



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

## **PININFARINA GROUP**

# **INTERIM FINANCIAL REPORT AT 30 SEPTEMBER 2015**

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 2015 on 12 November 2015.

## **Board of Directors**

Chairman *	Paolo	Pininfarina
Chief Executive Officer	Silvio Pietro	Angori
Directors	Gianfranco	Albertini (4) (5)
	Edoardo	Garrone (1)
	Romina	Guglielmetti (2) (3)
	Licia	Mattioli (2)
	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	Margherita	Spainì
	Giovanni	Rayneri
Alternate Statutory Auditors	Maria Luisa	Fassero
	Alberto	Bertagnolio Licio

## **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 a comparison of the consolidated figures for the first nine months of 2015 to those of the corresponding period of the previous year are summarised below:

- the value of production (revenue) has decreased by 6% due to the smaller contribution of the design and engineering services segment;
- EBITDA and EBIT are both negative, unlike the corresponding period of the previous year, mainly due to the 2014 sale of particularly significant intellectual property rights and the restructuring provision of €0.9 million recognised at 30 September 2015;
- compared to the first nine months of 2014, the Group's Italian automotive operations recognised a loss, the German subsidiaries' profit margins have improved, while the contribution of the Chinese operations and industrial design activities has decreased;
- the net financial expense has worsened due to the significant contraction in financial income during the reporting period, following the partial liquidation of assets under management at the end of 2014;
- equity has decreased compared to 31 December 2014, due to the loss for the first nine months of 2015, whereas the net financial debt has improved following the repayment by the tax authorities of advances previously paid by the parent for the registration tax litigation, the repayments of the loans granted to the ultimate parent, Pincar S.r.l., and the recovery of VAT assets.

Specifically, value of production came to €60.7 million for the reporting period compared to €64.7 million for the corresponding period of 2014 (-6%).

EBITDA is a negative €0.3 million, compared to the €5.5 million profit of the first nine months of 2014. The latter figure benefitted from gains on the sale of assets (€0.7 million) and sales of intellectual property rights (approximately €4.5 million), which were not repeated in the reporting period. EBIT decreased to a negative €3.7 million compared to an operating profit of €3 million in the corresponding period of the previous year. In the reporting period, the Group recognised an accrual of €0.9 million to the restructuring provision for a redundancy programme that involves 14 people.

Net financial expense increased to €4 million, up by €0.6 million on the corresponding period of the previous year. The worsening is mainly due to the less than proportionate decrease in interest expense (realised and unrealised), calculated on a smaller amount of loans and borrowings due to the repayments made through to December 2014, compared to the reduction in the fair value gains on securities in portfolio, following the sale of some securities at the end of 2014.

The loss before taxes amounts to €7.6 million, compared to €0.4 million for the nine months ended 30 September 2014. The loss for the period (including taxes of €0.2 million) totals €7.8 million, up by €7.1 million on the €0.7 million loss for the nine months of 2014.

Net financial debt at €42.5 million is lower than the €44.8 million at 31 December 2014 (and €47.7 million at 30 September 2014). This €2.3 million decrease is mainly due to the parent's collection of advances previously paid for tax litigation (€7.3 million) and recovery of VAT assets of €5 million.

Equity attributable to the owners of the parent decreased from €27.9 million at 31 December 2014 to €20.3 million (€28.8 million at 30 September 2014) as a result of the loss for the period.

The headcount decreased by 4.4% (-30 units) from 682 at 30 September 2014 to 652.

## **Performance by business segment**

### **Operations segment**

In addition to the sale of spare parts for cars manufactured in previous years and business lease income, this segment includes the costs of the support and property management functions of the parent, Pininfarina S.p.A.. Value of production amounted to €4.9 million, in line with the first nine months of 2014 (€5 million).

Segment EBIT worsened by €2.2 million, or 33.8%, to a negative €8.7 million from a negative €6.5 million in the corresponding period of the previous year. The main reasons behind this higher loss are the inexistence of the positive effect of the gains on the sale of assets recognised in 2014 (€0.7 million) and the incurrence of higher costs for the ongoing restructuring and litigation.

### **Services segment**

This segment, comprising the design and engineering businesses, recognised value of production of €55.8 million, down 6.5% compared to the first nine months of 2014 (€59.7 million).

Segment EBIT amounted to a positive €5 million compared to €9.5 million for the nine months ended 30 September 2014. The decrease in profitability is mostly due to the 2014 sales of intellectual property rights, which were not repeated in the reporting period and were very profitable.



**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 13 and 59 hereof.
- 2) The Group has no past-due liabilities (of a commercial, financial, tax or social security nature). No actions against the Group have been filed by creditors.
- 3) The Group's and parent's related party transactions are respectively detailed on pages 50 and 62 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 2015 are approved. According to the outlook for 2015, the Group will not reach the 2015 EBITDA level required by the existing Rescheduling Agreement, while the covenant on the net financial position at 31 December 2015 will be met.
- 5) The parent's debt restructuring plan is proceeding in accordance with the current agreements.
- 6) Reference should be made to that disclosed in the "Going concern and outlook for 2015" section as regards the business plan's implementation.

**Events after the reporting period**

On 1 October 2015, Pininfarina S.p.A. launched a redundancy programme involving 14 employees. According to the law in force up to 31 December 2015, some of them may retire, while the others have professional skills that, due to the change in the organisational structure, may no longer be reallocated within the Group or are redundant in relation to the current and future size of its business.

The parent is doing its best to assist these people bearing the related outplacement costs and considering, as far as possible, reductions in working hours in order to minimise the impact of the programme.

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

**GOING CONCERN AND OUTLOOK FOR 2015**

**Going concern**

Like in the first half of 2015, the figures for the period confirm that noted by the directors in the 2014 annual report, namely, that despite being consistent with the budget, the Group's growth, financial indicators and cash flows from operations are not in line with the 2011-2018 business plan's forecasts.

Negotiations between the ultimate parent, Pincar S.r.l., the lending institutions and the Indian Mahindra Group (for the acquisition of the Pininfarina S.p.A. shares held by Pincar S.r.l. and the concurrent restructuring of Pininfarina's debt) are still in place and a positive outcome is expected to be reached in the next few weeks.

Therefore, in September 2015, the parent presented a draft business and financial plan drawn up jointly with Mahindra to the lending institutions. The new plan would ensure the financial stability and recapitalisation of the parent and the Group for the foreseeable future.

Moreover, the Board of Directors acknowledged the proposed guidelines outlined in a new standalone business and financial plan prepared by management, which are more consistent with the Group's current ability to produce the cash flows necessary to repay its outstanding debt and ensure the necessary capitalisation. This document may underpin possible future negotiations with the lending institutions, should the agreement with Mahindra not be reached.

Considering all that discussed above and evaluating medium-term uncertainties, the Board of Directors presently continues to reasonably expect that the Group and the parent are nonetheless able to continue as going concerns in the foreseeable future and prepared the condensed interim consolidated financial statements at 30 September 2015 on a going concern basis.

### **Outlook for 2015**

Consolidated value of production for 2015 is expected to decrease by 5% compared to 2014 (the previous forecast was that it would have been in line with the 2014 figure) and the EBIT is forecast to be negative.

Net financial debt at the end of 2015 is expected to worsen compared to 31 December 2014, due principally to working capital trends and the accumulated unrealised losses resulting from the measurement of financial liabilities at amortised cost.

12 November 2015

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	30.09.2015	30.09.2014	Variation	31.12.2014
Value of production	33.3	39.8	(6.5)	
EBIT	(5.6)	1.2	(6.8)	
Loss for the period	(8.4)	(1.1)	(7.3)	
Net financial debt	(47.3)	(49.8)	2.5	(50.1)
Equity	20.6	31.0	(10.4)	28.9
Number of employees at the reporting date	306	310	(4)	302

### Pininfarina Extra Group

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

€'million	30.09.2015	30.09.2014	Variation	31.12.2014
Value of production	5.4	4.6	0.8	
EBIT	0.9	1.2	(0.3)	
Profit for the period	0.6	0.9	(0.3)	
Net financial position	3.3	3.5	(0.2)	3.8
Equity	5.6	5.4	0.2	5.9
Number of employees at the reporting date	28	27	1	27

### Pininfarina Deutschland Group

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

€'million	30.09.2015	30.09.2014	Variation	31.12.2014
Value of production	23.1	22.5	0.6	
EBIT	0.9	0.4	0.5	
Profit for the period	0.9	0.4	0.5	
Net financial position (debt)	1.1	(1.9)	3.0	1.0
Equity	20.9	19.6	1.3	20.0
Number of employees at the reporting date	302	339	(37)	342

### Pininfarina Automotive Engineering Shanghai Co Ltd

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

€'million	30.09.2015	30.09.2014	Variation	31.12.2014
Value of production	2.6	0.6	2.0	
EBIT	0.2	0.1	0.1	
Profit for the period	0.1	0.1	-	
Net financial position	0.4	0.5	(0.1)	0.5
Equity	0.4	0.1	0.3	0.3
Number of employees at the reporting date	16	6	10	6

## Reclassified income statement

(€'000)

	Nine months ended					2014
	30.09.2015	%	30.09.2014	%	Variation	
Revenue from sales and services	55,489	91.40	58,882	91.08	(3,393)	84,179
Change in inventories and contract work in progress	1,325	2.18	2,364	3.66	(1,039)	(2,313)
Other revenue and income	3,893	6.42	3,404	5.27	489	4,705
<b>Value of production</b>	<b>60,707</b>	<b>100.00</b>	<b>64,650</b>	<b>100.00</b>	<b>(3,943)</b>	<b>86,571</b>
<b>Net gains on the sale of non-current assets</b>	<b>50</b>	<b>0.08</b>	<b>705</b>	<b>1.09</b>	<b>(655)</b>	<b>705</b>
Materials and services (*)	(25,945)	(42.74)	(24,165)	(37.38)	(1,780)	(31,720)
Change in raw materials	68	0.11	(563)	(0.87)	631	(622)
<b>Value added</b>	<b>34,880</b>	<b>57.45</b>	<b>40,627</b>	<b>62.84</b>	<b>(5,747)</b>	<b>54,934</b>
Labour cost (**)	(35,163)	(57.92)	(35,170)	(54.40)	7	(47,901)
<b>EBITDA</b>	<b>(283)</b>	<b>(0.47)</b>	<b>5,457</b>	<b>8.44</b>	<b>(5,740)</b>	<b>7,033</b>
Amortisation and depreciation	(2,539)	(4.18)	(2,508)	(3.88)	(32)	(3,348)
(Additions to)/utilisation of provisions and impairment losses	(827)	(1.36)	15	0.02	(842)	261
<b>EBIT</b>	<b>(3,649)</b>	<b>(6.01)</b>	<b>2,964</b>	<b>4.58</b>	<b>(6,613)</b>	<b>3,946</b>
Net financial expense	(3,968)	(6.54)	(3,410)	(5.27)	(559)	(4,748)
Share of profit of equity-accounted investees	14	0.02	8	0.01	6	8
<b>Loss before taxes</b>	<b>(7,603)</b>	<b>(12.53)</b>	<b>(438)</b>	<b>(0.68)</b>	<b>(7,165)</b>	<b>(794)</b>
Income taxes	(190)	(0.31)	(250)	(0.39)	60	(469)
<b>Loss from continuing operations</b>	<b>(7,793)</b>	<b>(12.84)</b>	<b>(688)</b>	<b>(1.06)</b>	<b>(7,105)</b>	<b>(1,263)</b>
<b>Profit (loss) from discontinued operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Loss for the period/year</b>	<b>(7,793)</b>	<b>(12.84)</b>	<b>(688)</b>	<b>(1.06)</b>	<b>(7,105)</b>	<b>(1,263)</b>

(\*) Materials and services are net of utilisations of the provisions for product warranty and risks (€57 thousand and €141 thousand for the first nine months of 2014 and 2015, respectively).

(\*\*) Labour cost is net of utilisations of the restructuring and other provisions (€1,719 thousand and €304 thousand for the first nine months of 2014 and 2015, 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.

