2012 HALF-YEAR FINANCIAL STATEMENTS
(Translation into English of the original Italian version)

JOINT-STOCK COMPANY - SHARE CAPITAL EURO 60,689,715.84
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	RODOLFO DE BENEDETTI(1)
Managing Director	EMANUELE BOSIO(2)
Directors	GERARDO BENUZZI LORENZO CAPRIO(4) ROBERTA DI VIETO(4)(5) DARIO FRIGERIO(3) GIOVANNI GERMANO ROBERTO ROBOTTI(3)(4) PAOLO RICCARDO ROCCA(3)(5)(6)
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 and extraordinary powers with single signature, except for those delegated to the Board of Directors by law or the by-laws.
(2) All ordinary powers with single signature.
(3) Members of the Remuneration Committee.
(4) Members of the Internal Control Committee and of the Related Party Transactions Committee.
(5) Members of the Supervisory Body (Legislative Decree 231/2001).
(6) Lead independent director.

BOARD OF DIRECTORS REPORT ON GROUP OPERATIONS AS OF AND FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2012

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 Group and the financial statements and explanatory and supplementary notes of the Holding Company (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 to interim financial reporting.

INFORMATION ON OPERATIONS

During the first half of the current year, Group revenues and profitability grew thanks to the inclusion of Systèmes Moteurs S.A.S. into the scope of consolidation. Overall, the market scenario is one of growth (with car sales up 5% on global markets). The main drivers of this improvement were new registrations in the USA (+13%), India (+12%), Russia (+15%) and Japan (that recorded a 50% improvement over 2011, when the economy was affected by the Fukushima disaster). The Chinese and Brazilian markets kept growing, though at lower rates. Predictions suggest that the Brazilian market could make up for such sluggish growth during the second half of the year. The European market, where Sogefi is still mainly active, recorded a 6.8% decline in sales, with the Italian, Spanish and French markets suffering the most, and the mid- and North European markets remaining virtually stable.

Vehicle production levels and the demand for components followed the sales trends with a few months' lag, but the contribution of Systèmes Moteurs S.A.S. activities enabled the Sogefi Group to record a 30.4% growth of **consolidated revenues**, which rose to Euro 686.8 million from Euro 526.6 million recorded in the first half of the previous year. On a like-for-like basis, revenues would have amounted to Euro 504.9 million, with a 4.1% decrease.

The growth in revenues mainly concerned the Engine Systems Division, whose revenues grew by 67.4% (-6.2% on a like-for-like basis), totalling Euro 412 million compared to 246.2 million in the first half of the previous year. Conversely, the revenues of the Suspension Components Division were slightly down (-2.4%); they amounted to Euro 275.1 million, compared to 281.8 million.

(in millions of Euro)	*1st half 2012*		*1st half 2011*		*% change*	*Year 2011*
	Amount	*%*	*Amount*	*%*	*1h 12/1h 11*	*Amount*
Engine systems	412.0	60.0	246.2	46.7	67.4	611.5
Suspension components	275.1	40.0	281.8	53.5	(2.4)	547.7
Intercompany eliminations	(0.3)	(0.0)	(1.4)	(0.2)	(78.6)	(0.8)
TOTAL	686.8	100.0	526.6	100.0	30.4	1,158.4

The original equipment segment realised the highest increase in revenues (+44.5%, -5% on a like-for-like basis); the original equipment spares segment grew by 4.3% and independent aftermarket fell by 5.8%. The resulting breakdown of revenues is shown in the table below.

(in millions of Euro)	*1st half 2012*		*1st half 2011*		*% change*	*Year 2011*
	Amount	*%*	*Amount*	*%*	*1h 12/1h 11*	*Amount*
Original Equipment (O.E.)	531.3	77.3	367.8	69.9	44.5	848.9
Independent Aftermarket (I.A.M.)	94.4	13.8	100.3	19.0	(5.8)	196.6
Original Equipment Spares (O.E.S.)	61.1	8.9	58.5	11.1	4.3	112.9
TOTAL	686.8	100.0	526.6	100.0	30.4	1,158.4

As regards the trends of individual markets, the highest-growing markets during the period were the USA (+277.9%, +27.3% on a like-for-like basis), India (+69.9%, +36.1% on a like-for-like basis), China (+12.9%) and Australia (+ Euro 6.4 million entirely accounted for by the Systèmes Moteurs S.A.S. consolidation and included in the “Rest of the World” line), whereas Mercosur recorded a downturn (-7.9%). The percentage of revenues realised in Europe decreased further (69% of total) during the period, as shown in the following table.

(in millions of Euro)	*1st half 2012*		*1st half 2011*		*% change*	*Year 2011*
	Amount	*%*	*Amount*	*%*	*1h 12/1h 11*	*Amount*
France	149.0	21.7	123.6	23.5	20.6	246.9
Germany	93.7	13.6	69.3	13.2	35.2	158.3
Great Britain	55.6	8.1	45.6	8.7	22.0	97.1
Italy	42.6	6.2	38.1	7.2	11.8	79.4
Spain	30.1	4.4	21.8	4.1	38.3	47.9
Benelux	28.9	4.2	29.3	5.6	(1.3)	59.9
Russia	1.4	0.2	2.5	0.5	(43.1)	4.5
Other European Countries	72.9	10.6	47.7	9.0	52.6	110.9
Mercosur	108.4	15.8	117.8	22.4	(7.9)	240.5
United States	51.7	7.5	13.7	2.6	277.9	54.0
Mexico	12.7	1.9	0.4	0.1	n.a.	10.3
Canada	11.0	1.6	0.0	0.0	n.a.	8.2
India	9.9	1.4	5.8	1.1	69.9	13.3
China	9.4	1.4	8.3	1.6	12.9	17.2
Rest of the World	9.5	1.4	2.7	0.4	267.9	10.0
TOTAL	686.8	100.0	526.6	100.0	30.4	1,158.4

A breakdown of revenues by customer shows that business with MAN (-23.5%) and Honda (-6.2%) dropped, whereas that with BMW (+580.7%, +19.1% on a like-for-like basis), GM (+266.2%, -0.1% on a like-for-like basis) and Toyota (+106.6%, +29% on a like-for-like basis) increased.

(in millions of Euro)	1st half 2012		1st half 2011		*% change*	*Year 2011*
Group	*Amount*	*%*	*Amount*	*%*	*1h 12/1h 11*	*Amount*
PSA	93.2	13.6	76.1	14.5	22.4	154.3
Renault/Nissan	81.4	11.8	61.2	11.6	32.9	131.0
Ford	74.5	10.9	47.1	8.9	58.3	114.0
GM	65.6	9.5	17.9	3.4	266.2	73.8
Daimler	46.9	6.8	37.6	7.1	24.9	85.1
Fiat/Iveco/Chrysler	44.6	6.5	38.7	7.3	15.4	85.3
Volkswagen/Audi	33.7	4.9	31.2	5.9	7.9	65.2
BMW	23.4	3.4	3.4	0.7	580.7	18.9
Volvo	17.8	2.6	15.7	3.0	13.3	32.1
DAF/Paccar	15.3	2.2	15.1	2.9	0.9	31.5
Toyota	14.4	2.1	7.0	1.3	106.6	17.7
MAN	10.3	1.5	13.5	2.6	(23.5)	27.2
Caterpillar	5.9	0.9	5.0	0.9	18.3	9.6
Honda	3.1	0.4	3.3	0.6	(6.2)	5.9
Others	156.7	22.9	153.8	29.3	1.9	306.8
TOTAL	686.8	100.0	526.6	100.0	30.4	1,158.4

During the period, the Group benefited from the stability of prices for raw materials and implemented strict cost containment policies for all cost factors, especially overheads.

(in millions of Euro)	*1st half 2012*		*1st half 2011*		*Year 2011 (*)*	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
Sales revenues	686.8	100.0	526.6	100.0	1,158.4	100.0
Variable cost of sales	480.6	70.0	359.1	68.2	805.9	69.6
CONTRIBUTION MARGIN	206.2	30.0	167.5	31.8	352.5	30.4
Manufacturing and R&D overheads	70.0	10.3	54.1	10.3	115.0	9.9
Depreciation and amortization	29.8	4.3	22.3	4.2	49.8	4.3
Distribution and sales fixed expenses	20.2	2.9	17.4	3.3	35.3	3.0
Administrative and general expenses	37.2	5.4	32.3	6.1	64.3	5.6
OPERATING RESULT	49.0	7.1	41.4	7.9	88.1	7.6
Restructuring costs	1.4	0.2	1.6	0.3	8.8	0.8
Losses (gains) on disposal	(0.5)	(0.1)	-	-	0.1	-
Exchange (gains) losses	0.2	-	1.4	0.3	0.9	0.1
Other non-operating expenses (income)	11.2	1.7	7.8	1.5	19.8	1.7
EBIT	36.7	5.3	30.6	5.8	58.5	5.0
Financial expenses (income), net	8.4	1.2	4.7	0.9	12.7	1.1
Losses (gains) from equity investments	-	-	-	-	-	-
RESULT BEFORE TAXES AND NON-CONTROLLING INTERESTS	28.3	4.1	25.9	4.9	45.8	3.9
Income taxes	10.5	1.5	9.3	1.8	18.6	1.5
NET RESULT BEFORE NON-CONTROLLING INTERESTS	17.8	2.6	16.6	3.1	27.2	2.4
Loss (income) attributable to non-controlling interests	(1.7)	(0.3)	(1.3)	(0.2)	(3.2)	(0.3)
GROUP NET RESULT	16.1	2.3	15.3	2.9	24.0	2.1

(*) Certain values as at December 31, 2011 were redetermined after the completion of the Purchase Price Allocation process in connection with the Systèmes Moteurs S.A.S. acquisition.

The product mix changed with the inclusion of Systèmes Moteurs S.A.S. into the scope of consolidation and caused a deterioration in the **consolidated contribution margin**, which dropped from 31.8% in the first half-year 2011 to 30% in the six months of the current year.

The impact of overall labour cost on revenues dropped from 24.4% to 23.3% and employees (including temporary workers and excluding employees under labour flexibility schemes) at June 30, 2012 were 7,302 (6,010 on a like-for-like basis) compared to 6,366 the previous year.

As at June 30, 2012, the Group's workforce was 6,760, compared to 6,708 at December 31, 2011 and 5,777 at June 30, 2011, broken down as follows:

	June 30, 2012		*December 31, 2011*		*June 30, 2011*	
	Number	*%*	*Number*	*%*	*Number*	*%*
Managers	115	1.7	108	1.6	92	1.6
Clerical staff	1,822	27.0	1,774	26.4	1,327	23.0
Blue collar workers	4,823	71.3	4,826	72.0	4,358	75.4
TOTAL	6,760	100.0	6,708	100.0	5,777	100.0

Consolidated operating result rose to Euro 49 million (7.1% of revenues), 18.5% up from the 41.4 million (7.9% of revenues) in the first half of 2011. On a like-for-like basis, operating result would have been 34.9 million (6.9% of revenues), down 15.7%.

During the half-year, reorganisation expenses amounted to Euro 1.4 million (1.6 million in the corresponding period of 2011) and non-operating expenses were Euro 5.1 million (3.3 million in the first half-year 2011). The latter mainly reflect consulting services for the acquisition of potential targets (not executed to date) and the write-down of industrial assets formerly used for the manufacture of stabilizer bars at the Prichard plant, USA.

Consolidated EBITDA rose to Euro 68.1 million (9.9% of revenues), 28.9% up from the 52.8 million (10% of revenues) in the corresponding 2011 period.
On a like-for-like basis, it would have amounted to Euro 47.7 million (9.5% of revenues).

Consolidated EBIT grew by 20.1%, namely to Euro 36.7 million (5.3% of revenues) from the previous figure of 30.6 million (5.8% of revenues). On a like-for-like basis, it would have amounted to Euro 24.3 million (4.8% of revenues).

Increased indebtedness due to the purchase of the new French subsidiary gave rise to higher interest costs (Euro 8.4 million compared to 4.7 million during the previous half-year).
The item **result before taxes and non-controlling interests** amounts to Euro 28.3 million, compared to 25.9 million in the first half of the previous year.

Half-year **consolidated net result** was Euro 16.1 million, up from the 15.3 million of the corresponding period of 2011.

As at June 30, 2012, **consolidated equity**, including non-controlling interests, rose to Euro 210.2 million compared to 209.6 million as at June 30, 2011 and Euro 214.2 million as at December 31, 2011, as illustrated in the table below.

(in millions of Euro)	Note*	*June 30, 2012*		*December 31, 2011 (**)*		*June 30, 2011*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Short-term operating assets	(a)	418.5		385.7		301.0	
Short-term operating liabilities	(b)	(367.2)		(330.8)		(253.8)	
Net working capital		51.3	9.9	54.9	10.7	47.2	12.5
Equity investments	(c)	0.8	0.2	0.8	0.2	0.4	0.1
Intangible, tangible fixed assets and other medium and long-term assets	(d)	550.5	106.3	545.3	106.0	397.4	105.4
CAPITAL INVESTED		602.6	116.4	601.0	116.9	445.0	118.0
Other medium and long-term liabilities	(e)	(84.8)	(16.4)	(87.0)	(16.9)	(67.8)	(18.0)
NET CAPITAL INVESTED		517.8	100.0	514.0	100.0	377.2	100.0
Net financial indebtedness		307.6	59.4	299.8	58.3	167.6	44.4
Non-controlling interests		18.3	3.5	19.0	3.7	17.0	4.5
Consolidated equity of the Group		191.9	37.1	195.2	38.0	192.6	51.1
TOTAL		517.8	100.0	514.0	100.0	377.2	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
(**) certain values as at December 31, 2011 were redetermined after the completion of the Purchase Price Allocation process in connection with the Systèmes Moteurs S.A.S. acquisition.

As mentioned earlier, the expenses incurred in purchasing the new French subsidiary and the dividend payment for the amount of Euro 17.2 million increased **net indebtedness** to Euro 307.6 million as at June 30, 2012, compared to Euro 167.6 million as at June 30, 2011 and Euro 299.8 million as at December 31, 2011.

The table below shows a breakdown of the cash flows for the period compared with the corresponding period of 2011 and year 2011 as a whole.

(in millions of Euro)	Note*	*1st half 2012*	*1st half 2011*	*Year 2011*
SELF-FINANCING	(f)	47.2	34.5	70.9
Change in net working capital		3.5	(5.1)	14.2
Other medium/long-term assets/liabilities	(g)	(2.3)	(0.3)	(5.0)
CASH FLOW GENERATED BY OPERATIONS		**48.4**	**29.1**	**80.1**
Sale of equity investments	(h)	-	-	-
Net decrease from sale of fixed assets	(i)	0.2	-	0.3
TOTAL SOURCES		48.6	29.1	80.4
Increase in intangible assets		17.9	6.7	20.5
Purchase of tangible assets		20.0	10.4	36.3
Purchase of equity investments		-	-	146.5
TOTAL APPLICATION OF FUNDS		37.9	17.1	203.3
Net financial position of subsidiaries purchased/sold during the period		-	-	8.3
Exchange differences on assets/liabilities and equity	(l)	(0.4)	1.2	(1.8)
FREE CASH FLOW		**10.3**	**13.2**	**(116.4)**
Holding Company increases in capital		-	0.3	0.3
Net purchase of treasury share		(1.0)	-	(2.7)
Increase in share capital of consolidated subsidiaries		0.1	-	-
Dividends paid by the Holding Company to shareholders		(14.7)	(14.9)	(14.9)
Dividends paid by subsidiaries to non-controlling interests		(2.5)	(1.3)	(1.2)
CHANGES IN SHAREHOLDERS' EQUITY		(18.1)	(15.9)	(18.5)
Change in net financial position	(m)	**(7.8)**	**(2.7)**	**(134.9)**
Opening net financial position	(m)	**(299.8)**	**(164.9)**	**(164.9)**
CLOSING NET FINANCIAL POSITION	(m)	**(307.6)**	**(167.6)**	**(299.8)**

(*) 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 position mainly comprises short-term credit lines, as shown in the table below.

(in millions of Euro)	*June 30, 2012*	*December 31, 2011*	*June 30, 2011*
Cash, banks, financial receivables and securities held for trading	99.0	104.4	82.3
Medium/long-term financial receivables	-	-	0.2
Short-term financial debts (*)	(251.3)	(57.4)	(63.7)
Medium/long-term financial debts	(155.3)	(346.8)	(186.4)
NET FINANCIAL POSITION	(307.6)	(299.8)	(167.6)

(*) 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 2012*	*1st half 2011*
Net profit per Sogefi S.p.A. financial statements	15.4	20.8
Group share of results of subsidiary companies included in the consolidated financial statements	22.4	21.2
Elimination of Sogefi S.p.A. dividens	(21.4)	(26.7)
Elimination of unrealized gains deriving from intercompany transactions and other consolidation adjustments, net of the related deferred taxation	(0.3)	-
NET PROFIT PER CONSOLIDATED FINANCIAL STATEMENTS	16.1	15.3

Shareholders' equity

(in millions of Euro)	*June 30, 2012*	*Dec. 31, 2011 (*)*
Shareholders' equity per Sogefi S.p.A. financial statements	164.8	166.6
Group share of excess equity value of investments in consolidated companies over carrying value in Sogefi S.p.A. financial statements	2.4	3.6
Elimination of unrealized gains deriving from intercompany transactions and other consolidation adjustments, net of the related deferred taxation	24.7	25.0
SHAREHOLDERS' EQUITY PER CONSOLIDATED FINANCIAL STATEMENTS	191.9	195.2

(*) Certain values as at December 31, 2011 were redetermined after the completion of the Purchase Price Allocation process in connection with the Systèmes Moteurs S.A.S. acquisition.

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

Net result in the first half of 2012 amounted to Euro 15.4 million compared to Euro 20.8 million in the corresponding period of the previous year.
The decrease was mainly due to the lower dividend flow resolved by subsidiaries as well as to higher net financial expenses caused by the acquisition of Systèmes Moteurs S.A.S. in the second half of 2011.
"Other non-operating income (expenses)" include consulting services for the acquisition of potential targets (not executed to date).

(in millions of Euro)	*1st half 2012*	*1st half 2011*	*Year 2011*
Financial income/expenses and dividends	18.3	25.3	22.1
Adjustments to financial assets	-	-	(5.5)
Other operating revenues	6.9	6.2	12.8
Operating costs	(9.5)	(9.0)	(16.6)
Other non-operating income (expenses)	(1.9)	(3.3)	(5.3)
RESULT BEFORE TAXES	13.8	19.2	7.5
Income taxes	(1.6)	(1.6)	(3.0)
NET RESULT	15.4	20.8	10.5

The following table shows the main items of the statement of financial position as at June 30, 2012, compared with the figures as at December 31, 2011 and June 30, 2011:

(in millions of Euro)	Note*	*June 30, 2012*	*December 31, 2011*	*June 30, 2011*
Short-term assets	(n)	8.1	8.2	5.5
Short-term liabilities	(o)	(9.2)	(6.1)	(7.8)
Net working capital		(1.1)	2.1	(2.3)
Equity investments	(p)	389.8	389.6	268.9
Other fixed assets	(q)	34.6	30.8	28.2
CAPITAL INVESTED		423.3	422.5	294.8
Other medium and long-term liabilities	(r)	(1.2)	(1.2)	(1.9)
NET CAPITAL INVESTED		422.1	421.3	292.9
Net financial indebtedness		257.3	254.7	108.9
Shareholders' equity		164.8	166.6	184.0
TOTAL		422.1	421.3	292.9

(*) 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 3.1 million relating to capitalised costs for the multi-year project started during the second half of year 2011 to develop and implement a new integrated information system at a group-wide level.
"Shareholders' equity" as at June 30, 2012 amounts to Euro 164.8 million, down from the Euro 184.0 million as at June 30, 2011 and Euro 166.6 million as at December 31, 2011. This decrease is mainly due to Retained earnings used to pay the dividend resolved by the Shareholders' Meeting on April 19, 2012, share premium reserve used to purchase treasury shares and a reduction of the fair value reserve for interest rate hedging instruments, which were booked in accordance with hedge accounting principles.

The following table shows the main items of the net financial position of the Company as at June 30, 2012, compared with the figures as at December 31, 2011 and June 30, 2011:

(in millions of Euro)	*June 30, 2012*	*December 31, 2011*	*June 30, 2011*
Short-term cash investments	25.6	44.4	31.1
Short/medium-term financial receivables to third and subsidiaries	147.7	129.2	130.9
Short-term financial debts (*)	(300.1)	(103.7)	(107.0)
Medium/long-term financial debts	(130.5)	(324.6)	(163.9)
NET FINANCIAL POSITION	(257.3)	(254.7)	(108.9)

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

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

(in millions of Euro)	Note*	*1st half 2012*	*1st half 2011*	*Year 2011*
SELF-FINANCING	(s)	14.8	21.5	14.9
Change in net working capital		3.2	3.5	(0.9)
Other medium/long term assets/liabilities	(t)	(1.6)	0.2	(4.2)
CASH FLOW GENERATED BY OPERATIONS		**16.4**	**25.2**	**9.8**
TOTAL SOURCES		16.4	25.2	9.8
Increase in intangible assets		3.1	-	1.5
Purchase of tangible assets		-	-	-
Purchase of equity investments		0.2	-	126.2
TOTAL APPLICATION OF FUNDS		3.3	-	127.7
FREE CASH FLOW		**13.1**	**25.2**	**(117.9)**
Holding Company increases in capital		-	0.3	0.3
Net purchase of treasury shares		(1.0)	-	(2.7)
Dividends paid by the Holding Company		(14.7)	(14.9)	(14.9)
CHANGES IN SHAREHOLDERS' EQUITY		(15.7)	(14.6)	(17.3)
Change in net financial position	(u)	**(2.6)**	**10.6**	**(135.2)**
Opening net financial position	(u)	**(254.7)**	**(119.5)**	**(119.5)**
CLOSING NET FINANCIAL POSITION	(u)	**(257.3)**	**(108.9)**	**(254.7)**

(*) 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 2012 was Euro 13.1 million, compared to Euro 25.2 million generated in the first half of 2011. Such decrease is due to lower profitability and to an increase in intangible assets as a result of capitalised costs in connection with the implementation of the Group's new information system, as mentioned earlier.

PERFORMANCE OF THE ENGINE SYSTEMS DIVISION

With the inclusion of Systèmes Moteurs S.A.S. into the consolidation perimeter, the Division's **revenues** increased significantly, namely to Euro 412 million (Euro 231 million on a like-for-like basis) from the previous figure of Euro 246.2 million, recording a good expansion in the original equipment market (+187.4%, -13.6% on a like-for-like basis), a plus figure in the original equipment spares (+4.8%) and a drop in the independent aftermarket (-5.6%) due to the difficult economic and financial condition of South European countries.

Growth in the US and Indian markets continued during the period, although it proved sluggish in the Brazilian market, whereas the attempts to expand the limited market share in China met with difficulties yet.

Overall, the Systèmes Moteurs S.A.S. business achieved the planned revenues and profitability, and business expansion exceeded expectations in the NAFTA area.

In line with expectations, the acquisition did not affect the profitability levels (as percentage on revenues) of the Division, which recorded:

- a 72.9% increase in consolidated **operating result**, totalling Euro 28.7 million (7% of revenues) compared to 16.6 million (6.8% of revenues) in H1 2011;
- 77.3% increase in consolidated **EBITDA**, totalling Euro 39.9 million (9.7% of revenues) compared to 22.5 million (9.1% of revenues) in the H1 2011;
- an 81.3% improvement in consolidated **EBIT**, from Euro 13.1 million (5.3% of revenues) to 23.7 million (5.8% of revenues).

In the first half of the year, the Division's **net profit** amounted to Euro 14.9 million, compared to 8.5 million in H1 2011.

As at June 30, 2012, the Division’s employees (including temporary workers and excluding employees under labour flexibility schemes) totalled 4,394 people (compared to 4,222 as at December 31, 2011 and 3,510 as at June 30, 2011).

PERFORMANCE OF THE SUSPENSION COMPONENTS DIVISION

The sluggish demand for original equipment products on the European and Brazilian markets adversely affected the business performance of the Division, which is only marginally active in the aftermarket business.

Consolidated **revenues** amounted to Euro 275.1 million, down 2.4% from the 281.8 million recorded in H1 2011.

