

Ferrari



Ferrari

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FERRARI ANNUAL REPORT 2012

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UNSURPASSED BEAUTY

Ferrari Annual Report 2012
by: Dario Patrono DP DESIGNS





ENZO

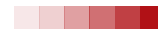


TO OUR VALUED

ENZO FERRARI
FOUNDING FATHER 1898 - 1988

Dear Shareholders,

Before we analyse one of our most successful years in the history of Ferrari, we take great pride in paying homage to our founding father, Enzo Ferrari (1898 - 1988). It is thanks to his solid foundation and life long passion in Italian auto design and craftsmanship, that the Ferrari company is still the world's number one sports car developer. His determination, his incredible mechanical intellect and sharp eye for detail are the building blocks to Ferrari's mission and future endeavours. The Prancing Pony will always live on, as well as this great man's vision to build unique luxury sports cars, with sophistication, elegance and raw racing power.



SHAREHOLDERS

LUCA DI MONTEZEMOLO
CHAIRMAN OF FERRARI S.P.A. SINCE 1991


LUCA

Dear Shareholders,

2012 has seen Ferrari fly forward against a tough economic backdrop that still remains challenging, particularly in Europe. Our cars are the fruit of heavy investment and a culture of innovation that covers all areas of the business. Our international expansion continues and Ferrari today has a network covering 58 nations, with sales in the United States surpassing over 27%. We now have a complete range of models which will be joined in a few days time at the Geneva show by a new 12-cylinder. A revolutionary new car that delivers extreme performance and unprecedented power output.

Not too mention our first 4WD 4 door addition the FF and further development on our sustainable HY-KERS hybrid concept.



“TO BUILD **UNIQUE SPORTS CARS** THAT REPRESENT
THE FINEST IN ITALIAN AUTO DESIGN AND
CRAFTSMANSHIP, BOTH ON THE TRACK
AND ON THE ROAD.”





Ferrari

COMPANY PROFILE 0.1

Ferrari S.p.A. – renowned Italian sports car makers, instantly identified by their famous rearing stallion logo. Founded by Enzo Ferrari in 1928 as *“Scuderia Ferrari.”*

The company’s history officially began in 1947 when the first car emerged from the gate of no. 4 Via Abetone Inferiore in Maranello: the 125 S. This historic two-seater would go on to win the Rome Gran Prix 1947 and shortly thereafter become a refined GT roadster. The company has travelled a long way since then, but its mission has remained unaltered. The essence of excellence and sportiness, Ferrari needs no presentation. Its calling card is the numerous Formula One titles it has won: a total of 16 constructor’s championships and 15 driver’s championships. And of course, the impressive line up of legendary GT models: cars that are unique for their design, technology and luxurious styling and that represent the best in Italian the world over.

The Italian OEM eschews volume sales in favour of building its status brand around producing some 7,000 high-performance stylish sports cars a year, with a price tag starting at \$300,000. GT and sports models include the Italia, Scaglietti, California, and GTO. Ferrari’s Formula 1 model brings a few select Ferrari drivers as close to a true racing experience as possible. Since 1947, the exclusive cars have been made in Maranello, Italy, the company’s sole site and sold through strategically selected dealerships world wide.

In late 2006 Fiat S.p.A. bought back the 29% stake owned by Italian bank Mediobanca. The move brought Fiat’s stake in Ferrari to 85%. Piero Ferrari, son of Ferrari’s founder, owns 10% of the company. Mubadala Development Co. of The United Arab Emirates owns 5%.

FERRARI’S PROMISE 0.2

Ferrari’s promise is clear and straight to the point:

To make unique sports cars that represent the finest in Italian auto design and craftsmanship, both on the track and on the road. Ferrari opens a new road to greatness for its racers & drivers, with unyielding break throughs in innovation and technology. A benchmark set in stone for an enhanced working environment, safe, environmentally aware and energy efficient atmosphere.

“THE POWER TO RACE & THE POWER TO SUCCEED!”

