PININFARINA GROUP

Interim financial report at 30 September 2013

Pininfarina S.p.A. - Share capital €30,166,652 fully paid-up - Registered office in Turin, Via Bruno Buozzi 6
Tax Code and Turin Company Registration no. 00489110015

PININFARINA GROUP

Interim financial report at 30 September 2013

Approved by the Board of Directors
on 13 November 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 Nomination and Remuneration 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 parent's legal representative vis-à-vis third parties and in court proceedings.

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Pininfarina Group

Directors' report

Operating and financial performance

The most significant issues that arise from an analysis of the consolidated data for the first nine months of 2013 are summarised below:

- the value of production (revenue) rose by 14% on the corresponding period of the previous year, confirming the performance of the past two quarters. The increase is mainly due to engineering activities carried out in Italy and the significant contribution provided by German operations and industrial design activities;

- EBITDA (gross operating loss) and EBIT (operating loss) improved significantly compared to the corresponding period of the previous year, when the loss reflected the debt restructuring costs incurred in early 2012;

- compared to the first nine months of 2012, the Group's Italian automotive operations reported a smaller loss, German subsidiaries' profit margins are in line, the operations in Morocco recorded operating losses while operating losses rose in China. The turnover and profitability of industrial design activities and non-automotive design activities in general saw a sharp increase;

- the Group reported a loss for the period, due in part to an increase in net financial expense, against a considerable profit for the first nine months of 2012, which was the result of the recognition of a significant gain generated by the extinguishment of financial liabilities through the debt restructuring transaction, which became effective on 1 May 2012;

- the Group's financial position at 30 September 2013 deteriorated compared to 31 December 2012, as a result of the loss for the period, the impact of net working capital and an increase in the carrying amount of net financial debt due to its measurement at amortised cost.

More specifically, the value of production for the first three quarters of 2013 totalled €57.6 million, up 14% from the €50.5 million for the corresponding period of 2012. The increase is substantially due to larger volumes of engineering services provided in Italy and Germany and industrial design activities.

EBITDA (i.e., operating profit or loss gross of amortisation, depreciation and provisions) was a negative €2.4 million, which improved from the more than double operating loss of €7.2 million for the corresponding period of the previous year.

EBIT (i.e, operating profit or loss) was a negative €4.1 million, which decreased from the €9.6 million figures recorded in the first nine months of 2012.

The net financial expense rose from €2.5 million for the corresponding period of 2012 to €4.5 million (including €4.8 million due to unrealised losses relating to the signing of a new Rescheduling Agreement). Thanks to the Agreement, the Group recognised a gain of €44.8 million on the extinguishment of financial liabilities on 1 May 2012.

The loss before taxes came to €8.7 million for the first nine months of 2013, compared to a profit before taxes of €32.8 million for the corresponding period of the previous year. Net of taxes of €0.3 million (€0.2 million for the corresponding period of 2012), the Group's loss for the period totalled €9 million, against a profit of €32.6 million for the nine months ended 30 September 2012.

Equity decreased from €39.8 million at 31 December 2012 to €30.7 million at 30 September 2013 due to the loss for the period. The net financial debt rose to €36.9 million from €30.6 million at 31 December 2012. The worsening is due to working capital trends and the unrealised loss for the period that increased the debt's carrying amount.

The Group had 817 employees at the reporting date, compared to 821 at 30 September 2012.

Performance by business segment

The **Operations segment** recognised value of production of €6.6 million (€10 for the first nine months of 2012) – accounting for 11.5% of consolidated value of production (19.8% for the first nine months of 2012).

The segment's EBIT improved to a loss of €5.5 million from €8.6 million for the corresponding period of 2012 (which included debt restructuring costs of roughly €2 million).

The value of production of the **Service segment** reached €51 million (€40.5 million for the first nine months of 2012), accounting for 88.5% of consolidated value of production (80.2% for the corresponding period of 2012).

The segment's EBIT came to €1.4 million, a sharp increase from the €0.8 million loss recorded for the first nine months of 2012.

Information required by Consob (the Italian Commission for listed companies and the stock exchange) pursuant to article 114. 5 of Legislative decree no. 58/98

1) The net financial debt of the Pininfarina Group with separate classification of current and non-current items, is shown on page 13 hereof.
2) The Group has no past-due liabilities (of a financial, tax or social security nature). No actions against the Group have been filed by creditors.
3) The Group's related party transactions are detailed on page 49 hereof.
4) Compliance with the financial covenants in force for the current reporting year will be checked when the annual consolidated financial statements at 31 December 2013 are

approved. At present, the Group may not be able meet the EBITDA covenant, whereas it will fully comply with the net financial debt covenant.

5) The parent's debt restructuring plan is proceeding in accordance with the current agreements with lending institutions.
6) The business plan's implementation progress is unchanged with respect to that described in the directors' report on the 2012 annual consolidated financial statements.

Outlook for 2013

Consolidated value of production for 2013 is expected to grow compared to 2012 and the EBIT is forecast to improve sharply compared to 2012, while remaining negative (prior estimates: "marginally" negative). The year-end net financial debt is expected to worsen compared to 31 December 2012, due to net working capital trends and the accumulated unrealised losses resulting from the measurement of financial liabilities at amortised cost.

Events after the reporting period

Pininfarina S.p.A. entered into a business lease with a company of the Bollorè Group on 24 October 2013. The agreement, which is valid until 31 December 2016, covers the Bairo Canavese production plant, 52 employment contracts and related post-employment benefits and a number of utilities contracts. The agreement is the perfect continuation of the business lease, expiring on 31 December 2013, between the parent and a Cecomp group company.

The deed for the merger of Mpx Leonberg GmbH into Mpx Munich GmbH, both controlled by Pininfarina Deutschland GmbH, was signed on 7 November 2013. This internal restructuring and streamlining transaction, with retroactive effects as from 1 October 203, aims to contain the operating costs for the engineering activities carried out on the German market.

13 November 2013

Chairman
of the Board of Directors
Paolo Pininfarina
(signed on the original)

Group companies
(IFRS figures)

Pininfarina S.p.A.

€'million	30.09.2013	30.09.2012	Variation	31.12.2012
Value of production	33.4	27.9	5.5	
EBIT	(5.0)	(10.3)	5.3	
Profit (loss) for the period	(8.9)	33.3	(42.2)	
Net financial debt	(37.4)	(58.2)	20.8	(31.3)
Equity	35.0	46.3	(11.3)	44
Number of employees at the reporting date	413	442	(29)	428

Pininfarina Extra Group

€'million	30.09.2013	30.09.2012	Variation	31.12.2012
Value of production	3.9	3.1	0.8	
EBIT	1.0	0.6	0.4	
Profit for the period	0.7	0.4	0.3	
Net financial position	3.3	2.7	0.6	3.1
Equity	5.2	4.9	0.3	5.1
Number of employees at the reporting date	23	22	1	22

Pininfarina Deutschland Group

€'million	30.09.2013	30.09.2012	Variation	31.12.2012
Value of production	22.0	19.4	2.6	
EBIT	0.5	0.7	(0.2)	
Profit for the period	0.4	0.6	(0.2)	
Net financial debt	(2.3)	(2.7)	0.4	(2.7)
Equity	19.2	18.9	0.3	18.8
Number of employees at the reporting date	345	317	28	320

Pininfarina Maroc

€'million	30.09.2013	30.09.2012	Variation	31.12.2012
Value of production	0.8	1.2	(0.4)	
EBIT	(0.1)	0.3	(0.4)	
Profit (loss) for the period	(0.1)	0.2	(0.3)	
Net financial position	0.6	0.7	(0.1)	0.5
Equity	0.9	1.0	(0.1)	1.0
Number of employees at the reporting date	31	31	-	34

Pininfarina Automotive Engineering Shanghai

€'million	30.09.2013	30.09.2012	Variation	31.12.2012
Value of production	0.3	0.2	0.1	
EBIT	(0.5)	(0.6)	0.1	
Loss for the period	(0.6)	(0.6)	-	
Net financial debt	(1.2)	(0.3)	(0.9)	(0.2)
Equity	(1.3)	(0.6)	(0.7)	(0.7)
Number of employees at the reporting date	5	9	(4)	11

Matra Automobile Engineering SAS was deconsolidated as of 1 October 2012. This company has not been operational since 2008, following the completion of the process of selling its operating assets to third parties. This subsidiary is still active only for the purpose of handling pending disputes some former employees and the tax authorities and is waiting to commence a formal liquidation procedure. In the interim consolidated financial statements of the Pininfarina Group at 30 September 2013, this company, which does not have any employees, reported a loss of €73 thousand and a net financial position of €0.9 million.

Reclassified income statement

(€'000)

	Nine months ended					
	30.09.2013	**%**	**30.09.2012**	**%**	**Variation**	**2012**
Revenue from sales and services	49,876	86.54	44,120	87.35	5,756	63,779
Change in inventory and contract work in progress	2,285	3.96	1,228	2.43	1,057	(799)
Other revenue and income	5,475	9.50	5,161	10.22	314	7,170
Value of production	**57,636**	**100.00**	**50,509**	**100.00**	**7,127**	**70,150**
Net gains (losses) on the sale of non-current assets	**2**	**0.00**	**(1)**	**(0.00)**	**3**	**3,181**
Raw materials and services (*)	(24,603)	(42.69)	(25,766)	(51.01)	1,163	(33,045)
Change in raw materials	(46)	(0.08)	34	0.07	(80)	42
Value added	**32,989**	**57.24**	**24,776**	**49.05**	**8,213**	**40,328**
Labour cost (**)	(35,403)	(61.43)	(31,934)	(63.22)	(3,469)	(44,746)
EBITDA	**(2,414)**	**(4.19)**	**(7,158)**	**(14.17)**	**4,744**	**(4,418)**
Amortisation and depreciation	(2,609)	(4.53)	(2,487)	(4.92)	(122)	(3,340)
(Additions to)/utilisation of provisions and (impairment losses)	892	1.55	184	0.36	708	(323)
EBIT	**(4,131)**	**(7.17)**	**(9,461)**	**(18.73)**	**5,330**	**(8,082)**
Net financial expense	(4,537)	(7.87)	(2,518)	(4.99)	(2,019)	(3,674)
Gain on the extinguishment of financial liabilities	-	0.00	44,835	88.77	(44,835)	44,835
Share of profit of equity-accounted investees	6	0.01	-	-	6	-
Profit (loss) before taxes	**(8,662)**	**(15.03)**	**32,856**	**65.05**	**(41,518)**	**33,079**
Income taxes	(352)	(0.61)	(245)	(0.48)	(107)	(135)
Profit (loss) for the period/year	**(9,014)**	**(15.64)**	**32,611**	**64.57**	**(41,625)**	**32,944**

(*) **Raw materials and services** are net of utilisations of the provisions for product warranty and risks (€446 thousand and €313 thousand for the nine months ended 30 September 2012 and 2013, respectively).
(**) **Labour cost (**)** is net of utilisations of the restructuring and other provisions (€695 thousand and €791 thousand for the nine months ended 30 September 2012 and 2013, respectively).

