2015 HALF-YEAR FINANCIAL STATEMENTS
(Translation into English of the original Italian version)

JOINT-STOCK COMPANY - SHARE CAPITAL EURO 61,681,388.60
MANTOVA COMPANY REGISTER AND TAX CODE 00607460201
COMPANY SUBJECT TO POLICY GUIDANCE AND COORDINATION ON THE PART OF CIR S.p.A.
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BOARD OF DIRECTORS

Honorary Chairman	CARLO DE BENEDETTI
Chairman	MONICA MONDARDINI
Managing Director and General Manager	LAURENT HEBENSTREIT(1)
Directors	EMANUELE BOSIO LORENZO CAPRIO(3) RODOLFO DE BENEDETTI ROBERTA DI VIETO(3)(4) DARIO FRIGERIO(2) GIOVANNI GERMANO(2) ROBERTO ROBOTTI(3) PAOLO RICCARDO ROCCA(2)(4)(5)
Secretary to the Board	NIVES RODOLFI

BOARD OF STATUTORY AUDITORS

Chairman	RICCARDO ZINGALES
Acting Auditors	GIUSEPPE LEONI CLAUDIA STEFANONI
Alternate Auditors	LUIGI BAULINO MAURO GIRELLI LUIGI MACCHIORLATTI VIGNAT

INDEPENDENT AUDITORS

DELOITTE & TOUCHE S.p.A.

Details on the exercise of powers (Consob Resolution no. 97001574 of February 20, 1997):

(1) All ordinary powers with single signature.
(2) Members of the Appointments and Remuneration Committee.
(3) Members of the Control and Risks Committee and of the Related Party Transactions Committee.
(4) Members of the Supervisory Body (Legislative Decree 231/2001).
(5) Lead independent director.

BOARD OF DIRECTORS' REPORT
ON OPERATIONS OF THE GROUP
IN THE FIRST HALF YEAR

This half-year report has been prepared in accordance with the provisions of Legislative Decree no. 58 of February 24, 1998 and with Consob resolution no. 11971/1999 and subsequent amendments. It includes the consolidated financial statements and explanatory and supplementary notes to the accounts of the Sogefi Group and the financial statements and explanatory and supplementary notes of the Holding Company Sogefi S.p.A. (the latter prepared on a voluntary basis, not being required by Legislative Decree no. 195 of November 6, 2007), prepared in accordance with International Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") approved by the European Union and prepared according to IAS 34 applicable on interim financial reporting.

INFORMATION ON OPERATIONS

In the first half of 2015 almost all the key world automotive markets recorded a positive trend, with passenger and light commercial vehicles production volumes growing in Europe (+4.9%), Nafta (+2%), and Asia (+5.1%). On the other hand, South American markets have kept slowing down in a recession scenario, with production decreasing by 15.8% during the half-year compared to the same prior year period.

In this scenario, Sogefi obtained a **revenue** growth of 11.8%, with a +13.7% acceleration in the second quarter due to the positive performance in all geographic areas. This growth was relevant also with the exchange rates being equal (+7.9%), with a strong revenue growth in Europe, which still represents the main market for the Group.

The revenue growth, the slight reduction in the impact of costs, and the reduction in financial expense allowed Sogefi to achieve a positive net result compared to the loss of the first half year 2014.

During the half year, on June 5, the new Company's top management was appointed. Namely, Mr. Laurent Hebenstreit was appointed as Managing Director and Mr. Yann Albrand as Chief Financial Officer. Drafting a new long-term plan for the Sogefi Group will be one of the priorities of the management.

Sogefi ended the first half year with consolidated revenues of Euro 763.7 million, up by 11.8% compared to the first half year of 2014 (+7.9% exchange rates being equal).

Namely, in reference to the trends in different geographic areas, the European trend was positive, with a revenue growth of 10.4% (Euro 498.7 million; +9.1% exchange rates being equal), due to the contribution of both business units and aftermarket activities. Revenues also grew in North America (Euro 120.8 million; +17.3%; +4.6% exchange rates being equal) and Asia (Euro 50.6 million; +35.7%; +15.8% exchange rates being equal). In South America Sogefi's revenues showed a slight increase (+1.3%; +0.9% exchange rates being equal), notwithstanding the persistence of the market sluggish performance.

The impact of non-European countries on Sogefi Group's total revenues increased from 33.9% of the first half year 2014 to 34.7%, due to the positive performance in North American (Nafta) and Asian markets, which currently account for 15.8% and 6.6% of total Group sales revenues (respectively 15.1% and 5.5% in the first six months of 2014).
The impact on revenues of the South American region (Mercosur), on the other hand, decreased from 13.1% to 11.8% as a consequence of low volume levels which limited growth in the area.

The table below shows a breakdown of sales by key markets.

(in millions of Euro)	*1st half 2015*		*1st half 2014*		*% change 1h 15/1h 14*	*Year 2014*
	Amount	*%*	*Amount*	*%*		*Amount*
Europe	498.7	65.3	451.6	66.1	10.4	872.1
Mercosur	90.4	11.8	89.2	13.1	1.3	181.4
NAFTA	120.8	15.8	103.0	15.1	17.3	207.3
Asia	50.6	6.6	37.3	5.5	35.7	82.7
Rest of the world	3.2	0.5	1.9	0.2	73.5	5.9
TOTAL	763.7	100.0	683.0	100.0	11.8	1,349.4

The Engine Systems business unit recorded growing revenues by 12.1% at Euro 477.8 million compared to Euro 426.2 million in the first half year 2014, while the Suspension Components business unit revenues were at Euro 287.1 million, up 11.3% compared to the same period of the previous year (Euro 258 million).

(in millions of Euro)	*1st half 2015*		*1st half 2014*		*% change*	*Year 2014*
	Amount	*%*	*Amount*	*%*		*Amount*
Engine systems	477.8	62.6	426.2	62.4	12.1	844.9
Suspension components	287.1	37.6	258.0	37.8	11.3	506.6
Intercompany eliminations	(1.2)	(0.2)	(1.2)	(0.2)	-	(2.1)
TOTAL	763.7	100.0	683.0	100.0	11.8	1349.4

A breakdown of revenues by customer shows the effects of the above mentioned expansion in areas outside Europe with a new distribution of the customers in the different geographic areas: Ford continues to be the Group's top customer, accounting for 13.1% of revenues (growing from 12.4% in the same period of 2014), followed at a short distance by Renault/Nissan (with impact on revenues stable at 12.6%), and by FCA Group, which continued its growth trend increasing its impact from 10.5% of revenues of the previous year to 12.1%. The PSA Group was, on the other hand, essentially stable at 11.6% of revenues (11.9% in the first half year 2014).

(in millions of Euro)	1st half 2015		1st half 2014		*% change*	*Year 2014*
Group	*Amount*	*%*	*Amount*	*%*		*Amount*
Ford	99.9	13.1	84.4	12.4	18.4	169.0
Renault/Nissan	96.6	12.6	85.6	12.6	12.9	165.7
FCA/CNH Industrial	92.6	12.1	71.5	10.5	29.4	143.5
PSA	88.7	11.6	81.8	11.9	8.4	154.4
Daimler	56.0	7.3	47.0	6.9	19.1	100.0
GM	53.9	7.1	57.0	8.3	(5.4)	111.9
Volkswagen/Audi	26.5	3.5	23.9	3.5	10.9	47.4
BMW	20.5	2.7	19.0	2.8	7.9	38.6
Toyota	14.9	2.0	13.6	2.0	9.6	28.6
Volvo	12.0	1.6	17.3	2.5	(30.6)	29.1
DAF/Paccar	12.0	1.6	10.9	1.6	10.1	22.0
Man	7.5	1.0	9.7	1.4	(22.7)	17.6
Caterpillar	5.0	0.7	3.0	0.4	66.7	6.1
Honda	3.4	0.4	3.2	0.5	6.2	6.1
Other	174.3	22.7	155.1	22.7	12.4	309.4
TOTAL	763.7	100.0	683.0	100.0	11.8	1,349.4

The following table provides comparative figures of the income statement for the first half year and the corresponding period of the previous year.

(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 (gains) losses	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

EBITDA amounted to Euro 62.4 million, with a significant increase compared to Euro 51.7 in the first half year 2014.

In the first half year 2014, the Group incurred restructuring costs amounting to a total of Euro 14.4 million (Euro 2 million in the first half year 2015). In the first half year 2015, after having assessed the total exposure related to product quality issues, and according to general prudence principles, the Company decided to set aside a provision of Euro 12.8 million for product warranties.
If, in both years, the above mentioned non-recurring expenses are not considered, EBITDA in the first half year 2015 would amount to Euro 77.2 million compared to Euro 65.8 in the first half year 2014, with an impact on revenues up to 10.1% (9.6% in the first half year 2014), due to the minor impact of overheads, which has more than compensated the contribution margins erosion trend.

EBIT amounts to Euro 30.5 million (Euro 21.8 million in the first half year 2014).

Result before taxes and non-controlling interests was positive at Euro 15.8 million (Euro 0.8 million in the first half year 2014), after net financial expenses of Euro 14.7 million.

The **Group's net result** in the first half year 2015 was positive at Euro 9.7 million, compared to a loss of Euro 7.3 million in the same period of the previous year.
The impact of overall labour costs on revenues dropped from 23% to 22.6%.

At the end of the first half year 2015, the Sogefi Group's **workforce** was 6,736 (6,668 as at December 31, 2014). Breakdown is as follows:

	June 30, 2015		*December 31, 2014*		*June 30, 2014*	
	Number	*%*	*Number*	*%*	*Number*	*%*
Managers	101	1.5	97	1.5	108	1.6
Clerical staff	1,856	27.6	1,824	27.4	1,835	27.2
Blue collar workers	4,779	70.9	4,747	71.1	4,801	71.2
TOTAL	6,736	100.0	6,668	100.0	6,744	100.0

As at June 30, 2015, **equity**, not including non-controlling interests, was Euro 185.6 million (vs. Euro 161.2 million as at December 31, 2014), as illustrated in the table below.

(in millions of Euro)	Note*	*June 30, 2015*		*December 31, 2014*		*June 30, 2014*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Short-term operating assets	(a)	405.8		325.3		371.1	
Short-term operating liabilities	(b)	(371.4)		(323.2)		(319.4)	
Net working capital		34.4	6.2	2.1	0.4	51.8	9.8
Equity investments	(c)	0.4	0.1	0.4	0.1	0.4	0.1
Intangible, tangible fixed assets and other medium and long-term assets	(d)	654.9	118.6	632.8	130.5	602.2	114.0
CAPITAL INVESTED		689.7	124.9	635.3	131.0	654.4	123.9
Other medium and long-term liabilities	(e)	(137.5)	(24.9)	(150.2)	(31.0)	(126.1)	(23.9)
NET CAPITAL INVESTED		552.2	100.0	485.1	100.0	528.3	100.0
Net financial indebtedness		348.0	63.0	304.3	62.7	340.8	64.5
Non-controlling interests		18.6	3.4	19.6	4.0	22.4	4.2
Consolidated equity of the Group		185.6	33.6	161.2	33.3	165.1	31.3
TOTAL		552.2	100.0	485.1	100.0	528.3	100.0

(*) see the notes at the end of this report for a detailed explanation of the reasons for the reclassifications that we have made

Net financial indebtedness as at June 30, 2015 was Euro 348 million, basically in line with June 30, 2014 (Euro 340.8 million). The increase over the December 31, 2014 figure (Euro 304.3 million) is due to the increase in the working capital and the cash outflows related to restructuring costs recorded in the first half year of the previous year. Furthermore, the cash outflows of Euro 18 million for the payment of the provisional amount related to product warranty provision charges had an impact on the net financial position.

The table below shows a breakdown of the cash flows of the period compared with first half and full year 2014:

(in millions of Euro)	Note*	*1st half 2015*	*1st half 2014*	*Year 2014*
SELF-FINANCING	(f)	21.1	30.0	67.6
Change in net working capital		(33.6)	(29.4)	20.4
Other medium/long-term assets/liabilities	(g)	0.5	0.2	(2.1)
CASH FLOW GENERATED BY OPERATIONS		**(12.0)**	**0.8**	**85.9**
Sale of equity investments	(h)	-	-	-
Net decrease from sale of fixed assets	(i)	-	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	(l)	(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
Increases 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	(m)	**(43.7)**	**(36.2)**	**0.3**
Opening net financial position	(m)	**(304.3)**	**(304.6)**	**(304.6)**
CLOSING NET FINANCIAL POSITION	(m)	**(348.0)**	**(340.8)**	**(304.3)**

(*) see the notes at the end of this report for a detailed explanation of the reasons for the reclassifications that we have made

Net financial indebtedness is mainly comprised of medium and long-term debts, which account for 71% of gross indebtedness as shown below:

(in millions of Euro)	*June 30, 2015*	*December 31, 2014*	*June 30, 2014*
Cash, banks, financial receivables and securities held for trading	92.8	133.5	99.1
Medium/long-term financial receivables	10.5	0.2	-
Short-term financial debts (*)	(130.1)	(78.3)	(112.1)
Medium/long-term financial debts	(321.2)	(359.7)	(327.8)
NET FINANCIAL POSITION	(348.0)	(304.3)	(340.8)

(*) including current portions of medium and long-term financial debts

RECONCILIATION BETWEEN THE HOLDING COMPANY'S STATUTORY FINANCIAL STATEMENTS AND THE CONSOLIDATED FINANCIAL STATEMENTS

The following is a reconciliation of the Group's net result and equity at the end of the year with the equivalent figures for the Holding Company.

Net profit for the period

(in millions of Euro)	*1st half 2015*	*1st half 2014*
Net profit per Sogefi S.p.A. financial statements	9.1	0.2
Group share of results of subsidiary companies included in the consolidated financial statements	18.0	10.6
Elimination of Sogefi S.p.A. dividends	(17.0)	(16.3)
Elimination of unrealized gains deriving from intercompany transactions and other consolidation adjustments, net of the related deferred taxation	(0.4)	(1.8)
NET PROFIT PER CONSOLIDATED FINANCIAL STATEMENTS	9.7	(7.3)

Shareholders' equity

(in millions of Euro)	*June 30, 2015*	*December 31, 2014*
Shareholders' equity per Sogefi S.p.A. financial statements	182.7	161.3
Group share of excess equity value of investments in consolidated companies over carrying value in Sogefi S.p.A. financial statements	(19.1)	(26.4)
Elimination of unrealized gains deriving from intercompany transactions and other consolidation adjustments, net of the related deferred taxation	22.0	26.3
SHAREHOLDERS' EQUITY PER CONSOLIDATED FINANCIAL STATEMENTS	185.6	161.2

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

Net result in the first half of 2015 amounted to Euro 9.1 million compared to Euro 0.2 million in the corresponding period of the previous year.
The increase was mainly due to the lower net financial expense (Euro 9.5 million) compared to the first half year 2014. In particular, in the previous year the Company had incurred non-recurring financial expenses totalling Euro 3 million related to debt restructuring operations and Euro 3.1 million (income amounting to Euro 0.2 million in the first half year 2015) due to the impact of the fair value of interest rate hedging (non-cash).

(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

The following table shows the main items of the statement of financial position as at June 30, 2015, compared with the figures as at December 31, 2014 and June 30, 2014:

(in millions of Euro)	Note*	*June 30, 2015*	*December 31, 2014*	*June 30, 2014*
Short-term assets	(n)	15.3	14.4	28.7
Short-term liabilities	(o)	(10.6)	(8.9)	(16.3)
Net working capital		4.7	5.5	12.4
Equity investments	(p)	397.5	397.3	397.1
Other fixed assets	(q)	69.2	67.6	60.0
CAPITAL INVESTED		471.4	470.4	469.5
Other medium and long-term liabilities	(r)	(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

(*) See the notes at the end of this report for a detailed explanation of the reasons for the reclassifications that we have made.

"Other fixed assets" include an increase by Euro 1.7 million – recorded in the first half year 2015 – relating to capitalised costs for the multi-year project started during the second half of year 2011 to develop and implement the new integrated information system SAP at a group-wide level.
"Shareholders' equity" as at June 30, 2015 amounts to Euro 182.7 million, up from Euro 161.3 million as at December 31, 2014, benefiting from the result of the year and also from the favourable change in fair value related to cross currency swap transactions designated in hedge accounting.

The following table shows the main items of the statement of financial position of the Company as at June 30, 2015, compared with the figures as at December 31, 2014 and June 30, 2014:

(in millions of Euro)	*June 30, 2015*	*December 31, 2014*	*June 30, 2014*
Short-term cash investments	16.0	36.6	8.7
Short/medium-term financial receivables to third and subsidiaries	154.0	123.2	137.1
Short-term financial debts (*)	(161.4)	(139.5)	(158.3)
Medium/long-term financial debts	(295.5)	(328.0)	(297.4)
NET FINANCIAL POSITION	(286.9)	(307.7)	(309.9)

(*) including current portions of medium and long-term financial debts

The increase in "Short/medium-term financial receivables to third and subsidiaries" includes the receivable of Euro 15 million originated in the first half year 2015 for dividends resolved by French subsidiaries, the collection of which is scheduled within the second half year.
For more details, please refer to the comments in the notes attached to this report.

The table below illustrates the cash flow statement of Sogefi S.p.A.:

(in millions of Euro)	Note*	*1st half 2015*	*1st half 2014*	*Year 2014*
SELF-FINANCING	(s)	8.8	1.0	(0.6)
Change in net working capital	(t)	0.9	(1.5)	5.4
Other medium/long term assets/liabilities	(u)	1.6	2.6	4.4
CASH FLOW GENERATED BY OPERATIONS		**11.3**	**2.1**	**9.2**
TOTAL SOURCES		11.3	2.1	9.2
Increase in intangible assets		1.7	6.0	10.7
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
Change in fair value derivative instruments		11.3	(3.3)	(3.4)
CHANGES IN SHAREHOLDERS' EQUITY		11.4	(0.9)	(0.9)
Change in net financial position	(v)	**20.8**	**(5.0)**	**(2.8)**
Opening net financial position	(v)	**(307.7)**	**(304.9)**	**(304.9)**
CLOSING NET FINANCIAL POSITION	(v)	**(286.9)**	**(309.9)**	**(307.7)**

(*) see the notes at the end of this report for a detailed explanation of the reasons for the reclassifications that we have made

Free cash flow generated in the first half of 2015 was positive at Euro 9.4 million, compared to Euro 4.1 million decrease generated in the first half of 2014. This change mainly results from the improved profitability, the positive change in net working capital and the other medium/long-term assets/liabilities.

PERFORMANCE OF THE ENGINE SYSTEMS BUSINESS UNIT

The Engine Systems Business Unit revenues grew by 12.1% during the half year, reaching Euro 477.8 million compared to Euro 426.2 million during the first half year 2014. This result benefits from the strong growth in Europe both in aftermarket activities and original equipment market, and from the positive trend of Asian markets. Net of the exchange rate effect, revenues grew by 7.1%.

EBITDA was Euro 33.7 million (Euro 40.8 million in the corresponding period of the previous year). This figure is affected by the prudential provision set aside as at June 30, 2015 amounting to Euro 11.8 million for charges relating to product quality risks.

If, in both years, restructuring costs and non-recurring items are not considered, EBITDA would amount to Euro 46.1 million compared to Euro 42.4 million in the first half year 2014, with an impact on revenues of 9.6% (9.9% in the first half year 2014).

The slight decrease in the margin percentage is related to the lower gross margin in the European original equipment market, and to the increase of the overheads percentage in Nafta and Mercosur.

EBIT amounts to Euro 15.6 million (Euro 25.1 million in the corresponding period of the previous year).

Workforce at the end of the first half year was 3,989, compared to 4,013 as of December, 31, 2014.

PERFORMANCE OF THE SUSPENSION COMPONENTS BUSINESS UNIT

The consolidated **revenues** of the Suspension Components Business Unit amounted to Euro 287.1 million, up by 11.3% compared to the corresponding period of the previous year (Euro 258 million). The results benefit from the growth in Europe, namely in passenger vehicles, and from the good trend in Asian markets and the favourable exchange rate effect. In Mercosur, despite the weakness of the market, this business unit showed a positive trend in the first half year.

EBITDA amounted to Euro 30.3 million (Euro 15.8 in the corresponding period of the previous year); it should be noted that in the first half year 2014 this business unit incurred restructuring costs amounting to Euro 10.6 million (Euro 0.7 million in the first half year 2015). Furthermore, as of June 30, 2015, a prudential provision of Euro 1 million was set aside for charges relating to product quality risks.

If, in both years, the above mentioned non-recurring items are not considered, in the first half year 2015 EBITDA would amount to Euro 31.9 million compared to Euro 26 million in the first half year 2014, with an impact on revenues of 11.1% (10.1% in the first half year 2014).
The increase in the margin as a percentage was originated by a lower impact of the overheads deriving from the increase of volumes which has more than compensated the gross margin erosion.

EBIT amounts to Euro 19.1 million (Euro 4.1 million in the first half year 2014).

At the end of the half year 2015, the business unit workforce was 2,676, compared to 2,582 as at December 31, 2014.

PERFORMANCE IN THE SECOND QUARTER OF 2015

The following table provides comparative figures of the income statement for the second quarter and the same prior year period.

(in millions of Euro)	*Period 4.1 - 6.30.2015*		*Period 4.1 - 6.30.2014*		*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 (gains) losses	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)

During the quarter, the positive trend continued in almost all the main world automotive markets, with an increase in production levels of passenger cars and light commercial vehicles in Europe (+5.6%), Nafta (+1.8%), and Asia (+4.6%). The recessionary phase continued however in the South American market with production down by 17.1% during the quarter compared to -14.9% in the first quarter 2015.
During the quarter, the Group accelerated the **consolidated revenues** growth at 13.7% compared to +10% in the first quarter 2015, due to the positive performance in all the geographical areas and, partially, to the favourable effect of the exchange rate, totalling Euro 391.2 million (Euro 344.2 million in the second quarter 2014). Net of the exchange rate effect, revenues grew by 9.8%.
EBITDA amounted to Euro 27.6 million (Euro 30.8 million in the second quarter 2014).

As of June 30, 2015, after assessing the overall exposure related to liabilities connected with product quality issues, and according to general prudence principles, the Company decided to set aside a provision of Euro 12.8 million for product warranties. In the second quarter 2014, the Company incurred restructuring costs amounting to a total of Euro 3.1 million (Euro 1.6 million in the second quarter 2015).

If, in both years, the above mentioned non-recurring items are not considered, in the second quarter 2015 EBITDA would amount to Euro 42 million (Euro 33.9 million in the second quarter 2014) with an impact on revenues growing to 10.7% from 9.9% in the corresponding period of 2014.

EBIT amounts to Euro 11.4 million (Euro 16 million in the second quarter 2014).

Result before taxes and non-controlling interests was positive at Euro 3.5 million (Euro 3.4 million in the second quarter 2014), after net financial expenses of Euro 7.9 million.

The **Group's net result** in the second quarter 2015 was positive at Euro 2.1 million, compared to a loss of Euro 1 million in the same period of the previous year.

INVESTMENTS AND RESEARCH & DEVELOPMENT ACTIVITIES

Investments totalled Euro 39.7 million in the first half year 2015, and were stable compared to the first half year 2014. These investments were mostly aimed at increasing production capacity in recently approached markets and at developing products, particularly in North America. Other investments were aimed at improving industrial processes, innovating and partially capitalising R&D activities.
In particular, investment in tangible fixed assets amounted to Euro 21.6 million (Euro 17.6 million in the first half year 2014) and investment in intangible fixed assets amounted to Euro 18.1 million (Euro 22.1 million in the first half year 2014).

TREASURY SHARES

As at June 30, 2015, the Holding Company has 3,337,588 treasury shares in its portfolio, corresponding to 2.81% of share capital, at an average price of Euro 2.28 each. In the first half year 2015, treasury shares decreased after they were assigned to beneficiaries of stock-based compensation plans.

RELATED PARTY TRANSACTIONS

Information on the most important economic transactions and balances with related parties is provided in the explanatory and supplementary notes to the consolidated financial statements, in the section entitled “Related Party Transactions”, as well as in the explanatory and supplementary notes to the statutory financial statements of the Holding Company.
Dealings between Group companies are conducted at arm’s length, taking into account the quality and type of services rendered.

We point out that no transactions have been carried out with related parties or with entities or individuals other than related parties that, according to the definition used by Consob, are atypical or unusual, do not relate to the normal business activity or have a significant impact on the Group's results, balance and financial position.

In 2010, in accordance with Consob Resolution no. 17221 of March 12, 2010 and subsequent amendments, the Company’s Board of Directors appointed the Related Party Transactions Committee, establishing that the members are to be the same as those of the Control and Risks Committee and approved the Discipline for related-party transactions, which had previously received a favourable opinion of the Control and Risks Committee. The purpose of this Discipline is to establish the principles of conduct that the Company is bound to observe to guarantee the correct management of related-party transactions. This Discipline is available on the Company's website at www.sogefigroup.com, in the “Investor – Corporate Governance” section.

In accordance with art. 2497 bis of the Italian Civil Code, we point out that Sogefi S.p.A. is subject to policy guidance and coordination by its parent company CIR S.p.A..

DISCLOSURES PURSUANT TO ART. 70 AND 71 OF CONSOB RULES FOR ISSUERS

Under a resolution of the Board of Directors of October 23, 2012, the Company adopted the simplified procedure provided for by art. 70, paragraph 8 and art. 71, paragraph 1-bis of Consob Regulation issued under Consob Resolution no. 11971 of May 14, 1999 as amended, and made use 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.

SIGNIFICANT SUBSEQUENT EVENTS AFTER JUNE 30, 2015

No significant events occurred after June 30, 2015.

OUTLOOK FOR OPERATIONS

During the second half of the year 2015, within a global automotive market which is expected to grow, Sogefi expects to keep growing trends in North America and Europe. In China and in India, the Group should record a further growth, while in the South American market it is probable that the current phase of weakness will persist.

Milan, July 24, 2015

THE BOARD OF DIRECTORS

ATTACHMENT: NOTES RECONCILING THE FINANCIAL STATEMENTS SHOWN IN THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS CONTAINED IN THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AND THE HOLDING COMPANY'S STATUTORY FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH IAS/IFRS

Notes relating to the Consolidated Financial Statements

a) the heading agrees with "Total working capital" in the Consolidated Statement Of Financial Position;

b) the heading agrees with the sum of the line items "Trade and other payables", "Tax payables" and "Other current liabilities" in the Consolidated Statement Of Financial Position;

c) the heading agrees with the sum of the line items "Investments in joint ventures" and "Other financial assets available for sale" in the Consolidated Statement Of Financial Position;

d) the heading agrees with the sum of the line items "Total fixed assets", "Other receivables", "Non-current trade receivables", "Deferred tax assets" and "Non-current assets held for sale" in the Consolidated Statement Of Financial Position;

e) the heading agrees with the line item "Total other long-term liabilities" in the Consolidated Statement Of Financial Position;

f) the heading agrees with the sum of the line items "Net result", "Non-controlling interests", "Depreciation, amortisation and write-downs", "Accrued costs for stock-based incentive plans", "Provisions for risks, restructuring and deferred taxes" and "Post-retirement and other employee benefits" in the Consolidated Cash Flow Statement;

g) the heading agrees with the line item "Other medium/long-term assets/liabilities" in the Consolidated Cash Flow Statement, excluding movements relating to financial receivables;

h) the heading corresponds to the line item "Sale of subsidiaries (net of cash and cash equivalents) and associates" in the Consolidated Cash Flow Statement;

i) the heading agrees with the sum of the line items "Losses/(gains) on disposal of fixed assets and non-current assets held for sale", "Sale of property, plant and equipment" and "Sale of intangible assets" in the Consolidated Cash Flow Statement;

(l) the heading agrees with the line items "Exchange differences" in the Consolidated Cash Flow Statement, excluding exchange differences on financial receivables and payables;

(m) these headings differ from those shown in the Consolidated Cash Flow Statement as they refer to the total net financial position and not just to cash and cash equivalents.

Notes relating to the Holding Company's Statutory Financial Statements

Notes relating to the Holding Company's Statutory Financial Statements

(n) the heading agrees with "Total working capital" ("Totale attivo circolante operativo") in the Holding Company's statutory Statement Of Financial Position;

(o) the heading agrees with the sum of the line items "Trade and other payables" ("Debiti commerciali e altri debiti"), "Tax payables" ("Debiti per imposte") and "Other current liabilities" ("Altre passività correnti") in the Holding Company's statutory Statement Of Financial Position;

(p) the heading agrees with the sum of the line items "Equity investments in subsidiaries" ("Partecipazioni in società controllate"), "Equity investments in associates" ("Partecipazioni in società collegate") and "Other financial assets available for sale" ("Altre attività finanziarie disponibili per la vendita") in the Holding Company's statutory Statement Of Financial Position;

(q) the heading agrees with the sum of the line items "Total fixed assets" ("Totale immobilizzazioni"), "Other receivables" ("Altri crediti") and "Deferred tax assets" ("Imposte anticipate") in the Holding Company's statutory Statement Of Financial Position;

(r) the heading agrees with the line item "Total other long-term liabilities" ("Totale altre passività a lungo termine") in the Holding Company's statutory Statement Of Financial Position;

(s) the heading agrees with the sum of the line items "Net result" ("Utile netto d'esercizio"), "Depreciation and amortisation" ("Ammortamenti immobilizzazioni materiali e immateriali"), "Accrual to income statement for fair value of cash flow hedging instruments" ("Stanziamento a conto economico fair value derivati cash flow hedge"), "Accrued costs for stock-based incentive plans" ("Accantonamenti costi per piani di incentivazione basati su azioni"), "Net change phantom stock options provision" ("Variazione netta fondo phantom stock options"), and "Net change in provision for employment termination indemnities" ("Variazione netta fondo trattamento di fine rapporto") as well as the change of deferred tax assets/liabilities included in the line "Other medium/long-term assets/liabilities" ("Altre attività/passività a medio lungo termine") of the Holding Company's Statutory Cash Flow Statement;

(t) the heading agrees with the sum of the line items "Change in net working capital" ("Variazione del capitale circolante netto"), "Change in tax receivables/payables" ("Variazione dei crediti/debiti per imposte") and "Payables for purchases of intangible fixed assets" ("Debiti per acquisti immobilizzazioni immateriali") of the Holding Company's statutory Cash Flow Statement;

(u) the heading is included in the line item "Other medium/long-term assets/liabilities" ("Altre attività/passività a medio lungo termine") in the Holding Company's Statutory Cash Flow Statement, excluding movements relating to financial receivables/payables;

(v) these headings differ from those shown in the Holding Company's Statutory Cash Flow Statement as they refer to the total net financial position and not just to cash and cash equivalents.

DEFINITION OF THE PERFORMANCE INDICATORS

In accordance with recommendation CESR/05-178b published on November 3, 2005, the criteria used for constructing the main *performance* indicators deemed by the management to be useful for the purpose of monitoring Group performance are provided below.

EBITDA: starting from financial year 2012, EBITDA is calculated as the sum of "EBIT", "Depreciation and Amortisation" and the writedowns of tangible and intangible fixed assets included in the item "Other non-operating expenses (income)".

