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

# PININFARINA GROUP

# Interim Financial Report at June 30, 2013

Pininfarina S.p.A. – Share Capital: 30,166,652 euros, fully paid in. Registered Office: Via Bruno Buozzi 6, Turin

Tax Code and Turin Company Registration No. 00489110015

PININFARINA GROUP

Interim Financial Report at June 30, 2013

Approved by the Board of Directors
on August 2, 2013

## Board of Directors

| | | |
|---|---|---|
| Chairman* | Paolo | Pininfarina |
| Chief Executive Officer | Silvio Pietro | Angori |
| Directors | Gianfranco | Albertini (4) (5) |
| | Edoardo | Garrone (1) (2) (3) |
| | Enrico | Parazzini (3) |
| | Carlo | Pavesio (1) |
| | Roberto | Testore (1) (2) (3) |

(1) Member of the Nominating and Compensation Committee

(2) Member of the Control and Risk Committee

(3) Member of the Committee for Transactions with Related Parties

(4) In charge of financial reporting

(5) Responsible for the Internal Control and Risk Management System

## Board of Statutory Auditors

| | | |
|---|---|---|
| Chairman | Nicola | Treves |
| Standing Statutory Auditors | Giovanni | Rayneri |
| | Mario | Montalcini |
| Alternate Statutory Auditors | Alberto | Bertagnolio Licio |
| | Guido | Giovando |

## Secretary to the Board of Directors

Gianfranco Albertini

## Independent Auditors

KPMG S.p.A.

***Powers**
Pursuant to Article 22 of the Bylaws, the Chairman is the Company's legal representative vis-à-vis third parties and in court proceedings.

# CONTENTS

## Pininfarina Group

## Directors' Report

**Review of Operating and Financial Performance**

The most significant issues that arise from an analysis of the consolidated data for the first half of 2013 are summarized below:

- Compared with the data at June 30, 2012, the value of production was up sharply in the first six months of 2013, thanks mainly to engineering activities carried out in Italy and the significant and the growing contribution provided by the German operations and industrial design activities.

- Both EBITDA and EBIT, improved significantly compared with the previous year, when they reflected the debt restructuring costs incurred earlier in the year.

- Within the Group and compared with the first half of 2012, the Italian automotive operations reported a smaller loss, the profit margins earned by the German subsidiaries were overall in line with the previous year, the profitability of the operations in Morocco and China decreased and the industrial design activities generated gains both in turnover and profitability.

- The Group reported a loss for the period, due in part to an increase in net financial expense, against the important profit earned in the first half of 2012 as a result of the recognition of a significant gain in the income statement generated by the extinguishment of financial liabilities through the debt restructuring transaction, which became effective on May 1, 2012.

- The Group's financial position at June 30, 2013 deteriorated compared with the data at December 31, 2012, as a result of the loss for the period, the impact of working capital and an increase in net financial debt due to its measurement by the amortized cost method, recognized purely for accounting purposes.

More specifically, the value of production totaled 40 million euros in the first half of 2013, with an increase of 21.6% compared with the same period in 2012 (32.9 million euros).

EBITDA were negative by 2.1 million euros but the loss was significantly smaller than the loss of 6.2 million euros reported in the first six months of 2012, which reflected the impact of debt restructuring costs. The operating loss narrowed by about 4.8 million euros, decreasing from 7.7 million euros to 2.9 million euros, due in part to a reduction in provisions for risks, which had become larger than necessary.

In the first half of 2013 the net financial expense was 3.1 million euros, with an increase of 1.6 million euros compared with the net financial expense reported in the corresponding period of the previous year. This worsening is due primarily to a reduction in interest earned on liquid assets (due mainly to lower market rates earned), a smaller increase in the market price of securities measured at fair value and the presence in the first half of 2012 of interest earned on loans that were collected subsequently. The portion of figurative financial expense attributable to the first half of 2013 (which results from the measurement of non-current debt at amortized cost) amounted to 3.2 million euros, up from 2.7 million euros for the corresponding period of the previous year.

The loss before taxes amounted to 6 million euros (profit of 35.6 million euros for the first half of 2012), while the loss for the period (after taxes of 234,000 euros) totaled 6.3 million euros, against a profit of 35.4 million euros for the first six months of 2012.

The net financial debt was 41.8 million euros compared with net financial debt of 30.6 million euros at December 31, 2012 (41.9 million euros at June 30, 2012). Net working capital dynamics account for most of this deterioration of 11.2 million euros.

The equity decreased from 39.8 million euros at December 31, 2012 to 33.4 million euros in the first six months of 2013 (44.9 million euros at June 30, 2012) reflecting the impact of the loss for the period.

The Group's staff increased from 789 employees at June 30, 2012 to 817 employees at the end of the first half of 2013 (by +3.4%).

**Performance by Business Segment**

**Operations segment**

The value of production totaled 4.7 million euros, compared with 6.4 million euros in the first half of 2012 (-26.6%). The data for the Operations Segment include the activities involving the sale of spare parts for cars made in previous years, the income from the lease of a business unit and the costs related to support activities provided by departments of Pininfarina S.p.A., the Group's Parent.

The Segment's operating loss was by 3.9 million euros, with an improvement of 2.7 million euros compared with the 6.6 million euros operating loss for the six months ended June 30, 2012 (+40.9%). A decrease in sales of spare parts and royalties from the production of electric cars was more than offset by a significant reduction in operating expenses (which in 2012 included the debt restructuring costs).

**Service Segment**

The value of production of this Segment, which includes the styling and engineering operations, totaled 35.3 million euros, or 33.2% more than the amount reported for the six months ended June 30, 2012 (26.5 million euros). Engineering services provided by Pininfarina S.p.A. account for most of this increase.

The Sectors' EBIT amounted to 1 million euros positive, against negative EBIT of 1.1 million euros for the first half of 2012.

**Information Required by the Consob Pursuant to Article 114. 5 of Legislative Decree No. 58/98**

1) The net financial debt of the Pininfarina Group, with current and non-current components listed separately, is shown on page 13 of this document.
2) There were no past-due amounts (commercial, financial or related to tax or social security 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 are listed on page 52 of this document.
4) Compliance with the financial covenants in effect for the current reporting year will be verified when the consolidated financial statements at December 31, 2013 are approved. At this point, projections show that the Group will be in compliance with these financial parameters.
5) The implementation of the plan to restructure the indebtedness of Pininfarina S.p.A. is proceeding in accordance with the agreements currently in effect.
6) As for the progress made in implementing the Industrial Plan, nothing has changed compared with the situation described in the Directors' Report on the 2012 annual financial statements.

**Significant Events Occurring After June 30, 2013**

No significant events occurred after June 30, 2013.

**Business Outlook for 2013**

Projections for the consolidated income statement for the 2013 reporting year call for a higher value of production compared with the consolidated amount in 2012 and EBIT that, while still marginally negative, will be significantly improved compared with the previous year.

The net financial debt at the end of 2013 is expected to show a deterioration compared with the end of 2012, due to working capital dynamics and the accumulation of figurative financial expense resulting from the measurement of financial liabilities at amortized cost.

August 2, 2013

Paolo Pininfarina
Chairman
of the Board of Directors

*(Signed on the original)*

## Group Companies

### Pininfarina S.p.A.

Pininfarina S.p.A., the Parent, is active in the automobile industry providing industrial design and engineering services, wind tunnel testing and industrial prototyping.

| in millions of euros | 6/30/13 | 6/30/12 | Change | 12/31/12 |
|---|---|---|---|---|
| Value of production | 23.6 | 17.9 | 5.7 | |
| EBIT | (3.4) | (8.2) | 4.8 | |
| Profit (loss) for the period | (5.9) | 35.8 | (41.7) | |
| Net financial debt | (42.2) | (44.0) | 1.8 | (31.3) |
| Equity | 38.0 | 48.8 | (10.8) | 44.0 |
| Number of employees at end of period/year | 416 | 423 | (7) | 428 |

### Pininfarina Extra Group

The Pininfarina Extra Group operates in the industrial design, architecture, interiors and transportation sectors, excluding the automobile industry.

| in millions of euros | 6/30/13 | 6/30/12 | Change | 12/31/12 |
|---|---|---|---|---|
| Value of production | 2.7 | 2.0 | 0.7 | |
| EBIT | 0.7 | 0.3 | 0.4 | |
| Profit (loss) for the period | 0.5 | 0.2 | 0.3 | |
| Net financial debt | 2.7 | 2.9 | (0.2) | 3.1 |
| Equity | 5.0 | 4.8 | 0.2 | 5.1 |
| Number of employees at end of period/year | 23 | 22 | 1 | 22 |

### Pininfarina Deutschland Group

The Pininfarina Deutschland Group provides engineering services to customers in the automobile, aeronautical and space sectors.

| in millions of euros | 6/30/13 | 6/30/12 | Change | 12/31/12 |
|---|---|---|---|---|
| Value of production | 14.7 | 12.7 | 2.0 | |
| EBIT | 0.1 | 0.2 | (0.1) | |
| Profit (loss) for the period | 0.1 | 0.1 | - | |
| Net financial debt | (1.9) | (2.9) | 1.0 | (2.7) |
| Equity | 18.9 | 18.4 | 0.5 | 18.8 |
| Number of employees at end of period/year | 342 | 307 | 35 | 320 |

**Pininfarina Maroc SAS**

The main activities of Pininfarina Maroc SAS include concept design, feasibility and engineering in the automobile sector.

| in millions of euros | 6/30/13 | 6/30/12 | Change | 12/31/12 |
|---|---|---|---|---|
| Value of production | 0.6 | 0.9 | (0.3) | |
| EBIT | 0.0 | 0.3 | (0.3) | |
| Profit (loss) for the period | 0.0 | 0.2 | (0.2) | |
| Net financial debt | 0.7 | 1.3 | (0.6) | 0.5 |
| Equity | 0.9 | 1.6 | (0.7) | 1.0 |
| Number of employees at end of period/year | 31 | 31 | 0 | 34 |

**Pininfarina Automotive Engineering Shanghai Co Ltd**

Pininfarina Automotive Engineering (Shanghai) Co. Ltd. is active in the areas of styling and prototyping for carmakers in the Chinese market.

| in millions of euros | 6/30/13 | 6/30/12 | Change | 12/31/12 |
|---|---|---|---|---|
| Value of production | 0.2 | - | 0.2 | |
| EBIT | (0.3) | (0.3) | - | |
| Profit (loss) for the period | (0.4) | (0.3) | (0.1) | |
| Net financial debt | (1.0) | (0.2) | (0.8) | (0.2) |
| Deficit | (1.1) | (0.3) | (0.8) | (0.7) |
| Number of employees at end of period/year | 5 | 6 | (1) | 11 |

Insofar as **Pininfarina Sverige A.B.** is concerned, the investment in this company was sold to Volvo Car Corporation on December 27, 2012 and, consequently, it did not provide any contribution to the Group's financial figures in the first half of 2012.

**Matra Automobile Engineering SAS** was deconsolidated as of October 1, 2012. This company has not been operational since 2008, following the completion of the process of selling its operational assets to buyers outside the Group. This subsidiary is still active only for the purpose of handling pending disputes with some former employees and the tax authorities and is waiting to begin a formal liquidation procedure. In the consolidated financial statements of the Pininfarina Group at June 30, 2012, this company, which does not have any employees, reported a loss of 82,000 euros and a net financial position of 0.9 million euros.

## Reclassified Consolidated Income Statement

(amounts in thousands of euros)

| | First half 2013 | % | First half 2012 | % | Change | 2012 |
|---|---|---|---|---|---|---|
| Revenues from Sales and service | 31,297 | 78.25 | 27,614 | 83.95 | 3,683 | 63,779 |
| Changes in inventory and contract work in progress | 4,581 | 11.45 | 1,653 | 5.02 | 2,928 | (799) |
| Other income and revenue | 4,120 | 10.30 | 3,627 | 11.03 | 493 | 7,170 |
| **Value of production** | **39,998** | **100.00** | **32,894** | **100.00** | **7,104** | **70,150** |
| **Net gain (loss) on disposal of non-current assets** | **2** | **0.01** | **(1)** | **(0.00)** | **3** | **3,181** |
| Raw materials and outside services (*) | (16,672) | (41.68) | (17,134) | (52.09) | 463 | (33,045) |
| Change in inventory of raw materials | (58) | (0.15) | 42 | 0.13 | (100) | 42 |
| **Value added** | **23,270** | **58.18** | **15,801** | **48.04** | **7,469** | **40,328** |
| Labor costs (**) | (25,365) | (63.41) | (22,033) | (66.98) | (3,332) | (44,746) |
| **EBITDA** | **(2,095)** | **(5.24)** | **(6,232)** | **(18.94)** | **4,137** | **(4,418)** |
| Depreciation and amortization | (1,745) | (4.36) | (1,665) | (5.06) | (80) | (3,340) |
| (Additions)/Utiliz. of provis. and impairment losses | 922 | 2.30 | 218 | 0.66 | 704 | (323) |
| **EBIT** | **(2,918)** | **(7.30)** | **(7,679)** | **(23.34)** | **4,761** | **(8,082)** |
| Net financial expense | (3,132) | (7.83) | (1,532) | (4.66) | (1,600) | (3,674) |
| Gain on the extinguishment of financial liabilities | - | 0.00 | 44,835 | 136 | (44,835) | 44,835 |
| Share of profit of the equity accounted investees | 5 | 0.01 | - | - | 5 | - |
| **Profit (Loss) before taxes** | **(6,045)** | **(15.11)** | **35,624** | **108.30** | **(41,669)** | **33,079** |
| Income taxes | (234) | (0.59) | (209) | (0.64) | (25) | (135) |
| **Profit (loss) for the period/year** | **(6,279)** | **(15.70)** | **35,415** | **107.66** | **(41,694)** | **32,944** |

(*) **Raw materials and outside services** are shown net of utilizations of the provisions for warranties and the provisions for risks totaling 1,285,000 euros in the first half of 2012 and 277,000 euros in the first half of 2013.
(**) **Labor costs** are shown net of the utilization of the provision for restructuring and other provisions totaling 642,000 euros in the first half of 2012 and 769,000 euros in the first half of 2013.

As required by Consob Resolution No. DEM/6064293 of July 28, 2006, a reconciliation of the data in the Condensed Interim Consolidated Financial Statements to those in the reclassified schedules is provided below:

- **Raw materials and outside services** include Raw materials and components, Other variable production costs, External variable engineering services, Exchange rate gains and losses and Other expenses.
- **Depreciation and amortization** include Depreciation of property, plant and equipment and Amortization of intangible assets.
- **(Additions)/Utilizations of provisions and impariment losses** include (Additions)/Utilizations of provisions and impariment losses and Additions to the allowance for inventory write-down.
- **Net financial expense** includes Net financial income (expense) and dividends.

