



PRESS RELEASE

Board of Directors approves results as of September 30 2015

SOGEFI (CIR GROUP):

Revenues at € 1.1bn up by 11.5% in 9M 2015 (+8.7% like for like)

Strong growth in Europe (+9.3%) and North America (+23.2%)

EBITDA at € 91.3m up 13.1% in 9M

Net income at € +7.4m (loss of € -5.8m in 9M 2014)

New product-oriented organization

Three business units: Suspensions, Filtration and Air&Cooling

Leaner central structures: new Product Innovation and Marketing Division set up

(in €m)

	9M 2015	9M 2014	Δ%
Revenues	1,126.6	1,010.2	+11.5
EBITDA	91.3	80.8	+13.1
Net result	7.4	-5.8	
Net debt (end of period)	339.7	348.5	

Milan, October 23 2015 - 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 as of **September 30 2015**.

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

“Third quarter confirms the positive revenue trend of the first half of the year driven by robust organic growth in Europe and North America and by resilience in South America despite continuing market weakness. Sogefi in October deployed a new, lean, product-oriented organization with three Business Units: Suspensions, Filtration and Air&Cooling. The central management divisions have been reduced from seven to three: Finance, Information Systems and Administration; Human Resources; Product Innovation and Marketing. The new organization will enable Sogefi to strengthen its competitiveness, leveraging on quality, efficiency and innovation. Improving profitability is a top priority for the Group”.

Sales up 10.9% in Q3 and 11.5% in 9M 2015

Automotive production in the first nine months of 2015 rose 1%, benefiting from the robust recovery in the European market (+6.1%) and from the continuing expansion in North America (+3.0%). Production in Asia slowed to +2.5% as a consequence of the decline recorded in China in Q3 (-5%). In South America recession continued with production down by 15%.

In this environment Sogefi reported significant revenue growth in the first nine months of 2015 (+11.5%, + 8.7% on a like-for-like basis) thanks to the positive contribution of all business units and geographical areas, with the exception of Latin America.

Sales by geographical area: robust growth in Europe and North America

€m	Q3 2015	Q3 2014	reported change	like for like change*	9M 2015	9M 2014	reported change	reference market	like for like change*	weight based on 9M 2015
Europe	218.9	205.2	6.7%	5.5%	717.6	656.7	9.3%	6.1%	8.0%	63.7%
North America	70.6	52.3	35.0%	30.6%	191.5	155.4	23.2%	3.0%	12.9%	17.0%
South America	44.5	46.6	-4.5%	7.6%	134.9	135.8	-0.7%	-14.9%	3.0%	12.0%
Asia	27.7	22.4	23.5%	10.2%	78.3	59.8	31.1%	2.5%	13.7%	7.0%
Other	1.2	0.7	64.1%	68.7%	4.3	2.5	70.2%		67.3%	0.4%
Total	362.9	327.3	10.9%	10.4%	1,126.6	1,010.2	11.5%		8.7%	100.0%

* Constant exchange rate

Source: Sogefi and IHS data

Europe, which represents the group's main market, showed significant growth of +9.3% in the first nine months of 2015 and +6.7% in Q3 alone, driven by a market recovery with a positive contribution from all areas of the business.

In North America Sogefi is outperforming the market, benefiting from its positioning with regard to North American car manufacturers which led to an acceleration of sales growth in Q3 2015 of +30.6% on a like-for-like basis.

In South America, despite the market decline, sales in the quarter grew 7.6% on a like-for-like basis (-4.5% including the forex effect) thanks to Sogefi's business resilience and to the positive contribution of the suspension business.

In Asia, despite the slowdown that affected the Chinese market, Sogefi experienced in the quarter a 10.2% growth in sales on a like-for-like basis.

Sales by client

The main clients of Sogefi are Ford, FCA, Renault/Nissan, PSA, Daimler and GM. Almost all clients recorded growth in sales in the first nine months of 2015.

€m	9M 2015		9M 2014	
	Sales	weight	Sales	weight
Ford	148.0	13.1%	125.9	12.5%
FCA	135.5	12.0%	104.1	10.3%
Renault/Nissan	133.5	11.8%	123.7	12.2%
PSA	127.4	11.3%	117.2	11.6%
Daimler	86.6	7.7%	73.4	7.3%
GM	83.2	7.4%	84.2	8.3%
Volkswagen/Audi	38.8	3.4%	34.6	3.4%
BMW	31.5	2.8%	28.8	2.9%
Toyota	24.0	2.1%	20.7	2.0%
Others (including Aftermarket)	318.1	28.2%	297.6	29.5%
Total	1,126.6	100%	1,010.2	100%

Sales by business unit: significant growth in Q3 and 9M

All Business Units reported significant revenue growth in the quarter:

€m	Q3 2015	Q3 2014	reported change	like for like change*	9M 2015	9M 2014	reported change	like for like change*
Suspensions	133.3	120.6	10.5%	10.6%	420.4	378.6	11.0%	9.4%
Filtration	134.7	120.3	11.9%	10.2%	409.3	359.8	13.7%	9.4%
Air&Cooling	97.0	89.6	8.2%	8.5%	303.9	277.5	9.5%	7.0%
intercompany	-2.0	-3.3			-6.9	-5.8		
Total	362.9	327.3	10.9%	10.4%	1,126.6	1,010.2	11.5%	8.7%

* Constant exchange rate

In the first nine months of 2015 all business units contributed with solid revenue growth: Suspensions sales increased +11% versus the previous year, Filtration +13.7% and Air&Cooling +9.5%.

In the third quarter, sales of the **Suspensions** business unit grew by 10.6% on a like-for-like basis in Q3 benefiting from the positive momentum in Europe and from an increased market share in South America. Sales of the **Filtration** business unit increased by 10.2% on a like-for-like basis in the third quarter underpinned by the European business, the aftermarket and the growth in North America. OEM sales of filters specifically for diesel engines account for less than 10% of total Filtration revenues.

Air & Cooling sales grew in the quarter thanks to the increased market share in North America and Europe.

Operating results and net income for 9M

EBITDA in the first nine months of 2015 increased 13.1% to **€ 91.3 million** (8.1% of sales) compared to the first nine months of 2014.

Non-recurring expenses of € 16.8 million were recorded in the period (€ 17.9 million in the corresponding period of 2014, all relating to restructuring), of which € 11.8 million in Q2 for an Air&Cooling provision for product warranties of Systèmes Moteurs and € 4 million for restructuring costs. In particular Q3 EBITDA was impacted by higher non-operating costs, mainly referring to exchange rate losses, net of which the figure would have been in line with the trend experienced in H1.

The review of the risks of the Air&Cooling warranties issue in Q3 gave rise to no variation in the provision.

Consolidated EBIT amounted to **€ 43.2 million** and was up 18.4% on the first nine months of 2014.

The **result before taxes and minority interests** was a positive figure of € 19.6 million (€ 6.5 million in the first nine months of 2014) after net financial expense of € 23.6 million.

The rise in revenues, the better absorption of fixed costs (the ratio to revenues went down from 18% to 17.1%), together with lower net financial expense enabled Sogefi to achieve a **positive net result** for the first nine months of 2015 of **€ 7.4 million**, compared to a loss of € 5.8 million in the same period of 2014.

Shareholders' equity

At September 30 2015 **shareholders' equity** excluding minority interests amounted to **€ 173.5 million** (€ 161.2 million at December 31 2014).

Net debt comparable with last year

Net financial debt stood at **€ 339.7 million** at September 30 2015 and was comparable with the figure reported at the end of September 2014 (€ 348.5 million).

Employees

The Sogefi group had **6,689 employees** at September 30 2015 compared to 6,668 at December 31 2014.

Outlook for the year

Sogefi expects the positive trends seen in its main markets, particularly North America and Europe, to continue. Also in China and India the company should achieve further growth, while in South America market conditions remain difficult.

Stock Grant Plan

The Board of Directors, on the strength of the authorization given to it by the Shareholders' Meeting held on April 20 2015, implemented Stock Grant Plan 2015 by assigning 441,004 rights.

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 September 30 2015 of the Sogefi Group. It should be noted that these accounts have not been externally audited.

SOGEFI GROUP CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of Euro)

ASSETS	09.30.2015	12.31.2014
CURRENT ASSETS		
Cash and cash equivalents	97.0	124.0
Other financial assets	6.8	9.5
<i>Working capital</i>		
Inventories	165.4	144.1
Trade receivables	166.7	148.1
Other receivables	12.3	6.9
Tax receivables	25.3	22.6
Other assets	4.6	3.6
TOTAL WORKING CAPITAL	374.3	325.3
TOTAL CURRENT ASSETS	478.1	458.8
NON-CURRENT ASSETS		
FIXED ASSETS		
Land	14.3	14.3
Property, plant and equipment	225.3	224.4
Other tangible fixed assets	4.7	5.3
<i>Of wich: leases</i>	4.8	5.1
Intangible assets	287.8	283.0
TOTAL FIXED ASSETS	532.1	527.0
OTHER NON-CURRENT ASSETS		
Investments in joint ventures	-	-
Other financial assets available for sale	0.4	0.4
Long term trade receivables	-	-
Financial receivables	11.5	0.2
Other receivables	36.6	34.7
Deferred tax assets	76.3	71.1
TOTAL OTHER NON-CURRENT ASSETS	124.8	106.4
TOTAL NON-CURRENT ASSETS	656.9	633.4
NON-CURRENT ASSETS HELD FOR SALE	-	-
TOTAL ASSETS	1,135.0	1,092.2

