

B) SEGMENT INFORMATION

4. OPERATING SEGMENTS

In compliance with the provisions of IFRS 8, the following information is provided by operating segments (business segments) and performance indicators that play a key role in the Group's strategic decisions.

As the analysis by business segments is given higher priority in the decision-making process, the analysis by geographic areas is not presented.

During the year 2015, the new top management team implemented a leaner, more product-oriented internal organisation based on three Business Units: Suspensions, Filtration, and Air&Cooling (until fiscal year 2014 the business units “Filtration” and “Air&Cooling” were part of the “Engine System” business unit).

Business segments

With regard to the business segments, disclosures concerning the three business units: Air&Cooling, Suspensions and Filtration are provided below. Figures for the Holding Company Sogefi S.p.A. and the subsidiary Sogefi Purchasing S.A.S. are also provided for the purpose of reconciliation with consolidated values.

The tables below provide the Group's income statement and statement of financial position figures for 2014 and 2015:

(in thousands of Euro)	2014					
	Air&Cooling	Suspensions	Filtration	Sogefi S.p.A. / Sogefi Purch. S.A.S.	Adjustments	Sogefi consolidated f/s
REVENUES						
Sales to third parties	372,001	505,343	472,047	-	-	1,349,391
Intersegment sales	2,311	1,266	1,662	27,403	(32,642)	-
TOTAL REVENUES	374,312	506,609	473,709	27,403	(32,642)	1,349,391
RESULTS						
EBIT	14,219	18,206	28,398	(7,123)	(5,429)	48,271
Financial expenses, net						(26,818)
Income from equity investments						-
Losses from equity investments						-
Result before taxes						21,453
Income taxes						(13,058)
Loss (profit) attributable to non-controlling interests						(4,756)
NET RESULT						3,639
STATEMENT OF FINANCIAL POSITION						
ASSETS						
Segment assets	254,682	415,632	320,034	629,887	(700,230)	920,005
Equity investments in associates	-	-	-	-	-	-
Unallocated assets	-	-	-	-	172,199	172,199
TOTAL ASSETS	254,682	415,632	320,034	629,887	(528,031)	1,092,204
LIABILITIES						
Segment liabilities	159,470	289,284	218,623	482,035	(237,994)	911,418
TOTAL LIABILITIES	159,470	289,284	218,623	482,035	(237,994)	911,418
OTHER INFORMATION						
Increase in tangible and intangible fixed assets	21,917	25,865	29,510	11,140	(4,025)	84,407
Depreciation, amortisation and writedowns	14,167	23,149	19,223	2,645	2,000	61,184

(in thousands of Euro)	2015					
	Air&Cooling	Suspensions	Filtration	Sogefi S.p.A. / Sogefi Purch. S.A.S.	Adjustments	Sogefi consolidated f/s
REVENUES						
Sales to third parties	407,293	556,758	534,954	45	-	1,499,050
Intersegment sales	1,988	1,257	1,489	29,689	(34,423)	-
TOTAL REVENUES	409,281	558,015	536,443	29,734	(34,423)	1,499,050
RESULTS						
EBIT	(2,522)	35,441	32,228	(13,100)	(1,305)	50,742
Financial expenses, net						(32,778)
Income from equity investments						-
Losses from equity investments						-
Result before taxes						17,964
Income taxes						(12,913)
Loss (profit) attributable to non-controlling interests						(3,931)
NET RESULT						1,120
STATEMENT OF FINANCIAL POSITION						
ASSETS						
Segment assets	267,423	420,642	333,112	642,567	(716,023)	947,721
Equity investments in associates	-	-	-	-	-	-
Unallocated assets	-	-	-	-	172,199	172,199
TOTAL ASSETS	267,423	420,642	333,112	642,567	(543,824)	1,119,920
LIABILITIES						
Segment liabilities	163,710	292,604	213,364	489,914	(230,068)	929,524
TOTAL LIABILITIES	163,710	292,604	213,364	489,914	(230,068)	929,524
OTHER INFORMATION						
Increase in tangible and intangible fixed assets	21,640	22,661	36,415	2,210	(1,283)	81,643
Depreciation, amortisation and writedowns	16,589	22,621	20,387	3,615	1,539	64,751

Please note that the Air&Cooling Business Unit figures include the net book value of the Systèmes Moteurs Group coming from local financial statements – in other words, not including the fair value adjustment of net assets after the Purchase Price Allocation performed in 2011 – but only the adjustments related to the measurement of product warranty provisions (contingent liabilities booked during the PPA); the remaining adjustments arising from the Purchase Price Allocation are posted in column "Adjustments".

Adjustments to “Intersegment sales” mainly refer to services provided by the Holding Company Sogefi S.p.A. and by subsidiary Sogefi Purchasing S.A.S. to other Group companies (see note 40 for further details on the nature of the services provided). This item also includes intersegment sales between the business units. Intersegment transactions are conducted according to the Group's transfer pricing policy.

The adjustments to “EBIT” refer to depreciation and amortisation linked to the revaluation of assets resulting from the acquisition of 40% of Sogefi Rejna S.p.A. and its subsidiaries in the year 2000 and of the Systèmes Moteurs Group in the year 2011.

In the Statement of Financial Position, the adjustments to the item "Segment assets" refer to the consolidation entry of investments in subsidiaries and intercompany receivables.

Adjustments to “Unallocated assets” mainly include the goodwill and the fixed assets revaluations resulting from the acquisitions of: the Allevard Resorts Automobile Group, 40% of Sogefi Rejna S.p.A., the Filtrauto Group, 60% of Sogefi M.N.R. Filtration India Private Ltd (now merged into Sogefi-MNR Engine Systems India Pvt Ltd) and Systèmes Moteurs Group.

“Depreciation, amortisation and writedowns” include writedowns of tangible and intangible fixed assets for the amount of Euro 357 thousand, of which Euro 243 thousand relate to the French subsidiary S. ARA Composite S.A.S.; Euro 114 thousand reflect development projects of subsidiary Sogefi-MNR Engine Systems India Pvt Ltd. that cannot be recovered.

These assets were written down based on the recoverable value of assets at year-end date, which is considered to be zero.

Information on the main customers

Revenues from sales to third parties as of December 31, 2015 accounting for over 10% of Group revenues are shown in the following table:

(in thousands of Euro)	2015				
	Group		BU	BU	BU
	<i>Amount</i>	<i>%</i>	Filtration	Air&Cool.	Suspensions
Ford	200,262.6	13.4	48,981.2	68,812.4	82,469.0
FCA/CNH Industrial	179,600.6	12.0	80,873.4	53,203.3	45,523.9
Renault/Nissan	175,317.0	11.7	50,396.3	45,229.7	79,691.0
PSA	166,413.0	11.1	53,869.9	52,779.0	59,764.2

Information on geographic areas

The breakdown of revenues by geographical area "of destination", in other words with regard to the nationality of the customer, is analysed in the Directors' Report and in the notes to the Income Statement.

The following table shows a breakdown of total assets by geographical area of origin:

(in thousands of Euro)	2014					
	Europe	South America	North America	Asia	Adjustments	Sogefi consolidated f/s
TOTAL ASSETS	1,458,305	111,324	114,342	115,911	(707,678)	1,092,204

(in thousands of Euro)	2015					
	Europe	South America	North America	Asia	Adjustments	Sogefi consolidated f/s
TOTAL ASSETS	1,439,944	92,635	138,228	136,111	(686,998)	1,119,920