

2001
ANNUAL REPORT



pininfarina

PININFARINA GROUP

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ANNUAL REPORT



Pininfarina S.p.A.

Share Capital: 9,317,000 euros, fully paid in – Registered Office: 61 Corso Stati Uniti, Turin

Tax I.D. and Registration No. 00489110015, Turin Company Register, Court of Turin

Ordinary and Extraordinary Shareholders' Meeting

May 15, 2002

2001 Fiscal Year

The Ordinary and Extraordinary Shareholders' Meetings will be held on May 15, 2002 at 3:00 PM in Room B of the offices of Pininfarina Ricerca e Sviluppo S.p.A., 30 Via Nazionale, Cambiano (Turin), on the first calling, and on May 16, 2002, same time and place, on the second calling, and, only for items on the Agenda of the Extraordinary Session, on May 17, 2002, same time and place, on the third calling.

Agenda

Ordinary Session

- 1. Financial statements at December 31, 2001, appropriation of net profit for the year and applicable resolutions*
- 2. Resolutions required pursuant to Articles 2357 and 2357 ter of the Italian Civil Code.*

Extraordinary Session

- 1. Amendments to Articles 6, 14, 17 and 22 of the Bylaws and applicable resolutions.*
- 2. Merger by absorption of Pininfarina International S.p.A. into Pininfarina S.p.A. and applicable resolutions.*

The Notice of the Shareholders' Meeting was published on April 11, 2002 in issue No. 85 of the Official Gazette of the Italian Republic.

Board of Directors

<i>Chairman and Co-Chief Executive Officer*</i>	<i>Sergio</i>	<i>Pininfarina</i>
<i>Co-Chief Executive Officer*</i>	<i>Andrea</i>	<i>Pininfarina</i>
<i>Directors</i>	<i>Mario</i>	<i>Arcelli</i>
	<i>Elisabetta</i>	<i>Carli</i>
	<i>Mario Renzo</i>	<i>Deaglio</i>
	<i>Cesare</i>	<i>Ferrero</i>
	<i>Franzo</i>	<i>Grande Stevens</i>
	<i>Lorenza</i>	<i>Pininfarina</i>
	<i>Paolo</i>	<i>Pininfarina</i>

Board of Statutory Auditors

<i>Chairman</i>	<i>Lamberto</i>	<i>Jona Celesia</i>
<i>Auditors</i>	<i>Giorgio</i>	<i>Giorgi</i>
	<i>Giacomo</i>	<i>Zunino</i>
<i>Alternates</i>	<i>Piergiorgio</i>	<i>Re</i>
	<i>Nicola</i>	<i>Treves</i>

Secretary to the Board of Directors

Gianfranco Albertini

Independent Auditors

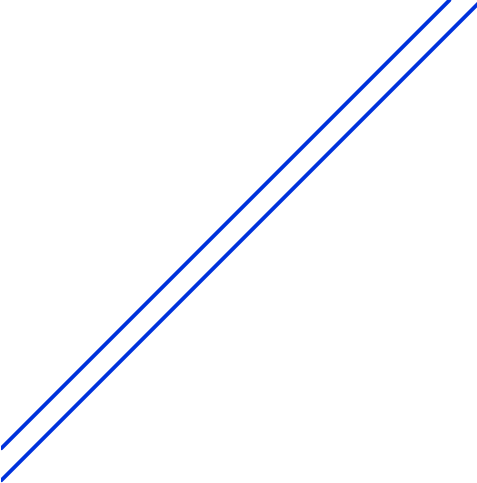
Reconta Ernst & Young S.p.A.

****Powers***

Under Article 22 of the Bylaws, the Chairman and his Co-Chief Executive Officer are the legal representatives of the Company before outsiders and before the courts. Accordingly, they are empowered to carry out all actions that are consistent with the Bylaws and do not conflict with the provisions of Article 2384 of the Italian Civil Code.

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2001 ANNUAL REPORT

REPORT OF THE BOARD OF DIRECTORS

ON OPERATIONS

The Group

Overview

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

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

Operating Performance

The Group had revenues of 701,457,000 euros in 2001, a gain of 2.62%, or 17,879,000 euros, over the previous year. A more favorable product mix and the increased contribution provided by the design, engineering and testing operations, which grew by 16.69%, account for most of the improvement.

The value of production came to 742,221,000 euros, up 31,567,000 euros (+4.44%) compared with 2000.

Operating costs, net of inventory, included 613,411,000 euros for purchases of raw materials and outside services (+5.38%), 85,510,000 euros in personnel costs (+1.95%), 17,611,000 euros in depreciation and amortization (-20.39%), and 188,000 euros in provisions (-69.43%).

EBIT amounted to 25,501,000 euros, an increase of 3,550,000 euros, or 16.17%, over 2000. EBIT were equivalent to 3.44% of the value of production (3.09% in 2000).

The increase in EBIT is due primarily to an improved performance by the manufacturing operations (which benefited from higher profit margins than they had in 2000, when the Group incurred heavy costs for the startup of three new orders), a more favorable product mix and a positive contribution by the design and engineering operations, which are generating steadily rising revenues.

Despite an increase in investment resources, the negative impact of falling interest rates and the unfavorable conditions of the financial markets caused net financial income to decline to 6,473,000 euros (-10.26%). Net other expense totaled 11,692,000 euros (+13.62%).

Profit before taxes grew to 20,282,000 euros, or 1,408,000 euros (+7.46%) more than in 2000. It was equivalent to 2.73% of the value of production 2.73% (2.66% in 2000).

Income taxes increased by 8.87% to 10,932,000 euros, or 53.90% of profit before taxes (53.20% in 2000).

Net profit, which at 9,349,000 euros was equivalent to 1.26% of the value of production (1.24% in 2000), grew by 5.84%, or 516,000 euros, compared with 2000.

Cash flow, which is equal to Group interest in net profit plus depreciation and amortization, decreased by 12.90% to 26,960,000 euros. At 13,190,000 euros, capital investments were 35.80% lower than in 2000. Over the same period, research and development outlays increased by 6.20% to 19,819,000 euros.

At December 31, 2001, net non-current assets had a carrying value of 104,133,000 euros, or 8.52% less than a year earlier. At 34,316,000 euros, working capital became more negative by 24.60%.

The net financial position showed a surplus of 112,100,000 euros, an improvement of 27.09%.

The outlook for 2002 calls for a decline in the value of production, along with a contraction in operating margins, but the contribution of the design and engineering operations will continue to increase at the expense of the Group's manufacturing activities. The current year will be a transitional period for the Pininfarina Group, since the full positive impact of new engineering and production programs will not be felt until 2003.



Pininfarina S.p.A.

The 2001 fiscal year ended with a net profit of 5,025,000 euros. The decrease of 39.75%, or 3,315,000 euros, from 2000 was caused primarily by a drop in dividend income and an increase in provisions for financial asset writedowns. Income from equity investments fell from 10,707,000 euros to 7,431,000 euros (-30.60%), while provisions more than quadrupled, rising from 463,000 euros to 1,875,000 euros.

Financial income decreased by 748,000 euros, falling to 1,962,000 euros, or 27.60% less than the 2,710,000 euros reported in 2000. Because of the unsettled conditions of the financial markets in 2001, investments both in fixed-income securities and equities (which have never exceeded 20% of total investments) produced lower returns than in 2001, reflecting a decline in coupon yields and securities prices.

At 4,639,000 euros, other operating income was virtually unchanged (-0.74%) from the previous year. It includes royalties paid by Group companies as a percentage of revenues and services provided by the Communications, Administration, Finance, Marketing and Human Resources Departments to Group companies and outside customers. The former grew by 54,000 euros (+3.22%), and the latter fell by 134,000 euros (-4.57%).

Operating costs increased by 0.41%, or 19,000 euros, as a reduction in costs for non-financial services was more than offset by a rise in personnel expense. The Company's average payroll expanded from 13 employees at December 31, 2000 to 17 employees at the end of 2001.

Extraordinary charges totaled 127,000 euros. This item, which did not exist in the financial statements at December 31, 2000, reflects the write off of losses and replenishment of capital stock by the Pro-tools S.r.l. subsidiary prior to its absorption by the Industrie Pininfarina S.p.A. subsidiary on September 1, 2001.

Profit before taxes came to 7,428,000 euros, or 5,617,000 euros less than in 2000.

Income taxes for the year, which declined by 2,302,000 euros to 2,403,000 euros, were equivalent to 32.35% of profit before taxes (36.07% in 2000).

Shareholders' equity and reserves grew by 1.78%, rising from 105,797,000 euros to 107,685,000 euros. They are equal to 1.97 times net non-current assets, which consist almost exclusively of equity investments.

In 2002, the Company acquired the 80% of Pininfarina Extra S.r.l. that it did not already own, 87.5% of which was sold by Company Directors. The purchase price of 2,100,000 euros was determined on the basis of a sworn estimate provided by an independent expert appraiser. The investment in Pro-tools S.r.l. was written off upon its merger by absorption into the Industrie Pininfarina S.p.A. subsidiary on September 1, 2001. As a result of this transaction, the Company increased the carrying value of its investment in Industrie Pininfarina S.p.A. by 28,000 euros.

In December 2001, the Company underwrote a capital increase of 1,400,000 euros carried out by Pininfarina Ricerca e Sviluppo S.p.A., which thus brought its capital stock up from 1,600,000 euros to 3,000,000 euros.

Net financial assets decreased by 2.44%, or 1,279,000 euros, to 51,136,000 euros. They include 9,217,000 euros in listed securities, 39,254,000 euros in government securities and 2,665,000 euros in cash equivalents.

Transactions with Subsidiaries, Associated Companies and Related Parties, and Other Information

By drawing on its expertise and its organizational skills, Pininfarina S.p.A. provides its subsidiaries and associated companies with services that help them improve quality and increase efficiency. In 2001, these services, which are provided on market terms, consisted primarily of the following:

- 1. Support in connection with administrative, financial, corporate, personnel, image and marketing issues;*
- 2. Loans received from Group companies;*
- 3. Loans provided to Group companies*
- 4. Miscellaneous purchases.*

In 2001, contracts that govern the services referred to in Item 1 above generated the following revenues:

<i>Industrie Pininfarina S.p.A.</i>	<i>3,249,865.34 euros</i>
<i>Pininfarina Studi e Ricerche S.p.A.</i>	<i>1,238,458.44 euros</i>
<i>Pininfarina Deutschland GmbH</i>	<i>1,409.93 euros</i>
<i>Pininfarina Extra S.r.l.</i>	<i>2,942.69 euros</i>

At December 31, 2001, loans from Group companies (Item 2 above) totaled 300,000 euros, reflecting financing provided by the Industrie Pininfarina S.p.A. subsidiary. During the year, this subsidiary provided loans of up to 500,000 euros, which accrued interest at the official bank rate totaling 1,089.38 euros.

At December 31, 2001, loans provided to Group companies (Item 3 above) totaled 255,000 euros, all owed by Pininfarina Extra S.r.l. These loans, which accrued interest at the official bank rate, generated financial income of 6,267.38 euros.

Outlays incurred for miscellaneous purchases (Item 4 above) included the following:

To Industrie Pininfarina S.p.A. 83,302.06 euros for the use of office space and services by the Communications Department.

To Pininfarina Ricerca e Sviluppo S.p.A. 23,158.28 euros for costs incurred to operate the Pininfarina Museum and develop two research prototypes, and 93,239.84 euros for marketing services and rent.

To Pininfarina Deutschland GmbH 908.9 euros for miscellaneous expenses.

To Pininfarina Extra S.r.l. 899.23 euros for advertising materials.

In 2001, Pininfarina S.p.A. purchased an 80% interest in Pininfarina Extra S.r.l. at a total cost of 2,100,000 euros. The sellers were individuals and companies related to the Group.

No atypical or unusual transactions were carried out with related parties in 2000.

At December 31, 2001, Pininfarina S.p.A. held 105,500 treasury shares.

As required by Consob Resolution No. 11971 of May 14, 1999 (Regulations Implementing Legislative Decree No. 58/98), the table below provides a breakdown of the interest held in the Company by its Directors and Statutory Auditors.

