



#### PRESS RELEASE

### **PININFARINA AND IAI (ROSSIGNOLO FAMILY) SIGN A PRELIMINARY CONTRACT FOR THE SALE OF BUSINESS OPERATIONS – AS PART OF THE TRANSACTION, FINPIEMONTE-PARTECIPAZIONI SUBMITS AN IRREVOCABLE OFFER TO BUY THE GRUGLIASCO INDUSTRIAL FACILITY**

*Turin, October 15, 2009* – Pininfarina S.p.A. and IAI - Innovation in Auto Industry S.p.A., a company wholly owned by the Rossignolo Family whose Chairman of the Board of Directors is Gian Mario Rossignolo (IAI), signed today a preliminary contract for the sale of certain business operations (the Contract). Pininfarina S.p.A. also received from FinPiemonte-Partecipazioni S.p.A., a finance company controlled by the Piedmont Regional Administration, an irrevocable offer to buy the Grugliasco factory, excluding the Wind Tunnel.

1. The contract sets forth Pininfarina's commitment to sell to IAI the business operations comprised of:
  - (a) Machinery, equipment and accessories currently located at the Grugliasco production facility that are used for vehicle sheet-metal bodywork and painting, except for those specifically used for vehicles currently produced by Pininfarina;
  - (b) The existing contracts between Pininfarina and 900 Pininfarina production employees (including 875 factory staff and 25 office staff);
  - (c) The provision for termination indemnities applicable to the transferred employees, the funding for which will be transferred in full to IAI on the contract closing date;
  - (d) A lease for the entire Grugliasco factory, excluding the Wind Tunnel, (the Building) and for service and utility contracts and certifications pertaining to the Building.

The Business Operations do not include receivables or payables, other than the liability for the provision for termination indemnities applicable to the transferred employees, nor do they include contracts other than those listed above, contracts related to the existing production orders and Pininfarina's resulting payables and receivables or any legal disputes outstanding on the closing date.

Pursuant to the contract, IAI will be provided with the customary guarantees for any prior-period liabilities incurred by the transferred Business Operations and with a specific commitment by the Lender Institutions parties to the Agreements of December 31, 2008 and by Fortis Bank (collectively referred to as the Creditor Banks) to approve the Transaction and refrain from actions against IAI for any indebtedness owed by the transferred Business Operations.

IAI will enter into a subcontracting agreement (at cost) with Pininfarina for the premises, equipment and tools, systems and human resources needed to provide the sheet-metal bodywork and painting services required to carry out until completion existing production orders for Alfa Romeo and Ford. The parties have further agreed to enter into a collaboration contract for the styling of the first vehicle that IAI will produce. Should Pininfarina request it, IAI will enter into a multi-year painting services contract (on market terms) that will go into effect upon the expiration of the production orders currently handled by Pininfarina.

2. Concurrently with the signing of the Contract with IAI and as an integral part of the Transaction, Pininfarina received from FinPiemonte-Partecipazioni S.p.A., a finance company controlled by the Piedmont Regional Administration, an irrevocable offer to buy the entire Building, excluding the Wind Tunnel, based on expert appraisal. At closing, the Building must be transferred free of any encumbrances (the Building is currently encumbered by a mortgage held by Banca Fortis). The proceeds from the sale will be used to fund the provision for termination indemnities applicable to the transferred employees and the guarantees and other charges arising from the Transaction.
3. All transfers are scheduled to take place on or before December 31, 2009, but may be postponed if any of the following conditions precedent is not satisfied:
  - (a) Signing of a final contract for the sale of the Building by Pininfarina to FinPiemonte-Partecipazioni, concurrently with the payment of the stipulated price and signing of the lease agreement with IAI;
  - (b) Completion within the statutory deadline of the union consultation procedure required by Article 47 of Law No. 428 of December 29, 1990 in connection with the sale of the Business Operations and transfer of employees to IAI;
  - (c) Signing of two Regional Agreements providing financing to IAI for the establishment of the venture and for the research project referred to in the IAI industrial plan;
  - (d) The approval of the Transaction by the Creditor Banks and a declaration by the Creditor Banks that they will refrain from actions against IAI for any indebtedness owed by the transferred Business Operations.

This development represents a highly attractive opportunity for Pininfarina, which, once the Transaction is completed, will have achieved an optimum size to develop its future production, styling and engineering activities in accordance with its industrial plan, the implementation of which will be significantly accelerated.

The cooperation of the unions, public institutions and the Creditor Banks is essential for the success of the Transaction, which is particularly important for preserving current employment levels and for the continuation of the restructuring process required to ensure the Group's future viability as a going concern, which is the Company's priority objective.

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