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(in thousands of Euro)

ASSETS	*Note*	*June 30, 2015*	*December 31, 2014*
CURRENT ASSETS			
Cash and cash equivalents	*4*	85,791	124,033
Other financial assets	*5*	7,001	9,490
Working capital			
Inventories	*6*	168,488	144,142
Trade receivables	*7*	199,170	148,083
Other receivables	*7*	9,248	6,884
Tax receivables	*7*	23,169	22,564
Other assets	*7*	5,770	3,599
TOTAL WORKING CAPITAL		*405,845*	*325,272*
TOTAL CURRENT ASSETS		498,637	458,795
NON-CURRENT ASSETS			
FIXED ASSETS			
Land	*8*	14,420	14,286
Property, plant and equipment	*8*	232,153	224,427
Other tangible fixed assets	*8*	5,000	5,348
Of which: leases		*5,032*	*5,148*
Intangible assets	*9*	288,775	282,996
TOTAL FIXED ASSETS		540,348	527,057
OTHER NON-CURRENT ASSETS			
Investments in joint ventures	*10*	-	-
Other financial assets available for sale	*11*	439	439
Non-current trade receivables	*12*	4	4
Financial receivables	*12*	10,547	157
Other receivables	*12*	36,159	34,626
Deferred tax assets	*13-19*	78,400	71,126
TOTAL OTHER NON-CURRENT ASSETS		125,549	106,352
TOTAL NON-CURRENT ASSETS		665,897	633,409
NON-CURRENT ASSETS HELD FOR SALE	*14*	-	-
TOTAL ASSETS		1,164,534	1,092,204

LIABILITIES	*Note*	*June 30, 2015*	*December 31, 2014*
CURRENT LIABILITIES			
Bank overdrafts and short-term loans	*15*	41,218	13,426
Current portion of medium/long-term financial debts and other loans	*15*	88,664	64,508
Of which: leases		*954*	*914*
TOTAL SHORT-TERM FINANCIAL DEBTS		129,882	77,934
Other short-term liabilities for derivative financial instruments	*15*	224	350
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FIN. INSTRUMENTS		130,106	78,284
Trade and other payables	*16*	354,292	309,808
Tax payables	*16*	8,645	5,323
Other current liabilities	*17*	8,531	8,096
TOTAL CURRENT LIABILITIES		501,574	401,511
NON-CURRENT LIABILITIES			
MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS			
Financial debts to bank	*15*	95,819	131,617
Other medium/long-term financial debts	*15*	212,987	203,648
Of which: leases		*6,559*	*6,481*
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS		308,806	335,265
Other medium/long-term financial liabilities for derivative financial instruments	*15*	12,430	24,464
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS		321,236	359,729
OTHER LONG-TERM LIABILITIES			
Long-term provisions	*18*	91,213	104,326
Other payables	*18*	6,868	6,988
Deferred tax liabilities	*19*	39,458	38,864
TOTAL OTHER LONG-TERM LIABILITIES		137,539	150,178
TOTAL NON-CURRENT LIABILITIES		458,775	509,907
SHAREHOLDERS' EQUITY			
Share capital	*20*	61,681	61,631
Reserves and retained earnings (accumulated losses)	*20*	114,165	95,948
Group net profit (loss) for the period	*20*	9,728	3,639
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY		185,574	161,218
Non-controlling interests	*20*	18,611	19,568
TOTAL SHAREHOLDERS' EQUITY		204,185	180,786
TOTAL LIABILITIES AND EQUITY		1,164,534	1,092,204

CONSOLIDATED INCOME STATEMENT
(in thousands of Euro)

	Note	1st half 2015		1st half 2014	
		Amount	*%*	*Amount*	*%*
Sales revenues	*22*	763,744	100.0	682,959	100.0
Variable cost of sales	*24*	560,971	73.5	484,646	71.0
CONTRIBUTION MARGIN		202,773	26.5	198,313	29.0
Manufacturing and R&D overheads	*25*	71,245	9.2	65,252	9.6
Depreciation and amortization	*26*	31,911	4.2	29,541	4.3
Distribution and sales fixed expenses	*27*	23,383	3.0	20,779	3.0
Administrative and general expenses	*28*	36,490	4.8	37,370	5.5
Restructuring costs	*30*	1,962	0.3	10,244	1.5
Losses (gains) on disposal	*31*	(1,557)	(0.2)	(34)	-
Exchange losses (gains)	*32*	1,271	0.2	2,298	0.3
Other non-operating expenses (income)	*33*	7,578	1.0	11,079	1.6
- of which non-recurring		*45*		*4,181*	
EBIT		30,490	4.0	21,784	3.2
Financial expenses (income), net	*34*	14,684	1.9	20,998	3.1
- of which fair value of the embedded derivative (convertible bond)		*(1,450)*		*(100)*	
- of which other net financial expenses (income)		*16,134*		*21,098*	
Losses (gains) from equity investments	*35*	-	-	-	-
RESULT BEFORE TAXES AND NON-CONTROLLING INTERESTS		15,806	2.1	786	0.1
Income taxes	*36*	4,191	0.5	5,771	0.8
NET RESULT BEFORE NON-CONTROLLING INTERESTS		11,615	1.6	(4,985)	(0.7)
Loss (income) attributable to non-controlling interests		(1,887)	(0.3)	(2,313)	(0.3)
GROUP NET RESULT		9,728	1.3	(7,298)	(1.0)
Earnings per share (EPS) (Euro):	*38*				
Basic		0.084		(0.064)	
Diluted		0.084		(0.064)	

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
(in thousands of Euro)

	Note	*1st half 2015*	*1st half 2014*
Net result before non-controlling interests		11,615	(4,985)
Other Comprehensive Income:			
Items that will not be reclassified to profit or loss			
- Actuarial gain (loss)	*20*	(1,522)	(1,090)
- Tax on items that will not be reclassified to profit or loss	*20*	305	218
Total items that will not be reclassified to profit or loss		*(1,217)*	*(872)*
Items that may be reclassified to profit or loss			
- Profit (loss) booked to cash flow hedge reserve	*20*	3,649	(1,466)
- Income tax relating to items that may be reclassified to profit or loss	*20*	(1,005)	403
- Profit (loss) booked to translation reserve	*20*	3,801	2,826
Total items that may be reclassified to profit or loss		*6,445*	*1,763*
Other Comprehensive Income		*5,228*	*891*
Total comprehensive result for the period		16,843	(4,094)
Attributable to:			
- Shareholders of the Holding Company		14,643	(6,501)
- Non-controlling interests		2,200	2,407

CONSOLIDATED CASH FLOW STATEMENT
(in thousands of Euro)

	1st half 2015	*1st half 2014*
Cash flows from operating activities		
Net result	9,728	(7,298)
Adjustments:		
- non-controlling interests	1,887	2,313
- depreciation, amortization and writedowns	31,944	29,927
- expenses recognised for share-based incentive plans	516	771
- exchange rate differences on private placement	8,059	810
- (not paid) interest expense on bonds	1,511	358
- change in fair value of the call option (Embedded derivative)	(1,450)	(100)
- reclassification in the income statement of cash flow hedge reserve	(8,211)	2,890
- losses/(gains) on disposal of fixed assets and non-current assets held for sale	(1,557)	(34)
- provisions for risks, restructuring and deferred taxes	(21,663)	4,374
- post-retirement and other employee benefits	(1,277)	(42)
- change in net working capital	(33,556)	(29,358)
- other medium/long-term assets/liabilities	(1,699)	(1,999)
CASH FLOWS FROM OPERATING ACTIVITIES	(15,768)	2,612
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(21,632)	(17,609)
Purchase of intangible assets	(18,064)	(22,097)
Net change in other securities	3,005	(597)
Sale of property, plant, equipment and businesses	1,584	3,605
Sale of intangible assets	-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES	(35,107)	(36,698)
FINANCING ACTIVITIES		
Capital increase in subsidiaries from third parties	55	-
Net change in capital	145	2,408
Dividends paid to Holding Company shareholders and non-controlling interests	(3,250)	(491)
New (repayment of) bonds	-	98,279
New (repayment of) long-term loans	(14,584)	(112,056)
New (repayment of) finance leases	(534)	(586)
NET CASH FLOWS FROM FINANCING ACTIVITIES	(18,168)	(12,446)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(69,043)	(46,532)
Balance at the beginning of the period	110,607	118,460
(Decrease) increase in cash and cash equivalents	(69,043)	(46,532)
Exchange differences	3,009	1,008
BALANCE AT THE END OF THE PERIOD	44,573	72,936

ADDITIONAL INFORMATIONS OF CASH FLOW STATEMENT		
Taxes paid	(6,194)	(10,153)
Financial expenses paid	(14,853)	(19,125)
Financial income collected	2,521	494

Note: this table shows the elements that bring about the change in cash and cash equivalents, as expressly required by IAS 7. The cash flow statement included in the Report of the board of directors on operations shows the various operational components of cash flow, thereby explaining all of the changes in the overall net financial position.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in thousands of Euro)	*Attributable to the shareholders of the parent company*				*Non-controlling interests*	*Total*
	Share capital	Reserves and retained earnings (accumula-ted losses)	Net result for the period	Total		
Balance at December 31, 2013	*60,924*	*86,439*	*21,124*	*168,487*	*20,426*	*188,913*
Paid share capital increase	681	1,727	-	2,408	-	2,408
Allocation of 2013 net profit:						
Legal reserve	-	20	(20)	-	-	-
Dividends	-	-	-	-	(491)	(491)
Retained earnings	-	21,104	(21,104)	-	-	-
Recognition of share-based incentive plans	-	771	-	771	-	771
Other changes	-	(95)	-	(95)	95	-
Comprehensive result for the period						
Fair value measurement of cash flow hedging instruments	-	(1,466)	-	(1,466)	-	(1,466)
Actuarial gains (losses)	-	(1,090)	-	(1,090)	-	(1,090)
Tax on items booked in Other Comprehensive Income	-	621	-	621	-	621
Currency translation differences	-	2,733	-	2,733	93	2,826
Net result for the period	-	-	(7,298)	(7,298)	2,313	(4,985)
Total Comprehensive result for the period	-	*798*	*(7,298)*	*(6,500)*	*2,406*	*(4,094)*
Balance at June 30, 2014	*61,605*	*110,764*	*(7,298)*	*165,071*	*22,436*	*187,507*

(in thousands of Euro)	*Attributable to the shareholders of the parent company*				*Non-controlling interests*	*Total*
	Share capital	Reserves and retained earnings (accumula-ted losses)	Net result for the period	Total		
Balance at December 31, 2014	*61,631*	*95,948*	*3,639*	*161,218*	*19,568*	*180,786*
Paid share capital increase	*50*	*95*	-	*145*	*55*	*200*
Allocation of 2014 net profit:						
Legal reserve	-	-	-	-	-	-
Dividends	-	-	-	-	(3,250)	(3,250)
Retained earnings	-	3,639	(3,639)	-	-	-
Recognition of share-based incentive plans	-	516	-	516	-	516
Fair value of the embedded derivative (conversion option)	-	9,090	-	9,090	-	9,090
Other changes	-	(38)	-	(38)	38	-
Comprehensive result for the period						
Fair value measurement of cash flow hedging instruments	-	3,649	-	3,649	-	3,649
Actuarial gains (losses)	-	(1,522)	-	(1,522)	-	(1,522)
Tax on items booked in Other Comprehensive Income	-	(700)	-	(700)	-	(700)
Currency translation differences	-	3,488	-	3,488	313	3,801
Net result for the period	-	-	9,728	9,728	1,887	11,615
Total Comprehensive result for the period	-	*4,915*	*9,728*	*14,643*	*2,200*	*16,843*
Balance at June 30, 2015	*61,681*	*114,165*	*9,728*	*185,574*	*18,611*	*204,185*

EXPLANATORY AND SUPPLEMENTARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: CONTENTS

A) GENERAL ASPECTS

1. CONTENT AND FORMAT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed Consolidated Financial Statements for the period January 1 - June 30, 2015 have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and adopted by the European Union and have been prepared according to IAS 34 – "Interim Financial Reporting", applying the same accounting principles and policies used in the preparation of the Consolidated Financial Statements at December 31, 2014. "IFRS" also means the International Accounting Standards ("IAS") currently in force, as well as all of the interpretation documents issued by the International Financial Reporting Standards Interpretations Committee ("IFRS IC", formerly "IFRIC") previously called the Standing Interpretations Committee ("SIC").
To this end, the figures of the financial statements of the consolidated subsidiaries have been appropriately reclassified and adjusted.
As a partial exception to IAS 34 provisions, these interim condensed financial statements provide detailed as opposed to condensed statements in order to provide a better and clearer overview of the changes that have taken place in the assets and liabilities, financial position and results during the half-year.
They also contain the disclosures required by IAS 34 with the supplementary information considered useful for a clearer understanding of these half-year financial statements.
The interim condensed financial statements as at June 30, 2015 should be read in conjunction with the annual financial statements as at December 31, 2014.
With reference to IAS 1, the Board Directors confirm that, considering the economic forecasts, the capitalisation and the financial position of the Group, the same operates as a going concern.
The interim condensed financial statements as at June 30, 2015 were approved by the Board of Directors on July 24, 2015.

1.1 Format of the consolidated financial statements

The financial statements as at June 30, 2015 are consistent with those used for the annual report as at December 31, 2014.

1.2 Content of the consolidated financial statements

The interim condensed consolidated financial statements for the six-month period ending June 30, 2015 include the Holding Company Sogefi S.p.A. and its subsidiaries. Section H of these notes gives a list of the companies included in the scope of consolidation and the percentages held (this list has not changed compared to December 31, 2014).

These financial statements are presented in Euro and all figures are rounded up or down to the nearest thousand Euro, unless otherwise indicated.

The interim condensed consolidated financial statements (prepared on a line-by-line basis) include the financial statements of Sogefi S.p.A., the Holding Company, and of all the Italian and foreign companies under its control.
It should be noted that in the first half year 2015, subsidiary Allevard Rejna Autosuspensions S.A. increased:

- its percentage of ownership in subsidiary Allevard IAI Suspensions Pvt Ltd. from 73.91% to 74.23% through a share capital increase subscribed with a non proportional method by non-controlling interests that led to an amount of Euro 7 thousand being reclassified between non-controlling interests and Group's shareholders' equity;
- its percentage of ownership in subsidiary S.Ara Composite S.A.S. from 93.71% to 94.12% through a share capital increase not subscribed by non-controlling interest shareholders that led to an amount of Euro 31 thousand being reclassified between non-controlling interests and Group's shareholders' equity.

Furthermore, in the first half year 2015 the merger process between Indian companies Sogefi M.N.R. Filtration India Pvt Ltd and Systemes Moteurs India Pvt Ltd was completed (said process did not have any impact on the Group's consolidated financial statements).

No further changes were made to the scope of consolidation during the period.

1.3 Group composition

As required by the IFRS 12, Group composition as at June 30, 2015 and December 31, 2014 was as follows:

Business Unit	*Region*	*Wholly-owned subsidiaries*	
		June 30, 2015	December 31, 2014
Engine Systems	Italy (*)	1	1
	France	2	2
	Great Britain	1	1
	Spain	1	1
	Slovenia	1	1
	Romania	1	1
	Luxembourg	1	1
	Canada	1	1
	USA	2	2
	Mexico	1	1
	Brazil	1	1
	Argentina	1	1
	China (*)	2	2
	Hong Kong	1	1
	India (**)	-	1
Suspension Components	France	2	2
	Great Britain	2	2
	Germany	2	2
	The Netherlands	1	1
	Brazil	1	1
	Argentina	1	1
Other	France	1	1
TOTAL		27	28

(*) These subsidiaries work also for Suspension Components Business Unit.
(**) Please note that in the first half of 2015 the merger between Sogefi M.N.R. Filtration India Pvt Ltd and Systemes Moteurs India Pvt Ltd has been completed.

Business Unit	*Region*	*Non-wholly-owned subsidiaries*	
		June 30, 2015	December 31, 2014
Engine Systems	China	1	1
	India	1	1
Suspension Components	France	1	1
	Spain	1	1
	China	1	1
	India	1	1
TOTAL		6	6

2. CONSOLIDATION PRINCIPLES AND ACCOUNTING POLICIES

The consolidation and accounting policies applied in preparing the condensed financial statements for the six-month period ended June 30, 2015 are consistent with those used for the annual financial statements as of December 31, 2014 to which the reader should refer, except as reported below.

IAS 32 and IAS 39 do not expressly govern the redemption of an “embedded derivative” in a convertible bond which follows a change in the original convertible bond Terms. In accordance with IAS 8, the Group chose, as its accounting policy, to reassess the liability-equity classification of the financial instrument components as at the date of the change made to the original regulations, for their balances as at such date.

The preparation of the interim condensed financial statements requires Directors to make estimates and assumptions, which affect the values of revenues, costs, assets and liabilities and the information regarding potential assets and liabilities as at the date of the interim condensed financial statements. If in the future said estimates and assumptions, which are based on the best estimates of the Directors, should change due to actual circumstances, they will be adjusted accordingly in the period in which said circumstances change.
It should also be noted that some measurement processes, in particular the more complex ones, such as the calculation of any impairment of non-current assets, are generally fully made only when the annual financial statements are prepared, when all of the information that may be required is available, with the exception of the cases in which there are impairment indicators that require the performance of an impairment test.
The main items affected by these estimates are as follows:

- goodwill (Euro 126,639 thousand as at June 30, 2015): the goodwill impairment test conducted as of December 31, 2014 confirmed that there was no need to recognise any impairment loss to the values shown in the financial statements. Because the operating results of the business units in the first half of 2015 and the forecasts for the entire year 2015 are basically in line with the Group's 2015 - 2018 projections as approved by Group Management, there is no indication that goodwill might have suffered any impairment loss in the first half of 2015;
- recoverability of deferred tax assets related to tax losses (Euro 27,175 thousand as of June 30, 2015): as at June 30, 2015 deferred tax assets related to tax losses incurred during the year and previous years (relating to the Holding Company Sogefi S.p.A. and subsidiaries Sogefi Rejna S.p.A., Allevard Sogefi U.S.A. Inc, Allevard Rejna Autosupensions S.A., Sogefi Filtration Ltd, United Springs S.A.S., Sogefi Filtration S.A., Sogefi Filtration do Brasil Ltda, Allevard Rejna Argentina S.A., and Systèmes Moteurs S.A.S.) were recognised to the extent the generation of future taxable income against which they can be utilised was deemed probable. Such probability is also determined based on the fact that such losses have originated under extraordinary circumstances, such as past or on-going restructuring, that are unlikely to occur again in the future and that these losses may be recovered throughout an unlimited or long-term time frame.
  With reference to the Holding Company Sogefi S.p.A., income taxes are recognised in the income statement under "Current taxes" to the extent that the tax loss is actually offset against taxable income generated within the CIR Group tax filing system. Tax losses carried forward in excess of the offset amount were recognised as it is probable that they will be recovered, considering that the Holding Company has joined the CIR Group tax filing system permanently. The ability to recover such tax losses is based on expected future taxable income coming from the forecasts prepared by the companies participating in the CIR Group tax filing system.
- pension plans (Euro 51,074 thousand as of June 30, 2015): actuaries who offer their consulting services to the Group use different statistic assumptions in order to anticipate future events for the purpose of estimating pension plan expenses, liabilities and assets. Such assumptions concern discount rate, return

on pension plan assets (this particular assumption concerns nearly exclusively British pension funds), future wage inflation rates, mortality and turnover rates;

- derivatives (Euro 10,746 thousand for assets and Euro 12,654 thousand for liabilities as of June 30, 2015): the fair value of derivatives and effectiveness test of derivatives in hedge accounting were estimated with the support of third-party consultants based on valuation models in accordance with industry practice;
- provision for product warranties (Euro 12,800 thousand)/Other non-current receivables (Euro 23,368 thousand).

  With regard to provision for product warranties, there are claims in progress by two customers relating to a defective component supplied by subsidiary Systèmes Moteurs S.A.S. starting from 2010 (the subsidiary was acquired by Sogefi Group in July 2011). Based on the Company's opinion, the defect was caused by a thermostat manufactured by a supplier of Systèmes Moteurs S.A.S.

  Systèmes Moteurs S.A.S. believes that liability for the defect is connected with the subcomponent manufactured by the supplier and in 2012 filed a law suit against that supplier at the French courts seeking indemnity for any damages it might have to pay to its customers (claimed amount was later adjusted to the claims filed by car makers against Systèmes Moteurs S.A.S.).

  On June 6, 2012, the court appointed a technical expert to write an expert witness report and determine where technical liability for the defect lies. Merit proceedings were suspended pending submission of the expert witness report.

  The Company, supported by the Company's legal representative, is of the opinion that the court expert will assign predominant technical liability to the component supplier.

  On July 9, 2014, the two customers joined the proceedings and petitioned for their damages to be determined in the expert witness report. This request was granted and the task of the expert was subsequently extended. Up to that date, neither of the two customers had filed a law suit against Systèmes Moteurs S.A.S. Both of them had requested an out-of-court settlement for damages.

  A first customer claimed approximately Euro 43 million in damages, plus an additional claim of Euro 11.1 million for damage to reputation, financial expenses and other costs. In January 2015, this customer informally advised the company that they were going to claim an additional indemnity of Euro 30 million for costs associated with planned future campaigns. On April 21, 2015, said client formally supplemented its claims before the relevant Court as follows: the initial request for Euro 43 million in damages was adjusted to Euro 43.3 million; the request for damages relating to costs incurred for any future campaigns or reparations was officially confirmed in the amount of Euro 35.5 million; the initial request of Euro 11.1 million for damage to reputation and financial expenses was reduced to Euro 6.7 million; lastly, 68.2 million were claimed for loss of future income. The Company deems as remote the probability that a liability will arise from the claim against loss of future income.

  As to the second affected customer, the request for compensation filed with the Court amounted to approximately Euro 40 million. Such amount was then increased to Euro 42.3 million in the latest claim filed with the Court on February 27, 2015.

Waiting for the conclusion of the Court, while not admitting to any liability, on January 12, 2015, Systèmes Moteurs S.A.S. made an agreement with the second customer to pay a “provisional amount” of Euro 8 million (which was paid in January 2015), pending a final quantification of damages by the Court. In the event damages awarded by the Court are less than the amounts paid, the customer will return any excess amounts to Systèmes Moteurs S.A.S., otherwise Systèmes Moteurs S.A.S. will pay any balance amount. Customer has undertaken to avoid initiating any other recall campaigns.

Likewise, on February 24, 2015, the Company entered into an agreement with the first customer, which is consistent with the agreement previously reached with the other customer. The settlement provides for payment of a “provisional amount” of Euro 10 million (which was paid in April 2015) to be adjusted according to the Court’s decision.

Based on the above considerations and the information available until the date of authorisation for issue of the financial statements, as at December 31, 2014, it was considered prudent to increase the provision for product warranties from Euro 12.6 million to Euro 18 million. In light of the “provisional amount” payments made in the first half year of 2015, the provision was entirely used up in the amount of Euro 18 million.

As of June 30, 2015, after assessing the overall exposure to liabilities connected with product quality issues and in light of all the new elements, the Company prudentially decided to recognise as at June 30, 2015 an additional provision of Euro 12.8 million for product warranties.

With regard to the indemnities owed by the seller of Systèmes Moteurs S.A.S. shares and by the supplier of the subcomponent, it is worthwhile pointing out that after the determination of the fair value of identifiable assets acquired and identifiable liabilities assumed in connection with the Systemes Moteurs Group was completed, the Sogefi Group entered an indemnification asset in the consolidated financial statement in accordance with IFRS 3.27 and 28, because the seller Dayco Europe S.r.l. had provided contractual guarantees relating to defect liability claims existing at the time of the acquisition, including those noted above, for a total amount of Euro 23.4 million (versus a total fair value amount of potential liabilities of Euro 25.1 million).

As of June 30, 2015, such indemnification asset has been valued according to IFRS 3.57, and is still believed to be recoverable based on the contractual guarantees given by the seller and the considerations outlined above.
After requesting an indemnification from the seller, Sogefi S.p.A. initiated international arbitration proceedings against the seller of Systèmes Moteurs S.A.S.' shares to collect the payables, as provided for by the acquisition contract. Parties are expected to file their final pleadings in October 2015, after which the board of arbitrators should issue the award.

It should be noted that these are complex proceedings that involve passing judgement on technical, juridical and commercial matters, and present uncertainties connected with the French Court judgement and the arbitration proceedings and their outcome. Estimates concerning risks provision and the recovery of booked assets are based on the best information available at the time of preparing the financial statements. They are subject to change as events evolve.

Accounting Standards, Amendments and Interpretations adopted from January 1, 2015

The following IFRS accounting standards, amendments and interpretations were first adopted by the Group starting January 1, 2015:

- On May 20, 2013, IFRIC interpretation 21 – Levies was issued. The interpretation clarifies when a liability for levies (other than income tax) imposed by government agencies should be recognised. This interpretation addresses both levies that are accounted for in accordance with IAS 37 - Provisions, Contingent Liabilities and Contingent Assets, and those for which the settlement timing and amount are certain. The interpretation is applicable retrospectively. The adoption of this new interpretation had no impact on the consolidated financial statements of the Group.
- On December 12, 2013 the IASB published document "*Annual Improvements to IFRSs: 2011-2013 Cycle*", amending some standards as part of the annual improvement process.
  The adoption of these amendments had no impact on the consolidated financial statements of the Group.

Accounting Standards, Amendments and IFRS Interpretations approved by the European Union but not yet mandatory applicable and not early adopted by the Group as at June 30, 2015

- On November 21, 2013 the amendment to IAS 19 "*Defined Benefit Plans: Employee Contributions*" was issued, proposing that contributions (related to service rendered by the employee during the period) to defined benefit plans from employees or third parties be recognised as a reduction in the service cost in the period in which the contribution is paid. These amendments are to be applied for financial periods beginning on or after February 1, 2015 at the latest. Directors do not expect any significant impact on the consolidated financial statements of the Group after the adoption of this amendment.
- On December 12, 2013 the IASB published document "*Annual Improvements to IFRSs: 2010-2012 Cycle*" implementing the amendments to some principles within the yearly improvement process. These amendments are to be applied for financial periods beginning on or after February 1, 2015 at the latest. Directors do not expect any significant effect on the consolidated financial statements of the Group when these amendments are adopted.

Accounting Standards, Amendments and IFRS interpretations not yet endorsed by the European Union

The European Union has not yet completed its endorsement process for the standards and amendments below reported at the date of this half-year consolidated financial statements.

- On January 30, 2014, the IASB issued standard *IFRS 14 – Regulatory Deferral Accounts*. The Company/Group is not a first-time adopter and this standard is not applicable to it.
- On May 6, 2014, the IASB issued some amendments to IFRS 11 - Joint Arrangements – *"Accounting for Acquisitions of interests in joint operations"*. The amendments are applicable from January 1, 2016. Early adoption is allowed. Directors do not expect any significant effect on the consolidated financial statements of the Group when these amendments are adopted.
- On May 12, 2014, the IASB published some amendments to IAS 16 *Property, plant and Equipment* and to IAS 38 *Intangibles Assets – "Clarification of acceptable methods of depreciation and amortisation"*. The amendments are applicable from January 1, 2016. Early adoption is allowed. Directors do not expect any significant effect on the consolidated financial statements of the Group when these amendments are adopted.
- On May 28, 2014, the IASB issued IFRS 15 – *Revenue from Contracts with Customers* bound to replace IAS 18 – *Revenue* and IAS 11 – *Construction Contracts,* as well as the interpretations IFRIC 13 – *Customer Loyalty Programmes*, IFRIC 15 – *Agreements for the Construction of Real Estate*, IFRIC 18 – *Transfers of Assets from Customers* and SIC 31 – *Revenues-Barter Transactions Involving Advertising Services*. The standard provides for a new revenue accounting model, which will be applicable to all agreements made with customers, with the exception of those falling under the scope of application of other IFRS such as leasing and insurance policy contracts and financial instruments. According to the new model revenue is accounted for through the following steps:
    - identify the contract in place with the customer;
    - identify the performance obligations in the contract;
    - determine the price;
    - allocate the price to the performance obligations in the contract;
    - criteria for recognising revenue when the entity satisfies each performance obligation.

  The standard is applicable from January 1, 2017. Early adoption is allowed (in May 2015 the IASB issued an Exposure Draft proposing to defer the first-time adoption to January 1, 2018). Directors expect that the adoption of IFRS 15 will have an impact on the revenue recognition and the relevant disclosure included in the Group's consolidated financial statements. Still, it will be impossible to provide a reasonable estimate as to the effects until the Group completes a detailed review of contracts in place with the customers.

- On June 30, 2014 the IASB issued some amendments *to IAS 16 Property, plant and equipment and IAS 41 Agriculture – Bearer Plants*. The amendments are applicable from January 1, 2016. Early adoption is allowed. Directors do not expect any significant effect on the consolidated financial statements of the Group when these amendments are adopted.
- On July 24, 2014, the IASB issued the final version of IFRS 9 – *Financial instruments*. The document includes the results of the classification, valuation, impairment and hedge accounting phases to the IASB project pending the replacement of IAS 39. The new principle, which supersedes the previous versions of IFRS 9, must be applied to financial statements as of January 1, 2018 and thereafter.
  The principle introduces new criteria to classify and evaluate financial assets and liabilities. In particular, as regards financial assets, the new standard adopts

a single approach based on how an entity manages its financial instruments and the contractual cash flows characteristics of the financial assets, in order to determine its valuation criteria and replacing the many different rules in IAS 39. The most significant effect of the standard regarding the financial liabilities relates to the accounting for changes in fair value attributable to changes in the credit risk of issuers of financial liabilities designated as at fair value through profit or loss. According to the new standard, these changes must be recognised in “Other comprehensive income” and will no longer be recognised in the Income Statement.
With reference to the impairment model, the new standard requires the losses on receivables to be estimated based on the expected losses model (instead of the incurred losses model) using information that can be evidenced, available free of charge or without unreasonable effort and including historic, current and forecast data. The standard provides that such an impairment model must apply to all financial instruments, that is, all financial assets valued at amortised cost, those evaluated at fair value through other comprehensive income, as well as to credits from lease agreements and trade receivables.
Finally, this principle introduces a new hedge accounting model for the purpose of adapting the requirements under current IAS 39, which have at times been considered too strict and ill-suited to reflect the risk management policies of any company.
Directors expect IFRS 9 to have a significant impact on the balances and the relevant disclosures in the consolidated financial statements of the Group. Still, it will be impossible to provide a reasonable estimate as to the effects until the Group completes a detailed analysis.

- On August 12, 2014, the IASB published an amendment to *IAS 27 - Equity Method in Separate Financial Statements*. The document introduces the option of using the equity method in an entity's separate financial statements in order to measure investments held in subsidiaries, joint ventures and associates. At the moment the Directors are looking into the possible effects caused by the introduction of the above amendments on the Company separate/statutory financial statements.
- On September 11, 2014 the IASB issued an amendment to *IFRS 10 and IAS 28 Sales or Contribution of Assets between an Investor and its Associate or Joint Venture*. The document was published for the purposes of solving the current conflict between IAS 28 and IFRS 10. The changes introduced provide that in the transfer/sale of an asset or a subsidiary to a joint venture or associate, the measure of the profit or loss to post in the transferor/seller accounts depends on the transferred/sold assets or subsidiary being a business or not under the definition provided in IFRS 3. If the transferred/sold assets or subsidiary were a business, the entity must account the profit or loss for the entire share previously held; conversely, the opposite being the case, the share of profit and loss regarding the stake still held by the entity must be reversed. The amendments apply as of January 1, 2016, though the date of first application is expected to be put off. Directors do not expect any significant effect on the consolidated financial statements of the Group when these amendments are adopted.
- On September 25, 2014 the IASB published document “Annual Improvements to IFRSs: *2012-2014 Cycle*”. The amendments apply at the latest as of the financial years starting as at January 1, 2016 or at a later date. Directors do not expect any significant effect on the consolidated financial statements of the Group when these amendments are adopted.

- On December 18, 2014 the IASB published an amendment to IAS 1 - *Disclosure Initiative*. The goal of the amendments is to clarify on disclosures and other elements that may be perceived as hindrance to a clear and intelligible financial statements drafting. The amendments apply at the latest as of the financial years starting as at January 1, 2016 or at a later date. Directors do not expect any significant effect on the consolidated financial statements of the Group when these amendments are adopted.
- On December 18, 2014, the IASB published document "*Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)*". Directors do not expect any significant effect on the consolidated financial statements of the Group when these amendments are adopted, as the Company does not meet the definition of investment entity.

The following exchange rates have been used for translation purposes:

	1st half 2015		*1st half 2014*		*F.Y. 2014*
	Average	*06.30*	*Average*	*06.30*	*12.31*
US dollar	1.1151	1.1189	1.3704	1.3658	1.2141
Pound sterling	0.7320	0.7114	0.8213	0.8015	0.7789
Brazilian real	3.3012	3.4699	3.1467	3.0002	3.2207
Argentine peso	9.8338	10.1657	10.7147	11.1074	10.2754
Chinese renminbi	6.9363	6.9367	8.4495	8.4724	7.5358
Indian rupee	70.0771	71.1744	83.2639	82.1693	76.7460
New romanian Leu	4.4474	4.4725	4.4637	4.3831	4.4829
Canadian dollar	1.3766	1.3839	1.5029	1.4589	1.4063
Mexican peso	16.8805	17.5346	17.9727	17.7117	17.8667
Hong Kong dollar	8.6460	8.6738	10.6293	10.5854	9.4171

B) SEGMENT INFORMATION

3. OPERATING SEGMENTS

In compliance with the provisions of IFRS 8, the following information is provided by operating segments (business segments).
The operating segments and performance indicators have been determined on the basis of the reports used by the Group's Managing Director for taking strategic decisions.

Business segments

With regard to the business segments, information concerning the two Business Units – Engine Systems and Suspension Components – is provided below. Figures for the Holding Company Sogefi S.p.A. and the subsidiary Sogefi Purchasing S.a.S. are also provided for the purpose of reconciliation with consolidated values.

The tables below provide the income statement and statement of financial position figures of the Group for the first half of 2014 and 2015:

(in thousands of Euro)	*June 30, 2014*				
	Engine Systems Business Unit	Suspension Components Business Unit	Sogefi SpA / Sogefi Purch. S.a.S.	Adjust-ments	Sogefi Group consolida-tion
REVENUES					
Sales to third parties	425,657	257,302	-	-	682,959
Intersegment sales	565	709	13,974	(15,248)	-
TOTAL REVENUES	426,222	258,011	13,974	(15,248)	682,959
RESULTS					
EBIT	25,061	4,098	(4,703)	(2,672)	21,784
Financial expenses, net					(20,998)
Income from equity investments					(0)
Losses from equity investments					(0)
Result before taxes					786
Income taxes					(5,771)
Loss (profit) attributable to non-controlling interests					(2,313)
NET RESULT					(7,298)
STATEMENT OF FINANCIAL POSITION					
ASSETS					
Segment assets	565,099	433,250	608,762	(703,182)	903,929
Unallocated assets	-	-	-	168,986	168,986
TOTAL ASSETS	565,099	433,250	608,762	(534,196)	1,072,915
LIABILITIES					
Segment liabilities	349,149	298,441	477,369	(239,552)	885,406
TOTAL LIABILITIES	349,149	298,441	477,369	(239,552)	885,406
OTHER INFORMATION					
Increase in tangible and intangible fixed assets	22,992	10,883	6,041	(211)	39,706
Depreciation, amortization and writedowns	15,769	11,662	1,428	1,069	29,927

(in thousands of Euro)	*June 30, 2015*				
	Engine Systems Business Unit	Suspension Components Business Unit	Sogefi SpA / Sogefi Purch. S.a.S.	Adjust-ments	Sogefi Group consolida-tion
REVENUES					
Sales to third parties	477,253	286,446	45	-	763,744
Intersegment sales	585	679	14,737	(16,001)	-
TOTAL REVENUES	477,838	287,125	14,782	(16,001)	763,744
RESULTS					
EBIT	15,617	19,112	(3,757)	(482)	30,490
Financial expenses, net					(14,684)
Income from equity investments					0
Losses from equity investments					-
Result before taxes					15,806
Income taxes					(4,191)
Loss (profit) attributable to non-controlling interests					(1,887)
NET RESULT					9,728
STATEMENT OF FINANCIAL POSITION					
ASSETS					
Segment assets	637,942	444,776	627,676	(712,156)	998,238
Unallocated assets	-	-	-	166,296	166,296
TOTAL ASSETS	637,942	444,776	627,676	(545,860)	1,164,534
LIABILITIES					
Segment liabilities	417,096	310,633	473,498	(240,878)	960,349
TOTAL LIABILITIES	417,096	310,633	473,498	(240,878)	960,349
OTHER INFORMATION					
Increase in tangible and intangible fixed assets	28,995	9,127	1,669	(95)	39,696
Depreciation, amortization and writedowns	18,059	11,139	1,946	800	31,944

Please note that the Engine Systems Business Unit figures include the net book value of the Systemes Moteurs Group – in other words, net assets that were not adjusted to fair value for its 2011 Purchase Price Allocation, and the only adjustments for its 2011 Purchase Price Allocation relating to the change in product warranty provisions (contingent liabilities booked upon PPA); the remaining adjustments for its Purchase Price Allocation are posted in column "Adjustments".
Adjustments to "Intersegment sales" mainly refer to services provided by the Holding Company Sogefi S.p.A. and by subsidiary Sogefi Purchasing S.A.S. to other Group companies (see note 39 for further details on the nature of the services provided). This item also includes intersegment sales between the Engine Systems Business Unit and the Suspension Components Business Unit. Intercompany transactions are conducted according to the Group's transfer pricing policy.
The adjustments to "EBIT" refer to depreciation and amortisation linked to the revaluation of assets resulting from the acquisition of 40% of Sogefi Rejna S.p.A. and its subsidiaries in the year 2000 and of the Systemes Moteurs Group in the year 2011.
In the Statement of Financial Position, the adjustments to the item "Segment assets" refer to the consolidation entry of investments in subsidiaries and intercompany receivables.
Adjustments to "Unallocated assets" mainly include the goodwill and the fixed assets revaluations resulting from the acquisitions of the Allevard Ressorts Automobile Group, 40% of Sogefi Rejna S.p.A., the Filtrauto Group, 60% of Sogefi-MNR Engine Systems India Pvt Ltd and the Systemes Moteurs Group.