Shares Held by Directors and Statutory Auditors

First and last name	Investee company	Number of shares held at 12/31/00	Number of shares bought	Number of shares sold	Number of shares at 12/31/01
Sergio Pininfarina	Pininfarina S.p.A.	282,038 (1)	Zero	Zero	282,038 (1)
Sergio Pininfarina	Pininfarina S.p.A.	181,500 (2)	Zero	Zero	181,500 (2)
Sergio Pininfarina	Pininfarina S.p.A.	4,700,260 (3)	13,900	44,000	4,670,160 (3)
Sergio Pininfarina	Pininfarina S.p.A.	Zero	44,200	Zero	44,200 ** (3)
Cesare Ferrero	Pininfarina S.p.A.	286 (*)	Zero	Zero	286
* including 105 registered shares. ** savings shares. (1) Full ownership. Shares held indirectly through the subsidiary Seglap S.s. (2) Full ownership. Shares held indirectly through the subsidiary Segi S.r.l. (3) Full ownership. Shares held indirectly through the subsidiary Pincar S.a.p.a.					

The number of shares held at the beginning of the 2001 fiscal year was consistent with the provisions of the resolutions adopted by the Shareholders' Meeting on June 23, 2000 and implemented on January 22, 2001 in the form of a reverse stock split on the basis of one new share, par value one euro, for every two old ordinary and savings shares held.

The fees paid to Directors and Statutory Auditors for any reason and in any form by the Parent Company and its subsidiaries are shown in a special section of the Notes to the Financial Statements.

Group Companies

Industrie Pininfarina S.p.A.

The key financial data for 2001 are provided below:

(in thousands of euros)	12/31/01	12/31/00	Change
Value of production	674,157	646,295	27,862
EBIT	16,805	13,594	3,211
Net financial income	1,587	1,662	(75)
Net profit for the year	8,259	6,250	2,009
Shareholders' equity	45,259	40,690	4,569
Net invested capital	29,699	46,720	(17,021)
Net financial position	38,965	16,977	21,988



This company's positive performance confirmed the forecast made at the end of June 2001 and repeated after the third quarter of the year.

The value of production totaled 674,157,000 euros, for a gain of 4.31% over 2000. An improvement in operating performance caused the ratio of EBITDA to value of production to rise to 4.61%, or 0.22 percentage points more than in 2000 (4.39%).

EBIT rose to 16,805,000 euros (13,594,000 euros in 2000), after depreciation and amortization of 13,962,000 euros (14,301,000 euros in 2000). The company did not recognize accelerated depreciation, which would have amounted to 3,819,000 euros (6,916,000 euros in 2000). This accounting change was implemented in 1999 to comply with Accounting Principle No. 25 of the Italian Board of Certified Public Accountants and Bookkeepers, which requires that accelerated depreciation be recognized in a separate equity reserve that takes into account the impact of deferred taxes.

Net financial income, which was a significant component of profit before taxes, totaled 1,587,000 euros, compared with 1,662,000 euros in 2000.

In 2001, the production of complete cars and car bodies declined to 41,766 units, compared with 46,803 units in 2000 (-10.76%), as strong orders from Peugeot and Alfa Romeo could not offset a drop in production of the Mitsubishi Pajero Pinin that occurred as customers awaited the introduction of new versions of this model, which were schedule to be released at the beginning of 2002.



A breakdown of the production of complete cars and car bodies is provided below:

Complete cars	2001	2000
Fiat Coupé	0	2,357
Lancia K S.W.	1	435
Peugeot 406 Coupé	17,362	15,585
Mitsubishi Pajero Pinin	12,181	18,697
Peugeot 306 convertible	5,897	1,065
Alfa spider	3,207	710
Alfa GTV	2,853	779
	41,501	39,628
Car bodies		
Bentley Azure Comiche	194	189
Rolls Royce	67	250
Peugeot 306 convertible	0	6,706
Mitsubishi Pajero Pinin	0	19
Peugeot 406 Coupé	1	11
Alfa spider	2	0
Alfa GTV	1	0
	265	7,175
Total	41,766	46,803

The production of complete cars and car bodies generated 94.23% of total revenues (92.17% in 2000); the design, prototype construction, experimentation and testing operations contributed 5.55% (7.30% in 2000); and industrialization and tooling for new production accounted for the remaining 0.22% (0.53% in 2000).

A breakdown of exports, which came to 84.15% of net revenues (88.64% in 2000), is as follows: European Union 84.13% (88.60% in 2000) and Japan and other destinations 0.02% (0.04% in 2000). The remaining 15.85% was sold to domestic customers, who in turn exported 79.28% of these units.

During 2001, capital expenditures totaled 7,270,000 euros. This amount is significantly less than the 18,382,000 euros invested in 2000, when the company completed construction of the facilities needed to sustain the current production level.



A total of 6,471,000 euros was allocated for research and development in 2001, up from 5,536,000 euros in 2000. These outlays were used to fund aerodynamic and aeroacoustic studies needed to develop future models and improve production vehicles, as well as to carry out technological research on innovative prototypes. Work done in cooperation with the Group company Pininfarina Ricerca e Sviluppo S.p.A. included feasibility studies and the styling and design of models that could lead to production applications. Applied research focused on the use of parameter-based software for bodywork design and the research and development of innovative solutions for manufacturing applications.

At December 31, 2001, the company had 2,088 employees (1,624 production staff and 464 managers and office staff), compared with 2,154 employees at the end of 2000 (1,675 production staff and 479 managers and office staff). The average payroll for the year included 2,203 employees (1,729 production staff and 474 managers and office staff). Total absenteeism (illness, accidents, justified absences and strikes) was equivalent to 8.51% (8.46% in 2000). Productivity increased by 2.41 percentage points. The Government Layoff Benefits Fund was utilized for an amount equivalent to 6.05% of the hours that could theoretically be worked by employees on the factory payroll (2.26% in 2000). Per capita labor costs were 1.07% higher than in 2000.

The performance of the company in 2002 will be affected by the following three factors:

- Weak demand in Europe, already apparent during the first two months of the year;*
- The end of production for the Peugeot 306 convertible at the end of July;*
- The launch in November of the new Ford Streetka.*

These factors are expected to result in a 25% decline in business volume compared with 2001. As a result, profitability will decrease before picking up again in 2003.



Pininfarina Ricerca e Sviluppo S.p.A.

The key financial data for 2001 are provided below:

(in thousands of euros)	12/31/01	12/31/00	Change
Value of production	31,563	29,840	1,723
EBIT	916	3,440	(2,524)
Net financial income	(166)	108	(274)
Net profit for the year	98	1,443	(1,345)
Shareholders' equity	15,969	14,472	1,497
Net invested capital	19,373	15,558	3,815
Net financial position	(258)	1,758	(2,016)

In 2001, the company achieved gratifying results in terms of revenues and value of production, but its profitability and financial position were not equally satisfactory.

The value of production grew 5.77% to 31,563,000 euros, personnel costs increased by 17.34% to 12,190,000 euros and purchases of raw materials and outside services were up 17.24% to 17,095,000 euros.

The company continued to pursue a strategy of staff expansion, adding employees with high-level professional skills. As a result, its workforce increased from 199 employees at the end of 2000 to 228 at December 31, 2001 (+14.5%).

These new resources could not be employed at optimum levels due to the need to provide them with the necessary training and to delays in implementing some programs that were held back by customers, especially during the last quarter. As a result, company-wide productivity declined to 74.44%, compared with 77.54% in 2000.

The pivotal event of the year was the transfer of the Group's engineering development operations to Pininfarina Ricerca e Sviluppo, which required that a special facility in Cambiano be built. Construction began on July 2, 2001 and work is proceeding on schedule. Employees will move into the new building during the August recess and will begin work in September 2002. The construction of the new engineering center has been financed through an eight-year financial lease with a total value of 13.4 million euros.



The transfer of the specialized engineering staff from Industrie Pininfarina began in June 2001. Temporary offices are being used to house these employees and to accommodate the increase in engineering work.

The most significant developments of the year are reviewed below:

During the first part of the year, the Fiat Group approved a styling proposal for one of its production cars.

The company also continued to develop a car that, eventually, could be manufactured by its sister company Industrie Pininfarina. Work focused on styling improvements and on adapting the vehicle's engineering to a new platform.

Projects carried out on behalf of Ferrari included further improvements to its model line.

Assignments received from the Peugeot Group consisted of styling development work for two different cars for each of the group's two brands.

Work on one these projects, which was chosen for engineering development, continued through the creation of a preproduction master model.

A styling project for Honda was expanded beyond the original bidimensional assignment to include the construction and delivery of a life-size production master model.

Structural engineering development support was provided to the sister company Industrie Pininfarina in connection with the Streetka manufacturing program commissioned by Ford.

The engineering program carried out on behalf of Jaguar continued during the year with the successful completion of several milestones in the approval process.

In addition, Jaguar expanded the project by adding prototyping assignments that were not included in the basic contract.



The design of a compact automobile that Hafei Motor Co. will manufacture in China was completed during the year, and the car will be unveiled at the Beijing Motor Show in June 2002.

In September 2001, on the occasion of a trip to China by the Group's management, the company signed a contract for a third complete project that is broader and more complex than those carried out thus far.

A major European carmaker awarded Pininfarina Ricerca e Sviluppo a contract for the external and internal styling of an SUV.

During the year, the company completed a feasibility study for manufacturing a car in Portugal. This assignment was carried out under a contract signed with IAPMEI (Instituto de Apoio às Pequenas e Médias Empresas e ao Investimento) that gives Pininfarina the status of a technical advisor to the Portuguese Government on all matters concerning the development of a local automotive industry.

During the year, several mass transit design projects reached the production stage, including:



- A family of Sirio modular trams and the Metro Madrid metropolitan vehicle, for which Pininfarina Ricerca e Sviluppo designed both the interior and exterior under a contract with AnsaldoBreda;



- The Divo long-distance bus, produced by Hispano, with exterior styling and part of the interior design provided by Pininfarina Ricerca e Sviluppo;



- The M200 Zeus Electrocit  electric minibus, for which Pininfarina Ricerca e Sviluppo designed both the interior and exterior under a contract with BredaMenariniBus.



In the aeronautics field, work expanded beyond the design of the interior of the P180 aircraft, which Piaggio is expected to unveil sometime in 2002, with the start of a collaborative relationship with Agusta. The mockup of the interior for a new Agusta helicopter was presented at the Le Bourget Air Show.



The company continued to provide its customary support for Group projects carried out by sister company Pinfarina Extra.

During 2001, the company participated in several motor shows. Highlights include:



- The Osée, a prototype for a Citroën three-seat car with a centrally placed steering wheel and engine, was presented at the Geneva Motor Show, where it was extremely well received by industry professionals and the press.

The car was honored with the Best Concept award by Autoweek magazine and received third prize in the Best Exterior category of the Automotive News Concept Car of the Year Award.

The Osée prototype marks the start of a collaborative relationship with Citroën to develop motor-show cars. The Osée is the first sports car with a centrally placed engine ever presented by Citroën.

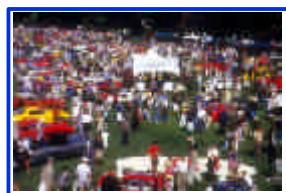


- The Start, a styling study for a compact sports car with a retractable roof, was presented at the Frankfurt Motor Show. This concept car was designed to celebrate the beginning of a new relationship between Ford Europe and Pininfarina. It was the first time ever that such a prestigious international brand graced the front of a car of this type.

Distribution of the Hyundai Matrix compact minivan, with styling by Pininfarina, got under way in 2001.



The most important corporate communications event of the year was the celebration of fifty years of cooperation between Ferrari and Pininfarina. The event took place in August in Carmel, California.



On December 20, 2001, the Board of Directors accepted the resignation of Sergio Pininfarina from the post of Co-Chief Executive Officer of Pininfarina Ricerca e Sviluppo S.p.A. and appointed Lorenzo Ramaciotti to that position, which he will share with Andrea Pininfarina, the other Co-Chief Executive Officer.

At the Extraordinary Meeting held on the same day, the shareholders approved several motions, including one that increased the company's capital stock from 1.6 million euros to 3 million euros. This addition to shareholders' equity will enable the company to support its expansion with a more balanced financial base.

Pininfarina International S.p.A.

On December 15, 2001, Pininfarina International officially became a company under Italian law. This change was triggered by the enactment of the EU law on controlled foreign companies (CFCs), which eliminated the tax benefits obtained by incorporating in Luxembourg. On December 14, 2001, the Extraordinary Shareholders' Meeting of Pininfarina International S.a. responded to the new law by voting to move the company's registered office to Turin, thereby automatically approving its transformation from a holding company under Luxembourg law to an Italian corporation.

