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

PININFARINA GROUP

Interim financial report at 31 March 2014

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

The Board of Directors approved this interim financial report as at and for the three months ended 31 March 2014 on 13 May 2014.

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

Operating and financial performance

The most significant issues that arise from a comparison of the Q1 2014 and Q1 2013 consolidated financial figures are as follows:

- the value of production (revenue) increased by 9% mainly due to engineering activities carried out in Italy and the significant contribution provided by German operations and industrial design activities;

- EBITDA is now positive compared to the gross operating loss recognised in the first quarter of 2013. Although it is still negative, EBIT improved considerably by 74% compared to the corresponding period of the previous year;

- the loss for the period more than halved compared to that for the three months ended 31 March 2013, including as a result of the contraction in net financial expense;

- net financial debt worsened compared to 31 December 2013, mainly due to the advances due for a number of tax disputes, in addition to net working capital trends;

- equity decreased compared to the previous year end, due to the loss for the period.

Specifically, value of production totalled €21.1 million for the reporting period, up by 8.8% on the corresponding period of the previous year (€19.4 million).

EBITDA is a very positive €0.3 million, compared to the €0.9 million gross operating loss for the first quarter of 2013. The operating loss also reduced from €1.9 million to €0.5 million.

Net financial expense decreased to €0.9 million from €1.4 million in the corresponding period of the previous year. The improvement is mainly due to smaller unrealised interest expense on the amounts due to the lending institutions (which are measured at amortised cost and reduced following repayments) and larger income on investments of cash.

The loss before taxes decreased to €1.4 million from €3.3 million for the three months ended 31 March 2013. Net of taxes of €84 thousand, the loss for the period came to €1.5 million, showing an improvement of €1.9 million compared to the first quarter of 2013.

The Q1 2013 income statement figures have been restated as they included the results of the subsidiary Pininfarina Maroc SAS, which was sold in December 2013.

Further to the sale of this investment on 30 December 2013, the Group reclassified the subsidiary's results for the first quarter of 2013 to the specific caption "Profit (loss) from discontinued operations" pursuant to IFRS 5. The subsidiary's contribution to the Q1 2013 consolidated figures was a profit of €25 thousand.

Net financial debt rose to €48 million from €36.4 million at 31 December 2013 (€33.9 million at 31 March 2013). The €11.6 million increase in net financial debt is mainly due to the advances due for a number of tax disputes, in addition to net working capital trends.

Equity attributable to the owners of the parent decreased from €29.4 million at 31 December 2013 to €27.9 million (€36.3 million at 31 March 2013) as a result of the loss for the period.

The headcount decreased from 783 at 31 March 2013 (excluding the 32 employees of Pininfarina Maroc, which was sold in December 2013) to 760 (-2.9%).

Performance by business segment in the first quarter of 2014

Operations segment

In addition to the sale of spare parts for cars manufactured in previous years and business lease income, this segment includes the costs of the support functions of the parent, Pininfarina S.p.A.. It recognised value of production of €1.6 million, compared to €2.4 million in the first quarter of 2013. The decrease is mainly attributable to the smaller business lease income (the related three-year agreement has been renewed for 2014-2016) and the reduced turnover of spare parts. The decrease in value of production has affected the segment EBIT, which worsened by €0.9 million to a negative €2.7 million, compared to an operating loss of €1.8 million for the first quarter of 2013.

Services segment

This segment, comprising the design and engineering businesses, recognised value of production of €19.5 million, up by €14.7% compared to the first quarter of 2013 (€17 million). Segment EBIT amounted to a positive €2.2 million, a very satisfactory increase from the €72 thousand operating loss for the three months ended 31 March 2013. All group companies contributed to the increase, especially Pininfarina S.p.A..

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 and Pininfarina S.p.A., with separate classification of current and non-current items, is respectively shown on pages 12 and 55 hereof.
2) The Group has no past-due liabilities (of a commercial, financial, tax or social security nature). No actions against the Group have been filed by creditors.
3) The Group's and parent's related party transactions are respectively detailed on pages 47 and 58 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 2014 are approved. At present, the Group is expected to comply with such covenants.
5) The parent's debt restructuring plan is proceeding in accordance with the current agreements.
6) The business plan's implementation progress is unchanged with respect to that described in the directors' report on the 2013 annual financial statements.

Events after the reporting period and outlook for 2014

As already disclosed by the directors to the shareholders on 29 April 2014, as a result of its failure to comply with the 2013 consolidated EBITDA covenant (which could have triggered the termination clause of the Rescheduling Agreement in force with the lending institutions), Pininfarina S.p.A. requested that the lending institutions waived their rights arising from the contractual breach. On 2

April 2014, the agent bank officially informed the parent of the formal consent of all lending institutions to its request.

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

13 May 2014

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

Group companies

Pininfarina S.p.A.

€'million	31.03.2014	31.03.2013	Variation	31.12.2013
Value of production	12.6	11.6	1.0	
EBIT	(1.5)	(2.0)	0.5	
Loss for the period	(2.4)	(3.5)	1.1	
Net financial debt	(50.6)	(34.7)	(15.9)	(39.2)
Equity	29.8	40.6	(10.8)	32.1
Number of employees at the reporting date	403	424	(21)	419

Pininfarina Extra Group

€'million	31.03.2014	31.03.2013	Variation	31.12.2013
Value of production	1.6	1.4	0.2	
EBIT	0.4	0.4	-	
Profit for the period	0.3	0.3	-	
Net financial position	4.3	3.5	0.8	3.7
Equity	5.7	5.4	0.3	5.4
Number of employees at the reporting date	26	23	3	22

Pininfarina Deutschland Group

€'million	31.03.2014	31.03.2013	Variation	31.12.2013
Value of production	7.7	7.1	0.6	
EBIT	0.4	0.1	0.3	
Profit for the period	0.4	0.1	0.3	
Net financial debt	(1.9)	(2.4)	0.5	(1.2)
Equity	19.6	18.9	0.7	19.2
Number of employees at the reporting date	327	331	(4)	333

Pininfarina Automotive Engineering Shanghai Co Ltd

€'million	31.03.2014	31.03.2013	Variation	31.12.2013
Value of production	0.3	0.1	0.2	
EBIT	0.1	(0.4)	0.5	
Profit (loss) for the period	0.1	(0.4)	0.5	
Net financial position (debt)	0.3	(1.0)	1.3	0.3
Equity	0.1	(1.1)	1.2	-
Number of employees at the reporting date	4	5	(1)	5

Pininfarina Maroc SAS

This investment was sold to third parties on 30 December 2013.

Reclassified income statement

(€'000)

	Q1 2014	%	Q1 2013	%	Variation	2013
Revenue from sales and services	17,399	82.57	15,687	80.95	1,712	69,064
Change in inventories and contract work in progress	2,450	11.63	1,992	10.28	458	3,325
Other revenue and income	1,222	5.80	1,699	8.77	(477)	7,369
Value of production	**21,071**	**100.00**	**19,378**	**100.00**	**1,693**	**79,758**
Net gains on the sale of non-current assets	**7**	**0.03**	-	-	**7**	**1**
Materials and services (*)	(8,008)	(38.00)	(7,988)	(41.22)	(20)	(35,295)
Change in raw materials	(550)	(2.61)	(52)	(0.27)	(498)	494
Value added	**12,520**	**59.42**	**11,338**	**58.51**	**1,182**	**44,958**
Labour cost (**)	(12,262)	(58.19)	(12,272)	(63.33)	10	(47,535)
EBITDA	**258**	**1.23**	**(934)**	**(4.82)**	**1,192**	**(2,577)**
Amortisation and depreciation	(833)	(3.95)	(847)	(4.37)	14	(3,392)
(Additions to)/utilisation of provisions and impairment losses	27	0.13	(86)	(0.44)	113	2,634
EBIT	**(548)**	**(2.60)**	**(1,867)**	**(9.64)**	**1,319**	**(3,335)**
Net financial expense	(890)	(4.22)	(1,442)	(7.44)	552	(5,776)
Share of profit (loss) of equity-accounted investees	1	0.01	**(3)**	**(0.02)**	4	(3)
Loss before taxes	**(1,437)**	**(6.82)**	**(3,312)**	**(17.09)**	**1,875**	**(9,114)**
Income taxes	(84)	(0.40)	(162)	(0.84)	78	(112)
Loss from continuing operations	**(1,521)**	**(7.22)**	**(3,474)**	**(17.93)**	**1,953**	**(9,226)**
Profit (loss) from discontinued operations	**-**	**-**	**25**	0.13	(25)	**(1,161)**
Loss for the period/year	**(1,521)**	**(7.22)**	**(3,449)**	**(17.80)**	**1,928**	**(10,387)**

(*) **Materials and services** are net of utilisations of the provisions for product warranty and risks (€234 thousand and €17 thousand for the first quarters of 2013 and 2014, respectively).
(**) **Labour cost** is net of utilisations of the restructuring and other provisions (€292 thousand and €90 thousand for the first quarters of 2013 and 2014, respectively).

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

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

Following the sale of the investment in the subsidiary Pininfarina Maroc SAS, effective as from 1 December 2013, the Q1 2013 figures have been restated in accordance with IFRS 5 to separate the results of discontinued operations as from 1 January 2012.

