



PRESS RELEASE

Board of Directors approves results as of December 31 2018

SOGEFI (CIR GROUP):

2018 Revenues at € 1,623.8m, +3.2% at constant exchange rates (€ 1,647.8m in 2017)

EBITDA at € 190.0m (€ 206.9m in 2017)

Net income at € 14.0m (€ 26.6m in 2017)

Net debt slightly lower at € 260.5m (€ 264.0m at 31/12/2017)

Highlights from results for 2018

(in €m)

	2017*	2018**	<u>Δ%</u>	Δ% at constant exchange rates
Revenues	1,647.8	1,623.8	-1.5	+3.2
EBITDA	206.9	190.0	-8.2	-5.3
EBIT	85.8	61.9		
Net income	26.6	14.0		
Net debt (end of period)	264.0	260.5		

* The values for 2017 were restated following the application of "IFRS 15 – Revenue from Contracts with Customers".

** The values for 2018 were restated following the application of "IAS29 – Financial Reporting in Hyperinflationary Economies". In the last quarter of the year IAS29 was applied to the subsidiaries in Argentina, which had a positive effect on revenues of € 13.5 million of which € 8.5 million on Suspensions and € 5.0 million on Filtration, but a negative effect in terms of operating results. The adoption of IAS 29 requires that assets, liabilities and income statement be recalculated to reflect the changes in general purchasing power and that they be converted into € at the year-end exchange rate.

Milan, February 25 2019 – The **Board of Directors of Sogefi S.p.A.**, which met today under the chairmanship of **Monica Mondardini**, approved the proposed **statutory financial statements for financial year 2018**.

Sogefi, a company of the **CIR Group**, is one of the main global producers of automotive components in three sectors: **Air and Cooling, Filtration and Suspensions**.

Laurent Hebenstreit, Chief Executive of Sogefi, said:

“In a difficult year for the car markets in Europe and China, Sogefi is reporting growth of 3% at constant exchange rates; profitability, however, suffered the negative impact of exchange rates and the rise in the cost of steel, which was significant for Suspensions. Even Filtration reported a slight decline in the profitability of the OEM, while the After Market business and Air and Cooling held up well. Cash flow reflects the investments made for the purchase of the minority interest in India, and for the development in Morocco, with the opening of a new production site”.

Revenues up by 3.2% at the same exchange rates

In 2018 the world car market reported a contraction in production of 1%, with a decline of 2% in Europe, of 0.6% in North America and of 2.3% in Asia, while South America reported growth of 3.2%.

Performance was particularly critical in the fourth quarter, with a decline of 5.4% in volumes compared to the same period of 2017, due to the decline in Europe, South America and Asia, because of the inversion of the trend in the Chinese market.

In this context, in 2018 Sogefi reported **revenues of € 1,623.8 million**, down by 1.5% at current exchange rates but up by 3.2% at constant exchange rates. In the fourth quarter revenues declined by 0.4%, but rose by 3.1% at constant exchange rates, thus outperforming the market.

Performance of revenues by geographical area

€m	Q4 2017	Q4 2018	reported change	constant exchange rates	reference market production	2017	2018	reported change	constant exchange rates	reference market production	weight based on 2018
Europe	251.7	240.4	-4.5%	-4.5%	-5.4%	1013.2	997.5	-1.5%	-1.4%	-2.0%	61.4%
North America	69.2	75.1	8.5%	7.1%	2.1%	292.2	294.7	0.9%	5.7%	-0.6%	18.2%
South America	45.2	54.0	19.3%	68.6%	-9.2%	195.2	182.0	-6.8%	28.0%	3.2%	11.2%
Asia	42.0	37.1	-11.7%	-8.4%	-13.8%	161.4	160.9	-0.3%	4.8%	-2.3%	9.9%
Intercompany eliminations	-2.6	-2.5				-14.3	-11.4				
Total	405.5	404.0	-0.4%	3.1%	-5.4%	1647.8	1623.8	-1.5%	3.2%	-1.0%	100.0%

Source: Sogefi and IHS data

At constant exchange rates, revenues were down in Europe (-1.4%) but higher in North America (+5.7%), Asia (+4.8%) and South America (+28% and +18.5% on a like-for-like basis, i.e. without including the impact of the application of IAS 29 for hyperinflation, to the Argentinian business).