The key financial data for the 15 days from December 15, 2001 to December 31, 2001 are provided below:

(in thousands of euros)	December 15-31, 2001
Net financial income	13
Net profit for the year	(66)

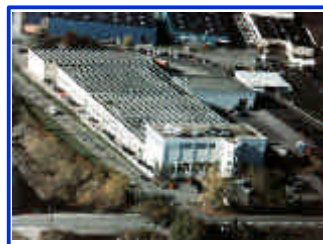
For the period from January 1, 2001 to December 14, 2001, the company earned a net profit of 78,000 euros. The loss reported at the end of the year was caused mainly by two factors: an addition to the reserve for fluctuations in the value of securities (71,000 euros) and the recognition of the tax liability (4,000 euros), which is computed at the end of the year. The combined result for the two periods is a net profit of 12,000 euros.

The balance sheet data, made comparable for the 2001 and 2000 fiscal years, are as follows:

(in thousands of euros)	12/31/01	12/31/00	Change
Shareholders' equity	39,372	39,360	12
Net invested capital	203	24,993	(24,790)
Net financial position	14,402	14,367	35

The performance of the subsidiaries controlled by Pininfarina International is reviewed below.

Pininfarina Deutschland GmbH earned a net profit of 439,000 euros, for a gain of 333,000 euros over the previous fiscal year. During the same period, the value of production increased 10.15% to 13,901,000 euros.



Outsourcing arrangements, made possible by the company's operating flexibility, accounted for most of the increased production.

In 2002, this company should report earnings comparable to those for 2001, provided that current negotiations with large customers come to fruition.

PF Re S.a. closed its second fiscal year with cumulative premiums of 4,034,000 euros and financial assets totaling 4,687,000 euros, compared with 2,819,000 euros and 3,327,000 euros, respectively, in 2000.

PF Services S.a., which was also launched two years ago, earned 49,000 euros (106,000 euros in 2000). At the end of the year, it had financial assets of 260,000 euros (430,000 euros a year earlier).

In order to streamline the Group's organization and reduce overhead, Pininfarina International S.p.A. will be merged into and absorbed by its parent company Pininfarina S.p.A. A motion to this effect will be submitted to the shareholders at an Extraordinary Meeting scheduled for May 2002.

Pininfarina Extra S.r.l.

The key financial data for 2001 are provided below:

(in thousands of euros)	12/31/01	12/31/00	Change
Value of production	2,347	2,302	45
EBIT	381	526	(145)
Net financial income (expense)	(5)	(4)	(1)
Net profit for the year	107	178	(71)
Shareholders' equity	770	795	(25)
Net invested capital	1,050	921	129
Net financial position	(169)	(53)	(116)

The value of production totaled 2,347,000 euros in 2001, or 2% more than in 2000.



At 1,359,000 euros, sales and service revenues were about the same as in 2000, but royalty income increased by 7% to an all-time high of 988,000 euros.

The high costs incurred to provide certain services, coupled with an increase in personnel costs, which rose from 566,000 euros to 797,000 euros as the company expanded its workforce, had a negative impact on EBITDA, which declined to 566,000 euros, or 16% less than the 677,000 euros earned in 2000, and was equivalent to 24% of the value of production.

EBIT were also down, falling 28% to 381,000 euros (527,000 euros in 2000), as a result of a rise in multiyear charges, which included the fee paid to KPMG Consulting for services provided in connection with a marketing study conducted to assess the effectiveness of a strategy to strengthen the Pininfarina brand and of programs that the company is planning to implement in future years.

The revenues generated by manufacturers licensed to use the Pininfarina brand grew for the third consecutive year, reaching 35 million euros, or 10% more than in 2000.

The main developments that characterized the company's operations during this transitional year were:

- Market research concerning the Pininfarina brand;
- Redefinition of the company's strategy and organization;
- Expansion of the customer portfolio and market launch of new products designed by the company;
- Increase in the company's workforce, which totaled 16 employees at December 31, 2001.

The most noteworthy events of the first half of 2001 included the purchase by Pininfarina S.p.A. of the 80% of Pininfarina Extra it did not already own; the start of construction of the Tighe Point development in Malta, marking the beginning of operating activity by MIDI Ltd., a company in which Pininfarina Extra holds a 1% interest; and the presentation of new projects completed for Torterolo & Re, Nieri and Schreder. The salient events of the second half of the year were:



1) Start of worldwide distribution of the SGH-N400 cellular telephone, the first such device developed jointly by Pininfarina and Samsung Electronics.



2) Market launch of the first Fila-Pininfarina running shoe.



3) Start of a communication program presenting to distributors a new line of ski boots developed by Pininfarina Extra for Lange, a company of the Rossignol Group with a global leadership position in this market. The World Cup model will be used by the athletes competing in the 2002-2003 World Cup.

4) Participation in the “Design and the City, Memory and the Future” show at the Milan Triennial exhibit.

In 2001, research and development outlays totaled 310,504.22 euros. These expenses, which were incurred in connection with the different types of projects described below, were charged in full to income in 2001, in accordance with the principle of matching revenues and expenses, and as required under Article 74, Section 1, of Presidential Decree No. 917/1986.

The company’s research and development work included the following:

- Study, design and development of a highly innovative LED illuminating device.
- Study, design and development of an innovative antitheft sensor with a wide working range.
- Study, design and development of an ergonomic control stand for a machine tool.
- Study, design and development of an electromagnetic fastening system for face massaging devices.
- Study, design and development of a modular kitchen with a honeycomb structure.

Communications and Image — The Year in Figures

In 2001, while keeping its total communication investments at about 2% of consolidated value added (as it had in previous years), Pininfarina made significant progress in making its communications programs more effective and comprehensive.

As a result of improvements made to existing systems and the adoption of sophisticated communication and information technology tools, the Group is now able to gather, sort, process and distribute documents on a much more timely basis. The efforts made to enhance the professional skills of employees through training and development programs had a beneficial impact on the following areas:

- Press Office, with improvements both in traditional and online systems, thanks to the increased use of the internet and the addition of financial information, including quarterly, semiannual and annual reports, which now feature better design and editorial content;*
- Public relations, advertising and sponsorships;*
- Preservation and enhancement of cultural assets and development of publications produced internally or in cooperation with outside publishers.*



An effective communication system is an important corporate management tool and a factor in value creation. As a result, it can contribute to strengthening and broadening the appeal of the Pininfarina brand by reinforcing the Company's identity, name recognition and credibility. It can also help establish a successful dialog with many different audiences, making them aware and supportive of Pininfarina's effort to reposition itself as a service company.

The following figures highlight the Company's communications effort:

- 1,000 publications** on the mailing list;
- 1,800 journalists** on the mailing list receive automobile, architecture/design, culture/art and current events information;
- 150 journalists** on the mailing list receive economic and financial information;
- 280 names** on the national institutional mailing list;
- 200 media** representatives visited the Company;
- 100 interviews** given by management;
- 13,000 printed pages** distributed in four languages;
- 6,000 product brochures** distributed in four languages;
- 35 press releases** for a total of **7,000** copies distributed through conventional channels and the internet;
- 1,000 Company profiles** distributed in two languages;
- 2 exclusive presentations** of the Citroën Osée and Ford Start concept cars to an international audience;
- 2 International Motor Shows** (Geneva and Frankfurt) attended directly by the Company;

15 events attended in Europe, the United States, Mexico, Latin America and Japan;
3 presentations to institutional investors in cooperation with the Finance and Corporate Affairs Department;
1 multimedia presentation developed in cooperation with the Marketing and Business Development Departments to market the Company's services;
10 public relations presentations;
84 pages of institutional advertising in magazines and published series devoted to automobiles and design in Europe, Japan and the United States;
7 sponsorships of cultural and sporting events in Italy;
30,000 images stored in a conventional photo archive;
11,000 images stored in a digital archive with **49** search keys;
370 films in the Company's film library;
60 videos on corporate and historical topics and on products handled by the Company;
14 photographic reports completed;
8 publications produced in cooperation with outside publishers and **one publication** issued by Edizioni Pininfarina;
284,000 images issued in different media (e-mail, CD-ROM, print, slides).

In 2001, the Company made an effort to quantify the benefits of its communications programs. **In Italy alone** it monitored **30 radio spots** and **40 television spots**. **At the international level**, it looked at **1,600 institutional and financial articles**, published by newspapers and periodicals. A total of **2,600 articles and reports on products and processes** appeared in specialized automotive publications and in the automotive sections of newspapers and periodicals. It was estimated that the visibility achieved in this segment alone (**over 5,000 pages**) would require a hypothetical investment in advertising of more than 28.5 million euros, computed on the weighted average value of each institutional page in which reference to the Company appeared. The investment actually made by the Company included 496,000 euros for advertising and 198,000 euros for the Press Office. The www.pininfarina.it website registered **100,000 hits**, with the press news, history, communications and finance metasites receiving most of the attention.

SIGNIFICANT EVENTS OCCURRING SINCE DECEMBER 31, 2001

The following events occurred during the first quarter of 2002:

Industrie Pininfarina S.p.A. declared dividends for the 2001 fiscal year, producing investment income (including tax credits) of 6,000,000 euros (5,902,000 euros in 2000) for Pininfarina S.p.A. The other Group companies did not declare dividends, in view of the capital investment programs they expect to carry out in 2002.

Open Air Systems GmbH, a 50-50 joint venture of Industrie Pininfarina S.p.A. and Webasto A.G., a German company, was established in February. The joint venture will have its headquarters in Stockdorf, near Munich, and a branch office in Italy. It will develop and manufacture retractable roof systems drawing on the combined expertise of both partners in the design and production of convertible cars and various roof systems. The new company, which plans to reach average annual revenues of 150 million euros within five years, was presented to potential customers in Japan, the United States and Europe on the occasion of the most recent Geneva International Motor Show, where it attracted significant interest among industry professionals.



The new Ferrari 575 M. Maranello, which was designed by Pininfarina Ricerca e Sviluppo S.p.A., was unveiled in March at the Geneva Motor Show. Also in March, the Company completed the reorganization of its management structure, with the goal of supporting the expansion of its engineering operations, and appointed a General Manager in charge of this area.

In January, the subsidiary Pininfarina Extra S.r.l., which in 2001 completed the strategic phase of the plan it developed with KPMG, began the implementation phase. Among other measures, it hired a new sales manager, as of February 15, 2002, who will develop a proactive marketing strategy targeting new partners and business segments.

Also in February, the Group signed an agreement with Impresa Rosso, a Turin developer, covering design work and communication support for the SNOS (Spazi per Nuove Opportunità di Sviluppo) development. With 40,000 square meters of space in the strategically located Spina 3 District, SNOS will be the biggest business center in Turin. The project for this development was presented at the MIPIM Fair, which was held in Cannes from March 12 to March 15, 2002, as part of the ITP (Investimenti a Torino e in Piemonte) booth.

MOTION FOR THE APPROPRIATION OF NET PROFIT

The 2001 fiscal year ended with a net profit of 5,025,347.28 euros. Since the statutory reserve is already equivalent to one one-fifth of the capital stock, which is (the maximum allowed under Article 2430 of the Italian Civil Code), the Board proposes the distribution of dividends per share, before statutory tax withholdings, in the amounts shown below:

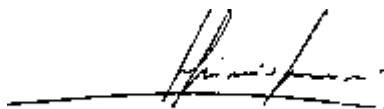
0.34 euros, which is equivalent to 4.14% of the par value, on each of the 65,908 savings shares	€.	25,137.31
0.34 euros on each of the 9,251,092 common shares	€.	3,145,371.28
Allocation to the special reserve	€.	<u>1,854,838.69</u>
Net profit	€.	<u>5,025,347.28</u>

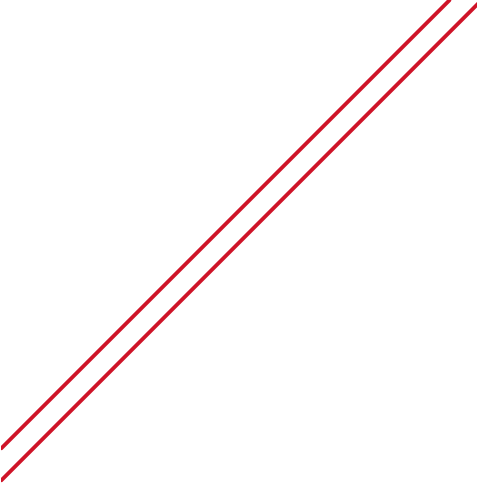
Because of the taxes paid by the Company, the dividends convey a tax credit of the type allowed under Article 105, Section 1., Letter A, of Presidential Decree No. 917/86, i.e. a full tax credit.