LIABILITIES	09.30.2015	12.31.2014
CURRENT LIABILITIES		
Bank overdrafts and short-term loans	12.3	13.4
Current portion of medium/long-term financial debts and other loans	85.7	64.5
<i>Of which: leases</i>	0.9	0.9
TOTAL SHORT-TERM FINANCIAL DEBTS	98.0	77.9
Other short-term liabilities for derivative financial instruments	0.1	0.4
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	98.1	78.3
Trade and other payables	332.5	309.8
Tax payables	9.9	5.3
Other current liabilities	9.3	8.1
TOTAL CURRENT LIABILITIES	449.8	401.5
NON-CURRENT LIABILITIES		
MEDIUM/LONG TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS		
Financial debts to bank	131.9	131.6
Other medium/long-term financial debts	213.0	203.6
<i>Of which: leases</i>	6.2	6.5
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS	344.9	335.2
Other medium/long term financial liabilities for derivative financial instruments	12.1	24.5
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	357.0	359.7
OTHER LONG-TERM LIABILITIES		
Long-term provisions	90.1	104.3
Other payables	7.3	7.0
Deferred tax liabilities	38.2	38.9
TOTAL OTHER LONG-TERM LIABILITIES	135.6	150.2
TOTAL NON-CURRENT LIABILITIES	492.6	509.9
SHAREHOLDERS' EQUITY		
Share capital	61.7	61.6
Reserves and retained earnings (accumulated losses)	104.4	95.9
Group net profit (loss) for the period	7.4	3.6
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY	173.5	161.2
Non-controlling interests	19.1	19.6
TOTAL SHAREHOLDERS' EQUITY	192.6	180.8
TOTAL LIABILITIES AND EQUITY	1,135.0	1,092.2

SOGEFI GROUP - CONSOLIDATED INCOME STATEMENT FROM 1.1.2015 TO 09.30.2015

(in millions of Euro)

	Period		Period		Change	
	01.01 € 09.30.2015		01.01 € 09.30.2014		Amount	%
	Amount	%	Amount	%	Amount	%
Sales revenues	1,126.6	100.0	1,010.2	100.0	116.4	11.5
Variable cost of sales	810.7	72.0	718.8	71.2	91.9	12.8
CONTRIBUTION MARGIN	315.9	28.0	291.4	28.8	24.5	8.4
Manufacturing and R&D overheads	105.7	9.4	96.3	9.5	9.4	9.7
Depreciation and amortization	48.2	4.3	43.9	4.3	4.3	9.8
Distribution and sales fixed expenses	34.1	3.0	31.0	3.1	3.1	10.3
Administrative and general expenses	52.9	4.7	54.6	5.4	(1.7)	(3.1)
Restructuring costs	4.0	0.4	13.8	1.4	(9.8)	(71.2)
Losses (gains) on disposal	(1.5)	(0.1)	-	-	(1.5)	-
Exchange losses (gains)	3.8	0.3	1.3	0.1	2.5	189.2
Other non-operating expenses (income)	25.5	2.3	14.0	1.4	11.5	81.4
- of which non recurring	14.3	-	4.1	-	-	-
EBIT	43.2	3.8	36.5	3.6	6.7	18.4
Financial expenses (income), net	23.6	2.1	30.0	3.0	(6.4)	(21.4)
- of which fair value of embedded derivative (convertible bond)	(1.5)	-	(0.1)	-	(1.4)	-
- of which other net financial expenses	22.1	-	29.9	-	(7.8)	-
Losses (gains) from equity investments	-	-	-	-	-	-
RESULT BEFORE TAXES AND NON-CONTROLLING INTERESTS	19.6	1.7	6.5	0.6	13.1	203.7
Income taxes	9.5	0.8	9.0	0.9	0.5	6.9
NET RESULT BEFORE NON-CONTROLLING INTERESTS	10.1	0.9	(2.5)	(0.3)	12.6	196.8
Loss (income) attributable to non-controlling interests	(2.7)	(0.3)	(3.3)	(0.2)	0.6	19.9
GROUP NET RESULT	7.4	0.6	(5.8)	(0.5)	13.2	227.8

SOGEFI GROUP – NET FINANCIAL POSITION

(in millions of Euro)