Reclassified statement of financial position

(€'000)

	31.03.2014	31.12.2013	Variation	31.03.2013
Net non-current assets (A)				
Net intangible assets	2,658	2,772	(114)	3,082
Net property, plant and equipment and investment property	62,537	63,008	(471)	64,452
Equity investments	304	303	1	353
Total A	**65,499**	**66,083**	**(584)**	**67,887**
Working capital (B)				
Inventories	8,487	6,587	1,900	4,713
Net trade receivables and other assets	30,802	23,175	7,627	28,657
Assets held for sale	-	-	-	-
Deferred tax assets	1,001	947	54	929
Trade payables	(14,128)	(15,211)	1,083	(11,638)
Provisions for risks and charges	(2,561)	(2,698)	137	(6,374)
Other liabilities (*)	(6,136)	(5,911)	(225)	(6,799)
Total B	**17,465**	**6,889**	**10,576**	**9,489**
Net invested capital (C=A+B)	**82,964**	**72,972**	**9,992**	**77,376**
Post-employment benefits (D)	**7,074**	**7,146**	**(72)**	**7,151**
Net capital requirements (E=C-D)	**75,890**	**65,826**	**10,064**	**70,225**
Equity (F)	**27,896**	**29,419**	**(1,523)**	**36,344**
Net financial debt (G)				
Non-current loans and borrowings	6,220	7,442	(1,222)	91,867
Net current financial (position) debt	41,774	28,965	12,809	(57,986)
Total G	**47,994**	**36,407**	**11,587**	**33,881**
Total as in E (H=F+G)	**75,890**	**65,826**	**10,064**	**70,225**

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

Net financial debt

(€'000)

	31.03.2014	31.12.2013	Variation	31.03.2013
Cash and cash equivalents	13,309	18,394	(5,085)	38,259
Current assets held for trading	35,489	41,952	(6,463)	52,257
Current loans and receivables	-	-	-	-
Loan assets - related parties and joint ventures	0	-	0	0
Current bank overdrafts	-	0	-	(103)
Current financial lease liabilities	(52,770)	(51,992)	(778)	(16,898)
Current portion of bank loans and borrowings	(37,802)	(37,319)	(483)	(15,529)
Net current financial position (debt)	**(41,774)**	**(28,965)**	**(12,809)**	**57,986**
Non-current loans and receivables - third parties	-	-	-	-
Non-current loans and receivables - related parties and joint ventures	1,102	80	1,022	51
Non-current held-to-maturity investments	-	-	-	-
Non-current finance lease liabilities	-	-	-	(48,960)
Non-current bank loans and borrowings	(7,322)	(7,522)	200	(42,958)
Non-current loans and borrowings	**(6,220)**	**(7,442)**	**1,222**	**(91,867)**
NET FINANCIAL DEBT	**(47,994)**	**(36,407)**	**(11,587)**	**(33,881)**

Cash and cash equivalents include a restricted account of €5,000,000. Reference should be made to note 12 for further details.

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 31 March 2014 are reconciled with the Group's relevant figures below.

	Loss for the period		Equity	
	Q1 2014	**Q1 2013**	**31.03.2014**	**31.03.2013**
Pininfarina S.p.A.'s interim separate financial statements	**(2,369,987)**	**(3,461,599)**	**29,750,874**	**40,566,128**
- Subsidiaries' contribution	848,249	15,264	3,849,283	1,486,164
- 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	-	-	-	-
- Share of profit (loss) of equity-accounted investees	1,138	(3,120)	1,138	(3,120)
- Other minor	-	-	-	-
Condensed interim consolidated financial statements	**(1,520,600)**	**(3,449,455)**	**27,895,739**	**36,343,616**

Net financial debt (Consob)

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

(€'000)

		31.03.2014	31.12.2013	Variation	31.03.2013
A.	Cash	(13,309)	(18,394)	(5,085)	(38,259)
B.	Other cash equivalents	-	-	-	-
C.	Securities held for trading	(35,489)	(41,952)	(6,463)	(52,257)
D.	*Total cash and cash equivalents (A.)+(B.)+(C.)*	***(48,798)***	***(60,346)***	***(11,548)***	***(90,516)***
E.	*Current loan assets*	-	-	-	-
F.	**Current bank loans and borrowings**	-	-	-	**103**
	Current portion of secured bank loans	-	-	-	5,037
	Current portion of unsecured bank loans	37,802	37,319	(483)	10,492
G.	**Current portion of non-current debt**	**37,802**	**37,319**	(483)	**15,529**
H.	Other current loans and borrowings	52,770	51,992	(778)	16,898
I.	***Current financial debt (F.)+(G.)+(H.)***	***90,572***	***89,311***	***(1,261)***	***32,530***
J.	***Net current financial (position) debt***	***41,774***	***28,965***	***(12,809)***	***(57,986)***
	Non-current portion of secured bank loans	7,322	7,522	200	12,559
	Non-current portion of unsecured bank loans	-	-	-	30,399
K.	**Non-current bank loans and borrowings**	**7,322**	**7,522**	200	**42,958**
L.	Bonds issued	-	-	-	-
M.	Other non-current loans and borrowings	-	-	-	48,960
N.	***Net non-current financial debt (K.)+(L.)+(M.)***	***7,322***	***7,522***	200	***91,918***
O.	**Net financial debt (J+N)**	**49,096**	**36,487**	**(12,609)**	**33,932**

The "Net financial debt" set out above is presented in accordance with the format recommended by the 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 the previous page, 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 the previous page and on this page is that the latter does not include non-current loan assets. The total amount of these differences at the relevant reporting dates is shown below:

- At 31 March 2014: €1,102 thousand
- At 31 December 2013: €80 thousand
- At 31 March 2013: €51 thousand

Pininfarina Group

Condensed interim consolidated financial statements as at and for the three months ended 31 March 2014

Statement of financial position

	Note	31.03.2014	31.12.2013
Land and buildings	1	46,662,945	46,976,638
Land		11,176,667	11,176,667
Buildings		27,037,416	27,261,472
Leased property		8,448,862	8,538,499
Plant and machinery	1	5,348,517	5,414,428
Machinery		167,252	172,888
Plant		5,181,265	5,241,540
Leased machinery and equipment		-	-
Furniture, fixtures and other assets	1	1,514,619	1,518,453
Furniture and fixtures		231,693	239,855
Hardware and software		855,778	847,911
Other assets, including vehicles		427,148	430,687
Assets under construction	1	-	-
Property, plant and equipment		**53,526,081**	**53,909,519**
Investment property	**2**	**9,011,101**	**9,098,558**
Goodwill	3	1,043,495	1,043,495
Licences and trademarks	3	1,468,987	1,571,907
Other	3	145,046	156,590
Intangible assets		**2,657,528**	**2,771,992**
Associates	4	51,653	50,515
Joint ventures	4	-	-
Other companies	5	252,017	252,017
Equity investments		**303,670**	**302,532**
Deferred tax assets	**17**	**1,001,360**	**946,970**
Held-to-maturity investments		-	-
Loans and receivables	6	1,102,329	80,000
Third parties		-	-
Related parties and joint ventures		1,102,329	80,000
Available-for-sale financial assets		-	-
Non-current financial assets		**1,102,329**	**80,000**
TOTAL NON-CURRENT ASSETS		**67,602,069**	**67,109,571**
Raw materials		104,447	654,255
Work in progress		-	-
Finished goods		264,288	240,858
Inventories	**8**	**368,735**	**895,113**
Contract work in progress	**9**	**8,118,376**	**5,691,494**
Assets held for trading	7	35,489,414	41,952,071
Loans and receivables		-	-
Third parties		-	-
Related parties and joint ventures		-	-
Available-for-sale financial assets		-	-
Current financial assets		**35,489,414**	**41,952,071**
Derivatives		**-**	**-**
Trade receivables	10	16,386,605	16,514,442
Third parties		16,386,605	16,514,442
Related parties and joint ventures		-	-
Other	11	14,415,501	6,660,170
Trade receivables and other assets		**30,802,106**	**23,174,612**
Cash on hand and cash equivalents		33,213	22,670
Short-term bank deposits		13,275,590	18,371,004
Cash and cash equivalents	**12**	**13,308,803**	**18,393,674**
TOTAL CURRENT ASSETS		**88,087,434**	**90,106,964**
Assets held for sale		**-**	**-**
TOTAL ASSETS		**155,689,503**	**157,216,535**

Statement of financial position

	Note	31.03.2014	31.12.2013
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	6,033,331
Translation reserve	13	(20,651)	(17,767)
Other reserves	13	2,646,208	2,646,208
Retained earnings (losses carried forward)	13	(9,568,940)	818,030
Loss for the period/year	13	(1,520,600)	(10,386,970)
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT		27,895,739	29,419,223
Equity attributable to non-controlling interests		-	-
EQUITY		**27,895,739**	**29,419,223**
Finance lease liabilities		-	-
Other loans and borrowings		7,321,896	7,521,896
Third parties		7,321,896	7,521,896
Related parties and joint ventures		-	-
Non-current loans and borrowings	**14**	**7,321,896**	**7,521,896**
Deferred tax liabilities	**17**	**-**	**-**
Italian post-employment benefits		7,073,736	7,145,948
Other		-	-
Post-employment benefits		**7,073,736**	**7,145,948**
TOTAL NON-CURRENT LIABILITIES		**14,395,632**	**14,667,844**
Bank overdrafts	12	-	-
Finance lease liabilities		52,770,419	51,991,710
Other loans and borrowings		37,802,108	37,318,605
Third parties		37,802,108	37,318,605
Current loans and borrowings	**14**	**90,572,527**	**89,310,315**
Wages and salaries payable		2,888,193	1,783,550
Social security charges payable		678,701	981,716
Other		1,800,300	2,004,623
Other financial liabilities	**15**	**5,367,194**	**4,769,889**
Third parties		9,942,003	14,098,039
Related parties and joint ventures		-	-
Advances for contract work in progress		4,186,014	1,113,259
Trade payables	**15**	**14,128,017**	**15,211,298**
Direct tax liabilities		-	12,621
Other tax liabilities		397,521	623,830
Current tax liabilities		**397,521**	**636,451**
Derivatives		**-**	**-**
Provision for product warranty		62,525	62,611
Restructuring provision		2,209,494	2,299,512
Other provisions		288,978	335,564
Provisions for risks and charges	**16**	**2,560,997**	**2,697,687**
Other liabilities		**371,876**	**503,828**
TOTAL CURRENT LIABILITIES		**113,398,132**	**113,129,468**
TOTAL LIABILITIES		**127,793,764**	**127,797,312**
Liabilities associated with assets held for sale		**-**	**-**
TOTAL LIABILITIES AND EQUITY		**155,689,503**	**157,216,535**

Pursuant to Consob resolution no. 15519 of 27 July 2006, an ad hoc statement of financial position showing related party transactions has not been prepared as these are already shown in the condensed interim consolidated 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 €7,769.