Coupon No. 2 for both common and savings shares must be presented on June 3, 2002. The dividend will be payable on June 6, 2002.

Turin, March 27, 2002.

Il Presidente del Consiglio di Amministrazione
(Ing. Sergio Pininfarina)





THE PININFARINA GROUP

CONSOLIDATED FINANCIAL HIGHLIGHTS
(in euros)

	12/31/01	12/31/00
Operating Data		
Net revenues	701,456,574	683,577,704
Value of production	742,220,629	710,654,506
EBITDA	43,300,000	44,686,950
EBIT	25,501,000	21,950,968
Net financial income	6,472,717	7,212,837
Profit before taxes	20,281,542	18,873,917
Net profit	9,349,217	8,832,962
Cash flow*	26,960,432	30,954,360
Financial Data		
Net fixed assets	98,004,361	104,294,339
Net invested capital	69,587,324	86,292,717
Shareholders' equity	154,689,349	148,456,052
Net financial position	112,100,366	88,204,124
Performance Indicators (%)		
EBITDA/Net revenues	5.83	6.29
ROS (EBIT/net revenues)	3.44	3.09
ROI (EBIT/net invested capital)	36.53	25.44
ROE (net profit/shareholders' equity)	6.03	5.95
Net financial income/Value of production	0.87	1.01
Other Data		
Capital investments for the year	13,190,000	20,545,688
Research and development outlays	19,819,000	18,662,170
* Group interest in net profit plus depreciation and amortization		

OPERATING PERFORMANCE, FINANCIAL POSITION AND FINANCIAL PERFORMANCE OF THE PININFARINA GROUP

Operating Performance

The net revenues of the Group amounted to 701,457,000 euros in 2001. The gain of 2.62%, or 17,879,000 euros, over the previous year was made possible by a better product mix and the growing contribution of the design, engineering and testing operations (+16.69).

The value of production increased by 31,567,000 euros, or 4.44%, to 742,221,000 euros. A breakdown by business segment is provided below:

	2001	%	2000	%	Change
Production of complete cars, car bodies and spare parts	639,626	86.2	621,093	87.4	18,533
Design, engineering and testing	69,636	9.4	59,678	8.4	9,958
Equipment	1,688	0.2	4,508	0.6	(2,820)
Other	31,271	4.2	25,375	3.6	5,896
Total	742,221	100.0	710,654	100.0	31,567

Operating costs, which are net of inventory, totaled 613,411,000 euros covering purchases of raw materials and outside services (+5.38%). Consequently, value added increased to 128,810,000 euros, or 251,000 euros more than in the previous year. The ratio of value added to the value of production was 17.35% (18.09% in 2000).

Personnel costs grew by 1.95% to 85,510,000 euros (+1.95%), as the average payroll increased to 2,546 employees, 24 more than in the previous year.

At 43,300,000 euros, EBITDA were 1,387,000 euros less (-3.10%) than in 2000.

Depreciation and amortization amounted to 17,611,000 euros (-20.39%) and provisions totaled 188,000 euros (-69.43%).

EBIT - up 16.17%, or 3,550,000 euros, to 25,501,000 euros - were equivalent to 3.44% of the value of production (3.09% in 2000).

Falling interest rates and the unfavorable conditions of the financial markets caused net financial income to decline to 6,473,000 euros (-10.26%). Net other expense totaled 11,692,000 euros (+13.62%).

Profit before taxes grew to 20,282,000 euros, or 1,408,000 euros (+7.46%) more than in 2000. It was equivalent to 2.73% of the value of production (2.66% in 2000).

Income taxes increased by 8.87% to 10,932,000 euros, a rate equivalent to 53.90% of profit before taxes (53.20% in 2000).

Net profit, which at 9,349,000 euros was equivalent to 1.26% of the value of production (1.24% in 2000), rose by 5.84%, or 516,000 euros, compared with 2000.

An analysis of the operating performance is provided in Annex 1.

Financial Position

At December 31, 2001, net capital requirements were 17,663,000 euros less than a year earlier as a result of the following changes:

Net non-current assets totaled 106,150,000 euros. The decline of 7,683,000 euros is the net result of additions amounting to 15,253,000 euros, depreciation and amortization of 17,612,000 euros, retirements of 7,036,000 euros and reversals of depreciation and amortization of 1,712,000 euros.

Working capital remained negative at 36,563,000 euros, reflecting changes in debit and credit items that resulted in an overall increase in liquidity of 9,023,000 euros. The largest increases involved taxes payable and other payables.

The reserve for termination indemnities posted a net increase of 957,000 euros in 2001.

Capital requirements were covered by:

Shareholders' equity, which increased by 6,233,000 euros as the net result of the transfer to retained earnings of the unappropriated 2000 net profit and of the difference between the 2001 and 2000 net profit. In 2001, shareholders' equity was equivalent to 1.46 times net non-current assets (1.30 times in 2000).

Net financial assets, which increased by 23,896,000 euros (+27.09%) due to the favorable impact of the positive factors discussed above.

An analysis of the financial position is provided in Annex 1.

Financial Performance

At December 31, 2001, net financial assets were 23,454,000 euros more than at the beginning of the year. In particular:

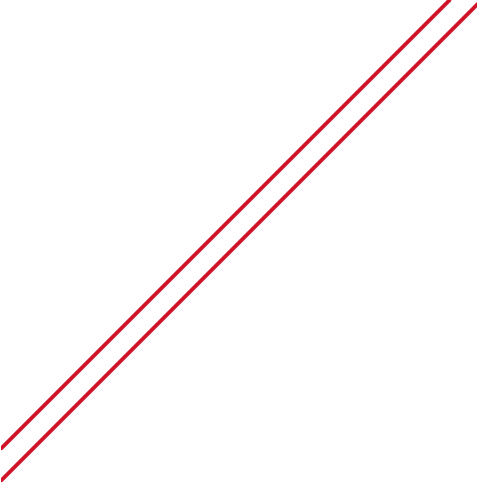
Cash flow from operating activities was positive by 34,005,000 euros, compared with a negative 8,703,000 at December 31, 2000. Favorable changes in the makeup of working capital account for this improvement.

Cash flow from investing activities contracted by 9,805,000 euros reflecting a decrease in capital investments.

Cash flow from financing activities decreased by 7,304,000 euros due to lower funding requirements.

The net profit distributed was 3,137,000 euros, the same as in 2000.

An analysis of the financial performance is provided in Annex 1.



Pininfarina Group

CONSOLIDATED FINANCIAL STATEMENTS

AT DECEMBER 31, 2001

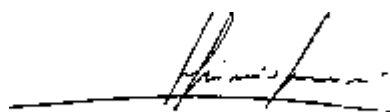
BALANCE SHEET
ASSETS
(in euros)

		12/31/01	12/31/00
B)	NON-CURRENT ASSETS		
I)	Intangible assets:		
3	rights to use intellectual property	2,228,265	1,836,004
6	intangible assets under formation		2,444,907
7	others	4,457,621	3,841,923
	Total	6,685,886	8,122,834
II)	Fixed assets:		
1	land and buildings	49,675,144	50,064,299
2	plant and machinery	35,517,154	40,344,580
3	industrial and trade equipment	6,240,523	9,150,583
4	other goods	4,111,986	4,734,877
5	Fixed assets under construction and advances	2,459,554	
	Total	98,004,361	104,294,339
III)	Financial assets:		
1	investments in:		
a)	associated companies	1,000,000	1,159,069
d)	other companies	459,732	256,540
	Total	1,459,732	1,415,609
	Total non-current assets B)	106,149,979	113,832,782
C)	CURRENT ASSETS		
I)	Inventory:		
1	raw, ancillary and consumable materials	25,992,664	42,646,428
2	work in process and semifinished goods	16,166,334	
3	work in progress on job orders	11,881,844	12,105,750
4	finished products and goods	241,808	120,851
	Total	54,282,650	54,873,029
II)	Receivables:		
1	trade accounts	74,187,637	123,402,728
3	due from associated companies		85,215
5	due from others	20,090,876	13,240,406
	Total	94,278,513	136,728,349
III)	Current financial assets:		
3	other investments	9,217,394	6,876,107
4	treasury stock	2,017,371	1,880,936
5	other securities	57,538,030	52,068,668
	Total	68,772,795	60,825,711
IV)	Liquid assets:		
1	cash at banks and post offices	45,214,860	30,485,418
2	Checks outstanding	311,842	-
3	cash and cash equivalents on hand	44,510	15,494
	Total	45,571,212	30,500,912
	Total current assets C)	262,905,170	282,928,001
D)	PREPAYMENTS AND ACCRUED INCOME		
	Other prepayments and accrued income	3,217,821	4,741,591
	Total prepayments and accrued income D)	3,217,821	4,741,591
	TOTAL ASSETS	372,272,970	401,502,374

BALANCE SHEET
LIABILITIES AND SHAREHOLDERS' EQUITY
(in euros)

		12/31/01	12/31/00
A)	SHAREHOLDERS' EQUITY		
I	Share capital	9,317,000	9,623,658
II	Share premium reserve	36,885,352	36,885,352
III	Revaluation reserve	1,578,884	1,578,809
IV	Legal reserve	2,231,389	1,924,835
V	Reserve for treasury stock	25,000,000	25,822,845
VII	Other reserves:	27,647,962	21,621,985
VII	Consolidation reserve	42,679,545	42,165,607
IX	Net profit for the year	9,349,217	8,832,962
	Total shareholders' equity A)	154,689,349	148,456,053
B)	RESERVES FOR RISKS AND CHARGES		
2	Reserve for taxation	10,860,866	10,945,788
3	Other provisions	3,831,027	2,816,756
	Total reserves for risks and charges B)	14,691,893	13,762,544
C)	RESERVE FOR TERMINATION INDEMNITIES	26,997,779	26,040,790
		26,997,779	26,040,790
D)	PAYABLES		
1	Bonds		-
3	Due to banks	2,243,641	3,122,498
4	Due to other lenders	1,132,322	-
5	Advances	8,913,179	2,169,635
6	Trade accounts	142,427,276	188,449,441
9	Due to associated companies		65,074
11	Taxes payable	7,233,085	4,699,241
12	Due to social security authorities	3,394,616	3,525,851
13	Other payables	9,706,639	10,242,890
	Total payables D)	175,050,758	212,274,630
E)	ACCRUED LIABILITIES AND DEFERRED INCOME		
	Other accrued liabilities and deferred income	843,191	968,357
	Total accrued liabilities and deferred income E)	843,191	968,357
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	372,272,970	401,502,374
	Memorandum accounts and other commitments		
	Securities pledged as collateral	27,900,000	-
	Third-party equipment held under gratuitous loans	133,972,292	133,972,535
	Lease payments outstanding	79,047,712	63,197,281
	Sureties	380,420	2,582
	Total memorandum accounts and other commitments	241,300,424	297,881,493

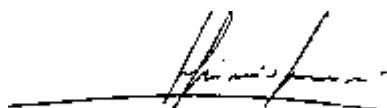
Chairman of the Board of Directors
Sergio Pininfarina

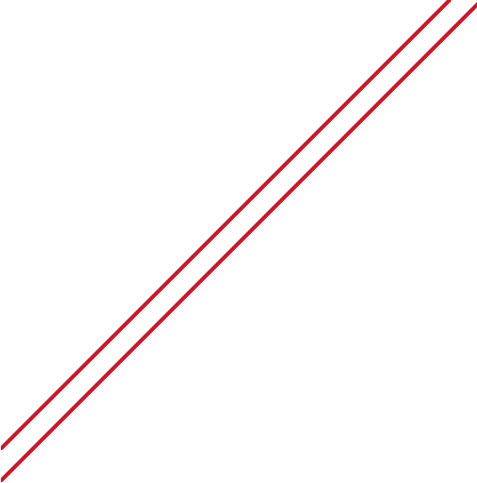


PROFIT AND LOSS ACCOUNT
(in euros)