	09.30.2015	12.31.2014	09.30.2014
A. Cash	97.0	124.0	93.7
B. Other cash at bank and on hand (included held-to-maturity investments)	4.0	7.0	8.9
C. Financial instruments held for trading	-	-	-
D. Liquid funds (A) + (B) + (C)	101.0	131.0	102.6
E. Current financial receivables	2.8	2.5	0.8
F. Current payables to banks	(12.3)	(13.4)	(16.6)
G. Current portion of non-current indebtedness	(85.6)	(64.5)	(104.5)
H. Other current financial debts	(0.1)	(0.4)	(0.6)
I. Current financial indebtedness (F) + (G) + (H)	(98.0)	(78.3)	(121.7)
J. Current financial indebtedness, net (I) + (E) + (D)	5.8	55.2	(18.3)
K. Non-current payables to banks	(131.9)	(131.6)	(86.0)
L. Bonds issued	(205.1)	(194.8)	(190.8)
M. Other non-current financial debts	(20.0)	(22.8)	(29.0)
N. Convertible bond embedded derivative liability	-	(10.5)	(24.4)
O. Non-current financial indebtedness (K) + (L) + (M) + (N)	(357.0)	(359.7)	(330.2)
P. Net indebtedness (J) + (O)	(351.2)	(304.5)	(348.5)
Non-current financial receivables	11.5	0.2	-
Financial indebtedness, net including non-current financial receivables	(339.7)	(304.3)	(348.5)

SOGEFI GROUP - CASH FLOW STATEMENT

(in millions of Euro)

	September 30, 2015	December 31, 2014	September 30, 2014
SELF-FINANCING	36.4	67.6	46.7
Change in net working capital	(27.0)	20.4	(29.1)
Other medium/long-term assets/liabilities	0.7	(2.1)	(0.1)
CASH FLOW GENERATED BY OPERATIONS	10.1	85.9	17.5
Sale of equity investments	-	-	-
Net decrease from sale of fixed assets	0.2	3.8	3.5
TOTAL SOURCES	10.3	89.7	21.0
Increase in intangible assets	26.8	42.1	31.8
Purchase of tangible assets	33.2	42.3	26.1
Purchase of equity investments	-	-	-
TOTAL APPLICATION OF FUNDS	60.0	84.4	57.9
Net financial position of subsidiaries purchased/sold during the period	-	-	-
Exchange differences on assets/liabilities and equity	5.4	(1.5)	(1.8)
FREE CASH FLOW	(44.3)	3.8	(38.7)
Holding Company increases in capital	0.1	2.5	2.5
Increase in share capital of consolidated subsidiaries	0.1	-	-
Dividends paid by subsidiaries to non-controlling interests	(3.5)	(2.6)	(2.6)
Change in fair value derivative instruments	12.2	(3.4)	(5.1)
CHANGES IN SHAREHOLDERS' EQUITY	8.9	(3.5)	(5.2)
Change in net financial position	(35.4)	0.3	(43.9)
Opening net financial position	(304.3)	(304.6)	(304.6)
CLOSING NET FINANCIAL POSITION	(339.7)	(304.3)	(348.5)

SOGEFI GROUP - CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER

(in millions of Euro)

	Period 07.01 Æ 09.30.2015		Period 07.01 Æ 09.30.2014		Change	
	Amount	%	Amount	%	Amount	%
Sales revenues	362.9	100.0	327.3	100.0	35.6	10.9
Variable cost of sales	262.0	72.2	234.2	71.6	27.8	11.9
CONTRIBUTION MARGIN	100.9	27.8	93.1	28.4	7.8	8.4
Manufacturing and R&D overheads	34.5	9.5	31.2	9.5	3.3	10.7
Depreciation and amortization	16.3	4.5	14.3	4.4	2.0	13.4
Distribution and sales fixed expenses	10.8	3.0	10.2	3.1	0.6	5.7
Administrative and general expenses	16.4	4.5	17.2	5.3	(0.8)	(4.7)
Restructuring costs	2.0	0.6	3.5	1.1	(1.5)	(43.4)
Losses (gains) on disposal	-	-	-	-	-	-
Exchange losses (gains)	2.5	0.7	(1.0)	(0.3)	3.5	357.5
Other non-operating expenses (income)	5.7	1.5	3.1	0.9	2.6	92.2
- of which non recurring	2.1	-	-	-	-	-
EBIT	12.7	3.5	14.7	4.4	(1.9)	(13.6)
Financial expenses (income), net	8.9	2.5	9.0	2.8	(0.1)	(1.2)
Losses (gains) from equity investments	-	-	-	-	-	-
RESULT BEFORE TAXES AND NON-CONTROLLING INTERESTS	3.8	1.0	5.7	1.6	(1.8)	(33.4)
Income taxes	5.3	1.5	3.2	1.0	2.1	69.9
NET RESULT BEFORE NON- CONTROLLING INTERESTS	(1.5)	(0.5)	2.5	0.6	(3.9)	(162.0)
Loss (income) attributable to non-controlling interests	(0.8)	(0.2)	(1.0)	(0.3)	0.2	23.2
GROUP NET RESULT	(2.3)	(0.7)	1.5	0.3	(3.7)	(254.3)