



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

**PININFARINA GROUP INTERIM FINANCIAL REPORT AT 30 SEPTEMBER 2016
EVENT AFTER THE REPORTING PERIOD
OUTLOOK FOR 2016**

Cambiano, 11 November 2016 – The Board of Directors of Pininfarina S.p.A., chaired by Paolo Pininfarina, met today and approved the Group's interim financial report at 30 September 2016. The key financial figures of the Pininfarina Group as at and the first nine months of 2016 and 2015 are as follows:

(€/million)	30 09 2016	30 09 2015	31 12 2015	Variation*
Value of production	51,7	60,7		-9,0
Ebitda	-0,2	-0,3		0,1
Ebit	-2,8	-3,6		0,8
Gain/loss for the period	21,1	-7,8		28,9
Net financial debt	-24,8	-42,5	-47,7	22,9
Equity	30,6	20,3	9,8	20,8

* Variations in the statement of financial position and equity figures relate to the corresponding figures at 31 December 2015.

EBITDA is the operating profit or loss gross of amortisation, depreciation, provisions, impairment losses, reversals of impairment losses and utilisation of provisions. EBIT is the operating profit or loss.

Pursuant to article 154-bis.2 of the Consolidated finance act, the manager in charge of financial reporting, Gianfranco Albertini, states that the financial disclosures provided in this press release are consistent with the relevant documentation, ledgers and accounting records.

The most significant issues that arise from a comparison of the consolidated figures for the first nine months of 2016 to those of the corresponding period of the previous year are summarised below:

- the value of production (revenue) decreased by 15% due to the smaller contribution of the engineering services segment both in Italy and Germany;
- EBITDA and EBIT are still negative, but show an improvement compared to the corresponding period of the previous year;
- compared to the first nine months of 2015, the Group's Italian automotive operations reduced their loss considerably, the German subsidiaries' profitability became negative, the contribution of the industrial design activities increased while the Chinese operations' profitability did not change;
- the Group's net financial expense for the nine months ended 30 September 2016 showed a marked improvement on the corresponding period of the previous year, thanks, in particular, to the reduction in its interest expense calculated on a strongly reduced debt after the coming into force (on 30 May 2016) of the new Rescheduling Agreement with the lending institutions. Following this agreement, which entailed the settlement and extinguishment of roughly 58% of the parent's debt and the rescheduling of the residual debt to 2025, Pininfarina S.p.A. has recognised a gain of approximately €26.5 million on the extinguishment of financial liabilities;
- the Group's financial debt at 30 September 2016 improved considerably compared to 31 December 2015, as a result of the positive effects of the new Rescheduling Agreement that allowed a more than proportionate reduction in financial liabilities compared to the cash used to pay them. Thanks to the profit for the period, equity has more than tripled compared to the end of 2015;
- the debt to equity ratio came to approximately 0.81 at the reporting date (4.9 at 31 December 2015).

The headcount decreased by 9.7% (-63 units) from 652 at 30 September 2015 to 589. The reduction principally involved the German companies.



Operations segment

In addition to the revenue on the sale of spare parts for cars manufactured in previous years, royalties for the use of the trademark in the automotive segment (from non-OEM customers) and business lease income, this segment incurs the costs of the support and property management functions of the parent, Pininfarina S.p.A.. Value of production increased 63% from €4.9 million for the first nine months of 2015 to €8 million, thanks to the trademark licence agreement signed by Pininfarina S.p.A. and Mahindra & Mahindra Limited.

Segment EBIT improved by €5.1 million (59%) to a negative €3.6 million from a negative €8.7 million in the corresponding period of the previous year. The effects of the coming into force of the trademark licence agreement and a reduction in provisions are the main drivers of the improvement.

Services segment

This segment, comprising the design and engineering businesses, recognised value of production of €43.7 million, down 22% compared to the first nine months of 2015 (€55.8 million), principally due to the engineering activities carried out in Italy and Germany.

Segment EBIT remained positive by €0.8 million, compared to an operating profit of €5 million in the corresponding period of the previous year.