		2001	2000
A)	Value of production		
1	Revenues from sales and services	701,456,574	683,577,704
2	Changes in inventory of work in progress, semifin. goods and fin. products	16,063,556	658,483
4	Increase in fixed assets constructed internally	204,462	1,080,944
5	Other income and revenues	24,496,037	25,337,375
	Total value of production A)	742,220,629	710,654,506
B)	Cost of sales		
6	Raw, ancillary and consumable materials and goods	529,138,166	536,179,872
7	Services	47,476,267	41,594,922
8	Use of third-party assets	25,536,468	15,976,078
9	Personnel:		
	a) wages and salaries	60,656,871	59,483,440
	b) social contributions	20,444,232	20,145,434
	c) termination indemnities	4,408,456	4,243,726
10	Depreciation, amortization and writedowns:		
	a) amortization	2,752,683	3,838,824
	b) depreciation	14,858,532	18,282,574
	d) writedowns of receivables	376,733	611,485
11	Changes in inventory of raw, ancillary and consumable materials and goods	16,465,302	(4,838,168)
12	Provisions for risks	188,447	3,099
14	Other operating costs	2,617,683	2,606,558
	Total cost of sales B)	724,919,840	698,127,844
	Difference between sales and cost of sales (A-B)	17,300,789	12,526,662
C)	Financial income and charges		
15	Income from investments in:		
	- other companies	2,693,704	3,999,959
16	Other financial income:		
	b) from securities shown under current assets other than equity investments	2,324,456	2,208,370
	d) income other than the above	4,487,964	7,259,835
17	Interest and other financial charges:		
	- paid to others	(3,033,407)	(5,828,216)
	Total financial income and charges C)	6,472,717	7,639,947
D)	Adjustments to the value of financial assets		
18	Revaluations of:		
	a) equity investments	0	35,636
19	Writedowns of:		
	b) non-current financial assets which do not constitute equity investments	(1,875,001)	(462,745)
	Total adjustments to the value of financial assets D)	(1,875,001)	(427,110)
E)	Extraordinary income and charges		
20	Income:	83,260	4,364,061
21	Charges	(1,700,223)	(5,229,643)
	Total extraordinary income and charges E)	(1,616,963)	(865,582)
	Profit before taxes (A-B+C+D+E)	20,281,542	18,873,917
22	Income taxes for the year	(10,932,325)	(10,040,955)
26	Net profit for the year	9,349,217	8,832,962

Chairman of the Board of Directors
Sergio Pininfarina





NOTES TO THE FINANCIAL STATEMENTS

CONTENT, SCOPE OF CONSOLIDATION AND STRUCTURE OF THE FINANCIAL STATEMENTS

As required under Art 1, Section 1, of Law No. 69 of March 26, 1990, the consolidated financial statements have been prepared in accordance with the provisions of Legislative Decree No. 127 of April 9, 1991, enacted to implement EEC Directives No. 78/660 and No. 83/349, which deal with corporate matters and the preparation of annual and consolidated financial statements.

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

Companies in which the Group holds an investment of limited value are recognized at purchase or subscription cost.

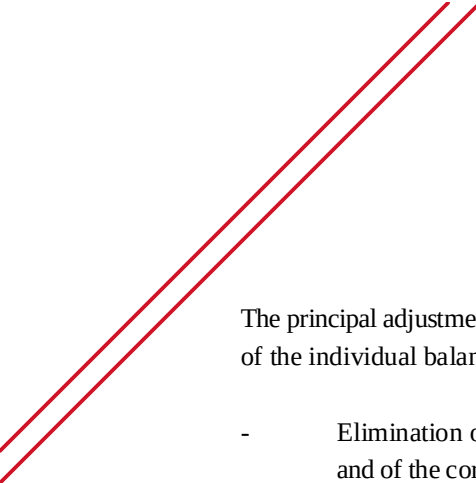
A list of the Group's equity investments is provided in Annex 2.

The financial statements used for consolidation purposes are those approved by the Shareholders' or Partners' Meetings of the individual companies, restated when necessary to reverse entries made exclusively for tax purposes and adjusted to conform with the rules that govern the preparation of consolidated financial statements, which have been applied consistently throughout the Group.

The fiscal years of all companies included in the scope of consolidation end on December 31 of each year.

PRINCIPLES OF CONSOLIDATION

The Group's subsidiaries have been consolidated on a line-by-line basis, which entails the recognition of all assets and liabilities, revenues and expenses of the individual subsidiaries. During 2001, Pininfarina acquired full direct control of Pininfarina Extra S.r.l., which was then consolidated on a line-by-line basis for the first time. The subsidiary Pro-tools S.r.l. was absorbed by Industrie Pininfarina S.p.A. effective as of September 1, 2001. In previous fiscal years, the minority interest in the equity capital and reserves of subsidiaries was recognized in a separate equity account called "minority interest in equity capital and reserves." The minority interest in consolidated net profit was recognized in an item called "minority interest in net profit (loss) for the fiscal year."



The principal adjustments required for the transition from a mere aggregation of the data to the consolidation of the individual balance sheets and profit and loss accounts are listed below:

- Elimination of the equity investments in the companies included in the scope of consolidation and of the corresponding interests in the underlying shareholders' equities. Any resulting negative difference is posted to a caption of shareholders' equity called "consolidation difference." Positive differences are allocated to the asset accounts of the companies included in the scope of consolidation whenever possible or, if appropriate, recognized in an asset caption called "consolidation difference."
- Elimination of receivables and payables between companies included in the scope of consolidation, and of all revenues and charges stemming from transactions carried out by these companies. In addition, all gains and losses arising from transactions between consolidated companies and involving components of shareholders' equity are eliminated, if material.
- Derecognition of value adjustments and provisions carried out exclusively for tax purposes.
- Derecognition of dividends received from consolidated companies.

The translation of financial statements denominated in currencies that are not legal tender in Italy was carried out by applying to the captions of the balance sheet and profit and loss account the official fixed exchange rate set for the currencies of the countries that adopted the euro as their currency.

VALUATION CRITERIA

Assets and liabilities are valued in accordance with uniform criteria.

The valuation criteria are the same as those used in the financial statements of the company that prepares the consolidated financial statements and are consistent with those used in the previous fiscal year.

The most significant valuation criteria are reviewed below.

Non-current assets

Intangible Assets

Intangible assets, which consist of capitalized costs, are recognized at cost, including incidental expenses. They are booked with the approval of the Board of Statutory Auditors and amortized on a straight-line basis based on their remaining useful life or for a maximum period of five years, whichever is shorter.

When fully amortized, intangible assets are removed from the balance sheet

Fixed Assets

Fixed assets are recognized at purchase, production or contribution cost, including incidentals. The cost is adjusted for inflation, when allowed under special purpose laws. These assets are depreciated annually on a straight-line basis.

Depreciation is computed on a straight-line basis in accordance with rates that reflect the remaining useful lives of the assets.

The rates used are as follows:

Industrial and commercial buildings	3%
Plant and machinery	from 10 to 25%
Office furniture and equipment	12%
Electronic and electromechanical equipment	from 18 to 20%
Vehicles	from 20 to 25%

Assets put into operation during the course of the fiscal year are depreciated at half the regular rate.

Maintenance costs are charged directly to income in the year they are incurred.

Leased Assets

Production assets acquired under financial leases with buyout options are recognized as non-current assets and depreciated as of the date of the lease agreement or the date when their construction is completed, whichever comes later. At the same time, the company recognizes a financial liability, which is reduced as principal is paid down. Accrued financial charges and depreciation provisions taken on assets acquired under leases are recognized in the profit and loss account. The depreciation rates are the same as those applied to similar assets owned outright.

Equity Investments

Equity investments are recognized at purchase or subscription cost. Their carrying value is written down only when there is a permanent loss in value. The original value is reinstated in subsequent years if the reasons for the writedown are no longer valid. Equity investments in associated companies are valued by the equity method. The investment in the associated company Pasiphae S.a.r.l. is carried at cost, which is virtually equivalent to the value obtained by using the equity method.

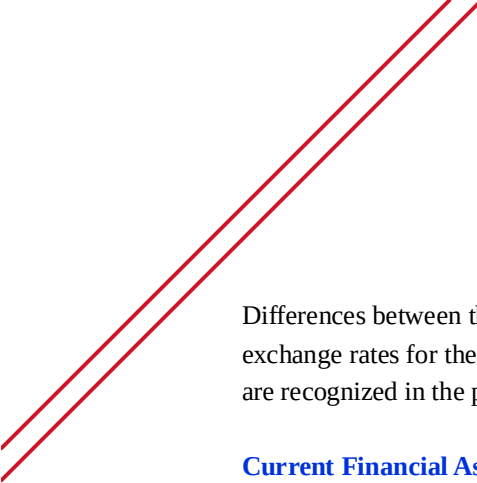
Inventory

Inventory is valued at the lower of cost or net realizable value, determined in accordance with the following criteria:

- Raw materials are valued at the average annual purchase cost determined by the LIFO method with periodic increments.
- Semi-finished goods are valued at their manufacturing cost.
- Finished products are valued at the average annual manufacturing cost determined by the LIFO method with periodic increments.

Receivables and Payables

Receivables and payables are recognized at their face value. Receivables are written down to their net realizable value by means of a special reserve. Receivables and payables in foreign currencies are translated into euros at the exchange rate in force on the respective transaction dates. The difference between this figure and the amount actually paid or received is recognized in the profit and loss account among financial income and charges.



Differences between the value assigned to foreign receivables and payables by applying the average exchange rates for the month of December and the value determined by applying transaction-date rates are recognized in the profit and loss account among financial income and charges.

Current Financial Assets

Publicly traded securities are recognized at cost or market value at the end of the fiscal year, whichever is lower. Other government or government-backed securities are recognized at the lower of cost or year-end market value, which is supplied by the bank that provides asset management services to the Group.

Prepayments, Accruals and Deferral

These items are recognized on an accrual basis in accordance with the general principle of matching revenues and expenses attributable to the same fiscal year.

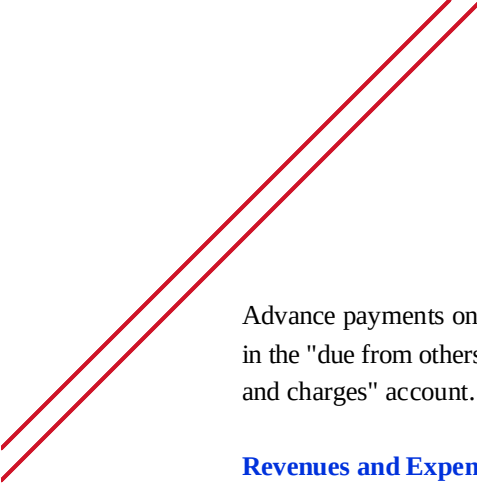
Income Taxes

The provision recognized in the fiscal year reflects the expected tax liability attributable to the net profit earned by the consolidated companies, determined in accordance with the laws and tax rates applicable at the end of the fiscal year. The tax liability is net of any tax credits conveyed by dividends distributed by Group companies.

In particular, the reserve for deferred taxes includes the tax liability on temporary differences between taxable income, as shown in the statutory financial statements, and the profit before taxes obtained by reversing entries made in the financial statements of the Parent Company and certain subsidiaries to obtain tax benefits that would not be available otherwise.

Reserve for Termination Indemnities

The reserve covers all termination indemnities owed to the employees at the end of the fiscal year, based on the laws and collective bargaining agreements in force at December 31, 2001. As in previous fiscal years, the reserve for termination indemnities is adjusted in accordance with the prevailing case law to reflect the impact of transfers of Group employees from production staff positions to office staff positions.



Advance payments on future withholding taxes, made pursuant to law in 1997 and 1998, are recognized in the "due from others" account. The revaluation for the fiscal year is recognized in the "financial income and charges" account.

Revenues and Expenses

Revenues and expenses are recognized in the financial statements on an accrual basis using a conservative approach. Revenues and income and costs and expenses are shown net of returns, discounts, allowances and bonuses. Dividend income is booked when the dividends are collected.

Research, Development and Advertising Expenses

These expenses are charged to income in the year they are incurred.

