



PRESS RELEASE

Board of Directors approves results as of June 30 2015

SOGEFI (CIR GROUP):
REVENUES UP BY 11.8% TO € 763.7 MLN (+7.9% AT THE SAME EXCHANGE RATES)
NET INCOME AT € 9.7 MLN (LOSS OF € 7.3 MLN IN H1 2014)

Revenue growth accelerates in second quarter (+13.7%) thanks to the positive contribution of all geographical areas and in part to favourable exchange rates

*In the first half year revenues up in Europe (+10.4%), North America (+17.3%), Asia (+35.7%).
Sales in South America also up slightly despite continuing market weakness*

EBITDA up significantly on 2014 (€ 62.4 mln versus € 51.7 mln)

Highlights from H1 2015 results

(in millions of €)

	H1 2014	H1 2015	Δ%
Revenues	683	763.7	11.8
EBITDA	51.7	62.4	20,7
EBIT	21.8	30.5	40
Net result	(7.3)	9.7	
Net debt (end of period)	340.8	348	

Milan, July 24 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 for the **first half of the year 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.

Performance of operations

In the first half of 2015 the car sector saw a positive performance in almost all of the main world markets, with a rise in the production levels of passenger cars and light commercial vehicles in Europe (+4.9%), NAFTA (+2%) and Asia (+5.1%). The recessionary phase continued, however, in the South American market with production down by 15.8% in the first half compared to the same period of 2014.

In this environment **Sogefi** reported **revenue growth** in the period of **11.8%**, with an **acceleration in the second quarter (+13.7%)** thanks to the positive contribution of all the geographical areas. Growth was very significant even excluding the exchange rate factor (+7.9%) with an important expansion of sales in Europe, which remains the company's main market.

The rise in revenues, the slight reduction in the impact of costs, and the lower non-recurring financial expense enabled Sogefi to achieve a **positive net result** which compares with a loss in the first half of 2014.

During the first half, on June 5 a **new top management was appointed for the company**. Specifically, **Laurent Hebenstreit** was appointed as Chief Executive Officer and **Yann Albrand** as Chief Financial Officer. One of the priorities of management is to formulate a **new multi-year plan** for the Sogefi group.

Consolidated results

Sogefi closed the first half of the year with **consolidated revenues of € 763.7 million, up by 11.8%** on the first half of 2014 (+7.9% at the same exchange rates). The figure benefited from the **positive performance in Europe**, which reported revenue growth of 10.4% (€ 498.7 million; +9.1% at the same exchange rates) thanks to the contribution of both business units and to that of the aftermarket sector. **Sales were also up in North America** (€ 120.8 million; +17.3%; +4.6% at the same exchange rates) and **Asia** (€ 50.6 million; +35.7%; +15.8% at the same exchange rates). In **South America** Sogefi reported slightly higher sales (+1.3%; +0.9% at the same exchange rates), despite the continuing weakness of the market.

The **Engine Systems business unit** reported a rise in revenues of 12.1% to € 477.8 million, up from € 426.2 million in the first half of 2014, while the **Suspension Components business unit** reported revenues of € 287.1 million, which were up by 11.3% on the same period of last year (€ 258 million).

EBITDA came in at **€ 62.4 million, significantly higher** than the € 51.7 million reported in the first half of 2014.

It should be remembered that in the first half of 2014 the group incurred restructuring costs for a total of € 14.4 million (€ 2 million in the first six months of 2015). In first half 2015, considering the overall exposure to liabilities connected with product quality risks, the company prudentially decided to set aside a provision of € 12.8 million for product warranties.

Excluding in both financial years the above non-recurring items, EBITDA in the first six months of 2015 would have been **€ 77.2 million**, compared to € 65.8 million in the first half of last year, with a ratio to sales higher at 10.1% (9.6% in H1 2014) thanks to the lower impact of fixed costs which more than compensated for the trend of declining contribution margins.

EBIT was **€ 30.5 million** (€ 21.8 million in the first half of 2014).

