets	14	<u>0</u>	<u>7,040,001</u>
TOTAL ASSETS		<u>495,648,243</u>	<u>586,974,934</u>

Consolidated Balance Sheet – Liabilities and Shareholders' Equity

	Note ref.	9/30/09	12/31/08
Common shares	15	30,150,694	9,301,042
Additional paid-in capital	16	47,618,388	26,843,769
Reserve for treasury stock	17	175,697	175,697
Statutory reserve	18	2,231,389	2,231,389
Stock option reserve		0	0
Reserve for currency translations	19	(2,709,925)	(4,964,781)
Other reserves	20	7,873,665	187,873,265
Retained earnings	21	(4,610,937)	(7,328,866)
Profit (Loss) for the year	22	(18,055,695)	(204,125,840)
GROUP INTEREST IN SHAREHOLDERS' EQUITY		<u>62,673,276</u>	<u>10,005,676</u>
Minority interest in shareholders' equity		<u>0</u>	<u>0</u>
<u>TOTAL SHAREHOLDERS' EQUITY</u>		<u>62,673,276</u>	<u>10,005,676</u>
Long-term borrowings		<u>214,702,433</u>	<u>245,053,410</u>
Liabilities under finance leases	24	123,949,754	142,600,125
Other indebtedness owed to:	24	90,752,679	102,453,285
Outsiders		90,752,679	102,453,285
Related parties and joint ventures		0	0
Deferred-tax liabilities	31	<u>9,885</u>	<u>9,451</u>
Provision for termination indemnities		<u>21,002,400</u>	<u>22,287,321</u>
Provision for pensions and severance pay		0	45,132
Provision for termination indemnities		21,002,400	22,242,189
TOTAL NON-CURRENT LIABILITIES		<u>235,714,718</u>	<u>267,350,182</u>
Current borrowings		<u>91,802,065</u>	<u>168,773,767</u>
Due to banks	24	29,697,290	37,927,769
Liabilities under finance leases	24	38,469,226	85,059,761
Bonds outstanding and other borrowings owed to:	24	23,635,549	45,786,237
Outsiders		23,635,549	45,786,237
Related parties and joint ventures		0	0
Other payables		<u>11,056,030</u>	<u>13,092,827</u>
Wages and salaries		5,225,648	4,236,784
Due to social security institutions		754,757	3,449,265
Vacation days, sick days and personal days		237,582	154,621
Other liabilities		4,838,043	5,252,157
Trade accounts payable		<u>68,619,198</u>	<u>92,835,124</u>
Accounts payable to outsiders		67,084,783	89,898,357
Account payable to associated companies and joint ventures		65,808	54,914
Advances received for work in progress		1,468,607	2,881,853
Provision for current taxes		<u>1,196,959</u>	<u>1,496,804</u>
Direct taxes		1,050,025	1,098,354
Other taxes		146,934	398,450
Provision for other liabilities and charges		<u>24,340,302</u>	<u>27,066,381</u>
Provision for warranties	25	11,411,624	12,274,502
Provision for restructuring programs	25	2,606,995	1,678,778
Other provisions	25	10,321,683	13,113,101
Other liabilities		<u>245,695</u>	<u>1,404,174</u>
TOTAL CURRENT LIABILITIES		<u>197,260,249</u>	<u>304,669,077</u>
<u>TOTAL LIABILITIES</u>		<u>432,974,967</u>	<u>572,019,259</u>
Liabilities attributable to held-for-sale assets	13	<u>0</u>	<u>4,950,000</u>
<u>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</u>		<u>495,648,243</u>	<u>586,974,934</u>

The separate balance sheet required by Consob Resolution No. 15519 of July 27, 2006 is not being provided because transactions with related parties are already disclosed in the regular balance sheet.

Consolidated Income Statement (*)

	Note ref.	9/30/09	9/30/08
Sales and service revenues		161,830,462	442,258,328
Increase in Company-produced non-current assets		405,994	844,731
Change in inventories of finished goods and work in progress		8,739,604	11,610,650
Change in contract work in progress		10,379,115	9,506,132
Change in inventories of work in progress, semifinished and finished goods		(1,639,511)	2,104,518
Other income and revenues	26	<u>5,729,634</u>	<u>7,285,492</u>
Total value of production		<u>176,705,694</u>	<u>461,999,201</u>
Gain on the sales of non-current assets	27	66,618	7,011,012
<i>Amount earned on the sale of equity investments</i>	27	63,898	2,638,870
Raw materials and consumables used		<u>(97,756,141)</u>	<u>(289,477,830)</u>
Raw materials and components		(93,592,566)	(290,237,539)
Change in inventories of raw materials, subsidiary materials and consumables		(3,415,947)	759,709
Provision for inventory risk		(747,628)	0
Other variable production costs		<u>(4,887,316)</u>	<u>(7,664,552)</u>
Consumables		(2,036,821)	(3,696,013)
Utilities		(84,245)	(374,221)
External maintenance costs		(2,766,250)	(3,594,318)
External variable engineering services		<u>(10,570,146)</u>	<u>(19,322,212)</u>
Wages, salaries and employee benefits		<u>(44,557,406)</u>	<u>(92,034,623)</u>
Production staff, office staff and managers		(41,272,545)	(84,996,563)
Independent contractors		0	(3,860,660)
Social security and other post-employment benefits		(3,284,861)	(3,177,400)
Depreciation, amortization and writedowns		<u>(26,959,520)</u>	<u>(34,511,726)</u>
Depreciation of property, plant and equipment		(12,179,634)	(28,536,287)
Loss on disposals of property, plant and equipment		(12,281)	(26,676)
Amortization of intangibles		(785,627)	(1,122,704)
Additions to provisions/Writedowns		(13,981,978)	(4,826,059)
Foreign exchange gains (losses)		(9,534)	25,663
Other expenses	28	<u>(16,541,739)</u>	<u>(34,318,910)</u>
Profit (Loss) from operations		<u>(24,509,490)</u>	<u>(8,293,977)</u>
Financial income (expense), net	29	2,708,106	(13,225,731)
Dividends		111,801	166,205
Value adjustments	30	<u>3,449,456</u>	<u>(2,116,827)</u>
Profit (Loss) before taxes		<u>(18,240,127)</u>	<u>(23,470,330)</u>
Income taxes for the period	31	<u>184,432</u>	<u>(1,427,804)</u>
Profit (Loss) for the period		<u>(18,055,695)</u>	<u>(24,898,134)</u>
Minority interest in shareholders' equity		<u>0</u>	<u>0</u>
		<u>9/30/09</u>	<u>9/30/08</u>
Profit (Loss) for the period		(18,055,695)	(24,898,134)
Number of common shares, net		30,150,694	9,301,042
Basic earnings (loss) per share		(0.60)	(2.68)

(*) As required by Consob Resolution No. 15519 of July 27, 2006, the impact of transactions with related parties on the income statement of the Pininfarina Group is shown in a separate schedule on a subsequent page of these financial statement and in the "Other Information" section of the Notes to the Financial Statements.

Consolidated Statement of Comprehensive Income

(in thousands of euros)

	9/30/09	9/30/08
Group interest in net profit (loss) (A)	<u>(18,056)</u>	<u>(24,898)</u>
Gains (Losses) from translation of financial statements of foreign companies	2,255	(1,383)
Total other gains (losses), net of tax effect (B)	<u>2,255</u>	<u>(1,383)</u>
Total comprehensive net profit (loss) (A)+(B)	<u>(15,801)</u>	<u>(26,281)</u>
Minority interest in total comprehensive net profit (loss)	<u>0</u>	<u>0</u>
Total comprehensive net profit (loss)	<u>(15,801)</u>	<u>(26,281)</u>
Shareholders of the controlling company	(15,801)	(26,281)
Minority interest	0	0

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

	Note ref.	9/30/09	Amt.with related parties	9/30/08	Amt.with related parties
Sales and service revenues		161,830,462	8,229,263	442,258,328	22,993,858
Increase in Company-produced non-current assets		405,994		844,731	
Change in inventories of finished goods and work in progress		8,739,604	0	11,610,650	0
Change in contract work in progress		10,379,115		9,506,132	
Change in inventories of work in progress, semifinished and finished goods		(1,639,511)		2,104,518	
Other income and revenues	26	5,729,634		7,285,492	
Total value of production		176,705,694	8,229,263	461,999,201	22,993,858
Gain on the sales of non-current assets	27	66,618		7,011,012	
<i>Amount earned on the sale of equity investments</i>	27	63,898		2,638,870	
Raw materials and consumables used		(97,756,141)	0	(289,477,830)	0
Raw materials and components		(93,592,566)		(290,237,539)	
Change in inventories of raw materials, subsidiary materials		(3,415,947)		759,709	
Provision for inventory risk		(747,628)		0	
Other variable production costs		(4,887,316)	0	(7,664,552)	0
Consumables		(2,036,821)		(3,696,013)	
Utilities		(84,245)		(374,221)	
External maintenance costs		(2,766,250)		(3,594,318)	
External variable engineering services		(10,570,146)	(11,679)	(19,322,212)	(87,588)
Wages, salaries and employee benefits		(44,557,406)	0	(92,034,623)	0
Production staff, office staff and managers		(41,272,545)		(84,996,563)	
Independent contractors		0		(3,860,660)	
Social security and other post-employment benefits		(3,284,861)		(3,177,400)	
Depreciation, amortization and writedowns		(26,959,520)	0	(34,511,726)	0
Depreciation of property, plant and equipment		(12,179,634)		(28,536,287)	
Loss on disposals of property, plant and equipment		(12,281)		(26,676)	
Amortization of intangibles		(785,627)		(1,122,704)	
Writedowns		(13,981,978)		(4,826,059)	
Foreign exchange gains (losses)		(9,534)		25,663	
Other expenses	28	(16,541,739)		(34,318,910)	
Profit (Loss) from operations		(24,509,490)	8,217,584	(8,293,977)	22,906,270
Financial income (expense), net	29	2,708,106	1,650,656	(13,225,731)	3,783,300
Dividends		111,801		166,205	
Value adjustments	30	3,449,456		(2,116,827)	
Profit (Loss) before taxes		(18,240,127)	9,868,240	(23,470,330)	26,689,570
Income taxes for the period	31	(184,432)		(1,427,804)	
Profit (Loss) for the period		(18,055,695)	9,868,240	(24,898,134)	26,689,570
Minority interest in shareholders' equity		0	0	0	0