The data for the first half of 2012 provided for comparative purposes were restated to reflect the impact of the adoption of the amendments to IAS 19 Employee Benefits.

## Reclassified Consolidated Statement of Financial Position

(amounts in thousands of euros)

| | Data at | | | Data at |
|---|---|---|---|---|
| | **6/30/2013** | **12/31/2012** | **Change** | **6/30/2012** |
| **Net non-current assets (A)** | | | | |
| Net intangible assets | 3,066 | 3,211 | (145) | 2,822 |
| Net property, plant and equipment | 63,915 | 64,825 | (910) | 65,280 |
| Equity investments | 361 | 356 | 5 | 29,730 |
| **Total A** | **67,342** | **68,392** | **(1,050)** | **97,832** |
| **Working capital (B)** | | | | |
| Inventories | 7,290 | 2,771 | 4,519 | 5,483 |
| Net trade receivables and other assets | 31,174 | 33,067 | (1,893) | 21,650 |
| Assets held for sale | - | - | - | - |
| Deferred tax assets | 934 | 929 | 5 | 887 |
| Trade payables | (12,054) | (14,259) | 2,205 | (16,623) |
| Provisions for risks and charges | (4,890) | (6,816) | 1,926 | (7,960) |
| Other liabilities (*) | (7,335) | (6,407) | (928) | (6,978) |
| **Total B** | **15,119** | **9,285** | **5,834** | **(3,541)** |
| **Net invested capital (C=A+B)** | **82,461** | **77,677** | **4,784** | **94,292** |
| **Post-employment benefits (D)** | **7,225** | **7,286** | **(61)** | **7,485** |
| **Net capital requirements (E=C-D)** | **75,236** | **70,391** | **4,845** | **86,806** |
| **Equity (F)** | **33,431** | **39,814** | **(6,383)** | **44,900** |
| **Net financial debt (G)** | | | | |
| Non-current loans and borrowings | 90,940 | 90,293 | 647 | 119,650 |
| Current financial position | (49,135) | (59,716) | 10,581 | (77,744) |
| **Total G** | **41,805** | **30,577** | **11,228** | **41,906** |
| **Total as in E (H=F+G)** | **75,236** | **70,391** | **4,845** | **86,806** |

(*) Other liabilities include the following items: Deferred tax liabilities, Other financial liabilities, Provision for current taxes and Sundry liabilities.

## Consolidated Net Financial Position

(amounts in thousands of euros)

| | Data at | | | Data at |
|---|---|---|---|---|
| | **6/30/2013** | **12/31/2012** | **Change** | **6/30/2012** |
| Cash and cash equivalents | 31,768 | 41,501 | (9,733) | 39,821 |
| Current assets held for trading | 52,312 | 50,809 | 1,503 | 43,215 |
| Current loans and receivable | - | - | - | - |
| Loans receivable from associates and joint ventures | - | - | - | - |
| Current bank overdrafts | - | (167) | 167 | (255) |
| Current finance leas liabilities | (16,898) | (16,898) | - | - |
| Non current bank loans and borrowings | (18,047) | (15,529) | (2,518) | (5,037) |
| **Net current financial position** | **49,135** | **59,716** | **(10,581)** | **77,744** |
| Non-current loans and receivables-third parties | - | - | - | - |
| Non-current loans and receivables associates and joint ventures | 51 | 50 | 1 | - |
| Held-to-maturity investments | - | - | - | - |
| Non-current finance lease liabilities | (49,942) | (47,988) | (1,954) | (62,961) |
| Non-current bank loans and borrowings | (41,049) | (42,355) | 1,306 | (56,689) |
| **Net non-current financial debt** | **(90,940)** | **(90,293)** | **(647)** | **(119,650)** |
| **NET FINANCIAL DEBT** | **(41,805)** | **(30,577)** | **(11,228)** | **(41,906)** |

## Consolidated Net Financial Debt

## (CESR/05-04b recommendations – E.U. Regulation No. 809/2004)

(amounts in thousands of euros)

| | | Data at | | | Data at |
|---|---|---|---|---|---|
| | | 6/30/2013 | 12/31/2012 | Change | 6/30/2012 |
| A. | Cash | (31,768) | (41,501) | (9,733) | (39,821) |
| B. | Other cash equivalents | - | - | - | - |
| C. | Securities held for trading | (52,312) | (50,809) | 1,503 | (43,215) |
| ***D.*** | ***Total cash and cash equivalents (A.)+(B.)+(C.)*** | ***(84,080)*** | ***(92,310)*** | ***(8,230)*** | ***(83,036)*** |
| ***E.*** | ***Current loan assets*** | - | - | - | - |
| F. | **Current bank loans and borrowings** | - | **167** | **167** | **255** |
| | *Current portion of secured bank loans* | 7,555 | 5,037 | (2,518) | 5,037 |
| | *Current portion of unsecured bank loans* | 10,492 | 10,492 | - | - |
| G. | **Current portion of non-current loans and borrowings** | **18,047** | **15,529** | (2,518) | **5,037** |
| H. | Other current financial liabilities | 16,898 | 16,898 | - | - |
| ***I.*** | ***Current financial debt (F.)+(G.)+(H.)*** | ***34,945*** | ***32,594*** | ***(2,351)*** | ***5,292*** |
| ***J.*** | ***Net current Financial Debt*** | ***(49,135)*** | ***(59,717)*** | ***(10,582)*** | ***(77,744)*** |
| | *Non-current portion of secured bank loans* | 10,040 | 12,559 | 2,518 | 17,597 |
| | *Non-current portion of unsecured bank loans* | 31,009 | 29,796 | (1,213) | 39,092 |
| **K.** | **Non-current bank loans and borrowings** | **41,049** | **42,355** | 1,306 | **56,689** |
| **L.** | Bonds issued | - | - | - | - |
| **M.** | Other non-current financial liabilities | 49,942 | 47,988 | (1,954) | 62,961 |
| ***N.*** | ***Non-current net financial debt (K.)+(L.)+(M.)*** | ***90,991*** | ***90,343*** | (648) | ***119,650*** |
| **O.** | **Net financial debt (J+N)** | **41,856** | **30,627** | **(11,229)** | **41,906** |

The "Net Financial Debt" schedule provided above is presented in accordance with the format recommended by the Consob in Communication DEM No. 6064293 of July 28, 2006 in accordance with CESR (now ESMA) Recommendation /05-04b. Because the purpose of this schedule is to show "Net Financial Debt," assets are shown with a minus sign and liabilities with a plus sign. In the "Net Financial Debt" schedule provided on page 13, assets are shown with a plus sign and liabilities with a minus sign.
The reason for the difference between the amount of the "Net Financial Debt" on page 13 and that of the "Net Financial Debt" on this page is that the latter does not include non-current loans and receivables. The total amount of those differences at the respective reference dates is shown below:

- At June 30, 2013: 51,000 euros;
- At December 31, 2012: 50,000 euros;
- At June 30, 2012: none.

## Pininfarina Group

## Condensed Interim Consolidated Financial Statements as at and for the six months ended June 30, 2013

## Statement of Financial Position

| | Note | 6/30/2013 | 12/31/2012 |
|---|---|---|---|
| Land and buildings | 1 | 47,604,022 | 48,231,409 |
| Land | | 11,176,667 | 11,176,667 |
| Buildings | | 27,709,582 | 28,157,695 |
| Leased property | | 8,717,773 | 8,897,047 |
| Plant and machinery | 1 | 5,376,251 | 5,499,247 |
| Machinery | | 244,375 | 262,642 |
| Plant | | 5,131,876 | 5,236,605 |
| Leased machinery and equipment | | - | - |
| Furniture, fixtures and other property, plant and equipment | 1 | 1,661,549 | 1,630,303 |
| Furniture and fixtures | | 274,951 | 274,953 |
| Hardware & software | | 965,897 | 924,181 |
| Other property, plant and equipment (including vehicles) | | 420,701 | 431,169 |
| Assets under construction | 1 | - | - |
| **Property, plant and equipment** | | **54,641,822** | **55,360,959** |
| **Investment property** | **2** | **9,273,472** | **9,464,243** |
| Goodwill | 3 | 1,043,495 | 1,043,495 |
| Licenses and trademarks | 3 | 1,840,704 | 1,950,892 |
| Other intangible assets | 3 | 181,365 | 216,870 |
| **Intangible assets** | | **3,065,564** | **3,211,257** |
| Associates | 4 | 58,602 | 54,000 |
| Joint ventures | 4 | 50,000 | 50,000 |
| Other companies | 5 | 252,017 | 252,017 |
| **Equity investments** | | **360,619** | **356,017** |
| **Deferred tax assets** | **18** | **934,159** | **928,815** |
| Held-to-maturity investments | | - | - |
| Loans and receivables: | 6 | 51,042 | 50,313 |
| Third parties | | - | - |
| Associates and joint ventures | | 51,042 | 50,313 |
| Available-for-sale financial assets | | - | - |
| **Non-current financial assets** | | **51,042** | **50,313** |
| **TOTAL NON-CURRENT ASSETS** | | **68,326,678** | **69,371,604** |
| Raw materials | | 101,342 | 159,784 |
| Work in progress | | - | |
| Finished goods | | 259,860 | 424,993 |
| **Inventories** | **8** | **361,202** | **584,777** |
| **Contract work in progress** | **9** | **6,928,974** | **2,185,726** |
| Assets held for trading | 7 | 52,312,260 | 50,809,450 |
| Loans and receivables: | | - | - |
| Third parties | | - | - |
| Associates and joint ventures | | - | - |
| Available-for-sale financial assets | | - | - |
| **Current financial assets** | | **52,312,260** | **50,809,450** |
| **Financial derivatives** | | **-** | **-** |
| Trade receivables from: | 10 | 16,566,805 | 19,259,333 |
| Third parties | | 16,560,755 | 19,259,333 |
| Related parties and joint ventures | | 6,050 | - |
| Other assets | 11 | 14,607,007 | 13,808,017 |
| **Trade receivables and other assets** | | **31,173,812** | **33,067,350** |
| Cash on hand | | 28,721 | 36,302 |
| Short-term bank deposits | | 31,739,517 | 41,465,108 |
| **Cash and cash equivalents** | **12** | **31,768,238** | **41,501,410** |
| **TOTAL CURRENT ASSETS** | | **122,544,486** | **128,148,713** |
| **Non-curret assets held for sale** | | **-** | **-** |
| **TOTAL ASSETS** | | **190,871,164** | **197,520,317** |

## Statement of Financial Position

| | Note | 6/30/2013 | 12/31/2012 |
|---|---|---|---|
| Share capital | 13 | 30.150.694 | 30.150.694 |
| Share premium reserve | | - | - |
| Reserve for treasury shares | 13 | 175.697 | 175.697 |
| Legal reserve | 13 | 6.033.331 | 2.231.389 |
| Translation Reserve | 13 | (21.881) | (2.976) |
| Other reserves | 13 | 2.646.208 | 2.646.208 |
| Retained earnings / (Losses carried-forward) | 13 | 726.502 | (28.330.285) |
| Profit / (Loss) for the period/year | 13 | (6.279.176) | 32.943.762 |
| EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT | | 33.431.375 | 39.814.489 |
| Equity attributable to non-controlling interests | | - | - |
| **TOTAL EQUITY** | | **33.431.375** | **39.814.489** |
| Finance lease liabilities | | 49.941.904 | 47.988.048 |
| Other loans and borrowings | | 41.049.321 | 42.354.625 |
| Third parties | | 41.049.321 | 42.354.625 |
| Associates and joint ventures | | - | - |
| **Non-current loans and borrowings** | **14** | **90.991.225** | **90.342.673** |
| **Deferred tax liabilities** | | **-** | **-** |
| Post-emplyment benefits | | 7.225.217 | 7.286.941 |
| Other | | - | - |
| **Post-emplyment benefits** | **15** | **7.225.217** | **7.286.941** |
| **TOTAL NON-CURRENT LIABILITIES** | | **98.216.442** | **97.629.614** |
| Bank account overdrafts | 12 | - | 166.743 |
| Finance lease liabilities | | 16.898.070 | 16.898.070 |
| Other loans and borrowings: | | 18.047.387 | 15.528.932 |
| Third parties | | 18.047.387 | 15.528.932 |
| **Current loans and borrowings** | **14** | **34.945.457** | **32.593.745** |
| Wages and salaries payable | | 3.119.469 | 1.786.569 |
| Due to social security institutions | | 1.447.572 | 1.648.536 |
| Other financial liabilities | | 1.815.418 | 2.012.197 |
| **Other financial liabilities** | **16** | **6.382.459** | **5.447.302** |
| Third parties | | 11.104.101 | 13.266.794 |
| Associates and joint ventures | | - | - |
| Advances received for contract work in progress | | 949.804 | 992.405 |
| **Trade payables** | **16** | **12.053.905** | **14.259.199** |
| Income taxes | | 205.696 | 31.331 |
| Other taxes | | 389.811 | 444.450 |
| **Current tax liabilities** | | **595.507** | **475.781** |
| **Profit (loss) for the period** | | **-** | **-** |
| Provision for warranties | | 63.351 | 63.578 |
| Provision for restructuring | | 3.895.698 | 4.462.500 |
| Other provisions | | 930.869 | 2.289.495 |
| **Provision for risks and charges** | **17** | **4.889.918** | **6.815.573** |
| **Other liabilities** | | **356.101** | **484.614** |
| **TOTAL CURRENT LIABILITIES** | | **59.223.347** | **60.076.214** |
| **TOTAL LIABILITIES** | | **157.439.789** | **157.705.828** |
| **Liabilities associated with assets held-for-sale** | | **-** | **-** |
| **TOTAL LIABILITIES AND EQUITY** | | **190.871.164** | **197.520.317** |

As allowed by Consob Resolution No. 15519 of July 27, 2006, an ad hoc statement showing related-party transactions has not been prepared as these are already shown in the financial statements schedules of the Pininfarina Group. As for transactions with other related parties, such as Directors and Statutory Auditors, the amount shown for “Other liabilities” includes a liability of 58,484 euros for accrued compensation payable for the period.
The data at December 31, 2012 provided for comparative purposes were restated to reflect the impact of the adoption of the amendments to IAS 19 Employee Benefits and the inclusion among assets of the “Investment property” line item, added for the sake of a better presentation.