MANAGEMENT 0.3

Luca di Montezemolo
Chairman of Ferrari S.p.A.
since 1991



Piero Ferrari
Vice Chairman of Ferrari S.p.A.
since 1988



Mario Almondo
Quality Senior Vice President of Ferrari
S.p.A. since 2009



Amedeo Felisa
CEO of Ferrari S.p.A.
since 2008



Stefano Domenicali
Senior Vice President of
Gestione Sportiva, since 2008



Flavio Manzoni
Design Senior Vice President
of Ferrari S.p.A. since 2010



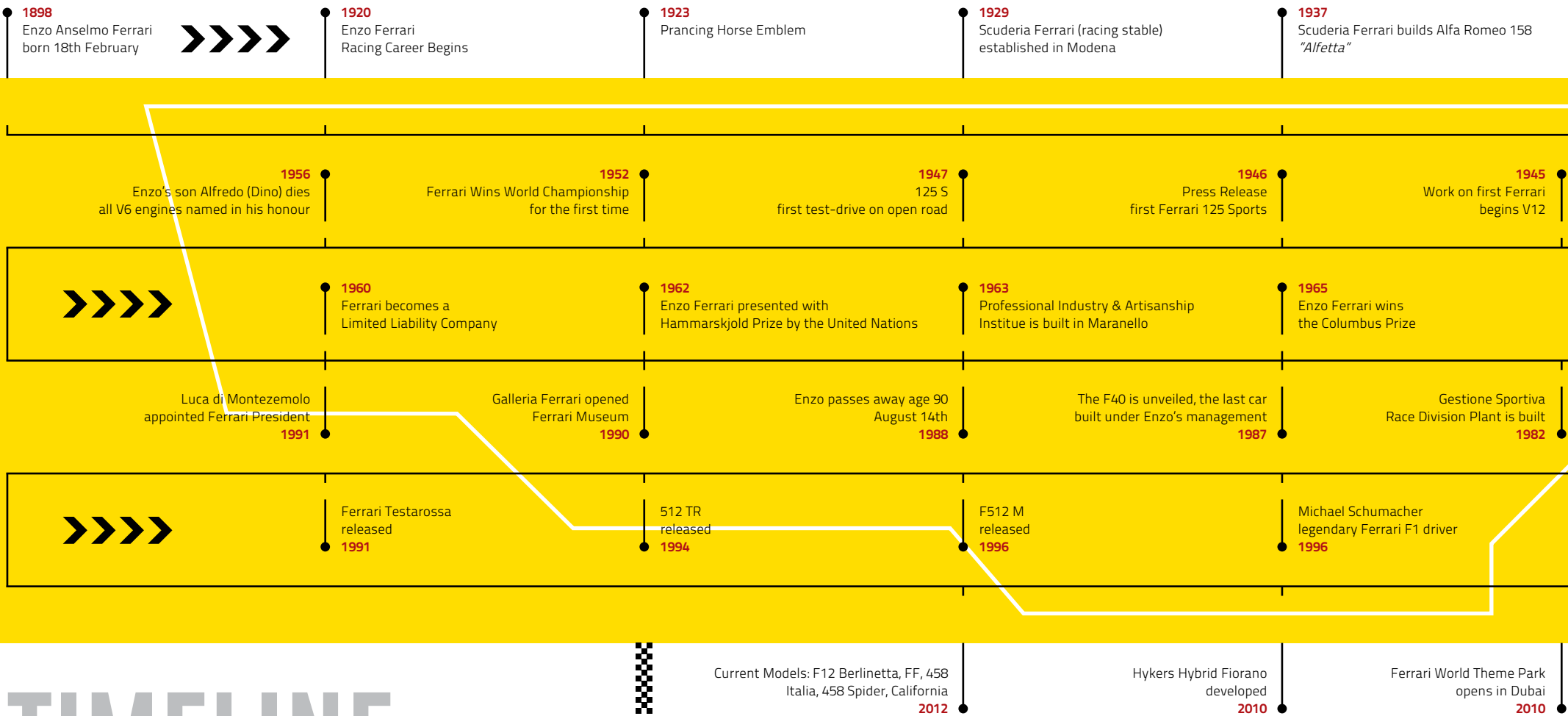
“TOP MANAGERS AND THE BEST WORKING CONDITIONS
ARE THE BASIC ELEMENTS OF FERRARI’S STRATEGY TODAY.”



