

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.

Business segments

With regard to the business segments, information concerning the two business units: Engine Systems and Suspension Components – is 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 2012 and 2013:

(in thousands of Euro)	2012				
	Engine Systems Business Unit	Suspension Components Business Unit	Sogefi SpA / Sogefi Purch. SaS	Adjustments	Sogefi consolidated f/s
REVENUES					
Sales to third parties	791,683	527,550	-	-	1,319,233
Intersegment sales	940	1,054	20,099	(22,093)	-
TOTAL REVENUES	792,623	528,604	20,099	(22,093)	1,319,233
RESULTS					
EBIT	39,000	32,312	(6,148)	(1,766)	63,398
Financial expenses, net					(18,537)
Income from equity investments					-
Losses from equity investments					-
Result before taxes					44,861
Income taxes					(13,410)
Loss (profit) attributable to non-controlling interests					(3,205)
NET RESULT					28,246
STATEMENT OF FINANCIAL POSITION					
ASSETS					
Segment assets	507,599	416,152	571,748	(646,570)	848,929
Equity investments in associates	-	-	-	-	-
Unallocated assets	-	-	-	165,781	165,781
TOTAL ASSETS	507,599	416,152	571,748	(480,789)	1,014,710
LIABILITIES					
Segment liabilities	318,572	256,843	431,470	(192,432)	814,453
TOTAL LIABILITIES	318,572	256,843	431,470	(192,432)	814,453
OTHER INFORMATION					
Increase in tangible and intangible fixed assets	46,592	30,311	9,294	(1,807)	84,390
Depreciation, amortisation and writedowns	35,676	24,545	6,349	(3,320)	63,250

(in thousands of Euro)	2013				
	Engine Systems Business Unit	Suspension Components Business Unit	Sogefi SpA / Sogefi Purch. SaS	Adjustments	Sogefi consolidated f/s
REVENUES					
Sales to third parties	817,583	517,404	-	-	1,334,987
Intersegment sales	983	1,211	22,312	(24,506)	-
TOTAL REVENUES	818,566	518,615	22,312	(24,506)	1,334,987
RESULTS					
EBIT	45,712	35,680	(9,129)	(3,137)	69,126
Financial expenses, net					(28,361)
Income from equity investments					-
Losses from equity investments					(289)
Result before taxes					40,476
Income taxes					(15,745)
Loss (profit) attributable to non-controlling interests					(3,607)
NET RESULT					21,124
STATEMENT OF FINANCIAL POSITION					
ASSETS					
Segment assets	518,717	407,510	622,739	(668,767)	880,199
Equity investments in associates	-	-	-	-	-
Unallocated assets	-	-	-	164,425	164,425
TOTAL ASSETS	518,717	407,510	622,739	(504,342)	1,044,624
LIABILITIES					
Segment liabilities	336,118	268,843	479,642	(228,892)	855,711
TOTAL LIABILITIES	336,118	268,843	479,642	(228,892)	855,711
OTHER INFORMATION					
Increase in tangible and intangible fixed assets	45,173	24,861	14,332	(489)	83,877
Depreciation, amortisation and writedowns	33,431	23,141	1,058	3,031	60,661

Please note that the Engine Systems Business Unit figures include the net book value of the Systemes Moteurs Group (in other words, net assets that were not adjusted to fair value for its Purchase Price Allocation) and the only adjustments for its Purchase Price Allocation relating to utilisation of product warranty provisions (contingent liabilities booked upon PPA); the remaining adjustments for its 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 the 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 Engine Systems Business Unit and the Suspension Components Business Unit.

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 Systemes 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 Ressorts Automobile Group, 40% of Sogefi Rejna S.p.A., the Filtrauto Group, 60% of Sogefi M.N.R. Filtration India Private Ltd and the Systemes Moteurs Group.

"Depreciation, amortisation and writedowns" include writedowns of tangible and intangible fixed assets for the amount of Euro 3,030 thousand, Euro 1,360 thousand of which refer to industrial assets no longer used at subsidiary Shanghai Sogefi Auto Parts Co., Ltd and Euro 717 thousand reflect development projects relating to subsidiary Sogefi Engine Systems Shanghai Co., Ltd. that are no longer recoverable, Euro 1,033 thousand related to writedown of no longer used UK subsidiaries properties and, for the remaining portion, to diminished losses and reversals.

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

Information on the main customers

Note that revenues from sales to third parties as of December 31, 2013 accounting for over 10% of Group revenues refer to: Ford (12.4% of total revenues), PSA (12.4% of total revenues), and Renault/Nissan (10.7% of total revenues).

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 Consolidated Income Statement.

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

(in thousands of Euro)	2012					
	Europe	South America	North America	Asia	Adjustments	Sogefi consolidated f/s
TOTAL ASSETS	1,367,211	124,948	101,619	74,468	(653,536)	1,014,710

(in thousands of Euro)	2013					
	Europe	South America	North America	Asia	Adjustments	Sogefi consolidated f/s
TOTAL ASSETS	1,436,837	102,635	99,498	87,398	(681,744)	1,044,624