## Income Statement

| | Note | First half 2013 | Amt.with related parties | First half 2012 | Amt.with related parties |
|---|---|---|---|---|---|
| Revenue from sales and services | 19 | 31,297,054 | 10,000 | 27,613,925 | 494,505 |
| Increase in Company-produced non-current assets | | - | - | - | - |
| Change in inventories of finished goods and contract work in progress | | 4,581,188 | | 1,652,889 | |
| Change in contract work in progress | | 4,746,785 | | 1,656,557 | |
| Change in inventories of work in progress, semifinished and finished goods | | (165,597) | | (3,668) | |
| Other income and revenue | 20 | 4,119,961 | | 3,626,948 | |
| **Total value of production** | | **39,998,203** | **10,000** | **32,893,762** | **494,505** |
| **Gain on the sale of property, plant and equipment / equity investments** | | **2,479** | **-** | **225** | **-** |
| *Gain on the sale of equity investments* | | - | | - | |
| Raw materials and components | | (2,693,144) | | (5,082,309) | |
| Change in inventories of raw materials | | (58,442) | | 41,730 | |
| Addition to allowance for inventory write-down | | - | | - | |
| **Raw materials and consumables used** | | **(2,751,586)** | **-** | **(5,040,579)** | **-** |
| Consumables | | (533,624) | | (288,339) | |
| External maintenance costs | | (409,662) | | (632,925) | |
| **Other variable production costs** | | **(943,286)** | **-** | **(921,264)** | **-** |
| **External variable engineering services** | | **(6,782,060)** | **-** | **(3,048,544)** | **(6,352)** |
| Production staff, office staff and managers | | (24,609,835) | | (21,336,140) | |
| Independent contractors and temporary workers | | - | | - | |
| Social security contributions and other post-employment benefits | | (754,752) | | (697,588) | |
| **Wages, salaries and employee benefits** | 21 | **(25,364,587)** | **-** | **(22,033,728)** | **-** |
| Depreciation of property, plant and equipment | | (1,384,226) | | (1,372,211) | |
| Amortization of intangibles assets | | (360,703) | | (292,343) | |
| Loss on the sale of property, plant and equipment / equity invest. | | - | | (1,168) | |
| (Additions to), Utilizations of provisions, (impairment losses) | 22 | 921,908 | | 218,139 | |
| **Depreciation, amortization and impairment losses** | | **(823,021)** | **-** | **(1,447,583)** | **-** |
| **Net Exchange rate gains (losses)** | | **21,716** | | **11,147** | |
| **Other expenses** | 23 | **(6,275,040)** | | **(8,093,449)** | |
| **Operating Loss** | | **(2,917,182)** | **10,000** | **(7,680,013)** | **488,153** |
| **Net financial expense** | 24 | **(3,132,198)** | **729** | **(1,531,383)** | **125,590** |
| **Gain on the extinguishment of financial liabilities** | 25 | **-** | **-** | **44,835,434** | **-** |
| **Dividends** | | **-** | **-** | **-** | **-** |
| **Share of profit of equity-accounted investees** | | **4,602** | **-** | **-** | **-** |
| **Profit (loss) before taxes** | | **(6,044,778)** | **10,729** | **35,624,038** | **613,743** |
| **Income taxes for the period** | 18 | **(234,398)** | **-** | **(209,277)** | **-** |
| **Profit (loss) for the period** | | **(6,279,176)** | **10,729** | **35,414,761** | **613,743** |
| **Attributable to** | | | | | |
| - Owners of the parent | | (6,279,176) | | 35,414,761 | |
| - Non-controlling interests | | - | | - | |
| **Basic/diluted earnings (loss) per share** | | | | | |
| - Profit (Loss) for the period | | (6,279,176) | | 35,414,761 | |
| - Number of ordinary shares net | | 30,150,694 | | 30,150,694 | |
| - Basic/diluted earnings (loss) per share | | (0.21) | | 1.17 | |

## Statement of Comprehensive Income

| | First half 2013 | First half 2012 |
|---|---|---|
| **Profit (loss) for the period** | **(6,279,176)** | **35,414,761** |
| **Other comprehensive income (expense)** | | |
| - Gains (losses) from translation of financial statemens of foreign operations - IAS 21 | (18,905) | 8,319 |
| - Actuarial losses on defined benefit plans (IAS19) | (88,807) | (92,593) |
| - Taxes | 3,774 | 12,930 |
| - Other | | |
| **Total other comprehensive income (expense)** | **(103,938)** | **(71,344)** |
| **TOTAL COMPREHENSIVE INCOME (EXPENSE)** | **(6,383,114)** | **35,343,417** |
| - Owners of the parent | **(6,383,114)** | **35,343,417** |
| - Non-controlling interests | - | - |

Pursuant to Consob Resolution No. 15519 of July 27, 2006, the effects of related-party transactions on the income statement of the Pininfarina Group are shown in the schedule provided above and in the “Other Information” section of the Notes.
The data for the first half of 2012 provided for comparative purposes were restated to reflect the impact of the adoption of the amendments to IAS 19 Employee Benefits.

## Statement of Changes in Equity

| | 12/31/2011 | Total Comprehensive Income for the period | Allocation of prior year profit | 6/30/2012 |
|---|---|---|---|---|
| Ordinary shares | 30,150,694 | - | - | 30,150,694 |
| Share premium reserve | - | - | - | - |
| Reserve for treasury shares | 175,697 | - | - | 175,697 |
| Legal reserve | 2,231,389 | - | - | 2,231,389 |
| Translat. Reserve | 2,601,548 | 8,319 | - | 2,609,867 |
| Other reserves | 2,646,208 | - | - | 2,646,208 |
| Losses carried forward | (16,764,106) | (79,663) | (11,484,934) | (28,328,703) |
| Profit for the period | (11,484,934) | 35,414,761 | 11,484,934 | 35,414,761 |
| EQUITY ATTRIBUITABLE TO THE OWNERS OF THE PARENT | 9,556,496 | 35,343,417 | - | 44,899,913 |
| Equity attribuitable to non-controlling interests | - | - | - | - |
| **TOTAL EQUITY** | **9,556,496** | **35,343,417** | **-** | **44,899,913** |

| | 12/31/2012 | Total Comprehensive Income for the period | Allocation of prior year profit | 6/30/2013 |
|---|---|---|---|---|
| Ordinary shares | 30,150,694 | - | - | 30,150,694 |
| Share premium reserve | - | - | - | - |
| Reserve for treasury shares | 175,697 | - | - | 175,697 |
| Legal reserve | 2,231,389 | - | 3,801,942 | 6,033,331 |
| Translat. Reserve | (2,976) | (18,905) | - | (21,881) |
| Other reserves | 2,646,208 | - | - | 2,646,208 |
| Losses carried forward | (28,330,285) | (85,033) | 29,141,820 | 726,502 |
| Loss for the period | 32,943,762 | (6,279,176) | (32,943,762) | (6,279,176) |
| EQUITY ATTRIBUITABLE TO THE OWNERS OF THE PARENT | 39,814,489 | (6,383,114) | - | 33,431,375 |
| Equity attribuitable to non-controlling interests | - | - | - | - |
| **TOTAL EQUITY** | **39,814,489** | **(6,383,114)** | **-** | **33,431,375** |

The data at For the first half of 2012 and at December 31,2012 provided for comparative purposes were restated to reflect the impact of the adoption of the amendments to IAS 19 Employee Benefits.

## Statement of Cash Flows

| | First half 2013 | First half 2012 |
|---|---|---|
| Profit (loss) for the period | (6.279.176) | 35.414.761 |
| *Adjustments* | | |
| - Income taxes | 234.398 | (204.562) |
| - Depreciation of property, plant and equipment | 1.384.226 | 1.372.211 |
| - Amortization of intangible assets | 360.703 | 292.343 |
| - Impairment losses and additions to provisions | (2.154.796) | (2.028.384) |
| - Gains on the sale of non-current assets | (2.479) | - |
| - Financial expense | 3.787.558 | 3.609.174 |
| - Financial income | (657.241) | (3.441.729) |
| - (Dividends) | - | - |
| - Share of profit of equity accounted investees | (4.602) | - |
| - Other adjustments | (2.407) | (44.244.012) |
| ***Total adjustment*** | **2.945.360** | **(44.644.959)** |
| *Changes in working capital* | | |
| - (Increase) / decrease inventories | 253.919 | (2.259) |
| - (Increase) / decrease contract work in progress | (4.743.248) | (1.680.936) |
| - (Increase) / decrease trade receivables and other assets | 1.947.851 | 722.129 |
| - (Increase) / decrease receivables from associates and joint ventures | (6.050) | - |
| - Increase / (decrease) trade payables and other liabilities | (1.356.050) | 3.865.366 |
| - increase / (decrease) payables to associates and joint ventures | - | (11.147) |
| - Other changes | (158.840) | (1.021.195) |
| ***Total changes in working capital*** | **(4.062.418)** | **1.871.958** |
| **Cash flow from operating activities** | **(7.396.234)** | **(7.358.240)** |
| - (Financial expense) | (346.693) | (508.391) |
| - (Income taxes) | - | (148.938) |
| **NET CASH FLOWS USED IN OPERATING ACTIVITIES** | **(7.742.927)** | **(8.015.569)** |
| - Purchases of property, plant and equipment/equity investments | (686.860) | (530.145) |
| - Proceeds from the sale of property, plant and equipment/investments | 2.789 | 3.562 |
| - Repayment of loans and receivables-third parties | - | 11.292.276 |
| - Repayment of loans and receivables-associates and joint ventures | - | 9.077.679 |
| - Interests income | 385.061 | 2.409.660 |
| - Dividends received | - | - |
| - Other changes | (1.524.492) | 3.083.516 |
| **NET CASH FLOWS USED IN INVESTING ACTIVITIES** | **(1.823.502)** | **25.336.548** |
| - Proceeds from the issuance of shares | - | - |
| - Repayment of finance lease liabilities and other loans and borrowings from third parties | - | (68.434.029) |
| - Dividends paid | - | - |
| - Other non-cash items | - | 17.920.338 |
| **NET CASH FLOWS USED IN FINANCING ACTIVITIES** | **-** | **(50.513.691)** |
| **TOTAL CASH FLOWS** | **(9.566.429)** | **(33.192.712)** |
| - Net cash and cash equivalents at beginning of the period | 41.334.667 | 72.758.660 |
| **Net cash and cash equivalents at end of the period** | **31.768.238** | **39.565.948** |
| *Including:* | | |
| - Cash and cash equivalents | 31.768.238 | 39.821.124 |
| - Bank account overdrafts | - | (255.176) |

Pursuant to Consob Resolution No. 15519 of July 27, 2006, the impact of transactions with related parties on the Pininfarina Group, which reflects exclusively transactions with the Pininfarina Sverige AB joint venture and the Goodmind Srl associate, are discussed in Notes 4, 10 and 16 (a) to the Condensed Interim Consolidated Financial Statements of the Pininfarina Group.
The data for the first half of 2012 provided for comparative purposes were restated to reflect the impact of the adoption of the amendments to IAS 19 Employee Benefits.

## Income Statement for the Second Quarter

| | Second Quarter 2013 | Second Quarter 2012 |
|---|---|---|
| Revenue from sales and services | 15,309,334 | 13,087,937 |
| Increase in Company-produced non-current assets | - | - |
| Change in inventories of finished goods and contract work in progress | 2,589,463 | 2,241,625 |
| Change in contract work in progress | 2,758,561 | 2,283,163 |
| Change in inventories of work in progress, semifinished and finished goods | (169,098) | (41,538) |
| Other income and revenue | 2,420,374 | 1,817,974 |
| **Total value of production** | **20,319,171** | **17,147,536** |
| **Gain on the sale of property, plant and equipment / equity investments** | **2,479** | **225** |
| *Gain on the sale of equity investments* | - | - |
| Raw materials and components | (1,355,892) | (3,299,583) |
| Change in inventories of raw materials | (5,957) | (48,157) |
| Addition to allowance for inventory write-down | - | - |
| **Raw materials and consumables used** | **(1,361,849)** | **(3,347,740)** |
| Consumables | (335,337) | (107,516) |
| External maintenance costs | (254,552) | (265,784) |
| **Other variable production costs** | **(589,889)** | **(373,301)** |
| **External variable engineering services** | **(3,196,059)** | **(1,079,606)** |
| Production staff, office staff and managers | (12,523,146) | (10,701,057) |
| Independent contractors and temporary workers | - | - |
| Social security contributions and other post-employment benefits | (393,234) | (292,890) |
| **Wages, salaries and employee benefits** | **(12,916,380)** | **(10,993,947)** |
| Depreciation of property, plant and equipment | (693,900) | (686,496) |
| Amortization of intangible assets | (179,605) | (153,816) |
| Loss the sale of property, plant and equipment / equity invest. | - | (1,168) |
| (Additions to), Utilizations of provisions, (Impairment losses) | 1,007,760 | 170,885 |
| **Depreciation, amortization and impairment losses** | **134,255** | **(670,595)** |
| **Net exchange rate gains (losses)** | **(9,306)** | **30,626** |
| **Other expenses** | **(3,462,919)** | **(4,772,107)** |
| **Operating loss** | **(1,080,497)** | **(4,058,909)** |
| **Net financial expense** | **(1,690,623)** | **(2,227,861)** |
| **Gain on the extinguishment of financial liabilities** | **-** | **44,835,434** |
| **Dividends** | **-** | **-** |
| **Share of profit of equity-accounted investees** | **7,722** | **-** |
| **Profit (Loss) before taxes** | **(2,763,398)** | **38,548,664** |
| **Income taxes for the period** | **(66,323)** | **(66,634)** |
| **Profit (Loss) for the period** | **(2,829,721)** | **38,482,030** |

The data for the second quarter of 2012 provided for comparative purposes were restated to reflect the impact of the adoption of the amendments to IAS 19 Employee Benefits.

## Statement of Comprehensive Income for the Second Quarter

| | Second Quarter 2013 | Second Quarter 2012 |
|---|---|---|
| **Profit (Loss) for the period** | **(2,829,721)** | **38,482,030** |
| **Other comprehensive income (expense)** | | |
| - Gains (Losses) from translation of financial statemens of foreign operations - IAS 21 | 2,513 | 29,949 |
| - Actuarial losses on defined benefit plans (IAS19) | (88,807) | (92,593) |
| - Taxes | 3,774 | 12,930 |
| - Other | - | - |
| **Total other comprehensive expense** | **(82,520)** | **(49,714)** |
| **TOTAL COMPREHENSIVE INCOME (EXPENSE)** | **(2,912,241)** | **38,432,317** |
| - Owners of th parent | **(2,912,241)** | **38,432,317** |
| - Non-controlling interests | - | - |

The data for the second quarter of 2012 provided for comparative purposes were restated to reflect the impact of the adoption of the amendments to IAS 19 Employee Benefits.