Statement of Changes in Consolidated Shareholders' Equity

	12/31/07					9/30/08
	Total Profit (Loss) for the year	Translation restatements	Advance on future capital contributions	Capital increase expenses	Reserve for non- refundable shareholder contributions	
Common shares	9,301,042					9,301,042
Additional paid-in capital	34,652,765	(7,808,996)				26,843,769
Reserve for treasury stock	12,000,000	(11,824,302)				175,698
Statutory reserve	2,231,389					2,231,389
Stock options reserve	2,232,280	(2,232,280)				0
Reserve for currency translat.	(133,198)	(1,383,268)				(1,516,466)
Fair value reserve	0					0
Other reserves	82,251,468	(74,378,203)				7,873,265
Retained earnings	10,959,948	(18,281,814)				(7,321,866)
Profit (Loss) for the period	(114,525,048)	(24,898,134)	114,525,048			(24,898,134)
GROUP INTEREST IN SHAREHOLDERS' EQUITY	38,970,646	(26,281,402)	(547)	0	0	12,688,697
Minority interest in profit and res.	0					0
TOTAL SHAREHOLDERS' EQUITY	38,970,646	(26,281,402)	(547)	0	0	12,688,697

	12/31/07					12/31/08
	Total Profit (Loss) for the year	Translation restatements	Advance on future capital contributions	Capital increase expenses	Reserve for non- refundable shareholder contributions	
Common shares	9,301,042					9,301,042
Additional paid-in capital	34,652,765	(7,808,996)				26,843,769
Reserve for treasury stock	12,000,000	(11,824,303)				175,697
Statutory reserve	2,231,389					2,231,389
Stock options reserve	2,232,280	(2,232,280)				0
Reserve for currency translat.	(133,198)	(4,831,584)				(4,964,781)
Fair value reserve	0					0
Other reserves	82,251,468	(74,378,203)			180,000,000	187,873,265
Retained earnings	10,959,948	(18,288,814)				(7,328,866)
Profit (Loss) for the period	(114,525,048)	(204,125,840)	114,525,048			(204,125,840)
GROUP INTEREST IN SHAREHOLDERS' EQUITY	38,970,646	(208,957,423)	(7,547)	0	180,000,000	10,005,676
Minority interest in profit and res.	0					0
TOTAL SHAREHOLDERS' EQUITY	38,970,646	(208,957,423)	(7,547)	0	180,000,000	10,005,676

	12/31/08					9/30/09
	Total Profit (Loss) for the year	Translation restatements	Advance on future capital contributions	Capital increase expenses	Reserve for non- refundable shareholder contributions	
Common shares	9,301,042		20,849,652			30,150,694
Additional paid-in capital	26,843,769	(26,843,769)	48,996,682	(1,378,294)		47,618,388
Reserve for treasury stock	175,697					175,697
Statutory reserve	2,231,389					2,231,389
Stock options reserve	0					0
Reserve for currency translat.	(4,964,781)	2,254,856				(2,709,925)
Other reserves	187,873,265	(179,999,600)				7,873,665
Retained earnings	(7,328,866)	2,717,929				(4,610,937)
Profit (Loss) for the period	(204,125,840)	(18,055,695)	204,125,840			(18,055,695)
GROUP INTEREST IN SHAREHOLDERS' EQUITY	10,005,676	(15,800,839)	400	69,846,334	(1,378,294)	62,673,276
Minority interest in profit and res.	0					0
TOTAL SHAREHOLDERS' EQUITY	10,005,676	(15,800,839)	400	69,846,334	(1,378,294)	62,673,276

Consolidated Cash Flow Statement (*)

	Data at	
	9/30/09	9/30/08
Profit (loss) for the period	(18,055,695)	(24,898,134)
Restatements	17,758,278	36,353,383
- Income taxes	(184,432)	1,427,804
- Depreciation of property, plant and equipment	12,179,634	28,536,287
- Amortization of intangibles	785,627	1,122,704
- Writedowns and additions to provisions	13,981,978	4,826,059
- Provision for pensions and seniority indemnities	(1,284,921)	(1,468,652)
- (Gains) Losses on sale of non-current assets	(54,337)	(6,984,335)
- (Gains) Losses available for sale financial assets	0	(22,662)
- (Financial income)	(8,157,255)	(15,810,417)
- Financial expense	5,449,149	22,777,119
- (Dividends)	(111,801)	(166,205)
- Value adjustment to shareholders' equity	(3,449,456)	2,116,827
- Other restatements	(1,395,908)	(1,147)
Changes in working capital	(17,134,686)	(32,335,001)
- Inventories	5,803,086	(2,997,875)
- Contract work in progress	2,422,188	(10,251,798)
- Trade accounts receivable and other receivables	17,975,833	(18,483,026)
- Accounts receivable from joint ventures	960,272	1,155,802
- Trade accounts payable	(24,209,204)	(3,424,226)
- Accounts payable to joint ventures	10,892	(192,843)
- Other changes	(20,097,753)	1,858,965
Cash flow from operating activities	(17,432,103)	(20,879,752)
(Financial expense)	(5,449,149)	(22,777,119)
(Income taxes)	184,432	(1,427,804)
Net cash flow used in operating activities	(22,696,820)	(45,084,675)
- Purchases of property, plant and equipment	(674,079)	(1,762,421)
- Proceeds from sale of property, plant and equipment	66,618	6,442,553
- Non-current loans receivable from borrowers outside the Group	34,859,323	62,696,079
- Non-current loans receivable from joint ventures	8,612,770	7,803,084
- Financial income	8,157,255	15,833,079
- Dividends	111,801	166,205
- Other equity investments	(2,142,849)	(4,377,762)
Net cash used in investing activities	48,990,839	86,800,816
- Proceeds from the issuance of shares	8,771,794	0
- Purchases of treasury shares	0	0
- Borrowings from lenders outside the Group	(38,017,659)	6,430,305
- Loans payable to joint ventures	0	0
- Dividends paid	0	0
Net cash used in financing activities	(29,245,865)	6,430,305
- Other non-cash items	2,255,255	(1,383,810)
Increase (Decrease) in cash and cash equivalents	(696,591)	46,762,637
- Cash and cash equivalents at beginning of the period	37,301,931	39,578,608
- Cash and cash equivalents included in discontinued or discontinuing operations	399,111	(747,292)
- Cash and cash equivalents from discontinued or discontinuing operations	2,090,001	0
Cash and cash equivalents at end of the period	38,695,341	85,593,953
Cash and cash equivalents	68,392,631	115,922,659
Bank account overdrafts	(29,697,290)	(30,328,707)
<i>Net cash and cash equivalents at end of the period</i>	<i>38,695,341</i>	<i>85,593,953</i>

(*) Pursuant to Paragraph 7 of IAS 7 – Cash Flow Statements, transactions that did not produce a change in a cash position are not reflected in the statement provided above. As required by Consob Resolution No. 15519 of July 27, 2006, the impact of transactions with related parties on the Pininfarina Group, which reflects exclusively transactions with the Pininfarina Sverige AB and Véhicules Electriques Pininfarina-Bolloré SAS joint ventures, are discussed in Notes 10-13 to the financial statements of the Pininfarina Group.

Consolidated Income Statement - Third Quarter

	Third Quarter of 2009	Third Quarter of 2008
Sales and service revenues	40,308,288	110,458,205
Increase in Company-produced non-current assets	(85,150)	312,428
Change in inventories of finished goods and work in progress	(3,509,366)	4,969,956
Change in contract work in progress	(3,007,024)	5,227,677
Change in inventories of work in progress, semifinished and finished goods	(502,342)	(257,721)
Other income and revenues	989,981	1,108,710
Total value of production	37,703,753	116,849,301
Gain on the sales of non-current assets	64,743	42,691
<i>Amount earned on the sale of equity investments</i>	63,898	0
Raw materials and consumables used	(18,743,701)	(67,181,106)
Raw materials and components	(16,301,842)	(65,338,090)
Change in inventories of raw materials, subsidiary materials and consumables	(2,119,835)	(1,843,016)
Provision for inventory risk	(322,024)	0
Other variable production costs	(934,666)	(2,108,599)
Consumables	(353,285)	(912,173)
Utilities	(17,432)	(97,085)
External maintenance costs	(563,949)	(1,099,341)
External variable engineering services	(624,501)	(5,994,427)
Wages, salaries and employee benefits	(11,249,726)	(23,462,410)
Production staff, office staff and managers	(10,056,419)	(22,109,229)
Independent contractors	0	(437,835)
Social security and other post-employment benefits	(1,193,307)	(915,345)
Depreciation, amortization and writedowns	(17,414,085)	(8,497,623)
Depreciation of property, plant and equipment	(3,155,629)	(6,557,339)
Loss on disposals of property, plant and equipment	0	(6,247)
Amortization of intangibles	(265,187)	(380,972)
Additions to provisions/Writedowns	(13,993,269)	(1,553,065)
Foreign exchange gains (losses)	(63,619)	36,206
Other expenses	(4,322,466)	(11,084,607)
Profit (Loss) from operations	(15,584,268)	(1,400,578)
Financial income (expense), net	1,000,435	(4,727,073)
Dividends	21,125	45,641
Value adjustments	2,111,094	(4,274,237)
Profit (Loss) before taxes	(12,451,614)	(10,356,245)
Income taxes for the period	(27,920)	(478,044)
Profit (Loss) for the period	(12,479,534)	(10,834,289)
Minority interest in shareholders' equity	0	0

