



PRESS RELEASE

Board of Directors approves results as of June 30 2013

**SOGEFI (CIR GROUP):
FIRST HALF YEAR POSITIVE WITH STRONG GROWTH IN SECOND QUARTER
OPERATING RESULT € 51.3 MLN (+4.7%), EBIT € 43.2 MLN (+16.6%),
NET INCOME € 16.2 MLN (+3.9%)**

In the first half the group reports higher margins and net income, inverting the trend of the first quarter. Operating result is over € 50 million and grows by 4.7% (+20.1% just in the second quarter). EBIT grows by 16.6% on 2012 in the first six months with a margin of 6.3% (up by 0.9 points). In the second quarter the EBIT margin is at 7.1% versus 4.9% in the same period of 2012

Revenues, substantially stable, up by 2.2% at same exchange rates (+6.7% just in the second quarter) despite the crisis in the car sector in Europe. Growth continues in non-European markets, their contribution to the revenues of the group rising to 35% (31% in first half 2012). North America, with sales of around € 90 million (+18.4%), represents 13.1% of the total. Revenues in Asia +34%, Mercosur +9.2%

Consolidated results of H1 2013

Revenues: € 681.7 million (-0.7% from € 686.8 million in H1 2012; +2.2% at the same exchange rates)
Operating result: € 51.3 million (+4.7% from € 49 million in H1 2012)
EBIT: € 43.2 million (+16.6% from € 37.1 million in H1 2012)
Net income: € 16.2 million (+3.9% from € 15.6 million in H1 2012)
Net debt: € 341.1 million (€ 311.9 million at 31/3/2013)

Milan, July 23 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 for the **first half of 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 six months of the year with revenues substantially unchanged (but 2.2% higher with the same exchange rates), **Sogefi succeeded in obtaining a significant increase in its profitability** compared to the same period of 2012, inverting the trend seen in the first quarter. This result was obtained thanks to its **ongoing strategy of focusing on non-European markets, which reached 35% of the total revenues of the group**, and were up by four percentage points compared to the first half of 2012.

Regarding the performance of the world car market in the first six months of 2013, the rise in new car registrations in the United States (+8% on the first six months of 2012), in Brazil (+4.8%) and in China (13%) compensated for the continuing weakness in Europe (-6.6%).

Consolidated results

Sogefi closed the first half with **consolidated revenues of € 681.7 million, substantially in line** with the figure of € 686.8 million reported for the first half of 2012 (-0.7%; +2.2% with the same exchange rates). The figure benefited particularly from the positive performance of the second quarter, with **consolidated revenues reported up by 3.7% (+6.7% at the same exchange rates) at € 352.5 million** (€ 339.9 million in the second quarter of 2012).

In the first half, the **Engine Systems Division** reported revenues of € 416.7 million and the **Suspension Components Division** revenues of €266.2 million (€ 412.9 million and € 275.1 million respectively in the same period of 2012). In the second quarter in particular, both divisions contributed to the growth in revenues: the Engine Systems Division achieved the highest increase (+5.0% at € 214.8 million versus € 204.6 million in the second quarter of 2012), while the Suspension Components Division reported growth of 1.8% to € 138.3 million (€ 135.8 million in the same period of 2012).

An important factor is the continuing **growth in North America**, which with revenues close to € 90 million in the first half (+18.4%) **currently represents 13.1% of the total sales** of the group (+2.1 percentage points on last year). **Growth in Asia** was also particularly significant, with revenues up by 34% compared to the first half of 2012. **Lastly, the result of the Mercosur area was also very positive (+9.2%)**, with performance 2.3 percentage points higher than the market despite the effect of unfavourable exchange rates. In Europe Sogefi reported revenues of € 443.1 million, with a contraction of 6.6% on the previous year but in line with the market trend.

The **better geographical mix** led to an **increase in the consolidated operating result** in the first half of **€ 51.3 million (+4.7%)**. The figure was driven by the strong **growth (+20.1%) reported in the second quarter (€ 29.3 million** up from € 24.4 million), with a ratio to sales rising to 8.3% from 7.2%.

