



## PRESS RELEASE

*Board of Directors approves results as of September 30 2013*

### **SOGEFI (CIR GROUP): GROWING RESULTS IN THE FIRST NINE MONTHS REVENUES OVER € 1 BLN (+0.6%; AT SAME EXCHANGE RATES +4.5%) EBIT AT 65.8 MLN (+24%), NET INCOME AT 23.8 MLN (+9.4%)**

*Growth of the group continues in non-European markets whose contribution to revenues rose in the first nine months to 35.8% of the total (32.9% in 2012), thanks mainly to sales in North America (+20.8% to € 138.8 million, equal to 13.7% of the total) and in Asia (+31.4%).  
Revenues performed particularly well in the third quarter (+3.3%; +9.6% at the same exchange rates)*

*The focus continues to be on profitability: EBIT margin for the first nine months was 6.5%, up by 1.2 percentage points. In the third quarter the margin was 6.8% versus 5.0% in the same period of 2012*

#### Consolidated results of the first 9 months of 2013

**Revenues: € 1,010.6 million (+0.6% from € 1,005.1 million in 9M 2012, +4.5% at same exchange rates)**  
**Operating result: € 79.7 million (+13% from € 70.6 million in 9M 2012)**  
**EBITDA: € 108.4 million (+9.8% from € 98.7 million in 9M 2012)**  
**EBIT: € 65.8 million (+24% from € 53 million in 9M 2012)**  
**Net income: € 23.8 million (+9.4% from € 21.7 million in 9M 2012)**  
**Net debt: € 339 million (€ 341.1 million at 30/6/2013)**

Milan, October 22 2013 – The **Board of Directors** of Sogefi SpA, which met today under the chairmanship of **Rodolfo De Benedetti**, approved the **Interim Financial Report** of the group as of **September 30 2013**.

**Sogefi**, the automotive components company of the **CIR group**, is one of the **main world producers of engine systems and suspension components** with **43** production plants in **21** countries and **18** commercial offices.

#### Performance of operations

In the first nine months of the year Sogefi managed to achieve a slight increase in revenues (+0.6%; +4.5% at the same exchange rates) while continuing to improve its margins, an improvement which began in the second quarter, posting a significant rise in profitability. These results were achieved thanks to its ongoing strategy of developing non-European markets, which reached 35.8% of the total revenues of the group, up by 2.9 percentage points compared to the first nine months of 2012.

Regarding the overall performance of the car market in the first nine months of 2013, the rise in new car registrations in North America (+5.7% on the first nine months of 2012), in Mercosur (+2.6%) and in China (+13%) compensated for the weakness of the European market (-4%).

#### Consolidated results

In the first nine months of the year the Sogefi group reported **consolidated revenues of € 1,010.6 million, slightly up** on the figure for the first nine months of 2012 (+0.6%).

This result was achieved despite the negative impact of **foreign exchange rates**, net of which revenues would have risen by **+4.5% (+9.6% just in the third quarter)**.

The **Engine Systems Business Unit** contributed most to the growth of the group in the first nine months with revenues of € 619.7 million (+2.8%), of which € 203 million (+7%) were just in the third quarter. The **Suspension Components Business Unit** reported revenues of € 392.5 million (-2.8%), of which € 126.3 million in the third quarter of 2013 (-2%), as it was more affected by the decline of the European market.

A significant factor is the **continuing growth of the group in North America**, which with revenues close to € 140 million in the first nine months (+20.8%) now represents 13.7% of the total sales of the group (+2.3 percentage points compared to last year). Particularly important is also the **growth in Asia**, with revenues up by 31.4% compared to the first nine months of 2012. **Lastly, performance in the Mercosur area was also positive**, posting revenue growth of +2.8%, which was higher than the market, despite the negative impact of exchange rates. In Europe Sogefi reported revenues of € 648.5 million, down by 3.8% compared to last year but which performed slightly better than the market.

**The consolidated operating result** for the first nine months was **€ 79.7 million and was up by +13%** on the first nine months of 2012. The result was driven by the **strong growth (+31.8%) reported in the third quarter (€ 28.4 million up from € 21.5 million)**, with a ratio to sales of 8.6%, up from 6.8%.

