



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

SHAREHOLDERS' MEETING OF PININFARINA S.p.A.

2015 FINANCIAL STATEMENTS APPROVED

Events after the reporting date

Going concern

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

Cambiano (TO), 12 May 2016 - The shareholders of Pininfarina S.p.A. met today in an ordinary meeting chaired by Paolo Pininfarina and approved the 2015 annual financial report, examined the consolidated financial statements and approved the remuneration report.

The 2015 figures approved today are unchanged from those shown in the draft financial statements already made available to the public. Accordingly, the financial comments are the same as those published by the company in its press release of 24 March 2016.

The 2015 and 2014 key financial figures of the Pininfarina Group are as follows:

(€ million)	2015	2014	Variation
Value of production	82.8	86.6	-3.8
EBITDA	1.5	7.0	-5.5
EBIT	-12.4	3.9	-16.3
Net financial expense	-5.2	-4.8	-0.4
Loss for the year	-18.2	-1.3	-16.9
Net financial debt	-47.7	-44.8	-2.9
Equity	9.8	27.9	-18.1

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

(€ million)	2015	2014	Variation
Value of production	45.2	52.8	-7.6
EBITDA	-3.5	2.8	-6.3
EBIT	-16.4	0.6	-17.0
Net financial expense	-4.2	-3.8	-0.4
Loss for the year	-20.3	-3.0	-17.3
Net financial debt	-54.1	-50.1	-4.0
Equity	8.6	28.9	-20.3

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.

In addition to the parent's 2015 separate financial statements, the shareholders approved the proposed allocation of the loss for the year and the non-distribution of dividends.

Events after the reporting date

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 Tech Mahindra Ltd. (the "Investors") was signed on 14 December 2015. It provides for, inter alia, the Mahindra Group's acquisition of the Pininfarina shares held by Pincar. Execution of the agreement (closing) was conditional upon a number of conditions, including 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. On 25 February 2016, the Turin Court authorised Pincar's debt restructuring while the anti-trust authorities provided their authorisations on 25 February and 1 March 2016. Accordingly, the main conditions to execute the



agreements of 14 December 2015 have been met and the closing is expected to take place within 30 June 2016.

On 29 April 2016, Mahindra & Mahindra Ltd. and Tech Mahindra Ltd. set up PF Holdings BV in Holland. It will hold the controlling investment in Pininfarina S.p.A.. Its shareholders signed an agreement on 3 May 2016, which was made public on 7 May 2016 (an extract was posted on Consob's and the parent's websites).

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

Going concern

The figures for 2015 and the first quarter of 2016 (disclosed this morning) confirm that Pininfarina must acquire the resources necessary for its growth and to redress its financial and capital situation. This is only possible through the entry of an investor that can contribute these resources and secure the Pininfarina Group's future.

As mentioned above and described in detail in the sections on "The agreements of 14 December 2015" and "Events after the reporting date" of the 2015 Annual Financial Report, the Mahindra Group's acquisition of Pincar's Pininfarina shares is nearing its expected closing.

Once the above arrangements have been executed, the parent 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.

Accordingly, the board of directors continued to adopt the going concern assumption to prepare the financial statements.

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 Group's and parent's related party transactions are attached hereto.
- 4) As described above, the agreements of 14 December 2015 established a grace period for the existing debt rescheduling agreement (which ends on 30 June 2016 or before that if the closing date of the Mahindra Group's acquisition is earlier). During the grace period, the lending institutions waived their right to the remedies provided for by the current Rescheduling Agreement, even if the 2015 covenants are not met.
- 5) A grace period was also agreed for Pininfarina S.p.A.'s 2012 debt rescheduling plan starting on 14 December 2015 and ending on the earlier of the date of execution of the acquisition of the Pininfarina shares held by Pincar and 30 June 2016. During the grace period, interest on the debt accrues and is paid but no principal repayments are required.
- 6) The progress of the 2016-2025 business plan, which was approved by the board of directors on 27 November 2015, continues as forecast and in agreement with the Mahindra Group.

The 2015 **Annual report on corporate governance and ownership structure** and the **2015 Remuneration report** are available in the "Finanza" section of the parent's website (www.pininfarina.com), as well as through the other methods provided for by current legislation.

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RECLASSIFIED INTERIM 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 term “EBIT” used in the reclassified income statement corresponds to the “Operating profit (loss)” presented in the IFRS-compliant financial statements.

