

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

PININFARINA GROUP
INTERIM FINANCIAL REPORT AT 30 SEPTEMBER 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 at 30 September 2014 on 13 November 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

Directors' report

Operating and financial performance

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

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

More specifically, the value of production for the first three quarters of 2014 totalled €64.7 million, up 14% from the €57 million for the corresponding period of 2013. The increase is substantially due to larger volumes of engineering and design services provided in Italy and industrial design activities.

EBITDA (i.e., operating profit or loss gross of amortisation, depreciation and provisions) was a positive €5.5 million compared to a gross operating loss of €2.3 million for the corresponding period of the previous year.

EBIT (i.e., operating profit or loss) was a positive €3 million, which improved considerably from the €4 million loss recorded in the first nine months of 2013.

Net financial expense fell from €4.5 million for the corresponding period of 2013 to €3.4 million, mainly due to a decrease in unrealised losses relating to the signing of the current Rescheduling Agreement. Thanks to the Agreement, the Group recognised a gain of €44.8 million on the extinguishment of financial liabilities on 1 May 2012.

The loss before taxes came to €0.4 million for the first nine months of 2014, compared to €8.5 million for the corresponding period of the previous year. Net of taxes of €0.3 million (in line with the corresponding period of the previous year), the Group's loss for the period totalled €0.7 million, against a loss of €9.0 million for the nine months ended 30 September 2013.

Equity decreased by €0.6 million from €29.4 million at 31 December 2013 to €28.8 million at 30 September 2014 due to the loss for the period. Net financial debt rose by €11.3 million to €47.7 million from €36.4 million at 31 December 2013. The worsening is due to working capital trends, the unrealised loss for the period that increased the debt's carrying amount (€3.9 million) and the advances due for a tax dispute (€5.6 million), that Pininfarina S.p.A expects to recover.

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

Performance by business segment

The **Operations segment** recognised value of production of €5 million (€6.6 million for the first nine months of 2013), accounting for 7.8% of consolidated value of production (11.5% for the first nine months of 2013).

Segment EBIT worsened to a negative €6.5 million from a negative €5.5 million for the corresponding period of the previous year. The rise in the operating loss is mainly attributable to smaller business lease income for the Bairo Canavese facility leased to the Bolloré group, following the signing of a new three-year agreement.

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

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

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 61 hereof.
- 2) The Group has no past-due liabilities (of a financial, tax or social security nature). No actions against the Group have been filed by creditors.
- 3) The Group's and parent's related party transactions are respectively detailed on pages 51 and 64 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. There are presently no critical issues in relation to such covenants.
- 5) The parent's debt restructuring plan is proceeding in accordance with the current agreements with its lending institutions.

- 6) The business plan's implementation progress is unchanged with respect to that described in the directors' report on the 2013 annual consolidated financial statements.

Outlook for 2014

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

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

13 November 2014

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

Group companies

Pininfarina S.p.A.

The parent, Pininfarina S.p.A., provides industrial design, engineering, wind tunnel and industrial prototyping services.

€million	30.09.2014	30.09.2013	Variation	31.12.2013
Value of production	39.8	33.4	6.4	
EBIT	1.2	(5.0)	6.2	
Loss for the period	(1.1)	(8.9)	7.8	
Net financial debt	(49.8)	(37.4)	(12.4)	(39.2)
Equity	31.0	35.0	(4.0)	32.1
Number of employees at the reporting date	310	413	(103)	419

Pininfarina Extra Group

The Pininfarina Extra Group is active in the industrial design, architecture, interiors and transportation design sectors excluding the automotive sector.

€million	30.09.2014	30.09.2013	Variation	31.12.2013
Value of production	4.6	3.9	0.7	
EBIT	1.2	1.0	0.2	
Profit for the period	0.9	0.7	0.2	
Net financial position	3.5	3.3	0.2	3.7
Equity	5.4	5.2	0.2	5.4
Number of employees at the reporting date	27	23	4	22

Pininfarina Deutschland Group

The Pininfarina Deutschland Group provides engineering services to the automotive, aeronautical and space sectors.

€million	30.09.2014	30.09.2013	Variation	31.12.2013
Value of production	22.5	22.0	0.5	
EBIT	0.4	0.5	(0.1)	
Profit for the period	0.4	0.4	-	
Net financial debt	(1.9)	(2.3)	0.4	(1.2)
Equity	19.6	19.2	0.4	19.2
Number of employees at the reporting date	339	345	(6)	333

Pininfarina Automotive Engineering Shanghai Co Ltd

Pininfarina Automotive Engineering (Shanghai) Co. Ltd is active in the automotive styling and prototyping sector in China.

€million	30.09.2014	30.09.2013	Variation	31.12.2013
Value of production	0.6	0.3	0.3	
EBIT	0.1	(0.5)	0.6	
Profit (loss) for the period	0.1	(0.6)	0.7	
Net financial position (debt)	0.5	(1.2)	1.7	0.3
Equity	0.1	(1.3)	1.4	-
Number of employees at the reporting date	6	5	1	5

The investment in Pininfarina Maroc SAS was sold to third parties on 30 December 2013.

Reclassified income statement

(€'000)

	Nine months ended					2013
	30.09.2014	%	30.09.2013	%	Variation	
Revenue from sales and services	58,882	91.08	49,203	86.39	9,679	69,064
Change in inventories and contract work in progress	2,364	3.66	2,285	4.01	79	3,325
Other revenue and income	3,404	5.28	5,465	9.60	(2,061)	7,369
Value of production	64,650	100.00	56,953	100.00	7,697	79,758
Net gains on the sale of non-current assets	705	1.09	2	0.00	703	1
Materials and services (*)	(24,165)	(37.38)	(24,355)	(42.76)	190	(35,295)
Change in raw materials	(563)	(0.86)	(46)	(0.08)	(517)	494
Value added	40,627	62.84	32,554	57.16	8,073	44,958
Labour cost (**)	(35,170)	(54.40)	(34,867)	(61.22)	(303)	(47,535)
EBITDA	5,457	8.44	(2,313)	(4.06)	7,770	(2,577)
Amortisation and depreciation	(2,508)	(3.88)	(2,537)	(4.45)	29	(3,392)
(Additions to)/utilisation of provisions and impairment losses	15	0.02	892	1.57	(877)	2,634
EBIT	2,964	4.58	(3,958)	(6.95)	6,922	(3,335)
Net financial expense	(3,410)	(5.26)	(4,538)	(7.97)	1,128	(5,776)
Share of profit (loss) of equity-accounted investees	8	0.01	6	0.01	2	(3)
Loss before taxes	(438)	(0.67)	(8,490)	(14.91)	8,052	(9,114)
Income taxes	(250)	(0.39)	(349)	(0.61)	99	(112)
Loss from continuing operations	(688)	(1.06)	(8,839)	(15.52)	8,151	(9,226)
Loss from discontinued operations	-	-	(175)	(0.31)	175	(1,161)
Loss for the period/year	(688)	(1.06)	(9,014)	(15.83)	8,326	(10,387)

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

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

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

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

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

Reclassified statement of financial position

	(€'000)			
	30.09.2014	31.12.2013	Variation	30.09.2013
Net non-current assets (A)				
Net intangible assets	2,601	2,772	(171)	3,133
Net property, plant and equipment and investment property	61,416	63,008	(1,592)	63,363
Equity investments	311	303	8	362
Total A	64,328	66,083	(1,755)	66,858
Working capital (B)				
Inventories	8,388	6,587	1,801	5,006
Net trade receivables and other assets	29,165	23,175	5,990	23,438
Assets held for sale	-	-	-	-
Deferred tax assets	1,026	947	79	934
Trade payables	(12,554)	(15,211)	2,657	(10,617)
Provisions for risks and charges	(893)	(2,698)	1,805	(4,798)
Other liabilities (*)	(7,763)	(5,911)	(1,852)	(5,868)
Total B	17,369	6,889	10,480	8,095
Net invested capital (C=A+B)	81,697	72,972	8,725	74,953
Post-employment benefits (D)	5,229	7,146	(1,917)	7,308
Net capital requirements (E=C-D)	76,468	65,826	10,642	67,645
Equity (F)	28,758	29,419	(661)	30,711
Net financial debt (G)				
Non-current loans and borrowings	81,755	7,442	74,313	92,571
Net current financial (position) debt	(34,045)	28,965	(63,010)	(55,637)
Total G	47,710	36,407	11,303	36,934
Total as in E (H=F+G)	76,468	65,826	10,642	67,645

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

Net financial debt

	(€'000)			
	30.09.2014	31.12.2013	Variation	30.09.2013
Cash and cash equivalents	17,728	18,394	(666)	35,773
Current assets held for trading	30,799	41,952	(11,153)	52,460
Current loans and receivables	-	-	-	-
Loan assets - related parties and joint ventures	0	-	0	-
Current bank overdrafts	-	-	-	(169)
Current finance lease liabilities	(5,827)	(51,992)	46,165	(16,898)
Current portion of bank loans and borrowings	(8,655)	(37,319)	28,664	(15,529)
Net current financial position (debt)	34,045	(28,965)	63,010	55,637
Non-current loans and receivables - third parties	-	-	-	-
Non-current loans and receivables - related parties and joint ventures	1,747	80	1,667	82
Non-current held-to-maturity investments	-	-	-	-
Non-current finance lease liabilities	(48,552)	-	(48,552)	(50,967)
Non-current bank loans and borrowings	(34,950)	(7,522)	(27,428)	(41,686)
Non-current loans and borrowings	(81,755)	(7,442)	(74,313)	(92,571)
NET FINANCIAL DEBT	(47,710)	(36,407)	(11,303)	(36,934)

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

Current assets held for trading include restricted assets of €2,405,856. Reference should be made to note 7 for further details.

