

## G) COMMITMENTS AND RISKS

### 41. 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 December 31, 2012 regard the following subsidiaries:*

- Shanghai ( Suzhou ) Auto Parts Co., Ltd for the rental of two production plants in Wujiang, under a contract that will expire in March 2033.*

*At December 31, 2012, total remaining payments amount to Euro 13,207 thousand, Euro 626 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 will expire in March 2020 and remaining payments as of December 31, 2012 amount to Euro 4,232 thousand, Euro 751 thousand of which are due by the end of the year.*

*The Group has not given any guarantees for this contract;*

- Allevard Federn GmbH for the rental of the production plant in Völklingen. The contract expires in May 2020. At December 31, 2012, remaining payments amount to Euro 2,839 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 December 31, 2012 amount to Euro 2,350 thousand, Euro 772 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 a production plant located in Shanghai under a contract that will expire in August 2023.*

*At December 31, 2012, total remaining payments amount to Euro 2,094 thousand, Euro 197 thousand of which due by the end of the year. The Group has not given any guarantees whatsoever for this contract;*

- Allevard Sogefi U.S.A. Inc. for the rental of the production plant in Prichard (West Virginia).*

*The contract expires in May 2019 and the remaining payments at December 31, 2012 amount to Euro 1,929 thousand, of which Euro 301 thousand due by the end of the year.*

*For this contract Sogefi S.p.A. provided a guarantee equal to 59% 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.*

Future lease payments under operating leases outstanding as of December 31, 2012 are as follows:

<i>(in thousands of Euro)</i>	2012	2011
Within 12 months	6,698	6,336
Between 1 and 5 years	18,746	14,796
Beyond 5 years	14,029	4,139
<b>TOTAL</b>	<b>39,473</b>	<b>25,271</b>

## 42. INVESTMENT COMMITMENTS

At December 31, 2012, Group companies have binding commitments for investments relating to the purchase of property, plant and equipment for Euro 480 thousand (Euro 2,460 thousand at the end of the previous year), as already disclosed in the explanatory notes regarding tangible fixed assets.

## 43. GUARANTEES GIVEN

Details of guarantees are as follows:

<i>(in thousands of Euro)</i>	12.31.2012	12.31.2011
<b>PERSONAL GUARANTEES GIVEN</b>		
a) Sureties to third parties	1,232	1,340
b) Other personal guarantees in favour of third parties	9,714	9,714
<b>TOTAL PERSONAL GUARANTEES GIVEN</b>	<b>10,946</b>	<b>11,054</b>
<b>REAL GUARANTEES GIVEN</b>		
a) Against liabilities shown in the financial statements	13,237	1,738
<b>TOTAL REAL GUARANTEES GIVEN</b>	<b>13,237</b>	<b>1,738</b>

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.

The "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 lines 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" mainly refer to subsidiaries the subsidiaries Systèmes Moteurs S.A.S., Sogefi Engine Systems Canada Corp. and Allevard IAI Suspensions Private Ltd, which have real guarantees on tangible fixed assets, inventories and trade receivables to secure loans obtained from financial institutions.

#### 44. OTHER RISKS

*As of December 31, 2012, the Group had third-party goods and materials held at Group companies worth Euro 6,064 thousand (Euro 5,417 thousand as of December 31, 2011).*

#### 45. CONTINGENT LIABILITIES

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

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

*Between 1990 and 2006, the employer and the pension fund trustees received professional advices from leading consulting companies to equalise the conditions of the pension funds, as required by amended legislation.*

*It shows that the above equalisation may not have been correctly applied.*

*Sogefi Filtration Ltd has therefore submitted a protective claim to the Birmingham High Court.*

*The Court could conclude that the equalisation was correctly applied, or that an adjustment could be possible, or even that there is a contingent 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 contingent liability, before its likely recovery from the consultants amounts to around Euro 1.9 million.*

#### 46. ATYPICAL OR UNUSUAL TRANSACTIONS

*Pursuant to Consob Communication dated July 28, 2006, it is specified that the Group did not implement any atypical and/or unusual transactions during 2012.*

#### 47. SUBSEQUENT EVENTS

*No significant events occurred after the end of the reporting period.*