Consolidated Statement of Comprehensive Income - Third Quarter

(in thousands of euros)

	Third Quarter 2009	Third Quarter 2008
Group interest in net profit (loss) (A)	(12,480)	(10,834)
Gains (Losses) from translation of financial statements of foreign companies	2,051	(1,177)
Total other gains (losses), net of tax effect (B)	2,051	(1,177)
Total comprehensive net profit (loss) (A)+(B)	(10,429)	(12,011)
Minority interest in total comprehensive net profit (loss)	0	0
Total comprehensive net profit (loss)	(10,429)	(12,011)
Shareholders of the controlling company	(10,429)	(12,011)
Minority interest	0	0

Notes to the Financial Statements

1. General Information

The Pininfarina Group is centered around a core of automotive operations and based on the establishment of comprehensive collaborative relationships with carmakers. Operating as a global partner, its highly flexible approach enables it to work with customers through the entire product development process – design, planning, development, industrialization and manufacturing – or to provide support during any one of these phases.

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

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

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

The consolidated financial statements of the Pininfarina Group are presented in euros, which is the currency used in the main markets in which the Group operates.

This Interim Financial Report was approved by the Board of Directors on November 12, 2009.

2. Accounting Principles

2.1. Presentation Criteria

Principles for the Preparation of the Financial Statements

The interim financial statements at September 30, 2009 of the Pininfarina Group were prepared in accordance with the International Financial Reporting Standards ("IFRS") published by the International Accounting Standards Board ("IASB"), as adopted by the European Union, which are based on the going concern principle. Information about this issue is provided in the section of the Report on Operations entitled "Assessment of the Company's Viability as a Going Concern and Business Outlook" included in the 2008 Annual Report, in the Semiannual Financial Report at June 30, 2009 and in the section of the Interim Report on Operations at September 30, 2009 entitled "Assessment of the Company's Viability as a Going Concern."

The accounting principles applied to the preparation of these condensed interim financial statements, which are consistent with the requirements of IAS 34 – Interim Financial Reporting, are the same as those used for the consolidated annual financial statements at December 31, 2008, except for new reporting standards that became applicable as of January 1, 2009. The impact of these standards is explained later in this Report, in the section entitled "Accounting Principles, Amendments and Interpretations Applied as of January 1, 2009."

As part of the process of preparing these interim financial statements, management, based on information available as of the date of this Report, was required to make estimates and assumptions that have an impact on the reported amounts of revenues, expenses, assets and liabilities. Should actual circumstances prove to be different from those considered when making estimates and assumptions, the accounting impact of the resulting revisions will be recognized in the reporting period when the changed 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 obligations are also performed only in connection with the preparation of the semiannual and annual financial statements.

Financial Statement Schedules

The interim consolidated financial statements include the following components:

- a consolidated statement of financial position, in which current and non-currents assets and liabilities are classified separately and, as required by IFRS 5, “Held-for-sale assets” and “Held-for-sale liabilities” are shown as two separate line items;
- a consolidated income statement and a consolidated statement of comprehensive income, shown as two separate schedules in which operating costs are classified by type;
- a consolidated cash flow statement, in which the cash flow from operating activities is presented in accordance with the “indirect method,” as allowed by IAS 7, and the total cash flow from “Held-for-sale assets” is shown separately, as required by IFRS 5;
- a statement of changes in consolidated shareholders’ equity.

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

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

Accounting Principles, Amendments and Interpretations Applied as of January 1, 2009

The accounting principles adopted to prepare these condensed semiannual financial statements are the same as those used for the consolidated annual financial statements for the year ended December 31, 2008, except for changes required by IAS 1, which are reviewed below.

In addition to recommending the use of new names for some financial statement schedules, IAS 1, as revised in 2007, introduces the requirement to disclose either in a single schedule (called statement of comprehensive income) or in two separate schedules (separate income statement and statement of comprehensive income) the components of the profit or loss for the period and income and expense items that are recognized directly in equity resulting from transactions with parties other than the Company’s shareholders. Items resulting from transactions with shareholders and the result of the statement of comprehensive income are shown in the statement of changes in consolidated shareholders’ equity. With regard to the statement of comprehensive income, the Pininfarina Group chose the presentation option of two separate schedules called “consolidated income statement” and “consolidated statement of comprehensive income.”

Other newly issued or revised principles that are applicable as of January 1, 2009 are reviewed below:

- o The adoption of IFRS 8 – *Operating Segments*, did not require the Group to change its internal reporting system and no new operating segments or segment groupings had to be defined for segment reporting purposes.
- o IAS 23 – *Borrowing Costs*. The 2007 revision of this standard eliminates the option of recognizing borrowing costs as an expense in the income statement when they are incurred in connection with the purchase, construction or production of “qualifying” assets, i.e. assets the borrowing costs of which may be capitalized. This revision did not have a material accounting impact on the Group in the first nine months of 2009.

- o Amendments to IFRS 2 - *Share-based Payments: Vesting Conditions and Cancellations*. This principle was amended to clarify the definition of vesting conditions and specify the accounting treatment that should be applied when a plan is effectively cancelled due to the failure to meet a vesting condition. The adoption of this amendment does not apply to the Group because no stock options have been established.
- o Amendments to IAS 32 - *Financial Instruments: Presentation* and to IAS 1 - *Presentation of Financial Statements*: Financial instruments with an option to sell at fair value and obligations in the event of liquidation: these principles were amended to allow, under certain conditions, financial instruments with an option to sell at fair value (puttable at fair value) to be classified as components of shareholders' equity instead of as financial liabilities. The adoption of this amendment does not apply to the Group.
- o IFRIC 13 - *Customer Loyalty Programs*: This interpretation specifies that goods or services provided free of charge or at a discount ("bonuses" or "points") awarded in connection with customer loyalty programs must be recognized separately from the sale of the product or service for which they are awarded. A portion of the fair value of the consideration received for the sale must be allocated to the bonus points and deferred. This component will be recognized as a revenue during the period when the points are redeemed. The requirement to adopt this revision does not apply to the Group.
- o IFRS improvements: In May 2008, the IASB published its first annual standard improvements, which are designed to eliminate inconsistencies and clarify terminology. These improvements include *ad hoc* transition clauses for each standard. However, the adoption of these improvements did not have any impact on the Group's financial position or operating performance.

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

A significant change compared with December 31, 2008 resulted from the successful sale of the business operations of the Matra Automobile Engineering SAS subsidiary on March 27, 2009.

In December 2008, the manufacturing operations of RHTU Sverige A.B. were transferred to the Pininfarina Sverige A.B. joint venture.

2.3 Consolidation

(a) Subsidiaries

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

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

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

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

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

(b) Associated Companies and Joint Ventures

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

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

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

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

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

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

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

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

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

(c) Other Companies

Investments in other companies that constitute available-for-sale financial assets are valued at fair value, if available, and any resulting gains or losses are recognized in equity until the assets are sold or their value is impaired. At that point, accumulated gains or losses previously recognized in equity are reflected on the income statement for the period. Investments in small companies are carried at their current value or fair value, if it can be determined. Dividends received from these companies are recognized under Dividends in the income statement.

2.4 Translation of Items Denominated in Foreign Currencies

(a) Functional Currency and Presentation Currency

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

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

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

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

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

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

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

(c) Group Companies

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

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

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

	<u>At September 30, 2009</u>	<u>Average first 9 months 2009</u>	<u>At September 30, 2008</u>	<u>Average first 9 months 2008</u>
Euro vs. currency				
- U.S. dollar	1.46	1.37	1.43	1.52
- Swedish kronor	10.23	10.71	9.79	9.41
- Moroccan dirham	11.38	11.21	11.35	11.42

2.5 Property, Plant and Equipment

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

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

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

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

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

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

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

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

2.6 Intangible Assets

(a) Goodwill

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

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

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

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

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

(b) Software and Other Licenses

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

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

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

(c) Research and Development Costs

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

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

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

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

The Pininfarina Group carries out development work on behalf of its clients under contracts that involve the styling, engineering and manufacture of automobiles or just design and engineering work. These contracts with outsiders, which are covered by the provisions of IAS 11 – *Construction Contracts*, are handled on an inventory basis and, consequently, do not generate capitalized intangible assets.

Development work performed under styling, engineering and production contracts is included in the amount of financial receivables recognized in accordance with IFRIC 4 – *Determining Whether an Arrangement Contains a Lease* (see Note 2.19 b below) or, if IFRIC 4 is not applicable, in the value of special-purpose assets that are part of property, plant and equipment.

