

**2013 DRAFT FINANCIAL STATEMENTS
OUTLOOK FOR 2014
ANNUAL REPORT ON CORPORATE GOVERNANCE AND THE COMPANY'S OWNERSHIP STRUCTURE
COMPENSATION REPORT
THE BOARD CONVENES A SHAREHOLDERS' MEETING**

Turin, March 20, 2014 – The Board of Directors of Pininfarina S.p.A., meeting today under the chairmanship of Paolo Pininfarina, approved a draft of the 2013 Financial Statements of the Company and the Group, the Annual Report on Corporate Governance and the Company's Ownership Structure and the Compensation Report, and agreed to convene a Shareholders' Meeting.

The table below shows the consolidated operating and financial highlights of the Pininfarina Group for 2013 and provides a comparison with those at December 31, 2012:

(Amounts in millions of euros)	2013 draft financial statements	2012	Amount of change
Value of production	79,8	68,7	11,1
EBITDA	-2,6	-4,8	2,2
EBIT	-3,3	-8,3	5,0
Net financial income (expense)	-5,8	-3,7	-2,1
Gain on extinguishment of financial liabilities	-	44,8	-44,8
Gain (loss) for the period from discontinued operations	-1,2	0,2	-1,4
Net profit (loss)	-10,4	32,9	-43,3
Net financial position	-36,4	-30,6	-5,8
Shareholders' equity	29,4	39,8	-10,4

EBITDA represent the profit or loss from operations before depreciation, amortization and additions to provisions, writedowns and utilizations of provisions.

EBIT represent the profit or loss from operations.

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

Pininfarina Group

In 2013, the Pininfarina Group confirmed the trend that characterized previous years, with value of production showing a further gain of 16.2% compared with 2012, thanks mainly to engineering activities carried out in Italy and Germany and an important contribution by the industrial design activities.

The strong competition that exists in all markets and the high quality level demanded by some newly acquired premium customers compressed profitability margins, with a negative impact on EBITDA and EBIT, which, while still negative, improved compared with the previous year.

Net financial expense, which amounted to 3.7 million euros at December 31, 2012, increased to 5.8 million euros, due to the effect of 6.5 million euros in figurative financial expense resulting from the measurement of the debt owed to the Lender Institutions by the amortized cost method. It is also worth mentioning that the data for 2012 benefited from a financial gain of 44.8 million euros resulting from the implementation of the new Rescheduling Agreement.

The divestment of the Pininfarina Maroc SAS subsidiary, caused by a sever crisis in the local market upon which the company was totally dependent, resulted in a loss of 1.2 million euros, including both the operating loss and the loss on the sale of the investment. This amount was reclassified as "Gain (loss) for the period from discontinued operations." In order to provide a homogeneous comparison with 2012, the positive contribution provided to the income statement by the Moroccan subsidiary in 2012 is shown in the same line item.



The Group reported a loss of 10.4 million euros in 2013, as against a profit of 32.9 million euros in 2012, which reflected the financial gain mentioned above.

As a result of the loss for the year, the shareholders' equity decreased from 39.8 million euros to 29.4 million euros, the net financial position was negative by 36.4 million euros in 2013, compared with a negative balance of 30.6 million euros in 2012, but the principal amount owed to credit institutions decreased by 32.4 million euros (73.5 million euros in 2012).

At December 31, 2013, the Group had 779 employees, compared with 781 a year earlier

Disclosure Required by the Consob Pursuant to Article 114, Section 5 of Legislative Decree No. 58/98