Information on the main customers

Note that revenues from sales to third parties as of June 30, 2015 account for over 10% of Group revenues and refer to: Ford (13.1% of total revenues), Renault/Nissan (12.6% of total revenues), FCA/CNH Industrial (12.1% of total revenues), and PSA (11.6% of total revenues).

Information on geographic areas

The breakdown of revenues by geographical area "of destination", in other words with regard to the nationality of the customer, is analysed in the Directors' Report and in note 22.

The following table shows a breakdown of total assets by geographical area:

(in thousands of Euro)	June 30, 2014					
	Europe	South America	North America	Asia	Adjust-ments	Sogefi Group consolida-
TOTAL ASSETS	1,451,686	108,066	98,208	74,398	(659,443)	1,072,915

(in thousands of Euro)	June 30, 2015					
	Europe	South America	North America	Asia	Adjust-ments	Sogefi Group consolida-
TOTAL ASSETS	1,487,349	126,233	126,596	73,301	(648,945)	1,164,534

C) NOTES ON THE MAIN ITEMS OF THE STATEMENT OF FINANCIAL POSITION

C 1) ASSETS

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents amount to Euro 85,791 thousand versus Euro 124,033 thousand as of December 31, 2014 and break down as follows:

(in thousands of Euro)	*June 30, 2015*	*December 31, 2014*
Short-term cash investments	85,735	123,976
Cash on hand	56	57
TOTAL	85,791	124,033

“Short-term cash investments” earn interest at a floating rate.

For further details on changes in the various components of the net financial position, please see note 21.

As of June 30, 2015, the Group has unused lines of credit for the amount of Euro 255,080 thousand. These funds are available for use on demand, because the conditions required for their availability are met.

Please note that this item includes Euro 1,279 thousand (Euro 4,013 thousand as of December 31, 2014) held by Argentinian subsidiaries; use of this amount is temporarily subject to government restrictions that require an official authorisation of foreign payments. The decrease in this item compared to December 31, 2014 reflects the operating activities trend in the first half year 2015; the exchange rate had no material effect.

5. OTHER FINANCIAL ASSETS

“Other financial assets” can be broken down as follows:

(in thousands of Euro)	*June 30, 2015*	*December 31, 2014*
Securities held for trading	17	18
Held-to-maturity investments	3,950	6,953
Assets for derivative financial instruments	199	519
Financial receivables	2,835	2,000
TOTAL	7,001	9,490

“Held-to-maturity investments” are valued at amortised cost and include bonds of Spanish prime banking institutions.
“Assets for derivative financial instruments” refer to the fair value of forward foreign exchange contracts not designated in hedge accounting.
“Financial receivables” mainly refer to subsidiary Sogefi Filtration Argentina S.A.

6. INVENTORIES

The breakdown of inventories is as follows:

(in thousands of Euro)	June 30, 2015			December 31, 2014		
	Gross	Write-downs	Net	Gross	Write-downs	Net
Raw, ancillary and consumable materials	67,202	3,818	63,384	55,863	4,141	51,722
Work in progress and semi-finished products	16,119	407	15,712	14,126	569	13,557
Contract work in progress and advances	36,425	13	36,412	29,573	21	29,552
Finished goods and goods for resale	58,677	5,697	52,980	54,984	5,673	49,311
TOTAL	178,423	9,935	168,488	154,546	10,404	144,142

The net value of inventories shows an increase of Euro 24,346 thousand. This increase, which was due to the trend in exchange rates for a total amount of Euro 1,441 thousand, is in line with the usual seasonal trends, the increase of tooling to be re-sold to customers included under "Contract work in progress and advances", and the safety stock created in subsidiary Sogefi Filtration do Brasil Ltda for the relocation of the production site that is still ongoing.

7. TRADE AND OTHER RECEIVABLES

Current receivables break down as follows:

(in thousands of Euro)	June 30, 2015	December 31, 2014
Trade receivables	203,413	150,976
Less: allowance for doubtful accounts	4,722	5,170
Trade receivables, net	198,691	145,806
Due from Parent Company	479	2,277
Tax receivables	23,169	22,564
Other receivables	9,248	6,884
Other assets	5,770	3,599
TOTAL	237,357	181,130

"Trade receivables" are non-interest bearing and have an average due date of 38 days, against 37 days at the end of the previous year.

It should be noted that as of June 30, 2015, the Group factored trade receivables for Euro 84,216 thousand (Euro 78,784 thousand as of December 31, 2014), including an amount of Euro 45,430 thousand which was not notified and for which the Group continues to manage collection services. The risks and benefits related to these receivables have been transferred to the factor; therefore these receivables have been derecognised in the Statement of Financial Position debiting the consideration received from the factoring company.

Excluding the factoring transactions (Euro 84,216 thousand as at June 30, 2015 and Euro 78,784 thousand as at December 31, 2014) and the positive effect of exchange rates (Euro 1,504 thousand), net trade receivables show an increase of Euro 56,813 thousand as a result of the increase in the Group’s business activities which occurred in the second quarter of 2015 with respect to the end of the previous year.

“Due from Parent Company” includes net receivables resulting from the participation in the Group tax filing system, due to Italian companies from the Parent Company CIR S.p.A. for the years 2004 to 2007. Outstanding receivables as at December 31, 2014 were collected for a total of Euro 1,480 thousand in the first half of 2015. For further details, please refer to note 39.

“Tax receivables” include tax credits due to Group companies by the tax authorities of various countries.
It does not include deferred tax assets which are treated separately.

“Other receivables” break down as in the following table:

(in thousands of Euro)	*June 30, 2015*	*December 31, 2014*
Amounts due from social security institutions	193	383
Amounts due from employees	1,208	796
Advances to suppliers	4,009	3,006
Due from others	3,838	2,699
TOTAL	9,248	6,884

The increase in “Due from others” refers for the most part to subsidiary Sogefi Rejna S.p.A. for insurance indemnities.

“Other assets” mainly consist of accrued income and prepayments on insurance premiums and indirect taxes on buildings.
The increase in this item is seasonal and it is mainly due to the prepaid insurance policies, the indirect taxes on buildings, and the IT maintenance fees paid in the first few months of the year but relative to the year as a whole.

8. TANGIBLE FIXED ASSETS

The net carrying amount of tangible fixed assets as of June 30, 2015 amounted to Euro 251,573 thousand versus Euro 244,061 thousand at the end of the previous year and breaks down as follows:

(in thousands of Euro)	Land	Buildings, plant and machinery, commercial and industrial equipment	Other assets	Assets under construction and payments on account	TOTAL
Balance at December 31, 2014					
Historical cost	14,286	803,835	26,802	33,872	878,795
of which: leases - gross value	-	*10,694*	*77*	-	*10,771*
Accumulated depreciation	-	612,552	21,454	728	634,734
of which: leases - accumulated depreciation	-	*5,551*	*72*	-	*5,623*
Net value	14,286	191,283	5,348	33,144	244,061
of which: leases - net value	-	*5,143*	*5*	-	*5,148*
Balance at December 31, 2014	14,286	191,283	5,348	33,144	244,061
Additions of the period	-	4,186	491	16,955	21,632
Disposals during the period, net	-	(17)	-	(10)	(27)
Exchange differences	134	3,138	175	672	4,119
Depreciation for the period	-	(17,504)	(821)	-	(18,325)
Writedowns/revaluations during the period	-	(40)	-	-	(40)
Reclassification of non-current assets held for sale	-	-	-	-	-
Other changes	-	9,365	(193)	(9,019)	153
Balance at June 30, 2015	14,420	190,411	5,000	41,742	251,573
Historical cost	14,420	821,807	26,793	42,470	905,490
of which: leases - gross value	-	*11,637*	*84*	-	*11,721*
Accumulated depreciation	-	631,396	21,793	728	653,917
of which: leases - accumulated depreciation	-	*6,605*	*84*	-	*6,689*
Net value	14,420	190,411	5,000	41,742	251,573
of which: leases - net value	-	*5,032*	-	-	*5,032*

Investments during the period amounted to Euro 21,632 thousand and mainly regard “Assets under construction and payments on account”, “Buildings, plant and machinery, commercial and industrial equipment”.

Major investments in the “Assets under construction and payments on account” category mainly reflect investments in: subsidiary Allevard Sogefi U.S.A. Inc. to develop new products, to increase production capacity and improve manufacturing processes; subsidiary Sogefi Filtration do Brasil Ltda mainly for the adjustments made to meet the needs of engine system manufacture of the Brazilian plant in Atibaia, which is due to start operations in the second half year. This item also includes: French companies Systèmes Moteurs S.A.S. and Filtrauto S.A. for the development of new products, the improvement of production processes and quality, and the adjustment of the production lines in compliance with health and safety rules and regulations; LPDN GmbH and Sogefi Filtration Ltd for the improvement of production processes and extraordinary maintenance operations.

Among the most significant projects in the "Buildings, plant and machinery, commercial and industrial equipment" category, noteworthy are the investments in subsidiaries Sogefi Engine Systems Canada Corp. to expand production capacity as new product lines are developed; S.C. Systèmes Moteurs S.r.l. to develop new products; and Sogefi-MNR Engine Systems India Pvt Ltd to expand production capacity.

During the first half year 2015, no relevant disposals were made.

"Depreciation for the period" has been recorded in the appropriate item in the Income Statement.

"Other changes" refer to the completion of projects that were under way at the end of the previous year and their reclassification under the pertinent items.

Guarantees
As of June 30, 2015, tangible fixed assets are encumbered by mortgages or liens totalling Euro 5,481 thousand to guarantee loans from financial institutions, compared to Euro 6,652 thousand as of December 31, 2014. The existing guarantees refer to subsidiaries Sogefi Engine Systems Canada Corp., Allevard IAI Suspensions Private Ltd, and United Springs B.V.; it should be noted that in June 2015, as a result of the loan repayment by Systèmes Moteurs S.A.S. to Banque Palatine, the mortgage loan (amounting to Euro 437 thousand as at December 31, 2014) was settled.

Purchase commitments
As at June 30, 2015, there are binding commitments to buy tangible fixed assets for the amount of Euro 1,092 thousand (Euro 323 thousand as at December 31, 2014). Said commitments will be settled for the most part within 12 months.

Leases
The carrying value of fixed assets under financial leases as of June 30, 2015 was Euro 11,721 thousand, and the related accumulated depreciation amounted to Euro 6,689 thousand.
The financial aspects of the lease payments and their due dates are explained in note 15.

9. *INTANGIBLE ASSETS*

At June 30, 2015 intangible assets amount to Euro 288,775 thousand against Euro 282,966 thousand at the end of the previous year and break down as follows:

(in thousands of Euro)	*Develop-ment costs*	*Industrial patents and intellectual property rights, concessions licences and trademarks*	*Other, assets under constructi-on and payments on account*	*Customer Relationship*	*Trade name Systemes Moteurs*	*Goodwill*	*TOTAL*
Balance at December 31, 2014							
Historical cost	171,609	61,982	22,659	19,215	8,437	149,537	433,439
Accumulated amortization	93,836	25,949	2,892	3,382	1,486	22,898	150,443
Net value	77,773	36,033	19,767	15,833	6,951	126,639	282,996
Balance at December 31, 2014	77,773	36,033	19,767	15,833	6,951	126,639	282,996
Additions of the period	9,895	1,659	6,510	-	-	-	18,064
Disposals during the period, net	-	-	-	-	-	-	-
Exchange differences	1,245	21	480	-	-	-	1,746
Amortization for the period	(10,355)	(2,162)	(357)	(494)	(217)	-	(13,585)
Writedowns during the period	-	-	6	-	-	-	6
Other changes	1,138	400	(1,990)	-	-	-	(452)
Balance at June 30, 2015	79,696	35,951	24,416	15,339	6,734	126,639	288,775
Historical cost	184,037	64,271	27,728	19,215	8,437	149,537	453,225
Accumulated amortization	104,341	28,320	3,312	3,876	1,703	22,898	164,450
Net value	79,696	35,951	24,416	15,339	6,734	126,639	288,775

Investments in the half year amounted to Euro 18,064 thousand.

The increases in “Development costs” refer to the capitalisation of costs incurred by Group companies to develop new products in collaboration with leading motor vehicle manufacturers. The largest investments refer to the subsidiaries Systèmes Moteurs S.A.S., Filtrauto S.A., Sogefi Engine Systems Canada Corp., and Sogefi (Suzhou) Auto Parts Co., Ltd.

Increases in “Industrial patents and intellectual property rights, concessions, licences and trademarks” refer mainly to the development and implementation of the new information system across the Sogefi Group. This integrated information system is amortised on a ten-year basis, depending on the estimated useful life, starting from the date of implementation in each subsidiary.

Increases in “Other, assets under construction and payments on account” refer mainly to a large number of investments for the development of new products not yet in production. The largest investments were made in subsidiaries Allevard Sogefi U.S.A. Inc., S.C. Systèmes Moteurs S.r.l., Allevard Rejna Autosuspensions S.A., and Sogefi Filtration d.o.o..

There are no intangible assets with an indefinite useful life except for goodwill.

The specific goodwill of the “Engine Systems Division – Fluid Filters” amounts to Euro 77,030 thousand, the goodwill of the “Engine Systems Division – Air Intake and

Cooling" amounts to Euro 32,560 thousand and the goodwill pertaining to the "Car Suspension Components Division" amounts to Euro 17,049 thousand.

The impairment test conducted as of December 31, 2014 confirmed that there was no need to recognise any impairment loss to the values shown in the financial statements. In light of the operating performance of the divisions in the first half of 2015, there are no indications that said assets have suffered any impairment loss in the first half of 2015.

10. INVESTMENTS IN JOINT VENTURES

As of June 30, 2015, this item amounts to zero.

11. OTHER FINANCIAL ASSETS AVAILABLE FOR SALE

As of June 30, 2015, these assets totalled Euro 439 thousand. They are unchanged versus December 31, 2014 and break down as follows:

(in thousands of Euro)	*June 30, 2015*	*December 31, 2014*
Equity investments in other companies	439	439
Other securities	-	-
TOTAL	439	439

The balance of "Equity investments in other companies" essentially refers to the 22.62% shareholding in the company AFICO FILTERS S.A.E.. The equity investment was not classified as associate due to the lack of Group's members in the management bodies of the company (which means the Group does not exert significant influence on the company).

12. FINANCIAL RECEIVABLES AND OTHER NON-CURRENT RECEIVABLES

Financial receivables amount to Euro 10,547 thousand (Euro 157 thousand as at December 31, 2014) and represent the fair value of the cross currency swap (Ccs) contracts signed in late April 2013, and maturing in June 2023, designated in hedge accounting, which were entered into to hedge interest and exchange rate risk relating to the private placement of USD 115 million bonds.

"Other receivables" break down as follows:

(in thousands of Euro)	*June 30, 2015*	*December 31, 2014*
Indemnification asset	23,368	23,368
Other receivables	12,791	11,258
TOTAL	36,159	34,626

"Other receivables" include an indemnification asset of Euro 23,368 thousand owed by the seller of Systèmes Moteurs S.A.S.' shares – booked upon the PPA of the Systemes Moteurs Group in 2011 – relating to the recovery of expenses charged by customers following claims on the quality of products sold, based on warranties given by the same seller (after possible partial indemnities obtained from insurers and suppliers). Sogefi S.p.A. initiated international arbitration proceedings, still under way, against the seller of Systèmes Moteurs S.A.S' shares to collect the payables, as provided for by the acquisition contract. For further details, please refer to note 18, paragraph “Provision for product warranties”.

The item “Other receivables” also includes tax credits relating to the research and development activities of the French subsidiaries, VAT credits of subsidiary Sogefi (Suzhou) Auto Parts Co., Ltd, tax credits on purchases of assets made by the Brazilian subsidiaries, and non-interest bearing guarantee deposits for leased properties. These receivables will be collected over the coming years.

13. DEFERRED TAX ASSETS

As of June 30, 2015, this item amounts to Euro 78,400 thousand compared with Euro 71,126 thousand as of December 31, 2014.
This amount mainly relates to the expected benefits on deductible temporary differences, recognised to the extent that it is probable to be recovered.

This item also includes deferred tax assets for tax losses of Euro 27,175 thousand (Euro 21,839 thousand as at December 31, 2014), of which Euro 4,975 thousand relate to tax losses incurred during the year and Euro 22,200 thousand in previous years.
Deferred tax assets for tax losses incurred during the year relate to the Holding Company Sogefi S.p.A. (Euro 2,727 thousand) and subsidiaries Sogefi Filtration do Brasil Ltda (Euro 1,700 thousand) and Allevard Rejna Argentina S.A. (Euro 548 thousand).
Deferred tax assets for tax losses incurred in previous years relate to the Holding Company Sogefi S.p.A. (Euro 4,335 thousand as of June 30, 2015; Euro 4,261 thousand as of December 31, 2014) and subsidiaries Allevard Sogefi U.S.A. Inc. (Euro 8,383 thousand as of June 30, 2015; Euro 7,725 thousand as of December 31, 2014), Allevard Rejna Autosupensions S.A. (Euro 3,356 thousand as of June 30, 2015, unchanged compared to December 31, 2014); Sogefi Filtration Ltd (Euro 2,501 thousand as of June 30, 2015; Euro 2,284 thousand as at December 31, 2014), Sogefi Filtration do Brasil Ltda (Euro 551 thousand as of June 30, 2015; Euro 594 thousand as at December 31, 2014), Sogefi Filtration S.A. (Euro 2,015 thousand as of June 30, 2015; Euro 2,111 thousand as at December 31, 2014), United Springs S.A.S. (Euro 842 thousand as of June 30, 2015; Euro 872 thousand as of December 31, 2014) and Systèmes Moteurs S.A.S. (Euro 128 thousand as of June 30, 2015; Euro 547 thousand as of December 31, 2014) and Sogefi Rejna S.p.A. (Euro 89 thousand unchanged compared to December 31, 2014).
With regard to the above mentioned subsidiaries, these deferred tax assets were recognised because it is believed to be probable that taxable income will be available in the future against which such tax losses can be utilised. Such probability is determined based on the fact that losses have originated under extraordinary circumstances that are unlikely to occur again, such as restructuring plans currently under way or occurred in the past.
With regard to the Holding Company Sogefi S.p.A. it should be noted that income taxes on taxable losses were charged to the Income Statement (in the first half year 2015) under “Deferred tax liabilities (assets)” with the “Deferred tax assets” as a counter-entry. The assessment of recoverability of such deferred taxes is based on expected future taxable income according to the forecasts involving the companies participating in the CIR Group tax filing system.
It should also be noted that the losses incurred by the USA subsidiary can be carried forward for twenty years, while the UK and the Spain subsidiaries can be carried forward indefinitely. The losses of the French subsidiary can be carried forward

indefinitely but the new law passed in 2012 has maintained a limit of 80% for the amount that can be utilised each year, making recovery time longer.

14. NON-CURRENT ASSETS HELD FOR SALE

As at June 30, 2015, there are no non-current assets held for sale.

C 2) LIABILITIES AND EQUITY

15. FINANCIAL DEBTS TO BANKS AND OTHER FINANCING CREDITORS

These break down as follows:

Current portion

(in thousands of Euro)	*June 30, 2015*	*December 31, 2014*
Bank overdrafts and short-term loans	41,218	13,426
Current portion of medium/long-term financial debts	88,664	64,508
of which: leases	*954*	*914*
TOTAL SHORT-TERM FINANCIAL DEBTS	129,882	77,934
Other short-term liabilities for derivative financial instruments	224	350
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	130,106	78,284

Non-current portion

(in thousands of Euro)	*June 30, 2015*	*December 31, 2014*
Financial debts to banks	95,819	131,617
Other medium/long-term financial debts	212,987	203,648
of which: leases	*6,559*	*6,481*
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS	308,806	335,265
Other medium/long-term liabilities for derivative financial instruments	12,430	24,464
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	321,236	359,729

Bank overdrafts and short-term loans

For further details, please refer to the Analysis of the net financial position in note 21 and to the Consolidated Cash Flow Statement included in the financial statements.

Current and non-current portions of medium/long-term financial debts

Details are as follows:

Balance at June 30, 2015:

Company	Bank/Credit Institute	Signing date	Due date	Original amount loan (in thousands of Euro)	Interest rate	Current portion (in thousands of Euro)	Non-current portion (in thousands of Euro)	Total amount (in thousands of Euro)	Real Guaran-tees
Sogefi S.p.A.	Intesa Sanpaolo S.p.A.	Apr - 2011	Dec - 2016	60,000	Euribor trim. + 230 bps variable	8,000	33,801	41,801	N/A
Sogefi S.p.A.	BNP Paribas S.A.	Sep - 2014	Sep - 2019	55,000	Euribor trim. + 290 bps variable	0	24,817	24,817	N/A
Sogefi S.p.A.	Mediobanca S.p.A.	Jul- 2014	Jan - 2016	20,000	Euribor trim. + 170 bps variable	19,973	0	19,973	N/A
Sogefi S.p.A.	Banca Carige Italia S.p.A	Jul - 2011	Sep - 2017	25,000	Euribor trim. + 225 bps variable	5,135	6,580	11,715	N/A
Sogefi S.p.A.	Banco do Brasil S.A.	Dec - 2012	Apr - 2017	15,000	Euribor trim. + 315 bps variable	3,750	3,699	7,449	N/A
Sogefi S.p.A.	Unicredit S.p.A.	Jul- 2014	Jul - 2019	50,000	Euribor trim. + 200 bps variable	0	9,775	9,775	N/A
Sogefi (Suzhou) Auto Parts Co., Ltd	ING Bank	Jun- 2014	Jan- 2017	10,849	8,8% fixed	5,271	5,578	10,849	N/A
Sogefi (Suzhou) Auto Parts Co., Ltd	Unicredit S.p.A.	Jan- 2015	Nov- 2015	9,532	7,28% fixed	9,532	0	9,532	N/A
Sogefi (Suzhou) Auto Parts Co., Ltd	Intesa Sanpaolo S.p.A.	Jan- 2015	Aug- 2015	2,516	6,72% fixed	2,516	0	2,516	N/A
Sogefi (Suzhou) Auto Parts Co., Ltd	Commerzbank AG	Jan- 2015	Dec- 2015	3,381	5,78% fixed	3,381	0	3,381	N/A
Shanghai Sogefi Auto Parts Co., Ltd	Unicredit S.p.A.	Jan- 2015	Nov - 2015	5,127	6,96% fixed	5,127	0	5,127	N/A
Sogefi (Suzhou) Auto Parts Co., Ltd	ING Bank	Mar- 2014	Jan- 2017	4,365	9,33% fixed	1,793	2,573	4,365	N/A
Sogefi Filtration do Brasil Ltda	Banco do Brasil S.A.	Jul - 2014	Aug - 2017	3,264	8% fixed	0	3,264	3,264	N/A
Sogefi Filtration do Brasil Ltda	Banco Itau BBA International S.A.	Feb - 2013	Mar - 2016	5,987	5,5% fixed	5,987	0	5,987	N/A
Sogefi Engine Systems Canada Corp.	Ge Capital	Nov - 2012	Nov - 2017	3,071	B/A 3m+ 4,65% variable	695	1,054	1,749	YES
Sogefi Engine Systems Canada Corp.	Ge Capital	Nov - 2012	Nov - 2017	3,071	6,23% fixed	694	1,061	1,756	YES
Sogefi Filtration S.A.	Banco de Sabadell SA	May - 2011	May - 2016	7,000	Euribor trim. + 225 bps variable	1,400	0	1,400	N/A
S.C. Systèmes Moteurs S.r.l.	ING Bank	May - 2013	May - 2017	2,487	ROBOR 3m + 5,5%	829	622	1,451	N/A
S.C. Systèmes Moteurs S.r.l.	ING Bank	Nov- 2014	Jul- 2018	2,012	ROBOR 3m + 4%	671	1,342	2,012	N/A
Other financial debts						13,910	1,652	15,562	N/A
TOTAL						88,664	95,819	184,482	

Line "Other financial debts" includes other minor loans, as well as financial lease payments in accordance with IAS 17.

Balance at December 31, 2014:

Company	Bank/Credit Institute	Signing date	Due date	Original amount loan (in thousands of Euro)	Interest rate	Current portion (in thousands of Euro)	Non-current portion (in thousands of Euro)	Total amount (in thousands of Euro)	Real Guaran-tees
Sogefi S.p.A.	Intesa SanPaolo S.p.A.	Apr - 2011	Dec - 2016	60,000	Euribor 3m + 230 bps variable	8,000	37,736	45,736	N/A
Sogefi S.p.A.	BNP Paribas S.A.	Sep - 2014	Sep - 2019	55,000	Euribor 3m + 290 bps variable	0	24,777	24,777	N/A
Sogefi S.p.A.	Mediobanca S.p.A.	Jul - 2014	Jan - 2016	20,000	Euribor 3m + 170 bps variabile	0	19,948	19,948	N/A
Sogefi S.p.A.	Banca Carige Italia S.p.A.	Jul - 2014	Sep - 2017	25,000	Euribor 3m + 225 bps variable	5,040	9,143	14,183	N/A
Sogefi S.p.A.	Banco do Brasil S.A.	Dec - 2012	Apr - 2017	15,000	Euribor 3m + 315 bps variable	3,750	7,435	11,185	N/A
Sogefi S.p.A.	Unicredit S.p.A.	Jul - 2014	Jul - 2019	50,000	Euribor 3m + 200 bps variable	0	9,748	9,748	N/A
Sogefi (Suzhou) Auto Parts Co., Ltd	ING Bank	Mar - 2013	Mar - 2016	9,164	9.79% fixed	4,312	4,852	9,164	N/A
Sogefi (Suzhou) Auto Parts Co., Ltd	ING Bank	Mar - 2013	Mar - 2016	3,840	9.79% fixed	2,124	1,716	3,840	N/A
Sogefi (Suzhou) Auto Parts Co., Ltd	Unicredit S.p.A.	Oct - 2014	Jun - 2015	9,567	7.28% fixed	9,567	0	9,567	N/A
Sogefi (Suzhou) Auto Parts Co., Ltd	Unicredit S.p.A.	Nov - 2014	Jun - 2015	4,612	7.28% fixed	4,612	0	4,612	N/A
Sogefi (Suzhou) Auto Parts Co., Ltd	Commerzbank AG	Dec - 2014	Jun - 2015	3,112	6.42% fixed	3,112	0	3,112	N/A
Allevard Rejna Autosuspensions	CIC Bank S.A.	May - 2014	May - 2015	4,000	Euribor 12m + 150 bps variable	4,000	0	4,000	N/A
Sogefi Filtration do Brasil Ltda	Banco Itau BBA International S.A.	Feb - 2013	Mar - 2016	6,450	5.5% fixed	0	6,450	6,450	N/A
Sogefi Filtration do Brasil Ltda	Banco do Brasil S.A.	Jul - 2014	Aug -2017	3,517	8% fixed	0	3,517	3,517	N/A
Sogefi Engine Systems Canada	Ge Capital	Nov - 2012	Nov - 2017	3,022	B/A 3m+4.65% variable	663	1,385	2,048	YES
Sogefi Engine Systems Canada	Ge Capital	Nov - 2012	Nov - 2017	3,022	6.23% fixed	662	1,392	2,054	YES
Systèmes Moteurs S.A.S.	CIC Bank S.A.	May -2014	May -2015	3,500	Euribor 12m + 150 bps variable	3,500	0	3,500	N/A
Sogefi Filtration S.A.	Banco Sabadell S.A.	May -2011	May -2016	7,000	Euribor 3m + 225 bps variable	1,400	700	2,100	N/A
Other financial debts						13,766	2,818	16,583	N/A
TOTAL						64,508	131,617	196,124	

Other short-term liabilities for derivative financial instruments

The item includes the short-term portion of the *fair value* of the exchange risk hedging contracts.
Please refer to chapter G for a further discussion of this matter.

Other medium/long-term financial debts

Details are as follows:

Company	Bank/Credit Institute	Signing date	Due date	Original amount loan (in thousands)	Interest rate	Total amount at June 30, 2015 (in thousands of Euro)	Real guarantees
Sogefi S.p.A.	Private placement	May - 2013	May - 2023	USD 115,000	Fixed coupon 600 bps	102,444	N/A
Sogefi S.p.A.	Private placement	May - 2013	May - 2020	Euro 25,000	Fixed coupon 505 bps	24,928	N/A
Sogefi S.p.A.	Equity linked bond	May - 2014	May - 2021	Euro 100,000	Fixed coupon 2% year	77,007	N/A
Other financial debts						8,608	N/A
TOTAL						212,987	

Line "Other financial debts" includes other minor loans, as well as financial lease payments in accordance with IAS 17.

As of December 31, 2014, details are as follows:

Company	Bank/Credit Institute	Signing date	Due date	Original amount loan (in thousands)	Interest rate	Total amount at December 31, 2014 (in thousands of Euro)	Real guarantees
Sogefi S.p.A.	Private placement	May - 2013	May - 2023	USD 115,000	Fixed coupon 600 bps	94,359	N/A
Sogefi S.p.A.	Private placement	May - 2013	May - 2020	Euro 25,000	Fixed coupon 505 bps	24,922	N/A
Sogefi S.p.A.	Equity linked bond	May - 2014	May - 2021	Euro 100,000	Fixed coupon 2% year	75,527	N/A
Other financial debts						8,840	N/A
TOTAL						203,648	

As regards the "*€ 100,000,000 2 per cent. Equity Linked Bond due 2021*" bond, please note that under a resolution of the Board of Directors passed on January 19, 2015 and a Deed Poll executed on January 28, 2015 under British law (notified to Agent on January 29, 2015), the Holding Company Sogefi S.p.A. unilaterally waived the right to settle the convertible bonds in cash rather than by conversion into ordinary shares when the conversion options are exercised by bondholders under the Bond Terms. This waiver is final, unconditional and irrevocable. Under British law, such renouncement has the same effect as an amendment to the Bond Terms.
As at January 28, 2015 the fair value of the option (calculated based on the same model applied on December 31, 2014) amounted to Euro 9,090 thousand (Euro 10,540 thousand at December 31, 2014). This resulted in a positive effect of Euro 1,450 thousand in the Income Statement of first half year 2015. Moreover, since the execution of the Deed Poll has a similar effect to an amendment of the Bond Terms regulations, the Holding Company Sogefi S.p.A. reconsidered the liability-equity classification made upon initial recognition of the option (because the call option rights granted to the Company were waived irrevocably, finally and unconditionally), within the frame of its accounting policy. As a result, the Holding Company Sogefi S.p.A. reclassified the fair value of the option mentioned above (Euro 9,090 thousand) from "Other medium/long-term liabilities for derivative financial instruments" to a shareholders' equity reserve (since bondholders will only be entitled to convert the bonds into a fixed and predetermined number of shares).

It should also be noted that, in November 2014, the Holding Company Sogefi S.p.A. had executed a revolving loan agreement with Société Générale for a total amount of

Euro 30 million expiring in November 2019. As at June 30, 2015, the Company has not carried out any drawdown from such loan.

The existing loans are not secured by the Holding Company Sogefi S.p.A.'s assets. Furthermore, note that, contractually, the spreads relating to the loans of the Holding Company Sogefi S.p.A. are reviewed every six months on the basis of the computation of the consolidated NFP/normalised consolidated EBITDA ratio. For an analysis of the covenants relating to loans outstanding at the end of the period, please refer to the note below entitled "Analysis of the financial position".

Other medium/long-term financial liabilities for derivative financial instruments

The item includes the medium/long-term portion of the fair value of the interest rate risk hedging instruments, and included as of December 31, 2014 the fair value of embedded derivatives in a convertible bond (equal to Euro 10,540 thousand).
Please refer to chapter G for a further discussion of this matter.

Finance leases

The Group has finance leases as well as rental and hire contracts for building, plant and machinery that, according to their type, cover almost the entire useful life of the asset concerned. The assets held under these leases, rental and hire contracts are booked in accordance with IAS 17 as though they were fixed assets owned by the company, disclosing their historical cost, depreciation, the financial cost and the residual liability.

Future payments deriving from these contracts can be summarised as follows:

(in thousands of Euro)	Instalments	Capital
Within 12 months	1,359	954
Between 1 and 5 years	5,280	4,167
Beyond 5 years	2,638	2,392
Total lease payments	9,277	7,513
Interests	(1,764)	-
TOTAL PRESENT VALUE OF LEASE PAYMENTS	7,513	7,513

16. TRADE AND OTHER CURRENT PAYABLES

The amounts shown in the financial statements can be broken down into the following categories:

(in thousands of Euro)	*June 30, 2015*	*December 31, 2014*
Trade and other payables	354,292	309,808
Tax payables	8,645	5,323
TOTAL	362,937	315,131

Details of trade and other payables are as follows:

(in thousands of Euro)	*June 30, 2015*	*December 31, 2014*
Due to suppliers	281,005	242,383
Due to Parent company	1,078	142
Due to tax authorities for indirect and other taxes	9,192	10,144
Due to social and security institutions	21,089	20,514
Due to employees	34,877	30,049
Other payables	7,051	6,576
TOTAL	354,292	309,808

Amounts "Due to suppliers " are not interest-bearing and are settled on average in 73 days (74 days at December 31, 2014).

The amounts "Due to suppliers" increased by Euro 38,622 thousand (by Euro 33,312 thousand exchange rates being equal); this is mainly due to business growth in the second quarter 2015 compared to the last quarter 2014.

Amounts "Due to Parent Company" refer to the debt amounting to Euro 445 thousand with the Parent Company CIR S.p.A. for services rendered in the first half of 2015 (Euro 946 thousand in the first half year 2014; the costs for the services rendered by the parent company were booked to "Administrative and general expenses") and Euro 616 thousand (Euro 130 thousand of which were already in existence as at December 31, 2014) reflect the consideration due for the fiscal surplus transferred by companies that have joined the CIR Group tax filing system. This item also includes Euro 17 thousand for remuneration due to Directors.

The decrease in item "Due to tax authorities for indirect and other taxes" mainly refers to VAT debts and withholding taxes.

The increase in amounts "Due to employees" is highly seasonal and is due mainly to provisions for vacation accrued and not yet utilised and the Italian 13th month salaries that will be paid to employees in the coming months.

The increase in "Tax payables" by Euro 3,322 thousand reflects the tax accrued in the first half year net of the amounts paid as down payments and full payments in the previous year.

17. OTHER CURRENT LIABILITIES

"Other current liabilities" include adjustments to costs and revenues for the period so as to ensure compliance with the accruals based principle (accrued expenses and deferred income) and advances received from customers for orders still to be delivered.