The deflationary trend of steel costs helped offset the adverse impact of dropping volumes, although not enough to avoid a decline in profitability:

- consolidated **operating result** dropped to Euro 22.4 million (8.1% of revenues) from the 26.9 million (9.5% of revenues) in H1 2011;
- consolidated **EBITDA** decreased to Euro 31.5 million (11.5% of revenues) from 36.1 million (12.8% of revenues);
- consolidated **EBIT** totalled Euro 17.9 million (6.5% of revenues) compared to the previous figure of 23.5 million (8.3% of revenues).

Net result amounted to Euro 7.3 million, compared to 12.3 million in H1 2011.

As at June 30, 2012, the Division's employees (including temporary workers and excluding employees under labour flexibility schemes) totalled 2,841 people (compared to 2,668 as at December 31, 2011 and 2,794 as at June 30, 2011).

PERFORMANCE IN THE SECOND QUARTER OF 2012

During the period, a downtrend was recorded in business on such major markets as Europe and Brazil, with significant drops in manufacturing volumes at key customers like PSA and Fiat.

Consolidated revenues in the quarter amounted to Euro 339.9 million, compared to 270.8 million in the corresponding period of 2011(+25.5%). On a like-for-like basis, revenues would have amounted to Euro 250.8 million (-7.4%).

The following table provides comparative figures of the income statement for the period under consideration and the previous year.

(in millions of Euro)	*Period 4.1 - 6.30.2012*		*Period 4.1 - 6.30.2011*		*Change*	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
Sales revenues	339.9	100.0	270.8	100.0	69.1	25.5
Variable cost of sales	237.3	69.8	184.4	68.1	52.9	28.7
CONTRIBUTION MARGIN	102.6	30.2	86.4	31.9	16.2	18.8
Manufacturing and R&D overheads	34.4	10.1	27.4	10.1	7.0	25.7
Depreciation and amortization	15.6	4.6	11.2	4.1	4.4	39.7
Distribution and sales fixed expenses	10.1	3.0	8.5	3.1	1.6	19.9
Administrative and general expenses	18.1	5.3	15.9	5.9	2.2	13.5
OPERATING RESULT	24.4	7.2	23.4	8.7	1.0	4.1
Restructuring costs	0.8	0.2	1.0	0.4	(0.2)	(14.7)
Losses (gains) on disposal	(0.5)	(0.1)	-	-	(0.5)	n.a.
Exchange (gains) losses	0.1	-	0.5	0.2	(0.4)	(86.9)
Other non-operating expenses (income)	7.4	2.2	5.2	1.9	2.2	39.3
EBIT	16.6	4.9	16.7	6.2	(0.1)	(0.7)
Financial expenses (income), net	4.3	1.3	2.5	0.9	1.8	73.6
Losses (gains) from equity investments	-	-	-	-	-	-
RESULT BEFORE TAXES AND NON-CONTROLLING INTERESTS	12.3	3.6	14.2	5.3	(1.9)	(13.5)
Income taxes	4.6	1.4	4.9	1.8	(0.3)	(5.2)
NET RESULT BEFORE NON-CONTROLLING INTERESTS	7.7	2.2	9.3	3.5	(1.6)	(17.9)
Loss (income) attributable to non-controlling interests	(0.9)	(0.2)	(0.7)	(0.3)	(0.2)	(15.5)
GROUP NET RESULT	6.8	2.0	8.6	3.2	(1.8)	(20.7)

As mentioned earlier when discussing half-year figures, the change in the product mix after the inclusion of Systèmes Moteurs S.A.S. led to a higher impact of raw material costs, which increased to 51.7% from 47.1% in Q2 2011. The figure, however, marks an improvement over Q1 2012, when it amounted to 52.4%.

The impact of labour cost was 23.4%, compared to 24.2% in the H2 2011 and 23.3% in the first quarter of 2012.

Consolidated operating result amounted to Euro 24.4 million (7.2% of revenues), compared to 23.4 million (8.7% of revenues) in Q2 2011 and 24.6 million (7.1% of revenues) in Q1 2012.
Operating result was adversely affected by depreciation and amortisation for the amount of Euro 1.2 million relating to the first half of 2012 booked to accounts in Q2 2012 after the completion of the Purchase Price Allocation process in connection with the Systèmes Moteurs S.A.S. acquisition.

Consolidated EBITDA stood at Euro 33.8 million (9.9% of revenues), compared to 27.8 million (10.3% of revenues) in Q2 2011 and 34.3 million (9.9% of revenues) in Q1 of the current year.

Consolidated EBIT was Euro 16.6 million (4.9% of revenues), compared to 16.7 million (6.2% of revenues) in Q2 2011 and 20.1 million (5.8% of revenues) in Q1 of the current year.

Net result stood at Euro 6.8 million, compared to 8.6 million in Q2 2011 and 9.2 million in Q1 2012.

INVESTMENTS AND RESEARCH & DEVELOPMENT ACTIVITIES

New investments totalled Euro 37.9 million in H1 2012, compared to Euro 17.1 million in H1 of the previous year. Investments were mostly aimed at increasing production capacity in recently approached markets, as well as upgrading production processes and developing products.

Research and development activities obtained a significant achievement when customer Audi approved the new shock absorber springs made from composite materials and decided to start using this innovative Sogefi product in a top-end electric car as of 2012, with a view to a gradual introduction in its top-selling platforms.

TREASURY SHARES

As at June 30, 2012, the Holding Company has 3,768,229 treasury shares in its portfolio, corresponding to 3.23% of share capital, at an average price of Euro 2.3 each.

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.
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 Internal Control Committee and approved the Discipline for related-party transactions, which had previously received a favourable opinion of the Internal Control 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..

SIGNIFICANT SUBSEQUENT EVENTS AFTER JUNE 30, 2012

On April 19, 2012, the Shareholders' Meeting authorised the purchase of treasury shares and the Holding Company purchased 57,000 treasury shares at an average price of Euro 1.89 each after June 30, 2012.

OUTLOOK FOR OPERATIONS

In the second half of the year, the trend in the global automotive market is not expected to improve compared to H1. As a matter of fact, predictions suggest that possible recovery in China and Brazil after the economic stimulus measures recently adopted by those governments should be offset by continued sluggishness in Europe. On the other hand, a scenario of stable raw material prices and on-going containment policies for all cost factors should enable the Sogefi Group to achieve economic results in line with H1 during the second half of the year.

Milano, July 24, 2012

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", "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 writedowns", "Accrued costs for stock-based incentive plans", "Provisions for risks, restructuring and deferred taxes", excluding deferred tax liabilities on "Other comprehensive income (expenses)" classified under this item, and "Post-retirement and other employee benefits" in the Consolidated Cash Flow Statement;

(g) the heading agrees with the sum of the line items "Other medium/long-term assets/liabilities" in the Consolidated Cash Flow Statement, excluding movements relating to "Financial receivables", and deferred tax liabilities on "Other comprehensive income (expenses)" classified under "Provisions for risks, restructuring and deferred taxes" in the Consolidated Cash Flow Statement;

(h) the heading agrees with the sum of the line items "Losses/(gains) on sale of equity investments in associates" and "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 Consolidated Cash Flow Statement, excluding exchange differences on medium/long-term 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

(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"), "Net change risks provision and deferred charges" ("Variazione netta fondo rischi e oneri futuri") 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 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;

(u) 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 H1 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)". In the previous year, EBITDA was calculated by summing "EBIT" and "Depreciation and Amortisation". The value for 2011 was redetermined according to new calculation method.

Normalised EBITDA is calculated by summing "EBIT", "Depreciation and Amortisation" and the expenses and revenues arising from non-ordinary operations, such as the "Restructuring costs " and the write-downs of assets and stocks, relating to restructuring operations, included in "Other non-operating expenses (income)".

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of Euro)

ASSETS	*Note*	*June 30, 2012*	*December 31, 2011 (*)*
CURRENT ASSETS			
Cash and cash equivalents	*4*	80,512	102,461
Other financial assets	*5*	18,593	1,912
Working capital			
Inventories	*6*	169,143	152,505
Trade receivables	*7*	192,692	178,655
Other receivables	*7*	31,992	32,141
Tax receivables	*7*	19,811	19,564
Other assets	*7*	4,851	2,800
TOTAL WORKING CAPITAL		*418,489*	*385,665*
TOTAL CURRENT ASSETS		517,594	490,038
NON-CURRENT ASSETS			
FIXED ASSETS			
Land	*8*	16,700	15,774
Property, plant and equipment	*8*	234,929	240,063
Other tangible fixed assets	*8*	5,296	4,845
Of which: leases		*12,428*	*12,847*
Intangible assets	*9*	228,880	220,246
TOTAL FIXED ASSETS		485,805	480,928
OTHER NON-CURRENT ASSETS			
Investments in joint ventures	*10*	312	303
Other financial assets available for sale	*11*	489	490
Non-current trade receivables	*12*	-	918
Financial receivables	*12*	-	-
Other receivables	*12*	15,917	14,102
Deferred tax assets	*13*	48,816	48,638
TOTAL OTHER NON-CURRENT ASSETS		65,534	64,451
TOTAL NON-CURRENT ASSETS		551,339	545,379
NON-CURRENT ASSETS HELD FOR SALE	*14*	-	744
TOTAL ASSETS		1,068,933	1,036,161

(*) Certain values as at December 31, 2011 were redetermined after the completion of the Purchase Price Allocation process in connection with the Systèmes Moteurs S.A.S. acquisition.

LIABILITIES	*Note*	*June 30, 2012*	*December 31, 2011 (*)*
CURRENT LIABILITIES			
Bank overdrafts and short-term loans	*15*	5,374	9,827
Current portion of medium/long-term financial debts and other loans	*15*	244,529	46,962
Of which: leases		*1,112*	*1,674*
TOTAL SHORT-TERM FINANCIAL DEBTS		249,903	56,789
Other short-term liabilities for derivative financial instruments	*15*	1,438	632
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FIN. INSTRUMENTS		251,341	57,421
Trade and other payables	*16*	349,745	314,841
Tax payables	*16*	10,482	8,615
Other current liabilities	*17*	6,948	7,324
TOTAL CURRENT LIABILITIES		618,516	388,201
NON-CURRENT LIABILITIES			
MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS			
Financial debts to bank	*15*	137,186	330,462
Other medium/long-term financial debts	*15*	7,464	7,916
Of which: leases		*5,431*	*5,686*
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS		144,650	338,378
Other medium/long-term financial liabilities for derivative financial instruments	*15*	10,698	8,416
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS		155,348	346,794
OTHER LONG-TERM LIABILITIES			
Long-term provisions	*18*	38,667	40,507
Other payables	*18*	548	1,619
Deferred tax liabilities	*19*	45,623	44,838
TOTAL OTHER LONG-TERM LIABILITIES		84,838	86,964
TOTAL NON-CURRENT LIABILITIES		240,186	433,758
SHAREHOLDERS' EQUITY			
Share capital	*20*	60,690	60,665
Reserves and retained earnings (accumulated losses)	*20*	115,138	110,515
Group net profit (loss) for the period	*20*	16,063	24,046
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY		191,891	195,226
Non-controlling interests	*20*	18,340	18,976
TOTAL SHAREHOLDERS' EQUITY		210,231	214,202
TOTAL LIABILITIES AND EQUITY		1,068,933	1,036,161

(*) Certain values as at December 31, 2011 were redetermined after the completion of the Purchase Price Allocation process in connection with the Systèmes Moteurs S.A.S. acquisition.

CONSOLIDATED INCOME STATEMENT
(in thousands of Euro)

	Note	1st half 2012		1st half 2011	
		Amount	*%*	*Amount*	*%*
Sales revenues	*22*	686,802	100.0	526,593	100.0
Variable cost of sales	*24*	480,632	70.0	359,096	68.2
CONTRIBUTION MARGIN		206,170	30.0	167,497	31.8
Manufacturing and R&D overheads	*25*	70,012	10.3	54,083	10.3
Depreciation and amortization	*26*	29,770	4.3	22,261	4.2
Distribution and sales fixed expenses	*27*	20,166	2.9	17,406	3.3
Administrative and general expenses	*28*	37,184	5.4	32,353	6.1
OPERATING RESULT		49,038	7.1	41,394	7.9
Restructuring costs	*30*	1,379	0.2	1,593	0.3
Losses (gains) on disposal	*31*	(530)	(0.1)	16	-
Exchange losses (gains)	*32*	244	-	1,389	0.3
Other non-operating expenses (income)	*33*	11,248	1.7	7,833	1.5
- *of which non-recurring*		*1,920*		*3,300*	
EBIT		36,697	5.3	30,563	5.8
Financial expenses (income), net	*34*	8,443	1.2	4,644	0.9
Losses (gains) from equity investments	*35*	-	-	-	-
RESULT BEFORE TAXES AND NON-CONTROLLING INTERESTS		28,254	4.1	25,919	4.9
Income taxes	*36*	10,532	1.5	9,275	1.8
NET RESULT BEFORE NON-CONTROLLING INTERESTS		17,722	2.6	16,644	3.1
Loss (income) attributable to non-controlling interests		(1,659)	(0.3)	(1,314)	(0.2)
GROUP NET RESULT		16,063	2.3	15,330	2.9
Earnings per share (EPS) (Euro):	*38*				
Basic		0.142		0.134	
Diluted		0.141		0.133	

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

	Note	*1st half 2012*	*1st half 2011*
Net result before non-controlling interests		17,722	16,644
Profit (loss) booked in Other Comprehensive Income			
- Profit (loss) booked to cash flow hedge reserve		(2,965)	9
- Profit (loss) booked to fair value reserve for financial assets available for sale		-	(1)
- Tax on items booked in Other Comprehensive Income	*20*	815	(1)
- Profit (loss) booked to translation reserve		(2,060)	(5,761)
Profit (loss) booked in Other Comprehensive Income		*(4,210)*	*(5,754)*
Total comprehensive result for the period		13,512	10,890
Attributable to:			
- Shareholders of the Holding Company		11,870	9,835
- Non-controlling interests		1,642	1,055

CONSOLIDATED CASH FLOW STATEMENT
(in thousands of Euro)

	1st half 2012	*1st half 2011*
Cash flows from operating activities		
Net result	16,063	15,330
Adjustments:		
- non-controlling interests	1,659	1,314
- depreciation, amortization and writedowns	31,406	22,261
- accrued costs for stock-based incentive plans	554	201
- losses/(gains) on disposal of fixed assets and non-current assets held for sale	(530)	16
- losses/(gains) on sale of equity investments in associates	-	-
- dividends collected	-	-
- provisions for risks, restructuring and deferred taxes	(1,139)	(2,776)
- post-retirement and other employee benefits	(484)	(1,840)
- change in net working capital	3,526	(5,135)
- other medium/long-term assets/liabilities	(8,711)	(340)
CASH FLOWS FROM OPERATING ACTIVITIES	42,344	29,031
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(19,965)	(10,358)
Purchase of intangible assets	(17,906)	(6,717)
Net change in other securities	(5,099)	4
Sale of subsidiaries (net of cash and cash equivalents) and associates	-	-
Sale of property, plant and equipment	755	41
Sale of intangible assets	-	-
Dividends collected	-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES	(42,215)	(17,030)
FINANCING ACTIVITIES		
Capital increase in subsidiaries from third parties	127	-
Net change in capital	50	266
Net purchase of treasury shares	(992)	-
Dividends paid to Holding Company shareholders and non-controlling interests	(17,216)	(16,138)
New (repayment of) long-term loans	2,101	26,724
New (repayment of) finance leases	(982)	(910)
NET CASH FLOWS FROM FINANCING ACTIVITIES	(16,912)	9,942
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(16,783)	21,942
Balance at the beginning of the period	92,634	30,803
(Decrease) increase in cash and cash equivalents	(16,783)	21,942
Exchange differences	(713)	236
BALANCE AT THE END OF THE PERIOD	75,138	52,981

ADDITIONAL INFORMATIONS OF CASH FLOW STATEMENT		
Taxes paid	(4,679)	(6,114)
Financial expenses paid	(9,225)	(5,909)
Financial income collected	645	910

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, 2010	*60,546*	*117,874*	*18,821*	*197,241*	*17,161*	*214,402*
Paid share capital increase	92	174	-	266	-	266
Allocation of 2010 net profit:						
Legal reserve	-	-	-	-	-	-
Dividends	-	(14,888)	-	(14,888)	(1,250)	(16,138)
Retained earnings	-	18,821	(18,821)	-	-	-
Credit to equity for stock-based incentives plans	-	201	-	201	-	201
Other changes	-	(91)	-	(91)	91	-
Comprehensive result for the period						
Fair value measurement of financial assets available for sale	-	(1)	-	(1)	-	(1)
Fair value measurement of cash flow hedging instruments	-	9	-	9	-	9
Tax on items booked in Other Comprehensive Income	-	(1)	-	(1)	-	(1)
Currency translation differences	-	(5,432)	-	(5,432)	(329)	(5,761)
Net result for the period	-	-	15,330	15,330	1,314	16,644
Total Comprehensive result for the period	-	*(5,425)*	*15,330*	*9,905*	*985*	*10,890*
Balance at June 30, 2011	*60,638*	*116,666*	*15,330*	*192,634*	*16,987*	*209,621*

(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, 2011 (*)	*60,665*	*110,515*	*24,046*	*195,226*	*18,976*	*214,202*
Paid share capital increase	25	25	-	50	127	177
Allocation of 2011 net profit:						
Legal reserve	-	-	-	-	-	-
Dividends	-	(14,716)	-	(14,716)	(2,500)	(17,216)
Retained earnings	-	24,046	(24,046)	-	-	-
Credit to equity for stock-based incentives plans	-	554	-	554	-	554
Net purchase of tresury shares	-	(992)	-	(992)	-	(992)
Other changes	-	(101)	-	(101)	95	(6)
Comprehensive result for the period						
Fair value measurement of financial assets available for sale	-	-	-	-	-	-
Fair value measurement of cash flow hedging instruments	-	(2,965)	-	(2,965)	-	(2,965)
Tax on items booked in Other Comprehensive Income	-	815	-	815	-	815
Currency translation differences	-	(2,043)	-	(2,043)	(17)	(2,060)
Net result for the period	-	-	16,063	16,063	1,659	17,722
Total Comprehensive result for the period	-	*(4,193)*	*16,063*	*11,870*	*1,642*	*13,512*
Balance at June 30, 2012	*60,690*	*115,138*	*16,063*	*191,891*	*18,340*	*210,231*

(*) Certain values as at December 31, 2011 were redetermined after the completion of the Purchase Price Allocation process in connection with the Systèmes Moteurs S.A.S. acquisition.

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, 2012 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 has 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, 2011, other than those discussed in the Notes "Accounting Policies" paragraph. "IFRS" also means the International Accounting Standards ("IAS") currently in force, as well as all of the Interpretations issued by the International Financial Reporting Interpretations Committee ("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, 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 Group's 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 of June 30, 2012 should be read in conjunction with the annual financial statements as of December 31, 2011.
We point out that, in accordance with IFRS 3, as described below at paragraph "Business combinations", as at June 30, 2012 the Group retroactively adjusted the provisional amounts recognised as at December 31, 2011 relating to the acquisition of Systèmes Moteurs Group occurred in July 2011, so as to reflect the new information gathered on the events and circumstances existing at the acquisition date.
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, 2012 were approved by the Board of Directors on July 24, 2012.

1.1 Format of the consolidated financial statements

The financial statements at June 30, 2012 are consistent with those used for the annual report at December 31, 2011.

1.2 Content of the consolidated financial statements

The interim condensed consolidated financial statements for the six-month period ending June 30, 2012 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.

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

The 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 in which, directly or indirectly, it holds a majority of the voting rights.

In the first half of 2012, the subsidiary Allevard Rejna Autosupensions S.A. increased its shareholding in the subsidiary S.ARA Composite S.a.S. from 86.67% to 90% (percentages referred to the subscribed share capital actually paid up), through share capital increases of Euro 2,500 thousand.

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

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, 2012 are consistent with those used for the annual financial statements as of December 31, 2011 to which the reader should refer.

It should be noted that 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 consolidated 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 loss 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 are 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:

- the goodwill: impairment test conducted as of December 31, 2011 confirmed that there was no need to recognise any impairment loss to the values shown in the financial statements. Because the performance of the divisions in the first half of 2012 and the forecasts for the entire year 2012 are basically in line with Group strategic plan expectations for the following years as approved by Group Management, there is no indication that goodwill might have suffered any impairment loss in the first half of 2012;
- recoverability of deferred tax assets on tax losses: as of June 30, 2012, deferred tax assets on tax losses incurred during previous years were accounted for to the extent that it is probable that taxable income will be available in the future against which they can be utilised. Such probability is determined based on the fact that such losses were originated under extraordinary circumstances that are unlikely to occur again.

Business combinations

As mentioned earlier, the determination of the fair value of identifiable assets acquired and identifiable liabilities assumed in connection with the Systèmes Moteurs Group acquisition in July 2011, required by the acquisition method, was completed during the first half of 2012.

The following table reports the final fair values of acquired assets and liabilities and details of goodwill as of the “acquisition date” (July 29, 2011), as well as the corresponding provisional values reported in the consolidated financial statements at December 31, 2011:

ASSETS	Final Fair Value	Provisional Fair Value as of December 31, 2011
CURRENT ASSETS		
Cash and cash equivalents	8,311	8,311
Other financial assets	-	-
Inventories	51,395	51,395
Trade receivables	48,193	48,193
Other receivables	3,877	5,307
Tax receivables	4,356	4,356
Other assets	334	334
TOTAL CURRENT ASSETS	116,466	117,896
NON-CURRENT ASSETS		
FIXED ASSETS		
Land	1,006	1,006
Property, plant and equipment	38,129	37,156
Other tangible fixed assets	715	715
Intangible assets	47,570	17,627
TOTAL FIXED ASSETS	87,420	56,504
OTHER NON-CURRENT ASSETS		
Investments in associates	274	274
Other receivables	24,320	952
Deferred tax assets	12,304	1,518
TOTAL OTHER NON-CURRENT ASSETS	36,898	2,744
TOTAL NON-CURRENT ASSETS	124,318	59,248
TOTAL ASSETS (A)	240,784	177,144

LIABILITIES	Final Fair Value	Provisional Fair Value as of December 31, 2011
CURRENT LIABILITIES		
Bank overdrafts and short-term loans	-	-
Current portion of medium/long-term financial debts and other loans	-	-
TOTAL SHORT-TERM FINANCIAL DEBTS	-	-
Other short-term liabilities for derivative financial instruments	-	-
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FIN. INSTUMENTS	-	-
Trade and other payables	74,517	69,653
Tax payables	32	32
Other current liabilities	2,887	2,887
TOTAL CURRENT LIABILITIES	77,436	72,572
NON-CURRENT LIABILITIES		
OTHER LONG-TERM LIABILITIES		
Long-term provisions	31,276	4,815
Other payables	1,359	1,359
Deferred tax liabilities	16,771	6,816
TOTAL OTHER LONG-TERM LIABILITIES	49,406	12,990
TOTAL NON-CURRENT LIABILITIES	49,406	12,990
TOTAL LIABILITIES (B)	126,843	126,843
Transferred consideration for the acquisition	146,501	146,501
Net asset acquired (A)-(B)	113,941	91,582
GOODWILL	32,560	54,919
	-	-
Transferred consideration for the acquisition	146,501	146,501
Cash and cash equivalents owned by the purchased group	(8,311)	(8,311)
CASH FLOW FOR THE ACQUISITION	138,190	138,190

Below is a description of the nature and amounts of major adjustments to the fair value of acquired assets and liabilities occurred during the measurement period.

After completion of fair value determination, "Plant and machinery" was increased by Euro 973 thousand.

After completion of the determination of fair value of "Intangible assets", the following separable intangible assets were identified:

- Customer Relations: Euro 19,215 thousand (amortised over a useful life of 20 years);
- Patents: Euro 2,292 thousand (amortised over a useful life of 4 to 5 years);
- "Systèmes Moteurs" trade name: Euro 8,437 thousand (amortised over a useful life of 20 years).