The **result before taxes and minority interests** was a **positive € 15.8 million** (€ 0.8 million in the first half of 2014), after net financial expense of € 14.7 million.

The **consolidated net result** of the first half of 2015 was a **positive € 9.7 million**, compared to a loss of € 7.3 million in the same period of last year.

Net financial debt stood at **€ 348 million** at June 30 2015, which was substantially in line with the figure reported at the end of June 2014 (€ 340.8 million). The increase from € 304.3 million at December 31 2014 was due to the rise in working capital and to the cash disbursement made for the restructuring costs reported last year. The net financial position was also affected by the outflow of € 18 million as payment of provisional amounts relating to product quality guarantee charges.

At June 30 2015 **shareholders' equity** excluding minority interests amounted to **€ 185.6 million** (€ 161.2 million at December 31 2014).

The Sogefi group had **6,736 employees** at the end of the first half of 2015 compared to 6,668 at December 31 2014.

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

The **parent company Sogefi S.p.A.** reported a **positive net result of € 9.1 million** in the first half year compared to net income of € 0.2 million in the same period of 2014. The increase came mainly from lower net financial expense (€ 9.5 million) than in the first half of 2014.

Net debt stood at **€ 286.9 million** at June 30 2015 (€ 307.7 million at December 31 2014).

The **shareholders' equity** of the company amounted to **€ 182.7 million** at June 30 2015 (€ 161.3 million at December 31 2014).

Outlook for the year

In the second half of 2015, in a global car market that is forecast to grow, Sogefi expects to continue the positive trends seen in North America and in Europe. In China and India, the company should achieve further growth, while in the South American market it is likely that the current phase of weakness will continue.

Officer Responsible

The Board of Directors has appointed the CFO Yann Albrand as the Executive responsible for the preparation of the company's financial statements and corporate documents and as Investor Relator starting from August 1 2015.

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 June 30 2015 of the Sogefi Group.

SOGEFI GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of Euro)

ASSETS	June 30, 2015	December 31, 2014	June 30, 2014
CURRENT ASSETS			
Cash and cash equivalents	85.8	124.0	91.0
Other financial assets	7.0	9.5	8.2
<i>Working capital</i>			
Inventories	168.5	144.1	152.3
Trade receivables	199.2	148.1	185.7
Other receivables	9.2	6.9	9.9
Tax receivables	23.1	22.6	18.5
Other assets	5.8	3.6	4.7
TOTAL WORKING CAPITAL	405.8	325.3	371.1
TOTAL CURRENT ASSETS	498.6	458.8	470.3
NON-CURRENT ASSETS			
Fixed assets			
Land	14.4	14.3	14.2
Property, plant and equipment	232.2	224.4	214.8
Other tangible fixed assets	5.0	5.3	5.1
<i>Of wich: leases</i>	<i>5.0</i>	<i>5.1</i>	<i>6.9</i>
Intangible assets	288.8	283.0	274.4
TOTAL FIXED ASSETS	540.4	527.0	508.5
OTHER NON-CURRENT ASSETS			
Investments in joint ventures	-	-	-
Other financial assets available for sale	0.4	0.4	0.4
Long term trade receivables	-	-	-
Financial receivables	10.5	0.2	-
Other receivables	36.2	34.7	33.4
Deferred tax assets	78.4	71.1	60.4
TOTAL OTHER NON-CURRENT ASSETS	125.5	106.4	94.2
TOTAL NON-CURRENT ASSETS	665.9	633.4	602.7
NON-CURRENT ASSETS HELD FOR SALE	-	-	-
TOTAL ASSETS	1,164.5	1,092.2	1,073.0

