



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

**SHAREHOLDERS' MEETING OF PININFARINA S.P.A.
PURSUANT TO ARTICLE 2446 OF THE ITALIAN CIVIL CODE**

**The Investment Agreement between Pincar and Mahindra was signed on 14 December 2015 and the transaction is expected to be executed within the first half of 2016
The losses recorded for the period ended 31 October 2015 will be carried forward**

Cambiano (TO), 5 February 2016 – The shareholders of Pininfarina S.p.A. met today in an ordinary meeting with the following agenda: “Resolutions relating to the situations governed by article 2446 of the Italian Civil Code”.

The figures for the first ten months of 2015 confirm that noted by the directors when the 2014 annual report was approved, namely, that the Group’s growth and cash flows from operations are not in line with the 2012-2018 business and financial plan’s forecasts.

Considering the above, the Board of Directors have endeavoured to provide Pininfarina S.p.A. with new financial and business opportunities and to find the resources necessary for its recapitalisation and growth and to stabilise its cash flows.

To this end and in agreement with the lending institutions, an investment agreement (the “Agreement”) between Pincar S.r.l. in liquidation (“Pincar”) - Pininfarina S.p.A.’s controlling shareholder - and Mahindra & Mahindra Ltd. and TechMahindra Ltd. (the “Investors”) was signed on 14 December 2015.

The execution of the Agreement (“closing”) is conditional upon a number of conditions, including the effectiveness of the company’s debt restructuring agreement, the authorisation of Pincar’s debt restructuring agreement pursuant to article 182-bis of the bankruptcy law and the authorisation of the transaction by the relevant anti-trust authorities.

In addition to the Investors’ purchasing the Pininfarina S.p.A. shares held by Pincar, the arrangements reached provide for:

- a capital increase, without excluding the right of first refusal;
- a new debt Rescheduling Agreement between the company and the lending institutions for 2016-2025;
- a grace period for the debt repayment from 14 December 2015 to 30 June 2016 (the deadline for the closing).

Once the above arrangements have been executed (within the first half of 2016), the company will immediately benefit from their positive effects in terms of its capitalisation and ability to repay the outstanding debt. As a result, it will no longer fall within the scope of article 2446 of the Italian Civil Code and its ability to continue as a going concern will be ensured.

In order to reach a new debt rescheduling agreement, the company approved a new 2016-2025 business and financial plan, whose salient features are as follows:

Business plan

- reinforcement of the company’s peculiar technical skills in order to become an excellence design and engineering service provider, offering design to delivery engineering services in various segments, including non-automotive segments, such as, transport, aerospace, architecture, real estate and consumer goods;
- increase in available resources in order to steadily enhance the Pininfarina trademark in the automotive and non-automotive segments through the product branding and co-branding,



considering the good performance of this business in the past few years and its large, still unexpressed potentialities;

- increase in cash flows by signing a trademark licence agreement with Mahindra & Mahindra Ltd. that will be effective as from the Transaction's closing date. It will cover the use of the trademarks owned by the Pininfarina group companies for the automotive products of the Mahindra Group.

These strategic objectives, which are in line with the company's current targets, are reasonably expected to be achieved in the medium term.

Financial plan

Further to Pininfarina's debt restructuring agreement, under the financial plan:

- certain banks are given the possibility to see their loans fully settled and cancelled at a discounted amount, whereas other banks are given the opportunity to agree on a debt repayment deferral from 2015 up to 2025 and receive a corporate surety from the investors securing their loans. The lending institutions choosing to have their loans settled and extinguished account for 58% of today's total loans and borrowings;
- in line with the previous restructuring agreements, the loan granted to Pininfarina S.p.A. by BNL (formerly Fortis Bank), which was settled with the last instalment paid on 31 December 2015, is excluded;
- the debt to the financial institutions will be repaid starting from 2017. No repayments of principal are due in 2015 and 2016;
- the interest rate will remain unchanged at 0.25% p.a., provided that the six-month Euribor does not exceed 4%, in which case the 0.25% interest rate will be increased by the difference between the actual Euribor and 4%;
- there is just one financial covenant, to be met beginning from 31 March 2018: consolidated equity at a minimum level of €30,000,000;
- a capital increase of at least €20 million for all shareholders is envisaged, whose subscription is mandatory for the M&M Group;
- benefits are expected from the repayment of bank loans and borrowings to those banks choosing to have their loans settled and extinguished.

No significant events took place from the date of the directors' report prepared pursuant to article 2446 of the Italian Civil Code to date.

In the light of the above, awaiting the execution of the Agreement before 30 June 2016, the Board of Directors proposed to defer the capital decrease - as a result of the loss for the ten months ended 31 October 2015 - taking into account the existing arrangements with the Investors and the lending institutions.

At the end of the meeting, the shareholders resolved to carry forward the €9,323,646 loss for the period ended 31 October 2015.

Contacts:

Pininfarina:

Gianfranco Albertini, CFO and Investor Relators, tel. +39.011.9438367

Francesco Fiordelisi, Corporate and Product Communication Manager, tel. +39.011.9438105/335.7262530

Mailander:

Carolina Mailander, tel. +39.011.5527311/335.6555651

Carlo Dotta, tel. +39 333.2306748