After completion of the determination of the fair value of potential liabilities connected with product warranty risks, liabilities for the amount of Euro 25,068 thousand were recognised. Of such liabilities, Euro 4,177 thousand were charged to short-term "Trade and other payables" and Euro 20,891 thousand were booked to "Long-term provisions". Such potential liabilities actually occurred in the amount of Euro 4,177 thousand at June 30, 2012. We believe that the amount left after full or partial insurance compensation and indemnities paid by subsuppliers will be repaid by the seller of Systèmes Moteurs S.A.S.' shares. For this reason, the amount of Euro 23,368 thousand was credited as an indemnification asset to "Other non-current receivables".
"Long-term provisions" include other liabilities for the amount of Euro 7,000 thousand. The balance includes different items, among which legal costs to be incurred in proceedings to recover "Other receivables" mentioned above.

Accounting standards, amendments and interpretations adopted from January 1, 2012

The following accounting standards, amendments and interpretations were first adopted by the Group starting January 1, 2012.
On October 7, 2010, the IASB issued several amendments to IFRS 7 – *Financial instruments: Disclosures*. The amendments were released in order to provide better understanding of transfers of financial assets (*derecognition*), and of the possible effects deriving from any risk that may remain with the entity that transferred the assets. The amendments also require additional disclosures in the event that a disproportionate amount of such transfer transactions occurs near the end of a reporting period. The adoption of this amendment doesn't have any impact on the disclosures of the financial statements report.

Accounting standards, amendments and interpretations effective as of January 1, 2012 not applicable to the Group
There are no amendments, improvements and interpretations effective as of January 1, 2012 relate to issues and circumstances that are applicable within the Group on the date of these interim consolidated financial statements that may affect the accounting of future transactions or agreements.

Accounting standards, amendments and interpretations not yet applicable and not early adopted by the Group

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

- On December 20, 2010, the IASB issued a minor amendment to IAS 12 – *Income Taxes* that requires an entity to measure the deferred tax relating to an asset depending on how the entity expects to recover the carrying amount of the asset (through continued use or sale). As a result of this amendment, SIC-21 *Income Taxes – Recovery of Revalued Non-Depreciable Assets* will no longer apply. This amendment was supposed to be applied retrospectively as of January 1, 2012, but has not been approved by the European Union yet and may not be applied in the half-year report as at June 30, 2012. Application of this amendment would not have had any effects on the measurement on the Group's financial statements as at June 30, 2012.
- On November 12, 2009, the IASB issued IFRS 9 – *Financial instruments*: the same standard was amended on October 28, 2010. The standard, which is to be applied retrospectively from January 1, 2015, represents the first phase of a process in stages, the aim of which is to entirely replace IAS 39 and introduces new requirements for the classification and measurement of financial assets and financial liabilities and for the derecognition of financial assets. 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 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.
- On May 12, 2011, the IASB issued IFRS 10 – *Consolidated Financial Statements* that is to supersede SIC-12 *Consolidation – Special Purpose Entities (Special Purpose Vehicles)* and parts of IAS 27 – *Consolidated and Separate Financial Statements*, which will be renamed Separate financial statements and shall establish how equity investments are to be accounted in separate financial statements. The new standard builds on existing standards by identifying the concept of control as the determining factor whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. This standard is to be applied retrospectively beginning on or after January 1, 2013.
- On May 12, 2011, the IASB issued IFRS 11 – *Joint Arrangements* that is to replace IAS 31 – *Interests in Joint Ventures* and SIC-13 *Jointly-controlled Entities — Non-monetary Contributions by Venturers*. The new standard provides the criteria for identifying joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form and requires the equity method as the single method to account for interests in jointly-controlled entities. This standard is to be applied retrospectively beginning on or after January 1, 2013. After this standard was issued, IAS 28 – *Investments in Associates* was amended to include interests in joint ventures in its scope of application, as of the effective date of the new standard.

- On May 12, 2011, the IASB issued IFRS 12 – *Disclosure of interests in other entities*, a new standard that includes all of the disclosure requirements for subsidiaries, joint arrangements, associates, special purpose entities and other non-consolidated special purpose vehicles. This standard is to be applied retrospectively beginning on or after January 1, 2013.
- On May 12, 2011, the IASB issued IFRS 13 – *Fair Value Measurement* that explains clearly how to measure fair value for the purposes of statutory financial statements and is applicable to all IFRSs that require or allow fair value measurements or disclosures based on fair value. This standard is to be applied retrospectively for annual periods beginning on or after January 1, 2013.
- On December 16, 2011, the IASB issued certain amendments to IAS 32 – *Financial Instruments: Presentation* to clarify the application of certain offsetting criteria for financial assets and financial liabilities in IAS 32. These amendments are effective for annual periods beginning on or after January 1, 2014 and are required to be applied retrospectively.
- On December 16, 2011, the IASB issued certain amendments to IFRS 7 – *Financial instruments: Disclosures*. The amendments require information about the effect or potential effect of netting arrangements for financial assets and liabilities on an entity's financial position. Entities are required to apply the amendments for annual reporting periods beginning on or after January 1, 2013 and interim periods within those annual periods. The required disclosures should be provided retrospectively.
- On March 19, 2011, the IASB issued an amendment to IFRS 1 *First-time adoption of International Financial Reporting Standards - Government Loans* that changes reference to government loans accounting during transition to IFRS (as such, not applicable to the Group).
- On May 17, 2012, the IASB published the document *Annual Improvements to IFRSs: 2009-2011 Cycle*, amending standards as part of the annual improvement process, which is designed to make necessary, but not urgent, amendments to IFRSs. Outlined below are those amendments that impact the presentation, recognition and measurement of the items of the financial statements. Those related to changes in new terminology having minimal accounting impacts, or those that concern standards or interpretations not applicable to the Group have been omitted.
  - IAS 1 *Presentation of Financial Statements – Comparative information*: clarifies that any additional comparative information provided must be presented in accordance with IAS/IFRS. It also clarifies that when an entity changes an accounting principle or makes retrospective adjustments/restatements, it must include an opening statement of financial position at the beginning of the comparative period ("third statements of financial position" in the financial statements); related disclosures are not required for such "third statements of financial position", except for the affected items, in the supporting notes.
  - IAS 16 *Property, Plant and Equipment – Classification of servicing equipment:* clarifies that servicing equipment must be classified under Property, plant and equipment if used during more than one accounting period. Otherwise, they must be classified as inventory.
  - IAS *32 Financial Instruments: Presentation - Taxes relating to distributions to holders of an equity instrument and transaction costs on equity transaction*: clarifies that such income taxes are accounted according to IAS 12.

– IAS 34 *Interim Financial Reporting – Total assets for a reportable segment*: clarifies that total assets must be disclosed only if such information is regularly provided to the chief operating decision maker of the entity and there has been a material change from the amounts disclosed in the last annual financial statements for the reportable segment.

The proposed amendments are effective for the years beginning on or after January 1, 2013. Early adoption is allowed.

- On June 28, 2012, IASB published document *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)*.
  First and foremost, the document is aimed at clarifying the Board's intentions as to the transition rules in IFRS 10 *Consolidated Financial Statements*. Amendments to IFRS 10 aim to clarify how an investor should adjust the comparative period or periods retrospectively when the conclusions on the consolidation according to IAS 27/SIC 12 and IFRS 10 as at date of initial application differ. In addition, the Board amended IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities to likewise facilitate the presentation or modification of comparative information for periods before "the immediately preceding period" (i.e. the comparative period presented in the financial statements). These amendments are to be applied - along with the reference standards - for years beginning on January 1, 2013, unless adopted earlier.

At the date of these Interim consolidated financial statements, the European Union has completed its endorsement process for the standards and amendments below, and the Group decided not to early adopt them.

- On June 16, 2011, IASB issued an amendment to IAS 1 – *Presentation of Financial Statements* requiring entities to group all items presented in "Other comprehensive income (expenses)" depending on whether they can be reclassified to profit or loss. This amendment is effective for periods beginning on or after July 1, 2012.
- On June 16, 2011, IASB issued an amendment to IAS 19 – *Employee Benefits* that eliminates the option to defer recognition of actuarial gains and losses using the corridor approach (currently adopted by the Group), and requires that surplus or deficit be presented in full in the statement of financial position, service cost and net interest cost be recognised separately in the income statement, and actuarial gains and losses arising out the remeasurement of assets and liabilities occurred during each year be booked to "Other comprehensive income". In addition, the return on assets included in net financial expenses must now be calculated using the discount rate applicable to liabilities and no longer the expected return on the assets. Finally, the amendment introduces new disclosures to be presented in the notes to the financial statements. The amendment IAS 19 is applicable retrospectively from January 1, 2013.

The following exchange rates have been used for translation purposes:

	1st half 2012		*1st half 2011*		*F.Y. 2011*
	Average	*06.30*	*Average*	*06.30*	*12.31*
US dollar	1.2963	1.2590	1.4019	1.4453	1.2939
Pound sterling	0.8223	0.8068	0.8677	0.9026	0.8353
Brazilian real	2.4102	2.5788	2.2868	2.2601	2.4159
Argentine peso	5.6918	5.6433	5.6702	5.9315	5.5676
Chinese renminbi	8.1893	8.0013	9.1709	9.3414	8.1586
Indian rupee	67.5676	70.1262	63.0915	64.5578	68.7285
New romanian Leu	4.3900	4.4514	4.1789	4.2436	4.3234
Canadian dollar	1.3040	1.2871	1.3698	1.3951	1.3215
Mexican peso	17.1821	16.8748	16.6806	16.9779	18.0505
Hong Kong dollar	10.0604	9.7656	10.9111	11.2473	10.0513

B) SEGMENT INFORMATION

3. OPERATING SEGMENTS

In compliance with the provisions of IFRS 8, the following information is provided by operating segments (*business* and geographical area).
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 Divisions – Engine Systems and Suspension Components – is provided. As of June 30, 2012, the Engine Systems Division encompasses the former "Filter Division" – a designation used until June 30, 2011 – as well as the Systèmes Moteurs Group; the two segments have been aggregated for the purpose of presentation because they deal with closely related products and are placed under the same management team. 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 2011 and 2012:

(in thousands of Euro)	June 30, 2011				
	Engine Systems Division	Suspension Components Division	Sogefi SpA / Sogefi Purch. S.a.S.	Adjust-ments	Sogefi Group consolida-tion
REVENUES					
Sales to third parties	245,476	281,117	-	-	526,593
Intersegment sales	684	634	9,322	(10,640)	-
TOTAL REVENUES	246,160	281,751	9,322	(10,640)	526,593
RESULTS					
EBIT	13,074	23,523	(6,011)	(23)	30,563
Financial expenses, net					(4,644)
Income from equity investments					(0)
Losses from equity investments					-
Result before taxes					25,919
Income taxes					(9,275)
Loss (profit) attributable to non-controlling interests					(1,314)
NET RESULT					15,330
STATEMENT OF FINANCIAL POSITION					
ASSETS					
Segment assets	319,656	425,653	438,630	(497,591)	686,348
Equity investments in associates	-	-	-	-	-
Unallocated assets	-	-	-	94,881	94,881
TOTAL ASSETS	319,656	425,653	438,630	(402,710)	781,229
LIABILITIES					
Segment liabilities	201,691	272,212	283,259	(185,554)	571,608
TOTAL LIABILITIES	201,691	272,212	283,259	(185,554)	571,608
OTHER INFORMATION					
Increase in tangible and intangible fixed assets	7,353	9,697	25	0	17,075
Depreciation, amortization and writedowns	9,445	12,552	243	21	22,261

(in thousands of Euro)	*June 30, 2012*				
	Engine Systems Division	Suspension Components Division	Sogefi SpA / Sogefi Purch. S.a.S.	Adjust-ments	Sogefi Group consolida-tion
REVENUES					
Sales to third parties	411,441	274,494	-	867	686,802
Intersegment sales	580	592	10,183	(11,354)	-
TOTAL REVENUES	412,021	275,085	10,183	(10,487)	686,802
RESULTS					
EBIT	23,700	17,868	(4,468)	(403)	36,697
Financial expenses, net					(8,443)
Income from equity investments					-
Losses from equity investments					-
Result before taxes					28,254
Income taxes					(10,532)
Loss (profit) attributable to non-controlling interests					(1,659)
NET RESULT					16,063
STATEMENT OF FINANCIAL POSITION					
ASSETS					
Segment assets	530,007	440,840	576,274	(612,217)	934,904
Equity investments in associates	-	-	-	-	-
Unallocated assets	-	-	-	134,029	134,029
TOTAL ASSETS	530,007	440,840	576,274	(478,188)	1,068,933
LIABILITIES					
Segment liabilities	311,886	282,288	444,127	(179,599)	858,702
TOTAL LIABILITIES	311,886	282,288	444,127	(179,599)	858,702
OTHER INFORMATION					
Increase in tangible and intangible fixed assets	22,526	12,136	3,209	-	37,871
Depreciation, amortization and writedowns	16,231	13,650	253	1,272	31,406

Please note that the Engine Systems Division includes the net book value of the Systèmes Moteurs Group, whereas the other adjustments arising from Purchase Price Allocation process are reported in column "Adjustments".

The adjustment to “Sales to third parties” reflects provision for product warranties utilised, after receiving debit notes claiming product warranties; the relating *fair value* was accounted for during the Purchase Price Allocation process in connection with the Systèmes Moteurs Group acquisition.

Adjustments to “Intersegment sales” mainly refer to services provided by the Holding Company Sogefi S.p.A. and by the 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 Division and the Suspension Components Division.

The adjustments to “EBIT" refer to provision for product warranties mentioned above utilised, depreciation and amortisation linked to the revaluation of tangible and intangible fixed assets resulting from the acquisition of 40% of Sogefi Rejna S.p.A. and its subsidiaries in the year 2000 and of Systèmes 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 company Sogefi M.N.R. Filtration India Private Ltd and the Systèmes Moteurs Group.

Geographical areas

The following tables provide a breakdown of the Group's income statement and statement of financial position figures by geographical area “of origin” for the first half of 2011 and 2012, based on the country of the company which generated the sales or which owns the assets.
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 the notes to the income statement.

(in thousands of Euro)	*June 30, 2011*					
	Europe	South America	North America	Asia	Adjust-ments	Sogefi Group consolida-tion
REVENUES						
Sales to third parties	386,731	119,574	9,022	11,266	-	526,593
Intersegment sales	12,554	310	5	748	(13,617)	-
TOTAL REVENUES	399,285	119,884	9,027	12,014	(13,617)	526,593
STATEMENT OF FINANCIAL POSITION						
ASSETS						
Geographical area assets	1,119,021	134,274	16,912	36,444	(620,303)	686,348
Equity investments in associates	-	-	-	-	-	-
Unallocated assets	-	-	-	-	94,881	94,881
TOTAL ASSETS	1,119,021	134,274	16,912	36,444	(525,422)	781,229
OTHER INFORMATION						
Increase in tangible and intangible fixed assets	9,843	4,019	582	3,356	(725)	17,075
Depreciation, amortization and writedowns	17,519	3,464	512	776	(10)	22,261

(in thousands of Euro)	*June 30, 2012*					
	Europe	South America	North America	Asia	Adjust-ments	Sogefi Group consolida-tion
REVENUES						
Sales to third parties	484,846	111,903	72,880	16,306	867	686,802
Intersegment sales	13,613	265	246	1,370	(15,494)	-
TOTAL REVENUES	498,459	112,168	73,126	17,676	(14,627)	686,802
STATEMENT OF FINANCIAL POSITION						
ASSETS						
Geographical area assets	1,434,062	131,494	81,579	58,335	(770,566)	934,904
Equity investments in associates	-	-	-	-	-	-
Unallocated assets	-	-	-	-	134,029	134,029
TOTAL ASSETS	1,434,062	131,494	81,579	58,335	(636,537)	1,068,933
OTHER INFORMATION						
Increase in tangible and intangible fixed assets	23,699	4,113	4,052	6,016	(9)	37,871
Depreciation, amortization and writedowns	21,100	3,597	4,010	1,457	1,242	31,406

Information on the main customers

As of June 30, 2012, revenues from sales to third parties for a value exceeding 10% of Group revenues refer to: PSA (13.6% of total revenues), Renault/Nissan (11.8% of total revenues) and Ford (10.9% of total revenues).

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 80,512 thousand versus Euro 102,461 thousand as of December 31, 2011 and break down as follows:

(in thousands of Euro)	*June 30, 2012*	*December 31, 2011*
Short-term cash investments	79,648	102,369
Cheques	775	16
Cash on hand	89	76
TOTAL	80,512	102,461

"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, 2012, the Group has unutilised lines of credit for the amount of Euro 208,071 thousand. These funds are available for use on demand, because the conditions required for their availability are met.

5. OTHER FINANCIAL ASSETS

"Other financial assets" can be broken down as follows:

(in thousands of Euro)	*June 30, 2012*	*December 31, 2011*
Securities held for trading	11	11
Held-to-maturity investments	6,986	1,893
Assets for derivative financial instruments	34	8
Due from financial institutions and others	11,562	-
TOTAL	18,593	1,912

"Securities held for trading" represent readily marketable securities which are used by the company to optimize liquidity management.

"Held-to-maturity investments" are valued at amortised cost and include bonds of a Spanish prime banking institution.

"Assets for derivative financial instruments" total Euro 34 thousand and refer to the fair value of forward foreign exchange contracts.

"Receivables from financial institutions and other receivables" represent an amount receivable of the subsidiary Allevard Federn GmbH from German federal authorities resulting from a withholding tax amount paid by the German subsidiary subjected to an immediate repayment by the authorities. The amount was repaid in early July.

6. INVENTORIES

The breakdown of inventories is as follows:

(in thousands of Euro)	*June 30, 2012*			*December 31, 2011*		
	Gross	*Write-downs*	*Net*	*Gross*	*Write-downs*	*Net*
Raw, ancillary and consumable materials	61,574	4,356	57,218	58,621	3,737	54,884
Work in progress and semi-finished products	15,678	319	15,359	13,454	292	13,162
Contract work in progress and advances	40,717	69	40,648	34,347	-	34,347
Finished goods and goods for resale	63,429	7,511	55,918	57,606	7,494	50,112
TOTAL	181,398	12,255	169,143	164,028	11,523	152,505

The net value of inventories shows an increase of Euro 16,638 thousand (the impact of exchange rates is basically non-existent). This increase is in line with the usual seasonal trends and the increase in tooling for sale to customers included in “Contract work in progress and advances”.

7. TRADE AND OTHER RECEIVABLES

Current receivables break down as follows:

(in thousands of Euro)	*June 30, 2012*	*December 31, 2011*
Trade receivables	195,693	179,663
Less: allowance for doubtful accounts	5,401	5,319
Trade receivables, net	190,292	174,344
Due from Parent Company	2,400	4,311
Tax receivables	19,811	19,564
Other receivables	31,992	32,141
Other assets	4,851	2,800
TOTAL	249,346	233,160

“Trade receivables” are non-interest bearing and have an average due date of 44 days, against 45 days at the end of the previous year.

It should be noted that as of June 30, 2012, the Group factored trade receivables for Euro 68,415 thousand. 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 for the amount received from the factoring company.

Excluding the factoring transactions (Euro 68,415 thousand as at June 30, 2012 and Euro 57,557 thousand as at December 31, 2011) and the negative effect of exchange rates (Euro 629 thousand), net trade receivables show an increase of Euro 27,435 thousand as a result of the steady increase in the Group’s business activities which occurred in the second quarter of 2012 with respect to the end of the previous year.

“Due from Parent Company” includes receivables resulting from the participation of the Group tax filing system, due to Italian companies from the Parent Company CIR

S.p.A.. Outstanding receivables as at December 31, 2011 were collected in the first half of 2012. 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 taxes which are treated separately.

“Other receivables” include:

(in thousands of Euro)	*June 30, 2012*	*December 31, 2011*
Amounts due from social security institutions	303	276
Amounts due from employees	360	235
Advances to suppliers	1,279	1,475
Due from others	30,050	30,155
TOTAL	31,992	32,141

"Due from others" include an amount receivable of Euro 23,368 thousand owed by the seller of Systèmes Moteurs S.A.S.' shares 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. This amount was booked during the Purchase Price Allocation process as outlined in Note 2.

“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 and indirect taxes on buildings 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, 2012 amounted to Euro 256,925 thousand versus Euro 260,682 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, 2011					
Historical cost	15,774	794,328	28,421	25,574	864,097
of which: leases - gross value	*1,158*	*18,542*	*15*	-	*19,715*
Accumulated depreciation	-	579,146	23,575	*694*	603,415
of which: leases - accumulated depreciation	-	*6,858*	*10*	-	*6,868*
Net value	15,774	215,182	4,846	24,880	260,682
Net value - leases	*1,158*	*11,684*	*5*	-	*12,847*
Balance at December 31, 2011	15,774	215,182	4,846	24,880	260,682
Additions of the period	63	4,856	699	14,347	19,965
Disposals during the period, net	-	(83)	(1)	(142)	(226)
Exchange differences	(47)	(846)	(76)	(110)	(1,079)
Depreciation for the period	-	(19,836)	(845)	-	(20,681)
Writedowns/revaluations during the period	-	(1,360)	(261)	-	(1,621)
Reclassification of non-current assets held for sale	-	744	-	-	744
Other changes	910	8,205	934	(10,908)	(859)
Balance at June 30, 2012	16,700	206,862	5,296	28,067	256,925
Historical cost	16,700	806,754	29,898	28,761	882,113
of which: leases - gross value	*1,158*	*18,751*	*16*	-	*19,925*
Accumulated depreciation	-	599,892	24,602	694	625,188
of which: leases - accumulated depreciation	-	*7,484*	*13*	-	*7,497*
Net value	16,700	206,862	5,296	28,067	256,925
Net value - leases	*1,158*	*11,267*	*3*	-	*12,428*

Investments during the period amounted to Euro 19,965 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 the subsidiary Sogefi Filtration do Brasil Ltda to increase production capacity, development of industrial equipment and improvement of process; in subsidiaries Sogefi Filtration Ltd and Filtrauto S.A. to develop new products, increase production capacity and for plant renewal and upkeep; in subsidiary Allevard Springs Ltd. to upgrade production capacity; in subsidiaries Sogefi Rejna S.p.A. and Allevard Rejna Autosuspensions S.A. to develop new products and improve processes; in subsidiary Allevard Sogefi U.S.A. Inc. to develop new products; in subsidiary MARK IV (Shanghai) Trading Co. Ltd for the new Chinese plant under construction.

Investment continued in subsidiary S.ARA Composite S.A.S to develop the pilot line for prototypes and pre-production of springs in composite material.

Among the most significant projects in the “Buildings, plant and machinery, commercial and industrial equipment” category, noteworthy are the investments in subsidiaries Systèmes Moteurs S.A.S. and Sogefi Engine Systems Canada Corp. to develop new products and improve production processes; and in subsidiary Allevard Sogefi U.S.A. Inc. to renew plants and develop new products.

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

The line “Writedowns/revaluations during the period” mostly refers to the plant for the manufacture of stabilizer bars no longer used at subsidiary Allevard Sogefi U.S.A. Inc..

Line “Reclassification of non-current assets held for sale” refers to the net value of the building of the UK subsidiary United Springs Ltd that was classified under “Non-current assets held for sale” as at December 31, 2011.
As it is unlikely that this property will be sold during the next twelve months, its value was reclassified under “Tangible fixed assets” and the depreciation process was resumed.

“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, 2012, tangible fixed assets are encumbered by mortgages or liens totalling Euro 6,870 thousand to guarantee loans from financial institutions, compared to Euro 1,545 thousand as of December 31, 2011. Guarantees refer exclusively to subsidiaries Systèmes Moteurs S.A.S, Allevard IAI Suspensions Private Ltd, United Springs B.V. and Sogefi M.N.R. Filtration India Private Ltd.

Purchase commitments
As at June 30, 2012, there are binding commitments to buy tangible fixed assets for the amount of Euro 2,407 thousand (Euro 2,460 thousand as at December 31, 2011). 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, 2012 was Euro 19,925 thousand, and the related accumulated depreciation amounted to Euro 7,497 thousand.
The financial aspects of the lease payments and their due dates are explained in note 15.