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

Reconciliation between the parent's loss and equity and consolidated loss and equity

The parent's loss and equity as at and for the period ended 30 September 2014 are reconciled with the Group's relevant figures below.

	Loss for the period ended		Equity	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
Pininfarina S.p.A.'s condensed interim separate financial statements	(1,085,842)	(8,933,242)	31,039,619	35,019,405
- Subsidiaries' contribution	1,390,479	513,877	3,415,290	1,391,279
- 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	(1,001,040)	(601,400)	-	-
- Share of profit of equity-accounted investees	8,167	6,320	8,167	6,320
- Other minor	-	-	-	-
Condensed interim consolidated financial statements	(688,236)	(9,014,445)	28,757,520	30,711,448

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

(€'000)

	30.09.2014	31.12.2013	Variation	30.09.2013
A. Cash	(17,728)	(18,394)	(666)	(35,773)
B. Other cash equivalents	-	-	-	-
C. Securities held for trading	(30,799)	(41,952)	(11,153)	(52,460)
D. Total cash and cash equivalents (A.)+(B.)+(C.)	(48,527)	(60,346)	(11,819)	(88,233)
E. Current loan assets	-	-	-	-
F. Current bank loans and borrowings	-	-	-	169
Current portion of secured bank loans	5,037	5,037	-	5,037
Current portion of unsecured bank loans	3,618	32,282	28,664	10,492
G. Current portion of non-current debt	8,655	37,319	28,664	15,529
H. Other current loans and borrowings	5,827	51,992	46,165	16,898
I. Current financial debt (F.)+(G.)+(H.)	14,482	89,311	74,829	32,596
J. Net current financial (position) debt	(34,045)	28,965	63,010	(55,637)
Non-current portion of secured bank loans	7,322	7,522	200	10,040
Non-current portion of unsecured bank loans	27,628	-	(27,628)	31,646
K. Non-current bank loans and borrowings	34,950	7,522	(27,428)	41,686
L. Bonds issued	-	-	-	-
M. Other non-current loans and borrowings	48,552	-	(48,552)	50,967
N. Net non-current financial debt (K.)+(L.)+(M.)	83,502	7,522	(75,980)	92,653
O. Net financial debt (J+N)	49,457	36,487	(12,970)	37,016

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 30 September 2014: €1,747 thousand
- At 31 December 2013: €80 thousand
- At 30 September 2013: €82 thousand

Pininfarina Group

**Condensed interim consolidated financial statements
as at and for the nine months ended 30 September 2014**

Statement of financial position

	Note	30.09.2014	31.12.2013
Land and buildings	1	46,035,561	46,976,638
Land		11,176,667	11,176,667
Buildings		26,589,306	27,261,472
Leased property		8,269,588	8,538,499
Plant and machinery	1	5,091,688	5,414,428
Machinery		158,310	172,888
Plant		4,933,378	5,241,540
Leased machinery and equipment		-	-
Furniture, fixtures and other assets	1	1,452,415	1,518,453
Furniture and fixtures		249,827	239,855
Hardware and software		800,985	847,911
Other assets, including vehicles		401,603	430,687
Assets under construction	1	-	-
Property, plant and equipment		52,579,664	53,909,519
Investment property	2	8,836,188	9,098,558
Goodwill	3	1,043,495	1,043,495
Licences and trademarks	3	1,432,718	1,571,907
Other	3	124,578	156,590
Intangible assets		2,600,791	2,771,992
Associates	4	58,682	50,515
Joint ventures		-	-
Other companies	5	252,017	252,017
Equity investments		310,699	302,532
Deferred tax assets	17	1,025,692	946,970
Held-to-maturity investments		-	-
Loans and receivables	6	1,746,589	80,000
Third parties		-	-
Related parties and joint ventures		1,746,589	80,000
Available-for-sale financial assets		-	-
Non-current financial assets		1,746,589	80,000
TOTAL NON-CURRENT ASSETS		67,099,623	67,109,571
Raw materials		91,135	654,255
Work in progress		-	-
Finished goods		368,372	240,858
Inventories	8	459,507	895,113
Contract work in progress	9	7,928,350	5,691,494
Assets held for trading	7	30,799,157	41,952,071
Loans and receivables		-	-
Third parties		-	-
Related parties and joint ventures		-	-
Available-for-sale financial assets		-	-
Current financial assets		30,799,157	41,952,071
Derivatives		-	-
Trade receivables	10	13,720,945	16,514,442
Third parties		13,720,945	16,514,442
Related parties and joint ventures		-	-
Other	11	15,443,990	6,660,170
Trade receivables and other assets		29,164,935	23,174,612
Cash on hand and cash equivalents		11,751	22,670
Short-term bank deposits		17,716,463	18,371,004
Cash and cash equivalents	12	17,728,214	18,393,674
TOTAL CURRENT ASSETS		86,080,163	90,106,964
Assets held for sale		-	-
TOTAL ASSETS		153,179,786	157,216,535

Statement of financial position

	Note	30.09.2014	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	12,559	(17,767)
Other reserves	13	2,646,208	2,646,208
Retained earnings (losses carried forward)	13	(9,572,733)	818,030
Profit (loss) for the period/year	13	(688,236)	(10,386,970)
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT		28,757,520	29,419,223
Equity attributable to non-controlling interests		-	-
EQUITY		28,757,520	29,419,223
Finance lease liabilities		48,552,498	-
Other loans and borrowings		34,949,731	7,521,896
Third parties		34,949,731	7,521,896
Related parties and joint ventures		-	-
Non-current loans and borrowings	14	83,502,229	7,521,896
Deferred tax liabilities		-	-
Italian post-employment benefits		5,229,290	7,145,948
Other		-	-
Post-employment benefits		5,229,290	7,145,948
TOTAL NON-CURRENT LIABILITIES		88,731,519	14,667,844
Bank overdrafts		-	-
Finance lease liabilities		5,826,768	51,991,710
Other loans and borrowings		8,654,751	37,318,605
Third parties		8,654,751	37,318,605
Current loans and borrowings	14	14,481,519	89,310,315
Wages and salaries payable		3,217,606	2,092,339
Social security charges payable		724,311	672,926
Other		1,799,018	2,004,623
Other financial liabilities	15	5,740,935	4,769,889
Third parties		9,645,332	10,744,428
Related parties and joint ventures		-	-
Advances for contract work in progress		2,909,070	4,466,870
Trade payables	15	12,554,402	15,211,298
Direct tax liabilities		742	12,621
Other tax liabilities		771,785	623,830
Current tax liabilities		772,527	636,451
Derivatives		-	-
Provision for product warranty		59,529	62,611
Restructuring provision		580,672	2,299,512
Other provisions		252,310	335,564
Provisions for risks and charges	16	892,511	2,697,687
Other liabilities	15	1,248,853	503,828
TOTAL CURRENT LIABILITIES		35,690,747	113,129,468
TOTAL LIABILITIES		124,422,266	127,797,312
Liabilities associated with assets held for sale		-	-
TOTAL LIABILITIES AND EQUITY		153,179,786	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 €176,919.

For consistency purposes, deferred income for contract work in progress in the corresponding period of 2013 has been reclassified from "Trade payables - third parties" to "Advances for contract work in progress".

Income statement

	Note	Nine months ended 30.09.2014	of which: related parties	Nine months ended 30.09.2013	of which: related parties
Revenue from sales and services	18	58,881,680	-	49,202,521	-
Internal work capitalised		-	-	-	-
Change in inventories and contract work in progress		2,364,371		2,284,718	
Change in contract work in progress		2,295,051		2,393,659	
Change in finished goods and work in progress		69,320		(108,941)	
Other revenue and income	19	3,404,072	18,000	5,465,918	15,019
Revenue		64,650,123	18,000	56,953,157	15,019
Gains on sale of non-current assets and equity investments	20	705,257	-	2,479	-
<i>Gain on sale of equity investments</i>		-		-	
Raw materials and components	21	(5,543,419)		(4,517,304)	
Change in raw materials		(563,120)		(46,612)	
Inventory write-downs		-		-	
Raw materials and consumables		(6,106,539)	-	(4,563,916)	-
Consumables		(880,640)		(680,927)	
External maintenance		(765,839)		(634,386)	
Other variable production costs		(1,646,479)	-	(1,315,313)	-
External variable engineering services	22	(7,741,266)	-	(9,280,304)	-
Blue collars, white collars and managers		(34,106,282)		(33,663,571)	
Independent contractors and temporary workers		-		-	
Social security contributions and other post-employment benefits		(1,063,792)		(1,203,885)	
Wages, salaries and employee benefits	23	(35,170,074)	-	(34,867,456)	-
Depreciation of property, plant and equipment and investment property		(2,037,179)		(2,036,733)	
Amortisation of intangible assets		(470,444)		(499,797)	
Losses on sale of non-current assets and equity investments		-		-	
(Additions to)/utilisation of provisions and impairment losses	24	14,749		892,441	
Amortisation, depreciation and impairment losses		(2,492,874)	-	(1,644,089)	-
Net exchange rate gains (losses)		29,880		(12,223)	
Other expenses	25	(9,264,050)		(9,230,713)	
Operating profit (loss)		2,963,978	18,000	(3,958,378)	15,019
Net financial expense	26	(3,410,715)	49,589	(4,538,038)	1,189
Gain on the extinguishment of financial liabilities		-	-	-	-
Dividends		-	-	-	-
Share of profit of equity-accounted investees		8,167	-	6,320	-
Loss before taxes		(438,570)	67,589	(8,490,096)	16,208
Income taxes	17	(249,666)	-	(348,929)	-
Loss from continuing operations		(688,236)	67,589	(8,839,025)	16,208
Loss from discontinued operations	27	-	-	(175,420)	-
Loss for the period		(688,236)	67,589	(9,014,445)	16,208
Of which:					
- Loss for the period attributable to the owners of the parent		(688,236)		(9,014,445)	
- 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		(688,236)		(9,014,445)	
- Number of ordinary shares, net		30,150,694		30,150,694	
- Basic/diluted losses per share		(0.02)		(0.30)	