Income statement

	Note	Q1 2014	*of which: related parties*	Q1 2013	*of which: related parties*
Revenue from sales and services	18	17,399,205	-	15,686,542	-
Internal work capitalised		-	-	-	-
Change in inventories and contract work in progress		2,450,312		1,991,725	
Change in contract work in progress		2,467,737		1,988,224	
Change in finished goods and work in progress		(17,425)		3,501	
Other revenue and income	19	1,221,973	6,000	1,699,587	5,000
Revenue		**21,071,490**	**6,000**	**19,377,854**	**5,000**
Gains on sale of non-current assets and equity investments		**6,500**	**-**	**-**	**-**
Gain on sale of equity investments		-		-	
Raw materials and components	20	(2,069,419)		(1,336,541)	
Change in raw materials		(549,808)		(52,485)	
Inventory write-downs		-		-	
Raw materials and consumables		**(2,619,227)**	**-**	**(1,389,026)**	**-**
Consumables		(304,110)		(196,405)	
External maintenance		(236,767)		(155,110)	
Other variable production costs		**(540,877)**	**-**	**(351,515)**	**-**
External variable engineering services	21	**(2,280,116)**	**-**	**(3,590,709)**	**-**
Blue collars, white collars and managers		(11,915,866)		(11,910,027)	
Independent contractors and temporary workers		-		-	
Social security contributions and other post-employment benefits		(345,854)		(361,518)	
Wages, salaries and employee benefits	22	**(12,261,720)**	**-**	**(12,271,545)**	**-**
Depreciation of property, plant and equipment and investment property		(683,139)		(684,951)	
Amortisation of intangible assets		(149,586)		(162,306)	
Losses on sale of non-current assets and equity investments		-		-	
(Additions to)/utilisation of provisions and impairment losses	23	27,070		(85,853)	
Amortisation, depreciation and impairment losses		**(805,655)**	**-**	**(933,110)**	**-**
Net exchange rate gains (losses)		**(6,496)**		**29,625**	
Other expenses	24	**(3,111,187)**		**(2,737,940)**	
Operating loss		**(547,288)**	**6,000**	**(1,866,366)**	**5,000**
Net financial expense	25	**(890,019)**	**8,329**	**(1,442,036)**	**363**
Gain on the extinguishment of financial liabilities		**-**	**-**	**-**	**-**
Dividends		**-**	**-**	**-**	**-**
Share of profit (loss) of equity-accounted investees		**1,138**	**-**	**(3,120)**	**-**
Loss before taxes		**(1,436,169)**	**14,329**	**(3,311,522)**	**5,363**
Income taxes	17	**(84,431)**	**-**	**(162,375)**	**-**
Loss from continuing operations		**(1,520,600)**	**14,329**	**(3,473,897)**	**5,363**
Profit from discontinued operations	26	**-**	**-**	**24,442**	**-**
Loss for the period		**(1,520,600)**	**14,329**	**(3,449,455)**	**5,363**

Of which:					
- Loss for the period attributable to the owners of the parent		(1,520,600)		(3,449,455)	
- Profit (loss) for the period attributable to non-controlling interests		-		-	
Basic/diluted earnings (losses) per share:					
- Loss for the period attributable to the owners of the parent		(1,520,600)		(3,449,455)	
- Number of ordinary shares, net		30,150,694		30,150,694	
- Basic/diluted losses per share		(0.05)		(0.11)	

Statement of comprehensive income

	Q1 2014	Q1 2013
Loss for the period	**(1,520,600)**	**(3,449,455)**
Other comprehensive expense:		
Items that will not be reclassified to profit or loss:		
- Actuarial gains (losses) on defined benefit plans - IAS 19	-	-
- Income taxes	-	-
- Other	-	-
Total items of other comprehensive income (expense) that will not be reclassified to profit or loss, net of tax effect:	**-**	**-**
Items that will or may be subsequently reclassified to profit or loss:		
- Losses from translation of financial statements of foreign operations - IAS 21	(2,884)	(21,418)
- Other	-	-
Total items of other comprehensive income (expense) that will be subsequently reclassified to profit or loss, net of tax effect:	**(2,884)**	**(21,418)**
Total other comprehensive expense, net of tax effect	**(2,884)**	**(21,418)**
Comprehensive expense	**(1,523,484)**	**(3,470,873)**
Of which:		
- Comprehensive expense attributable to the owners of the parent	(1,523,484)	(3,470,873)
- Comprehensive income (expense) attributable to non-controlling interests	-	-
Of which:		
- Comprehensive expense from continuing operations	(1,523,484)	(3,495,314)
- Comprehensive income from discontinued operations	-	24,442

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.
Following the sale of the investment in the subsidiary Pininfarina Maroc SAS, effective as from 1 December 2013, the Q1 2013 figures have been restated in accordance with IFRS 5 to separate the results of discontinued operations as from 1 January 2012.

Statement of changes in equity

	31.12.2012	Comprehensive expense	Allocation of prior year profit (loss)	31.03.2013
Share capital	30,150,694	-	-	30,150,694
Share premium reserve	-	-	-	-
Reserve for treasury shares	175,697	-	-	175,697
Legal reserve	2,231,389	-	-	2,231,389
Translation reserve	(2,976)	(21,418)	-	(24,394)
Other reserves	2,646,208	-	-	2,646,208
Retained earnings (losses carried forward)	(28,249,040)	-	32,862,517	4,613,477
Profit (loss) for the period/year	32,862,517	(3,449,455)	(32,862,517)	(3,449,455)
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT	39,814,489	(3,470,873)	-	36,343,616
Equity attributable to non-controlling interests	-	-	-	-
EQUITY	**39,814,489**	**(3,470,873)**	**-**	**36,343,616**

	31.12.2013	Comprehensive expense	Allocation of prior year loss	31.03.2014
Share capital	30,150,694	-	-	30,150,694
Share premium reserve	-	-	-	-
Reserve for treasury shares	175,697	-	-	175,697
Legal reserve	6,033,331	-	-	6,033,331
Translation reserve	(17,767)	(2,884)	-	(20,651)
Other reserves	2,646,208	-	-	2,646,208
Retained earnings (losses carried forward)	818,030	-	(10,386,970)	(9,568,940)
Loss for the period/year	(10,386,970)	(1,520,600)	10,386,970	(1,520,600)
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT	29,419,223	(1,523,484)	-	27,895,739
Equity attributable to non-controlling interests	-	-	-	-
EQUITY	**29,419,223**	**(1,523,484)**	**-**	**27,895,739**

Statement of cash flows

	Q1 2014	Q1 2013
Loss for the period	(1,520,600)	(3,449,455)
Adjustments:		
- Income taxes	84,796	168,075
- Depreciation of property, plant and equipment and investment property	683,139	690,326
- Amortisation of intangible assets	149,586	181,098
- Impairment losses, provisions and change in accounting estimates	(213,177)	(607,418)
- Gains on the sale of non-current assets	-	(21,418)
- Financial expense	1,475,122	1,791,787
- Financial income	(585,102)	(350,212)
- (Dividends)	-	-
- Share of (profit) loss of equity-accounted investees	(1,138)	3,120
- Other adjustments	202,023	14,318
Total adjustments	**1,795,249**	**1,869,676**
Change in working capital:		
- Decrease in inventories	526,378	73,843
- Increase in contract work in progress	(2,426,882)	(1,986,078)
- (Increase)/decrease in trade receivables and other assets	(7,623,219)	4,414,369
- Increase in receivables from related parties and joint ventures	-	(6,050)
- Decrease in trade payables and other financial liabilities	(3,690,682)	(1,989,403)
- Increase/(decrease) in payables to related parties and joint ventures	-	-
- Other changes	2,694,639	(408,579)
Total changes in working capital	**(10,519,766)**	**98,102**
Gross cash flows used in operating activities	**(10,245,117)**	**(1,481,677)**
- Interest expense	(106,073)	(79,843)
- Income taxes	-	-
NET CASH FLOWS USED IN OPERATING ACTIVITIES	**(10,351,190)**	**(1,561,520)**
- Purchases of non-current assets and equity investments	(248,546)	(366,198)
- Proceeds from the sale of non-current assets and equity investments	-	3,558
- Proceeds from the sale of discontinued operations, net of cash sold	-	-
- Increase in loans and receivables - third parties	-	-
- Increase in loans and receivables - related parties and joint ventures	(1,014,000)	-
- Repayment of loans and receivables - third parties	-	-
- Repayment of loans and receivables - related parties and joint ventures	-	-
- Interest income	67,914	198,341
- Dividends collected	-	-
- Other changes	6,460,951	(1,452,866)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	**6,280,319**	**(1,617,164)**
- Proceeds from the issue of shares	-	-
- Increase in finance lease liabilities and other loans and borrowings - third parties	-	-
- Increase in other loans and borrowings - related parties and joint ventures	-	-
- Repayment of finance lease liabilities and other loans and borrowings - third parties	-	-
- Repayment of other loans and borrowings - related parties and joint ventures	-	-
- Dividends paid	-	-
- Other changes/Other non-cash items	-	-
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	**-**	**-**
TOTAL CASH FLOWS	**(4,070,871)**	**(3,178,684)**
Opening net cash and cash equivalents	18,393,674	41,334,667
Closing net cash and cash equivalents	**14,322,803**	**38,155,983**
Of which:		
- Cash and cash equivalents	13,308,803	38,259,035
- Bank overdrafts	-	(103,052)

Pursuant to Consob resolution no. 15519 of 27 July 2006, the impact of transactions with related parties, which solely relates to transactions with the parent, Pincar S.r.l., and the associate Goodmind S.r.l., are disclosed in note 6 to the condensed interim consolidated financial statements.

Closing net cash and cash equivalents at 31 March 2014 include a restricted account of €5,000,000. Reference should be made to note 12 for further details.

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 stated otherwise.

The Board of Directors approved these condensed interim consolidated financial statements on 13 May 2014.

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 2013 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:

- net financial debt, with a breakdown of the main components and balances with related parties, is provided on page 12 of the directors' report;

- related party transactions are not presented in separate schedules because they are listed as separate items in the statement of financial position, shown on pages 16 and 17.

- there were no non-recurring events or transactions, i.e., those transactions or events that are not repeated frequently in the normal course of business;

Basis of preparation

These condensed interim consolidated financial statements at 31 March 2014 are prepared on a going concern basis, which the directors deemed appropriate.