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

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

The corresponding figures for the nine months ended 30 September 2012 and for the year ended 31 December 2012 have been restated following the adoption of the revised IAS 19 Employee Benefits.

Reclassified statement of financial position

(€'000)

	30.09.2013	31.12.2012	Variation	30.09.2012
Net non-current assets (A)				
Net intangible assets	3,133	3,211	(78)	2,733
Net property, plant and equipment and investment property	63,363	64,825	(1,462)	65,132
Equity investments	362	356	6	29,784
Total A	**66,858**	**68,392**	**(1,534)**	**97,649**
Working capital (B)				
Inventories	5,006	2,771	2,235	5,050
Net trade receivables and other assets	23,438	33,067	(9,629)	32,214
Assets held for sale	-	-	-	-
Deferred tax assets	934	929	5	892
Trade payables	(10,617)	(14,259)	3,642	(15,700)
Provisions for risks and charges	(4,798)	(6,816)	2,018	(7,460)
Other liabilities (*)	(5,868)	(6,407)	539	(6,220)
Total B	**8,095**	**9,285**	**(1,190)**	**8,776**
Net invested capital (C=A+B)	**74,953**	**77,677**	**(2,724)**	**106,425**
Post-employment benefits (D)	**7,308**	**7,286**	**22**	**7,469**
Net capital requirements (E=C-D)	**67,645**	**70,391**	**(2,746)**	**98,956**
Equity (F)	**30,711**	**39,814**	**(9,103)**	**42,091**
Net financial debt (G)				
Non-current loans and borrowings	92,571	90,293	2,278	118,692
Net current financial position	(55,637)	(59,716)	4,079	(61,827)
Total G	**36,934**	**30,577**	**6,357**	**56,865**
Total as in E (H=F+G)	**67,645**	**70,391**	**(2,746)**	**98,956**

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

Net financial debt

(€'000)

	30.09.2013	31.12.2012	Variation	30.09.2012
Cash and cash equivalents	35,773	41,501	(5,728)	16,364
Current assets held for trading	52,460	50,809	1,651	50,702
Current loans and receivables	-	-	-	-
Loan assets - associates and joint ventures	-	-	-	0
Current bank overdrafts	(169)	(167)	(2)	(202)
Current financial lease liabilities	(16,898)	(16,898)	-	0
Current portion of bank loans and borrowings	(15,529)	(15,529)	-	(5,037)
Net current financial position	**55,637**	**59,716**	**(4,079)**	**61,827**
Non-current loan assets - third parties	-	-	-	-
Non-current loans assets - associates and joint ventures	82	50	32	-
Held-to-maturity investments	-	-	-	-
Non-current finance lease liabilities	(50,967)	(47,988)	(2,979)	(63,924)
Non-current bank loans and borrowings	(41,686)	(42,355)	669	(54,768)
Non-current loans and borrowings	**(92,571)**	**(90,293)**	**(2,278)**	**(118,692)**
NET FINANCIAL DEBT	**(36,934)**	**(30,577)**	**(6,357)**	**(56,865)**

Reconciliation between the parent's profit (loss) and equity and consolidated profit (loss) and equity

The parent's loss and equity as at and for the period ended 30 September 2013 are reconciled with the Group's relevant figures below.

	Profit (loss) for the period		Equity	
	Nine months ended 30.09.2013	Nine months ended 30.09.2012	30.09.2013	30.09.2012
Pininfarina S.p.A.'s condensed interim separate financial statements	**(8,933,242)**	**33,304,040**	**35,019,405**	**46,297,139**
- Foreign companies' contribution	513,877	553,717	1,391,279	1,499,542
- Goodwill of Pininfarina Extra S.r.l.	-	-	1,043,497	1,043,497
- Elimination of trademark licence in Germany	-	-	(6,749,053)	(6,749,053)
- Intragroup dividends	(601,400)	(1,246,204)	-	-
- Share of profit of equity-accounted investees	6,320	-	6,320	-
- Other minor	-	-	-	-
Condensed interim consolidated financial statements	**(9,014,445)**	**32,611,553**	**30,711,448**	**42,091,125**

The corresponding figures as at and for the nine months ended 30 September 2012 have been restated following the adoption of the revised IAS 19 Employee Benefits.

Net financial debt (Consob)

(CESR recommendations no. 05-04b – EU Regulation no. 809/2004)

(€'000)

	30.09.2013	31.12.2012	Variation	30.09.2012
Cash	(35,773)	(41,501)	(5,728)	(16,364)
Other cash equivalents	-	-	-	-
Securities held for trading	(52,460)	(50,809)	1,651	(50,702)
Total cash and cash equivalents (A.)+(B.)+(C.)	***(88,233)***	***(92,311)***	***(4,077)***	***(67,066)***
Current loan assets	-	-	-	-
Current bank loans and borrowings	169	**167**	**(2)**	**202**
Current portion of secured bank loans	5,037	5,037	-	5,037
Non-current portion of secured bank loans	10,492	10,492	-	-
Current portion of non-current loans and borrowings	**15,529**	**15,529**	-	**5,037**
Other current loans and borrowings	16,898	16,898	-	-
Current financial debt (F.)+(G.)+(H.)	***32,596***	***32,594***	***(2)***	***5,239***
Net current financial position	***(55,637)***	***(59,717)***	***4,080***	***(61,827)***
Non-current portion of secured bank loans	10,040	12,559	2,519	15,077
Non-current portion of non-secured bank loans	31,646	29,796	(1,850)	39,691
Non-current bank loans and borrowings	**41,686**	**42,355**	669	**54,768**
Bonds issued	-	-	-	-
Other non-current loans and borrowings	50,967	47,988	(2,979)	63,924
Net non-current financial debt (K.)+(L.)+(M.)	***92,653***	***90,343***	(2,310)	***118,692***
Net financial debt (J+N)	**37,016**	**30,627**	**(6,389)**	**56,865**

The Net financial debt set out above is presented in accordance with the format recommended by Consob in Communication DEM no. 6064293 of 28 July 2006, implementing CESR (now ESMA) recommendation no. 05-04b. Because the purpose of this table is to show "Net financial debt", assets are shown with a minus sign and liabilities with a plus sign. On the contrary, in the "Net financial debt" table 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 on this page is that the latter does not include non-current loans and receivables. The total amount of these differences at the relevant reporting dates is shown below:

- At 30 September 2013: €82 thousand
- At 31 December 2012: €50 thousand
- At 30 September 2012: none

Pininfarina Group

Condensed interim consolidated financial statements as at and for the nine months ended 30 September 2013

Statement of financial position

	Note	30.09.2013	31.12.2012
Land and buildings	1	47,290,330	48,231,409
Land		11,176,667	11,176,667
Buildings		27,485,527	28,157,695
Leased property		8,628,136	8,897,047
Plant and machinery	1	5,295,462	5,499,247
Machinery		178,526	262,642
Plant		5,116,936	5,236,605
Leased machinery and equipment		-	-
Furniture, fixtures and other assets	1	1,591,518	1,630,303
Furniture and fixture		263,914	274,953
Hardware and software		912,137	924,181
Other assets, including vehicles		415,467	431,169
Assets under construction	1	-	-
Property, plant and equipment		**54,177,310**	**55,360,959**
Investment property	**2**	**9,186,015**	**9,464,243**
Goodwill	3	1,043,495	1,043,495
Licences and trademarks	3	1,917,142	1,950,892
Other	3	172,606	216,870
Intangible assets		**3,133,243**	**3,211,257**
Associates	4	60,320	54,000
Joint ventures	4	50,000	50,000
Other companies	5	252,017	252,017
Equity investments		**362,337**	**356,017**
Deferred tax assets	**17**	**934,158**	**928,815**
Held-to-maturity investments		-	-
Loans and receivables	6	81,502	50,313
Third parties		-	-
Associates and joint ventures		81,502	50,313
Available-for-sale financial assets		-	-
Non-current financial assets		**81,502**	**50,313**
TOTAL NON-CURRENT ASSETS		**67,874,565**	**69,371,604**
Raw materials		113,172	159,784
Work in progress		-	
Finished goods		314,238	424,993
Inventories	**8**	**427,410**	**584,777**
Contract work in progress	**9**	**4,578,256**	**2,185,726**
Assets held for trading	7	52,459,951	50,809,450
Loans and receivables		-	-
Third parties		-	-
Associates and joint ventures		-	-
Available-for-sale financial assets		-	-
Current financial assets		**52,459,951**	**50,809,450**
Derivatives		**-**	**-**
Trade receivables	10	17,431,279	19,259,333
Third parties		17,431,279	19,259,333
Associates and joint ventures		-	-
Other assets	11	6,006,554	13,808,017
Trade receivables and other assets		**23,437,833**	**33,067,350**
Cash on hand		44,426	36,302
Short-term bank deposits		35,728,254	41,465,108
Cash and cash equivalents	**12**	**35,772,680**	**41,501,410**
TOTAL CURRENT ASSETS		**116,676,130**	**128,148,713**
Assets held for sale		**-**	**-**
TOTAL ASSETS		**184,550,695**	**197,520,317**

