

# **INTERIM FINANCIAL REPORT AS AT SEPTEMBER 30, 2016**

(Translation into English of the original Italian version)



JOINT-STOCK COMPANY - SHARE CAPITAL EURO EURO 62,065,356.60  
MANTOVA COMPANY REGISTER AND TAX CODE 00607460201  
COMPANY SUBJECT TO THE DIRECTION AND COORDINATION OF CIR S.p.A.  
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# BOARD OF DIRECTORS' REPORT

## ON OPERATIONS

### AS AT SEPTEMBER 30, 2016

Automotive production in the first nine months of 2016 rose 4%, experiencing double digit growth in Asia and a positive evolution in Europe and North America (+3.5% and +2.6% respectively). In South America the strong recession already observed during the previous year continued in 2016 too.

In this environment, in the first nine months of 2016, Sogefi reported **revenues** of Euro 1,181.5 million, up 4.9% compared to Euro 1,126.6 million in the first nine months of 2015 (+10.2% at the same exchange rates) with a positive contribution from all geographical areas with the exception of South America.

In Europe revenues grew by 1.6% compared to 9M 2015. Business continued to develop vigorously in North America and in Asia showing respectively a 20.7% and a 27.3% revenue increase compared to the first nine months of 2015. In South America, sales in euro declined by 13.2% because of the depreciation of the local currencies and the persisting market crisis. Excluding South America, growth was 7.3%, in line with previous quarters.

Sogefi's revenue growth in the first nine months of 2016 came largely from the *Air & Cooling* segment, which reported an 18.4% increase. Revenues of the *Suspensions* segment grew by 0.3%, (+3.5% excluding South America); and lastly, revenues of the *Filtration* segment were down by 0.6% (+2.3% excluding South America).

**EBITDA**<sup>1</sup> in the first nine months of 2016 totalled Euro 114.5 million, up by 25.4% compared to the figure reported in the same period of 2015 (Euro 91.3 million). The increase benefited from revenue growth and from the improvement in profitability which increased to 9.7% from 8.1% in the first nine months of 2015 and from 9.3% in the first half of 2016.

The increase in profitability is due to a slight improvement in gross margin and to the reduction of the ratio of indirect costs to Group revenues from 20.2% to 19.4%. In particular, the ratio of total labour costs to Group revenues declined to 21.5% from the previous 22.3%. All regions with the exception of South America reported increases in EBITDA.

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<sup>1</sup> EBITDA is calculated by adding to EBIT the items "Amortization and depreciation" and the amount of write-downs of tangible and intangible assets included in the item "Other non-operating costs (income)", which came to Euro 4.8 million in the first nine months of 2016 (zero in the same period of last year).

Regarding the risks resulting from the claims made against the company Sogefi Air & Refroidissement France S.A.S. (formerly Systèmes Moteurs), in the first nine months of 2016 there were no developments in the “product guarantee” issue that warranted a change in the provision made at December 31 2015. As for the recovery of damages from the company Dayco, the vendor of Sogefi Air & Refroidissement France S.A.S, in May the arbitration process ended with Dayco being sentenced to pay Sogefi Euro 9.4 million for the claims already settled. During the third quarter, Sogefi received from Dayco the amount of Euro 5.5 million, representing a portion of the compensation due under the arbitration award. The arbitration decision, however, reduced the amount expected to be recovered by Sogefi by Euro 4 million, with a negative impact of the same amount on the accounts booked in June 2016 (in fact the company intends to appeal against this decision).

**EBIT** increased by 35.9% to Euro 58.7 million compared to the first nine months of 2015.

The **result before taxes and minority interests** grew to Euro 39.8 million (Euro 19.6 million in the first nine months of 2015), benefiting also from a financial income of Euro 6 million due to the recovery of tax credits on foreign dividends distributed in previous years.

**The net result** was a positive Euro 15.8 million, versus Euro 7.4 million in the first nine months of 2015.

**Net financial debt** stood at Euro 314.1 million at September 30 2016, showing a Euro 8.2 million decline on December 31 2015 (Euro 322.3 million) and a Euro 25.6 million decline on September 30 2015 (Euro 339.7 million).

**Free Cash Flow** in the first nine months amounted to a positive Euro 12.3 million, compared to a negative balance of Euro 44.3 million in the same period of 2015. The improvement is attributable for approximately Euro 26.6 million to lower disbursements of a non-ordinary nature for product guarantees, restructuring and fiscal disputes, and for Euro 33 million to a better performance of operating cash flow.

