



## Pininfarina in Gothenburg for the new Volvo C70 launch

### The internationalization process of the Group continues with the investments in Sweden

*Gothenburg* – Expecting the official unveiling that will take place next week at the Frankfurt Motor Show, the new Volvo C70 was presented today at the Volvo Design Centre in Gothenburg, in the presence of Andrea Pininfarina, CEO Pininfarina SpA, and Hans-Olov Olsson, President and CEO Volvo Cars. The C70, a convertible with a unique three-piece retractable hardtop, is the first car developed and manufactured by Pininfarina Sverige AB, a joint venture between Pininfarina (60%) and Volvo Cars (40%) established in 2003 in Uddevalla, Sweden.

"The agreement with Volvo is a powerfully thriving reality – explained Andrea Pininfarina – and the first result is the C70 that will come out of the Uddevalla plant in the first months of 2006. Not only. This joint venture is a relevant example of our strategy oriented to providing global services to the automotive industry. Evidence of that is that the C70 is the first car to be built by Pininfarina in another country, at the Client's premises instead of at our Italian plants. This is also the first time we have entered into what is a pure joint venture with a car manufacturer. A cooperation, the one with Volvo, that allows us to confirm our mission as Full Service Provider and to get new business opportunities in a moment of uncertainty for the automotive sector worldwide."

With manufacturing start-up, Pininfarina Sverige AB will be provided with a capital of 60 million euros, funded 60 % by Pininfarina S.p.A. and 40 % by Volvo.

The C70 project calls for an investment of 275 million euros, financed by Pininfarina S.p.A. with the support of Gruppo Banca Intesa.

Starting from the styling defined by Volvo, Pininfarina dealt initially with the engineering, involving almost 100 people for more than three years in the product and process engineering, at the Cambiano Centre (Turin).

With a work force of more than 700 people, Pininfarina Sverige AB will manufacture, starting from the first half of 2006, the C70 at the Uddevalla plant, which has a maximum manufacturing capacity of 20,000 cars per year.

The C70 will be marketed worldwide. The largest market is the USA, which is expected to account for 50 per cent of the volume.

The internationalization of the Pininfarina Group is continuing. In addition to a presence in Sweden, the Group has locations in Germany, France, Morocco and China. "In our case the expansion abroad doesn't mean relocation – underlined Mr. Pininfarina. - On the contrary, we continue to pursue the aim of increasing our know-how and profitability, and employment of our Italian plants in Bairo, Grugliasco and San Giorgio, where, between the fall of 2005 and the beginning of 2006, four new production runs will be started: Brera and Spider for Alfa Romeo, Mitsubishi Colt CC and Ford Focus CC. The start of new-model production between the second half of 2005 and the first six months of 2006 will enable the Group to rehire all of the employees who are currently enrolled in the Government Layoff Benefits Fund and we will do new hiring. As a result, by the end of our 75th year of activity, the Group's total staff will reach about 3,300 employees."

Once the manufacturing operations complete this transition phase, that will imply a production-value decrease of 10% compared with 2004, production value should rise past the one-billion-euro mark starting in 2006, thanks also to the constant growth of the design and engineering activities.

"I'm optimistic – concluded Mr. Pininfarina – about the future both of our Company and the automotive industry in general. Our investment in Sweden shows that, with courage, will of innovation and flexibility, it is still possible to create profitability and employment in this field."