Statement of financial position

	Note	30.09.2013	31.12.2012
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	(6,539)	(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	(9,014,445)	32,943,762
EQUITY ATTRIBUTABLE TO THE OWNER OF THE PARENT		30,711,448	39,814,489
Equity attributable to non-controlling interests		-	-
EQUITY		**30,711,448**	**39,814,489**
Finance lease liabilities		50,966,808	47,988,048
Other loans and borrowings		41,685,684	42,354,625
Third parties		41,685,684	42,354,625
Associates and joint ventures		-	-
Non-current loans and borrowings	**14**	**92,652,492**	**90,342,673**
Deferred tax liabilities		**-**	**-**
Italian post-employment benefits		7,307,640	7,286,941
Other		-	-
Post-employment benefits		**7,307,640**	**7,286,941**
TOTAL NON-CURRENT LIABILITIES		**99,960,132**	**97,629,614**
Bank overdrafts	12	169,191	166,743
Finance lease liabilities		16,898,070	16,898,070
Other loans and borrowings		15,528,932	15,528,932
Third parties		15,528,932	15,528,932
Current loans and borrowings	**14**	**32,596,193**	**32,593,745**
Wages and salaries payable		2,044,128	1,786,569
Social security charges payable		775,533	1,648,536
Other financial liabilities		1,791,932	2,012,197
Other financial liabilities	**15**	**4,611,593**	**5,447,302**
Third parties		9,370,907	13,266,794
Associates and joint ventures		-	-
Progress payments and advances for contract work in progress		1,246,238	992,405
Trade payables	**15**	**10,617,145**	**14,259,199**
Direct tax liabilities		286,035	31,331
Other tax liabilities		468,521	444,450
Current tax liabilities		**754,556**	**475,781**
Derivatives		**-**	**-**
Provision for product warranty		63,315	63,578
Restructuring provision		3,874,239	4,462,500
Other provisions		860,540	2,289,495
Provisions for risks and charges	**16**	**4,798,094**	**6,815,573**
Other liabilities		**501,534**	**484,614**
TOTAL CURRENT LIABILITIES		**53,879,115**	**60,076,214**
TOTAL LIABILITIES		**153,839,247**	**157,705,828**
Liabilities associated with assets held for sale		**-**	**-**
TOTAL LIABILITIES AND EQUITY		**184,550,695**	**197,520,317**

Pursuant to Consob resolution no. 15519 of 27 July 2006, an ad hoc statement showing related party transactions has not been prepared as these are already shown in the financial statements schedules.
As for transactions with other related parties, such as directors and statutory auditors, Other liabilities include accrued fees for the period of €176,906.

The corresponding figures as at 31 December 2012 have been restated following the adoption of the revised IAS 19 Employee Benefits and the inclusion of an additional caption (Investment property) for better presentation purposes.

Income statement

	Note	Nine months ended 30.09.2013	*of which: related parties*	Nine months ended 30.09.2012	*of which: related parties*
Revenue from sales and services	18	49,875,545	15,019	44,120,496	494,505
Internal work capitalised		-	-	-	-
Change in inventory and contract work in progress		2,284,718		1,228,028	
Change in contract work in progress		2,393,659		1,237,794	
Change in finished goods and work in progress		(108,941)		(9,766)	
Other revenue and income	19	5,475,682		5,160,859	
Revenue		**57,635,945**	**15,019**	**50,509,383**	**494,505**
Gains on sale of non-current assets and equity investments		**2,479**	**-**	**225**	**-**
Gain on sale of equity investments		-		-	
Raw materials and components		(4,519,517)		(8,078,095)	
Change in raw materials		(46,612)		33,649	
Inventory write-downs		-		-	
Raw materials and consumables		**(4,566,129)**	**-**	**(8,044,446)**	**-**
Consumables		(686,487)		(380,928)	
External maintenance		(634,386)		(906,596)	
Other variable production costs		**(1,320,873)**	**-**	**(1,287,524)**	**-**
External variable engineering services		**(9,282,564)**	**-**	**(5,016,884)**	**(20,877)**
Blue collars, white collars and managers		(34,199,063)		(30,756,236)	
Independent contractors and temporary workers		-		-	
Social security contributions and other post-employment benefits		(1,203,885)		(1,177,481)	
Wages, salaries and employee benefits	20	**(35,402,948)**	**-**	**(31,933,717)**	**-**
Depreciation of property, plant and equipment and investment property		(2,052,860)		(2,041,565)	
Amortisation of intangible assets		(556,304)		(445,168)	
Losses on sale of non-current assets and equity investments		-		(1,171)	
Net utilisation of provisions and impairment losses	21	892,441		184,278	
Amortisation, depreciation and impairment losses		**(1,716,723)**	**-**	**(2,303,626)**	**-**
Net exchange rate losses		**(11,443)**		**(4,049)**	
Other expenses	22	**(9,468,773)**		**(11,379,923)**	
Operating loss		**(4,131,029)**	**15,019**	**(9,460,561)**	**473,628**
Net financial expense	23	**(4,536,985)**	**1,189**	**(2,518,546)**	**125,590**
Gain on the extinguishment of financial liabilities	24	**-**	**-**	**44,835,434**	**-**
Dividends		**-**	**-**	**-**	**-**
Share of profit of equity-accounted investees		**6,320**	**-**	**-**	**-**
Profit (loss) before taxes		**(8,661,694)**	**16,208**	**32,856,327**	**599,218**
Income taxes	17	**(352,751)**	**-**	**(244,774)**	**-**
Profit (loss) for the period		**(9,014,445)**	**16,208**	**32,611,553**	**599,218**
Of which:					
- Profit (loss) for the period attributable to the owners of the parent		(9,014,445)		32,611,553	
- Profit (loss) for the period attributable to non-controlling interests		-		-	
Basic/diluted earnings per share:					
- Profit (loss) for the period attributable to the owners of the parent		(9,014,445)		32,611,553	
- Number of ordinary shares, net		30,150,694		30,150,694	
- Basic/diluted earnings (losses) per share		(0.30)		1.08	

Statement of comprehensive income

	Nine months ended 30.09.2013	Nine months ended 30.09.2012
Profit (loss) for the period	**(9,014,445)**	**32,611,553**
Other comprehensive income (expense)		
- Gains (losses) from translation of financial statements of foreign operations - IAS 21	(3,563)	2,739
- Actuarial losses on defined benefit plans - IAS 19	(88,810)	(92,593)
- Income taxes	3,777	12,930
- Other		
Total other comprehensive expense	**(88,596)**	**(76,924)**
COMPREHENSIVE INCOME (EXPENSE)	**(9,103,041)**	**32,534,629**
- Comprehensive income (expense) attributable to the owners of the parent	**(9,103,041)**	**32,534,629**
- Comprehensive income (expense) attributable to non-controlling interests	-	-

Pursuant to Consob resolution no. 15519 of 27 July 2006, the effects of related party transactions on the income statement of the Pininfarina Group are shown in the table provided above and in the "Other Information" section of the notes.
The corresponding figures for the nine months ended 30 September 2012 have been restated following the adoption of the revised IAS 19 Employee Benefits.

Statement of changes in equity

	31.12.2011	Comprehensive income	Allocation of prior year loss	30.09.2012
Share capital	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
Translation reserve	2,601,548	2,739	-	2,604,287
Other reserves	2,646,208	-	-	2,646,208
Losses carried forward	(16,764,106)	(79,663)	(11,484,934)	(28,328,703)
Profit (loss) for the period/year	(11,484,934)	32,611,553	11,484,934	32,611,553
EQUITY ATTRIBUTABLE TO THE OWNER OF THE PARENT	9,556,496	32,534,629	-	42,091,125
Equity attributable to non-controlling interests	-	-	-	-
EQUITY	**9,556,496**	**32,534,629**	**-**	**42,091,125**

	31.12.2012	Comprehensive expense	Allocation of prior year profit	30.09.2013
Share capital	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
Translation reserve	(2,976)	(3,563)	-	(6,539)
Other reserves	2,646,208	-	-	2,646,208
Retained earnings (losses carried forward)	(28,330,285)	(85,033)	29,141,820	726,502
Profit (loss) for the period/year	32,943,762	(9,014,445)	(32,943,762)	(9,014,445)
EQUITY ATTRIBUTABLE TO THE OWNER OF THE PARENT	39,814,489	(9,103,041)	-	30,711,448
Equity attributable to non-controlling interests	-	-	-	-
EQUITY	**39,814,489**	**(9,103,041)**	**-**	**30,711,448**

The corresponding figures for the nine months ended 30 September 2012 and for the year ended 31 December 2012 have been restated following the adoption of the revised IAS 19 Employee Benefits.

Statement of cash flows

	Nine months ended 30.09.2013	Nine months ended 30.09.2012
Profit (loss) for the period	(9,014,445)	32,611,553
Adjustments:		
- Income taxes	352,751	245,627
- Depreciation of property, plant and equipment and investment property	2,052,860	2,041,565
- Amortisation of intangible assets	556,304	445,168
- Impairment losses, provisions and change in accounting estimates	(2,139,780)	(2,220,885)
- Gains on the sale of non-current assets	(2,479)	-
- Financial expense	5,643,723	5,416,164
- Financial income	(1,109,568)	(4,257,421)
- Dividends	-	-
- Share of profit of equity-accounted investees	(6,320)	-
- Other adjustments	170,712	(43,758,289)
Total adjustments	**5,518,203**	**(42,088,071)**
Change in working capital:		
- Decrease in inventories	192,937	34,843
- Increase in contract work in progress	(2,392,530)	(1,260,773)
- (Increase)/decrease in trade receivables and other assets	9,708,237	(10,186,974)
- (Increase)/decrease in receivables from associates and joint ventures	-	-
- Increase/(decrease) in trade payables and other liabilities	(4,714,676)	971,123
- Increase/(decrease) in payables to associates and joint ventures	-	(20,670)
- Other changes	178,290	(175,670)
Total changes in working capital	**2,972,258**	**(10,638,120)**
Gross cash flows used in operating activities	**(523,984)**	**(20,114,638)**
- Interest expense	(414,403)	(519,727)
- Income taxes	-	(229,033)
NET CASH FLOWS USED IN OPERATING ACTIVITIES	**(938,387)**	**(20,863,397)**
- Purchases of non-current assets and equity investments	(1,126,182)	(1,174,362)
- Proceeds from the sale of non-current assets and equity investments	5,684	3,549
- Repayment of loans and receivables - third parties	-	-
- Repayment of loans and receivables - associates and joint ventures	(30,000)	11,292,276
- Interest income	536,622	9,077,679
- Dividends collected	-	2,509,341
- Other changes	(1,660,460)	(4,403,993)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	**(2,274,336)**	**17,304,490**
- Proceeds from the issue of shares	-	-
- Increase in finance lease liabilities and other loans and borrowings - third parties	-	-
- Increase in other loans and borrowings - associates and joint ventures	-	-
- Repayment of finance lease liabilities and other loans and borrowings - third parties	(2,518,455)	(70,957,975)
- Repayment of other loans and borrowings - associates and joint ventures	-	-
- Dividends paid	-	-
- Other changes/Other non-cash items	-	17,920,337
CASH FLOWS USED IN FINANCING ACTIVITIES	**(2,518,455)**	**(53,037,638)**
TOTAL CASH FLOWS	**(5,731,178)**	**(56,596,545)**
Opening net cash and cash equivalents	41,334,667	72,758,660
Closing net cash and cash equivalents	**35,603,489**	**16,162,115**
Of which:		
- Cash and cash equivalents	35,772,680	16,363,899
- Bank overdrafts	(169,191)	(201,784)

Pursuant to Consob resolution no. 15519 of 27 July 2006, the impact of transactions with related parties, which solely relates to transactions with the joint venture Pininfarina Sverige AB and the associate Goodmind S.r.l., are disclosed in notes 4, 6, 10 and 15(a).
The corresponding figures for the nine months ended 30 September 2012 have been restated following the adoption of the revised IAS 19 Employee Benefits.