At September 30 2016 **shareholders’ equity** excluding minority interests amounted to Euro 173.7 million (Euro 170.8 million at December 31 2015).

## **PERFORMANCE OF THE FILTRATION BUSINESS UNIT**

In the first nine months of 2016, the *Filtration Business Unit* registered **revenues** of Euro 402.9 million (-0.6% compared to the first nine months of 2015). Excluding South America, revenues grew 2.3% benefiting from the development in North America, China and India.

**EBIT** totalled Euro 24.3 million up 6.3% from Euro 22.9 million in the first nine months of 2015. Such a trend reflects mainly the slight improvement in the gross margin and the reduction of the ratio of indirect costs to Business Unit revenues, notwithstanding the negative evolution of South America which again registered a loss because of the crisis in the Brazilian market.

**Business Unit employees** at September 30, 2016 were 2,715 (2,629 at December 31, 2015).

## **PERFORMANCE OF THE SUSPENSIONS BUSINESS UNIT**

In the first nine months of 2016, the *Suspensions Business Unit* recorded **revenues** of Euro 421.8 million, up 0.3% compared to the first nine months of 2015; excluding South America, revenues grew 3.5% underpinned by the positive performance in Europe and in China.

**EBIT** was Euro 26.6 million, slightly up versus the Euro 26.3 million in the first nine months of 2015. Considering that in the first nine months of 2016, Euro 2.4 million of non-ordinary expenses (Euro 0.4 million in the first nine months of 2015) and Euro 2.5 million of asset write downs (not present in the first nine months of 2015) were recorded, EBIT before non-ordinary items and write downs totalled Euro 31.5 million, up 18% compared to the first nine months of 2015.

**Business Unit employees** at September 30, 2016 were 2,687 (2,663 at December 31, 2015).

## **PERFORMANCE OF THE AIR & COOLING BUSINESS UNIT**

In the first nine months of 2016, the *Air & Cooling Business Unit* recorded revenues of Euro 359.9 million, up 18.4% compared to the same period of the previous year. The increase was mainly driven by North America, China and India.

**EBIT** totalled Euro 23.6 million (breakeven in the first nine months of 2015); such a trend benefits from the positive revenue evolution and from a non-ordinary positive income of Euro 5.4 million. In 2015, EBIT was burdened by non-ordinary charges of Euro 11.9 million. EBIT before non-ordinary charges amounted to Euro 18.2 million up 53.4% compared to Euro 11.9

million of the first nine months of 2015, due to a slight improvement in gross margin and to the tight control of indirect costs.

**Business Unit employees** at September 30, 2016 were 1,388 (1,350 at December 31, 2015).

#### **PERFORMANCE OF THE HOLDING COMPANY SOGEFI S.p.A.**

During the period, the **Holding Company Sogefi S.p.A.** recorded a **net profit** of Euro 15.4 million, compared to Euro 4.7 million posted in the first nine months of 2015. The change mainly comes from a higher dividend flow from subsidiaries (Euro 6.7 million) and from a non-ordinary financial income collected in the month of September (Euro 6 million) related to the positive outcome of a legal dispute with the French tax authorities for the recovery of tax credits on foreign dividends distributed in previous years. Such a financial income led to the booking of higher income taxes of Euro 1.7 million.

#### **OUTLOOK FOR THE YEAR**

For the whole of 2016 Sogefi expects revenue growth similar to that of the first nine months of the year. Gross margin and EBITDA are expected to improve versus 2015 in line with what was seen in the first nine months of the year.

## **SOGEFI GROUP**

### **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

(in millions of Euro)