Consolidated EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) came to **€ 71.2 million** and was **up by 3.9%** on the same period of 2012 (€ 68.5 million). **In the second quarter the increase was 15% (€ 39.1 million)**, with a ratio to sales of 11.1% (€34 million in the second quarter of 2012, with a ratio to sales of 10%).

EBIT for the first half came in at **€ 43.2 million and was up by 16.6%** compared to the same period of last year (€ 37.1 million). **In the second quarter the growth was 49.4% reaching € 25 million**, with a ratio to sales of 7.1%. This was an improvement of 2.2 percentage points compared to second quarter 2012 (€ 16.8 million with a ratio to sales of 4.9%).

The **result** for the first half **before taxes and minority interests** came to **€ 30.5 million**, posting **growth of 10.7%** compared to the previous year (€ 27.6 million). The result for the second quarter came in at € 18 million and was up by 50.4% compared to the figure of € 12 million last year. Although higher, this figure was impacted by higher financial expense following the recent debt refinancing process which led to credit facilities signed before the crisis being replaced by new credit lines set at current market prices.

The **consolidated net result for the first half** was a **positive € 16.2 million, up by 3.9%** on the same period of 2012 (€ 15.6 million), with a ratio to sales stable at 2.4%. The net income for the second quarter was up by **39.1% at € 9.2 million** with a ratio of 2.6% to sales, an improvement on the 1.9% reported in the second quarter of 2012 (€ 6.6 million).

At June 30 2013 **net debt** stood at **€ 341.1 million** (€ 311.9 million at March 31 2013 and € 295.8 million at December 31 2012). The rise in the quarter was due to the distribution of dividends for € 17.2 million and to the increase in working capital linked to the expansion of business activity in non-European countries.

At June 30 2013 **consolidated equity including minority interests** totalled **€ 192 million** (€ 200.2 million at December 31 2012).

At the close of the first half of 2013 the Sogefi group had **6,727 employees**, substantially unchanged from the 6,735 on the payroll at December 31 2012.

OUTLOOK FOR THE YEAR

For 2013 the expectation of slight growth in the global car market is confirmed, with weakness in both production and sales in Europe, growth in Asia and continuing solidity in the markets of North America and Latin America.

In this context Sogefi plans to:

- intensify the internationalization of the group;
- continue to take action to increase efficiency even through a greater integration of the group.

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 website: <http://www.sogefigroup.com/it/area-stampa/index.html>

Attached are the key figures from the income statement and the statement of financial position as of June 30 2013 of the Sogefi group

SOGEFI GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of Euro)

