INTERIM FINANCIAL REPORT AS AT MARCH 31, 2015

(Translation into English of the original Italian version)

JOINT-STOCK COMPANY - SHARE CAPITAL EURO 61,672,548.60
MANTOVA COMPANY REGISTER AND TAX CODE 00607460201
COMPANY SUBJECT TO THE DIRECTION AND COORDINATION OF CIR S.p.A.
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BOARD OF DIRECTORS' REPORT
ON OPERATIONS
AS AT MARCH 31, 2015

The first quarter of 2015 for the automotive sector was characterized by a positive performance of almost all the main world markets, with an increase in production levels of passenger cars and light commercial vehicles in Europe (+4.1%), NAFTA (+2.2%) and Asia (+5.7%).
The recessionary phase continued however in the South American market with production down by 14.9% in the quarter compared to the same period of 2014.

In this climate, Sogefi reported growth in its revenues of 10% thanks to the higher volumes in all the geographical areas and partly also to the favourable effect of exchange rates (+5.9% growth at the same exchange rates). A significant figure was the strong growth in revenues in Europe, underpinned by the rise in volumes in both the original equipment and the aftermarket businesses.
Thanks to the rise in revenues and to the lower restructuring costs, the group obtained a positive net result after a loss in the first quarter of 2014.

Sogefi closed the first quarter with **consolidated revenues of € 372.5 million**, which were **up by 10%** on the first quarter of 2014 (+5.9% at the same exchange rates).

As for the various geographical areas, the company reported a positive performance in **Europe** (revenues up by 7.7% to € 244.9 million; +6.5% at the same exchange rates), **North America** (+15.1%; +3% at the same exchange rates) and **Asia** (+39.7%; +19.2% at the same exchange rates). In **South America** Sogefi reported a rise in revenues of 3.3% (+0.5% at the same exchange rates), despite the continuing weakness of the market.

EBITDA before restructuring came to **€ 35.2 million, up by 10.7%** compared to the first quarter of last year (€ 31.8 million), with a ratio to sales of 9.5% (9.4% in 2014). The erosion of contribution margins is continuing but in the first quarter if was offset by the lower impact in percentage terms of fixed costs.
EBITDA came in at **€ 34.9 million, up significantly** from € 20.9 million in the first quarter of 2014. It should be remembered that in first quarter 2014 the group had incurred restructuring charges for a total of € 11.3 million, reduced to € 0.4 million in the first three months of 2015.

EBIT before restructuring came to **€ 19.5 million** and was **up by 13.7%** with a ratio to sales of 5.2% versus 5% in the corresponding period of 2014. **EBIT** was **€ 19.1 million** (€ 5.8 million in first quarter 2014).

The **result before taxes and minority interests** was a **positive** figure of **€ 12.3 million** (a negative € 2.6 million in first quarter 2014), after net financial expense of € 6.8 million. Net financial expense also includes a non-recurring gain of € 1.5 million from the periodic mark to market of the derivative embedded in the convertible bond until January 28 2015, when the company renounced the right to settle the exercise of the conversion rights of the bond in cash.

The **consolidated net result** of the first quarter of 2015 was a **positive** figure of **€ 7.6 million**, compared to a loss of € 6.3 million in the same period of last year.

N**et debt** stood at **€ 327.5 million** at March 31 2015 and was substantially in line with the figure at the end of March 2014 (€ 322.5 million). The increase compared to € 304.3 million at December 31 2014 was due to the seasonal rise in working capital typical of the automotive sector and to cash disbursements relating to the restructuring charges recognized last year. Moreover, the net financial position received a total positive impact of € 10.5 million from the derivative embedded in the convertible bond and a disbursement of € 8 million as payment of a provisional amount, linked to quality charges, which had already been set aside at the end of last year.

Shareholders' equity excluding minority interests stood at **€ 182.5 million** at March 31 2014 (€ 161.2 million at December 31 2014).

The Sogefi group had **6,771 employees** at the end of first quarter 2015, up from 6,668 at December 31 2014.