- 1) The net financial positions of Pininfarina S.p.A. and the Pininfarina Group, with current and non-current components listed separately, are shown in the annexes to this press release.
- 2) There were no past-due amounts (financial or related to tax or employee benefit liabilities) owed by the Pininfarina Group. No actions against the Group have been filed by creditors.
- 3) The transactions with related parties of the Pininfarina Group and Pininfarina S.p.A. are listed in the annexes to this press release.
- 4) Further to the failure to comply with the financial covenant for the 2013 EBITDA, required by the Rescheduling Agreement currently in effect, the Company promptly contacted the Lender Institutions seeking a waiver of the remedies provided under the Rescheduling Agreement (potentially entailing the cancellation of the Agreement). At this stage, the Agent Bank has informed the Company that 13 of the 14 Institutions who signed the Rescheduling Agreement have agreed to the Company's requests and that the deliberative process of the missing Institution is in progress. The Company thus expects to receive shortly the official consent of all Lender Institutions. On the other hand, the Company was in compliance with the financial covenant concerning the level of net financial debt in 2013.
- 5) The plan to restructure the indebtedness of Pininfarina S.p.A. is proceeding in accordance with the current Rescheduling Agreement with the Lender Institutions.
- 6) As for the progress made in implementing the 2011-2018 Industrial Plan, no problems have developed thus far, except as noted above for 2013, in respect of the Plan's projections for 2014 and subsequent years.

Significant Event Occurring After the Close of the Reporting Year

On December 24, 2013, Pininfarina S.p.A. was served with 14 Notices demanding payment of taxes and penalties (the "Notices"), each referring to the prorated "debt acknowledgements" provided by Pininfarina S.p.A to virtually all of the Financial Institutions that are parties to the Rescheduling Agreement executed in Lugano (Switzerland) on December 31, 2008. Each Notice, in addition to a request to pay the allegedly owed registration tax and accrued interest, contains a fine in an amount equal to 120% of the assessed tax. The total amount of the Notices is 11.4 million euros. The same payment Notices were received by virtually all of the Lender Institutions, who are thus liable jointly with the Company vis-à-vis the Revenue Administration.

The Company, while it is certain that its actions were proper, filed an appeal on February 5, 2014 against the notices it received (advancing the amount of the tax being requested plus accrued interest totaling 5.6 million euros) and is waiting for a hearing before the Provincial Tax Commission.

With regard to the failure to comply in 2013 with the consolidated EBITDA covenant (in accordance with Paragraph 74 of IAS 1, the amounts owed to the Lender Institutions were consequently reclassified as current liabilities at the end of year) see the information provided above.



The table below shows the operating and financial highlights of the Group's Parent Company:

(Amounts in millions of euros)	2013 draft financial statements	2012	Amount of change
Value of production	48.0	40.2	+7.8
EBITDA	-6.0	-9.3	+3.3
EBIT	-7.3	-11.8	+4.5
Net financial income (expense)	-5.1	-2.4	-2.7
Gain on extinguishment of financial liabilities	-	44.8	-44.8
Net profit (loss)	-11.9	31.0	-42.9
Net financial position	-39.2	-31.3	-7.9
Shareholders' equity	32.1	44.0	-11.9

EBITDA represent the profit or loss from operations before depreciation, amortization and additions to provisions, writedowns and utilizations of provisions.

EBIT represent the profit or loss from operations.

Outlook for 2014

Projections for the consolidated income statement for the 2014 reporting year call for a value of production in line with the consolidated amount reported in 2013 and positive EBIT. The net financial position at the end of 2014 is expected to show a deterioration compared with the end of 2013, due mainly to working capital dynamics and the cumulative amount of figurative financial expense resulting from the measurement of financial liabilities at amortized cost.

Annual Report on Corporate Governance and the Company's Ownership Structure and Compensation Report

The Board of Directors also approved the **Annual Report on Corporate Governance and the Company's Ownership Structure** and the **Compensation Report** for 2013. These Reports will be available on the "Finance" page of the Company website (www.pininfarina.com) on April 7, 2014 and in the other modalities required under current laws.

Lastly, the Board of Directors agreed to convene a **Shareholders' Meeting for April 29, 2014, at 4:00 PM, at the offices of Pininfarina S.p.A. in Cambiano (TO) and, if required, on April 30, 2014**, same time and place, **on the second calling**. The Meeting's Agenda includes the approval of the 2013 financial statements, the appropriation of the year's result and the approval of the Compensation Report.

The Board of Directors did not recommend a dividend distribution.

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RECLASSIFIED FINANCIAL STATEMENTS (*)

(*) The reclassified financial statements regroup the data presented in the financial statements required under current statutes differently, with the objective of providing a more immediate understanding of the data, without affecting the logic of their presentation.

