CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(in thousands of Euro)

	Note	2011	2010
Net result before non-controlling interests		*27,892*	*20,849*
Profit (loss) booked in Other Comprehensive Income			
- Profit (loss) booked to cash flow hedging reserve		*(6,732)*	*862*
- Profit (loss) booked to fair value reserve for financial assets available for sale		*(2)*	*(18)*
- Tax on items booked in Other Comprehensive Income	*21*	*1,854*	*(231)*
- Profit (loss) booked to translation reserve		*(4,588)*	*11,018*
Profit (loss) booked in Other Comprehensive Income		*(9,468)*	*11,631*
Total comprehensive result for the period		*18,424*	*32,480*
Attributable to:			
- Shareholders of the Holding Company		*15,448*	*30,108*
- Non-controlling interests		*2,976*	*2,372*

Tax on items booked directly in Other Comprehensive Income

The table below shows the amount of income taxes relating to each item of the "Profit (loss) booked in Other Comprehensive Income":

(in thousands of Euro)	*2011*			*2010*		
	Gross value	*Taxes*	*Net value*	*Gross value*	*Taxes*	*Net value*
- Profit (loss) booked to cash flow hedging reserve	*(6,732)*	*1,853*	*(4,879)*	*862*	*(237)*	*625*
- Profit (loss) booked to fair value reserve for financial assets available for sale	*(2)*	*1*	*(1)*	*(18)*	*6*	*(12)*
- Profit (loss) booked to translation reserve	*(4,588)*	*-*	*(4,588)*	*11,018*	*-*	*11,018*
- Total Profit (loss) booked in Other Comprehensive Income	*(11,322)*	*1,854*	*(9,468)*	*11,862*	*(231)*	*11,631*

NON-CONTROLLING INTERESTS

The balance amounted to Euro 18,976 thousand and refers to the portion of shareholders' equity attributable to non-controlling interests.
The increase of Euro 89 thousand mainly arises from the change in the percentage held in the subsidiary S.ARA Composite S.A.S..

22. 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)	*12.31.2011*	*12.31.2010*
A. Cash	*102,461*	*66,760*
B. Other cash at bank and on hand (details)	*-*	*-*
C. Financial instruments held for trading	*1,903*	*18*
D. Liquid funds (A) + (B) + (C)	***104,364***	***66,778***
E. Current financial receivables	***8***	***182***
F. Current payables to banks	*9,827*	*35,958*
G. Current portion of non-current indebtedness	*46,962*	*42,773*
H. Other current financial debts	*632*	*164*
I. Current financial indebtedness (F) + (G) + (H)	***57,421***	***78,895***
J. Current financial indebtedness, net (I) - (E) - (D)	***(46,951)***	***11,935***
K. Non-current payables to banks	*330,462*	*141,406*
L. Bonds issued	*-*	*-*
M. Other non-current financial debts	*16,332*	*11,604*
N. Non-current financial indebtedness (K) + (L) + (M)	***346,794***	***153,010***
O. Net indebtedness (J) + (N)	***299,843***	***164,945***
Non-current financial receivables	*-*	*-*
Financial indebtedness, net including non-current financial receivables (as per the "Net financial position" included in the Report on operations)	***299,843***	***164,945***

Details of the Holding Company Sogefi S.p.A. covenants applying to loans outstanding at year end are as follows (see note 16 for further details on loans):

- *syndicated loan of Euro 160 million in 2008: 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 million from Unicredit Corporate Banking S.p.A.: the ratio of consolidated net financial position to consolidated normalised EBITDA must be less than 4;*
- *loan of Euro 40 million from Banca Europea degli Investimenti (European Investment Bank): 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 million from Intesa Sanpaolo S.p.A.: the ratio of consolidated net financial position to consolidated normalised EBITDA must be less than or equal to 3.5;*
- *loan of Euro 40 million 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 million 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 million 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 million from Banca 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 December 31, 2011 the Company was in full compliance with these covenants.

D) NOTES ON THE MAIN INCOME STATEMENT ITEMS

23. SALES REVENUES

Revenues from the sale of goods and services

The Sogefi Group recorded net revenues for the amount of Euro 1,158,385 thousand during the period, compared with Euro 924,713 thousand in the previous year. Net of Euro 135,708 thousand realised by the Systèmes Moteurs Group, revenues would amount to Euro 1,022,677 thousand (+10.6% compared to 2010). Exchange rates being equal (at the average exchange rates of the previous year), corresponding revenues would amount to Euro 1,033,706 thousand (+11.8%).