18. LONG-TERM PROVISIONS AND OTHER PAYABLES

Long-term provisions

These are made up as follows:

(in thousands of Euro)	*June 30, 2015*	*December 31, 2014*
Pension funds	51,074	47,361
Provision for employment termination indemnities	6,990	8,405
Provision for restructuring	9,777	19,296
Provisions for disputes with tax authorities	1,643	2,179
Provision for phantom stock option	118	-
Provision for product warranties and other risks	20,483	25,874
Agents' termination indemnities	122	102
Lawsuits	1,007	1,109
TOTAL	91,213	104,326

Details of the main items are given below.

Pension funds

Changes in this item over the period are shown below:

(in thousands of Euro)	*June 30, 2015*	*December 31, 2014*
Opening balance	47,361	28,445
Cost of benefits charged to income statement	1,827	(153)
Amounts recognised in "Other Comprehensive Income"	1,522	21,063
Contributions paid	(1,688)	(2,722)
Exchange differences	2,052	728
TOTAL	51,074	47,361

It should be noted that, as at December 31, 2014, “Cost of benefits charged to income statement” benefited for an amount of Euro 3,756 thousand from reductions, past service cost, and actuarial gains relating to other long-term benefits (Jubelee benefit).

The following table shows the balances of pension funds by geographical area of the relevant subsidiaries:

(in thousands of Euro)	*June 30, 2015*	*December 31, 2014*
Great Britain	24,578	21,240
France	22,998	22,536
Germany	3,136	3,226
Other	362	359
TOTAL	51,074	47,361

Provision for employment termination indemnities

Changes in this item over the period are shown below:

(in thousands of Euro)	*June 30, 2015*	*December 31, 2014*
Opening balance	8,405	7,685
Accruals for the period	(254)	309
Amounts recognised in "Other Comprehensive Income"	-	631
Contributions paid	(1,161)	(220)
TOTAL	6,990	8,405

Provisions over the period include a reduction of Euro 346 thousand resulting from an adjustment made to the provision set aside in the previous years.

Provision for restructuring

These are amounts set aside for restructuring operations that have been officially announced and communicated to those concerned, as required by IAS/IFRS.

The provision changed as follows during the period:

(in thousands of Euro)	*June 30, 2015*	*December 31, 2014*
Opening balance	19,296	16,870
Accruals for the period	131	11,132
Utilizations	(8,749)	(7,289)
Provisions not used during the period	(110)	(1,138)
Other changes	(656)	(208)
Exchange differences	(135)	(71)
TOTAL	9,777	19,296

"Utilisations" (booked as reductions of provisions previously set aside) relate to the major restructuring projects which have been initiated in the previous year, and mainly refer to: subsidiary Filtrauto S.A. for the shutdown of the Saint Père plant and for the relocation of the Argentan production site to Vire; subsidiary Allevard Rejna Autosuspensions S.A. for the shutdown of the Lieusaint plant and Sogefi Filtration do Brasil Ltda for the relocation of the São Paulo production site to Atibaia.

"Provisions not used during the period" (previously set aside which turned out to be excessive compared with the amount actually spent) shall be charged to subsidiary Sogefi Rejna S.p.A..

Movements in "Accruals for the period" net of the "Provisions not used during the period" are booked to the Income Statement.

Provisions for disputes with tax authorities

This item amounts to Euro 1,643 thousand (Euro 2,179 thousand as of December 31, 2014) and reflects tax disputes under way with local European tax authorities. The decrease in the provisions is due to the amounts paid in the first half year 2015.

Provision for Phantom Stock Options

The provision for Phantom Stock Options refers to the fair value measurement of options related to Phantom Stock Option incentive plans for the Director who filled the post of Managing Director when the plans were issued.

The fair value of the 2007 Phantom Stock Option Plan, still in existence, decreased by Euro 118 thousand; the variation was recognised in the income statement, in item "Directors' and statutory auditors' remuneration" in the first half year 2015.

Provision for product warranties

The provision changed as follows during the period:

(in thousands of Euro)	*June 30, 2015*	*December 31, 2014*
Opening balance	25,874	22,538
Accruals for the period	13,174	5,810
Utilizations	(18,544)	(2,658)
Provisions not used during the period	-	(85)
Other changes	-	261
Exchange differences	(22)	8
TOTAL	20,483	25,874

The item reflects for the most part liabilities connected with product warranty risks of the Systèmes Moteurs Group and other liabilities booked to accounts during the Purchase Price Allocation process relating to the acquisition of the Group in 2011.

With regard to provision for product warranties, there are claims in progress by two customers relating to a defective component supplied by subsidiary Systèmes Moteurs S.A.S. starting from 2010 (the subsidiary was acquired by Sogefi Group in July 2011). Based on the Company's opinion, the defect was caused by a thermostat manufactured by a supplier of Systèmes Moteurs S.A.S.

Systèmes Moteurs S.A.S. believes that liability for the defect is connected with the subcomponent manufactured by the supplier and in 2012 filed a law suit against that supplier at the French courts seeking indemnity for any damages it might have to pay to its customers (claimed amount was later adjusted to the claims filed by car makers against Systèmes Moteurs S.A.S.).

On June 6, 2012, the court appointed a technical expert to write an expert witness report and determine where technical liability for the defect lies. Merit proceedings were suspended pending submission of the expert witness report.

The Company, supported by the Company's legal representative, is of the opinion that the court expert will assign predominant technical liability to the component supplier.

On July 9, 2014, the two customers joined the proceedings and petitioned for their damages to be determined in the expert witness report. This request was granted and the task of the expert was subsequently extended. Up to that date, neither of the two customers had filed a law suit against Systèmes Moteurs S.A.S. Both of them had requested an out-of-court settlement for damages.

A first customer claimed approximately Euro 43 million in damages, plus an additional claim of Euro 11.1 million for damage to reputation, financial expenses and other costs. In January 2015, this customer informally advised the company that they were going to claim an additional indemnity of Euro 30 million for costs associated with planned future campaigns. On April 21, 2015, said client formally supplemented its claims before the relevant Court as follows: the initial request for Euro 43 million in damages was adjusted to Euro 43.3 million; the request for damages relating to costs incurred for any future campaigns or reparations was officially confirmed in the amount of Euro 35.5 million; the initial request of Euro 11.1 million for damage to reputation and financial expenses was reduced to Euro 6.7 million; lastly, 68.2 million were claimed for loss of future income. The Company deems as remote the probability that a liability will arise from the claim against loss of future income.

As to the second affected customer, the request for compensation filed with the Court amounted to approximately Euro 40 million. Such amount was then increased to Euro 42.3 million in the latest claim filed with the Court on February 27, 2015.

Waiting for the conclusion of the Court, while not admitting to any liability, on January 12, 2015, Systèmes Moteurs S.A.S. made an agreement with the second customer to pay a “provisional amount” of Euro 8 million (which was paid in January 2015), pending a final quantification of damages by the Court. In the event damages awarded by the Court are less than the amounts paid, the customer will return any excess amounts to Systèmes Moteurs S.A.S., otherwise Systèmes Moteurs S.A.S. will pay any balance amount. Customer has undertaken to avoid initiating any other recall campaigns.

Likewise, on February 24, 2015, the Company entered into an agreement with the first customer, which is consistent with the agreement previously reached with the other customer. The settlement provides for payment of a “provisional amount” of Euro 10 million (which was paid in April 2015) to be adjusted according to the Court’s decision.

Based on the above considerations and the information available until the date of authorisation for issue of the financial statements, as at December 31, 2014, it was considered prudent to increase the provision for product warranties from Euro 12.6 million to Euro 18 million. In light of the “provisional amount” payments made in the first half year of 2015, the provision was entirely used up in the amount of Euro 18 million.

As of June 30, 2015, after assessing the overall exposure to liabilities connected with product quality issues and in light of all the new elements, the Company prudentially decided to recognise as at June 30, 2015 an additional provision of Euro 12.8 million for product warranties.

With regard to the indemnities owed by the seller of Systèmes Moteurs S.A.S. shares and by the supplier of the subcomponent, it is worthwhile pointing out that after the determination of the fair value of identifiable assets acquired and identifiable liabilities assumed in connection with the Systemes Moteurs Group was completed, the Sogefi Group entered an indemnification asset in the consolidated financial statement in accordance with IFRS 3.27 and 28, because the seller Dayco Europe S.r.l. had provided contractual guarantees relating to defect liability claims existing at the time of the acquisition, including those noted above, for a total amount of Euro 23.4 million (versus a total fair value amount of potential liabilities of Euro 25.1 million).

As of June 30, 2015, such indemnification asset has been valued according to IFRS 3.57, and is still believed to be recoverable based on the contractual guarantees given by the seller and the considerations outlined above.
After requesting an indemnification from the seller, Sogefi S.p.A. initiated international arbitration proceedings against the seller of Systèmes Moteurs S.A.S.' shares to collect the payables, as provided for by the acquisition contract. Parties are expected to file their final pleadings in October 2015, after which the board of arbitrators should issue the award.

It should be noted that these are complex proceedings that involve passing judgement on technical, juridical and commercial matters, and present uncertainties connected with the French Court judgement and the arbitration proceedings and their outcome. Estimates concerning risks provision and the recovery of booked assets are based on the best information available at the time of preparing the financial statements. They are subject to change as events evolve.

Other payables

“Other payables” amount to Euro 6,868 thousand (Euro 6,988 thousand as at December 31, 2014), Euro 6,765 thousand of which relate to the fair value of the liability associated with the put option held by non-controlling shareholders of subsidiary Sogefi-MNR Engine Systems India Pvt Ltd (fair value of the estimated exercise price of the option) with reference to 30% of the share capital of the company resulting from the merger between Sogefi M.N.R. Filtration India Pvt Ltd and subsidiary Systèmes Moteurs India Pvt Ltd. The option may be exercised after December 31, 2016.

19. DEFERRED TAX LIABILITIES

As of June 30, 2015, this item amounts to Euro 39,458 thousand compared with Euro 38,864 thousand as of December 31, 2014.
This amount relates to the expected taxation on taxable temporary differences.

20. SHARE CAPITAL AND RESERVES

Share capital

The share capital of the Holding Company Sogefi S.p.A. is fully paid in and amounts to Euro 61,681 thousand as of June 30, 2015 (Euro 61,631 thousand as of December 31, 2014), split into 118,618,055 ordinary shares with a par value of Euro 0.52 each.

As at June 30, 2015, the Holding Company has 3,337,588 treasury shares (3,430,133 as at December 31, 2014) in its portfolio, corresponding to 2.81% of share capital (2.89% as at December 31, 2014), at an average price of Euro 2.28 each.

Reserves and retained earnings (accumulated losses)

These are made up as follows:

(in thousands of Euro)	*Share capital*	*Share premium reserve*	*Reserve for treasury shares*	*Treasury share*	*Translation reserve*	*Legal reserve*	*Cash flow hedging reserve*	*Stock-based incentive plans reverve*	*Actuarial gain (loss) reserve*	*Tax on items booked in Other Comprehensive Income*	*Other reserves*	*Retained earnings*	*Net result for the period*	*Total*
Balance at December 31, 2013	*60,924*	*11,720*	*8,592*	*(8,592)*	*(27,660)*	*12,320*	*(16,788)*	*4,603*	*(15,255)*	*8,002*	*3,237*	*106,260*	*21,124*	*168,487*
Paid share capital increase	681	1,854	-	-	-	-	-	-	-	-	(127)	-	-	2,408
Allocation of 2013 net profit:														
Legal reserve	-	-	-	-	-	20	-	-	-	-	-	-	(20)	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retained earnings	-	-	-	-	-	-	-	-	-	-	-	21,104	(21,104)	-
Credit to equity for stock-based incentive plans	-	-	-	-	-	-	-	771	-	-	-	-	-	771
Net purchase of treasury shares	-	633	(633)	633	-	-	-	(596)	-	-	-	(37)	-	-
Other changes	-	-	-	-	-	-	-	-	-	-	-	(95)	-	(95)
Fair value measurement of cash flow hedging instruments: share booked to equity	-	-	-	-	-	-	(2,845)	-	-	-	-	-	-	(2,845)
Fair value measurement of cash flow hedging instruments: share booked to income statement	-	-	-	-	-	-	1,379	-	-	-	-	-	-	1,379
Actuarial gain (loss)	-	-	-	-	-	-	-	-	(1,090)	-	-	-	-	(1,090)
Tax on items booked in Other Comprehensive Income	-	-	-	-	-	-	-	-	-	621	-	-	-	621
Currency translation differences	-	-	-	-	2,733	-	-	-	-	-	-	-	-	2,733
Net result for the period	-	-	-	-	-	-	-	-	-	-	-	-	(7,298)	(7,298)
Balance at June 30, 2014	61,605	14,207	7,959	(7,959)	(24,927)	12,340	(18,254)	4,778	(16,345)	8,623	3,110	127,232	(7,298)	165,071
Balance at December 31, 2014	*61,631*	*14,423*	*7,831*	*(7,831)*	*(21,544)*	*12,340*	*(16,598)*	*4,731*	*(36,949)*	*12,148*	*3,111*	*124,286*	*3,639*	*161,218*
Paid share capital increase	*50*	*95*	-	-	-	-	-	-	-	-	-	-	-	*145*
Allocation of 2014 net profit:														
Legal reserve	-	-	-	-	-	300	-	-	-	-	-	(300)	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retained earnings	-	-	-	-	-	-	-	-	-	-	-	3,639	(3,639)	-
Credit to equity for stock-based incentive plans	-	-	-	-	-	-	-	516	-	-	-	-	-	516
Fair value of the embedded derivative (convertible bond)	-	-	-	-	-	-	-	-	-	-	9,090	-	-	9,090
Other changes	-	211	(211)	211	-	-	-	(205)	-	-	-	(44)	-	(38)
Fair value measurement of cash flow hedging instruments: share booked to equity	-	-	-	-	-	-	2,383	-	-	-	-	-	-	2,383
Fair value measurement of cash flow hedging instruments: share booked to income statement (*)	-	-	-	-	-	-	1,266	-	-	-	-	-	-	1,266
Actuarial gain (loss)	-	-	-	-	-	-	-	-	(1,522)	-	-	-	-	(1,522)
Tax on items booked in Other Comprehensive Income	-	-	-	-	-	-	-	-	-	(700)	-	-	-	(700)
Currency translation differences	-	-	-	-	3,488	-	-	-	-	-	-	-	-	3,488
Net result for the period	-	-	-	-	-	-	-	-	-	-	-	-	9,728	9,728
Balance at June 30, 2015	*61,681*	*14,729*	*7,620*	*(7,620)*	*(18,056)*	*12,640*	*(12,949)*	*5,042*	*(38,471)*	*11,448*	*12,201*	*127,581*	*9,728*	*185,574*

(*) The amount of Euro 1,266 thousand is made up for Euro 1,996 thousand by "Loss on interest-bearing hedging instruments", for Euro 152 thousand by "Net financial income from derivatives no more in hedge accounting", and for Euro 578 thousand by "Financial income from cross currency swaps in cash flow hedge"

Share premium reserve
It amounts to Euro 14,729 thousand compared with Euro 14,423 thousand in the previous year.
The increase by Euro 95 thousand accounts for share subscriptions under stock option plans which took place on January 31, 2015 and May 31, 2015.
In the first half year 2015, the Holding Company Sogefi S.p.A. credited Euro 211 thousand to the Share premium reserve after the free grant of 92,545 treasury shares to 2011, 2012 and 2013 Stock Grant beneficiaries.

Treasury shares
Item “Treasury shares” reflects the purchase price of treasury shares. Movements during the year amount to Euro 211 thousand and reflect the free grant of 92,545 treasury shares as reported in the note to “Stock-based incentive plans reserve”.

Translation reserve
This reserve is used to record the exchange differences arising on the translation of foreign subsidiaries' financial statements.
Movements in the period show an increase of Euro 3,488 thousand mainly attributable to the appreciation of the US dollar and the Chinese renminbi against the Euro.

Reserve for actuarial gains/losses
This reserve reflects the net impact of the application of the amendment to IAS 19 “Employee Benefits” on other actuarial gains (losses) as at January 1, 2012. The item also includes actuarial gains and losses accrued after January 1, 2012 and recognised under Other Comprehensive Income.

Cash flow hedging reserve
This reserve has changed as a result of accounting for the cash flows deriving from instruments that for IAS 39 purposes are designated as “cash flow hedging instruments”. Changes during the period show an increase of Euro 3,649 thousand which breaks down as follows:

- increase of Euro 2,184 thousand as a consequence of the change after December 31, 2014 in the fair value of the existing effective contracts;
- increase of Euro 1,465 thousand reflecting the portion of reserve relating to contracts no longer in hedge accounting that will be recognised in the Income Statement over the same period of time as the differentials relating to the underlying hedged item.

Stock-based incentive plans reserve
The reserve refers to the credit to equity for stock-based incentive plans, assigned to directors, employees, and project workers.
In the first half year 2015, further to stock grant plan beneficiaries exercising their rights and due to the corresponding free grant of 92,545 treasury shares, the amount of Euro 205 thousand, corresponding to the fair value at right (Unit) allocation date, was reclassified from “Stock- based incentive plans reserve” increasing the “Share premium reserve” (for Euro 211 thousand) and decreasing “Retained earnings reserve” (for Euro 6 thousand).
While the increase by Euro 516 thousand refers to the cost of accruing plans.

Other reserves
This item amounts to Euro 12,201 thousand (Euro 3,111 thousand as of December 31, 2014).

Upon the decision of the Board of Directors of January 19, 2015 and the execution of a formal waiver (*Deed Poll*), subject to the British law, on January 28, 2015 (notified to the agent on January 29. 2015), the Holding Company Sogefi S.p.A. has unilaterally waived its right to refund the convertible bonds in cash rather than ordinary shares in case of the conversion right being exercised under the bond issue regulations. This waiver is final, unconditional and irrevocable. The matter of the waiver to this right has a similar effect, under the British law, to an amendment to the Bond Terms. The Holding Company Sogefi S.p.A. reviewed the liability-equity classification made upon initial recognition of the option (because the call option rights granted to the Company were waived irrevocably, finally and unconditionally). As a result, the Holding Company Sogefi S.p.A. reclassified the fair value of the option of Euro 9,090 thousand (calculated based on the same model applied on December 31, 2014) from "Other medium/long-term liabilities for derivative financial instruments" to "Other reserves – convertible debt equity components".

Retained earnings
These totalled Euro 127,581 thousand and include amounts of profit that have not been distributed.

The decrease of Euro 44 thousand refers to the following events:

- the interest held by subsidiary Allevard Rejna Autosuspensions S.A. in subsidiary Allevard IAI Suspensions Pvt Ltd. increased from 73.91% to 74.23% through a share capital increase subscribed with a non proportional method by non-controlling interests that led to an amount of Euro 7 thousand being reclassified between non-controlling interests and Group's shareholders' equity;
- the interest held by subsidiary Allevard Rejna Autosuspensions S.A. in subsidiary S.ARA Composite S.A.S. increased from 93.71% to 94,12% (percent values refer to paid-in capital) through a share capital increase subscribed by shareholders other than non-controlling interests that resulted in the amount of Euro 31 thousand being reclassified between shareholders' equity attributable to non-controlling interests and Group's equity;
- reclassification of the above mentioned "Stock-based incentive plans reserve" as outlined above (Euro 6 thousand).

Tax on items booked directly in Other comprehensive income
The table below shows movements for the half-year of the amount of income taxes relating to each item of the "Other Comprehensive Income (expenses)":

(in thousands of Euro)	1st half 2015			1st half 2014		
	Gross Amount	Tax effect	Net Amount	Gross Amount	Tax effect	Net Amount
- Profit (loss) booked to cash flow hedge reserve	3,649	(1,005)	2,644	(1,466)	403	(1,063)
- Actuarial profit (loss)	(1,522)	305	(1,217)	(1,090)	218	(872)
- Profit (loss) booked to translation reserve	3,801	-	3,801	2,826	-	2,826
Total Other Comprehenive Income, net of fiscal effect	5,928	(700)	5,228	270	621	891

NON-CONTROLLING INTERESTS

The balance amounts to Euro 18,611 thousand and refers to the portion of shareholders' equity attributable to non-controlling interests.

Details of non-controlling interests are given below:

(in thousands of Euro)		*% owned by third parties*			*Loss (profit) attributable to minority interests*		*Shareholders' equity attributable to minority interests*	
Subsidiary's name	Region	June 30, 2015	December 31, 2014	June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015	December 31, 2014
S.Ara Composite S.A.S.	France	5.88%	6.29%	7.14%	(101)	(96)	454	524
Iberica de suspensiones S.L.	Spain	50.00%	50.00%	50.00%	2,062	2,012	14,230	15,417
Shanghai Allevard Spring Co., Ltd	China	39.42%	39.42%	39.42%	(45)	116	3,482	3,138
Allevard IAI Supensions Pvt Ltd	India	25.77%	26.09%	28.30%	(32)	(77)	378	425
Sogefi-MNR Engine Systems India Pvt Ltd	India	0.00%	40.00%	40.00%	-	358	-	-
Sogefi Rejna S.p.A.	Italia	0.12%	0.12%	0.12%	3	-	67	64
TOTAL					1,887	2,313	18,611	19,568

Specifically, 50% owned company Iberica de Suspensiones S.L. is treated as a subsidiary because the Group controls the majority of votes of the Board of Directors, which is the corporate body tasked with deciding on the entity's relevant activities.
As of December 31, 2014, the Group charged non-controlling interests of subsidiary Sogefi-MNR Engine Systems India Pvt Ltd following recognition of the liability to “Other debts” in the amount of the fair value of the estimated exercise price of the put options held by the above mentioned non-controlling interests.

21. ANALYSIS OF THE NET FINANCIAL POSITION

The following table provides details of the net financial position as required by Consob in its communication no. DEM/6064293 of July 28, 2006 with a reconciliation of the net financial position shown in the report on operations:

(in thousands of Euro)	*June 30, 2015*	*December 31, 2014*
A. Cash	85,791	124,033
B. Other cash at bank and on hand (held-to-maturity investments)	3,950	6,953
C. Financial instruments held for trading	17	18
D. Liquid funds (A) + (B) + (C)	**89,758**	**131,004**
E. Current financial receivables	**3,036**	**2,519**
F. Current payables to banks	(41,218)	(13,426)
G. Current portion of non-current indebtedness	(88,664)	(64,509)
H. Other current financial debts	(224)	(350)
I. Current financial indebtedness (F) + (G) + (H)	**(130,106)**	**(78,285)**
J. Current financial indebtedness, net (I) + (E) + (D)	**(37,312)**	**55,238**
K. Non-current payables to banks	(95,819)	(131,617)
L. Bonds issued	(204,379)	(194,809)
M. Other non-current financial debts	(21,038)	(22,763)
N. Convertible bond embedded derivate liability	-	(10,540)
O. Non-current financial indebtedness (K) + (L) + (M) + (N)	**(321,236)**	**(359,729)**
P. Net indebtedness (J) + (O)	**(358,548)**	**(304,491)**
Non-current financial receivables	10,547	157
Financial indebtedness, net including non-current financial receivables (as per the "Net financial position" included in the Report on operations)	**(348,001)**	**(304,334)**

Details of the covenants applying to loans outstanding at year end are as follows (see note 15 for further details on loans):
- loan of Euro 60,000 thousand from Intesa Sanpaolo S.p.A.: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less than or equal to 3.5;
- loan of Euro 15,000 thousand from Banco do Brasil S.A.: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less than or equal to 3.5; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 4;
- loan of Euro 20,000 thousand from Mediobanca S.p.A.: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less than or equal to 3.5; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 4;
- loan of Euro 50,000 thousand from Unicredit S.p.A.: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less than or equal to 3.5; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 4;
- loan of Euro 55,000 thousand from BNP Paribas S.A.: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less than or equal to 3.5; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 4;
- loan of Euro 30,000 thousand from Société Generale S.A.: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less than or equal to 3.5; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 4;
- bond issue of Usd 115,000 thousand: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less than or equal to 3.5; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 4;

- bond issue of Euro 25,000 thousand: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less than or equal to 3.5; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 4.

As of June 30, 2015 the Company was in compliance with these covenants.

D) NOTES ON THE MAIN INCOME STATEMENT ITEMS: INCOME STATEMENT

22. SALES REVENUES

Revenues from sales and services

The Sogefi Group recorded net revenues for the amount of Euro 763,744 thousand during the period, versus Euro 682,959 thousand in the first half year 2014 (+11.8%; +7.9% growth exchange rates being equal).

Revenues from the sale of goods and services break down as follows:

By business sector:

(in thousands of Euro)	*1st half 2015*		*1st half 2014*	
	Amount	*%*	*Amount*	*%*
Engine Systems	477,839	62.6	426,222	62.4
Suspension components	287,125	37.6	258,011	37.8
Intercompany eliminations	(1,220)	(0.2)	(1,274)	(0.2)
TOTAL	763,744	100.0	682,959	100.0

Engine Systems business unit sales grew by 12.1% compared to 2014, rising from 62.4% to 62.6% of total revenues. The Suspension Components Business Unit sales amounted to Euro 287,125 thousand, compared to Euro 258,011 thousand in the first half year 2014 (+11.3%) and account for 37.6% of total revenues.

By geographical area of "destination":

(in thousands of Euro)	*1st half 2015*		*1st half 2014*	
	Amount	*%*	*Amount*	*%*
Europe	498,731	65.3	451,575	66.1
Mercosur	90,403	11.8	89,202	13.1
Nafta	120,848	15.8	103,047	15.1
Asia	50,643	6.6	37,330	5.5
Rest of the World	3,119	0.5	1,805	0.2
TOTAL	763,744	100.0	682,959	100.0

A breakdown of sales by market shows a positive performance in Europe, with a rise in revenues of 10.4% (Euro 498.7 million; +9.1% exchange rates being equal), thanks to the contribution from both the business units and the aftermarket activities. Revenues also grew in North America (Euro 120.8 million; +17.3%; +4.6% exchange rates being equal) and Asia (Euro 50.6 million; +35.7%; +15.8% exchange rates being equal). In South America Sogefi's revenues showed a slight increase (+1.3%; +0.9% exchange rates being equal), notwithstanding the persistence of the market sluggish performance.

The impact of non-European countries on Sogefi Group's total revenues increased from 33.9% of the first half year 2014 to 34.7%, due to the positive performance in North American (NAFTA) and Asian markets, which currently account for 15.8% and 6.6% of total Group sales revenues (respectively 15.1% and 5.5% in the first six months of 2014).

The impact on revenues of the South American region (Mercosur), on the other hand, decreased from 13.1% to 11.8% as a consequence of low volume levels which limited growth in the area.

23. SEASONAL NATURE OF SALES

The type of products sold by the company and the sectors in which the Group operates mean that revenues record a reasonably linear trend over the course of the year and are not subject to particular cyclical phenomena when considered on a like-for-like basis.

Sales by half-year period for the past two years are shown below:

(in thousands of Euro)	*1st half*	*2nd half*	*Total year*
FY 2013	681,678	653,309	1,334,987
FY 2014	682,959	666,432	1,349,391

24. VARIABLE COST OF SALES

Details are as follows:

(in thousands of Euro)	*1st half 2015*	*1st half 2014*
Materials	408,371	364,613
Direct labour cost	65,162	59,739
Energy costs	20,189	18,721
Sub-contracted work	18,448	12,461
Ancillary materials	10,038	9,047
Variable sales and distribution costs	37,989	19,943
Royalties paid to third parties on sales	3,175	2,411
Other variable costs	(2,401)	(2,289)
TOTAL	560,971	484,646

The impact of "Variable cost of sales" on revenues stands at 73.5%, compared with 71% in the first six months of the previous year. The item includes provisions for product warranties equal to Euro 12,800 thousand; net of these provisions the impact of variable cost would be at 71.8%.

25. MANUFACTURING AND R&D OVERHEADS

Details are as follows:

(in thousands of Euro)	*1st half 2015*	*1st half 2014*
Labour cost	56,759	53,928
Materials, maintenance and repairs	13,274	11,784
Rental and hire charges	5,250	4,699
Personnel services	4,102	3,791
Technical consulting	2,892	1,555
Sub-contracted work	660	921
Insurance	1,595	1,543
Utilities	899	773
Capitalization of internal construction costs	(16,507)	(15,913)
Other	2,321	2,171
TOTAL	71,245	65,252

“Manufacturing and R&D overheads” show an increase of Euro 5,993 thousand, Euro 2,007 thousand of which is due to the effect of exchange rates.

Line “Labour cost” and "Sub-contracted work", which are interrelated, show a total increase of Euro 2,570 thousand, which is due for Euro 1,744 thousand to the effect of exchange rates, and, for the remaining part, to wage trends, in particular in the Argentine subsidiaries.

The increase in “Materials, maintenance and repairs” by Euro 1,490 thousand is mainly related to bigger maintenance operations aimed at rising volumes.

“Technical consulting” increased by Euro 1,337 thousand compared to first half year 2014 as a consequence of a more extensive use of external consultants for product quality and R&D, mainly by the French subsidiaries Systèmes Moteurs S.A.S., Allevard Rejna Autosuspension S.A. and Filtrauto S.A..

Item “Capitalisation of internal construction costs” increased by Euro 594 thousand as a result of the increased capitalisation of research and development expenses for new projects carried out by Chinese subsidiaries and by subsidiaries Allevard Sogefi USA Inc. and S.C. Systèmes Moteurs S.r.l..

Total costs for Research and Development (not reported in the table) amount to Euro 18,406 thousand compared to Euro 18,732 thousand in June 2014.

26. DEPRECIATION AND AMORTISATION

Details are as follows:

(in thousands of Euro)	*1st half 2015*	*1st half 2014*
Depreciation of tangible fixed assets	18,326	18,339
of which: assets under finance leases	*566*	*513*
Amortization of intangible assets	13,585	11,202
TOTAL	31,911	29,541

Item “Depreciation and amortisation” amounts to Euro 31,911 thousand compared to Euro 29,541 thousand in the first half year 2014, with a variation of Euro 2,370 thousand. Net of exchange differences, the variation would have been of Euro 1,162 thousand.

Depreciation of tangible assets amounted to Euro 18,326 thousand, in line with Euro 18,339 thousand in the same period of the previous year. This slight decrease includes the reduction in depreciation by the French subsidiaries by approximately Euro 1 million; the increase by Euro 265 thousand in depreciation by the Chinese subsidiaries and subsidiary S.ARA Composite S.A.S. and the positive effect of exchange rates amounting to Euro 755 thousand.

Depreciation of intangible assets increased by Euro 2,382 thousand and includes a positive effect of exchange rates for Euro 454 thousand, the amortisation of the new Group information system in the Holding Company Sogefi S.p.A. for Euro 551 thousand, and the amortisation of the new R&D projects.

27. DISTRIBUTION AND SALES FIXED EXPENSES

The table below shows the main components of this item:

(in thousands of Euro)	*1st half 2015*	*1st half 2014*
Labour cost	14,037	12,681
Sub-contracted work	3,070	3,007
Advertising, publicity and promotion	2,048	1,852
Personnel services	1,733	1,505
Rental and hire charges	1,042	766
Consulting	789	653
Other	664	315
TOTAL	23,383	20,779

"Distribution and sales fixed expenses" increased by Euro 2,604 thousand compared to the first half year 2014, Euro 583 thousand of which due to the effect of exchange rates.

Line "Labour cost" increased by Euro 1,356 thousand, of which: Euro 372 thousand relate to the effect of exchange rates; Euro 266 thousand relate to the increase in staff in Nafta; Euro 372 thousand relate to the strengthening of the logistical structure in Argentina and the increase in wages due to inflation, and, for the remaining part, to the development of the sales network in Europe.

The increase by Euro 276 thousand in the line "Rental and hire charges" results for the most part from subsidiary Sogefi Filtration do Brasil Ltda following the sale of the company-owned warehouse.

28. ADMINISTRATIVE AND GENERAL EXPENSES

These can be broken down as follows:

(in thousands of Euro)	*1st half 2015*	*1st half 2014*
Labour cost	20,244	19,782
Personnel services	2,487	3,153
Maintenance and repairs	705	1,103
Cleaning and security	937	1,046
Consulting	2,559	4,963
Utilities	1,739	1,794
Rental and hire charges	2,313	2,192
Insurance	650	618
Participation des salaries	158	273
Administrative, financial and tax-related services provided by Parent Company	445	946
Audit fees	934	830
Directors' and statutory auditors' remuneration	453	1,348
Sub-contracted work	271	262
Internally generated assets	(1,452)	(4,515)
Other	4,047	3,575
TOTAL	36,490	37,370

"Administrative and general expenses" decreased by Euro 880 thousand, which would have been Euro 1,804 thousand exchange rates being equal.

The increase in “Labour cost”, for the amount of Euro 462 thousand, mainly reflects newly hired workforce at subsidiary Filtrauto S.A. engaged in the management of IT systems; this increase has been adequately offset by a decrease in third-party consulting, as detailed below.

The decrease in item "Personnel services" for the amount of Euro 666 thousand mainly refers to the French subsidiaries Filtrauto S.A. and Systèmes Moteurs S.A.S. and to the Holding Company Sogefi S.p.A. and reflects lower travel expenses compared to the first half year 2014.

The decrease in item “Materials, maintenance and repairs” by Euro 398 thousand results from lower maintenance of the IT area.

The decrease in item “Consulting” by Euro 2,404 thousand mainly refers to the French subsidiary Filtrauto S.A. and reflects lower services by third parties in the IT area as well as lower administrative and fiscal consulting expenses incurred by the Holding Company Sogefi S.p.A. compared to the same period of year 2014.

The integrated Group information system also resulted in decreased “Capitalisation of internal construction costs” – by Euro 3,063 thousand – related to the Holding Company Sogefi S.p.A. for lower capitalised assets compared to the first half year 2014.

The Euro 895 thousand decrease in item “Directors' and statutory auditors' remuneration” mainly relates to the Holding Company Sogefi S.p.A.. It should be noted that, in the first half year 2014, the Company incurred higher non-recurring expenses for the subscription of the 2008 Phantom Stock option plan by the Director who filled the post of Managing Director at the date of issue of the relevant plans.

29. PERSONNEL COSTS

Personnel

Personnel costs can be broken down as follows:

(in thousands of Euro)	*1st half 2015*	*1st half 2014*
Wages, salaries and contributions	154,066	143,600
Pension costs: defined benefit plans	1,143	1,388
Pension costs: defined contribution plans	988	1,113
Participation des salaries	158	273
Imputed cost of stock option and stock grant plans	516	771
Other costs	158	143
TOTAL	157,029	147,288

With respect to first half of the previous year, “Personnel costs” have risen by Euro 9,741 thousand (+6.6%). Exchange rates being equal, this item would have increased by Euro 5,399 thousand (+3.6%).