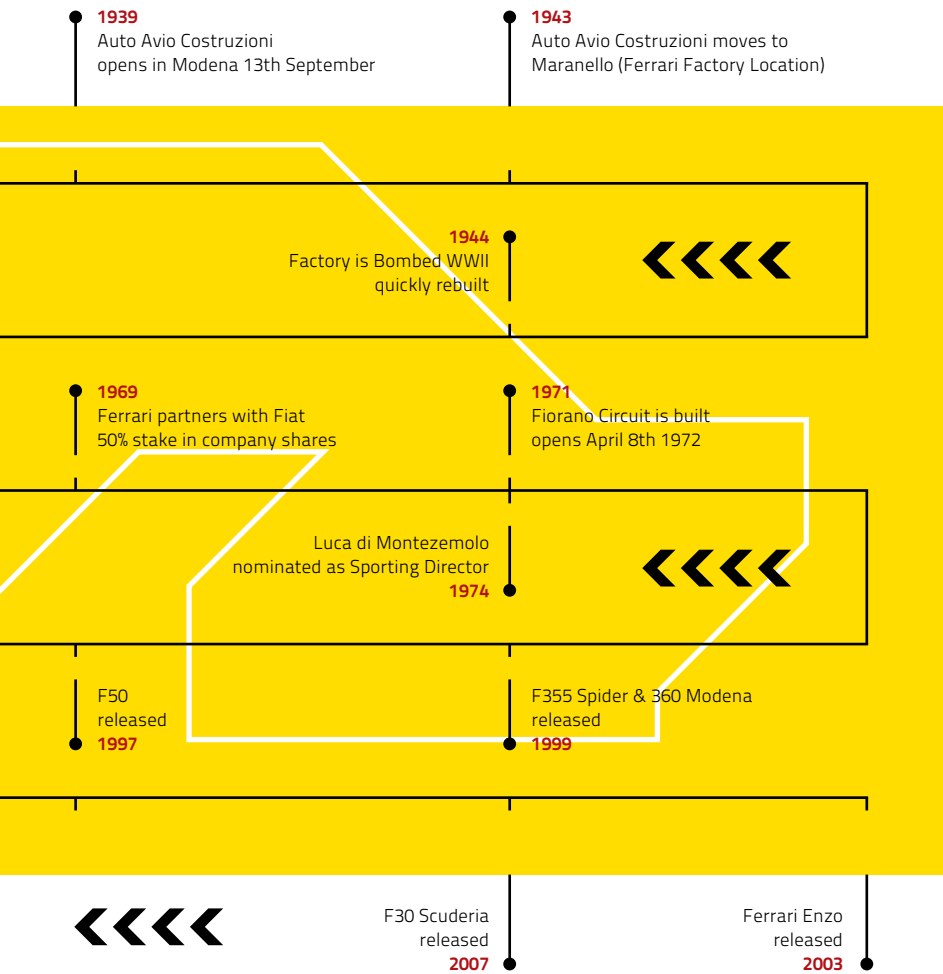


www.ferrari.com





TIMELINE





| MARANELLO FACTORY | FERRARI WORLD THEME PARK DUBAI | GESTIONE SPORTIVA F1 BUILDING | FERRARI FACTORY STORE |

FACILITIES

FACILITIES 0.4



A town in northern Italy, near Bologna, Maranello has been home to Ferrari since the 1940s. At more than 250,000 sq metres, the factory's 45 buildings house more than 3,000 workers. It is here that passion, innovation and technology combine to create the company's GT and Formula 1 cars. On 3 December 1942, planning permission was granted for a small plant making machine tools in Maranello. From the Scuderia Ferrari headquarters in Via Trento Trieste in Modena, Enzo Ferrari chose to go to Maranello because, as he wrote in his memoirs, he owned a piece of land in the immediate vicinity of where the factory is today.

The central Gestione Sportiva building is home to all the Formula 1 departments including General Management. Also in the building is the Direzione Sportiva, Logistics, the Controllo di Gestione, Human Resources, the Purchasing Office and the Information Systems department. The Chassis Department and the Engine Department are also based here, along with the planning and technical offices. The second building encompasses the Engine Assembly, the Transmission, the Hydraulics and Car Mounting departments.

The Light Alloy building is the most sophisticated foundry in Europe and it's here that the whole engine building process begins. New Mechanical Machining Area - this is where the engine parts from the foundry are refined and finished. The Engine Assembly Area is equipped with two parallel assembly lines for 8 and 12 cylinder models. The new Ferrari and Maserati Paint Technologies Area is the most advanced in Europe. The Experience Department - this department constructs prototypes of new cars and tests their functions. Ferrari's F1 Wind Tunnel was designed by Renzo Piano, one of the world's leading architects. Conceived by Jean Nouvel, the New Assembly Lines are the most recent addition to the Ferrari plant. The Carrozzeria Scaglietti in Modena is where the bodywork and vehicle chassis are constructed.

Not too mention the Ferrari Museum and the Ferrari Factory Store are located in Maranello. Plus the brand new Ferrari World Theme Park in Dubai.

LOCATIONS



FERRARI ANNUAL REPORT 2012



New York **USA**

Maranello **Italy** (headquarters)

Dubai **UAE**

Shanghai **China**



**“THE QUALITY OF OUR CARS CANNOT BE SEPARATED FROM THE LIVES OF THE PEOPLE
WORKING AT THE FERRARI PLANT.”**

CAREER OPPORTUNITIES 0.5

Ferrari is a company that values excellence, so it is always looking for progressive people who can help it innovate, and who are passionate about Ferrari and automotive excellence. Ferrari values the individual first. A person's freedom to express him or herself is given highest priority, because Ferrari believes this is the key to creative and successful team collaboration.

The selection process is detailed and precise - just what you might expect from a company that depends on meticulous and uncompromising attention to detail. Candidates are examined not only on their professional, technical and academic excellence, but also for their compatibility with Ferrari principles and values. Ferrari also seeks recent graduates of world-class universities to offer them a unique work experience and the opportunity to grow within the Company.



FORMULA UOMO 0.6

In 1997 Ferrari introduced its Formula Uomo initiative at its Maranello HQ, with the aim of providing its staff with the best possible working conditions. Formula Uomo puts Ferrari employees firmly at the heart of the company and is symbolised best, according to Montezemolo, by *"the tree-lined road, Viale Enzo Ferrari, inside which runs the entire evolution of the site."*

Ferrari's aim was to develop an innovative factory by creating a well organised, ecological environment that would continually stimulate and motivate those who work there. *"We are very pleased with what we have done,"* says Montezemolo, *"because it is the result of unity, passion and determination, based on total innovation and with the maximum attention paid to the workplace, the product, marketing and trends."*

Ferrari knows that the best performance is only achieved if employees feel empowered and appreciated. Ferrari also believes that the quality of its cars cannot be separated from the lives of the people working at the Ferrari plant. That's why the working environment and welfare of the people working there are the most important priorities.

