



PRESS RELEASE

Board of Directors approves results as of June 30 2014

**SOGEFI (CIR GROUP): REVENUES STABLE AT € 683 MLN
(+5.9% AT SAME EXCHANGE RATES)
MARGINS AND NET RESULT AFFECTED BY NON-RECURRING CHARGES
OF € 17.4 MLN, EXCHANGE RATES AND BRAZIL**

Strong growth in North America is confirmed (revenues at € 103 million, +15.5%; at same exchange rates +27.5%) and in Asia (revenues at € 37.3 million, +32.4%; at same exchange rates +42.5%). In South America (revenues at € 89.2 million, -24.7%) there was a decline in local currency (-2%) less than the -16% of the market

Net result at -€ 7.3 million after non-recurring items of € 17.4 million (restructuring and financial expense). EBITDA and EBIT were also affected significantly by the restructuring charges. EBIT before restructuring came to € 36.2 million (€ 44.7 million in H1 2013)

Consolidated results for H1 2014

*Revenues: € 683 million (unchanged from € 681.7 million in H1 2013; +5.9% at same exchange rates)
Operating result: € 45.4 million, 6.6% of revenues (€ 51.3 million in H1 2013, 7.5% of revenues)
EBITDA before restructuring: 65.8 million (-9.4% from € 72.6 million in H1 2013)
Net result: -€ 7.3 million (€ 16.2 million in H1 2013)
Net debt: € 340.8 million (€ 322.5 million at 31/3/2014)*

Milan, July 22 2014 - The **Board of Directors** of **Sogefi SpA**, which met today under the chairmanship of **Rodolfo De Benedetti**, has approved the **Semi-Annual Financial Report** of the group for the **first half of 2014**.

Sogefi, the automotive components company of the **CIR group**, is one of the **main world producers of engine systems and suspension components** with **42** production plants in **21** countries and **17** commercial offices.

Performance of operations

In the first half of the year the car market performed well in North America and Asia, with growth in production volumes compared to the first half of 2013 of 4.2% and 7.5% respectively. By contrast, in South America, especially in Brazil, the market suffered a sharp slowdown which led to a decline in the production of passenger cars and light commercial vehicles of 16% in the half year and of 24% just in the second quarter compared to the same periods of 2013. In Europe the market continued to be stable with production of passenger cars up by 5.7% on the first half of 2013 (+1.5% in the second quarter), mainly as a result of the recovery from the low volumes of last year.

In this context for the first half Sogefi reported **revenues unchanged at € 683 million (+5.9% at the same exchange rates)**, despite the extremely unfavourable impact of the strong euro especially against the South American currencies.

This result was obtained thanks to the **strategy of focusing on markets outside Europe**, particularly in North America, China and India, where Sogefi's revenues are continuing to grow significantly, but also to the **positive performance of aftermarket activities** (at the same exchange rates) **and engine cooling systems**.

EBITDA and EBIT were negatively affected by the significant concentration in the period of restructuring charges in Europe (€ 14.4 million in the first half of 2014) and by the lower contribution of countries outside the euro area, especially Mercosur, partly because of the unfavourable impact of exchange rates.

The net result of -€ 7,3 million was affected by non-recurring expense of € 17.4 million: in addition to the already mentioned restructuring charges in Europe, there were also € 3 million of costs resulting from the repayment of bank loans with the liquidity from the issuance of the convertible bond.

Consolidated results

Sogefi closed the first half year with **consolidated revenues of € 683 million, unchanged** from the first half of 2013 (**+5.9% at the same exchange rates**). This figure benefited from the **positive performance of markets in North America and Asia**, which, despite the unfavourable exchange rates, reported growth in revenues of 15.5% (€ 103 million; +27.5% at the same exchange rates) and 32.4% (€ 37.3 million; +42.5% at the same exchange rates) respectively compared to the first half of 2013. **Revenues in Europe** were also **higher** (+1.9% at € 451.6 million) thanks to the positive contribution of aftermarket activities and engine cooling systems. **Revenues in South America**, in the local currencies, posted a **decline limited to 2%, with a performance better than the market in general** (-16%) which was affected by the sharp contraction in production (revenues converted into euro fell by 24.7% to € 89.2 million due to the unfavourable exchange rates).

