

DEFINITION OF THE PERFORMANCE INDICATORS

In accordance with recommendation CESR/05-178b published on 3 November 2005, the criteria used for constructing the main performance indicators deemed by the management to be useful for the purpose of monitoring Group performance are provided below.

EBITDA: EBITDA is calculated as the sum of "EBIT", "Depreciation and Amortisation" and the writedowns of tangible and intangible fixed assets included in the item "Other non-operating expenses (income)".

"Other non-operating expenses (income)" include amounts that do not relate to ordinary business activities such as:

- writedowns of tangible and intangible fixed assets
- imputed cost of stock option and stock grant plans
- accruals to provisions for legal disputes with employees and third parties
- product warranty costs
- strategic consulting services
- other writedowns of non-ordinary balance sheet items

EBIT before non-ordinary expenses: it is calculated by summing "EBIT" and the expenses and revenues arising from non-ordinary operations, such as "Restructuring costs", "Losses (gains) on disposal", "Product warranty costs" and "Other writedowns" included in "Other non-operating expenses (income)".

(in thousands of Euro)	2016					
	BU Filtration	BU Air & Cooling	BU Suspension	Sogefi Spa/Sogefi Gestion SAS	Adjustments	Group
Ebit	25,104	23,277	35,611	(3,983)	(5,502)	74,507
Restructuring costs	2,195	2	2,508	(23)	575	5,258
Losses (gains) on disposal	(596)	(200)	95	-	3	(698)
Product warranty Costs (*)	1,158	1,057	150	-	3,894	6,258
Other Writedowns (*)	3,947	-	-	-	-	3,947
Other (*)	(160)	160	-	-	-	-
EBIT before non-ordinary expenses	31,649	24,296	38,363	(4,006)	(1,030)	89,272

(*) Amounts included in "Other non-operating expenses (income)"

(in thousands of Euro)	2015					
	BU Filtration	BU Air & Cooling	BU Suspension	Sogefi Spa/Sogefi Gestion SAS	Adjustments	Group
Ebit	30,924	(1,217)	35,441	(13,100)	(1,305)	50,742
Restructuring costs	2,076	1,086	1,802	2,368	-	7,332
Losses (gains) on disposal	(14)	(75)	(1,548)	40	0	(1,597)
Product warranty Costs (*)	1,861	12,747	1,119	-	(1)	15,725
Other Writedowns (*)	-	-	-	-	-	-
Other (*)	(4,957)	-	(2,906)	7,814	49	0
EBIT before non-ordinary expenses	29,889	12,541	33,907	(2,877)	(1,257)	72,202

(*) Amounts included in "Other non-operating expenses (income)". The line "Other" refers to the cancellation of the trade payables for intercompany services to Argentine companies.

"Restructuring costs" include voluntary redundancy incentives for all employee categories (managers, clerical staff, blue collar workers) and costs relating to the

shutdown of a plant or the discontinuation of individual business lines (personnel costs and related costs associated with shutdown).

“Losses (gains) on disposal” include the difference between the net book value of sold assets and selling price.

Please note that as at 31 December 2016 there were no non-recurring expenses as defined in Consob Communication DEM/6064293 of 28 July 2006.

Normalised EBITDA (used to calculate covenants): it is calculated by summing “EBITDA” and the following expenses and revenues arising from non-ordinary operations: “Restructuring costs” and “Losses (gains) on disposal”.