They 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 Interpretations 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 historical cost, except for those items that, pursuant to the IFRS, are measured at fair value, as explained in the "Accounting policies" section.

The accounting policies adopted to prepare these condensed interim consolidated financial statements at 31 March 2014 are the same as those used in the 2013 annual consolidated financial statements.

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 condensed interim consolidated financial statements at 30 June and annual consolidated financial statements.

The Group has not identified any significant effect emerging from standards and/or interpretations applicable from 2014.

ACCOUNTING POLICIES

Condensed interim consolidated financial statements

The condensed interim consolidated financial statements include the interim financial statements of all subsidiaries from the date the Group acquires control until such 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
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..

On 30 December 2013, Pininfarina S.p.A. and the subsidiary Pininfarina Extra S.r.l. sold their investments in Pininfarina Maroc to third parties. The company left the consolidation scope on 1 December 2013.

Moreover, mpx Entwicklung GmbH of Leonberg merged into the group company mpx Entwicklung GmbH of Munich in the last quarter of 2013.

(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 its 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

(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, which cannot be reversed.

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	31.03.2014	2014 average	31.03.2013	2013 average
US dollar - USD	1.38	1.37	1.28	1.32
Moroccan dirham - MAD	-	-	11.08	11.15
Chinese renminbi (yuan) - CNY	8.57	8.36	7.96	8.22

(b) Foreign currency assets, liabilities and transactions

Transactions carried out in currencies other than the Euro are initially translated 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 retranslated 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 - related parties 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 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 31.03.2014	Carrying amount at 31.12.2013
	profit or loss	equity					
Assets:							
Equity investments in other companies	-	-			252,017	252,017	252,017
Loans and receivables	-	-		1,102,329	-	1,102,329	80,000
Assets held for trading	35,489,414	-	Level 1	-	-	35,489,414	41,952,071
Trade receivables and other assets	-	-		30,802,106	-	30,802,106	23,174,612
Net cash and cash equivalents	-	-		13,308,803	-	13,308,803	18,393,674
Liabilities:							
Finance lease liabilities	-	-		52,770,419	-	52,770,419	51,991,710
Other loans and borrowings	-	-		45,124,004	-	45,124,004	44,840,501
Trade payables and other liabilities	-	-		16,300,193	-	16,300,193	17,719,749

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.

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. 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. Although 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), 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, Mediocredito Italiano S.p.A. – formerly 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 on 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 €12 million at 31 March 2014. 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 €0.3 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 rates at 31 March 2014 is as follows:

	31.03.2014	**%**	**31.12.2013**	**%**
- Fixed rate	85,535,618	87%	84,273,406	87%
- Variable rate	12,358,805	13%	12,558,805	13%
Gross financial debt	**97,894,423**	**100%**	**96,832,211**	**100%**

Due to the new structure of the interest rates on medium to long-term financing that, at variable rates, accounts for 13% of total indebtedness, 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 €35 million at 31 March 2014, 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 and have low risk profiles and high ratings, the price risk presented by these assets is deemed to be limited.

A breakdown of these assets by nature is provided below:

	31.03.2014	%	31.12.2013	%
Italian government bonds	8,945,570	*25.21*	15,253,327	*36.36*
Foreign government or government-guaranteed bonds	3,647,228	*10.28*	4,287,860	*10.22*
Supranational securities	4,001,877	*11.28*	4,483,452	*10.69*
Bank and insurance bonds	10,789,151	*30.40*	8,934,391	*21.30*
Other bonds	4,517,557	*12.73*	5,425,450	*12.93*
Bond funds	3,588,031	*10.10*	3,567,591	*8.50*
Assets held for trading	**35,489,414**	*100.00*	**41,952,071**	*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 contractual amount of the Group's financial debt is set out below. Due to its failure to comply with one of the two 2013 covenants, the Group has reclassified its loans and borrowings to current liabilities, except for those with BNL S.p.A. as they are not covered by the Rescheduling Agreement.
After the reporting date, the contractual breach has been remedied, following the request made by Pininfarina S.p.A..

	Carrying amount 31.03.2014	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 overdrafts	-	-	-	-	-
Term financing	33,065,199	41,388,045	41,088,045	300,000	-
Finance lease liabilities	52,770,419	66,174,896	66,174,896	-	-
BNL S.p.A., formerly Fortis Bank	12,058,805	12,058,805	5,036,909	7,021,896	-
Leases and financing	**97,894,423**	**119,621,746**	**112,299,850**	**7,321,896**	**-**

The Group holds net cash and cash equivalents and assets held for trading totalling €48.8 million, including €7.4 million which is 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:

Compliance with the covenants is checked on each Verification Date, based on the most recent annual consolidated financial statements.

As a result of the tax disputes involving the parent and the ultimate parent, Pincar S.r.l. (see related comments in the directors' report and in the Events after the reporting date section of the 2013 annual financial report), the parent had to pay €6.6 million in advance to the tax authorities, pending the outcome of the litigation. The above amount will be added to the figures provided for by the current Rescheduling Agreement and shown in the above table for the purposes of the calculation of the annual consolidated net financial debt starting from 2014 and until the tax litigation procedure is completed.

SEGMENT REPORTING

Operating segments are identified 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 three months ended 31 March 2014 and 2013 is set out below. Amounts are in thousands of Euros.

	Q1 2014			Q1 2013		
	Operations	Design & Engineering	Total	Operations	Design & Engineering	Total
	A	B	A + B	A	B	A + B
Revenue	1,670	20,469	22,140	2,563	17,713	20,276
(Intra-segment revenue)	(78)	(991)	(1,069)	(144)	(754)	(898)
Revenue - third parties	**1,593**	**19,478**	**21,071**	**2,419**	**16,959**	**19,378**
Operating profit (loss)	**(2,724)**	**2,177**	**(548)**	**(1,795)**	**(72)**	**(1,867)**
Net financial expense			(890)			(1,442)
Dividends			-			-
Share of profit (loss) of equity-accounted investees	-	1	1	-	(3)	(3)
Loss before taxes	-	-	**(1,437)**	**-**	**-**	**(3,312)**
Income taxes	-	-	(84)	-	-	(162)
Loss from continuing operations	-	-	**(1,521)**	**-**	**-**	**(3,474)**
Profit from discontinued operations	-	-	**-**	**-**	**-**	**25**
Loss for the period	-	-	**(1,521)**	**-**	**-**	**(3,449)**
Other information required by IFRS 8:						
- Amortisation and depreciation	(520)	(313)	(833)	(523)	(324)	(847)
- Impairment losses	-	(3)	(3)	-	-	-
- Provisions/change in accounting estimates	-	30	30	-	(86)	(86)
- Net gains on the sale of non-current assets	7	-	7	-	-	-

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:

	Q1 2014	**Q1 2013**
Italy	3,060	2,049
EU	8,868	10,085
Non-EU countries	5,471	3,553
Revenue from sales and services	**17,399**	**15,687**

Following the sale of the investment in the subsidiary Pininfarina Maroc SAS, effective as from 1 December 2013, the Q1 2013 figures have been restated in accordance with IFRS 5 to separate the results of discontinued operations.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Property, plant and equipment

The carrying amount of property, plant and equipment at 31 March 2014 decreased to €53.5 million from €53.9 million at 31 December 2013.

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
Historical cost	11,176,667	51,977,598	13,066,662	76,220,927
Accumulated depreciation and impairment losses	-	(24,716,126)	(4,528,163)	(29,244,289)
Carrying amount at 31 December 2013	**11,176,667**	**27,261,472**	**8,538,499**	**46,976,638**
Additions	-	-	-	-
Disposals: Historical cost	-	-	-	-
Disposals: Acc. depreciation and imp. losses	-	-	-	
Depreciation	-	(224,056)	(89,637)	(313,693)
Impairment losses	-	-	-	-
Reclassifications	-	-	-	-
Other changes	-	-	-	-
Carrying amount at 31 March 2014	**11,176,667**	**27,037,416**	**8,448,862**	**46,662,945**
of which				
Historical cost	11,176,667	51,977,598	13,066,662	76,220,927
Accumulated depreciation and impairment losses	-	(24,940,182)	(4,617,800)	(29,557,982)

Land and buildings include the carrying amounts of owned and leased real estate complexes, comprising the production facilities located in via Castellamonte 6, 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 €12 million at 31 March 2014.

Plant and machinery at 31 March 2014 include generic production plant and machinery, mainly based at the production facilities located in Bairo and San Giorgio Canavese and the plant and machinery used in the Cambiano facility.

	Machinery	Plant	Leased plant and machinery	Total
Historical cost	5,734,088	82,029,533	122,353,360	210,116,981
Accumulated depreciation and impairment losses	(5,561,200)	(76,787,993)	(122,353,360)	(204,702,553)
Carrying amount at 31 December 2013	**172,888**	**5,241,540**	**-**	**5,414,428**
Additions	-	111,218	-	111,218
Disposals: Historical cost	(9,813)	(26,957)	-	(36,769)
Disposals: Acc. depreciation and imp. losses	9,813	26,957	-	36,769
Depreciation	(5,639)	(171,493)	-	(177,132)
Impairment losses	-	-	-	-
Reclassifications	-	-	-	-
Other changes	2	-	-	2
Carrying amount at 31 March 2014	**167,252**	**5,181,265**	**-**	**5,348,517**
of which				
Historical cost	5,724,276	82,113,794	122,353,360	210,191,430
Accumulated depreciation and impairment losses	(5,557,024)	(76,932,529)	(122,353,360)	(204,842,913)

	Furniture and fixtures	Hardware and software	Other assets	Total
Historical cost	2,457,370	5,424,386	796,472	8,678,228
Accumulated depreciation and impairment losses	(2,217,515)	(4,576,475)	(365,785)	(7,159,775)
Carrying amount at 31 December 2013	**239,855**	**847,911**	**430,687**	**1,518,453**
Additions	11,580	90,622	-	102,202
Disposals: Historical cost	-	(847)	-	(847)
Disposals: Acc. depreciation and imp. losses	-	24	-	24
Depreciation	(19,442)	(81,869)	(3,547)	(104,858)
Impairment losses	-	-	-	-
Reclassifications	(120)	(801)	3	(918)
Other changes	(180)	738	5	563
Carrying amount at 31 March 2014	**231,693**	**855,778**	**427,148**	**1,514,619**
of which				
Historical cost	2,468,830	5,513,360	796,475	8,778,665
Accumulated depreciation and impairment losses	(2,237,137)	(4,657,582)	(369,327)	(7,264,046)

Additions for the period mainly refer to the Pininfarina Deutschland Group, the parent and the subsidiary Pininfarina Extra.