Grants Provided by Public Institutions

Starting with 1999, revenues stemming from grants provided by public institutions to support specific investment programs are recognized on an accrual basis, taking into account the useful lives of the assets for which they were received. The portion of the grants attributable to the fiscal year is recognized as part of the value of production in the "other income and revenues" account. If the amount of the grants that institutions have approved but not yet paid cannot be determined reliably, the respective revenues are computed based on a conservative estimate of the expected grant.

Capital grants approved before 1999 that have not yet been disbursed for their full amount are recognized as extraordinary income when they are actually received.

Comparison with the Prior Year's Financial Statements

The annexed financial statements lists for each item the corresponding amount for the 2000 fiscal year.

All the amounts shown in the balance sheet and profit and loss account are stated in euros.

Issues Related to the Introduction of the euro

The Group incurred no significant expense to migrate its information systems to the euro because its new information systems, which were developed during the last few years, address effectively all issues related to the migration to the euro.

NOTES TO THE BALANCE SHEET

(amounts stated in thousands of euros)

ASSETS

NON-CURRENT ASSETS

Intangible Assets (amounts stated in euros)

Schedule of Changes to Intangible Assets and Accumulated Amortization

Historical Cost					
	Balance at 12/31/00	Additions	Eliminations	Balance at 12/31/01	Net intangible assets at 12/31/01
	(a)	(b)	(c)	(d=a+b-c)	
Rights to use intellectual property	4,158,511	1,404,370	371,620	5,191,261	2,228,265
Others	7,838,266	995,650	10,448	8,823,468	3,100,194
Intangib. assets under construction	2,444,907	0	2,444,907	0	0
Consolidation difference	277,854	1,412,135	277,854	1,412,135	1,357,427
Total	14,719,538	3,812,155	3,104,829	15,426,864	6,685,886

Accumulated Amortization				
	Balance at 12/31/00	Increases	Decreases	Balance at 12/31/01
	(f)	(g)	(i)	(I=f+g+h-i)
Rights to use intellectual property	2,322,507	960,630	320,141	2,962,996
Others	3,996,343	1,737,345	10,414	5,723,274
Consolidation difference	277,854	54,708	277,854	54,708
Total	6,596,704	2,752,683	608,409	8,740,978

Additions refer to application software bought off the shelf or developed by software houses.

Fixed Assets (amounts stated in euros)

**Schedule of Changes to Fixed Assets
and Accumulated Depreciation**

	Balance at 12/31/00 (a)	Additions (b)	Disposals (c)	Balance at 12/31/01 (d=a+b-c)	Net fixed assets at 12/31/01 (e=d-I)
Land and buildings	70,387,394	1,942,052	537,660	71,791,786	49,675,144
Plant and machinery	110,736,622	3,284,939	461,780	113,559,781	35,517,154
Industrial and trade equipment	51,081,719	1,333,207	522,604	51,892,322	6,240,523
Other goods	16,253,932	1,244,155	1,277,035	16,221,052	4,111,986
Fixed assets under construction	0	3,591,875	1,132,321	2,459,554	2,459,554
Total	248,459,667	11,396,228	3,931,400	255,924,495	98,004,361

	Accumulated Depreciation			
	Balance at 12/31/00 (f)	Increases (g)	Decreases (i)	Balance at 12/31/01 (I=f+g-i)
Land and buildings	20,323,095	1,978,920	185,373	22,116,643
Plant and machinery	70,392,042	7,863,289	212,704	78,042,627
Industrial and trade equipment	41,931,136	3,920,079	199,416	45,651,799
Other goods	11,519,055	1,096,244	506,233	12,109,066
Total	144,165,328	14,858,532	1,103,726	157,920,134

New capital investments refer primarily to production facilities and equipment and to engineering and management information systems.

Upward adjustments to fixed assets carried out during the fiscal year are shown in the table below. No writedowns were taken during the period.

	Revaluation as per Law No. 72/83	Revaluation as per Law No. 413/91	Total
Industrial buildings	944,590	5,349,505	6,294,095
Plant and machinery	461,199	0	461,199
Industrial and trade equipment	222,232	0	222,232
Office furniture and equipment	50,137	0	50,137
Vehicles	47,662	0	47,662
Total	1,725,820	5,349,505	7,075,325

Financial Assets

Investments in:

Other Companies

	12/31/01	12/31/00	Change
Banca Passadore S.p.A.	257	257	0
Investments with professional managers	202	0	202
Total	459	257	202

CURRENT ASSETS

Inventory

	12/31/01	12/31/00	Change
Raw, ancillary and consumable materials	25,993	42,646	(16,653)
Work in process and semifinished goods	16,166		16,166
Work in process on job orders	11,882	12,106	(224)
Finished products and goods	242	121	121
Total	54,283	54,873	(590)

The value of the inventory at year-end market prices is not significantly different from the value determined by the LIFO method.

RECEIVABLES

Trade Accounts

	12/31/01	12/31/00	Change
Trade accounts receivable	78,636	127,761	(49,125)
Allowance for doubtful accounts	(4,448)	(4,358)	(90)
Total	74,188	123,403	(49,215)

The decrease in trade accounts receivable reflects the collection before December 31, 2001 of invoices for products shipped in November. At December 31, 2000, invoices for items shipped were still outstanding and were collected shortly after the end of the year.

Due from Others

	12/31/01	12/31/00	Change
Tax refunds receivable for the current year	0	201	(201)
Tax refunds receivable for previous years	0	0	0
Due from tax authorities for interest on tax credits	332	0	332
Prepaid taxes on employee severance indemnities	2,051	2,264	(213)
Deferred-tax asset	1,151	77	1,074
Due from tax authorities for VAT	14,407	9,583	4,824
Due from social security authorities	745	45	700
Grants receivable under Law No. 488/92	226	54	172
Advances to suppliers	445	112	333
Other receivables	734	905	(171)
Total	20,091	13,240	6,851

Most of the increase is due to a rise in VAT refunds receivable.

Current Financial Assets

Other Investments

	12/31/01	12/31/00	Change
San Paolo IMI S.p.A.	221	221	(0)
Banca Intermobiliare S.p.A.	3,597	3,597	0
Treasury shares	2,977	1,987	990
Other shares with professional managers	6,262	3,248	3,014
Reserve for fluctuations in the value of listed securities	(1,823)	(295)	(1,528)
Total	11,234	8,757	2,477

Other Securities

	12/31/01	12/31/00	Change
Government and government-backed securities	38,116	16,372	21,744
Securities of special credit or medium-term fin. institutions	17,537	35,697	(18,160)
Commercial paper	1,885	0	1,885
Total	57,538	52,069	5,469

The carrying value of these securities has been adjusted by adding a provision of 1,875,001 euros to the reserve for fluctuations in the value of listed securities.

Liquid Assets

	12/31/01	12/31/00	Change
Cash at banks and post offices	45,215	30,485	14,730
Cash and cash equivalents on hand	356	15	341
Total	45,571	30,500	15,071

Cash at banks reflects temporary liquidity generated by cash management and asset management transactions.

PREPAYMENTS AND ACCRUED INCOME

Other Prepayments and Accrued Income

	12/31/01	12/31/00	Change
Accrued income	662	2,533	(1,871)
Prepayments	2,555	2,209	346
Total	3,217	4,742	(1,525)

A breakdown of accrued income is as follows:

Accrued interest income	564
Accrued insurance claim payments	55
Other out-of-period income	43
Total	662

A breakdown of prepayments is as follows:

Prepaid rental and leasing installments	2,201
Pro-rata share of insurance premiums	77
Prepaid maintenance fees	121
Other prepayments	156
Total	2,555

LIABILITIES AND SHAREHOLDERS' EQUITY

SHAREHOLDERS' EQUITY

Share capital increased to 9,317,000 euros. The table below shows the changes that affected the individual classes of shares:

	Common shares	Savings shares	Total shares
Balance at 12/31/00 (1,000 lire per share)	18,195,980	438,020	18,634,000
Conversion into euros (one euro per share)	9,097,990	219,010	9,317,000
Conversion of savings shares into common shares	153,102	(153,102)	0
Balance at 12/31/01	9,251,092	65,908	9,317,000

The **share premium** reserve was unchanged at 36,885,352 euros.

The **revaluation reserve** totaled 1,578,884 euros. It is recognized in the financial statements before any taxes payable upon distribution, since the Company does not intend to use it in a fashion that will render it taxable.

The **legal reserve** amounted to 2,231,389 euros.

The **reserve for treasury stock** had a balance of 25 million euros.

The changes affecting **other reserves** are reviewed below:

The **special** reserve increased from 21,621,985 euros to 27,647,962 euros due to the appropriation of net profit at December 31, 2000.

The **consolidation reserve** grew from 42,166,000 euros to 42,679,000 euros. This change reflects the difference stemming from the elimination of equity investments in companies included in the scope of consolidation and the respective pro-rata interests in the underlying shareholders' equities.

A reconciliation between the shareholders' equity and net profit of Pininfarina S.p.A. and the shareholders' equity and net profit of the Group at December 31, 2001 is provided below (*amounts stated in euros*) :

	Net profit for the year	Shareholders' equity
Shareholder's equity and net profit of Pininfarina S.p.A.	5,025,347	107,685,934
Net profit of companies consolidated on a line-by-line basis; difference between the carrying value of investments included in the consolidation and the interest in the underlying shareholder's equity	8,965,368	48,943,200
Elimination of intra-Group dividends	(3,744,829)	
Adjustments to restate the financial statements of consolidated companies in accordance with standard Group principles for consolidated financial statements and other consolidation adjustments	(896,669)	(1,939,785)
Shareholder's equity and net profit of the Pininfarina Group	9,349,217	154,689,349

The Parent Company's shareholders' equity includes reserves totaling 1,578,884 euros the taxation of which has been deferred. No provision has been established for the tax liability on these reserves because at present the Company does not anticipate executing transactions that will make these reserves taxable.

A breakdown of the changes in shareholders' equity is provided in Annex 1.

RESERVES FOR RISKS AND CHARGES

Reserve for taxation

At December 31, 2001, this reserve amounted to 10,861,000 euros, or 85,000 euros less than the 10,946,000 euros reported at the end of 2000. This change reflects temporary differences between the amounts recognized for tax purposes and those shown in the financial statements of the individual companies included in the scope of consolidation.

Reserve at the beginning of the year	10,946
Utilizations	(531)
Provisions	446
Reserve at the end of the year	10,861

The following table shows the deferred-tax asset and deferred-tax liability at December 31, 2001.

Reserve for deferred taxes	10,861
Deferred-tax assets (due from others)	(1,152)
Net deferred-tax liability	9,709

The main temporary differences that required the recognition of a deferred-tax asset or liability at December 31, 2001 are as follows:

	12/31/01	12/31/00
Accelerated depreciation and amortization	9,728	8,847
Deferred capital gains	1,133	2,161
Taxed reserves	(1,122)	(415)
Excess maintenance and entertainment expenses	(30)	(62)
Net deferred-tax liability	9,709	10,531

Other Provisions

	12/31/01	12/31/00	Change
Reserve for future charges	3,831	2,817	1,014
Total	3,831	2,817	1,014

The reserve for future charges covers anticipated obligations for a three-year warranty provided in connection with the Mitsubishi order.

RESERVE FOR TERMINATION INDEMNITIES

Balance at 12/31/00	26,040
2000 reserve for termination indemnities of Pininfarina Extra	73
Provision for the year	4,408
Utilization upon terminations of employment relationships	(2,327)
Utilization for advances	(526)
Utilization of the reserve for supplemental pension funds	(596)
Transfers	(1)
Advance payments of substitute tax	(73)
Balance at 12/31/01	26,998

The balance at December 31, 2001 is fully adequate to fund all termination benefits vested pursuant to law and collective bargaining agreements.

PAYABLES

Due to Banks

At December 31, 2001, the amount due to banks totaled 2,243,641 euros, or 878,857 euros less than the 3,122,498 euros reported at the end of 2000.

Advances

Advances, which totaled 8,913,179 euros (2,169,635 euros at December 31, 2000), represent advance billings on orders in process.

Due to Other Lenders

The balance of 1,132,322 euros reflects the reversal of the sale of fixed assets under construction by Pininfarina Ricerca e Sviluppo S.p.A. to Locat S.p.A., with collection of the full amount in 2001, as allowed under IAS 17.

Trade Accounts

Trade accounts amounted to 142,427,276 euros, down from 188,449,441 euros at December 31, 2000.