# Notes to the Condensed Interim Consolidated Financial Statements

## GENERAL INFORMATION

### Foreword

The core business of the Pininfarina Group (hereinafter the "Group") is based on the establishment of comprehensive collaborative relationships with carmakers. Operating as a global partner, its highly flexible approach enables it to work with customers through the entire process of developing new products—design, planning, development, industrialization and manufacturing—or to provide support separately during any one of these phases with the utmost flexibility.

Pininfarina S.p.A., the Group's Parent, is listed on Borsa Italiana. Its headquarters are located at via Bruno Buozzi 6, in Turin. Market investors own 22.66% of its share capital, with the remaining 77.34% held by the following shareholders:

- Pincar S.r.l. 76.06%. The shares held by Pincar S.r.l. are encumbered by a senior pledge, without voting rights, for the benefit of the Lender Institutions of Pininfarina S.p.A.
- Segi S.r.l., parent of Pincar S.r.l., 0.60%.
- Seglap S.s. 0.63%.
- Treasury shares held by Pininfarina S.p.A. 0.05%.

A list of the group companies, with their complete name and address, is provided later in this Report.

The Condensed Interim Consolidated Financial Statements are presented in euros, the functional and presentation currency of the Parent, which is where most of the activities and consolidated revenue are concentrated, and its main subsidiaries.

All amounts are presented in euros, unless otherwise stated.

The Condensed Interim Consolidated Financial Statements at June 30, 2013 of the Pininfarina Group were approved by the Board of Directors on August 2, 2013 and published on the same date.

The Condensed Interim Consolidated Financial Statements were reviewed by KPMG S.p.A..

### Basis of presentation

In accordance with IAS 1 – Presentation of Financial Statements, the financial statements schedules used in the Condensed Interim Consolidated Financial Statements are the same as those of Pininfarina S.p.A., the Parent. They include the following:

- Statement of Financial Position, in which current and non-currents assets and liabilities are classified separately;
- Income Statement and Statement Of Comprehensive Income, shown as two separate schedules in which costs are classified by type;
- Statement of Cash Flows, presented in accordance with the indirect method, as allowed by IAS 7 – Statement of Cash Flows;
- Statement of Changes in Equity.

As allowed by IAS 34 – Interim Financial Reporting, the notes to the Condensed Interim Consolidated Financial Statements are presented in a condensed format and do not include all the information required for the annual financial statements, since they cover only those components that, because of their amount, composition or change, are deemed essential to understand the Group's financial performance, financial position and cash flow. Consequently, this Interim Financial Report should be read in conjunction with the 2012 annual consolidated financial statements.

Moreover, as required by Consob Resolution No. 15519 of July 28, 2006, the Group presents the following information in separate schedules:

- The effects of non-recurring events or transactions ie, those transactions or events that are not repeated frequently in the normal course of business.

- The net financial debt, with a breakdown of the main components and a listing of amounts payable to or receivable from related parties, is provided on page 13, in the Directors' Report.

- Related-party transactions are not presented in separate schedules because they are listed as separate items on the statement of financial position, shown on pages 16 and 17, and are included in separate columns added to the income statement on page 18.

**Basis of preparation**

These Condensed Interim Consolidated Financial Statements were prepared based on the going concern assumption, which the Board of Directors deemed appropriate.

These Condensed Interim Consolidated Financial Statements at June 30, 2013 were prepared in accordance with the International Financial Reporting Standards ("IFRSs"), as issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union, and are consistent with the regulations enacted to implement Article 9 of Legislative Decree No. 38/2005.
The designation IFRSs includes the International Financial Reporting Standards, the International Accounting Standards ("IAS") and all of the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously called the Standing Interpretation Committee ("SIC"), adopted by the European Commission as of the date of meeting of the Board of Directors convened to approve the draft financial statements and listed in the applicable regulations published by the European Union as of the abovementioned date.

These Condensed Interim Consolidated Financial Statements were prepared in accordance with the general principle of the historical cost, except for those items that, pursuant to the IFRSs, must be measured at fair value, as explained below in the "Accounting policies" section of this Report.

The accounting policies applied to prepare these Condensed Interim Consolidated Financial Statements at June 30, 2013, presented in accordance with IAS 34, are the same as those used in the annual financial statements at December 31, 2012, except as noted in the "Change in Accounting Policies" section of these Notes.

As part of the process of preparing these interim financial statements, management was required to make estimates and assumptions, based on the information available as of the date of this Report, which have an impact on the reported amounts of revenues, expenses, assets and liabilities. Should actual circumstances prove to be different from those upon which the estimates and assumptions are based, the accounting effects of the resulting revisions will be recognized in the reporting period when the actual circumstances occur.

Moreover, as a rule, non-current assets are fully tested for impairment only in connection with the preparation of the annual financial statements, unless there are strong impairment indicators.

Actuarial valuations of post-employment benefits are performed in connection with the preparation of the Interim and annual financial statements.

**Change in Accounting Policies**

Starting with the 2013, the Group has adopted IAS 19 Revised (published in the *Official Gazette of the Italian Republic* on June 6, 2012).
The amended version of IAS 19 – Employee Benefits eliminates the option of deferring the recognition of actuarial gains and losses with the "corridor" approach (which the Group stopped applying in 2012), requiring instead that the entire deficit or surplus be presented in the statement of financial position. The amended standard also requires the separate recognition in the income statement of the cost components tied to employee service and net financial expenses, as well as the recognition among Other comprehensive income of any actuarial gains and losses resulting from the annual remeasuring of assets and liabilities. The return on assets, which is included in the computation of net financial expense, must be determined based on the discount rate applied to the liabilities and no longer on their expected rate of return. Lastly, the amendment introduces new disclosures that must be provided in the notes to the financial statements. In this regard, please note that, in accordance with the revised version of IAS 19, as endorsed by the European Commission, in order to provide reliable and more relevant information, the abovementioned components must be reflected directly in "Retained earnings/(Losses carried forward)" included in equity and recognized immediately in the Statement of comprehensive income. As required by IAS 8, the corresponding figures for the first half of 2012 and the full 2012 reporting year were restated to make them comparable with those for the first half of 2013.
The table below shows the effect of the adoption of the amendment on line items in the 2012 financial statements, which consist of removing actuarial gains and losses form "Wages, salaries and employee benefits" and reclassifying them to "Other comprehensive income."

The table also shows the corresponding tax effect.

| | 2012 | First half 2012 |
|---|---|---|
| **Income Statement** | | |
| Wages, salaries and employee benefits | 95,129 | 92,593 |
| Income taxes | (13,884) | (12,930) |
| **Net profit for the period** | 81,245 | 79,663 |
| **Statement of Comprehensive Income** | | |
| Actuarial losses on defined benefit plans (IAS19) | (95,129) | (92,593) |
| Taxes | 13,884 | 12,930 |
| **Total comprehensive expense** | (81,245) | (79,663) |
| **TOTAL COMPREHENSIVE INCOME** | - | - |

In addition, as required by IAS 40 – Investment Property and for the sake of a better presentation, in the statement of financial position, the buildings owned by the Pininfarina Deutschland GmbH subsidiary in Renningen were reclassified from "Land and buildings" to "Investment property."

Lastly, starting in 2013, the Group adopted the following standards, amendments and interpretations, which had no material impact on the Pininfarina Group:

- IFRS 13 – Fair Value Measurement
- IFRS 7 Amendment – Financial Instruments: Disclosures

## ACCOUNTING POLICIES

### Condensed Interim Consolidated Financial Statements

The Condensed Interim Consolidated Financial Statements include the financial statements of all subsidiaries, from the date the Group acquires their control until the moment when control ceases to exist. Joint ventures and associates are measured using the equity method, in accordance with Paragraph 38 of IAS 31 – Interests in Joint Ventures and Paragraph 11 of IAS 28 – Investments in Associates, respectively.
Expenses, revenues, receivables, payables, gains and losses generated by transactions between Group companies are eliminated in the consolidation process.
When necessary, the accounting policies of subsidiaries, associates and joint ventures are amended to make them consistent with those of the Parent.

### (a) Subsidiaries, Business Combinations

A list of the companies consolidated line by line is provided below:

| Name | Registered office | % interest held directly or indirectly | Held by | Currency | Quote capital |
|---|---|---|---|---|---|
| Pininfarina Extra Srl | Via Bruno Buozzi 6, Torino, Italy | 100% | Pininfarina SpA | Euro | 388,000 |
| Pininfarina of America Corp. | 1101 Brickell Ave - South Tower - 8th Floor - Miami FL USA | 100% | Pininfarina Extra Srl | USD | 10,000 |
| Pininfarina Deutschland Gmbh | Riedwiesenstr. 1, Leonberg,Germany | 100% | Pininfarina SpA | Euro | 3,100,000 |
| Mpx Entwicklung Gmbh | Frankfurter Ring 17, Monaco, Germany | 100% | Pininfarina Deutschland Gmbh | Euro | 25,000 |
| Mpx Entwicklung Gmbh | Riedwiesenstr. 1, Leonberg, Germany | 100% | Pininfarina Deutschland Gmbh | Euro | 26,000 |
| Pininfarina Maroc Sas | Casablanca 57, Bd Abdelmoumen, Résidence El Hadi, Immeuble | 100% | Pininfarina SpA (99,9%) Pininfarina Extra Srl (0,1%) | MAD | 8,000,000 |
| Pininfarina Automotive Engineering (Shanghai) Co Ltd | Room 806, No. 888 Moyu (S) Rd. Anting Town, 201805, Jiading district, Shanghai, China | 100% | Pininfarina SpA | CNY | 3,702,824 |

Subsidiaries close their interim financial statements on the same interim-period date as Pininfarina S.p.A., the Parent.

Please note that the scope of consolidation changed compared with the first half of 2012, due to the deconsolidation of the Matra Automobiles Engineering SAS subsidiary as of October 1, 2012.

In February 2013, the interest held by Matra Automobiles Engineering SAS in the Pininfarina Maroc SAS subsidiary (equal to 0.1% of its share capital) was sold to Pininfarina Extra Srl.

### (b) Acquisition/Disposal of Ownership Interests Subsequent to the Acquisition of Control

Acquisition and disposal of ownership interests subsequent to the acquisition of control that do not result in a loss of control are accounted for as transactions between owners.

In the case of purchases, the difference between the price paid and the pro rata interest in the carrying amount of the acquired net assets is recognized in equity. In the case of a sale, then gain or loss is also recognized directly in equity.

If the Group loses control or significant influence, the remaining non-controlling interest is remeasured at fair value and any positive or negative difference between carrying amount and fair value is recognized in profit or loss.

**(c) Associates and Joint Ventures**

The tables below list the Group's associates:

| Name | Registered office | % interest held directly or indirectly | Held by | Currency | Quote capital |
|---|---|---|---|---|---|
| Goodmind Srl | Via Nazionale 30, Cambiano, Italy | 20% | Pininfarina Extra Srl | Euro | 20,000 |

and joint ventures:

| Name | Registered office | % interest held directly or indirectly | Held by | Currency | Quote capital |
|---|---|---|---|---|---|
| Pininfarina Recchi Buildingdesign Srl | Via Montevecchio 28, Torino, Italy | 50% | Pininfarina Extra Srl | Euro | 100,000 |

On April 30, 2013, the Shareholders resolved to dissolve this joint venture and the corresponding resolution was entered into the Company Register on June 26, 2013. Compared with the first half of 2012, the scope of consolidation changed due to the deconsolidation of the Pininfarina Sverige AB joint venture, as the interest held by the Group's Parent Company was sold to Volvo Car Corporation on December 27, 2012.

**(d) *Other Companies***

Investments in other companies that constitute available-for-sale financial assets are measured at fair value, if available, and any resulting gains or losses are recognized in equity until the investments are sold. At that point, accumulated gains or losses previously recognized in equity are reflected in the income statement for the period.

If the investments are in companies that are not listed on a regulated market and their fair value cannot be reliably determined, they are valued at cost, adjusted for any non-reversible impairment losses.

**Translation of Items Denominated in Foreign Currencies**

**(a) Presentation Currency, Translation of Financial Statements Denominated in Currencies Other Than the Euro**

The Group's presentation currency is the euro.

The table below lists the exchange rates used to translate financial statements denominated in functional currencies different from the presentation currency:

| Euro vs currency: | 6/30/2013 | 2013 | 6/30/2012 | 2012 |
|---|---|---|---|---|
| - U.S. dollar - USD | 1.31 | 1.31 | 1.26 | 1.30 |
| - Swedish kronor - SEK | - | - | 8.77 | 8.87 |
| - Moroccan dirham - MAD | 11.15 | 11.14 | 11.07 | 11.11 |
| - Renminbi (Yuan) - CNY | 8.03 | 8.13 | 8.00 | 8.20 |

## (b) Assets, Liabilities and Transactions in Currencies Other Than the Euro

Transactions executed in currencies other than the euro are recognized initially at the exchange rate in force on the date of the transaction.

At the reporting date, cash assets and liabilities denominated in foreign currencies are converted into euros at the exchange rate in force on that date. All translation differences are recognized in profit or loss, except for differences stemming from loans in foreign currencies that hedge investments in foreign subsidiaries. Any such differences, and the corresponding tax consequences, are recognized directly in equity until the equity investment is sold. It is only at that point that the accumulated translation differences are recognized in profit or loss.

Non-monetary items that are carried at historical cost are translated into euros at the exchange rate in force when the underlying transaction was first recognized. Non-monetary items that are carried at fair value are translated into euros at the exchange rate in force on the date when each item's fair value was determined.

No company of the Pininfarina Group operates in a hyperinflationary economy.

## TYPES OF FINANCIAL INSTRUMENTS AND FAIR VALUE HIERARCHY

The financial instruments held by the Group include the following:

- Cash and cash equivalents.
- Financial assets held for trading.
- Medium- and long-term loans payable and liabilities under finance leases.
- Trade receivables and payables and receivables owed by related parties and joint ventures.

Financial assets held for trading consist mainly of government securities, bonds and other financial assets, mostly traded in regulated markets, with a low risk profile, held because they are readily salable and provide principal protection.
The Group did not signed financial derivative contracts, either for speculative purposes or to hedge cash flows or changes in fair value.

