

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME  
(in thousands of Euro)

	Note	2014	2013
Net result before non-controlling interests		8,395	24,731
<i>Other Comprehensive Income</i>			
<i>Items that will not be reclassified to profit or loss</i>			
- Actuarial gain (loss)	21	(21,698)	2,965
- Tax on items that will not be reclassified to profit or loss	21	4,199	(1,170)
<i>Total items that will not be reclassified to profit or loss</i>		(17,499)	1,795
<i>Items that may be reclassified to profit or loss</i>			
- Profit (loss) booked to cash flow hedging reserve	21	190	(2,260)
- Tax on items that may be reclassified to profit or loss	21	(53)	620
- Profit (loss) booked to translation reserve	21	6,837	(21,319)
<i>Total items that may be reclassified to profit or loss</i>		6,974	(22,959)
<i>Other Comprehensive Income</i>		(10,525)	(21,164)
Total comprehensive result for the period		(2,130)	3,567
Attributable to:			
- Shareholders of the Holding Company		(7,603)	542
- Non-controlling interests		5,473	3,025

Note that the deferred tax assets relating to the “Allowance for doubtful accounts” and to the “Inventory writedowns” include amounts that will mainly be reversed in the twelve months following year end.

Column “Amount of temporary differences” of line item “Other” relating to deferred tax liabilities includes: Euro 26,696 thousand relating to dividends of the French and Canadian subsidiaries to be paid in the short term, on which a 3% and 5% income tax is due, respectively, at the time of payment; Euro 2,495 thousand is the tax effect relating to the taxed portion of these dividends that will be paid to the French subsidiaries and the Holding Company Sogefi S.p.A.; other minor items totalling Euro 3,475 thousand.

As regards the figures shown under “Temporary differences excluded from the calculation of deferred tax assets (liabilities)”, no deferred tax assets were recognised as, at year end, it was not likely that they would be recovered. “Tax losses carried forward” mainly relate to subsidiaries Allevard Sogefi U.S.A. Inc. (portion of losses not recognised in deferred tax assets because it can not be recovered in the specific period of the company's long-term plan), Allevard Rejna Autosuspensions S.A. (portion of losses not recognised in deferred tax assets because it can not be recovered in the specific period of the company's long-term plan), Sogefi Filtration Ltd (portion of losses not recognised in deferred tax assets because it can not be recovered in the specific period of the company's long-term plan), S. ARA Composite S.A.S., and to the Chinese and Indian subsidiaries of the Suspension Components business unit.

The increase in “Tax losses carried forward” is mainly traced back to the losses of subsidiaries Allevard Rejna Autosuspensions S.A., Sogefi (Suzhou) Auto Parts Co., Ltd. and to certain companies that operate under the Suspension Components business unit. No deferred tax assets were recognised for these losses because the cash flows for the specific period of the company's long-term plan only allow for the recovery of the deferred tax assets recognised during previous years.

## *21. SHARE CAPITAL AND RESERVES*

### *Share capital*

The share capital of the Holding Company Sogefi S.p.A. is fully paid in and amounts to Euro 61,631 thousand as of December 31, 2014 (Euro 60,924 thousand as of December 31, 2013), split into 118,521,055 ordinary shares with a par value of Euro 0.52 each.

During the year 2014, the share capital increased from Euro 60,924 thousand (divided into 117,162,292 shares) to Euro 61,631 thousand (divided into 118,521,055 shares). All ordinary shares have been fully paid-in. There are no shares encumbered by rights, privileges or restrictions as to dividend pay-outs.

As of December 31, 2014, the Holding Company has 3,430,133 treasury shares in its portfolio, corresponding to 2.89% of share capital.

Movements in the shares outstanding are as follows:

(Shares outstanding)	2014	2013
<i>No. shares at start of period</i>	<i>117,222,292</i>	<i>116,753,392</i>
No. shares issued for subscription of stock options	1,298,763	408,900
No. of ordinary shares as of December 31	118,521,055	117,162,292
No. shares issued for subscription of stock options booked to "Other reserves" at December 31, 2013	-	60,000
Treasury shares	(3,430,133)	(3,763,409)
<i>No. of shares outstanding as of December 31</i>	<i>115,090,922</i>	<i>113,458,883</i>

The following table shows the changes in the Group's equity:

(in thousands of Euro)	Share capital	Share premium reserve	Reserve for treasury shares	Treasury shares	Translation reserve	Legal reserve	Cash flow hedging reserve	Share-based incentive plans reserve	Actuarial gain/loss reserve	Tax on items booked in Other Comprehensive Income	Other reserves	Retained earnings	Net result for the period	Total
<i>Balance at December 31, 2012</i>	60,712	10,796	9,087	(9,087)	(6,923)	12,320	(14,528)	3,552	(18,220)	8,552	3,111	92,802	28,246	180,420
Paid share capital increase	212	429	-	-	-	-	-	-	-	-	126	-	-	767
Allocation of 2012 net profit:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	(14,667)	-	(14,667)
Retained earnings	-	-	-	-	-	-	-	-	-	-	-	28,246	(28,246)	-
Recognition of share-based incentive plans	-	-	-	-	-	-	-	1,562	-	-	-	-	-	1,562
Other changes	-	495	(495)	495	-	-	-	(511)	-	-	-	(121)	-	(137)
Fair value measurement of cash flow hedging instruments: share booked to OCI	-	-	-	-	-	-	(5,753)	-	-	-	-	-	-	(5,753)
Fair value measurement of cash flow hedging instruments: share booked to income statement	-	-	-	-	-	-	3,493	-	-	-	-	-	-	3,493
Actuarial gain/loss	-	-	-	-	-	-	-	-	2,965	-	-	-	-	2,965
Tax on items booked in Other Comprehensive Income	-	-	-	-	-	-	-	-	-	(550)	-	-	-	(550)
Currency translation differences	-	-	-	-	(20,737)	-	-	-	-	-	-	-	-	(20,737)
Net result for the period	-	-	-	-	-	-	-	-	-	-	-	-	21,124	21,124
<i>Balance at December 31, 2013</i>	60,924	11,720	8,592	(8,592)	(27,660)	12,320	(16,788)	4,603	(15,255)	8,002	3,237	106,260	21,124	168,487
Paid share capital increase	707	1,942	-	-	-	-	-	-	-	-	(126)	-	-	2,523
Allocation of 2013 net profit:	-	-	-	-	-	-	-	-	-	-	-	-	(20)	-
Legal reserve	-	-	-	-	-	20	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retained earnings	-	-	-	-	-	-	-	-	-	-	-	21,124	(21,124)	-
Recognition of share-based incentive plans	-	-	-	-	-	-	-	852	-	-	-	-	-	852
Other changes	-	761	(761)	761	-	-	-	(724)	-	-	-	(3,078)	-	(3,041)
Fair value measurement of cash flow hedging instruments: share booked to OCI	-	-	-	-	-	-	(9,413)	-	-	-	-	-	-	(9,413)
Fair value measurement of cash flow hedging instruments: share booked to income statement	-	-	-	-	-	-	9,603	-	-	-	-	-	-	9,603
Actuarial gain/loss	-	-	-	-	-	-	-	-	(21,694)	-	-	-	-	(21,694)
Tax on items booked in Other Comprehensive Income	-	-	-	-	-	-	-	-	-	4,146	-	-	-	4,146
Currency translation differences	-	-	-	-	6,116	-	-	-	-	-	-	-	-	6,116
Net result for the period	-	-	-	-	-	-	-	-	-	-	-	-	3,639	3,639
<i>Balance at December 31, 2014</i>	61,631	14,423	7,831	(7,831)	(21,544)	12,340	(16,598)	4,731	(36,949)	12,148	3,111	124,306	3,619	161,218

#### *Share premium reserve*

It amounts to Euro 14,423 thousand compared with Euro 11,720 thousand in the previous year.

The increase by Euro 1,942 thousand reflects share subscriptions under stock option plans for Euro 1,847 thousand, and the transfer of the Euro 95 thousand capital increase subscribed on December 31, 2013.

During 2014, the Holding Company Sogefi S.p.A. credited Euro 761 thousand to the Share premium reserve after the free grant of 333,276 treasury shares to beneficiaries of the 2011 and 2012 Stock Grant plans.

#### *Treasury shares*

Item “Treasury shares” reflects the purchase price of treasury shares. Movements during the year amount to Euro 761 thousand and reflect the free grant of 333,276 treasury shares as reported in the note to “Stock-based incentive plans reserve”.