LIABILITIES	June 30, 2015	December 31, 2014	June 30, 2014
CURRENT LIABILITIES			
Bank overdrafts and short-term loans	41.2	13.4	18.0
Current portion of medium/long-term financial debts and other loans	88.7	64.5	93.6
<i>Of which: leases</i>	1.0	0.9	0.9
TOTAL SHORT-TERM FINANCIAL DEBTS	129.9	77.9	111.6
Other short-term liabilities for derivative financial instruments	0.2	0.4	0.6
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	130.1	78.3	112.2
Trade and other payables	354.3	309.8	306.7
Tax payables	8.6	5.3	5.9
Other current liabilities	8.5	8.1	6.7
TOTAL CURRENT LIABILITIES	501.5	401.5	431.5
NON-CURRENT LIABILITIES			
FINANCIAL INSTRUMENTS			
Financial debts to bank	95.8	131.6	85.8
Other medium/long-term financial debts	213.0	203.6	192.5
<i>Of which: leases</i>	6.6	6.5	6.4
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS	308.8	335.2	278.3
Other medium/long-term financial liabilities for derivative financial instruments	12.4	24.5	49.5
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	321.2	359.7	327.8
OTHER LONG-TERM LIABILITIES			
Long-term provisions	91.2	104.3	86.5
Other payables	6.9	7.0	0.2
Deferred tax liabilities	39.5	38.9	39.5
TOTAL OTHER LONG-TERM LIABILITIES	137.6	150.2	126.2
TOTAL NON-CURRENT LIABILITIES	458.8	509.9	454.0
SHAREHOLDERS' EQUITY			
Share capital	61.7	61.6	61.6
Reserves and retained earnings (accumulated losses)	114.2	96.0	110.8
Group net result for the period	9.7	3.6	(7.3)
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY	185.6	161.2	165.1
Non-controlling interests	18.6	19.6	22.4
TOTAL SHAREHOLDERS' EQUITY	204.2	180.8	187.5
TOTAL LIABILITIES AND EQUITY	1,164.5	1,092.2	1,073.0

RECLASSIFIED CONSOLIDATED INCOME STATEMENT FROM 01.01.2015 TO 06.30.2015

(in millions of Euro)

	1st half 2015		1st half 2014		Year 2014	
	Amount	%	Amount	%	Amount	%
Sales revenues	763.7	100.0	683.0	100.0	1,349.4	100.0
Variable cost of sales	560.9	73.5	484.6	71.0	967.2	71.7
CONTRIBUTION MARGIN	202.8	26.5	198.4	29.0	382.2	28.3
Manufacturing and R&D overheads	71.2	9.2	65.3	9.6	127.4	9.4
Depreciation and amortization	31.9	4.2	29.5	4.3	58.0	4.3
Distribution and sales fixed expenses	23.4	3.0	20.8	3.0	41.4	3.1
Administrative and general expenses	36.5	4.8	37.4	5.5	71.0	5.3
Restructuring costs	2.0	0.3	10.2	1.5	16.2	1.2
Losses (gains) on disposal	(1.6)	(0.2)	-	-	(0.1)	-
Exchange losses (gains)	1.3	0.2	2.3	0.3	0.6	-
Other non-operating expenses (income)	7.6	1.0	11.1	1.6	19.4	1.4
EBIT	30.5	4.0	21.8	3.2	48.3	3.6
Financial expenses (income), net	14.7	1.9	21.0	3.1	26.8	2.0
- of which fair value of the embedded derivative (convertible bond)	(1.5)		(0.1)		(14.0)	
- of which other net financial expenses (income)	16.2		21.1		40.8	
Losses (gains) from equity investments	-	-	-	-	-	-
RESULT BEFORE TAXES AND NON-CONTROLLING INTERESTS	15.8	2.1	0.8	0.1	21.5	1.6
Income taxes	4.2	0.5	5.8	0.8	13.1	1.0
NET RESULT BEFORE NON-CONTROLLING INTERESTS	11.6	1.6	(5.0)	(0.7)	8.4	0.6
Loss (income) attributable to non-controlling interests	(1.9)	(0.3)	(2.3)	(0.3)	(4.8)	(0.3)
GROUP NET RESULT	9.7	1.3	(7.3)	(1.0)	3.6	0.3

RECLASSIFIED CONSOLIDATED INCOME STATEMENT FOR THE SECOND QUARTER 2015

(in millions of Euro)