As required by IFRS 7, the schedule below lists the types of financial instruments included in the Condensed Interim Consolidated Financial Statements and shows the measurement criteria adopted:

| | Financial instruments measured at fair value with fv difference recognized in: | | Fair value hierarchy | Financial instruments at amortized cost | Investments in unlisted companies measured at cost | Carrying amount at 6/30/13 | Carrying amount at 12/31/12 |
|---|---|---|---|---|---|---|---|
| | Income statement | Equity | | | | | |
| **Assets** | | | | | | | |
| Investments in other companies | - | - | | | 252,017 | 252,017 | 252,017 |
| Loans and receivables | - | - | | 51,042 | - | 51,042 | 50,313 |
| Assets held for trading | 52,312,260 | - | Level 1 | - | - | 52,312,260 | 50,809,450 |
| Trade receivables and other assets | - | - | | 31,173,812 | - | 31,173,812 | 33,067,351 |
| Cash and cash equivalents | - | - | | 31,768,238 | - | 31,768,238 | 41,501,410 |
| **Liabilities** | | | | | | | |
| Finance lease liabilities | - | - | | 66,839,974 | - | 66,839,974 | 64,886,118 |
| Other loans and borrowings | - | - | | 59,096,708 | - | 59,096,708 | 58,050,300 |
| Trade payables and Other liabilities | - | - | | 14,225,422 | - | 14,225,422 | 16,756,010 |

Pursuant to IFRS 7 – Financial Instruments: Disclosures, the classification of financial instruments measured at fair value must be based on the quality of the input sources used for valuation purposes. The IFRS 7 classification is based on the following fair value hierarchy:

- Level 1: Fair value is determined based on prices quoted in an active market for identical assets or liabilities. This category includes financial assets held for trading category, which are government securities and high-rating bonds.
- Level 2: Fair value is determined based on inputs that, while different from the quoted prices used in Level 1, can be observed either directly or indirectly. No financial instruments of this type are currently shown in the financial statements.
- Level 3: Fair value is determined based on valuation models the input of which is not based on observable market data. No financial instruments of this type are currently shown in the financial statements.

## FINANCIAL RISK MANAGEMENT

Financial risk factors, as identified in IFRS 7 – Financial Instruments: Disclosures, are described below:

- Market risk: The risk that the fair value or the future cash flows of a financial instrument could fluctuate as a result of changes in market prices. The market risk includes the following other types of risk: currency risk, interest rate risk and price risk.
- Currency risk: The risk that the fair value or the future cash flows of a financial instrument could fluctuate as a result of changes in foreign exchange rates.
- Interest rate risk: The risk that the fair value or the future cash flows of a financial instrument could fluctuate as a result of changes in market interest rates.
- Price risk: The risk that the fair value or the future cash flows of a financial instrument could fluctuate as a result of changes in market prices (other than changes determined by the interest rate risk or the currency risk), irrespective as to whether such fluctuation are determined by factors specific to the financial instrument or its issuer or by factors that affect all similar market-traded financial instruments.
- Credit risk: The risk that one of the parties causes the other party to incur a financial loss by failing to fulfill an obligation.
- Liquidity risk: The risk that an entity may be unable to fulfill obligations associated with financial liabilities.

### (a) Currency Risk

The Group signed most of its financial instruments in euros, which is its functional and presentation currency. Because it operates in an international environment, it has a limited exposure to fluctuations in the exchange rates of the following currencies versus the euro: U.S. dollar (USD), Moroccan dirham (MAD) and Chinese yuan (CNY).

### (b) Interest Rate Risk

The Rescheduling Agreement signed by Pininfarina S.p.A. with the Lender Institutions (BRE, Intesa Sanpaolo, BNL, Italease, Unicredit, BP, MPS, UBI Leasing, Leasint, MPS Leasing, Selmabipiemme, Unicredit Leasing, BNP Lease and Release), effective from May 1, 2012 to December 31, 2018, defined a fixed contractual interest rate of 0.25% per annum, based on a year of 360 days, applicable to the rescheduled facilities, leases and operating lines over the entire duration of the Agreement.
As a result, the Group is only marginally exposed to the interest rate risk in connection with a loan from Banca Nazionale del Lavoro (formerly Fortis Bank), which is not included in the abovementioned Rescheduling Agreement and accrues interest at the six-month Euribor, plus a spread of 0.9%, on the remaining balance of 17.1 million euros at June 30, 2013, and a loan provided by Volksbank Region Leonberg to Pininfarina Deutschland GmbH, which accrues interest at the three-month Euribor plus a spread of 0.55% on the remaining balance of 0.5 million euros.
Interest on the short-term operating lines is computed at a fixed rate ranging between 5.26% and 6.75%, with regular accrual and payment due at the end of each utilization period.

The table below shows a fixed-rate and variable rate breakdown of the Group's indebtedness at June 30, 2013:

| | 6/30/2013 | % | 12/31/2012 | % |
|---|---|---|---|---|
| - Fixed interest rate | 108,340,966 | 86% | 105,173,960 | 86% |
| - Variable interest rate | 17,595,716 | 14% | 17,762,458 | 14% |
| **Gross Financial Debt** | **125,936,682** | **100%** | **122,936,418** | **100%** |

Due to the new structure of the interest rates on medium/long-term facilities, borrowings at variable rates represent 14% of total indebtedness. Consequently, a sensitivity analysis was not performed.

**(c) Price Risk**

Because the Group exited the manufacturing sector and primarily operates within the Eurozone, its exposure to the risk of fluctuations in commodity prices is currently not material.

Current assets held for trading, which totaled 52.3 million euros at June 30, 2013, are measured at fair value. Because they consist mainly of government securities, bonds and other financial assets held because they are readily salable and provide principal protection, most of which are traded in regulated market, the price risk presented by these assets is deemed to be limited.

A breakdown of these assets by type is provided below:

| | 6/30/2013 | % | 12/31/2012 | % |
|---|---|---|---|---|
| Italian Treasury securities | 21,732,945 | *41.54* | 21,274,936 | *41.87* |
| Foreign Treasury and government-guaranteed securities | 4,710,805 | *9.01* | 5,552,846 | *10.93* |
| Supranational securities | 8,155,458 | *15.59* | 9,439,790 | *18.58* |
| Bank and insurance debt securities | 7,554,834 | *14.44* | 5,789,942 | *11.40* |
| Other bonds | 6,114,657 | *11.69* | 4,711,597 | *9.27* |
| Bond Funds | 4,043,561 | *7.73* | 4,040,339 | *7.95* |
| **Current assets held for trading** | **52,312,260** | *100.00* | **50,809,450** | *100.00* |

**(d) Credit Risk**

Styling and engineering contracts, which are the Group's primary revenue source, are agreed with highly rated customers located both inside and outside the European Union. For customers outside the E.U., in order to minimize the credit risk, the Group seek to align both progress billings and their collection with the project completion progress. There are no significant concentrations of receivables with individual customers.

The Group did not carry out transactions involving the derecognition of financial assets, such as assignments of trade receivables without recourse to factoring companies.
Financial transactions are carried out exclusively with financial institutions the reliability of which is beyond question.

**(e) Liquidity Risk**

Please note that the Rescheduling Agreement, in effect from May 1, 2012 to December 31, 2018, basically had the following effects:

- It rescheduled long-term facilities and finance leases totaling 182.5 million euros, as well as operating lines amounting to 18 million euros to 2018.

- It resulted in the adoption of a fixed interest rate of 0.25% per annum, based on a year of 360 days, for long-term facilities, finance leases and rescheduled operating lines.

- It established mandatory and voluntary early repayments upon the occurrence of specific events, including the sale of certain assets and the generation of cash flow in excess of the level projected in the 2011-2018 Industrial Plan.

The cash flows of the abovementioned Agreement were determined based on the information provided in the 2011-2018 Industrial Plan, prepared by the Board of Directors with the support of Roland Berger and approved on April 20, 2012. Consequently, over the medium/long term, the liquidity risk is directly correlated with the achievement of the objectives of the abovementioned Industrial Plan.

The table below provides a breakdown by maturity of the Group's indebtedness. The maturity bonds were determined based on the length of time between the reference date of the financial statements and the contractual maturity:

| | Carrying amount 6/30/13 | Contractual cash flows | Amount due 1 year | Amount due from 1 to 5 years | Amount due after 5 years |
|---|---|---|---|---|---|
| Short-term credit lines and bank account overdrafts | - | - | - | - | - |
| Short-term facilities | 42,000,992 | 52,080,068 | 10,492,023 | 41,588,045 | - |
| Financial lease liabilities | 66,839,974 | 83,072,966 | 16,898,070 | 66,174,896 | - |
| BNL SpA (former Fortis Bank) | 17,095,716 | 17,095,716 | 7,555,364 | 9,540,352 | - |
| **Leasing and facilities** | **125,936,682** | **152,248,750** | **34,945,457** | **117,303,293** | **-** |

The Group holds unrestricted net liquid assets and assets held for trading totaling 84.1 million euros, including 2.3 million euros held in escrow, as explained in Note 7 below. Consequently, there appears to be no exposure to the liquidity risk over the medium term.

**(f) Risk of Default and Debt Covenants**

This risk refers to the possibility that, in addition to the Rescheduling Agreement, effective as of May 1, 2012, the leases and loan agreements executed by the Group could contain provisions pursuant to which, upon the occurrence of certain events, the counterparties may demand the immediate repayment of the loaned amounts, thereby creating a liquidity risk.

The Rescheduling Agreement, effective as of May 1, 2012, introduced the following financial parameters:

| | 12/31/12 | 12/31/13 | 12/31/14 | 12/31/15 | 12/31/16 | 12/31/17 | 12/31/18 |
|---|---|---|---|---|---|---|---|
| Net financial Debt < than | 74,100,000 | 55,050,000 | 57,400,000 | 51,500,000 | 41,950,000 | 24,250,000 | 30,900,000 |
| EBITDA > than | n.a. | 1,250,000 | 4,750,000 | 7,200,000 | 9,550,000 | 5,300,000 | 6,650,000 |

These parameters are verified on each Verification Date, based on the most recent annual consolidated financial statements. At December 31, 2012, the Group was in compliance with the stipulated parameters.

## SEGMENT REPORTING

Within the Styling and Engineering segment, each styling or engineering contract signed with a customer represents an "operating segment," as defined above, consistent with Paragraphs from 5 to 10 of IFRS 8 – Operating Segments. In the Operations area, the operating segments coincide with a series of activities involving mainly the supply of spare parts for cars made in previous years by Pininfarina S.p.A., the leasing of certain business operations for the production of electric cars manufactured for the car sharing service of the City of Paris and support functions.
Financial income and expense and income taxes are not allocated to the reporting sectors because the relevant decisions are made by management on an aggregate segment basis. Intra-segment transactions are executed on standard market terms. In accordance with Paragraph 4 of IFRS 8, the Group presents segment information only for its consolidated financial statements.

The business segments in which the Group operates are not affected by seasonal factors.

The schedule that follows shows the Group's segment information at June 30, 2013 and provides a comparison with the same period last year. The amounts are in thousands of euros.

| | First half 2013 | | | First half 2012 | | |
|---|---|---|---|---|---|---|
| | Operations | Styling & Engineering | Total | Operations | Styling & Engineering | Total |
| | A | B | A + B | A | B | A + B |
| Segment value of production | 4,823 | 36,952 | 41,775 | 6,738 | 26,847 | 33,585 |
| (Value of production from transactions with other operating segments) | (152) | (1,625) | (1,777) | (303) | (388) | (691) |
| **Total value of production** | **4,671** | **35,327** | **39,998** | **6,435** | **26,459** | **32,894** |
| **Operating profit (loss)** | **(3,884)** | **966** | **(2,918)** | **(6,582)** | **(1,097)** | **(7,679)** |
| Financial income (expense) | | | (3,132) | | | (1,532) |
| Gain on the extinguishment of financial liabilities | | | - | | | 44,835 |
| Dividend | | | - | | | - |
| Share of profit of equity accounted investees | - | 5 | 5 | - | - | - |
| **Profit / (loss) before taxes** | - | - | **(6,045)** | **-** | **-** | **35,624** |
| Income taxes | - | - | (234) | - | - | (209) |
| **Profit / (loss) for the period** | - | - | **(6,279)** | **-** | **-** | **35,415** |
| *Other information requested by IFRS 8:* | | | | | | |
| - Depreciation and amortization | (1,045) | (700) | (1,745) | (1,080) | (585) | (1,665) |
| - Impairment losses | - | - | - | - | - | - |
| - Non-monetary items other than depreciation and amortization | - | 922 | 922 | - | 218 | 218 |
| - Gains on sales of non-current assets | 2 | - | 2 | - | - | - |

Please consult the comments provided in the Interim Directors' Report for an analysis of the operating segments.

A breakdown of assets and liabilities by business segment is provided below:

| | June 30, 2013 | | | | December 31, 2012 | | | |
|---|---|---|---|---|---|---|---|---|
| | Operations | Styling & Engineering | No allocated | Totale | Operations | Styling & Engineering | No allocated | Total |
| | A | B | C | A + B + C | A | B | C | A + B + C |
| Assets | 41,852 | 59,241 | 89,778 | 190,871 | 42,617 | 59,015 | 95,888 | 197,520 |
| Liabilities | 71,430 | 26,758 | 59,252 | 157,440 | 74,422 | 24,361 | 58,923 | 157,706 |
| *Segment operating assets include:* | | | | | | | | |
| - Equity accounted investments | - | 109 | - | 109 | - | 104 | - | 104 |
| - Intangible assets | - | 2,107 | 959 | 3,066 | - | 2,248 | 963 | 3,211 |
| - Property, plant and equipment | 35,726 | 27,442 | 747 | 63,915 | 36,157 | 27,895 | 773 | 64,825 |
| - Headcount | 100 | 644 | 73 | 817 | 112 | 622 | 81 | 815 |

The data provided for comparative purposes were restated to reflect the impact of the adoption of the amendments to IAS 19 Employee Benefits.

A breakdown of sales by geographic segment is provided below:

| | First half 2013 | First half 2012 |
|---|---|---|
| Italy | 4,767 | 4,358 |
| UE | 21,441 | 15,348 |
| Non UE countries | 5,089 | 7,908 |
| **Revenue from sales and services** | **31,297** | **27,614** |

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### 1. Property, Plant and Equipment

The net carrying amount of property, plant and equipment totaled 54.6 million euros at June 30, 2013, down from 55.4 million euros the previous year end. Only limited additions were made during the first half of 2013 and there were no material commitments to purchase property, plant and equipment outstanding at the end of the period.