The key financial figures of the parent, Pininfarina S.p.A., are summarised below:

(€/million)	30 09 2016	30 09 2015	31 12 2015	Variation*
Value of production	27,5	33,3		-5,8
Ebitda	-0,5	-2,9		2,4
Ebit	-2,2	-5,6		3,4
Gain/loss for the period	23,7	-8,4		32,1
Net financial debt	-26,8	-47,3	-54,1	27,3
Equity	32,2	20,6	8,6	23,6

* Variations in the statement of financial position and equity figures relate to the corresponding figures at 31 December 2015.

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, are attached hereto.
- 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 attached hereto.
- 4) Under the existing Rescheduling Agreement, there is just one financial covenant, to be checked quarterly beginning from 31 March 2018: consolidated equity at a minimum level of €30,000,000.
- 5) The parent's debt restructuring plan is proceeding in accordance with the current agreements.
- 6) Implementation of the business plan approved by the board of directors on 27 November 2015 continues as forecast.



EVENTS AFTER THE REPORTING PERIOD

On 17 October 2016, the parent's board of directors called an extraordinary and ordinary shareholders' meeting for 21 and 22 November 2016 on first and second calls, respectively, with the following agenda:

Ordinary section:

1) Proposal for the approval of the 2016-2023 stock option plan reserved for employees. Related and consequent resolutions.

Extraordinary section:

1) Proposal for a capital increase against payment of a maximum amount of €26,532,528, including any share premium, to be carried out by instalments before 31 July 2017, by issuing ordinary shares with a nominal amount of €1, on a dematerialised basis, with the same characteristics as those outstanding and carrying regular dividend, to be offered to the parent's shareholders that have right of first refusal pursuant to article 2441.1 of the Italian Civil Code, with a consequent amendment to the parent's by-laws.

2) Proposal for granting the board of directors the proxy provided for by article 2443 of the Italian Civil Code to increase the share capital excluding the right of first refusal pursuant to article 2441.8 of the Italian Civil Code, after having amended article 21 of the parent's by-laws.

The proposed capital increase is stipulated by the investment agreement signed by Pincar S.r.l. in liquidation (which was Pininfarina's majority shareholder at that time), Mahindra & Mahindra Limited and Tech Mahindra Limited on 14 December 2015.

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

OUTLOOK FOR 2016

Consolidated value of production for 2016 is expected to decrease by roughly 15%, EBIT is forecast to be negative and the profit for the year is expected to be extremely positive, following the new debt Rescheduling Agreement in force between the lending institutions and Pininfarina S.p.A..

Net financial debt at the end of 2016 is expected to be considerably smaller than the previous year end, thanks to Pininfarina S.p.A.'s new debt Rescheduling Agreement, which became effective on 30 May 2016. Most of the lending institutions have decided to settle and extinguish their loans.

Contatti:

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RECLASSIFIED FINANCIAL STATEMENTS

The reclassified financial statements group the figures presented in the legally-required statements to improve their understanding, without however changing their presentation logic.

The terms "EBITDA" and "EBIT" as used in the reclassified financial statements are the "operating profit or loss, gross of amortisation, depreciation, provisions, impairment losses, reversals of impairment losses and utilisation of provisions", and "operating profit or loss" presented in the IFRS financial statements, respectively.

PININFARINA GROUP
Reclassified income statement
 (€'000)

