



PRESS RELEASE

Board of Directors approves results as of March 31 2016

SOGEFI (CIR GROUP):

Revenues up by 4.7% in Q1 2016 at € 390.1m

EBITDA before non-recurring items up by 9% at € 38.5m

Net result at € 2.9m (€ 7.6m in Q1 2015)

Net debt at € 322.6m (€ 322.3m at 31/12/2015)

Highlights from the results of Q1 2016

(in €m)

| | Q1 2016 | Q1 2015 | Δ% |
|-----------------------------------|----------------|---------|-----------|
| Revenues | 390.1 | 372.5 | 4.7 |
| EBITDA before non-recurring items | 38.5 | 35.3 | 9.0 |
| EBITDA | 34.6 | 34.9 | -0.7 |
| Net Result | 2.9 | 7.6 | |
| Net debt (end of period) | 322.6 | 327.5 | |

Milan, April 27 2016 - The **Board of Directors of Sogefi S.p.A.**, which met today under the chairmanship of **Monica Mondardini**, has approved the **Interim Financial Report** of the group for the **first quarter of 2016**.

Laurent Hebenstreit, Chief Executive Officer of Sogefi, made the following statement:

“In the first quarter of 2016, EBITDA before non-recurring items rose by 9%, despite the negative impact of the South American market. For the moment the results confirm the commitment of the company to improving profitability and cash flow”.

Revenues up by 4.7% in Q1 2016

In the first quarter of 2016, Sogefi reported growth in revenues of 4.7% to € 390.1 million (+10.5% at the same exchange rates).

Revenues by geographical area: strong growth in North America and Asia

| €m | Q1 2016 | Q1 2015 | reported change | reference market | like for like change* | weight based on Q1 2016 |
|---------------|--------------|--------------|-----------------|------------------|-----------------------|-------------------------|
| Europe | 245.2 | 244.9 | 0.1% | 5.1% | 0.5% | 62.9% |
| North America | 75.3 | 57.9 | 30.0% | 5.2% | 38.2% | 19.3% |
| South America | 35.0 | 45.2 | -22.6% | -27.7% | 12.3% | 9.0% |
| Asia | 33.5 | 23.0 | 45.5% | 5.0% | 51.0% | 8.6% |
| Other | 1.1 | 1.5 | | | | |
| Total | 390.1 | 372.5 | 4.7% | | 10.5% | 100.0% |

* Constant exchange rate

Source: Sogefi and IHS data

In Europe revenues remained stable and business continued to develop vigorously in North America (+30%) and in Asia (+45.5%).

In South America, which in first quarter 2016 accounted for less than 10% of total revenues, sales in euro declined by 22.6% because of the devaluation of the local currencies (at like-for-like exchange rates growth was 12.3%).

Revenues by Business Unit: significant increase in the Air & Cooling segment

| €m | Q1 2016 | Q1 2015 | reported change | like for like change* |
|---------------|--------------|--------------|-----------------|-----------------------|
| Suspensions | 143.1 | 141.1 | 1.4% | 7.6% |
| Filtration | 131.1 | 132.5 | -1.0% | 5.5% |
| Air & Cooling | 116.6 | 100.1 | 16.5% | 20.5% |
| intercompany | -0.7 | -1.1 | | |
| Total | 390.1 | 372.5 | 4.7% | 10.5% |

* Constant exchange rate

Growth in the first quarter of 2016 came largely from the Air & Cooling segment, which reported a rise of 16.5% (+20.5% at the same exchange rates); revenues of the Suspensions segment rose by 1.4% (+7.6% at the same exchange rates), while those of Filtration were down by 1% (+5.5% at the same exchange rates).

Operating results and net profit for the first quarter

EBITDA before non-recurring items came to € 38.5 million and was up by 9% on the same period of 2015; profitability increased slightly (from 9.5% in Q1 2015 to 9.9% in Q1 2016), thanks to the gross margin holding up well and to the lower impact of fixed costs.

Once non-recurring charges are considered (€ 3.8 million versus € 0.4 million in Q1 2015), **EBITDA**, totalling € **34.6 million**, was stable on the first quarter of the previous year (€ 34.9 million).

The decline in EBITDA reported in South America was offset by the increases in strongly developing countries, specifically in North America, China and India.