Income statement for the third quarter

	Q3 2013	Q3 2012
Revenue from sales and services	18,578,491	16,506,571
Internal work capitalised	-	-
Change in inventory and contract work in progress	(2,296,470)	(424,861)
Change in contract work in progress	(2,353,126)	(418,763)
Change in finished goods and work in progress	56,656	(6,098)
Other revenue and income	1,355,721	1,533,910
Revenue	**17,637,742**	**17,615,620**
Gains on sale of non-current assets and equity investments	**-**	**-**
Gain on sale of equity investments	-	-
Raw materials and components	(1,826,373)	(2,995,786)
Change in raw materials	11,830	(8,081)
Inventory write-downs	-	-
Raw materials and consumables	**(1,814,543)**	**(3,003,867)**
Consumables	(152,863)	(92,589)
External maintenance	(224,724)	(273,671)
Other variable production costs	**(377,587)**	**(366,260)**
External variable engineering services	**(2,500,504)**	**(1,968,340)**
Blue collars, white collars and managers	(9,589,228)	(9,420,095)
Independent contractors and temporary workers	-	-
Social security contributions and other post-employment benefits	(449,133)	(479,893)
Wages, salaries and employee benefits	**(10,038,361)**	**(9,899,988)**
Depreciation of property, plant and equipment and investment property	(668,634)	(669,353)
Amortisation of intangible assets	(195,601)	(152,825)
Losses on sale of non-current assets and equity investments	-	(3)
Net additions to provisions and impairment losses	(29,467)	(33,861)
Amortisation, depreciation and impairment losses	**(893,702)**	**(856,042)**
Net exchange rate losses	**(33,159)**	**(15,196)**
Other expenses	**(3,193,733)**	**(3,286,474)**
Operating loss	**(1,213,847)**	**(1,780,548)**
Net financial expense	**(1,404,787)**	**(987,163)**
Gain on the extinguishment of financial liabilities	**-**	**-**
Dividends	**-**	**-**
Share of profit of equity-accounted investees	**1,718**	**-**
Loss before taxes	**(2,616,916)**	**(2,767,711)**
Income taxes	**(118,353)**	**(35,497)**
Loss for the period	**(2,735,269)**	**(2,803,208)**

Statement of comprehensive income for the third quarter

	Q3 2013	Q3 2012
Loss for the period	**(2,735,269)**	**(2,803,208)**
Other comprehensive income (expense)		
- Gains (losses) from translation of financial statements of foreign operations - IAS 21	15,342	(5,579)
- Actuarial gains (losses) on defined benefit plans - IAS 19		
- Income taxes	-	-
- Other	-	-
Total other comprehensive income (expense)	**15,342**	**(5,579)**
COMPREHENSIVE EXPENSE	**(2,719,927)**	**(2,808,787)**
- Comprehensive expense attributable to the owners of the parent	**(2,719,927)**	**(2,808,787)**
- Comprehensive income (expense) attributable to non-controlling interests	-	-

Notes to the condensed interim consolidated financial statements

GENERAL INFORMATION

Foreword

The core business of the Pininfarina Group (the “Group”) is based on the establishment of comprehensive collaborative relationships with carmakers. Operating as a global partner enables it to work with customers through the entire process of developing new products, including design, planning, development, industrialisation 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 the Italian Stock Exchange. Its registered office is in via Bruno Buozzi 6, 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 charged with a senior pledge, without voting rights, in favour of the parent’s lending institutions;
- Segi S.r.l. 0.60%, parent of Pincar S.r.l.;
- 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 on.

The condensed interim consolidated financial statements are presented in Euros, the functional and presentation currency of the parent, where most of the activities and consolidated revenue are concentrated, and its main subsidiaries.

All amounts are presented in Euros, unless otherwise stated.

Basis of presentation

In accordance with IAS 1 - Presentation of Financial Statements, the condensed interim consolidated financial statements are the same as those of the parent. They include the following schedules:

- statement of financial position, in which current and non-current assets and liabilities are classified separately;
- income statement and statement of comprehensive income, shown as two separate schedules in which costs are classified by nature;
- 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.

In accordance with 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 disclosure required for annual financial statements, since they cover only those items that, because of their amount, composition or change, are deemed essential to understand the Group’s financial performance, financial position and cash flows. Consequently, these condensed interim consolidated financial statements should be read in conjunction with the 2012 annual consolidated financial statements.

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

- the effects of non-recurring events or transactions, i.e., 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 balances with related parties, is provided on page 13 of 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 are prepared on a going concern basis, which the directors deemed appropriate.

These condensed interim consolidated financial statements at 30 September 2013 comply with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union. They are also consistent with the regulations enacted to implement article 9 of Legislative decree no. 38/2005.
The term IFRS includes the International Financial Reporting Standards, the International Accounting Standards ("IAS") and all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously called the Standing Interpretation Committee ("SIC"), endorsed by the European Commission as of the date of the Board of Directors' meeting convened to approve the draft financial statements and listed in the applicable regulations published by the European Union as of the above-mentioned date.

These condensed interim consolidated financial statements are prepared in accordance with the general principle of the historical cost, except for those items that, pursuant to the IFRS, shall be measured at fair value, as explained in the "Accounting policies" section.

The accounting policies adopted to prepare these condensed interim consolidated financial statements at 30 September 2013, presented in accordance with IAS 34, are the same as those used in the 2012 annual consolidated financial statements, except as noted in the "Change in accounting policies" section.

As part of the process of preparing these condensed interim financial statements, management was required to make estimates and assumptions, based on the information available as of the date hereof, which have an impact on the carrying amounts of revenue, 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 recognised in the reporting period when the actual circumstances occur.

Moreover, generally speaking, 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 financial statements at 30 June and annual financial statements.

Change in accounting policies

Starting from 2013, the Group has adopted IAS 19 (revised) as published in the Italian Official Journal on 6 June 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 of the service costs and interest expenses in the income statement, as well as the recognition of any actuarial gains or losses resulting from the annual remeasurement of assets and liabilities in other comprehensive income. The return on assets, which is included in the computation of net interest expense, shall 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. In order to provide reliable and more relevant information, the revised version of IAS 19, as endorsed by the European Commission, requires that the above-mentioned items be reflected directly in Retained earnings/(losses carried forward) in equity and recognised immediately in the statement of comprehensive income. As required by IAS 8, the corresponding figures for the first nine months of 2012 and the year ended 31 December 2012 have been restated for comparative purposes.
The table below shows the effect of the adoption of the amendment on the captions of these condensed interim and prior year annual consolidated financial statements. It consists of reclassifying actuarial gains and losses from Wages, salaries and employee benefits to other comprehensive income.

The related tax effect is also shown.

	2012	**Nine months ended 30.09.2012**
Income statement		
Wages, salaries and employee benefits	95,129	92,593
Income taxes	(13,884)	(12,930)
Profit (loss) for the period/year	81,245	79,663
Statement of comprehensive income		
Actuarial losses on defined benefit plans - IAS 19	(95,129)	(92,593)
Income taxes	13,884	12,930
Total other comprehensive income (expense)	(81,245)	(79,663)
Comprehensive income (expense)	-	-

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

Lastly, starting from 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 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.
Intragroup expenses, revenue, receivables, payables, gains and losses 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 and business combinations

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

Name	Registered office	Investment %	Held by	Currency	Share/ quota capital
Pininfarina Extra S.r.l.	Via Bruno Buozzi 6, Turin, Italy	100%	Pininfarina S.p.A.	€	388,000
Pininfarina of America Corp.	1101 Brickell Ave - South Tower - 8th Floor - Miami FL USA	100%	Pininfarina Extra S.r.l.	USD	10,000
Pininfarina Deutschland GmbH	Riedwiesenstr. 1, Leonberg, Germany	100%	Pininfarina S.p.A.	€	3,100,000
Mpx Entwicklung GmbH	Frankfurter Ring 17, Munich, Germany	100%	Pininfarina Deutschland GmbH	€	25,000
Mpx Entwicklung GmbH	Riedwiesenstr. 1, Leonberg, Germany	100%	Pininfarina Deutschland GmbH	€	26,000
Pininfarina Maroc Sas	Casablanca 57, Bd Abdelmoumen, Résidence El Hadi, Immeuble A, BP 20360	100%	Pininfarina S.p.A. (99.9%) Pininfarina Extra S.r.l. (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 S.p.A.	CNY	3,702,824

The interim reporting date of the subsidiaries is the same as that of the parent, Pininfarina S.p.A..

The consolidation scope has changed compared to the first nine months of 2012, due to the deconsolidation of the subsidiary Matra Automobiles Engineering SAS as of 1 October 2012.

In February 2013, the 0.1% investment in the subsidiary Pininfarina Maroc SAS held by Matra Automobiles Engineering SAS was sold to Pininfarina Extra S.r.l..

(b) Acquisition/sale of investments subsequent to the acquisition of control

Acquisitions and sales of investments subsequent to the acquisition of control that do not result in a loss of control are accounted for as owner transactions.

In the case of acquisitions, the difference between the consideration paid and the pro rata interest in the carrying amount of the net assets acquired is recognised in equity. In the case of sales, the resulting gain or loss is also recognised 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 recognised in profit or loss.

