2013 HALF-YEAR FINANCIAL STATEMENTS
(Translation into English of the original Italian version)

JOINT-STOCK COMPANY - SHARE CAPITAL EURO 60,768,339.84
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	GUGLIELMO FIOCCHI(2)
Directors	EMANUELE BOSIO LORENZO CAPRIO(4) ROBERTA DI VIETO(4)(5) DARIO FRIGERIO(3) GIOVANNI GERMANO(3) MONICA MONDARDINI ROBERTO ROBOTTI(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 Appointments and Remuneration Committee.
(4) Members of the Control and Risks 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 OPERATIONS OF THE GROUP
AS OF AND FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2013

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 Sogefi Group and the financial statements and explanatory and supplementary notes of the Holding Company Sogefi S.p.A. (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 on interim financial reporting.

INFORMATION ON OPERATIONS

In the face of basically stable revenues – although up by 2.2% exchange rates being equal – Sogefi was able to achieve significantly higher profitability during the first six months of the current year than in the corresponding period of 2012, reversing the trend observed during the first quarter of the year. This was made possible by a continued strategy of focusing on non-European countries, that now account for 35% of total Group revenues, up by four percentage points compared to the first half year 2012.

With regard to the performance of world automotive markets during the first six months of 2013, the increase in new registrations in the USA (+8% compared to the first six months of 2012), Brazil (+4.8%) and China (13%) compensated for the persistent slump in Europe (-6.6%).

Sogefi closed the half year with **consolidated revenues** of Euro 681.7 million, basically in line with the Euro 686.8 million figure recorded in the first half year 2012 (-0.7%, +2.2% exchange rates being equal). The key in achieving this was the good performance shown in the second quarter with consolidated revenues at Euro 352.5 million, up 3.7% (+6.7% exchange rates being equal) from Euro 339.9 million in the second quarter 2012.

The **Engine Systems Division** posted half-year revenues of Euro 416.7 million and the **Suspension Components Division** of Euro 266.2 million, compared to Euro 412.9 million and Euro 275.1 million, respectively, for the corresponding period of 2012.
The contribution to growth from both divisions was especially significant in the second quarter 2013, when the Engine Systems Division recorded its largest growth (+5.0%), namely to Euro 214.8 million from Euro 204.6 million in the second quarter 2012, while the revenues of the Suspension Components Division rose by 1.8% to Euro 138.3 million (versus Euro 135.8 million in the corresponding period of 2012).

(in millions of Euro)	1st half 2013		1st half 2012		% change	Year 2012
	Amount	%	Amount	%	1h 13/1h 12	Amount
Engine systems	416.7	61.1	412.9	60.1	0.9	792.6
Suspension components	266.2	39.0	275.1	40.0	(3.2)	528.6
Intercompany eliminations	(1.2)	(0.1)	(1.2)	(0.1)	n.a.	(2.0)
TOTAL	681.7	100.0	686.8	100.0	(0.7)	1319.2

During the half year, revenues from the spares segment grew by 2.6%, whereas the OEM segment declined by 1.9%. The resulting breakdown of revenues is shown in the table below.

(in millions of Euro)	1st half 2013		1st half 2012		% change	Year 2012
	Amount	%	Amount	%	1h 13/1h 12	Amount
Original Equipment	521.8	76.5	531.3	77.3	(1.9)	1,012.7
Spare parts	159.9	23.5	155.5	22.7	2.6	306.5
TOTAL	681.7	100.0	686.8	100.0	(0.7)	1,319.2

With regard to the performance of individual markets, one noteworthy fact is the continuing growth in North America, with revenues close to Euro 90 million for the half year (+18.4%), which now account for 13.1% of total Group sales revenues (2.1 percentage points up from last year). Particularly significant was growth in Asia as well, with revenues 34% higher than in the first half year 2012.
The Mercosur region also recorded a very positive performance (+9.2%), namely 2.3 percentage points better than the market in spite of the unfavourable effect of exchange rates. In Europe Sogefi reported revenues of Euro 443.1 million, down 6.6% from last year, which however are in line with market trends as can be seen from the following table.