Statement of comprehensive income

	Nine months ended 30.09.2014	Nine months ended 30.09.2013
Loss for the period	(688,236)	(9,014,445)
Other comprehensive income (expense):		
Items that will not be reclassified to profit or loss:		
- Actuarial gains (losses) on defined benefit plans - IAS 19	(6,977)	(88,810)
- Income taxes	3,184	3,777
- Other	-	-
Total items of other comprehensive income (expense) that will not be reclassified to profit or loss, net of tax effect:	(3,793)	(85,033)
Items that will or may be subsequently reclassified to profit or loss:		
- Profits (losses) from translation of financial statements of foreign operations - IAS 21	30,326	(3,563)
- Other	-	-
Total items of other comprehensive income (expense) that will be subsequently reclassified to profit or loss, net of tax effect:	30,326	(3,563)
Total other comprehensive income (expense), net of tax effect	26,533	(88,596)
Comprehensive expense	(661,703)	(9,103,041)
Of which:		
- Comprehensive expense attributable to the owners of the parent	(661,703)	(9,103,041)
- Comprehensive income (expense) attributable to non-controlling interests	-	-
Of which:		
- Comprehensive expense from continuing operations	(661,703)	(8,927,621)
- Comprehensive expense from discontinued operations	-	(175,420)

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 figures for the first nine months of 2013 have been restated in accordance with IFRS 5 to separate the results of discontinued operations.

Statement of changes in equity

	31.12.2012	Comprehensive expense	Allocation of prior year profit	30.09.2013
Share capital	30,150,694	-	-	30,150,694
Share premium reserve	-	-	-	-
Reserve for treasury shares	175,697	-	-	175,697
Legal reserve	2,231,389	-	3,801,942	6,033,331
Translation reserve	(2,976)	(3,563)	-	(6,539)
Other reserves	2,646,208	-	-	2,646,208
Retained earnings (losses carried forward)	(28,330,285)	(85,033)	29,141,820	726,502
Profit (loss) for the period/year	32,943,762	(9,014,445)	(32,943,762)	(9,014,445)
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT	39,814,489	(9,103,041)	-	30,711,448
Equity attributable to non-controlling interests	-	-	-	-
EQUITY	39,814,489	(9,103,041)	-	30,711,448

	31.12.2013	Comprehensive expense	Allocation of prior year loss	30.09.2014
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)	30,326	-	12,559
Other reserves	2,646,208	-	-	2,646,208
Retained earnings (losses carried forward)	818,030	(3,793)	(10,386,970)	(9,572,733)
Loss for the period/year	(10,386,970)	(688,236)	10,386,970	(688,236)
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT	29,419,223	(661,703)	-	28,757,520
Equity attributable to non-controlling interests	-	-	-	-
EQUITY	29,419,223	(661,703)	-	28,757,520

Statement of cash flows

	Nine months ended 30.09.2014	Nine months ended 30.09.2013
Loss for the period	(688,236)	(9,014,445)
<i>Adjustments:</i>		
- Income taxes	249,666	352,751
- Depreciation of property, plant and equipment and investment property	2,037,179	2,052,860
- Amortisation of intangible assets	470,444	556,304
- Impairment losses, provisions and change in accounting estimates	(3,738,128)	(2,139,780)
- Gains on the sale of non-current assets	(705,257)	(2,479)
- Financial expense	4,587,525	5,643,723
- Financial income	(1,176,809)	(1,109,568)
- (Dividends)	-	-
- Share of profit of equity-accounted investees	(8,167)	(6,320)
- Profit (loss) from discontinued operations	-	-
- Other adjustments	927,763	170,712
Total adjustments	2,644,215	5,518,203
<i>Change in working capital:</i>		
- Decrease in inventories	435,606	192,937
- Increase in contract work in progress	(2,236,857)	(2,392,530)
- (Increase)/decrease in trade receivables and other assets	(5,995,661)	9,708,237
- (Increase)/decrease in receivables from related parties and joint ventures	-	-
- Increase/(decrease) in trade payables and other financial liabilities	616,976	(6,180,885)
- Increase/(decrease) in payables to related parties and joint ventures	-	-
- Other changes	(1,741,635)	1,644,499
Total changes in working capital	(8,921,570)	2,972,258
Gross cash flows used in operating activities	(6,965,591)	(523,984)
- Interest expense	(717,533)	(414,403)
- Income taxes	-	-
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(7,683,124)	(938,387)
- Purchases of non-current assets and equity investments	(849,721)	(1,126,182)
- Proceeds from the sale of non-current assets and equity investments	810,782	5,684
- Increase in loans and receivables - third parties	-	-
- Increase in loans and receivables - related parties and joint ventures	(1,617,000)	(30,000)
- Repayment of loans and receivables - third parties	-	-
- Repayment of loans and receivables - related parties and joint ventures	-	-
- (Purchase)/sale of current assets held for trading	11,152,914	(1,652,641)
- Interest income	199,456	536,622
- Dividends collected	-	-
- Other changes	39,688	(7,819)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	9,736,119	(2,274,336)
- 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	(2,718,455)	(2,518,455)
- Repayment of other loans and borrowings - related parties and joint ventures	-	-
- Dividends paid	-	-
- Other changes/Other non-cash items	-	-
CASH FLOWS USED IN FINANCING ACTIVITIES	(2,718,455)	(2,518,455)
TOTAL CASH FLOWS	(665,460)	(5,731,178)
Opening net cash and cash equivalents	18,393,674	41,334,667
Closing net cash and cash equivalents	17,728,214	35,603,489
<i>Of which:</i>		
- Cash and cash equivalents	17,728,214	35,772,680
- Bank overdrafts	-	(169,191)

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

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

For consistency purposes, deferred income for contract work in progress in the corresponding period of 2013 has been reclassified from "Trade payables and other financial liabilities" to "Other changes in working capital".

Income statement for the third quarter

	Q3 2014	Q3 2013
Revenue from sales and services	22,509,647	18,394,890
Internal work capitalised	-	-
Change in inventories and contract work in progress	1,057,765	(2,296,470)
Change in contract work in progress	999,715	(2,353,126)
Change in finished goods and work in progress	58,050	56,656
Other revenue and income	1,058,106	1,351,148
Revenue	24,625,518	17,449,568
Gains on sale of non-current assets and equity investments	-	-
<i>Gain on sale of equity investments</i>	-	-
Raw materials and components	(2,039,462)	(1,825,688)
Change in raw materials	(7,307)	11,830
Inventory write-downs	-	-
Raw materials and consumables	(2,046,769)	(1,813,858)
Consumables	(306,943)	(150,688)
External maintenance	(250,666)	(224,724)
Other variable production costs	(557,609)	(375,412)
External variable engineering services	(2,834,232)	(2,500,506)
Blue collars, white collars and managers	(9,919,088)	(9,420,560)
Independent contractors and temporary workers	-	-
Social security contributions and other post-employment benefits	(351,661)	(449,133)
Wages, salaries and employee benefits	(10,270,749)	(9,869,693)
Depreciation of property, plant and equipment and investment property	(666,974)	(663,265)
Amortisation of intangible assets	(162,620)	(176,705)
Losses on sale of non-current assets and equity investments	-	-
(Additions to)/utilisation of provisions and impairment losses	(2,038)	(29,467)
Amortisation, depreciation and impairment losses	(831,632)	(869,437)
Net exchange rate gains (losses)	38,853	(33,587)
Other expenses	(3,037,010)	(3,115,304)
Operating profit (loss)	5,086,370	(1,128,229)
Net financial expense	(1,219,576)	(1,405,378)
Dividends	-	-
Share of profit of equity-accounted investees	3,235	1,718
Profit (loss) before taxes	3,870,029	(2,531,889)
Income taxes	(95,378)	(117,295)
Profit (loss) from continuing operations	3,774,651	(2,649,184)
Loss from discontinued operations	-	(86,085)
Profit (loss) for the period	3,774,651	(2,735,269)

Statement of comprehensive income for the third quarter

	Q3 2014	Q3 2013
Profit (loss) for the period	3,774,651	(2,735,269)
Other comprehensive income (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	28,253	15,342
- Other	-	-
Total items of other comprehensive income (expense) that will be subsequently reclassified to profit or loss, net of tax effect:	28,253	15,342
Total other comprehensive income (expense), net of tax effect	3,802,904	(2,719,927)
Comprehensive income (expense)	3,802,904	(2,719,927)
Of which:		
- Comprehensive income (expense) attributable to the owners of the parent	3,802,904	(2,719,927)
- Comprehensive income (expense) attributable to non-controlling interests	-	-
Of which:		
- Comprehensive income (expense) from continuing operations	3,802,904	(2,633,842)
- Comprehensive expense from discontinued operations	-	(86,085)

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 November 2014. They were authorised for publication, and published, on the same day.