(c) Associates and joint ventures

Associates are listed below:

Name	Registered office	Investment %	Held by	Currency	Quota capital
Goodmind S.r.l.	Via Nazionale 30, Cambiano, Italy	20%	Pininfarina Extra S.r.l.	€	20,000

Joint ventures are as follows:

Name	Registered office	Investment %	Held by	Currency	Quota capital
Pininfarina Recchi Buildingdesign S.r.l.	Via Montevecchio 28, Turin, Italy	50%	Pininfarina Extra S.r.l.	€	100,000

On 30 April 2013, the shareholders resolved to dissolve this joint venture and the corresponding resolution was filed with the Company Registrar on 26 June 2013. Changes compared to the first nine months of 2012 relate to the exit of the joint venture Pininfarina Sverige AB from the consolidation scope, as the interest held by the parent was sold to Volvo Car Corporation on 27 December 2012.

(d) Other companies

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

If the investments are not listed on a regulated market and their fair value cannot be reliably determined, they are measured at cost, adjusted for any impairment losses.

Translation of foreign currency captions

(a) Presentation currency and 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	30.09.2013	2013	30.09.2012	2012
US dollar - USD	1.35	1.32	1.29	1.28
Swedish krona - SEK	-	-	8.45	8.73
Moroccan dirham - MAD	11.19	11.15	11.11	11.09
Chinese renminbi (yuan) - CNY	8.26	8.12	8.13	8.11

(b) Foreign currency assets, liabilities and transactions

Transactions carried out in currencies other than the Euro are initially recognised at the exchange rate in force on the date of the transaction.

At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated into Euros at the closing rate. All resulting exchange rate gains and losses are recognised in profit or loss, except for those stemming from foreign currency loans that hedge investments in foreign operations. Any such gains or losses, and the relevant tax effects, are recognised directly in equity. When the equity investment is sold, the accumulated translation differences are reclassified to 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 initially recognised. Non-monetary items that are carried at fair value are translated into Euros at the exchange rate in force on the measurement date.

None of the group companies operates in a hyperinflationary economy.

TYPES OF FINANCIAL INSTRUMENTS AND FAIR VALUE HIERARCHY

The financial instruments held by the Group include:

- cash and cash equivalents;
- financial assets held for trading;
- non-current loan liabilities and finance lease liabilities;
- trade receivables and payables and loans and receivables - associates and joint ventures.

Financial assets held for trading mainly consist of government bonds, bonds and other financial assets, mostly traded in regulated markets, with a low risk profile, held because they are readily saleable and provide principal protection.
The Group has no derivatives in place, either for speculative or cash flow/fair value hedging purposes.

As required by IFRS 7, the table below lists the types of financial instruments included in the condensed interim consolidated financial statements and shows the measurement criteria adopted:

	Financial instruments at fair value through:		Fair value hierarchy	Financial instruments at amortised cost	Equity investments measured at cost	Carrying amount at 30.09.2013	Carrying amount at 31.12.2012
	profit or loss	equity					
Assets:							
Equity investments in other companies	-	-			252,017	252,017	252,017
Loans and receivables	-	-		81,502	-	81,502	50,313
Assets held for trading	52,459,951	-	Level 1	-	-	52,459,951	50,809,450
Trade receivables and other assets	-	-		23,437,833	-	23,437,833	33,067,351
Net cash and cash equivalents	-	-		35,772,680	-	35,772,680	41,501,410
Liabilities:							
Finance lease liabilities	-	-		67,864,878	-	67,864,878	64,886,118
Other loans and borrowings	-	-		57,383,807	-	57,383,807	58,050,300
Trade payables and other liabilities	-	-		12,910,609	-	12,910,609	16,756,010

Pursuant to IFRS 7 – Financial Instruments: Disclosures, the classification of financial instruments at fair value shall be based on the quality of the inputs used for measurement purposes. The IFRS 7 classification is based on the following fair value hierarchy:

- Level 1: fair value is determined based on prices quoted on an active market for identical assets or liabilities. This category includes financial assets held for trading, which are government bonds 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. These condensed interim financial statements do not present any financial instruments of this type.
- Level 3: fair value is determined based on valuation models, the input of which is not based on observable market data. These condensed interim financial statements do not present any financial instruments of this type.

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 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 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 covered by the interest rate and currency risks), irrespective as to whether such fluctuations 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 fulfil an obligation.
- Liquidity risk: the risk that an entity may be unable to fulfil obligations associated with financial liabilities.

(a) Currency risk

The Group entered into 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 against the Euro: US dollar (USD), Moroccan dirham (MAD) and Chinese Yuan (CNY).

(b) Interest rate risk

The Rescheduling Agreement signed by Pininfarina S.p.A. with the lending institutions (BRE, Intesa Sanpaolo, BNL, Italease, Unicredit, BP, MPS, UBI Leasing, Leasint, MPS Leasing, Selmabipiemme, Unicredit Leasing, BNP Lease and Release), effective from 1 May 2012 to 31 December 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 term 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 above-mentioned Rescheduling Agreement and accrues interest at the six-month Euribor, plus a spread of 0.9%, on the outstanding balance of €14.6 million at 30 September 2013. Moreover, it is exposed in connection with 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 outstanding balance of €0.5 million.
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 in arrears at the end of each utilisation period.

A breakdown of the Group's financial debt by fixed and variable interest rate at 30 September 2013 is as follows:

	30.09.2013	%	31.12.2012	%
- Fixed rate	110,171,425	88%	105,173,960	86%
- Variable rate	15,077,260	12%	17,762,458	14%
Gross financial debt	**125,248,685**	**100%**	**122,936,418**	**100%**

Due to the new structure of the interest rates on medium to long-term financing, that at variable rates accounts for 12% of total indebtedness. Consequently, the Group has not performed a sensitivity analysis.

(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 immaterial.

Current assets held for trading, which totalled €52.5 million at 30 September 2013, are measured at fair value. Because they mainly consist of government bonds, bonds and other financial assets held because they are readily saleable and provide principal protection, most of which are traded in regulated markets, the price risk presented by these assets is deemed to be limited.

A breakdown of these assets by nature is provided below:

	30.09.2013	%	31.12.2012	%
Italian government bonds	20,004,791	*38.13*	21,274,936	*41.87*
Foreign government or government-guaranteed bonds	4,726,892	*9.01*	5,552,846	*10.93*
Supranational securities	9,152,139	*17.45*	9,439,790	*18.58*
Bank and insurance bonds	8,333,663	*15.89*	5,789,942	*11.40*
Other bonds	6,174,145	*11.77*	4,711,597	*9.27*
Bond funds	4,068,321	*7.76*	4,040,339	*7.95*
Assets held for trading	**52,459,951**	*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. In order to minimise the credit risk from non-EU customers, the Group seeks to align both progress billings and their collection with the relevant contract's stage of completion. There is no significant credit concentration with individual customers.

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

(e) Liquidity risk

The effects of the Rescheduling Agreement, effective from 1 May 2012 to 31 December 2018, are summarised as follows:

- it rescheduled term financing and finance leases totalling €182.5 million and operating lines amounting to €18 million 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 financing, 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 flows in excess of those forecast in the 2011-2018 business plan.

The cash flows of the above-mentioned Agreement were determined based on the figures forecast in the 2011-2018 business plan, which was prepared by the Board of Directors with the support of Roland Berger and was approved on 20 April 2012. Consequently, over the medium to long term, the liquidity risk is directly correlated to the achievement of the business plan targets.

A breakdown of the Group's financial debt by maturity date is set out below. The maturity bands are determined based on the length of time between the reporting and contractual due dates:

	Carrying amount 30.09.2013	Contractual cash flows	Of which: due within one year	Of which: due from one to five years	Of which: due after five years
Short-term credit facilities and bank overdraft	169,191	169,191	169,191	-	-
Term financing	42,637,356	52,080,068	10,492,023	41,588,045	-
Finance lease liabilities	67,864,878	83,072,966	16,898,070	66,174,896	-
BNL S.p.A., formerly Fortis Bank	14,577,260	14,577,262	5,036,909	9,540,353	-
Leases and financing	**125,248,685**	**149,899,487**	**32,596,193**	**117,303,294**	**-**

The Group holds net cash and cash equivalents and assets held for trading totalling €88.1 million, including €7.3 million restricted, as explained in notes 7 and 12. Consequently, the Group is not exposed 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 1 May 2012, the Group's leases and financing agreements could contain acceleration clauses upon the occurrence of certain events, thereby creating a liquidity risk.

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

	31/12/12	31/12/13	31/12/14	31/12/15	31/12/16	31/12/17	31/12/18
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

Compliance with the covenants is checked on each Verification Date, based on the most recent annual consolidated financial statements. At 31 December 2012, the Group was in compliance.

SEGMENT REPORTING

Within the Styling and Engineering business segment, each styling or engineering contract signed with a customer represents an "operating segment" in accordance with paragraphs 5 to 10 of IFRS 8 – Operating Segments. In the Operations business segment, the operating segments coincide with a series of activities mainly involving the supply of spare parts for cars manufactured by Pininfarina S.p.A., the lease of certain businesses for the production of electric cars for the car sharing service of the Paris Municipality and support functions.
Financial income and expense and income taxes are not allocated to the reporting segments because management makes the relevant decisions on an aggregate segment basis. Intra-segment transactions are carried out at market conditions. In accordance with IFRS 8.4, the Group presents segment reporting in its consolidated financial statements only.

The Group's business segments are not affected by seasonal factors.

Segment reporting for the nine months ended 30 September 2013 and 2012 is set out below. Amounts are in thousands of Euros.