Tables, denominated in euros, showing the changes that occurred in the first half of 2013 and a review of the components of property, plant and equipment are provided below:

| | Land | Buildings | Leased property | Total |
|---|---|---|---|---|
| **Carrying amount at December 31, 2012** | **11,176,667** | **28,157,695** | **8,897,047** | **48,231,409** |
| Additions | - | - | - | - |
| Retiremens | - | - | - | - |
| Depreciation | - | (448,113) | (179,274) | (627,387) |
| Impairment losses | - | - | - | - |
| Reclassification | - | - | - | - |
| Other | - | - | - | - |
| **Carrying amount at June 30, 2013** | **11,176,667** | **27,709,582** | **8,717,773** | **47,604,022** |

The Land and buildings category reflects the carrying amount of owned or leased real estate complexes, including production facilities located at via Castellamonte 6, in Bairo Canavese (TO) and on Strada provinciale per Caluso, in San Giorgio Canavese (TO); the styling and engineering center at via Nazionale 30, in Cambiano (TO); and two properties in Turin and Beinasco (TO).
The "Leased property" column reflects the carrying amount of a portion of the Cambiano real estate complex held under a finance lease recognized in accordance with IAS 17 – Leases.
All land and buildings located in Italy, which are owned by Pininfarina S.p.A., the Parent, are encumbered by a mortgage for the benefit of Banca Nazionale del Lavoro S.p.A. securing the remaining indebtedness, which totaled 17.1 million euros at June 30, 2013.
For the reclassification of the building owned by the Pininfarina Deutschland GmbH subsidiary, see the "Change in Accounting Policies" section above and the "Investment Property" Note below.

| | Machinery | Plant | Leased plant and machinery | Total |
|---|---|---|---|---|
| **Carrying amount at December 31, 2012** | **262,642** | **5,236,605** | **-** | **5,499,247** |
| Additions | - | 225,177 | - | 225,177 |
| Retiremens | - | - | - | - |
| Depreciation | (18,267) | (329,304) | - | (347,571) |
| Impairment losses | - | - | - | - |
| Reclassification | - | (602) | - | (602) |
| Other | - | - | - | - |
| **Carrying amount at June 30, 2013** | **244,375** | **5,131,876** | **-** | **5,376,251** |

At June 30, 2013, the "Plant and machinery" category included generic production plant and machinery located mainly at the Bairo and San Giorgio Canavese production facilities and the plant and machinery in use at the Cambiano site. The carrying amount of the Acoustic and Aerodynamic Research Center (wind tunnel) located in Grugliasco (TO) was allocated to the "Plant" category and fully impaired, except for the land upon which the structure is located. The additions for the period refer mainly to equipment installed at the Cambiano site.

| | Furniture and fixtures | Hardware & software | Other prop., plant and equipment | Total |
|---|---|---|---|---|
| **Carrying amount at December 31, 2012** | **274,953** | **924,181** | **431,169** | **1,630,303** |
| Additions | 43,371 | 205,756 | - | 249,127 |
| Retiremens | (310) | - | - | (310) |
| Depreciation | (42,552) | (165,479) | (10,468) | (218,499) |
| Impairment losses | - | - | - | - |
| Reclassification | - | 602 | - | 602 |
| Other | (511) | 837 | - | 326 |
| **Carrying amount at June 30, 2013** | **274,951** | **965,897** | **420,701** | **1,661,549** |

Additions for the period to assets in the "Furniture and fixtures" category reflect primarily investments by the Pininfarina Deutschland Group, while those in the "Hardware and software" category refer to the Parent and the Pininfarina Extra and Pininfarina Maroc SAS subsidiaries.

### 2. Investment Property

The Group's investment property consists of buildings owned by Pininfarina Deutschland GmbH in Renningen, near Stuttgart, in Germany, which are leased to third parties.
The buildings owned by Pininfarina Deutschland GmbH are encumbered by a mortgage of 1 million euros securing a loan received by this German subsidiary, currently with an outstanding balance of 500,000 euro.

| | Land | Buildings | Total |
|---|---|---|---|
| **Carrying amount at December 31, 2012** | **5,807,378** | **3,656,865** | **9,464,243** |
| Additions | - | - | - |
| Retiremens | - | - | - |
| Depreciation | - | (190,771) | (190,771) |
| Impairment losses | - | - | - |
| Reclassification | - | - | - |
| Other | - | - | - |
| **Carrying amount at June 30, 2013** | **5,807,378** | **3,466,094** | **9,273,472** |

### 3. Intangible Assets

At June 30, 2013, the net carrying amount of intangible assets totaled 3.1 million euros, down from 3.2 million euros at the previous year end.

| | Goodwill | Licenses and trademarks | Other intangible assets | Total |
|---|---|---|---|---|
| **Carrying amount at December 31, 2012** | **1,043,495** | **1,950,892** | **216,870** | **3,211,257** |
| Additions | - | 211,035 | 1,521 | 212,556 |
| Retiremens | - | - | - | - |
| Amortization | - | (323,676) | (37,027) | (360,703) |
| Impairment losses | - | - | - | - |
| Reclassification | - | - | - | - |
| Other | - | 2,453 | - | 2,453 |
| **Carrying amount at June 30, 2013** | **1,043,495** | **1,840,704** | **181,365** | **3,065,564** |

Additions for the period refer mainly to software development activities and purchases of licenses by Pininfarina S.p.A. and Pininfarina Extra S.r.l.

The remaining goodwill of 1,043,495 euros, which is the Group's only intangible asset with an indefinite useful life, originates from the consolidation of Pininfarina Extra S.r.l. Within the Pininfarina Group, the Pininfarina Extra subgroup, which is comprised of Pininfarina Extra S.r.l. and Pininfarina of America Corp. (formerly Pininfarina USA Corp.), engages in styling activities that are not related to the automotive industry. Consequently, it constitutes a separate cash generating unit.

### 4. Investments in Associates and Joint Ventures

#### Associates

Goodmind Srl is a company established in July 2012 for the purpose of developing conventional and virtual communication services for companies and public entities.
The Group's share of profit for the period is 4,602 euros.

#### Joint Ventures

There was no change in the carrying amount of the investments in joint ventures.

### 5. Investments in Other Companies

There was no change compared with December 31, 2012.

### 6. Loans and Receivables

The table that follows shows the changes that occurred in loans and receivables with third parties and joint ventures:

| | 12/31/2012 | Increases | Repayment | 6/30/2013 |
|---|---|---|---|---|
| Third parties | - | - | - | - |
| Related parties and joint ventures | 50,313 | 729 | - | 51,042 |
| **Non-current loans and receiv.** | **50,313** | **729** | **-** | **51,042** |
| Outsiders | - | - | - | - |
| Associates and joint ventures | - | - | - | - |
| **Current loans and receiv.** | **-** | **-** | **-** | **-** |
| **Loans and receivable** | **50,313** | **729** | **-** | **51,042** |

The non-current portion of loans and receivables includes the loan provided by Pininfarina Extra Srl to the associate Goodmind Srl to finance its startup activities.

### 7. Assets held for trading

Assets held for trading consist mainly of government securities and highly rated debt securities, which represent temporary, unrestricted investments of liquid assets that are not subject to a significant credit risk exposure. However, these investments do not meet all of the requirements needed to qualify as “cash and cash equivalents.”
These assets are measured at fair value, based on their market prices. Changes in fair value are recognized in the income statement under “Financial income/expense”.
Management of the investment portfolio is outsourced to top flight counterparties with a market reputation of high reliability.
The balance at June 30, 2013 included 2,386,901 euros held in escrow. Of this amount, 2,000,000 euros secure a surety provided to De Tomaso Automobili S.p.A. to cover compensation payment obligations, as is customary in transactions involving the sale of business operations, with a maximum guaranteed liability equal to the sales price. The surety expires on January 30, 2015.

### 8. Inventories

Raw materials consist mainly of various materials used for the production of cars and prototypes at the Cambiano site. Finished goods consist of spare parts for cars manufactured by the Company, which are sold to carmakers.
The table below shows a breakdown of inventory and the allowance for inventory write down:

| | 6/30/2013 | 12/31/2012 |
|---|---|---|
| Raw materials | 655,200 | 743,986 |
| (Allowance for inventory write down) | (553,858) | (584,202) |
| Finished goods | 604,830 | 769,963 |
| (Allowance for inventory write down) | (344,970) | (344,970) |
| **Inventories** | **361,202** | **584,777** |

The table below shows the changes that occurred in the allowance for inventory write down, which reflects the risk for obsolescent and slow moving items that arose during the phase out of the production activities.

| | 6/30/2013 | | 12/31/2012 | |
|---|---|---|---|---|
| | **Raw Materials (allowance)** | **Finish goods (allowance)** | **Raw Materials (allowance)** | **Finish goods (allowance)** |
| **At the beginning of the year** | **584,202** | **344,970** | **992,243** | **221,446** |
| Additions | - | - | - | 263,472 |
| Utilizations | (30,344) | - | (408,041) | (139,948) |
| Other | - | - | - | - |
| **At the end of the period** | **553,858** | **344,970** | **584,202** | **344,970** |

The utilizations of allowance are due to the scrapping of production materials during the period.

### 9. Contract Work in Progress

The balance of gross contract work in progress less advances received is shown among current assets as contract work in progress.
The change for the period refers to new styling and engineering orders from customers inside and outside the European Union that were in progress at the end of the reporting period.

### 10. Trade Receivables from third parties, associates and Joint Ventures

The following table shows the trade receivable balances at June 30, 2013 and the comparable data for the previous year:

| | 6/30/2013 | 12/31/2012 |
|---|---|---|
| Receivables IT | 4,920,771 | 5,364,643 |
| Receivables UE | 8,802,924 | 11,113,781 |
| Receivables EXTRA UE | 3,936,670 | 3,928,782 |
| (Allowance for impairment) | (1,099,610) | (1,147,873) |
| **Total third parties** | **16,560,755** | **19,259,333** |
| Goodmind S.r.l. | 6,050 | - |
| **Total associates and Joint Ventures** | **6,050** | **-** |
| **Total receivables** | **16,566,805** | **19,259,333** |

The Group's main counterparties are top carmakers with a high credit rating. Since there are no receivable insurance contracts, the Group's maximum exposure to the credit risk is equal to the carrying amount of the receivables less the allowance for impairment. The Group did not factor any receivables during the period and the previous year. The balance shown for trade receivables represents primarily receivables denominated in euros.

The following changes occurred in the allowance for impairment:

| | 6/30/2013 | 12/31/2012 |
|---|---|---|
| **At the beginning of the year** | **1,147,873** | **2,374,642** |
| Additions | 5,487 | 160,609 |
| Utilizations | (53,750) | (448,808) |
| Other | - | (938,570) |
| **At the end of the period** | **1,099,610** | **1,147,873** |

The addition for the period refers to receivables owed to Pininfarina Extra Srl.
It is worth mentioning that the utilizations for 2012 and 2013 refer mainly to uncollectible accounts owed to the Parent by customers within and outside the European Union.

Other changes reflects the effect of the deconsolidation of the portion of the provision attributable to the Matra Automobiles Engineering SAS subsidiary, the amount of which was the same as that of the corresponding trade receivables, which were also deconsolidated.

### 11. Other assets

A breakdown of “Other assets” at June 30, 2013 and a comparison with the balance the previous year is provided below:

| | 6/30/2013 | 12/31/2012 |
|---|---|---|
| VAT | 10,156,677 | 9,830,192 |
| Withholding taxes | 2,106,154 | 2,114,258 |
| Advances to suppliers | 142,330 | 133,231 |
| Amounts due from social security institutions | 53,804 | 20,128 |
| Receivables from employees | 54,046 | 56,098 |
| Accrued income and prepaid expense | 614,747 | 886,723 |
| Grants for Program II.3 "Più Sviluppo" | 1,111,441 | 493,974 |
| Sundry receivables | 367,808 | 273,413 |
| **Other Assets** | **14,607,007** | **13,808,017** |

The VAT receivable is attributable mainly to the Parent, which, having determined that there was only a limited possibility of offsetting these amounts in future years, filed for a refund.

The item Grant for Program II.3 “Più Sviluppo” refers to a receivable owed by the Piedmont Regional Administration as the first installment of the grant for the “AMPERE” industrial research and experimental development project that became collectible.

### 12. Cash and Cash Equivalents

The table below show a breakdown of this caption and provides a comparison with the data for the previous year end:

| | 6/30/2013 | 12/31/2012 |
|---|---|---|
| Cash on hand | 28,721 | 36,302 |
| Short-term bank deposits | 31,739,517 | 41,465,108 |
| **Cash and cash equivalents** | **31,768,238** | **41,501,410** |
| (Bank account overdrafts) | - | (166,743) |
| **Net cash and cash equivalents at end of the period** | **31,768,238** | **41,334,667** |

There were no restrictions encumbering the Group's cash and cash equivalent at June 30, 2013.

Bank account overdrafts shown at December 31,2012 referred to mpx Entwicklung GmbH, a company located in Leonberg, Germany.

### 13. Equity

#### (a) Share Capital

| | 6/30/2013 | | 12/31/2012 | |
|---|---|---|---|---|
| | **Amount** | *No.* | **Amount** | *No.* |
| Ordinary share | 30,166,652 | *30,166,652* | 30,166,652 | *30,166,652* |
| (Treasury share ) | (15,958) | *(15,958)* | (15,958) | *(15,958)* |
| **Share Capital** | **30,150,694** | *30,150,694* | **30,150,694** | *30,150,694* |

The share capital of Pininfarina S.p.A., the Parent, is comprised of 30,166,652 ordinary shares, par value 1 euro each. There are no other classes of shares.
Treasury shares are held consistent with the limits imposed by Article 2357 of the Italian Civil Code.
As required by the Framework Agreement of December 31, 2008, the shares held by Pincar S.r.l., equal to 76.06% of the share capital, are encumbered by a senior lien, without voting rights, for the benefit of the Lender Institutions of Pininfarina S.p.A. Detailed information about the Parent's shareholders is provided in the "General Information" section of these Notes.

#### (b) Reserve for Treasury Shares

This reserve, which amounted to 175,697 euros, unchanged compared with the previous year end, is carried in accordance with the provisions of Article 2357 of the Italian Civil Code

**(c) Legal Reserve**

The legal reserve, which pursuant to the provisions of Article 2430 of the Italian Civil Code cannot be distributed as dividends, increased by 3,801,942 euro as per the resolution adopted by the Shareholders on May 6, 2013.

**(d) Translation Reserve**

The translation reserve reflects the cumulative differences from the translation of financial statements of companies with functional currencies different from the euro, which is the Group's presentation currency. These companies are Pininfarina Maroc SAS, Pininfarina Automotive Engineering (Shanghai) Co Ltd. and Pininfarina of America Corp.

**(e) Other Reserves**

The balance shown for Other reserves was unchanged compared with the previous year end.
The Group has no stock option plans or other instruments requiring share-based payments.

**(f) Retained Earnings (Losses Carried forward)**

At June 30, 2013, the retained earnings totaled 726,502 euros, for an improvement of 29,056,787 euros compared with December 31, 2012 corresponding to the 2012 total comprehensive income of 32,943,762 euros, net of the allocation of 3,801,942 euros to the legal reserve and the effect for the period from the adoption of IAS19 Revised, quantified at 85,033 euros.