#### *Translation reserve*

This reserve is used to record the exchange differences arising on the translation of foreign subsidiaries' financial statements.

Movements in the period show an increase of Euro 6,116 thousand mainly attributable to the appreciation of the US and Canadian Dollar against the Euro.

#### *Reserve for actuarial gains/losses*

This reserve reflects the net impact of the application of the amendment to IAS 19 “Employee Benefits” on other actuarial gains (losses) as of January 1, 2012. The item also includes actuarial gains and losses accrued after January 1, 2012 and recognised under Other Comprehensive Income.

#### *Cash flow hedging reserve*

This reserve has changed as a result of accounting for the cash flows deriving from instruments that for IAS 39 purposes are designated as “cash flow hedging instruments”. Changes during the period show an increase of Euro 190 thousand. Breakdown is as follows:

- decrease of Euro 3,411 thousand reflecting the change, as of December 31, 2013, in the fair value of existing contracts;
- increase of Euro 825 thousand reflecting the reserve portion relating to redeemed IRS contracts reclassified to Income Statement (as outlined in note 15);
- increase of Euro 2,776 thousand reflecting the reserve portion relating to the contracts no longer designated in hedge accounting that is recognised in the Income Statement over the same period of time as the differentials relating to the underlying hedged item.

#### *Stock-based incentive plans reserve*

The reserve refers to the credit to equity for stock-based incentive plans, assigned to directors and employees, resolved after November 7, 2002, including the portion relating to the stock grant plan approved in 2014.

In 2014, as a result of the free grant of 333,276 treasury shares to beneficiaries who exercised their options under the stock grant plans, the amount of Euro 724 thousand, corresponding to fair value at units assignment date, was reclassified from “Stock-based incentive plans reserve” and Euro 761 thousand were credited to “Share premium reserve”, whereas Euro 37 thousand were deducted from “Retained earnings reserve”.

The increase of Euro 852 thousand mainly refers to the cost of plans not yet at maturity.

#### *Retained earnings*

These totalled Euro 124,286 thousand and include amounts of profit that have not been distributed.

The decrease of Euro 3,078 thousand refers to the following events:

- the interest held by subsidiary Allevard Rejna Autosuspensions S.A. in subsidiary Allevard IAI Suspensions Pvt Ltd. increased from 70.24% to 73.91% through a share capital increase paid in by shareholders other than non-controlling interests that resulted in the amount of Euro 52 thousand being reclassified between shareholders' equity attributable to non-controlling interests and Group's equity;
- the interest held by subsidiary Allevard Rejna Autosuspensions S.A. in subsidiary S.ARA Composite S.A.S. increased from 90.91% to 93.71% (percent values refer to paid-in capital) through a share capital increase paid in by shareholders other than non-controlling interests that resulted in the amount of Euro 160 thousand being reclassified between shareholders' equity attributable to non-controlling interests and Group's equity;
- recognition of the fair value of the liability connected with the put options held by the non-controlling interests of subsidiary Sogefi M.N.R. Filtration India Pvt for the amount of Euro 2,819 thousand (please read note 1.2 "Content of the consolidated financial statements" for more details);
- reclassification of the "Stock-based incentive plans reserve" as outlined above (Euro 37 thousand);
- other minor changes (Euro 10 thousand).

#### *Tax on items booked in Other Comprehensive Income*

The table below shows the amount of income taxes relating to each item of Other Comprehensive Income:

(in thousands of Euro)	2014			2013		
	Gross value	Taxes	Net value	Gross value	Taxes	Net value
- Profit (loss) booked to cash flow hedging reserve	190	(53)	137	(2,260)	620	(1,640)
- Actuarial gain (loss)	(21,698)	4,199	(17,499)	2,965	(1,170)	1,795
- Profit (loss) booked to translation reserve	6,837	-	6,837	(21,319)	-	(21,319)
- Total Profit (loss) booked in Other Comprehensive Income	(14,671)	4,146	(10,525)	(20,614)	(550)	(21,164)

#### *Tax-related restrictions applicable to certain provisions*

The Shareholders' equity of Holding Company Sogefi S.p.A. includes Deferred tax provisions and share capital committed to deferred tax as a result of past utilisation of valuation reserve totalling Euro 24,164 thousand.

The Holding Company has not allocated any deferred tax liabilities to such provisions that, if distributed, would contribute to the taxable income of the Company, because it is not likely that they will be distributed.

