

(Translation from the Italian original which remains the definitive version)

Pininfarina Group - Quarterly financial report

Turin, 13 November 2014 – The Board of Directors of Pininfarina S.p.A., chaired by Paolo Pininfarina, met today and approved the Group's interim financial report at 30 September 2014. The key financial figures of the Pininfarina Group as at and the first nine months of 2014 and 2013 are as follows:

(€'million)	30/09/2014	30/09/2013	31/12/2013	Variation*
Value of production	64.7	57.0		7.7
EBITDA	5.5	-2.3		7.8
EBIT	3.0	-4.0		7.0
Loss for the period	-0.7	-9.0		8.3
Net financial debt	-47.7	-36.9	-36.4	-11.3
Equity	28.8	30.7	29.4	-0.6

* Variations in the statement of financial position figures relate to the corresponding figures at 31 December 2013.

EBITDA is the operating profit or loss gross of amortisation, depreciation and provisions. EBIT is the operating profit or loss.

Pursuant to article 154-bis.2 of the Consolidated finance act, the manager in charge of financial reporting, Gianfranco Albertini, states that the financial disclosures provided in this press release are consistent with the relevant documentation, ledgers and accounting records.

The most significant issues that arise from an analysis of the consolidated figures for the first nine months of 2014 are summarised below:

- the value of production (revenue) increased by approximately 14% compared to the corresponding period of the previous year, mainly thanks to the Italian companies;
- EBITDA (gross operating profit) and EBIT (operating profit) improved from the losses of the corresponding period of the previous year, mainly due to the proceeds from the sale of intellectual property rights to "concept cars" developed in previous years;
- compared to the first nine months of 2013, the Group's Italian automotive operations significantly improved their profitability, especially in the Design business segment, the German subsidiaries' profit margins are in line with the corresponding period of the previous year, while profitability picked up considerably in China. The turnover of industrial design activities continued to be good and their turnover and profitability increased again;
- the loss for the period dropped compared to the nine months ended 30 September 2013;
- the Group's financial position at 30 September 2014 deteriorated compared to 31 December 2013, as a result of the loss for the period, the impact of net working capital, an increase in the carrying amount of net financial debt (due to its measurement at amortised cost) and the advances due for a tax dispute. Pininfarina S.p.A. expects to recover these advances as it is certain of its correct conduct.

Turning to the business segments, the Operations segment recognised value of production of €5 million (€6.6 million for the first nine months of 2013), accounting for 7.8% of consolidated value of production (11.5% for the first nine months of 2013). Segment EBIT worsened to a negative €6.5 million from a negative €5.5 million for the corresponding period of the previous year. The rise in the operating loss is mainly attributable to smaller business lease income for the Bairo Canavese facility leased to the Bolloré group, following the signing of a new three-year agreement.

The value of production of the Service segment reached €59.7 million (€50 million for the first nine months of 2013), accounting for 92.2% of consolidated value of production (88.5% for the corresponding period of

2013). The segment's EBIT came to a positive €9.5 million, a sharp increase from the €1.5 million operating profit recorded for the first nine months of 2013.

The headcount decreased by 135 employees from 817 at 30 September 2014 to 682. The figure at 30 September 2013 included 31 employees of Pininfarina Maroc, which was sold at the end of 2013. Moreover, the redundancy programme due to discontinuation of production activities launched by the parent in October 2011 and involving 87 employees terminated in May 2014.

The key financial figures of the parent, Pininfarina S.p.A., are summarised below.:

(€'million)	30/09/2014	30/09/2013	31/12/2013	Variation*
Value of production	39.8	33.4		6.4
EBITDA	3.1	-4.1		7.2
EBIT	1.2	-5.0		6.2
Loss for the period	-1.1	-8.9		7.8
Net financial debt	-49.8	-37.4	-39.2	-10.6
Equity	31.0	35.0	32.1	-1.1

* Variations in the statement of financial position figures relate to the corresponding figures at 31 December 2013.

EBITDA is the operating profit or loss gross of amortisation, depreciation, provisions, impairment losses, reversals of impairment losses and utilisation of provisions. EBIT is the operating profit or loss.