9. INTANGIBLE ASSETS

At June 30, 2012 intangible assets amount to Euro 228,880 thousand against Euro 220,246 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*	*Goodwill*	*TOTAL*
Balance at December 31, 2011					
Historical cost	105,233	32,687	35,011	149,537	322,468
Accumulated amortization	57,635	16,976	4,713	22,898	102,222
Net value	47,598	15,711	30,298	126,639	220,246
Balance at December 31, 2011	47,598	15,711	30,298	126,639	220,246
Additions of the period	11,534	141	6,231	-	17,906
Exchange differences	(105)	9	(73)	-	(169)
Amortization for the period	(6,671)	(1,675)	(741)	-	(9,087)
Writedowns during the period	(16)	-	-	-	(16)
Other changes	1,176	-	(1,176)	-	-
Balance at June 30, 2012	53,516	14,186	34,539	126,639	228,880
Historical cost	117,069	32,860	39,964	149,537	339,430
Accumulated amortization	63,553	18,674	5,425	22,898	110,550
Net value	53,516	14,186	34,539	126,639	228,880

Investments in the half year amounted to Euro 17,906 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., Shanghai Sogefi Auto Parts Co., Ltd and Sogefi Engine Systems Canada Corp..

Increases in “Other, assets under construction and payments on account” refer mainly to the development and implementation of the new information system across the Sogefi Group. Numerous other smaller investments were also made during the year, which focused on developing new products not yet in production. The largest investments were made in subsidiaries Allevard Rejna Autosuspensions S.A. and Sogefi Rejna S.p.A..

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, 2011 confirmed that there was no need to recognise any impairment loss to the values shown in the financial statements. In light of the performance of the divisions in the first half of 2012, there are no indications that said assets have suffered any impairment loss in the first half of 2012.

10. INVESTMENTS IN JOINT VENTURES

The item includes the investment in Mark IV Asset (Shanghai) Auto Parts Co., Ltd., a joint venture valued at the equity method.

11. OTHER FINANCIAL ASSETS AVAILABLE FOR SALE

As of June 30, 2012, these totalled Euro 489 thousand. They are virtually unchanged versus December 31, 2011 and break down as follows:

(in thousands of Euro)	*June 30, 2012*	*December 31, 2011*
Equity investments in other companies	489	490
Other securities	-	-
TOTAL	489	490

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.

12. FINANCIAL RECEIVABLES AND OTHER NON-CURRENT RECEIVABLES

As at June 30, 2012, there are no non-current trade receivables. The amount of Euro 918 thousand pertaining to subsidiary Systèmes Moteurs S.A.S. as at December 31, 2011 was reclassified under short-term items because it is repayable within the next twelve months.

“Other receivables” break down as follows:

(in thousands of Euro)	*June 30, 2012*	*December 31, 2011*
Substitute tax	576	576
Pension fund surplus	12,960	11,298
Other receivables	2,381	2,228
TOTAL	15,917	14,102

“Substitute tax” refers to the amount paid by the Holding Company Sogefi S.p.A. for the revaluation of buildings at the end of 2005.

“Pension fund surplus” refers to the subsidiaries Sogefi Filtration Ltd (Euro 12,808 thousand) and Filtrauto S.A. (Euro 152 thousand relating to the former subsidiary Sogefi Filtration B.V). For further details, refer to note 18.

The item “Other receivables” mainly includes tax credits, including fiscal 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, 2012, this item amounts to Euro 48,816 thousand compared with Euro 48,638 thousand as of December 31, 2011.
This amount relates to the expected benefits on deductible temporary differences, booked to the extent that it is likely to be recovered.

This item includes deferred tax assets for tax losses incurred during previous years for the amount of Euro 14,181 thousand (virtually stable compared to December 31, 2011). Such losses mainly relate to the subsidiaries Allevard Rejna Autosupensions S.A., Sogefi Filtration S.A. and Sogefi Filtration Ltd.
These taxes 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. It should also be noted that the losses incurred by the UK subsidiary can be carried forward indefinitely and those of the Spanish subsidiary must be utilised within 2025. The losses of the French subsidiary can be carried forward indefinitely but the new law passed in 2011 has introduced a limit for the amount that can be utilised each year, making recovery time longer.

14. NON-CURRENT ASSETS HELD FOR SALE

As at December 31, 2011, this item included the net value of the building of the UK subsidiary, United Springs Ltd, held for sale. As it is no longer deemed likely that this property will be sold during the next twelve months, it was reclassified under "Tangible fixed assets" and the depreciation process was resumed.

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, 2012*	*December 31, 2011*
Bank overdrafts and short-term loans	5,374	9,827
Current portion of medium/long-term financial debts	244,529	46,962
of which: leases	*1,112*	*1,674*
TOTAL SHORT-TERM FINANCIAL DEBTS	249,903	56,789
Other short-term liabilities for derivative financial instruments	1,438	632
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	251,341	57,421

Non-current portion

(in thousands of Euro)	*June 30, 2012*	*December 31, 2011*
Financial debts to banks	137,186	330,462
Other medium/long-term financial debts	7,464	7,916
of which: leases	*5,431*	*5,686*
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS	144,650	338,378
Other medium/long-term liabilities for derivative financial instruments	10,698	8,416
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	155,348	346,794

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 portion of medium/long-term financial debts

As of June 30, 2012, this item principally includes the following loans:

- the syndicated revolving loan obtained by the Holding Company Sogefi S.p.A. from leading banks Ing Bank N.V. and Intesa Sanpaolo S.p.A., in 2008 for a total of Euro 160,000 thousand, 139,886 thousand of which drawn down as of June 30, 2012. The loan expires in June 2013 and has a floating interest rate corresponding to the 3-month Euribor plus a base spread of 50 basis points. The spread actually applied at the end of the first half of 2012 corresponded to 50 basis points. The loan is not secured against any of the company's assets;
- the revolving loan obtained by the Holding Company Sogefi S.p.A. from Banca Nazionale del Lavoro S.p.A. in 2011 for a total of Euro 40,000 thousand, and drawn down for its full amount as of June 30, 2012. The loan expires in January 2013 and has a floating interest rate corresponding to the 3-month Euribor plus a

fixed spread of 180 basis points. The loan is not secured against any of the company's assets;

- the current portion of Euro 22,200 thousand of a Euro 100,000 thousand loan obtained by the Holding Company Sogefi S.p.A. from Unicredit Corporate Banking S.p.A. in 2006 (the residual amount as of June 30, 2012 was Euro 33,193 thousand). The loan expires in September 2013 and has a floating interest rate corresponding to the 3-month Euribor plus a base spread of 70 basis points. The spread actually applied at the end of the first half of 2012 corresponded to 70 basis points. The loan is not secured against any of the company's assets;
- the current portion of Euro 10,000 thousand of a Euro 40,000 thousand loan obtained by the Holding Company Sogefi S.p.A. from Banca Europea degli Investimenti (European Investment Bank) in 2010 (the residual amount as of June 30, 2012 was Euro 39,814 thousand). The loan expires in April 2016 and has a floating interest rate corresponding to the 3-month Euribor plus an average spread of 256 basis points. The loan is not secured against any of the company's assets;
- the loan denominated in Renminbi obtained by the subsidiary Shanghai Sogefi Auto Parts Co., Ltd from Unicredit in 2012 for a total of Euro 6,000 thousand, Euro 4,793 thousand of which had been drawn down as of June 30, 2012. The loan expires in May 2013 and has a floating interest rate corresponding to the annual PBOC plus a spread of 300 basis points. The loan is not secured against any of the company's assets;
- the current portion of other minor medium/long-term loans, including financial *lease* payments in accordance with IAS 17.

The Company will negotiate with the banks for the renewal of the financing in due time and there are not elements that may suggest that the renewal will not be achieved in acceptable conditions.

Other short-term liabilities for derivative financial instruments

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

Medium/long-term financial debts

This mainly includes the following loans:

- the medium-long term portion of Euro 29,814 thousand of the Euro 40,000 thousand loan obtained by the Holding Company Sogefi S.p.A. from Banca Europea degli Investimenti (European Investment Bank) in 2010 mentioned previously;
- the medium-to-long-term portion of Euro 27,405 thousand of a Euro 60,000 thousand loan obtained by the Holding Company Sogefi S.p.A. from Intesa Sanpaolo S.p.A. in 2011 (the residual amount as of June 30, 2012 was Euro 29,405 thousand). The loan expires in December 2016, is divided into two tranches of Euro 30,000 thousand each (with one tranche at amortised capital instalments and one of the revolving type) and has a floating interest rate corresponding to the 3-month Euribor plus a base spread of 200 basis points. The spread actually applied at the end of the first half of 2012 corresponded to 230 basis points. The loan is not secured against any of the company's assets;
- the revolving loan obtained by the Holding Company Sogefi S.p.A. from Banca Monte dei Paschi S.p.A. in 2011 for a total of Euro 25,000 thousand, Euro 24,767 thousand of which drawn down as of June 30, 2012. The loan expires in March 2017 and has a floating interest rate corresponding to the 3-month Euribor plus a

base spread of 150 basis points. The spread actually applied at the end of the first half of 2012 corresponded to 200 basis points. The loan is not secured against any of the company's assets;
- the medium-to-long-term portion of Euro 20,081 thousand of a Euro 25,000 thousand loan obtained by the Holding Company Sogefi S.p.A. from Banca Carige S.p.A. in 2011 (the residual amount as of June 30, 2012 was Euro 24,715 thousand). The loan expires in June 2017 and has a floating interest rate corresponding to the 3-month Euribor plus a fixed spread of 225 basis points. The loan is not secured against any of the company's assets;
- the medium-to-long term portion of Euro 10,993 thousand of the Euro 100,000 thousand loan obtained by the Holding Company Sogefi S.p.A. from Unicredit Corporate Banking S.p.A. in 2006 as outlined above.

The item “Other medium/long-term financial debts” includes other minor loans, as well as financial *lease* payments in accordance with IAS 17.

It is specified that, contractually, the spreads of 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 note 20.

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 risk hedging instruments.
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	1,504	1,112
Between 1 and 5 years	3,998	2,795
Beyond 5 years	3,293	2,636
Total lease payments	8,795	6,543
Interests	(2,252)	-
TOTAL PRESENT VALUE OF LEASE PAYMENTS	6,543	6,543

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, 2012*	*December 31, 2011*
Trade and other payables	349,745	314,841
Tax payables	10,482	8,615
TOTAL	360,227	323,456

Details of trade and other payables are as follows:

(in thousands of Euro)	*June 30, 2012*	*December 31, 2011*
Due to suppliers	246,589	218,217
Due to Parent company	1,449	433
Due to tax authorities for indirect and other taxes	10,588	9,698
Due to social and security institutions	20,795	20,931
Due to employees	34,131	27,911
Other payables	36,193	37,651
TOTAL	349,745	314,841

Amounts "Due to suppliers" are not interest-bearing and are settled on average in 79 days (74 days at December 31, 2011).

Amounts "Due to suppliers" showed a rise of Euro 28,372 thousand, including the positive impact of exchange rates of Euro 288 thousand. This increase is mainly due to the growth in business volumes during the second quarter of 2012 compared to the last quarter of 2011 and to longer average payment times.

Amounts "Due to the parent company" refer to the debt amounting to Euro 994 thousand with the Parent Company CIR S.p.A. for services rendered in the first half of 2012 (the costs for the services rendered by the parent company, booked to "Administrative and general expenses" are in line with those of the first half of 2011); Euro 301 thousand reflect the consideration due for the fiscal surplus transferred by companies that have joined the CIR Group tax filing system; the remaining balance reflects the debt in connection with the CIR Group tax filing system. For further details, please refer to note 39.

The increase in amounts "Due to tax authorities for indirect and other taxes" mainly reflects the increase in the VAT and other indirect tax debt payable in the second half of 2012.

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.

"Other payables" reflect liabilities connected with product warranty risks of the Systèmes Moteurs Group and other liabilities booked to accounts during the Purchase Price Allocation process totalling Euro 27,891 thousand at June 30, 2012.
The increase in "Tax payables" mainly reflects the higher tax burden of subsidiary Sogefi Engine Systems Canada Corp. resulting from the improved results achieved in

this period and the unavailability of past losses to carry over (unlike 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, 2012*	*December 31, 2011*
Pension funds	28,180	27,346
Provision for employment termination indemnities	5,647	5,679
Provision for restructuring	1,295	2,484
Provisions for disputes with tax authorities	120	80
Provision for phantom stock option	40	59
Provision for product warranties	1,124	1,404
Other risks	1,378	2,482
Agents' termination indemnities	89	86
Lawsuits	794	887
TOTAL	38,667	40,507

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, 2012*	*December 31, 2011*
Opening balance	16,048	15,675
Cost of benefits charged to income statement	1,142	936
Contributions paid	(1,594)	(2,849)
Change to scope of consolidation	-	2,605
Exchange differences	(376)	(319)
TOTAL	15,220	16,048
of which booked to Liabilities	*28,180*	*27,346*
of which booked to Assets	*(12,960)*	*(11,298)*

At December 31, 2011, "Cost of benefits charged to income statement" included actuarial gains for Euro 1,000 thousand resulting from the redetermination of the threshold for the value of assets serving Employee Benefits (asset ceiling), in compliance with IAS 19 recognition rules.

We point out that as of June 30, 2012, the pension funds of the subsidiaries Sogefi Filtration Ltd and Filtrauto S.A. (for the part pertaining to former subsidiary Sogefi Filtration B.V.) show a surplus of Euro 12,808 thousand and Euro 152 thousand, respectively, which have been reported on the line "Other receivables", as explained in note 12. The increase in surplus at December 31, 2011 can be traced back to the ordinary contributions made during the period, which exceeded the related current service cost, and to the dynamics of actuarial valuations.

The following table shows a breakdown of provisions to pension funds by geographical area of the relevant subsidiaries:

(in thousands of Euro)	*June 30, 2012*	*December 31, 2011*
Great Britain	(11,562)	(9,987)
France	23,857	23,074
Germany	2,721	2,776
Other	204	185
TOTAL	15,220	16,048

Provision for employment termination indemnities (TFR)
Changes in this item over the period are shown below:

(in thousands of Euro)	*June 30, 2012*	*December 31, 2011*
Opening balance	5,679	5,578
Accruals for the period	184	377
Contributions paid	(216)	(276)
TOTAL	5,647	5,679

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, 2012*	*December 31, 2011*
Opening balance	2,484	8,027
Accruals for the period	138	786
Utilizations	(1,268)	(6,023)
Provisions not used during the period	(67)	(167)
Other changes	-	(162)
Exchange differences	8	23
TOTAL	1,295	2,484

“Utilizations” have been booked as reductions of provisions previously set aside for restructuring projects planned and initiated in previous years and completed or being completed during the current period for the two divisions.
Movements in “Accruals for the period” net of the “Provisions not used during the period” are booked to the Income Statement under “Restructuring costs”.

Provisions for disputes with tax authorities
This item amounts to Euro 120 thousand (Euro 80 thousand as of December 31, 2011) and relates to the subsidiary Sogefi Rejna S.p.A..

Provision for phantom stock options
This item amounts to Euro 40 thousand (Euro 59 thousand as of December 31, 2011) and refers to the fair value of incentive schemes providing for cash payment, known as phantom stock options, for the Managing Director of the Holding Company. The change in the provision reflects the portion of the change in *fair value* attributable to the period (Euro 19 thousand). The reduction in the provision has been included in the Income Statement under "Directors' and statutory auditors' remuneration". More details on the *phantom stock option* plans can be found in note 29.

Provision for product warranties
This item amounts to Euro 1,124 thousand (Euro 1,404 thousand as of December 31, 2011). The item refers to both allocations calculated on a statistical basis made by Group companies to cover warranties to customers and to accruals for specific risks and litigation with customers.
The reduction in this item mainly relates to amounts previously set aside which turned out to be excessive compared with current risk assessment.

Other risks
The provision changed as follows during the period:

(in thousands of Euro)	*June 30, 2012*	*December 31, 2011*
Opening balance	2,482	2,598
Accruals for the period	149	914
Utilizations	(811)	(261)
Provisions not used during the period	(432)	(543)
Other changes	-	(200)
Exchange differences	(10)	(26)
TOTAL	1,378	2,482

"Utilizations" of the period refer to expenses incurred in disputes with employees. "Provisions not used during the period" refer to provisions made in previous years for disputes with third parties, that were then found to be excessive following an updated assessment of the risk.

Other payables
"Other payables" totalled Euro 548 thousand at June 30, 2012 (Euro 1,619 thousand at December 31, 2011) and is made up mainly of advances received from customers.

19. DEFERRED TAX LIABILITIES

As of June 30, 2012, this item amounts to Euro 45,623 thousand compared with Euro 44,838 thousand as of December 31, 2011.
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 60,690 thousand as of June 30, 2012 (Euro 60,665 thousand as of December 31, 2011), split into 116,710,992 ordinary shares with a par value of Euro 0.52 each.

As at June 30, 2012, the Holding Company has 3,768,229 treasury shares (3,253,000 as at December 31, 2011) in its portfolio, corresponding to 3.23% of share capital (2.79% as at December 31, 2011), at an average price of Euro 2.3 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*	*Taeasury share*	*Translation reserve*	*Legal reserve*	*Cash flow hedging reserve*	*Stock-based incentive plans reverve*	*Tax on items booked in Other Comprehensive Income*	*Other reserves*	*Retained earnings*	*Net result for the period*	*Total*
Balance at December 31, 2010	*60,546*	*14,639*	*5,007*	*(5,007)*	*8,129*	*12,320*	*(2,426)*	*1,708*	*668*	*3,113*	*79,723*	*18,821*	*197,241*
Paid share capital increase	92	153	-	-	-	-	-	-	-	21	-	-	266
Allocation of 2010 net profit:													
Legal reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	(14,888)	-	(14,888)
Retained earnings	-	-	-	-	-	-	-	-	-	-	18,821	(18,821)	-
Credit to equity for stock-based incentive plans	-	-	-	-	-	-	-	201	-	-	-	-	201
Other changes	-	-	-	-	-	-	-	-	-	-	(91)	-	(91)
Fair value measurement of financial assets available for sale	-	-	-	-	-	-	-	-	-	(1)	-	-	(1)
Fair value measurement of cash flow hedging instruments: share booked to equity	-	-	-	-	-	-	(529)	-	-	-	-	-	(529)
Fair value measurement of cash flow hedging instruments: share booked to income statement	-	-	-	-	-	-	538	-	-	-	-	-	538
Tax on items booked in Other Comprehensive Income	-	-	-	-	-	-	-	-	(1)	-	-	-	(1)
Currency translation differences	-	-	-	-	(5,432)	-	-	-	-	-	-	-	(5,432)
Net result for the period	-	-	-	-	-	-	-	-	-	-	-	15,330	15,330
Balance at June 30, 2011	60,638	14,792	5,007	(5,007)	2,697	12,320	(2,417)	1,909	667	3,133	83,565	15,330	192,634
Balance at December 31, 2011	*60,665*	*12,145*	*7,691*	*(7,691)*	*3,721*	*12,320*	*(9,158)*	*2,319*	*2,522*	*3,111*	*83,535*	*24,046*	*195,226*
Paid share capital increase	25	25	-	-	-	-	-	-	-	-	-	-	50
Allocation of 2011 net profit:													
Legal reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	(14,716)	-	(14,716)
Retained earnings	-	-	-	-	-	-	-	-	-	-	24,046	(24,046)	-
Credit to equity for stock-based incentive plans	-	-	-	-	-	-	-	554	-	-	-	-	554
Net purchase of tresury shares		(992)	992	(992)									(992)
Other changes	-	-	-	-	-	-	-	-	-	-	(101)	-	(101)
Fair value measurement of financial assets available for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Fair value measurement of cash flowhedging instruments: share booked to equity	-	-	-	-	-	-	(3,793)	-	-	-	-	-	(3,793)
Fair value measurement of cash flow hedging instruments: share booked to income statement	-	-	-	-	-	-	828	-	-	-	-	-	828
Tax on items booked in Other Comprehensive Income	-	-	-	-	-	-	-	-	*815*	-	-	-	*815*
Currency translation differences	-	-	-	-	*(2,043)*	-	-	-	-	-	-	-	*(2,043)*
Net result for the period	-	-	-	-	-	-	-	-	-	-	-	*16,063*	*16,063*
Balance at June 30, 2012	*60,690*	*11,178*	*8,683*	*(8,683)*	*1,678*	*12,320*	*(12,123)*	*2,873*	*3,337*	*3,111*	*92,764*	*16,063*	*191,891*

Translation reserve
This reserve is used to record the exchange differences arising on the translation of foreign subsidiaries' financial statements.
Changes during the period show a decrease of Euro 2,043 thousand, mainly due to the depreciation of the Brazilian Real relative to the Euro.

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 a decrease of Euro 2,965 thousand.

Stock-based incentive plans reserve
The reserve refers to the credit to equity for stock-based incentive plans, assigned to employees, resolved after November 7, 2002, including the portion relating to the stock grant plan approved in H1 2012.

Retained earnings
These totalled Euro 92,764 thousand and include amounts of profit that have not been distributed. The decrease of Euro 101 thousand mainly arises from the change in the percentage held in the subsidiary S.ARA Composite S.A.S..

Tax on items booked directly in Other comprehensive income
The table below shows the amount of income taxes relating to each item of the “Other Comprehensive Income”:

(in thousands of Euro)	*1st half 2012*			*1st half 2011*		
	Gross value	Taxes	Net value	Gross value	Taxes	Net value
- Profit (loss) booked to cash flow hedging reserve	(2,965)	815	(2,150)	9	(1)	8
- Profit (loss) booked to fair value reserve for financial assets available for sale	-	-	-	(1)	-	(1)
- Profit (loss) booked to translation reserve	(2,060)	-	(2,060)	(5,761)	-	(5,761)
Total Profit (loss) booked in Other Comprehensive Income	(5,025)	815	(4,210)	(5,753)	(1)	(5,754)

NON-CONTROLLING INTERESTS

The balance amounts to Euro 18,340 thousand and refers to the portion of shareholders' equity attributable to non-controlling interests. The increase by Euro 95 thousand arises from the change in the percentage held in the subsidiary S.ARA Composite S.A.S..

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, 2012*	*December 31, 2011*
A. Cash	80,512	102,461
B. Other cash at bank and on hand (details)	-	-
C. Financial instruments held for trading	11	11
D. Liquid funds (A) + (B) + (C)	**80,523**	**102,472**
E. Current financial receivables (including held-to-maturity investments)	**18,582**	**1,900**
F. Current payables to banks	5,374	9,827
G. Current portion of non-current indebtedness	244,529	46,962
H. Other current financial debts	1,438	632
I. Current financial indebtedness (F) + (G) + (H)	**251,341**	**57,421**
J. Current financial indebtedness, net (I) - (E) - (D)	**152,236**	**(46,951)**
K. Non-current payables to banks	137,186	330,462
L. Bonds issued	-	-
M. Other non-current financial debts	18,162	16,332
N. Non-current financial indebtedness (K) + (L) + (M)	**155,348**	**346,794**
O. Net indebtedness (J) + (N)	**307,584**	**299,843**
Non-current financial receivables	-	-
Financial indebtedness, net including non-current financial receivables (as per the "Net financial position" included in the director's Report on operations)	**307,584**	**299,843**

Details of the covenants applying to loans outstanding at the end of the first half of 2012 are as follows:

- syndicated loan of Euro 160,000 thousand from 2008: the ratio of consolidated net financial position to normalised consolidated EBITDA has to be less or equal to 3.5; the ratio of normalised consolidated EBITDA to net financial expenses must not be less than 4;
- loan of Euro 100,000 thousand from Unicredit Corporate Banking S.p.A.: the ratio of consolidated net financial position to normalised consolidated EBITDA has to be less than 4;
- loan of Euro 40,000 thousand from European Investment Bank (EIB): the ratio of consolidated net financial position to normalised consolidated EBITDA has to be less or equal to 3.5; the ratio of normalised consolidated EBITDA to consolidated net financial expenses must not be less than 4;
- loan of Euro 60,000 thousand from Intesa Sanpaolo S.p.A.: the ratio of consolidated net financial position to normalised consolidated EBITDA has to be less than or equal to 3.5;
- loan of Euro 40,000 thousand from Banca Nazionale del Lavoro S.p.A.: the ratio of consolidated net financial position to normalised consolidated EBITDA has to be less than or equal to 3.5; the ratio of normalised consolidated EBITDA to consolidated net financial expenses must not be less than 4;
- loan of Euro 25,000 thousand from Banca Carige S.p.A.: the ratio of consolidated net financial position to normalised consolidated EBITDA has to be less than or equal to 3.5; the ratio of normalised consolidated EBITDA to consolidated net financial expenses must not be less than 4;

- loan of Euro 10,000 thousand from GE Capital S.p.A.: the ratio of consolidated net financial position to normalised consolidated EBITDA has to be less than or equal to 3.5; the ratio of normalised consolidated EBITDA to consolidated net financial expenses must not be less than 4;
- loan of Euro 25,000 thousand from Banca Monte dei Paschi di Siena S.p.A.: the ratio of consolidated net financial position to normalised consolidated EBITDA has to be less than or equal to 3.5; the ratio of normalised consolidated EBITDA to consolidated net financial expenses must not be less than 4.