(d) Other Intangibles

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

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

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

2.7 Recoverable Amount of Assets

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

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

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

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

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

The identification of the CGUs, carried out in accordance with the recommendations of IAS 36 – *Impairment of Assets*, is consistent with the segment information requirements of IFRS 8 – *Operating Segments*, according to which disclosures must be provided for two business segments: 1) Styling and engineering, and 2) Manufacturing.

Within the Manufacturing segment, the Group identifies three minimal CGUs, to which it allocates the assets used in connection with the manufacturing contracts for the Alfa Brera and Spider, the Mitsubishi Colt CZC and the Ford Focus convertible.

The following types of assets are allocated to the minimal CGUs:

- o Property, plant and equipment;
- o Financial receivables recognized in accordance with IFRIC 4 – *Determining Whether an Arrangement Contains a Lease* (see Note 2.19 – Leases below).

b) Impairment Test of Financial Receivables Recognized in Accordance with IFRIC 4 – *Determining Whether an Arrangement Contains a Lease*.

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

Paragraph 59 of IAS 39 states that an asset or a group of assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that the loss events have an impact on the estimated future cash flows of the asset.

c) Impairment Test of Property, Plant and Equipment

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

2.8 Financial Assets

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

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

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

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

(b) Loans and Other Financial Receivables

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

(c) Held-to-maturity Investments

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

(d) Available-for-sale Financial Investments

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

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

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

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

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

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

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

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

At the end of each fiscal year, the Group tests its financial assets for objective indications of the existence of impairment losses. Specifically:

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

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

2.9 Inventory

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

As required by IAS 2 - *Inventories*, cost is determined by the FIFO ("first-in, first-out") method. The cost of finished goods and semifinished goods includes design, raw materials and direct labor costs, as well as other direct costs and other indirect costs that can be allocated to the manufacturing operations based on a normal level of production capacity. This costing formula does not include borrowing costs.

2.10 Trade Receivables and Other Receivables

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

2.11 Cash and Cash Equivalents

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

2.12 Non-current Assets Held for Sale

Non-current assets held for sale and discontinued operations refer to businesses or assets (or groups of assets) that have been sold or are in the process of being sold, the carrying value of which was or will be recovered mainly through a sale rather than through their ongoing use.

These assets are valued at the lower of their net carrying value or their fair value, less costs to sell. In accordance with Paragraphs 38-40 of IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations*, the amounts applicable to non-current assets or a disposal group classified as held for sale must be shown separately on the balance sheet.

2.13 Share Capital

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

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

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

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

2.14 Borrowings

Initially, borrowings are recognized at fair value, net of any incidental charges. Subsequently, as required by IAS 39 - *Financial Instruments: Recognition and Measurement*, they are valued by the amortized cost method. Any difference between the collection amount, net of any incidental charges, and the redemption amount is recognized in earnings on an accrual basis, computed by the effective interest rate method.

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

2.15 Deferred Taxes

As required by IAS 12 - *Income Taxes*, deferred taxes are computed on all temporary differences between the carrying amount of assets and liabilities and the amount attributed to those assets and liabilities for tax purposes. Temporary differences are not computed on:

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

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

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

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

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

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

2.16 Employee Benefits

(a) Pension Plans

The employees of the Pininfarina Group have access to defined-contribution and defined-benefit plans. None of these plans has dedicated plan assets.

For the purposes of IAS 19 – *Employee Benefits*, the Provision for termination indemnities attributable to employees of the Pininfarina Group, computed in accordance with Article 2120 of the Italian Civil Code, consists of:

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

Defined-benefit plans are pension plans in which the pension benefit that an employee will receive at the end of the employment relationship is defined based on such factors as age, years of services and salary earned.

Defined-contribution plans are plans under which the Group pays a fixed contribution and has no further statutory or implied obligations to pay additional sums, should the plan's assets prove to be inadequate to pay benefits for current or past service.

The actuarial valuation required to determine the amount of the provision is carried out in connection with the preparation of the semiannual and annual reports.

(b) Incentives, Bonuses and Profit Sharing Plans

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

2.17 Provisions for Risks and Charges

Additions are made to the provisions for risks and charges in accordance with IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets* when:

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

Additions to these provisions are based on the present value of the best estimates made by the Company's management of the costs that the Pininfarina Group expects to incur on the balance sheet date to satisfy the obligations.

Provisions established in previous years are reviewed on each reporting date and adjusted to reflect best current estimates.

More detailed information about the provisions for risks is provided in Note 26.

2.18 Revenue Recognition

As required by IAS 18 – *Revenues*, revenues reflect the fair value of the goods and services sold, net of VAT, returns, discounts and intra-Group transactions. Revenues are recognized as follows:

(a) Sale of Goods

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

(b) Provision of Services

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

(c) Interest

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

(d) Royalties

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

(e) Dividends

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

2.19 Leases

(a) When the Pininfarina Group Is the Lessee

Pursuant to IAS 17 - *Leases*, leases covering property, plant and equipment are deemed to be finance leases when the Pininfarina Group assumes substantially all of the risks and rewards incidental to the ownership of an asset.

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

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

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

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

(b) When the Pininfarina Group Is the Lessor

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

IFRIC 4 - *Determining Whether an Arrangement Contains a Lease* applies to those arrangements that, while not having the legal formalities of a lease, convey to one of the parties the right to use certain assets in exchange for a series of payments.

According to IFRIC 4 - *Determining Whether an Arrangement Contains a Lease*, an arrangement contains a lease if the following conditions are met:

- Fulfillment of the arrangement is dependent on the use of a specific asset;
- The arrangement conveys to the buyer the right to control the use of the asset subject of the arrangement;
- The determination that the arrangement contains a lease is made at the inception of the arrangement;
- It is possible to separate lease-related payments from other payments required under the arrangement.

In other words, IFRIC 4 - *Determining Whether an Arrangement Contains a Lease* can be used to identify a lease and separate it from an underlying arrangement between the parties and measure the lease in accordance with IAS 17 - *Leases*.

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

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

2.20 Dividend Distributions

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

2.21 Financial Expense

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

The adoption of this new reporting standard did not have a material effect in the first nine months of 2009.

2.22 Construction Contracts

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

When the outcome of a construction contract cannot be estimated reliably, revenue is recognized only to the extent of contract costs incurred and presumed recoverable. When the recovery of contract costs that earlier were reflected in the balance sheet as contract work progress is no longer thought to be probable, these costs are recognized in earnings by writing down the corresponding asset.

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

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

The Pininfarina Group allocates contract costs and revenues to each fiscal year by the percentage of completion method, as required by Paragraph 25 of IAS 11 - *Construction Contracts*. The percentage of completion is the ratio of total costs incurred through the reporting date and the overall estimated costs needed to complete the contract. Costs incurred in a given fiscal year in connection with activities that have not yet been performed are excluded from the percentage of completion computation. Instead, they are recognized as inventory, advances or other assets, depending on their nature.

Progress billings on account are included in Contract work in progress up to the amount of the costs incurred. If the amount of the advances is larger than that of the costs incurred, the difference is recognized ad a liability under Advances received for contract work in progress.

2.23 Government Grants

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

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

In accordance with the provisions of Paragraph 17 of IAS 20 - *Accounting for Government Grants and Disclosure of Government Assistance*, government grants toward the purchase of property, plant and equipment are recognized as deferred income and credited to the income statement in proportion to the depreciation of the assets for which they were awarded.

2.24 Valuations That Affect the Financial Statements

(a) Current and Deferred Taxes

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

The valuation of deferred-tax assets and liabilities is predicated on the manner in which the Group expects to recover or extinguish the carrying value of its assets and liabilities, based on the probability that it will generate taxable income in the future.

(b) Estimate of Fair Value

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

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

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

Management adjusts the value of trade receivable consistent with their estimated realizable value.

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

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

(d) Design, Engineering and Production Contracts

Contracts covering design, engineering and production orders are subject to change while they are being performed (e.g., engineering change requests) and these changes are anticipated and provided for in the contracts. As a result, it is possible that the cash flows expected from these contracts could change.

(e) Accounting for the Provision for Termination Indemnities

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

3. Financial Risk Factors

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

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

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

The financial risks that affect the Group are summarized below:

- The risk that the value of a financial instrument could fluctuate as a result of changes in foreign exchange rates (currency risk);

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

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

- Sales of automobiles to Volvo through the Swedish joint venture Pininfarina Sverige AB. In this case, the currency risk is assumed by the counterparty pursuant to the terms of the underlying contracts.
- Purchases of automobile components in U.S. dollars. In this case, the currency risk is minimal because the underlying contract sets maximum variability thresholds.

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

Pininfarina S.p.A. holds financial assets measured at fair value with changes in fair value recognized in earnings that are recognized in the financial statements at a value of 48 million euros. The credit risk exposure entailed by these assets is not significant because they consist mainly of government securities and other highly rated securities.

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

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

Liquidity Risk: On December 31, 2008, Pininfarina S.p.A. entered into a Framework Agreement with all of the Lender Institutions, with the exception of Fortis Bank. As a result of the execution of the Framework Agreement, which includes two phases and is designed to recapitalize the Company for an amount of 250 million euros, the Company and the abovementioned Lender Institutions also signed a Rescheduling Agreement, annexed to the Framework Agreement, the main features of which are:

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

The combination of the financial benefits produced by the Rescheduling Agreement, the cash and cash equivalents, government securities and other financial assets held by the Company and the availability of the Layoff Benefits Fund for all of 2009 significantly reduce the exposure to the liquidity risk, at least for a 12-month period.