<b>ASSETS</b>	<b>09.30.2016</b>	<b>12.31.2015</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	85.3	121.9
Other financial assets	4.8	6.3
<i>Working capital</i>		
Inventories	165.6	159.7
Trade receivables	182.9	143.5
Other receivables	8.4	7.9
Tax receivables	28.1	26.8
Other assets	4.8	4.0
<b><i>TOTAL WORKING CAPITAL</i></b>	<b>389.8</b>	<b>341.9</b>
<b>TOTAL CURRENT ASSETS</b>	<b>479.9</b>	<b>470.1</b>
<b>NON-CURRENT ASSETS</b>		
<b>FIXED ASSETS</b>		
Land	14.0	14.3
Property, plant and equipment	228.5	232.6
Other tangible fixed assets	6.7	5.3
<i>Of wich: leases</i>	4.5	6.8
Intangible assets	281.2	284.0
<b>TOTAL FIXED ASSETS</b>	<b>530.4</b>	<b>536.2</b>
<b>OTHER NON-CURRENT ASSETS</b>		
Investments in joint ventures	-	-
Other financial assets available for sale	-	0.4
Long term trade receivables	-	-
Financial receivables	10.8	13.2
Other receivables	27.9	34.7
Deferred tax assets	64.6	65.3
<b>TOTAL OTHER NON-CURRENT ASSETS</b>	<b>103.3</b>	<b>113.6</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>633.7</b>	<b>649.8</b>
<b>NON-CURRENT ASSETS HELD FOR SALE</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>1,113.6</b>	<b>1,119.9</b>

<b>LIABILITIES</b>	<b>09.30.2016</b>	<b>12.31.2015</b>
<b>CURRENT LIABILITIES</b>		
Bank overdrafts and short-term loans	20.9	17.8
Current portion of medium/long-term financial debts and other loans	131.4	74.4
<i>Of which: leases</i>	1.2	1.3
<b>TOTAL SHORT-TERM FINANCIAL DEBTS</b>	<b>152.3</b>	<b>92.2</b>
Other short-term liabilities for derivative financial instruments	0.3	0.3
<b>TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>152.6</b>	<b>92.5</b>
Trade and other payables	346.8	325.4
Tax payables	10.3	6.1
Other current liabilities	10.2	9.7
<b>TOTAL CURRENT LIABILITIES</b>	<b>519.9</b>	<b>433.7</b>
<b>NON-CURRENT LIABILITIES</b>		
<b>MEDIUM/LONG TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS</b>		
Financial debts to bank	52.0	141.1
Other medium/long-term financial debts	201.5	218.4
<i>Of which: leases</i>	6.7	8.1
<b>TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS</b>	<b>253.5</b>	<b>359.5</b>
Other medium/long term financial liabilities for derivative financial instruments	8.9	11.6
<b>TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>262.4</b>	<b>371.1</b>
<b>OTHER LONG-TERM LIABILITIES</b>		
Long-term provisions	87.1	79.2
Other payables	11.8	9.2
Deferred tax liabilities	40.9	36.3
<b>TOTAL OTHER LONG-TERM LIABILITIES</b>	<b>139.8</b>	<b>124.7</b>
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>402.2</b>	<b>495.8</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	61.7	61.7
Reserves and retained earnings (accumulated losses)	96.2	108.0
Group net profit (loss) for the period	15.8	1.1
<b>TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY</b>	<b>173.7</b>	<b>170.8</b>
Non-controlling interests	17.8	19.6
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>191.5</b>	<b>190.4</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,113.6</b>	<b>1,119.9</b>

## RECLASSIFIED CONSOLIDATED INCOME STATEMENT FROM 01.01.2016 TO 09.30.2016

(in millions of Euro)

	Period 01.01 – 09.30.2016		Period 01.01 – 09.30.2015		Change	
	Amount	%	Amount	%	Amount	%
Sales revenues	1,181.5	100.0	1,126.6	100.0	54.9	4.9
Variable cost of sales	841.8	71.2	810.7	72.0	31.1	3.8
<b>CONTRIBUTION MARGIN</b>	<b>339.7</b>	<b>28.8</b>	<b>315.9</b>	<b>28.0</b>	<b>23.8</b>	<b>7.5</b>
Manufacturing and R&D overheads	109.8	9.3	105.7	9.4	4.1	3.9
Depreciation and amortization	51.0	4.3	48.2	4.3	2.8	6.0
Distribution and sales fixed expenses	33.6	2.9	34.1	3.0	(0.5)	(1.7)
Administrative and general expenses	64.1	5.4	62.0	5.5	2.1	3.4
Restructuring costs	4.5	0.4	4.0	0.4	0.5	12.0
Losses (gains) on disposal	(0.7)	(0.1)	(1.5)	(0.1)	0.8	53.8
Exchange losses (gains)	0.8	0.1	3.8	0.3	(3.0)	(79.0)
Other non-operating expenses (income)	17.9	1.5	16.4	1.4	1.5	9.2
- of which not ordinary	8.7	-	14.3	-	-	-
<b>EBIT</b>	<b>58.7</b>	<b>5.0</b>	<b>43.2</b>	<b>3.8</b>	<b>15.5</b>	<b>35.9</b>
Financial expenses (income), net	22.5	1.9	23.6	2.1	(1.1)	(4.6)
- of which fair value of embedded derivative (convertible bond)	-	-	(1.5)	-	1.5	-
- of which other net financial expenses	22.5	-	22.1	-	0.4	-
Losses (gains) from equity investments	(3.6)	(0.3)	-	-	(3.6)	-
<b>RESULT BEFORE TAXES AND NON-CONTROLLING INTERESTS</b>	<b>39.8</b>	<b>3.4</b>	<b>19.6</b>	<b>1.7</b>	<b>20.2</b>	<b>102.9</b>
Income taxes	20.5	1.8	9.5	0.8	11.0	114.9
<b>NET RESULT BEFORE NON-CONTROLLING INTERESTS</b>	<b>19.3</b>	<b>1.6</b>	<b>10.1</b>	<b>0.9</b>	<b>9.2</b>	<b>-</b>
Loss (income) attributable to non-controlling interests	(3.5)	(0.3)	(2.7)	(0.3)	(0.8)	(30.7)
<b>GROUP NET RESULT</b>	<b>15.8</b>	<b>1.3</b>	<b>7.4</b>	<b>0.6</b>	<b>8.4</b>	<b>-</b>