## Reclassified statement of financial position

(€'000)

	30.09.2015	31.12.2014	Variation	30.09.2014
<b>Net non-current assets (A)</b>				
Net intangible assets	2,525	2,676	(151)	2,601
Net property, plant and equipment and investment property	60,317	60,845	(528)	61,416
Equity investments	325	311	14	311
<b>Total A</b>	<b>63,167</b>	<b>63,832</b>	<b>(665)</b>	<b>64,328</b>
<b>Working capital (B)</b>				
Inventories	5,037	3,649	1,388	8,388
Net trade receivables and other assets	19,107	31,286	(12,179)	29,165
Assets held for sale	-	-	-	-
Deferred tax assets	1,077	1,036	41	1,026
Trade payables	(12,575)	(12,246)	(329)	(12,554)
Provisions for risks and charges	(1,207)	(847)	(360)	(893)
Other liabilities (*)	(6,971)	(8,674)	1,703	(7,763)
<b>Total B</b>	<b>4,468</b>	<b>14,203</b>	<b>(9,735)</b>	<b>17,369</b>
<b>Net invested capital (C=A+B)</b>	<b>67,635</b>	<b>78,035</b>	<b>(10,400)</b>	<b>81,697</b>
<b>Post-employment benefits (D)</b>	<b>4,873</b>	<b>5,347</b>	<b>(474)</b>	<b>5,229</b>
<b>Net capital requirements (E=C-D)</b>	<b>62,762</b>	<b>72,688</b>	<b>(9,926)</b>	<b>76,468</b>
<b>Equity (F)</b>	<b>20,300</b>	<b>27,888</b>	<b>(7,588)</b>	<b>28,758</b>
<b>Net financial debt (G)</b>				
Non-current loans and borrowings	74,302	69,116	5,186	81,755
Net current financial position	(31,840)	(24,316)	(7,524)	(34,045)
<b>Total G</b>	<b>42,462</b>	<b>44,800</b>	<b>(2,338)</b>	<b>47,710</b>
<b>Total as in E (H=F+G)</b>	<b>62,762</b>	<b>72,688</b>	<b>(9,926)</b>	<b>76,468</b>

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

## Net financial debt

(€'000)

	30.09.2015	31.12.2014	Variation	30.09.2014
Cash and cash equivalents	29,445	24,424	5,021	17,728
Current assets held for trading	16,343	16,359	(16)	30,799
Current loans and receivables	-	-	-	-
Loan assets - related parties	-	-	-	-
Current bank overdrafts	-	-	-	-
Current finance lease liabilities	(5,827)	(5,827)	-	(5,827)
Current portion of bank loans and borrowings	(8,121)	(10,640)	2,519	(8,655)
<b>Net current financial position</b>	<b>31,840</b>	<b>24,316</b>	<b>7,524</b>	<b>34,045</b>
Non-current loans and receivables - third parties	-	-	-	-
Non-current loans and receivables - related parties	266	1,770	(1,504)	1,747
Non-current held-to-maturity investments	-	-	-	-
Non-current finance lease liabilities	(45,819)	(43,547)	(2,272)	(48,552)
Non-current bank loans and borrowings	(28,749)	(27,339)	(1,410)	(34,950)
<b>Non-current loans and borrowings</b>	<b>(74,302)</b>	<b>(69,116)</b>	<b>(5,186)</b>	<b>(81,755)</b>
<b>NET FINANCIAL DEBT</b>	<b>(42,462)</b>	<b>(44,800)</b>	<b>2,338</b>	<b>(47,710)</b>

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

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

The parent's loss and equity as at and for the period ended 30 September 2015 are reconciled with the Group's relevant figures below.

	Loss for the period ended		Equity	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
Pininfarina S.p.A.'s interim separate financial statements	(8,424,992)	(1,085,842)	20,573,094	31,039,619
- Subsidiaries' contribution	1,618,969	1,390,479	5,418,354	3,415,290
- 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)	(1,001,040)	-	-
- Share of profit of equity-accounted investees	14,148	8,167	14,148	8,167
- Other minor	-	-	-	-
<b>Condensed interim consolidated financial statements</b>	<b>(7,792,915)</b>	<b>(688,236)</b>	<b>20,300,040</b>	<b>28,757,520</b>

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

	(€'000)			
	30.09.2015	31.12.2014	Variation	30.09.2014
A. Cash	(29,445)	(24,424)	5,021	(17,728)
B. Other cash equivalents	-	-	-	-
C. Securities held for trading	(16,343)	(16,359)	(16)	(30,799)
<b>D. Total cash and cash equivalents (A.)+(B.)+(C.)</b>	<b>(45,788)</b>	<b>(40,783)</b>	<b>5,005</b>	<b>(48,527)</b>
<b>E. Current loan assets</b>	-	-	-	-
<b>F. Current bank loans and borrowings</b>	-	-	-	-
Current portion of secured bank loans	4,503	7,022	2,519	5,037
Current portion of unsecured bank loans	3,618	3,618	-	3,618
<b>G. Current portion of non-current debt</b>	<b>8,121</b>	<b>10,640</b>	<b>2,519</b>	<b>8,655</b>
H. Other current loans and borrowings	5,827	5,827	-	5,827
<b>I. Current financial debt (F.)+(G.)+(H.)</b>	<b>13,948</b>	<b>16,467</b>	<b>2,519</b>	<b>14,482</b>
<b>J. Net current financial position</b>	<b>(31,840)</b>	<b>(24,316)</b>	<b>7,524</b>	<b>(34,045)</b>
Non-current portion of secured bank loans	300	300	-	7,322
Non-current portion of unsecured bank loans	28,449	27,039	(1,410)	27,628
<b>K. Non-current bank loans and borrowings</b>	<b>28,749</b>	<b>27,339</b>	<b>(1,410)</b>	<b>34,950</b>
L. Bonds issued	-	-	-	-
M. Other non-current loans and borrowings	45,819	43,547	(2,272)	48,552
<b>N. Net non-current financial debt (K.)+(L.)+(M.)</b>	<b>74,568</b>	<b>70,886</b>	<b>(3,682)</b>	<b>83,502</b>
<b>O. Net financial debt (J+N)</b>	<b>42,728</b>	<b>46,570</b>	<b>3,842</b>	<b>49,457</b>

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 2015: €266 thousand
- At 31 December 2014: €1,770 thousand
- At 30 September 2014: €1,747 thousand

## **Pininfarina Group**

**Condensed interim consolidated financial statements  
as at and for the nine months ended 30 September 2015**

## Statement of financial position

	Note	30.09.2015	31.12.2014
Land and buildings	1	45,145,603	45,748,122
Land		11,176,667	11,176,667
Buildings		26,057,896	26,391,504
Leased property		7,911,040	8,179,951
Plant and machinery	1	5,189,625	4,956,291
Machinery		442,958	155,007
Plant		4,746,667	4,801,284
Leased machinery and equipment		-	-
Furniture, fixtures and other assets	1	1,477,756	1,391,377
Furniture and fixtures		238,611	252,067
Hardware and software		791,880	740,918
Other assets, including vehicles		447,265	398,392
Assets under construction	1	-	-
<b>Property, plant and equipment</b>		<b>51,812,984</b>	<b>52,095,790</b>
<b>Investment property</b>	<b>2</b>	<b>8,571,759</b>	<b>8,748,731</b>
Goodwill	3	1,043,495	1,043,495
Licences and trademarks	3	1,259,295	1,520,618
Other	3	154,302	111,656
<b>Intangible assets</b>		<b>2,457,092</b>	<b>2,675,769</b>
Associates	4	72,871	58,723
Joint ventures		-	-
Other companies	5	252,017	252,017
<b>Equity investments</b>		<b>324,888</b>	<b>310,740</b>
<b>Deferred tax assets</b>	<b>17</b>	<b>1,076,584</b>	<b>1,036,457</b>
Held-to-maturity investments		-	-
Loans and receivables	6	265,555	1,769,770
Third parties		-	-
Related parties		265,555	1,769,770
Available-for-sale financial assets		-	-
<b>Non-current financial assets</b>		<b>265,555</b>	<b>1,769,770</b>
<b>TOTAL NON-CURRENT ASSETS</b>		<b>64,508,862</b>	<b>66,637,257</b>
Raw materials		100,449	32,422
Work in progress		-	-
Finished goods		288,451	275,764
<b>Inventories</b>	<b>8</b>	<b>388,900</b>	<b>308,186</b>
<b>Contract work in progress</b>	<b>9</b>	<b>4,648,419</b>	<b>3,340,819</b>
Assets held for trading	7	16,343,000	16,358,515
Loans and receivables		-	-
Third parties		-	-
Related parties		-	-
Available-for-sale financial assets		-	-
<b>Current financial assets</b>		<b>16,343,000</b>	<b>16,358,515</b>
<b>Derivatives</b>		-	-
Trade receivables	10	14,001,487	15,892,543
Third parties		13,985,442	15,882,783
Related parties		16,045	9,760
Other assets	11	5,105,440	15,392,967
<b>Trade receivables and other assets</b>		<b>19,106,927</b>	<b>31,285,510</b>
Cash on hand and cash equivalents		13,160	15,850
Short-term bank deposits		29,431,889	24,407,933
<b>Cash and cash equivalents</b>	<b>12</b>	<b>29,445,049</b>	<b>24,423,783</b>
<b>TOTAL CURRENT ASSETS</b>		<b>69,932,295</b>	<b>75,716,813</b>
<b>Assets held for sale</b>		-	-
<b>TOTAL ASSETS</b>		<b>134,441,157</b>	<b>142,354,070</b>



## Statement of financial position

	Note	30.09.2015	31.12.2014
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	89,508	35,557
Other reserves	13	2,646,208	2,646,208
Losses carried forward	13	(11,002,483)	(9,891,053)
Loss for the period/year	13	(7,792,915)	(1,262,883)
<b>EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT</b>		<b>20,300,040</b>	<b>27,887,551</b>
Equity attributable to non-controlling interests		-	-
<b>EQUITY</b>		<b>20,300,040</b>	<b>27,887,551</b>
Finance lease liabilities		45,819,344	43,547,218
Other loans and borrowings		28,749,277	27,338,513
Third parties		28,749,277	27,338,513
Related parties		-	-
<b>Non-current loans and borrowings</b>	<b>14</b>	<b>74,568,621</b>	<b>70,885,731</b>
<b>Deferred tax liabilities</b>	<b>17</b>	<b>2,476</b>	<b>2,476</b>
Italian post-employment benefits		4,872,123	5,346,940
Other		-	-
<b>Post-employment benefits</b>		<b>4,872,123</b>	<b>5,346,940</b>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>79,443,220</b>	<b>76,235,147</b>
Bank overdrafts		-	-
Finance lease liabilities		5,826,768	5,826,768
Other loans and borrowings		8,121,283	10,639,738
Third parties		8,121,283	10,639,738
<b>Current loans and borrowings</b>	<b>14</b>	<b>13,948,051</b>	<b>16,466,506</b>
Wages and salaries payable		2,688,526	2,582,299
Social security charges payable		687,757	1,280,181
Other		1,581,798	1,864,090
<b>Other financial liabilities</b>	<b>15</b>	<b>4,958,081</b>	<b>5,726,570</b>
Third parties		9,725,794	8,922,775
Related parties		13,901	45,040
Advances for contract work in progress		2,835,577	3,277,786
<b>Trade payables</b>	<b>15</b>	<b>12,575,272</b>	<b>12,245,601</b>
Direct tax liabilities		-	-
Other tax liabilities		619,008	958,116
<b>Current tax liabilities</b>		<b>619,008</b>	<b>958,116</b>
<b>Derivatives</b>		<b>-</b>	<b>-</b>
Provision for product warranty		55,505	58,650
Restructuring provision		1,038,178	442,615
Other provisions		113,539	345,323
<b>Provisions for risks and charges</b>	<b>16</b>	<b>1,207,222</b>	<b>846,588</b>
<b>Other liabilities</b>	<b>15</b>	<b>1,390,263</b>	<b>1,987,991</b>
<b>TOTAL CURRENT LIABILITIES</b>		<b>34,697,897</b>	<b>38,231,372</b>
<b>TOTAL LIABILITIES</b>		<b>114,141,117</b>	<b>114,466,519</b>
Liabilities associated with assets held for sale		-	-
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>134,441,157</b>	<b>142,354,070</b>

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 €178,516 and €49,500 relating to Pininfarina S.p.A. and Pininfarina Extra, respectively.