PERFORMANCE OF THE ENGINE SYSTEMS BUSINESS UNIT

The ***Engine Systems Business Unit*** reported a rise in revenues of 10.2% to € 232 million versus € 210.6 million in the first quarter of 2014. This performance was boosted by a growth in volumes, especially in Europe - both in terms of Original Equipment and aftermarket - and in Asia. The exchange differences were positive.

EBITDA was € 20.5 million and was basically stable compared to the first quarter of 2014; it was € 20.7 million net of non-recurring elements (€ 21.1 million in Q1 2014) and its impact was 8.9% (10% in the same period of the previous year).
EBIT amounted to € 11.6 million (€ 12.8 million in Q1 2014); it was € 11.8 million before non-recurring elements, and its impact on revenues was 5.1% (against 6.3% the previous year).
The decrease in the percentage margin is due to lower gross margin in the European market and to the percentage increase of fixed costs in NAFTA and Mercosur countries.

Business Unit employees at the end of the first three months of the year were 4,054, against 4,077 at the end of March 2014.

PERFORMANCE OF THE SUSPENSION COMPONENTS BUSINESS UNIT

The Suspension Components Business Unit posted revenues of € 141.1 million, up by 9.5% on the same period of last year, thus benefiting of a positive contribution from all geographies as well as positive exchange differences.

Pre-restructuring EBITDA was € 14.8 million, 12.7% up from the first quarter of the previous year, and its impact on revenues was 10.5% (10.2% in Q1 2014). EBITDA was € 14.6 million (€ 4.6 million in the first quarter of 2014). Pre-restructuring EBIT was € 9.3 million, 23.8% up from the first quarter of 2014, and its impact on revenues was up at 6.6% from 5.8%. EBIT was € 9.1 million (negative by € 1.4 million in Q1 2014).
The increase in the percentage margin may be attributed to the effect of lower fixed costs as a consequence of volume increase, which more than offset the decrease in the gross margin.

Business unit employees at the end of the quarter were 2,650, compared to 2,770 units at the end of March 2014.

PERFORMANCE OF THE HOLDING COMPANY SOGEFI S.p.A.

During the period, the Holding Company Sogefi S.p.A. reduced net loss to € 3.5 million, compared to the loss of € 6.9 million posted in the first quarter of 2014.

This change is due to non-recurring income of € 1.5 million from the periodic mark-to-market of the derivative embedded in the convertible bond up to January 28, 2015 (on this date a formal renouncement to settle the conversion option by cash was given). The change is also due to lower net financial expense in the amount of € 1.2 million.

EXEMPTION FROM THE OBLIGATION TO PUBLISH INFORMATION DOCUMENTS UNDER ARTICLE 70, PARAGRAPH 8 AND ARTICLE 71, PARAGRAPH 1-BIS OF THE RULES FOR ISSUERS

In relation to art. 70, paragraph 8 and art. 71, paragraph 1-bis of Consob Regulation no. 11971/99, as amended by Consob Resolution no. 18079 of January 20, 2012, on October 23, 2012, the Board of Directors resolved to make use – effective today – of the exemption from the obligation to publish the information documents required for significant transactions consisting in mergers, spin-offs, capital increases by means of the conferral of assets in kind, takeovers and transfers.

OUTLOOK FOR OPERATIONS

In 2015, in a global car market that appears to be growing, Sogefi expects to continue the positive trends seen in North America, China and India. In Europe, the company should achieve a slightly better performance than last year, while in the South American market it is likely that the current phase of weakness will continue.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of Euro)