The impact of “Personnel costs” on sales revenues has decreased to 20.6% from 21.6% in the first half year 2014.

"Wages, salaries and contributions", "Pension costs: defined benefit plans" and "Pension costs: defined contribution plans" are posted in the tables provided above at line "Labour cost".

"*Participation des salaries*" is included in "Administrative and general expenses".

"Other costs" is included in "Administrative and general expenses".

"Imputed cost of stock option and stock grant plans" is included in "Other non-operating expenses (income)". The following paragraph "Personnel benefits" provides details of the *stock option* and *stock grant* plans.

The structure of the workforce by category is as follows:

(Number of employees)	*1st half 2015*	*1st half 2014*
Managers	99	108
Clerical staff	1,836	1,841
Blue collar workers	4,824	4,913
TOTAL	6,759	6,862

Personnel benefits

Sogefi S.p.A. implements stock-based incentive plans for the Managing Director of the Company and for employees of the Company and of its subsidiaries that hold important positions of responsibility within the Group. The purpose is to foster greater loyalty to the Group and to provide an incentive that will raise their commitment to improving business performance and generating value in the long term.

The stock-based incentive plans of Sogefi S.p.A. are first approved by the Shareholders' Meeting.

Except as outlined at the following paragraphs "Stock grant plans", "Stock option plans" and "Phantom stock option plans", the Group has not carried out any other transaction that involves the purchase of goods or services with payments based on shares or any other kind of instrument representing portions of equity. As a result, it is not necessary to disclose the fair value of such goods or services.
The main characteristics of the plans issued from 2004 to 2014 are outlined below.

Stock grant plans
The stock grant plans provide for the free assignment of conditional rights (called units) that cannot be transferred to third parties or other beneficiaries; each of them entitles to the free assignment of one Sogefi S.p.A. share. There are two categories of rights under these plans: Time-based Units, that vest upon the established terms and Performance Units, that vest upon the established terms provided that shares have achieved the target price value established in the regulation.
The regulation provides for a minimum holding period during which the shares held for the plan can not be disposed of.
All shares assigned under these plans will be treasury shares held by Sogefi S.p.A.. According to the regulation, a pre-condition for assigning the shares is a continued employer-employee relationship or the continued appointment as a director/executive of the Company or one of its subsidiaries throughout the vesting period of the rights.

The main characteristics of the stock grant plans approved during previous years and still under way are outlined below:

• 2011 stock grant plan to assign a maximum of 1,250,000 conditional rights, restricted to the Director who filled the post of Managing Director of the Holding Company at the date of issue of the relevant plan and to employees of the Company and its subsidiaries, who were assigned a total of 757,500 Units (320,400 of which were Time-based Units and 437,100 Performance Units).
Time-based Units will vest in *tranches* on a three-monthly basis, accounting for 12.5% of their respective total, starting on April 20, 2013 and ending on January 20, 2015.
Performance Units will vest at the same vesting dates established for Time-based Units, provided that the price value of shares at vesting date is at least equal to the percentage of the initial value indicated in the regulation. On January 20, 2015, 92,354 Performance Units expired as per regulation.
• 2012 stock grant plan to assign a maximum of 1,600,000 conditional rights, restricted to the Director who filled the post of Managing Director of the Holding Company at the date of issue of the relevant plan and to employees of the Company and its subsidiaries, who were assigned a total of 1,152,436 Units (480,011 of which were Time-based Units and 672,425 Performance Units).
Time-based Units will vest in tranches on a three-monthly basis, accounting for 12.5% of their respective total, starting on April 20, 2014 and ending on January 31, 2016.
Performance Units will vest at the same vesting dates established for Time-based Units, provided that the increase in price value of Sogefi S.p.A. shares at each vesting date is higher than the increase of the Sector Index (as provided for by the Regulation) at that date.
• 2013 stock grant plan to assign a maximum of 1,700,000 conditional rights, restricted to employees of the Company and its subsidiaries, who were assigned a total of 1,041,358 Units (432,434 of which were Time-based Units and 608,924 Performance Units).
Time-based Units will vest in tranches on a three-monthly basis, accounting for 12.5% of their respective total, starting on April 20, 2015 and ending on January 31, 2017.
Performance Units will vest at the same vesting dates established for Time-based Units, provided that the increase in price value of Sogefi S.p.A. shares at each vesting date is higher than the increase of the Sector Index (as provided for by the Regulation) at that date.
• 2014 stock grant plan to assign a maximum of 750,000 conditional rights, restricted to employees of the Company and its subsidiaries, who were assigned a total of 378,567 Units (159,371 of which were Time-based Units and 219,196 Performance Units).
Time-based Units will vest in tranches on a three-monthly basis, accounting for 12.5% of their respective total, starting on April 20, 2016 and ending on January 20, 2018.
Performance Units will vest at the same vesting dates established for Time-based Units, provided that the increase in price value of Sogefi S.p.A. shares at each vesting date is higher than the increase of the Sector Index (as provided for by the Regulation) at that date.

The imputed cost for the first half year 2015 for existing stock grant plans is Euro 516 thousand, booked to the Income Statement under "Other non-operating expenses (income)".

The following table shows the total number of existing rights with reference to the 2011-2014 plans:

	June 30,2015	*December 31,2014*
Not exercised/not exercisable at the start of the year	2,024,254	2,483,088
Granted during the period	-	378,567
Cancelled during the period	(162,122)	(504,125)
Exercised during the period	(92,545)	(333,276)
Not exercised/not exercisable at the end of the period	1,769,587	2,024,254
Exercisable at the end of the period	324,368	247,203

Stock option plans
The stock option plans provide beneficiaries with the opportunity to exercise an option to subscribe to newly-issued Sogefi shares at a set price and within a specific period of time. According to the regulation, a pre-condition for exercising the option is a continued employer-employee relationship with or the continued appointment as a director/executive of the Company or one of its subsidiaries throughout the vesting period.

The main characteristics of the stock option plans approved during previous years and still under way are outlined below:
• 2005 stock option plan restricted to employees of the Company and its subsidiaries for a maximum of 1,930,000 shares (1.63% of the share capital as of June 30, 2015) with a subscription price of Euro 3.87, to be exercised between September 30, 2005 and September 30, 2015;
• 2006 stock option plan restricted to employees of the Company and its subsidiaries for a maximum of 1,770,000 shares (1.49% of the share capital as of June 30, 2015) with a subscription price of Euro 5.87, to be exercised between September 30, 2006 and September 30, 2016;
• 2007 stock option plan restricted to employees of the foreign subsidiaries for a maximum of 715,000 shares (0.6% of the share capital as of June 30, 2015) with an initial subscription price of Euro 6.96, to be exercised between September 30, 2007 and September 30, 2017. On April 22, 2008, the Board of Directors, under the authority vested in it by the Shareholders' Meeting, adjusted the exercise price from Euro 6.96 to Euro 5.78 to take into account the extraordinary portion of the dividend distributed by the Shareholders' Meeting on the same date;
• 2008 stock option plan restricted to employees of the foreign subsidiaries for a maximum of 875,000 shares (0.74% of the share capital as of June 30, 2015) with a subscription price of Euro 2.1045, to be exercised between September 30, 2008 and September 30, 2018.
• 2009 stock option plan restricted to employees of the Company and its subsidiaries for a maximum of 2,335,000 shares (1.97% of the share capital as of June 30, 2015) with a subscription price of Euro 1.0371, to be exercised between September 30, 2009 and September 30, 2019;
• *2009 extraordinary stock option plan* restricted to beneficiaries of 2007 and 2008 phantom stock option plans, still employed by the Company or by its subsidiaries, after having waived their rights under the above-mentioned phantom stock option plans, for a maximum of 1,015,000 shares (0.86% of share capital as of June 30, 2015) of which 475,000 (first Tranche options) with a subscription price of Euro 5.9054, to be

exercised between June 30, 2009 and September 30, 2017 and 540,000 (second Tranche options) with a subscription price of Euro 2.1045, to be exercised between June 30, 2009 and September 30, 2018;
• 2010 stock option plan restricted to the Director who filled the post of Managing Director of the Holding Company at the date of issue of the relevant plan and to employees of the Company and its subsidiaries for a maximum of 2,440,000 shares (2.06% of the share capital as of June 30, 2015) with a subscription price of Euro 2.3012, to be exercised between September 30, 2010 and September 30, 2020.

The following table shows the total number of existing options with reference to the 2005-2010 plans and their average exercise price:

	June 30, 2015		*December 31, 2014*	
	Number	*Average price of the period*	*Number*	*Average price of the period*
Not exercised/not exercisable at the start of the year	4,863,937	3.26	6,534,500	3.06
Granted during the period	-	-	-	-
Cancelled during the period	(169,400)	4.70	(367,000)	4.30
Exercised during the period	(97,000)	1.49	(1,298,763)	1.94
Expired during the period	-	-	(4,800)	2.64
Not exercised/not exercisable at the end of the period	4,597,537	3.25	4,863,937	3.26
Exercisable at the end of the period	4,597,537	3.25	4,863,937	3.26

The line "Not exercised/not exercisable at the end of the period" refers to the total number of options, net of those exercised or cancelled during the current and previous years.
The line "Exercisable at the end of the period" refers to the total amount of options matured at the end of the period and not yet subscribed.
With reference to the options exercised during the first half year 2015, the average weighted price of the Sogefi share at the exercise dates is equal to Euro 2.59.

Details of the number of options exercisable at June 30, 2015 are given below:

	Total
Number of exercisable options remaining at December 31, 2014	4,863,937
Options matured during the period	-
Options cancelled during the period	(169,400)
Options exercised during the period	(97,000)
Number of exercisable options remaining at June 30, 2015	4,597,537

Phantom stock option plans

Unlike traditional stock option plans, phantom stock option plans do not envisage the granting of a right to subscribe or to purchase a share, but entail paying the beneficiaries an extraordinary variable cash amount corresponding to the difference between the Sogefi share price in the option exercise period and the Sogefi share price at the time the option was awarded.

In 2009, as shown in the paragraph entitled "*Stock option plans*", the Holding Company gave the beneficiaries of the 2007 and 2008 phantom stock option plans the opportunity to waive the options of the above-mentioned plans and to join the 2009 extraordinary stock option plan.

The main characteristics of existing plans as of June 30, 2015 are as follows:
• 2007 phantom stock option plan restricted to the Director who filled the post of Managing Director of the Holding Company at the date of issue of the relevant plan, managers and project workers of the Holding Company and to managers of Italian subsidiaries, for a maximum of 1,760,000 options at the initial grant price of Euro 7.0854, adjusted to Euro 5.9054 in 2008, to be exercised between September 30, 2007 and September 30, 2017. Following subscription to the 2009 extraordinary stock option plan, 475,000 options were waived.

Details of the number of phantom stock options as of June 30, 2015 are given below:

	June 30, 2015
Not exercised/not exercisable at the start of the year	840,000
Granted during the period	-
Cancelled during the period	-
Exercised during the period	-
Not exercised/not exercisable at the end of the period	840,000
Exercisable at the end of the period	840,000

The fair value as of June 30, 2015 of the rights awarded was calculated using the Black-Scholes method and amounts to Euro 118 thousand (it equalled zero at the end of 2014).

30. RESTRUCTURING COSTS

These amount to Euro 1,962 thousand (Euro 10,244 thousand in the first half year of the previous year).
This item is comprised of costs incurred and paid during the half-year in the amount of Euro 1,093 thousand, allocations to "Provision for restructuring" amounting to Euro 131 thousand and costs incurred which shall be paid during the year for Euro 738 thousand.

31. LOSSES (GAINS) ON DISPOSAL

Net gains on disposal amount to Euro 1,557 thousand, compared to Euro 34 thousand in the first half year of the previous year, Euro 1,541 thousand of which relate to the sale by subsidiary Sogefi Rejna S.p.A of the suspension business for the aftermarket.

32. EXCHANGE (GAINS) LOSSES

Net exchange losses as of June 30, 2015 amount to Euro 1,271 thousand (Euro 2,298 thousand as of the first half year 2014) and mainly refer to the South American subsidiaries.

33. OTHER NON-OPERATING EXPENSES (INCOME)

These amount to Euro 7,578 thousand (Euro 11,079 thousand in the first six months of the previous year).
The following table shows the main elements:

Details are as follows:

(in thousands of Euro)	*1st half 2015*	*1st half 2014*
Indirect taxes	4,457	3,716
Other fiscal charges	1,596	1,878
Imputed cost of stock options and stock grant	516	771
Other non-operating expenses (income)	1,009	4,714
TOTAL	7,578	11,079

“Indirect taxes” include tax charges such as property tax, taxes on sales revenues (*taxe organic* of the French companies), non-deductible VAT and taxes on professional training.
“Other fiscal charges” consist of the *cotisation économique territoriale* (previously called *taxe professionnelle*) relating to the French companies, which is calculated on the value of fixed assets and on added value.

The main components of “Other non-operating expenses (income)” are as follows:

of which non-recurring:
- costs relating to the shutdown of the Lieusaint plant of subsidiary Allevard Rejna Autosuspensions S.A., which took place in year 2014, for the amount of Euro 45 thousand;

of which recurring:
- writedowns of tangible and intangible fixed assets for the amount of Euro 34 thousand;
- allocations to provisions for legal disputes with employees and third parties mainly regarding the subsidiaries Filtrauto S.A., Sogefi Rejna S.p.A. and Sogefi Filtration do Brasil Ltda totalling Euro 530 thousand;
- provisions for environmental activities in the subsidiary United Springs S.a.S. of Euro 100 thousand;
- pension costs for employees no longer on the books of Allevard Federn GmbH for the amount of Euro 51 thousand;
- other recurring costs for the amount of Euro 249 thousand.

34. FINANCIAL EXPENSES (INCOME), NET

Financial expenses are detailed as follows:

(in thousands of Euro)	*1st half 2015*	*1st half 2014*
Interest on bonds	6,370	3,746
Interest on amounts due to banks	4,639	5,987
Financial charges under lease contracts	383	366
Financial component of pension funds and termination indemnities	722	489
Loss on interest-bearing hedging instruments	1,996	3,217
Net financial expenses from derivatives no more in hedge accounting	-	3,122
Financial expenses from Cross currency swap in cash flow hedge	-	10
Other interest and commissions	3,082	4,563
TOTAL FINANCIAL EXPENSES	17,192	21,500

Financial income is detailed as follows:

(in thousands of Euro)	*1st half 2015*	*1st half 2014*
Financial income from Cross currency swap in cash flow hedge	578	-
Net financial income from derivatives no more in hedge accounting	152	17
Interest on amounts due from banks	241	345
Fair value of the embedded derivative (call option)	1,450	100
Other interest and commissions	87	40
TOTAL FINANCIAL INCOME	2,508	502
TOTAL FINANCIAL EXPENSES (INCOME), NET	14,684	20,998

Financial expenses decreased by Euro 6,314 thousand, of which: Euro 2,882 thousand reflect the absence of non recurring expenses, originated by the redemption of loans with banks, which had affected the previous half year; Euro 1,350 thousand reflect the higher income for the positive change in fair value of the derivative instrument (call option) embedded to the convertible bond; and Euro 3,257 thousand reflect lower expenses due to the change in fair value of IRS contracts no longer designated in hedge accounting. These positive effects were partially offset by the unfavourable exchange rate effect for an amount of Euro 383 thousand, by higher net actuarial costs for an amount of Euro 232 thousand, and by the higher cost of debt with regard to the South American and Chinese subsidiaries.

"Loss on interest-bearing hedging instruments" includes differentials between fixed and variable rate traded in the first half of 2015 with respect to all IRS being in the period.

It should be noted that as at June 30, 2015, the impact of the change in fair value of IRS contracts no longer designated in hedge accounting is positive by an amount of Euro 152 thousand (negative by Euro 3,105 thousand as of June 30, 2014), and is comprised of:

- a financial charge of Euro 1,465 thousand reflecting the portion of the reserve previously booked to Other Comprehensive Income that will be reclassified to

Income Statement over the same period of time expected for the differentials relating to the former underlying hedged item;

- a financial income of Euro 1,617 thousand corresponds to the change in fair value of these contracts compared with December 31, 2014.

35. LOSSES (GAINS) FROM EQUITY INVESTMENTS

As of June 30, 2015, this item amounts to zero.

36. INCOME TAXES

The detail is given below:

(in thousands of Euro)	*1st half 2015*	*1st half 2014*
Current taxes	9,937	3,578
Deferred tax liabilities (assets)	(6,362)	751
Expenses (income) from Group tax filing system	616	1,442
TOTAL	4,191	5,771

Please note that the tax rate in first half year 2014 was affected by the fact that no deferred tax assets on losses for the period were recognised with regard to some subsidiaries.

37. DIVIDENDS PAID

No dividends were paid to the Holding Company shareholders during the first half year 2015.

38. EARNINGS PER SHARE (EPS)

Basic EPS

	June 30, 2015	*June 30, 2014*
Net result attributable to the ordinary shareholders (in thousands of Euro)	9,728	(7,298)
Weighted average number of shares outstanding during the period (thousands)	115,201	114,375
Basic EPS (Euro)	*0.084*	*(0.064)*

Diluted EPS

The Company has only one category of potential ordinary shares, namely those deriving from the potential conversion of the stock options granted to Group employees.

	June 30, 2015	June 30, 2014
Net result attributable to the ordinary shareholders (in thousands of Euro)	9,728	(7,298)
Average number of shares outstanding during the period (thousands)	115,201	114,375
Weighted average number of shares potentially under option during the period (thousands)	2,901	-
Number of shares that could have been issued at fair value (thousands)	(1,940)	-
Adjusted weighted average number of shares outstanding during the period (thousands)	116,162	114,375
Diluted EPS (Euro)	*0.084*	*(0.064)*

The "Weighted average number of shares potentially under option during the period" represents the average number of shares that are potentially outstanding under stock option plans (only for potentially dilutive options, i.e. with an exercise price lower than the average fair value of the ordinary shares of Sogefi S.p.A. in the first half of the year), for which the subscription right has vested but has not yet been exercised at the end of the reporting period. These shares have a potentially dilutive effect on Basic EPS and are therefore taken into consideration in the calculation of Diluted EPS.

The "Number of shares that could have been issued at fair value" represents the normalisation factor, being the number of shares that would have been issued dividing the proceeds that would have been received from subscription of the stock options by the average half-year fair value of the Sogefi S.p.A. ordinary shares, which in the first half year 2015 amounted to Euro 2.8027, compared to Euro 4.3077 in the first half year 2014.

Please note that 1,882,200 shares that could dilute basic EPS in the future were not included in the calculation of Diluted EPS because their exercise price is higher than the average fair value of the ordinary shares of Sogefi S.p.A. in the first half year 2015.

The calculation of diluted EPS did not take into account the effect of the potential conversion of the convertible bond, potentially 18,572,171 shares, that could have a dilutive effect in the future, but would have an anti-dilutive effect in the half year ended at June 30, 2015.

E) 39. RELATED PARTY TRANSACTIONS

See IAS 24 and the related communications from Consob for the definition of related party transactions.

The Group is controlled by the Parent Company CIR S.p.A. (which in turn is controlled by the ultimate Parent Company Carlo De Benedetti e Figli S.a.p.a.) which as of June 30, 2014 held 56.03% of total shares (57.65% of outstanding shares, excluding treasury shares). Sogefi S.p.A.'s shares are listed on the STAR segment of Mercato Telematico Azionario managed by Borsa Italiana S.p.A..

The Group's consolidated financial statements include the financial statements of the consolidated companies, listed in chapter H along with the stake held in the same by the Group.
Dealings between Group companies are conducted at arm's length, taking into account the quality and nature of services rendered; the Holding Company Sogefi S.p.A. charges Group companies fees for administrative, financial and management support services. The Holding Company also debits and credits interest at a market *spread* to those subsidiaries that have signed up for the Group's centralised treasury function.
The Holding Company is also charging royalty fees on the Group "SAP" information system to those subsidiaries at which implementation has been completed, as well as a consideration for the Group centralised data communication service through a single provider.
The subsidiary Sogefi Purchasing S.A.S. charges Group companies for purchase management support services.

As part of its activity, Sogefi S.p.A. makes use of the services provided by CIR S.p.A., its Parent Company, in areas such as strategic development, disposals and acquisitions, and services of an administrative, financial, fiscal and corporate nature. This relationship is regulated by contracts at arm's-length conditions and the cost is commensurate to the effective value of such services to the Sogefi Group in terms of the resources devoted to them and the specific economic advantages obtained as a result.

Services provided to Sogefi S.p.A. by the Parent Company CIR S.p.A. as of June 30, 2015 amount to Euro 445 thousand (against Euro 946 thousand in the first half of 2014). At June 30, 2015, amounts payable to the Parent Company CIR S.p.A. by the Holding Company Sogefi S.p.A. totalled Euro 445 thousand.

The Italian companies of the Sogefi Group posted receivables for the amount of Euro 479 thousand owed by CIR S.p.A. in connection with their participation in the Group tax filing system. Outstanding receivables as at December 31, 2014 were collected for a total of Euro 1,480 thousand in the first half of 2015.

At the end of the first half-year 2015, the Holding Company Sogefi S.p.A. records a liability amounting to Euro 616 thousand reflecting the consideration due for the fiscal surplus transferred by companies that have joined the CIR Group tax filing system. The amount payable by Holding Company Sogefi S.p.A. to Parent Company CIR S.p.A. for such consideration as at June 30, 2015 is Euro 616 thousand.

As regards economic transactions with the Board of Directors, Statutory Auditors, the Chief Executive Officer and the Manager with strategic responsibility, please refer to the attached table for remuneration paid in the first half of 2015.

Apart from those mentioned above and shown in the tables below, at the date of these interim financial statements, we are not aware of any other related party transactions.

The following tables summarise related party transactions:

(in thousands of Euro)	*June 30, 2015*	*December 31, 2014*
Receivables		
- for the Group tax filing to CIR S.p.A.	479	2,149
- for income following the transfer of fiscal surplus to the CIR Group	-	128
Payables		
- for purchases of energy/gas from Sorgenia S.p.A.	8	8
- for services received from CIR S.p.A.	445	-
- for expense due to fiscal surplus received from the CIR Group	616	128
- for Director's remuneration	17	14
- for services from other related companies	20	20

(in thousands of Euro)	*1st half 2015*	*1st half 2014*
Costs		
- for services received from CIR S.p.A.	445	946
- for expense due to fiscal surplus received from the CIR Group	616	1,442
- for services from other related companies	61	61
Compensation of directors and statutory auditors		
- directors (*)	417	1,414
- statutory auditors	74	70
Compensation and related contributions to the ex General Manager of the Holding Company (ended in October 20, 2014) (**)	-	869
Compensation and related contributions to the General Manager of the Holding Company (hired in June 8, 2015)	52	-
Compensation and related contributions to Manager with strategic responsibilities ex Consob resolution no. 17221/2010 (***)	831	420

(*) including the imputed cost of stock option and stock grant plans for Euro 38 thousand (Euro 136 thousand in the first half year 2014) booked under the item "Other non-operating expenses (income)" and the compensation of two directors of the Holding Company for Euro 23 thousand transferred to the Parent Company CIR S.p.A.

(**) including the imputed cost of stock option and stock grant plans for Euro 118 thousand in the first half year 2014 booked under the item "Other non-operating expenses (income)"

(***) including the imputed income of stock option and stock grant plans for Euro 66 thousand (imputed cost for Euro 40 thousand in the first half year 2014) booked under the item "Other non-operating expenses (income)" and the compensation of Euro 682 thousand linked to the termination of employment

F) COMMITMENTS AND RISKS

40. OPERATING LEASES

For accounting purposes, *leases* and rental contracts are classified as operating when:

- a significant part of the risks and benefits associated with ownership are retained by the lessor;
- there are no purchase options at prices that do not represent the presumable market value of the asset being leased at the end of the period;
- the lease term is not for the major part of the useful life of the asset leased or rented.

Operating lease instalment payments are booked to the Income Statement in line with the underlying contracts.

The main operating leases existing as of June 30, 2015 regard the following subsidiaries:

- Sogefi (Suzhou) Auto Parts Co., Ltd. for the rental of two production plants in Wujiang, under a contract that will expire in September 2033.
As at June 30, 2015, total remaining payments amount to Euro 16,886 thousand, Euro 788 thousand of which due by the end of the year. This increase is mainly due to the effect of exchange rates. The Group has not given any guarantees whatsoever for this contract;

- Filtrauto S.A. for the rental of the production plant in Guyancourt. The contract will expire in May 2021 and remaining payments as of June 30, 2015 amount to Euro 4,452 thousand, Euro 778 thousand of which are due by the end of the year.
The Group has not given any guarantees for this contract;

- Allevard Federn GmbH for the rental of the production plant in Völklingen. The contract expires in May 2020. As at June 30, 2015, the remaining payments amount to Euro 2,017 thousand, Euro 384 thousand of which due by the end of the year.
The Group has not given any guarantees for this contract;

- Sogefi Engine Systems Canada Corp. for the rental of the production plant in Montreal. The contract expires in December 2015, and the remaining payments, as at June 30, 2015 amount to Euro 575 thousand, due by the end of the year.
The Group has not given any guarantees for this contract;

- Allevard Sogefi U.S.A. Inc. for the rental of the production plant in Prichard (West Virginia). The contract expires in May 2019, and the remaining payments, as at June 30, 2015, amount to Euro 1,389 thousand, of which Euro 355 thousand due by the end of the year. For this contract Sogefi S.p.A. provided a guarantee equal to 71% of the residual instalments still to fall due. The guarantee is renewed at the end of each year according to the residual amount.
There are no restrictions of any kind on this type of lease and at the end of the contract the US company will be able to purchase the building at its market value.

41. INVESTMENT COMMITMENTS

At June 30, 2015, Group companies have binding commitments for investments relating to the purchase of property, plant and equipment for Euro 1,092 thousand (Euro 323 thousand at December 31, 2014), as already disclosed in the explanatory notes regarding tangible fixed assets.

42. GUARANTEES GIVEN

Details of guarantees are as follows:

(in thousands of Euro)	*June 30, 2015*	*December 31, 2014*
PERSONAL GUARANTEES GIVEN		
a) Sureties to third parties	1,918	1,893
b) Other personal guarantees in favour of third parties	9,714	9,714
TOTAL PERSONAL GUARANTEES GIVEN	11,632	11,607
REAL GUARANTEES GIVEN		
a) against liabilities shown in the financial statement	5,826	7,122
TOTAL REAL GUARANTEES GIVEN	5,826	7,122

The guarantees given in favour of third parties relate to guarantees given to certain customers and to operating lease contracts; guarantees are shown at a value equal to the outstanding commitment at the reporting period. These accounts indicate risks, commitments and guarantees provided by Group companies to third parties.

“Other personal guarantees in favour of third parties” relate to the commitment of the subsidiary LPDN GmbH to the employee pension fund for the two business branches at the time it was acquired in 1996; this commitment is covered by the contractual obligations of the seller, who is a leading German operator.

“Real guarantees given” refer to subsidiaries Sogefi Engine Systems Canada Corp., Allevard IAI Suspension Private Ltd, United Springs B.V. and Sogefi-MNR Engine Systems India Pvt Ltd, which pledged tangible fixed assets, inventories and trade receivables as real guarantees to secure loans obtained from financial institutions.

43. OTHER RISKS

As of June 30, 2015, the Group had third-party goods and materials held at Group companies worth Euro 10,168 thousand (Euro 9,367 thousand as of December 31, 2014).

44. POTENTIAL LIABILITIES

Sogefi Group is managing environmental issues in some production plants. No relevant costs are expected.

In 2004, the subsidiary Sogefi Filtration Ltd purchased the assets and liabilities of Filtrauto UK Ltd, thus taking charge of employer as regards the pension funds Filtrauto UK Limited Staff Pension Scheme and Filtrauto UK Limited Works Pension Scheme. Said funds are defined-benefit plans.

Between 1990 and 2006, the employer and the pension fund trustees received professional advices from leading consulting companies to equalise the conditions of the pension funds, as required by amended legislation.
It shows that the above equalisation may not have been correctly applied.
Sogefi Filtration Ltd has therefore submitted a protective claim to the Birmingham High Court.
The Court could conclude that the equalisation was correctly applied, or that an adjustment could be possible, or even that there is a potential liability. In the latter case, we are confident that almost the entire amount of any liability can be recovered from the consultants.
An initial valuation of the maximum potential liability, before its likely recovery from the consultants amounts to around Euro 1.9 million.

In January 2014, the Holding Company Sogefi S.p.A. received two notices of assessment under which tax authorities disallowed deduction of the costs for services performed by the Parent Company CIR S.p.A. during the year 2009 for Euro 1.8 million from IRES tax base and consequently their eligibility for VAT tax deduction.
Based on the tax advisor's opinion, Directors believe said arguments to be groundless and inconsistent with the applicable tax regulation in force and, for the moment, the risk of losing to be possible but not likely.
This is why the Holding Company Sogefi S.p.A. did not set aside any amount for tax risks in financial statements as at June 30, 2015.
This is to report that said assessments were already processed by the Provincial Tax Committee with a favourable outcome.
The tax authorities appealed before the Regional Tax Committee against the outcome; naturally, the Company has formally answered to the complaint.

45. SUBSEQUENT EVENTS

No significant events occurred after June 30, 2015.

G) 46. FINANCIAL INSTRUMENTS

A) Exchange risk – not designated in hedge accounting

As of June 30, 2015, the Holding Company Sogefi S.p.A. held the following forward sale contracts to hedge exchange risk on intercompany financial positions:

Forward sale	Date opened	Spot price €/currency	Date closed	Forward price €/currency
USD 5,000,000	06/19/2015	1.12790	09/21/2015	1.12930
GBP 6,000,000	06/19/2015	0.71700	09/21/2015	0.71863

As of June 30, 2015, the fair value of these contracts was negative for Euro 104 thousand and was booked to “Other short-term liabilities for derivative financial instruments”.

The subsidiary Sogefi Filtration Ltd held the following forward sale contracts to hedge the exchange risk on trade positions and intercompany financial positions:

Forward sale	Date opened	Spot price GBP/currency	Date closed	Forward price GBP/currency
EUR 500,000	06/03/2015	0.73400	07/07/2015	0.73440
EUR 500,000	07/07/2015	0.70870	08/07/2015	0.70900
EUR 500,000	06/05/2015	0.73400	07/08/2015	0.73438
EUR 300,000	06/11/2015	0.70870	08/07/2015	0.70940
EUR 3,500,000	06/02/2015	0.71900	08/03/2015	0.71980

As of June 30, 2015, the fair value of these contracts was positive for Euro 70 thousand and was booked to “Other financial assets – Assets for derivative financial instruments”.

The subsidiary S.C. Systèmes Moteurs S.r.l. held the following forward purchase contract to hedge the exchange risk on trade positions and intercompany financial positions:

Forward purchase	Date opened	Spot price RON/currency	Date closed	Forward price RON/currency
EUR 600,000	04/15/2015	4.42100	07/03/2015	4.43280
EUR 200,000	06/16/2015	4.49300	07/03/2015	4.49480
EUR 1,500,000	05/27/2015	4.45390	07/31/2015	4.46490

As of June 30, 2015, the fair value of these contracts was positive for Euro 9 thousand and was booked to “Other financial assets – Assets for derivative financial instruments”.

The subsidiary Sogefi Engine Systems Canada Corp. held the following forward purchase contracts to hedge the exchange risk on trade positions:

Forward purchase	Date opened	Spot price CAD/currency	Date closed	Forward price CAD/currency
USD 6,500,000	04/15/2015	1.25700	07/02/2015	1.25860
USD 4,900,000	05/26/2015	1.23850	08/04/2015	1.24030

and the following forward sale contract to hedge the exchange risk on intercompany financial positions:

Forward sale	Date opened	Spot price CAD/currency	Date closed	Forward price CAD/currency
MXN 75,000,000	06/30/2015	12.57810	09/30/2015	12.65310

As of June 30, 2015, the fair value of these contracts was negative for Euro 81 thousand and was booked to "Other short-term liabilities for derivative financial instruments".

The subsidiary Sogefi Engine Systems Mexico S. de R.L. de C.V. held the following forward purchase contracts to hedge the exchange risk on trade positions and intercompany financial positions:

Forward purchase	Date opened	Spot price MXN/currency	Date closed	Forward price MXN/currency
CAD 5,500,000	05/27/2015	12.30880	08/31/2015	12.37480
Forward purchase	Date opened	Spot price MXN/USD	Date closed	Forward price MXN/USD
MXN 2,000,000	05/26/2015	15.24000	07/01/2015	15.27650
MXN 6,600,000	05/26/2015	15.24000	08/03/2015	15.31000
MXN 5,000,000	04/15/2015	15.31800	07/02/2015	15.39800

As of June 30, 2015, the fair value of these contracts was positive for Euro 88 thousand and was booked to "Other financial assets – Assets for derivative financial instruments".

The subsidiary Sogefi-MNR Engine Systems India Pvt Ltd held the following forward purchase contracts to hedge the exchange risk on intercompany financial positions:

Forward purchase	Date opened	Spot price INR/currency	Date closed	Forward price INR/currency
EUR 2,000,000	04/29/2015	69.30000	07/31/2015	71.20000

As of June 30, 2015, the fair value of this contract was positive for Euro 17 thousand and was booked to "Other financial assets – Assets for derivative financial instruments".

The subsidiary Allevard IAI Suspension Private Ltd held the following forward purchase contract to hedge the exchange risk on intercompany financial positions:

Forward purchase	Date opened	Spot price INR/currency	Date closed	Forward price INR/currency
EUR 125,000	06/01/2015	69.45000	09/01/2015	71.00000

As of June 30, 2015, the fair value of this contract was positive for Euro 2 thousand and was booked to “Other financial assets – Assets for derivative financial instruments”.

The subsidiary Allevard Rejna Argentina S.A. held the following forward purchase contracts to hedge the exchange risk on trade positions:

Forward purchase	Date opened	Spot price ARP/currency	Date closed	Forward price ARP/currency
USD 900,000	06/02/2015	9.00200	07/31/2015	9.28000
USD 900,000	06/02/2015	9.00200	08/31/2015	9.43500
EUR 30,000	06/02/2015	10.07000	07/31/2015	10.39000
EUR 30,000	06/02/2015	10.07000	08/31/2015	10.56000

As of June 30, 2015, the fair value of these contracts was negative for Euro 10 thousand and was booked to “Other short-term liabilities for derivative financial instruments”.