## Income statement

	Note	Nine months ended 30.09.2015	of which: related parties	Nine months ended 30.09.2014	of which: related parties
Revenue from sales and services	18	55,488,571	-	58,881,680	-
Internal work capitalised		-	-	-	-
Change in inventories and contract work in progress		1,325,270		2,364,371	
Change in contract work in progress		1,337,634		2,295,051	
Change in finished goods and work in progress		(12,364)		69,320	
Other revenue and income	19	3,892,963	26,849	3,404,072	18,000
<b>Revenue</b>		<b>60,706,804</b>	<b>26,849</b>	<b>64,650,123</b>	<b>18,000</b>
<b>Gains on sale of non-current assets and equity investments</b>	<b>20</b>	<b>50,014</b>	<b>-</b>	<b>705,257</b>	<b>-</b>
<i>Gain on sale of equity investments</i>		-		-	
Raw materials and components	21	(5,754,845)		(5,543,419)	
Change in raw materials		68,027		(563,120)	
Inventory write-downs		-		-	
<b>Raw materials and consumables</b>		<b>(5,686,818)</b>	<b>-</b>	<b>(6,106,539)</b>	<b>-</b>
Consumables		(681,403)		(880,640)	
External maintenance		(954,288)		(765,839)	
<b>Other variable production costs</b>		<b>(1,635,691)</b>	<b>-</b>	<b>(1,646,479)</b>	<b>-</b>
<b>External variable engineering services</b>	<b>22</b>	<b>(7,481,705)</b>	<b>(32,224)</b>	<b>(7,741,266)</b>	<b>-</b>
Blue collars, white collars and managers		(34,235,278)		(34,106,282)	
Independent contractors and temporary workers		-		-	
Social security contributions and other post-employment benefits		(927,563)		(1,063,792)	
<b>Wages, salaries and employee benefits</b>	<b>23</b>	<b>(35,162,841)</b>	<b>-</b>	<b>(35,170,074)</b>	<b>-</b>
Depreciation of property, plant and equipment and investment property		(2,019,686)		(2,037,179)	
Amortisation of intangible assets		(519,776)		(470,444)	
Losses on sale of non-current assets and equity investments		-		-	
(Additions to)/utilisation of provisions and impairment losses	24	(826,992)		14,749	
<b>Amortisation, depreciation and impairment losses</b>		<b>(3,366,453)</b>	<b>-</b>	<b>(2,492,873)</b>	<b>-</b>
<b>Net exchange rate gains</b>		<b>30,107</b>		<b>29,880</b>	
<b>Other expenses</b>	<b>25</b>	<b>(11,101,779)</b>		<b>(9,264,050)</b>	
<b>Operating profit (loss)</b>		<b>(3,648,363)</b>	<b>(5,374)</b>	<b>2,963,978</b>	<b>18,000</b>
<b>Net financial expense</b>	<b>26</b>	<b>(3,968,441)</b>	<b>62,785</b>	<b>(3,410,715)</b>	<b>49,589</b>
<b>Gain on the extinguishment of financial liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Dividends</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Share of profit of equity-accounted investees</b>		<b>14,148</b>	<b>-</b>	<b>8,167</b>	<b>-</b>
<b>Loss before taxes</b>		<b>(7,602,656)</b>	<b>57,410</b>	<b>(438,570)</b>	<b>67,589</b>
<b>Income taxes</b>	<b>17</b>	<b>(190,259)</b>	<b>-</b>	<b>(249,666)</b>	<b>-</b>
<b>Loss from continuing operations</b>		<b>(7,792,915)</b>	<b>57,410</b>	<b>(688,236)</b>	<b>67,589</b>
<b>Loss from discontinued operations</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Loss for the period</b>		<b>(7,792,915)</b>	<b>57,410</b>	<b>(688,236)</b>	<b>67,589</b>
<b>Of which:</b>					
- Loss for the period attributable to the owners of the parent		(7,792,915)		(688,236)	
- Loss for the period attributable to non-controlling interests		-		-	
<b>Basic/diluted losses per share:</b>					
- Loss for the period attributable to the owners of the parent		(7,792,915)		(688,236)	
- Number of ordinary shares, net		30,150,694		30,150,694	
- Basic/diluted losses per share		(0,26)		(0,02)	

## Statement of comprehensive income

	Nine months ended 30.09.2015	Nine months ended 30.09.2014
<b>Loss for the period</b>	<b>(7,792,915)</b>	<b>(688,236)</b>
<b>Other comprehensive income:</b>		
<b>Items that will not be reclassified to profit or loss:</b>		
- Actuarial gains (losses) on defined benefit plans - IAS 19	159,991	(6,977)
- Income taxes	(8,538)	3,184
- Other	-	-
<b>Total items of other comprehensive income that will not be reclassified to profit or loss, net of tax effect:</b>	<b>151,453</b>	<b>(3,793)</b>
Items that will or may be subsequently reclassified to profit or loss:		
- Gains from translation of financial statements of foreign operations - IAS 21	53,951	30,326
- Other	-	-
<b>Total items of other comprehensive income that will be subsequently reclassified to profit or loss, net of tax effect:</b>	<b>53,951</b>	<b>30,326</b>
<b>Total other comprehensive income, net of tax effect</b>	<b>205,404</b>	<b>26,533</b>
<b>Comprehensive expense</b>	<b>(7,587,511)</b>	<b>(661,703)</b>
<b>Of which:</b>		
- Comprehensive expense attributable to the owners of the parent	(7,587,511)	(661,703)
- Comprehensive expense attributable to non-controlling interests	-	-
<b>Of which:</b>		
- Comprehensive expense from continuing operations	(7,587,511)	(661,703)
- Comprehensive expense from discontinued operations	-	-

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.

## Statement of changes in equity

	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)
<b>EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT</b>	<b>29,419,223</b>	<b>(661,703)</b>	<b>-</b>	<b>28,757,520</b>
Equity attributable to non-controlling interests	-	-	-	-
<b>EQUITY</b>	<b>29,419,223</b>	<b>(661,703)</b>	<b>-</b>	<b>28,757,520</b>

	31.12.2014	Comprehensive expense	Allocation of prior year loss	30.09.2015
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	35,557	53,951	-	89,508
Other reserves	2,646,208	-	-	2,646,208
Losses carried forward	(9,891,053)	151,453	(1,262,883)	(11,002,483)
Loss for the period/year	(1,262,883)	(7,792,915)	1,262,883	(7,792,915)
<b>EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT</b>	<b>27,887,551</b>	<b>(7,587,511)</b>	<b>-</b>	<b>20,300,040</b>
Equity attributable to non-controlling interests	-	-	-	-
<b>EQUITY</b>	<b>27,887,551</b>	<b>(7,587,511)</b>	<b>-</b>	<b>20,300,040</b>

## Statement of cash flows

	Nine months ended 30.09.2015	Nine months ended 30.09.2014
Loss for the period	(7,792,915)	(688,236)
<i>Adjustments:</i>		
- Income taxes	190,259	249,666
- Depreciation of property, plant and equipment and investment property	2,019,686	2,037,179
- Amortisation of intangible assets	519,776	470,444
- Impairment losses, provisions and change in accounting estimates	(275,049)	(3,738,128)
- Gains on the sale of non-current assets	(50,014)	(705,257)
- Financial expense	4,238,658	4,587,525
- Financial income	(270,217)	(1,176,809)
- Dividends received	-	-
- Share of profit of equity-accounted investees	(14,148)	(8,167)
- Profit (loss) from discontinued operations	-	-
- Other adjustments	37,766	927,763
<b>Total adjustments</b>	<b>6,396,717</b>	<b>2,644,215</b>
<i>Change in working capital:</i>		
- Decrease in inventories	214,060	435,606
- Increase in contract work in progress	(1,337,634)	(2,236,857)
- (Increase)/decrease in trade receivables and other assets	12,193,453	(5,995,661)
- Increase in trade receivables - related parties	(6,285)	-
- Increase/(decrease) in trade payables, other financial liabilities and other liabilities	(563,198)	616,976
- Decrease in trade payables - related parties	(31,139)	-
- Decrease in advances for contract work in progress and deferred income	(442,209)	(1,557,800)
- Other changes	(138,522)	(183,835)
<b>Total changes in working capital</b>	<b>9,888,526</b>	<b>(8,921,570)</b>
<b>Gross cash flows from (used in) operating activities</b>	<b>8,492,328</b>	<b>(6,965,591)</b>
- Interest expense	(555,768)	(717,533)
- Income taxes	(433,872)	-
<b>NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>	<b>7,502,688</b>	<b>(7,683,124)</b>
- Purchases of non-current assets and equity investments	(1,857,365)	(849,721)
- Proceeds from the sale of non-current assets and equity investments	50,000	810,782
- Proceeds from the sale of discontinued operations, net of cash sold	-	-
- Increase in loans and receivables - third parties	-	-
- Increase in loans and receivables - related parties	-	(1,617,000)
- Repayment of loans and receivables - third parties	-	-
- Repayment of loans and receivables - related parties	1,567,000	-
- Proceeds from the sale of current assets held for trading	15,515	11,152,914
- Interest income	169,665	199,456
- Dividends collected	-	-
- Other changes	92,218	39,688
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>37,033</b>	<b>9,736,119</b>
- 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	-	-
- Repayment of finance lease liabilities and other loans and borrowings - third parties	(2,518,455)	(2,718,455)
- Repayment of other loans and borrowings - related parties	-	-
- Dividends paid	-	-
- Other changes/Other non-cash items	-	-
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>	<b>(2,518,455)</b>	<b>(2,718,455)</b>
<b>TOTAL CASH FLOWS</b>	<b>5,021,266</b>	<b>(665,460)</b>
Opening net cash and cash equivalents	24,423,783	18,393,674
<b>Closing net cash and cash equivalents</b>	<b>29,445,049</b>	<b>17,728,214</b>
<i>Of which:</i>		
- Cash and cash equivalents	29,445,049	17,728,214
- Bank overdrafts	-	-

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 notes 6, 10 and 15 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.

### Income statement for the third quarter

	Q3 2015	Q3 2014
Revenue from sales and services	17,644,425	22,509,647
Internal work capitalised	-	-
Change in inventories and contract work in progress	(361,948)	1,057,765
Change in contract work in progress	(388,006)	999,715
Change in finished goods and work in progress	26,058	58,050
Other revenue and income	1,318,096	1,058,106
<b>Revenue</b>	<b>18,600,573</b>	<b>24,625,518</b>
<b>Gains on sale of non-current assets and equity investments</b>	<b>-</b>	<b>-</b>
<i>Gain on sale of equity investments</i>	-	-
Raw materials and components	(2,058,916)	(2,039,462)
Change in raw materials	23,475	(7,307)
Inventory write-downs	-	-
<b>Raw materials and consumables</b>	<b>(2,035,441)</b>	<b>(2,046,769)</b>
Consumables	(256,770)	(306,943)
External maintenance	(340,134)	(250,666)
<b>Other variable production costs</b>	<b>(596,904)</b>	<b>(557,609)</b>
<b>External variable engineering services</b>	<b>(2,278,128)</b>	<b>(2,834,232)</b>
Blue collars, white collars and managers	(9,652,790)	(9,919,088)
Independent contractors and temporary workers	-	-
Social security contributions and other post-employment benefits	(352,691)	(351,661)
<b>Wages, salaries and employee benefits</b>	<b>(10,005,481)</b>	<b>(10,270,749)</b>
Depreciation of property, plant and equipment and investment property	(666,773)	(666,974)
Amortisation of intangible assets	(169,161)	(162,620)
Losses on sale of non-current assets and equity investments	-	-
(Additions to)/utilisation of provisions and impairment losses	(904,859)	(2,038)
<b>Amortisation, depreciation and impairment losses</b>	<b>(1,740,792)</b>	<b>(831,632)</b>
<b>Net exchange rate gains (losses)</b>	<b>(34,848)</b>	<b>38,853</b>
<b>Other expenses</b>	<b>(3,593,703)</b>	<b>(3,037,010)</b>
<b>Operating profit (loss)</b>	<b>(1,684,725)</b>	<b>5,086,370</b>
<b>Net financial expense</b>	<b>(1,218,627)</b>	<b>(1,219,576)</b>
<b>Dividends</b>	<b>-</b>	<b>-</b>
<b>Share of profit of equity-accounted investees</b>	<b>7,364</b>	<b>3,235</b>
<b>Profit (loss) before taxes</b>	<b>(2,895,988)</b>	<b>3,870,029</b>
<b>Income taxes</b>	<b>(137,386)</b>	<b>(95,378)</b>
<b>Profit (loss) from continuing operations</b>	<b>(3,033,374)</b>	<b>3,774,651</b>
<b>Profit (loss) from discontinued operations</b>	<b>-</b>	<b>-</b>
<b>Profit (loss) for the period</b>	<b>(3,033,374)</b>	<b>3,774,651</b>

## Statement of comprehensive income for the third quarter

	Q3 2015	Q3 2014
<b>Profit (loss) for the period</b>	<b>(3,033,374)</b>	<b>3,774,651</b>
<b>Other comprehensive income (expense):</b>		
<b>Items that will not be reclassified to profit or loss:</b>		
- Actuarial gains (losses) on defined benefit plans - IAS 19	-	-
- Income taxes	-	-
- Other	-	-
<b>Total items of other comprehensive income (expense) that will not be reclassified to profit or loss, net of tax effect:</b>	<b>(151,453)</b>	<b>(3,793)</b>
Items that will or may be subsequently reclassified to profit or loss:		
- Gains (losses) from translation of financial statements of foreign operations - IAS 21	(12,933)	28,253
- Other	-	-
<b>Total items of other comprehensive income (expense) that will be subsequently reclassified to profit or loss, net of tax effect:</b>	<b>(12,933)</b>	<b>28,253</b>
<b>Total other comprehensive income (expense), net of tax effect</b>	<b>(12,933)</b>	<b>28,253</b>
<b>Comprehensive income (expense)</b>	<b>(3,046,307)</b>	<b>3,802,904</b>
<b>Of which:</b>		
- Comprehensive income (expense) attributable to the owners of the parent	(3,046,307)	3,802,904
- Comprehensive income (expense) attributable to non-controlling interests	-	-
<b>Of which:</b>		
- Comprehensive income (expense) from continuing operations	(3,046,307)	3,802,904
- Comprehensive income (expense) from discontinued operations	-	-

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.