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 €300,000.

	Land	Buildings	Total
Historical cost	5,807,378	12,130,247	17,937,625
Accumulated depreciation and impairment losses	-	(8,839,067)	(8,839,067)
Carrying amount at 31 December 2013	**5,807,378**	**3,291,180**	**9,098,558**
Additions	-	-	-
Disposals: Historical cost	-	-	-
Disposals: Acc. depreciation and imp. losses	-	-	-
Depreciation	-	(87,457)	(87,457)
Impairment losses	-	-	-
Reclassifications	-	-	-
Other changes	-	-	-
Carrying amount at 31 March 2014	**5,807,378**	**3,203,723**	**9,011,101**
of which			
Historical cost	5,807,378	12,130,247	17,937,625
Accumulated depreciation and impairment losses	-	(8,926,524)	(8,926,524)

3. Intangible assets

The carrying amount of intangible assets at 31 March 2014 decreased to €2.7 million from €2.8 million at 31 December 2013.

	Goodwill	Licences and trademarks	Other assets	Total
Historical cost	1,043,495	4,997,113	2,072,708	8,113,316
Accumulated amortisation and impairment losses	-	(3,425,206)	(1,916,118)	(5,341,324)
Carrying amount at 31 December 2013	**1,043,495**	**1,571,907**	**156,590**	**2,771,992**
Increase	-	29,612	5,508	35,120
Decrease	-	-	-	-
Decrease: Acc. amortisation and imp. losses	-	-	-	-
Amortisation	-	(132,532)	(17,055)	(149,587)
Impairment losses	-	-	-	-
Reclassifications	-	-	-	-
Other changes	-	-	3	3
Carrying amount at 31 March 2014	**1,043,495**	**1,468,987**	**145,046**	**2,657,528**
of which				
Historical cost	1,043,495	5,026,725	2,078,216	8,148,436
Accumulated amortisation and impairment losses	-	(3,557,738)	(1,933,170)	(5,490,908)

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., Pininfarina of America Corp. (formerly Pininfarina USA Corp.) and the associate Goodmind S.r.l., 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., incorporated in July 2012, provides communication services to companies and public sector entities. The Group's share of its profit for the period is €1,138. The associate had four employees at the reporting date.

5. Equity investments in other companies

There was no change compared to 31 December 2013.

6. Loans and receivables

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

	31.12.2013	Increase	Collection	31.03.2014
Third parties	-	-	-	-
Related parties and joint ventures	80,000	1,022,329	-	1,102,329
Loans and receivables - Non-current portion	**80,000**	**1,022,329**	**-**	**1,102,329**
Third parties	-	-	-	-
Related parties and joint ventures	-	-	-	-
Loans and receivables - Current portion	**-**	**-**	**-**	**-**
Loans and receivables	**80,000**	**1,022,329**	**-**	**1,102,329**

The non-current portion of loans and receivables includes the €964,000 loan provided by Pininfarina S.p.A. to the ultimate parent, Pincar S.r.l., to cover the costs arising from the tax assessment reports notified in December 2013. The remainder shows the loan provided by Pininfarina Extra S.r.l. to the associate Goodmind S.r.l. to finance its start-up activities.

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 highly reliable market reputation.

The balance at 31 March 2014 includes a restricted investment of €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 mainly consist 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 inventories and the allowance for inventory write-down:

	31.03.2014	31.12.2013
Raw materials	658,305	1,208,113
(Allowance for inventory write-down)	(553,858)	(553,858)
Finished goods	604,032	580,602
(Allowance for inventory write-down)	(339,744)	(339,744)
Inventories	**368,735**	**895,113**

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.

	31.03.2014		31.12.2013	
	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	**553,858**	**339,744**	**584,202**	**344,970**
Additions	-	-	-	-
Utilisations	-	-	(30,344)	(5,226)
Other changes	-	-	-	-
Closing balance	**553,858**	**339,744**	**553,858**	**339,744**

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 year refers to styling and engineering contracts from customers inside and outside the European Union.

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

The following table shows trade receivables at 31 March 2014 and 31 December 2013:

	31.03.2014	31.12.2013
Italy	5,780,033	4,051,293
EU	8,392,051	8,756,718
Non-EU countries	3,513,769	5,009,953
(Allowance for impairment)	(1,299,248)	(1,303,522)
Trade receivables	**16,386,605**	**16,514,442**

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:

	31.03.2014	31.12.2013
Opening balance	**1,303,522**	**1,147,873**
Additions	-	267,835
Utilisations	(4,274)	(112,186)
Other changes	-	-
Closing balance	**1,299,248**	**1,303,522**

Utilisations for 2013 mainly refer to losses on the parent's receivables from customers within and outside the European Union.

11. Other assets

The following table shows other assets at 31 March 2014 and 31 December 2013:

	31.03.2014	31.12.2013
Registration tax	5,634,087	-
VAT	4,676,662	2,258,395
Withholding taxes	1,974,960	1,949,928
Advances to suppliers	84,085	133,607
Amounts due from INAIL (the Italian Workers Compensation Authority)	195,411	21,866
Amounts due from employees	28,742	34,824
Prepayments and accrued income	597,479	846,673
Grants for the Program II.3 "Più sviluppo" project	1,111,441	1,111,441
Other	112,634	303,436
Other assets	**14,415,501**	**6,660,170**

The caption “Registration tax” shows the amount paid by the parent following the payment order notified at the end of December 2013 against which the parent filed an appeal.

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:

	31.03.2014	**31.12.2013**
Cash on hand and cash equivalents	33,213	22,670
Short-term bank deposits	13,275,590	18,371,004
Cash and cash equivalents	**13,308,803**	**18,393,674**
(Bank overdrafts)	-	-
Net cash and cash equivalents	**13,308,803**	**18,393,674**

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.

13. Equity

(a) Share capital

	31.03.2014		**31.12.2013**	
	Nominal amount	*No.*	**Nominal 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 parent’s share capital 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 pledge, 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 of €6,033,331, which pursuant to the provisions of article 2430 of the Italian Civil Code cannot be distributed as dividends, is unchanged from the previous year end.

(d) Translation reserve

The translation reserve reflects the cumulative differences from the translation of financial statements of companies with functional currencies other than the Euro, which is the Group's presentation currency. These companies are 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)

Losses carried forward totalled € 9,568,940 at the reporting date. The€10,386,970 decrease on 31 December 2013 relates to the 2013 loss.
The table reconciling the parent's loss and equity as at and for the period 31 March 2014 with the Group's relevant figures is provided in the directors' report, to which reference is made.

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 summarises the changes in loans and borrowings:

	31.12.2013	2014 repayments	Figurative interest	Changes in operating lines	Current/non-current reclassification	31.03.2014
Finance lease liabilities	-	-	-	-	-	-
Other loans and borrowings	7,521,896	(200,000)	-	-	-	7,321,896
Non-current portion	**7,521,896**	**(200,000)**	**-**	**-**	**-**	**7,321,896**
Bank overdrafts	-	-	-	-	-	-
Finance lease liabilities	51,991,710	-	778,709	-	-	52,770,419
Other loans and borrowings	37,318,605	-	483,503	-	-	37,802,108
Current portion	**89,310,315**	**-**	**1,262,212**	**-**	**-**	**90,572,527**
Current and non-current portions	**96,832,211**	**(200,000)**	**1,262,212**	**-**	**-**	**97,894,423**
Of which:						
Finance lease liabilities	51,991,710	-	778,709	-	-	52,770,419
Other loans and borrowings	44,840,501	(200,000)	483,503	-	-	45,124,004
Leases and financing	**96,832,211**	**(200,000)**	**1,262,212**	**-**	**-**	**97,894,423**

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.

A breakdown of the contractual cash flows by maturity is provided in paragraph (e) of the "Financial risk management" section. A breakdown of changes by lender is set out below:

	31.12.2013	2014 repayments	Figurative interest	31.03.2014
Mediocredito Italiano S.p.A. (formerly Leasint S.p.A.)	11,521,759	-	172,569	11,694,328
MPS Leasing & Factoring S.p.A.	5,760,881	-	86,284	5,847,165
Selmabipiemme S.p.A.	5,760,881	-	86,284	5,847,165
Release S.p.A.	15,485,047	-	231,928	15,716,975
BNP Paribas Lease Groupe S.p.A.	4,946,872	-	74,092	5,020,964
UBI Leasing S.p.A.	2,473,435	-	37,046	2,510,481
Unicredit Leasing S.p.A.	6,042,835	-	90,507	6,133,342
Finance lease liabilities	**51,991,710**	**-**	**778,709**	**52,770,419**
Banca Intesa Sanpaolo S.p.A.	8,921,582	-	133,626	9,055,208
Banca Intesa Sanpaolo S.p.A. (former operating line)	2,521,038	-	37,759	2,558,797
Banca Italease S.p.A.	669,120	-	10,022	679,142
Unicredit S.p.A.	7,270,808	-	108,899	7,379,707
Banca Nazionale del Lavoro S.p.A.	1,351,756	-	20,246	1,372,002
Banca Regionale Europea S.p.A.	3,717,326	-	55,676	3,773,002
Banca Regionale Europea S.p.A. (former operating line)	1,680,690	-	25,173	1,705,863
Banco Pop. Cooperativo S.p.A.	2,787,996	-	41,757	2,829,753
Banco Pop. Cooperativo S.p.A. (former operating line)	1,260,518	-	18,879	1,279,397
MPS S.p.A. (former operating line)	2,100,862	-	31,466	2,132,328
Volksbank Region Leonberg (GER)	500,000	(200,000)	-	300,000
Loans and borrowings	**32,781,696**	**(200,000)**	**483,503**	**33,065,199**
BNL S.p.A. (formerly Fortis Bank)	12,058,805	-	-	12,058,805
Leases and financing	**96,832,211**	**(200,000)**	**1,262,212**	**97,894,423**

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 (the "Fortis Agreement") separate from the Rescheduling Agreement of 31 December 2008, aimed at defining a plan for the repayment of interest-bearing debt in half-yearly instalments, the last one of which is due on 31 December 2015. This separate agreement is independent of 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 the buildings owned by the parent, which secure loans currently approximating €12 million.