## CONSOLIDATED NET FINANCIAL POSITION

(in millions of Euro)

	09.30.2016	12.31.2015	09.30.2015
A. Cash	85.3	121.9	97.0
B. Other cash at bank and on hand (included held-to-maturity investments)	4.0	4.0	4.0
C. Financial instruments held for trading	-	-	-
<b>D. Liquid funds (A) + (B) + (C)</b>	<b>89.3</b>	<b>125.9</b>	<b>101.0</b>
<b>E. Current financial receivables</b>	<b>0.8</b>	<b>2.3</b>	<b>2.8</b>
F. Current payables to banks	(20.9)	(17.8)	(12.3)
G. Current portion of non-current indebtedness	(131.4)	(74.5)	(85.6)
H. Other current financial debts	(0.3)	(0.3)	(0.1)
<b>I. Current financial indebtedness (F) + (G) + (H)</b>	<b>(152.6)</b>	<b>(92.6)</b>	<b>(98.0)</b>
<b>J. Current financial indebtedness, net (I) + (E) + (D)</b>	<b>(62.5)</b>	<b>35.6</b>	<b>5.8</b>
K. Non-current payables to banks	(52.0)	(141.1)	(131.9)
L. Bonds issued	(194.0)	(208.9)	(205.1)
M. Other non-current financial debts	(16.4)	(21.1)	(20.0)
<b>O. Non-current financial indebtedness (K) + (L) + (M)</b>	<b>(262.4)</b>	<b>(371.1)</b>	<b>(357.0)</b>
<b>P. Net indebtedness (J) + (O)</b>	<b>(324.9)</b>	<b>(335.5)</b>	<b>(351.2)</b>
Non-current financial receivables	10.8	13.2	11.5
<b>Financial indebtedness, net including non-current financial receivables</b>	<b>(314.1)</b>	<b>(322.3)</b>	<b>(339.7)</b>



## CONSOLIDATED CASH FLOW STATEMENT

(in millions of Euro)

	September 30, 2016	December 31, 2015	September 30, 2015
SELF-FINANCING	79.8	53.4	36.4
Change in net working capital	(20.6)	(4.2)	(27.0)
Other medium/long-term assets/liabilities	11.7	4.8	0.7
<b>CASH FLOW GENERATED BY OPERATIONS</b>	<b>70.9</b>	<b>54.0</b>	<b>10.1</b>
Sale of equity investments	-	-	-
Net decrease from sale of fixed assets	0.3	1.0	0.2
<b>TOTAL SOURCES</b>	<b>71.2</b>	<b>55.0</b>	<b>10.3</b>
Increase in intangible assets	21.8	30.4	26.8
Purchase of tangible assets	32.1	51.3	33.2
Purchase of equity investments	-	-	-
<b>TOTAL APPLICATION OF FUNDS</b>	<b>53.9</b>	<b>81.7</b>	<b>60.0</b>
Exchange differences on assets/liabilities and equity	(5.0)	1.9	5.4
<b>FREE CASH FLOW</b>	<b>12.3</b>	<b>(24.8)</b>	<b>(44.3)</b>
Holding Company increases in capital	0.8	0.1	0.1
Increase in share capital of consolidated subsidiaries	0.1	0.1	0.1
Dividends paid by subsidiaries to non-controlling interests	(5.2)	(4.3)	(3.5)
Change in fair value derivative instruments	0.2	10.9	12.2
<b>CHANGES IN SHAREHOLDERS' EQUITY</b>	<b>(4.1)</b>	<b>6.8</b>	<b>8.9</b>
<b>Change in net financial position</b>	<b>8.2</b>	<b>(18.0)</b>	<b>(35.4)</b>
<b>Opening net financial position</b>	<b>(322.3)</b>	<b>(304.3)</b>	<b>(304.3)</b>
<b>CLOSING NET FINANCIAL POSITION</b>	<b>(314.1)</b>	<b>(322.3)</b>	<b>(339.7)</b>