ASSETS	June 30, 2013	December 31, 2012 (*)	June 30, 2012 (*)
CURRENT ASSETS			
Cash and cash equivalents	122,1	85,2	80,5
Other financial assets	7,2	8,2	18,5
<i>Working capital</i>			
Inventories	153,6	148,6	169,1
Trade receivables	200,6	155,2	192,7
Other receivables	32,3	32,5	32,0
Tax receivables	18,5	21,8	19,8
Other assets	5,6	3,5	4,9
TOTAL WORKING CAPITAL	410,6	361,6	418,5
TOTAL CURRENT ASSETS	539,9	455,0	517,5
NON-CURRENT ASSETS			
Fixed assets			
Land	15,5	15,7	16,7
Property, plant and equipment	221,8	231,2	234,9
Other tangible fixed assets	5,2	5,4	5,3
<i>Of which: leases</i>	8,0	5,2	12,4
Intangible assets	251,7	239,6	228,9
TOTAL FIXED ASSETS	494,2	491,9	485,8
OTHER NON-CURRENT ASSETS			
Investments in joint ventures	0,3	0,3	0,3
Other financial assets available for sale	0,5	0,5	0,5
Long term trade receivables	-	-	-
Financial receivables	-	-	-
Other receivables	6,8	6,8	4,0
Deferred tax assets	59,0	60,2	50,4
TOTAL OTHER NON-CURRENT ASSETS	66,6	67,8	55,2
TOTAL NON-CURRENT ASSETS	560,8	559,7	541,0
NON-CURRENT ASSETS HELD FOR SALE	-	-	-
TOTAL ASSETS	1.100,7	1.014,7	1.058,5
LIABILITIES	June 30, 2013	December 31, 2012 (*)	June 30, 2012 (*)
CURRENT LIABILITIES			
Bank overdrafts and short-term loans	6,3	8,4	5,4
Current portion of medium/long-term financial debts and other loans	92,4	89,6	244,5
<i>Of which: leases</i>	1,1	0,8	1,1
TOTAL SHORT-TERM FINANCIAL DEBTS	98,7	98,0	249,9
Other short-term liabilities for derivative financial instruments	0,2	1,0	1,4
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	98,9	99,0	251,3
Trade and other payables	312,0	282,0	321,8
Tax payables	9,0	12,2	10,5
Other current liabilities	6,7	8,8	7,0
TOTAL CURRENT LIABILITIES	426,6	402,0	590,6
NON-CURRENT LIABILITIES			
MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS			
Financial debts to bank	230,6	267,8	137,2
Other medium/long-term financial debts	123,9	8,8	7,5
<i>Of which: leases</i>	7,4	4,9	5,4
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS	354,5	276,6	144,7
Other medium/long-term financial liabilities for derivative financial instruments	17,0	13,7	10,7
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	371,5	290,3	155,4
OTHER LONG-TERM LIABILITIES			
Long-term provisions	70,8	80,7	72,1
Other payables	0,3	0,2	0,5
Deferred tax liabilities	39,5	41,3	43,0
TOTAL OTHER LONG-TERM LIABILITIES	110,6	122,2	115,6
TOTAL NON-CURRENT LIABILITIES	482,1	412,5	271,0
SHAREHOLDERS' EQUITY			
Share capital	60,8	60,7	60,7
Reserves and retained earnings (accumulated losses)	96,0	91,3	102,3
Group net result for the period	16,2	28,4	15,6
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY	173,0	180,4	178,6
Non-controlling interests	19,0	19,8	18,3
TOTAL SHAREHOLDERS' EQUITY	192,0	200,2	196,9
TOTAL LIABILITIES AND EQUITY	1.100,7	1.014,7	1.058,5

(*) Some 2012 values are restated following the application of the emendament IAS 19 – Defined benefit

RECLASSIFIED CONSOLIDATED INCOME STATEMENT FROM 01.01.2013 TO 06.30.2013

(in millions of Euro)

	1st half 2013		1st half 2012 (*)		Year 2012 (*)	
	Amount	%	Amount	%	Amount	%
Sales revenues	681,7	100,0	686,8	100,0	1.319,2	100,0
Variable cost of sales	476,2	69,9	480,6	70,0	927,3	70,3
CONTRIBUTION MARGIN	205,5	30,1	206,2	30,0	391,9	29,7
Manufacturing and R&D overheads	69,4	10,2	71,3	10,5	132,8	10,1
Depreciation and amortization	28,2	4,1	29,8	4,3	58,4	4,4
Distribution and sales fixed expenses	20,3	3,0	20,2	2,9	39,2	3,0
Administrative and general expenses	36,3	5,3	35,9	5,2	68,9	5,2
OPERATING RESULT	51,3	7,5	49,0	7,1	92,6	7,0
Restructuring costs	1,4	0,2	1,4	0,2	12,2	0,9
Losses (gains) on disposal	(1,6)	(0,2)	(0,5)	(0,1)	(7,7)	(0,6)
Exchange losses (gains)	1,0	0,1	0,2	-	0,7	-
Other non-operating expenses (income)	7,3	1,1	10,8	1,6	23,8	1,9
EBIT	43,2	6,3	37,1	5,4	63,6	4,8
Financial expenses (income), net	12,7	1,8	9,5	1,4	18,6	1,4
Losses (gains) from equity investments	-	-	-	-	-	-
RESULT BEFORE TAXES AND NON-CONTROLLING INTERESTS	30,5	4,5	27,6	4,0	45,0	3,4
Income taxes	12,6	1,8	10,3	1,5	13,4	1,0
NET RESULT BEFORE NON-CONTROLLING INTERESTS	17,9	2,7	17,3	2,5	31,6	2,4
Loss (income) attributable to non-controlling interests	(1,7)	(0,3)	(1,7)	(0,2)	(3,2)	(0,2)
GROUP NET RESULT	16,2	2,4	15,6	2,3	28,4	2,2