The **Engine Systems Business Unit** reported revenue growth of 2.3% to € 426.2 million (+7.7% at the same exchange rates) up from € 416.7 million in the first half of 2013, while the **Suspension Components Business Unit** reported revenues of € 258 million versus € 266.2 million in the same period of 2013 (-3.1%; +3% at the same exchange rates).

The **consolidated operating result** was **€ 45.4 million**, down from € 51.3 million in the first half of 2013, with a ratio to revenues of 6.6% (7.5% in the first half of 2013).

In the first half of the year restructuring charges were recognized for € 14.4 million, of which € 10.2 million relating to the rationalization of production capacity and € 4.2 million linked to the write-down of assets and sundry costs relating to the restructuring. In particular, in the first quarter in the *Suspension Components Business Unit*, the group announced the plan for the closure of a factory in France. In the first half of 2013 restructuring charges had amounted to € 1.4 million.

Consolidated EBITDA came to **€ 51.7 million** (€ 71.2 million in the first half of 2013); **net of restructuring costs** it came to **€ 65.8 million** (€ 72.6 million in the first half of 2013; -9.4%) with a ratio to sales of 9.6% from 10.7%.

Consolidated EBIT amounted to **€ 21.8 million** (€ 43.2 million in the first half of 2013); **net of restructuring** it came to **€ 36.2 million** (€ 44.7 million in the first half of 2013; -18.9%) with a ratio to sales of 5.3% from 6.6% in the first half of 2013.

Net financial expense for the half year amounted to € 21 million. This item includes financial expense of € 14.9 million (€ 12.7 million in the first half of 2013) and other expenses of € 6.1 million, of which € 3 million were non-recurring and referred to the already mentioned repayment of bank loans, and € 3.1 million was the impact of the fair value measurement of interest rate hedging transactions (non-cash).

This all led to a positive **result before taxes and minority interests** of € 0.8 million (€ 30.5 million in the first half of 2013).

The **consolidated net result**, after the already cited non-recurring charges totalling € 17.4 million, was **-€ 7.3 million** (earnings of € 16.2 million in the first half of last year).

Net debt stood at **€ 340.8 million** at June 30 2014 which compares with € 322.5 million at March 31 2014 and € 341.1 million at June 30 2013. The rise in the second quarter was the effect of the result for the period, the expected absorption of working capital and the cash outlay for part of the restructuring costs recorded in 2013.

Shareholders' equity at the same date was **€ 187.5 million** (€ 188.9 million at December 31 2013).

The Sogefi group had **6,744 employees** at the end of the first half of 2014 (6,834 at December 31 2013).

Results of the parent company Sogefi S.p.A.

The parent company Sogefi S.p.A. reported a **net result of € 0.2 million** in the first half year compared to € 26.7 million in the same period of 2013. The decline was caused by the lower dividend flow from the subsidiaries (€ 18.6 million) and by the higher net financial expense (€ 8.2 million) than in the first half of 2013.

Net debt stood at **€ 309.9 million** at June 30 2014, which was substantially unchanged from the figure of € 304.9 million at December 31 2013.

The **shareholders' equity** of the company amounted to **€ 158.1 million** at June 30 2014 (€ 155.8 million at December 31 2013).

Bonds

In May 2014 a placement was launched of "€ 100,000,000 2.00% Equity Linked Bonds due 2021" for a nominal amount of € 100 million maturing May 21 2021. The bonds, which were placed exclusively with institutional investors, have a principal amount of € 100,000 each and pay a semi-annual coupon at a fixed rate of 2% per year. The bonds were admitted to listing on the Third Market (MTF) of the Vienna Stock Exchange on June 13 2014. The company has no bonds maturing in the eighteen months following June 30 2014.