(in millions of Euro)	1st half 2013		1st half 2012		% change	Year 2012
	Amount	%	Amount	%	1h 13/1h 12	Amount
Europe	443.1	65.0	474.2	69.0	(6.6)	877.0
Mercosur	118.4	17.4	108.4	15.8	9.2	231.4
NAFTA	89.3	13.1	75.4	11.0	18.4	150.6
Asia	28.2	4.1	21.0	3.1	34.0	46.6
Rest of the world	2.7	0.4	7.8	1.1	(65.3)	13.6
TOTAL	681.7	100.0	686.8	100.0	(0.7)	1,319.2

A breakdown of revenues by customer shows the effects of geographical expansion outside Europe outlined above as well as the continuing sluggishness of the European market, with Ford and Fiat/Chrysler recording substantial growth in terms of significance (from 10.9% to 12.5% for Ford and from 6.5% to 8.4% for Fiat/Chrysler in the first half year) and French auto makers on a downward trend (from 13.6% to 13.2% for PSA and from 11.8% to 10.8% for Renault/Nissan).

(in millions of Euro)	1st half 2013		1st half 2012		*% change*	*Year 2012*
Group	*Amount*	*%*	*Amount*	*%*	*1h 13/1h 12*	*Amount*
PSA	90.1	13.2	93.2	13.6	(3.3)	169.9
Ford	85.2	12.5	74.5	10.9	14.4	156.3
Renault/Nissan	73.5	10.8	81.4	11.8	(9.7)	149.3
GM	62.9	9.2	65.6	9.5	(4.1)	124.8
Fiat/Iveco/Chrysler	57.0	8.4	44.6	6.5	27.8	85.5
Daimler	50.1	7.3	46.9	6.8	6.8	95.9
Volkswagen/Audi	29.4	4.3	33.7	4.9	(12.8)	65.0
BMW	17.2	2.5	23.4	3.4	(26.5)	41.7
Volvo	14.6	2.1	17.8	2.6	(18.0)	30.3
DAF/Paccar	14.4	2.1	15.3	2.2	(5.9)	28.7
Toyota	13.4	2.0	14.4	2.1	(6.9)	26.6
Man	12.1	1.8	10.3	1.5	17.5	20.8
Honda	3.3	0.5	3.1	0.4	6.5	6.2
Caterpillar	3.2	0.5	5.9	0.9	(45.8)	9.0
Other	155.3	22.8	156.7	22.9	(0.9)	309.2
TOTAL	681.7	100.0	686.8	100.0	(0.7)	1,319.2

The following table provides comparative figures of the income statement for the first half year 2013 and the corresponding period of the previous year.

(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 (gains) losses	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

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

The following table provides comparative figures of the income statement for the second quarter 2013 and the same prior year period.

(in millions of Euro)	*Period 4.1 - 6.30.2013*		*Period 4.1 - 6.30.2012(*)*		*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 (gains) losses	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

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

In the first half year 2013, the impact of labour cost on revenues dropped from 23.3% to 23.1%.
As at June 30, 2013, the Group’s workforce was 6,727, compared to 6,735 at December 31, 2012 and 6,760 at June 30, 2012, broken down as follows:

	June 30, 2013		*December 31, 2012*		*June 30, 2012*	
	Number	*%*	*Number*	*%*	*Number*	*%*
Managers	109	1.6	111	1.6	115	1.7
Clerical staff	1,843	27.4	1,821	27.0	1,822	27.0
Blue collar workers	4,775	71.0	4,803	71.4	4,823	71.3
TOTAL	6,727	100.0	6,735	100.0	6,760	100.0

Consolidated operating result rose to Euro 51.3 million (7.5% of revenues), 4.7% up from the 49 million (7.1% of revenues) in the first half of 2012, also thanks to an improved geographical mix. The driving factor was the strong growth (+20.1%) recorded in the second quarter (Euro 29.3 million compared to Euro 24.4 million), with an impact on revenues rising from 7.2% to 8.3%.

Consolidated EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) for the half year was Euro 71.2 million (10.4% of revenues), up 3.9% from Euro 68.5 million (10% of revenues) in the same prior year period. Growth in the second quarter was 15% (Euro 39.1 million) with an impact on revenues of 11.1%, versus Euro 34 million in the second quarter 2012 with an impact on revenues of 10%.

Consolidated EBIT for the half year amounts to Euro 43.2 million (6.3% of revenues), 16.6% up from the Euro 37.1 million (5.4% of revenues) in the

corresponding period of the previous year.
Growth in the second quarter was 49.4% (up to Euro 25 million) with an impact on revenues of 7.1%, namely 2.2 percentage points better than the second quarter 2012 (Euro 16.8 million with a 4.9% impact on revenues).