	Nine months ended 30 September 2013			Nine months ended 30 September 2012		
	Operations	Styling and Engineering	Total	Operations	Styling and Engineering	Total
	A	B	A + B	A	B	A + B
Revenue	6,871	53,507	60,378	10,398	41,412	51,810
(Intra-segment revenue)	(242)	(2,500)	(2,742)	(428)	(873)	(1,301)
Revenue - third parties	**6,629**	**51,007**	**57,636**	**9,970**	**40,539**	**50,509**
Operating profit (loss)	**(5,486)**	**1,355**	**(4,131)**	**(8,631)**	**(830)**	**(9,461)**
Net financial expense			(4,537)			(2,518)
Gain on the extinguishment of financial liabilities			-			44,835
Dividends			-			-
Share of profit of equity-accounted investees	-	6	6	-	-	-
Profit (loss) before taxes	-	-	**(8,662)**	**-**	**-**	**32,856**
Income taxes	-	-	(352)	-	-	(245)
Profit (loss) for the period	-	-	**(9,014)**	**-**	**-**	**32,611**
Other information required by IFRS 8:						
- Amortisation and depreciation	(1,553)	(1,056)	(2,609)	(1,595)	(892)	(2,487)
- Impairment losses	-	(61)	(61)	-	-	-
- Provisions/change in accounting estimates	-	953	953	-	184	184
- Gains on the sale of non-current assets	2	-	2	-	-	-

The corresponding figures for the nine months ended 30 September 2012 have been restated following the adoption of the revised IAS 19 Employee Benefits.

Reference should be made to the directors' report for an analysis of the operating segments.

A breakdown of sales by geographical segment is provided below:

	Nine months ended 30.09.2013	Nine months ended 30.09.2012
Italy	6,926	6,000
EU	31,993	24,979
Non-EU countries	10,957	13,142
Revenue from sales and services	**49,876**	**44,120**

NOTES

1. Property, plant and equipment

The carrying amount of property, plant and equipment at 30 September 2013 decreased to €54.2 million from €55.4 million at 31 December 2012.
Changes in property, plant and equipment and an analysis of the items making up the captions are set out below.

	Land	Buildings	Leased property	Total
Carrying amount at 31 December 2012	**11,176,667**	**28,157,695**	**8,897,047**	**48,231,409**
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation	-	(672,168)	(268,911)	(941,079)
Impairment losses	-	-	-	-
Reclassifications	-	-	-	-
Other changes	-	-	-	-
Carrying amount at 30 September 2013	**11,176,667**	**27,485,527**	**8,628,136**	**47,290,330**

Land and buildings include the carrying amounts of owned and leased real estate complexes, comprising the production facilities located in via Castellamonte 6, in Bairo Canavese (TO) and Strada provinciale per Caluso, San Giorgio Canavese (TO), the styling and engineering sites in via Nazionale 30, Cambiano (TO) and two properties in Turin and Beinasco (TO).
Leased property shows the carrying amount of the portion of the Cambiano real estate complex under finance lease and accounted for in accordance with IAS 17 - Leasing.
All land and buildings located in Italy are owned by Pininfarina S.p.A.. They are mortgaged to Banca Nazionale del Lavoro S.p.A. to secure the outstanding financing of €14.6 million at 30 September 2013.
Reference should be made to the "Change in accounting policies" section and the note to Investment property for details about the reclassification of the property owned by the subsidiary Pininfarina Deutschland GmbH.

	Machinery	Plant	Leased plant and machinery	Total
Carrying amount at 31 December 2012	**262,642**	**5,236,605**	**-**	**5,499,247**
Additions	-	360,979	-	360,979
Disposals	-	-	-	-
Depreciation	(24,016)	(480,046)	-	(504,062)
Impairment losses	(60,100)	-	-	(60,100)
Reclassifications	-	(602)	-	(602)
Other changes	-	-	-	-
Carrying amount at 30 September 2013	**178,526**	**5,116,936**	**-**	**5,295,462**

Plant and machinery at 30 September 2013 include generic production plant and machinery, mainly relating to the production facilities located in Bairo and San Giorgio Canavese and the plant and machinery used in the Cambiano facility.

	Furniture and fixture	Hardware and software	Other assets	Total
Carrying amount at 31 December 2012	**274,953**	**924,181**	**431,169**	**1,630,303**
Additions	58,064	235,593	-	293,657
Disposals	(3,205)	-	-	(3,205)
Depreciation	(64,972)	(248,818)	(15,702)	(329,492)
Impairment losses	-	-	-	-
Reclassifications	-	602	-	602
Other changes	(926)	579	-	(347)
Carrying amount at 30 September 2013	**263,914**	**912,137**	**415,467**	**1,591,518**

Additions to furniture and fixtures are mainly related to the Pininfarina Deutschland Group, while those to hardware and software refer to the parent and the subsidiaries Pininfarina Extra and Pininfarina Maroc SAS.

2. Investment property

The Group's investment property consists of buildings owned by Pininfarina Deutschland GmbH in Renningen, near Stuttgart, Germany, which are leased to third parties.

They are mortgaged to secure a loan received by the German subsidiary, which currently has an outstanding amount of €500,000.

	Land	Buildings	Total
Carrying amount at 31 December 2012	**5,807,378**	**3,656,865**	**9,464,243**
Additions	-	-	-
Disposals	-	-	-
Depreciation	-	(278,228)	(278,228)
Impairment losses	-	-	-
Reclassifications	-	-	-
Other changes	-	-	-
Carrying amount at 30 September 2013	**5,807,378**	**3,378,637**	**9,186,015**

3. Intangible assets

The carrying amount of intangible assets at 30 September 2013 decreased to €3.1 million from €3.2 million at 31 December 2012.

	Goodwill	Licences and trademarks	Other assets	Total
Carrying amount at 31 December 2012	**1,043,495**	**1,950,892**	**216,870**	**3,211,257**
Increase	-	464,107	7,440	471,547
Decrease	-	-	-	-
Amortisation	-	(500,751)	(55,553)	(556,304)
Impairment losses	-	-	-	-
Reclassifications	-	-	3,849	3,849
Other changes	-	2,894	-	2,894
Carrying amount at 30 September 2013	**1,043,495**	**1,917,142**	**172,606**	**3,133,243**

The increase for the period mainly refers to software development activities and acquisition of licences by Pininfarina S.p.A. and Pininfarina Extra S.r.l..

The remaining goodwill of €1,043,495, 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 S.r.l. was incorporated 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 €6,320.

Joint ventures

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

5. Equity investments in other companies

There was no change compared to 31 December 2012.

6. Loans and receivables

Changes in loans and receivables (third parties and joint ventures) are set out below.

	31.12.2012	Increase	Collection	30.09.2013
Third parties	-	-	-	-
Associates and joint ventures	50,313	31,189	-	81,502
Loans and receivables - Non-current portion	**50,313**	**31,189**	**-**	**81,502**
Third parties	-	-	-	-
Associates and joint ventures	-	-	-	-
Loans and receivables - Current portion	**-**	**-**	**-**	**-**
Loans and receivables	**50,313**	**31,189**	**-**	**81,502**

The non-current portion of loans and receivables includes the loan provided by Pininfarina Extra S.r.l. to the associate Goodmind S.r.l. to finance its start-up activities (€81,502).

7. Assets held for trading

Assets held for trading mainly consist of government bonds and highly rated bonds, 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 the requirements for recognition as cash and cash equivalents.
These assets are measured at fair value, based on their market prices. Fair value gains or losses are recognised in profit or loss 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 30 September 2013 includes a restricted investment of €2,398,818, including €2,000,000 to secure a surety issued to De Tomaso Automobili S.p.A. to cover compensation obligations, as is customary in transactions involving the sale of business units. The maximum guaranteed liability equals the sales price. The surety expires on 30 January 2015.

8. Inventories

Raw materials consist mainly of various materials used for the production of cars and prototypes at the Cambiano facility. Finished goods consist of car spare parts manufactured by the Group, which are sold to carmakers.

The table below shows a breakdown of inventory and the allowance for inventory write-down:

	30.09.2013	31.12.2012
Raw materials	667,030	743,986
(Allowance for inventory write-down)	(553,858)	(584,202)
Finished goods	653,982	769,963
(Allowance for inventory write-down)	(339,744)	(344,970)
Inventories	**427,410**	**584,777**

Changes in the allowance for inventory write-down, which reflects the risk of obsolete and slow-moving items that arose during the phase out of production activities, are set out below.

	30.09.2013		31.12.2012	
	Allowance for raw material write-down	**Allowance for finished goods write-down**	**Allowance for raw material write-down**	**Allowance for finished goods write-down**
Opening balance	**584,202**	**344,970**	**992,243**	**221,446**
Additions	-	-	-	263,472
Utilisations	(30,344)	(5,226)	(408,041)	(139,948)
Other changes	-	-	-	-
Closing balance	**553,858**	**339,744**	**584,202**	**344,970**

Utilisations are due to the scrapping of production materials during the period.

9. Contract work in progress

Contract work in progress shows the balance of gross contract work in progress less progress payments and advances.
The change for the period refers to new styling and engineering contracts from customers inside and outside the European Union.

10. Trade receivables - third parties, associates and joint ventures

The following table shows trade receivables at 30 September 2013 and 31 December 2012:

	30.09.2013	31.12.2012
Italy	3,672,751	5,364,643
EU	8,292,669	11,113,781
Non-EU countries	6,535,012	3,928,782
(Allowance for impairment)	(1,069,153)	(1,147,873)
Third parties	**17,431,279**	**19,259,333**
Associates and joint ventures	**-**	**-**
Trade receivables	**17,431,279**	**19,259,333**

The Group’s main counterparties are top carmakers with a high credit rating. Since there are no insurance contracts on receivables, the Group’s maximum exposure to 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 reporting period or the previous year. Trade receivables are largely denominated in Euros.

Changes in the allowance for impairment are set out below:

	30.09.2013	31.12.2012
Opening balance	**1,147,873**	**2,374,642**
Additions	8,666	160,609
Utilisations	(87,386)	(448,808)
Other changes	-	(938,570)
Closing balance	**1,069,153**	**1,147,873**

Additions for the period refer to receivables of Pininfarina Extra S.r.l..
Utilisations for 2012 and the nine months ended 30 September 2013 mainly refer to losses on the parent's receivables from customers within and outside the European Union.

The 31 December 2012 other changes reflected the effect of the deconsolidation of the portion of the allowance pertaining to the subsidiary Matra Automobiles Engineering SAS, which equalled the carrying amount of the corresponding trade receivables, which were also deconsolidated.

11. Other assets

The following table shows other assets at 30 September 2013 and 31 December 2012:

	30.09.2013	31.12.2012
VAT	1,441,493	9,830,192
Withholding taxes	1,963,187	2,114,258
Advances to suppliers	126,515	133,231
Amounts due from INAIL (the Italian Workers Compensation Authority)	70,654	20,128
Amounts due from employees	28,723	56,098
Prepayments and accrued income	786,631	886,723
Grants for the Program II.3 "Più sviluppo" project	1,111,441	493,974
Other	477,910	273,413
Other assets	**6,006,554**	**13,808,017**

The change in the VAT asset is mainly attributable to the repayment of the 2012 VAT receivable collected by the parent in September.