Information required by Consob (the Italian Commission for listed companies and the stock exchange) pursuant to article 114.5 of Legislative decree no. 58/98

- 1) The tables showing the net financial debt of the Pininfarina Group and Pininfarina S.p.A., with separate classification of current and non-current items, are attached hereto.
- 2) The Group has no past-due liabilities (of a financial, tax or social security nature). No actions against the Group have been filed by creditors.
- 3) The tables showing the parent's and Group's related party transactions are attached hereto.
- 4) Compliance with the financial covenants in force for the current reporting year will be checked when the annual consolidated financial statements at 31 December 2014 are approved. There are presently no critical issues in relation to such covenants.
- 5) The parent's debt restructuring plan is proceeding in accordance with the current agreements with its lending institutions.
- 6) The business plan's implementation progress is unchanged with respect to that described in the directors' report on the 2013 annual consolidated financial statements.

Outlook for 2014

Consolidated value of production for 2014 is expected to be in line with the 2013 figure and the EBIT is forecast to be positive.

Net financial debt at the end of 2014 is expected to worsen compared to 31 December 2013, mainly due to a decrease in liquidity as a result of net working capital trends, the cash advances mentioned above required by several tax disputes and the accumulated unrealised losses resulting from the measurement of financial liabilities at amortised cost.

Events after the reporting period

There are no significant events that occurred after the reporting date.

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RECLASSIFIED FINANCIAL STATEMENTS

The reclassified financial statements group the figures presented in the legally-required statements to improve their understanding, without however changing their presentation logic.

The terms “EBITDA” and “EBIT” as used in the reclassified financial statements are the “operating profit or loss”, gross of amortisation, depreciation, provisions, impairment losses, reversals of impairment losses and utilisation of provisions, and “operating profit or loss” presented in the IFRS financial statements, respectively.

PININFARINA GROUP
Reclassified income statement
 (€'000)

	Nine months ended					
	30.09.2014	%	30.09.2013	%	Variation	2013
Revenue from sales and services	58,882	91.08	49,203	86.39	9,679	69,064
Change in inventories and contract work in progress	2,364	3.66	2,285	4.01	79	3,325
Other revenue and income	3,404	5.28	5,465	9.60	(2,061)	7,369
Value of production	64,650	100.00	56,953	100.00	7,697	79,758
Net gains on the sale of non-current assets	705	1.09	2	0.00	703	1
Materials and services (*)	(24,165)	(37.38)	(24,355)	(42.76)	190	(35,295)
Change in raw materials	(563)	(0.86)	(46)	(0.08)	(517)	494
Value added	40,627	62.84	32,554	57.16	8,073	44,958
Labour cost (**)	(35,170)	(54.40)	(34,867)	(61.22)	(303)	(47,535)
EBITDA	5,457	8.44	(2,313)	(4.06)	7,770	(2,577)
Amortisation and depreciation	(2,508)	(3.88)	(2,537)	(4.45)	29	(3,392)
(Additions to)/utilisation of provisions and impairment losses	15	0.02	892	1.57	(877)	2,634
EBIT	2,964	4.58	(3,958)	(6.95)	6,922	(3,335)
Net financial expense	(3,410)	(5.26)	(4,538)	(7.97)	1,128	(5,776)
Share of profit (loss) of equity-accounted investees	8	0.01	6	0.0111	2	(3)
Loss before taxes	(438)	(0.68)	(8,490)	(14.91)	8,052	(9,114)
Income taxes	(250)	(0.39)	(349)	(0.61)	99	(112)
Loss from continuing operations	(688)	(1.06)	(8,839)	(15.52)	8,151	(9,226)
Loss from discontinued operations	-	-	(175)	(0.31)	175	(1,161)
Loss for the period/year	(688)	(1.06)	(9,014)	(15.83)	8,326	(10,387)

(*) **Materials and services** are net of utilisations of the provisions for product warranty and risks (€313 thousand and €57 thousand for the first nine months of 2013 and 2014, respectively).

(**) **Labour cost** is net of utilisations of the restructuring and other provisions (€791 thousand and €1,719 thousand for the first nine months of 2013 and 2014, respectively).