PININFARINA GROUP

Reclassified income statement
(€'000)

	2015	%	2014	%	Variation
Revenue from sales and services	75,126	90.73	84,179	97.24	(9,053)
Change in inventories and contract work in progress	2,045	2.47	(2,313)	(2.67)	4,358
Other revenue and income	5,635	6.80	4,705	5.43	930
Value of production	82,806	100.00	86,571	100.00	(3,765)
Net gains on the sale of non-current assets	50	0.06	705	0.81	(655)
Materials and services (*)	(33,696)	(40.69)	(31,720)	(36.64)	(1,976)
Change in raw materials	29	0.03	(622)	(0.72)	651
Value added	49,189	59.40	54,934	63.46	(5,745)
Labour cost (**)	(47,689)	(57.59)	(47,901)	(55.33)	212
EBITDA	1,500	1.81	7,033	8.12	(5,533)
Amortisation and depreciation	(3,397)	(4.10)	(3,348)	(3.87)	(49)
(Additions to)/utilisation of provisions and impairment losses	(10,506)	(12.69)	261	0.30	(10,767)
EBIT	(12,403)	(14.98)	3,946	4.56	(16,349)
Net financial expense	(5,202)	(6.28)	(4,748)	(5.49)	(454)
Share of profit of equity-accounted investees	12	0.01	8	0.01	4
Loss before taxes	(17,593)	(21.25)	(794)	(0.92)	(16,799)
Income taxes	(576)	(0.69)	(469)	(0.54)	(107)
Loss from continuing operations	(18,169)	(21.94)	(1,263)	(1.46)	(16,906)
Profit (loss) from discontinued operations	-	-	-	-	-
Loss for the year	(18,169)	(21.94)	(1,263)	(1.46)	(16,906)

(*) Materials and services are net of utilisations of the provisions for product warranty and risks (€58 thousand and €150 thousand for 2014 and 2015, respectively).

(**) Labour cost is net of utilisations of the restructuring and other provisions (€1,857 thousand and €403 thousand for 2014 and 2015, respectively).

As required by Consob resolution no. DEM/6064293 of 28 July 2006, a reconciliation of the data in the 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)

	31.12.2015	31.12.2014	Variation
Net non-current assets (A)			
Net intangible assets	2,252	2,676	(424)
Net property, plant and equipment and investment property	51,383	60,845	(9,462)
Equity investments	323	311	12
Total A	53,958	63,832	(9,874)
Working capital (B)			
Inventories	5,721	3,649	2,072
Net trade receivables and other assets	22,395	31,286	(8,891)
Assets held for sale	-	-	-
Deferred tax assets	926	1,036	(110)
Trade payables	(10,722)	(12,246)	1,524
Provisions for risks and charges	(1,266)	(847)	(419)
Other liabilities (*)	(8,545)	(8,674)	129
Total B	8,509	14,203	(5,694)
Net invested capital (C=A+B)	62,467	78,035	(15,568)
Post-employment benefits (D)	4,980	5,347	(367)
Net capital requirements (E=C-D)	57,487	72,688	(15,201)
Equity (F)	9,830	27,888	(18,058)
Net financial debt (G)			
Non-current loans and borrowings	66,122	69,116	(2,994)
Net current financial debt	(18,465)	(24,316)	5,851
Total G	47,657	44,800	2,857
Total as in E (H=F+G)	57,487	72,688	(15,201)

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



PININFARINA GROUP

Net financial debt

(€'000)

	31.12.2015	31.12.2014	Variation
Cash and cash equivalents	20,996	24,424	(3,428)
Current assets held for trading	16,359	16,359	-
Current loans and receivables	-	-	-
Loan assets - related parties	-	-	-
Current bank overdrafts	-	-	-
Current finance lease liabilities	(11,654)	(5,827)	(5,827)
Current portion of bank loans and borrowings	(7,236)	(10,640)	3,404
Net current financial position	18,465	24,316	(5,851)
Non-current loans and receivables - third parties	-	-	-
Non-current loans and receivables - related parties	269	1,770	(1,501)
Non-current held-to-maturity investments	-	-	-
Non-current finance lease liabilities	(40,774)	(43,547)	2,773
Non-current bank loans and borrowings	(25,617)	(27,339)	1,722
Non-current loans and borrowings	(66,122)	(69,116)	2,994
NET FINANCIAL DEBT	(47,657)	(44,800)	(2,857)

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

PININFARINA S.p.A.
Reclassified income statement

(€'000)

	2015	%	2014	%	Variation
Revenue from sales and services	38,809	85.91	51,228	96.94	(12,419)
Change in inventories and contract work in progress	1,626	3.60	(2,316)	(4.38)	3,942
Other revenue and income	4,738	10.49	3,933	7.44	805
Internal work capitalised	-	-	-	-	-
Value of production	45,173	100.00	52,845	100.00	(7,672)
Net gains on the sale of non-current assets	50	0.11	705	1.33	(655)
Materials and services (*)	(24,946)	(55.22)	(26,342)	(49.85)	1,396
Change in raw materials	29	0.06	(622)	(1.18)	651
Value added	20,306	44.95	26,586	50.31	(6,280)
Labour cost (**)	(23,806)	(52.70)	(23,797)	(45.03)	(9)
EBITDA	(3,500)	(7.76)	2,789	5.28	(6,289)
Amortisation and depreciation	(2,505)	(5.54)	(2,518)	(4.76)	13
(Additions to)/utilisation of provisions and impairment losses	(10,417)	(23.06)	311	0.60	(10,728)
EBIT	(16,422)	(36.35)	582	1.10	(17,004)
Net financial expense	(4,180)	(9.25)	(3,771)	(7.14)	(409)
Loss before taxes	(20,602)	(45.60)	(3,189)	(6.03)	(17,413)
Income taxes	339	0.75	217	0.41	122
Loss for the year	(20,263)	(44.85)	(2,972)	(5.62)	(17,291)

(*) **Materials and services** are net of utilisations of the provisions for product warranty and risks (€58 thousand and €150 thousand for 2014 and 2015, respectively).

