



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

## Pininfarina Group quarterly report

Cambiano (TO), 13 May 2014 – The Board of Directors of Pininfarina S.p.A., chaired by Paolo Pininfarina, met today and approved the Group's interim financial report for the first quarter of 2014.

The Q1 2014 and Q1 2013 key financial figures of the Pininfarina Group are as follows:

(€'million)	Q1 2014	Q1 2013	31/12/2013	Variation*
Value of production	21.1	19.4		1.7
EBITDA	0.3	-0.9		1.2
EBIT	-0.5	-1.9		1.4
Loss for the period	-1.5	-3.4		1.9
Net financial debt	-48.0	-33.9	-36.4	-11.6
Equity	27.9	36.3	29.4	-1.5

\* Variations in the statement of financial position figures relate to the corresponding figures at 31 December 2013.

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 Q1 2014 and Q1 2013 consolidated financial figures are as follows:

- the value of production (revenue) increased by 9%, mainly due to engineering activities carried out in Italy and the significant contribution provided by the German operations and industrial design activities;
- EBITDA is now positive compared to the gross operating loss recognised in the first quarter of 2013. Although it is still negative, EBIT improved by 74% compared to the corresponding period of the previous year;
- the loss for the period more than halved compared to that for the three months ended 31 March 2013, including as a result of the contraction in net financial expense;
- net financial debt worsened compared to 31 December 2013, mainly as a result of the advances due for a number of tax disputes, in addition to net working capital trends. Equity reduced compared to the previous year end, due to the loss for the period.

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



## Performance by business segment in the first quarter of 2014

### Operations segment

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

### Services segment

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

## Information required by Consob (the Italian Commission for listed companies and the stock exchange) pursuant to article 114.5 of Legislative decree no. 58/98

- 1) The tables showing 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 tables showing the parent's and Group's related party transactions are attached hereto.
- 4) Compliance with the financial covenants in force for the current reporting year will be checked when the annual consolidated financial statements at 31 December 2014 are approved. At present, the Group is expected to comply with such covenants.
- 5) The parent's debt restructuring plan is proceeding in accordance with the current agreements.
- 6) The business plan's implementation progress is unchanged with respect to that described in the directors' report on the 2013 annual financial statements.

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

(€'million)	Q1 2014	Q1 2013	31/12/2013	Variation*
Value of production	12.6	11.6		1.0
EBITDA	-0.9	-1.4		0.5
EBIT	-1.5	-2.0		0.5
Loss for the period	-2.4	-3.5		1.1
Net financial debt	-50.6	-34.7	-39.2	-11.4
Equity	29.7	40.6	32.1	-2.4

\* Variations in the statement of financial position figures relate to the corresponding figures at 31 December 2013.

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.



## **Events after the reporting period and outlook for 2014**

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

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

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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.