Taxes Payable

	12/31/01	12/31/00	Change
Tax liability for the current year	4,678	2,390	2,288
Liability for income taxes owed by employees	2,289	2,251	38
Liability for income taxes owed by outsiders	184	54	130
Other taxes payable	81	4	77
Total	7,232	4,699	2,533

Due to Social Security Authorities

	12/31/01	12/31/00	Change
Due to Inps - Inail	3,017	3,227	(210)
Due to Inpdai	120	131	(11)
Due to other institutions	257	168	89
Total	3,394	3,526	(132)

Other Payables

	12/31/01	12/31/00	Change
Allocations for wages and social security contributions	6,298	7,033	(735)
Fees payable to the Board of Directors and Board of Statutory Auditors	284	258	26
Allocations for anticipated obligations	1,390	638	752
Allocations for capital investments	1,513	900	613
Miscellaneous payables	221	1,414	(1,193)
Total	9,706	10,243	(537)

ACCRUED LIABILITIES AND DEFERRED INCOME

Other Accrued Liabilities and Deferred Income

	12/31/01	12/31/00	Change
Accrued liabilities	699	790	(91)
Deferred income	144	178	(34)
Total	843	968	(125)

A breakdown of accrued liabilities is as follows:

Accrued bank charges	66
Accrued insurance premiums	165
Accrued taxes and fees and sundry contributions	6
Accrued travel expenses	16
Accrued effluent disposal and treatment expenses and other charges	72
Sundry accrued expenses	374
Total	699

A breakdown of deferred income is as follows:

Deferrals for amounts billed in advance	123
Deferrals for rent collected in advance	0
Grants under Law No. 488/92	21
Total	144

COMMITMENTS AND GUARANTEES

At December 31, 2001, commitments and guarantees included securities provided as collateral (27,900,000 euros), third-party equipment held under gratuitous loans (133,972,292 euros), contractual commitments under leases (114,080,799 euros), leased third-party equipment (66,791,085 euros) and sureties (380,420 euros).

NOTES TO THE PROFIT AND LOSS ACCOUNT

(amounts stated in thousands of euros)

VALUE OF PRODUCTION

Revenues from Sales and Services

A breakdown of consolidated revenues by geographical area of destination is as follows:

	2001	%	2000	%	Change
Italy	111,329	15.9	79,193	11.6	32,136
Other countries	590,127	84.1	604,385	88.4	(14,258)
Total	701,456	100.0	683,578	100.0	17,878

A breakdown of the value of production by product line is provided below:

	2001	%	2000	%	Change
Complete cars and car bodies	627,619	84.6	594,659	83.7	32,960
Design, engineering and testing	69,636	9.4	59,678	8.4	9,958
Equipment	1,688	0.2	4,508	0.6	(2,820)
Replacement parts and engineering materials	12,007	1.6	26,435	3.7	(14,428)
Other products	31,271	4.2	25,375	3.6	5,896
Total	742,221	100.0	710,655	100.0	31,566

Other Income and Revenues

	2001	2000	Change
Gains on the disposal of assets	68	3,492	(3,424)
Rebilled expenses	448	388	60
Rent	465	514	(49)
Insurance settlements	175	969	(794)
Operating out-of-period income	685	2,689	(2,004)
Rebilled duties on Mitsubishi contract	1,012	4,470	(3,458)
Rebilled tool lease payments on Mitsubishi contract	21,150	12,214	8,936
Miscellaneous income and revenues	493	601	(108)
Total	24,496	25,337	(841)

COST OF SALES

Purchases of materials and services (raw, ancillary and consumable materials and goods; services; use of third-party assets) decreased to 529,138,166 euros, or 7,041,706 euros less than the 536,179,872 euros paid in 2000.

A breakdown of **personnel costs** is as follows:

	2001	2000	Change
Wages and salaries	60,657	59,483	1,174
Social security contributions	20,444	20,145	299
Addition to the reserve for termination indemnities	4,408	4,244	164
Total	85,509	83,872	1,637

A breakdown of the Group's staff, including temporary and seconded employees, is as follows:

Average payroll	2001	2000	Change
Executives	33	29	4
Office staff	667	628	39
Production staff	1,846	1,865	(19)
Total average payroll	2,546	2,522	24

Depreciation, Amortization and Writedowns

Amortization and Depreciation

	2001	2000	Change
Amortization	2,752	3,839	(1,087)
Depreciation	15,037	18,283	(3,246)
Total	17,789	22,121	(4,332)

A breakdown of depreciation and amortization for the different classes of assets is shown in the notes to the balance sheet.

Writedowns of Receivables Included in Working Capital

This item consists exclusively of the allocation to the allowance for doubtful accounts, which amounted to 376,733 euros, or 234,752 euros less than the 611,485 euros reported in 2000.

Changes in Inventory of Raw, Ancillary and Consumable Materials and Goods

The decrease of 16,465,302 euros over 2000 is due almost entirely to the implementation of a more efficient inventory management system.

Provisions for Risks

	2001	2000	Change
Addition to the reserve for risks	188	3	185
Total	188	3	185

The provision booked in 2001 reflects an inventory writedown by Pininfarina Ricerca e Sviluppo S.p.A.

Other Operating Costs

	2001	2000	Change
Non-deductible taxes and fees	494	245	249
Deductible taxes and fees	260	187	73
Losses on the disposal of assets	74	1,545	(1,471)
Operating out-of-period charges	1,638	626	1,012
Miscellaneous operating costs	151	3	148
Total	2,617	2,607	10

FINANCIAL INCOME AND CHARGES

Income from Investments

Income from Investments in Other Companies

Income from investments in other companies declined by 1,306,255 euros to 2,693,704 euros, down from 3,999,959 euros in 2000. They include gains on managed assets totaling 1,439,183 euros and dividends of 61,483 euros from Banca Passadore S.p.A., 31,651 euros from San Paolo IMI S.p.A., 836 euros from Beni Stabili S.p.A. and 1,160,551 euros from Banca Intermobiliare S.p.A.

Other Financial Income

Income from Securities Shown Under Current Assets Other than Equity Investments

This item, which amounted to 2,324,456 euros, or 116,086 euros more than the 2,208,370 reported in 2000, includes gains earned on the securities portfolio and interest from commercial paper.

Other Income

	2001	2000	Change
Bank interest earned	307	359	(52)
Gains on securities transactions	3,585	5,515	(1,930)
Foreign exchange gains and other financial income	317	529	(212)
Gains on the sale of equity investments	0	0	0
Gains on the reserve for foreign exchange fluctuations	0	0	0
Miscellaneous interest income	278	857	(579)
Total	4,487	7,260	(2,773)

Interest and Other Financial Charges

Amounts Paid to Others

	2001	2000	Change
Bank interest paid	569	496	73
Bond interest paid	0	284	(284)
Losses on securities transactions	2,133	4,067	(1,934)
Foreign exchange losses and other financial charges	270	693	(423)
Miscellaneous interest expense and other charges	61	288	(227)
Total	3,033	5,828	(2,795)

ADJUSTMENT TO THE VALUE OF FINANCIAL ASSETS

Writedowns

	2001	2000	Change
Writedowns of current financial assets	1,875	463	1,412
Total	1,875	463	1,412

Writedowns were taken to adjust the carrying values of the equity investments held as current financial assets, fixed income securities and treasury shares to their year-end market values.

EXTRAORDINARY INCOME AND CHARGES

Income

Other Income

	2001	2000	Change
Out-of-period income	83	4,312	(4,229)
Miscellaneous income	0	52	(52)
Total	83	4,364	(4,281)

Charges

Other Charges

	2001	2000	Change
Out-of-period charges	1,700	5,230	(3,530)
Total	1,700	5,230	(3,530)

Income Taxes for the Year

	2001	2000	Change
Current taxes	9,395	8,398	997
Deferred taxes	1,537	1,643	(106)
Total	10,932	10,041	891

A reconciliation of the theoretical tax liability and the actual tax liability is as follows:

Theoretical corporate income tax liability on profit before taxes	7,301
Dual income tax benefit and other subsidies	(647)
Tax benefit applicable to net profit of foreign companies taxed at reduced rates	0
Other permanent differences	(60)
Corporate income tax liability	6,594
Theoretical regional production tax liability on profit before taxes	862
Non-deductible costs (personnel costs and financial charges)	3,763
Other permanent differences	(287)
Regional production tax liability	4,338
Income tax for the year	10,932

**REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE
SHAREHOLDERS' MEETING OF PININFARINA S.P.A. ON THE
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2001, AS REQUIRED BY ARTICLE 41 OF
LEGISLATIVE DECREE No. 127/91,**

Dear Shareholders,

The consolidated financial statements at December 31, 2001, which were provided to us by the Board of Directors within the statutory deadlines together with the Report on Operations, were prepared in accordance with the format and procedures set forth in Legislative Decree No. 127/91. They show share capital and equity reserves totaling 145,340,132 euros and a net profit for the year amounting to 9,349,217 euros.

The audit performed by Reconta Ernst & Young S.p.A. has shown that the amounts listed in the financial statements match those that appear in the Parent Company's accounting records and in the statutory financial statements of the subsidiaries, and are consistent with the official information provided by these companies.

The financial statements provided to the Parent Company by the subsidiaries for consolidation purposes were prepared by the respective corporate governance bodies. They were reviewed by the entities and/or individuals that have oversight over the individual companies pursuant to local laws and by the independent auditors as part of their audit of the consolidated financial statements. The Board of Statutory Auditors did not review these financial statements.

The determination of the scope of consolidation, the choice of the principles used for the consolidation of equity investments and the procedures used for that purpose are consistent with the provisions of Legislative Decree No. 127/91.

The consolidated financial statements are technically correct, and, overall, comply with the provisions of the applicable laws.

*The Report on Operations presents fairly the financial position and operating performance during **the 2001** fiscal year and reviews subsequent events affecting the operations of the companies included in the scope of consolidation.*

Our examination of the Report on Operations has shown it to be consistent with the consolidated financial statements.

Turin, April 24, 2002.

The Statutory Auditors

(Lamberto JONA CELESIA)



(Giorgio GIORGI)



(Giacomo ZUNINO)



Independent auditors' report

in accordance with Articles 156 and 165 of Law Decree no. 58 of 24.2.1998

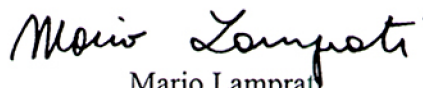
To the shareholders
of Pininfarina S.p.A.

1. We have conducted an audit of the consolidated financial statements of Pininfarina S.p.A. for the year ended December 31 2001. The Board of Directors of Pininfarina S.p.A. are responsible for the preparation of these financial statements. Our responsibility is to express a professional opinion as regards these financial statements, based on an audit.
2. Our examination was conducted in accordance with principles and criteria for audits as recommended by CONSOB. In conformity with these principles and criteria the audit was planned and performed to acquire all necessary elements to ascertain if the consolidated financial statements were vitiated by significant errors and if, overall, they can be considered credible. The audit process included a review, conducted on a sample basis, of supporting documents for the balances and information reported in the financial statements. An evaluation was also made as to the adequacy and correctness of the accounting criteria adopted and the reasonableness of estimates made by the Board. We believe the audit performed provides a reasonable basis for expressing our professional opinion.

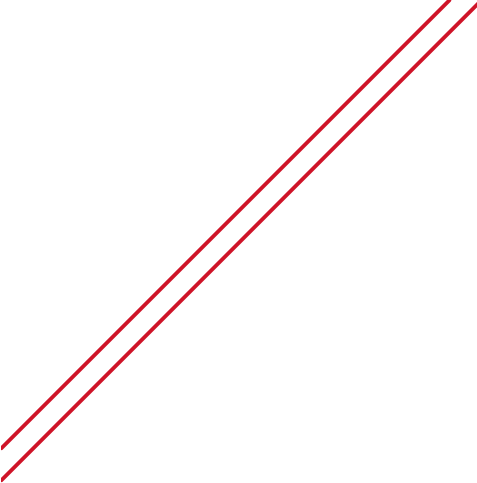
As for the opinion concerning the consolidated financial statements relating to the prior year, which are used for comparative purposes as prescribed by law, reference should be made to our audit report issued on April 10 2001.
3. In our opinion the consolidated financial statements of Pininfarina S.p.A. at December 31 2001 are in conformity with principles regulating the criteria for their preparation. They have therefore been prepared clearly and present the company's consolidated financial situation and operating results in a fair and correct manner.

