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Carraro Group:

Carraro's Board of Directors approves the terms and conditions of the capital increase

Subscription rights offer timetable: from 8 May 2017 to 26 May 2017

21.3% discount on TERP

Campodarsego (Padua), 2 May 2017 – The Board of Directors of Carraro S.p.A. (the "**Company**" or "**Carraro**"), at a meeting held today, approved the conditions of the divisible capital increase of a maximum of 54 million Euros resolved by the extraordinary shareholders' meeting of 27 June 2016 (the "**Capital Increase**") and the timetable of the related offer of subscription rights to shareholders (the "**Offer**").

In particular, the Capital Increase will take place through the issue of a maximum of 33,726,630 newly issued ordinary shares (or B shares, at the discretion of each subscriber), with a nominal value of 0.52 Euros each, in a ratio of 7 new ordinary shares (or B shares) for every 9 ordinary shares held, at an issue price of 1.596 Euros per share (the "**Offer Price**") of which 0.52 Euros by way of capital and 1.076 Euros by way of share premium), for a total value of a maximum of 53,827,701.48 Euros, of which a maximum of 17,537,847.60 Euros to be allocated to share capital and a maximum of 36,289,853.88 Euros to be allocated to the share premium reserve.

The Offer Price of the new shares, as established by the Extraordinary Shareholders' Meeting of 27 June 2016, was determined by the Board of Directors choosing the greater of:

- (a) the average stock market price in the 6 months prior to the date of 27 May 2016 (the date of the Board of Directors meeting to convene the Extraordinary Shareholders' Meeting) and
- (b) the average stock market price of the 6 (six) months prior to the last trading day prior to the date of determination of the Offer Price.

This Offer Price incorporates a discount of 21.3% compared to the TERP or Theoretical Ex Right Price of Carraro ordinary shares, calculated in accordance with current methodologies, based on the official stock market price of 2 May 2017.

The effectiveness of the aforementioned resolutions is subject to issue by Consob of the measure approving the prospectus relating to the Offer and admission to listing of the newly issued shares (the "**Prospectus**").

The newly issued ordinary shares will have the same characteristics and will confer the same rights as Carraro ordinary shares already traded on the Mercato Telematico Azionario (Electronic Stock Market) organised and managed by Borsa Italiana S.p.A. ("**MTA**"), will have a normal dividend and will be automatically traded on the MTA, in accordance with art. 2.4.1 of the Regulations of the markets organised and managed by Borsa Italiana S.p.A..

B shares, which may be requested instead of ordinary shares, by those adhering to the Offer, will have the same rights as ordinary shares, except voting rights in Ordinary Shareholders' Meetings and Extraordinary Shareholders' Meetings. Each shareholder of B shares will be able to freely dispose of their shares and, at the time of sale, B shares will be automatically converted into ordinary shares, in the ratio of 1:1. Each shareholder of B shares will also have the right, at any time, to convert some or all of the B shares held into ordinary shares, always in the ratio of 1:1, provided that the total number of ordinary shares held after conversion on the part of the requesting shareholder (including in the calculation the ordinary shares held by the parent company, by subsidiaries and by companies subject to joint control based on the concept of control regulated pursuant to art. 93 of the Consolidated Finance Act – TUF) does not exceed 29.9% of voting rights.

It should be noted that listing of B shares is not envisaged.

The Board also defined the timetable of the Offer, as follows:

- subscription rights must be exercised, under penalty of forfeiture, from 8 May 2017 to 26 May 2017, included (the "**Offer Period**"); and
- subscription rights may be traded on the MTA from 8 May 2017 to 22 May 2017.

Within the month following the expiry of the Offer Period, the Company will offer on the stock exchange – in accordance with article 2441, paragraph 3, of the Italian civil code – any subscription rights not exercised by 26 May 2017, in compliance with current legislation, according to the procedures and terms to be subsequently disclosed to the market.

Within the scope of the Subscription Increase, no establishment of a guarantee consortium is envisaged. It is also pointed out that on 29 June 2016, the shareholders Finaid and Julia Dora Koranyi Arduini paid by way of capital increase the total amount of 34 million Euros, equal to 62.96% of the maximum envisaged from the Capital Increase, in accordance with the provisions of the investment agreement signed by said shareholders on 26 October 2015.

Issue of authorisation for publication of the Prospectus will be notified via a specific press release.

The public will be notified of publication of the Prospectus in the manner and with the deadlines provided for by applicable laws and regulations, by publication of a specific notice.

This release is available on the Carraro website at www.carraro.it.

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Carraro is an international group, leader in transmission systems for off-highway vehicles and specialised tractors, with consolidated turnover in 2016 of 593.7 million Euros.

The Group's activities are divided into two Business Areas:

– **Drivelines**

Through the subsidiaries Carraro Drive Tech and SIAP, the Group designs, manufactures and sells transmission systems (axles, transmissions and drives) mainly for agricultural and construction equipment, and also markets a wide range of gears for very diverse sectors, from the automotive industry to material handling, agricultural applications and construction equipment.

– **Tractors**

Through the subsidiary Carraro Agritalia, the Group designs and manufactures special tractors (for vineyards and orchards from 60 to 100 hp) for third-party brands, namely John Deere, Massey Ferguson and Claas, as well as a specialist own-brand range; Agritalia also provides engineering services for the design of innovative tractor ranges.

The Group's holding company, Carraro SpA, has been listed on the Italian Stock Exchange since 1995 (CARR.MI) and has its headquarters in Campodarsego (Padua). As at 31.03.2017, the Group has 3,042 employees – of which 1,345 based in Italy – and manufacturing facilities in Italy (4), India (2), China, Argentina, and Brazil. For additional information visit carraro.com.