Note that for all loans mentioned above, the expenses and revenues arising from non-ordinary operations have been excluded from the EBITDA calculation.

As of June 30, 2012, the Company was in compliance with these covenants.

D) NOTES ON THE MAIN INCOME STATEMENT ITEMS

22. SALES REVENUES

Revenues from the sale of goods and services
The Sogefi Group recorded net revenues for the amount of Euro 686,802 thousand during the period, compared with Euro 526,593 thousand in H1 2011 (+30.4%).
Net of Euro 181,906 thousand realised by the Systèmes Moteurs Group, revenues would amount to Euro 504,896 thousand (-4.1% compared to the same period of 2011).
Exchange rates being equal (at the average exchange rates of H1 2011), corresponding revenues would amount to Euro 505,211 thousand (-4.1%).

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

By business sector:

(in thousands of Euro)	*1st half 2012*		*1st half 2011*	
	Amount	*%*	*Amount*	*%*
Engine Systems	412,021	60.0	246,160	46.7
Suspension components	275,085	40.0	281,751	53.5
Intercompany eliminations	(304)	-	(1,318)	(0.2)
TOTAL	686,802	100.0	526,593	100.0

By geographical area of "destination":

(in thousands of Euro)	*1st half 2012*		*1st half 2011*	
	Amount	*%*	*Amount*	*%*
France	149,023	21.7	123,615	23.5
Germany	93,715	13.6	69,335	13.2
Great Britain	55,578	8.1	45,569	8.7
Italy	42,577	6.2	38,077	7.2
Spain	30,115	4.4	21,772	4.1
Benelux	28,918	4.2	29,305	5.6
Russia	1,442	0.2	2,533	0.5
Other European Countries	72,855	10.6	47,737	9.0
Mercosur	108,445	15.8	117,790	22.4
United States	51,689	7.5	13,679	2.6
Mexico	12,725	1.9	432	0.1
Canada	10,955	1.6	18	0.0
India	9,886	1.4	5,817	1.1
China	9,419	1.4	8,343	1.6
Rest of the World	9,460	1.4	2,571	0.4
TOTAL	686,802	100.0	526,593	100.0

France continues to be the Group's largest market, representing 21.7% of consolidated revenues.

Mercosur remains the second-largest market (15.8% of total revenues) in spite of a downturn in Brazil (-18.8% compared to H1 2011).

Revenues grew by 433.4% in North America thanks to the strong contribution from Systèmes Moteurs. On a like-for-like basis, this would still account for a 25.7% increase.

Among other countries that recorded significant sales growth, noteworthy are India (+69.9%) and Australia (included in "Rest of the World"), that recorded revenues for the amount of Euro 6,467 thousand in H1 2012 thanks to Systèmes Moteurs (revenues amounted to Euro 68 thousand in H1 2011).

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.

23. SEASONAL NATURE OF SALES

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

(in thousands of Euro)	*1st half*	*2nd half*	*Total year*
FY 2010	457,609	467,104	924,713
FY 2011	526,593	631,792	1,158,385

Please note the revenues of the Systèmes Moteurs Group - for the amount of Euro 135,708 thousand - have been accounted for in H2 2011 for the first time.

24. VARIABLE COST OF SALES

Details are as follows:

(in thousands of Euro)	*1st half 2012*	*1st half 2011*
Materials	357,274	247,599
Direct labour cost	61,825	52,000
Energy costs	19,123	17,747
Sub-contracted work	13,024	13,878
Ancillary materials	9,537	9,335
Variable sales and distribution costs	20,527	19,296
Royalties paid to third parties on sales	2,493	2,196
Other variable costs	(3,171)	(2,955)
TOTAL	480,632	359,096

The inclusion of Systèmes Moteurs Group in the scope of consolidation caused a change in “Variable cost of sales” for the amount of Euro 135,328 thousand.

The impact of “Variable cost of sales” on revenues rose from 68.2% in H1 2011 to 70% in H1 2012.

Such growth is nearly entirely accounted for by “Materials”, and their percentage on revenues rose from 47% to 52%. The increase is entirely due to the product mix of the Systèmes Moteurs Group, on which materials have a greater impact than other factors.

The overall incidence of direct labour, which includes “Direct labour costs” and the cost of temporary personnel included in “Sub-contracted work” dropped from 11.9% to 10.4%, again as a result of the changed product mix of the Systèmes Moteurs Group.

25. MANUFACTURING AND R&D OVERHEADS

Details are as follows:

(in thousands of Euro)	*1st half 2012*	*1st half 2011*
Labour cost	55,946	38,644
Materials, maintenance and repairs	12,632	9,672
Rental and hire charges	4,484	2,720
Personnel services	4,187	3,868
Technical consulting	2,749	1,677
Sub-contracted work	788	666
Insurance	2,087	1,515
Utilities	919	695
Capitalization of internal construction costs	(15,819)	(6,614)
Other	2,039	1,240
TOTAL	70,012	54,083

"Manufacturing and R&D overheads" show an increase of Euro 15,929 thousand which is entirely due to the changed scope of consolidation. On a like-for-like basis, this item records a decrease of Euro 326 thousand compared to H1 2011.

The main changes net of Systèmes Moteurs figures are commented below:

- "Labour cost" increased by Euro 1,205 thousand mainly because of the increase of direct labour at the Chinese subsidiaries and at subsidiaries Sogefi Purchasing S.A.S. and Allevard Sogefi USA Inc. and the expanded R&D activities at subsidiaries S.ARA Composite S.A.S. and Allevard Rejna Autosuspensions S.A..
- "Materials, maintenance and repairs" were up by Euro 950 thousand overall, mainly pertaining to subsidiary LPDN GmbH.
- "Technical consulting" grew by Euro 521 thousand, for the most part due to a more extensive use of consulting services for the development of new products by the French subsidiaries Filtrauto S.A. and Allevard Rejna Autosuspensions S.A..

"Capitalisation of internal construction costs" increased by Euro 3,280 thousand, in particular at Holding Company Sogefi S.p.A. for the development of the Group's new integrated ITC system and at subsidiary Filtrauto S.A..

Total costs for Research and Development (not reported in the table) amount to Euro 19,160 thousand (2.8% of revenues); on a like-for-like basis they would amount to Euro 12,293 thousand (2.4% of revenues) compared to Euro 11,695 thousand (2.2% of revenues) in H1 2011.

26. DEPRECIATION AND AMORTISATION

Details are as follows:

(in thousands of Euro)	*1st half 2012*	*1st half 2011*
Depreciation of tangible fixed assets	20,683	16,801
of which: assets under finance leases	*534*	*497*
Amortization of intangible assets	9,087	5,460
TOTAL	29,770	22,261

"Depreciation and amortisation", excluding depreciation and amortisation of the Systèmes Moteurs Group, amount to Euro 23,089 thousand (Euro 1,251 thousand of which are traced back to the difference in the measurement of fair value of tangible and intangible fixed assets of the Systèmes Moteurs Group after the completion of the Purchase Price Allocation process and their net book value resulting from the financial statements of the different companies of the Group).

Industrial depreciation included in the total depreciation of tangible fixed assets amounted to Euro 19,838 thousand (Euro 15,542 thousand on a like-for-like basis) versus Euro 16,079 thousand in the same period of the previous year.

Amortisation of intangible assets refers principally to development costs capitalised in previous years. The majority of the increase over H1 2011 (Euro 395 thousand net of Systèmes Moteurs) stems from the Chinese and US subsidiaries.

27. DISTRIBUTION AND SALES FIXED EXPENSES

The table below shows the main components of this item:

(in thousands of Euro)	*1st half 2012*	*1st half 2011*
Labour cost	12,336	10,775
Sub-contracted work	2,678	1,911
Advertising, publicity and promotion	1,851	2,047
Personnel services	1,589	1,398
Rental and hire charges	789	612
Consulting	385	413
Other	538	250
TOTAL	20,166	17,406

On a like-for-like basis, "Distribution and sales fixed expenses" dropped by Euro 463 thousand (-2.7%) from H1 2011.

The main changes net of Systèmes Moteurs figures are commented below:

- Overall, "Labour cost" and "Personnel services" decreased by Euro 466 thousand compared to H1 2011, mainly thanks to a reduction in labour cost at subsidiary Sogefi Filtration Ltd. as a result of the restructuring plan implemented during the past year;
- "Sub-contracted work" and "Rental and hire charges" increased by Euro 255 thousand overall, mainly reflecting the new logistical approach focused on outsourcing management in the aftermarket segment of the Engine Systems Division;

- “Advertising, publicity and promotion” decreased by Euro 216 thousand, mainly thanks to the centralization of this function which is now a responsibility of the Engine Systems Division.

28. ADMINISTRATIVE AND GENERAL EXPENSES

These can be broken down as follows:

(in thousands of Euro)	*1st half 2012*	*1st half 2011*
Labour cost	17,952	15,077
Personnel services	2,378	1,900
Maintenance and repairs	1,998	2,112
Cleaning and security	1,924	1,723
Consulting	3,066	2,580
Utilities	1,485	1,425
Rental and hire charges	2,032	1,755
Insurance	642	700
Participation des salaries	780	403
Administrative, financial and tax-related services provided by Parent Company	994	992
Audit fees	932	586
Directors' and statutory auditors' remuneration	911	972
Sub-contracted work	313	418
Other	1,777	1,710
TOTAL	37,184	32,353

On a like-for-like basis, “Administrative and general expenses” increased by Euro 323 thousand.

“Labour cost” increased by Euro 573 thousand on a like-for-like basis mainly because of the newly hired workforce at subsidiary Filtrauto S.A. engaged in the management of ITC systems and at subsidiary Allevard Rejna Autosuspensions S.A., which set up an International Development Team to manage the new strategic initiatives of the Suspension Components Division.

“Consulting” increased by Euro 294 thousand on a like-for-like basis; this increase mainly pertains to the Engine Systems Division.

The decrease by Euro 608 thousand in item “Other” on a like-for-like basis is mostly originated from subsidiaries LPDN GmbH and Allevard Rejna Autosuspensions S.A. that released certain funds that had been allocated during the past years.

29. PERSONNEL COSTS

Personnel

Personnel costs can be broken down as follows:

(in thousands of Euro)	*1st half 2012*	*1st half 2011*
Wages, salaries and contributions	145,991	114,380
Pension costs: defined benefit plans	1,077	1,064
Pension costs: defined contribution plans	795	792
Participation des salaries	780	403
Imputed cost of stock option and stock grant plans	554	201
Other costs	275	238
TOTAL	149,472	117,078

With respect to H1 of the previous year, "Personnel costs" have risen by Euro 32,394 thousand (+27.7%), of which Euro 30,603 thousand originate from the inclusion of the Systèmes Moteurs Group in the scope of consolidation. On a like-for-like basis and exchange rates being equal, the increase would have amounted to Euro 1,630 thousand (+1.4%).

Even given this increase in absolute values, the percentage of sales represented by "Personnel costs" fell to 21.8% from 22.2% in the first half of 2011.

The structure of the workforce by category is as follows:

(Number of employees)	*1st half 2012*	*1st half 2011*
Managers	114	90
Clerical staff	1,802	1,326
Blue collar workers	4,833	4,271
TOTAL	6,749	5,687

As of H1 2012, the Systèmes Moteurs group had 1,197 employees on average.

Personnel benefits

Sogefi S.p.A. implements stock-based incentive plans for the Managing Director and for managers of the Company and 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.
As laid down in IFRS 2, only plans allocated after November 7, 2002 must be considered (note that the Company does not have any plans prior to said date) and

therefore, in addition to that issued in 2012, the plans issued in the period from 2004 until 2011 must also be considered. The main details of these plans are provided 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.

On April 19, 2012, after the Shareholders' Meeting approved the 2012 stock grant plan to assign a maximum of 1,600,000 conditional rights, the Board of Directors executed the 2012 stock grant plan restricted to the Managing Director of the Company and to managers 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 defined in the Regulation) at that date.

The fair value of the rights assigned during 2012 has been determined at the time the rights were assigned using the Cox, Ross and Rubinstein binomial option pricing model for US options and amounts to Euro 2,153 thousand overall. The imputed cost for H1 2012 for existing plans is Euro 480 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 2011-2012 plans:

	June 30,2012	*December 31,2011*
Not exercised/not exercisable at the start of the year	757,500	-
Granted during the period	1,152,436	757,500
Cancelled during the period	(9,000)	-
Exercised during the period	-	-
Not exercised/not exercisable at the end of the period	1,900,936	757,500
Exercisable at the end of the period	-	-

Stock option plans

The *stock option* plans provide participants 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:

• 2004 stock option plan restricted to employees of the Company and its subsidiaries for a maximum of 1,880,000 ordinary shares (1.61% of share capital as of June 30, 2012) at a price of Euro 2.64 per share, to be exercised at the end of each four-month period starting on September 30, 2004 and ending on September 30, 2014;
• 2005 stock option plan restricted to employees of the Company and its subsidiaries for a maximum of 1,930,000 shares (1.65% of the share capital as of June 30, 2012) 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 (1.52% of the share capital as of June 30, 2012) 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 (0.61% of the share capital as of June 30, 2012) 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 (0.75% of the share capital as of June 30, 2012) 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 (2% of the share capital as of June 30, 2012) 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 (0.87% of share capital as of June 30, 2012) 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 Managing Director of the Company and managers of the Company and its subsidiaries for a maximum of 2,440,000 shares (2.09% of the share capital as of June 30, 2012) with a subscription price of Euro 2.3012, to be exercised between September 30, 2010 and September 30, 2020.

The imputed cost for 2012 for existing plans is Euro 74 thousand, booked to the Income Statement under “Other non-operating expenses (income)”.

The following table shows the total number of existing options with reference to the 2004-2010 plans and their average price of the year:

	June 30, 2012		*December 31, 2011*	
	Number	*Average price of the period*	*Number*	*Average price of the period*
Not exercised/not exercisable at the start of the year	7,767,400	3.02	8,244,400	2.99
Granted during the period	-	-	-	-
Cancelled during the period	(136,100)	3.92	(249,000)	3.70
Exercised during the period	(48,000)	1.04	(228,000)	1.35
Not exercised/not exercisable at the end of the period	7,583,300	3.02	7,767,400	3.02
Exercisable at the end of the period	5,775,100	3.37	5,094,200	3.63

The line “Not exercised/not exercisable at the end of the year” 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.

Details of the number of options exercisable at June 30, 2012 are given below:

	Total
Number of exercisable options remaining at December 31, 2011	5,094,200
Options matured during the period	958,000
Options cancelled during the period	(229,100)
Options exercised during the period	(48,000)
Number of exercisable options remaining at June 30, 2012	5,775,100

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 are as follows:
• 2007 *phantom stock option* plan restricted to the Managing Director, 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;
• 2008 *phantom stock option* plan restricted to the Managing Director and managers of the Holding Company and to managers of Italian subsidiaries, for a maximum of 1,700,000 options at the grant price of Euro 2.1045, to be exercised between September 30, 2008 and September 30, 2018. Following subscription to the 2009 extraordinary *stock option* plan, 540,000 options were waived.

Details of the number of phantom stock options as of June 30, 2012 are given below:

	June 30, 2012
Not exercised/not exercisable at the start of the year	1,830,000
Granted during the period	-
Cancelled during the period	-
Exercised during the period	-
Not exercised/not exercisable at the end of the period	1,830,000
Exercisable at the end of the period	1,830,000

The fair value as of June 30, 2012 of the options awarded was calculated using the Black-Scholes method and amounts to Euro 40 thousand. The positive change compared to the previous year, corresponding to Euro 19 thousand, was booked to the Income Statement under "Directors' and statutory auditors' remuneration".

30. RESTRUCTURING COSTS

These amount to Euro 1,379 thousand (Euro 1,593 thousand in H1 of the previous year) and refer to restructuring plans that are already being implemented.
This item is made up of accruals to the "Provision for restructuring" for the amount of Euro 71 thousand, net of provisions made during the previous years and not used, and for the remaining part of costs incurred and paid during the half-year.

31. LOSSES (GAINS) ON DISPOSAL

Gains from disposals amount to Euro 530 thousand, Euro 400 thousand of which resulting from the sale of the Crossland brand by subsidiary Sogefi Filtration Ltd..
As at June 30, 2011, losses on disposal amounted to Euro 16 thousand.

32. EXCHANGE (GAINS) LOSSES

Net exchange losses as of June 30, 2012 amounted to Euro 244 thousand (Euro 1,389 thousand as of H1 2011).

33. OTHER NON-OPERATING EXPENSES (INCOME)

These amount to Euro 11,248 thousand (compared to Euro 7,833 thousand in H1 of the previous year), Euro 1,126 thousand of which relate to the Systèmes Moteurs Group.
The following table shows the main elements:

Details are as follows:

(in thousands of Euro)	*1st half 2012*	*1st half 2011*
Indirect taxes	4,226	3,005
Other fiscal charges	1,944	1,552
Imputed cost of stock options and stock grant	554	201
Other non-operating expenses (income)	4,524	3,075
TOTAL	11,248	7,833

"Indirect taxes" refer to indirect tax charges not directly linked to income generated by production.

"Other fiscal charges" represent the *cotisation économique territoriale* (previously called *taxe professionelle*) relating to the French companies.

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

of which non-recurring:
- costs for business development consulting for the amount of Euro 1,920 thousand;

of which recurring:
- write-down of assets for the amount of Euro 1,637 thousand, mainly relating to the subsidiary Allevard Sogefi Usa Inc.;
- allocations to provisions for legal disputes with employees and third parties mainly regarding the subsidiaries Sogefi Filtration do Brasil Ltda and Sogefi Rejna S.p.A. totalling Euro 305 thousand;
- actuarial losses for the amount of Euro 403 thousand originated from pension fund valuation;
- pension costs for employees no longer on the books of Allevard Federn GmbH for the amount of Euro 67 thousand;
- other recurring costs for the amount of Euro 192 thousand.

34. FINANCIAL EXPENSES (INCOME), NET

Financial expenses are detailed as follows:

(in thousands of Euro)	*1st half 2012*	*1st half 2011*
Interest on amounts due to banks	5,826	2,872
Financial charges under lease contracts	213	241
Loss on interest-bearing hedging instruments	839	686
Other interest and commissions	2,445	2,046
TOTAL FINANCIAL EXPENSES	9,323	5,845

Financial income is detailed as follows:

(in thousands of Euro)	*1st half 2012*	*1st half 2011*
Gain on interest-bearing hedging instruments	11	148
Interest on amounts due from banks	527	658
Financial component of pension funds and termination indemnities	233	278
Other interest and commissions	109	117
TOTAL FINANCIAL INCOME	880	1,201
TOTAL FINANCIAL EXPENSES (INCOME), NET	8,443	4,644

"Financial expenses, net" show an increase of Euro 3,799 thousand mainly due to the higher net financial indebtedness as a result of the acquisition of the Systèmes Moteurs group and to rising interest rates.

35. LOSSES (GAINS) FROM EQUITY INVESTMENTS

As of June 30, 2012, this item amounts to zero.

36. INCOME TAXES

(in thousands of Euro)	*1st half 2012*	*1st half 2011*
Current taxes	8,718	8,508
Deferred tax liabilities (assets)	1,513	767
Income expenses from Group tax filing system	301	-
TOTAL	10,532	9,275

The first half of 2012 shows a tax rate corresponding to 37.3%, against a tax rate of 35.8% in the same period of the previous year.
The increase in tax rate is mainly due to higher deferred tax assets on losses for the year not recognised in the financial statements, as there is no probability that such losses will be recovered.

37. DIVIDENDS PAID

Dividends paid during H1 2012 amounted to Euro 14,716 thousand, corresponding to a dividend per share of Euro 0.13.
The Company did not issue any shares other than ordinary shares; treasury shares are always excluded from the dividend.

38. EARNINGS PER SHARE (EPS)

Basic EPS

	June 30, 2012	*June 30, 2011*
Net result attributable to the ordinary shareholders (in thousands of Euro)	16,063	15,330
Weighted average number of shares outstanding during the period (thousands)	113,180	114,538
Basic EPS (Euro)	*0.142*	*0.134*

Diluted EPS

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

	June 30, 2012	*June 30, 2011*
Net result attributable to the ordinary shareholders (in thousands of Euro)	16,063	15,330
Average number of shares outstanding during the period (thousands)	113,180	114,538
Weighted average number of shares potentially under option during the period (thousands)	976	1,762
Number of shares that could have been issued at fair value (thousands)	(493)	(1,223)
Adjusted weighted average number of shares outstanding during the period (thousands)	113,663	115,077
Diluted EPS (Euro)	*0.141*	*0.133*

The "Weighted average number of shares potentially under option during the half-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 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 H1 2012 amounted to Euro 2.0543, compared to Euro 2.5765 in H1 2011.

Please note that 4,483,502 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 H1 2012.

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, 2012 held 56.38% of outstanding 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 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 time 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, 2012 amount to Euro 994 thousand (against Euro 992 thousand in the first half of 2011). At June 30, 2012, amounts payable to the Parent Company CIR S.p.A. by the Holding Company Sogefi S.p.A. totalled Euro 994 thousand.

The Italian subsidiaries of the Sogefi Group had receivables for the amount of Euro 2,400 thousand owed by CIR S.p.A. and payables for the amount of Euro 154 thousand due to CIR S.p.A. in connection with their participation in the group tax filing system. As of December 31, 2011, receivables amounted to Euro 4,262 thousand, and were received in full in June 2012.
In June 2012, the Italian subsidiaries of the Sogefi Group had also fully received and settled the income and expenses resulting from the transfer of tax surpluses related to the tax deduction of financial interest by companies within the scope of consolidation of the CIR Group.

At the end of the first half-year 2012, the Holding Company Sogefi S.p.A. records a liability and an amount payable amounting to Euro 301 thousand reflecting the consideration due for the fiscal surplus transferred by companies that have joined the CIR Group tax filing system.

As regards economic transactions with the Board of Directors, Statutory Auditors and Managers with strategic responsibility, please refer to the attached table for remuneration paid in the first half of 2012.

Apart from those mentioned above, 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, 2012*	*December 31, 2011*
Receivables		
- for the Group tax filing from CIR S.p.A.	2,400	4,262
- for income following the transfer of fiscal surplus to the CIR Group	-	49
Payables		
- for the Group tax filing from CIR S.p.A.	154	-
- for services received from CIR S.p.A.	994	-
- for purchases of energy/gas to Sorgenia S.p.A.	8	8
- for expense due to fiscal surplus received from the CIR Group	301	433

(in thousands of Euro)	*1st half 2012*	*1st half 2011*
Costs		
- for services received from CIR S.p.A.	994	992
- for net expense due to fiscal surpul received from the CIR Group	301	-
Remuneration of directors and statutory auditors		
- directors	841	905
- statutory auditors	70	67
Remuneration to Manager with strategic responsibilities ex Consob resolution no. 17221/2010 (*)	217	284

(*) the amounts indicated refer to a Manager with strategic responsibilities identified as "Related party" within the "Discipline on related party transactions" adopted by the Company pursuant to Consob resolution no. 17221/2010.

In the first half 2012, the total expenses for the "Remuneration to Manager with strategic responsibilities ex Consob resolution no. 17221/2010" and related contributions, employment termination indemnities and fringe benefits amount to Euro 304 thousand (Euro 393 thousand in H1 2011).