Turin, April 24 2001

Reconta Ernst & Young S.p.A.

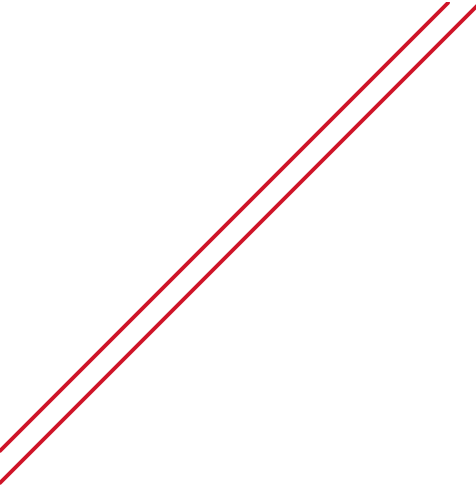

Mario Lamprati
(Partner)

■ Reconta Ernst & Young
Registered offices: Via Romagnosi, 18/A - Rome
Fiscal code 0043400564 - VAT no. 00891231003
Rome Company Register no. 6697/89
Fully paid-up share capital 2,020,000,000 lire -
1,043,243 euros



ANNEXES

The following Annexes contain additional data that supplement the information shown in the notes to the financial statements and are an integral part of the notes.



Annex 1

Analysis of Operating Performance

Net Financial Assets

Analysis of Financial Position

Analysis of Cash Flow

Statement of Changes in Shareholders' Equity

Analysis of Operating Performance
(in thousands of euros)

	12/31/01	%	12/31/00	%	Change
Net revenues	701,457	94.51	683,578	96.19	17,879
Changes in inv. of work in process and finished products	16,064	2.16	658	0.09	15,406
Other income and revenues	24,496	3.30	25,337	3.57	(841)
Fixed assets constructed internally	204	0.03	1,081	0.15	(877)
Value of production	742,221	100.00	710,654	100.00	31,567
Raw materials and outside services	(596,946)	(80.43)	(586,933)	(82.59)	(10,013)
Changes in inventory of raw, ancillary and consumable materials and goods	(16,465)	(2.22)	4,838	0.68	(21,303)
Value added	128,810	17.35	128,559	18.09	251
Personnel costs	(85,510)	(11.52)	(83,872)	(11.80)	(1,638)
EBITDA	43,300	5.83	44,687	6.29	(1,387)
Depreciation and amortization	(17,611)	(2.37)	(22,121)	(3.11)	4,510
Provisions	(188)	(0.03)	(615)	(0.09)	427
EBIT	25,501	3.44	21,951	3.09	3,550
Net financial income	6,473	0.87	7,213	1.01	(740)
Other income (charges), net	(11,692)	(1.58)	(10,290)	(1.45)	(1,402)
Profit before taxes	20,282	2.73	18,874	2.66	1,408
Income taxes	(10,932)	(1.47)	(10,041)	(1.41)	(891)
Net profit	9,349	1.26	8,833	1.24	516

Net Financial Assets
(in thousands of euros)

	12/31/01	12/31/00	Change
Liquid assets	45,571	30,501	15,070
Fixed-income securities, net	57,538	52,068	5,470
Listed equity securities, net	11,235	8,757	2,478
Short-term bank borrowings	0	(436)	437
Net short-term financial assets	114,344	90,890	23,455
Long-term bank debt	(2,244)	(2,686)	441
Net financial position	112,100	88,204	23,896

Analysis of Financial Position
(in thousands of euros)

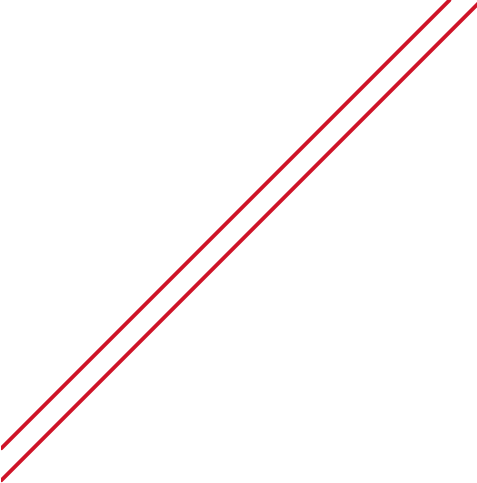
		12/31/01	12/31/00	Change
A)	Net non-current assets			
	Net intangible assets	6,686	8,123	(1,437)
	Net fixed assets	98,004	104,294	(6,290)
	Net financial assets	1,460	1,416	44
		106,150	113,833	(7,683)
B)	Working capital			
	Inventory	54,283	54,873	(590)
	Trade accounts receivable, net	74,188	123,830	(49,642)
	Other assets	24,424	17,982	6,442
	Trade accounts payable	(142,427)	(190,684)	48,257
	Taxes payable	(14,692)	(4,699)	(9,993)
	Other liabilities	(31,224)	(28,842)	(2,382)
		(36,563)	(27,540)	(9,023)
C)	Net invested capital (A+B)	69,587	86,293	(16,706)
D)	Reserve for termination indemnities	26,998	26,041	957
E)	Net capital requirements (C-D)	42,589	60,252	(17,663)
F)	Shareholders' equity			
	Share capital	9,317	9,624	(307)
	Reserves	136,023	129,999	6,027
	Net profit for the period	9,349	8,833	516
		154,689	148,456	6,233
G)	Net financial position			
	Long-term debt	2,244	2,686	(442)
	Net financial assets	(114,344)	(90,890)	(23,454)
		(112,100)	(88,204)	(23,896)
H)	Total as in E (F+G)	42,589	60,252	(17,663)

Analysis of Cash Flow
(in thousands of euros)

		12/31/01	12/31/00	Change
A.	Net liquid assets at January 1	90,890	127,253	(36,363)
B.	Net cash flow from operating activities			
	Net profit (loss) for the year	9,349	8,833	516
	Depreciation and amortization	17,611	22,121	(4,510)
	(Gains) Losses on sale of non-current assets	2,045	(1,604)	3,649
	Change in working capital	9,023	(46,748)	55,771
	Net change in reserve for termination indemnities	957	927	30
	Other changes	(4,980)	7,768	(12,748)
		34,005	(8,703)	42,708
C.	Cash flow from investing activities			
	Investments in fixed and intangible assets	(8,120)	(20,545)	12,425
	Proceeds from sale or redemption value of non-current assets	1,584	4,204	(2,620)
		(6,536)	(16,341)	9,805
D.	Cash flow from financing activities	(878)	(8,182)	7,304
E.	Distribution of net profit	(3,137)	(3,137)	0
F.	Net cash flow for the period (B+C+D+E)	23,454	(36,363)	59,817
G.	Net liquid assets at December 31 (A+F)	114,344	90,890	23,454

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(in thousands of euros)

	Share capital	Share premium reserve	Revaluation reserve	Legal reserve	Reserve for treasury stock	Other reserves	Consolidation reserve	Net profit for the year	Total
Balance at 12/31/99	9,624	36,885	1,563	1,924	25,823	19,318	36,889	10,734	142,760
Dividend distribution	-	-	-	-	-	-	-	(3,137)	(3,137)
Transfer to reserves	-	-	16	-	-	2,304	5,277	(7,597)	0
Net profit of the year	-	-	-	-	-	-	-	8,833	8,833
Balance at 12/31/00	9,624	36,885	1,579	1,924	25,823	21,622	42,166	8,833	148,456
Dividend distribution	-	-	-	-	-	-	-	(3,116)	(3,116)
Transfer to reserves	(307)	-	-	307	(823)	6,026	514	(5,717)	0
Net profit of the year	-	-	-	-	-	-	-	9,349	9,349
Balance at 12/31/01	9,317	36,885	1,579	2,231	25,000	27,648	42,680	9,349	154,689



Annex 2

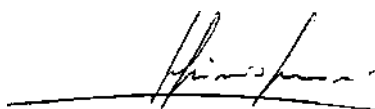
List of Companies Included in the Scope of Consolidation

KEY DATA OF THE PRINCIPAL GROUP COMPANIES

LIST OF COMPANIES CONSOLIDATED ON A LINE-BY-LINE BASIS

<i>Name</i>	<i>Registered Office</i>	<i>Capital Stock (euros)</i>	<i>% interest held directly or indirectly in 2001</i>	<i>% interest held directly or indirectly in 2000</i>
Parent Company				
<i>Pininfarina S.p.A.</i>	<i>Turin</i>	<i>9,317,000</i>		
Subsidiaries				
<i>Industrie Pininfarina S.p.A.</i>	<i>Turin</i>	<i>6,300,000</i>	<i>100</i>	<i>100</i>
<i>Pininfarina Ricerca e Sviluppo S.p.A.</i>	<i>Turin</i>	<i>3,000,000</i>	<i>100</i>	<i>100</i>
<i>Pininfarina International S.p.A.</i>	<i>Turin</i>	<i>9,915,750</i>	<i>100</i>	<i>100</i>
<i>PF Re S.a.</i>	<i>Luxembourg</i>	<i>1,250,000</i>	<i>100</i>	<i>100</i>
<i>PF Services S.a.</i>	<i>Luxembourg</i>	<i>32,000</i>	<i>100</i>	<i>100</i>
<i>Pininfarina Extra S.r.l.</i>	<i>Turin</i>	<i>388,000</i>	<i>100</i>	<i>100</i>
<i>Pininfarina Deutschland GmbH</i>	<i>Renningen</i>	<i>3,067,751</i>	<i>100</i>	<i>100</i>

Chairman of the Board of Directors
Sergio Pininfarina



Key Data of the Principal Group Companies

Industrie Pininfarina S.p.A.

Head office: Turin
Share capital: 6,300,000 euros
Direct % interest held: 100%

	2001	2000
	(in thousands of euros)	
Value of production	674,157	646,295
EBIT	16,805	13,594
Net profit	8,259	6,250
Shareholders' equity	45,259	40,690
Capital expenditures	7,270	18,382
Net financial position	38,965	16,977

Pininfarina Ricerca e Sviluppo S.p.A.

Head office: Turin
Share capital: 3,000,000 euros
Direct % interest held: 100%

	2001	2000
	(in thousands of euros)	
Value of production	31,563	29,840
EBIT	916	3,440
Net profit	98	1,443
Shareholders' equity	15,969	14,472
Capital expenditures	3,946	706
Net financial position	(258)	1,758

Pininfarina Deutschland GmbH

Head office: Renningen
Share capital: 3,067,751 euros
Direct % interest held: 1.67%

	2001	2000
	(in thousands of euros)	
Value of production	13,901	12,620
EBIT	49	(262)
Net profit	439	106
Shareholders' equity	23,090	22,650
Capital expenditures	342	408
Net financial position	(1,254)	(2,979)

Pininfarina Extra S.r.l.

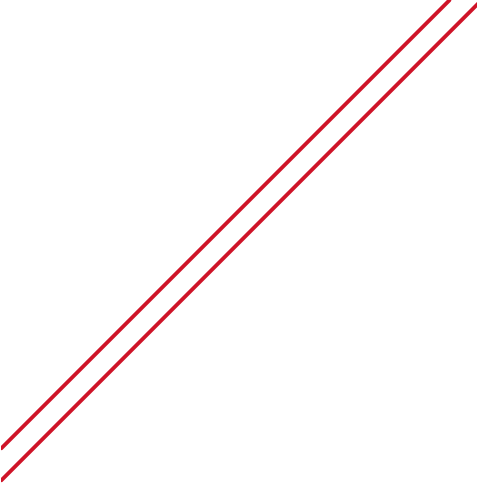
Head office: Turin
Share capital: 388,000 euros
Direct % interest held: 100%

	2001	2000
	(in thousands of euros)	
Value of production	2,347	2,302
EBIT	381	526
Net profit	107	178
Shareholders' equity	770	795
Capital expenditures	395	187
Net financial position	(169)	(53)

Pininfarina International S.p.A.

Head office: Turin
Share capital: 9,915,750 euros
Direct % interest held: 100%

	2001	2000
	(in thousands of euros)	
Net financial income	13	-
Net profit	(66)	0
Shareholders' equity	39,372	39,360
Net financial position	14,402	14,367



Printed in Italy by Pininfarina S.p.A.