**Consolidated EBITDA (earnings before interest, tax, depreciation and amortization)** for the first nine months of the year came in at **€ 108.4 million, up by 9.8%** on the same period of 2012 (€ 98.7 million). **In the third quarter the rise was of 23.3% (€ 37.2 million)**, with a ratio to sales of 11.3% which was in line with the figure reported in the second quarter and was 1.8 percentage points higher than the figure for the third quarter of 2012 (€ 30.2 million).

**EBIT for the first nine months** came to **€ 65.8 million and was up by 24%** compared to the same period of the previous year (€ 53 million). **In the third quarter it rose by 41.3% to € 22.5 million**, with a margin of 6.8%, which was 1.8 percentage points higher than in third quarter 2012 (€ 15.9 million with a margin of 5%).

**The result before taxes and minority interests** for the first nine months was **€ 45.4 million, up by 16.2%** on the previous year (€ 39 million). The result for the third quarter came to € 14.8 million and was up by 29.3% from € 11.4 million last year. The rise was even more significant considering the higher financial expense following the refinancing of the debt between the end of 2012 and the beginning of 2013, which led to credit facilities agreed on before 2009 being replaced by new loans set at current market prices.

The **consolidated net result** of the first nine months was a **positive figure of € 23.8 million and was up by 9.4%** compared to the same period of 2012 (€ 21.7 million), with an improved ratio to sales of 2.4% (versus 2.2% in the first nine months of 2012). Net income in the third quarter rose by 23.6% to **€ 7.6 million**, with a margin of 2.3% over revenues, which was an improvement on the 1.9% reported in the third quarter of 2012 (€ 6.1 million).

**Net debt** stood at **€ 339 million** at September 30 2013 (€ 341.1 million at June 30 2013 and € 295.8 million at December 31 2012). The result for the quarter, despite the higher investments made (€ 22.7 million, +12.3% compared to third quarter 2012), was obtained thanks to the good operating performance and the optimization of working capital.

At September 30 2013 **consolidated equity including minority interests** totalled **€ 195.1 million** (€ 200.2 million at December 31 2012).

The Sogefi group had **6,840 employees** at the end of the first nine months of 2013 (6,735 at December 31 2012).

## OUTLOOK FOR THE WHOLE YEAR

For the whole year 2013 the expectation of slight growth in the car market at global level is confirmed, characterized more specifically in the fourth quarter by stabilization of the European market at the current low levels of production, continuing solidity of the markets of North America and Asia and more moderate progress in Latin America.

In this context Sogefi plans to continue its medium-term development strategy through the following actions:

- Continuing to increase the internationalization of the group;
- Continuing the integration process of the group;
- Intensifying efficiency enhancing initiatives, which could lead to higher restructuring costs in the later part of the year.

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

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

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*Attached are the key figures from the income statement and the statement of financial position of the Sogefi group at September 30 2013. It should be noted that these accounts have not been externally audited.*