Grants for the Program II.3 "Più Sviluppo" project are due from the Piedmont Regional Authorities as the first and second instalment of the forgivable loan for the "AMPERE" industrial research and experimental development project.

12. Cash and cash equivalents

The table below shows a breakdown of this caption and a comparison with the previous year-end corresponding figures:

	30.09.2013	31.12.2012
Cash on hand	44,426	36,302
Short-term bank deposits	35,728,254	41,465,108
Cash and cash equivalents	**35,772,680**	**41,501,410**
(Bank overdrafts)	(169,191)	(166,743)
Net cash and cash equivalents	**35,603,489**	**41,334,667**

Short-term bank deposits include the parent's restricted account of €5,000,000 in favour of Banca Intermobiliare to secure the surety of the same amount that the latter provided to Reale Mutua Assicurazione, which, in turn, issued a surety of €9,649,751 to the tax authorities securing the repayment of the 2012 VAT receivable to the parent. The surety expires on 26 November 2016.

Bank overdrafts relate to Mpx Entwicklung GmbH, Leonberg.

13. Equity

(a) Share capital

	30.09.2013		31.12.2012	
	Carrying amount	*No.*	**Carrying amount**	*No.*
Ordinary shares	30,166,652	*30,166,652*	30,166,652	*30,166,652*
(Treasury shares)	(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 the parent is comprised of 30,166,652 ordinary shares, with a unit nominal amount of €1. There are no other classes of shares.
Treasury shares are held in accordance with the limits imposed by article 2357 of the Italian Civil Code.
As required by the Framework Agreement of 31 December 2008, the shares held by Pincar S.r.l., equal to 76.06% of the share capital, are charged with a senior lien, without voting rights, in favour of the parent's lending institutions. Detailed information about the parent's shareholders is provided in the "General information" section of these notes.

(b) Reserve for treasury shares

This reserve of €175,697, unchanged from the previous year end, is recognised 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 as per the resolution passed by the shareholders on 6 May 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

Other reserves are unchanged from the previous year end.
The Group has no stock option plans or other instruments requiring share-based payments.

(f) Retained earnings (losses carried forward)

Retained earnings totalled €726,502 at the reporting date, up by €29,056,787 from the 31 December 2012 figure. The increase includes the 2012 comprehensive income of €32,943,762, net of the allocation of €3,801,942 to the legal reserve and the effect for the period of the adoption of IAS 19 (revised), quantified at €85,033.

14. Loans and borrowings

Rescheduling Agreement

(a) Rescheduling Agreement

The Rescheduling Agreement (the "Agreement") between Pininfarina S.p.A. and its lending institutions became effective on 1 May 2012. Its effects are summarised below:

- the rescheduling of term financing and finance leases totalling €182.5 million and a portion of the operating lines amounting to €18 million to 2018;

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

The Agreement does not apply to the loan granted to Pininfarina S.p.A. by BNL (formerly Fortis Bank).

(b) Fair value of restructured debt

The fair value of the restructured debt was determined by discounting the cash flows from the Rescheduling Agreement to their present value at a 6.5% rate, determined with the support of a third-party financial advisor, as the sum of 1) the return on 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 signed by the parent and effective as of 1 May 2012:

	31.12.2012	BNL 1-7-2013 repayment	Figurative interest	Change in operating lines	Current/ non-current reclassification	30.09.2013
Finance lease liabilities	47,988,048	-	2,978,760	-	-	50,966,808
Other loans and borrowings	42,354,625	-	1,849,514	-	(2,518,455)	41,685,684
Non-current portion	**90,342,673**	**-**	**4,828,274**	**-**	**(2,518,455)**	**92,652,492**
Bank overdrafts	166,743	-	-	2,448	-	169,191
Finance lease liabilities	16,898,070	-	-	-	-	16,898,070
Other loans and borrowings	15,528,932	(2,518,455)	-	-	2,518,455	15,528,932
Current portion	**32,593,745**	**(2,518,455)**	**-**	**2,448**	**2,518,455**	**32,596,193**
Current and non-current portions	**122,936,418**	**(2,518,455)**	**4,828,274**	**2,448**	**-**	**125,248,685**
Of which:						
Finance lease liabilities	64,886,118	-	2,978,760	-	-	67,864,878
Other loans and borrowings	57,883,557	(2,518,455)	1,849,514	-	-	57,214,616
Leases and financing	**122,769,675**	**(2,518,455)**	**4,828,274**	**-**	**-**	**125,079,494**

Other loans and borrowings include the amounts due to the lending 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 relevant loan and financing agreements.

The current portion includes the amounts due on 31 December 2013 for leases (€16,898,070) and financing (€10,492,023). The balance shows the amounts due on 31 December 2013 and 30 June 2014 to Banca Nazionale del Lavoro, the only bank that refused to join the Agreement.

A breakdown of the contractual cash flows by maturity is provided in paragraph (e) of the "Financial risk management" section.

In line with the disclosures provided in previous financial statements, a breakdown of changes by lender is set out below:

	31.12.2012	Repayment of 02.07.2013	Figurative interest	30.09.2013
Leasint S.p.A.	14,379,258		660,115	15,039,373
MPS Leasing & Factoring S.p.A.	7,189,630		330,058	7,519,688
Selmabipiemme S.p.A.	7,189,630		330,058	7,519,688
Release S.p.A.	19,325,478		887,184	20,212,662
BNP Paribas Lease Groupe S.p.A.	6,173,740		283,421	6,457,161
UBI Leasing S.p.A.	3,086,869		141,710	3,228,579
Unicredit Leasing S.p.A.	7,541,513		346,214	7,887,727
Finance lease liabilities	**64,886,118**	**-**	**2,978,760**	**67,864,878**
Banca Intesa Sanpaolo S.p.A.	11,134,214		511,144	11,645,358
Banca Intesa Sanpaolo S.p.A. (former operating line)	3,146,277		144,438	3,290,715
Banca Italease S.p.A.	835,067		38,336	873,403
Unicredit S.p.A.	9,074,033		416,566	9,490,599
Banca Nazionale del Lavoro S.p.A.	1,687,003		77,446	1,764,449
Banca Regionale Europea S.p.A.	4,639,257		212,978	4,852,235
Banca Regionale Europea S.p.A. (former operating line)	2,097,516		96,292	2,193,808
Banco Pop. Cooperativo S.p.A.	3,479,443		159,732	3,639,175
Banco Pop. Cooperativo S.p.A. (former operating line)	1,573,137		72,218	1,645,355
MPS S.p.A. (former operating line)	2,621,894		120,364	2,742,258
Volksbank Region Leonberg (GER)	500,000		-	500,000
Loans and borrowings	**40,787,841**	**-**	**1,849,514**	**42,637,355**
BNL S.p.A. (formerly Fortis Bank)	17,095,716	(2,518,455)		14,577,261
Leases and financing	**122,769,675**	**(2,518,455)**	**4,828,274**	**125,079,494**

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

On 25 June 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 half-yearly instalments, the last one of which due on 31 December 2015. This separate agreement is not related to the new Rescheduling Agreement that became effective on 1 May 2012.

Further to the court orders served on Pininfarina S.p.A. on 28 March 2008 and 19 April 2008, Banca Nazionale del Lavoro S.p.A. (formerly Fortis Bank) was granted court-ordered mortgages on all of the buildings owned by the parent, which secure loans currently approximating €14.6 million.

Other information

The €500,000 loan is due to Volksbank Region Leonberg (GER) by Pininfarina Deutschland, which is the only consolidated company with non-current debt.

Consequently, the Group’s loans and borrowings are not subject to the currency risk.

15. Trade payables and other liabilities

(a) Trade payables

	30.09.2013	31.12.2012
Third parties	9,370,907	13,266,794
Associates and joint ventures	-	-
Progress payments and advances for contract work in progress	1,246,238	992,405
Trade payables	**10,617,144**	**14,259,199**

The reporting-date balance does not include significant overdue amounts and comprises amounts that will be paid within twelve months of the reporting date.

(b) Other financial liabilities

	30.09.2013	31.12.2012
Wages and salaries payable	2,044,128	1,786,569
Social security charges payable	775,533	1,648,536
Other	1,791,932	2,012,197
Other financial liabilities	**4,611,593**	**5,447,302**

16. Provisions for risks and charges, contingent liabilities and litigation

(a) Provisions for risks and charges

Changes in provisions for risks and charges are set out below, with a comment on the main changes:

	31.12.2012	Additions	Utilisations	Other changes	30.09.2013
Provision for product warranty	63,578	-	(263)	-	63,315
Restructuring provision	4,462,500	-	(588,261)	-	3,874,239
Other provisions	2,289,495	210,855	(652,910)	(986,900)	860,540
Provisions for risks and charges	**6,815,573**	**210,855**	**(1,241,434)**	**(986,900)**	**4,798,094**

The provision for product warranty covers the best estimate of the parent'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 above-mentioned estimate was determined based on the Group's experience, specific contractual terms and product specifications and defect data generated by the statistical survey systems of the Group's customers.

The restructuring provision reflects a best estimate of the liability for restructuring at the reporting date.

Other provisions reflect best estimates of the liabilities that may arise from the stoppage of production activities, the losses to complete the parent's styling and engineering contracts 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 exist following the discontinuation 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 litigation

Litigation with the tax authorities

This dispute, which arose in 2007 regarding the allegation 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 provided in the 2012 annual consolidated financial statements was available as of the approval date hereof.

17. Current and deferred taxes

(a) Deferred taxes

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

	30.09.2013	**30.09.2012**
Deferred tax assets	934,158	928,815
Deferred tax liabilities	-	-
Net deferred tax assets	**934,158**	**928,815**

The net deferred tax assets shown in the condensed interim consolidated financial statements mainly refer to the German companies (Pininfarina Deutschland GmbH, MPX Entwicklung GmbH – Munich and MPX Entwicklung GmbH – Stuttgart). They reflect the recoverable portion of the tax loss carryforward, determined based on forecast future taxable income and taking into account the agreement for the filing of a national consolidated tax return signed by the German companies.

