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

**PRESS RELEASE**

**PININFARINA'S BOARD OF DIRECTORS APPROVES THE DEFINITIVE TERMS OF THE CAPITAL INCREASE**

Turin, 5 June 2017

The Board of Directors of Pininfarina S.p.A. ("**Pininfarina**" or the "**company**") met today and agreed the definitive terms of the capital increase, to be offered to the shareholders that have the right of first refusal, approved by the shareholders in their extraordinary meeting of 21 November 2016 (the "**capital increase**").

Specifically, in accordance with the powers given to them by the shareholders in the above-mentioned extraordinary meeting, the directors resolved, inter alia, the following:

- (i) the definitive capital increase amount as €26,532,528 and the maximum number of shares to be issued as 24,120,480 at a unit issue price of €1.10, including €0.10 as the premium; they also agreed the exchange ratio of four new shares for each five shares held;
- (ii) that the options shall be exercised during the offering period from 12 to 30 June 2017 (inclusive), if the necessary authorisations from the competent authorities are obtained in due time, and that the options shall be traded on the stock exchange during the period from 12 to 26 June 2017 (inclusive). Any unexercised options shall be traded for at least five business days in the month after the offering period ends pursuant to article 2441.3 of the Italian Civil Code;
- (iii) to assign the chairman of the board of directors, the CEO and the CFO the power, including separately, to define the offering period and the exercise methods for any unopted rights in accordance with the law and before the final date of 31 July 2017;
- (iv) to assign the chairman of the board of directors, the CEO and the CFO, including separately, the powers necessary to perform all the activities necessary and/or appropriate to execute the above resolutions.

The board of directors calculated the issue price considering the general market conditions and the Pininfarina share's performance. It applied a discount of 49% to the company's ordinary shares' theoretical ex right price (TERP), in line with market practices for similar transactions and calculated applying currently-used methods to the official stock market price of 2 June 2017.



Pininfarina's ordinary shares are already listed on the Italian stock exchange. The new shares will automatically be traded in accordance with the provisions of article 2.4.1 of Borsa Italiana's Regulation on the market on which the Pininfarina shares are being traded when they are issued.

The effectiveness of these resolutions is subject to Consob's authorisation of the prospectus on the capital increase (the "**Prospectus**").

As part of the new 2016-2020 business plan and the projections to 2025, appraised as per article 67.3.(d) of the Bankruptcy law, on 14 December 2015, Pincar, then Pininfarina's majority shareholder, signed an investment agreement with Mahindra & Mahindra Ltd. and Tech Mahindra Ltd.. This agreement provided that the parties, and especially PF Holdings B.V. ("**PF Holdings**") as the designated party, took on an unsecured obligation to subscribe and pay for (including by offsetting amounts due to them by Pininfarina) ordinary Pininfarina shares resulting from the capital increase for a total of €20 million.

The prospectus will be made available to the market as required by law at the company's registered office in Via Bruno Buozzi 6, Turin and on its website ([www.pininfarina.it](http://www.pininfarina.it)) in the Financial / Aumento di Capitale section.

The company will provide the market with adequate information about publication of the Prospectus in accordance with the applicable laws and regulations through a press release.

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