However, the liquidity risk will be affected by the Group's ability to achieve the objectives of the Industrial and Financial Plan. Detailed information about these objective is provided in the Report on Operations included in the 2008 Annual Report, as updated in the Interim report on Operations at June 30, 2009, and in the Interim Report on Operations at September 30, 2009, which should be consulted for additional information.

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

4. Accounting for Financial Derivatives

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

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

There are three types of hedges:

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

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

(a) Fair Value Hedges

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

(b) Cash Flow Hedges

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

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

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

(c) Hedging a Net Investment in Foreign Operations

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

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

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

5. Segment Information

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

Within the Styling and Engineering segment, each styling and/or engineering contract with a customer represents an operating segment, consistent with Paragraphs 5 to 10 of IFRS 8.

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

Segment information for the first nine months of 2009, compared with the data for the same period last year, is provided below:

			€/000
	Production	Styling & Engineering	Total for the Group
Value of production	134,287	53,743	188,030
Intra-segment value of production	(8,624)	(2,700)	(11,324)
Value of production	125,663	51,043	176,706
EBIT	(17,331)	(7,178)	(24,509)
Financial income (expense)			2,820
Interest in results of associates	5,125	(1,676)	3,449
Profit (Loss) before taxes			(18,240)
Income taxes			184
Profit (Loss) for the period			(18,056)

The results for the first nine months of 2008 were as follows:

			€/000
	Production	Styling & Engineering	Total for the Group
Value of production	359,270	106,285	465,555
Intra-segment value of production	3,860	(7,416)	(3,556)
Value of production	363,130	98,869	461,999
EBIT	(11,013)	2,719	(8,294)
Financial income (expense)			(13,059)
Interest in results of associates	4,317	(6,434)	(2,117)
Profit (Loss) before taxes			(23,470)
Income taxes			(1,428)
Profit (Loss) for the period			(24,898)

6. List of Consolidated Companies

Name	Registered office	Country	Share capital	Currency	% interest held directly or indirectly	Consolidated companies	% capital share
Parent Company							
Parent Company							
Pininfarina S.p.A.	Turin Via Bruno Buozzi 6	IT	30,166,652	EUR	-	-	-

List of companies consolidated line by line

Italian subsidiaries							
Pininfarina Extra S.r.l.	Turin Via Bruno Buozzi 6	IT	388,000	EUR	100	Pininfarina S.p.A.	100
Foreign subsidiaries							
Pininfarina Extra USA Corp.	Florida-Fort Lauderdale 1710 West Cypress Creed Road	USA	10,000	USD	100	Pininfarina Extra S.r.l.	100
Pininfarina Deutschland GmbH	Leonberg Riedwiesenstr. 1	DE	3,100,000	EUR	100	Pininfarina S.p.A.	100
mpx Entwicklung GmbH	München Frankfurter Ring 17	DE	25,000	EUR	100	Pininfarina Deutschland GmbH	100
mpx Entwicklung GmbH	Leonberg Riedwiesenstr. 1	DE	26,000	EUR	100	Pininfarina Deutschland GmbH	100
Matra Automobile Engineering SAS	Trappes - cedex 8, avenue J. D'Alembert	FR	971,200	EUR	100	Pininfarina S.p.A.	100
Pininfarina Maroc SAS	Casablanca - 57, Bd Abdelmoumen, Residence EL HADI "A", BP 20360	MA	8,000,000	MAD	100	Pininfarina S.p.A. Matra Automobile Engineering SAS	99,9 0,1
RHTU Sverige A.B.	Uddevalla Varsvagen 1	SE	100,000	SEK	100	Pininfarina S.p.A.	100

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

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

List of Unconsolidated Companies

Name	Registered office	Country	Share capital	Currency	% interest held directly or indirectly	Consolidated companies	% capital share
Italian subsidiaries							
Nord Est Design S.r.l.	Maniago (PN) Via Dante 28	IT	100,000	EUR	-	Pininfarina Extra S.r.l.	10,8

7. Property, Plant and Equipment

	Land	Buildings	Leased property	Total
Net value at December 31, 2008	17,142,610	44,005,563	10,331,239	71,479,412
Additions	0	289,885	0	259,885
Retirements	0	(18,794)	0	(18,794)
Depreciation	0	(1,333,606)	(268,911)	(1,602,517)
Allocation to the relevant asset categories	0	0	0	0
Impairment	0	0	0	0
Held-for-sale assets	0	0	0	0
Net value at September 30, 2009	17,142,610	42,913,048	10,062,328	70,117,986

As allowed under the recognition option provided under Paragraphs 16-19 of IFRS 1, the Group adjusted upward the carrying values of its land and buildings, based on the findings of independent appraisals.

The entry offsetting the amount of these upward adjustments, net of deferred taxes, was posted to shareholders' equity.

The amount shown as additions to buildings refers to extraordinary maintenance of industrial buildings.

The depreciation for the period is the main reason for the decrease that occurred in this account during the first nine months of 2009.

	Machinery	Plant	Leased plant machinery	Total
Net value at December 31, 2008	10,198,101	30,570,083	1,450,718	42,218,902
Additions	541	150,233	0	150,774
Retirements	0	0	0	0
Depreciation	(2,952,767)	(6,514,662)	(442,384)	(9,929,813)
Allocation to the relevant asset categories	0	0	0	0
Impairment	0	0	0	0
Held-for-sale assets	0	0	0	0
Net value at September 30, 2009	7,245,875	24,205,654	1,008,334	32,459,863

	Furniture and fixtures	Hardware & software	Other prop., plant and equipment	Total
Net value at December 31, 2008	663,028	1,028,049	925,461	2,616,538
Additions	19,439	243,405	0	262,844
Retirements	0	(7,873)	0	(7,873)
Depreciation	(179,657)	(330,347)	(157,300)	(667,304)
Allocation to the relevant asset categories	0	0	0	0
Impairment	0	0	0	0
Held-for-sale assets	0	0	0	0
Net value at September 30, 2009	502,810	933,234	768,161	2,204,205

	Assets under construction
Net value at December 31, 2008	633,600
Additions	0
Allocation to the relevant asset categories	0
Impairment	(105,600)
Held-for-sale assets	0
Net value at September 30, 2009	528,000

The carrying value of Assets under construction attributable to the Group's parent Company was written down to their net recoverable market value.

8. Intangible Assets

	Goodwill	Licenses and trademarks	Other intangibles	Total
Net value at December 31, 2008	1,043,495	3,119,908	389,142	4,552,545
Additions	0	73,316	47,246	120,562
Retirements	0	0	0	0
Depreciation	0	(673,079)	(112,548)	(785,627)
Allocation to the relevant asset categories	0	0	0	0
Impairment	0	0	0	0
Held-for-sale assets	0	0	0	0
Net value at September 30, 2009	1,043,495	2,520,145	323,840	3,887,480

The decrease in this account reflects the amortization for the period.

9. Equity Investments

Investments in joint ventures

	12/31/08	Purchases	Interest in result	Sales	Other changes	9/30/09
Pininfarina Sverige A.B.	30,208,498	0	5,124,664	0	2,238,819	37,571,981
Véhicules Electriques Pininfarina-Bolloré SAS	3,618,323	0	(301,000)	0	(1,374,208)	1,943,115
Pininfarina Recchi Buildingdesign S.r.l.	50,000	0	0	0	0	50,000
Total	33,876,821	0	4,823,664	0	864,611	39,565,096

The interest in net profit of 5,124,664 euros is equal to 60% of the net profit earned by the Swedish joint venture in the first nine months of 2009. Other changes reflects the change in the translation reserve.

The interest in the loss of 301,000 euros is equal to 50% of the loss incurred by the Véhicules Electriques Pininfarina-Bolloré SAS joint venture in the first nine months of 2009. Other changes refers to the consolidation entries made to reverse 50% of the margin realized between Pininfarina S.p.A. and the joint venture for work on the development of the electric car.

Investments in other companies

	<u>9/30/09</u>	<u>12/31/08</u>	<u>Change</u>
Banca Passadore S.p.A.	257,196	257,196	0
Idroenergia Soc. Cons. a.r.l	516	516	0
Unionfidi S.c.r.l.p.A. Torino	129	129	0
Midi Ltd	171,072	213,840	(42,768)
Nord Est Design S.r.l.	10,799	64,000	(53,201)
Total	<u>439,712</u>	<u>535,681</u>	<u>(95,969)</u>

The decrease in the investment in Nord Est Design S.r.l. (an affiliated company of Pininfarina Extra S.r.l.) reflects a restatement of the carrying value of this equity investment required by a reduction in the interest held from 50% to 10.8%.

The interest held in Midi Ltd decreased from 1% to 0.80% due to the sale of a portion of the shares held by the Pininfarina Extra subsidiary.

10. Financial Assets

Loans and other receivables from outsiders

	<u>12/31/08</u>	<u>Increases</u>	<u>Repayments</u>	<u>9/30/09</u>
Loans receivable	120,386,529	0	(28,793,431)	91,593,098
Total loans receivable	<u>120,386,529</u>	<u>0</u>	<u>(28,793,431)</u>	<u>91,593,098</u>

The decrease in loans receivable reflects the collection of the portion of receivables corresponding to the 2008 and 2009 guaranteed volumes and the volumes produced by the Group's Parent Company in the first nine months of 2009.

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

	<u>9/30/09</u>	<u>12/31/08</u>
Non-current loans and other receiv.	74,000,667	82,845,811
Current loans and other receivables	17,592,431	37,540,718
Total	<u>91,593,098</u>	<u>120,386,529</u>

The change in current receivables is due to the reclassification as non-current of the portion of Mitsubishi receivables the settlement of which is predicated upon the outcome of a pending dispute.