Other information

The loan to Volksbank Region Leonberg (GER) reduced to €300,000 following a repayment made during the quarter and is due by Pininfarina Deutschland, which is the only consolidated company with non-current debt.

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

15. Trade payables and other financial liabilities

(a) Trade payables

	31.03.2014	31.12.2013
Third parties	9,942,003	14,098,039
Related parties and joint ventures	-	-
Advances for contract work in progress	4,186,014	1,113,259
Trade payables	**14,128,017**	**15,211,298**

The reporting-date balance does not include significant overdue amounts and comprises amounts that will be paid within twelve months of the reporting date. Trade payables to third parties includes deferred income of €0.9 million relating to the portion of progress billings exceeding the styling and engineering contracts' stage of completion.

Advances for contract work in progress mainly relate to new contracts.

(b) Other financial liabilities

	31.03.2014	31.12.2013
Wages and salaries payable	2,888,193	1,783,550
Social security charges payable	678,701	981,716
Other	1,800,300	2,004,623
Other financial liabilities	**5,367,194**	**4,769,889**

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:

	31.12.2013	Additions	Utilisations	Other changes	31.03.2014
Provision for product warranty	62,611	-	(86)	-	62,525
Restructuring provision	2,299,512	-	(90,018)	-	2,209,494
Other provisions	335,564	-	(36,321)	(10,265)	288,978
Provisions for risks and charges	**2,697,687**	**-**	**(126,425)**	**(10,265)**	**2,560,997**

(b) Contingent liabilities and litigation

Registration tax

On 24 December 2013, the parent was notified of 14 orders for payment of tax and decisions to impose penalties (“Orders”), each relating to a pro rata “financial liability” recognised by Pininfarina S.p.A. with almost all lending institutions involved in the Rescheduling Agreement signed in Lugano (Switzerland) on 31 December 2008. In addition to the request for payment of the allegedly due registration tax and related interest, each Order imposes a sanction amounting to 120% of the assessed tax. The overall amount requested is €11.4 million.

Almost all the lending institutions received similar orders for payment, as they are jointly and severally liable with the parent *vis-a-vis* the tax authorities.

As it is certain of its correct conduct, the parent appealed against the Orders on 5 February 2014 (paying the assessed taxes plus interest for an overall amount of €5.6 million). The case is currently pending before the local tax court.

VAT

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 SA, is currently pending before the Supreme Court of Cassation. There were no developments in this case 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:

	31.03.2014	31.12.2013
Deferred tax assets	1,001,360	946,970
(Deferred tax liabilities)	-	-
Net deferred tax assets	**1,001,360**	**946,970**

The net deferred tax assets shown in the consolidated financial statements mainly refer to the German companies. They reflect the recoverable portion of the tax loss carryforward, determined based on forecast future taxable profit and taking into account the agreement for the filing of a national consolidated tax return signed by the German companies.
The increase for the period relates to Pininfarina of America Corp., which recognised deferred tax assets on non-deductible impairment losses recognised on loans and receivables.

(b) Current taxes

Income taxes recognised in profit or loss are detailed below:

	Q1 2014	Q1 2013
Income taxes	(6,936)	(127,578)
IRAP (Regional tax on production activities)	(132,250)	(34,797)
Current taxes	**(139,186)**	**(162,375)**
Net deferred tax income	**54,755**	**-**
Income taxes	**(84,431)**	**(162,375)**

Income taxes refer to the subsidiaries Pininfarina of America Corp. and Pininfarina Deutschland GmbH. IRAP refers to Pininfarina S.p.A. and Pininfarina Extra S.r.l..

18. Revenue from sales and services

	Q1 2014	Q1 2013
Sales - Italy	275,000	259,317
Sales - EU	415,213	737,782
Sales - Non-EU countries	138,982	55,576
Services - Italy	2,784,555	1,789,235
Services - EU	8,452,991	9,347,523
Services - Non-EU countries	5,332,464	3,497,109
Revenue from sales and services	**17,399,205**	**15,686,542**

Sales refer mainly to revenue from sales of spare parts and equipment. Services show amounts invoiced for styling and engineering services.

Segment reporting is provided on page 29.

Following the sale of the investment in the subsidiary Pininfarina Maroc SAS, effective as from 1 December 2013, the Q1 2013 figures have been restated in accordance with IFRS 5 to separate the results of discontinued operations.

19. Other revenue and income

	Q1 2014	Q1 2013
Lease income	893,236	1,422,137
Prior period income	117,656	161,562
Royalties	156,217	50,337
Rebilling	35,593	47,253
Grants relating to income	9,696	3,731
Sundry	9,575	14,567
Other revenue and income	**1,221,973**	**1,699,587**

Lease income mainly refers to the business lease signed by Pininfarina S.p.A. and a third party 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.

Royalties refer 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.

Following the sale of the investment in the subsidiary Pininfarina Maroc SAS, effective as from 1 December 2013, the Q1 2013 figures have been restated in accordance with IFRS 5 to separate the results of discontinued operations as from 1 January 2013.

20. Raw materials and components

Raw materials and components mainly include purchases of equipment and materials used for the styling and engineering contracts and spare parts resold by the Group.

21. External variable engineering services

External variable engineering services mainly refer to design and technical services.

22. Wages, salaries and employee benefits

	Q1 2014	Q1 2013
Wages and salaries	(9,457,909)	(9,666,065)
Social security contributions	(2,547,976)	(2,536,421)
Utilisation of restructuring and other provisions	90,019	292,459
Blue collars, white collars and managers	**(11,915,866)**	**(11,910,027)**
Post-employment benefits - defined contribution plan	(345,854)	(361,518)
Wages, salaries and employee benefits	**(12,261,720)**	**(12,271,545)**

Utilisation of the restructuring provision refers to the amounts paid to employees who resigned during the period, 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.

Following the sale of the investment in the subsidiary Pininfarina Maroc SAS, effective as from 1 December 2013, the Q31 2013 figures have been restated in accordance with IFRS 5 to separate the results of discontinued operations as from 1 January 2013.

A breakdown of the actual number of employees at 31 March 2014 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:

	Q1 2014		Q1 2013	
	actual	**average**	**actual**	**average**
Managers	21	22	24	25
White collars	680	684	697	694
Blue collars	59	62	62	62
Total	760	768	783	781

The business lease to a third party, which expired on 31 December 2013 and was renewed for another three years, includes the transfer of 52 employment contracts (54 at 31 December 2013).

Following the sale of the investment in the subsidiary Pininfarina Maroc SAS, effective as from 1 December 2013, the Q1 2013 figures have been restated in accordance with IFRS 5 to separate the results of discontinued operations (decrease of 32 heads in both the 31 March 2013 and the average Q1 2013 figures).

23. Additions to/utilisation of provisions and impairment losses

	Q1 2014	Q1 2013
Net impairment losses on loans and receivables	(2,606)	(2,466)
Additions to provisions for risks and charges	-	(129,249)
Utilisation and revised estimates of provisions for risks and charges	29,676	45,862
Net utilisation of provisions and impairment losses	**27,070**	**(85,853)**

24. Other expenses

	Q1 2014	Q1 2013
Travel expenses	(557,169)	(410,178)
Leases	(535,037)	(564,414)
Directors' and statutory auditors' fees	(279,360)	(279,720)
Consulting and other services	(558,878)	(449,285)
Other personnel costs	(251,472)	(211,375)
Postal expenses	(135,528)	(129,468)
Cleaning and waste disposal services	(77,418)	(34,198)
Advertising	(165,080)	(160,683)
Indirect taxes	(208,992)	(161,510)
Insurance	(143,969)	(81,843)
Membership fees	(24,302)	(20,748)
Prior period expense	(29,242)	(23,777)
General services and other expenses	(144,741)	(210,741)
Other expenses	**(3,111,187)**	**(2,737,940)**

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.

25. Net financial expense

	Q1 2014	Q1 2013
Bank interest and expense	(106,073)	(79,843)
Lease interest expense	(820,067)	(1,023,451)
Interest expense on loans and financing	(548,981)	(688,493)
Financial expense	**(1,475,121)**	**(1,791,787)**
Bank interest income	67,914	197,880
Fair value gains on assets held for trading	508,859	151,508
Interest income on loans and receivables - third parties	-	-
Interest income on loans and receivables - joint ventures	8,329	363
Financial income	**585,102**	**349,751**
Net financial expense	**(890,019)**	**(1,442,036)**

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

Lease interest expense of €820,067 shows the effect of amortised-cost accounting (€778,708) and interest paid under the new Agreement (€41,359).

Interest expense on loans and financing of €548,981 comprises the effect of amortised-cost accounting (€483,500), interest accrued on the loan due to Banca Nazionale del Lavoro (formerly Fortis Bank) (€38,950) and interest accrued under the new Agreement (€25,681). The remainder is due to foreign companies.

Lease interest expense and interest expense on loans and financing will be paid on 30 June and 31 December 2014.

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 - related parties and joint ventures of €8,329 accrued on the loan granted to the ultimate parent, Pincar S.r.l., by Pininfarina S.p.A. and that granted to the associate Goodmind S.r.l. by Pininfarina Extra S.r.l..