As required by Consob resolution no. DEM/6064293 of 28 July 2006, a reconciliation of the data in the condensed interim consolidated financial statements with those in the reclassified schedules is provided below:

- **Materials and services** include raw materials and components, other variable production costs, external variable engineering services, exchange rate gains and losses and other expenses.
- **Amortisation and depreciation** comprise amortisation of intangible assets and depreciation of property, plant and equipment and investment property.
- **(Additions to)/utilisation of provisions and impairment losses** include additions to/utilisation of provisions, impairment losses and inventory write-downs.
- **Net financial expense** comprises net financial expense and dividends.

Following the sale of the investment in the subsidiary Pininfarina Maroc SAS, effective as from 1 December 2013, the figures for the first nine months of 2013 have been restated in accordance with IFRS 5 to separate the results of discontinued operations.

PININFARINA GROUP
Reclassified statement of financial position
 (€'000)

	30.09.2014	31.12.2013	Variation	30.09.2013
Net non-current assets (A)				
Net intangible assets	2,601	2,772	(171)	3,133
Net property, plant and equipment and investment property	61,416	63,008	(1,592)	63,363
Equity investments	311	303	8	362
Total A	64,328	66,083	(1,755)	66,858
Working capital (B)				
Inventories	8,388	6,587	1,801	5,006
Net trade receivables and other assets	29,165	23,175	5,990	23,438
Assets held for sale	-	-	-	-
Deferred tax assets	1,026	947	79	934
Trade payables	(12,554)	(15,211)	2,657	(10,617)
Provisions for risks and charges	(893)	(2,698)	1,805	(4,798)
Other liabilities (*)	(7,763)	(5,911)	(1,852)	(5,868)
Total B	17,369	6,889	10,480	8,095
Net invested capital (C=A+B)	81,697	72,972	8,725	74,953
Post-employment benefits (D)	5,229	7,146	(1,917)	7,308
Net capital requirements (E=C-D)	76,468	65,826	10,642	67,645
Equity (F)	28,758	29,419	(661)	30,711
Net financial debt (G)				
Non-current loans and borrowings	81,755	7,442	74,313	92,571
Net current financial (position) debt	(34,045)	28,965	(63,010)	(55,637)
Total G	47,710	36,407	11,303	36,934
Total as in E (H=F+G)	76,468	65,826	10,642	67,645

(*) Other liabilities include the following items: deferred tax liabilities, other financial liabilities, current tax liabilities and other liabilities.

PININFARINA GROUP
Net financial debt
 (€'000)

	30.09.2014	31.12.2013	Variation	30.09.2013
Cash and cash equivalents	17,728	18,394	(666)	35,773
Current assets held for trading	30,799	41,952	(11,153)	52,460
Current loans and receivables	-	-	-	-
Loan assets - related parties and joint ventures	0	-	0	-
Current bank overdrafts	-	-	-	(169)
Current finance lease liabilities	(5,827)	(51,992)	46,165	(16,898)
Current portion of bank loans and borrowings	(8,655)	(37,319)	28,664	(15,529)
Net current financial position (debt)	34,045	(28,965)	63,010	55,637
Non-current loans and receivables - third parties	-	-	-	-
Non-current loans and receivables - related parties and joint ventures	1,747	80	1,667	82
Non-current held-to-maturity investments	-	-	-	-
Non-current finance lease liabilities	(48,552)	-	(48,552)	(50,967)
Non-current bank loans and borrowings	(34,950)	(7,522)	(27,428)	(41,686)
Non-current loans and borrowings	(81,755)	(7,442)	(74,313)	(92,571)
NET FINANCIAL DEBT	(47,710)	(36,407)	(11,303)	(36,934)

Cash and cash equivalents include a restricted account of €5,000,000.

Current assets held for trading include restricted assets of €2,405,856.

Following the lending institutions' waiver of their rights arising from the Group's failure to comply with the EBITDA covenant on 2 April 2014, liabilities have been reclassified in line with the due dates provided for by the Rescheduling Agreement.