It is important to keep in mind that the term “EBIT” used in the reclassified consolidated financial statements has the same meaning as the expression “Operating profit (loss)” used in the IAS/IFRS financial statements.

PININFARINA GROUP

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(in thousands of euros)

	Data at				
	2013	%	2012	%	Change
Sales and service revenues	69,064	86.58	62,311	90.75	6,753
Changes in inventory and work in progress	3,325	4.17	(799)	(1.16)	4,124
Other income and revenues	7,369	9.25	7,147	10.41	222
Value of production	79,758	100.00	68,659	100.00	11,099
Net gain (loss) on disposal of non-current assets	1	0.00	3,182	4.63	(3,181)
Raw materials and outside services (*)	(35,295)	(44.25)	(32,664)	(47.57)	(2,631)
Change in inventory of raw materials	494	0.62	42	0.06	452
Value added	44,958	56.37	39,219	57.12	5,739
Labor costs (**)	(47,535)	(59.60)	(43,987)	(64.07)	(3,548)
EBITDA	(2,577)	(3.23)	(4,768)	(6.94)	2,191
Depreciation and amortization	(3,392)	(4.25)	(3,246)	(4.73)	(146)
(Additions)/Utiliz. of provis. and (Writedowns)	2,634	3.30	(278)	(0.41)	2,912
EBIT	(3,335)	(4.18)	(8,292)	(12.08)	4,957
Net financial income (expense)	(5,776)	(7.24)	(3,696)	(5.38)	(2,080)
Gain on extinguishment of financial liabilities	-	-	44,835	65.30	(44,835)
Valuation of equity investments by the equity method	(3)	(0.01)	-	-	(3)
Profit (Loss) before taxes	(9,114)	(11.43)	32,847	47.84	(41,961)
Income taxes	(112)	(0.14)	(84)	(0.12)	(28)
Profit/(Loss) from continuing operations	(9,226)	(11.57)	32,763	47.72	(41,989)
Profit/(Loss) from discontinued operations	(1,161)	(1.46)	181	0.26	(1,342)
Net profit (loss)	(10,387)	(13.02)	32,944	47.98	(43,331)

(*) Raw materials and outside services is shown net of utilizations of the provisions for warranties and the provisions for risks amounting to 889,000 euros in 2012 and 321,000 euros in 2013.

(**) Labor costs is shown net of the utilization of the provision for restructuring programs and other provisions for 742,000 euros in 2012 and 817,000 euros in 2013.

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

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

The data at December 31, 2012, provided for comparison purposes, were restated to reflect the adoption of the revised version of IAS 19 Employee Benefits.

Further to the divestment of the Pininfarina Maroc SAS subsidiary, effective as of December 1, 2013, the data at December 31, 2012 were restated in accordance with IFRS 5 to exclude its business activities as of January 1, 2012.

PININFARINA GROUP
RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of euros)

	Data at		
	12/31/13	12/31/12	Change
Net non-current assets (A)			
Net intangible assets	2,772	3,211	(439)
Net property, plant and equipment	63,008	64,825	(1,817)
Equity investments	303	356	(53)
Total A	66,083	68,392	(2,309)
Working capital (B)			
Inventory	6,587	2,771	3,816
Net trade receivables and other receivables	23,175	33,067	(9,892)
Assets held for sale	-	-	-
Deferred-tax assets	947	929	18
Trade accounts payable	(15,211)	(14,259)	(952)
Provisions for risks and charges	(2,698)	(6,816)	4,118
Other liabilities (*)	(5,911)	(6,407)	496
Total B	6,889	9,285	(2,396)
Net invested capital (C=A+B)	72,972	77,677	(4,705)
Provision for termination indemnities (D)	7,146	7,286	(140)
Net capital requirements (E=C-D)	65,826	70,391	(4,565)
Shareholders' equity (F)	29,419	39,814	(10,395)
Net financial position (G)			
Long-term debt	7,442	90,293	(82,851)
(Net liquid assets)/Net borrowings	28,965	(59,716)	88,681
Total G	36,407	30,577	5,830
Total as in E (H=F+G)	65,826	70,391	(4,565)

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

PININFARINA GROUP
CONSOLIDATED NET FINANCIAL POSITION

(in thousands of euros)