## RECLASSIFIED CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER OF 2016

(in millions of Euro)

	Period 07.01 – 09.30.2016		Period 07.01 – 09.30.2015		Change	
	Amount	%	Amount	%	Amount	%
Sales revenues	383.0	100.0	362.9	100.0	20.1	5.5
Variable cost of sales	271.9	71.0	262.0	72.2	9.9	3.8
<b>CONTRIBUTION MARGIN</b>	<b>111.1</b>	<b>29.0</b>	<b>100.9</b>	<b>27.8</b>	<b>10.2</b>	<b>10.1</b>
Manufacturing and R&D overheads	35.2	9.1	34.5	9.5	0.7	2.4
Depreciation and amortization	17.4	4.6	16.3	4.5	1.1	7.2
Distribution and sales fixed expenses	10.5	2.7	10.8	3.0	(0.3)	(2.4)
Administrative and general expenses	21.4	5.6	19.4	5.3	2.0	10.1
Restructuring costs	1.0	0.3	2.0	0.6	(1.0)	(49.6)
Losses (gains) on disposal	(0.7)	(0.2)	-	-	(0.7)	n.a.
Exchange losses (gains)	1.4	0.4	2.5	0.7	(1.1)	(46.0)
Other non-operating expenses (income)	2.8	0.7	2.7	0.8	0.1	2.1
- of which not ordinary	0.3	-	2.1	-	-	-
<b>EBIT</b>	<b>22.1</b>	<b>5.8</b>	<b>12.7</b>	<b>3.5</b>	<b>9.4</b>	<b>73.9</b>
Financial expenses (income), net	5.7	1.5	8.9	2.5	(3.2)	(36.3)
Losses (gains) from equity investments	(4.0)	(1.0)	-	-	(4.0)	-
<b>RESULT BEFORE TAXES AND NON-CONTROLLING INTERESTS</b>	<b>20.4</b>	<b>5.3</b>	<b>3.8</b>	<b>1.0</b>	<b>16.6</b>	<b>439.7</b>
Income taxes	12.1	3.2	5.3	1.5	6.8	125.3
<b>NET RESULT BEFORE NON- CONTROLLING INTERESTS</b>	<b>8.3</b>	<b>2.1</b>	<b>(1.5)</b>	<b>(0.5)</b>	<b>9.8</b>	<b>634.0</b>
Loss (income) attributable to non-controlling interests	(0.9)	(0.2)	(0.8)	(0.2)	(0.1)	(16.2)
<b>GROUP NET RESULT</b>	<b>7.4</b>	<b>1.9</b>	<b>(2.3)</b>	<b>(0.7)</b>	<b>9.7</b>	<b>418.6</b>

## **CONTENT AND FORMAT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

### **1. INTRODUCTION**

The consolidated Interim financial report as at September 30, 2016, which has not been externally audited, has been prepared in compliance with International Accounting Standards (IAS/IFRS) and to this end, the financial statements of consolidated investee companies have been appropriately reclassified and adjusted.

The interim financial report has been drawn up in accordance with the provisions of art. 154-ter, paragraph 5 of Legislative Decree no. 58 of 2/24/98 (Consolidated Law on Finance) and subsequent amendments. Therefore, the provisions of the international accounting standard regarding interim financial information (IAS 34 “Interim financial reporting”) have not been adopted.

### **2. CONSOLIDATION PRINCIPLES**

Consolidation is performed on a line-by-line basis. The criteria adopted for the application of this method have not changed with respect to those used as at December 31, 2015.