	04.01 - 06.30.2015		04.01 - 06.30.2014		Change	
	Amount	%	Amount	%	Amount	%
Sales revenues	391.2	100.0	344.2	100.0	47.0	13.7
Variable cost of sales	291.9	74.6	245.2	71.2	46.7	19.1
CONTRIBUTION MARGIN	99.3	25.4	99.0	28.8	0.3	0.2
Manufacturing and R&D overheads	35.7	9.2	32.3	9.4	3.4	10.3
Depreciation and amortization	16.1	4.1	14.8	4.3	1.3	9.0
Distribution and sales fixed expenses	12.0	3.1	10.9	3.2	1.1	9.7
Administrative and general expenses	18.4	4.7	17.6	5.1	0.8	4.5
Restructuring costs	1.6	0.4	3.1	0.9	(1.5)	(49.8)
Losses (gains) on disposal	(1.6)	(0.4)	-	-	(1.6)	n.a.
Exchange losses (gains)	2.1	0.5	0.8	0.2	1.3	157.7
Other non-operating expenses (income)	3.6	0.9	3.5	1.0	0.1	5.7
EBIT	11.4	2.9	16.0	4.6	(4.6)	(28.6)
Financial expenses (income), net	7.9	2.0	12.6	3.7	(4.7)	(37.1)
- of which fair value of the embedded derivative (convertible bond)	(1.5)	-	(0.1)	-	(1.4)	-
- of which other net financial expenses (income)	9.4	-	12.7	-	(3.3)	-
Losses (gains) from equity investments	-	-	-	-	-	-
RESULT BEFORE TAXES AND NON-CONTROLLING INTERESTS	3.5	0.9	3.4	0.9	0.1	2.6
Income taxes	0.3	0.1	3.1	0.9	(2.8)	(89.5)
NET RESULT BEFORE NON-CONTROLLING INTERESTS	3.2	0.8	0.3	(0.0)	2.9	n.a.
Loss (income) attributable to non-controlling interests	(1.1)	(0.3)	(1.3)	(0.4)	0.2	19.5
GROUP NET RESULT	2.1	0.5	(1.0)	(0.4)	3.1	316.6

CONSOLIDATED CASH FLOW STATEMENT

(in millions of Euro)

	1st half 2015	1st half 2014	Year 2014
SELF-FINANCING	21.1	30.0	67.6
Change in net working capital	(33.6)	(29.4)	20.4
Other medium/long-term assets/liabilities	0.5	0.2	(2.1)
CASH FLOW GENERATED BY OPERATIONS	(12.0)	0.8	85.9
Net decrease from sale of fixed assets	-	3.6	3.8
TOTAL SOURCES	(12.0)	4.4	89.7
Increase in intangible assets	18.1	22.1	42.1
Purchase of tangible assets	21.6	17.6	42.3
TOTAL APPLICATION OF FUNDS	39.7	39.7	84.4
Exchange differences on assets/liabilities and equity	(0.2)	0.6	(1.5)
FREE CASH FLOW	(51.9)	(34.7)	3.8
Holding Company increases in capital	0.1	2.4	2.5
Increase in share capital of consolidated subsidiaries	0.1	-	-
Dividends paid by subsidiaries to non-controlling interests	(3.3)	(0.5)	(2.6)
Change in fair value derivative instruments	11.3	(3.4)	(3.4)
CHANGES IN SHAREHOLDERS' EQUITY	8.2	(1.5)	(3.5)
Change in net financial position	(43.7)	(36.2)	0.3
Opening net financial position	(304.3)	(304.6)	(304.6)
CLOSING NET FINANCIAL POSITION	(348.0)	(340.8)	(304.3)

CONSOLIDATED NET FINANCIAL POSITION

(in millions of Euro)