26. Profit (loss) from discontinued operations

(a) Profit (loss) from discontinued operations

The investments in the subsidiary Pininfarina Maroc SAS held by Pininfarina S.p.A. and the subsidiary Pininfarina Extra S.r.l. were sold to third parties on 30 December 2013.
The former investee was not classified as a discontinued operation or an asset held for sale at 31 March 2013. Accordingly, the Group restated the prior year corresponding figures presented in its statement of comprehensive income for comparative purposes, in order to present the discontinued operation separately from its continuing operations.
The profit from the discontinued operation for the first quarter of 2013, restated in accordance with IFRS 5 - Non-Current Assets Held for Sale and Discontinued Operations, is detailed below:

Profit (loss) from discontinued operations

	Q1 2013
Revenue	301,178
Expense	(271,498)
Operating profit	29,680
Net financial expense and income taxes	(5,238)
Operating profit, net of tax and net financial expense	24,442
Profit from discontinued operations	**24,442**

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**	**Expense**	**Income**	**Expense**
Pincar S.r.l.			971,484	-	-	-	7,484	
Goodmind S.r.l.	-	-	130,845	-	6,000	-	845	-
Total	**-**	**-**	**1,102,329**	**-**	**6,000**	**-**	**8,329**	**-**

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 €205,608 and Pantheon Italia S.r.l., related to the director Roberto Testore, provided commercial assistance for total fees of €17,945.

Significant non-recurring transactions

As required by Consob communication no. DEM/6064293 of 28 July 2006, the Group specifies that it did not recognise any significant non-recurring transactions in the first quarter of 2014.

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 safeguarding of corporate assets and the protection of non-controlling investors.

Pininfarina S.p.A.

Interim separate financial statements as at and for the three months ended 31 March 2014

Statement of financial position

	31.03.2014	31.12.2013
Land and buildings	46,662,945	46,976,638
Land	11,176,667	11,176,667
Buildings	27,037,416	27,261,472
Leased property	8,448,862	8,538,499
Plant and machinery	5,308,445	5,370,592
Machinery	167,252	172,888
Plant	5,141,193	5,197,704
Leased machinery and equipment	-	-
Furniture, fixtures and other assets	1,094,162	1,109,683
Furniture and fixtures	37,683	40,547
Hardware and software	647,660	657,741
Other assets, including vehicles	408,819	411,395
Assets under construction	-	-
Property, plant and equipment	**53,065,552**	**53,456,913**
Investment property		
Goodwill	-	-
Licences and trademarks	956,558	1,027,626
Other	-	-
Intangible assets	**956,558**	**1,027,626**
Subsidiaries	21,577,447	21,577,447
Associates	-	-
Joint ventures	-	-
Other companies	645	645
Equity investments	**21,578,092**	**21,578,092**
Deferred tax assets	**-**	**-**
Held-to-maturity investments	-	-
Loans and receivables	4,128,249	3,018,533
Third parties	-	-
Related parties and joint ventures	4,128,249	3,018,533
Available-for-sale financial assets	-	-
Non-current financial assets	**4,128,249**	**3,018,533**
TOTAL NON-CURRENT ASSETS	**79,728,451**	**79,081,164**
Raw materials	104,447	654,255
Work in progress	-	-
Finished goods	152,963	170,388
Inventories	**257,410**	**824,643**
Contract work in progress	**6,740,000**	**5,446,200**
Assets held for trading	35,489,414	41,952,071
Loans and receivables	-	-
Third parties	-	-
Related parties and joint ventures	-	-
Available-for-sale financial assets	-	-
Current financial assets	**35,489,414**	**41,952,071**
Derivatives	**-**	**-**
Trade receivables	9,931,123	10,189,281
Third parties	9,471,226	9,758,488
Related parties and joint ventures	459,897	430,793
Other	13,977,502	6,065,058
Trade receivables and other assets	**23,908,625**	**16,254,339**
Cash on hand and cash equivalents	20,563	13,317
Short-term bank deposits	7,579,586	12,384,471
Cash and cash equivalents	**7,600,149**	**12,397,788**
TOTAL CURRENT ASSETS	**73,995,598**	**76,875,041**
Assets held for sale	**-**	**-**
TOTAL ASSETS	**153,724,049**	**155,956,205**

Statement of financial position

	31.03.2014	31.12.2013
Share capital	30,150,694	30,150,694
Share premium reserve	-	-
Reserve for treasury shares	175,697	175,697
Legal reserve	6,033,331	6,033,331
Other reserves	2,646,208	2,646,208
Retained earnings (losses carried forward)	(6,885,069)	5,039,241
Loss for the period/year	(2,369,987)	(11,924,310)
EQUITY	**29,750,874**	**32,120,861**
Finance lease liabilities	-	-
Other loans and borrowings	7,021,896	7,021,896
Third parties	7,021,896	7,021,896
Related parties and joint ventures	-	-
Non-current loans and borrowings	**7,021,896**	**7,021,896**
Deferred tax liabilities	**-**	**-**
Italian post-employment benefits	6,546,234	6,629,322
Other	-	-
Post-employment benefits	**6,546,234**	**6,629,322**
TOTAL NON-CURRENT LIABILITIES	**13,568,130**	**13,651,218**
Bank overdrafts	-	-
Finance lease liabilities	52,770,419	51,991,710
Other loans and borrowings	38,065,668	37,582,165
Third parties	37,802,108	37,318,605
Related parties and joint ventures	263,560	263,560
Current loans and borrowings	**90,836,087**	**89,573,875**
Wages and salaries payable	2,454,503	1,437,369
Social security charges payable	193,671	474,015
Other	1,202,719	1,741,345
Other financial liabilities	**3,850,893**	**3,652,729**
Third parties	8,582,859	12,861,764
Related parties and joint ventures	964,309	783,966
Advances for contract work in progress	3,522,650	614,105
Trade payables	**13,069,818**	**14,259,835**
Direct tax liabilities	-	-
Other tax liabilities	87,250	-
Current tax liabilities	**87,250**	**-**
Derivatives	**-**	**-**
Provision for product warranty	62,525	62,611
Restructuring provision	2,209,494	2,299,512
Other provisions	288,978	335,564
Provisions for risks and charges	**2,560,997**	**2,697,687**
Other liabilities	**-**	**-**
TOTAL CURRENT LIABILITIES	**110,405,045**	**110,184,126**
TOTAL LIABILITIES	**123,973,175**	**123,835,344**
Liabilities associated with assets held for sale	**-**	**-**
TOTAL LIABILITIES AND EQUITY	**153,724,049**	**155,956,205**

Pursuant to Consob resolution no. 15519 of 27 July 2006, an ad hoc statement of financial position showing related party transactions has not been prepared as these are already shown in the interim separate 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 €7,769.

Income statement

	Q1 2014	*of which: related parties*	Q1 2013	*of which: related parties*
Revenue from sales and services	10,429,531	106,595	9,001,617	204,947
Internal work capitalised	-	-	-	-
Change in inventories and contract work in progress	1,276,375	-	12,677,178	-
Change in contract work in progress	1,293,800	-	12,673,677	-
Change in finished goods and work in progress	(17,425)	-	3,501	
Other revenue and income	925,166	6,000	1,346,583	5,000
Revenue	**12,631,072**	**112,595**	**23,025,378**	**209,947**
Gains on sale of non-current assets and equity investments	**6,500**	**-**	**-**	**-**
Gain on sale of equity investments	-	-	-	-
Raw materials and components	(2,068,408)	-	(1,306,136)	-
Change in raw materials	(549,808)	-	(52,485)	-
Inventory write-downs	-	-	-	-
Raw materials and consumables	**(2,618,216)**	**-**	**(1,358,621)**	**-**
Consumables	(205,907)	-	(175,442)	-
External maintenance	(184,487)	-	(85,278)	-
Other variable production costs	**(390,394)**	**-**	**(260,720)**	**-**
External variable engineering services	**(2,087,325)**	**(959,678)**	**(3,174,864)**	**(693,490)**
Blue collars, white collars and managers	(6,059,710)	-	(6,275,509)	-
Independent contractors and temporary workers	-	-	-	-
Social security contributions and other post-employment benefits	(326,607)	-	(343,662)	-
Wages, salaries and employee benefits	**(6,386,317)**	**-**	**(6,619,171)**	**-**
Depreciation of property, plant and equipment and investment property	(553,793)	-	(550,811)	-
Amortisation of intangible assets	(78,707)	-	(92,587)	-
Losses on sale of non-current assets and equity investments	-	-	-	-
(Additions to)/utilisation of provisions and impairment losses	29,676	-	22,389	-
Amortisation, depreciation and impairment losses	**(602,824)**	**-**	**(621,009)**	**-**
Net exchange rate gains	**48**		**21,312**	
Other expenses	**(2,074,514)**		**(1,648,888)**	
Operating loss	**(1,521,970)**	**(847,083)**	**9,363,417**	**(483,543)**
Net financial expense	**(897,954)**	**9,112**	**(1,425,016)**	**28,878**
Dividends	**-**	**-**	**-**	**-**
Loss before taxes	**(2,419,924)**	**(837,971)**	**7,938,401**	**(454,665)**
Income taxes	**49,937**	**-**	**-**	**-**
Loss for the period	**(2,369,987)**	**(837,971)**	**7,938,401**	**(454,665)**

Statement of comprehensive income

	Q1 2014	Q1 2013
Loss for the period	**(2,369,987)**	**(3,461,599)**
Other comprehensive expense:		
Items that will not be reclassified to profit or loss:		
- Actuarial gains (losses) on defined benefit plans - IAS 19	-	-
- Income taxes	-	-
- Other	-	-
Total items of other comprehensive income (expense) that will not be reclassified to profit or loss, net of tax effect:	**-**	**-**
Items that will or may be subsequently reclassified to profit or loss:		
- Losses from translation of financial statements of foreign operations - IAS 21	-	-
- Other	-	-
Total items of other comprehensive income (expense) that will be subsequentlyreclassified to profit or loss, net of tax effect:	**-**	**-**
Total other comprehensive expense, net of tax effect	**-**	**-**
Comprehensive expense	**(2,369,987)**	**(3,461,599)**

Reclassified income statement

(€'000)

	Q1 2014	%	Q1 2013	%	Variation	2013
Revenue from sales and services	10,430	82.57	9,002	77.44	1,428	38,155
Change in inventories and contract work in progress	1,276	10.11	1,277	10.98	(1)	3,469
Other revenue and income	925	7.32	1,346	11.58	(421)	6,423
Internal work capitalised	-	-	-	-	-	-
Value of production	**12,631**	**100.00**	**11,625**	**100.00**	**1,006**	**48,047**
Net gains on the sale of non-current assets	**7**	**0.05**	**-**	**-**	**7**	**(769)**
Materials and services (*)	(6,621)	(52.42)	(6,370)	(54.79)	(251)	(29,153)
Change in raw materials	(550)	(4.35)	(52)	(0.45)	(498)	494
Value added	**5,467**	**43.28**	**5,203**	**44.76**	**264**	**18,619**
Labour cost (**)	(6,386)	(50.56)	(6,619)	(56.94)	233	(24,592)
EBITDA	**(919)**	**(7.28)**	**(1,416)**	**(12.18)**	**497**	**(5,973)**
Amortisation and depreciation	(632)	(5.00)	(643)	(5.53)	11	(2,562)
(Additions to)/utilisation of provisions and impairment losses	29	0.23	22	0.19	7	1,257
EBIT	**(1,522)**	**(12.05)**	**(2,037)**	**(17.52)**	**515**	**(7,278)**
Net financial expense	(898)	(7.11)	(1,425)	(12.26)	527	(5,109)
Loss before taxes	**(2,420)**	**(19.16)**	**(3,462)**	**(29.78)**	**1,042**	**(12,387)**
Income taxes	50	0.40	-	-	50	463
Loss for the period	**(2,370)**	**(18.76)**	**(3,462)**	**(29.78)**	**1,092**	**(11,924)**

(*) **Materials and services** are net of utilisations of the provisions for product warranty and risks (€234 thousand and €17 thousand for the first quarters of 2013 and 2014, respectively).
(**) **Labour cost** is net of utilisations of the restructuring and other provisions (€292 thousand and €90 thousand for the first quarters of 2013 and 2014, respectively).

