

Pininfarina becomes the latest jewel in Tech Mahindra crown



- o Legendary styling brand behind Ferrari, Alfa Romeo, Peugeot and others to propel Tech Mahindra into the future of styling
- o High-end styling and Engineering Services to complement existing engineering capability of Tech Mahindra
- o Synergies to help pursue a larger market pie
- o To upsell and cross-sell to the combined client base

December 14, 2015 - Tech Mahindra Limited, a leading provider of IT, Networks and Engineering solutions and BPO services, and Mahindra & Mahindra, part of the global \$ 16.9 billion Mahindra Group, have jointly entered into an agreement with Pincar S.r.l., to purchase a controlling stake in Pininfarina S.p.A., an iconic Italian brand in automotive and industrial design.

Pininfarina's legendary brand status will allow Tech Mahindra powerful access to relationships the iconic designer has nurtured with the best in the world over its 85-year history, including with Ferrari, Alfa Romeo, Maserati and Peugeot. This will mean an opportunity for Tech Mahindra to influence product conceptualization and design & styling through Europe's best-in-class design house.

Terms

As part of the agreement, Tech Mahindra and M&M shall purchase 76.06 % of Pininfarina shares from the current controlling shareholder Pincar S.r.l. at a price of Euro 1.1 per share. This investment by Tech Mahindra and M&M shall be done via a joint venture company ("JVCo"), whose ownership shall be held 60 % by Tech Mahindra and 40 % by M&M.

This will be followed by an open offer for all the remaining ordinary shares of Pininfarina, at the same purchase price paid for the shares held by Pincar. A rights issue to infuse funds into the design & styling major will also be executed before the end of 2016.

Pininfarina will continue to remain an independent company, listed on the Milan Stock Exchange, with Mr Paolo Pininfarina continuing as the Chairman of its board.

World of Design

Where Customer experience determines the future of business, this acquisition will give Tech Mahindra a critical foothold in key, early-stage conversations in the automotive and other verticals. Tech Mahindra will also benefit from the designer's focused presence in Italy and Germany, the hotbeds of European automotive manufacturing, as well as in the US and an emerging automotive market, China.

For Pininfarina, the acquisition will mean an ability to leverage Tech Mahindra's presence across 90 countries and access to about 780 customers. Tech Mahindra's global delivery model will lend Pininfarina a newly heightened scale to its operations.

Reinforcing Tech Mahindra's vision of a world of Connected Solutions, this combine will enable a strong entry into automotive styling, exclusive vehicles design & development and reinforced body engineering capability. It also augments Tech Mahindra's Transportation, Aerospace & Industrial Design offerings. The synergy will help the duo cross-sell and up-sell their services to existing clients and help attract new ones.

More from the P-I-E

Pininfarina's philosophy of Purity, Innovation and Elegance will find a perfect fit with Tech Mahindra's world of connectedness – where design & styling will, hand in hand with engineering services, go after a larger market.

Tech Mahindra's well-entrenched Integrated Engineering Solutions (IES) business will complement Pininfarina's range of offerings. It is now equipped to pursue bigger opportunities in the outsourced Automotive Engineering Services industry that totals around USD 10 Billion with a CAGR of 8 per cent. The IES offering will be able to compete better with traditional western players, with styling, design and prototyping.

Brand with a History

Pininfarina is a styling company best known for its stunning designs of famous car brands – including Ferrari, GM, Peugeot and the Alfa Romeo. Started 85-years ago by founder Battista 'Pinin' Farina, the company is the Italian symbol for jaw-dropping car designs. It has designed almost 1,000 cars across brands over the years.

The company's enduring relationship with Ferrari began when 'Pinin' Farina and Enzo Ferrari met in 1951. Farina designed the first Ferrari, the 212, followed by the tremendously popular 250 GT. Farina's breath-taking designs took Hollywood by storm, too, inspiring the film 'Sabrina' starring Audrey Hepburn, William Holden and Humphrey Bogart, along with the Spider that Farina designed.

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Mr. Anand Mahindra, Chairman of the Mahindra Group, commenting on Pininfarina joining the Mahindra family, said, *"Pininfarina will add enormous value to Tech Mahindra's portfolio of engineering services. But just as important is the fact that the legendary high-end design credentials of Pininfarina will significantly enhance the design capabilities of the entire Mahindra Group. Given the increasing design sensibilities of today's consumers, product design will greatly influence customer choice and experience, and hence our success"*.

"Our clients want more from us, consistently. Adding Pininfarina's legendary design skills to our Integrated Engineering Solutions enables a strong entry into Automotive styling, design & development and reinforces our body engineering capabilities. Further, Pininfarina's 25-year design expertise in industries beyond Automotive will give us that winning edge in areas such as Aerospace, Consumer Electronics, Architecture & Interiors and Transportation where we already have a strong footprint," according to CP Gurnani, CEO & Managing Director, Tech Mahindra.

Paolo Pininfarina, Chairman Pininfarina S.p.A. added, *"In a globalized world, entrepreneurship and capital do not need a passport. We are joining hands with a \$ 3.9 Billion Technology & Global partner, and part of the \$ 16.9 billion global Mahindra Group, which will not only strengthen our Italian identity but will open more doors. Tech Mahindra's global presence and global delivery model will allow us to compete for a larger pie of the business."*

About Tech Mahindra

Tech Mahindra represents the connected world, offering innovative and customer-centric information technology services and solutions, enabling Enterprises, Associates and the Society to Rise™. We are a USD 3.9 billion company with 105,200+ professionals across 90 countries, helping over 780+ global customers including Fortune 500 companies. Our innovation platforms and reusable assets connect across a number of technologies to deliver tangible business value to our stakeholders. Tech Mahindra is also amongst the Fab 50 companies in Asia as per the Forbes 2014 List.

We are part of the USD 16.9 billion Mahindra Group that employs more than 200,000 people in over 100 countries. The Group operates in the key industries that drive economic growth, enjoying a leadership position in tractors, utility vehicles, after-market, information technology and vacation ownership.

About Pininfarina

Pininfarina S.p.A. is an independent Italian car design company, founded and run by the Pininfarina family since 1930. Over the years, Pininfarina has designed vehicles for world renowned manufacturers like Ferrari, Alfa Romeo, Peugeot, M&M, Fiat, GM, Lancia, Maserati and Hyundai, among others. Pininfarina S.p.A. has also designed high-speed trains, buses, trams, rolling stocks, automated light rail cars, people movers, yachts, airplanes, and private jets. In addition, Pininfarina consults on industrial design, interior design, architecture, and graphic design.

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