General Meeting of the Shareholders

The Board of Directors adopted a resolution to submit to the approval of the Extraordinary General Meeting of the Shareholders a proposed share capital increase in cash, against payment and in tranches, excluding shareholder pre-emption rights pursuant to Art. 2441, paragraph 5 of the Civil Code, for a maximum total nominal amount of Euro 9,657,528.92 that will be released once or more than once, through the issuance of a maximum of 18,572,171 ordinary Sogefi shares to be reserved exclusively for servicing the conversion of the "€ 100,000,000 2.00% Equity Linked Bonds due 2021".

The Board of Directors voted to call the Extraordinary General Meeting of the Shareholders for September 26 2014 at the first call and, if necessary, for September 29 2014 at the second call.

OUTLOOK FOR THE YEAR

For 2014 the performance of the car market at global level is expected to show growth, driven particularly by Asian markets, mainly China and India, and the North American market, with confirmation of the stable trend in Europe. However, the phase of weakness in South American markets is expected to continue.

In this context Sogefi plans to:

- Continue to increase the group's presence outside Europe, leveraging its competitive positioning in the various geographical areas;
- Continue its focus on innovation;
- Boost the integration of the group even with efficiency actions in Europe.

The executive responsible for the preparation of the company's financial statements, Giancarlo Coppa, hereby declares, in compliance with the terms of paragraph 2 of 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 at June 30 2014 of the Sogefi group.

SOGEFI GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of Euro)

ASSETS	June 30, 2014	December 31, 2013	June 30, 2013
CURRENT ASSETS			
Cash and cash equivalents	91.0	125.3	122.1
Other financial assets	8.2	7.5	7.2
<i>Working capital</i>			
Inventories	152.3	143.1	153.6
Trade receivables	185.7	145.9	200.6
Other receivables	9.9	7.8	32.3
Tax receivables	18.5	20.5	18.5
Other assets	4.7	3.7	5.6
TOTAL WORKING CAPITAL	371.1	321.0	410.6
TOTAL CURRENT ASSETS	470.3	453.8	539.9
NON-CURRENT ASSETS			
Fixed assets			
Land	14.2	15.4	15.5
Property, plant and equipment	214.8	216.0	221.8
Other tangible fixed assets	5.1	5.0	5.2
<i>Of which: leases</i>	6.9	7.4	8.0
Intangible assets	274.4	262.7	251.7
TOTAL FIXED ASSETS	508.5	499.1	494.2
OTHER NON-CURRENT ASSETS			
Investments in joint ventures	-	-	0.3
Other financial assets available for sale	0.4	0.4	0.5
Long term trade receivables	-	-	-
Financial receivables	-	-	-
Other receivables	33.4	31.6	6.8
Deferred tax assets	60.4	59.7	59.0
TOTAL OTHER NON-CURRENT ASSETS	94.2	91.7	66.6
TOTAL NON-CURRENT ASSETS	602.7	590.8	560.8
NON-CURRENT ASSETS HELD FOR SALE	-	-	-
TOTAL ASSETS	1,073.0	1,044.6	1,100.7
LIABILITIES	June 30, 2014	December 2013	June 30, 2013
CURRENT LIABILITIES			
Bank overdrafts and short-term loans	18.0	6.9	6.3
Current portion of medium/long-term financial debts and other loans	93.6	76.7	92.4
<i>Of which: leases</i>	0.9	1.1	1.1
TOTAL SHORT-TERM FINANCIAL DEBTS	111.6	83.6	98.7
Other short-term liabilities for derivative financial instruments	0.6	0.1	0.2
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	112.2	83.7	98.9
Trade and other payables	306.7	285.4	312.0
Tax payables	5.9	4.6	9.0
Other current liabilities	6.7	8.1	6.7
TOTAL CURRENT LIABILITIES	431.5	381.8	426.6
NON-CURRENT LIABILITIES			
FINANCIAL INSTRUMENTS			
Financial debts to bank	85.8	213.7	230.6
Other medium/long-term financial debts	192.5	118.7	123.9
<i>Of which: leases</i>	6.4	6.6	7.4
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS	278.3	332.4	354.5
Other medium/long-term financial liabilities for derivative financial instruments	49.5	21.4	17.0
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	327.8	353.8	371.5
OTHER LONG-TERM LIABILITIES			
Long-term provisions	86.5	81.6	70.8
Other payables	0.2	0.3	0.3
Deferred tax liabilities	39.5	38.3	39.5
TOTAL OTHER LONG-TERM LIABILITIES	126.2	120.2	110.6
TOTAL NON-CURRENT LIABILITIES	454.0	474.0	482.1
SHAREHOLDERS' EQUITY			
Share capital	61.6	60.9	60.8
Reserves and retained earnings (accumulated losses)	110.8	86.4	96.0
Group net result for the period	(7.3)	21.1	16.2
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY	165.1	168.5	173.0
Non-controlling interests	22.4	20.4	19.0
TOTAL SHAREHOLDERS' EQUITY	187.5	188.9	192.0
TOTAL LIABILITIES AND EQUITY	1,073.0	1,044.6	1,100.7