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	12/31/13	12/31/12	Change
Cash and cash equivalents	18,394	41,501	(23,107)
Current assets held for trading	41,952	50,809	(8,857)
Current loans receivable and other receivables	-	-	-
Loans receivable from related parties and joint ventures	-	-	-
Due to banks	-	(167)	167
Current liabilities under finance leases	(51,992)	(16,898)	(35,094)
Current portion of long-term bank debt	(37,319)	(15,529)	(21,790)
Net liquid assets / (Net borrowings)	(28,965)	59,716	(88,681)
Long-term loans and other receiv. from outsiders	-	-	-
Long-term loans and other receivables from associates and joint ventures	80	50	30
Held-to-maturity non-current assets	-	-	-
Long-term liabilities under finance leases	-	(47,988)	47,988
Long-term bank debt	(7,522)	(42,355)	34,833
Net long-term debt	(7,442)	(90,293)	82,851
NET FINANCIAL POSITION	(36,407)	(30,577)	(5,830)

Cash and cash equivalents includes an escrow account of 5,000,000; see Note 12 for additional information.

PININFARINA S.p.A.
RECLASSIFIED INCOME STATEMENT

(in thousands of euros)

	Data at				
	2013	%	2012	%	Change
Sales and service revenues	38,155	79.41	34,557	85.89	3,598
Changes in inventory and work in progress	3,469	7.22	(683)	(1.70)	4,152
Other income and revenues	6,423	13.37	6,362	15.81	61
Work performed internally and capitalized	-	-	-	-	-
Value of production	48,047	100.00	40,236	100.00	7,811
Net gain (loss) on disposal of non-current assets	(769)	(1.60)	575	1.43	(1,344)
Raw materials and outside services (*)	(29,153)	(60.67)	(26,136)	(64.96)	(3,017)
Change in inventory of raw materials	494	1.03	42	0.09	452
Value added	18,619	38.76	14,717	36.58	3,902
Labor costs (**)	(24,592)	(51.18)	(23,984)	(59.61)	(608)
EBITDA	(5,973)	(12.42)	(9,267)	(23.03)	3,294
Depreciation and amortization	(2,562)	(5.33)	(2,434)	(6.05)	(127)
(Additions)/Utiliz. of provis. and (Writedowns)	1,257	2.62	(69)	(0.17)	1,326
EBIT	(7,278)	(15.13)	(11,770)	(29.25)	4,492
Net financial income (expense)	(5,109)	(10.63)	(2,370)	(5.89)	(2,739)
Gain on extinguishment of financial liabilities	-	-	44,835	111.43	(44,835)
Profit (loss) before taxes	(12,387)	(25.76)	30,695	76.29	(43,082)
Income taxes	463	0.96	338	0.84	124.12
Net profit (loss)	(11,924)	(24.80)	31,033	77.14	(42,958)

(*) **Raw materials and outside services** is shown net of utilizations of the provisions for warranties and the provisions for risks amounting to 828,000 euros in 2012 and 321,000 euros in 2013.

(**) **Labor costs** is shown net of the utilization of the provision for restructuring programs for 472,000 euros in 2012 and 613,000 euros in 2013.

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

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

The data at December 31,2012, provided for comparison purposes, were restated to reflect the adoption of the revised version of IAS 19 Employee Benefits.

PININFARINA S.p.A.
RECLASSIFIED STATEMENT OF FINANCIAL POSITION

(in thousands of euros)

	Data at		
	12/31/13	12/31/12	Change
Net non-current assets (A)			
Net intangible assets	1,028	963	65
Net property, plant and equipment	53,457	54,832	(1,375)
Equity investments	21,578	22,848	(1,270)
Total A	76,063	78,643	(2,580)
Working capital (B)			
Inventory	6,271	2,307	3,964
Net trade receivables and other receivables	16,254	26,073	(9,819)
Trade accounts payable	(14,260)	(13,942)	(318)
Provisions for risks and charges	(2,698)	(6,671)	3,973
Other liabilities	(3,653)	(4,290)	637
Total B	1,914	3,477	(1,563)
Net invested capital (C=A+B)	77,977	82,120	(4,143)
Provision for termination indemnities (D)	6,629	6,823	(194)
Net capital requirements (E=C-D)	71,348	75,297	(3,949)
Shareholders' equity (F)	32,121	44,028	(11,907)
Net financial position (G)			
Long-term debt	4,003	85,220	(81,217)
(Net liquid assets)/Net borrowings	35,224	(53,951)	89,175
Total G	39,227	31,269	7,958
Total as in E (H=F+G)	71,348	75,297	(3,949)