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, 2012 regard the following subsidiaries:

- Allevard Federn GmbH for the rental of the production plant in Volklingen.
The contract expires in May 2020. At June 30, 2012, the remaining payments amount to Euro 3,022 thousand, Euro 366 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 at June 30, 2012 amount to CAD 3,572 thousand, CAD 992 thousand of which due by the end of the year.
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 expires in December 2016 and the remaining payments at June 30, 2012 amount to Euro 2,176 thousand, Euro 870 thousand of which due by the end of the year.
The Group has not given any guarantees for this contract;

- Shanghai Sogefi Auto Parts Co., Ltd. for the rental of the production plant in Shanghai. The contract expires in August 2023 and the remaining payments at June 30, 2012 amount to CNY 17,422 thousand, CNY 1,790 thousand of which due by the end of the year. The Group has not given any guarantees whatsoever for these contracts;

- Allevard Sogefi U.S.A. Inc. for the rental of the production plant in Prichard (West Virginia).
The contract expires in May 2019, the remaining payments at June 30, 2012 amount to USD 2,744 thousand, USD 397 thousand of which due by the end of the year.
For this contract Sogefi S.p.A. provided a guarantee equal to 62% 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, 2012, Group companies have binding commitments for investments relating to the purchase of property, plant and equipment for Euro 2,407 thousand (Euro 2,460 thousand at December 31, 2011), as already disclosed in the explanatory notes regarding tangible fixed assets.

GUARANTEES GIVEN

Details of guarantees are as follows:

(in thousands of Euro)	*June 30, 2012*	*December 31, 2011*
PERSONAL GUARANTEES GIVEN		
a) Sureties to third parties	1,258	1,340
b) Other personal guarantees in favour of third parties	9,714	9,714
TOTAL PERSONAL GUARANTEES GIVEN	10,972	11,054
REAL GUARANTEES GIVEN		
a) against liabilities shown in the financial statement	7,056	1,738
TOTAL REAL GUARANTEES GIVEN	7,056	1,738

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 exclusively to the subsidiaries Systèmes Moteurs S.A.S, Allevard IAI Suspensions Private Ltd, United Springs B.V. and Sogefi M.N.R. Filtration India Private Ltd, which have real guarantees on tangible fixed assets, inventories and trade receivables to secure loans obtained from financial institutions.

42. OTHER RISKS

As of June 30, 2012, the Group had third-party goods and materials held at Group companies worth Euro 5,096 thousand (Euro 5,417 thousand as of December 31, 2011).

43. 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 of Filtrauto UK Ltd's Staff Pension Scheme and Filtrauto UK Ltd's 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.

44. SUBSEQUENT EVENTS

On April 19, 2012, the Shareholders' Meeting authorised the purchase of treasury shares and the Holding Company purchased 57,000 treasury shares at an average price of Euro 1.89 each after June 30, 2012.

G) 46. FINANCIAL INSTRUMENTS

A) Exchange risk hedges – not designated in hedge accounting

As of June 30, 2012, the Holding Company Sogefi S.p.A. held the following forward sale contract to hedge exchange risk on intercompany financial positions:

Forward sale	Date opened	Spot price €/currency	Date closed	Forward price €/currency
USD 7,230,000	06/20/2012	1.26180	09/20/2012	1.26310

As of June 30, 2012, the fair value of this contract was negative for Euro 18 thousand and was booked to “Other short-term liabilities for derivative financial instruments”. Fair value was calculated using the forward curve of exchange rates as of June 30, 2012.

The subsidiary Sogefi Filtration Ltd held the following forward purchase contracts to hedge the exchange risk on intercompany financial positions (EUR) and on trade positions (USD):

Forward purchase	Date opened	Spot price GBP/currency	Date closed	Forward price GBP/currency
EUR 2,500,000	06/20/2012	0.80600	09/20/2012	0.80710
USD 300,000	05/22/2012	1.57820	07/06/2012	1.57780
USD 300,000	06/25/2012	1.55500	08/03/2012	1.55477
USD 250,000	06/25/2012	1.55500	07/18/2012	1.55485

As of June 30, 2012, the fair value of these contracts amounted to Euro 3 thousand and was booked to “Other financial assets – Assets for derivative financial instruments”. Fair value was calculated using the forward curve of exchange rates as of June 30, 2012.

The subsidiary Systèmes Moteurs S.A.S. holds the following forward purchase contract to hedge the exchange risk on intercompany financial positions:

Forward purchase	Date opened	Spot price €/currency	Date closed	Forward price EUR/currency
CAD 6,500,000	06/20/2012	1.29440	09/20/2012	1.29780

As of June 30, 2012, the fair value of this contract amounted to Euro 30 thousand and was booked to "Other financial assets – Assets for derivative financial instruments". Fair value was calculated using the forward curve of exchange rates as of June 30, 2012.

As of June 30, 2012, the subsidiary Sogefi Filtration do Brasil Ltda held the following forward sale contracts to hedge the exchange risk on dividends (ARP) and on trade positions (USD and EUR):

Forward sale	Date opened	Spot price BRL/currency	Date closed	Forward price BRL/currency
ARP 1,666,867	03/15/2012	0.41670	09/20/2012	0.38360
ARP 1,800,770	03/15/2012	0.41670	10/19/2012	0.37960
ARP 900,385	04/03/2012	0.41860	11/20/2012	0.37210
ARP 2,248,654	04/03/2012	0.41860	12/20/2012	0.36520

Forward sale	Date opened	Spot price BRL/currency	Date closed	Forward price BRL/currency
USD 157,000	04/27/2012	1.88710	07/26/2012	1.89100

Forward purchase	Date opened	Spot price BRL/currency	Date closed	Forward price BRL/currency
EUR 280,000	04/27/2012	2.49630	07/25/2012	2.57100

As of June 30, 2012, the fair value of these contracts was negative for Euro 131 thousand and was booked to "Other short-term liabilities for derivative financial instruments". Fair value was calculated using the forward curve of exchange rates as of June 30, 2012.

The subsidiary Allevard Springs Ltd held the following forward purchase contracts to hedge the exchange risk on trade positions:

Forward purchase	Date opened	Spot price GBP/currency	Date closed	Forward price GBP/currency
EUR 300,000	05/22/2012	0.80890	07/06/2012	0.80925
EUR 250,000	06/25/2012	0.80375	08/03/2012	0.80414
EUR 250,000	06/25/2012	0.80375	08/28/2012	0.80443

As of June 30, 2012, the fair value of these contracts amounted to Euro 1 thousand and was booked to "Other financial assets – Assets for derivative financial instruments". Fair value was calculated using the forward curve of exchange rates as of June 30, 2012.

B) Interest rate hedges – designated in hedge accounting

As of June 30, 2012, the Holding Company Sogefi S.p.A. held the following contracts to hedge its interest rate risk (in thousands of Euro) on existing loans:

Description of IRS	Date opened	Contract maturity	Notional	Fixed rate	*Fair value*
Hedging of Sogefi S.p.A. loan for € 100 million (09/29/2006 maturity 09/29/2013), rate: Euribor 3 months + 70 base bps	11/18/2009	04/30/2013	5,000	2.210%	(83)
Hedging of Sogefi S.p.A. loan for € 100 million (09/29/2006 maturity 09/29/2013), rate: Euribor 3 months + 70 base bps	11/27/2009	04/30/2013	5,000	2.150%	(80)
Hedging of Sogefi S.p.A. loan for € 160 million (06/04/2008 maturity 06/04/2013), rate: Euribor 3 months + 50 base bps	11/18/2009	05/06/2013	5,000	2.230%	(61)
Hedging of Sogefi S.p.A. loan for € 160 million (06/04/2008 maturity 06/04/2013), rate: Euribor 3 months + 50 base bps	11/27/2009	05/06/2013	5,000	2.170%	(57)
Hedging of Sogefi S.p.A. loan for € 160 million (06/04/2008 maturity 06/04/2013), rate: Euribor 3 months + 50 base bps	12/20/2010	05/06/2013	5,000	1.733%	(36)
Hedging of Sogefi S.p.A. loan for € 160 million (06/04/2008 maturity 06/04/2013), rate: Euribor 3 months + 50 base bps	12/20/2010	05/06/2013	5,000	1.733%	(60)
Hedging of Sogefi S.p.A. loan for € 160 million (06/04/2008 maturity 06/04/2013), rate: Euribor 3 months + 50 base bps	12/21/2010	05/06/2013	5,000	1.7075%	(58)
Hedging of Sogefi S.p.A. loan for € 160 million (06/04/2008 maturity 06/04/2013), rate: Euribor 3 months + 50 base bps	12/22/2010	05/06/2013	10,000	1.685%	(113)
Hedging of Sogefi S.p.A. loan for € 160 million (06/04/2008 maturity 06/04/2013), rate: Euribor 3 months + 50 base bps	03/11/2011	05/06/2013	10,000	2.693%	(110)
Hedging of Sogefi S.p.A. loan for € 160 million (06/04/2008 maturity 06/04/2013), rate: Euribor 3 months + 50 base bps	03/11/2011	05/06/2013	10,000	2.805%	(76)
Hedging of Sogefi S.p.A. loan for € 160 million (06/04/2008 maturity 06/04/2013), rate: Euribor 3 months + 50 base bps	03/23/2011	05/06/2013	10,000	2.800%	(116)
Hedging of Sogefi S.p.A. loan for € 160 million (06/04/2008 maturity 06/04/2013), rate: Euribor 3 months + 50 base bps	03/23/2011	05/06/2013	5,000	2.445%	(95)
Hedging of Sogefi S.p.A. loan for € 60 million (04/29/2011 maturity 12/31/2016), rate: Euribor 3 months + 200 base bps	05/11/2011	12/31/2016	28,000	2.990%	(1,806)

Description of IRC	Date opened	Contract maturity	Notional	Fixed rate	*Fair value*
Hedging of Sogefi S.p.A. loan for € 100 million (09/29/2006 maturity 09/29/2013), rate: Euribor 3 months + 70 base bps	04/24/2008	10/31/2012	10,000	Cap: 4.50% Floor: 3.84%	(164)

Description of K.IN FORWARD ZERO COST	Date opened	Contract maturity	Notional	Cap/Floor	*Fair value*
Hedging of Sogefi S.p.A. loan for € 100 million (09/29/2006 maturity 09/29/2013), rate: Euribor 3 months + 70 base bps	04/24/2008	10/31/2012	10,000	Cap: 4.50% Floor: 4.20% Knock in Europeo: 3.33%	(181)

As of June 30, 2012, the Holding Company Sogefi S.p.A. held the following Interest Rate Swap contracts (in thousands of Euro) on expected highly probable future long-term indebtedness designated in hedge accounting. Relating cash flows will be exchanged from 2013 onwards:

Description of IRS	Date opened	Contract maturity	Notional	Fixed rate	*Fair value*
Hedging of Sogefi S.p.A. future financial indebtedness for 2013-2018	02/10/2011	06/01/2018	10,000	3.679%	(1,052)
Hedging of Sogefi S.p.A. future financial indebtedness for 2013-2018	02/23/2011	06/01/2018	10,000	3.500%	(1,039)
Hedging of Sogefi S.p.A. future financial indebtedness for 2013-2018	03/11/2011	06/01/2018	10,000	3.545%	(1,057)
Hedging of Sogefi S.p.A. future financial indebtedness for 2013-2018	03/23/2011	06/01/2018	10,000	3.560%	(1,064)
Hedging of Sogefi S.p.A. future financial indebtedness for 2013-2018	03/27/2011	06/01/2018	10,000	3.670%	(1,124)
Hedging of Sogefi S.p.A. future financial indebtedness for 2013-2018	05/13/2011	06/01/2018	10,000	3.460%	(1,020)
Hedging of Sogefi S.p.A. future financial indebtedness for 2013-2018	06/24/2011	06/01/2018	10,000	3.250%	(916)
Hedging of Sogefi S.p.A. future financial indebtedness for 2013-2018	06/28/2011	06/01/2018	10,000	3.250%	(913)
Hedging of Sogefi S.p.A. future financial indebtedness for 2013-2018	11/28/2011	06/01/2018	10,000	2.578%	(586)

As of June 30, 2012, the subsidiary Sogefi Filtration S.A. holds the following interest rate hedging instrument (in thousands of Euro) on the existing loan with Banco Sabadell:

Description of IRS	Date opened	Contract maturity	Notional	Fixed rate	*Fair value*
Hedging of Sogefi Filtration S.A. loan for € 7 million (05/30/2011 maturity 05/30/2016), rate: Euribor 3 months + 225 base bps	08/30/2011	05/30/2016	2,800	2.6509%	(120)

With the exception of the IRS, which envisages payment by the Group of an agreed fixed rate and receipt from the counterparty of the floating rate that is the basis of the underlying loan, the remaining financial instruments envisage the Group paying an interest rate that may fluctuate within a defined range (“Cap-Floor” for the IRC and “Cap-Knock in” for the K.IN FORWARD ZERO COST). As regards K.IN FORWARD ZERO COST, if the 3-month Euribor falls below the “Knock in”, the Group pays the “Floor” rate.

The aim of these contracts is to limit the risk of changes in interest rates. They have been treated in hedge accounting as hedging instruments and the related fair value is booked to equity, except for an amount of Euro 34 thousand that was booked to Income Statement under "Total financial expenses (income), net" as the ineffective portion of the hedge relationship.

H) GROUP COMPANIES

47. LIST OF GROUP COMPANIES AS OF JUNE 30, 2012

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS

Direct subsidiaries	Currency	Share capital	Number of shares	% 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 Llantrisant (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	287,494	99.99	20	5,749,880
ALLEVARD REJNA AUTOSUSPENSIONS S.A. Saint Cloud (France)	Euro	36,000,000	1,999,855	99.99	18	35,997,390
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. Levallois-Perret (France)	Euro	54,938,125	3,602,500	100.00	15.25	54,938,125

Indirect subsidiaries	Currency	Share capital	Number of shares	% held	Par value per share	Par value of the interest held
ENGINE SYSTEMS DIVISION – FLUID FILTERS						
SOGEFI M.N.R. FILTRATION INDIA Private Ltd Bangalore (India) Held by Filtrauto S.A.	INR	15,940,980	956,459	60.00	10	9,564,590
SOGEFI FILTRATION DO BRASIL Ltda São Bernardo do Campo (Brazil) Held by Sogefi Filtration S.A.	BRL	29,857,374	29,857,373	99.99	1	29,857,373
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 subsidiaries	Currency	Share capital	Number of shares	% held	Par value per share	Par value of the interest held
ENGINE SYSTEMS DIVISION – 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
MARK IV AIR INTAKE INDIA Pvt. Ltd New Delhi (India) 99.52% held by Systèmes Moteurs S.A.S. 0.48% held by Systèmes Moteurs, China, S.à.r.l.	INR	20,684,570	2,068,457	100.00	10	20,684,570
SYSTEMES MOTEURS S.r.l. Titesti (Romania) 98.02% held by Systèmes Moteurs S.A.S. 1.98% held by Sogefi Filtration S.A. (Spain)	RON	1,010	101	100.00	10	1,010
MARK IV AIS 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 Limited (***) Hong Kong (Hong Kong) Held by Systemes Moteurs, China, S.à.r.l.	HKD	1,000	1,000	100.00	1	1,000
MARK IV (Shanghai) TRADING Co. Ltd Shanghai (China) Held by Sogefi Engine Systems Hong Kong Limited	RMB	5,000,000	1	100.00		5,000,000

(*) On July 6, 2012, the Company changed name from MARK IV AIR INTAKE SYSTEMS CORP. to SOGEFI ENGINE SYSTEMS CANADA CORP..
(**) On July 6, 2012, the Company changed name from MARK IV SYSTEMES MOTEURS USA, Inc. to SOGEFI ENGINE SYSTEMS USA., Inc..
(***) On June 26, 2012, the Company changed name from MARK IV HONG KONG Limited to SOGEFI ENGINE SYSTEMS HONG KONG Limited.

Indirect subsidiaries	Currency	Share capital	Number of shares	% held	Par value per share	Par value of the interest held
SUSPENSION COMPONENTS AND PRECISION SPRINGS DIVISION						
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 Volklingen (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. Saint Cloud (France) Held by Allevard Rejna Autosuspensions S.A.	Euro	10,218,000	2,043,599	99.99	5	10,217,995
S.ARA COMPOSITE S.A.S. Saint Cloud (France) Held by Allevard Rejna Autosuspensions S.A.	Euro	11,000,000	10,000,000	90.91	1	10,000,000
ALLEVARD IAI SUSPENSIONS Private Ltd Pune (India) Held by Allevard Rejna Autosuspensions S.A.	INR	129,850,000	7,497,000	57.74	10	74,970,000
LUHN & PULVERMACHER - DITTMANN & NEUHAUS GmbH Hagen (Germany) Held by Allevard Federn GmbH	Euro	50,000		100.00	50,000	50,000
SOGEFI ALLEVARD Srl Bucharest (Romania) Held by Sogefi Rejna S.p.A.	RON	210,000	2,100	100.00	100	210,000

EQUITY INVESTMENTS IN SUBSIDIARIES CONSOLIDATED USING THE EQUITY METHOD

Indirect subsidiaries	Currency	Share capital	Number of shares	% 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 NON-CONSOLIDATED SUBSIDIARIES

Indirect subsidiaries	Currency	Share capital	Number of shares	% held	Par value per share	Par value of the interest held
INTEGRAL S.A. (*) San Luis (Argentina) 93.50% held by Filtrauto S.A. 6.50% held by Sogefi Filtration Argentina S.A.	ARP	2,515,600	2,515,600	100.00	1	2,515,600
(*) in liquidation						

EQUITY INVESTMENTS IN OTHER COMPANIES CARRIED AT COST

	Currency	Share capital	Number of shares	% 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, 2012*	*December 31, 2011*
CURRENT ASSETS			
Cash and cash equivalents	*3*	25,572	44,409
Cash pooling current accounts with subsidiaries	*4*	16,616	6,099
Other financial assets		-	-
Loans and financial receivables similar to loans with subsidiaries	*5*	36,869	29,047
WORKING CAPITAL			
Inventories		-	-
Trade receivables	*6*	6,461	6,655
of which from subsidiaries		*4,060*	*3,083*
of which from parent company		*2,400*	*3,572*
Other receivables	*6*	350	253
Tax receivables	*6*	650	459
Other assets	*6*	650	829
of which from subsidiaries		-	-
TOTAL WORKING CAPITAL		8,111	8,196
TOTAL CURRENT ASSETS		87,168	87,751
NON-CURRENT ASSETS			
FIXED ASSETS			
Investment properties: land	*7*	13,400	13,400
Investment properties: other	*7*	12,649	12,649
Other tangible fixed assets		84	29
of which leases		-	-
Intangible assets	*8*	4,674	1,569
TOTAL FIXED ASSETS		30,807	27,647
OTHER NON-CURRENT ASSETS			
Equity investments in subsidiaries	*9*	389,810	389,628
Equity investments in associates		-	-
Other financial assets available for sale		-	-
Loans and financial receivables similar to loans	*10*	94,255	94,092
of which from subsidiaries		*94,255*	*94,092*
of which other medium/long-term assets for derivative financial instruments		-	-
Other receivables		23	23
Deferred tax assets	*11*	3,803	3,156
TOTAL OTHER NON-CURRENT ASSETS		487,891	486,899
TOTAL NON-CURRENT ASSETS		518,698	514,546
TOTAL ASSETS		605,866	602,297

LIABILITIES	Note	June 30, 2012	December 31, 2011
CURRENT LIABILITIES			
Bank overdrafts and short-term loans	12	41	69
Cash pooling current accounts with subsidiaries	12	76,734	70,141
Current portion of medium/long-term financial debts and other loans	12	222,032	32,914
of which leases		-	-
of which to subsidiaries		-	-
TOTAL SHORT-TERM FINANCIAL DEBTS		298,807	103,124
Other short-term liabilities for derivative financial instruments		1,307	626
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS		300,114	103,750
Trade and other payables	13	8,925	5,804
of which to subsidiaries		*1,016*	*822*
of which to parent company		*1,295*	*433*
Tax payables		214	271
Other current liabilities		34	34
TOTAL CURRENT LIABILITIES		309,287	109,859
NON-CURRENT LIABILITIES			
MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS			
Financial debts to bank	13	119,994	316,281
Other medium/long-term financial debts		-	-
of which leases		-	-
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS		119,994	316,281
Other medium/long-term financial liabilities for derivative financial instruments	13	10,578	8,310
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS		130,572	324,591
OTHER LONG-TERM LIABILITIES	14		
Long-term provisions		779	986
Other payables		-	-
Deferred tax liabilities		471	241
TOTAL OTHER LONG-TERM LIABILITIES		1,250	1,227
TOTAL NON-CURRENT LIABILITIES		131,822	325,818
SHAREHOLDERS' EQUITY	15		
Share capital		60,690	60,665
Reserves and retained earnings (accumulated losses)		88,686	95,469
Net profit (loss) for the period		15,381	10,486
TOTAL SHAREHOLDERS' EQUITY		164,757	166,620
TOTAL LIABILITIES AND EQUITY		605,866	602,297

INCOME STATEMENT
(in thousands of Euro)

		Note	1st half 2012	1st half 2011
FINANCIAL INCOME AND EXPENSES		17		
1)	Income from equity investments		21,369	26,662
2)	Other financial income		3,366	3,170
	of which from subsidiaries		*2,679*	*2,181*
3)	Interest expense and other financial expenses		6,460	4,471
	of which from subsidiaries		*216*	*150*
TOTAL FINANCIAL INCOME AND EXPENSES			18,275	25,361
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS				
4)	Revaluations		-	-
5)	Writedowns		-	-
TOTAL VALUE ADJUSTMENTS			-	-
6) OTHER OPERATING INCOME		18	6,905	6,183
of which from subsidiaries			*6,897*	*6,179*
OTHER OPERATING EXPENSES		19		
7)	Non-financial services		3,513	3,151
	of which from subsidiaries		*1,008*	*48*
	of which from parent company		*994*	*992*
8)	Use of third party assets		2,390	2,008
9)	Personnel		2,837	3,240
10)	Depreciation, amortization and writedowns		25	23
11)	Provisions for risks		-	-
12)	Other provisions		-	-
13)	Other operating expenses		696	586
TOTAL OTHER OPERATING EXPENSES			9,461	9,008
NON-OPERATING INCOME AND EXPENSES		20		
14)	Income		-	-
	of which non-recurring:		-	-
15)	Expenses		1,920	3,300
	of which non-recurring:		*1,920*	*3,300*
NON-OPERATING PROFIT (LOSS)			(1,920)	(3,300)
PROFIT BEFORE TAXES			13,799	19,236
16)	Income taxes	21	(1,582)	(1,617)
NET PROFIT			15,381	20,853

STATEMENT OF COMPREHENSIVE INCOME
(in thousands of Euro)

	1st half 2012	*1st half 2011*
Profit (loss) for the period	15,381	20,853
Other comprehensive income (expenses):		
- Income (expenses) from fair value measurement of cash flow hedge derivatives	(2,951)	50
- Income (expenses) from fair value measurement of available-for-sale financial assets	-	-
- Tax effect on other comprehensive income	811	(14)
Total Other comprehensive income (expenses) net of tax effect	(2,140)	36
Total comprehensive income for the period	13,241	20,889

CASH FLOW STATEMENT
(in thousands of Euro)

	1st half 2012	*1st half 2011*
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period	15,381	20,853
Adjustments:		
- depreciation of tangible and amortization of intangible fixed assets	25	23
- fair value of cash flow hedge derivatives allocated to income statement	34	(148)
- accrued costs for stock-based incentive plans	377	186
- net change in provision for phantom stock options	(19)	61
- net change in provision for risks and charges	(177)	-
- net change in provision for employment termination indemnities	(11)	50
- change in net working capital	3,396	3,421
- change in tax receivables/payables	(248)	101
- other medium/long-term assets/liabilities	396	460
CASH FLOWS FROM OPERATING ACTIVITIES	19,154	25,007
INVESTING ACTIVITIES		
Acquisition of equity investments	(5)	-
Net change in tangible and intangible fixed assets	(3,186)	(24)
Net change in other financial assets	(36)	65
Sale of equity investments	-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES	(3,227)	41
FINANCING ACTIVITIES		
Paid share capital increase	50	266
Net purchase of treasury shares	(992)	-
Dividends paid to shareholders	(14,716)	(14,888)
New (repayment of) loans	(7,170)	18,162
Net cash pooling position	(3,923)	24
Loans and other financial receivables from subsidiaries	(7,985)	(7,359)
NET CASH FLOWS FROM FINANCING ACTIVITIES	(34,736)	(3,795)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(18,809)	21,253
Balance at the beginning of the period	44,340	(15,359)
(Decrease) increase in cash and cash equivalents	(18,809)	21,253
BALANCE AT THE END OF THE PERIOD	25,531	5,894

NB: 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.