Result before taxes and non-controlling interests for the half year grew by 10.7% from Euro 27.6 million in the previous year to Euro 30.5 million. The result for the second quarter amounts to Euro 18 million, up 50.4% from Euro 12 million in the previous year. Despite its growth, the result was impacted by higher interest costs incurred after debt was recently refinanced with new credit lines at current market prices which replaced the existing credit lines obtained before the economic crisis.

Half-year **consolidated net result** was positive at Euro 16.2 million, 3.9% up from Euro 15.6 million in the corresponding period of 2012, with impact on revenues stable at 2.3%. Net result for the second quarter grew by 39.1% to Euro 9.2 million, with 2.6% margin of revenues as against 1.9% in the second quarter 2012 (Euro 6.6 million).

As at June 30, 2013, **consolidated equity**, including non-controlling interests, was Euro 192 million (vs. Euro 200.2 million as at December 31, 2012), as illustrated in the table below.

(in millions of Euro)	Note*	*June 30, 2013*		*December 31, 2012(**)*		*June 30, 2012 (**)*	
		Amount	*%*	*Amount*	*%*	*Amount*	*%*
Short-term operating assets	(a)	410.6	-	361.6	-	418.5	-
Short-term operating liabilities	(b)	(327.6)	-	(354.9)	-	(367.2)	-
Net working capital		83.0	15.6	6.7	1.3	51.3	10.2
Equity investments	(c)	0.8	0.2	0.8	0.2	0.8	0.2
Intangible, tangible fixed assets and other medium and long-term assets	(d)	559.9	105.0	558.9	112.7	540.1	107.0
CAPITAL INVESTED		643.7	120.8	566.4	114.2	592.2	117.4
Other medium and long-term liabilities	(e)	(110.6)	(20.8)	(70.4)	(14.2)	(87.8)	(17.4)
NET CAPITAL INVESTED		533.1	100.0	496.0	100.0	504.5	100.0
Net financial indebtedness		341.1	64.0	295.8	59.6	307.6	61.0
Non-controlling interests		19.0	3.6	19.8	4.0	18.3	3.6
Consolidated equity of the Group		173.0	32.4	180.4	36.4	178.6	35.4
TOTAL		533.1	100.0	496.0	100.0	504.5	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 for the year 2012 were redetermined after the application of the amendment to IAS 19 – Employee Benefits.

Net financial indebtedness as at June 30, 2013 was Euro 341.1 million (vs. Euro 295.8 million as at December 31, 2012). The increase recorded in the half year can be traced back to a dividend payout in the amount of Euro 17.2 million and to increased working capital driven by business growth in non-European countries.

The table below shows a breakdown of the cash flows for the period compared with first half and full year 2012.

(in millions of Euro)	Note*	*1st half 2013*	*1st half 2012*	*Year 2012*
SELF-FINANCING	(f)	37.3	48.0	91.3
Change in net working capital		(26.0)	3.5	19.8
Other medium/long-term assets/liabilities	(g)	(0.8)	(0.1)	(1.2)
CASH FLOW GENERATED BY OPERATIONS		**10.5**	**51.4**	**109.9**
Sale of equity investments	(h)	-	-	-
Net decrease from sale of fixed assets	(i)	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	(l)	(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 shares		-	(1.0)	(1.4)
Increases 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	(m)	**(45.3)**	**(7.8)**	**4.0**
Opening net financial position	(m)	**(295.8)**	**(299.8)**	**(299.8)**
CLOSING NET FINANCIAL POSITION	(m)	**(341.1)**	**(307.6)**	**(295.8)**

(*)See the notes at the end of this report for a detailed explanation of the reasons for the reclassifications that we have made

After the recent debt refinancing, net financial position is mainly comprised of medium and long-term debts, which account for 79% of gross indebtedness as shown in the table below.