(*) Some 2012 values are restated following the application of the emendament IAS 19 – Defined benefit

RECLASSIFIED CONSOLIDATED INCOME STATEMENT FOR THE SECOND QUARTER 2013

(in millions of Euro)

	04.01 - 06.30.2013		04.01 - 06.30.2012 (*)		Change	
	Amount	%	Amount	%	Amount	%
Sales revenues	352,5	100,0	339,9	100,0	12,6	3,7
Variable cost of sales	245,9	69,8	237,3	69,8	8,6	3,6
CONTRIBUTION MARGIN	106,6	30,2	102,6	30,2	4,0	3,9
Manufacturing and R&D overheads	34,7	9,8	35,1	10,3	(0,4)	(1,1)
Depreciation and amortization	14,0	4,0	15,6	4,6	(1,6)	(10,1)
Distribution and sales fixed expenses	10,5	3,0	10,1	3,0	0,4	3,7
Administrative and general expenses	18,1	5,1	17,4	5,1	0,7	3,9
OPERATING RESULT	29,3	8,3	24,4	7,2	4,9	20,1
Restructuring costs	1,0	0,3	0,8	0,2	0,2	21,3
Losses (gains) on disposal	(1,5)	(0,4)	(0,5)	(0,1)	(1,0)	208,7
Exchange losses (gains)	1,2	0,3	0,1	-	1,1	-
Other non-operating expenses (income)	3,6	1,0	7,2	2,2	(3,6)	(50,4)
EBIT	25,0	7,1	16,8	4,9	8,2	49,4
Financial expenses (income), net	7,0	2,0	4,8	1,4	2,2	46,9
Losses (gains) from equity investments	-	-	-	-	-	-
RESULT BEFORE TAXES AND NON-CONTROLLING INTERESTS	18,0	5,1	12,0	3,5	6,0	50,4
Income taxes	7,9	2,2	4,5	1,3	3,4	74,6
NET RESULT BEFORE NON-CONTROLLING INTERESTS	10,1	2,9	7,5	2,2	2,6	35,7
Loss (income) attributable to non-controlling interests	(0,9)	(0,3)	(0,9)	(0,3)	-	9,1
GROUP NET RESULT	9,2	2,6	6,6	1,9	2,6	39,1

(*) Some 2012 values are restated following the application of the emendament IAS 19 – Defined benefit

CONSOLIDATED CASH FLOW STATEMENT

(in millions of Euro)

	1st half 2013	1st half 2012	Year 2012
SELF-FINANCING	37,3	48,0	91,3
Change in net working capital	(26,0)	3,5	19,8
Other medium/long-term assets/liabilities	(0,8)	(0,1)	(1,2)
CASH FLOW GENERATED BY OPERATIONS	10,5	51,4	109,9
Sale of equity investments	-	-	-
Net decrease from sale of fixed assets	1,5	0,2	3,4
TOTAL SOURCES	12,0	51,6	113,3
Increase in intangible assets	22,4	17,9	39,2
Purchase of tangible assets	14,5	20,0	45,2
Purchase of equity investments	-	-	-
TOTAL APPLICATION OF FUNDS	36,9	37,9	84,4
Net financial position of subsidiaries purchased/sold during the period	-	-	-
Exchange differences on assets/liabilities and equity	(1,0)	(0,4)	(1,2)
FREE CASH FLOW	(25,9)	13,3	27,7
Holding Company increases in capital	0,1	-	0,1
Net purchase of treasury share	-	(1,0)	(1,4)
Increase in share capital of consolidated subsidiaries	-	0,1	0,2
Dividends paid by the Holding Company to shareholders	(14,7)	(14,7)	(14,7)
Dividends paid by subsidiaries to non-controlling interests	(2,5)	(2,5)	(2,5)
CHANGES IN SHAREHOLDERS' EQUITY	(17,1)	(18,1)	(18,3)
Change in fair value derivative instruments	(2,3)	(3,0)	(5,4)
Change in net financial position	(45,3)	(7,8)	4,0
Opening net financial position	(295,8)	(299,8)	(299,8)
CLOSING NET FINANCIAL POSITION	(341,1)	(307,6)	(295,8)