The update in the first quarter of the “product guarantee” risks of the Air & Cooling business unit did not lead to any change in the provision.

EBIT amounted to € 16 million, down from € 19.1 million in the first quarter of 2015; the lower figure was due to higher amortization and fixed assets write-downs.

The **net result** was **positive** for **€ 2.9 million**, down from € 7.6 million in Q1 2015 as an effect of higher financial expense, beyond the already mentioned decline in EBIT; financial expense in the first quarter of 2015 had benefited from a positive non-recurring item linked to the fair value measurement of the convertible bond.

Net debt

Net financial debt stood at **€ 322.6 million** at March 31 2016, in line with December 31 2015 and showing a decline of € 5 million on the figure at March 31 2015 (€ 327.5 million). **Free Cash Flow** in first quarter 2016 amounted to € -0.2 million, compared to € -28.9 million in Q1 2015. This improvement is attributable for approximately € 10 million to lower disbursements of a non-recurring nature for product guarantees and restructuring and, for the remaining part, was due to more factoring and less capex and to a better performance in operating cash flow.

Employees

The Sogefi group had **6,781 employees** at March 31 2016 compared to 6,702 at December 31 2015.

Outlook for the year

Sogefi expects the positive trends in North America, China and India to continue. In Europe after the important business expansion seen in 2015, growth could be more limited, while in South America market conditions will remain difficult.

The executive responsible for the preparation of the Company's financial statements, Yann Albrand, hereby declares, in compliance with the terms of paragraph 2 Article 154-bis of the Finance Consolidation Act (TUF), that the accounting figures contained in this press release correspond to the results documented in the Company's accounts and general ledger.

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This press release can also be consulted on the website: <http://www.sogefigroup.com/it/area-stampa/index.html>

Attached are the key figures from the Income Statement and the Statement of Financial Position as of March 31 2016 of the Sogefi Group.

Please note that these figures have not been audited by the Firm of Auditors.

SOGEFI GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of Euro)

| ASSETS | 03.31.2016 | 12.31.2015 |
|-------------------------------------------|-------------------|-------------------|
| CURRENT ASSETS | | |
| Cash and cash equivalents | 122.9 | 121.9 |
| Other financial assets | 5.1 | 6.3 |
| <i>Working capital</i> | | |
| Inventories | 159.0 | 159.7 |
| Trade receivables | 177.4 | 143.5 |
| Other receivables | 7.3 | 7.9 |
| Tax receivables | 24.8 | 26.8 |
| Other assets | 4.9 | 4.0 |
| TOTAL WORKING CAPITAL | 373.4 | 341.9 |
| TOTAL CURRENT ASSETS | 501.4 | 470.1 |
| NON-CURRENT ASSETS | | |
| Fixed assets | | |
| Land | 14.2 | 14.3 |
| Property, plant and equipment | 226.1 | 232.6 |
| Other tangible fixed assets | 5.4 | 5.3 |
| <i>Of wich: leases</i> | 5.2 | 6.8 |
| Intangible assets | 283.2 | 284.0 |
| TOTAL FIXED ASSETS | 528.9 | 536.2 |
| OTHER NON-CURRENT ASSETS | | |
| Investments in joint ventures | - | - |
| Other financial assets available for sale | 0.4 | 0.4 |
| Non-current trade receivables | - | - |
| Financial receivables | 8.5 | 13.2 |
| Other receivables | 36.1 | 34.7 |
| Deferred tax assets | 64.3 | 65.3 |
| TOTAL OTHER NON-CURRENT ASSETS | 109.3 | 113.6 |
| TOTAL NON-CURRENT ASSETS | 638.2 | 649.8 |
| TOTAL ASSETS | 1,139.6 | 1,119.9 |