Basis of presentation

In accordance with IAS 1 - Presentation of Financial Statements, the condensed interim consolidated financial statements have the same basis of presentation as that 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.

These schedules present the corresponding prior year annual or interim figures for comparative purposes. Any reclassifications made at 30 September 2014 are also made to the corresponding figures.

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 13 of the directors' report;
- the effects of non-recurring events or transactions, i.e., those transactions or events that are not repeated frequently in the normal course of business (pages 52 and 53).

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.

Basis of preparation

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

These condensed interim consolidated financial statements at 30 September 2014 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 condensed interim consolidated 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 30 September 2014 are the same as those used in the 2013 annual consolidated financial statements, except for those that became applicable on 1 January 2014 which are described in the following section.

As part of the process of preparing these condensed interim financial statements, management was required to make estimates and assumptions, based on the information available as of the date hereof, which have an impact on the carrying amounts of revenue, expenses, assets and liabilities. Should actual circumstances prove to be different from those upon which the estimates and assumptions are based, the accounting effects of the resulting revisions will be recognised in the reporting period when the actual circumstances occur. Moreover, generally speaking, non-current assets are fully tested for impairment only in connection with the preparation of the annual financial statements, unless there are strong impairment indicators.

Actuarial valuations of post-employment benefits are performed in connection with the preparation of the condensed interim consolidated financial statements at 30 June and annual consolidated financial statements.

Standards, amendments and interpretations applicable from 1 January 2014

The Group has applied the following new standards and amendments starting from 1 January 2014:

- IFRS 10 – Consolidated financial statements
- IFRS 11 – Joint arrangements
- IFRS 12 – Disclosure of interests in other entities
- Revised IAS 27 – Separate financial statements
- Revised IAS 28 – Investments in associates and joint ventures

The main new requirements introduced by these standards are as follows:

- i. IFRS 10 – Consolidated financial statements replaces SIC-12 Consolidation - Special purpose entities and parts of IAS 27 - Consolidated and separate financial statements. The new standard differs from the existing standards as it identifies the concept of control as the basis for consolidation of an entity in the parent's consolidated financial statements. An investor controls an investee if and only if the investor has all of the following elements:
 - a) power over the investee, i.e., the investor has existing rights that give it the ability to direct the relevant activities (the activities that significantly affect the investee's returns) through voting rights and/or contractual agreements;
 - b) exposure, or rights, to variable returns from its involvement with the investee (dividends, tax benefits, etc.);
 - c) the ability to use its power over the investee to affect the amount of the investor's returns.
- ii. IFRS 11 – Joint arrangements establishes that two or more parties have joint control if decisions about the relevant activities require the unanimous consent of the parties sharing control.

There are two types of joint arrangements:

- a joint venture (JV) is a joint arrangement whereby the parties have rights to the net assets of the arrangement. It is recognised using the equity method;
- a joint arrangement (JO) is an arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The assets/revenue to which the party has rights and the liabilities/expense for which it has obligations are consolidated.

Following issue of this standard, IAS 28 - Investments in associates and joint ventures (amended in 2011) defines the requirements for application of the equity method to investments in these entities.

The Group has also applied the following starting from 1 January 2014:

- Amended IAS 32 – Presentation of financial instruments
- Amended IAS 36 – Impairment of assets

Application of these new standards and amendments has not affected the Group's preparation of these interim condensed consolidated financial statements.

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 (if any) and associates are measured using the equity method.

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:

Associates are listed below:

Name	Registered office	Investment %	Held by	Currency	Quota capital
Goodmind S.r.l.	Via Nazionale 30,	20%	Pininfarina Extra	€	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	30.09.2014	2014	30.09.2013	2013
US dollar - USD	1.26	1.35	1.35	1.32
Moroccan dirham - MAD	-	-	11.19	11.15
Chinese renminbi (yuan) - CNY	7.73	8.35	8.26	8.12

(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 related 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 condensed interim consolidated financial statements and shows the measurement criteria adopted:

	Financial instruments at fair value through:		Fair value hierarchy	Financial instruments at amortised cost	Equity investments measured at cost	Carrying amount at 30.09.2014	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	-	-		1,746,589	-	1,746,589	80,000
Assets held for trading	30,799,157	-	Level 1	-	-	30,799,157	41,952,071
Trade receivables and other assets	-	-		29,164,935	-	29,164,935	23,174,612
Liabilities:							
Finance lease liabilities	-	-		54,379,266	-	54,379,266	51,991,710
Other loans and borrowings	-	-		43,604,482	-	43,604,482	44,840,501
Trade payables and other liabilities	-	-		15,602,273	-	15,602,273	17,719,749

In addition, net cash and cash equivalents are measured at fair value which usually equals their nominal amount.

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

- Level 1: fair value is determined based on prices quoted on an active market for identical assets or liabilities. This category includes financial assets classified as “held for trading”, which are mainly government bonds and high-rating bonds.
- Level 2: fair value is determined based on inputs that, while different from the quoted prices used in Level 1, can be observed either directly or indirectly. These condensed interim consolidated financial statements do not present any financial instruments of this type.
- Level 3: fair value is determined based on valuation models, the input of which is not based on observable market data. These condensed interim financial statements do not present any financial instruments of this type.

FINANCIAL RISK MANAGEMENT

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

- Market risk: the risk that the fair value or the future cash flows of a financial instrument could fluctuate as a result of changes in market prices. 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 €9.5 million at 30 September 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 30 September 2014 is as follows:

	30.09.2014	%	31.12.2013	%
- Fixed rate	88,143,397	89.96	84,273,406	87.03
- Variable rate	9,840,351	10.04	12,558,805	12.97
Gross financial debt	97,983,748	100.00	96,832,211	100.00

Due to the new structure of the interest rates on medium to long-term financing that, at variable rates, accounts for 10% 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 €31 million at 30 September 2014, are measured at fair value. As 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:

	30.09.2014	%	31.12.2013	%
Italian government bonds	6,774,152	21.99	15,253,327	36.36
Foreign government or government-guaranteed bonds	2,810,809	9.13	4,287,860	10.22
Supranational securities	3,333,753	10.82	4,483,452	10.69
Bank and insurance bonds	9,651,316	31.34	8,934,391	21.30
Other bonds	4,626,033	15.02	5,425,450	12.93
Bond funds	3,603,094	11.70	3,567,591	8.50
Assets held for trading	30,799,157	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 led to 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.

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

	Carrying amount 30.09.2014	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	34,064,131	41,388,045	3,617,842	37,770,203	-
Finance lease liabilities	54,379,266	66,174,896	5,826,768	60,348,128	-
BNL S.p.A., formerly Fortis Bank	9,540,351	9,540,351	5,036,909	4,503,442	-
Leases and financing	97,983,748	117,103,292	14,481,519	102,621,773	-

The Group holds net cash and cash equivalents and assets held for trading totalling €48.5 million, including €7.4 million which is restricted, as explained in notes 7 and 12. Consequently, the Group is not exposed to 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 triggered by 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 Events after the reporting date section of the 2013 annual financial report and in the interim financial report at 30 June 2014), the parent had to pay €7.2 million in advance to the tax authorities (paying €5.6 million directly and the rest through the loans to the ultimate parent, Pincar S.r.l.), 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 nine months ended 30 September 2014 and 2013 is set out below. Amounts are in thousands of Euros.

	Nine months ended 30 September 2014			Nine months ended 30 September 2013		
	Operations	Design & engineering		Operations	Design & engineering	
		A	B		A + B	A
Revenue (Intra-segment revenue)	5,243 (253)	62,244 (2,583)	67,486 (2,836)	6,871 (242)	52,732 (2,408)	59,603 (2,650)
Revenue - third parties	4,990	59,660	64,650	6,629	50,324	56,953
Operating profit (loss)	(6,524)	9,488	2,964	(5,486)	1,528	(3,958)
Net financial (expense)			(3,412)			(4,538)
Dividends			-			-
Share of profit of equity-accounted investees	-	8	8	-	6	6
Loss before taxes	-	-	(439)	-	-	(8,490)
Income taxes	-	-	(249)	-	-	(349)
Loss from continuing operations	-	-	(688)	-	-	(8,839)
Loss from discontinued operations	-	-	-	-	-	(175)
Loss for the period	-	-	(688)	-	-	(9,014)
<i>Other information required by IFRS 8:</i>						
- Amortisation and depreciation	(1,437)	(1,071)	(2,508)	(1,553)	(984)	(2,537)
- Impairment losses	-	(15)	(15)	-	(61)	(61)
- Provisions/change in accounting estimates	-	30	30	-	953	953
- Net gains on the sale of non-current assets	705	-	705	2	-	2

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

A breakdown of sales by geographical segment is provided below:

	Nine months ended 30.09.2014	Nine months ended 30.09.2013
Italy	13,130	6,926
EU	31,553	31,320
Non-EU countries	14,199	10,957
Revenue from sales and services	58,882	49,203

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

NOTES TO THE CAPTIONS

1. Property, plant and equipment

The carrying amount of property, plant and equipment at 30 September 2014 decreased to €52.6 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	-	(672,166)	(268,911)	(941,077)
Impairment losses	-	-	-	-
Reclassifications	-	-	-	-
Other changes	-	-	-	-
Carrying amount at 30 September 2014	11,176,667	26,589,306	8,269,588	46,035,561

of which

Historical cost	11,176,667	51,977,599	13,066,662	76,220,928
Accumulated depreciation and impairment losses	-	(25,388,293)	(4,797,074)	(30,185,367)

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 - Leases.