The subsidiary Allevard Molas do Brasil Ltda held the following forward sale contract to hedge the exchange risk on trade positions:

Forward sale	Date opened	Spot price BRL/currency	Date closed	Forward price BRL/currency
USD 1,000,000	06/17/2015	3.14229	09/09/2015	3.15500

As of June 30, 2015, the fair value of this contract was negative for Euro 6 thousand and was booked to “Other short-term liabilities for derivative financial instruments”.

The subsidiary Sogefi Filtration do Brasil Ltda held the following forward sale contracts to hedge the exchange risk on trade positions:

Forward sale	Date opened	Spot price BRL/currency	Date closed	Forward price BRL/currency
USD 440,000	06/29/2015	3.13780	08/31/2015	3.21500
EUR 590,000	06/29/2015	3.50250	08/31/2015	3.59950
EUR 326,000	05/11/2015	3.38000	07/30/2015	3.51950

As of June 30, 2015, the fair value of these contracts was positive for Euro 13 thousand and was booked to “Other financial assets – Assets for derivative financial instruments”.

The subsidiary Sogefi (Suzhou) Auto Parts Co., Ltd held the following forward purchase contracts to hedge the exchange risk on financing in euros:

Forward purchase	Date opened	Spot price CNY/currency	Date closed	Forward price CNY/currency
EUR 1,150,233	06/30/2015	6.98500	10/21/2015	7.04900
EUR 488,465	06/29/2015	6.91000	10/09/2015	6.96900
EUR 213,080	06/29/2015	6.91000	09/28/2015	6.96450
EUR 422,990	06/24/2015	6.96000	09/09/2015	7.00600
EUR 185,028	06/24/2015	6.96000	08/11/2015	6.99000
EUR 622,558	06/24/2015	6.96000	07/22/2015	6.97800

As of June 30, 2015, the fair value of these contracts was negative for Euro 11 thousand and was booked to "Other short-term liabilities for derivative financial instruments".

B) Interest rate risk - in hedge accounting

In 2013, the Holding Company Sogefi S.p.A. entered into the following Interest Rate Swap contracts (in thousands of Euro) as part of a macro cash flow hedge strategy aimed at hedging the risk of fluctuations in future cash flows deriving from the envisaged future long term indebtedness of the Holding Company Sogefi S.p.A.. Future indebtedness is deemed to be highly probable in view of the 2015-2018 projections approved by management on January 19, 2015. Relating cash flows will be exchanged from 2016 onwards:

Description of IRS	Date opened	Contract maturity	Notional	Fixed rate	Fair value at 06.30.2015	Fair value at 12.31.2014
Hedging of Sogefi S.p.A. future financial indebtedness	02/21/2013	06/01/2018	10,000	1.660%	(289)	(281)
Hedging of Sogefi S.p.A. future financial indebtedness	02/19/2013	06/01/2018	10,000	1.650%	(287)	(277)
Hedging of Sogefi S.p.A. future financial indebtedness	02/21/2013	06/01/2018	5,000	1.660%	(145)	(139)
TOTAL			25,000		(721)	(697)

C) Exchange rate risk - in hedge accounting

In 2013, the Holding Company Sogefi S.p.A. entered into three cross currency swap (Ccs) contracts maturing in June 2023, designated in hedge accounting (cash flow hedge), in order to hedge interest and exchange rate risk relating to the private placement of USD 115 million bonds. Under these contracts, a fixed interest receivable of 600 basis points on subscribed notional USD amount is collected by the Holding Company Sogefi S.p.A. on a quarterly basis against payment of a fixed interest payable on a notional amount in EUR corresponding to the USD notional amount converted at the fixed exchange rate of 1.3055 (totalling Euro 88,089 thousand).

Details of these contracts are as follows:

Description of CCSwap	Date opened	Contract maturity	Notional (in thousands of Usd)	Fixed rate	Fair value at 06.30.2015	Fair value at 12.31.2014
Private placement USD 115 million (05/03/2013 maturity 06/01/2023), coupon 600 bps	04/30/2013	06/01/2023	55,000	6.0% USD receivable 5.6775% Euro payables	5,216	140
Private placement USD 115 million (05/03/2013 maturity 06/01/2023), coupon 600 bps	04/30/2013	06/01/2023	40,000	6.0% USD receivable 5.74% Euro payables	3,677	17
Private placement USD 115 million (05/03/2013 maturity 06/01/2023), coupon 600 bps	04/30/2013	06/01/2023	20,000	6.0% USD receivable 5.78% Euro payables	1,654	(7)
TOTAL			115,000		10,547	150

D) Derivatives no longer designed in hedge accounting

As of June 30, 2015, the Group held the following Interest Rate Swap contracts that had become ineffective according to the effectiveness tests performed in the previous years, so that the hedging relationship was discontinued and the derivatives were reclassified as speculation instruments. The change in fair value compared to the last effectiveness test is recognised immediately in the Income Statement, whereas the reserve booked to Other Comprehensive Income (if any) is reclassified in the Income Statement over the same period of time as the differentials relating to the former underlying hedged item.
Details are as follows:

Derivative held by the subsidiary Sogefi Filtration S.A.:

Description of IRS	Date opened	Contract maturity	Notional	Fixed rate	Fair value at 06.30.2015	Fair value at 12.31.2014
Hedging of Sogefi Filtration S.A. loan for Euro 7 million (05/30/2011 maturity 05/30/2016), rate Euribor 3 months + 225 bps	08/30/2011	05/30/2016	700	2.651%	(12)	(24)
TOTAL			700		(12)	(24)

Derivatives held by the Holding Company Sogefi S.p.A.:

Description of IRS	Date opened	Contract maturity	Notional	Fixed rate	Fair value at 06.30.2015	Fair value at 12.31.2014
Hedging of Sogefi S.p.A. loan for Euro 60 million (04/29/2011 maturity 12/31/2016), rate Euribor 3 months + 200 bps	05/11/2011	12/31/2016	12,000	2.990%	(314)	(518)
TOTAL			12,000		(314)	(518)

Description of IRS	Date opened	Contract maturity	Notional	Fixed rate	Fair value at 06.30.2015	Fair value at 12.31.2014
Hedging of Sogefi S.p.A. future financial indebtedness	02/10/2011	06/01/2018	10,000	3.679%	(1,024)	(1,153)
Hedging of Sogefi S.p.A. future financial indebtedness	02/23/2011	06/01/2018	10,000	3.500%	(999)	(1,135)
Hedging of Sogefi S.p.A. future financial indebtedness	03/11/2011	06/01/2018	10,000	3.545%	(1,012)	(1,148)
Hedging of Sogefi S.p.A. future financial indebtedness	03/23/2011	06/01/2018	10,000	3.560%	(989)	(1,152)
Hedging of Sogefi S.p.A. future financial indebtedness	03/28/2011	06/01/2018	10,000	3.670%	(1,050)	(1,195)
Hedging of Sogefi S.p.A. future financial indebtedness	05/13/2011	06/01/2018	10,000	3.460%	(988)	(1,124)
Hedging of Sogefi S.p.A. future financial indebtedness	06/24/2011	06/01/2018	10,000	3.250%	(925)	(1,051)
Hedging of Sogefi S.p.A. future financial indebtedness	06/28/2011	06/01/2018	10,000	3.250%	(925)	(1,049)
Hedging of Sogefi S.p.A. future financial indebtedness	11/28/2011	06/01/2018	10,000	2.578%	(727)	(824)
Hedging of Sogefi S.p.A. future financial indebtedness	02/01/2013	06/01/2018	10,000	1.310%	(352)	(397)
Hedging of Sogefi S.p.A. future financial indebtedness	02/06/2013	06/01/2018	10,000	1.281%	(343)	(388)
Hedging of Sogefi S.p.A. future financial indebtedness	02/11/2013	06/01/2018	5,000	1.220%	(163)	(184)
Hedging of Sogefi S.p.A. future financial indebtedness	02/12/2013	06/01/2018	5,000	1.240%	(166)	(185)
Hedging of Sogefi S.p.A. future financial indebtedness	02/11/2013	06/01/2018	5,000	1.420%	(192)	(185)
Hedging of Sogefi S.p.A. future financial indebtedness	02/13/2013	06/01/2018	5,000	1.500%	(204)	(195)
Hedging of Sogefi S.p.A. future financial indebtedness	02/07/2013	06/01/2018	15,000	1.445%	(588)	(566)
Hedging of Sogefi S.p.A. future financial indebtedness	02/11/2013	06/01/2018	5,000	1.225%	(164)	(186)
Hedging of Sogefi S.p.A. future financial indebtedness	02/11/2013	06/01/2018	5,000	1.425%	(193)	(186)
Hedging of Sogefi S.p.A. future financial indebtedness	02/19/2013	06/01/2018	10,000	1.440%	(391)	(376)
TOTAL			165,000		(11,395)	(12,679)

The non-application of hedge accounting had the following impact on the financial statements as of June 30, 2015:

- a financial charge of Euro 1,465 thousand was recognised in the Income Statement; this amount reflects the portion of the reserve previously booked to Other Comprehensive Income that will be recognised in the Income Statement over the same period of time as the differentials relating to the underlying hedged item.
- a financial income of Euro 1,617 thousand was recognised in the Income Statement; this amount reflects the change in fair value compared with December 31, 2014.

E) Fair value of derivatives in hedge accounting and no longer in hedge accounting

The fair value of all derivatives was calculated using the forward curves of exchange and interest rates as of June 30, 2015, also taking into account a credit valuation adjustment/debit valuation adjustment. The fair value amounts of derivatives are classified as Level 2 in a hierarchy of levels that describes the significance of the inputs used in fair value measurements.

Embedded derivative contained in bond

As already explained, the Holding Company Sogefi S.p.A. approved the issue of bond *“€100,000,000 2 per cent. Equity Linked Bonds due 2021”* whose Terms provide for the Company to settle any conversion by cash or a combination of ordinary shares and cash, following the Extraordinary Shareholders' Meeting of September 26, 2014, authorising a share capital increase - with the exclusion of the shareholders' option right under article 2441, Paragraph 5, of the Italian Civil Code -, to be exclusively used for the conversion of said bonds.
Such right constitutes an embedded derivative that is booked to the appropriate item in the statement of financial position (financial liability).
On May 14, 2014, the Holding Company Sogefi S.p.A. separated the embedded derivative (call option on Company's shares) from the host contract (equity-linked bonds) in accordance with IAS 39 and determined that its fair value amounts to Euro 24,500 thousand. The fair value was classified as Level 2 in the fair value hierarchy.
As of December 31, 2014, the fair value of the embedded derivative amounted to Euro 10,540 thousand, and the Euro 13,960 thousand increase was recognised in the Income Statement under item “Other financial income”.
Upon a resolution of the Board of Directors passed on January 19, 2015 and a Deed Poll executed on January 28, 2015 under British law (notified to agent on January 29, 2015), the Holding Company Sogefi S.p.A. unilaterally waived the right to settle the convertible bonds in cash rather than by conversion into ordinary shares when the conversion options are exercised by bondholders under the Bond Terms. Such renouncement is final, irrevocable and unconditional. Under British law, such renouncement has the same effect as an amendment to the Bond Terms.
As at January 28, 2015 the fair value of the option (calculated based on the same model applied on December 31, 2014) amounted to Euro 9,090 thousand. This produced a positive effect in the income statement for the first half of 2015 for Euro 1,450 thousand. Moreover, since the execution of the Deed Poll has a similar effect to an amendment of the Bond Terms, the Holding Company reassessed the liability-equity classification as recorded at the first posting of the option (because the call option rights granted to the Company were waived irrevocably, finally and unconditionally). Therefore on that date the Company re-classified the amount of the above-mentioned option (Euro 9,090 thousand) from “Other medium/long-term financial liabilities for derivative financial instruments” to net equity. The parameters which were used in calculating the fair value of the option at the Deed Poll's date were the following:

- Quarterly average of the Sogefi stock as at January 28, 2015: Euro 2.17 (the three-month average price was used due to the high volatility of the stock in the closing months of 2014), 2.26 as of December 31, 2014
- Exercise price: Euro 5.3844
- BTP yield at 7 years as at January 28, 2015: 1.24% (1.43% as of December 31, 2014)
- Sogefi stock volatility yearly average as at January 28, 2015 46.4% (45.2% at December 31, 2014).

H) GROUP COMPANIES

47. LIST OF GROUP COMPANIES AS OF JUNE 30, 2015

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS

Direct equity investment	Currency	Share capital	Number of shares	% of share capital held	Par value per share	Par value of the interest held
SOGEFI REJNA S.p.A. Mantova (Italy)	Euro	21,978,316	21,950,990	99.88	1	21,950,990
SOGEFI FILTRATION Ltd Tredegar (Great Britain)	GBP	5,126,737	5,126,737	100.00	1	5,126,737
SOGEFI FILTRATION S.A. Cerdanyola (Spain) 86.08% held by Sogefi S.p.A. 13.92% held by Filtrauto S.A.	Euro	12,953,713.60	2,155,360	100.00	6.01	12,953,713.60
FILTRAUTO S.A. Guyancourt (France)	Euro	5,750,000	287,497	99.99	20	5,749,940
ALLEVARD REJNA AUTOSUSPENSIONS S.A. Guyancourt (France)	Euro	34,000,000	1,999,964	99.99	17	33,999,388
ALLEVARD SOGEFI U.S.A., Inc. Prichard (U.S.A.)	USD	20,055,000	191	100.00		20,055,000
SOGEFI FILTRATION d.o.o. Medvode (Slovenia)	Euro	10,291,798		100.00		10,291,798
SOGEFI PURCHASING S.A.S. Guyancourt (France)	Euro	100,000	10,000	100.00	10	100,000
SHANGHAI SOGEFI AUTO PARTS Co., Ltd Shanghai (China)	USD	13,000,000		100.00		13,000,000
SYSTEMES MOTEURS S.A.S. Guyancourt (France)	Euro	54,938,125	36,025	100.00	1,525	54,938,125
SOGEFI (SUZHOU) AUTO PARTS CO., Ltd Wujiang (China)	USD	15,000,000		100.00		15,000,000

Indirect equity investments	Currency	Share capital	Number of shares	% of share capital held	Par value per share	Par value of the interest held
BUSINESS UNIT ENGINE SYSTEMS – FLUID FILTERS						
SOGEFI-MNR Engine Systems India Pvt Ltd Bangalore (India) 45% held by Filtrauto S.A. 24.98% held by Systèmes Moteurs S.A.S. 0.02% held by Systèmes Moteurs China, S.à.r.l.	INR	21,254,640	1,487,825	70.00	10	14,878,250
SOGEFI FILTRATION DO BRASIL Ltda São Bernardo do Campo (Brazil) 99.9999967% held by Sogefi Filtration S.A. 0.0000033% held by Allevard Molas do Brasil Ltda	BRL	29,857,374	29,857,374	100.00	1	29,857,374
SOGEFI FILTRATION ARGENTINA S.A. Buenos Aires (Argentina) 91.90% held by Sogefi Filtration do Brasil Ltda 7.28% held by Filtrauto S.A. 0.81% held by Sogefi Rejna S.p.A.	ARP	10,691,607	10,691,605	99.99	1	10,691,605

Indirect equity investments	Currency	Share capital	Number of shares	% of share capital held	Par value per share	Par value of the interest held
BUSINESS UNIT ENGINE SYSTEMS – AIR INTAKE AND COOLING						
SOGEFI ENGINE SYSTEMS CANADA CORP. Nova Scotia (Canada) Held by Systèmes Moteurs S.A.S.	CAD	39,393,000	2,283	100.00		39,393,000
SOGEFI ENGINE SYSTEMS USA, Inc. Wilmington (U.S.A.) Held by Systèmes Moteurs S.A.S.	USD	100	1,000	100.00	0.10	100
SYSTEMES MOTEURS CHINA, S.à.r.l. Luxembourg (Luxembourg) Held by Systèmes Moteurs S.A.S.	Euro	12,500	125	100.00	100	12,500
S.C. SYSTEMES MOTEURS S.r.l. Titesti (Romania) 99.9997% held by Systèmes Moteurs S.A.S. 0.0003% held by Sogefi Filtration S.A. (Spain)	RON	7,087,610	708,761	100.00	10	7,087,610
SOGEFI ENGINE SYSTEMS MEXICO S. de R.L. de C.V. Apodaca (Mexico) 0.03% held by Systèmes Moteurs S.A.S. 99.97% held by Sogefi Engine Systems Canada Corp.	MXN	3,000	3,000	100.00	1	3,000
SOGEFI ENGINE SYSTEMS HONG KONG Ltd Hong Kong (Hong Kong) Held by Systèmes Moteurs China, S.à.r.l.	HKD	1,000	1,000	100.00	1	1,000

Indirect equity investments	Currency	Share capital	Number of shares	% of share capital held	Par value per share	Par value of the interest held
BUSINESS UNIT SUSPENSION COMPONENTS AND PRECISION SPRINGS						
ALLEVARD SPRINGS Ltd Clydach (Great Britain) Held by Allevard Rejna Autosuspensions S.A.	GBP	4,000,002	4,000,001	99.99	1	4,000,001
ALLEVARD FEDERN GmbH Völklingen (Germany) Held by Allevard Rejna Autosuspensions S.A.	Euro	50,000		100.00		50,000
ALLEVARD REJNA ARGENTINA S.A. Buenos Aires (Argentina) 89.97% held by Allevard Rejna Autosuspensions S.A. 10% held by Allevard Molas do Brasil Ltda	ARP	600,000	599,827	99.97	1	599,827
IBERICA DE SUSPENSIONES S.L. (ISSA) Alsasua (Spain) Held by Allevard Rejna Autosuspensions S.A.	Euro	10,529,668	5,264,834	50.00	1	5,264,834
ALLEVARD MOLAS DO BRASIL Ltda São Paulo (Brazil) 99.997% held by Allevard Rejna Autosuspensions S.A. 0.003% held by Allevard Springs Ltd	BRL	37,161,683	37,161,683	100.00	1	37,161,683
UNITED SPRINGS Ltd Rochdale (Great Britain) Held by Allevard Rejna Autosuspensions S.A.	GBP	6,500,000	6,500,000	100.00	1	6,500,000
UNITED SPRINGS B.V. Hengelo (Netherlands) Held by Allevard Rejna Autosuspensions S.A.	Euro	254,979	254,979	100.00	1	254,979
SHANGHAI ALLEVARD SPRING Co., Ltd Shanghai (China) Held by Allevard Rejna Autosuspensions S.A.	Euro	5,335,308		60.58		3,231,919
UNITED SPRINGS S.A.S. Guyancourt (France) Held by Allevard Rejna Autosuspensions S.A.	Euro	10,218,000	2,043,600	100.00	5	10,218,000
S.ARA COMPOSITE S.A.S. Guyancourt (France) Held by Allevard Rejna Autosuspensions S.A.	Euro	8,500,000	16,000,000	94.12	0.5	8,000,000
ALLEVARD IAI SUSPENSIONS Pvt Ltd Pune (India) Held by Allevard Rejna Autosuspensions S.A.	INR	294,500,000	21,860,436	74.23	10	218,604,360
LUHN & PULVERMACHER - DITTMANN & NEUHAUS GmbH Hagen (Germany) Held by Allevard Federn GmbH	Euro	50,000		100.00	50,000	50,000

EQUITY INVESTMENTS IN SUBSIDIARIES CONSOLIDATED USING THE EQUITY METHOD

Indirect equity investments	Currency	Share capital	Number of shares	% of share capital held	Par value per share	Par value of the interest held
MARK IV ASSET (Shanghai) AUTO PARTS Co., Ltd Shanghai (China) Held by Sogefi Engine Systems Hong Kong Limited	RMB	10,000,000	1	50.00		5,000,000

EQUITY INVESTMENTS IN OTHER COMPANIES CARRIED AT COST

Indirect equity investments	Currency	Share capital	Number of shares	% of share capital held	Par value per share	Par value of the interest held
UMC & MAKKAWI SPRING MANUFACTURING Co., Ltd Khartoum (Sudan) Held by Sogefi Rejna S.p.A.	SDP	900,000	225	25.00	1,000	225,000
AFICO FILTERS S.A.E. Cairo (Egypt) Held by Sogefi Rejna S.p.A.	EGP	11,000,000	24,880	22.62	100	2,488,000

INTERIM FINANCIAL STATEMENTS OF THE HOLDING COMPANY SOGEFI S.p.A.

STATEMENT OF FINANCIAL POSITION
INCOME STATEMENT

STATEMENT OF FINANCIAL POSITION
(in thousands of Euro)

ASSETS	*Note*	*June 30, 2015*	*December 31, 2014*
CURRENT ASSETS			
Cash and cash equivalents	*3*	16,013	36,600
Cash pooling current accounts with subsidiaries	*4*	16,491	12,246
Other financial assets		108	54
Loan and financial receivables similar to loans with subsidiaries	*5*	45,180	29,422
of which dividends from subsidiaries not yet collected		*21,425*	*6,423*
WORKING CAPITAL			
Inventories		-	-
Trade receivables	*6*	13,481	12,591
of which from subsidiaries		*13,421*	*11,124*
of which from parent company		*60*	*1,466*
Other receivables	*6*	317	551
Tax receivables	*6*	330	329
Other assets	*6*	1,133	907
TOTAL WORKING CAPITAL		15,261	14,378
TOTAL CURRENT ASSETS		93,053	92,700
NON-CURRENT ASSETS			
FIXED ASSETS			
Investment properties: land	*7*	13,320	13,320
Investment properties: other	*7*	11,030	11,030
Other tangible fixed assets		167	184
of which leases		-	-
Intangible assets	*8*	32,884	32,870
TOTAL FIXED ASSETS		57,401	57,404
OTHER NON-CURRENT ASSETS			
Equity investments in subsidiaries	*9*	397,489	397,314
Equity investments in associates		-	-
Other financial assets available for sale		-	-
Loans and financial receivables similar to loans	*10*	92,216	81,475
of which from subsidiaries		*81,669*	*81,318*
of which other medium/long-term assets for derivative financial instruments		*10,547*	*157*
Other receivables		24	24
Deferred tax assets	*11*	11,815	10,153
TOTAL OTHER NON-CURRENT ASSETS		501,544	488,966
TOTAL NON-CURRENT ASSETS		558,945	546,370
TOTAL ASSETS		651,998	639,070

LIABILITIES	*Note*	*June 30, 2015*	*December 31, 2014*
CURRENT LIABILITIES			
Bank overdraft and short-term loans	*12*	28,583	10,017
Cash pooling current accounts with subsidiaries	*12*	93,927	110,013
Current portion of medium/long term financial debts and other loans	*12*	38,774	19,222
of which leases		-	-
of which to subsidiaries		-	-
Capital shares of subsidiaries subscribed and not yet paid		-	-
TOTAL SHORT-TERM FINANCIAL DEBTS		161,284	139,252
Other short-term liabilities for derivative financial instruments	*12*	104	242
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS		161,388	139,494
Trade and other payables	*13*	10,481	8,427
of which to subsidiaries		*3,189*	*2,059*
of which to parent company		*1,078*	*142*
Tax payables		117	410
Other current liabilities		32	47
TOTAL CURRENT LIABILITIES		172,018	148,378
NON-CURRENT LIABILITIES			
MEDIUM/LONG TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS			
Financial debts to bank	*12*	78,673	108,787
Other medium/long-term financial debts	*12*	204,379	194,809
of which leases		-	-
TOTAL MEDIUM/LONG TERM FINANCIAL DEBTS		283,052	303,596
Other medium/long-term financial liabilities for derivative financial instruments	*12*	12,430	24,440
TOTAL MEDIUM/LONG TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS		295,482	328,036
OTHER LONG-TERM LIABILITIES			
Long-term provisions	*14*	1,161	981
Other payables		-	-
Deferred tax liabilities	*14*	633	426
TOTAL OTHER LONG-TERM LIABILITIES		1,794	1,407
TOTAL NON-CURRENT LIABILITIES		297,276	329,443
SHAREHOLDERS' EQUITY	*15*		
Share capital		61,681	61,631
Reserves and retained earnings (accumulated losses)		111,955	97,596
Profit (loss) for the period		9,068	2,022
TOTAL SHAREHOLDERS' EQUITY		182,704	161,249
TOTAL LIABILITIES AND EQUITY		651,998	639,070

INCOME STATEMENT
(in thousands of Euro)

		Note	1st half 2015	1st half 2014
FINANCIAL INCOME AND EXPENSES		17		
1)	Income from equity investments		17,002	16,303
2)	Other financial income		15,701	4,041
	of which from subsidiaries		*2,435*	*2,436*
	of which exchange gains		*11,071*	*1,493*
3)	Interests expenses and other financial expenses		21,730	18,827
	of which from subsidiaries		*20*	*72*
	of which exchange losses		*10,788*	*1,429*
TOTAL FINANCIAL INCOME AND EXPENSES			10,973	1,517
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS				
4)	Revaluations		-	-
5)	Writedowns		-	-
TOTAL VALUE ADJUSTMENTS			-	-
6) OTHER OPERATING INCOME		18	11,656	10,774
of which from subsidiaries			*11,624*	*10,715*
ALTRI COSTI DELLA GESTIONE		19		
7)	Non-financial services		5,510	6,634
	of which to subsidiaries		*3,216*	*5,269*
	of which to parent company		*468*	*946*
8)	Leases and rental		2,848	2,264
9)	Personnel		3,581	4,288
10)	Depreciation, amortisation and writedowns		1,673	1,118
11)	Provisions for risks		-	-
12)	Other provisions		-	-
13)	Other operating expenses		589	796
TOTAL OTHER OPERATING EXPENSES			14,201	15,100
NON-OPERATING INCOME AND EXPENSES		20		
14)	Income		-	-
	of which non-recurring		-	-
15)	Expenses		1,135	648
	of which non-recurring		*1,135*	*648*
NON-OPERATING PROFIT (LOSS)			(1,135)	(648)
PROFIT (LOSS) BEFORE TAXES			7,293	(3,457)
16)	Income taxes	21	(1,775)	(3,705)
NET PROFIT			9,068	248

STATEMENT OF OTHER COMPREHENSIVE INCOME

(in thousands of Euro)

	1st half 2015	*1st half 2014*
Profit (loss) for the period	9,068	248
Other Comprehensive Income:		
Items that will not be reclassified to income profit or loss:		
- Actuarial gains (losses) on defined-benefit plans	-	-
- Tax effect on items that will not be reclassified to profit or loss	-	-
Subtotal of items that will not be reclassified to profit or loss		-
Items that may be reclassified to profit or loss:		
- Profit (loss) from fair value measurement of cash flow hedge derivatives	3,636	(1,478)
- Profit (loss) from fair value measurement of financial assets available for sale	-	-
- Tax effect on items that may be reclassified to profit or loss	(1,000)	407
Subtotal of items that may be reclassified to profit or loss	*2,636*	*(1,071)*
Other Comprehensive Income net of tax effect	2,636	(1,071)
Total Comprehensive profit (loss) for the period	11,704	(823)

CASH FLOW STATEMENT

(in thousands of Euro)

	1st half 2015	*1st half 2014*
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period	9,068	248
Adjustments:		
- non collected dividends	(15,002)	(14,303)
- depreciation and amortisation of tangible and intangible fixed assets	1,673	1,118
- reclassification to income statement of cash flow hedge reserve	(8,224)	2,299
- expenses recognized for share-based incentive plans	341	567
- exchange rate differences on private placement	8,059	810
- (not paid) interest expenses on bonds	1,511	358
- change in fair value of the call option (embedded derivatives)	(1,450)	(100)
- net change in provision for phantom stock option	118	(1,266)
- net change in provision for employment termination indemnities	62	71
- change in net working capital	1,156	(2,732)
- change in tax receivables/payables	(294)	1,230
- other medium/long-term assets/liabilities	(2,455)	868
CASH FLOWS FROM OPERATING ACTIVITIES	(5,437)	(10,832)
INVESTING ACTIVITIES		
Net change in intangible and tangible fixed assets	(1,669)	(6,040)
Net change in other financial assets	(192)	75
NET CASH FLOW FROM INVESTING ACTIVITIES	(1,861)	(5,965)
FINANCING ACTIVITIES		
Paid share capital increase	145	2,408
New (repayment of) long-term loans	(10,563)	(120,665)
New (repayment of) bonds	-	98,279
Net cash pooling position	(20,332)	(5,947)
Loans and other financial receivables from subsidiaries	(1,106)	(449)
NET CASH FLOW FROM FINANCING ACTIVITIES	(31,856)	(26,374)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(39,154)	(43,171)
Balance at the beginning of the period	26,584	40,146
(Decrease) Increase in cash and cash equivalents	(39,154)	(43,171)
BALANCE AT THE END OF THE PERIOD	(12,570)	(3,025)

Note: this table shows the elements that bring about the change in cash and cash equivalents, as expressly required by IAS 7 (in particular the net balance between "Cash and cash equivalents" and "Bank overdrafts and short-term loans"). For a better understanding of the various operating cash flows and hence the changes in the overall net financial position, reference should be made to the cash flow statement included in the Report of the Board of Directors on Operations.

ADDITIONAL INFORMATION OF CASH FLOW STATEMENT	*1st half 2015*	*1st half 2014*
Interest collected	2,968	2,420
Interest paid	(8,847)	(11,776)
Dividends collected	2,000	2,000
Current income tax collections (payments)	1,339	(137)

STATEMENTS OF CHANGES IN EQUITY

(in thousands of Euro)	Share Capital	Reserves and retained earnings (accumulated losses)	Profit for the period	Total Shareholders' equity
Balance at December 31, 2013	*60,924*	*79,006*	*15,852*	*155,782*
Increase in share capital restricted to the employees of Sogefi S.p.A. and its subsidiaries	681	1,727	-	2,408
Allocation of 2013 net profit:				
- Legal reserve	-	20	(20)	-
- Retained earnings reserve		15,832	(15,832)	-
Recognition of share-based incentive plans	-	771	-	771
Comprehensive income for the period:				
- Actuarial gains (losses) on defined-benefit plans	-	-	-	-
- Fair value measurement of cash flow hedging instruments	-	(1,478)	-	(1,478)
- Fair value measurement of financial assets available for sale	-	-	-	-
- Tax on items booked directly to equity	-	407	-	407
- Net result for the period	-	-	248	248
Totale comprehensive profit for the period	-	*(1,071)*	*248*	*(823)*
Balance at June 30, 2014	*61,605*	*96,285*	*248*	*158,138*

(in thousands of Euro)	Share Capital	Reserves and retained earnings (accumulated losses)	Profit for the period	Total Shareholders' equity
Balance at December 31, 2014	*61,631*	*97,596*	*2,022*	*161,249*
Increase in share capital restricted to the employees of Sogefi S.p.A. and its subsidiaries	50	95	-	145
Allocation of 2014 net profit:				
- Legal reserve	-	300	(300)	-
- Retained earnings reserve	-	1,722	(1,722)	-
Recognition of share -based incentive plans	-	516	-	516
Convertible debt equity components	-	9,090	-	9,090
Comprehensive income for the period:				
- Actuarial gains (losses) on defined-benefit plans	-	-	-	-
- Fair value measurement of cash flow hedging instruments	-	3,636	-	3,636
- Fair value measurement of financial assets available for sale	-	-	-	-
- Tax on items booked directly to equity	-	(1,000)	-	(1,000)
- Net result for the period	-	-	9,068	9,068
Totale comprehensive profit for the period	-	*2,636*	*9,068*	*11,704*
Balance at June 30, 2015	*61,681*	*111,955*	*9,068*	*182,704*

EXPLANATORY AND SUPPLEMENTARY NOTES TO THE FINANCIAL STATEMENTS OF THE HOLDING: CONTENTS

A) GENERAL ASPECTS

1. CONTENT AND FORMAT OF THE FINANCIAL STATEMENTS

The interim condensed financial statements for the period January 1 - June 30, 2015 have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and adopted by the European Union and have been prepared according to IAS 34 – "Interim Financial Reporting", applying the same accounting principles and policies used in the preparation of the separate financial statements as at December 31, 2014, other than those discussed in the following paragraph Accounting policies. "IFRS" also means the International Accounting Standards ("IAS") currently in force, as well as all of the interpretation documents issued by the IFRS Interpretations Committee (formerly called "IFRIC") previously called the Standing Interpretations Committee ("SIC").
As a partial exception to IAS 34 provisions, these interim condensed financial statements provide detailed as opposed to condensed statements in order to provide a better and clearer overview of the changes that have taken place in the Company's assets and liabilities, financial position and results during the half-year. They also contain the disclosures required by IAS 34 for interim condensed financial statements with the supplementary information considered useful for a clearer understanding of these half-yearly financial statements of the Company.

The Holding Company's income statement has been presented, as in previous years, on the basis of the instructions contained in Consob circular no. SOC/RM 94001437 issued on February 23, 1994.

The enclosed financial schedules show the amounts of the corresponding items as at December 31, 2014 for the statement of financial position, and for the 1st half of 2014 for the income statement.

The interim condensed financial statements as at June 30, 2015 should be read in conjunction with the annual financial statements as at December 31, 2014.
With reference to IAS 1, the Board of Directors confirm that, on the economic forecasts, the capitalisation and the financial position of the entity, the same operates with business continuity.
The interim condensed financial statements as at June 30, 2015 were approved by the Board of Directors on July 24, 2015.

2. ACCOUNTING POLICIES

The accounting policies applied in preparing the interim condensed financial statements for the six-month period ended June 30, 2015 are consistent with those used for the annual financial statements as at December 31, 2014 to which the reader should refer with the exception of the following.
IAS 32 and IAS 39 do not expressly govern the redemption of an “embedded derivative” in a convertible bond which follows a change in the original convertible bond Terms. In accordance with IAS 8, the Company chose, as its accounting policy, to review the liability-equity classification of the financial instrument components as at the date of the change made to the original regulations, for their existing value as at such date.
It should be noted that the preparation of the separate interim condensed financial statements requires Directors to make estimates and assumptions, which affect the values of revenues, costs, assets and liabilities and the information regarding potential assets and liabilities as at the date of the interim condensed financial statements. If in the future said estimates and assumptions, which are based on the best estimates of the Directors, should change due to actual circumstances, they will be adjusted accordingly in the period in which said circumstances change.
It should also be noted that some measurement processes, in particular the more complex ones, such as the calculation of any impairment of non-current assets, are generally fully made only when the annual financial statements are prepared, when all of the information that may be required is available (i.e. 2016-2019 multi-year plan, which is expected to be approved by the Directors no later than January 2016), with the exception of the cases in which there are impairment indicators that require the performance of an impairment test. As at June 30, 2015 no impairment indicators have been detected.
For a more thorough description of the Company's estimates and key assumptions, please refer to note 2 of the financial statements as at December 31, 2014.