	06.30.2015	12.31.2014	06.30.2014
A. Cash	85.8	124.0	91.0
B. Other cash at bank and on hand (included held-to-maturity investments)	4.0	7.0	8.1
C. Financial instruments held for trading	-	-	-
D. Liquid funds (A) + (B) + (C)	89.8	131.0	99.1
E. Current financial receivables	3.0	2.5	0.1
F. Current payables to banks	(41.2)	(13.4)	(18.0)
G. Current portion of non-current indebtedness	(88.7)	(64.5)	(93.6)
H. Other current financial debts	(0.2)	(0.4)	(0.6)
I. Current financial indebtedness (F) + (G) + (H)	(130.1)	(78.3)	(112.2)
J. Current financial indebtedness, net (I) + (E) + (D)	(37.3)	55.2	(13.0)
K. Non-current payables to banks	(95.8)	(131.6)	(85.8)
L. Bonds issued	(204.4)	(194.8)	(182.8)
M. Other non-current financial debts	(21.0)	(22.8)	(34.8)
N. Convertible bond embedded derivative liability	-	(10.5)	(24.4)
O. Non-current financial indebtedness (K) + (L) + (M) + (N)	(321.2)	(359.7)	(327.8)
P. Net indebtedness (J) + (O)	(358.5)	(304.5)	(340.8)
Non-current financial receivables	10.5	0.2	-
Financial indebtedness, net including non-current financial receivables	(348.0)	(304.3)	(340.8)

SOGEFI S.p.A.

STATEMENT OF FINANCIAL POSITION

(in millions of Euro)

	June 30, 2015	December 31, 2014	June 30, 2014
Short-term assets	15.3	14.4	28.7
Short-term liabilities	(10.6)	(8.9)	(16.3)
Net working capital	4.7	5.5	12.4
Equity investments	397.5	397.3	397.1
Other fixed assets	69.2	67.6	60.0
CAPITAL INVESTED	471.4	470.4	469.5
Other medium and long-term liabilities	(1.8)	(1.4)	(1.5)
NET CAPITAL INVESTED	469.6	469.0	468.0
Net financial indebtedness	286.9	307.7	309.9
Shareholders' equity	182.7	161.3	158.1
TOTAL	469.6	469.0	468.0

RECLASSIFIED INCOME STATEMENT FOR THE FIRST HALF 2015

(in millions of Euro)

	1st half 2015	1st half 2014	Year 2014
Financial income/expenses and dividends	11.0	1.5	3.7
Adjustments to financial assets	-	-	-
Other operating revenues	11.6	10.8	21.3
Operating costs	(14.2)	(15.1)	(25.8)
Other non-operating income (expenses)	(1.1)	(0.7)	(2.1)
RESULT BEFORE TAXES	7.3	(3.5)	(2.9)
Income taxes	(1.8)	(3.7)	(4.9)
NET RESULT	9.1	0.2	2.0

CASH FLOW STATEMENT

(in millions of Euro)

	1st half 2015	1st half 2014	Year 2014
SELF-FINANCING	8.8	1.0	(0.6)
Change in net working capital	0.9	(1.5)	5.4
Other medium/long-term assets/liabilities	1.6	2.6	4.4
CASH FLOW GENERATED BY OPERATIONS	11.3	2.1	9.2
Sale of equity investments	-	-	-
TOTAL SOURCES	11.3	2.1	9.2
Increase of intangible assets	1.7	6.0	10.7
Purchase of tangible assets	-	-	-
Purchase of equity investments	0.2	0.2	0.4
TOTAL APPLICATION OF FUNDS	1.9	6.2	11.1
FREE CASH FLOW	9.4	(4.1)	(1.9)
Holding Company increases in capital	0.1	2.4	2.5
Net purchase of treasury shares	-	-	-
Change in fair value derivative instruments	11.3	(3.3)	(3.4)
Dividends paid by the Holding Company	-	-	-
CHANGES IN SHAREHOLDER'S EQUITY	11.4	(0.9)	(0.9)
Change in net financial position	20.8	(5.0)	(2.8)
Opening net financial position	(307.7)	(304.9)	(304.9)
CLOSING NET FINANCIAL POSITION	(286.9)	(309.9)	(307.7)