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

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

RECLASSIFIED STATEMENT OF FINANCIAL POSITION

(€'000)

	31.03.2014	31.12.2013	Variation	31.03.2013
Net non-current assets (A)				
Net intangible assets	957	1,028	(71)	893
Net property, plant and equipment and investment property	53,066	53,457	(391)	54,516
Equity investments	21,578	21,578	-	22,848
Total A	**75,601**	**76,063**	**(462)**	**78,257**
Working capital (B)				
Inventories	6,997	6,271	727	3,532
Net trade receivables and other assets	23,909	16,254	7,654	21,932
Trade payables	(13,070)	(14,260)	1,190	(11,359)
Provisions for risks and charges	(2,561)	(2,698)	137	(6,154)
Other liabilities	(3,938)	(3,653)	(285)	(4,299)
Total B	**11,337**	**1,914**	**9,423**	**3,653**
Net invested capital (C=A+B)	**86,938**	**77,977**	**8,961**	**81,910**
Post-employment benefits (D)	**6,546**	**6,629**	**(83)**	**6,676**
Net capital requirements (E=C-D)	**80,392**	**71,348**	**9,044**	**75,234**
Equity (F)	**29,751**	**32,121**	**(2,370)**	**40,566**
Net financial debt (G)				
Non-current loans and borrowings	2,894	4,003	(1,109)	86,734
Net current financial (position) debt	47,747	35,224	12,523	(52,066)
Total G	**50,641**	**39,227**	**11,414**	**34,668**
Total as in E (H=F+G)	**80,392**	**71,348**	**9,044**	**75,234**

Net financial debt

(€'000)

	31.03.2014	31.12.2013	Variation	31.03.2013
Cash and cash equivalents	7,600	12,398	(4,798)	33,057
Current assets held for trading	35,489	41,952	(6,463)	51,684
Current loans and receivables	-	-	-	-
Loan assets - associates and joint ventures	-	-	-	-
Current bank overdrafts	-	-	-	-
Current financial lease liabilities	(52,770)	(51,992)	(779)	(16,898)
Loans and borrowings - related parties and joint ventures	(264)	(264)	-	(248)
Current portion of bank loans and borrowings	(37,802)	(37,319)	(484)	(15,529)
Net current financial position (debt)	**(47,747)**	**(35,224)**	**(12,523)**	**52,066**
Non-current loans and receivables - third parties	-	-	-	-
Non-current loans and receivables - related parties and joint ventures	4,128	3,019	1,109	4,684
Non-current held-to-maturity investments	-	-	-	-
Non-current finance lease liabilities	-	-	-	(48,960)
Non-current bank loans and borrowings	(7,022)	(7,022)	-	(42,458)
Non-current loans and borrowings	**(2,894)**	**(4,003)**	**1,109**	**(86,734)**
NET FINANCIAL DEBT	**(50,641)**	**(39,227)**	**(11,414)**	**(34,668)**

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

Statement of changes in equity

	31.12.2012	Comprehensive expense	Allocation of prior year profit (loss)	31.03.2013
Share capital	30,150,694	-	-	30,150,694
Share premium reserve	-	-	-	-
Reserve for treasury shares	175,697	-	-	175,697
Legal reserve	2,231,389	-	-	2,231,389
Other reserves	2,646,208	-	-	2,646,208
Retained earnings (losses carried forward)	(22,165,315)	-	30,989,054	8,823,739
Profit (loss) for the period/year	30,989,054	(3,461,599)	(30,989,054)	(3,461,599)
EQUITY	**44,027,727**	**(3,461,599)**	**-**	**40,566,128**

	31.12.2013	Comprehensive expense	Allocation of prior year loss	31.03.2014
Share capital	30,150,694	-	-	30,150,694
Share premium reserve	-	-	-	-
Reserve for treasury shares	175,697	-	-	175,697
Legal reserve	6,033,331	-	-	6,033,331
Other reserves	2,646,208	-	-	2,646,208
Retained earnings (losses carried forward)	5,039,241	-	(11,924,310)	(6,885,069)
Loss for the period/year	(11,924,310)	(2,369,987)	11,924,310	(2,369,987)
EQUITY	**32,120,861**	**(2,369,987)**	**-**	**29,750,874**

Statement of cash flows

	Q1 2014	Q1 2013
Loss for the period	(2,369,987)	(3,461,599)
Adjustments:		
- Income taxes	(49,936)	-
- Depreciation of property, plant and equipment and investment property	553,793	550,811
- Amortisation of intangible assets	78,709	92,588
- Impairment losses, provisions and change in accounting estimates	(219,778)	(694,205)
- Gains on the sale of non-current assets	(6,500)	-
- Financial expense	1,471,250	1,785,571
- Financial income	(573,296)	(360,555)
- (Dividends)	-	-
- Other adjustments	525,454	151,507
Total adjustments	**1,779,696**	**1,525,717**
Change in working capital:		
- Decrease in inventories	567,233	79,327
- Increase in contract work in progress	(1,293,800)	(1,273,677)
- (Increase)/decrease in trade receivables and other assets	(7,625,182)	3,833,789
- (Increase)/decrease in receivables from related parties and joint ventures	(29,104)	306,757
- Decrease in trade payables and other financial liabilities	(4,080,741)	(2,479,132)
- Increase/(decrease) in payables to related parties and joint ventures	180,343	(178,953)
- Other changes	2,908,545	82,188
Total changes in working capital	**(9,372,706)**	**370,299**
Gross cash flows used in operating activities	**(9,962,998)**	**(1,565,583)**
- Interest expense	(209,038)	(210,817)
- Income taxes	-	-
NET CASH FLOWS USED IN OPERATING ACTIVITIES	**(10,172,036)**	**(1,776,400)**
- Purchases of non-current assets and equity investments	(170,072)	(256,684)
- Proceeds from the sale of non-current assets and equity investments	6,500	-
- Increase in loans and receivables - third parties	-	-
- Increase in loans and receivables - related parties and joint ventures	(971,484)	-
- Repayment of loans and receivables - third parties	-	-
- Repayment of loans and receivables - related parties and joint ventures	(1,046)	(32,558)
- Interest income	47,842	180,169
- Dividends collected	-	-
- Other changes	6,462,657	(1,364,063)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	**5,374,397**	**(1,473,136)**
- Proceeds from the issue of shares	-	-
- Increase in finance lease liabilities and other loans and borrowings - third parties	-	-
- Increase in other loans and borrowings - related parties and joint ventures	-	-
- Repayment of finance lease liabilities and other loans and borrowings - third parties	-	-
- Repayment of other loans and borrowings - related parties and joint ventures	-	-
- Dividends paid	-	-
- Other changes	-	-
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	**-**	**-**
TOTAL CASH FLOWS	**(4,797,639)**	**(3,249,536)**
Opening net cash and cash equivalents	12,397,788	36,306,146
Closing net cash and cash equivalents	**7,600,149**	**33,056,610**
Of which:		
- Cash and cash equivalents	7,600,149	33,056,610
- Bank overdrafts	-	-

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 date.

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	Expense	Income	Expense
Pincar S.r.l.	-	-	971,484	-	-	-	7,484	-
Pininfarina Extra S.r.l.	32,952	5,985	603,543	263,560	78,038	3,131	-	-
Goodmind S.r.l.	-	-	-	-	6,000	-	-	-
Pininfarina Deutschland GmbH	-	-	303,222	-	-	-	1,046	-
mpx Entwicklung GmbH Monaco	-	908,967	2,250,000	-	-	908,967	8,066	-
Pininfarina Automotive Engineering (Shanghai) Co Ltd	426,944	49,357	-	-	28,557	47,580	-	-
Total	**459,897**	**964,309**	**4,128,249**	**263,560**	**112,595**	**959,678**	**9,112**	-

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

In addition to the above figures, Studio Professionale Pavesio e Associati, related to the director Carlo Pavesio, provided legal assistance to the parent for total fees of €205,608 and Pantheon Italia S.r.l., related to the director Roberto Testore, provided commercial assistance for total fees of €17,945.

Fees to directors, statutory auditors and key management personnel

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

(€'000)	Q1 2014	Q1 2013
Directors	154	154
Statutory auditors	26	26
Total	**180**	**180**

The total fees to Pininfarina S.p.A.'s key management personnel approximate €0.2 million for the first quarter of 2014.

Significant non-recurring transactions

As required by Consob communication no. DEM/6064293 of 28 July 2006, the parent specifies that it did not recognise any significant non-recurring transactions in the first quarter of 2014.

Atypical and unusual transactions

As required by Consob communication no. DEM/6064293 of 28 July 2006, Pininfarina S.p.A. 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 safeguarding of corporate assets and the protection of non-controlling investors.