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

Loans and other receivables from affiliated companies and joint ventures

	<u>9/30/09</u>	<u>12/31/08</u>	<u>Change</u>
Non-current loans owed by Pininfarina Sverige AB	36,147,676	44,760,446	(8,612,770)
Current loans owed by Pininfarina Sverige AB	17,904,178	17,904,178	0
Total	<u>54,051,854</u>	<u>62,664,624</u>	<u>(8,612,770)</u>

Loans receivable from joint ventures accrue interest at market rates.

The decrease in this account reflects the collection of a semiannual installment.

Held-for-sale current assets

	<u>Equity securities</u>	<u>Fixed income securities</u>	<u>Mutual funds</u>	<u>Total</u>
Value at December 31, 2008	2,183,965	45,692,117	6,822,602	54,698,684
Fair value adjustment recognized in earnings	381,225	1,094,949	83,877	1,560,051
Purchases	12,451,060	79,393,516	9,589,146	101,433,722
Sales	(12,455,573)	(80,696,403)	(15,909,148)	(109,061,124)
Value at September 30, 2009	2,560,677	45,484,179	586,477	48,631,333

Held-to-maturity long-term investment

This item represents the guarantee provided by the Pininfarina Group, through Matra Automobile Engineering SAS, to the buyer of the Ceram subsidiary.

This guarantee, which is held by Rothschild in a current account, includes 500,000 euros restricted until December 31, 2009 and 250,000 euros restricted until December 31, 2010.

11. Inventory and Contract Work in Progress

	<u>9/30/09</u>	<u>12/31/08</u>	<u>Change</u>
Raw materials	5,543,588	9,707,163	(4,163,575)
Work in process	1,135,199	2,802,513	(1,667,314)
Finished goods	1,028,606	1,000,803	27,803
Total	7,707,393	13,510,479	(5,803,086)

The inventory amount is net of an allowance for obsolescent and low turn-over raw materials amounting to 3,541,037 euros.

	<u>9/30/09</u>	<u>12/31/08</u>	<u>Change</u>
Contract work in progress	940,254	3,362,442	(2,422,188)
Total	940,254	3,362,442	(2,422,188)

The amount shown for contract work in progress is net of a provision for order inventory writedowns totaling 12,670,668 euros. The reasons for recognizing this provision are explained in the Interim Report on Operations.

12. Other Receivables

	<u>9/30/09</u>	<u>12/31/08</u>	<u>Change</u>
Overpayments to social security institutions	496,677	175,583	321,094
Receivable from employees	7,871	4,820	3,051
VAT overpayments	10,986,132	27,249,996	(16,263,863)
Current taxes	1,350,286	1,576,818	(226,533)
Advances to suppliers	1,068,930	994,088	74,842
Accrued income and prepaid expense	1,599,832	1,445,130	154,701
Sundry receivables	13,125,542	11,012,547	2,112,995
Total	28,635,270	42,458,982	(13,823,714)

The change is due mainly to the offsetting of the VAT overpayment generate in 2008.

The main reason for the increase in sundry receivables is the recognition of a credit for research projects claimed by the Matra Automobiles Engineering SAS subsidiary for costs incurred in 2008.

13. Trade Receivables Owed by Related Parties and Joint Ventures

The receivables outstanding at September 30, 2009, amounting to 3,254,994 euros, refer to transactions with the Swedish joint venture.

The balance at December 31, 2008 also referred exclusively to transactions with the Swedish joint venture.

14. Non-current Assets/Liabilities Held for Sale

On March 27, 2009, the Pininfarina Group sold the business operations of its Matra Automobile Engineering SAS subsidiary. In the 2008 financial statements, these operations were carried as non-current assets/liabilities held for sale with a net carrying value of 2,090,001 euros.

The proceeds from this transaction, net of costs to sell, amounted to 1,486,368 euros.

15. Share Capital

	<u>No. of shares</u>	<u>Common shares</u>	<u>Treasury shares</u>	<u>Total</u>
Balance at January 1, 2008	9,317,000	9,317,000	15,958	9,301,042
Balance at September 30, 2008	9,317,000	9,317,000	15,958	9,301,042
Balance at January 1, 2009	9,317,000	9,317,000	15,958	9,301,042
Balance at September 30, 2009	30,166,652	30,166,652	15,958	30,150,694

The Company's total authorized share capital was comprised of 30,166,652 common shares, par value of 1 euro each. On September 28, 2009, the Group's Parent Company completed a share capital increase, carried out through a rights offering, that resulted in the issuance of 20,849,652 fully subscribed and paid-in new shares, as described in the Interim Report on Operations.

All issued shares have been fully paid-in.

At September 30, 2009, the Company held 15,958 of its own shares, valued at 59,188 euros. Following the adoption of IAS 32 and IAS 39 in January 2005, this amount is deducted from shareholders' equity.

These shares are held as treasury shares.

Further to the signing of the Framework Agreement with the Lender Institutions on December 31, 2008, the 4,714,360 common shares of Pininfarina S.p.A. held by Pincar S.r.l., formerly Pincar SpA, are encumbered by a senior pledge for the benefit of the creditor banks. Shortly, the same pledge will be expanded to encumber the 18,231,206 new shares acquired through subscription by Pincar S.r.l. in connection with the capital increase.

16. Additional Paid-in Capital

Pursuant to a resolution approved by the Shareholders' Meeting on April 23, 2009, the full amount of this reserve was used to cover the loss incurred in 2008. This reserve increased by 47,618,388 euros as a result of the capital increase carried out by the Company, the terms of which included additional paid-in capital of 2.35 euros per share, for a total of 48,996,682 euros, net of capital increase related expenses amounting to 1,378,294 euros.

17. Reserve for Treasury Stock

This reserve was unchanged compared with December 31, 2008.

18. Statutory Reserve

This reserve was unchanged compared with December 31, 2008.

19. Reserve for Currency Translations

The change shown by this reserve, compared with December 31, 2008, is due to the translation into the consolidation currency of financial statements denominated in foreign currencies.

20. Other Reserves

The change in Other reserves is the net result of an increase of 34,968,849 euros and a reduction of 214,968,449 euros.

The increase of 34,968,849 euros includes the following:

- 34,968,449 euros generated by the execution of the first tranche of the second receivable assignment contract (for a total of 70,000,000 euros) signed by Pincar, Pininfarina and the Lender Institutions, amounting to 35,500,000 euros, less 531,551 euros in incidental expenses at June 30, 2009, posted to the Reserve for shareholder advances on future capital increases;
- 400 euros resulting from an addition to the Special reserve to reflect uncollected dividends in 2003.

The reduction of 214,968,449 euros includes the following:

- 180,000,000 euros for the utilization of the Reserve for non-refundable shareholder contributions to cover the loss incurred in 2008, as allowed pursuant to a resolution approved by the Shareholders' Meeting on April 23, 2009. This reserve was established at the completion of Phase 1 of the Framework Agreement, upon the controlling company Pincar Srl forgiving receivables for an equal amount. Additional information is available in the disclosures provided in the 2008 Annual Report.
- 34,968,449 euros for the reclassification of the Reserve for shareholder advances on future capital increases, broken down as follows:
 - 10,567,665 euros to Share capital;
 - 24,932,335 euros to Additional paid-in capital, net of incidental expenses of 531,551 euros at June 30, 2009.

21. Retained Earnings/(Loss Carryforward)

The increase shown in this account is the result of the positive contribution provided by foreign Group companies the previous year (6,168,331 euros), offset in part by a charge to cover the remainder of the loss incurred by the Group's Parent Company the previous year (3,450,402 euros).

22. Earnings per Share

a) Basic profit (loss) per share.

The loss per share was computed by dividing the net loss for the period by the number of common shares outstanding at September 30, 2009 (excluding treasury shares).

	<u>9/30/09</u>	<u>12/31/08</u>	<u>9/30/08</u>
Net profit (loss)	(18,055,695)	(204,125,840)	(24,898,134)
Number of common shares, net	30,150,694	9,301,042	9,301,042
Basic earnings (loss) per share	(0.60)	(21.95)	(2.68)

b) Diluted profit (loss) per share

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

23. Stock Options

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

24. Borrowings

	<u>9/30/09</u>	<u>12/31/08</u>	<u>Change</u>
Non-current	214,702,433	245,053,410	(30,350,977)
Liabilities under finance leases	123,949,754	142,600,125	(18,650,371)
Bonds outstanding and other borrowings	90,752,679	102,453,285	(11,700,606)
Current	91,802,065	168,773,767	(76,971,702)
Due to banks	29,697,290	37,927,769	(8,230,479)
Liabilities under finance leases	38,469,226	85,059,761	(46,590,535)
Bonds outstanding and other borrowings	23,635,549	45,786,237	(22,150,688)
Total	306,504,498	413,827,177	(107,322,679)

The change of 65,240,906 euros in current and non-current liabilities under finance leases was due to:

- A reduction of borrowings of 41,394,309 euros resulting from the signing of the second receivable assignment contract required by the Framework Agreement;
- A reduction of borrowings of 26,269,423 euros resulting from debt repayment by the Company on September 30, 2009;
- Recognition of "figurative" financial expense of 2,422,826 euros (consistent with the new value of the liability, as required by IAS 39).

The change of 33,851,294 euros in other borrowings was due to:

- A reduction of borrowings of 19,680,231 euros resulting from the signing of the second receivable assignment contract required by the Framework Agreement;
- A reduction of borrowings of 12,489,356 euros resulting from debt repayment on September 30, 2009;
- Recognition of "figurative" financial expense of 991,293 euros (consistent with the new value of the liability, as required by IAS 39);
- Payment of 2,673,000 euros to Fortis Bank.

