



PRESS RELEASE

Board of Directors approves results as of March 31 2015

SOGEFI (CIR GROUP): REVENUES UP BY 10% TO € 373 MLN (+5.9% AT SAME EXCHANGE RATES) NET INCOME AT € 7.6 MLN (LOSS OF € 6.3 MLN IN Q1 2014)

*The rise in sales was due to higher volumes in all of the geographical areas
and partly also to favourable exchange rates*

*Revenues rose in Europe by 7.7%, in North America by 15.1% and in Asia by 39.7%.
Sales in South America were up slightly despite the continuing weakness of the market*

*EBITDA and earnings benefit from higher revenues
and lower restructuring costs than in 2014*

*EBITDA before restructuring +10.7% to € 35.2 mln,
with ratio to sales stable at 9.5%*

Highlights from Q1 2015 results

(in millions of €)

	Q1 2014	Q1 2015	Δ%
Revenues	338.7	372.5	10.0
EBITDA	20.9	34.9	66.9
EBITDA before restructuring	31.8	35.2	10.7
EBIT	5.8	19.1	
Net result	(6.3)	7.6	
Net debt (end of period)	322.5	327.5	

Milan, April 20 2015 - The **Board of Directors** of **Sogefi S.p.A.**, which met today under the chairmanship of **Rodolfo De Benedetti**, has approved the **Interim Financial Report** of the group for the **first quarter of 2015**.

Sogefi, the automotive components company of the **CIR group**, is one of the **main world producers of engine systems and suspension components** and is present with **42** production plants in **21** countries and **16** commercial offices.

Performance of operations

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.

Consolidated results

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.

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, while the **Suspension Components Business Unit** posted revenues of € 141.1 million, up by 9.5% on the same period of last year (€ 128.8 million).

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 it 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.

Net 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.

Outlook for the year

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.

The executive responsible for the preparation of the Company's financial statements, Giancarlo Coppa, 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 2015 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	03.31.2015	12.31.2014
CURRENT ASSETS		
Cash and cash equivalents	108.8	124.0
Other financial assets	9.3	9.5
<i>Working capital</i>		
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
<i>Of wich: leases</i>	<i>5.5</i>	<i>5.1</i>
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
<i>Of which: leases</i>	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
<i>Of which: leases</i>	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 01.01.2014 TO 03.31.2014

(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

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)

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)