# Notes to the 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. in liquidation 76.06%. The shares held by Pincar S.r.l. in liquidation 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. in liquidation;
- 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 12 November 2015. They were authorised for publication within the legal terms.

### 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 2015 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 2014 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 51 and 52).

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. Reference should be made to the "Going concern" section of the directors' report for further details.

These condensed interim consolidated financial statements at 30 September 2015 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 2015 are the same as those used in the 2014 annual consolidated financial statements.

As part of the process of preparing these condensed interim consolidated 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 2015**

None.

## 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 Holding GmbH	Riedwiesenstr. 1, Leonberg, Germany	100%	Pininfarina S.p.A.	€	3,100,000
mpx Entwicklung GmbH	Frankfurter Ring 17, Munich, Germany	100%	Pininfarina Deutschland Holding 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..

#### (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 reporting 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	30.09.2015	2015	30.09.2014	2014
US dollar - USD	1.12	1.11	1.26	1.35
Chinese renminbi (yuan) - CNY	7.12	6.96	7.73	8.35

#### (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 operate 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.

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 30.09.2015	Carrying amount at 31.12.2014
	profit or loss	equity					
<b>Assets:</b>							
Equity investments in other companies	-	-		-	252,017	252,017	252,017
Loans and receivables	-	-		265,555	-	265,555	1,769,770
Assets held for trading	16,343,000	-	Level 1	-	-	16,343,000	16,358,515
Trade receivables and other assets	-	-		19,106,927	-	19,106,927	31,285,510
<b>Liabilities:</b>							
Finance lease liabilities	-	-		51,646,112	-	51,646,112	49,373,986
Other loans and borrowings	-	-		36,870,560	-	36,870,560	37,978,251
Trade payables and other liabilities	-	-		15,547,333	-	15,547,333	16,097,681

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 consolidated 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 €4.5 million at 30 September 2015. 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 2015 is as follows:

	<u>30.09.2015</u>	<u>%</u>	<u>31.12.2014</u>	<u>%</u>
- Fixed rate	83,713,231	95%	80,030,341	92%
- Variable rate	4,803,441	5%	7,321,896	8%
<b>Gross financial debt</b>	<b>88,516,672</b>	<b>100%</b>	<b>87,352,237</b>	<b>100%</b>

Due to the new structure of the interest rates on medium to long-term financing that, at variable rates, accounts for 5% 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 €16 million at 30 September 2015, 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:

	<b>30.09.2015</b>	%	<b>31.12.2014</b>	%
Italian government bonds	7,375,024	45.13	6,316,720	38.61
Foreign government or government-guaranteed bonds	349,099	2.14	-	-
Bank and insurance bonds	4,818,831	29.49	3,982,267	24.34
Other bonds	3,140,754	19.22	2,999,316	18.33
Bond funds	659,292	4.02	3,060,212	18.72
<b>Assets held for trading</b>	<b>16,343,000</b>	<b>100.00</b>	<b>16,358,515</b>	<b>100.00</b>

### (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 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:

	<b>Carrying amount 30.09.2015</b>	<b>Contractual cash flows</b>	<b>Of which: due within one year</b>	<b>Of which: due from one to five years</b>	<b>Of which: due after five years</b>
Term financing	32,367,119	37,770,207	3,617,842	34,152,365	-
Finance lease liabilities	51,646,112	60,348,129	5,826,768	54,521,361	-
BNL S.p.A., formerly Fortis Bank	4,503,441	4,503,441	4,503,441	-	-
Other (*)	-	-	-	-	-
<b>Leases and financing</b>	<b>88,516,672</b>	<b>102,621,777</b>	<b>13,948,051</b>	<b>88,673,726</b>	<b>-</b>

The Group holds net cash and cash equivalents and assets held for trading totalling €45.8 million, including €5 million which is restricted, as explained in note 12. Consequently, the Group is not exposed to liquidity risk in the foreseeable future.

#### **(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:

	31.12.2012	31.12.2013	31.12.2014	31.12.2015	31.12.2016	31.12.2017	31.12.2018
Net financial debt < than	74,100,000	55,050,000	57,400,000	51,500,000	41,950,000	24,250,000	30,900,000
EBITDA > than:	n.a.	1,250,000	4,750,000	7,200,000	9,550,000	5,300,000	6,650,000

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

As set out in the directors' report, according to the outlook for 2015, the Group will not reach the 2015 EBITDA level required by the existing Rescheduling Agreement, while the covenant on the net financial position at 31 December 2015 does not pose a problem.

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 2014 annual financial report), the parent had to pay €7.2 million in advance to the tax authorities, including €5.6 million paid directly and €1.6 million by means of loans disbursed to the ultimate parent. Following the discontinuance of the dispute by the tax authorities, the latter returned the advances paid and related accrued interest to the parent on 14 July 2015. Since the tax authorities also returned the advances paid to Pincar S.r.l., it repaid the loan to Pininfarina S.p.A. on 17 July 2015.

## 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 2015 and 2014 is set out below. Amounts are in thousands of Euros.

	Nine months ended 30.09.2015			Nine months ended 30.09.2014		
	Operations	Design & engineering	Total	Operations	Design & engineering	Total
		A			B	
Revenue (Intra-segment revenue)	5,224 (372)	59,171 (3,316)	64,395 (3,688)	5,243 (253)	62,244 (2,583)	67,486 (2,836)
<b>Revenue - third parties</b>	<b>4,852</b>	<b>55,855</b>	<b>60,707</b>	<b>4,990</b>	<b>59,660</b>	<b>64,650</b>
<b>Operating profit (loss)</b>	<b>(8,669)</b>	<b>5,020</b>	<b>(3,649)</b>	<b>(6,524)</b>	<b>9,488</b>	<b>2,964</b>
Net financial expense			(3,968)			(3,412)
Dividends			-			-
Share of profit of equity-accounted investees	-	14	14	-	8	8
<b>Loss before taxes</b>	<b>-</b>	<b>-</b>	<b>(7,603)</b>	<b>-</b>	<b>-</b>	<b>(439)</b>
Income taxes	-	-	(190)	-	-	(249)
<b>Loss from continuing operations</b>	<b>-</b>	<b>-</b>	<b>(7,793)</b>	<b>-</b>	<b>-</b>	<b>(688)</b>
<b>Profit (loss) from discontinued operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Loss for the period</b>	<b>-</b>	<b>-</b>	<b>(7,793)</b>	<b>-</b>	<b>-</b>	<b>(688)</b>
<i>Other information required by IFRS 8:</i>						
- Amortisation and depreciation	(1,381)	(1,158)	(2,539)	(1,437)	(1,071)	(2,508)
- Impairment losses	-	(21)	(21)	-	(15)	(15)
- Provisions/change in accounting estimates	(900)	94	(806)	-	30	30
- Net gains on the sale of non-current assets	-	50	50	705	-	705

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 30.09.2015	Nine months ended 30.09.2014
Italy	15,425	13,130
EU	26,525	31,553
Non-EU countries	13,539	14,199
<b>Revenue from sales and services</b>	<b>55,489</b>	<b>58,882</b>



## NOTES TO THE CAPTIONS

### 1. Property, plant and equipment

The carrying amount of property, plant and equipment at 30 September 2015 decreased to €51.8 million from €52 million at 31 December 2014.

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	52,005,168	13,066,662	76,248,497
Accumulated depreciation and impairment losses	-	(25,613,664)	(4,886,711)	(30,500,375)
<b>Carrying amount at 31 December 2014</b>	<b>11,176,667</b>	<b>26,391,504</b>	<b>8,179,951</b>	<b>45,748,122</b>
Additions	-	340,627	-	340,627
Disposals: Historical cost	-	-	-	-
Disposals: Acc. depreciation and imp. losses	-	-	-	-
Depreciation	-	(674,235)	(268,911)	(943,146)
Impairment losses	-	-	-	-
Reclassifications	-	-	-	-
Other changes	-	-	-	-
<b>Carrying amount at 30 September 2015</b>	<b>11,176,667</b>	<b>26,057,896</b>	<b>7,911,040</b>	<b>45,145,603</b>
<i>of which</i>				
Historical cost	11,176,667	52,345,795	13,066,662	76,589,124
Accumulated depreciation and impairment losses	-	(26,287,899)	(5,155,622)	(31,443,521)

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 €4.5 million at 30 September 2015, which will be settled on 31 December 2015.

Additions of the reporting period mainly relate to the renovation of the Turin building.

	Machinery	Plant	Leased plant and machinery	Total
Historical cost	5,724,275	82,198,994	122,353,360	210,276,630
Accumulated depreciation and impairment losses	(5,569,268)	(77,397,710)	(122,353,360)	(205,320,339)
<b>Carrying amount at 31 December 2014</b>	<b>155,007</b>	<b>4,801,284</b>	<b>-</b>	<b>4,956,291</b>
Additions	303,186	422,189	-	725,375
Disposals: Historical cost	(645,571)	(55,797)	-	(701,368)
Disposals: Acc. depreciation and imp. losses	645,571	55,797	-	701,368
Depreciation	(15,235)	(476,806)	-	(492,041)
Impairment losses	-	-	-	-
Reclassifications	-	-	-	-
Other changes	-	-	-	-
<b>Carrying amount at 30 September 2015</b>	<b>442,958</b>	<b>4,746,667</b>	<b>-</b>	<b>5,189,625</b>

*of which*

Historical cost	5,381,890	82,565,386	122,353,360	210,300,636
Accumulated depreciation and impairment losses	(4,938,932)	(77,818,719)	(122,353,360)	(205,111,011)

Plant and machinery at 30 September 2015 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.

Additions of the period are mainly due to plant installed at the Cambiano facility.

	Furniture and fixtures	Hardware and software	Other assets	Total
Historical cost	2,559,136	5,643,704	700,361	8,903,202
Accumulated depreciation and impairment losses	(2,307,069)	(4,902,786)	(301,969)	(7,511,825)
<b>Carrying amount at 31 December 2014</b>	<b>252,067</b>	<b>740,918</b>	<b>398,392</b>	<b>1,391,377</b>
Additions	51,887	274,468	67,601	393,956
Disposals: Historical cost	-	-	-	-
Disposals: Acc. depreciation and imp. losses	-	-	-	-
Depreciation	(65,830)	(225,176)	(20,213)	(311,219)
Impairment losses	-	-	-	-
Reclassifications	1,583	7,769	3,859	13,211
Other changes	(1,096)	(6,099)	(2,374)	(9,571)
<b>Carrying amount at 30 September 2015</b>	<b>238,611</b>	<b>791,880</b>	<b>447,265</b>	<b>1,477,756</b>

*of which*

Historical cost	2,612,606	5,925,941	771,821	9,310,370
Accumulated depreciation and impairment losses	(2,373,995)	(5,134,062)	(324,556)	(7,832,615)

Additions to furniture and fixtures for the reporting period relate to the German group's new offices. Additions to hardware and software for the reporting period relate to the purchase of IT equipment for technological upgrading.

## 2. Investment property

The Group's investment property consists of buildings owned by Pininfarina Deutschland Holding 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	-	(9,188,894)	(9,188,894)
<b>Carrying amount at 31 December 2014</b>	<b>5,807,378</b>	<b>2,941,353</b>	<b>8,748,731</b>
Additions	-	96,308	96,308
Disposals: Historical cost	-	-	-
Disposals: Acc. depreciation and imp. losses	-	-	-
Depreciation	-	(273,280)	(273,280)
Impairment losses	-	-	-
Reclassifications	-	-	-
Other changes	-	-	-
<b>Carrying amount at 30 September 2015</b>	<b>5,807,378</b>	<b>2,764,381</b>	<b>8,571,759</b>
<i>of which</i>			
Historical cost	5,807,378	12,226,555	18,033,933
Accumulated depreciation and impairment losses	-	(9,462,174)	(9,462,174)

Additions relates to the work performed to bring the fire prevention systems of these buildings into compliance with the relevant laws.