The Ferrari plant is a model work environment. The philosophy behind the creation of Ferrari's production areas dictated that buildings and their functions should be designed with the needs of employees firmly in mind. This philosophy became known as Formula Uomo.

Consequently, the newly renovated Ferrari complex now combines carefully designed lighting systems, green areas (there are over 100 trees along the roads around the factory), a new restaurant, climate control, noise damping, and special measures aimed at reducing environmental impact, with advanced technologies. The Ferrari complex was specifically designed to architecturally reinforce the synergic relationship between work and results.

Ferrari employees also benefit from an extensive range of education, fitness and well being programmes. Formula Benessere raises health awareness and offers specialist check-ups, while Formula Benessere Junior aims to foster an early interest in sport, fitness and well being in employees' children.

Language lessons are also offered, along with an ongoing training programme covering both the professional development and the specific interests of employees. And as a result, Ferrari believes that visitors to the Maranello factory will discover not only innovative cars, but a world of ecological and technological research, carried out by people making the best possible use of their talents and passion.



THE FERRARI BRAND 0.7

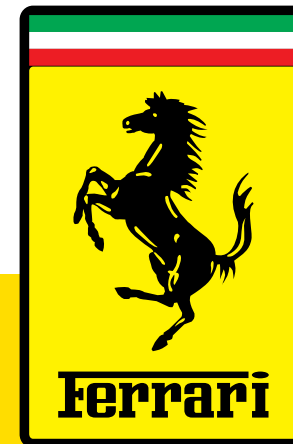
The Ferrari prancing horse symbol is also the stuff of legend. In 1923, the parents of the heroic Italian pilot Francesco Baracca, Count Enrico and Countess Paolina Baracca, gave Ferrari their son's squadron badge on the charred remains of his plane, featuring the family coat of arms of a black horse rampant on a yellow shield. Baracca had notched up 35 enemy hits before crashing to his death.

Back in those days, men raced under their national colours, and for the Italians it was red. The connection continues today, a throwback to the heroic pre-war era when Ferrari himself was tinkering with Alfas and seeing them win on the tracks. Few companies can claim a colour that conjures its brand's heritage. Ferrari can, almost exclusively: Maserati may have some share, but Lamborghini, which has virtually no competition history, cannot.

To really get Ferrari, you have to get to two things: its competition histories, in which the company effectively replaced Alfa Romeo as the national champion after the war; and its styling, notably cars such as the 250 GTO. Ferrari has relied on these two ideas constantly through its 60-plus year history, using them to strengthen the brand. Ferrari stands for the best of the Italian national image, rather than the utility of the Fiat brand which, arguably, more Italians have actually had contact with. Go to the Ferrari testing ground at Modena and the staff are pretty content driving Fiats to work-even here Ferrari is not the daily drive. A select few, of course, get to drive them at work, seven-time Formula One world champion Michael Schumacher being the latest addition to the test-driver team.

Fiat, whether consciously or not, has allowed Ferrari the luxury to develop as an independent unit. While there have been some crossovers - the Fiat Dino had an engine from Maranello - the brand has never been abused. Tied in with the idea of Italian machismo is the notion that anyone who comes into contact with the cars must know of the history. The brand is living just as the company - and its audiences - live its brand.

Management in Torino has allowed the brand to appear defiant, independent and legendary, synonymous with the success of Italian pride itself. It readily plays on this in external marketing - but never in so many words. The cars sell themselves!