CASH FLOW STATEMENT ADDITIONAL DISCLOSURES	*1st half 2012*	*1st half 2011*
Interest collected	2,604	2,149
Interest paid	(5,502)	(2,650)
Dividends collected	2,000	11,499
Current income tax collections (payments)	3,453	1,898

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in thousands of Euro)	Share capital	Reserves and retained earnings (accumulated losses)	Profit for the period	Total Shareholders' equity
Balance at December 31, 2010	60,546	104,601	12,445	177,592
Increases in share capital restricted to the employees of Sogefi S.p.A and its subsidiaries	92	174	-	266
Allocation of 2010 net profit and use of Retained earnings reserve:				
- dividends	-	(2,443)	(12,445)	(14,888)
Credit to equity for stock-based incentive plans	-	201	-	201
Comprehensive income for the period:				
- Fair value measurement of cash flow hedge derivatives	-	50	-	50
- Fair value of available-for-sale financial assets	-	-	-	-
- Tax on items booked directly in "Other Comprehensive Income"	-	(14)	-	(14)
- Net profit for the period	-	-	20,853	20,853
Total comprehensive income for the period	-	*36*	*20,853*	*20,889*
Balance at June 30, 2011	60,638	102,569	20,853	184,060

(in thousands of Euro)	Share capital	Reserves and retained earnings (accumulated losses)	Profit for the period	Total Shareholders' equity
Balance at December 31, 2011	60,665	95,469	10,486	166,620
Increases in share capital restricted to the employees of Sogefi S.p.A and its subsidiaries	25	25	-	50
Purchase of treasury shares	-	(992)	-	(992)
Allocation of 2011 net profit and use of Retained earnings reserve:				
- dividends	-	(4,230)	(10,486)	(14,716)
Credit to equity for stock-based incentive plans	-	554	-	554
Comprehensive income for the period:				
- Fair value measurement of cash flow hedge derivatives	-	(2,951)	-	(2,951)
- Fair value of available-for-sale financial assets	-	-	-	-
- Tax on items booked directly in "Other Comprehensive Income"	-	811	-	811
- Net profit for the period	-	-	15,381	15,381
Total comprehensive income for the period	-	*(2,140)*	*15,381*	*13,241*
Balance at June 30, 2012	60,690	88,686	15,381	164,757

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, 2012 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 has 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, 2011, 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").
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.
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, 2011 for the statement of financial position, and for the 1st half of 2011 for the income statement.

The interim condensed financial statements as at June 30, 2012 should be read in conjunction with the annual financial statements as at December 31, 2011.
With reference to IAS 1, the Board of Directors confirm that, based on the economic forecasts, the capitalisation and the financial position of the entity, the same operates as a going concern.
The interim condensed financial statements as at June 30, 2012 were approved by the Board of Directors on July 24, 2012.

2. ACCOUNTING POLICIES

The accounting policies applied in preparing the condensed financial statements for the six-month period ended June 30, 2012 are consistent with those used for the annual separate financial statements as at December 31, 2011 to which the reader should refer.

It should be noted that 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 contingent 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 loss 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.

In the first half of 2012, the Company has taken note of and, where applicable, adopted the following Standards, Interpretations and Amendments to existing accounting standards:

Accounting standards, amendments and interpretations applied as of January 1, 2012
The following accounting standards, amendments and interpretations were first adopted by the Company starting January 1, 2012.
On October 7, 2010, the IASB published several amendments to IFRS 7 – *Financial instruments: Disclosures*. The amendments were released in order to provide better understanding of transfers of financial assets (*derecognition*), and of the possible effects deriving from any risk that may remain with the entity that transferred the assets. The amendments also require additional disclosures in the event that a disproportionate amount of such transfer transactions occurs near the end of a reporting period. The adoption of this amendment doesn't have any impact on the disclosures of the financial statements reports.

Accounting standards, amendments and interpretations effective as of January 1, 2012 not applicable to the Company
The following amendments, improvements and interpretations effective from January 1, 2012 relate to issues and circumstances that are not applicable within the Company on the date of these interim financial statements but may affect the accounting of future transactions or agreements:

Accounting standards and amendments not yet applicable and not early adopted by the Company

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

On December 20, 2010, IASB issued a minor amendment to IAS 12 – Income Taxes that requires an entity to measure the deferred tax relating to an asset depending on how the entity expects to recover the carrying amount of the asset (through continued use or sale). As a result of this amendment, SIC-21 Income Taxes – Recovery of Revalued Non-Depreciable Assets will no longer apply. This amendment was supposed to be applied retrospectively as of January 1, 2012, but has not been approved by the European Union yet and may not be applied in the half-year report as at June 30, 2012. Application of this amendment would not have had any effects on the measurement on the Group's financial statements as at June 30, 2012.

On November 12, 2009, IASB issued IFRS 9 - Financial instruments: the same standard was amended on October 28, 2010. The standard, which is to be applied retrospectively from January 1, 2015, represents the first phase of a process in stages, the aim of which is to entirely replace IAS 39 and introduces new requirements for the classification and measurement of financial assets and financial liabilities and for the *derecognition* of financial assets. 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 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.

On May 12, 2011, IASB issued IFRS 10 – Consolidated Financial Statements that is to supersede SIC-12 Consolidation – Special Purpose Entities (Special Purpose Vehicles) and parts of IAS 27 – Consolidated and Separate Financial Statements, which will be renamed Separate financial statements and shall establish how equity investments are to be accounted for in separate financial statements. The new standard builds on existing standards by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. This standard is to be applied retrospectively beginning on or after January 1, 2013.

On May 12, 2011, IASB issued IFRS 11 – Joint Arrangements that is to replace IAS 31 – Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. The new standard provides the criteria for identifying joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form and requires a single method to account for interests in jointly-controlled entities, the equity method. This standard is to be applied retrospectively beginning on or after January 1, 2013. After this standard was issued, IAS 28 – Investments in Associates was amended to include interests in joint ventures in its scope of application, as of the effective date of the new standard.

On May 12, 2011, IASB issued IFRS 12 – Disclosure of interests in other entities, a new standard that includes all of the disclosure requirements for subsidiaries, joint arrangements, associates, special purpose entities and other non-consolidated special purpose vehicles. This standard is to be applied retrospectively beginning on or after January 1, 2013.

On May 12, 2011, IASB issued IFRS 13 – Fair value measurement, clarifying the determination of the fair value for the purpose of the financial statement and applying to all IFRS permitting or requiring a fair value measurement or the presentation of disclosures based on fair value. This standard is to be applied for annual periods beginning on or after January 1, 2013.

On December 16, 2011, IASB issued certain amendments to IAS 32 – *Financial Instruments: Presentation* to clarify the application of certain offsetting criteria for financial assets and financial liabilities in IAS 32. The amendments are effective for annual periods beginning on or after January 1, 2014 and are required to be applied retrospectively.

On December 16, 2011, IASB issued certain amendments to IFRS 7 – *Financial instruments: Disclosures*. The amendments require information about the effect or potential effect of netting arrangements for financial assets and liabilities on an entity's financial position. Entities are required to apply the amendments for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. The required disclosures should be provided retrospectively.

On March 19, 2011, IASB issued an amendment to IFRS 1 First-time adoption of International Financial Reporting Standards - Government Loans that changes reference to government loans accounting during transition to IFRS (as such, not applicable to the Group).

On May 17, 2012, IASB published document *Annual Improvements to IFRSs: 2009-2011 Cycle*, amending standards as part of the annual improvement process which is designed to make necessary, but not urgent, amendments to IFRS. Outlined below are those amendments that impact the presentation, recognition and measurement of the items of the financial statements. Those related to changes in new terminology having minimal accounting impacts, or those that concern standards or interpretations not applicable to the Group have been omitted.

- IAS 1 Presentation of Financial Statements – Comparative information: Clarifies that any additional comparative information provided must be presented in accordance with IAS/IFRS. It also clarifies that when an entity changes an accounting principle or makes retrospective adjustments/restatements, it must include an opening statement of financial position at the beginning of the comparative period ("third statement of financial position" in the financial statements); related disclosures are not required for such "third balance sheet", except for the affected items, in the supporting notes.
- IAS 16 Property, Plant and Equipment – Classification of servicing equipment: Clarifies that servicing equipment must be classified under Property, plant and equipment if used during more than one accounting period. Otherwise, they must be classified as inventory.

- IAS 32 Financial Instruments: Presentation - Taxes relating to distributions to holders of an equity instrument and transaction costs on equity transactions: Clarifies that such income taxes are accounted for according to IAS 12.
- IAS 34 Interim Financial Reporting – Total assets for a reportable segment: Clarifies that total assets must be disclosed only if such information is regularly provided to the chief operating decision maker of the entity and there has been a material change from the amounts disclosed in the last annual financial statements for that reportable segment.

The proposed amendments are effective for the years beginning on or after January 1, 2013. Early adoption is allowed.

On June 28, 2012, IASB published document *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12).*
First and foremost, the document is aimed at clarifying the Board's intentions as to the transition rules in IFRS 10 Consolidated Financial Statements. Amendments to IFRS 10 aim to clarify how an investor should adjust the comparative period or periods retrospectively when the conclusions on the consolidation according to IAS 27/SIC 12 and IFRS 10 as at date of initial application differ. In addition, the Board amended IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities to likewise facilitate the presentation or modification of comparative information for periods before “the immediately preceding period” (i.e. the comparative period presented in the financial statements). These amendments are to be applied - along with the reference standards - for years beginning on January 1, 2013, unless adopted earlier.

The European Union has completed its endorsement process for the standards and amendments below at the date of these Interim financial statements, and the Company decided not to early adopt them.
On June 16, 2011, IASB issued an amendment to IAS 1 – Presentation of Financial Statements requiring entities to group all items presented in "Other comprehensive income (expenses)" depending on whether they can be reclassified to profit or loss. This amendment is effective for periods beginning on or after July 1, 2012.
On June 16, 2011, IASB issued an amendment to IAS 19 – Employee Benefits that eliminates the option to defer recognition of actuarial gains and losses using the corridor approach (currently adopted by the Group), and requires that surplus or deficit be presented in full in the statement of financial position, service cost and net interest cost be recognised separately in the income statement, and actuarial gains and losses arising out the remeasurement of assets and liabilities occurred during each year be booked to "Other comprehensive income". In addition, the return on assets included in net financial expenses must now be calculated using the discount rate applicable to liabilities and no longer the expected return on the assets. Finally, the amendment introduces new disclosures to be presented in the notes to the financial statements. The amendment IAS 19 is applicable retrospectively from January 1, 2013.

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, 2012*	*December 31, 2011*
Short-term cash investments	25,559	44,394
Cash and cash equivalents on hand	13	15
TOTAL	25,572	44,409

Euro 15,000 thousand represent temporary bank cash deposits expiring within the first few days of July 2012.

As at June 30, 2012 the Company had unutilized credit lines of Euro 117,374 thousand. 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

Details are as follows:

(in thousands of Euro)	*June 30, 2012*	*December 31, 2011*
Allevard Rejna Autosuspensions S.A.	612	-
Allevard Springs Ltd	209	-
Sogefi Filtration Ltd	7,426	2,690
Sogefi Purchasing S.A.S.	1,399	419
Allevard Federn GmbH	6,970	2,990
TOTAL	16,616	6,099

5. LOANS AND FINANCIAL RECEIVABLES SIMILAR TO LOANS WITH SUBSIDIARIES

Details are as follows:

(in thousands of Euro)	*June 30, 2012*	*December 31, 2011*
Loans to subsidiaries:		
Sogefi Filtration Ltd	2,500	2,500
Filtrauto S.A.	5,000	5,000
United Springs B.V.	-	1,100
Systèmes Moteurs S.A.S.	10,000	20,447
Receivables for dividends resolved to be collected:		
Sogefi Filtration S.A.	6,370	-
Allevard Rejna Autosuspensions S.A.	9,999	-
Systèmes Moteurs S.A.S.	3,000	-
TOTAL	36,869	29,047

As at June 30, 2012, Euro 17,500 thousand represented loans granted at market rates linked to the 3-month Euribor to Sogefi Filtration Ltd, Filtrauto S.A. and Systèmes Moteurs S.A.S.. These loans fall due within the next 12-month period.
The Company has receivables from Sogefi Filtration S.A. (Euro 6,370 thousand) and Allevard Rejna Autosuspensions S.A. (Euro 9,999 thousand) and Systèmes Moteurs S.A.S. (Euro 3,000 thousand) for dividends declared last April by the competent corporate bodies of the subsidiaries whose collection is expected to occur during the 2012 second half.

6. TRADE AND OTHER RECEIVABLES

Details are as follows:

(in thousands of Euro)	*June 30, 2012*	*December 31, 2011*
Receivables from subsidiaries	4,060	3,083
Receivables from parent company	2,400	3,572
Trade receivables	1	-
Other receivables	350	253
Tax receivables	650	459
Other assets	650	829
TOTAL	8,111	8,196

As at June 30, 2012, “Receivables due from parent company” includes receivables due from the Parent Company CIR S.p.A. resulting from the participation in the Group tax filing system and recognised for the first 2012 half-year; receivables of the same nature outstanding at the end of the previous year have been fully collected in June.

“Tax receivables” mainly consists of the VAT credits due by the tax authorities (Euro 623 thousand).
“Other assets” is represented by Euro 92 thousand of accrued income and prepaid expenses.
The additional amount of Euro 558 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

These are land and buildings held for the purpose of earning rent or capital gains on their disposal.
As at June 30, 2012, these amount to Euro 26,049 thousand and are unchanged with respect to December 31, 2011.
The fair value as at June 30, 2012 is based on estimates made by external experts in November 2011, and still deemed valid considering that in the first half of 2012 market conditions have not changed.

As at June 30, 2012 investment properties are not encumbered by any restriction or commitment.

8. INTANGIBLE ASSETS

Details are as follows:

(in thousands of Euro)	2012			
	Industrial patents and intellectual property rights	*Concessions, licenses, trademarks and similar right*	*Other asset, under construction and payments on account*	*TOTAL*
Net balance on January 1	50	79	1,440	1,569
Additions of the period	-	23	3,098	3,121
Amortization of the period	(8)	(8)	-	(16)
Net balance on June 30:	42	94	4,538	4,674
Historical cost	483	175	4,538	5,196
Accumulated amortisation	(441)	(81)	-	(522)
Net value	42	94	4,538	4,674

“Other, assets under construction and payments on account” corresponds to the costs of the multi-year project for implementing the SAP IT system in the Group. This project began in the second half of 2011 and was developed by an in-house team of IT employees from the Company and its subsidiaries, in cooperation with an external partner (IBM Italia S.p.A.). The Company will own intellectual property of said Group IT system and will licence its use to the subsidiaries involved in the implementation process, against payment of royalty fees.

9. EQUITY INVESTMENTS IN SUBSIDIARIES

Changes during the first half of 2012 in equity investments in subsidiaries are illustrated in the following table:

STATEMENT OF CHANGES IN EQUITY INVESTMENTS IN SUBSIDIARIES DURING THE FIRST HALF OF 2012

(amounts in thousands of Euro)

	Opening balance 31.12.2011			
	Number of shares	Historical cost	Revaluations (Writedowns)	Balance
Subsidiaries				
SOGEFI REJNA S.p.A.	21,950,990	77,102	(5,478)	71,624
SOGEFI FILTRATION Ltd	5,126,737	10,130	28,366	38,496
SOGEFI FILTRATION S.A.	1,855,360	25,259	7,755	33,014
SOGEFI FILTRATION d.o.o.	1	10,740	-	10,740
FILTRAUTO S.A.	287,494	38,451	-	38,451
ALLEVARD REJNA AUTOSUSPENSIONS S.A.	1,999,747	54,331	-	54,331
ALLEVARD SOGEFI U.S.A. Inc.	191	23,503	(16,155)	7,348
SOGEFI PURCHASING S.A.S.	10,000	108	-	108
SHANGHAI SOGEFI AUTO PARTS Co., Ltd	1	9,462	-	9,462
SYSTEMES MOTEURS S.A.S.	3,602,500	126,054	-	126,054
Total subsidiaries		375,140	14,488	389,628

	1st half 2012					Closing balance 30.06.2012		
	Increases		Decreases		Writedowns			
	Number of shares	Amount	Number of shares	Amount	Amount	Number of shares	Amount	% ownership
Subsidiaries								
SOGEFI REJNA S.p.A.	-	7	-	-	-	21,950,990	71,631	99.88
SOGEFI FILTRATION Ltd	-	30	-	-	-	5,126,737	38,526	100.00
SOGEFI FILTRATION S.A.	-	14	-	-	-	1,855,360	33,028	(*) 86.08
SOGEFI FILTRATION d.o.o.	-	4	-	-	-	1	10,744	100.00
FILTRAUTO S.A.	-	49	-	-	-	287,494	38,500	99.99
ALLEVARD REJNA AUTOSUSPENSIONS S.A.	108	70	-	-	-	1,999,855	54,401	99.99
ALLEVARD SOGEFI U.S.A. Inc.	-	4	-	-	-	191	7,352	100.00
SOGEFI PURCHASING S.A.S.	-	4	-	-	-	10,000	112	100.00
SHANGHAI SOGEFI AUTO PARTS Co., Ltd	-	-	-	-	-	1	9,462	100.00
SYSTEMES MOTEURS S.A.S.		-		-	-	3,602,500	126,054	100.00
Total subsidiaries		182		-	-		389,810	

(*) Ownership is 100% through the subsidiary Filtrauto S.A.

In the first half of 2012 the Company bought 108 extra shares of the French subsidiary Allevard Rejna Autosuspensions S.A. for a total investment of Euro 5 thousand. The further net increase in equity investments, equal to Euro 177 thousand, corresponds to the fair value of options relating to the stock-based incentive plans (*stock option* and *stock grant*) and awarded to employees of subsidiaries; said increases have a balancing item in a specific equity reserve.

As at June 30, 2012, indicators did not occur on these 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, 2012, these represent financial receivables due from subsidiaries for loans granted at market conditions, the repayment of which is envisaged in the medium-term.

Details are as follows:

(in thousands of Euro)	*June 30, 2012*	*December 31, 2011*
Allevard Rejna Autosuspensions S.A.	82,200	82,200
Sogefi Rejna S.p.A.	6,000	6,000
Allevard Sogefi U.S.A. Inc.	6,055	5,892
TOTAL	94,255	94,092

11. DEFERRED TAX ASSETS

As at June 30, 2012, these amounted to Euro 3,803 thousand, against Euro 3,156 thousand at the end of the previous year, and relate to benefits on deductible temporary differences expected at the end of the period, to the extent that it is probable they will be recovered, taking also into account that the Company has joined 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, 2012*	*December 31, 2011*
Bank overdrafts and short-term loans	41	69
Cash pooling current accounts with subsidiaries	76,734	70,141
Current portion of medium/long-term financial debts and other loans	222,032	32,914
of which to subsidiaries	-	-
Total loans maturing within one year	298,766	103,055
TOTAL SHORT-TERM FINANCIAL DEBTS	298,807	103,124
Other short-term liabilities for derivative financial instruments	1,307	626
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	300,114	103,750

Non-current portion

(in thousands of Euro)	*June 30, 2012*	*December 31, 2011*
Debts to bank for medium/long-term loans	119,994	316,281
Other medium/long-term financial debts	-	-
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS	119,994	316,281
Other medium/long-term financial liabilities for derivative financial instruments	10,578	8,310
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	130,572	324,591

Cash pooling current accounts with subsidiaries
Details are as follows:

(in thousands of Euro)	*June 30, 2012*	*December 31, 2011*
Filtrauto S.A.	2,392	4,779
Sogefi Rejna S.p.A.	10,062	10,807
Sogefi Filtration S.A.	3,570	3,179
Sogefi Filtration d.o.o.	2,799	4,111
Sogefi Filtration Ltd	1,416	2,004
Luhn & Pulvermacher-Dittmann & Neuhaus GmbH	12,484	15,210
United Springs S.A.S.	3,068	2,507
Allevard Springs Ltd	8,991	6,581
United Springs Ltd	1,092	945
Allevard Rejna Autosuspensions S.A.	10,934	6,450
Systèmes Moteurs S.A.S.	19,926	13,568
TOTAL	76,734	70,141

Current portion of medium/long-term financial debts
This includes:
- Euro 22,200 thousand, expiring by June 30, 2013, part of a loan for a total of Euro 100,000 thousand obtained from Unicredit Corporate Banking S.p.A. in September 2006, which expires in September 2013, at a floating interest rate with a spread of 70 basis points on the quarterly Euribor. As at June 30, 2012 the spread applied to the loan was 70 basis points;
- Euro 139,886 thousand on the loan granted in the form of a syndicated revolving loan for a total of Euro 160,000 thousand obtained from lead banks Ing Bank N.V. and Intesa Sanpaolo S.p.A. in June 2008, which expires in June 2013 at a floating interest rate with a base spread of 50 basis points on the quarterly Euribor. As at June 30, 2012 the spread applied to the loan was 50 basis points;
- Euro 10,000 thousand expiring by June 30, 2013, part of a Euro 40,000 thousand loan granted by European Investment Bank (EIB) in December 2010. The loan expires in April 2016 at a floating interest rate with an average spread of 256 basis points on the quarterly Euribor;
- Euro 2,000 thousand expiring by June 30, 2013, part of a loan agreement signed with Intesa Sanpaolo S.p.A. in April 2011 for a total of Euro 60,000 thousand, split into two *tranches* of Euro 30,000 thousand each, one *tranche* will be paid in instalments of amortised capital and one *tranche* will be managed as a revolving arrangement. The loan expires in December 2016 at a floating interest rate with a base spread of 200 basis points on the quarterly Euribor. As at June 30, 2012 the spread applied to the loan was 230 basis points;
- Euro 40,000 thousand, i.e. the full amount of a revolving loan signed with Banca Nazionale del Lavoro S.p.A. in July 2011 and expiring in January 2013. The loan provides for a floating interest rate with a fixed spread of 180 basis points on the quarterly Euribor;

- Euro 4,634 thousand expiring by June 30, 2013, part of a Euro 25,000 thousand loan, with instalments of amortised capital, granted by Banca Carige S.p.A. in July 2011. The loan expires in June 2017 and has a floating interest rate corresponding to the 3-month Euribor plus a fixed spread of 225 basis points.
- Euro 2,000 thousand expiring by June 30, 2013, part of a Euro 10,000 thousand loan, with instalments of amortised capital, signed with GE Capital S.p.A. in July 2011. The loan expires in December 2016 and has a floating interest rate corresponding to the 3-month Euribor plus a fixed spread of 230 basis points;
- Euro 1,312 thousand of net financial expenses accrued as at June 30, 2012 on existing loans.

The Company will negotiate with the banks for the renewal of the financing in due time and there are not elements that may suggest that the renewal will not be achieved in acceptable conditions.

Other short-term liabilities for derivative financial instruments
This includes:
- Euro 1,289 thousand of fair value of interest rate derivative contracts (K.in forward Zero Cost, Irc and Irs) that mature by June 30, 2013, signed for the purpose of transforming part of medium/long-term loans from floating to fixed interest rate (designated in hedge accounting). Details of these contracts are provided in the note below entitled “Financial Instruments”;
- Euro 18 thousand referred to the fair market value of a forward forex contract. The relevant cost is included in the income statement under “Interest expenses and other financial expenses”.