Performance of revenues by Business Unit

€m	Q4 2017	Q4 2018	reported change	constant exchange rates	2017	2018	reported change	constant exchange rates
Air&Cooling	121.4	120.9	-0.5%	-0.3%	496.2	486.6	-1.9%	0.5%
Filtration	128.6	132.6	3.1%	7.2%	546.4	537.2	-1.7%	4.1%
Suspensions	156.5	151.1	-3.5%	2.2%	609.4	602.6	-1.1%	4.5%
Intercompany eliminations	-0.9	-0.5			-4.2	-2.6		
Total	405.5	404.0	-0.4%	3.1%	1647.8	1623.8	-1.5%	3.2%

The three divisions reported declines in revenues of around 1/2 %; at constant exchange rates, however, the revenues of Suspensions and Filtration increased (+4.5% and +4.1% respectively) while those of the Air and Cooling business unit remained substantially stable.

Operating results and net income

EBITDA¹ came in at **€ 190.0 million**, in contraction compared to financial year 2017 (€ 206.9 million), with profitability (EBITDA/Revenues %) down by 12.6% at 11.7%. The lower EBITDA

¹ Ebitda is calculated by adding to the item “Ebit” the amount of “Amortization and depreciation” and the amount of the write-downs of tangible and intangible assets included in the item “Other non-operating expense (income)”, equal to € 10 million in the year 2018 (€ 11.1 million in the same period of the previous year).

mainly reflects the performance of the Suspensions business unit, which was significantly penalized by steel prices, as well the negative effect of exchange rates on the whole Group (€ 6.2 million).

EBIT, which came to **€ 61.9 million** and posted a decline on 2017 (€ 85.8 million), substantially reflected the lower EBITDA. The EBIT included a positive effect from the non-operating gain generated by the claims agreement (€ 6.6 million) but also the negative impact of the write-down of the asset relating to the Fraize site in view of its sale (-€ 5.2 million) and of the application of IAS 29 to the Argentina businesses (-€ 2.6 million).

Financial expense amounted to **€ 23.9 million** in 2018, down from € 31.7 million in 2017, due to the reduction of interest expense (from € 22.0 million in 2017 to € 21.4 million in 2018), to the lower impact of the fair value adjustment made to the put option of the minority shareholder of the Indian subsidiary (for € 4.2 million) and to the lower costs for hedging interest rate risk (for € 3.0 million).

Tax expense came to **€ 20.7 million**, down from € 23.4 million in the previous year; the modest decline in relation to the reduction in the pre-tax result reflects the composition of the result, with some areas showing significant earnings while for other areas with losses linked to the start-up of businesses or to ongoing problems, it was decided not to set aside any deferred tax assets.

Net income came in at **€ 14.0 million**, compared to € 26.6 million for the year 2017.

Net debt

Free Cash Flow for the year 2018 was a positive figure of **€ 2.9 million**, down from € 34.4 million in 2017. It should be noted that in 2018 the minority interest in the Indian branch Sogefi M.N.R. Engine Systems India Pvt Ltd was acquired (€ 16.7 million). In the fourth quarter, free cash flow was positive for approximately € 25.7 million (compared to € 1.9 million in the fourth quarter of 2017), thus recovering from the temporary unfavourable trend of working capital experienced in the third quarter.

Net debt amounted to **€ 260.5 million** at December 31 2018 (€ 286.2 million at September 30 2018 and € 264 million at December 31 2017).

Shareholders' equity

At December 31 2018 **shareholders' equity**, excluding minority interests, stood at **€ 192.9 million** (€ 177.4 million at December 31 2017).

Employees

The Sogefi Group had **6,973 employees** at December 31 2018, in line with the number at December 31 2017.

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

In financial year 2018, the Company reported a write-down, recognized on the basis of the impairment test carried out at December 31 2018, of € 36 million (accounted for in the item

“Adjustments to the value of financial assets”) on the value of the French subsidiary Sogefi Filtration S.A.. Because of this write-down, Sogefi S.p.A. reported a loss of € 13.7 million, compared to net income of € 11.7 million in 2017. The dividend flow from the subsidiaries was higher than that of the previous year (+€ 6.6 million) and net financial expense was lower than in 2017 (-€ 3.8 million).

Significant events that have occurred since December 31 2018

There have been no significant events since the close of the year at December 31 2018.