The main items affected by these estimates are as follows:

- derivatives (Euro 10,547 thousand for assets and Euro 12,430 thousand for liabilities as at June 30, 2015): the estimate of derivatives fair value and the efficacy test on derivatives held for “hedge accounting” were performed with the aid of external consultants based on valuation models in accordance with industry practice;
- real estate investments: the fair value of these activities was estimated with the support of third-party consultants based on the synthetic method of the market comparison with properties similar for characteristics, location, destination and bindings;
- deferred tax assets (posted on June 30, 2015 for Euro 7,062 thousand), applied to tax losses that were not offset by the taxable income transferred by the companies participating in the CIR Group tax filing system, were recognised because of the probability of expected future taxable income coming from the forecasts prepared by the companies participating in the CIR Group tax filing system;
- the fair value of the conversion options linked to the convertible bond was determined at January 28, 2015 (Euro 9,090 thousand) by using a

mathematical finance model (binomial model) and taking as valuation parameters the stock market price of Sogefi shares, the price of new issues, the risk free rate and the volatility of the Sogefi shares.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS *ADOPTED FROM JANUARY 1, 2015*

The following IFRS accounting standards, amendments and interpretations were first adopted by the Company starting January 1, 2015:

- On May 20, 2013, IFRIC interpretation 21 – Levies was issued. The interpretation clarifies when a liability for levies (other than income tax) imposed by government agencies should be recognised. This interpretation addresses both levies that are accounted for in accordance with IAS 37 - Provisions, Contingent Liabilities and Contingent Assets, and those for which the settlement timing and amount are certain. The interpretation is applicable retrospectively. The adoption of this new interpretation had no impact on the financial statements of the Company.
- On December 12, 2013 the IASB published document "*Annual Improvements to IFRSs: 2011-2013 Cycle*", amending some standards as part of the annual improvement process.
  The adoption of these amendments had no impact on the financial statements of the Company.

ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS APPROVED BY THE EUROPEAN UNION BUT NOT YET MANDATORILY APPLICABLE AND NOT EARLY ADOPTED BY THE COMPANY AS AT JUNE 30, 2015

- On November 21, 2013 the amendment to IAS 19 "*Defined Benefit Plans: Employee Contributions*"was issued, proposing that contributions (related to service rendered by the employee during the period) to defined benefit plans from employees or third parties be recognised as a reduction in the service cost in the period in which the contribution is paid. The amendment applies at the latest as of the financial years starting as at February 1, 2015 or at a later date. The Directors do not expect a NY significant effect on the operating accounts of the Company upon the application of this amendment.
- On December 12, 2013 the document "*Annual Improvements to IFRSs: 2010-2012 Cycle*" was published implementing the amendments to some principles within the yearly improvement process. The amendments apply at the latest as of the financial years starting as at February 1, 2015 or at a later date. The Directors do not expect a significant effect on the operating accounts of the Company upon the application of these amendments.

ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS NOT YET ENDORSED BY THE EUROPEAN UNION

The European Union has not yet completed its endorsement process for the standards and amendments below reported at the date of this Interim financial report.

- On January 30, 2014, the IASB issued standard *IFRS 14 – Regulatory Deferral Accounts*. The Company is not a first-time adopter, therefore this standard is not applicable to it.
- On May 6, 2014, the IASB issued several amendments to IFRS 11 *Joint Arrangements – Accounting for acquisitions of interests in joint operations"* The changes apply as of January 1, 2016 though early application is allowed. The Directors do not expect a significant effect on the operating accounts of the Company upon the application of these amendments.
- On May 12, 2014, the IASB published some amendments to IAS 16 *Property, plant and Equipment* and to IAS 38 *Intangibles Assets – "Clarification of acceptable methods of depreciation and amortisation"*. The amendments apply as of January 1, 2016, though early adoption is allowed. The Directors do not expect a significant effect on the operating accounts of the Company upon the application of these amendments.
- On May 28, 2014, the IASB issued IFRS 15 – *Revenue from Contracts with Customers* bound to replace IAS 18 – *Revenue* and IAS 11 – *Construction Contracts,* as well as the interpretations IFRIC 13 – *Customer Loyalty Programmes*, IFRIC 15 – *Agreements for the Construction of Real Estate,* IFRIC 18 – *Transfers of Assets from Customers* and SIC 31 – *Revenues-Barter Transactions Involving Advertising Services*. The standard provides for a new revenue accounting model, which will be applicable to all agreements made with customers, with the exception of those falling under the scope of application of other IFRS such as *leasing* and insurance policy contracts and financial instruments. According to the new model revenue is accounted for through the following steps:
    - identify the contract in place with the customer;
    - identify the performance obligations in the contract;
    - determine the price;
    - allocate the price to the performance obligations in the contract;
    - criteria for recognising revenue when the entity satisfies each performance obligation.

  The principle applies as of January 1, 2017 though early application is allowed (in May 2015 the IASB issued an Exposure Draft proposing to put off the date of first application to January 1, 2018). The Directors expect the application of the IFRS 15 may have an impact on the amounts reported as revenues and the relevant disclosure in the Company annual report. Still, it will be impossible to provide a reasonable estimate as to the effects until the Company completes a detailed review of the contracts in place with the customers.
- On June 30, 2014 the IASB issued some amendments to IAS 16 *Property, plant and equipment* and IAS 41 *Agriculture – Bearer Plants*. The amendments apply as of January 1, 2016, though early adoption is allowed. The Directors do not expect a significant effect on the operating accounts of the Company upon the application of these amendments.
- On July 24, 2014, the IASB issued the final version of IFRS 9 – *Financial instruments*. The document includes the results of the classification, valuation, impairment and hedge accounting phases to the IASB project pending the replacement of IAS 39. The new principle,

which supersedes the previous versions of IFRS 9, must be applied to financial statements as of January 1, 2018 and thereafter.
The principle introduces new criteria to classify and evaluate financial assets and liabilities. In particular, as regards financial assets, the new standard adopts a single approach based on how an entity manages its financial instruments and the contractual cash flows characteristics of the financial assets, in order to determine its valuation criteria and replacing the many different rules in IAS 39. The most significant effect of the standard regarding the financial liabilities relates to the accounting for changes in fair value attributable to changes in the credit risk of issuers of financial liabilities designated as at fair value through profit or loss. According to the new standard, these changes must be recognised in "*Other comprehensive income*" and will no longer be recognised in the Income Statement.
With reference to the impairment model, the new standard requires the losses on receivables to be estimated based on the expected losses model (instead of the incurred losses model) using information that can be evidenced, available free of charge or without unreasonable effort and including historic, current and forecast data. The standard provides that such an impairment model must apply to all financial instruments, that is, all financial assets valued at amortised cost, those evaluated at fair value through other comprehensive income, as well as to credits from lease agreements and trade receivables.
Finally, this principle introduces a new hedge accounting model for the purpose of adapting the requirements under current IAS 39, which have at times been considered too strict and ill-suited to reflect the risk management policies of any company.
The Directors expect the application of the IFRS 9 may have a significant impact on the amounts and the relevant disclosure in the Company annual report. Still, it will be impossible to provide a reasonable estimate as to the effects until the Company completes a detailed analysis.

- On August 12, 2014, the IASB published an amendment to *IAS 27 - Equity Method in Separate Financial Statements*. The document introduces the option of using the equity method in an entity's financial statements in order to misure the investments held in subsidiaries, joint ventures and associates. At the moment the Directors are looking into the possible effects caused by the introduction of the above amendments on the Company accounts.
- On September 11, 2014 the IASB issued an amendment to *IFRS 10 and IAS 28 Sales or Contribution of Assets between an Investor and its Associate or Joint Venture*. The document was published for the purposes of solving the current conflict between IAS 28 and IFRS 10. The changes introduced provide that in the transfer/sale of an asset or a subsidiary to a joint venture or associate, the measure of the profit or loss to post in the transferor/seller accounts depends on the transferred/sold assets or subsidiary being a business or not under the definition provided in IFRS 3. If the transferred/sold assets or subsidiary were a business, the entity must account the profit or loss for the entire share previously held; conversely, the opposite being the case, the share of profit and loss regarding the stake still held by the entity must be reversed. The

amendments apply as of January 1, 2016, though the date of first application is expected to be put off. The Directors do not expect a significant effect on the operating accounts of the Company upon the application of these amendments.

- On September 25, 2014 the IASB published document "*Annual Improvements to IFRSs: 2012-2014 Cycle*". The amendments apply at the latest as of the financial years starting as at January 1, 2016 or at a later date.

  The Directors do not expect a significant effect on the operating accounts of the Company upon the application of these amendments.
- On December 18, 2014 the IASB published an amendment to IAS 1 - *Disclosure Initiative*. The goal of the amendments is to clarify on disclosures and other elements that may be perceived as hindrance to a clear and intelligible financial statements drafting. The amendments apply at the latest as of the financial years starting as at January 1, 2016 or at a later date. The Directors do not expect a significant effect on the operating accounts of the Company upon the application of these amendments.
- On December 18, 2014, the IASB published document "*Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)*", the Directors do not expect a significant effect on the Company operating accounts because of the adoption of the above amendments, since the Company does not fulfil the definition of investment entity.

B) NOTES ON THE MAIN ITEMS OF THE STATEMENT OF FINANCIAL POSITION

B1) ASSETS

3. CASH AND CASH EQUIVALENTS

Details are as follows:

(in thousands of Euro)	*June 30, 2015*	*December 31, 2014*
Short-term cash investments	16,009	36,595
Cash and cash equivalents on hand	4	5
TOTAL	16,013	36,600

This mainly comprises bank deposits and includes interest accrued at June 30, 2015.
The change in "Cash and cash equivalents" should be read jointly with the changes in financial liabilities.

As at June 30, 2015 the Company had unused credit lines of Euro 149,570 thousand (Euro 152,301 thousand as at December 31, 2014). All of the conditions for the same have been respected, which means that these funds are available for use on demand.

4. CASH POOLING CURRENT ACCOUNTS WITH SUBSIDIARIES

This item includes the assets as at June 30, 2015 held in subsidiary companies and derived from treasury activities within the management of intercompany cash pooling and include receivables for interest accrued on the relevant items.

Details are as follows:

(in thousands of Euro)	*June 30, 2015*	*December 31, 2014*
Sogefi Filtration Ltd	6,414	5,511
Sogefi Purchasing S.A.S.	2,320	1,947
Allevard Federn GmbH	5,396	4,665
Allevard Rejna Autosuspensions S.A.	1,691	2
Filtrauto S.A.	-	5
Sogefi Filtration d.o.o.	480	-
Sogefi Rejna S.p.A.	-	107
Sogefi Engine System Canada Corp.	177	-
Luhn & Pulvermacher-Dittmann & Neuhaus GmbH	13	9
TOTAL	16,491	12,246

5. LOANS AND FINANCIAL RECEIVABLES SIMILAR TO LOANS WITH SUBSIDIARIES

Details are as follows:

(in thousands of Euro)	*June 30, 2015*	*December 31, 2014*
Receivables for dividends resolved to be collected:		
Sogefi Filtration S.A.	6,423	6,423
Filtrauto S.A.	10,002	-
Allevard Rejna Autosuspensions S.A.	5,000	-
Loan to subsidiaries:		
Sogefi Filtration Ltd	8,434	7,703
Filtrauto S.A.	5,000	5,000
Allevard Federn GmbH	10,000	10,000
Financial interest matured on loan to subsidiaries	321	296
TOTAL	45,180	29,422

As at June 30, 2015, Euro 23,434 thousand represented loans granted at market rates (linked to the three-month Euribor and GBP Libor) to subsidiaries Sogefi Filtration Ltd, Filtrauto S.A. and Allevard Federn GmbH. These loans fall due within the next 12-month period.
In the item "Receivables for dividends resolved to be collected", receivables from French subsidiaries Filtrauto S.A. and Allevard Rejna Autosuspensions S.A. refer to dividends authorised in April 2015, whose payment is expected during the second half of the year.

6. TRADE AND OTHER RECEIVABLES

Details are as follows:

(in thousands of Euro)	*June 30, 2015*	*December 31, 2014*
Receivables from subsidiaries	13,421	11,124
Receivables from parent company	60	1,466
Trade receivables	-	1
Other receivables	317	551
Tax receivables	330	329
Other assets	1,133	907
TOTAL	15,261	14,378

The increase in “Receivables from subsidiaries” at June 30, 2015 reflects both increased revenues from services – as outlined in Note no. 18 further below – and receivables from subsidiaries Allevard Rejna Argentina S.A. and Sogefi Filtration Argentina (Euro 5.4 million at June 30, 2015 vs. Euro 4.6 million at December 31, 2014) accruing as from January 1, 2012 not yet collected due to the block on dividend, royalty and service payments to foreign beneficiaries imposed by Argentinian monetary authorities.

As regards these receivables, in the first semester 2015 the Company accounted in the Income Statements Euro 186 thousand for exchange gains.
As regards the item “Receivables from subsidiaries” in the month of June the Company received Euro 1,339 thousand for 2014 tax losses, offset in the CIR group tax filing system.
At June 30, 2015 the item "Tax receivables" mainly includes tax receivables for foreign withdrawals applied on subsidiary revenues.
“Other assets” is represented by accrued income and prepaid expenses of Euro 513 thousand and by up front commissions and other charges of Euro 248 thousand paid at the signing date in November 2014 of a revolving loan agreement for an amount of Euro 30 million obtained from Société Générale S.A. (as at June 30, 2015, the Company has not carried out any drawdown from such loan). The additional amount of Euro 372 thousand (December 31, 2014: Euro 403 thousand) is represented by the prepaid royalties relating to future years, paid to FramGroup on the basis of the contract signed in 2008 for the renewal and extension until June 30, 2021 of the use of the FRAM brand by Group companies operating in the fluid filters division. The contract provides for the exclusive use of the brand in key markets in Europe, the former Soviet Union and South America.

7. INVESTMENT PROPERTIES

The investment properties item includes land and buildings held for the purpose of earning rent or capital gains on their disposal.
As at June 30, 2015, these amount to Euro 24,350 thousand and are unchanged with respect to December 31, 2014.
The fair value at June 30, 2015 was unchanged from the values accounted as at December 31, 2014. The latter was determined through an assessment made by external experts in November 2013. The half-year report did not highlight any elements requiring a new assessment of investment properties fair value. The Company will request a new valuation during the second half of 2015 in order to update investment properties value while drafting the financial statements as at December 31, 2015.
As at June 30, 2015 investment properties are not encumbered by any restriction or commitment.

8. INTANGIBLE ASSETS

Details are as follows:

(in thousands of Euro)	2015			
	Industrial patents and intellectual property rights	*Concessions, licenses, trademarks and similar rights*	*Other assets, under construction and payments on account*	*TOTAL*
Net balance on January 1	32,598	129	143	32,870
Reclassified in the period	-	-	-	-
Acquisition of the period	1,640	9	6	1,655
Amortisation of the period	(1,630)	(11)	-	(1,641)
Net balance on June 30:	32,608	127	149	32,884
Historical cost	37,282	279	149	37,710
Accumulated amortisation	(4,674)	(152)	-	(4,826)
Net Value	32,608	127	149	32,884

The increases reported in the half year being examined are mainly capitalisations for the "SAP" integrated platform activated on January 1, 2013 and currently still being implemented at Group level.

At the end of FY 2014 the implementation was completed in the following subsidiaries: Sogefi Rejna S.p.A., Allevard Rejna Autosuspensions S.A., Allevard Springs Ltd, Filtrauto S.A., Sogefi Filtration d.o.o., Sogefi Filtration Ltd, Systèmes Moteurs S.A.S, S.C. Systemes Moteurs S.r.l., Sogefi Filtration S.A., Iberica de Suspensiones S.L., Sogefi (Suzhou) Auto Parts Co., Ltd and Shanghai Allevard Springs Co., Ltd.. During the first six months of 2015 the system was not implemented in any other subsidiary.

The Company owns intellectual property of said Group IT system and has licensed its use to the subsidiaries involved in the implementation process, against payment of royalty fees.
This integrated information system is amortised on a ten-year basis, depending on the estimated useful life, starting from the date of implementation in each subsidiary.

The likelihood of recovering the accounting value of the asset (mainly the SAP integrated platform) is guaranteed by royalties charged by the Company to its subsidiaries involved in the implementation process.

9. EQUITY INVESTMENTS IN SUBSIDIARIES

Changes during the first half of 2015 in equity investments in subsidiaries are illustrated in the following table:

STATEMENT OF CHANGES IN EQUITY INVESTMENTS IN SUBSIDIARIES DURING THE FIRST HALF OF 2015
(amounts in thousands of Euro)

	Opening balance 12.31.2014			
	No. of shares	Historical Cost	Revaluations (Writedowns)	Balance
Subsidiaries				
SOGEFI REJNA S.p.A.	21,950,990	79,520	(13,662)	65,858
SOGEFI FILTRATION Ltd	5,126,737	10,393	28,366	38,759
SOGEFI FILTRATION S.A.	1,855,360	25,322	7,755	33,077
SOGEFI FILTRATION d.o.o.	1	10,780	-	10,780
FILTRAUTO S.A.	287,497	38,652	-	38,652
ALLEVARD REJNA AUTOSUSPENSIONS S.A.	1,999,964	54,813	-	54,813
ALLEVARD SOGEFI U.S.A. Inc.	191	23,542	(16,155)	7,387
SOGEFI PURCHASING S.A.S.	10,000	162	-	162
SHANGHAI SOGEFI AUTO PARTS Co., Ltd	1	9,462	-	9,462
SYSTEMES MOTEURS S.A.S.	3,602,500	126,054	-	126,054
SOGEFI (SUZHOU) AUTO PARTS Co., Ltd	1	12,310	-	12,310
Total subsidiaries		391,010	6,304	397,314

	1st half 2015					Closing balance 06.30.2015		
	Increases		Decreases		Writedowns			
	No of Shares	Amount	No of Shares	Amount	Amount	No of Shares	Amount	% ownership
Subsidiaries								
SOGEFI REJNA S.p.A.	-	10	-	-	-	21,950,990	65,868	99.88
SOGEFI FILTRATION Ltd	-	34	-	-	-	5,126,737	38,793	100.00
SOGEFI FILTRATION S.A.	-	7	-	-	-	1,855,360	33,084	(*) 86.08
SOGEFI FILTRATION d.o.o.	-	6	-	-	-	1	10,786	100.00
FILTRAUTO S.A.	-	28	-	-	-	287,497	38,680	99.99
ALLEVARD REJNA AUTOSUSPENSIONS S.A.	-	71	-	-	-	1,999,964	54,884	99.99
ALLEVARD SOGEFI U.S.A. Inc.	-	6	-	-	-	191	7,393	100.00
SOGEFI PURCHASING S.A.S.	-	13	-	-	-	10,000	175	100.00
SHANGHAI SOGEFI AUTO PARTS Co., Ltd	-	-	-	-	-	1	9,462	100.00
SYSTEMES MOTEURS S.A.S.	-	-	-	-	-	(**) 36,025	126,054	100.00
SOGEFI (SUZHOU) AUTO PARTS Co., Ltd	-	-	-	-	-	1	12,310	100.00
Total subsidiaries		175		-	-		397,489	

(*) Ownership is 100% through the subsidiary Filtrauto S.A.
(**) The number of shares has changed from the end of the previous FY by effect of a change in the share nominal value.

The increase in the cost of equity investments in subsidiaries of Euro 175 thousand corresponds to the fair value of options and relevant rights relating to stock-based incentive plans (Stock Option and Stock Grant plans) awarded to employees of subsidiaries; said increases have a balancing item in a specific equity reserve.
As at June 30, 2015, indicators did not occur on these stakes in subsidiaries requesting the performance of an updated impairment test about their recoverable amount. The Company will carry out impairment tests on investments in subsidiaries when preparing the annual financial statements.

10. LOANS AND FINANCIAL RECEIVABLES SIMILAR TO LOANS

As at June 30, 2015 they include financial receivables from subsidiaries due to loans granted at market conditions, more specifically to Allevard Rejna Autosuspensions S.A. at a floating interest rate linked with three-month Euribor and to Allevard Sogefi U.S.A. Inc. at a floating interest rate linked with three-month U.S.Libor, for which repayment is expected in the mid term.
The amount of Euro 10,547 thousand (Euro 157 thousand at December 31, 2014) reported under "Other assets for derivative financial instruments" regards the fair value of Cross Currency Swap (Ccs) contracts designed in hedge accounting, entered into at the end of April 2013 and maturing in June 2023 with the purpose of hedging interest rate and currency exchange risk regarding a *private placement* bond for USD 115 million.

Details are as follows:

(in thousands of Euro)	*June 30, 2015*	*December 31, 2014*
Loans to subsidiaries:		
Allevard Rejna Autosuspensions S.A.	77,200	77,200
Allevard Sogefi U.S.A. Inc.	4,469	4,118
Other assets for derivative financial instruments:		
Other medium/long-term assets for derivative financial instruments	10,547	157
TOTAL	92,216	81,475

11. DEFERRED TAX ASSETS

As at June 30, 2015, these amounted to Euro 11,815 thousand, against Euro 10,153 thousand at the end of the previous year, and relate to benefits on deductible temporary differences for Euro 4,753 thousand (mostly traced back to cash flow hedging reserve for the amount of Euro 3,476 thousand) expected at the end of the period, and tax losses for FY 2014 and first half of 2015 not off set in the CIR Group tax filing system for Euro 7,062 thousand.
Deferred tax assets are recognised based on the probability of their recovery: more specifically, the Company recognised deferred tax assets on the amount of tax losses not off set by taxable profit in the CIR Group tax filing system based on future expected taxable income coming from the forecasts prepared by the companies participating in the CIR Group tax filing system.
This item should be considered together with "Other liabilities for deferred taxes", which reflects the impact of deferred tax liabilities at the end of the period.

B2) LIABILITIES AND EQUITY

12. FINANCIAL DEBTS TO BANK AND OTHER FINANCING CREDITORS

Details are as follows:

Current portion

(in thousands of Euro)	*June 30, 2015*	*December 31, 2014*
Bank overdrafts and short-term loans	28,583	10,017
Cash pooling current accounts with subsidiaries	93,927	110,013
Current portion of medium/long term financial debts and other loans	38,774	19,222
of which to subsidiaries	-	-
Total loans maturing within one year	132,701	129,235
TOTAL SHORT TERM FINANCIAL DEBTS	161,284	139,252
Other short-term liabilities for derivative financial instruments	104	242
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	161,388	139,494

Non-current portion

(in thousands of Euro)	*June 30, 2015*	*December 31, 2014*
Debts to bank for medium/long term loans	78,673	108,787
Other medium/long term financial debts	204,379	194,809
TOTALE MEDIUM/LONG TERM FINANCIAL DEBTS	283,052	303,596
Other medium/long term financial liabilities for derivative financial instruments	12,430	24,440
TOTAL MEDIUM/LONG TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	295,482	328,036

Bank overdrafts and short-term loans
They include Euro 20 million for the temporary use of two bank loan facilities (Euro 10 million with Banca Monte dei Paschi di Siena S.p.A. and Euro 10 million with Unicredit S.p.A.) both expiring in September 2015 and Euro 8,5 million as negative balance at June 30, 2015 in a bank account held with ING Bank N.V..

Cash pooling current accounts with subsidiaries

This item includes the liabilities held in subsidiary companies derived from centralised treasury activity within the management of intercompany cash pooling and include payables for interest accrued on the relevant items.

Details are as follows:

(in thousands of Euro)	*June 30, 2015*	*December 31, 2014*
Filtrauto S.A.	13,744	13,714
Sogefi Rejna S.p.A.	9,690	9,085
Sogefi Filtration S.A.	714	472
Sogefi Filtration Ltd	6,007	10,861
Sogefi Filtration d.o.o.	-	2,023
Luhn & Pulvermacher-Dittmann & Neuhaus GmbH	1,345	2,960
United Springs S.A.S.	4,167	4,143
Allevard Springs Ltd	7,928	8,095
United Springs Ltd	4,180	3,455
Allevard Rejna Autosuspensions S.A.	14,662	10,552
Allevard Sogefi U.S.A. Inc.	5,535	-
Systèmes Moteurs S.A.S.	25,547	44,653
Sogefi Engine Systems Mexico, S de R.L. de C.V.	408	-
TOTAL	93,927	110,013

Other short-term liabilities for derivative financial instruments
They include Euro 104 thousand for the fair value of two currency forward contracts (not held as hedge accounting) entered into by the Company to hedge the exchange rate risk on currency loans granted to subsidiaries. The relevant cost is included in the income statement under "Interest expenses and other financial expenses".

Medium/long-term financial debts
Details are as follows:

Position at June 30, 2015	*Signing date*	*Due date*	*Original Loan Amount*	*Interests rate applied at June 30, 2015*	*Current portion (in thousands of Euro)*	*Non-current portion (in thousands of Euro)*	*Total amount (in thousands of Euro)*	*Guarantee*
Medium/long term financial debts								
Intesa Sanpaolo S.p.A.	Apr-2011	Dec-2016	Euro 60,000,000	3M Euribor + 230 bps	8,000	33,801	41,801	N/A
Banca Carige Italia S.p.A.	July-2011	Sept-2017	Euro 25,000,000	3M Euribor+ 225 bps	5,135	6,580	11,715	N/A
Banco do Brasil S.A.	Dec-2012	Apr-2017	Euro 15,000,000	3M Euribor + 315 bps	3,750	3,699	7,449	N/A
Mediobanca S.p.A.	July-2014	Jan-2016	Euro 20,000,000	3M Euribor + 170 bps	19,973	-	19,973	N/A
Unicredit S.p.A.	July-2014	July-2019	Euro 50,000,000	3M Euribor + 200 bps	-	9,776	9,776	N/A
BNP Paribas S.A.	Sept-2014	Sept-2019	Euro 55,000,000	3M Euribor + 290 bps	-	24,817	24,817	N/A
Net financial expenses due at June 30, 2015					736	-	736	
Subtotal medium/long term financial debts					*37,594*	*78,673*	*116,267*	
Other medium/long term financial debts								
Private Placement	May-2013	May-2023	Usd 115,000,000	Fixed coupon 600 bps	-	102,444	102,444	N/A
Private Placement	May-2013	May-2020	Euro 25,000,000	Fixed coupon 505 bps	-	24,928	24,928	N/A
Bond: *"€100,000,000 2 per cent. Equity Linked Bonds due 2021"*	May-2014	May-2021	Euro 100,000,000	Fixed coupon 2% annuo	-	77,007	77,007	N/A
Loan IBM Italia Servizi Finanziari S.p.A.	Sept-2013	Aug-2015	Euro 2,712,753	-	339	-	339	N/A
Net financial expenses due at June 30, 2015					841	-	841	
Subtotal Other medium/long term financial debt					*1,180*	*204,379*	*205,559*	
Total medium/long term financial debts					38,774	283,052	321,826	

Position at December 31, 2014	*Signing date*	*Due date*	*Original Loan Amount*	*Interests rate applied at December 31, 2014*	*Current portion (in thousands of Euro)*	*Non-current portion (in thousands of Euro)*	*Total amount (in thousands of Euro)*	*Guarantee*
Medium/long term financial debts								
Intesa Sanpaolo S.p.A.	Apr-2011	Dic-2016	Euro 60,000,000	3M Euribor + 230 bps	8,000	37,736	45,736	N/A
Banca Carige Italia S.p.A.	Lug-2011	Set-2017	Euro 25,000,000	3M Euribor+ 225 bps	5,040	9,143	14,183	N/A
Banco do Brasil S.A.	Dic-2012	Apr-2017	Euro 15,000,000	3M Euribor+ 315 bps	3,750	7,435	11,185	N/A
Mediobanca S.p.A.	Lug-2014	Gen-2016	Euro 20,000,000	3M Euribor + 170 bps	-	19,948	19,948	N/A
Unicredit S.p.A.	Lug-2014	Lug-2019	Euro 50,000,000	3M Euribor + 200 bps	-	9,748	9,748	N/A
BNP Paribas S.A.	Set-2014	Set-2019	Euro 55,000,000	3M Euribor + 290 bps	-	24,777	24,777	N/A
Net financial expenses due at December 31 2014					614	-	614	
Subtotal medium/long term financial debts					*17,404*	*108,787*	*126,191*	
Other medium/long term financial debts								
Private Placement	Mag-2013	Mag-2023	Usd 115,000,000	Fixed coupon 600 bps	-	94,360	94,360	N/A
Private Placement	Mag-2013	Mag-2020	Euro 25,000,000	Fixed coupon 505 bps	-	24,922	24,922	N/A
Bond: *"€100,000,000 2 per cent. Equity Linked Bonds due 2021"*	Mag-2014	Mag-2021	Euro 100,000,000	Fixed coupon 200 bps	-	75,527	75,527	N/A
Loan IBM Italia Servizi Finanziari S.p.A.	Set-2013	Ago-2015	Euro 2,712,753	-	1,017	-	1,017	N/A
Net financial expenses due at December 31, 2014					801	-	801	
Subtotal Other medium/long term financial debt					*1,818*	*194,809*	*196,627*	
Total medium/long term financial debts					19,222	303,596	322,818	

As regards the "*€ 100,000,000 2 per cent. Equity Linked Bond due 2021*" bond, please note that under a resolution of the Board of Directors passed on January 19, 2015 and a Deed Poll executed on January 28, 2015 under British law (notified to Agent on January 29, 2015), the Company unilaterally waived the right to settle the convertible bonds in cash rather than by conversion into ordinary shares when the conversion options are exercised by bondholders under the Bond Terms. This waiver is final, unconditional and irrevocable. Under British law, such renouncement has the same effect as an amendment to the Bond Terms.
As at January 28, 2015 the fair value of the option (calculated based on the same model applied on December 31, 2014) amounted to Euro 9,090 thousand (Euro 10,540 thousand at December 31, 2014). This resulted in a positive effect of Euro 1,450 thousand in the Income Statement of first half year 2015. Moreover, since the execution of the deed poll has a similar effect to an amendment of the Bond Terms regulations, the Company reconsidered the *liability-equity* classification made upon initial recognition of the option (because the call option rights granted to the Company were waived irrevocably, finally and unconditionally), within the frame of its accounting policy. As a result, the Company Sogefi reclassified the fair value of the option mentioned above (Euro 9,090 thousand) from “Other medium/long-term liabilities for derivative financial instruments” to shareholders' equity (since bondholders will only be entitled to convert the bonds into a fixed and predetermined number of shares).

This is also to report that the Company in November 2014 had executed a revolving loan agreement with Société Générale for an overall amount of Euro 30 million expiring in November 2019. As at June 30, 2015, the Company has not carried out any drawdown from such loan.

The existing loans are not secured by the Company’s assets. Furthermore, note that, contractually, the spreads relating to the loans of the Company are reviewed every six months on the basis of the computation of the consolidated NFP/normalised consolidated EBITDA ratio. For an analysis of the covenants relating to loans outstanding at the end of the period, please refer to the note below entitled “Analysis of the financial position”.

Other medium/long-term financial liabilities for derivative financial instruments

As at June 30, 2015 they amount to Euro 12,430 thousand (Euro 24,440 thousand as at December 31, 2014). As previously represented, the fair value of the derivative instrument represented by the conversion option (linked to the Euro 100 million bond issue issued in May 2014), posted for Euro 10,540 thousand at December 31, 2014, upon the execution of the deed poll on January 28, 2015 was reclassified to equity for Euro 9,090 thousand while the fair value change of the same derivative from December 31, 2014 to January 28, 2015 was reported in the income statement as financial gain for Euro 1,450 thousand.
Details of these derivative contracts are provided in the note below entitled “Financial Instruments”**.**

13. TRADE AND OTHER CURRENT PAYABLES

Details are as follows:

(in thousands of Euro)	*June 30, 2015*	*December 31, 2014*
Due to subsidiaries	3,189	2,059
Due to parent company	1,078	142
Due to suppliers	2,106	3,032
Due to Social and Security institutions	549	696
Due to Employees	872	1,238
Other payables	2,687	1,260
TOTAL	10,481	8,427

Item “Due to subsidiaries” includes the services provided by the subsidiaries Filtrauto S.A., Allevard Rejna Autosuspensions S.A., Sogefi Filtration S.A., Systèmes Moteurs S.A.S., Sogefi Rejna S.p.A. and Sogefi Filtration d.o.o. within the frame of the multi-year project to implement the new SAP integrated information system across the Sogefi Group, as previously indicated under “Intangible assets”.

The item "Due to parent company" for Euro 1,061 thousand refers to the debt owed to CIR S.p.A. for services provided to the Company in the first half of 2015 and the consideration paid for the transfer of tax surplus by the companies included in the CIR Group tax filing system and the subsequent recognition for tax purposes of non deductible financial expense, as provided in the relevant regulation. A further amount of Euro 17 thousand is the consideration assigned to the Chairman of the Board of Directors and a Director to be liquidated to the parent company.

Item “Due to suppliers” includes about Euro 0.4 million third-party service fees for the SAP implementation project at a Group-wide level.

“Other payables” includes Euro 1.9 million royalties due to FramGroup under the licence contract granting the use of the FRAM trademark.

14. OTHER LONG-TERM LIABILITIES

Long-term provisions
These can be broken down as follows:

(in thousands of Euro)	*June 30, 2015*	*December 31, 2014*
Provision for employment termination indemnities	1,043	981
Provision for *Phantom Stock Option*	118	-
TOTAL	1,161	981

The provision for Phantom Stock Options refers to the fair value measurement of options related to the Phantom Stock Option 2007 incentive plan still in place for the Director who filled the post of Managing Director when the plans were issued. Fair value variation, negative by Euro 118 thousand was accounted in the first half of 2015 in the Income Statement under "Non-financial services".

Provisions for deferred tax liabilities
As of June 30, 2015, this item amounts to Euro 633 thousand compared with Euro 426 thousand as of December 31, 2014.
These are deferred tax liabilities accrued mainly on dividends posted in the income statement though not yet paid.

15. SHAREHOLDERS' EQUITY

Share capital

At June 30, 2015, the share capital amounted to Euro 61,681,388.60 (divided into 118,618,055 ordinary shares of a par value of Euro 0.52 each).

In the first half of 2015, the amount of share capital rose by Euro 50 thousand due to the subscription - by employees of the Company and its subsidiaries - of 97,000 shares under the stock option plans occurred in January and May 2015.

As at June 30, 2015, the Holding Company has 3,337,588 treasury shares in its portfolio, corresponding to 2.81% of share capital. During the first half of 2015, the Company assigned 92,545 treasury shares to beneficiaries of the Stock Grant plans free of charge in exchange for the conversion of the same number of time-based units and performance units.