## SOGEFI GROUP - CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of Euro)

<b>ASSETS</b>	<b>09.30.2013</b>	<b>12.31.2012 (*) (**)</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	102.9	85.2
Other financial assets	7.1	8.2
<i>Working capital</i>		
Inventories	150.3	148.6
Trade receivables	180.0	155.2
Other receivables	9.4	9.1
Tax receivables	22.1	21.8
Other assets	5.7	3.5
<b>TOTAL WORKING CAPITAL</b>	<b>367.5</b>	<b>338.2</b>
<b>TOTAL CURRENT ASSETS</b>	<b>477.5</b>	<b>431.6</b>
<b>NON-CURRENT ASSETS</b>		
<b>FIXED ASSETS</b>		
Land	15.5	15.7
Property, plant and equipment	218.8	231.2
Other tangible fixed assets	4.8	5.4
<i>Of which: leases</i>	7.6	5.2
Intangible assets	258.6	239.6
<b>TOTAL FIXED ASSETS</b>	<b>497.7</b>	<b>491.9</b>
<b>OTHER NON-CURRENT ASSETS</b>		
Investments in joint ventures	0.3	0.3
Other financial assets available for sale	0.5	0.5
Long term trade receivables	-	-
Financial receivables	-	-
Other receivables	30.3	30.2
Deferred tax assets	59.1	60.2
<b>TOTAL OTHER NON-CURRENT ASSETS</b>	<b>90.2</b>	<b>91.2</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>587.9</b>	<b>583.1</b>
<b>NON-CURRENT ASSETS HELD FOR SALE</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>1,065.4</b>	<b>1,014.7</b>
<b>LIABILITIES</b>	<b>09.30.2013</b>	<b>12.31.2012 (*) (***)</b>
<b>CURRENT LIABILITIES</b>		
Bank overdrafts and short-term loans	11.5	8.4
Current portion of medium/long-term financial debts and other loans	73.9	89.6
<i>Of which: leases</i>	1.1	0.8
<b>TOTAL SHORT-TERM FINANCIAL DEBTS</b>	<b>85.4</b>	<b>98.0</b>
Other short-term liabilities for derivative financial instruments	0.1	1.0
<b>TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>85.5</b>	<b>99.0</b>
Trade and other payables	294.3	282.0
Tax payables	9.9	12.2
Other current liabilities	5.8	8.8
<b>TOTAL CURRENT LIABILITIES</b>	<b>395.5</b>	<b>402.0</b>
<b>NON-CURRENT LIABILITIES</b>		
<b>MEDIUM/LONG TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS</b>		
Financial debts to bank	223.0	267.8
Other medium/long-term financial debts	120.6	8.7
<i>Of which: leases</i>	7.0	4.9
<b>TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS</b>	<b>343.6</b>	<b>276.5</b>
Other medium/long term financial liabilities for derivative financial instruments	20.0	13.7
<b>TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>363.6</b>	<b>290.2</b>
<b>OTHER LONG-TERM LIABILITIES</b>		
Long-term provisions	70.7	80.7
Other payables	0.2	0.3
Deferred tax liabilities	40.3	41.3
<b>TOTAL OTHER LONG-TERM LIABILITIES</b>	<b>111.2</b>	<b>122.3</b>
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>474.8</b>	<b>412.5</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	60.8	60.7
Reserves and retained earnings (accumulated losses)	91.1	91.3
Group net profit (loss) for the period	23.8	28.4
<b>TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY</b>	<b>175.7</b>	<b>180.4</b>
Non-controlling interests	19.4	19.8
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>195.1</b>	<b>200.2</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,065.4</b>	<b>1,014.7</b>

(\*) Certain values for the year 2012 were revised after the application of the amendment to IAS 19 – Employee Benefits.

(\*\*) Amounts as at December 31, 2012 also include a re-exposure of € 23,4 thousand from "Other receivables" current assets to "Other receivables" non current assets.

(\*\*\*) Amounts as at December 31, 2012 also include a re-exposure of € 25,9 thousand from "Trade and other current payables" to "Longterm provisions" for better posting the relevant liability.

## SOGEFI GROUP - CONSOLIDATED INCOME STATEMENT FROM 1.1.2013 TO 30.09.2013

(in millions of Euro)

	Period		Period		Change	
	01.01 – 09.30.2013		01.01 – 09.30.2012 (*)		Amount	%
	Amount	%	Amount	%	Amount	%
Sales revenues	1,010.6	100.0	1,005.1	100.0	5.5	0.6
Variable cost of sales	704.3	69.7	705.3	70.2	(1.0)	(0.1)
<b>CONTRIBUTION MARGIN</b>	<b>306.3</b>	<b>30.3</b>	<b>299.8</b>	<b>29.8</b>	<b>6.5</b>	<b>2.2</b>
Manufacturing and R&D overheads	101.4	10.0	102.7	10.3	(1.3)	(1.4)
Depreciation and amortization	42.8	4.2	44.0	4.4	(1.2)	(2.7)
Distribution and sales fixed expenses	29.9	3.0	29.6	2.9	0.3	1.1
Administrative and general expenses	52.5	5.2	52.9	5.2	(0.4)	(0.8)
<b>OPERATING RESULT</b>	<b>79.7</b>	<b>7.9</b>	<b>70.6</b>	<b>7.0</b>	<b>9.1</b>	<b>13.0</b>
Restructuring costs	1.9	0.2	3.0	0.3	(1.1)	(36.9)
Losses (gains) on disposal	(1.6)	(0.2)	(0.6)	(0.1)	(1.0)	-
Exchange losses (gains)	2.8	0.3	(0.2)	-	3.0	-
Other non-operating expenses (income)	10.8	1.1	15.4	1.5	(4.6)	(29.0)
<b>EBIT</b>	<b>65.8</b>	<b>6.5</b>	<b>53.0</b>	<b>5.3</b>	<b>12.8</b>	<b>24.0</b>
Financial expenses (income), net	20.4	2.0	14.0	1.4	6.4	45.9
Losses (gains) from equity investments	-	-	-	-	-	0.0
<b>RESULT BEFORE TAXES AND NON-CONTROLLING INTERESTS</b>	<b>45.4</b>	<b>4.5</b>	<b>39.0</b>	<b>3.9</b>	<b>6.4</b>	<b>16.2</b>
Income taxes	19.0	1.9	15.0	1.5	4.0	26.6
<b>NET RESULT BEFORE NON-CONTROLLING INTERESTS</b>	<b>26.4</b>	<b>2.6</b>	<b>24.0</b>	<b>2.4</b>	<b>2.4</b>	<b>9.6</b>
Loss (income) attributable to non-controlling interests	(2.6)	(0.2)	(2.3)	(0.2)	(0.3)	(11.3)
<b>GROUP NET RESULT</b>	<b>23.8</b>	<b>2.4</b>	<b>21.7</b>	<b>2.2</b>	<b>2.1</b>	<b>9.4</b>