	Nine months ended					2015
	30.09.2016	%	30.09.2015	%	Variation	
Revenue from sales and services	46,628	90.23	55,489	91.40	(8,861)	75,126
Change in inventories and contract work in progress	(2,089)	(4.03)	1,325	2.18	(3,414)	2,045
Other revenue and income	7,137	13.80	3,893	6.42	3,244	5,635
Value of production	51,676	100.00	60,707	100.00	(9,031)	82,806
Net gains on the sale of non-current assets	0	0	50	0.08	(50)	50
Materials and services (*)	(19,552)	(37.84)	(25,945)	(42.74)	6,393	(33,696)
Change in raw materials	76	0.15	68	0.12	8	29
Value added	32,200	62.31	34,880	57.47	(2,680)	49,189
Labour cost (**)	(32,380)	(62.66)	(35,163)	(57.92)	2,783	(47,689)
EBITDA	(180)	(0.35)	(283)	(0.47)	103	1,500
Amortisation and depreciation	(2,385)	(4.62)	(2,539)	(4.18)	154	(3,397)
(Additions to)/utilisation of provisions and impairment losses	(233)	(0.45)	(827)	(1.36)	594	(10,506)
EBIT	(2,798)	(5.42)	(3,649)	(6.01)	851	(12,403)
Net financial expense	(2,620)	(5.07)	(3,968)	(6.54)	1,348	(5,202)
Gain on the extinguishment of financial liabilities	26,459	51.20	-	-	26,459	-
Share of profit of equity-accounted investees	16	0.03	14	0.02	2	12
Profit (loss) before taxes	21,057	40.74	(7,603)	(12.53)	28,660	(17,593)
Income taxes	-	-	(190)	(0.31)	190	(576)
Profit (loss) for the period/year	21,057	40.74	(7,793)	(12.84)	28,850	(18,169)

(*) Materials and services are net of utilisations of the provisions for product warranty and risks (€141,396 thousand and €8,578 thousand for the first nine months of 2015 and 2016, respectively).

(**) Labour cost is net of utilisations of the restructuring and other provisions (€304,437 thousand and €698,840 thousand for the first nine months of 2015 and 2016, 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.



PININFARINA GROUP
Reclassified statement of financial position
(€'000)

	30.09.2016	31.12.2015	Variation	30.09.2015
Net non-current assets (A)				
Net intangible assets	1,890	2,252	(362)	2,525
Net property, plant and equipment and investment property	50,281	51,383	(1,102)	60,317
Equity investments	339	323	16	325
Total A	52,510	53,958	(1,448)	63,167
Working capital (B)				
Inventories	3,694	5,721	(2,027)	5,037
Net trade receivables and other assets	27,915	22,395	5,520	19,107
Assets held for sale	-	-	-	-
Deferred tax assets	938	926	12	1,077
Trade payables	(14,849)	(10,722)	(4,127)	(12,575)
Provisions for risks and charges	(507)	(1,266)	759	(1,207)
Other liabilities (*)	(9,258)	(8,545)	(713)	(6,971)
Total B	7,933	8,509	(576)	4,468
Net invested capital (C=A+B)	60,443	62,467	(2,024)	67,635
Post-employment benefits (D)	5,039	4,980	59	4,873
Net capital requirements (E=C-D)	55,404	57,487	(2,083)	62,762
Equity (F)	30,644	9,830	20,814	20,300
Net financial debt (G)				
Non-current loans and borrowings	28,948	66,122	(37,174)	74,302
Net current financial position	(4,188)	(18,465)	14,277	(31,840)
Total G	24,760	47,657	(22,897)	42,462
Total as in E (H=F+G)	55,404	57,487	(2,083)	62,762

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

PININFARINA GROUP
Net financial debt
(€'000)

	30.09.2016	31.12.2015	Variation	30.09.2015
Cash and cash equivalents	20,262	20,996	(734)	29,445
Current assets held for trading	-	16,359	(16,359)	16,343
Current loans and receivables	-	-	-	-
Loan assets - related parties	-	-	-	-
Current bank overdrafts	-	-	-	-
Current finance lease liabilities	-	(11,654)	11,654	(5,827)
Loans and borrowings - related parties and joint ventures	(16,014)	-	(16,014)	0
Current portion of bank loans and borrowings	(60)	(7,236)	7,176	(8,121)
Net current financial position	4,188	18,465	(14,277)	31,840
Non-current loans and receivables - third parties	-	-	-	-
Non-current loans and receivables - related parties	133	269	(136)	266
Non-current held-to-maturity investments	-	-	-	-
Non-current finance lease liabilities	-	(40,774)	40,774	(45,819)
Non-current bank loans and borrowings	(29,081)	(25,617)	(3,464)	(28,749)
Non-current loans and borrowings	(28,948)	(66,122)	37,174	(74,302)
NET FINANCIAL DEBT	(24,760)	(47,657)	22,897	(42,462)