| LIABILITIES | 03.31.2016 | 12.31.2015 |
|------------------------------------------------------------------------------------|-------------------|-------------------|
| CURRENT LIABILITIES | | |
| Bank overdrafts and short-term loans | 25.3 | 17.8 |
| Current portion of medium/long-term financial debts and other loans | 101.0 | 74.4 |
| <i>Of which: leases</i> | 1.2 | 1.3 |
| TOTAL SHORT-TERM FINANCIAL DEBTS | 126.3 | 92.2 |
| Other short-term liabilities for derivative financial instruments | 0.3 | 0.3 |
| TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS | 126.6 | 92.5 |
| Trade and other payables | 350.9 | 325.4 |
| Tax payables | 6.7 | 6.1 |
| Other current liabilities | 9.3 | 9.7 |
| TOTAL CURRENT LIABILITIES | 493.5 | 433.7 |
| NON-CURRENT LIABILITIES | | |
| MEDIUM/LONG TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS | | |
| Financial debts to bank | 107.6 | 141.1 |
| Other medium/long-term financial debts | 213.7 | 218.4 |
| <i>Of which: leases</i> | 7.4 | 8.1 |
| TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS | 321.3 | 359.5 |
| Other medium/long term financial liabilities for derivative financial instruments | 11.1 | 11.6 |
| TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS | 332.4 | 371.1 |
| OTHER LONG-TERM LIABILITIES | | |
| Long-term provisions | 76.1 | 79.2 |
| Other payables | 11.9 | 9.2 |
| Deferred tax liabilities | 36.2 | 36.3 |
| TOTAL OTHER LONG-TERM LIABILITIES | 124.2 | 124.7 |
| TOTAL NON-CURRENT LIABILITIES | 456.6 | 495.8 |
| SHAREHOLDERS' EQUITY | | |
| Share capital | 61.7 | 61.7 |
| Reserves and retained earnings (accumulated losses) | 104.2 | 108.0 |
| Group net result for the period | 2.9 | 1.1 |
| TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY | 168.8 | 170.8 |
| Non-controlling interests | 20.7 | 19.6 |
| TOTAL SHAREHOLDERS' EQUITY | 189.5 | 190.4 |
| TOTAL LIABILITIES AND EQUITY | 1,139.6 | 1,119.9 |

CONSOLIDATED INCOME STATEMENT FROM 01.01.2016 TO 03.31.2016

(in millions of Euro)

| | Period | | Period | | Change | |
|----------------------------------------------------------|--------------|-------------|--------------|-------------|--------------|---------------|
| | 01.01.2016 | 03.31.2016 | 01.01.2015 | 03.31.2015 | Amount | % |
| Sales revenues | 390.1 | 100.0 | 372.5 | 100.0 | 17.6 | 4.7 |
| Variable cost of sales | 280.9 | 72.0 | 269.0 | 72.2 | 11.9 | 4.4 |
| CONTRIBUTION MARGIN | 109.2 | 28.0 | 103.5 | 27.8 | 5.7 | 5.5 |
| Manufacturing and R&D overheads | 36.3 | 9.3 | 35.6 | 9.6 | 0.7 | 1.9 |
| Depreciation and amortization | 16.6 | 4.3 | 15.8 | 4.2 | 0.8 | 5.4 |
| Distribution and sales fixed expenses | 11.5 | 2.9 | 11.4 | 3.1 | 0.1 | 0.4 |
| Administrative and general expenses | 18.1 | 4.7 | 18.1 | 4.9 | - | 0.4 |
| Restructuring costs | 1.4 | 0.4 | 0.4 | 0.1 | 1.0 | 271.1 |
| Losses (gains) on disposal | - | - | - | - | - | - |
| Exchange losses (gains) | 1.1 | 0.3 | (0.8) | (0.2) | 1.9 | 236.7 |
| Other non-operating expenses (income) | 8.2 | 2.1 | 3.9 | 1.0 | 4.3 | 106.8 |
| - of which non-recurring | 2.4 | | - | | 2.4 | |
| EBIT | 16.0 | 4.1 | 19.1 | 5.1 | (3.1) | (16.3) |
| Financial expenses (income), net | 8.5 | 2.2 | 6.8 | 1.9 | 1.7 | 24.5 |
| - of which fair value of the embedded derivative | - | - | (1.5) | - | 1.5 | - |
| - of which other net financial expenses (income) | 8.5 | | 8.3 | | 0.2 | 2.4 |
| Losses (gains) from equity investments | - | | - | | - | - |
| RESULT BEFORE TAXES AND NON-CONTROLLING INTERESTS | 7.5 | 1.9 | 12.3 | 3.2 | (4.8) | - |
| Income taxes | 3.4 | 0.9 | 3.9 | 1.0 | (0.5) | (13.2) |
| NET RESULT BEFORE NON-CONTROLLING INTERESTS | 4.1 | 1.0 | 8.4 | 2.2 | (4.3) | (50.6) |
| Loss (income) attributable to non-controlling interests | (1.2) | (0.3) | (0.8) | (0.2) | (0.4) | (48.6) |
| GROUP NET RESULT | 2.9 | 0.8 | 7.6 | 2.0 | (4.7) | (61.5) |