Outlook for the year

According to the sources generally used at sector level, it is expected that car production in 2019 will be in line with that of 2018, with a decline in the first half due mainly to China, and a recovery in the second half of the year. It should however be stressed that there is a lack of visibility at present as to how the year will evolve, and there is also a very high level of volatility in the markets. Uncertainty also remains as to how the prices of raw materials will evolve.

In such a climate, Sogefi expects revenues to evolve in line with the market, and is committed to recovering profitability particularly in the Suspensions sector.

Proposed dividend

The Board of Directors will propose to the Annual General Meeting of the Shareholders that no dividend be distributed.

Annual General Meeting of the Shareholders

The first call of the Annual General Meeting of the Shareholders of Sogefi has been called for April 26 2019 and the second call for April 27 2019.

The Board of Directors has voted to put the following proposals before the ordinary session of the AGM:

- The cancellation and renewal of the power assigned to the Board of Directors for a period of 18 months to buy back a maximum of 10 million own shares (including 2,429,080 own shares held today, corresponding to 2.02% of the share capital) at a unit price that must not be more than 10% higher or lower than the benchmark price recorded by the shares in the stock exchange trading session preceding each single buyback transaction or the date on which the price is fixed and in any case, when the purchases are made on a regulated market, at a price that is no higher than the higher of the price of the last independent transaction and the current independent bid price in the same market, in accordance with what is stipulated in EU Delegated Regulation no. 2016/1052.

The main reasons for renewing this authorization are the following: to fulfil obligations resulting from any stock option plans or other forms of assignment of the Company's shares to employees or members of the Board of Directors of Sogefi or its affiliated companies; to fulfil obligations that may derive from debt instruments that can be converted into or exchanged for shares; to have a portfolio of own shares to use as consideration in any extraordinary transactions, possibly involving an exchange of shareholding interests, with other parties within the scope of transactions of interest to the Company (a so-called “stock of shares”); to be able to increase the liquidity of the shares in the

market; to be able to take any opportunities for creating value as well as investing liquidity efficiently in relation to the trend of the market; for any other purpose that the competent Authorities should qualify as permitted market practice as per the terms of the European and domestic rules applicable, and following the procedures established therein;

- The approval of a stock grant plan for 2019 aimed at employees of the Company and its subsidiaries for a maximum of 500,000 conditional rights, each of which will give the beneficiaries the right to be assigned 1 Sogefi share free of charge.
The shares thus assigned will be made available from the stock of own shares held by the company.
The Plan aims to reward the loyalty of the beneficiaries to the companies of the Group by giving them an incentive to increase their commitment to improving performance;
- An update of the fee of the legal audit firm KPMG S.p.A..

The ordinary session of the Annual General Meeting will also be called upon to pass resolution on the renewal of the Board of Directors.

The Board of Directors also passed a resolution to propose that the AGM, in an extraordinary session, cancel the previous delegation of powers and give new powers to the same Board for share capital increases, even with the exclusion or limitation of the option right as per the terms of Art. 2441, paragraphs IV and V of the Civil Code, up to a maximum amount of € 100 million, for capital increases in favour of directors and employees of the Company and its subsidiaries for a maximum amount of € 5.2 million, and for issuing, even with the exclusion of the option right and in this case in favour of institutional investors, convertible bonds or bonds with ancillary rights for the assignation of shares, even in foreign currency, with the related share capital increase, up to a maximum amount of € 100 million.

The executive responsible for the preparation of the Company's financial statements, Yann Albrand, hereby declares, in compliance with the terms of paragraph 2 Article 154-bis of the Finance Consolidation Act (TUF), that the accounting figures contained in this press release correspond to the results documented in the Company's accounts and general ledger.

This press release can also be consulted on the website: <http://www.sogefigroup.com/it/area-stampa/index.html>

Attached are the key figures from the Income Statement and the Statement of Financial Position as of December 31 2018 of the Sogefi Group.