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

PININFARINA S.p.A.
Reclassified income statement
(€'000)

	30.09.2016	%	30.09.2015	%	Variation	2015
Revenue from sales and services	24,307	88.49	30,051	90.30	(5,744)	38,809
Change in inventories and contract work in progress	(3,284)	(11.95)	(13)	(0.04)	(3,271)	1,626
Other revenue and income	6,447	23.47	3,241	9.74	3,206	4,738
Internal work capitalised	-	-	-	-	-	-
Value of production	27,470	100.00	33,279	100.00	(5,809)	45,173
Net gains on the sale of non-current assets	-	-	50	0.15	(50)	50
Materials and services (*)	(11,631)	(42.34)	(19,501)	(58.60)	7,870	(24,946)
Change in raw materials	76	0.28	68	0.20	8	29
Value added	15,915	57.94	13,896	41.76	2,019	20,306
Labour cost (**)	(16,399)	(59.70)	(16,815)	(50.53)	416	(23,806)
EBITDA	(484)	(1.76)	(2,919)	(8.77)	2,435	(3,500)
Amortisation and depreciation	(1,673)	(6.09)	(1,880)	(5.65)	207	(2,505)
(Additions to)/utilisation of provisions and impairment losses	-	0.00	(806)	(2.42)	806	(10,417)
EBIT	(2,157)	(7.85)	(5,605)	(16.85)	3,448	(16,422)
Net financial expense	(685)	(2.49)	(2,954)	(8.88)	2,269	(4,180)
Gain on the extinguishment of financial liabilities	26,459	96.32	-	-	26,459	-
Profit (loss) before taxes	23,617	85.97	(8,559)	(25.72)	32,176	(20,602)
Income taxes	106	0.39	134	0.40	(28)	339
Profit (loss) for the period/year	23,723	86.36	(8,425)	(25.32)	32,148	(20,263)

(*) Materials and services are net of utilisations of the provisions for product warranty and risks (€141,396 thousand and €8,578 thousand for the first nine months of 2015 and 2016, respectively).

(**) Labour cost is net of utilisations of the restructuring and other provisions (€304,437 thousand and €698,840 thousand for the first nine months of 2015 and 2016, 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.



PININFARINA S.p.A.
Reclassified statement of financial position
(€'000)

Net non-current assets (A)				
Net intangible assets	653	896	(243)	972
Net property, plant and equipment and investment prop	40,467	41,360	(893)	51,185
Equity investments	21,578	21,578	-	21,578
Total A	62,698	63,834	(1,136)	73,735
Working capital (B)				
Inventories	1,780	4,988	(3,208)	3,388
Net trade receivables and other assets	17,834	13,366	4,468	10,380
Trade payables	(12,132)	(8,416)	(3,716)	(10,204)
Provisions for risks and charges	(498)	(1,206)	708	(1,207)
Other liabilities	(6,344)	(5,459)	(885)	(3,871)
Total B	640	3,273	(2,633)	(1,514)
Net invested capital (C=A+B)	63,338	67,107	(3,769)	72,221
Post-employment benefits (D)	4,356	4,383	(27)	4,298
Net capital requirements (E=C-D)	58,982	62,724	(3,742)	67,923
Equity (F)	32,169	8,619	23,550	20,573
Net financial debt (G)				
Non-current loans and borrowings	27,204	64,104	(36,900)	72,238
Net current financial position	(391)	(9,999)	9,608	(24,888)
Total G	26,813	54,105	(27,292)	47,350
Total as in E (H=F+G)	58,982	62,724	(3,742)	67,923

PININFARINA S.p.A.
Net financial debt
(€'000)