(**) **Labour cost** is net of utilisations of the restructuring provision (€1,857 thousand and €403 thousand for 2014 and 2015, respectively).

As required by Consob resolution no. DEM/6064293 of 28 July 2006, a reconciliation of the data in the 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)

	31.12.2015	31.12.2014	Variation
Net non-current assets (A)			
Net intangible assets	896	1,102	(206)
Net property, plant and equipment and investment property	41,360	51,647	(10,287)
Equity investments	21,578	21,578	-
Total A	63,834	74,327	(10,493)
Working capital (B)			
Inventories	4,988	3,333	1,655
Net trade receivables and other assets	13,366	24,512	(11,146)
Trade payables	(8,416)	(11,384)	2,968
Provisions for risks and charges	(1,206)	(847)	(359)
Other liabilities	(5,459)	(6,250)	791
Total B	3,273	9,364	(6,091)
Net invested capital (C=A+B)	67,107	83,691	(16,584)
Post-employment benefits (D)	4,383	4,711	(328)
Net capital requirements (E=C-D)	62,724	78,980	(16,256)
Equity (F)	8,619	28,869	(20,250)
Net financial debt (G)			
Non-current loans and borrowings	64,104	66,321	(2,217)
Net current financial debt	(9,999)	(16,210)	6,211
Total G	54,105	50,111	3,994
Total as in E (H=F+G)	62,724	78,980	(16,256)



PININFARINA S.p.A.

Net financial debt

(€'000)

	31.12.2015	31.12.2014	Variation
Cash and cash equivalents	12,778	16,616	(3,838)
Current assets held for trading	16,359	16,359	-
Current loans and receivables	-	-	-
Loan assets - related parties	-	-	-
Current bank overdrafts	-	-	-
Current finance lease liabilities	(11,654)	(5,827)	(5,827)
Loans and borrowings - related parties	(248)	(298)	50
Current portion of bank loans and borrowings	(7,236)	(10,640)	3,404
Net current financial position	9,999	16,210	(6,211)
Non-current loans and receivables - third parties	-	-	-
Non-current loans and receivables - related parties	1,987	4,265	(2,278)
Non-current held-to-maturity investments	-	-	-
Non-current finance lease liabilities	(40,774)	(43,547)	2,773
Non-current bank loans and borrowings	(25,317)	(27,039)	1,722
Non-current loans and borrowings	(64,104)	(66,321)	2,217
NET FINANCIAL DEBT	(54,105)	(50,111)	(3,994)

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

**Related party transactions - 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. in liquidation	-	-	135,393	-	-	-	62,623	-
Goodmind S.r.l.	24,033	15,135	133,997	-	72,670	44,629	3,997	-
Total	24,033	15,135	269,390	-	72,670	44,629	66,620	-

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 €688,278, including the legally-provided for costs and fees; roughly 75% of the fees refers to the agreements between Pininfarina, Pincar, the lending institutions and the Mahindra Group, which the latter had approved in advance;
- Pantheon Italia S.r.l., related to the director Roberto Testore, provided commercial assistance for total fees of €51,964;
- Giovanni Pininfarina, son of the chairman of the Board of Directors, Paolo Pininfarina, provided commercial assistance for total fees of €2,100.

Related party transactions - Pininfarina S.p.A.

	Commercial		Financial		Operating		Financial	
	Assets	Liabilities	Assets	Liabilities	Revenue	Expense	Income	Expense
Pincar S.r.l. in liquidation	-	-	135,393	-	-	-	62,624	-
Pininfarina Extra S.r.l.	59,669	53,634	350,264	247,744	495,636	78,558	1,001,040	-
Goodmind S.r.l.	9,760	-	-	-	32,000	-	-	-
Pininfarina Deutschland Holding GmbH	-	-	-	-	-	-	996	-
Pininfarina Deutschland GmbH	112,500	390,298	1,501,517	-	112,500	3,287,943	20,736	-
Pininfarina Automotive Engineering (Shanghai) Co Ltd	728,618	-	-	-	614,218	115,360	-	-
Total	910,547	443,932	1,987,174	247,744	1,254,354	3,481,861	1,085,396	-

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 company for total fees of €688,278. In addition, Pantheon Italia S.r.l., related to the director Roberto Testore, provided commercial assistance for total fees of €51,964.

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:

	2015	2014
(€'000)		
Directors	625	612
Statutory auditors	102	102
Total	727	714

The 2015 total fees to Pininfarina S.p.A.'s key management personnel approximate €1.2 million.