## 3. Intangible assets

The carrying amount of intangible assets at 30 September 2015 decreased to €2.5 million from €2.7 million at 31 December 2014.

	Goodwill	Licences and trademarks	Other assets	Total
Historical cost	1,043,495	5,530,957	2,093,602	8,668,054
Accumulated amortisation and impairment losses	-	(4,010,339)	(1,981,946)	(5,992,285)
<b>Carrying amount at 31 December 2014</b>	<b>1,043,495</b>	<b>1,520,618</b>	<b>111,656</b>	<b>2,675,769</b>
Reclassification of historical cost	-	-	-	-
Reclassification of acc. am. and imp. losses	-	-	-	-
Increase	-	205,983	95,116	301,099
Decrease	-	-	-	-
Decrease: Acc. amortisation and imp. losses	-	-	-	-
Amortisation	-	(467,306)	(52,470)	(519,776)
Impairment losses	-	-	-	-
Reclassifications	-	-	-	-
Other changes	-	-	-	-
<b>Carrying amount at 30 September 2015</b>	<b>1,043,495</b>	<b>1,259,295</b>	<b>154,302</b>	<b>2,457,092</b>
<i>of which</i>				
Historical cost	1,043,495	5,736,940	2,188,718	8,969,153
Accumulated amortisation and impairment losses	-	(4,477,645)	(2,034,416)	(6,512,061)

The increase for the reporting period mainly refers to software development activities and acquisition of licences.

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. 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

##### 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 €14,148. The associate had six employees at the reporting date.

#### 5. Equity investments in other companies

Equity investments in other companies did not change from the previous year end and are as follows:

	<u>30.09.2015</u>	<u>31.12.2014</u>
Midi Plc	251,072	251,072
Idroenergia Soc. Cons. a.r.l.	516	516
Volksbank Region Leonberg	300	300
Unionfidi S.c.r.l.p.A. Turin	129	129
<b>Equity investments in other companies</b>	<b>252,017</b>	<b>252,017</b>

#### 6. Loans and receivables

Changes in loans and receivables are set out below.

	<u>31.12.2014</u>	<u>Increase</u>	<u>Interest income</u>	<u>Collection</u>	<u>30.09.2015</u>
Third parties	-	-	-	-	-
Related parties	1,769,770	-	62,785	(1,567,000)	265,555
<b>Loans and receivables - Non-current portion</b>	<b>1,769,770</b>	<b>-</b>	<b>62,785</b>	<b>(1,567,000)</b>	<b>265,555</b>
Third parties	-	-	-	-	-
Related parties	-	-	-	-	-
<b>Loans and receivables - Current portion</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Loans and receivables</b>	<b>1,769,770</b>	<b>-</b>	<b>62,785</b>	<b>(1,567,000)</b>	<b>265,555</b>

The non-current portion of loans and receivables includes the accrued interest on the loans provided by Pininfarina S.p.A. to the ultimate parent, Pincar S.r.l., and the loan provided by Pininfarina Extra S.r.l. to the associate Goodmind S.r.l. to finance its activities.

The loans to Pincar S.r.l. were provided to cover the costs arising from the tax assessment reports notified in December 2013 and May 2014. In January 2015, the tax authorities informed the ultimate parent of the cancellation of the orders for payment as part of an internal review procedure. In July

2015, Pincar S.r.l. was returned the advances paid and repaid the principal of the loan (€1,567,000) to Pininfarina S.p.A..

Loans to group companies are granted at market interest rates.

## 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 high standing counterparties with a highly reliable market reputation.

## 8. Inventories

Raw materials mainly consist of various materials used for the production of cars and prototypes at the Cambiano facility. Finished goods mainly 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:

	<b>30.09.2015</b>	<b>31.12.2014</b>
Raw materials	621,504	586,280
(Allowance for inventory write-down)	(521,055)	(553,858)
Finished goods	366,224	615,508
(Allowance for inventory write-down)	(77,773)	(339,744)
<b>Inventories</b>	<b>388,900</b>	<b>308,186</b>

	<b>30.09.2015</b>		<b>31.12.2014</b>	
	<b>Allowance for raw material write-down</b>	<b>Allowance for finished goods write-down</b>	<b>Allowance for raw material write-down</b>	<b>Allowance for finished goods write-down</b>
<b>Opening balance</b>	<b>553,858</b>	<b>339,744</b>	<b>553,858</b>	<b>339,744</b>
Additions	-	-	-	-
Utilisations	(32,803)	(261,971)	-	-
Other changes	-	-	-	-
<b>Closing balance</b>	<b>521,055</b>	<b>77,773</b>	<b>553,858</b>	<b>339,744</b>

The allowance for inventory write-down reflects the risk of obsolete and slow-moving items that arose during the phase out of production. Utilisations are due to the scrapping of production materials during the period.

## 9. Contract work in progress

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

The change for the period refers to engineering and styling contracts from customers inside and outside the European Union.

## 10. Trade receivables - related parties

The following table shows trade receivables at 30 September 2015 and 31 December 2014:

	<b>30.09.2015</b>	<b>31.12.2014</b>
Italy	3,404,019	6,193,047
EU	7,606,213	7,992,498
Non-EU countries	3,920,983	2,647,011
(Allowance for impairment)	(945,774)	(949,773)
<b>Third parties</b>	<b>13,985,442</b>	<b>15,882,783</b>
Goodmind S.r.l.	16,045	9,760
<b>Related parties</b>	<b>16,045</b>	<b>9,760</b>
<b>Trade receivables</b>	<b>14,001,487</b>	<b>15,892,543</b>

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. Trade receivables are mostly denominated in Euros.

Changes in the allowance for impairment are set out below:

	<b>30.09.2015</b>	<b>31.12.2014</b>
<b>Opening balance</b>	<b>949,773</b>	<b>1,303,522</b>
Additions	20,525	47,681
Utilisations	(41,749)	(44,503)
Other changes	17,225	(356,927)
<b>Closing balance</b>	<b>945,774</b>	<b>949,773</b>

Utilisations mainly refer to loans and receivables that are no longer deemed recoverable. Other changes for the reporting period were generated by the conversion of the allowance recognised by the subsidiary Pininfarina of America Corp into the reporting currency.

## 11. Other assets

The following table shows other assets at 30 September 2015 and 31 December 2014:

	<b>30.09.2015</b>	<b>31.12.2014</b>
Registration tax	-	5,634,087
VAT	2,330,132	6,033,788
Withholding taxes	1,592,649	1,546,806
Grants for the Program II.3 "Più sviluppo" project	-	1,111,441
Prepayments and accrued income	816,846	776,167
Advances to suppliers	93,782	91,613
Amounts due from INAIL (the Italian Workers' Compensation Authority) and INPS (the Italian social security institution)	68,512	14,568
Amounts due from employees	14,894	17,916
Other	188,623	166,581
<b>Other assets</b>	<b>5,105,440</b>	<b>15,392,967</b>

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

In January 2015, the tax authorities informed Pininfarina S.p.A. of the cancellation of the orders for payment as part of an internal review procedure and returned the advances paid and related accrued interest to the parent on 14 July 2015.

The change in VAT assets is mainly attributable to the recovery of the 2014 VAT asset on 30 July 2015.

Grants for the Program II.3 "Più Sviluppo" project related to the first and second instalments of the forgivable loan for the "AMPERE" industrial research and experimental development project due to the parent from the Piedmont Regional Authorities, which were collected on 8 July 2015.

## 12. Cash and cash equivalents

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

	<b>30.09.2015</b>	<b>31.12.2014</b>
Cash on hand and cash equivalents	13,160	15,850
Short-term bank deposits	29,431,889	24,407,933
<b>Cash and cash equivalents</b>	<b>29,445,049</b>	<b>24,423,783</b>
(Bank overdrafts)	-	-
<b>Net cash and cash equivalents</b>	<b>29,445,049</b>	<b>24,423,783</b>

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 asset to the parent. The surety expires on 26 November 2016.

### 13. Equity

#### (a) Share capital

	30.09.2015		31.12.2014	
	Nominal amount	No.	Nominal amount	No.
Ordinary shares	30,166,652	30,166,652	30,166,652	30,166,652
(Treasury shares)	(15,958)	(15,958)	(15,958)	(15,958)
<b>Share capital</b>	<b>30,150,694</b>	<b>30,150,694</b>	<b>30,150,694</b>	<b>30,150,694</b>

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 agreements signed with the lending institutions, 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 such 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 is available to cover any losses, 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) Losses carried forward

Losses carried forward totalled €11,002,483 at the reporting date, down by €1,262,883 from the 31 December 2014 figure. The decrease includes the loss for 2014 and an increase of €151,453 due to the effect for the period of the adoption of IAS 19 (revised).

The table reconciling the parent's loss and equity as at and for the period ended 30 September 2015 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:

	31.12.2014	2015 repayments	Figurative interest	30.09.2015
Finance lease liabilities	43,547,218	-	2,272,126	45,819,344
Other loans and borrowings	27,338,513	-	1,410,764	28,749,277
<b>Non-current portion</b>	<b>70,885,731</b>	<b>-</b>	<b>3,682,890</b>	<b>74,568,621</b>
Bank overdrafts	-	-	-	-
Finance lease liabilities	5,826,768	-	-	5,826,768
Other loans and borrowings	10,639,738	(2,518,455)	-	8,121,283
<b>Current portion</b>	<b>16,466,506</b>	<b>(2,518,455)</b>	<b>-</b>	<b>13,948,051</b>
<b>Current and non-current portions</b>	<b>87,352,237</b>	<b>(2,518,455)</b>	<b>3,682,890</b>	<b>88,516,672</b>
<i>Of which:</i>				
Finance lease liabilities	49,373,986	-	2,272,126	51,646,112
Other loans and borrowings	37,978,251	(2,518,455)	1,410,764	36,870,560
<b>Leases and financing</b>	<b>87,352,237</b>	<b>(2,518,455)</b>	<b>3,682,890</b>	<b>88,516,672</b>

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:

	31.12.2014	2015 repayments	Figurative interest	30.09.2015
Mediocredito Italiano S.p.A. (formerly Leasint S.p.A.)	10,941,650	-	503,521	11,445,171
MPS Leasing & Factoring S.p.A.	5,470,827	-	251,760	5,722,587
Selmabipiemme Leases S.p.A.	5,470,827	-	251,760	5,722,587
Release S.p.A.	14,705,391	-	676,723	15,382,114
BNP Paribas Leases Solutions S.p.A.	4,697,803	-	216,187	4,913,990
UBI Leasing S.p.A.	2,348,901	-	108,093	2,456,994
Unicredit Leasing S.p.A.	5,738,586	-	264,082	6,002,668
<b>Finance lease liabilities</b>	<b>49,373,986</b>	<b>-</b>	<b>2,272,126</b>	<b>51,646,112</b>
Intesa Sanpaolo S.p.A.	8,472,390	-	389,888	8,862,278
Intesa Sanpaolo S.p.A. (former operating line)	2,394,107	-	110,173	2,504,279
Banco Popolare Soc. Coop. (formerly Banca Italease S.p.A.)	635,432	-	29,242	664,674
UniCredit S.p.A.	6,904,730	-	317,747	7,222,477
Banca Nazionale del Lavoro S.p.A.	1,283,697	-	59,074	1,342,771
Banca Regionale Europea S.p.A.	3,530,163	-	162,453	3,692,616
Banca Regionale Europea S.p.A. (former operating line)	1,596,071	-	73,449	1,669,520
Banco Popolare Soc. Coop.	2,647,625	-	121,840	2,769,465
Banco Popolare Soc. Coop. (former operating line)	1,197,054	-	55,087	1,252,141
Banca Monte dei Paschi di Siena S.p.A. (former operating line)	1,995,086	-	91,811	2,086,897
Volksbank Region Leonberg (GER)	300,000	-	-	300,000
<b>Loans and borrowings</b>	<b>30,956,355</b>	<b>-</b>	<b>1,410,764</b>	<b>32,367,119</b>
Banca Nazionale del Lavoro S.p.A. (formerly Fortis Bank)	7,021,896	(2,518,455)	-	4,503,441
<b>Leases and financing</b>	<b>87,352,237</b>	<b>(2,518,455)</b>	<b>3,682,890</b>	<b>88,516,672</b>

### 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 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 €4.5 million that will be settled on 31 December 2015.

### Other information

The €300,000 loan is due to Volksbank Region Leonberg (GER) by Pininfarina Deutschland, which is the only subsidiary 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>30.09.2015</u>	<u>31.12.2014</u>
Third parties	9,725,794	8,922,775
Related parties	13,901	45,040
Advances for contract work in progress	2,835,577	3,277,786
<b>Trade payables</b>	<b>12,575,272</b>	<b>12,245,601</b>

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 €1.3 million for progress billing exceeding the stage of completion of the styling and engineering contracts.