	30.09.2016	31.12.2015	Variation	30.09.2015
Cash and cash equivalents	16,589	12,778	3,811	22,665
Current assets held for trading	-	16,359	(16,359)	16,343
Current loans and receivables	-	-	-	-
Loan assets - related parties	-	-	-	-
Current bank overdrafts	-	-	-	-
Current finance lease liabilities	-	(11,654)	11,654	(5,827)
Loans and borrowings - related parties	(16,198)	(248)	(15,950)	(172)
Current portion of bank loans and borrowings	-	(7,236)	7,236	(8,121)
Net current financial position	391	9,999	(9,608)	24,888
Non-current loans and receivables - third parties	-	-	-	-
Non-current loans and receivables - related parties	1,652	1,987	(335)	2,031
Non-current held-to-maturity investments	-	-	-	-
Non-current finance lease liabilities	-	(40,774)	40,774	(45,820)
Non-current bank loans and borrowings	(28,856)	(25,317)	(3,539)	(28,449)
Non-current loans and borrowings	(27,204)	(64,104)	36,900	(72,238)
NET FINANCIAL DEBT	(26,813)	(54,105)	27,292	(47,350)

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

**Related party transactions for the six months ended 30 September 2016 - Pininfarina Group**

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
PF Holding BV	-	-	-	16,013,778	-	-	-	13,778
Pincar S.r.l. in liquidation	-	-	-	-	-	400,000	4,612	-
Goodmind S.r.l.	-	-	133,000	-	24,000	-	3,000	-
Mahindra&Mahindra Limited	1,021,260	-	-	-	4,261,260	-	-	-
Tech Mahindra (Americas) Inc.	4,180	-	-	-	10,345	-	-	-
Tech Mahindra Ltd (India)	11,647	-	-	-	15,738	-	-	-
Total	1,037,087	-	133,000	16,013,778	4,311,343	400,000	7,612	13,778

The expense relating to Pincar S.r.l. in liquidation shows the liquidation costs incurred by Pininfarina S.p.A. in accordance with the investing agreement signed by the parties.

The balances with the Mahindra group companies relate to transactions carried out after the acquisition of the investment.

In addition to the above figures, Studio Professionale Pavesio & Associati, related to the director Carlo Pavesio, provided legal assistance to the parent and Pininfarina Extra S.r.l. for total fees of €33,133 and €2,033, respectively.

Directors' and statutory auditors' fees

	Nine months ended 30.09.2016	Nine months ended 30.09.2015
(€'000)		
Directors	634	759
Statutory auditors	82	82
Total	716	841

**Related party transactions for the six months ended 30 September 2016 - Pininfarina S.p.A.**

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
PF Holding BV	-	-	-	16,013,778	-	-	-	13,778
Pincar S.r.l. in liquidation	-	-	-	-	-	400,000	4,612	-
Pininfarina Extra S.r.l.	89,688	11,688	150,801	184,111	319,967	44,624	931,200	-
Goodmind S.r.l.	-	-	-	-	24,000	-	-	-
Pininfarina Deutschland Holding GmbH	-	-	-	-	-	-	1,000,000	-
Pininfarina Deutschland GmbH	31,500	-	1,501,036	-	334,000	73,332	11,000	-
Pininfarina Automotive Engineering (Shanghai) Co Ltd	578,519	-	-	-	90,422	-	-	-
Mahindra&Mahindra Limited	1,021,260	-	-	-	4,261,260	-	-	-
Total	1,720,967	11,688	1,651,837	16,197,889	5,029,649	517,956	1,946,812	13,778

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

The expense relating to Pincar S.r.l. in liquidation shows the liquidation costs incurred by Pininfarina S.p.A. in accordance with the investing agreement signed by the parties.

The balances with the Mahindra group companies relate to transactions carried out after the acquisition of the investment.

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 €33,133.

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:

	Nine months ended 30.09.2016	Nine months ended 30.09.2015
(€'000)		
Directors	384	466
Statutory auditors	75	75
Total	459	541

The total fees to Pininfarina S.p.A.'s key management personnel approximate €1.3 million for the first nine months of 2016.