PININFARINA S.p.A.
Reclassified income statement
 (€'000)

	Nine months ended					
	30.09.2014	%	30.09.2013	%	Variation	2013
Revenue from sales and services	35,685	89.61	27,301	81.85	8,384	38,155
Change in inventories and contract work in progress	1,295	3.25	1,266	3.80	29	3,469
Other revenue and income	2,842	7.14	4,786	14.35	(1,944)	6,423
Internal work capitalised	-	-	-	-	-	-
Value of production	39,822	100.00	33,353	100.00	6,469	48,047
Net gains (losses) on the sale of non-current assets	705	1.77	2	0.01	703	(769)
Materials and services (*)	(19,769)	(49.64)	(19,636)	(58.87)	(133)	(29,153)
Change in raw materials	(563)	(1.41)	(47)	(0.14)	(516)	494
Value added	20,195	50.71	13,672	41.00	6,523	18,619
Labour cost (**)	(17,108)	(42.96)	(17,729)	(53.16)	621	(24,592)
EBITDA	3,087	7.75	(4,057)	(12.16)	7,144	(5,973)
Amortisation and depreciation	(1,898)	(4.77)	(1,929)	(5.78)	31	(2,562)
(Additions to)/utilisation of provisions and impairment losses	30	0.08	956	2.87	(926)	1,257
EBIT	1,219	3.06	(5,030)	(15.07)	6,249	(7,278)
Net financial expense	(2,429)	(6.10)	(3,887)	(11.65)	1,458	(5,109)
Loss before taxes	(1,210)	(3.04)	(8,917)	(26.72)	7,707	(12,387)
Income taxes	124	0.31	(16)	(0.05)	140	463
Loss for the period/year	(1,086)	(2.73)	(8,933)	(26.77)	7,847	(11,924)

(*) **Materials and services** are net of utilisations of the provisions for product warranty and risks (€313 thousand and €57 thousand for the first nine months of 2013 and 2014, respectively).

(**) **Labour cost (**)** is net of utilisations of the restructuring and other provisions (€588 thousand and €1,719 thousand for the nine months ended 30 September 2013 and 2014, respectively).

As required by Consob resolution no. DEM/6064293 of 28 July 2006, a reconciliation of the data in the condensed interim separate financial statements with those in the reclassified schedules is provided below:

- **Materials and services** include raw materials and components, other variable production costs, external variable engineering services, exchange rate gains and losses and other expenses.
- **Amortisation and depreciation** comprise amortisation of intangible assets and depreciation of property, plant and equipment and investment property.
- **(Additions to)/utilisation of provisions and impairment losses** include additions to/utilisation of provisions, impairment losses and inventory write-downs.
- **Net financial expense** comprises net financial expense and dividends.

PININFARINA S.p.A.
Reclassified statement of financial position
 (€'000)

	30.09.2014	31.12.2013	Variation	30.09.2013
Net non-current assets (A)				
Net intangible assets	1,013	1,028	(15)	1,096
Net property, plant and equipment and investment property	52,124	53,457	(1,333)	53,676
Equity investments	21,578	21,578	-	22,848
Total A	74,715	76,063	(1,348)	77,620
Working capital (B)				
Inventories	7,002	6,271	731	3,527
Net trade receivables and other assets	20,706	16,254	4,452	15,286
Trade payables	(11,105)	(14,260)	3,155	(9,434)
Provisions for risks and charges	(893)	(2,698)	1,805	(4,753)
Other liabilities	(4,893)	(3,653)	(1,240)	(3,073)
Total B	10,817	1,914	8,903	1,553
Net invested capital (C=A+B)	85,532	77,977	7,555	79,173
Post-employment benefits (D)	4,657	6,629	(1,972)	6,790
Net capital requirements (E=C-D)	80,875	71,348	9,527	72,383
Equity (F)	31,040	32,121	(1,081)	35,019
Net financial debt (G)				
Non-current loans and borrowings	78,937	4,003	74,934	87,990
Net current financial (position) debt	(29,102)	35,224	(64,326)	(50,626)
Total G	49,835	39,227	10,608	37,364
Total as in E (H=F+G)	80,875	71,348	9,527	72,383