RECLASSIFIED CONSOLIDATED INCOME STATEMENT FROM 01.01.2014 TO 06.30.2014

(in millions of Euro)

	1st half 2014		1st half 2013		Year 2013	
	Amount	%	Amount	%	Amount	%
Sales revenues	683.0	100.0	681.7	100.0	1,335.0	100.0
Variable cost of sales	484.6	71.0	476.2	69.9	932.4	69.8
CONTRIBUTION MARGIN	198.4	29.0	205.5	30.1	402.6	30.2
Manufacturing and R&D overheads	65.3	9.6	69.4	10.2	130.8	9.8
Depreciation and amortization	29.5	4.3	28.2	4.1	57.3	4.3
Distribution and sales fixed expenses	20.8	3.0	20.3	3.0	39.6	3.0
Administrative and general expenses	37.4	5.5	36.3	5.3	67.1	5.0
OPERATING RESULT	45.4	6.6	51.3	7.5	107.8	8.1
Restructuring costs	10.2	1.5	1.4	0.2	17.8	1.3
Losses (gains) on disposal	-	-	(1.6)	(0.2)	(1.6)	(0.1)
Exchange losses (gains)	2.3	0.3	1.0	0.1	4.1	0.3
Other non-operating expenses (income)	11.1	1.6	7.3	1.1	18.4	1.4
EBIT	21.8	3.2	43.2	6.3	69.1	5.2
Financial expenses (income), net	21.0	3.1	12.7	1.8	28.4	2.1
Losses (gains) from equity investments	-	-	-	-	0.3	-
RESULT BEFORE TAXES AND NON-CONTROLLING INTERESTS	0.8	0.1	30.5	4.5	40.4	3.1
Income taxes	5.8	0.8	12.6	1.8	15.7	1.2
NET RESULT BEFORE NON-CONTROLLING INTERESTS	(5.0)	(0.7)	17.9	2.7	24.7	1.9
Loss (income) attributable to non-controlling interests	(2.3)	(0.3)	(1.7)	(0.3)	(3.6)	(0.3)
GROUP NET RESULT	(7.3)	(1.0)	16.2	2.4	21.1	1.6

RECLASSIFIED CONSOLIDATED INCOME STATEMENT FOR THE SECOND QUARTER 2014

(in millions of Euro)