Medium/long-term financial debts
This includes:
- the medium/long-term portion, corresponding to Euro 10,993 thousand, of the loan obtained from Unicredit Corporate Banking S.p.A., as discussed above;
- the medium/long-term portion, corresponding to Euro 29,814 thousand, of the loan obtained from European Investment Bank (EIB), as discussed above;
- the medium/long-term portion, corresponding to Euro 27,405 thousand, of the loan obtained from Intesa Sanpaolo S.p.A., as discussed above;
- the medium/long-term portion, corresponding to Euro 20,081 thousand, of the loan obtained from Banca Carige S.p.A., as discussed above;
- the medium/long-term portion, corresponding to Euro 6,934 thousand, of the loan obtained from GE Capital S.p.A. , as discussed above;
- the amount, Euro 24,767 thousand, paid out in February 2012, referred to a revolving loan agreement signed in March 2011 with Banca Monte dei Paschi S.p.A. for a total amount of Euro 25,000 thousand and expiring in March 2017. The loan provides for a floating interest rate with a base spread of 150 basis points on the quarterly Euribor. As at June 30, 2012 the spread applied to the loan was 200 basis points;

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
They represent liabilities corresponding to the fair value of derivative contracts (Irs, Irc and K.in forward Zero Cost) that mature beyond June 30, 2013, signed for the purpose of transforming part of medium/long term loans from floating to fixed interest rate and designated in hedge accounting. Details of these 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, 2012*	*December 31, 2011*
Due to subsidiaries	1,016	822
Due to parent company	1,295	433
Due to suppliers	3,309	1,391
Due to social security institutions	507	686
Due to employees	848	1,076
Other payables	1,950	1,396
TOTAL	8,925	5,804

Item “Due to subsidiaries” includes the services provided by the subsidiaries Filtrauto S.A., Allevard Rejna Autosuspensions S.A., Sogefi Filtration S.A. and Sogefi Rejna S.p.A. 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”.
Amounts “Due to parent company” of Euro 1,295 thousand refer to amounts owed to CIR S.p.A. for services provided to the Company in the first half of 2012 and costs booked within the frame of the CIR Group tax filing system agreement.
Amounts “Due to suppliers” of approximately Euro 1.7 million refer to consulting services for the acquisition of potential targets (not executed to date). Said item also includes third-party service fees for the amount of approx. Euro 0.7 million referring to the SAP implementation project at a Group-wide level.
“Other payables” includes Euro 1,432 thousand in royalties due to FramGroup under the licence contract granting the use the FRAM trademark.

14. OTHER LONG-TERM LIABILITIES

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

(in thousands of Euro)	*June 30, 2012*	*December 31, 2011*
Provision for employment termination indemnities (TFR)	566	577
Provision for Phantom Stock Options	40	59
Provisions for risks and charges	173	350
TOTAL	779	986

The provision for Phantom Stock Options refers to the fair value measurement of options related to Phantom Stock Option incentive plans for the Managing Director. The relative provision is included in the income statement under "Non-financial services".

Provisions for deferred tax liabilities
As of June 30, 2012, this item amounts to Euro 471 thousand compared with Euro 241 thousand as of December 31, 2011.
This amount relates to the taxes expected to be paid on taxable temporary differences.

15. SHAREHOLDERS' EQUITY

Share capital

At June 30, 2012, the share capital amounted to Euro 60,689,715.84 (divided into 116,710,992 ordinary shares of a par value of Euro 0.52 each).

In the first half of 2012, the amount of share capital rose by Euro 25 thousand 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 at the end of January and May 2012 (48,000 shares).

As of June 30, 2012, the Holding Company has 3,768,229 treasury shares in its portfolio, corresponding to 3.23% of share capital. The Company purchased 515,229 treasury shares at an average price of Euro 1.93 during the first half of 2012.

Reserves and retained earnings (accumulated losses)

At June 30, 2012, this item amounted to Euro 88,686 thousand, compared to Euro 95,469 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:
- distribution of Euro 14,716 thousand, as per resolution passed by the Shareholders' Meeting on April 19, 2012, of a dividend of Euro 0.13 per share by using the whole 2011 profit of Euro 10,486 thousand and

withdrawing the difference of Euro 4,230 thousand from the Reserve of Retained Earnings;

- net reduction of Euro 2,140 thousand as a consequence of the change, as at June 30, 2012, in the fair value of the instruments hedging the rate risk classified as cash flow hedge;
- reduction of Euro 992 thousand as a consequence of the purchase of no. 515,229 treasury shares as above specified;
- increase of Euro 554 thousand of credit to equity cost for the stock-based incentive plans (stock option and stock grant) for the Managing Director and the employees of the Company and its subsidiaries.

Changes in shareholders' equity in the first half of 2011 and 2012 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, 2012*		*December 31, 2011*
A. Cash		13		15
B. Other cash and cash equivalents (short-term cash investments and cash pooling current accounts)		42,175		50,493
of which cash pooling current accounts with subsidiaries	*16,616*		*6,099*	
C. Other financial assets		-		-
D. Liquid funds (A) + (B) + (C)		42,188		50,508
E. Current financial receivables		36,869		29,047
of which from subsidiaries	*36,869*		*29,047*	
F. Current payables to bank and cash pooling current accounts		76,775		70,210
of which cash pooling current accounts with subsidiaries	*76,734*		*70,141*	
G. Current portion of non-current indebtedness		222,032		32,914
H. Other current financial debts		1,307		626
of which financial debts to subsidiaries	-		-	
I. Current financial indebtedness (F) + (G) + (H)		300,114		103,750
J. Current financial indebtedness, net (I) - (E) - (D)		221,057		24,195
K. Non-current payables to bank		119,994		316,281
L. Bonds issued		-		-
M. Other non-current financial debts		10,578		8,310
N. Non-current financial indebtedness (K) + (L) + (M)		130,572		324,591
O. Net indebtedness (J) + (N)		351,629		348,786

Loans and financial receivables similar to loans – non current		94,255		94,092
loans to subsidiaries	*94,255*		*94,092*	
Financial indebtedness, net including non-current financial receivables (as per the "Net financial position" included in the Director's report on operations)		257,374		254,694

Details of the *covenants* applying to loans outstanding at year end are as follows (see note 13 for further details on loans):

- 2008 syndicated loan of Euro 160,000 thousand: 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 net financial expenses must not be less than 4;
- loan of Euro 100,000 thousand from Unicredit Corporate Banking S.p.A.: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less than 4;
- loan of Euro 40,000 thousand from European Investment Bank (EIB): 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 60,000 thousand from Intesa Sanpaolo S.p.A.: the ratio of the consolidated net financial position to consolidated normalised EBITDA has to be less than or equal to 3.5;
- loan of Euro 40,000 thousand from Banca Nazionale del Lavoro 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 25,000 thousand from Banca Carige 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 10,000 thousand from GE Capital 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 25,000 thousand from Monte dei Paschi di Siena 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;

As of June 30, 2012 the Company was in compliance with these *covenants*.

C) NOTES ON THE MAIN INCOME STATEMENT ITEMS

17. FINANCIAL INCOME AND EXPENSES

Income from equity investments

These can be broken down as follows:

(in thousands of Euro)	*1st half 2012*	*1st half 2011*
Dividends from subsidiaries:		
- Sogefi Filtration S.A.	6,370	5,165
- Sogefi Filtration d.o.o.	2,000	1,500
- Allevard Rejna Autosuspensions S.A.	9,999	19,997
- Systèmes Moteurs S.A.S.	3,000	-
TOTAL	21,369	26,662

Dividends declared by the competent corporate bodies of the subsidiaries in the first half-year were fully recognised in the income statement. As at June 30, 2012 the Company collected the dividends declared by Sogefi Filtration d.o.o.; the remaining amount (of Euro 19,369 thousand) will be collected in the second half of 2012.

Other financial income

Details are as follows:

(in thousands of Euro)	*1st half 2012*	*1st half 2011*
Interest on amounts due from subsidiaries	2,464	2,043
Interest on cash pooling current accounts	215	138
Interest on amounts due from banks	49	11
Income from interest-rate hedging derivatives (designated in hedge accounting)	11	148
Exchange differences and income from currency derivatives (not designated in hedge accounting)	627	830
TOTAL	3,366	3,170

Interest expense and other financial expenses

Details as follows:

(in thousands of Euro)	*1st half 2012*	*1st half 2011*
Interest expense on syndicated loan	1,236	557
Interest expense on loan from Unicredit C.B. S.p.A.	344	555
Interest expense on loan from Intesa Sanpaolo S.p.A.	528	355
Interest expense on EIB loan	724	279
Interest expense on loan from Banca Carige S.p.A.	433	-
Interest expense on loan from Banca Nazionale del Lavoro S.p.A.	575	-
Interest expense on loan from GE Capital S.p.A.	169	-
Interest expense on loan from Banca Monte dei Paschi di Siena S.p.A.	239	-
Interest on amounts due to banks	70	382
Interest on cash pooling current accounts	216	150
Costs of interest-rate hedges (designated in hedge accounting)	839	686
Exchange differences and costs of currency derivatives (not designated in hedge accounting)	543	971
Commission and bank charges	40	28
Commission on financial transactions	492	497
Other	12	11
TOTAL	6,460	4,471

18. OTHER OPERATING INCOME

These can be broken down as follows:

(in thousands of Euro)	*1st half 2012*	*1st half 2011*
REVENUES FROM SALES AND SERVICES		
Consultancy and business assistance, royalties:		
- engine systems division companies	4,692	4,010
- suspension components division companies	1,848	1,791
Leases:		
- Sogefi Rejna S.p.A.	271	264
OTHER REVENUES AND INCOME		
Various income and recoveries from subsidiaries	86	114
Other income	8	4
TOTAL	6,905	6,183

The increase in revenues with both divisions is due to greater income arising from consultancy and company service contracts compared to the same period the previous year.

19. OTHER OPERATING EXPENSES

In the first half of 2012, “Costs of services” included the amount of Euro 994 thousand for administrative, financial, fiscal and corporate services provided by the parent company.
The increase in “Non-financial services” mainly refers to the increase in services provided by external professional consultants as part of the services provided to the Group companies.
“Costs of services” also includes the overall expense of Euro 172 thousand (Euro 157 thousand in the first half of 2011) resulting from the fair value measurement of options and rights on Phantom Stock Option, Stock Option and Stock Grant incentive plans for the Managing Director.

“Costs for use of third party assets” included Euro 2,141 thousand 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 Filtration Division.

"Personnel costs" includes an expense of Euro 185 thousand (Euro 90 thousand in the first half of 2011) 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”.

The increase in “Other operating expenses” mainly refers to the increased traveling expenses of the Company employees.

20. NON-OPERATING INCOME AND EXPENSES

Non-operating non-recurring expenses

They correspond to consulting services for the acquisition of potential targets (not executed to date).

21. INCOME TAXES

In the first half of 2012, tax assets amounted to Euro 1,582 thousand compared to Euro 1,617 thousand of the first half of 2011.

22. OTHER INFORMATION

In the first half of 2012, the average number of employees of Sogefi S.p.A. was 33 compared to 32 in the first half of 2011.

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, 2012	*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.			370	6,000	10,062	138
Sogefi Filtration Ltd	7,426	2,500	418		1,416	5
Sogefi Filtration S.A.		6,370	60		3,570	41
Filtrauto S.A.		5,000	818		2,392	451
Sogefi Filtration d.o.o.			1		2,799	6
Sogefi Filtration do Brasil Ltda			183			
Sogefi Filtration Argentina S.A.			752			
Sogefi Purchasing S.A.S.	1,399		187			
Luhn & Pulvermacher-Dittmann & Neuhaus GmbH			5		12,484	12
Allevard Rejna Autosuspensions S.A.	612	9,999	195	82,200	10,934	336
Allevard Federn GmbH	6,970		17			5
Allevard Springs Ltd	209		32		8,991	14
Allevard Molas do Brasil Ltda						1
Allevard Rejna Argentina S.A.			496			
Allevard Sogefi U.S.A. Inc.			500	6,055		
United Springs S.A.S.			1		3,068	4
United Springs B.V.			3			
United Springs Ltd			7		1,092	3
Shanghai Allevard Spring Co., Ltd.			1			
Iberica De Suspensiones S.L. (ISSA)			6			
Systèmes Moteurs S.A.S.		13,000	8		19,926	
TOTAL	16,616	36,869	4,060	94,255	76,734	1,016

1st half 2012	*Income statement*					
	Income				Expenses	
	From equity investments	Other financial income	Revenues from sales and services	Other revenues and income	Interest expense and other financial expenses	Other operating expenses
Sogefi Rejna S.p.A.		144	1,104	12	24	161
Sogefi Filtration Ltd		130	605	6	5	
Sogefi Filtration S.A.	6,370		111	4	16	70
Filtrauto S.A.		127	1,437	20	1	441
Sogefi Filtration d.o.o.	2,000		40	1	17	
Sogefi Filtration do Brasil Ltda			833			
Sogefi Filtration Argentina S.A.			552			
Sogefi Purchasing S.A.S.		19	177			
Luhn & Pulvermacher-Dittmann & Neuhaus GmbH			160	5	48	
Allevard Rejna Autosuspensions S.A.	9,999	1,814	649	18	4	335
Allevard Federn GmbH		43	63	1	9	
Allevard Springs Ltd			59	2	29	
Allevard Rejna Argentina S.A.			224			
Allevard Molas do Brasil Ltda			282			1
Allevard Sogefi U.S.A. Inc.		82	53	8		
United Springs S.A.S.			46	1	12	
United Springs B.V.		8	5	1		
United Springs Ltd			5	1	5	
Iberica De Suspensiones S.L. (ISSA)			-	6		
Systèmes Moteurs S.A.S.	3,000	312	406		46	
TOTAL	21,369	2,679	6,811	86	216	1,008

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 statement of financial position and income statement of transactions with the parent company, CIR S.p.A., is summarised in the following tables:

(in thousands of Euro)	*Note*	*June 30, 2012*
Statement of financial position:		
Trade receivables and other credits	*6*	2,400
Trade and other payables	*13*	1,295
Income statement:		
Other operating expenses	*19*	994
Income taxes	*21*	301

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

In the first half of 2012, the remuneration paid to the Directors amounted to Euro 785 thousand (Euro 759 thousand in the first half of 2011), to the Statutory Auditors Euro 46 thousand (Euro 33 thousand in the first half of 2011), and remuneration to the Manager with strategic responsibilities, identified within the “Discipline on related party transactions” adopted by the Company in 2010 pursuant to Consob resolution no. 17221/2010, amounted to Euro 217 thousand (Euro 284 thousand in the first half of 2011).

The total cost recognised in the income statement in the first half of 2012 for Directors' remuneration, fees to the Statutory Auditors and Manager with strategic responsibilities (formerly Consob resolution No. 17221/2010) as well as for relevant social charges, employment termination indemnities and fringe benefits amount to Euro 1,165 thousand (Euro 1,216 thousand in the first half of 2011).

E) COMMITMENTS AND RISKS

24. INFORMATION ON COMMITMENTS AND RISKS

The most important are:
- "*guarantees*" on behalf of subsidiaries amounting to Euro 89,278 thousand and in favour of third parties amounting to Euro 45 thousand;
- commitments for "Interest rate hedging contracts" held by the Company with a notional value of Euro 218,000 thousand;
- commitments for forward forex contracts amounting to Euro 5,724 thousand.

F) 25. FINANCIAL INSTRUMENTS

At June 30, 2012 the Company held the following contracts to hedge interest rate risk on part of its medium/long term loans. The aim of these contracts is to limit the risk of changes in interest rates. They have been treated in hedge accounting as *hedging instruments* and the related fair value is booked to other comprehensive income, except for an amount of Euro 34 thousand that was booked to income statement as the ineffective portion of the hedge relationship.

Description of IRS	Date opened	Contract maturity	Notional	Fixed rate	*Fair value*
Hedge of Euro 100 million (29/09/2006 maturity 29/09/2013), rate: Euribor + base 70 bp	18/11/2009	30/04/2013	5,000	2.210%	(83)
Hedge of Euro 100 million (29/09/2006 maturity 29/09/2013), rate: Euribor + base 70 bp	27/11/2009	30/04/2013	5,000	2.150%	(80)
Hedge of Euro 160 million (04/06/2008 maturity 04/06/2013), rate: Euribor + base 50 bp	18/11/2009	06/05/2013	5,000	2.230%	(61)
Hedge of Euro 160 million (04/06/2008 maturity 04/06/2013), rate: Euribor + base 50 bp	27/11/2009	06/05/2013	5,000	2.170%	(57)
Hedge of Euro 160 million (04/06/2008 maturity 04/06/2013), rate: Euribor + base 50 bp	20/12/2010	06/05/2013	5,000	1.733%	(36)
Hedge of Euro 160 million (04/06/2008 maturity 04/06/2013), rate: Euribor + base 50 bp	20/12/2010	06/05/2013	5,000	1.733%	(60)
Hedge of Euro 160 million (04/06/2008 maturity 04/06/2013), rate: Euribor + base 50 bp	21/12/2010	06/05/2013	5,000	1.7075%	(58)
Hedge of Euro 160 million (04/06/2008 maturity 04/06/2013), rate: Euribor + base 50 bp	22/12/2010	06/05/2013	10,000	1.685%	(113)
Hedge of Euro 160 million (04/06/2008 maturity 04/06/2013), rate: Euribor + base 50 bp	11/03/2011	06/05/2013	10,000	2.693%	(110)
Hedge of Euro 160 million (04/06/2008 maturity 04/06/2013), rate: Euribor + base 50 bp	11/03/2011	06/05/2013	10,000	2.805%	(76)
Hedge of Euro 160 million (04/06/2008 maturity 04/06/2013), rate: Euribor + base 50 bp	23/03/2011	06/05/2013	10,000	2.800%	(116)
Hedge of Euro 160 million (04/06/2008 maturity 04/06/2013), rate: Euribor + base 50 bp	23/03/2011	06/05/2013	5,000	2.445%	(95)
Hedge of Euro 60 million (29/04/2011 maturity 31/12/2016), rate: Euribor + base 200 bp	11/05/2011	31/12/2016	28,000	2.990%	(1,806)

Description of IRC	Date opened	Contract maturity	Notional	Cap/Floor	*Fair value*
Hedge of Euro 100 million (29/09/2006 maturity 29/09/2013), rate: Euribor + base 70.0 bp	24/04/2008	31/10/2012	10,000	Cap: 4.50% Floor: 3.84%	(164)

Description of K.IN FORWARD ZERO COST	Date opened	Contract maturity	Notional	Cap/Floor	*Fair value*
Hedge of Euro 100 million (29/09/2006 maturity 29/09/2013), rate: Euribor + base 70 bp	24/04/2008	31/10/2012	10,000	Cap: 4.50% Floor: 4.20% Knock in European: 3.33%	(181)

In 2011, the Company subscribed the following Interest Rate Swaps (in thousands of euro) on highly probable future long term indebtedness and designated in hedge accounting. Relating cash flows will be exchanged from 2013 onwards:

Description of IRS	Date opened	Contract maturity	Notional	Fixed rate	*Fair value*
Hedging of future financial indebtedness for 2013-2018	10/02/2011	01/06/2018	10,000	3.679%	(1,052)
Hedging of future financial indebtedness for 2013-2018	23/02/2011	01/06/2018	10,000	3.500%	(1,039)
Hedging of future financial indebtedness for 2013-2018	11/03/2011	01/06/2018	10,000	3.545%	(1,057)
Hedging of future financial indebtedness for 2013-2018	23/03/2011	01/06/2018	10,000	3.560%	(1,064)
Hedging of future financial indebtedness for 2013-2018	27/03/2011	01/06/2018	10,000	3.670%	(1,124)
Hedging of future financial indebtedness for 2013-2018	13/05/2011	01/06/2018	10,000	3.460%	(1,020)
Hedging of future financial indebtedness for 2013-2018	24/06/2011	01/06/2018	10,000	3.250%	(916)
Hedging of future financial indebtedness for 2013-2018	28/06/2011	01/06/2018	10,000	3.250%	(913)
Hedging of future financial indebtedness for 2013-2018	28/11/2011	01/06/2018	10,000	2.578%	(586)

As at June 30, 2012, the Company holds the following forward sale contract to hedge exchange risk on intercompany financial positions, not designated in hedge accounting:

Forward sale	Date opened	Spot price Euro/currency	Date closed	Forward price Euro/currency	*Fair value*
USD 7,230,000	20/06/2012	1.2618	20/09/2012	1.2631	(18)

CERTIFICATION OF GROUP AND HOLDING COMPANY HALF-YEAR CONDENSED FINANCIAL STATEMENTS AS AT JUNE 30, 2012 PURSUANT TO ART. 81-*TER* OF CONSOB RESOLUTION No. 11971 OF MAY 14, 1999 AND SUBSEQUENT MODIFICATIONS AND INTEGRATIONS

1. The undersigned:
Emanuele Bosio – Chief Executive Officer 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 2012 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, 2012:

- 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.

Milano, July 24, 2012

Chief Executive Officer	Manager responsible for preparing financial reports
Emanuele Bosio	Giancarlo Coppa

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AUDITORS' REVIEW REPORT ON THE HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
SOGEFI S.p.A.

1. We have reviewed the half-year condensed consolidated financial statements, consisting of the consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash-flows and related explanatory notes as of June 30, 2012 of Sogefi S.p.A. and its subsidiaries (the "Sogefi Group"). These half-year condensed consolidated financial statements, prepared in accordance with the International Accounting Standard applicable for interim financial statements (IAS 34) as adopted by the European Union, are the responsibility of Sogefi S.p.A.'s Directors. Our responsibility is to issue a report on these half-year financial statements based on our review.

2. We conducted our review in accordance with the standards recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob") for the review of the half-year condensed financial statements under Resolution n° 10867 of July 31, 1997.,Our review consisted principally of applying analytical procedures to the half-year condensed financial statements, assessing whether accounting policies have been consistently applied and making inquiries of management responsible for financial and accounting matters. The review excluded audit procedures such as tests of controls and substantive verification procedures of the assets and liabilities and was therefore substantially less in scope than an audit performed in accordance with established auditing standards. Accordingly, unlike in our auditors' report on the year-end financial statements, we do not express an audit opinion on the half-year condensed financial statements.

   The half-year condensed consolidated financial statements present for comparative purposes data of the last year-end consolidated financial statements and of the last half-year condensed consolidated financial statements. As reported in the explanatory notes, Directors revised some comparative figures related to the consolidated financial statements as of December 31, 2011, in comparison with the previously presented figures that had been audited by us, on which we issued our audit opinion on March 22, 2012. These revisions of comparative data and the related disclosures, which are presented in the notes, have been examined by us for the purposes of the review of the half-year condensed financial statements as of June 30, 2012. As far as comparative figures related to the six-month period ended June 30, 2011 are concerned, reference should be made to our auditors' review report dated July 29, 2011.

3. 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, 2012 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable for interim financial statements (IAS 34) as adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by
Giovanni Gasperini
Partner

Milan, Italy
August 3, 2012

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

Deloitte.

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AUDITORS' REVIEW REPORT ON THE HALF-YEAR CONDENSED FINANCIAL STATEMENTS

**To the Shareholders of
SOGEFI S.p.A.**

1. We have reviewed the half-year condensed financial statements, consisting of the statement of financial position, income statement, statement of comprehensive income, statement of cash-flows, statement of changes in equity and related explanatory notes as of June 30, 2012 of Sogefi S.p.A. These half-year condensed financial statements, prepared in accordance with the International Financial Reporting Standard applicable for interim financial statements (IAS 34) as adopted by the European Union, are the responsibility of Sogefi S.p.A.'s Directors. Our responsibility is to issue a report on these half-year financial statements based on our review.

2. We conducted our review in accordance with the standards recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob") for the review of the half-year condensed financial statements under Resolution n° 10867 of July 31, 1997. Our review consisted principally of applying analytical procedures to the half-year condensed financial statements, assessing whether accounting policies have been consistently applied and excluded audit procedures such as tests of controls and substantive verification procedures of the assets and liabilities and was therefore substantially less in scope than an audit performed in accordance with established auditing standards. Accordingly, unlike our report on the year-end financial statements, we do not express an audit opinion on the half-year condensed financial statements.

   As far as comparative figures related to the year ended December 31, 2011 and the six-month period ended June 30, 2011 are concerned, reference should be made to our auditors' report dated March 22, 2012 and our auditors' review report dated July 29, 2011, respectively.

3. Based on our review, nothing has come to our attention that causes us to believe that the half-year condensed financial statements of Sogefi S.p.A. as of June 30, 2012 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable for interim financial statements (IAS 34) as adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by
Giovanni Gasperini
Partner

Milan, Italy
August 3, 2012

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