CONSOLIDATED THE NET FINANCIAL POSITION

(in millions of Euro)

	06.30.2013	12.31.2012	06.30.2012
A. Cash	122,1	85,2	80,5
B. Other cash at bank and on hand (included held-to-maturity investments)	7,2	8,2	7,0
C. Financial instruments held for trading	-	-	-
D. Liquid funds (A) + (B) + (C)	129,3	93,4	87,5
E. Current financial receivables	-	-	11,5
F. Current payables to banks	6,3	8,4	5,4
G. Current portion of non-current indebtedness	92,4	89,6	244,5
H. Other current financial debts	0,2	1,0	1,4
I. Current financial indebtedness (F) + (G) + (H)	98,9	99,0	251,3
J. Current financial indebtedness, net (I) + (E) + (D)	(30,4)	5,6	152,3
K. Non-current payables to banks	230,6	267,8	137,2
L. Bonds issued	112,8	-	-
M. Other non-current financial debts	28,1	22,4	18,1
N. Non-current financial indebtedness (K) + (L) + (M)	371,5	290,2	155,3
O. Net indebtedness (J) + (N)	341,1	295,8	307,6
Non-current financial receivables	-	-	-
Financial indebtedness, net including non-current financial receivables	341,1	295,8	307,6

SOGEFI S.p.A.

STATEMENT OF FINANCIAL POSITION

(in millions of Euro)

	June 30, 2013	December 31, 2012 (*)	June 30, 2012 (*)
Short-term assets	14,7	10,0	8,1
Short-term liabilities	(10,7)	(9,7)	(9,2)
Net working capital	4,0	0,3	(1,1)
Equity investments	396,7	396,5	389,8
Other fixed assets	47,5	41,7	34,6
CAPITAL INVESTED	448,2	438,5	423,3
Other medium and long-term liabilities	(1,8)	(1,2)	(1,3)
NET CAPITAL INVESTED	446,4	437,3	422,0
Net financial indebtedness	281,1	283,3	257,3
Shareholders' equity	165,3	154,0	164,7
TOTAL	446,4	437,3	422,0

(*) Some 2012 values are restated following the application of the emendament IAS 19 – Defined benefit

RECLASSIFIED INCOME STATEMENT FOR THE FIRST HALF 2013

(in millions of Euro)

	1st half 2013	1st half 2012	Year 2012
Financial income/expenses and dividends	28,3	18,3	16,0
Adjustments to financial assets	-	-	(5,8)
Other operating revenues	8,2	6,9	14,1
Operating costs	(11,3)	(9,5)	(18,3)
Other non-operating income (expenses)	(0,1)	(1,9)	(2,3)
RESULT BEFORE TAXES	25,1	13,8	3,7
Income taxes	(1,6)	(1,6)	(2,5)
NET RESULT	26,7	15,4	6,2

CASH FLOW STATEMENT

(in millions of Euro)

	1st half 2013	1st half 2012	Year 2012
SELF-FINANCING	27,6	14,8	10,2
Change in net working capital	(3,6)	3,2	1,8
Other medium/long-term assets/liabilities	0,8	1,3	2,7
CASH FLOW GENERATED BY OPERATIONS	24,8	19,3	14,7
Sale of equity investments	-	-	-
TOTAL SOURCES	24,8	19,3	14,7
Increase of intangible assets	5,4	3,1	9,1
Purchase of tangible assets	0,1	-	0,1
Purchase of equity investments	0,2	0,2	12,7
TOTAL APPLICATION OF FUNDS	5,7	3,3	21,9
FREE CASH FLOW	19,1	16,0	(7,2)
Holding Company increases in capital	0,1	-	0,1
Net purchase of treasury shares	-	(1,0)	(1,4)
Change in Fair Value derivative instruments	(2,3)	(2,9)	(5,4)
Dividends paid by the Holding Company	(14,7)	(14,7)	(14,7)
CHANGES IN SHAREHOLDER'S EQUITY	(16,9)	(18,6)	(21,4)
Change in net financial position	2,2	(2,6)	(28,6)
Opening net financial position	(283,3)	(254,7)	(254,7)
CLOSING NET FINANCIAL POSITION	(281,1)	(257,3)	(283,3)