	04.01 - 06.30.2014		04.01 - 06.30.2013		Change	
	Amount	%	Amount	%	Amount	%
Sales revenues	344,2	100,0	352,5	100,0	(8,3)	(2,4)
Variable cost of sales	245,2	71,2	245,9	69,8	(0,7)	(0,3)
CONTRIBUTION MARGIN	99,0	28,8	106,6	30,2	(7,6)	(7,1)
Manufacturing and R&D overheads	32,3	9,4	34,7	9,8	(2,4)	(7,0)
Depreciation and amortization	14,8	4,3	14,0	4,0	0,8	5,5
Distribution and sales fixed expenses	10,9	3,2	10,5	3,0	0,4	3,8
Administrative and general expenses	17,6	5,1	18,1	5,1	(0,5)	(2,5)
OPERATING RESULT	23,4	6,8	29,3	8,3	(5,9)	(20,2)
Restructuring costs	3,1	0,9	1,0	0,3	2,1	208,9
Losses (gains) on disposal	-	-	(1,5)	(0,4)	1,5	(99,5)
Exchange losses (gains)	0,8	0,2	1,2	0,3	(0,4)	(31,2)
Other non-operating expenses (income)	3,5	1,0	3,6	1,0	(0,2)	(4,3)
EBIT	16,0	4,6	25,0	7,1	(8,9)	(36,1)
Financial expenses (income), net	12,6	3,7	7,0	2,0	5,6	79,1
Losses (gains) from equity investments	-	-	-	-	-	-
RESULT BEFORE TAXES AND NON-CONTROLLING INTERESTS	3,4	0,9	18,0	5,1	(14,5)	(81,0)
Income taxes	3,1	0,9	7,9	2,2	(4,8)	(60,9)
NET RESULT BEFORE NON-CONTROLLING INTERESTS	0,3	(0,0)	10,1	2,9	(9,7)	(96,8)
Loss (income) attributable to non-controlling interests	(1,3)	(0,4)	(0,9)	(0,3)	(0,5)	(42,8)
GROUP NET RESULT	(1,0)	(0,4)	9,2	2,6	(10,2)	(110,7)

CONSOLIDATED CASH FLOW STATEMENT

(in millions of Euro)

	1st half 2014	1st half 2013	Year 2013
SELF-FINANCING	30.0	37.3	87.9
Change in net working capital	(29.4)	(26.0)	6.7
Other medium/long-term assets/liabilities	0.2	(0.8)	(1.3)
CASH FLOW GENERATED BY OPERATIONS	0.8	10.5	93.3
Sale of equity investments	-	-	0.1
Net decrease from sale of fixed assets	3.6	1.5	1.9
TOTAL SOURCES	4.4	12.0	95.3
Increase in intangible assets	22.1	22.4	47.8
Purchase of tangible assets	17.6	14.5	36.0
TOTAL APPLICATION OF FUNDS	39.7	36.9	83.8
Exchange differences on assets/liabilities and equity	0.6	(1.0)	(1.5)
FREE CASH FLOW	(34.7)	(25.9)	10.0
Holding Company increases in capital	2.4	0.1	0.8
Dividends paid by the Holding Company to shareholders	-	(14.7)	(14.7)
Dividends paid by subsidiaries to non-controlling interests	(0.5)	(2.5)	(2.6)
Change in fair value derivative instruments	(3.4)	(2.3)	(2.3)
CHANGES IN SHAREHOLDERS' EQUITY	(1.5)	(19.4)	(18.8)
Change in net financial position	(36.2)	(45.3)	(8.8)
Opening net financial position	(304.6)	(295.8)	(295.8)
CLOSING NET FINANCIAL POSITION	(340.8)	(341.1)	(304.6)

CONSOLIDATED NET FINANCIAL POSITION

(in millions of Euro)