### **3. ACCOUNTING STANDARDS APPLIED**

The accounting standards applied in the preparation of the financial statements as at September 30, 2016 are the same as those applied to the financial statements as at December 31, 2015.

## COMMENTS ON THE FINANCIAL STATEMENTS

Changes in the Group's consolidated shareholders' equity and in total shareholders' equity during the first nine months of 2016 are as follows:

(in millions of Euro)	Consolidated shareholders' equity - Group	Capital and reserves pertaining to non-controlling interests	Total Group and non-controlling shareholders' equity
Balance at December 31, 2015	170.8	19.6	190.4
Paid share capital increase	0.8	-	0.8
Dividends	-	(5.2)	(5.2)
Currency translation differences	(5.2)	(0.1)	(5.3)
Other variances	(8.5)	-	(8.5)
Net result for the period	15.8	3.5	19.3
Balance at September 30, 2016	173.7	17.8	191.5

At September 30 2016 shareholders' equity excluding minority interests amounted to Euro 173.7 million (Euro 170.8 million at December 31 2015).

## REVENUE TREND

In the first nine months of 2016, Sogefi reported revenues of Euro 1,181.5 million, up 4.9% compared to Euro 1,126.6 million in the first nine months of 2015 (+10.2% at the same exchange rates) with a positive contribution from all geographical areas with the exception of South America.

## REVENUES BY BUSINESS UNIT

(in millions of Euro)	Period		Period		Change	
	01.01 – 09.30.2016		01.01 – 09.30.2015			
	Amount	%	Amount	%	Amount	%
Filtration	402.9	6.7	405.2	36.0	(2.3)	(0.6)
Suspensions	421.8	35.7	420.4	37.3	1.4	0.3
Air & Cooling	359.9	30.5	304.0	27.0	55.9	18.4
Intercompany	(3.1)	(0.3)	(3.0)	(0.3)	(0.1)	(2.0)
<b>TOTAL</b>	<b>1,181.5</b>	<b>100.0</b>	<b>1,126.6</b>	<b>100.0</b>	<b>54.9</b>	<b>4.9</b>

Sogefi's revenue growth in the first nine months of 2016 came largely from the *Air & Cooling* segment, which reported an 18.4% increase. Revenues of the *Suspensions* segment grew by 0.3%, and lastly, revenues of the *Filtration* segment were down by 0.6%.

## REVENUE BY GEOGRAPHICAL AREA

The breakdown of revenues by business area is as follows:

(in millions of Euro)	Period		Period		Change	
	01.01 – 09.30.2016		01.01 – 09.30.2015			
	Amount	%	Amount	%	Amount	%
Europe	728.8	61.7	717.6	63.7	11.2	1.6
North America	231.0	19.6	191.5	17.0	39.5	20.7
South America	117.1	9.9	134.9	12.0	-17.8	-13.2
Asia	99.7	8.4	78.3	7.0	21.4	27.3
Other	4.9	0.4	4.3	0.3	0.6	-
Total	1,181.5	100.0	1,126.6	100.0	54.9	4.9

The weight of non-European countries on the Group's total revenues increased to 38.3% from 36.3% in the first nine months of 2015 thanks to the positive contribution recorded in the North American and Asian markets. In particular, the weight of North America and Asia increased to 28% from 24% in the first nine months of 2015, while the weight of South America fell from 12% to 9.9%.

## EMPLOYEES

The Sogefi group had 6,811 employees at September 30, 2016 compared to 6,689 at September 30, 2015.

	09.30.2016	12.31.2015	09.30.2015
Managers	105	98	101
Clerical staff	1,872	1,866	1,863
Blue collar workers	4,834	4,738	4,725
TOTAL	6,811	6,702	6,689

Milan, October 24, 2016

THE BOARD OF DIRECTORS

**DECLARATION PURSUANT TO ART. 154 BIS, PARAGRAPH 2, LEGISLATIVE DECREE  
NO. 58/1998**

**Subject: Interim financial report as at September 30, 2016**

The undersigned, Mr. Yann Albrand - Manager responsible for preparing the Company's financial reports-

declares

pursuant to paragraph 2 of article 154-bis of the Consolidated Law on Finance that the accounting information contained in this document corresponds to the document results, books and accounting records.

Milan, October 24, 2016

SOGEFI S.p.A  
(Yann Albrand)