## 14. Loans and Borrowings

**Rescheduling Agreement**

**(a) Rescheduling Agreement**

The Rescheduling Agreement (the "Agreement") between Pininfarina S.p.A. and its Lender Institutions, which became effective on May 1, 2012, basically produced the effects described below.

- The rescheduling to 2018 of long-term facilities and finance leases totaling 182.5 million euros and a portion of the operating lines amounting to 18 million euros;

- The adoption of a fixed annual interest rate of 0.25% for the indebtedness mentioned above.

Please note that the Agreement does not apply to the loan owed by Pininfarina S.p.A. to BNL (formerly Fortis Bank).

**(b) Fair Value of the Restructured Indebtedness**

The fair value of the restructure indebtedness was determined by discounting to their present value the cash flows from the Rescheduling Agreement at a 6.5% rate, determined with the support of a financial advisor, who was not a party to the Rescheduling Agreement, as the sum of 1) the remuneration of risk-free investments and 2) a credit spread attributed to Pininfarina S.p.A.

The table below shows the changes that occurred during the period in the Group's loans and borrowings and the effect of the Rescheduling Agreement executed by the Parent Company, effective as of May 1, 2012:

| | 12/31/2012 | Figurative interests | Operating line changes | Operating line reclassification | 6/30/2013 |
|---|---|---|---|---|---|
| Financial lease liabilities | 47.988.048 | 1.953.856 | - | - | 49.941.904 |
| Other loans and borrowings | 42.354.625 | 1.213.151 | - | (2.518.455) | 41.049.321 |
| **Non-current financial liabilities** | **90.342.673** | **3.167.007** | **-** | **(2.518.455)** | **90.991.225** |
| Bank account overdrafts | 166.743 | - | (166.743) | - | - |
| Financial lease liabilities | 16.898.070 | - | - | - | 16.898.070 |
| Other loans and borrowings | 15.528.932 | - | - | 2.518.455 | 18.047.387 |
| **Current financial liabilities** | **32.593.745** | **-** | **(166.743)** | **2.518.455** | **34.945.457** |
| **Current and non-current financial liabilities** | **122.936.418** | **3.167.007** | **(166.743)** | **-** | **125.936.682** |
| *Including:* | | | | | |
| Financial lease liabilities | 64.886.118 | 1.953.856 | - | - | 66.839.974 |
| Other loans and borrowings | 57.883.557 | 1.213.151 | - | - | 59.096.708 |
| **Total lease liabilities and other loans and borrowings** | **122.769.675** | **3.167.007** | **-** | **-** | **125.936.682** |

Other loans and borrowings include the amounts owed to the Lender Institutions of Pininfarina S.p.A., parties to the Agreement, and to Banca Nazionale del Lavoro S.p.A. (formerly Fortis Bank) pursuant to the corresponding loan and financing agreements.

The current portion of the table reflects the installments owed to the Lender Institutions that mature on December 31, 2013, amounting to 16,898,070 euros for leases and 10,492,023 euros for loans. The balance represents the payments owed on June 30 and December 31, 2013 (made on July 1, 2013), December 31, 2013 and June 30, 2014 to Banca Nazionale del Lavoro, the only credit institutions that refused to join the Agreement.

A breakdown by maturity of the contractual cash flows is provided in paragraph (e) of the section of these notes entitled Financial Risk Management.

Consistent with the disclosures provided in the financial statement for previous years, the table below shows a breakdown of the changes for each Lender Institution:

| | 12/31/2012 | Figurative charges | 6/30/2013 |
|---|---|---|---|
| Leasint Spa | 14,379,258 | 432,989 | 14,812,247 |
| MPS Leasing & Factoring Spa | 7,189,630 | 216,495 | 7,406,125 |
| Selmabipiemme Spa | 7,189,630 | 216,495 | 7,406,125 |
| Release Spa | 19,325,478 | 581,930 | 19,907,408 |
| BNP Paribas Lease Groupe Spa | 6,173,740 | 185,904 | 6,359,644 |
| UBI Leasing Spa | 3,086,869 | 92,952 | 3,179,821 |
| Unicredit Leasing Spa | 7,541,513 | 227,091 | 7,768,604 |
| **Total Leases** | **64,886,118** | **1,953,856** | **66,839,974** |
| Banca Intesa Sanpaolo Spa | 11,134,214 | 335,274 | 11,469,488 |
| Banca Intesa Sanpaolo Spa (Former operating line) | 3,146,277 | 94,741 | 3,241,018 |
| Banca Italease Spa | 835,067 | 25,146 | 860,213 |
| Unicredit Spa | 9,074,033 | 273,238 | 9,347,271 |
| Banca Nazionale del Lavoro Spa | 1,687,003 | 50,799 | 1,737,802 |
| Banca Regionale Europea Spa | 4,639,257 | 139,698 | 4,778,955 |
| Banca Regionale Europea Spa (Former operating line) | 2,097,516 | 63,161 | 2,160,677 |
| Banco Pop. Cooperativo Spa | 3,479,443 | 104,773 | 3,584,216 |
| Banco Pop. Cooperativo Spa (Former operating line) | 1,573,137 | 47,370 | 1,620,507 |
| MPS Spa (ex linea operativa) | 2,621,894 | 78,951 | 2,700,845 |
| Volksbank Region Leonberg (GER) | 500,000 | - | 500,000 |
| **Total loans anda borrowings** | **40,787,841** | **1,213,151** | **42,000,992** |
| BNL Spa (ex Fortis Bank) | 17,095,716 | - | 17,095,716 |
| **Total** | **122,769,675** | **3,167,007** | **125,936,682** |

**Transactions with Banca Nazionale del Lavoro S.p.A., formerly Fortis Bank**

On June 25, 2008, Pininfarina S.p.A. and Banca Nazionale del Lavoro S.p.A. (formerly Fortis Bank) entered into an agreement aimed at defining a plan for the repayment of interest-bearing debt in Interim installments, the last one of which is due on December 31, 2015. This separate agreement is not affected by the new Rescheduling Agreement that went into effect on May 1, 2012.

By virtue of the injunctions served on Pininfarina S.p.A. on March 28, 2008 and April 19, 2008, Banca Nazionale del Lavoro S.p.A. (formerly Fortis Bank) was granted court-ordered mortgages on all of the buildings owned by the Company, which secure loans currently totaling about 17.1 million euros.

**Other Information**

Indebtedness totaling 500,000 euros is owed to Volksbank Region Leonberg (GER) by Pininfarina Deutschland, which is the only company consolidated line by line with medium/long-term debt.

Consequently, the Group does not owe any amounts subject to the currency risk.

### 15. Post-employments benefits

The balance shown for the post-employment benefits represent the present value of liabilities to employees, determined in accordance with Article 2120 of the Italian Civil Code. As a result of legislative changes introduced four years ago, the benefits vested before January 1, 2007 that are owed to employees are accounted for as belonging to a defined-benefit plan, in accordance with IAS 19 – Employee Benefits. The benefits that accrued subsequently are accounted for as belonging to a defined-contribution plan.
The table below shows the changes that occurred during the period:

| | 6/30/2013 | 12/31/2012 |
|---|---|---|
| **Present value of obligation at the beginning of the year** | **7,286,941** | **7,547,822** |
| Interest costs | 107,109 | 197,513 |
| Current service costs | 18,736 | 9,618 |
| Net actuarial losses recognised in other comprehensive income | 88,810 | 95,129 |
| Benefit paid | (276,379) | (563,141) |
| **Present value of obligation at the end of the period** | **7,225,217** | **7,286,941** |

Please note that in 2011 Pininfarina S.p.A. entered into an agreement to lease certain business operations to a company of the Cecomp Group, which resulted in the transfer, until the lease expiration date of December 31, 2013, of the employment contracts for 57 employees (51 employees at June 30, 2013) of the abovementioned business operations and the transfer of the corresponding post-employment benefits.

The table below shows the main assumptions used in the actuarial computation of the liability for post-employment benefits and provides a comparison with the data for the previous year:

| | 2013 | 2012 |
|---|---|---|
| Annual inflation rate | 1.7% | 2.2% |
| Discount rate | 2.5% | 3.0% |
| Annual rate of wage increase | 0.5% - 1.5% | 0.5% - 1.5% |

The discount rate used is based on the market yield of AA rated securities denominated in euros.

A sensitivity analysis was also performed, applying a 10% increase and decrease to the base rate, which produced no significant change from the present value of the liability for post-employment benefits.

## 16. Trade Payables and Other liabilities

### (a) Trade Payables

| | 6/30/2013 | 12/31/2012 |
|---|---|---|
| Third parties | 11,104,101 | 13,266,794 |
| Associates and joint ventures | - | - |
| Advances for contract work in progress | 949,804 | 992,405 |
| **Total** | **12,053,905** | **14,259,199** |

The balance at June 30, 2013 does not include any material past-due amounts and reflects payables that will be settled within 12 months from the end of the reporting period.

### (b) Other financial liabilities

| | 6/30/2013 | 12/31/2012 |
|---|---|---|
| Amounts owed to employees | 3,119,469 | 1,786,569 |
| Social security changes payable | 1,447,572 | 1,648,536 |
| Miscellaneous payables | 1,815,418 | 2,012,197 |
| **Total** | **6,382,459** | **5,447,302** |

## 17. Provisions for Risks and Charges, Contingent Liabilities and Legal Disputes

### (a) Provisions for Risks and Charges

A listing and review of the changes that occurred in the first half of 2013 in the provisions for risks and charges are provided below:

| | 12/31/2012 | Additions | Utilizations | Other changes | 6/30/2013 |
|---|---|---|---|---|---|
| Provision for warranties | 63,578 | - | (227) | - | 63,351 |
| Provision for restructuring | 4,462,500 | - | (566,802) | - | 3,895,698 |
| Other provisions | 2,289,495 | 165,208 | (537,099) | (986,735) | 930,869 |
| **Total** | **6,815,573** | **165,208** | **(1,104,128)** | **(986,735)** | **4,889,918** |

The "Provision for warranties" covers the best estimate of the Group's contractual and legal obligations with regard to costs entailed by warranties provided on certain components of the vehicles it manufactured for a specific period, starting from the sale of the vehicles to end customers. The abovementioned estimate was determined based on the Group's experience, specific contractual terms and product specification, and defect incidence data generated by the statistical survey systems of the Group's customers.

The Provision for restructuring reflects a best estimate of the liability for restructuring programs at the end of the reporting period.

"Other provisions" reflects best estimates of the liabilities that may arise from the stoppage of production activities, the close-out losses on styling and engineering contracts of the Parent and other minor liabilities to employees of foreign subsidiaries.

The “Other changes” column reflects the effects of changes in estimates of the liabilities that may arise from the contract with Volvo, which ceased to exists with the end of production of the Volvo C70 Model, and from documentation of the costs actually incurred from 2005 (year when production of this model began) to the present time.

**(b) Contingent Liabilities and Legal Disputes**

**Dispute with the Revenue Administration**

This dispute, which arose in 2007 regarding the contention that VAT should have been levied on the amounts invoiced in 2002 and 2003 by the Parent to Peugeot Citroen Automobiles, is currently pending before the Supreme Court of Cassation. No new information in addition to that which was provided in the 2012 annual financial statements was available as of the approval date of this document.

**18. Current and Deferred Taxes**

**(a) Deferred Taxes**

The table below provides a breakdown of the deferred tax assets and deferred tax liabilities:

| | **6/30/2013** | **12/31/2012** |
|---|---|---|
| Deferred tax assets | 934,159 | 928,815 |
| (Deferred tax liabilities) | - | - |
| **Net balance** | **934,159** | **928,815** |

The net deferred tax assets shown in the Condensed Interim Consolidated Financial Statements refer mainly to the Group’s German companies (Pininfarina Deutschland GmbH, MPX Entwicklung GmbH – Munich and MPX Entwicklung GmbH – Stuttgart) and reflect the recoverable portion of the tax loss carryforward, determined based on projected future taxable income and taking into account the agreement for the filing of a national consolidated tax return executed by the abovementioned companies in Germany.

A breakdown and a review of deferred tax assets and liabilities not recognized in the financial statements are provided below:

| | 6/30/2013 | 12/31/2012 |
|---|---|---|
| Leases as lessor/lessee | 16,888,524 | 16,132,980 |
| Provisions for risks and allowances | 1,332,396 | 1,834,442 |
| Sundry differences | - | - |
| A - Offsettable deferred tax assets | 18,220,920 | 17,967,422 |
| Revaluation of land and buildings | (5,541,068) | (5,488,178) |
| Post-employment benefits and other minor differences | - | - |
| B - (Offsettable deferred tax liabilities) | (5,541,068) | (5,488,178) |
| **(A+B) - Net Balance** | **12,679,852** | **12,479,244** |
| **C - Deferred tax assets on deferred tax liabilities** | 19,519,798 | 18,961,503 |
| **(A+B+C) Total** | **32,199,650** | **31,440,747** |

The balance of "offsettable" deferred tax assets and liabilities is computed on all difference between the carrying amount and tax base of the Group's assets and liabilities, in accordance with Paragraph 74 of IAS 12 – Income Taxes, which requires offsetting when there is a legally exercisable right in the same tax jurisdiction.
The balance of deferred tax assets on the loss carryforward is computed by applying the tax rate in effect upstream of the tax losses brought forward, as shown in the annual tax return. The balance is attributable mainly to Pininfarina S.p.A., the Pininfarina Deutschland GmbH Group and the Pininfarina Automotive Engineering Shanghai Co. Ltd. subsidiary.

The table below shows a breakdown by geographical segment region of the tax loss carryforward and of the deferred tax assets:

| | Tax Loss Carryforward 6/30/2013 | Deferred tax Assets 6/30/2013 | Tax Loss Carryforward 12/31/2012 | Deferred tax Assets 12/31/2012 |
|---|---|---|---|---|
| Italy | 51,845,188 | 14,257,427 | 48,813,331 | 13,423,666 |
| Germany | 43,848,000 | 4,880,454 | 44,028,000 | 4,096,554 |
| China | 1,527,667 | 381,917 | 1,276,633 | 319,158 |
| **Tax Loss Carryforward** | **97,220,855** | **19,519,798** | **94,117,964** | **17,839,378** |

The full amount of deferred tax assets resulting from the computation was not recognized because management does not believe that sufficient taxable income can be generated over the near term to fully utilize the tax loss carryforward and deductible temporary differences.