NET FINANCIAL POSITION

(in millions of Euro)

| | 03.31.2016 | 12.31.2015 | 03.31.2015 |
|--------------------------------------------------------------------------------|----------------|----------------|----------------|
| A. Cash | 122.9 | 121.9 | 108.8 |
| B. Other cash at bank and on hand (held to maturity investments) | 4.0 | 4.0 | 7.0 |
| C. Financial instruments held for trading | - | - | - |
| D. Liquid funds (A) + (B) + (C) | 126.9 | 125.9 | 115.8 |
| E. Current financial receivables | 1.1 | 2.3 | 2.3 |
| F. Current payables to banks | (25.3) | (17.8) | (25.0) |
| G. Current portion of non-current indebtedness | (101.1) | (74.5) | (96.3) |
| H. Other current financial debts | (0.3) | (0.3) | (0.2) |
| I. Current financial indebtedness (F) + (G) + (H) | (126.7) | (92.6) | (121.5) |
| J. Current financial indebtedness, net (I) + (E) + (D) | 1.3 | 35.6 | (3.4) |
| K. Non-current payables to banks | (107.6) | (141.1) | (102.6) |
| L. Bonds issued | (205.1) | (208.9) | (207.8) |
| M. Other non-current financial debts | (19.7) | (21.1) | (22.6) |
| N. Convertible bond embedded derivative liability | - | - | - |
| O. Non-current financial indebtedness (K) + (L) + (M) + (N) | (332.4) | (371.1) | (333.0) |
| P. Net indebtedness (J) + (O) | (331.1) | (335.5) | (336.4) |
| Non-current financial receivables | 8.5 | 13.2 | 8.9 |
| Financial indebtedness, net including non-current financial receivables | (322.6) | (322.3) | (327.5) |

CASH FLOW STATEMENT

(in millions of Euro)

| | March 31, 2016 | December 31, 2015 | March 31, 2015 |
|-------------------------------------------------------------|-------------------|----------------------|-------------------|
| SELF-FINANCING | 21.2 | 53.4 | (1.9) |
| Change in net working capital | (7.0) | (4.2) | (2.4) |
| Other medium/long-term assets/liabilities | 1.9 | 4.8 | (1.5) |
| CASH FLOW GENERATED BY OPERATIONS | 16.1 | 54.0 | (5.8) |
| Sale of equity investments | - | - | - |
| Net decrease from sale of fixed assets | - | 1.0 | 0.1 |
| TOTAL SOURCES | 16.1 | 55.0 | (5.7) |
| Increase in intangible assets | 7.4 | 30.4 | 8.6 |
| Purchase of tangible assets | 8.7 | 51.3 | 11.1 |
| TOTAL APPLICATION OF FUNDS | 16.1 | 81.7 | 19.7 |
| Exchange differences on assets/liabilities and equity | (0.2) | 1.9 | (3.5) |
| FREE CASH FLOW | (0.2) | (24.8) | (28.9) |
| Holding Company increases in capital | - | 0.1 | 0.1 |
| Increase in share capital of consolidated subsidiaries | 0.1 | 0.1 | - |
| Dividends paid by subsidiaries to non-controlling interests | - | (4.3) | - |
| Change in fair value of effective derivative instruments | (0.2) | 10.9 | 5.6 |
| CHANGES IN SHAREHOLDERS' EQUITY | (0.1) | 6.8 | 5.7 |
| Change in net financial position | (0.3) | (18.0) | (23.2) |
| Opening net financial position | (322.3) | (304.3) | (304.3) |
| CLOSING NET FINANCIAL POSITION | (322.6) | (322.3) | (327.5) |