SOGEFI GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of Euro)

ASSETS	12.31.2018	12.31.2017
CURRENT ASSETS		
Cash and cash equivalents	91.7	103.9
Other financial assets	1.2	1.5
<i>Working capital</i>		
Inventories	115.7	122.9
Trade receivables	141.3	174.0
Other receivables	8.5	5.5
Tax receivables	23.1	23.1
Other assets	2.1	2.3
<i>TOTAL WORKING CAPITAL</i>	<i>290.7</i>	<i>327.8</i>
ASSETS HELD FOR SALE	13.6	3.4
TOTAL CURRENT ASSETS	397.2	436.6
NON-CURRENT ASSETS		
Fixed assets		
Land	13.3	13.0
Property, plant and equipment	373.2	365.8
Other tangible fixed assets	4.3	5.6
<i>Of which: leases</i>	<i>4.7</i>	<i>5.8</i>
Intangible assets	279.0	290.5
TOTAL FIXED ASSETS	669.8	674.9
OTHER NON-CURRENT ASSETS		
Investments in joint ventures	-	-
Other financial assets available for sale	-	-
Long term trade receivables	-	-
Financial receivables	5.1	2.2
Other receivables	34.3	37.4
Deferred tax assets	36.6	45.7
TOTAL OTHER NON-CURRENT ASSETS	76.0	85.3
TOTAL NON-CURRENT ASSETS	745.8	760.2
TOTAL ASSETS	1,143.0	1,196.8

Some values for the year 2017 were recalculated following the application of “IFRS 15 – Revenue from Contracts with Customers” and “IFRS 9 – Financial Instruments”.

LIABILITIES	12.31.2018	12.31.2017
CURRENT LIABILITIES		
Bank overdrafts and short-term loans	2.1	14.2
Current portion of medium/long-term financial debts and other loans	59.4	66.5
<i>Of which: leases</i>	1.6	1.7
TOTAL SHORT-TERM FINANCIAL DEBTS	61.5	80.7
Other short-term liabilities for derivative financial instruments	0.8	2.7
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	62.3	83.4
Trade and other payables	345.5	373.2
Tax payables	10.0	7.8
Other current liabilities	38.9	49.4
LIABILITIES RELATED TO ASSETS HELD FOR SALE	9.4	-
TOTAL CURRENT LIABILITIES	466.1	513.8
NON-CURRENT LIABILITIES		
MEDIUM/LONG TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS		
Financial debts to bank	117.8	102.0
Other medium/long-term financial debts	178.5	186.2
<i>Of which: leases</i>	5.0	6.4
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS	296.3	288.2
Other medium/long term financial liabilities for derivative financial instruments	-	-
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	296.3	288.2
OTHER LONG-TERM LIABILITIES		
Long-term provisions	67.2	87.0
Other payables	62.9	72.0
Deferred tax liabilities	36.6	40.7
TOTAL OTHER LONG-TERM LIABILITIES	166.7	199.7
TOTAL NON-CURRENT LIABILITIES	463.0	487.9
SHAREHOLDERS' EQUITY		
Share capital	62.5	62.4
Reserves and retained earnings (accumulated losses)	116.4	88.4
Group net result for the year	14.0	26.6
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY	192.9	177.4
Non-controlling interests	21.0	17.7
TOTAL SHAREHOLDERS' EQUITY	213.9	195.1
TOTAL LIABILITIES AND EQUITY	1,143.0	1,196.8

Some values for the year 2017 were recalculated following the application of “IFRS 15 – Revenue from Contracts with Customers” and “IFRS 9 – Financial Instruments”.

RECLASSIFIED CONSOLIDATED INCOME STATEMENT FROM 1.1.2018 TO 12.31.2018
(in millions of Euro)