ASSETS	**03.31.2015**	**12.31.2014**
CURRENT ASSETS		
Cash and cash equivalents	108.8	124.0
Other financial assets	9.3	9.5
Working capital		
Inventories	156.4	144.1
Trade receivables	184.1	148.1
Other receivables	7.7	6.9
Tax receivables	23.1	22.6
Other assets	5.3	3.6
TOTAL WORKING CAPITAL	*376.6*	*325.3*
TOTAL CURRENT ASSETS	**494.7**	**458.8**
NON-CURRENT ASSETS		
Fixed assets		
Land	14.4	14.3
Property, plant and equipment	233.3	224.4
Other tangible fixed assets	5.5	5.3
Of wich: leases	*5.5*	*5.1*
Intangible assets	287.2	283.0
TOTAL FIXED ASSETS	540.4	527.0
OTHER NON-CURRENT ASSETS		
Investments in joint ventures	-	-
Other financial assets available for sale	0.4	0.4
Non-current trade receivables	-	-
Financial receivables	8.9	0.2
Other receivables	37.5	34.7
Deferred tax assets	74.4	71.1
TOTAL OTHER NON-CURRENT ASSETS	121.2	106.4
TOTAL NON-CURRENT ASSETS	**661.6**	**633.4**
NON-CURRENT ASSETS HELD FOR SALE	-	-
TOTAL ASSETS	**1,156.3**	**1,092.2**

LIABILITIES	**03.31.2015**	**12.31.2014**
CURRENT LIABILITIES		
Bank overdrafts and short-term loans	25.0	13.4
Current portion of medium/long-term financial debts and other loans	96.3	64.5
Of which: leases	*1.0*	*0.9*
TOTAL SHORT-TERM FINANCIAL DEBTS	121.3	77.9
Other short-term liabilities for derivative financial instruments	0.2	0.4
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	121.5	78.3
Trade and other payables	355.9	309.8
Tax payables	7.4	5.3
Other current liabilities	8.8	8.1
TOTAL CURRENT LIABILITIES	**493.6**	**401.5**
NON-CURRENT LIABILITIES		
MEDIUM/LONG TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS		
Financial debts to bank	102.6	131.6
Other medium/long-term financial debts	216.9	203.6
Of which: leases	*6.9*	*6.5*
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS	319.5	335.2
Other medium/long term financial liabilities for derivative financial instruments	13.5	24.5
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	333.0	359.7
OTHER LONG-TERM LIABILITIES		
Long-term provisions	80.4	104.3
Other payables	7.0	7.0
Deferred tax liabilities	38.9	38.9
TOTAL OTHER LONG-TERM LIABILITIES	126.3	150.2
TOTAL NON-CURRENT LIABILITIES	**459.3**	**509.9**
SHAREHOLDERS' EQUITY		
Share capital	61.7	61.6
Reserves and retained earnings (accumulated losses)	113.2	96.0
Group net result for the period	7.6	3.6
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY	182.5	161.2
Non-controlling interests	20.9	19.6
TOTAL SHAREHOLDERS' EQUITY	203.4	180.8
TOTAL LIABILITIES AND EQUITY	**1,156.3**	**1,092.2**

CONSOLIDATED INCOME STATEMENT FROM 1.1.2015 TO 03.31.2015

(in millions of Euro)

	Period 01.01 – 03.31.2015		Period 01.01 – 03.31.2014		Change	
	Amount	%	Amount	%	Amount	%
Sales revenues	372.5	100.0	338.7	100.0	33.8	10.0
Variable cost of sales	269.0	72.2	239.4	70.7	29.6	12.4
CONTRIBUTION MARGIN	103.5	27.8	99.3	29.3	4.2	4.2
Manufacturing and R&D overheads	35.6	9.6	32.9	9.7	2.7	8.1
Depreciation and amortization	15.8	4.2	14.7	4.4	1.1	7.2
Distribution and sales fixed expenses	11.4	3.1	9.9	2.9	1.5	15.6
Administrative and general expenses	18.1	4.9	19.8	5.8	(1.7)	(8.5)
Restructuring costs	0.4	0.1	7.1	2.1	(6.7)	(94.6)
Losses (gains) on disposal	-	-	-	-	-	-
Exchange losses (gains)	(0.8)	(0.2)	1.5	0.4	(2.3)	(154.3)
Other non-operating expenses (income)	3.9	1.0	7.6	2.3	(3.7)	(48.4)
EBIT	19.1	5.1	5.8	1.7	13.3	228.8
Financial expenses (income), net	6.8	1.9	8.4	2.5	(1.6)	(19.6)
- of which fair value of the embedded derivative	(1.5)	-	-	-	(1.5)	-
- of which other expenses (income), net	8.3	-	8.4	-	(0.1)	(0.6)
Losses (gains) from equity investments	-	-	-	-	-	-
RESULT BEFORE TAXES AND NON-CONTROLLING INTERESTS	12.3	3.2	(2.6)	(0.8)	14.9	-
Income taxes	3.9	1.0	2.7	0.8	1.2	44.5
NET RESULT BEFORE NON-CONTROLLING INTERESTS	8.4	2.2	(5.3)	(1.6)	13.7	258.8
Loss (income) attributable to non-controlling interests	(0.8)	(0.2)	(1.0)	(0.3)	0.2	17.0
GROUP NET RESULT	7.6	2.0	(6.3)	(1.9)	13.9	220.2