(\*) Certain values for the year 2012 were revised after the application of the amendment to IAS 19 – Employee Benefits.

## SOGEFI GROUP – NET FINANCIAL POSITION

(in millions of Euro)

	09.30.2013	12.31.2012	09.30.2012
A. Cash	102.9	85.2	79.1
B. Other cash at bank and on hand ( included held-to-maturity investments )	7.1	8.2	6.5
C. Financial instruments held for trading	-	-	-
<b>D. Liquid funds (A) + (B) + (C)</b>	<b>110.0</b>	<b>93.4</b>	<b>85.6</b>
<b>E. Current financial receivables</b>	<b>0.1</b>	<b>-</b>	<b>-</b>
F. Current payables to banks	(11.5)	(8.4)	(7.4)
G. Current portion of non-current indebtedness	(73.9)	(89.6)	(253.6)
H. Other current financial debts	(0.1)	(1.0)	(1.4)
<b>I. Current financial indebtedness (F) + (G) + (H)</b>	<b>(85.5)</b>	<b>(99.0)</b>	<b>(262.4)</b>
<b>J. Current financial indebtedness, net (I) + (E) + (D)</b>	<b>24.6</b>	<b>(5.6)</b>	<b>(176.8)</b>
K. Non-current payables to banks	(223.0)	(267.8)	(126.5)
L. Bonds issued	(110.0)	-	-
M. Other non-current financial debts	(30.6)	(22.4)	(21.9)
<b>N. Non-current financial indebtedness (K) + (L) + (M)</b>	<b>(363.6)</b>	<b>(290.2)</b>	<b>(148.4)</b>
<b>O. Net indebtedness (J) + (N)</b>	<b>(339.0)</b>	<b>(295.8)</b>	<b>(325.2)</b>
Non-current financial receivables	-	-	-
<b>Financial indebtedness, net including non-current financial receivables</b>	<b>(339.0)</b>	<b>(295.8)</b>	<b>(325.2)</b>

## SOGEFI GROUP - CASH FLOW STATEMENT

(in millions of Euro)