	Period 01.01 – 12.31.2018		Period 01.01 – 12.31.2017		Change	
	Amount	%	Amount	%	Amount	%
Sales revenues	1,623.8	100.0	1,647.8	100.0	(24.0)	(1.5)
Variable cost of sales	1,137.3	70.0	1,128.3	68.5	9.0	0.8
CONTRIBUTION MARGIN	486.5	30.0	519.5	31.5	(33.0)	(6.4)
Manufacturing and R&D overheads	155.6	9.6	157.4	9.5	(1.8)	(1.2)
Depreciation and amortization	118.1	7.3	110.0	6.7	8.1	7.4
Distribution and sales fixed expenses	42.2	2.6	44.3	2.7	(2.1)	(4.7)
Administrative and general expenses	86.2	5.3	88.9	5.4	(2.7)	(3.0)
Restructuring costs	9.1	0.6	11.2	0.7	(2.1)	(18.5)
Losses (gains) on disposal	0.1	-	-	-	0.1	-
Exchange losses (gains)	5.5	0.3	3.2	0.2	2.3	70.0
Other non-operating expenses (income)	7.8	0.5	18.7	1.1	(10.9)	(58.5)
EBIT	61.9	3.8	85.8	5.2	(23.9)	(27.9)
Financial expenses (income), net	23.9	1.5	31.7	1.9	(7.8)	(24.5)
Losses (gains) from equity investments	-	-	-	-	-	-
RESULT BEFORE TAXES AND NON-CONTROLLING INTERESTS	38.0	2.3	54.1	3.3	(16.1)	(29.8)
Income taxes	20.7	1.2	23.4	1.4	(2.7)	(11.5)
NET RESULT BEFORE NON-CONTROLLING INTERESTS	17.3	1.1	30.7	1.9	(13.4)	(43.8)
Loss (income) attributable to non-controlling interests	(3.3)	(0.2)	(4.1)	(0.2)	0.8	20.7
GROUP NET RESULT	14.0	0.9	26.6	1.7	(12.6)	(47.3)

Some values for the year 2017 were recalculated following the application of “IFRS 15 – Revenue from Contracts with Customers”.

CONSOLIDATED NET FINANCIAL POSITION

(in millions of Euro)

	12.31.2018	12.31.2017
A. Cash	91.7	103.9
B. Other cash at bank and on hand (included held-to-maturity investments)	-	-
C. Financial instruments held for trading	-	-
D. Liquid funds (A) + (B) + (C)	91.7	103.9
E. Current financial receivables	1.2	1.5
F. Current payables to banks	(2.1)	(14.2)
G. Current portion of non-current indebtedness	(59.4)	(66.5)
H. Other current financial debts	(0.8)	(2.7)
I. Current financial indebtedness (F) + (G) + (H)	(62.3)	(83.4)
J. Current financial indebtedness, net (I) + (E) + (D)	30.6	22.0
K. Non-current payables to banks	(117.8)	(102.0)
L. Bonds issued	(171.8)	(178.9)
M. Other non-current financial debts	(6.6)	(7.3)
N. Non-current financial indebtedness (K) + (L) + (M)	(296.2)	(288.2)
O. Net indebtedness (J) + (N)	(265.6)	(266.2)
Non-current financial receivables	5.1	2.2
Financial indebtedness, net including non-current financial receivables	(260.5)	(264.0)

CONSOLIDATED CASH FLOW STATEMENT

(in millions of Euro)

	12.31.2018	12.31.2017
SELF-FINANCING	134.4	165.8
Change in net working capital	(9.1)	9.3
Other medium/long-term assets/liabilities	8.6	1.6
CASH FLOW GENERATED BY OPERATIONS	133.9	176.7
Sale of equity investments	-	-
Net decrease from sale of fixed assets	2.6	0.5
TOTAL SOURCES	136.5	177.2
Increase in intangible assets	35.5	40.0
Purchase of tangible assets	97.3	104.1
TOTAL APPLICATION OF FUNDS	132.8	144.1
Exchange differences on assets/liabilities and equity	(0.8)	1.3
FREE CASH FLOW	2.9	34.4
Holding Company increases in capital	0.3	1.3
Increases in share capital of consolidated subsidiaries	0.1	0.2
Dividends paid by the Holding Company to shareholders	-	-
Dividends paid by subsidiaries to non-controlling interests	-	(2.6)
Change in <i>fair value</i> derivate instruments	0.2	1.7
CHANGES IN SHAREHOLDERS' EQUITY	0.6	0.6
Change in net financial position	3.5	35.0
Opening net financial position	(264.0)	(299.0)
CLOSING NET FINANCIAL POSITION	(260.5)	(264.0)

Some values for the year 2017 were recalculated following the application of "IFRS 15 – Revenue from Contracts with Customers".