CONSOLIDATED NET FINANCIAL POSITION

(in millions of Euro)

	03.31.2015	12.31.2014	03.31.2014
A. Cash	108.8	124.0	94.6
B. Other cash at bank and on hand (held to maturity investments)	7.0	7.0	9.7
C. Financial instruments held for trading	-	-	-
D. Liquid funds (A) + (B) + (C)	**115.8**	**131.0**	**104.3**
E. Current financial receivables	**2.3**	**2.5**	**-**
F. Current payables to banks	(25.0)	(13.4)	(5.1)
G. Current portion of non-current indebtedness	(96.3)	(64.5)	(73.7)
H. Other current financial debts	(0.2)	(0.4)	(0.3)
I. Current financial indebtedness (F) + (G) + (H)	**(121.5)**	**(78.3)**	**(79.1)**
J. Current financial indebtedness, net (I) + (E) + (D)	**(3.4)**	**55.2**	**25.2**
K. Non-current payables to banks	(102.6)	(131.6)	(201.2)
L. Bonds issued	(207.8)	(194.8)	(107.8)
M. Other non-current financial debts	(22.6)	(22.8)	(38.7)
N. Convertible bond embedded derivative liability	-	(10.5)	-
O. Non-current financial indebtedness (K) + (L) + (M) + (N)	**(333.0)**	**(359.7)**	**(347.7)**
P. Net indebtedness (J) + (O)	**(336.4)**	**(304.5)**	**(322.5)**
Non-current financial receivables	8.9	0.2	-
Financial indebtedness, net including non-current financial receivables	**(327.5)**	**(304.3)**	**(322.5)**

CONSOLIDATED CASH FLOW STATEMENT

(in millions of Euro)

	March 31, 2015	December 31, 2014	March 31, 2014
SELF-FINANCING	(1.9)	67.6	16.1
Change in net working capital	(2.4)	20.4	(17.4)
Other medium/long-term assets/liabilities	(1.5)	(2.1)	(0.4)
CASH FLOW GENERATED BY OPERATIONS	**(5.8)**	**85.9**	**(1.7)**
Sale of equity investments	-	-	-
Net decrease from sale of fixed assets	0.1	3.8	3.1
TOTAL SOURCES	(5.7)	89.7	1.4
Increase in intangible assets	8.6	42.1	10.8
Purchase of tangible assets	11.1	42.3	7.9
TOTAL APPLICATION OF FUNDS	19.7	84.4	18.7
Exchange differences on assets/liabilities and equity	(3.5)	(1.5)	-
FREE CASH FLOW	**(28.9)**	**3.8**	**(17.3)**
Holding Company increases in capital	0.1	2.5	1.7
Dividends paid by subsidiaries to non-controlling interests	-	(2.6)	-
Change in fair value of effective derivative instruments	5.6	(3.4)	(2.3)
CHANGES IN SHAREHOLDERS' EQUITY	5.7	(3.5)	(0.6)
Change in net financial position	**(23.2)**	**0.3**	**(17.9)**
Opening net financial position	**(304.3)**	**(304.6)**	**(304.6)**
CLOSING NET FINANCIAL POSITION	**(327.5)**	**(304.3)**	**(322.5)**

CONTENT AND FORMAT OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. INTRODUCTION

The consolidated Interim financial report as at March 31, 2015, which has not been externally audited, has been prepared in compliance with International Accounting Standards (IAS/IFRS) and to this end, the financial statements of consolidated investee companies have been appropriately reclassified and adjusted.