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

	Q1 2014	%	Q1 2013	%	Variation	2013
Revenue from sales and services	17,399	82.57	15,687	80.95	1,712	69,064
Change in inventories and contract work in progress	2,450	11.63	1,992	10.28	458	3,325
Other revenue and income	1,222	5.80	1,699	8.77	(477)	7,369
<b>Value of production</b>	<b>21,071</b>	<b>100.00</b>	<b>19,378</b>	<b>100.00</b>	<b>1,693</b>	<b>79,758</b>
<b>Net gains on the sale of non-current assets</b>	<b>7</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>1</b>
Materials and services (*)	(8,008)	(38.00)	(7,988)	(41.22)	(20)	(35,295)
Change in raw materials	(550)	(2.61)	(52)	(0.27)	(498)	494
<b>Value added</b>	<b>12,520</b>	<b>59.42</b>	<b>11,338</b>	<b>58.51</b>	<b>1,182</b>	<b>44,958</b>
Labour cost (**)	(12,262)	(58.19)	(12,272)	(63.33)	10	(47,535)
<b>EBITDA</b>	<b>258</b>	<b>1.23</b>	<b>(934)</b>	<b>(4.82)</b>	<b>1,192</b>	<b>(2,577)</b>
Amortisation and depreciation	(833)	(3.95)	(847)	(4.37)	14	(3,392)
(Additions to)/utilisation of provisions and impairment losses	27	0.13	(86)	(0.44)	113	2,634
<b>EBIT</b>	<b>(548)</b>	<b>(2.60)</b>	<b>(1,867)</b>	<b>(9.64)</b>	<b>1,319</b>	<b>(3,335)</b>
Net financial expense	(890)	(4.22)	(1,442)	(7.44)	552	(5,776)
Share of profit (loss) of equity-accounted investees	1	0.01	(3)	(0.0161)	4	(3)
<b>Loss before taxes</b>	<b>(1,437)</b>	<b>(6.82)</b>	<b>(3,312)</b>	<b>(17.09)</b>	<b>1,875</b>	<b>(9,114)</b>
Income taxes	(84)	(0.40)	(162)	(0.84)	78	(112)
<b>Loss from continuing operations</b>	<b>(1,521)</b>	<b>(7.22)</b>	<b>(3,474)</b>	<b>(17.93)</b>	<b>1,953</b>	<b>(9,226)</b>
<b>Profit from discontinued operations</b>	<b>-</b>	<b>-</b>	<b>25</b>	<b>0.13</b>	<b>(25)</b>	<b>(1,161)</b>
<b>Loss for the period</b>	<b>(1,521)</b>	<b>(7.22)</b>	<b>(3,449)</b>	<b>(17.80)</b>	<b>1,928</b>	<b>(10,387)</b>

(\*) **Materials and services** are net of utilisations of the provisions for product warranty and risks (€234 thousand and €17 thousand for the first quarters of 2013 and 2014, respectively).

(\*\*) **Labour cost** is net of utilisations of the restructuring and other provisions (€292 thousand and €90 thousand for the first quarters of 2013 and 2014, respectively).

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

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

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



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

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

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

**PININFARINA GROUP**  
**Net financial debt**  
(€'000)

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

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



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

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

(\*) **Materials and services** are net of utilisations of the provisions for product warranty and risks (€234 thousand and €17 thousand for the first quarters of 2013 and 2014, respectively).

(\*\*) Labour cost is net of utilisations of the restructuring and other provisions (€292 thousand and €90 thousand for the first quarters of 2013 and 2014, respectively).

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

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



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

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

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

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

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



**Related party transactions for the three months ended 31 March 2014 - 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
Pincar S.r.l.	-	-	971,484	-	-	-	7,484	-
Goodmind S.r.l.	-	-	130,845	-	6,000	-	845	-
<b>Total</b>	-	-	<b>1,102,329</b>	-	<b>6,000</b>	-	<b>8,329</b>	-

**Related party transactions for the three months ended 31 March 2014 - Pininfarina S.p.A.**

	Commercial		Financial		Operating		Financial	
	Assets	Liabilities	Assets	Liabilities	Revenue	Expense	Income	Expense
Pincar S.r.l.	-	-	971,484	-	-	-	7,484	-
Pininfarina Extra S.r.l.	32,952	5,985	603,543	263,560	78,038	3,131	-	-
Goodmind S.r.l.	-	-	-	-	6,000	-	-	-
Pininfarina Deutschland GmbH	-	-	303,222	-	-	-	1,046	-
mpx Entwicklung GmbH Monaco	-	908,967	2,250,000	-	-	908,967	8,066	-
Pininfarina Automotive Engineering (Shanghai) Co Ltd	426,944	49,357	-	-	28,557	47,580	-	-
<b>Total</b>	<b>459,897</b>	<b>964,309</b>	<b>4,128,249</b>	<b>263,560</b>	<b>112,595</b>	<b>959,678</b>	<b>9,112</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 parent for total fees of €205,608 and Pantheon Italia S.r.l., related to the director Roberto Testore, provided commercial assistance for total fees of €17,945.

**Fees to directors, statutory auditors and key management personnel**

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

	<b>Q1 2014</b>	<b>Q1 2013</b>
(€'000)		
Directors	154	154
Statutory auditors	26	26
<b>Total</b>	<b>180</b>	<b>180</b>

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