The sum of the changes in current and non-current borrowings, caused by the signing of the second receivable assignment contract required by the Framework Agreement, resulted in a reduction in borrowings of 35,500,000 euros that reflects the effect of the assignment of the first tranche of receivables to Pincar S.rl. by the Lender Institutions, 25,574,540 euros that reflects the effect of the assignment of the second tranche and 38,758,779 euros for the repayment made on September 30, 2009. More detailed information is provided above in Note 20 Other Reserves. A breakdown of the elimination of financial liabilities, showing the pro rata share attributable to each Lender Institution, is provided on the following page.

The test performed for the annual financial statements (see page 86, Note 17. Borrowings owed to outsiders) showed that the debt restructuring currently under way did not produce a material change in liabilities as per Paragraph 40 of IAS 39. Consequently, using as a basis the cash flows projected in the new plans, which call for repayment of lease obligations and medium- and long-term borrowings starting in 2012, with a moratorium up to that date on interest accruals and payments, the Group developed new financial plans with the amortized cost method, based on a new effective interest rate to maturity. This required the recognition of a charge for interest expense for the period, which is referred to as "figurative financial expense" because no cash outlay is involved at this point.

The elimination of financial liabilities is detailed in the table that follows:

	Remaining indebtedness at 12/31/08	Conveyance of receivable at 6/19/09	Remaining indebtedness at 6/30/09	Conveyance of receivable at 9/28/09	Repayments at 9/30/09	Figurative charges at 9/30/09	Remaining indebtedness at 9/30/09
Banca Intesa	39,065,588	4,128,732	34,936,856	2,974,378	4,507,735	357,800	27,812,543
Banca Italease	2,929,919	309,655	2,620,264	223,078	338,080	26,659	2,085,766
Unicredit Corporate Banking Spa	18,815,357	1,988,542	16,826,815	1,432,565	2,171,083	172,551	13,395,718
Banca di Roma	13,021,862	1,376,244	11,645,618	991,459	1,502,578	119,266	9,270,847
Banca Nazionale del Lavoro	5,919,028	625,565	5,293,463	450,663	682,990	54,304	4,214,113
Banca Regionale Europea	6,510,931	688,122	5,822,809	495,730	751,289	59,216	4,635,006
Banca Popolare di Bergamo	9,766,397	1,032,183	8,734,214	743,594	1,126,934	89,601	6,953,287
Banca Popolare di Novara	12,207,995	1,290,228	10,917,767	929,493	1,408,667	111,896	8,691,503
Leasint (Leasing Alfa)	50,451,162	5,332,041	45,119,121	3,841,253	5,821,504	698,635	36,154,999
MPS Leasing (Leasing Alfa)	25,225,581	2,666,020	22,559,561	1,920,627	2,910,752	349,317	18,077,500
Selmabipiemme (Leasing Alfa)	25,225,581	2,666,020	22,559,561	1,920,627	2,910,752	349,317	18,077,500
Banca Italease (Leasing Ford)	67,805,510	7,166,172	60,639,338	5,162,580	7,824,003	520,332	48,173,087
BNP Paribas (Leasing Mitsubishi)	21,661,229	2,289,314	19,371,915	1,649,244	2,499,466	187,686	15,410,892
UBI Leasing (Leasing Mitsubishi)	10,830,614	2,289,314	9,685,957	824,622	1,249,733	93,843	7,705,445
Locat (Leasing Mitsubishi)	21,661,229	1,144,657	19,371,915	1,649,244	2,499,466	187,686	15,410,892
Locat (Leasing Cambiano)	4,798,980	507,191	4,291,789	365,385	553,749	36,009	3,408,664
Total	335,896,963	35,500,000	300,396,963	25,574,540	38,758,779	3,414,119	239,477,763
BANKS	108,237,077	11,439,271	96,797,806	8,240,960	12,489,356	991,293	77,058,783
LEASING	227,659,886	24,060,729	203,599,157	17,333,580	26,269,423	2,422,826	162,418,970
Total	335,896,963	35,500,000	300,396,963	25,574,540	38,758,779	3,414,119	239,477,763

The schedule above does not include the remaining balances owed on bank account overdrafts (29,697,290 euros) and the 36.579.443 euros owed to Fortis Bank, with whom the Company signed a settlement agreement calling for a multi-year amortization plan ending on December 31, 2015. The remaining difference of 750,000 euros refers to other bank debt of the Pininfarina Deutschland subsidiary.

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

The decrease in bank account overdrafts reflects a reduced utilization of the credit lines.

At September 30, 2009, a total of 29.7 million euros had been drawn against credit lines with a maximum usable amount of about 50 million euros, as defined in the Rescheduling Agreement signed on December 31, 2008.

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

	9/30/09	12/31/08
due within 1 year	91,961,592	168,773,767
due between 1 and 5 years	167,535,325	173,009,301
due after 5 years	47,007,581	72,044,109
Total	306,504,498	413,827,177

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

Borrowings (in thousands of euros)	Amount at 12/31/08	Amount at 09/30/09	Amount due within 1 year	Amt. due from 1 to 5 years	Amount due after 5 years
Total loans and other facilities	(148,240)	(114,388)	(23,636)	(62,886)	(27,867)
Total obligations under finance leases	(227,660)	(162,419)	(38,469)	(104,650)	(19,300)
Total liabilities for short-term credit lines	(37,928)	(29,697)	(29,697)	0	0
Total	(413,827)	(306,504)	(91,801)	(167,536)	(47,167)

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

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

Information about the cancellation clauses of the Rescheduling Agreement is provided in Annex I to the Report on Operations included in the 2008 Annual Report.

By virtue of the court injunctions served on Pininfarina S.p.A. on March 28, 2008 and April 19, 2008, Fortis Bank S.A. was granted court ordered mortgages on all of the buildings owned by the Company, which secure loans currently totaling about 36.6 million euros.

Pininfarina S.p.A. is the guarantor of obligations under finance leases executed by Pininfarina Sverige AB with the same credit institutions. At September 30, 2009, the outstanding balance of these leases was 76 million euros.

A building owned by Pininfarina Deutschland in Renningen is encumbered by a mortgage securing a loan of 750,000 euros.

25. Provisions for Risk and Charges

	12/31/08	Additions	Utilizations	Other changes	9/30/09
Provision for warranties	12,274,502	434,040	(1,296,918)	0	11,411,624
Provision for restructuring	1,678,778	2,214,992	(1,286,775)	0	2,606,995
Other provisions	13,113,101	2,144,240	(1,130,823)	(3,804,835)	10,321,683
Total	27,066,381	4,793,272	(3,714,516)	(3,804,835)	24,340,302

The Provision for warranties covers the best estimate of the Parent 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 addition for the period brought the value of the provision in line with the best estimate of future warranty costs for the fleet of cars currently in circulation.

The utilization for the period reflects charges for repairs under warranty provided to Mitsubishi and Ford customers.

The provision for restructuring charges reflects an estimate of the costs that Pininfarina S.p.A. expects to incur in connection with the adoption of the long-term unemployment benefit program established under an agreement signed in November 2008 with the labor unions (FIM, FIOM and UILM) and the Unified Labor Organizations for the Bairo Canavese, Cambiano, Grugliasco and San Giorgio Canavese plants and covering up to 180 employees.

Other provisions reflects primarily an estimate of the liability toward some suppliers for the interruption in the production of the Colt CZC vehicle and toward other suppliers of components for the Alfa Brera and Alfa Spider due to the effect of a change in model year, as well as an estimate of the liability that could arise from the renegotiation of the contract with Ford.

The reduction in the provision of 3,804,835 euros is due to a revision of the estimate of liabilities developed for the financial statements at December 31, 2008, made possible by the successful outcome of commercial negotiations with some counterparties in the first half of 2009.

The disclosure required by Paragraph 86 of IAS 37 with regard to contingent liabilities is provided in the Annual Report at December 31, 2008, in the section of the Report on Operations entitled "Assessment of the Company's Viability as a Going Concern and Business Outlook," which specifically discusses issues related to litigation with the revenue administration and Mitsubishi, and in the corresponding updates included in the Semiannual Financial Report at June 30, 2009 and the Interim Report on Operations at September 30, 2009.

26. Other Income and Revenues

	<u>9/30/09</u>	<u>9/30/08</u>	<u>Change</u>
Amounts rebilled	505,996	466,800	39,196
Out-of-period income	2,065,114	1,972,484	92,630
Insurance settlements	138,856	8,580	130,276
Royalties	208,333	375,000	(166,667)
Rebilling	536,058	150,293	385,765
Capital grants	1,589,514	3,038,399	(1,448,885)
Sundry items	685,763	1,273,936	(588,173)
Total	<u>5,729,634</u>	<u>7,285,492</u>	<u>(1,555,858)</u>

The decrease in capital grants reflects a reduction in research tax credits attributable to Matra Automobiles Engineering SAS, following the sale of this company's business operations in March 2009.

27. Gains on the Sale of Non-current Assets

	<u>9/30/09</u>	<u>9/30/08</u>	<u>Change</u>
Gain on the sale of equity investments	63,898	2,638,870	(2,574,972)
Gain on the sale of other assets	2,720	4,372,142	(4,369,422)
Total	<u>66,618</u>	<u>7,011,012</u>	<u>(6,944,394)</u>

The gain shown in the first nine months of 2009 reflects the sale of a portion of the interest held by Pininfarina Extra Srl in Midi Ltd.