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

(in millions of Euro)

ASSETS	12.31.2018	12.31.2017
CURRENT ASSETS		
Cash and cash equivalents	25.2	36.3
Centralized treasury current accounts with subsidiaries	78.4	60.7
Other financial assets	0.1	0.5
Other financial loans with subsidiaries	1.1	0.1
<i>Working capital</i>		
Trade receivables	7.0	12.9
Other receivables	0.1	-
Tax receivables	0.9	0.9
Other assets	0.3	0.3
TOTAL WORKING CAPITAL	8.3	14.1
TOTAL CURRENT ASSETS	113.1	111.7
NON-CURRENT ASSETS		
Fixed assets		
Land	11.8	13.1
Buildings	5.1	7.0
Other tangible fixed assets	0.1	0.2
<i>Of which: leases</i>	-	-
Intangible assets	24.3	26.8
TOTAL FIXED ASSETS	41.3	47.1
OTHER NON-CURRENT ASSETS		
Investments in subsidiaries	380.9	415.8
Investments in associates	-	-
Other financial assets available for sale	-	-
Other financial loans	81.2	34.7
<i>Of which: other medium/long-term assets for derivative financial instruments</i>	5.1	2.2
Other receivables	-	-
Deferred tax assets	3.3	3.1
TOTAL OTHER NON-CURRENT ASSETS	465.4	453.6
TOTAL NON-CURRENT ASSETS	506.7	500.7
TOTAL ASSETS	619.8	612.4

LIABILITIES	12.31.2018	12.31.2017
CURRENT LIABILITIES		
Bank overdrafts and short-term loans	-	-
Centralized treasury current accounts with subsidiaries	98.4	81.8
Current portion of medium/long-term financial debts and other loans	25.2	35.7
<i>Of which: leases</i>	-	-
Share capital subscribed and not yet paid	-	-
TOTAL SHORT-TERM FINANCIAL DEBTS	123.6	117.5
Other short-term liabilities for derivative financial instruments	-	2.6
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	123.6	120.1
Trade and other payables	4.0	6.9
Tax payables	0.4	0.1
Other current liabilities	-	-
TOTAL CURRENT LIABILITIES	128.0	127.1
NON-CURRENT LIABILITIES		
MEDIUM/LONG TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS		
Financial debts to bank	116.3	91.1
Other medium/long-term financial debts	171.8	178.9
<i>Of which: leases</i>	-	-
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS	288.1	270.0
Other medium/long-term financial liabilities for derivative financial instruments	-	-
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	288.1	270.0
OTHER LONG-TERM LIABILITIES		
Long-term provisions	0.2	0.6
Other payables	-	-
Deferred tax liabilities	0.3	0.2
TOTAL OTHER LONG-TERM LIABILITIES	0.5	0.8
TOTAL NON-CURRENT LIABILITIES	288.6	270.8
SHAREHOLDERS' EQUITY		
Share capital	62.5	62.4
Reserves and retained earnings (accumulated losses)	154.4	140.6
Net result for the year	(13.7)	11.5
TOTAL SHAREHOLDERS' EQUITY	203.2	214.5
TOTAL LIABILITIES AND EQUITY	619.8	612.4

RECLASSIFIED INCOME STATEMENT

(in millions of Euro)

	12.31.2018	12.31.2017
Financial income/expenses and dividends	27.2	16.8
Adjustments to financial assets	(36.0)	(0.8)
Other operating revenues	12.5	14.0
Operating costs	(15.5)	(17.6)
Other non-operating income (expenses)	(3.9)	(3.3)
RESULT BEFORE TAXES	(15.7)	9.1
Income taxes	(2.0)	(2.4)
NET RESULT	(13.7)	11.5

CASH FLOW STATEMENT

(in millions of Euro)

	12.31.2018	12.31.2017
SELF-FINANCING	28.0	18.3
Change in net working capital	3.1	(2.0)
Other medium/long-term assets/liabilities	2.0	2.7
CASH FLOW GENERATED BY OPERATIONS	33.1	19.0
Sale of equity investments	-	0.4
Net decrease from sale of intangible assets	-	3.2
TOTAL SOURCES	33.1	22.6
Increase in intangible assets	0.3	3.1
Purchase of tangible assets	-	-
Purchase of equity investments	1.2	0.3
TOTAL APPLICATION OF FUNDS	1.5	3.4
FREE CASH FLOW	31.6	19.2
Holding Company increases in capital	0.3	1.3
Change in <i>fair value</i> derivate instruments	0.2	1.8
Dividends paid by the Holding Company	-	-
CHANGES IN SHAREHOLDERS' EQUITY	0.5	3.1
Change in net financial position	32.1	22.3
Opening net financial position	(257.8)	(280.1)
CLOSING NET FINANCIAL POSITION	(225.7)	(257.8)