### (b) Income taxes for the period

A breakdown of the "Income taxes" line item of the income statement is provided below:

| | First half 2013 | First half 2012 |
|---|---|---|
| Income taxes | (176.438) | (187.692) |
| IRAP | (59.529) | (43.132) |
| Provision release | - | 26.262 |
| **Total current taxes** | **(235.967)** | **(204.562)** |
| **Deferred taxes** | **1.569** | **(4.715)** |
| **Income taxes for the period** | **(234.398)** | **(209.277)** |

The income taxes refer to the Pininfarina Extra S.r.l., Pininfarina Maroc SAS and Pininfarina of America Corp. subsidiaries; the regional tax (IRAP) refers only to Pininfarina Extra S.r.l..
The data for the first half of 2012 provided for comparative purposes were restated to reflect the impact of the adoption of the amendments to IAS 19 Employee Benefits.

### 19. Revenue from Sales and Service

| | First half 2013 | First half 2012 |
|---|---|---|
| Sales - Italy | 503,149 | 1,031,758 |
| Sales - UE | 1,450,827 | 2,204,687 |
| Sales - Non UE countries | 75,857 | 358,100 |
| Services - Italy | 4,264,275 | 3,326,063 |
| Services - UE | 19,990,291 | 13,143,631 |
| Services - Non UE countries | 5,012,655 | 7,549,686 |
| **Revenue from Sales and service** | **31,297,054** | **27,613,925** |

Sales refer mainly to revenues from sales of replacement parts.
Service reflects amounts invoiced for styling and engineering services.
Segment information is provided on page 32.

### 20. Other Income and Revenue

| | First half 2013 | First half 2012 |
|---|---|---|
| Amounts rebilled | 2,841,583 | 2,829,061 |
| Out-of-period income | 186,577 | 45,339 |
| Insurance compensation | 7,870 | 6,851 |
| Royalties | 261,198 | 507,750 |
| Rebilling | 94,916 | 76,171 |
| Operating grants | 623,818 | 79,041 |
| Sundry items | 103,999 | 82,735 |
| **Other income and revenue** | **4,119,961** | **3,626,948** |

Leasing and rental income refers mainly to income from a contract for the leasing of business operations executed by Pininfarina S.p.A. on April 1, 2011 with a company of the Cecomp Group

and to rent on two building located in Renningen, near Stuttgart, in Germany, owned by the Pininfarina Deutschland GmbH subsidiary.
Out-of-period income refers to out-of-period income and estimating differences, other than errors, resulting from the regular updating of estimates made in previous years by the Pininfarina Deutschland Group.
Redevances refers mainly to fees for the license to use the Pininfarina trademark granted to the Bolloré S.A. Group in connection with the production of electric cars at the Bairo Canavese plant.

**21. Wages, Salaries and employee benefits**

| | First half 2013 | First half 2012 |
|---|---|---|
| Wages and salaries | (20.379.472) | (17.604.593) |
| Social security contributions | (5.000.298) | (4.373.861) |
| Utiliz.Prov. for restruct. and other provisions | 769.936 | 642.313 |
| **Total** | **(24.609.835)** | **(21.336.140)** |
| Post-employment benefits - defined contribution plans | (754.752) | (697.588) |
| **Wages, salaries and employee benefits** | **(25.364.587)** | **(22.033.728)** |

The increase of 3.4 million euros is attributable mainly to the Group's Parent Company (+1.5 million euros) and the Pininfarina Deutschland Group (+1.7 million euros). In the case of Pininfarina S.p.A., there was a partial substitution of employees in the first half of 2013 compared with the same period last year, with the hiring of employees with higher qualification and, consequently, an increase in average cost. In Germany, compared with the first six months 2012, there was an increase in average staff (1 executive and 35 office staff) needed to meet production needs.

Utilization of the provision for restructuring and other provisions refers to the amounts paid to employees who resigned from the Group during the year, in accordance with the incentive program.
Post-employment benefits – Defined contribution plan reflect the costs related to post-employment benefits both for the defined benefit plan and the defined-contribution plan.
The data for the first half of 2012 provided for comparative purposes were restated to reflect the impact of the adoption of the amendments to IAS 19 Employee Benefits.

The table below shows the number of employees at June 30, 2013 and, as required by Article 2427 of the Italian Civil Code, the average number of employees, computed by adding and dividing by two the number of employees at the beginning and at the end of the reporting period:

| | First half 2013 | | First half 2012 | |
|---|---|---|---|---|
| | June 30, 2013 | Average | June 30, 2012 | Average |
| Executives | 25 | 25 | 24 | 24 |
| Office staff | 732 | 729 | 702 | 701 |
| Production staff | 60 | 61 | 63 | 65 |
| Total | 817 | 815 | 789 | 790 |

Please keep in mind the effect of the agreement to lease certain business operations to a company of the Cecomp Group, which resulted in the transfer, until the lease expiration date of December 31, 2013, of the employment contracts for 57 employees (51 employees at June 30, 2013).

The total number of employees at June 30, 2013 includes 88 employees, initially 127, covered by a long-term unemployment benefit program activated by the Parent in October 2011 for discontinuance of production activities.

### 22. Additions to Provisions, Utilizations of Provisions and Impairment losses

| | First half 2013 | First half 2012 |
|---|---|---|
| Additions to allowance for impairment and utilisations | 48,263 | (8,935) |
| Additions to provisions for risks and charges | (165,208) | (676,509) |
| Provisions for risks and charges, utilisations and revised estimation | 1,038,853 | 903,583 |
| **Additions to, Utilizations of provisions, Impairment losses** | **921,908** | **218,139** |

Comments about additions to the provisions for risks and charges are provided in Note 17.

### 23. Other Expenses

| | First half 2013 | First half 2012 |
|---|---|---|
| Travel expenses | (1,301,682) | (775,147) |
| Rentals | (1,212,605) | (1,049,917) |
| Fees paid to Directors and Statutory Auditors | (596,774) | (527,035) |
| Consulting and other services | (1,092,753) | (3,258,488) |
| Other personnel costs | (383,026) | (368,639) |
| Telegraph and postage | (246,853) | (201,005) |
| Cleaning and waste disposal services | (103,800) | (161,556) |
| Advertising | (152,446) | (293,578) |
| Indirect and other Taxes | (402,599) | (621,674) |
| Insurance | (241,364) | (262,274) |
| Membership dues | (53,400) | (53,939) |
| Out-of-period charges | (24,923) | (27,238) |
| General services and other expenses | (462,815) | (492,959) |
| **Other expenses** | **(6,275,040)** | **(8,093,449)** |

Consulting and other services for the first half of 2012 reflects the costs incurred by the Parent for consulting services related to the definition of the Industrial and Financial Plan.

General services and other expenses include costs for warranties, expenses to settle judicial disputes, net of utilizations of the relevant provisions of the Parent Company, and miscellaneous expenses incurred by subsidiaries.

Rentals refers mainly to the cost of operating leases for EDP equipment, forklift trucks and cars provided to employees. Rental contracts, which constitute operating leases pursuant to IAS 17 – Leases, do not entail special commitments for the Group.

**24. Net Financial Expense**

| | First half 2013 | First half 2012 |
|---|---|---|
| Bank interest and charges | (346,693) | (456,832) |
| Lease interest expense | (2,058,103) | (3,258,814) |
| Interest expense on loans | (1,384,642) | (1,257,456) |
| **Total financial expense** | **(3,789,438)** | **(4,973,102)** |
| Bank interest income | 385,060 | 1,324,925 |
| Fair Value gains on assets held for trading | 271,451 | 906,479 |
| Interest income on loans and receivables-third parties | - | 1,084,725 |
| Interest loans and receivables-associates and joint ventures | 729 | 125,590 |
| **Total financial income** | **657,240** | **3,441,719** |
| **Net financial expense** | **(3,132,198)** | **(1,531,383)** |

Interest and bank charges refer to interest paid on credit lines by subsidiaries and bank fees.

Leases interest expense amounting to 2,058,103 euros, includes 1,953,856 euros recognized as a result of the measurement of liabilities at amortized cost and 104,247 euros in interest paid in accordance with the new Agreement.

"Interest expense on loans," amounting to 1,384,642 euros, includes 1,213,151 euros recognized as a result of the measurement of liabilities at amortized cost, 104,777 euros accrued on the loan with Banca Nazionale del Lavoro (formerly Fortis Bank) and 64,834 euros in accrued interest recognized in accordance with the terms of the new Agreement. Amounts attributable to foreign subsidiaries account for the balance.

Bank interest income represents interest accrued on credit balances in the current bank accounts.

The fair value gains on assets held for trading reflects different changes compared with the previous year in the fair value and amount of the securities portfolio.

Interest owed on finance leases and non-current loans was paid on June 28, 2013, while the interest accrued on the amount owed to Banca Nazionale del Lavoro (formerly Fortis Bank) was paid on schedule on July 1, 2013.

"Interest income on loans and receivables-third parties" in the first half of 2012 originated from the measurement of financial assets at the amortized cost, in accordance with IFRIC 4. This receivable was collected in full.

"Interest income on loans and receivables-associates and joint ventures," totaling 729 euros, refers to the interest accrued on the loan provided by Pininfarina Extra Srl to the associate Goodmind Srl.

**25. Gain on Extinguishment of Financial Liabilities**

In the first half of 2012, the substantial modification of the terms of financial liabilities resulted in the extinguishment of the carrying amount of the pre-rescheduling obligation outstanding on the effective date of May 1, 2012 and the recognition of the restructured obligation at its fair value.
The positive difference between these two amounts, amounting to 44,835,434 euros, was recognized as a "Gain on extinguishment of financial liabilities."

## OTHER INFORMATION

### Events Occurring After June 30, 2013

A review of significant events occurring after June 30, 203 is provided in a separate section of the Directors' Report.

### Transactions with Related Parties

The table below, which is presented pursuant to Consob Communication No. DEM/6064293 of July 28, 2006, provides an overview of transactions with related parties, including intra-Group transactions. These transactions were carried out on market terms, consistent with the nature of the goods exchanged or the services provided, and were neither atypical nor unusual, for the purposes of the abovementioned communication.

| | Commercial | | Financial | | Operating | | Financial | |
|---|---|---|---|---|---|---|---|---|
| | Loans and Receivables | Liabilities | Loans and Receivables | Liabilities | Revenue | Costs | Income | Expense |
| Goodmind Srl | 6,050 | - | 51,042 | - | 10,000 | - | 729 | - |
| **Totale** | **6,050** | **-** | **51,042** | **-** | **10,000** | **-** | **729** | **-** |

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 44,668 euros, and commercial consulting services provided by Pantheon Italia S.r.l., related to the Director Roberto Testore, for a total amount of 30,000 euros.

On February 11, 2013, Matra Automobiles Engineering SAS sold to Pininfarina Extra Srl its interest in Pininfarina Maroc SAS, equal to 0.1% of the share capital for a price of 1,697 euros.

### Material non-recurring Transactions

As required by the Consob Communication No. DEM/6064293 of July 28, 2006, the Group specifies that it did not carry out any material non-recurring transactions in the first half of 2013.

### Atypical and Unusual Dealings

As required by the Consob Communication No. DEM/6064293 of July 28, 2006, the Pininfarina Group specifies that in the first half of 2013 it was not a party to atypical or unusual dealings, as defined in the abovementioned Communication, according to which atypical and/or unusual dealings are dealings that, because of their significance/material amount, nature of the counterparty, subject of the transaction, method used to determine the sales price and timing of the event, could create doubts as to: the fairness and/or completeness of the information provided in the financial statements, the existence of a conflict of interests, the safety of the corporate assets and the protection of minority shareholders.

**Statement on the Condensed Interim Consolidated Financial Statements**
**Pursuant to Article 154-*bis* of Legislative Decree No. 58/98**

◊ We, the undersigned, Paolo Pininfarina, in my capacity as Chairman of the Board of Directors, and Gianfranco Albertini, in my capacity as Manager in charge of financial reporting of Pininfarina S.p.A., state that, insofar as the provisions of Article 154-bis, Sections 3 and 4, of Legislative Decree No. 58 of February 24, 1998 are concerned, the administrative and accounting procedures applied to prepare the Condensed Interim Consolidated Financial Statements at June 30, 2013

- were adequate in light of the Group's characteristics; and
- were applied effectively.

◊ We further state that

- the Condensed Interim Consolidated Financial Statements
  - were prepared in accordance with the International Financial Reporting Standards, as endorsed by the European Union pursuant to EC Regulation No. 1606/2002 of July 19, 2002, of the European Parliament and Council, and specifically comply with the provisions of IAS 34 – Interim Financial Reporting and with the Directives enacted to implement Article 9 of Legislative Decree No. 38/2005;
  - are consistent with the data in the supporting documents and accounting records;
  - are suitable for the purpose of providing a true and fair view of the financial position and financial performance and cash flows of the issuer and of the companies included in the consolidation scope.
  - The Interim Directors' Report contains references to material events that occurred during the first six months of 2013 and to the impact of these events on the Condensed Interim Consolidated Financial Statements. The Interim Directors' Report also describes the main risks and uncertainties for the second half of 2013 and provides information on material transactions with related parties.

August 2, 2013

| | |
|---|---|
| Paolo Pininfarina | Gianfranco Albertini |
| Chairman of the<br>Board of Directors | Manager in charge of financial reporting |
| *(Signed on the original)* | *(Signed on the original)* |

KPMG S.p.A.
Revisione e organizzazione contabile
Corso Vittorio Emanuele II, 48
10123 TORINO TO

Telefono +39 011 8395144
Telefax +39 011 8171651
e-mail it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

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

# Auditors' report on review of condensed interim consolidated financial statements

To the shareholders of
Pininfarina S.p.A.

1 We have reviewed the condensed interim consolidated financial statements of the Pininfarina Group as at and for the six months ended 30 June 2013, comprising the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes thereto. The parent's directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to prepare this report based on our review.

2 We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. The review consisted primarily of the collection of information about the captions of the condensed interim consolidated financial statements and the consistency of application of the accounting policies through discussions with company directors and analytical procedures applied to the financial data presented in such condensed interim consolidated financial statements. The review excluded such audit procedures as tests of controls and substantive procedures on assets and liabilities and is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards. As a consequence, contrary to our report on the annual consolidated financial statements, we do not express an audit opinion on the condensed interim consolidated financial statements.

The condensed interim consolidated financial statements present the corresponding figures of the prior year annual consolidated and condensed interim consolidated financial statements for comparative purposes. As disclosed in the notes, the parent's directors restated some of the corresponding figures. Other auditors respectively audited and reviewed the prior year annual consolidated and condensed interim consolidated financial statements and issued their reports thereon on 12 March 2013 and 3 August 2012. We have examined the methods used to restate the prior year corresponding figures and related disclosures for the purposes of preparing this report.

3 Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Pininfarina Group as at and

for the six months ended 30 June 2013 have not been prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Turin, 2 August 2013

KPMG S.p.A.

(signed on the original)

Piercarlo Miaja
Director