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

By business sector:

(in thousands of Euro)	*2011*		*2010*	
	Amount	*%*	*Amount*	*%*
Engine systems	*611,505*	*52.8*	*465,133*	*50.3*
Suspension components	*547,725*	*47.3*	*461,632*	*49.9*
Intercompany eliminations	*(845)*	*(0.1)*	*(2,052)*	*(0.2)*
TOTAL	*1,158,385*	*100.0*	*924,713*	*100.0*

By geographical area of "destination":

(in thousands of Euro)	*2011*		*2010*	
	Amount	*%*	*Amount*	*%*
France	*246,932*	*21.3*	*207,377*	*22.4*
Germany	*158,304*	*13.7*	*119,873*	*13.0*
Great Britain	*97,060*	*8.4*	*79,043*	*8.5*
Italy	*79,400*	*6.9*	*71,562*	*7.7*
Benelux	*59,919*	*5.2*	*47,445*	*5.1*
Spain	*47,861*	*4.1*	*36,473*	*3.9*
Russia	*4,544*	*0.4*	*3,306*	*0.4*
Other European Conturies	*110,910*	*9.5*	*94,276*	*10.3*
Mercosur	*240,511*	*20.8*	*219,367*	*23.7*
United States	*53,971*	*4.7*	*18,616*	*2.0*
China	*17,246*	*1.5*	*12,639*	*1.4*
India	*13,325*	*1.2*	*9,685*	*1.0*
Mexico	*10,300*	*0.8*	*1,182*	*0.1*
Canada	*8,243*	*0.7*	*11*	*-*
Rest of the World	*9,859*	*0.8*	*3,858*	*0.5*
TOTAL	*1,158,385*	*100.0*	*924,713*	*100.0*

Sogefi continued to pursue its strategy of strengthening its presence in non-European markets, with activity growing significantly in Mercosur (+9.6%), North America (+266.1% including the strong contribution from

Systèmes Moteurs S.A.S.; on a like-for-like basis, the increase would have been by 46.1%), China (+36.4%) and India (+37.6%).

24. VARIABLE COST OF SALES

Details are as follows:

(in thousands of Euro)	*2011*	*2010*
Materials	*577,325*	*425,766*
Direct labour cost	*104,663*	*92,652*
Energy costs	*33,883*	*29,169*
Sub-contracted work	*26,999*	*20,217*
Ancillary materials	*18,415*	*16,599*
Variable sales and distribution costs	*39,900*	*35,512*
Royalties paid to third parties on sales	*3,888*	*4,191*
Other variable costs	*825*	*(1,143)*
TOTAL	*805,898*	*622,963*

The inclusion of Systèmes Moteurs Group in the scope of consolidation caused a change in "Variable cost of sales" for the amount of Euro 102,092 thousand.
The percentage on revenues of "Variable cost of sales" rose to 69.6% from 67.4% in 2010. Such growth is nearly entirely accounted for by "Materials", and their percentage on revenues rose from 46% to 49.8%. The increase is mostly due to the product mix of the Systèmes Moteurs group, on which materials have a greater impact than other factors, and to an increase in steel price, in spite of extra costs being nearly totally passed on to sales prices.

The percentage of "Direct labour costs" fell from 10% to 9% due to lower expenses linked to the use of welfare support provisions, an improvement in production efficiency following the increase in volumes, the different product mix of the Systèmes Moteurs group mentioned above, and to the wider use of temporary staff, whose cost is included in "Sub-contracted work".

"Other variable costs" represent the effect generated by direct labour cost and fixed cost following the reduction (in 2011) or the increase (in 2010) of the inventory of finished goods or semi-finished products.

25. MANUFACTURING AND R&D OVERHEADS

These can be broken down as follows:

(in thousands of Euro)	*2011*	*2010*
Labour cost	*84,115*	*70,895*
Materials, maintenance and repairs	*23,515*	*19,807*
Rental and hire charges	*6,739*	*5,193*
Personnel services	*7,477*	*7,443*
Technical consulting	*3,733*	*2,786*
Sub-contracted work	*1,900*	*1,200*
Insurance	*3,156*	*1,728*
Utilities	*1,352*	*1,396*
Capitalisation of internal construction costs	*(18,376)*	*(12,507)*
Other	*1,372*	*645*
TOTAL	*114,983*	*98,586*

"Manufacturing and R&D overheads" show an increase of Euro 16,397 thousand, Euro 13,200 thousand of which incurred by the Systèmes Moteurs Group. On a like-for-like basis, an increase of Euro 3,197 thousand (+3.2%) is observed compared to the previous year (+ Euro 4,022 thousand if the effect of exchange rates is excluded).

If the Systèmes Moteurs Group is not considered, the increase regarded almost all the items and specifically:
- *"Labour cost", which grew by Euro 1,423 thousand mainly due to the lower use of welfare support provisions in Europe, higher workforce in China and India, and inflation trends in South America. The increase was partly offset by a significant reduction in labour cost at subsidiary Sogefi Filtration Ltd as a result of the restructuring plan implemented during the year;*
- *"Materials, maintenance and repairs", up by Euro 1,928 thousand overall as a result to larger production volumes;*
- *"Technical consulting", which grew by Euro 507 thousand due to a more extensive use of them in the development of new products in subsidiary Allevard Rejna Autosuspensions S.A.;*
- *"Insurance", which increased by Euro 1,258 thousand, basically due to a more accurate distribution between "Manufacturing and R&D overheads" and "Administrative and general expenses" (as a consequence these costs are lower in the latter item).*

"Capitalisation of internal construction costs" increased by Euro 2,445 thousand, in particular at subsidiary Filtrauto S.A.. Euro 864 thousand were capitalised to the Holding Company Sogefi S.p.A.; these relate to the development of Group's new integrated ITC system.

Total costs for Research and Development (not reported in the table) amount to Euro 26,053 thousand (2.2% of sales revenues); on a like-for-like basis they amount to Euro 21,257 thousand (2.1% of sales revenues) compared to Euro 20,224 thousand (2.2% of sales revenues) in the previous year.