**“THE FERRARI PRANCING HORSE SYMBOL IS THE
STUFF OF LEGEND.”**

BRANDING

Tyres

High grade custom formula Pirelli tyres

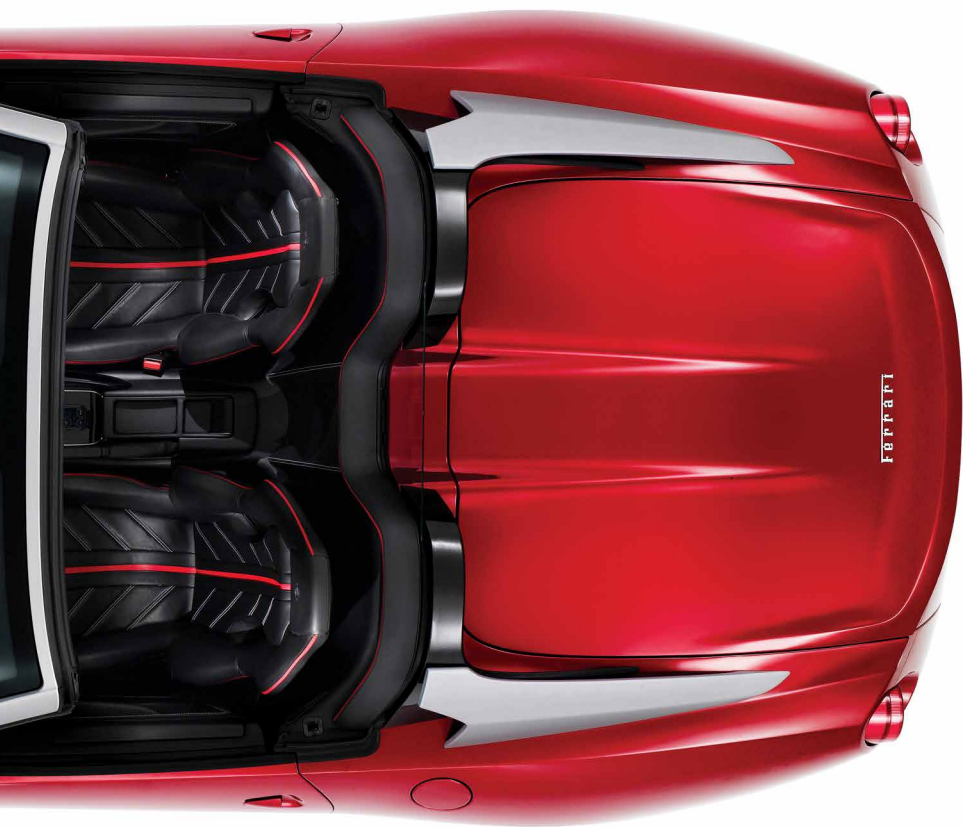
V12 Engine

Sand mould, foundry forged light alloy,
digitally tested, assembled by hand
piece by piece

Panels

Kevlar, carbon fibre & aluminium body contour panels
light weight, aesthetically crafted and aerodynamic





Interior

Hand stitched leather upholstery

Paint Work

High tech 360 anti-corrosive rust protection dip, powdered primer treatment and micro spray paint application

100% QUALITY



LOOKING...



 FORWARD...







FIORANO HYBRID 0.8

The 599 HY-KERS was revealed at the Geneva Motor Show earlier this year. It was referred to as a hybrid, but it's really much more than that. Most hybrids simply include an electric engine to reduce overall emissions and leave it at that. This innovation is different. The Ferrari team looked at how the combination of electric and petrol engines could deliver even better performance as well as reducing the emissions.

The brilliance of an electric engine is that, in comparison to a petrol engine, it is able to reach full power immediately, and therefore provide a huge boost to the engine from the moment it's switched on. This means instant acceleration of the car – and instant deceleration of emissions. These innovations provide a window into the approach of the organisation. They're so true to what Ferrari is all about. Having met the people responsible for coming up with them and seeing how and where they work, I feel confident that they will keep on coming; that Ferrari will continue to innovate and develop unique solutions that will deliver environmental benefits alongside magical performance.

Why? Well, the people I met on my visit are as far removed as you can imagine from being 'petrol heads'; they are highly skilful technicians, masters of their craft, willing and able to apply their brilliance to new ends. And the sustainable environment in which they work enables them to do just that.

ENVIRONMENTAL STRATEGIES 0.9

The new photovoltaic system, installed on the roof of Ferrari's Engine Mechanical Machining facility, was officially unveiled to the world. The installation comes as part of Ferrari's ongoing environmental sustainability and renewable resources investment programme. The photovoltaic panels will reduce the amount of power Ferrari takes from the national grid by over 210,000 kWh annually. The system is the work of EnerRay, a Maccaferri Group company.

Ferrari's plan to reduce the environmental impact of its production activities also includes the installation of a tri-generation plant which will be operational by the middle of this year. The new plant will cover virtually all of the company's electricity requirements, which will in turn cut its CO2 emissions in 2009 by 25-30% compared to the present levels.

Ferrari's commitment to environmental sustainability dates all the way back to 2001 when it was awarded ISO 14001 certification; the Prancing Horse also obtained Integrated Environmental Authorisation in 2007.

Over the last few years, Ferrari has also made numerous investments to increase the size and number of green areas both inside and outside its various industrial pavilions. The complex now boasts around 165,000 square metres of green areas with more than 200 trees planted there in the last six months alone.

NEW TECHNOLOGY 1.0

A number of highly innovative new products were rolled out during 2012 beginning with the FF, which combines extreme performance, including the application of the patented 4RM traction system capable of handling surfaces with a very low grip co-efficient, with the feel of a GT and a highly innovative design.

Another addition was the F458 Spider, which offers the performance of a true sports car with aluminium hard top that matches the interior climate control and acoustic characteristics of a closed vehicle and is also lighter than the traditional folding soft-top. The F458 Spider is equipped with the same V8 engine as the coupé version, which was named *"Best Performance Engine"* at the 2011 International Engine of the Year Awards.

Ferrari has continued to invest in development of low emission technologies and now provides the High Emotion Low Emission (HELE) system on all new models. The latest iteration of its potent 599XX research and development model has more power and less weight than before, as well as new active aerodynamics.

Significant investment has also gone into research at the Scaglietti facility, a leading centre for the study of aluminium and aluminium alloys whose results have enabled the company to substantially reduce the weight of its vehicles.