PININFARINA S.p.A.
Net financial debt
 (€'000)

	30.09.2014	31.12.2013	Variation	30.09.2013
Cash and cash equivalents	13,049	12,398	651	31,418
Current assets held for trading	30,799	41,952	(11,153)	51,883
Current loans and receivables	-	-	-	-
Loan assets - related parties and joint ventures	-	-	-	-
Current bank overdrafts	-	-	-	-
Current finance lease liabilities	(5,827)	(51,991)	46,164	(16,898)
Loans and borrowings - related parties and joint ventures	(264)	(264)	-	(248)
Current portion of bank loans and borrowings	(8,655)	(37,319)	28,664	(15,529)
Net current financial position (debt)	29,102	(35,224)	64,326	50,626
Non-current loans and receivables - third parties	-	-	-	-
Non-current loans and receivables - related parties and joint ventures	4,265	3,019	1,246	4,163
Non-current held-to-maturity investments	-	-	-	-
Non-current finance lease liabilities	(48,552)	-	(48,552)	(50,967)
Non-current bank loans and borrowings	(34,650)	(7,022)	(27,628)	(41,186)
Non-current loans and borrowings	(78,937)	(4,003)	(74,934)	(87,990)
NET FINANCIAL DEBT	(49,835)	(39,227)	(10,608)	(37,364)

Cash and cash equivalents include a restricted account of €5,000,000.

Current assets held for trading include restricted assets of €2,405,856.

Following the lending institutions' waiver of their rights arising from the Group's failure to comply with the EBITDA covenant on 2 April 2014, liabilities have been reclassified in line with the due dates provided for by the Rescheduling Agreement.

Related party transactions for the nine months ended 30 September 2014 - Pininfarina Group

The table below, which is presented pursuant to Consob communication no. DEM/6064293 of 28 July 2006, summarises related party transactions, including intragroup transactions. These transactions were carried out at market conditions, consistent with the nature of the goods exchanged or services provided. They were neither atypical nor unusual for the purposes of the above-mentioned communication.

	Commercial		Financial		Operating		Financial	
	Assets	Liabilities	Assets	Liabilities	Revenue	Expense	Income	Expense
Pincar S.r.l.	-	-	1,613,740	-	-	-	46,740	-
Goodmind S.r.l.	-	-	132,849	-	18,000	-	2,849	-
Total	-	-	1,746,589	-	18,000	-	49,589	-

Related party transactions for the nine months ended 30 September 2014 - Pininfarina S.p.A.

	Commercial		Financial		Operating		Financial	
	Assets	Liabilities	Assets	Liabilities	Revenue	Expense	Income	Expense
Pincar S.r.l.	-	-	1,613,740	-	-	-	46,740	-
Pininfarina Extra S.r.l.	83,754	3,342	350,971	263,560	277,499	256,532	1,001,040	-
Goodmind S.r.l.	-	-	-	-	18,000	-	-	-
Pininfarina Deutschland GmbH	-	-	300,493	-	-	-	3,148	-
mpx Entwicklung GmbH Monaco	-	406,504	2,000,000	-	-	2,084,402	23,179	-
Pininfarina Automotive Engineering (Shanghai) Co Ltd	432,456	-	-	-	89,881	121,168	-	-
Total	516,210	409,846	4,265,204	263,560	385,380	2,462,102	1,074,107	-

The financial assets and liabilities with Pininfarina Extra S.r.l. relate to the domestic tax consolidation agreement.

In addition to the above figures, Studio Professionale Pavesio e Associati, related to the director Carlo Pavesio, provided legal assistance to the parent for total fees of €315,744 and Pantheon Italia S.r.l., related to the director Roberto Testore, provided commercial assistance for total fees of €49,970.

Fees to directors, statutory auditors and key management personnel

Fees to the parent's directors and statutory auditors for their respective duties are as follows:

	30.09.2014	30.09.2013
(€'000)		
Directors	458	498
Statutory auditors	75	75
Total	534	573

The total fees to Pininfarina S.p.A.'s key management personnel approximate €1 million for the first nine months of 2014.