Details of the balance with related parties is provided in the Other information section on page 50.

### (b) Other financial liabilities

	<u>30.09.2015</u>	<u>31.12.2014</u>
Wages and salaries payable	2,688,526	2,582,299
Social security charges payable	687,757	1,280,181
Other	1,581,798	1,864,090
<b>Other financial liabilities</b>	<b>4,958,081</b>	<b>5,726,570</b>

### (c) Other liabilities

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

## 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:

	<u>31.12.2014</u>	<u>Additions</u>	<u>Utilisations</u>	<u>Other changes</u>	<u>30.09.2015</u>
Provision for product warranty	58,650	-	(3,145)	-	55,505
Restructuring provision	442,615	900,000	(304,437)	-	1,038,178
Other provisions	345,323	5,698	(200,258)	(37,224)	113,539
<b>Provisions for risks and charges</b>	<b>846,588</b>	<b>905,698</b>	<b>(507,840)</b>	<b>(37,224)</b>	<b>1,207,222</b>

The restructuring provision was increased by the accrual made by the parent to cover the a redundancy programme involving 14 employees and is the best estimate of the related liability at the reporting date.

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

Other provisions reflect the estimated liabilities that may arise from losses to complete styling and engineering contracts, potential disputes with former employees and environmental risks. Additions, utilisations and other changes mainly show the effects of the measurement of losses to complete long-term contracts.

## **(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 was 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).

In January 2015, the tax authorities informed Pininfarina S.p.A. of the cancellation of the orders for payment as part of an internal review procedure and returned the advances paid and related accrued interest to the parent on 14 July 2015.

### **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:

	<b>30.09.2015</b>	<b>31.12.2014</b>
Deferred tax assets	1,076,584	1,036,457
Deferred tax liabilities	(2,476)	(2,476)
<b>Net deferred tax assets</b>	<b>1,074,108</b>	<b>1,033,981</b>

The net deferred tax assets shown in the condensed interim consolidated financial statements mainly refer to the German companies. They reflect the recoverable portion of the tax loss carryforwards. The remainder relates to the Pininfarina Extra Group due to temporary differences for the reporting period.

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:

	<b>Nine months ended 30.09.2015</b>	<b>Nine months ended 30.09.2014</b>
Income taxes	(181,551)	(3,536)
IRAP (Regional tax on production activities)	(37,817)	(321,602)
Release of/(addition to) prior period provision	(13,918)	5,227
<b>Current taxes</b>	<b>(233,286)</b>	<b>(319,911)</b>
Change in deferred tax assets	43,027	70,245
Change in deferred tax liabilities	-	-
<b>Net deferred tax income</b>	<b>43,027</b>	<b>70,245</b>
<b>Income taxes</b>	<b>(190,259)</b>	<b>(249,666)</b>

Income taxes refer to the subsidiary Pininfarina of America Corp.. IRAP refers to Pininfarina Extra S.r.l..

**18. Revenue from sales and services**

	<b>Nine months ended 30.09.2015</b>	<b>Nine months ended 30.09.2014</b>
Sales - Italy	818,648	949,890
Sales - EU	979,304	3,710,170
Sales - Non-EU countries	144,754	2,190,288
Services - Italy	14,606,076	12,180,456
Services - EU	25,545,536	27,842,503
Services - Non-EU countries	13,394,253	12,008,373
<b>Revenue from sales and services</b>	<b>55,488,571</b>	<b>58,881,680</b>

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

Segment reporting is provided on page 32.

## 19. Other revenue and income

	Nine months ended 30.09.2015	Nine months ended 30.09.2014
Lease income	2,665,428	2,682,057
Prior period income	72,384	27,766
Royalties	737,500	550,717
Rebilling	204,646	105,962
Grants relating to income	126,003	9,692
Sundry	33,814	26,354
<b>Other revenue and income</b>	<b>3,892,963</b>	<b>3,404,072</b>

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 Holding 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.

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

This caption shows the gain recognised by the parent on the sale of machinery.

## 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 30.09.2015	Nine months ended 30.09.2014
Wages and salaries	(28,050,893)	(28,883,538)
Social security contributions	(6,488,822)	(6,941,584)
Independent contractors	-	-
Utilisation of restructuring and other provisions	304,437	1,718,840
<b>Blue collars, white collars and managers</b>	<b>(34,235,278)</b>	<b>(34,106,282)</b>
<b>Post-employment benefits - defined contribution plan</b>	<b>(927,563)</b>	<b>(1,063,792)</b>
<b>Wages, salaries and employee benefits</b>	<b>(35,162,841)</b>	<b>(35,170,074)</b>

Utilisations of the restructuring provision includes amounts paid to employees who left during the period.

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 2015 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:

	30.09.2015		30.09.2014	
	reporting date	average	reporting date	average
Managers	25	25	23	22
White collars	596	609	626	646
Blue collars	31	31	33	46
<b>Total</b>	<b>652</b>	<b>665</b>	<b>682</b>	<b>714</b>

The business lease to a third party, which expires on 31 December 2016, includes the transfer of 50 employment contracts (52 at 31 December 2014).

#### 24. Additions to/utilisation of provisions and impairment losses

	Nine months ended 30.09.2015	Nine months ended 30.09.2014
Net impairment losses on loans and receivables	(20,525)	(14,927)
Revised estimate of the allowance for impairment	-	-
Additions to provisions for risks and charges	(905,698)	-
Utilisation and revised estimates of provisions for risks and charges	99,231	29,676
<b>Additions to/utilisation of provisions and impairment losses</b>	<b>(826,992)</b>	<b>14,749</b>

Reference should be made to note 10 for details of the allowance for impairment.

Utilisation and revised estimates of provisions for risks and charges include the utilisation and revised estimates of the provision for losses to complete contracts.

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

## 25. Other expenses

	Nine months ended 30.09.2015	Nine months ended 30.09.2014
Travel expenses	(1,832,475)	(1,578,668)
Leases	(1,795,402)	(1,622,151)
Directors' and statutory auditors' fees	(841,190)	(833,273)
Consulting and other services	(3,166,248)	(2,111,589)
Other personnel costs	(560,196)	(643,616)
Postal expenses	(349,117)	(322,604)
Cleaning and waste disposal services	(200,491)	(171,899)
Advertising	(484,332)	(344,260)
Indirect taxes	(574,676)	(545,923)
Insurance	(456,335)	(419,354)
Membership fees	(84,826)	(78,268)
Prior period expense	(5,264)	(19,291)
General services and other expenses	(751,226)	(573,154)
<b>Other expenses</b>	<b>(11,101,779)</b>	<b>(9,264,050)</b>

Travel expenses mainly include costs incurred for the transfer to Germany of personnel dedicated to the BMW contract.

Consulting and other services include legal expenses and IT consultancy fees.

General services and other expenses include costs for general services, guarantees and settlements in court.

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 30.09.2015	Nine months ended 30.09.2014
Bank interest and expense	(320,451)	(404,614)
Lease interest expense	(2,386,318)	(2,512,774)
Interest expense on loans and financing	(1,531,889)	(1,670,136)
<b>Financial expense</b>	<b>(4,238,658)</b>	<b>(4,587,524)</b>
Bank interest income	73,583	199,456
Fair value gains on assets held for trading	37,766	927,764
Interest income on loans and receivables - third parties	96,083	-
Interest income on loans and receivables - related parties	62,785	49,589
<b>Financial income</b>	<b>270,217</b>	<b>1,176,809</b>
<b>Net financial expense</b>	<b>(3,968,441)</b>	<b>(3,410,715)</b>



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

Lease interest expense of €2,386,316 shows the effect of amortised-cost accounting (€2,272,126) and interest paid under the new Agreement (€114,192).

Interest expense on loans and financing of €1,531,889 comprises the effect of amortised-cost accounting (€1,410,764), interest accrued on the loan due to Banca Nazionale del Lavoro (formerly Fortis Bank) (€48,780) and interest accrued under the new Agreement (€71,037). 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 2015.

Bank interest income accrued on the current account positive balances.

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

Interest income on loans and receivables - third parties relate to the reimbursement of the registration tax collected by the parent.

Interest income on loans and receivables - related parties of €62,785 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..

## OTHER INFORMATION

### Events after the reporting period

Reference should be made to the relevant section of the directors' report for information about 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. in liquidation	-	-	132,565	-	-	-	59,795	-
Goodmind S.r.l.	16,045	13,901	132,990	-	26,849	32,224	2,990	-
<b>Total</b>	<b>16,045</b>	<b>13,901</b>	<b>265,555</b>	<b>-</b>	<b>26,849</b>	<b>32,224</b>	<b>62,785</b>	<b>-</b>

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 €317,882;
- Pantheon Italia S.r.l., related to the director Roberto Testore, provided commercial assistance for total fees of €30,070;
- Giovanni Pininfarina, son of the chairman of the Board of Directors, Paolo Pininfarina, provided commercial assistance for total fees of €2,100.

## 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 tables:

	30.09.2015	30.09.2015 net of significant non- recurring transactions
Property, plant and equipment	51,812,984	51,812,984
Investment property	8,571,759	8,571,759
Intangible assets	2,457,092	2,457,092
Equity investments	324,888	324,888
Deferred tax assets	1,076,584	1,076,584
Non-current financial assets	265,555	132,990
<b>NON-CURRENT ASSETS</b>	<b>64,508,862</b>	<b>64,376,297</b>
Inventories	388,900	388,900
Contract work in progress	4,648,419	4,648,419
Current financial assets	16,343,000	16,343,000
Derivatives	-	-
Trade receivables and other assets	19,106,927	19,106,927
Cash and cash equivalents	29,445,049	29,445,049
<b>CURRENT ASSETS</b>	<b>69,932,295</b>	<b>69,932,295</b>
<b>Assets held for sale</b>	-	-
<b>TOTAL ASSETS</b>	<b>134,441,157</b>	<b>134,308,592</b>
Share capital and reserves	28,092,955	28,020,185
Loss from continuing operations	(7,792,915)	(7,852,710)
<b>EQUITY</b>	<b>20,300,040</b>	<b>20,167,475</b>
Non-current loans and borrowings	74,568,621	74,568,621
Deferred tax liabilities	2,476	2,476
Post-employment benefits and other provisions	4,872,123	4,872,123
<b>NON-CURRENT LIABILITIES</b>	<b>79,443,220</b>	<b>79,443,220</b>
Current loans and borrowings	13,948,051	13,948,051
Other financial liabilities	4,958,081	4,958,081
Trade payables	12,575,272	12,575,272
Current tax liabilities	619,008	619,008
Provisions for risks and charges	1,207,222	1,207,222
Other liabilities	1,390,263	1,390,263
<b>CURRENT LIABILITIES</b>	<b>34,697,897</b>	<b>34,697,897</b>
Liabilities associated with non-current assets held for sale	-	-
<b>TOTAL LIABILITIES</b>	<b>114,141,117</b>	<b>114,141,117</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>134,441,157</b>	<b>134,308,592</b>

	Nine months ended 30.09.2015	Nine months ended 30.09.2015 net of significant non- recurring transactions
Revenue from sales and services	55,488,571	55,488,571
Internal work capitalised	-	-
Change in finished goods and contract work in progress	1,325,270	1,325,270
Other revenue and income	3,892,963	3,892,963
<b>REVENUE</b>	<b>60,706,804</b>	<b>60,706,804</b>
Net gains on sale of non-current assets and equity investments	50,014	50,014
Raw materials and consumables	(5,686,818)	(5,686,818)
Other variable production costs	(1,635,691)	(1,635,691)
External variable engineering services	(7,481,705)	(7,481,705)
Wages, salaries and employee benefits	(35,162,841)	(35,162,841)
Amortisation and depreciation, impairment losses and provisions	(3,366,454)	(3,366,454)
Net exchange rate gains	30,107	30,107
Other expenses	(11,101,779)	(11,101,779)
<b>OPERATING LOSS</b>	<b>(3,648,363)</b>	<b>(3,648,363)</b>
Net financial expense	(3,968,441)	(4,028,236)
Dividends	-	-
Share of profit of equity-accounted investees	14,148	14,148
<b>LOSS BEFORE TAXES</b>	<b>(7,602,656)</b>	<b>(7,662,451)</b>
Income taxes	(190,259)	(190,259)
<b>LOSS FOR THE PERIOD</b>	<b>(7,792,915)</b>	<b>(7,852,710)</b>

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

- Loan to the ultimate parent, Pincar S.r.l., disbursed in 2014, solely for the portion relating to accrued interest as the principal has been repaid, as mentioned earlier.