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 €9.5 million at 30 September 2014.

Plant and machinery at 30 September 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	-	190,695	-	190,695
Disposals: Historical cost	(9,813)	(45,553)	-	(55,367)
Disposals: Acc. depreciation and imp. losses	9,813	45,553	-	55,367
Depreciation	(14,579)	(498,856)	-	(513,435)
Impairment losses	-	-	-	-
Reclassifications	-	622	-	622
Other changes	-	(622)	-	(622)
Carrying amount at 30 September 2014	158,310	4,933,378	-	5,091,688

of which

Historical cost	5,724,276	82,175,296	122,353,360	210,252,932
Accumulated depreciation and impairment losses	(5,565,966)	(77,241,918)	(122,353,360)	(205,161,244)

Additions for the period mainly refer to the parent.

	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	74,105	198,778	88,705	361,589
Disposals: Historical cost	-	(929)	(190,339)	(191,268)
Disposals: Acc. depreciation and imp. losses	-	31	81,463	81,494
Depreciation	(63,660)	(246,098)	(10,538)	(320,296)
Impairment losses	-	-	-	-
Reclassifications	1,669	7,235	3,898	12,802
Other changes	(2,142)	(5,942)	(2,273)	(10,357)
Carrying amount at 30 September 2014	249,827	800,985	401,603	1,452,415

of which

Historical cost	2,533,144	5,629,469	698,737	8,861,351
Accumulated depreciation and impairment losses	(2,283,318)	(4,828,485)	(297,133)	(7,408,936)

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	-	(262,370)	(262,370)
Impairment losses	-	-	-
Reclassifications	-	-	-
Other changes	-	-	-
Carrying amount at 30 September 2014	5,807,378	3,028,810	8,836,188
<i>of which</i>			
Historical cost	5,807,378	12,130,247	17,937,625
Accumulated depreciation and impairment losses	-	(9,101,437)	(9,101,437)

3. Intangible assets

The carrying amount of intangible assets at 30 September 2014 decreased to €2.6 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	-	278,345	20,895	299,240
Decrease	-	-	-	-
Decrease: Acc. amortisation and imp. losses	-	-	-	-
Amortisation	-	(417,534)	(52,910)	(470,444)
Impairment losses	-	-	-	-
Reclassifications	-	-	-	-
Other changes	-	-	3	3
Carrying amount at 30 September 2014	1,043,495	1,432,718	124,578	2,600,791
<i>of which</i>				
Historical cost	1,043,495	5,275,458	2,093,603	8,412,556
Accumulated amortisation and impairment losses	-	(3,842,740)	(1,969,025)	(5,811,765)

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. No indicators of impairment were identified during the period.

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 €8,167. 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 and related parties) are set out below.

	31.12.2013	Increase	Interest income	Collection	30.09.2014
Third parties	-	-	-	-	-
Related parties and joint ventures	80,000	1,617,000	49,589	-	1,746,589
Loans and receivables - Non-current portion	80,000	1,617,000	49,589	-	1,746,589
Third parties	-	-	-	-	-
Related parties and joint ventures	-	-	-	-	-
Loans and receivables - Current portion	-	-	-	-	-
Loans and receivables	80,000	1,617,000	49,589	-	1,746,589

The non-current portion of loans and receivables includes the €964,000 and €603,000 loans 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 and May 2014. The remainder shows the €50,000 loan provided by Pininfarina Extra S.r.l. to the associate Goodmind S.r.l. to finance its activities.

7. Assets held for trading

Assets held for trading mainly consist of government bonds and highly rated bonds, which represent temporary investments of liquid assets, most of which are not subject to restrictions and 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 30 September 2014 includes a restricted investment of €2,405,857 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:

	30.09.2014	31.12.2013
Raw materials	644,993	1,208,113
(Allowance for inventory write-down)	(553,858)	(553,858)
Finished goods	708,116	580,602
(Allowance for inventory write-down)	(339,744)	(339,744)
Inventories	459,507	895,113

The allowance for inventory write-down (unchanged from 31 December 2013) reflects the risk of obsolete and slow-moving items that arose during the phase out of production.

9. Contract work in progress

Contract work in progress shows the balance of gross contract work in progress less progress payments and advances.

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

The following table shows trade receivables at 30 September 2014 and 31 December 2013:

	30.09.2014	31.12.2013
Italy	3,107,161	4,051,293
EU	8,857,362	8,756,718
Non-EU countries	3,065,283	5,009,953
(Allowance for impairment)	(1,308,861)	(1,303,522)
Trade receivables	13,720,945	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 mostly denominated in Euros.

Changes in the allowance for impairment are set out below:

	<u>30.09.2014</u>	<u>31.12.2013</u>
Opening balance	1,303,522	1,147,873
Additions	14,927	267,835
Utilisations	(20,083)	(112,186)
Other changes	10,495	-
Closing balance	1,308,861	1,303,522

Utilisations mainly refer to loans and receivables that are no longer deemed recoverable.

11. Other assets

The following table shows other assets at 30 September 2014 and 31 December 2013:

	<u>30.09.2014</u>	<u>31.12.2013</u>
Registration tax	5,634,087	-
VAT	5,609,227	2,258,395
Withholding taxes	1,933,095	1,949,928
Advances to suppliers	36,906	133,607
Amounts due from INAIL (the Italian Workers' Compensation Authority) and INPS (the Italian social security institution)	181,555	21,866
Amounts due from employees	18,234	34,824
Prepayments and accrued income	784,855	846,673
Grants for the Program II.3 "Più sviluppo" project	1,111,441	1,111,441
Other	134,590	303,436
Other	15,443,990	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 it filed an appeal.

The increase in VAT is mainly due to the invoices issued by the leasing companies to the parent following payments made by it at 31 December 2013.

Amounts due from INAIL (the Italian Workers' Compensation Authority) and INPS (the Italian social security institute) increased due to the government sponsored lay-off scheme hours advanced by the parent. The amount was fully offset against the social security contributions payable in October.

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:

	<u>30.09.2014</u>	<u>31.12.2013</u>
Cash on hand and cash equivalents	11,751	22,670
Short-term bank deposits	17,716,463	18,371,004
Cash and cash equivalents	17,728,214	18,393,674
(Bank overdrafts)	-	-
Net cash and cash equivalents	17,728,214	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

	<u>30.09.2014</u>		<u>31.12.2013</u>	
	Nominal amount	<i>No.</i>	Nominal amount	<i>No.</i>
Ordinary shares	30,166,652	<i>30,166,652</i>	30,166,652	<i>30,166,652</i>
(Treasury shares)	(15,958)	<i>(15,958)</i>	(15,958)	<i>(15,958)</i>
Share capital	30,150,694	<i>30,150,694</i>	30,150,694	<i>30,150,694</i>

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 €9,572,733 at the reporting date, down by €10,390,763 from the 31 December 2013 figure. The decrease includes the loss for 2013 of €10,386,970 and the effect for the period of the adoption of IAS 19 (revised), quantified at €3,793.

The table reconciling the parent's loss and equity as at and for the period ended 30 September 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	Current/non- current reclassification	30.09.2014
Finance lease liabilities	-	-	-	48,552,498	48,552,498
Other loans and borrowings	7,521,896	(200,000)	-	27,627,835	34,949,731
Non-current portion	7,521,896	(200,000)	-	76,180,333	83,502,229
Bank overdrafts	-	-	-	-	-
Finance lease liabilities	51,991,710	-	2,387,556	(48,552,498)	5,826,768
Other loans and borrowings	37,318,605	(2,518,455)	1,482,436	(27,627,835)	8,654,751
Current portion	89,310,315	(2,518,455)	3,869,992	(76,180,333)	14,481,519
Current and non-current portions	96,832,211	(2,718,455)	3,869,992	-	97,983,748
<i>Of which:</i>					
Finance lease liabilities	51,991,710	-	2,387,556	-	54,379,266
Other loans and borrowings	44,840,501	(2,718,455)	1,482,436	-	43,604,482
Leases and financing	96,832,211	(2,718,455)	3,869,992	-	97,983,748

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	30.09.2014
Mediocredito Italiano S.p.A. (formerly Leasint S.p.A.)	11,521,759	-	529,101	12,050,860
MPS Leasing & Factoring S.p.A.	5,760,881	-	264,550	6,025,431
Selmabipiemme S.p.A.	5,760,881	-	264,550	6,025,431
Release S.p.A.	15,485,047	-	711,102	16,196,149
BNP Paribas Lease Groupe S.p.A.	4,946,872	-	227,170	5,174,042
UBI Leasing S.p.A.	2,473,435	-	113,585	2,587,020
Unicredit Leasing S.p.A.	6,042,835	-	277,498	6,320,333
Finance lease liabilities	51,991,710	-	2,387,556	54,379,266
Banca Intesa Sanpaolo S.p.A.	8,921,582	-	409,696	9,331,278
Banca Intesa Sanpaolo S.p.A. (former operating line)	2,521,038	-	115,771	2,636,809
Banca Italease S.p.A.	669,120	-	30,727	699,847
Unicredit S.p.A.	7,270,808	-	333,889	7,604,697
Banca Nazionale del Lavoro S.p.A.	1,351,756	-	62,075	1,413,831
Banca Regionale Europea S.p.A.	3,717,326	-	170,707	3,888,033
Banca Regionale Europea S.p.A. (former operating line)	1,680,690	-	77,180	1,757,870
Banco Pop. Cooperativo S.p.A.	2,787,996	-	128,030	2,916,026
Banco Pop. Cooperativo S.p.A. (former operating line)	1,260,518	-	57,885	1,318,403
MPS S.p.A. (former operating line)	2,100,862	-	96,476	2,197,338
Volksbank Region Leonberg (GER)	500,000	(200,000)	-	300,000
Loans and borrowings	32,781,696	(200,000)	1,482,435	34,064,131
BNL S.p.A. (formerly Fortis Bank)	12,058,805	(2,518,454)	-	9,540,351
Leases and financing	96,832,211	(2,718,454)	3,869,991	97,983,748

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 €9.5 million.