PININFARINA S.p.A.
NET FINANCIAL POSITION

(in thousands of euros)

	Data at		
	12/31/13	12/31/12	Change
Cash and cash equivalents	12,398	36,306	(23,908)
Current assets held for trading	41,952	50,320	(8,368)
Current loans receivable and other receivables	-	-	-
Loans receivable from related parties and joint venture	-	-	-
Due to banks	-	-	-
Current liabilities under finance leases	(51,992)	(16,898)	(35,094)
Loans payable to related parties and joint ventures	(264)	(248)	(16)
Current portion of long-term bank debt	(37,319)	(15,529)	(21,790)
Net liquid assets / (Net borrowings)	(35,224)	53,951	(89,175)
Long-term loans and other receiv. from outsiders	-	-	-
Long-term loans and other receivables from associates and joint ventures	3,019	4,623	(1,604)
Held-to-maturity non-current assets	-	-	-
Long-term liabilities under finance leases	-	(47,988)	47,988
Long-term bank debt	(7,022)	(41,855)	34,833
Net long-term debt	(4,003)	(85,220)	81,217
NET FINANCIAL POSITION	(39,227)	(31,269)	(7,958)

Cash and cash equivalents includes an escrow account of 5,000,000; see Note 11 for additional information.



Transactions with Related Parties of the Pininfarina Group

Pursuant to Consob Communication No. DEM/6064293 of July 28, 2006, the table below provides an overview of transactions with related parties and intra-Group transactions. These transactions were carried out on market terms, consistent with the nature of the goods exchanged or the services provided, and do not qualify as atypical or unusual transactions pursuant to the abovementioned communication.

	Commercial		Financial		Operating		Financial	
	Receivables	Payables	Receivables	Payables	Revenues	Costs	Income	Expense
Goodmind Srl	-	-	80,000	-	20,019	-	1,816	-
Total	-	-	80,000	-	20,019	-	1,816	-

Transactions with Related Parties of Pininfarina S.p.A.

	Commercial		Financial		Operating		Financial	
	Receivables	Payables	Receivables	Payables	Income	Expense	Income	Expense
Pininfarina Extra S.r.l.	32,405	4,498	466,357	263,560	343,864	13,944	601,400	-
Goodmind Srl	-	-	-	-	20,019	-	-	-
Pininfarina Deutschland GmbH	-	-	302,176	-	-	-	8,212	-
mxp Entwicklung GmbH Monaco	-	777,636	2,250,000	-	-	3,286,791	34,545	-
Pininfarina Automotive Engineering (Shanghai) Co Ltd	398,388	1,832	-	-	124,951	212,814	70,492	-
Total	430,793	783,966	3,018,533	263,560	488,834	3,513,549	714,650	-

The "Financial receivable" and Financial payable" balances shown for Pininfarina Extra S.r.l. refer to the contract for the filing of a national consolidated tax return.

In addition to the amounts reported in the table above, transactions with other related parties requiring disclosure included legal consulting services provided to Pininfarina S.p.A. by Studio Professionale Pavesio e Associati, related to the Director Carlo Pavesio, for a total amount of 222,888 euros, and commercial consulting services provided by Pantheon Italia S.r.l., related to the Director Roberto Testore, for a total amount of 60,000 euros.

Compensation of Directors, Statutory Auditors and Executives with Strategic Responsibilities

The table below lists the compensation owed to Directors and Statutory Auditors of Pininfarina S.p.A. for their services:

(in thousands of euros)	12/31/13	12/31/12
Directors	652	602
Statutory Auditors	102	99
Total Compensation	754	701

The total cost incurred in 2013 for the compensation of executives of Pininfarina S.p.A. with strategic responsibilities amounted to about 1.5 million euros.