Web-based promotion has continued with a steady increase of followers on social networks, such as Facebook (now with more than 5.5 million fans) and Twitter. The official Ferrari Magazine has also made its digital debut and is now available online.

FUTURE GOALS 1.1

As part of its broad five-year corporate game plan, Fiat, the Italian giant, has an ambitious program laid out for its premium Ferrari brand, which plans to launch six new cars by 2013 and could add a range-topping hybrid by 2015.

Ferrari will retain four core nameplates: 458 Italia, California, 599 Fiorano GTO (which launches later this year) and 612 Scaglietti. While adding a fifth limited-edition vehicle, the reincarnated Enzo flagship, which will host the latest in auto technology and engineering.

As detailed on Wednesday by Fiat CEO Sergio Marchionne, Ferrari will introduce one or two new models annually over the next three years, beginning in 2011 with the new open top 458 Italia Spider and a redesigned 612 Scaglietti (code name F151).

A more extreme version of the 458 Italia hardtop, dubbed the 458 Scuderia, is due in 2013, while a potential hybrid variant of the 612 Scaglietti, using Ferrari's HY-KERS technology, could arrive by 2015.

The new 599 GTO will spawn a more potent 599 GTB (code name F152) in 2012, while a revised California M convertible bows in 2013. There is considerable excitement over the resurrection of the Enzo, referred to as a *"HYPERCAR."* Keep an eye out for these amazing innovations in sports car design.

FERRARI ALIANTE CONCEPT



FINANCE REPORT 1.2

Ferrari closed 2012 with record sales and revenues despite the continuing economic uncertainty.

Growth was registered in all regions with particularly significant increases in the U.S. and in the Far East, where Greater China (China, Hong Kong and Taiwan) grew to become Ferrari's second largest market after the United States. Performance was also strong in Europe, with Germany and the UK registering the most significant increases.

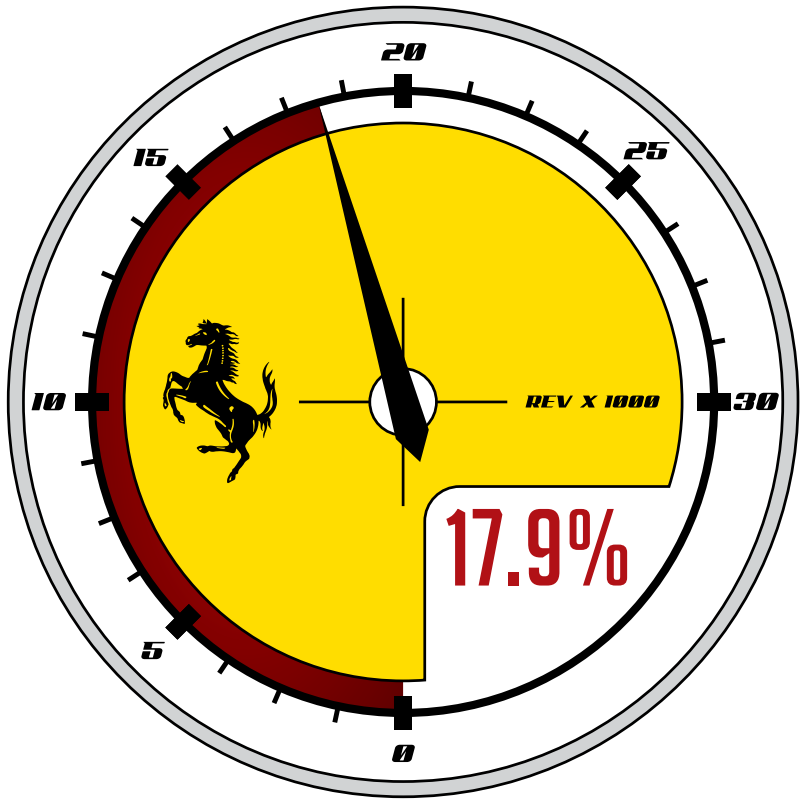
These results reflect Ferrari's continued investment and commitment to product innovation, which led to the introduction of 2 new models: the FF, the brand's first 12-cylinder, 4-seat, 4WD (equipped with Ferrari's patented 4RM traction system); and the 458 Spider, the first mid-rear engined 8-cylinder, featuring an aluminium hard top that fully retracts in just 14 seconds. With the addition of these 2 new models to the product line up, Ferrari can offer all enthusiasts the car to suit.

During the year, Ferrari also continued expansion into new markets with the opening of its first dealership in India. In addition, the brand further strengthened its position in China, where Ferrari has also been asked to set up a permanent exhibit for the next three years in the Italian Pavilion at the former Shanghai Expo, further confirmation of the brand's appeal in China.