The interim financial report has been drawn up in accordance with the provisions of art. 154-ter, paragraph 5 of Legislative Decree no. 58 of 2/24/98 (Consolidated Law on Finance) and subsequent amendments. Therefore, the provisions of the international accounting standard regarding interim financial information (IAS 34 “Interim financial reporting”) have not been adopted.

2. CONSOLIDATION PRINCIPLES

Consolidation is performed on a line-by-line basis. The criteria adopted for the application of this method have not changed with respect to those used as at December 31, 2014.

3. ACCOUNTING STANDARDS APPLIED

The accounting standards applied in the preparation of the financial statements as at March 31, 2015 are the same as those applied to the financial statements as at December 31, 2014.

COMMENTS ON THE FINANCIAL STATEMENTS

Changes in the Group's consolidated shareholders' equity and in total shareholders' equity in the first quarter of 2015 are as follows:

(in millions of Euro)	Consolidated shareholders' equity - Group	Capital and reserves pertaining to non-controlling interests	Total Group and non-controlling shareholders' equity
Balance at December 31, 2014	161.2	19.6	180.8
Paid share capital increase	0.1	-	0.1
Dividends	-	-	-
Currency translation differences and other changes	13.6	0.5	14.1
Net result for the period	7.6	0.8	8.4
Balance at March 31, 2015	182.5	20.9	203.4

Revenues amounted to Euro **372.5 million**, up 10% from the first quarter of 2014.

Both Business Units positively contributed to revenue increase, as detailed in the table below:

(in millions of Euro)	03.31.2015		03.31.2014		Change	
	Amount	%	Amount	%	Amount	%
Engine Systems	232.0	62.3	210.6	62.2	21.4	10.2
Suspension components	141.1	37.9	128.8	38.0	12.3	9.5
Intercompany eliminations	(0.6)	(0.2)	(0.7)	(0.2)	0.1	(14.3)
TOTAL	372.5	100.0	338.7	100.0	33.8	10.0

The breakdown of revenues by geographical area is as follows. More specifically, the increase in the weight of the European market is the consequence of the positive volume trend in the first quarter, while the slight decrease in the Mercosur weight stems from a persistent weakness in the South American market.

(in millions of Euro)	03.31.2015		03.31.2014		Change	
	Amount	%	Amount	%	Amount	%
Europe	244.9	65.8	227.4	67.1	17.5	7.7
Mercosur	45.2	12.1	43.7	12.9	1.5	3.3
NAFTA	57.9	15.5	50.3	14.9	7.6	15.1
Asia	23.0	6.2	16.5	4.9	6.5	39.7
Rest of the World	1.5	0.4	0.8	0.2	0.7	91.9
TOTAL	372.5	100.0	338.7	100.0	33.8	10.0

As at March 31, 2015, the Group's workforce was 6,771, compared to 6,668 as at December 31, 2014. Staff growth is mainly due to the increase in production volumes as a response to positive demand in the market. The following table shows a breakdown of employees:

	03.31.2015	12.31.2014	03.31.2014
Managers	99	97	109
Clerical staff	1,818	1,824	1,838
Blue collar workers	4,854	4,747	4,973
TOTAL	6,771	6,668	6,920

Milan, April 20, 2015

THE BOARD OF DIRECTORS

DECLARATION PURSUANT TO ART. 154 BIS, PARAGRAPH 2, LEGISLATIVE DECREE NO. 58/1998

Subject: Interim financial report as at March 31, 2015

The undersigned, Mr. Giancarlo Coppa - Manager responsible for preparing the Company's financial reports -

declares

pursuant to paragraph 2 of article 154-bis of the Consolidated Law on Finance that the accounting information contained in this document corresponds to the document results, books and accounting records.

Milan, April 20, 2015

SOGEFI S.p.A.
(Giancarlo Coppa)