	September 30, 2013	December 31, 2012	September 30, 2012
SELF-FINANCING	58.7	89.2	67.6
Change in net working capital	(23.8)	22.1	(10.4)
Other medium/long-term assets/liabilities	(1.1)	(1.2)	(0.7)
<b>CASH FLOW GENERATED BY OPERATIONS</b>	<b>33.8</b>	<b>110.1</b>	<b>56.5</b>
Sale of equity investments	-	-	-
Net decrease from sale of fixed assets	1.5	3.4	0.1
<b>TOTAL SOURCES</b>	<b>35.3</b>	<b>113.5</b>	<b>56.6</b>
Increase in intangible assets	35.9	39.2	27.1
Purchase of tangible assets	23.6	45.2	31.0
Purchase of equity investments	-	-	-
<b>TOTAL APPLICATION OF FUNDS</b>	<b>59.5</b>	<b>84.4</b>	<b>58.1</b>
Net financial position of subsidiaries purchased/sold during the period	-	-	-
Exchange differences on assets/liabilities and equity	0.2	(1.4)	(0.6)
<b>FREE CASH FLOW</b>	<b>(24.0)</b>	<b>27.7</b>	<b>(2.1)</b>
Holding Company increases in capital	0.6	0.1	(1.2)
Net purchase of treasury share	-	(1.4)	-
Increase in share capital of consolidated subsidiaries	-	0.2	0.3
Dividends paid by the Holding Company to shareholders	(14.7)	(14.7)	(14.7)
Dividends paid by subsidiaries to non-controlling interests	(2.6)	(2.5)	(2.5)
<b>CHANGES IN SHAREHOLDERS' EQUITY</b>	<b>(16.7)</b>	<b>(18.3)</b>	<b>(18.1)</b>
Change in fair value derivative instruments	(2.5)	(5.4)	(5.2)
<b>Change in net financial position</b>	<b>(43.2)</b>	<b>4.0</b>	<b>(25.4)</b>
<b>Opening net financial position</b>	<b>(295.8)</b>	<b>(299.8)</b>	<b>(299.8)</b>
<b>CLOSING NET FINANCIAL POSITION</b>	<b>(339.0)</b>	<b>(295.8)</b>	<b>(325.2)</b>

## SOGEFI GROUP - CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER

(in millions of Euro)

	Period 07.01 – 09.30.2013		Period 07.01 – 09.30.2012 (*)		Change	
	Amount	%	Amount	%	Amount	%
Sales revenues	328.9	100.0	318.2	100.0	10.7	3.3
Variable cost of sales	228.1	69.4	224.6	70.6	3.5	1.6
<b>CONTRIBUTION MARGIN</b>	<b>100.8</b>	<b>30.6</b>	<b>93.6</b>	<b>29.4</b>	<b>7.2</b>	<b>7.6</b>
Manufacturing and R&D overheads	32.0	9.7	31.5	9.9	0.5	1.2
Depreciation and amortization	14.6	4.5	14.2	4.5	0.4	3.0
Distribution and sales fixed expenses	9.6	2.9	9.4	2.9	0.2	2.0
Administrative and general expenses	16.2	4.9	17.0	5.3	(0.8)	(4.4)
<b>OPERATING RESULT</b>	<b>28.4</b>	<b>8.6</b>	<b>21.5</b>	<b>6.8</b>	<b>6.9</b>	<b>31.8</b>
Restructuring costs	0.4	0.1	1.6	0.5	(1.2)	(72.2)
Losses (gains) on disposal	-	-	-	-	-	-
Exchange losses (gains)	1.8	0.6	(0.4)	(0.1)	2.2	509.6
Other non-operating expenses (income)	3.7	1.1	4.4	1.4	(0.7)	(19.7)
<b>EBIT</b>	<b>22.5</b>	<b>6.8</b>	<b>15.9</b>	<b>5.0</b>	<b>6.6</b>	<b>41.3</b>
Financial expenses (income), net	7.7	2.3	4.5	1.4	3.2	71.4
Losses (gains) from equity investments	-	-	-	-	-	-
<b>RESULT BEFORE TAXES AND NON-CONTROLLING INTERESTS</b>	<b>14.8</b>	<b>4.5</b>	<b>11.4</b>	<b>3.6</b>	<b>3.4</b>	<b>29.3</b>
Income taxes	6.4	2.0	4.7	1.5	1.7	37.3
<b>NET RESULT BEFORE NON-CONTROLLING INTERESTS</b>	<b>8.4</b>	<b>2.5</b>	<b>6.7</b>	<b>2.1</b>	<b>1.7</b>	<b>23.8</b>
Loss (income) attributable to non-controlling interests	(0.8)	(0.2)	(0.6)	(0.2)	(0.2)	(26.4)
<b>GROUP NET RESULT</b>	<b>7.6</b>	<b>2.3</b>	<b>6.1</b>	<b>1.9</b>	<b>1.5</b>	<b>23.6</b>

(\*) Certain values for the year 2012 were revised after the application of the amendment to IAS 19 – Employee Benefits.