### Atypical and unusual transactions

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

**Pininfarina S.p.A.**

**Interim separate financial statements  
as at and for the nine months ended 30 September 2015**

## Statement of financial position

	<u>30.09.2015</u>	<u>31.12.2014</u>
Land and buildings	45,145,603	45,748,122
Land	11,176,667	11,176,667
Buildings	26,057,896	26,391,504
Leased property	7,911,040	8,179,951
Plant and machinery	5,169,510	4,925,864
Machinery	442,958	155,007
Plant	4,726,552	4,770,857
Leased machinery and equipment	-	-
Furniture, fixtures and other assets	869,987	972,844
Furniture and fixtures	21,314	29,343
Hardware and software	484,446	562,642
Other assets, including vehicles	364,227	380,859
Assets under construction	-	-
<b>Property, plant and equipment</b>	<b>51,185,100</b>	<b>51,646,830</b>
<b>Investment property</b>		
Goodwill	-	-
Licences and trademarks	972,239	1,102,263
Other	-	-
<b>Intangible assets</b>	<b>972,239</b>	<b>1,102,263</b>
Subsidiaries	21,577,447	21,577,447
Associates	-	-
Joint ventures	-	-
Other companies	645	645
<b>Equity investments</b>	<b>21,578,092</b>	<b>21,578,092</b>
<b>Deferred tax assets</b>	-	-
Held-to-maturity investments	-	-
Loans and receivables	2,030,829	4,265,466
Third parties	-	-
Related parties	2,030,829	4,265,466
Available-for-sale financial assets	-	-
<b>Non-current financial assets</b>	<b>2,030,829</b>	<b>4,265,466</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>75,766,260</b>	<b>78,592,651</b>
Raw materials	100,449	32,422
Work in progress	-	-
Finished goods	150,230	162,594
<b>Inventories</b>	<b>250,679</b>	<b>195,016</b>
<b>Contract work in progress</b>	<b>3,137,626</b>	<b>3,138,000</b>
Assets held for trading	16,343,000	16,358,515
Loans and receivables	-	-
Third parties	-	-
Related parties	-	-
Available-for-sale financial assets	-	-
<b>Current financial assets</b>	<b>16,343,000</b>	<b>16,358,515</b>
<b>Derivatives</b>	-	-
Trade receivables	6,181,053	9,616,399
Third parties	5,318,817	9,134,242
Related parties	862,236	482,157
Other assets	4,199,246	14,895,521
<b>Trade receivables and other assets</b>	<b>10,380,299</b>	<b>24,511,920</b>
Cash on hand and cash equivalents	439	909
Short-term bank deposits	22,664,871	16,615,264
<b>Cash and cash equivalents</b>	<b>22,665,310</b>	<b>16,616,173</b>
<b>TOTAL CURRENT ASSETS</b>	<b>52,776,914</b>	<b>60,819,624</b>
<b>Assets held for sale</b>	-	-
<b>TOTAL ASSETS</b>	<b>128,543,174</b>	<b>139,412,275</b>

## Statement of financial position

	30.09.2015	31.12.2014
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
Losses carried forward	(10,007,844)	(7,164,992)
Loss for the period/year	(8,424,992)	(2,971,795)
<b>EQUITY</b>	<b>20,573,094</b>	<b>28,869,143</b>
Finance lease liabilities	45,819,344	43,547,218
Other loans and borrowings	28,449,277	27,038,513
Third parties	28,449,277	27,038,513
Related parties	-	-
<b>Non-current loans and borrowings</b>	<b>74,268,621</b>	<b>70,585,731</b>
<b>Deferred tax liabilities</b>	<b>-</b>	<b>-</b>
Italian post-employment benefits	4,297,927	4,711,478
Other	-	-
<b>Post-employment benefits</b>	<b>4,297,927</b>	<b>4,711,478</b>
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>78,566,548</b>	<b>75,297,209</b>
Bank overdrafts	-	-
Finance lease liabilities	5,826,768	5,826,768
Other loans and borrowings	8,293,531	10,937,319
Third parties	8,121,283	10,639,738
Related parties	172,248	297,581
<b>Current loans and borrowings</b>	<b>14,120,299</b>	<b>16,764,087</b>
Wages and salaries payable	1,661,170	1,819,945
Social security charges payable	488,455	1,004,607
Other	972,775	1,550,299
<b>Other financial liabilities</b>	<b>3,122,400</b>	<b>4,374,851</b>
Third parties	7,819,757	7,725,254
Related parties	196,177	924,042
Advances for contract work in progress	2,187,677	2,734,251
<b>Trade payables</b>	<b>10,203,611</b>	<b>11,383,547</b>
Direct tax liabilities	-	-
Other tax liabilities	-	376,850
<b>Current tax liabilities</b>	<b>-</b>	<b>376,850</b>
<b>Derivatives</b>	<b>-</b>	<b>-</b>
Provision for product warranty	55,505	58,650
Restructuring provision	1,038,178	442,615
Other provisions	113,539	345,323
<b>Provisions for risks and charges</b>	<b>1,207,222</b>	<b>846,588</b>
<b>Other liabilities</b>	<b>750,000</b>	<b>1,500,000</b>
<b>TOTAL CURRENT LIABILITIES</b>	<b>29,403,532</b>	<b>35,245,923</b>
<b>TOTAL LIABILITIES</b>	<b>107,970,080</b>	<b>110,543,132</b>
Liabilities associated with assets held for sale	-	-
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>128,543,174</b>	<b>139,412,275</b>

Pursuant to Consob resolution no. 15519 of 27 July 2006, an ad hoc statement of financial position showing related party transactions has not been prepared as these are already shown in the interim separate financial statements schedules. As for transactions with other related parties, such as directors and statutory auditors, "Other liabilities" include accrued fees for the period of €178,516.

## Income statement

	Nine months ended 30.09.2015	<i>Of which: related parties</i>	Nine months ended 30.09.2014	<i>Of which: related parties</i>
Revenue from sales and services	30,051,462	978,538	35,684,746	367,380
Internal work capitalised	-	-	-	-
Change in inventories and contract work in progress	(12,738)	-	1,294,762	-
Change in contract work in progress	(374)	-	1,225,442	-
Change in finished goods and work in progress	(12,364)	-	69,320	-
Other revenue and income	3,240,618	24,000	2,842,060	18,000
<b>Revenue</b>	<b>33,279,342</b>	<b>1,002,538</b>	<b>39,821,568</b>	<b>385,380</b>
<b>Gains on sale of non-current assets and equity investments</b>	<b>50,000</b>	<b>-</b>	<b>705,228</b>	<b>-</b>
<i>Gain on sale of equity investments</i>	-	-	-	-
Raw materials and components	(5,617,130)	-	(5,792,408)	-
Change in raw materials	68,027	-	(563,120)	-
Inventory write-downs	-	-	-	-
<b>Raw materials and consumables</b>	<b>(5,549,103)</b>	<b>-</b>	<b>(6,355,528)</b>	<b>-</b>
Consumables	(506,335)	-	(714,886)	-
External maintenance	(759,080)	-	(608,954)	-
<b>Other variable production costs</b>	<b>(1,265,415)</b>	<b>-</b>	<b>(1,323,840)</b>	<b>-</b>
<b>External variable engineering services</b>	<b>(5,706,828)</b>	<b>(2,709,750)</b>	<b>(6,612,671)</b>	<b>(2,462,102)</b>
Blue collars, white collars and managers	(15,965,984)	-	(16,114,333)	-
Independent contractors and temporary workers	-	-	-	-
Social security contributions and other post-employment benefits	(848,730)	-	(993,309)	-
<b>Wages, salaries and employee benefits</b>	<b>(16,814,714)</b>	<b>-</b>	<b>(17,107,642)</b>	<b>-</b>
Depreciation of property, plant and equipment and investment property	(1,599,440)	-	(1,645,122)	-
Amortisation of intangible assets	(280,688)	-	(253,018)	-
Losses on sale of non-current assets and equity investments	-	-	-	-
(Additions to)/utilisation of provisions and impairment losses	(806,467)	-	29,676	-
<b>Amortisation, depreciation and impairment losses</b>	<b>(2,686,595)</b>	<b>-</b>	<b>(1,868,464)</b>	<b>-</b>
<b>Net exchange rate gains</b>	<b>862</b>	<b>-</b>	<b>2,426</b>	<b>-</b>
<b>Other expenses</b>	<b>(6,912,572)</b>	<b>-</b>	<b>(6,042,199)</b>	<b>-</b>
<b>Operating loss</b>	<b>(5,605,023)</b>	<b>(1,707,212)</b>	<b>1,218,878</b>	<b>(2,076,722)</b>
<b>Net financial expense</b>	<b>(3,954,564)</b>	<b>76,998</b>	<b>(3,430,211)</b>	<b>73,067</b>
<b>Dividends</b>	<b>1,001,040</b>	<b>1,001,040</b>	<b>1,001,040</b>	<b>1,001,040</b>
<b>Loss before taxes</b>	<b>(8,558,547)</b>	<b>(629,174)</b>	<b>(1,210,293)</b>	<b>(1,002,615)</b>
<b>Income taxes</b>	<b>133,555</b>	<b>-</b>	<b>124,451</b>	<b>-</b>
<b>Loss for the period</b>	<b>(8,424,992)</b>	<b>(629,174)</b>	<b>(1,085,842)</b>	<b>(1,002,615)</b>



### Statement of comprehensive income

	Nine months ended 30.09.2015	Nine months ended 30.09.2014
<b>Loss for the period</b>	<b>(8,424,992)</b>	<b>(1,085,842)</b>
<b>Other comprehensive income:</b>		
<b>Items that will not be reclassified to profit or loss:</b>		
- Actuarial gains on defined benefit plans - IAS 19	128,943	4,600
- Income taxes	-	-
- Other	-	-
<b>Total items of other comprehensive income that will not be reclassified to profit or loss, net of tax effect:</b>	<b>128,943</b>	<b>4,600</b>
Items that will or may be subsequently reclassified to profit or loss:		
- Gains (losses) from translation of financial statements of foreign operations - IAS 21	-	-
- Other	-	-
<b>Total items of other comprehensive income that will be subsequently reclassified to profit or loss, net of tax effect:</b>	<b>-</b>	<b>-</b>
<b>Total other comprehensive income, net of tax effect</b>	<b>128,943</b>	<b>4,600</b>
<b>Comprehensive expense</b>	<b>(8,296,049)</b>	<b>(1,081,242)</b>

Pursuant to Consob resolution no. 15519 of 27 July 2006, the effects of related party transactions on the income statement of Pininfarina S.p.A. are shown in the table provided above and in the "Other Information" section of the notes.

**Reclassified income statement**  
(€'000)

	Nine months ended					2014
	30.09.2015	%	30.09.2014	%	Variation	
Revenue from sales and services	30,051	90.30	35,685	89.61	(5,634)	51,228
Change in inventories and contract work in progress	(13)	( 0.04)	1,295	3.25	(1,308)	(2,316)
Other revenue and income	3,241	9.74	2,842	7.14	399	3,933
Internal work capitalised	-	-	-	-	-	-
<b>Value of production</b>	<b>33,279</b>	<b>100.00</b>	<b>39,822</b>	<b>100.00</b>	<b>(6,543)</b>	<b>52,845</b>
<b>Net gains on the sale of non-current assets</b>	<b>50</b>	<b>0.15</b>	<b>705</b>	<b>1.77</b>	<b>( 655)</b>	<b>705</b>
Materials and services (*)	(19,501)	(58.60)	(19,769)	(49.64)	268	(26,342)
Change in raw materials	68	0.20	(563)	(1.41)	631	(622)
<b>Value added</b>	<b>13,896</b>	<b>41.75</b>	<b>20,195</b>	<b>50.71</b>	<b>(6,299)</b>	<b>26,586</b>
Labour cost (**)	(16,815)	(50.53)	(17,108)	(42.96)	293	(23,797)
<b>EBITDA</b>	<b>(2,919)</b>	<b>(8.78)</b>	<b>3,087</b>	<b>7.75</b>	<b>(6,006)</b>	<b>2,789</b>
Amortisation and depreciation	(1,880)	(5.65)	(1,898)	(4.77)	18	(2,518)
(Additions to)/utilisation of provisions and impairment losses	(806)	(2.42)	30	0.08	(836)	311
<b>EBIT</b>	<b>(5,605)</b>	<b>(16.85)</b>	<b>1,219</b>	<b>3.06</b>	<b>(6,824)</b>	<b>582</b>
Net financial expense	(2,954)	(8.87)	( 2,429)	(6.10)	(525)	(3,771)
<b>Loss before taxes</b>	<b>(8,559)</b>	<b>(25.72)</b>	<b>(1,210)</b>	<b>(3.04)</b>	<b>(7,349)</b>	<b>(3,189)</b>
Income taxes	134	0.40	124	0.31	10	217
<b>Loss for the period/year</b>	<b>(8,425)</b>	<b>(25.32)</b>	<b>(1,086)</b>	<b>(2.73)</b>	<b>(7,339)</b>	<b>(2,972)</b>

(\*) **Materials and services** are net of utilisations of the provisions for product warranty and risks (€57 thousand and €141 thousand for the first nine months of 2014 and 2015, respectively).