Other information

The loan to Volksbank Region Leonberg (GER) decreased to €300,000 following a repayment made during the period 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, other financial liabilities and other liabilities

(a) Trade payables

	<u>30.09.2014</u>	<u>31.12.2013</u>
Third parties	9,645,332	10,744,428
Related parties and joint ventures	-	-
Advances for contract work in progress	2,909,070	4,466,870
Trade payables	12,554,402	15,211,298

The reporting-date balance comprises amounts that will be paid within twelve months of the reporting date.

Advances for contract work in progress include advances and deferred income of €1.9 million for progress billing exceeding the stage of completion of the styling and engineering contracts. The Group made the same reclassification to the balance at 31 December 2013 (€3.3 million).

(b) Other financial liabilities

	<u>30.09.2014</u>	<u>31.12.2013</u>
Wages and salaries payable	3,217,606	2,092,339
Social security charges payable	724,311	672,927
Other	1,799,018	2,004,623
Other financial liabilities	5,740,935	4,769,889

(c) Other liabilities

This caption mostly comprises the deferred lease income on the business lease signed by the parent.

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	30.09.2014
Provision for product warranty	62,611	-	(3,082)	-	59,529
Restructuring provision	2,299,512	-	(1,718,840)	-	580,672
Other provisions	335,564	-	(72,989)	(10,265)	252,310
Provisions for risks and charges	2,697,687	-	(1,794,911)	(10,265)	892,511

Utilisations of the restructuring provision includes amounts paid to employees who left during the period following conclusion of the 2011 redundancy programme and other termination benefits.

(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:

	30.09.2014	31.12.2013
Deferred tax assets	1,025,692	946,970
(Deferred tax liabilities)	-	-
Net deferred tax assets	1,025,692	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.

The Group has not recognised additional deferred tax assets as it does not expect to generate a taxable profit in the short to medium-term that would allow the full utilisation of the tax losses and deductible temporary differences.

(b) Current taxes

Income taxes recognised in profit or loss are detailed below:

	Nine months ended 30.09.2014	Nine months ended 30.09.2013
Income taxes	(3,536)	(255,398)
IRAP (Regional tax on production activities)	(321,602)	(95,100)
Release of excess provision	5,227	-
Current taxes	(319,911)	(350,498)
Net deferred tax income	70,245	1,569
Income taxes	(249,666)	(348,929)

18. Revenue from sales and services

	Nine months ended 30.09.2014	Nine months ended 30.09.2013
Sales - Italy	949,890	690,432
Sales - EU	3,710,170	1,831,660
Sales - Non-EU countries	2,190,288	382,395
Services - Italy	12,180,456	6,235,598
Services - EU	27,842,503	29,488,177
Services - Non-EU countries	12,008,373	10,574,259
Revenue from sales and services	58,881,680	49,202,521

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

Segment reporting is provided on page 33.

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

19. Other revenue and income

	Nine months ended 30.09.2014	Nine months ended 30.09.2013
Lease income	2,682,057	4,255,646
Prior period income	27,766	147,302
Insurance compensation	1,524	10,290
Royalties	550,717	283,363
Rebilling	105,962	105,759
Grants relating to income	9,692	625,125
Sundry	26,354	38,433
Other revenue and income	3,404,072	5,465,918

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 estimation 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 figures for the first nine months of 2013 have been restated in accordance with IFRS 5 to separate the results of discontinued operations.

20. Gains on sale of non-current assets and equity investments

This caption shows the gain recognised by the parent on the sale of a historic car and two company cars.

21. 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.

22. External variable engineering services

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

23. Wages, salaries and employee benefits

	Nine months ended 30.09.2014	Nine months ended 30.09.2013
Wages and salaries	(28,883,538)	(27,895,058)
Social security contributions	(6,941,584)	(6,559,908)
Utilisation of restructuring and other provisions	1,718,840	791,395
Blue collars, white collars and managers	(34,106,282)	(33,663,571)
Post-employment benefits - defined contribution plan	(1,063,792)	(1,203,885)
Wages, salaries and employee benefits	(35,170,074)	(34,867,456)

Utilisation of the restructuring provision refers to the amounts paid to employees who resigned during the period, following completion of the 2011 redundancy programme, and other termination benefits.

Post-employment benefits – defined contribution plan reflect the costs related to post-employment benefits both for defined benefit and defined contribution plans.

A breakdown of the actual number of employees at 30 September 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:

	30.09.2014		30.09.2013	
	reporting date	average	reporting date	average
Managers	23	22	23	24
White collars	626	646	704	699
Blue collars	33	46	59	61
Total	682	714	786	784

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 (unchanged from 31 December 2013).

Following the sale of the investment in the subsidiary Pininfarina Maroc SAS, effective as from 1 December 2013, the figures for the first nine months of 2013 have been restated in accordance with IFRS 5 to separate the results of discontinued operations (decrease of 31 heads at 30 September 2013 and 31 in the average 2013 nine-month figure).

24. Additions to/utilisation of provisions and impairment losses

	Nine months ended 30.09.2014	Nine months ended 30.09.2013
Net utilisation of/(impairment losses) on loans and receivables	(14,927)	45,085
Additions to provisions for risks and charges	-	(211,212)
Utilisation and revised estimates of provisions for risks and charges	29,676	1,118,668
Impairment losses on property, plant and equipment	-	(60,100)
Net utilisation of provisions and impairment losses	14,749	892,441

25. Other expenses

	Nine months ended 30.09.2014	Nine months ended 30.09.2013
Travel expenses	(1,578,668)	(1,894,781)
Leases	(1,622,151)	(1,727,379)
Directors' and statutory auditors' fees	(833,273)	(873,277)
Consulting and other services	(2,111,589)	(1,687,927)
Other personnel costs	(643,616)	(571,782)
Postal expenses	(322,604)	(333,506)
Cleaning and waste disposal services	(171,899)	(166,888)
Advertising	(344,260)	(229,147)
Indirect taxes	(545,923)	(572,307)
Insurance	(419,354)	(385,691)
Membership fees	(78,268)	(78,880)
Prior period expense	(19,291)	(24,922)
General services and other expenses	(573,154)	(684,226)
Other expenses	(9,264,050)	(9,230,713)

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.

26. Net financial expense

	Nine months ended 30.09.2014	Nine months ended 30.09.2013
Bank interest and expense	(404,614)	(414,403)
Lease interest expense	(2,512,774)	(3,136,081)
Interest expense on loans and financing	(1,670,136)	(2,096,069)
Financial expense	(4,587,524)	(5,646,553)
Bank interest income	199,456	512,884
Fair value gains on assets held for trading	927,764	571,757
Interest income on loans and receivables - third parties	-	22,685
Interest income on loans and receivables - related parties	49,589	1,189
Financial income	1,176,809	1,108,515
Net financial expense	(3,410,715)	(4,538,038)

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

Lease interest expense of €2,512,774 shows the effect of amortised-cost accounting (€2,387,556) and interest paid under the new Agreement (€125,218).

Interest expense on loans and financing of €1,670,136 comprises the effect of amortised-cost accounting (€1,482,435), interest accrued on the loan due to Banca Nazionale del Lavoro (formerly Fortis Bank) (€107,712) and interest accrued under the new Agreement (€77,896). The remainder relates to foreign companies.

Lease interest expense and interest expense on non-current loans and financing and the liability with Banca Nazionale del Lavoro were paid on 30 June 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 of €49,589 accrued on the loans granted to the ultimate parent, Pincar S.r.l., by Pininfarina S.p.A. and to the associate Goodmind S.r.l. by Pininfarina Extra S.r.l..