Reserves and retained earnings (accumulated losses)

At June 30, 2015, this item amounted to Euro 111,955 thousand, compared to Euro 97,596 thousand at the end of the previous year.
The main changes in Reserves and retained earnings in the first half of the year are as follows:

- increase of Euro 2,022 thousand corresponding to net result for FY 2014 upon the destination resolution approved by the Shareholders' Meeting of April 20, 2015;
- establishment of a Euro 9,090 thousand "Convertible debt equity components" reserve on January 28, 2015 upon the execution by the Company of the deed poll connected with a bond of Euro 100 million (issued in May 2014) with which the Company has unilaterally waived its entitlement to refund the convertible bond in cash rather than in a fixed number of ordinary shares in case of the conversion right being exercised under the bond regulations;
- increase of Euro 95 thousand as “Share premium reserve” due to an increase in the capital reserved to employees of the Company and its subsidiaries, relating to stock option plans, subscribed and paid in the first half of 2015;
- increase, net of tax effects, of Euro 2,636 thousand for “*cash flow hedge reserve*” detailed as follows:
  - increase of Euro 1,583 thousand corresponding to a fair value change net of the relevant tax effect, compared to December 31, 2014, for derivative hedging contracts in place and valued as effective at June 30, 2015;
  - increase of Euro 1,053 thousand corresponding to the share of the reserve, net of the relevant tax effect, for derivative contracts (*Irs* on the Company's debt) valued as no longer effective and steadily reclassified in the Income Statement on the same time frame as the expected cash flows from the underlying previously hedged item;
- increase of Euro 516 thousand of credit to equity for the share-based incentive plans (stock option and stock grant) in due course of accrual and for the Director who filled the post of Managing Director at the time of plan issue and for employees of the Company and its subsidiaries.

Changes in shareholders’ equity in the first half of 2014 and 2015 have already been illustrated in the table above entitled “Statement of changes in Shareholders’ Equity”.

16. ANALYSIS OF THE NET FINANCIAL POSITION

The following table provides details of the net financial position as required by Consob in its communication no. DEM/6064293 of July 28, 2006 with a reconciliation of the net financial position shown in the report on operations:

(in thousands of Euro)	*June 30, 2015*	*December 31, 2014*
A. Cash	4	5
B. Other cash and cash equivalents (short-term cash investments and cash pooling current accounts)	32,500	48,841
of which cash pooling current accounts with subsidiaries	*16,491*	*12,246*
C. Other financial assets	108	54
D. Liquid funds (A) +(B)+(C)	32,612	48,900
E. Current financial receivables	45,180	29,422
of which from subsidiaries	*45,180*	*29,422*
F. Current payables to bank and cash pooling current accounts	122,510	120,030
of which cash pooling current accounts with subsidiaries	*93,927*	*110,013*
G. Current portion of non-current indebtedness	38,774	19,222
of which financial debts to subsidiaries	-	-
H. Other current financial debts	104	242
of which financial debts to subsidiaries	-	-
I. Current financial indebtedness (F)+(G)+(H)	161,388	139,494
J. Current financial indebtedness, net (I)-(E)-(D)	83,596	61,172
K. Non-current payables to bank	78,673	108,787
L. Bond issued	204,379	194,809
M. Other non-current financial debts	12,430	13,900
N. Convertible bond Embedded derivative	-	10,540
O. Non-current financial indebtedness (K)+(L)+(M)+(N)	295,482	328,036
P. Net indebtedness (J)+(O)	379,078	389,208

Loans and financial receivables similar to loans non-current	92,216	81,475
of which loans to subsidiaries	*81,669*	*81,318*
Financial indebtedness, net including non-current financial receivables (as per the "Net financial position" included in the Director's report on operations)	286,862	307,733

Details of the covenants applying to loans outstanding at the end of the first half year 2015 are as follows (see note 12 for further details on loans):

- loan of Euro 60,000 thousand from Intesa Sanpaolo S.p.A.: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less than or equal to 3.5;
- loan of Euro 15,000 thousand from Banco do Brasil S.A.: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less than or equal to 3.5; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 4;
- loan of Euro 20,000 thousand from Mediobanca S.p.A.: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less or equal to 3.5; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 4;
- loan of Euro 50,000 thousand from Unicredit S.p.A.: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less or equal to 3.5; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 4;
- loan of Euro 55,000 thousand from BNP Paribas S.A.: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less than or equal to 3.5; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 4;
- loan of Euro 30,000 thousand from Société Générale S.A.: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less or equal to 3.5; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 4;
- bond issue of USD 115,000 thousand: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less than or equal to 3.5; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 4;
- bond issue of Euro 25,000 thousand: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less than or equal to 3.5; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 4.

As of June 30, 2015 the Company was in compliance with these covenants.

C) NOTES ON THE MAIN INCOME STATEMENTS ITEMS

17. FINANCIAL INCOME AND EXPENSES

Income from equity investments

These can be broken down as follows:

(in thousands of Euro)	*1st half 2015*	*1st half 2014*
Dividends from subsidiaries:		
- Sogefi Filtration S.A.	-	4,304
- Sogefi Filtration d.o.o.	2,000	2,000
- Allevard Rejna Autosuspensions S.A.	5,000	9,999
- Systèmes Moteurs S.A.S.	-	-
- Filtrauto S.A.	10,002	-
TOTAL	17,002	16,303

Dividends declared by the competent corporate bodies of the subsidiaries in the first half-year were fully recognised in the income statement. In the first half of 2015 the Company received dividends from Sogefi Filtration d.o.o..

Other financial income

Details are as follows:

(in thousands of Euro)	*1st half 2015*	*1st half 2014*
Interest on amount due from subsidiaries	2,274	2,189
Interest on cash pooling current accounts	161	247
Interest on amount due from banks	2	12
Change in fair value measurement of derivative embedded in the Equity Linked bond	1,450	100
Income from cross currency swaps in cash flow hedge	578	-
Change in fair value measurement of derivative not in "cash flow hedge"	165	-
Sub-total before exchange gains	4,630	2,548
Exchange gains	11,071	1,493
TOTAL	15,701	4,041

The item "Change in fair value measurement of derivative not in "*cash flow hedge*" as at June 30, 2015 includes the net effect of a financial expense for Euro 1,452 thousand, reflecting the portion of the reserve previously booked to Other Comprehensive Income that will be reclassified to Income Statement over the same period of time expected for the differentials relating to the former underlying hedged item and a financial gain by Euro 1,617 thousand corresponding to the change in *fair value*, from December 31, 2014, of derivative instruments no more designed in cash flow hedge.

Interest expenses and other financial expenses

Details are as follows:

(in thousands of Euro)	*1st half 2015*	*1st half 2014*
Interest on amounts due to banks	205	154
Interest expense on cash pooling current accounts	20	72
Interest expense on medium-long term financial loan	1,509	4,082
Interest expense on bond issues	6,370	3,746
Expenses from interest-rate hedging derivatives	1,996	3,220
Change in fair value measurement of derivative not in “cash flow hedge”	-	3,111
Losses from cross currency swaps in cash flow hedge	-	10
Commission and bank charges	54	31
Commission on financial transactions	784	2,961
Other	4	11
Sub-total before exchange losses	10,942	17,398
Exchange losses	10,788	1,429
TOTAL	21,730	18,827

In the first half of 2015 financial charges pre exchange losses decreased by Euro 6,456 thousand from the same period of 2014. This variation is mainly due to higher extraordinary financial expense incurred in the first half of 2014 (amounting to Euro 3 million) following financial debt restructuring transactions; moreover, in the first half of 2014 the Company posted an overall amount of Euro 3,111 thousand related to fair value changes of derivatives no longer designed in derivative fair value charges no longer designed in hedge accounting, while at June 30, 2015, as previously reported under "Other financial income", the Company posted net income for Euro 165 thousand for the same derivative.

The item “Expenses from interest-rate hedging derivatives” includes the differential between fixed and variable rate exchanged in the first half of 2015 with respect to all outstanding IRS contracts.

For a better description of the effects of exchange rate adjustments, the following summary table is provided:

(in thousands of Euro)	*1st half 2015*	*1st half 2014*
Income on foreign currency operations	2,744	594
Income from exchange-rate hedging derivatives	8,327	899
Losses on foreign currency operations	(9,401)	(1,091)
Losses from exchange-rate hedging derivatives	(1,387)	(338)
TOTAL	283	64

The item "Losses on foreign currency operations" includes Euro 8,059 thousand related to the conversion of the USD 115 million bond private placement subscribed in May 2013. The bond private placement adjustment was entirely offset (by posting an income from exchange risk hedging contracts) by the change in fair value at June 30, 2015 of 3 cross currency swap contracts executed to hedge the rate and exchange risk on the item, because of the exchange risk component, and posted according to hedge accounting rules.

18. OTHER OPERATING INCOME

These can be broken down as follows:

(in thousands of Euro)	*1st half 2015*	*1st half 2014*
REVENUES FROM SALES AND SERVICES		
Consultancy and business assistance, royalties:		
- engine systems division companies	8,460	7,793
- suspension components division companies	2,798	2,554
Leases:		
- Sogefi Rejna S.p.A.	277	277
OTHER REVENUES AND INCOME		
Various income and recoveries from subsidiaries	89	91
Other income	32	59
TOTAL	11,656	10,774

The increase of the revenues in both divisions was mainly due to a higher number of companies, vs. the first quarter of 2014, in which the Group information system implementation project was completed with ensuing higher royalties.

19. OTHER OPERATING EXPENSES

In the first half of 2015, “Costs of services” includes the amount of Euro 445 thousand for administrative, financial, fiscal and corporate services provided by the parent company (Euro 946 thousand in first half year 2014).
In the first half of 2015 the Company posted (among corporate body consideration) a charge of Euro 118 thousand for the valuation at fair value of the 2007 Phantom Stock Option plan, assigned to the Director who filled the post of Managing Director at the time of plan issue. In the first half of 2014 the Company had overall net expenses of Euro 1,034 thousand, in that the above Director had fully exercised 990,000 options set out in the 2008 Phantom Stock Option plan. Pursuant to Regulations, the Company paid the beneficiary for an amount of Euro 2.3 million (of which Euro 1.3 million from the Phantom Stock Option fund and Euro 1 million accounted in the income statement).
The item “Costs of non financial services” includes Euro 3,001 thousand (Euro 2,045 thousand in the first half of 2014) that account for net operating expense incurred in managing the Group integrated information system SAP. The higher costs incurred are offset by higher revenues for royalties charged to subsidiaries.
“Costs for use of third party assets” included Euro 2,620 thousand (Euro 2,016 thousand in the first half of 2014) from royalties accrued during the period on the licence contract signed on June 30, 2008 with FramGroup for the use of the FRAM trademark by the Group’s Fluid Filters Division.
The decrease in "Personnel costs" in the first half of 2015 is mainly due to the lower average number of Company executives (lower by approximately 3 units,

as highlighted later on in comparison with the same period of 2014). It also includes an expense of Euro 303 thousand (Euro 431 thousand in the first half of 2014) resulting from the fair value measurement of options and rights relating to the Stock Option and Stock Grant plans for Company employees. The information and characteristics of the stock-based incentive plans are widely indicated in the explanatory and supplementary notes on the consolidated financial statements in the income statement item “Personnel costs”.

20. NON-OPERATING INCOME AND EXPENSES

Non-operating non-recurring expenses

It amounts to Euro 1,135 thousand (vs. Euro 648 thousand in the first half of 2014) and mainly regards charges incurred in the first half of 2015 upon the executive function restructuring project as well as charges incurred by the Company for legal fees in connection with litigation proceedings against the parties selling the stake in Systèmes Moteurs S.A.S.. The Company is involved in an international arbitration proceedings against the selling party of the stake in Systèmes Moteurs S.A.S., as provided in the acquisition agreement, to claim the costs incurred by subsidiary Systèmes Moteurs S.A.S. after product quality claims brought against it prior to the acquisition.

21. INCOME TAX

These can be broken down as follows:

(in thousands of Euro)	*1st half 2015*	*1st half 2014*
Current taxes	(10)	(6,015)
Deferred taxes	(2,381)	868
Expenses (Income) from CIR Group tax filing system	616	1,442
TOTAL	(1,775)	(3,705)

The decrease in income tax (positive) refers to lower tax losses due to higher revenues and less charges recorded in the first half of 2015 vs. the same period in 2014.
Said tax was accounted in the income statement (first half of 2015) under "Deferred taxes", counterbalanced by deferred tax assets. The ability to recover such tax is based on expected future taxable income according to the forecasts involving the companies participating in the CIR Group tax filing system.
The item "Expenses from CIR Group tax filing system" represents the consideration granted by the company to CIR S.p.A. upon the transfer of tax surplus of the companies participating in the CIR Group tax filing system, with ensuing posting of non deductible financial expense for tax purposes, as prescribed in the applicable regulations.

22. OTHER INFORMATION

In the first half of 2015, the average number of employees of Sogefi S.p.A. was 33 (36 in the first half of 2014).

D) 23. RELATED PARTY TRANSACTIONS

Information on related party transactions can be found in the corresponding section of the explanatory notes to the consolidated financial statements.

Transactions with subsidiaries

The impact on the statement of financial position and income statement of related party transactions is summarised in the following tables:

Balance at June 30, 2015	*Statement of financial position*					
	CURRENT ASSETS			NON-CURRENT ASSETS	CURRENT LIABILITIES	
	Cash pooling current accounts	Loans and financial receivables	Trade receivables	Loans	Cash pooling current accounts	Trade and financial payables
Sogefi Rejna S.p.A.	-	-	1,100	-	9,690	222
Sogefi Filtration Ltd	6,414	8,546	817	-	6,007	-
Sogefi Filtration S.A.	-	6,423	207	-	714	68
Filtrauto S.A.	-	15,061	1,428	-	13,744	2,358
Sogefi Filtration d.o.o.	480	-	84	-	-	21
Sogefi Filtration do Brasil Ltda	-	-	918	-	-	6
Sogefi Filtration Argentina S.A.	-	-	3,951	-	-	-
Sogefi Purchasing S.A.S.	2,320	-	51	-	-	-
Luhn & Pulvermacher-Dittmann & Neuhaus GmbH	13	-	18	-	1,345	-
Allevard Rejna Autosuspensions S.A.	1,691	5,074	894	77,200	14,662	335
Allevard Federn GmbH	5,396	10,010	4	-	-	-
Allevard Springs Ltd	-	-	117	-	7,928	-
Allevard Molas do Brasil Ltda	-	-	19	-	-	-
Allevard Rejna Argentina S.A.	-	-	1,422	-	-	-
Allevard Sogefi U.S.A. Inc.	-	66	139	4,469	5,535	-
United Springs S.A.S.	-	-	21	-	4,167	-
United Springs B.V.	-	-	5	-	-	-
United Springs Ltd	-	-	8	-	4,180	-
Iberica De Suspensiones S.L. (ISSA)	-	-	35	-	-	-
Systèmes Moteurs S.A.S.	-	-	1,011	-	25,547	179
Sogefi Engine Systems Canada Corp.	177	-	165	-	-	-
Sogefi Engine Systems USA, Inc.	-	-	10	-	-	-
Sogefi Engine Systems Mexico, S de R.L. de C.V.	-	-	160	-	408	-
Systemes Moteurs India Pvt. Ltd	-	-	41	-	-	-
S.C. Systemes Moteurs S.r.l.	-	-	24	-	-	-
Shanghai Allevard Springs Co., Ltd	-	-	73	-	-	-
Sogefi (Suzhou) Auto Parts Co., Ltd	-	-	674	-	-	-
Sogefi M.N.R. Filtration India Pvt. Ld	-	-	25	-	-	-
TOTAL	16,491	45,180	13,421	81,669	93,927	3,189

1st half 2015	*Income statement*					
	Income				Expenses	
	From equity investments	Other financial income	Revenues from sales and services	Other revenues and income	Interest expenses and other financial expenses	Other operating expenses
Sogefi Rejna S.p.A.	-	1	1,658	7	-	182
Sogefi Filtration Ltd	-	284	1,007	4	-	-
Sogefi Filtration S.A.	-	-	251	5	-	69
Filtrauto S.A.	10,002	110	2,934	12	1	2,357
Sogefi Filtration d.o.o.	2,000	2	332	1	-	32
Sogefi Filtration do Brasil Ltda	-	-	580	-	-	-
Sogefi Filtration Argentina S.A.	-	-	503	-	-	-
Sogefi Purchasing S.A.S.	-	20	51	-	-	-
Luhn & Pulvermacher-Dittmann & Neuhaus GmbH	-	14	162	3	-	-
Allevard Rejna Autosuspensions S.A.	5,000	1,688	1,086	13	2	298
Allevard Federn GmbH	-	261	55	1	-	-
Allevard Springs Ltd	-	-	158	1	11	-
Allevard Rejna Argentina S.A.	-	-	126	-	-	-
Allevard Molas do Brasil Ltda	-	-	215	-	-	-
Allevard Sogefi U.S.A. Inc.	-	55	253	7	-	-
United Springs S.A.S.	-	-	38	-	-	-
United Springs B.V.	-	-	8	-	-	-
United Springs Ltd	-	-	10	1	6	-
Iberica De Suspensiones S.L. (ISSA)	-	-	113	5	-	-
Systèmes Moteurs S.A.S.	-	-	1,206	8	-	278
Sogefi Engine Systems Canada Corp.	-	-	231	18	-	-
Sogefi Engine Systems USA, Inc.	-	-	7	3	-	-
Sogefi Engine Systems Mexico, S de R.L. de C.V.	-	-	56	-	-	-
Systemes Moteurs India Pvt. Ltd	-	-	10	-	-	-
S.C. Systemes Moteurs S.r.l.	-	-	85	-	-	-
Shanghai Allevard Springs Co., Ltd	-	-	25	-	-	-
Sogefi (Suzhou) Auto Parts Co., Ltd	-	-	366	-	-	-
Sogefi M.N.R. Filtration India Pvt. Ld	-	-	9	-	-	-
TOTAL	17,002	2,435	11,535	89	20	3,216

The Company issues guarantees on behalf of its subsidiaries for commitments made to third parties, illustrated in item E) below “Commitments and risks”.

Transactions with the parent company

The impact on the balance sheet and income statement of transactions with the parent company, CIR S.p.A., is summarised in the following table:

(in thousands of Euro)	*Note*	*June 30, 2015*
Statement of financial position:		
Trade and other receivables (**)	*6*	60
Trade and other payables	*13*	1,078
Income statement:		
Other operating expenses	*19*	468
Income taxes (*)	*21*	616

(*) The amount of “Income taxes” reflects only the consideration due to the Parent Company CIR S.p.A. for excess tax transferred in order to recognise non-deductible financial expenses.
(**) The item “Trade and other receivables” includes receivables from the parent company due to IRAP tax paid in previous years to recover.

Transactions with other related parties

The impact on the balance sheet and income statement of transactions with other related companies is summarised in the following table:

(in thousands of Euro)	*Note*	*June 30, 2015*
Statement of financial position:		
Trade and other payables	*13*	20
Income statement:		
Non-operating expenses	*20*	61

Transactions with the Company Directors, Statutory Auditors and Managers with strategic responsibilities

In the first half of 2015, the remuneration paid to the Directors amounted to Euro 188 thousand (Euro 172 thousand in the first half of 2014), to the Statutory Auditors Euro 46 thousand (the same amount as in the first half of 2014), and remuneration to the Manager with strategic responsibilities (pursuant to Consob resolution no. 17221/2010), amounted to Euro 830 thousand (Euro 273 thousand in the first half of 2014) including a Euro 682 thousand employment termination indemnity.
In the first half of 2015, the remuneration of the General Manager, hired on June 8, 2015, amounted to Euro 38 thousand.
The total cost recognised in the income statement in the first half of 2015 for the remunerations outlined above, including relevant social charges, employment termination indemnities and fringe benefits, amounts to Euro 1,206 thousand (Euro 1,380 thousand in the first half of 2014).

In the first half of 2015, the fair value of the stock option and stock grant plans granted to the Director who filled the post of Managing Director at plan issue date and to the Manager with strategic responsibilities was positive for Euro 29 thousand (cost of Euro 295 thousand in the first half of 2014). As concerns the Phantom Stock Option plans allotted for the same Director, in the first half of 2015 a cost of Euro 118 thousand was posted to the income statement. In the first half of 2014 the change in the fair value of 2007 and 2008 plans caused a charge of 1,034 thousand in the income statement.

E) COMMITMENTS AND RISKS

24. INFORMATION ON COMMITMENTS AND RISKS

Commitments

The most important are:
- "*guarantees*" on behalf of subsidiaries amounting to Euro 227,083 thousand and in favour of third parties amounting to Euro 45 thousand;
- commitments for interest rate swap (Irs) contracts held by the Company with a notional value of Euro 202,000 thousand;
- commitments for cross currency swap (Ccs) contracts held by the Company with a notional value of Euro 88,089 thousand;
- commitments for forward foreign exchange contracts amounting to Euro 12,777 thousand.

Potential liabilities

In January 2014, Sogefi S.p.A. received two notices of assessment under which tax authorities disallowed deduction of the costs for services performed by the Parent Company CIR S.p.A. during the year 2009 for Euro 1.8 million from IRES tax base and consequently their eligibility for VAT tax deduction.
Based on the tax advisor's opinion, Directors believe said arguments to be groundless and inconsistent with the applicable tax regulation in force and, for the moment, the risk of losing to be possible but not likely.
This is why the Sogefi S.p.A. did not set aside any amount for tax risks in financial statements as at June 30, 2015.
This is to report that said assessments were already processed by the Provincial Tax Committee with a favourable outcome.
The tax authorities appealed before the Regional Tax Committee against the outcome; naturally, the Company has formally answered to the complaint.

F) 25. FINANCIAL INSTRUMENTS

Hedging

a) exchange risk hedges – not designated in hedge accounting
At June 30, 2015 the Company holds the following foreign exchange risk hedging forward contracts on USD and GBP loans granted to subsidiaries Allevard Sogefi U.S.A. Inc. and Sogefi Filtration Ltd. This is to specify that the Company chose hedge accounting as accounting criterion and booked the relevant contracts at fair market value with the changes posted in the Income statement:

Forward sale	Date opened	Spot price €/currency	Date closed	Forward price €/currency	Fair Value (in thousands of Euro)
USD 5,000,000	06/19/2015	1.12790	09/21/2015	1.12930	(36)
GBP 6,000,000	06/19/2015	0.71700	09/21/2015	0.71863	(68)

b) Interest risk hedges – in hedge accounting
In 2013, the Company entered into the following Interest Rate Swap contracts as part of a macro cash flow hedge strategy aimed at hedging the risk of fluctuations in future cash flows deriving from the envisaged future long term indebtedness of the Company. Future indebtedness is deemed highly likely as confirmed by the forecasts approved by the company management. Relating cash flows will be exchanged from 2016 onwards:

Description of IRS	Date Opened	Contract maturity	Notional	Fixed rate	Fair value at 06/30/2015 (in thousands of Euro)	Fair value at 12/31/2014 (in thousands of Euro)
Hedging future financial indebtedness	02/21/2013	06/01/2018	10,000	1.66%	(289)	(281)
Hedging future financial indebtedness	02/19/2013	06/01/2018	10,000	1.65%	(287)	(277)
Hedging future financial indebtedness	02/21/2013	06/01/2018	5,000	1.66%	(145)	(139)
TOTAL			25,000		(721)	(697)

c) Exchange risk hedges – in hedge accounting
During 2013 the Company entered into three cross currency swap (Ccs) contracts maturing in June 2023, designated in hedge accounting, in order to hedge interest and exchange rate risk relating to the private placement of USD 115 million bonds. Under these contracts, a fixed interest receivable of 600 basis points on subscribed notional USD amount is collected by the Company on a quarterly basis against payment of a fixed interest payable on a notional amount in EUR corresponding to the USD notional amount converted at the fixed exchange rate of 1.3055 (totalling Euro 88,089 thousand).
Details of these contracts are as follows:

Description of CCSwap	Date opened	Contract maturity	Notional (in thousands of Usd)	Fixed rate	Fair value at 06/30/2015 (in thousands of Euro)	Fair value at 12/31/2014 (in thousands of Euro)
Private placement Usd 115 million (05/03/2013 scad. 06/01/2023) coupon 600 bps	04/30/2013	06/01/2023	55,000	6.0% Usd receivable 5.6775% Euro payables	5,216	140
Private placement Usd 115 million (05/03/2013 scad. 06/01/2023) coupon 600 bps	04/30/2013	06/01/2023	40,000	6.0% Usd receivable 5.74% Euro payables	3,677	17
Private placement Usd 115 million (05/03/2013 scad. 06/01/2023) coupon 600 bps	04/30/2013	06/01/2023	20,000	6.0% Usd receivable 5.78% Euro payables	1,654	(7)
TOTAL			115,000		10,547	150

d) derivatives no longer in hedge accounting

At June 30, 2015 the Company holds the following interest rate swap contracts that, based on the effectiveness tests carried out on December 31, 2013 (see the first table below), June 30, 2014 (see second table below) and December 31, 2014 (see third table below) have become ineffective and therefore the hedging effect has been suspended, with an ensuing re-classification of derivative contracts to speculative instruments. More specifically, the change in fair value from the latest effective test is immediately booked in the income statement while any other reserve reported under "Other comprehensive income" is reclassified in the income statement in the same time frame as the expected spreads regarding the underlying hedging instrument.

Details are as follows:

Description of IRS	Date Opened	Contract maturity	Notional	Fixed rate	Fair value at 06/30/2015 (in thousands of Euro)	Fair value at 12/31/2014 (in thousands of Euro)
Hedging Euro 60 million (04/29/2011 maturity 12/31/2016) Euribor 3 months + 200 base bps	05/11/2011	12/31/2016	12,000	2.990%	(314)	(518)
TOTAL			12,000		(314)	(518)

Description of IRS	Date Opened	Contract maturity	Notional	Fixed rate	Fair value at 06/30/2015 (in thousands of Euro)	Fair value at 12/31/2014 (in thousands of Euro)
Hedging future financial indebtedness	02/10/2011	06/01/2018	10,000	3.679%	(1,024)	(1,153)
Hedging future financial indebtedness	02/23/2011	06/01/2018	10,000	3.500%	(999)	(1,135)
Hedging future financial indebtedness	03/11/2011	06/01/2018	10,000	3.545%	(1,012)	(1,148)
Hedging future financial indebtedness	03/23/2011	06/01/2018	10,000	3.560%	(989)	(1,152)
Hedging future financial indebtedness	03/28/2011	06/01/2018	10,000	3.670%	(1,050)	(1,195)
Hedging future financial indebtedness	05/13/2011	06/01/2018	10,000	3.460%	(988)	(1,124)
Hedging future financial indebtedness	06/24/2011	06/01/2018	10,000	3.250%	(925)	(1,051)
Hedging future financial indebtedness	06/28/2011	06/01/2018	10,000	3.250%	(925)	(1,049)
Hedging future financial indebtedness	11/28/2011	06/01/2018	10,000	2.578%	(727)	(824)
Hedging future financial indebtedness	02/11/2013	06/01/2018	5,000	1.225%	(164)	(186)
Hedging future financial indebtedness	02/01/2013	06/01/2018	10,000	1.31%	(352)	(397)
Hedging future financial indebtedness	02/06/2013	06/01/2018	10,000	1.281%	(343)	(388)
Hedging future financial indebtedness	02/11/2013	06/01/2018	5,000	1.22%	(163)	(184)
Hedging future financial indebtedness	02/12/2013	06/01/2018	5,000	1.24%	(166)	(185)
TOTAL			125,000		(9,827)	(11,171)

Description of IRS	Date Opened	Contract maturity	Notional	Fixed rate	Fair value at 06/30/2015 (in thousands of Euro)	Fair value at 12/31/2014 (in thousands of Euro)
Hedging future financial indebtedness	02/07/2013	06/01/2018	15,000	1.445%	(588)	(566)
Hedging future financial indebtedness	02/11/2013	06/01/2018	5,000	1.425%	(193)	(186)
Hedging future financial indebtedness	02/19/2013	06/01/2018	10,000	1.44%	(391)	(376)
Hedging future financial indebtedness	02/11/2013	06/01/2018	5,000	1.42%	(192)	(185)
Hedging future financial indebtedness	02/13/2013	06/01/2018	5,000	1.50%	(204)	(195)
TOTAL			40,000		(1,568)	(1,508)

The non-application of hedge accounting had the following impact on the financial statements as of June 30, 2015:

- a financial earning of Euro 1,487 thousand corresponding to the amount of the change in fair value since the previous effectiveness test was immediately recognised in the Income Statement;
- a financial expense of Euro 1,452 thousand was recognised in the Income Statement; this amount reflects the portion of the reserve previously booked to Comprehensive Income Statement that will be recognised in the Income Statement over the same period of time as the differentials relating to the underlying hedged item.

e) fair value of derivative contracts in hedge accounting and no longer designated in hedge accounting

The fair value of all derivatives was calculated using the forward curves of exchange and interest rates as at June 30, 2015, also taking into account a *credit valuation adjustment/ debit valuation adjustment*. The fair value amounts of derivatives are classified as Level 2 in a hierarchy of levels that describes the significance of the inputs used in fair value measurements.

Derivative embedded in the bond

As previously stated, the Company issued a bond *"€100,000,000 2 per cent. Equity Linked Bonds due 2021"* whose Terms provide for the Company to settle any conversion by cash or a combination of ordinary shares and cash, following the Extraordinary Shareholders' Meeting of September 26, 2014, authorising a share capital increase - with the exclusion of the shareholders' option right under article 2441, Paragraph 5, of the Italian Civil Code - to be exclusively used for the conversion of said bonds,.

Such right constitutes an embedded derivative that is booked to the appropriate item in the statement of financial position (financial liability).

On May 14, 2014, the Company separated the embedded derivative (call option on Company's shares) from the host contract (equity-linked bonds) in accordance with IAS 39 and determined that its fair value amounts to Euro

24,500 thousand. The fair value was classified as Level 2 in the fair value hierarchy. As of December 31, 2014, the fair value of the embedded derivative amounted to Euro 10,540 thousand, and the Euro 13,960 thousand increase was recognised in the Income Statement under item “Other financial income”.
Upon a resolution of the Board of Directors passed on January 19, 2015 and a Deed Poll executed on January 28, 2015 under British law (notified to agent on January 29, 2015), the Company unilaterally waived the right to settle the convertible bonds in cash rather than by conversion into ordinary shares when the conversion options are exercised by bondholders under the Bond Terms. Such renouncement is final, irrevocable and unconditional. Under British law, such renouncement has the same effect as an amendment to the Bond Terms.
As at January 28, 2015 the fair value of the option (calculated based on the same model applied on December 31, 2014) amounted to Euro 9,090 thousand. This produced a positive effect in the income statement for the first half of 2015 for Euro 1,450 thousand. Moreover, since the execution of the deed poll has a similar effect to an amendment to the Bond Terms, the Company reassessed the *liability-equity* classification as recorded at the first posting of the option (because the call option rights granted to the Company were waived irrevocably, finally and unconditionally). Therefore on that date the Company re-classified the amount of the above-mentioned option (Euro 9,090 thousand) from "Other medium/long-term financial liabilities for derivative financial instruments" to net equity. The parameters which were used in calculating the fair value of the option at the Deed Poll's date were the following:

- Quarterly average of the Sogefi stock as at January 28, 2015: Euro 2.17 (the three month average price was used due to the high volatility of the stock in the closing months of 2014), Euro 2.26 as of December 31, 2014.
- Exercise price: Euro 5.3844.
- BTP yield at 7 years as at January 28, 2015: 1.24% (1.43% as of December 31, 2014).
- Sogefi stock volatility yearly average as at January 28, 2015: 46.4% (45.2% at December 31, 2014).

CERTIFICATION OF GROUP AND HOLDING COMPANY HALF-YEAR CONDENSED FINANCIAL STATEMENTS PURSUANT TO ART. 81-*TER* OF CONSOB RESOLUTION No. 11971 OF MAY 14, 1999 AND SUBSEQUENT MODIFICATIONS AND INTEGRATIONS

1. The undersigned:

   Laurent Hebenstreit –Managing Director and General Manager of Sogefi S.p.A.
   Giancarlo Coppa – Manager responsible for preparing Sogefi S.p.A.'s financial reports

   hereby certify, having also taken into consideration the provisions of Article 154-*bis*, paragraph 3 and 4, of Italian Legislative Decree n. 58 of February 24, 1998, that:

   the administrative and accounting procedures for the preparation of the Group and Holding Company half-year condensed financial statements for the 2015 first half:
   - are adequate with respect to the company structure and
   - have been effectively applied.

2. No relevant aspects are to be reported on this subject.

3. It is also certified that:

3.1 the Group and Holding Company half-year condensed financial statements as at June 30, 2015:
- have been prepared in accordance with international accounting standards as endorsed by the European Union through Regulation (EC) 1606/2002 of the European Parliament and of the Council of July 19, 2002;
- correspond to the books and accounting records;
- provide a true and fair representation of the financial position, result of operations and cash flow of the issuer and the subsidiaries included in the scope of consolidation.

3.2 the interim report on operations includes a reliable analysis of the significant events that occurred in the first half of the year and their impact on the half-year condensed financial statements. In addition, the report includes a description of the main risks and uncertainties for the remaining six months of the year and a reliable analysis of the information about any significant related party transactions.

Milan, July 24, 2015

Managing Director and General Manager	Manager responsible for preparing financial reports
Laurent Hebenstreit	Giancarlo Coppa

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REPORT ON REVIEW OF THE HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
SOGEFI S.p.A.

Introduction

We have reviewed the half-year condensed consolidated financial statements of Sogefi S.p.A. and subsidiaries (the "Sogefi Group"), which comprise the consolidated statement of financial position as of June 30, 2015 and the consolidated income statement, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the six month period then ended, and a summary of explanatory and supplementary notes. The Directors are responsible for the preparation of this interim financial information in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the criteria recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob") for the review of the half-year interim financial statements under Resolution n° 10867 of July 31, 1997. A review of half-year condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the half-year condensed consolidated financial statements of the Sogefi Group as of June 30, 2015 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by
Massimiliano Semprini
Partner

Milan, Italy
July 31, 2015

This report has been translated into the English language solely for the convenience of international readers.

Deloitte.

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REPORT ON REVIEW OF THE HALF-YEAR CONDENSED FINANCIAL STATEMENTS

To the Shareholders of
SOGEFI S.p.A.

Introduction

We have reviewed the half-year condensed financial statements of Sogefi S.p.A., which comprise the statement of financial position as of June 30, 2015 and the income statement, statement of other comprehensive income, statement of changes in equity and cash flow statement for the six month period then ended, and a summary of explanatory and supplementary notes. The Directors are responsible for the preparation of this interim financial information in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

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Conclusion

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DELOITTE & TOUCHE S.p.A.

Signed by
Massimiliano Semprini
Partner

Milan, Italy
July 31, 2015

This report has been translated into the English language solely for the convenience of international readers.