(\*\*) **Labour cost** is net of utilisations of the restructuring and other provisions (€1,719 thousand and €304 thousand for the first nine months of 2014 and 2015, respectively).

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

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

**Reclassified statement of financial position**  
(€'000)

	30.09.2015	31.12.2014	Variation	30.09.2014
<b>Net non-current assets (A)</b>				
Net intangible assets	972	1,102	(130)	1,013
Net property, plant and equipment and investment property	51,185	51,647	(462)	52,124
Equity investments	21,578	21,578	-	21,578
<b>Total A</b>	<b>73,735</b>	<b>74,327</b>	<b>(592)</b>	<b>74,715</b>
<b>Working capital (B)</b>				
Inventories	3,388	3,333	55	7,002
Net trade receivables and other assets	10,380	24,512	(14,132)	20,706
Trade payables	(10,204)	(11,384)	1,180	(11,105)
Provisions for risks and charges	(1,207)	(847)	(360)	(893)
Other liabilities	(3,871)	(6,250)	2,379	(4,893)
<b>Total B</b>	<b>(1,514)</b>	<b>9,364</b>	<b>(10,878)</b>	<b>10,817</b>
<b>Net invested capital (C=A+B)</b>	<b>72,221</b>	<b>83,691</b>	<b>(11,470)</b>	<b>85,532</b>
<b>Post-employment benefits (D)</b>	<b>4,298</b>	<b>4,711</b>	<b>(413)</b>	<b>4,657</b>
<b>Net capital requirements (E=C-D)</b>	<b>67,923</b>	<b>78,980</b>	<b>(11,057)</b>	<b>80,875</b>
<b>Equity (F)</b>	<b>20,573</b>	<b>28,869</b>	<b>(8,296)</b>	<b>31,040</b>
<b>Net financial debt (G)</b>				
Non-current loans and borrowings	72,238	66,321	5,917	78,937
Net current financial position	(24,888)	(16,210)	(8,678)	(29,102)
<b>Total G</b>	<b>47,350</b>	<b>50,111</b>	<b>(2,761)</b>	<b>49,835</b>
<b>Total as in E (H=F+G)</b>	<b>67,923</b>	<b>78,980</b>	<b>(11,057)</b>	<b>80,875</b>

**Net financial debt**  
(€'000)

	30.09.2015	31.12.2014	Variation	30.09.2014
Cash and cash equivalents	22,665	16,616	6,049	13,049
Current assets held for trading	16,343	16,359	(16)	30,799
Current loans and receivables	-	-	-	-
Loan assets - related parties	-	-	-	-
Current bank overdrafts	-	-	-	-
Current finance lease liabilities	(5,827)	(5,827)	-	(5,827)
Loans and borrowings - related parties	(172)	(298)	126	(264)
Current portion of bank loans and borrowings	(8,121)	(10,640)	2,519	(8,655)
<b>Net current financial position</b>	<b>24,888</b>	<b>16,210</b>	<b>8,678</b>	<b>29,102</b>
Non-current loans and receivables - third parties	-	-	-	-
Non-current loans and receivables - related parties	2,031	4,265	(2,234)	4,265
Non-current held-to-maturity investments	-	-	-	-
Non-current finance lease liabilities	(45,820)	(43,547)	(2,273)	(48,552)
Non-current bank loans and borrowings	(28,449)	(27,039)	(1,410)	(34,650)
<b>Non-current loans and borrowings</b>	<b>(72,238)</b>	<b>(66,321)</b>	<b>(5,917)</b>	<b>(78,937)</b>
<b>NET FINANCIAL DEBT</b>	<b>(47,350)</b>	<b>(50,111)</b>	<b>2,761</b>	<b>(49,835)</b>

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

### Statement of changes in equity

	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)
<b>EQUITY</b>	<b>32,120,861</b>	<b>(1,081,242)</b>	<b>-</b>	<b>31,039,619</b>

	31.12.2014	Comprehensive expense	Allocation of prior year loss	30.09.2015
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
Losses carried forward	(7,164,992)	128,943	(2,971,795)	(10,007,844)
Loss for the period/year	(2,971,795)	(8,424,992)	2,971,795	(8,424,992)
<b>EQUITY</b>	<b>28,869,143</b>	<b>(8,296,049)</b>	<b>-</b>	<b>20,573,094</b>

## Statement of cash flows

	Nine months ended 30.09.2015	Nine months ended 30.09.2014
<b>Loss for the period</b>	<b>(8,424,992)</b>	<b>(1,085,842)</b>
<i>Adjustments:</i>		
- Income taxes	(134,106)	(118,161)
- Depreciation of property, plant and equipment and investment property	1,599,439	1,645,122
- Amortisation of intangible assets	280,688	253,018
- Impairment losses, provisions and change in accounting estimates	(218,746)	(3,772,764)
- Gains on the sale of non-current assets	(50,000)	(705,228)
- Financial expense	4,226,664	4,575,014
- Financial income	(272,100)	(1,144,802)
- Dividends received	(1,001,040)	(1,001,040)
- Other adjustments	37,766	923,164
<b>Total adjustments</b>	<b>4,468,565</b>	<b>654,324</b>
<i>Change in working capital:</i>		
- Decrease in inventories	239,109	493,800
- (Increase)/decrease in contract work in progress	374	(1,225,442)
- (Increase)/decrease in trade receivables and other assets	14,511,700	(4,365,894)
- Increase in trade receivables - related parties	(380,079)	(85,417)
- Decrease in trade payables, other financial liabilities and other liabilities	(1,907,948)	(181,092)
- Decrease in trade payables - related parties	(727,865)	(374,120)
- Decrease in advances for contract work in progress and deferred income	(546,574)	(1,590,286)
- Other changes	-	-
<b>Total changes in working capital</b>	<b>11,188,717</b>	<b>(7,328,451)</b>
<b>Gross cash flows from (used in) operating activities</b>	<b>7,232,290</b>	<b>(7,759,969)</b>
- Financial expense	(543,774)	(705,022)
- Income taxes	(391,008)	-
<b>NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>	<b>6,297,508</b>	<b>(8,464,991)</b>
- Purchases of non-current assets and equity investments	(1,288,373)	(659,167)
- Proceeds from the sale of non-current assets and equity investments	50,000	814,102
- Increase in loans and receivables - third parties	-	-
- Increase in loans and receivables - related parties	-	(1,567,000)
- Repayment of loans and receivables - third parties	-	-
- Repayment of loans and receivables - related parties	2,459,899	744,367
- Proceeds from the sale of current assets held for trading	15,515	11,152,914
- Financial income	157,336	143,971
- Dividends collected	1,001,040	1,001,040
- Other changes	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>2,395,417</b>	<b>11,630,227</b>
- 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	-	-
- 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	(125,333)	-
- Dividends paid	-	-
- Other changes	-	4,600
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>	<b>(2,643,788)</b>	<b>(2,513,855)</b>
<b>TOTAL CASH FLOWS</b>	<b>6,049,137</b>	<b>651,381</b>
Opening net cash and cash equivalents	16,616,173	12,397,788
<b>Closing net cash and cash equivalents</b>	<b>22,665,310</b>	<b>13,049,169</b>
<i>Of which:</i>		
- Cash and cash equivalents	22,665,310	13,049,169
- Bank overdrafts	-	-

Pursuant to Consob resolution no. 15519 of 27 July 2006, the effects of related party transactions are shown in the "Other information" section of the notes.

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, actuarial gains arising from the actuarial valuation required by IAS 19 have been reclassified from "other changes" in cash flows used in financing activities to "other adjustments".

## OTHER INFORMATION

### Events after the reporting period

Reference should be made to the relevant section of the directors' report on the interim consolidated financial statements for information about 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. in liquidation	-	-	132,565	-	-	-	59,795	-
Pininfarina Extra S.r.l.	65,079	10,542	148,264	172,248	392,075	27,227	1,001,040	-
Goodmind S.r.l.	-	-	-	-	24,000	-	-	-
Pininfarina Deutschland Holding GmbH	-	-	-	-	-	-	996	-
mpx Entwicklung GmbH Monaco	-	185,635	1,750,000	-	-	2,567,163	16,207	-
Pininfarina Automotive Engineering (Shanghai) Co Ltd	797,157	-	-	-	586,463	115,360	-	-
<b>Total</b>	<b>862,236</b>	<b>196,177</b>	<b>2,030,829</b>	<b>172,248</b>	<b>1,002,538</b>	<b>2,709,750</b>	<b>1,078,038</b>	<b>-</b>

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 company for total fees of €317,882 and Pantheon Italia S.r.l., related to the director Roberto Testore, provided commercial assistance for total fees of €30,070.

### Fees to directors, statutory auditors and key management personnel:

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

(€'000)	<u>Nine months ended 30.09.2015</u>	<u>Nine months ended 30.09.2014</u>
Directors	466	458
Statutory auditors	75	75
<b>Total</b>	<b>541</b>	<b>533</b>

The total fees to Pininfarina S.p.A.'s key management personnel approximate €0.9 million for the first nine months of 2015.

## 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 tables:

	30.09.2015	30.09.2015 net of significant non-recurring transactions
Property, plant and equipment	51,185,100	51,185,100
Intangible assets	972,239	972,239
Equity investments	21,578,092	21,578,092
Non-current financial assets	2,030,829	1,898,264
<b>NON-CURRENT ASSETS</b>	<b>75,766,260</b>	<b>75,633,695</b>
Inventories	250,679	250,679
Contract work in progress	3,137,626	3,137,626
Current financial assets	16,343,000	16,343,000
Trade receivables and other assets	10,380,299	10,380,299
Cash and cash equivalents	22,665,310	22,665,310
<b>CURRENT ASSETS</b>	<b>52,776,914</b>	<b>52,776,914</b>
<b>TOTAL ASSETS</b>	<b>128,543,174</b>	<b>128,410,609</b>
Share capital and reserves	28,998,086	28,925,316
Loss for the period	(8,424,992)	(8,484,787)
<b>EQUITY</b>	<b>20,573,094</b>	<b>20,440,529</b>
Non-current loans and borrowings	74,268,621	74,268,621
Post-employment benefits and other provisions	4,297,927	4,297,927
<b>NON-CURRENT LIABILITIES</b>	<b>78,566,548</b>	<b>78,566,548</b>
Current loans and borrowings	14,120,299	14,120,299
Other financial liabilities	3,122,400	3,122,400
Trade payables	10,203,611	10,203,611
Current tax liabilities	-	-
Provisions for risks and charges	1,207,222	1,207,222
Other liabilities	750,000	750,000
<b>CURRENT LIABILITIES</b>	<b>29,403,532</b>	<b>29,403,532</b>
<b>TOTAL LIABILITIES</b>	<b>107,970,080</b>	<b>107,970,080</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>128,543,174</b>	<b>128,410,609</b>

	Nine months ended 30.09.2015	Nine months ended 30.09.2015 net of significant non-recurring transactions
Revenue from sales and services	30,051,462	30,051,462
Internal work capitalised	-	-
Change in inventories and contract work in progress	(12,738)	(12,738)
Other revenue and income	3,240,618	3,240,618
<b>Revenue</b>	<b>33,279,342</b>	<b>33,279,342</b>
Gains on sale of non-current assets and equity investments	50,000	50,000
Raw materials and consumables	(5,549,103)	(5,549,103)
Other variable production costs	(1,265,415)	(1,265,415)
External variable engineering services	(5,706,828)	(5,706,828)
Wages, salaries and employee benefits	(16,814,714)	(16,814,714)
Amortisation and depreciation, impairment losses, losses on sales of non-current assets/equity investments	(2,686,595)	(2,686,595)
Net exchange rate gains	862	862
Other expenses	(6,912,572)	(6,912,572)
<b>Operating loss</b>	<b>(5,605,023)</b>	<b>(5,605,023)</b>
Net financial expense	(3,954,564)	(4,014,359)
Dividends	1,001,040	1,001,040
<b>Loss before taxes</b>	<b>(8,558,547)</b>	<b>(8,618,342)</b>
Income taxes	133,555	133,555
<b>Loss for the period</b>	<b>(8,424,992)</b>	<b>(8,484,787)</b>

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

- Loan to the parent, Pincar S.r.l., disbursed in 2014, solely for the portion relating to accrued interest as the principal has been repaid, as mentioned earlier.

#### **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.