27. Loss from discontinued operations

(a) 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 30 September 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 loss from the discontinued operation for the first nine months of 2013, restated in accordance with IFRS 5 - Non-Current Assets Held for Sale and Discontinued Operations, is detailed below:

	Nine months ended 30.09.2013
Revenue	683,841
Expense	(855,439)
<hr/>	
Operating loss	(171,598)
Net financial expense and income taxes	(3,822)
<hr/>	
Operating loss, net of tax and net financial expense	(175,420)
<hr/>	
Loss from discontinued operations	(175,420)
<hr/>	

OTHER INFORMATION

Events after the reporting period:

There are no significant events that occurred 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.	-	-	1,613,740	-	-	-	46,740	-
Goodmind S.r.l.	-	-	132,849	-	18,000	-	2,849	-
Total	-	-	1,746,589	-	18,000	-	49,589	-

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

Significant non-recurring transactions

As required by Consob communication no. DEM/6064293 of 28 July 2006, the effects of non-recurring events or transactions, i.e., those events or transactions that do not occur frequently during the normal course of business, are shown in the next table:

	30.09.2014	30.09.2014 net of significant non- recurring transactions
Property, plant and equipment	52,579,664	52,579,664
Investment property	8,836,188	8,836,188
Intangible assets	2,600,791	2,600,791
Equity investments	310,699	310,699
Deferred tax assets	1,025,692	1,025,692
Non-current financial assets	1,746,589	132,849
NON-CURRENT ASSETS	67,099,623	65,485,883
Inventories	459,507	459,507
Contract work in progress	7,928,350	7,928,350
Current financial assets	30,799,157	30,799,157
Derivatives	-	-
Trade receivables and other assets	29,164,936	29,164,936
Cash and cash equivalents	17,728,214	19,295,214
CURRENT ASSETS	86,080,163	87,647,163
Assets held for sale	-	-
TOTAL ASSETS	153,179,786	153,133,046
Share capital and reserves	29,445,756	29,445,756
Loss for the period	(688,236)	(734,976)
EQUITY	28,757,520	28,710,780
Non-current loans and borrowings	83,502,229	83,502,229
Deferred tax liabilities	-	-
Post-employment benefits and other provisions	5,229,290	5,229,290
NON-CURRENT LIABILITIES	88,731,519	88,731,519
Current loans and borrowings	14,481,519	14,481,519
Other financial liabilities	5,740,935	5,740,935
Trade payables	12,554,402	12,554,403
Current tax liabilities	772,527	772,527
Provisions for risks and charges	892,511	892,511
Other liabilities	1,248,852	1,248,852
CURRENT LIABILITIES	35,690,747	35,690,747
Liabilities associated with non-current assets held for sale	-	-
TOTAL LIABILITIES	124,422,266	124,422,266
TOTAL LIABILITIES AND EQUITY	153,179,786	153,133,046

	Nine months ended	
	30.09.2014	30.09.2014 net of significant non- recurring transactions
Revenue from sales and services	58,881,680	58,881,680
Internal work capitalised	-	-
Change in finished goods and work in progress	2,364,371	2,364,371
Other revenue and income	3,404,072	3,404,072
REVENUE	64,650,123	64,650,123
Net gains on sale of non-current assets and equity investments	705,257	705,257
Raw materials and consumables	(6,106,539)	(6,106,539)
Other variable production costs	(1,646,479)	(1,646,479)
External variable engineering services	(7,741,266)	(7,741,266)
Wages, salaries and employee benefits	(35,170,074)	(35,170,074)
Amortisation and depreciation, impairment losses and provisions	(2,492,874)	(2,492,874)
Net exchange rate gains	29,880	29,880
Other expenses	(9,264,050)	(9,264,050)
OPERATING PROFIT	2,963,978	2,963,978
Net financial expense	(3,410,715)	(3,457,455)
Dividends	-	-
Share of profit of equity-accounted investees	8,167	8,167
LOSS BEFORE TAXES	(438,570)	(485,310)
Income taxes	(249,666)	(249,666)
LOSS FOR THE PERIOD	(688,236)	(734,976)

The transactions identified as significant and non-recurring are as follows:

- Loans to the ultimate parent Pincar S.r.l.

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.

**Condensed interim separate financial statements as at
and for the nine months ended 30 September 2014**

Statement of financial position

	30.09.2014	31.12.2013
Land and buildings	46,035,561	46,976,638
Land	11,176,667	11,176,667
Buildings	26,589,306	27,261,472
Leased property	8,269,588	8,538,499
Plant and machinery	5,057,673	5,370,592
Machinery	158,310	172,888
Plant	4,899,363	5,197,704
Leased machinery and equipment	-	-
Furniture, fixtures and other assets	1,030,926	1,109,683
Furniture and fixtures	32,061	40,547
Hardware and software	615,235	657,741
Other assets, including vehicles	383,631	411,395
Assets under construction	-	-
Property, plant and equipment	52,124,160	53,456,913
Investment property		
Goodwill	-	-
Licences and trademarks	1,012,532	1,027,626
Other	-	-
Intangible assets	1,012,532	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	4,265,204	3,018,533
Third parties	-	-
Related parties and joint ventures	4,265,204	3,018,533
Available-for-sale financial assets	-	-
Non-current financial assets	4,265,204	3,018,533
TOTAL NON-CURRENT ASSETS	78,979,988	79,081,164
Raw materials	91,135	654,255
Work in progress	-	-
Finished goods	239,708	170,388
Inventories	330,843	824,643
Contract work in progress	6,671,642	5,446,200
Assets held for trading	30,799,157	41,952,071
Loans and receivables	-	-
Third parties	-	-
Related parties and joint ventures	-	-
Available-for-sale financial assets	-	-
Current financial assets	30,799,157	41,952,071
Derivatives	-	-
Trade receivables	5,851,898	10,189,281
Third parties	5,335,688	9,758,488
Related parties and joint ventures	516,210	430,793
Other	14,853,752	6,065,058
Trade receivables and other assets	20,705,650	16,254,339
Cash on hand and cash equivalents	4,970	13,317
Short-term bank deposits	13,044,199	12,384,471
Cash and cash equivalents	13,049,169	12,397,788
TOTAL CURRENT ASSETS	71,556,461	76,875,041
Assets held for sale	-	-
TOTAL ASSETS	150,536,449	155,956,205

Statement of financial position

	30.09.2014	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)	(6,880,469)	5,039,241
Loss for the period/year	(1,085,842)	(11,924,310)
EQUITY	31,039,619	32,120,861
Finance lease liabilities	48,552,498	-
Other loans and borrowings	34,649,731	7,021,896
Third parties	34,649,731	7,021,896
Related parties and joint ventures	-	-
Non-current loans and borrowings	83,202,229	7,021,896
Deferred tax liabilities	-	-
Italian post-employment benefits	4,657,134	6,629,322
Other	-	-
Post-employment benefits	4,657,134	6,629,322
TOTAL NON-CURRENT LIABILITIES	87,859,363	13,651,218
Bank overdrafts	-	-
Finance lease liabilities	5,826,768	51,991,710
Other loans and borrowings	8,918,311	37,582,165
Third parties	8,654,751	37,318,605
Related parties and joint ventures	263,560	263,560
Current loans and borrowings	14,745,079	89,573,875
Wages and salaries payable	2,241,588	1,437,369
Social security charges payable	506,685	474,015
Other	1,163,942	1,741,345
Other financial liabilities	3,912,215	3,652,729
Third parties	8,317,575	9,508,153
Related parties and joint ventures	409,846	783,966
Advances for contract work in progress	2,377,430	3,967,716
Trade payables	11,104,851	14,259,835
Direct tax liabilities	-	-
Other tax liabilities	232,810	-
Current tax liabilities	232,810	-
Derivatives	-	-
Provision for product warranty	59,529	62,611
Restructuring provision	580,672	2,299,512
Other provisions	252,310	335,564
Provisions for risks and charges	892,511	2,697,687
Other liabilities	750,000	-
TOTAL CURRENT LIABILITIES	31,637,466	110,184,126
TOTAL LIABILITIES	119,496,829	123,835,344
Liabilities associated with assets held for sale	-	-
TOTAL LIABILITIES AND EQUITY	150,536,449	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 condensed 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 €176,919.

For consistency purposes, deferred income for contract work in progress in the corresponding period of 2013 has been reclassified from "Trade payables - third parties" to "Advances for contract work in progress".

Income statement

	Nine months ended 30.09.2014	<i>Of which: related parties</i>	Nine months ended 30.09.2013	<i>Of which: related parties</i>
Revenue from sales and services	35,684,746	367,380	27,300,925	341,041
Internal work capitalised	-	-	-	-
Change in inventories and contract work in progress	1,294,762	-	1,265,927	-
Change in contract work in progress	1,225,442	-	1,374,868	-
Change in finished goods and work in progress	69,320	-	(108,941)	-
Other revenue and income	2,842,060	18,000	4,785,948	15,000
Revenue	39,821,568	385,380	33,352,800	356,041
Gains on sale of non-current assets and equity investments	705,228	-	2,479	-
<i>Gain on sale of equity investments</i>	-	-	-	-
Raw materials and components	(5,792,408)	-	(4,485,781)	-
Change in raw materials	(563,120)	-	(46,612)	-
Inventory write-downs	-	-	-	-
Raw materials and consumables	(6,355,528)	-	(4,532,393)	-
Consumables	(714,886)	-	(583,984)	-
External maintenance	(608,954)	-	(442,763)	-
Other variable production costs	(1,323,840)	-	(1,026,747)	-
External variable engineering services	(6,612,671)	(2,462,102)	(8,071,440)	(2,455,243)
Blue collars, white collars and managers	(16,114,333)	-	(16,592,610)	-
Independent contractors and temporary workers	-	-	-	-
Social security contributions and other post-employment benefits	(993,309)	-	(1,136,304)	-
Wages, salaries and employee benefits	(17,107,642)	-	(17,728,914)	-
Depreciation of property, plant and equipment and investment property	(1,645,122)	-	(1,639,931)	-
Amortisation of intangible assets	(253,018)	-	(289,473)	-
Losses on sale of non-current assets and equity investments	-	-	-	-
(Additions to)/utilisation of provisions and impairment losses	29,676	-	955,892	-
Amortisation, depreciation and impairment losses	(1,868,464)	-	(973,512)	-
Net exchange rate gains (losses)	2,426	-	(5,272)	-
Other expenses	(6,042,199)	-	(6,047,222)	-
Operating profit (loss)	1,218,878	(2,076,722)	(5,030,221)	(2,099,202)
Net financial expense	(3,430,211)	73,067	(4,487,943)	86,345
Dividends	1,001,040	1,001,040	601,400	601,400
Loss before taxes	(1,210,293)	(1,002,615)	(8,916,764)	(1,411,457)
Income taxes	124,451	-	(16,478)	-
Loss for the period	(1,085,842)	(1,002,615)	(8,933,242)	(1,411,457)