	06.30.2014	12.31.2013	06.30.2013
A. Cash	91.0	125.3	122.1
B. Other cash at bank and on hand (included held-to-maturity investments)	8.1	7.5	7.2
C. Financial instruments held for trading	-	-	-
D. Liquid funds (A) + (B) + (C)	99.1	132.8	129.3
E. Current financial receivables	0.1	-	-
F. Current payables to banks	(18.0)	(6.9)	(6.3)
G. Current portion of non-current indebtedness	(93.6)	(76.7)	(92.4)
H. Other current financial debts	(0.6)	(0.1)	(0.2)
I. Current financial indebtedness (F) + (G) + (H)	(112.2)	(83.7)	(98.9)
J. Current financial indebtedness, net (I) + (E) + (D)	(13.0)	49.1	30.4
K. Non-current payables to banks	(85.8)	(213.7)	(230.6)
L. Bonds issued	(182.8)	(107.8)	(112.8)
M. Other non-current financial debts	(34.8)	(32.2)	(28.1)
N. Convertible bond embedded derivative liability	(24.4)	-	-
O. Non-current financial indebtedness (K) + (L) + (M) + (N)	(327.8)	(353.7)	(371.5)
P. Net indebtedness (J) + (O)	(340.8)	(304.6)	(341.1)
Non-current financial receivables	-	-	-
Financial indebtedness, net including non-current financial receivables	(340.8)	(304.6)	(341.1)

SOGEFI S.p.A.**STATEMENT OF FINANCIAL POSITION**

(in millions of Euro)

	June 30, 2014	December 31, 2013	June 30, 2013
Short-term assets	28.7	20.7	14.7
Short-term liabilities	(16.3)	(9.8)	(10.7)
Net working capital	12.4	10.9	4.0
Equity investments	397.1	396.9	396.7
Other fixed assets	60.0	55.4	47.5
CAPITAL INVESTED	469.5	463.2	448.2
Other medium and long-term liabilities	(1.5)	(2.5)	(1.8)
NET CAPITAL INVESTED	468.0	460.7	446.4
Net financial indebtedness	309.9	304.9	281.1
Shareholders' equity	158.1	155.8	165.3
TOTAL	468.0	460.7	446.4

RECLASSIFIED INCOME STATEMENT FOR THE FIRST HALF 2014

(in millions of Euro)

	1st half 2014	1st half 2013	Year 2013
Financial income/expenses and dividends	1.5	28.3	19.1
Adjustments to financial assets	-	-	-
Other operating revenues	10.8	8.2	16.7
Operating costs	(15.1)	(11.3)	(23.3)
Other non-operating income (expenses)	(0.7)	(0.1)	(3.1)
RESULT BEFORE TAXES	(3.5)	25.1	9.4
Income taxes	(3.7)	(1.6)	(6.5)
NET RESULT	0.2	26.7	15.9

CASH FLOW STATEMENT

(in millions of Euro)

	1st half 2014	1st half 2013	Year 2013
SELF-FINANCING	1.0	27.6	18.3
Change in net working capital	(1.5)	(3.6)	(10.6)
Other medium/long-term assets/liabilities	2.6	0.8	1.6
CASH FLOW GENERATED BY OPERATIONS	2.1	24.8	9.3
Sale of equity investments	-	-	-
TOTAL SOURCES	2.1	24.8	9.3
Increase of intangible assets	6.0	5.4	14.2
Purchase of tangible assets	-	0.1	0.1
Purchase of equity investments	0.2	0.2	0.4
TOTAL APPLICATION OF FUNDS	6.2	5.7	14.7
FREE CASH FLOW	(4.1)	19.1	(5.4)
Holding Company increases in capital	2.4	0.1	0.8
Net purchase of treasury shares	-	-	-
Change in fair value derivative instruments	(3.3)	(2.3)	(2.3)
Dividends paid by the Holding Company	-	(14.7)	(14.7)
CHANGES IN SHAREHOLDER'S EQUITY	(0.9)	(16.9)	(16.2)
Change in net financial position	(5.0)	2.2	(21.6)
Opening net financial position	(304.9)	(283.3)	(283.3)
CLOSING NET FINANCIAL POSITION	(309.9)	(281.1)	(304.9)