

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 2013 and 2014:

(in thousands of Euro)	2013				
	Engine Systems Business Unit	Suspension Components Business Unit	Sogefi S.p.A. / Sogefi Purch. S.A.S.	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	(676,541)	872,425
Equity investments in associates	-	-	-	-	-
Unallocated assets	-	-	-	172,199	172,199
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

(in thousands of Euro)	2014				
	Engine Systems Business Unit	Suspension Components Business Unit	Sogefi S.p.A. / Sogefi Purch. S.A.S.	Adjustments	Sogefi consolidated f/s
REVENUES					
Sales to third parties	844,048	505,343	-	-	1,349,391
Intersegment sales	857	1,266	27,403	(29,526)	-
TOTAL REVENUES	844,905	506,609	27,403	(29,526)	1,349,391
RESULTS					
EBIT	42,134	18,206	(7,123)	(4,946)	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	571,744	415,632	629,887	(692,917)	924,346
Equity investments in associates	-	-	-	-	-
Unallocated assets	-	-	-	167,858	167,858
TOTAL ASSETS	571,744	415,632	629,887	(525,059)	1,092,204
LIABILITIES					
Segment liabilities	377,867	289,284	482,035	(237,768)	911,418
TOTAL LIABILITIES	377,867	289,284	482,035	(237,768)	911,418
OTHER INFORMATION					
Increase in tangible and intangible fixed assets	48,830	25,865	11,140	(1,428)	84,407
Depreciation, amortisation and writedowns	33,390	23,149	2,645	2,001	61,184

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 only the adjustments for its Purchase Price Allocation relating to changes in 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. Intersegment transactions are carried out in accordance with 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 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, amortization and writedowns” include writedowns of tangible and intangible fixed assets for the amount of Euro 3,183 thousand, of which: Euro 1,285 thousand reflecting subsidiary Allevard Rejna Autosuspensions S.A.'s writedown of the carrying value of its Lieusaint plant to align it to its lower market value after it was shut down and certain industrial assets no longer used; Euro 1,658 thousand reflecting development projects relating to subsidiary Filtrauto S.A. that are no longer recoverable; and Euro 240 thousand reflecting minor losses.

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

As of December 31, 2014, revenues from sales to third parties accounting for over 10% of Group revenues refer to the following customers: Ford for the amount of Euro 169.0 million (12.5% of total revenues), of which Euro 70.7 million relating to the Suspension Components business unit and Euro 98.3 million to the Engine Systems business unit, Renault/Nissan for the amount of Euro 165.7 million (12.3% of total revenues), of which Euro 75.4 million relating to the Suspension Components business unit and Euro 90.3 million to the Engine Systems business unit, PSA for the amount of Euro 154.4 million (11.4% of total revenues), of which Euro 59.2 million relating to the Suspension Components business unit and Euro 95.2 million to the Engine Systems business unit, and FCA/CNH Industrial for the amount of Euro 143.5 million (10.6% of total revenues), of which Euro 31.6 million relating to the Suspension Components business unit and Euro 111.9 million to the Engine Systems business unit.

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:

(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	(681,745)	1,044,623

(in thousands of Euro)	2014					
	Europe	South America	North America	Asia	Adjustments	Sogefi consolidated f/s
TOTAL ASSETS	1,458,334	111,324	114,342	115,911	(707,707)	1,092,204