HIGHLIGHTS 1.3

€ million	2012	2011
net revenue	2,251	1,919
trading profit	312	303
operating profit	318	302
tangible & intangible assets	231	239
capitalised R&D expenditure	94	102
total R&D expenditure	143	148
no. units delivered	7,001	6,573
no. of employees	2,695	2,721

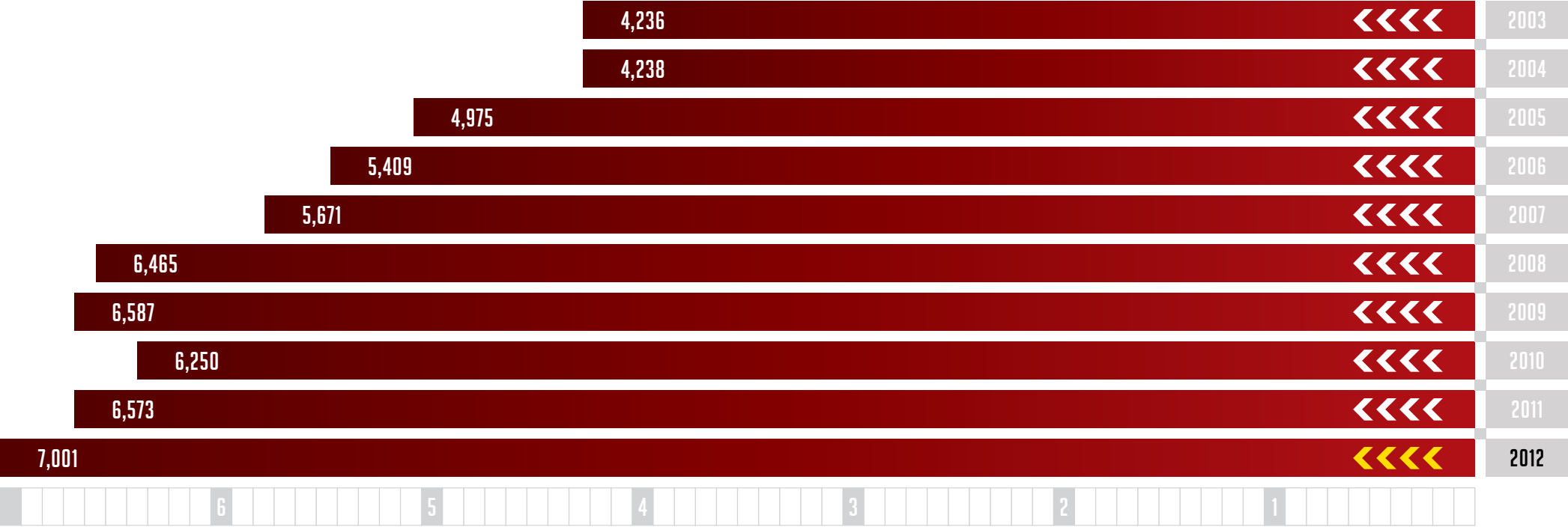
TOTAL REVENUE 1.4



up by 17.9%
Overall Revenue

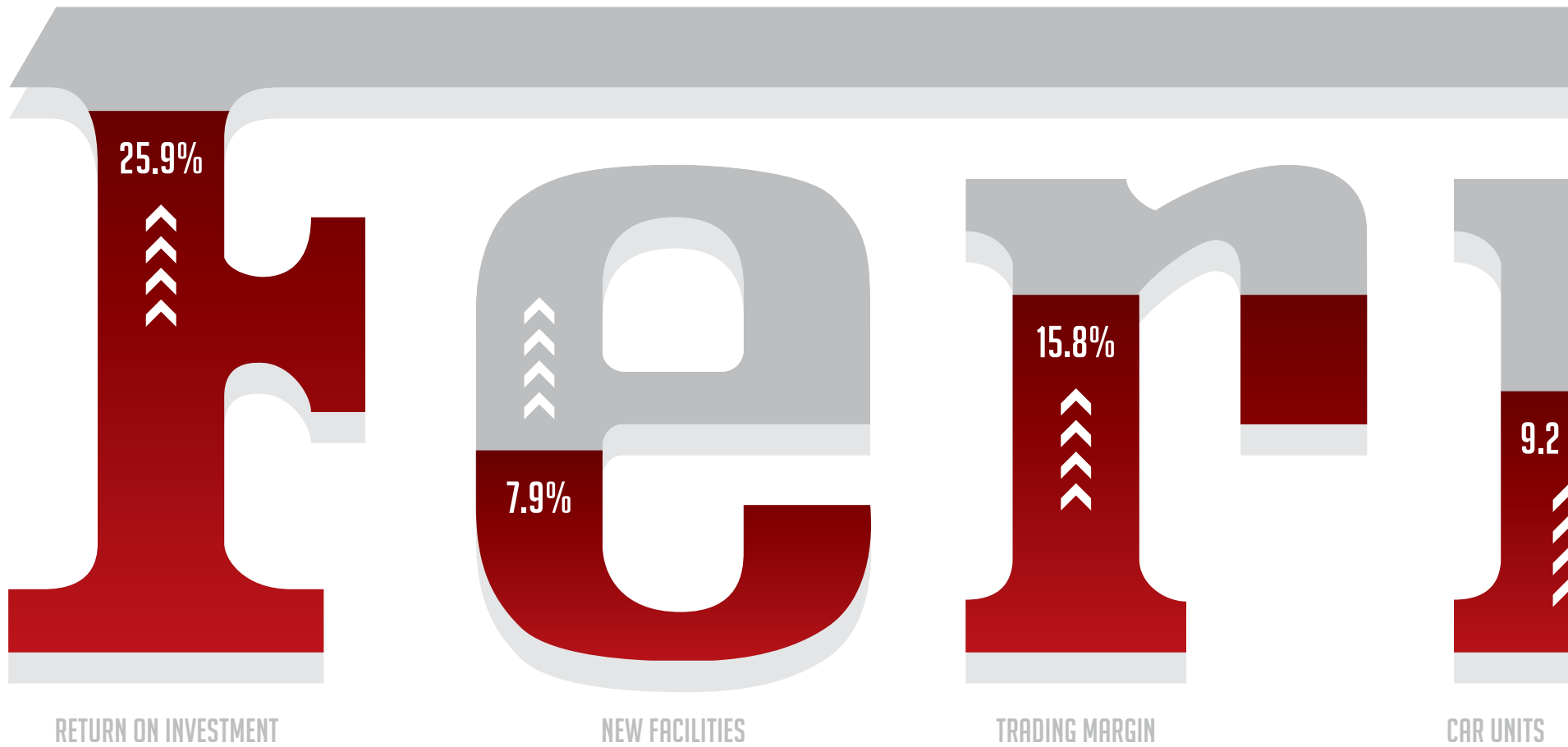
FINANCIAL OVERVIEW

ANNUAL UNITS SOLD 1.5