(b) Current taxes

Income taxes recognised in profit or loss are detailed below:

	Nine months ended 30.09.2013	**Nine months ended 30.09.2012**
Income taxes	(259,220)	(195,086)
IRAP (Regional tax on production activities)	(95,100)	(76,803)
Release of excess provision	-	26,262
Current taxes	**(354,320)**	**(245,627)**
Deferred tax income/expense	**1,569**	**853**
Income taxes	**(352,751)**	**(244,774)**

Income taxes refer to the subsidiaries Pininfarina Extra S.r.l., Pininfarina Maroc SAS and Pininfarina of America Corp.. IRAP solely refers to Pininfarina Extra S.r.l..
The corresponding figures for the nine months ended 30 September 2012 have been restated following the adoption of the revised IAS 19 Employee Benefits.

18. Revenue from sales and services

	Nine months ended 30.09.2013	Nine months ended 30.09.2012
Sales - Italy	690,432	1,260,351
Sales - EU	1,831,660	4,004,577
Sales - Non-EU countries	382,395	1,635,090
Services - Italy	6,235,598	4,739,834
Services - EU	30,161,200	20,974,010
Services - Non-EU countries	10,574,260	11,506,634
Revenue from sales and services	**49,875,545**	**44,120,496**

Sales refer mainly to revenue from sales of spare parts.
Services show amounts invoiced for styling and engineering services.
Segment reporting is provided on page 32.

19. Other revenue and income

	Nine months ended 30.09.2013	Nine months ended 30.09.2012
Lease income	4,255,646	4,243,725
Prior period income	147,302	35,463
Insurance compensation	10,290	60,452
Royalties	283,363	513,750
Rebilling	105,759	116,650
Grants relating to income	625,125	106,529
Sundry	48,197	84,289
Other revenue and income	**5,475,682**	**5,160,859**

Lease income mainly refers to the business lease signed by Pininfarina S.p.A. and a company of the Cecomp Group on 1 April 2011 and leases for the two buildings located in Renningen, near Stuttgart, in Germany, owned by the subsidiary Pininfarina Deutschland GmbH.
Prior period income refers to prior period income and estimating differences, other than errors, resulting from the regular updating of estimates made in previous years by the parent and the Pininfarina Deutschland Group.
Royalties mainly refers to fees for the licence to use the Pininfarina trademark granted to the Bolloré S.A. Group in connection with the production of electric cars at the Bairo Canavese facility.

20. Wages, salaries and employee benefits

	Nine months ended 30.09.2013	Nine months ended 30.09.2012
Wages and salaries	(28,339,287)	(25,448,049)
Social security contributions	(6,651,171)	(6,002,819)
Utilisation of restructuring and other provisions	791,395	694,633
Blue collars, white collars and managers	**(34,199,063)**	**(30,756,235)**
Post-employment benefits - defined contribution plan	(1,203,885)	(1,177,482)
Wages, salaries and employee benefits	**(35,402,948)**	**(31,933,717)**

The €3.5 million increase is mainly due to the parent (€1.1 million) and the Pininfarina Deutschland Group (€2.2 million). In the case of Pininfarina S.p.A., despite a reduction of 14 heads in the average number of employees during the reporting period, employees with higher qualification were also hired, leading to an increase in the average cost. In Germany, the average number of employees increased (35 heads) compared to the corresponding period of 2012, in order to meet production requirements.

Utilisation of the restructuring and other provisions refers to the amounts paid to employees who resigned during the year, in accordance with the voluntary redundancy plan.
Post-employment benefits – defined contribution plan reflect the costs related to post-employment benefits both for defined benefit and defined contribution plans.
The corresponding figures for the nine months ended 30 September 2012 have been restated following the adoption of the revised IAS 19 Employee Benefits.

A breakdown of the actual number of employees at 30 September 2013 and the average number for the reporting period is set out below, as per article 2427 of the Italian Civil Code, calculated by adding the number of employees at the beginning and end of the reporting period and dividing the result by two:

	30.09.2013		30.09.2012	
	actual	**average**	**actual**	**average**
Managers	24	25	25	24
White collars	734	730	720	704
Blue collars	59	60	76	67
Total	817	815	821	795

The business lease to a company of the Cecomp Group includes the transfer of 57 employment contracts (52 at 30 September 2013) up until the lease term (31 December 2013).
A new three-year business lease was signed with Bluecar S.r.l. on 24 October 2013, effective from 1 January 2014, covering all staff currently working in the Bairo facility.

The actual number of employees at the reporting date includes 87 employees (originally 127) covered by a redundancy programme due to discontinuation of production activities.

21. Net utilisation of provisions and impairment losses

	Nine months ended 30.09.2013	Nine months ended 30.09.2012
Impairment losses/reversals of impairment losses on loans and receivables	45,085	(12,650)
Additions to provisions for risks and charges	(211,212)	(758,205)
Utilisation and revised estimates of provisions for risks and charges	1,118,668	955,133
Impairment losses on property, plant and equipment	(60,100)	-
Net utilisation of provisions and impairment losses	**892,441**	**184,278**

Reference should be made to note 16 for details of additions to the provisions for risks and charges.

22. Other expenses

	Nine months ended 30.09.2013	Nine months ended 30.09.2012
Travel expenses	(1,922,518)	(1,184,593)
Leases	(1,784,105)	(1,588,275)
Directors' and statutory auditors' fees	(873,277)	(803,549)
Consulting and other services	(1,797,970)	(4,044,235)
Other personnel costs	(571,782)	(560,788)
Postal expenses	(351,857)	(288,257)
Cleaning and waste disposal services	(167,421)	(232,868)
Advertising	(229,147)	(430,153)
Indirect taxes	(590,015)	(784,563)
Insurance	(390,039)	(398,964)
Membership fees	(78,880)	(75,262)
Prior period expense	(24,922)	(27,631)
General services and other expenses	(453,732)	(500,664)
Other	(233,108)	(460,121)
Other expenses	**(9,468,773)**	**(11,379,923)**

Consulting and other services for the first nine months of 2012 included costs incurred by the parent for assistance with the preparation of the new business and financial plan.

General services and other expenses include costs for guarantees and settlements in court, net of utilisations of the relevant provisions, incurred by the parent and miscellaneous expenses incurred by subsidiaries.

Leases mainly refer to IT equipment, forklift trucks and cars used by employees. These are operating leases pursuant to IAS 17 – Leases and do not entail special commitments for the Group.

23. Net financial expense

	Nine months ended 30.09.2013	Nine months ended 30.09.2012
Bank interest and expense	(414,403)	(519,727)
Lease interest expense	(3,136,081)	(4,274,526)
Interest expense on loans and financing	(2,096,069)	(1,981,714)
Financial expense	**(5,646,553)**	**(6,775,967)**
Bank interest income	513,937	1,424,616
Fair value gains on assets held for trading	571,757	1,622,490
Interest income on loans and receivables - third parties	22,685	1,084,725
Interest income on loans and receivables - associates and joint ventures	1,189	125,590
Financial income	**1,109,568**	**4,257,421**
Net financial expense	**(4,536,985)**	**(2,518,546)**

Bank interest and expense refer to interest paid on credit lines by subsidiaries and bank fees.

Lease interest expense of €3,136,081 shows the effect of amortised-cost accounting (€2,978,760) and interest accrued under the new Agreement (€157,321).

Interest expense on loans and financing of €2,096,069 comprises the effect of amortised-cost accounting (€1,849,514), interest accrued on the loan due to Banca Nazionale del Lavoro (formerly Fortis Bank) (€145,937) and interest accrued under the new Agreement (€97,787). The remainder is due to foreign companies.

Interest accrued on finance lease liabilities and non-current loans and financing was paid on 28 June 2013, whereas that accrued to Banca Nazionale del Lavoro (formerly Fortis Bank) was paid on 1 July 013, as contractually provided for.

Bank interest income accrued on the current account positive balances.

The fair value gains on assets held for trading arise from the different performances and amounts of the securities in portfolio during the current reporting period and corresponding period of the previous year.

Interest income on loans and receivables - third parties for the reporting period are related to the interest paid by the tax authorities to the parent on the repayment of the 2012 VAT receivable.

Interest income on loans and receivables - third parties for the corresponding period of the previous year related to the measurement of financial assets at amortised cost, as required by IFRIC 4. It was fully collected.

Interest income on loans and receivables - associates and joint ventures of €1,189 accrued on the loan granted to the associate Goodmind S.r.l. by Pininfarina Extra S.r.l..

24. Gain on the extinguishment of financial liabilities

In the first nine months 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 (1 May 2012) and the recognition of the restructured obligation at its fair value.
The positive difference between these two amounts, amounting to €44,835,434, has been recognised as a gain on extinguishment of financial liabilities.

OTHER INFORMATION

Events after the reporting period

Reference should be made to the relevant section of the directors' report for a discussion of events after the reporting period.

Related party transactions

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

	Commercial		Financial		Operating		Financial	
	Assets	Liabilities	Assets	Liabilities	Revenue	Costs	Income	Expense
Goodmind S.r.l.	-	-	81,502	-	15,019	-	1,189	-
Total	**-**	**-**	**81,502**	**-**	**15,019**	**-**	**1,189**	**-**

In addition to the above figures, Studio Professionale Pavesio e Associati, related to the director Carlo Pavesio, provided legal assistance to the parent for total fees of €68,068 and Pantheon Italia S.r.l., related to the director Roberto Testore, provided commercial assistance for total fees of €45,000.

Matra Automobiles Engineering SAS sold its 0.1% investment in Pininfarina Maroc SAS to Pininfarina Extra S.r.l. for €1,697 on 11 February 2013.

Significant non-recurring transactions

As required by Consob communication no. DEM/6064293 of 28 July 2006, the Group specifies that it did not carry out any significant non-recurring transactions in the first nine months of 2013.

Atypical and unusual transactions

As required by Consob communication no. DEM/6064293 of 28 July 2006, the Pininfarina Group specifies that it did not carry out atypical or unusual transactions during the reporting period, as defined in the above-mentioned Communication, according to which atypical and/or unusual transactions are transactions that, because of their significance/material amount, nature of the counterparty, subject, method used to determine the transfer price and timing of the event, could create doubts as to: the fairness/completeness of the disclosure provided in the financial statements, the existence of a conflict of interest, the safeguard of corporate assets and the protection of non-controlling investors.