Statement of comprehensive income

	Nine months ended 30.09.2014	Nine months ended 30.09.2013
Loss for the period	(1,085,842)	(8,933,242)
Other comprehensive income (expense):		
Items that will not be reclassified to profit or loss:		
- Actuarial gains (losses) on defined benefit plans - IAS 19	4,600	(75,080)
- Income taxes	-	-
- Other	-	-
Total items of other comprehensive income (expense) that will not be reclassified to profit or loss, net of tax effect:	4,600	(75,080)
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 subsequently reclassified to profit or loss, net of tax effect:	-	-
Total other comprehensive income (expense), net of tax effect	4,600	(75,080)
Comprehensive expense	(1,081,242)	(9,008,322)

Reclassified income statement

(€'000)

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

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

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

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

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

RECLASSIFIED STATEMENT OF FINANCIAL POSITION

(€'000)

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

Net financial debt

(€'000)

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

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

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

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

Statement of changes in equity

	31.12.2012	Comprehensive expense	Allocation of prior year profit	30.09.2013
Share capital	30,150,694	-	-	30,150,694
Share premium reserve	-	-	-	-
Reserve for treasury shares	175,697	-	-	175,697
Legal reserve	2,231,389	-	3,801,942	6,033,331
Other reserves	2,646,208	-	-	2,646,208
Retained earnings (losses carried forward)	(22,209,956)	(75,080)	27,231,753	4,946,717
Profit (loss) for the period/year	31,033,695	(8,933,242)	(31,033,695)	(8,933,242)
EQUITY	44,027,727	(9,008,322)	-	35,019,405

	31.12.2013	Comprehensive expense	Allocation of prior year loss	30.09.2014
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	4,600	(11,924,310)	(6,880,469)
Loss for the period/year	(11,924,310)	(1,085,842)	11,924,310	(1,085,842)
EQUITY	32,120,861	(1,081,242)	-	31,039,619

Statement of cash flows

	Nine months ended 30.09.2014	Nine months ended 30.09.2013
Loss for the period	(1,085,842)	(8,933,242)
<i>Adjustments:</i>		
- Income taxes	(118,161)	16,478
- Depreciation of property, plant and equipment and investment property	1,645,122	1,639,931
- Amortisation of intangible assets	253,018	289,474
- Impairment losses, provisions and change in accounting estimates	(3,772,764)	(2,054,186)
- Gains on the sale of non-current assets	(705,228)	(2,479)
- Financial expense	4,575,014	5,630,611
- Financial income	(1,144,802)	(1,142,668)
- (Dividends)	(1,001,040)	(601,400)
- Other adjustments	923,164	646,837
Total adjustments	654,324	4,422,598
<i>Change in working capital:</i>		
- Decrease in inventories	493,800	191,121
- Increase in contract work in progress	(1,225,442)	(1,374,868)
- (Increase)/decrease in trade receivables and other assets	(4,365,894)	10,422,961
- (Increase)/decrease in receivables from related parties and joint ventures	(85,417)	417,308
- Decrease in trade payables and other financial liabilities	(181,092)	(6,830,874)
- Decrease in payables to related parties and joint ventures	(374,120)	(759,643)
- Other changes	(1,590,286)	1,863,918
Total changes in working capital	(7,328,451)	3,929,923
Gross cash flows used in operating activities	(7,759,969)	(580,721)
- (Financial expense)	(705,022)	(802,337)
- (Income taxes)	-	-
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(8,464,991)	(1,383,058)
- Purchases of non-current assets and equity investments	(659,167)	(559,448)
- Proceeds from the sale of non-current assets and equity investments	814,102	2,479
- Increase in loans and receivables - third parties	-	-
- Increase in loans and receivables - related parties and joint ventures	(1,567,000)	-
- Repayment of loans and receivables - third parties	-	-
- Repayment of loans and receivables - related parties and joint ventures	744,367	529,705
- Sale of current assets held for trading	11,152,914	484,566
- Financial income	143,971	601,400
- Dividends collected	1,001,040	(1,563,088)
- Other changes	-	-
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES	11,630,227	(971,419)
- 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	(2,518,455)	(2,518,455)
- Repayment of other loans and borrowings - related parties and joint ventures	-	-
- Dividends paid	-	-
- Other changes	4,600	(75,080)
CASH FLOWS USED IN FINANCING ACTIVITIES	(2,513,855)	(2,593,535)
TOTAL CASH FLOWS	651,381	(4,887,700)
Opening net cash and cash equivalents	12,397,788	36,306,146
Closing net cash and cash equivalents	13,049,169	31,418,446
<i>Of which:</i>		
- Cash and cash equivalents	13,049,169	31,418,446
- Bank overdrafts	-	-

Opening and closing net cash and cash equivalents at 30 September 2014 include a restricted account of €5,000,000. For consistency purposes, deferred income for contract work in progress in the corresponding period of 2013 has been reclassified from "Trade payables and other financial liabilities" to "Other changes in working capital".

OTHER INFORMATION

Events after the reporting period:

There are no other significant events that occurred 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.	-	-	1,613,740	-	-	-	46,740	-
Pininfarina Extra S.r.l.	83,754	3,342	350,971	263,560	277,499	256,532	1,001,040	-
Goodmind S.r.l.	-	-	-	-	18,000	-	-	-
Pininfarina Deutschland GmbH	-	-	300,493	-	-	-	3,148	-
mpx Entwicklung GmbH Monaco	-	406,504	2,000,000	-	-	2,084,402	23,179	-
Pininfarina Automotive Engineering (Shanghai) Co Ltd	432,456	-	-	-	89,881	121,168	-	-
Total	516,210	409,846	4,265,204	263,560	385,380	2,462,102	1,074,107	-

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

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

Fees to directors, statutory auditors and key management personnel

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

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

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

Significant non-recurring transactions

As required by Consob communication no. DEM/6064293 of 28 July 2006, the effects of non-recurring events or transactions, i.e., those events or transactions that do not occur frequently during the normal course of business, are shown in the next table:

	30.09.2014	30.09.2014 net of significant non-recurring transactions
Property, plant and equipment	52,124,160	52,124,160
Intangible assets	1,012,532	1,012,532
Equity investments	21,578,092	21,578,092
Non-current financial assets	4,265,204	2,651,464
NON-CURRENT ASSETS	78,979,988	77,366,248
Inventories	330,843	330,843
Contract work in progress	6,671,642	6,671,642
Current financial assets	30,799,157	30,799,157
Trade receivables and other assets	20,705,650	20,705,650
Cash and cash equivalents	13,049,169	14,616,169
CURRENT ASSETS	71,556,461	73,123,461
TOTAL ASSETS	150,536,449	150,489,709
Share capital and reserves	32,125,461	32,125,461
Loss for the period	(1,085,842)	(1,132,582)
EQUITY	31,039,619	30,992,879
Non-current loans and borrowings	83,202,229	83,202,229
Post-employment benefits and other provisions	4,657,134	4,657,134
NON-CURRENT LIABILITIES	87,859,363	87,859,363
Current loans and borrowings	14,745,079	14,745,079
Other financial liabilities	3,912,215	3,912,215
Trade payables	11,104,851	11,104,851
Current tax liabilities	232,810	232,810
Provisions for risks and charges	892,511	892,511
Other liabilities	750,000	750,000
CURRENT LIABILITIES	31,637,466	31,637,466
TOTAL LIABILITIES	119,496,829	119,496,829
TOTAL LIABILITIES AND EQUITY	150,536,449	150,489,709

	Nine months ended 30.09.2014	Nine months ended 30.09.2014 net of significant non-recurring transactions
Revenue from sales and services	35,684,746	35,684,746
Internal work capitalised	-	-
Change in inventories and contract work in progress	1,294,762	1,294,762
Other revenue and income	2,842,060	2,842,060
Revenue	39,821,568	39,821,568
Gains on sale of non-current assets and equity investments	705,228	705,228
Raw materials and consumables	(6,355,528)	(6,355,528)
Other variable production costs	(1,323,840)	(1,323,840)
External variable engineering services	(6,612,671)	(6,612,671)
Wages, salaries and employee benefits	(17,107,642)	(17,107,642)
Amortisation and depreciation, impairment losses, losses on sales of non-current assets/equity investments	(1,868,464)	(1,868,464)
Net exchange rate losses	2,426	2,426
Other expenses	(6,042,199)	(6,042,199)
Operating profit	1,218,878	1,218,878
Net financial expense	(3,430,211)	(3,476,951)
Gain on the extinguishment of financial liabilities	-	-
Dividends	1,001,040	1,001,040
Loss before taxes	(1,210,293)	(1,257,033)
Income taxes	124,451	124,451
Loss for the period	(1,085,842)	(1,132,582)

The transactions identified as significant and non-recurring are as follows:

- Loans to the ultimate parent Pincar S.r.l.

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.