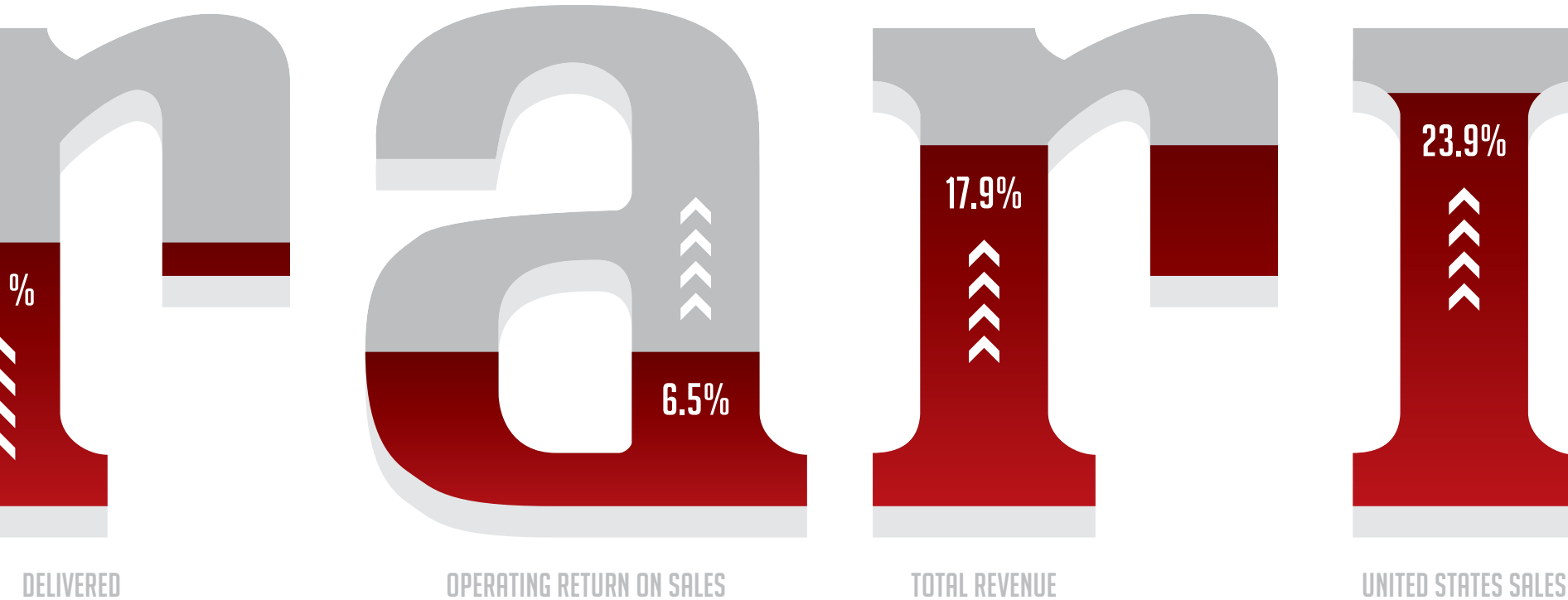


Sales to End Customers (number of type-approved vehicles) 1,000s

Year



FINANCIAL HIGHLIGHTS 2011 - 2012







STRATEGIC PARTNERS



CONTACT HEADQUARTERS 1.7

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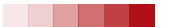
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Ferrari

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CONTACT DETAILS





Ferrari

W W W . F E R R A R I . C O M