The gain shown in the same period in 2008 refers to the sale of the investment in Pasiphae S.a.r.l., in which Pininfarina S.p.A. held a 20% stake.

The gain on the sale of other assets generated in the first quarter of 2008 reflects the sale of some vintage cars by the Group's Parent Company.

28. Other Expenses

	<u>9/30/09</u>	<u>9/30/08</u>	<u>Change</u>
Travel expenses	1,274,424	2,732,253	(1,457,829)
Rentals	2,497,524	5,422,316	(2,924,792)
Fees paid to Directors and Statutory Auditors	687,384	883,703	(196,319)
Consulting and other services	6,063,950	8,176,182	(2,112,232)
Other personnel costs	728,870	2,175,460	(1,446,590)
Telegraph and postage	348,032	780,094	(432,062)
Cleaning and waste disposal services	1,159,483	2,696,193	(1,536,710)
Advertising	251,363	641,199	(389,836)
Taxes	826,877	1,471,265	(644,388)
Insurance	608,794	880,454	(271,660)
Membership dues	161,165	217,687	(56,522)
Out-of-period charges	345,842	222,993	122,849
General services	493,507	1,275,483	(781,976)
Warranty costs	161,414	4,593,977	(4,432,563)
Loss on the sale of equity investments and other non-current assets	18,594	0	18,594
Sundry expenses	914,516	2,149,651	(1,235,135)
Total	<u>16,541,739</u>	<u>34,318,910</u>	<u>(17,777,171)</u>

The main reasons for the change compared with 2008 include a variation in the scope of consolidation, which at September 30, 2008 included Matra Automobile Engineering, and a decrease in costs resulting from a reduction in operating activities and lower warranty costs.

29. Financial Income (Expense), Net

	<u>9/30/09</u>	<u>9/30/08</u>	<u>Change</u>
Financial expense paid to banks	(941,019)	(2,431,370)	1,490,351
Financial expense paid under leases	0	(15,151,312)	15,151,312
Figurative interest charges on lease obligations	(2,422,826)	0	(2,422,826)
Financial exp. on medium- and long-term borrowings	(1,094,012)	(8,335,283)	7,241,271
Figurative interest charges on long-term debt	(991,293)	0	(991,293)
Realized losses from marking securities to market	0	(3,140,845)	3,140,845
Total financial expense	<u>(5,449,150)</u>	<u>(29,058,810)</u>	<u>23,609,660</u>
Bank interest earned	516,913	1,603,376	(1,086,463)
Realized gains from marking securities to market	2,579,203	1,685,159	894,044
Interest earned on long-term loans to outsiders	3,384,450	8,712,477	(5,328,027)
Interest earned on long-term loans to joint ventures	1,676,690	3,809,405	(2,132,715)
Gains on trading securities	0	22,662	(22,662)
Total financial income	<u>8,157,256</u>	<u>15,833,079</u>	<u>(7,675,823)</u>
Net financial income (expense)	<u>2,708,106</u>	<u>(13,225,731)</u>	<u>15,933,837</u>

30. Value Adjustments

	<u>9/30/09</u>	<u>9/30/08</u>	<u>Change</u>
Pininfarina Sverige AB	5,124,664	4,317,403	807,261
Véhicules Electriques Pininfarina-Bolloré SAS	(1,675,208)	(6,434,230)	4,759,022
Total	<u>3,449,456</u>	<u>(2,116,827)</u>	<u>5,566,283</u>

31. Income tax for the Period

	<u>9/30/09</u>	<u>9/30/08</u>	<u>Change</u>
Current taxes	(159,335)	(1,620,659)	1,461,324
Riduzione accantonamento eccedente	449,195	0	449,195
Prepaid taxes	(104,994)	67,867	(172,861)
Deferred taxes	(434)	124,988	(125,422)
Total	<u>184,432</u>	<u>(1,427,804)</u>	<u>1,612,236</u>

The reduction in current taxes and the reversal of the excess portion of a provision for taxes recognized the previous year reflect mainly a decrease in the impact of labor costs on the amount subject to the Regional Tax on Production Activities and the lower operating results reported by the Group's Parent Company and its subsidiaries.

The deferred-tax assets of Pininfarina S.p.A. arising from losses brought forward amount to 53.7 million euros.

The unrecognized deferred-tax assets of Matra Automobiles Engineering SAS amount to 11.5 million euros.

As for the Pininfarina Deutschland Group, the deferred-tax assets that would be recognizable on its loss carryforward, computed based on the rates of the tax on commercial activities and the corporate income tax, would amount to about 6.2 million euros.

The amounts shown for deferred-tax liabilities and deferred-tax asset have been restated to take into account the tax rates in effect after December 31, 2008.

The tax position of the other Group companies is as follows:

- Pininfarina Extra Srl files a national consolidated tax return with Pininfarina S.p.A.;
- Pininfarina Deutschland GmbH and MPX Entwicklung GmbH pay no taxes because they are able to offset their tax liability against the tax loss carryforward generated by Pininfarina Deutschland GmbH.

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

Other Information

Disclosures required by CONSOB Communication No. DEM/6064293 of July 28, 2006

Transactions with Related Parties Concerning the Pininfarina Group at September 30, 2009

None of the transactions executed with related parties, including intra-Group transactions, qualify as atypical or unusual, having been carried out by Group companies in the normal course of their business operations. These transactions were executed on market terms for the specific goods or services involved

Companies Consolidated by the Equity Method

(in thousands of euros)	Trade Receivables	Trade Liabilities	Financial Receivables	Financial Liabilities	Revenues	Costs	Financial Income	Financial Expense
Pininfarina Sverige AB	3,408	66	54,052	0	832	12	1,651	0
Véhicules Electriques Pininfarina Bolloré S.A.S.	0	0	0	0	7,398	0	0	0
Total	3,408	66	54,052	0	8,229	12	1,651	0

Compensation of Directors, Statutory Auditors and Executives with Strategic Responsibilities

The compensation paid to Directors and Statutory Auditors of Pininfarina S.p.A. for their services are listed below:

(in thousand of euros)	9/30/09	9/30/08
Directors	414	569
Statutory Auditors	61	52
Total compensation	475	621

The total cost incurred in the first nine months of 2009 for compensation paid to executives with strategic responsibilities of Pininfarina S.p.A. amounted to about 2.6 million euros.

Other Related Parties

Transactions with Other related parties include legal consulting services for a total amount of about 254,000 euros at September 30, 2009 provided by Studio Professionale Pavesio e Associati, which is owned by the Director Carlo Pavesio.

Material Extraordinary Events and Transactions

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

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

- Capital increase through the conveyance of receivables, net of incidental expenses;
- Government grant for research costs recognized by Matra Automobiles Engineering S.A.S;
- Reduction of provisions no longer necessary;
- Establishment of provision for order inventory writedowns.

Consolidated Balance Sheet	Statutory financial statements at 9/30/09	Statutory financial statements at 9/30/09 net of extraordinary transactions
Net intangible assets	3,887,480	3,887,480
Net property, plant and equipment	105,310,054	105,310,054
Non-current financial assets	110,916,093	110,916,09
Equity investments	40,004,808	40,004,808
Inventory	8,647,647	21,184,946
Current financial assets	84,127,942	84,127,942
Net trade receivables and other receivables	73,155,666	71,934,105
Deferred-tax assets	1,205,666	1,205,920
Cash and cash equivalents	68,392,631	59,620,836
Held-for-sale assets	0	0
TOTAL ASSETS	495,648,243	498,192,187
Reserves	80,728,971	12,260,931
Profit (Loss) for the period	(18,055,695)	(12,000,319)
TOTAL SHAREHOLDERS' EQUITY	62,673,276	260,611
Long-term borrowings	214,702,433	275,776,973
Deferred-tax liabilities	9,885	9,885
Provision for termination indemnities	21,002,400	21,002,400
Current borrowings	91,802,065	91,802,065
Other payables	11,056,030	11,056,030
Trade accounts payable	68,619,198	68,161,721
Provision for current taxes	1,196,959	1,731,670
Provision for other liabilities and charges	24,585,997	28,390,832
Liabilities attributable to held-for-sale assets	0	0
TOTAL LIABILITIES	432,974,967	497,931,576
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	495,648,243	498,192,187

Consolidated Income Statement	Statutory financial statements at 9/30/09	Statutory financial statements at 9/30/09 net of extraordinary transactions
Net revenues	161,830,462	161,830,462
Change in inventory of finished goods and work in process	8,739,604	8,739,604
Other income and revenues	5,729,634	4,422,557
Company-produced non-current assets	405,994	405,994
Value of production	176,705,694	175,398,617
Net gain on the sale of non-current assets	54,337	54,337
Raw materials and outside services used	(125,601,302)	(126,522,118)
Change in inventory of raw materials	(3,415,947)	(3,415,947)
Value added	47,742,782	45,514,889
Labor costs	(44,557,406)	(44,557,406)
EBITDA	3,185,376	957,483
Depreciation and amortization	(12,965,261)	(12,965,261)
(Additions to provisions/Writedowns) / Utilizations	(14,729,606)	(5,997,142)
EBIT	(24,509,490)	(18,004,919)
Financial income (expense), net	2,819,907	2,819,907
Other income (expense), net	3,449,456	3,449,456
Profit before taxes	(18,240,127)	(11,735,557)
Income taxes for the period	184,432	(264,763)
Net profit (loss) for the period	(18,055,695)	(12,000,319)