## *Non-controlling interests*

The balance amounts to Euro 19,568 thousand and refers to the portion of shareholders' equity attributable to non-controlling interests.

During the year, the reserve was decreased by Euro 3,734 thousand (posted under line item "Other changes" in the "Consolidated Statement of Changes in Equity") to reflect the changes in the interests held in subsidiaries S.ARA Composite S.A.S. (Euro 160 thousand) and Allevard IAI Suspensions Pvt Ltd. (Euro 52 thousand) noted above and the recognition of the fair value of the liability connected with the put options held by the non-controlling interests of subsidiary Sogefi M.N.R. Filtration India Pvt for the amount of Euro 3,946 thousand.

Details of non-controlling interests are given below:

(in thousands of Euro)	Region	% owned by third parties		Loss (profit) attributable to non-controlling interests		Shareholders' equity attributable to non-controlling	
		12.31.2014	12.31.2013	12.31.2014	12.31.2013	12.31.2014	12.31.2013
Subsidiary's name							
S.ARA Composite S.A.S.	France	6.29%	9.09%	(116)	(132)	524	482
Iberica de Suspensiones S.L.	Spain	50.00%	50.00%	4,103	3,000	15,417	13,814
Shanghai Allevard Spring Co., Ltd	China	39.42%	39.42%	209	217	3,138	2,820
Allevard IAI Suspensions Pvt Ltd	India	26.09%	29.76%	(136)	(196)	425	356
Sogefi M.N.R. Filtration India Pvt Ltd	India	40.00%	40.00%	696	718	-	2,889
Other		0.12%	0.12%	-	-	64	65
<b>TOTAL</b>				<b>4,756</b>	<b>3,607</b>	<b>19,568</b>	<b>20,426</b>

As required by IFRS 12, a brief overview of the key financial data of companies with significant non-controlling interests is provided below:

Company	Shanghai Alleward Spring Co., Ltd		Iberica de Suspensiones S.L.		Sogefi M.N.R. Filtration India Pvt Ltd	
	12.31.2014	12.31.2013	12.31.2014	12.31.2013	12.31.2014	12.31.2013
	Current Assets	5,635	5,485	33,412	25,628	9,593
Non-current Assets	3,729	3,444	9,767	9,769	6,331	4,106
Current Liabilities	1,129	1,775	12,169	7,609	5,444	3,085
Non-current Liabilities	-	-	174	160	617	518
Shareholders' equity attributable to the Holding	5,097	4,443	15,418	13,814	5,918	4,333
Non-controlling interests	3,138	2,711	15,417	13,814	3,945	2,889
	-	-	-	-	-	-
Sales Revenue	6,189	7,092	64,331	53,989	18,403	15,356
Variable cost of sales	3,626	4,229	38,995	33,097	12,205	9,724
Other variable costs of sales	423	508	3,940	3,288	579	497
Fixed expenses	1,445	1,501	10,211	9,352	2,821	2,492
Non-operating expenses (income)	20	120	246	19	103	(18)
Income taxes	145	184	2,731	2,233	955	866
Income (loss) for the period	530	550	8,208	6,000	1,740	1,795
Income (loss) attributable to the Holding Company	320	334	4,104	2,999	1,045	1,077
Income (loss) attributable to non-controlling	209	217	4,103	3,000	696	718
Income (loss) for the period	529	551	8,207	5,999	1,741	1,795
OCI attributable to the Holding Company	483	(68)	-	-	546	(694)
OCI attributable to non-controlling interests	314	(45)	-	-	364	(463)
OCI for the period	797	(113)	-	-	546	(536)
Total income (losses) attributable to the Holding	803	266	4,104	2,999	1,591	383
Total income (losses) attributable to non-controlling	523	172	4,103	3,000	1,055	255
Total income (losses) for the period	1,326	438	8,207	5,999	2,287	1,259
Dividends paid to non-controlling interests	97	73	2,500	2,500	-	-
Net cash inflow (out flow) from operating activities	1,200	1,576	10,568	6,343	2,921	2,389
Net cash inflow (out flow) from investing activities	(316)	(354)	(1,515)	(525)	(2,076)	(1,167)
Net cash inflow (out flow) from financing activities	(857)	(797)	(5,000)	(5,000)	(585)	(92)
Net cash inflow (out flow)	27	425	4,053	818	260	1,130