(in millions of Euro)	*June 30, 2013*	*December 31, 2012*	*June 30, 2012*
Cash, banks, financial receivables and securities held for trading	129.3	93.4	99.0
Medium/long-term financial receivables	-	-	-
Short-term financial debts (*)	(98.9)	(99.0)	(251.3)
Medium/long-term financial debts	(371.5)	(290.2)	(155.3)
NET FINANCIAL POSITION	(341.1)	(295.8)	(307.6)

(*) 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 2013*	*1st half 2012*
Net profit per Sogefi S.p.A. financial statements	26.7	15.4
Group share of results of subsidiary companies included in the consolidated financial statements	25.0	21.9
Elimination of Sogefi S.p.A. dividends	(34.9)	(21.4)
Elimination of unrealized gains deriving from intercompany transactions and other consolidation adjustments, net of the related deferred taxation	(0.6)	(0.3)
NET PROFIT PER CONSOLIDATED FINANCIAL STATEMENTS	16.2	15.6

Shareholders' equity

(in millions of Euro)	*June 30, 2013*	*June 30, 2012*
Shareholders' equity per Sogefi S.p.A. financial statements	165.3	154.0
Group share of excess equity value of investments in consolidated companies over carrying value in Sogefi S.p.A. financial statements	(18.3)	(0.2)
Elimination of unrealized gains deriving from intercompany transactions and other consolidation adjustments, net of the related deferred taxation	26.0	26.6
SHAREHOLDERS' EQUITY PER CONSOLIDATED FINANCIAL STATEMENTS	173.0	180.4

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

Net result in the first half of 2013 amounted to Euro 26.7 million compared to Euro 15.4 million in the corresponding period of the previous year.
The increase mainly reflects a higher dividend flow from subsidiaries, which was partly offset by rising net financial expense.
The first half year 2013 witnessed an increase in operating costs, mainly personnel costs, as a result of the Company providing more services to subsidiaries as evidenced by the growth in operating revenues compared to the corresponding period of 2012.
In the first half year 2012, "Other non-operating income (expenses)" included consulting services for the acquisition of potential targets (these acquisitions were not completed).

(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

The following table shows the main items of the statement of financial position as at June 30, 2013, compared with the figures as at December 31, 2012 and June 30, 2012:

(in millions of Euro)	Note*	*June 30, 2013*	*December 31, 2012 (**)*	*June 30, 2012 (**)*
Short-term assets	(n)	14.7	10.0	8.1
Short-term liabilities	(o)	(10.7)	(9.7)	(9.2)
Net working capital		4.0	0.3	(1.1)
Equity investments	(p)	396.7	396.5	389.8
Other fixed assets	(q)	47.5	41.7	34.6
CAPITAL INVESTED		448.2	438.5	423.3
Other medium and long-term liabilities	(r)	(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

(*) 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 for the year 2012 were redetermined after the application of the amendment to IAS 19 – Employee Benefits.

"Other fixed assets" include an increase by Euro 5.4 million – recorded in the first half year 2013 – 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. The integrated SAP platform became operational during the first half year 2013 after installation at subsidiaries Sogefi Rejna S.p.A., Allevard Rejna Autosuspensions S.A. and Allevard Springs Ltd. was completed.

"Shareholders' equity" as at June 30, 2013 amounts to Euro 165.3 million, up from Euro 164.7 million as at June 30, 2012 and Euro 154 million as at December 31, 2012. The increase is mostly accounted for by the result for the period in the amount of Euro 26.7 million, which was partly offset by Euro 8.5 million of retained earning reserve utilised for the dividend payout resolved by the Shareholders' Meeting of April 19, 2013 and by a net reduction by Euro 1.7 million 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 statement of financial position of the Company as at June 30, 2013, compared with the figures as at December 31, 2012 and June 30, 2012:

(in millions of Euro)	*June 30, 2013*	*December 31, 2012*	*June 30, 2012*
Short-term cash investments	45.7	27.0	25.6
Short/medium-term financial receivables to third and subsidiaries	146.5	107.5	147.7
Short-term financial debts (*)	(137.8)	(150.8)	(300.1)
Medium/long-term financial debts	(335.5)	(267.0)	(130.5)
NET FINANCIAL POSITION	(281.1)	(283.3)	(257.3)

(*) 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 2013*	*1st half 2012*	*Year 2012*
SELF-FINANCING	(s)	27.6	14.8	10.2
Change in net working capital	(t)	(3.6)	3.2	1.8
Other medium/long term assets/liabilities	(u)	0.8	1.3	2.7
CASH FLOW GENERATED BY OPERATIONS		**24.8**	**19.3**	**14.7**
Sale of equity investments		-	-	-
TOTAL SOURCES	(v)	24.8	19.3	14.7
Increase in 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 SHAREHOLDERS' EQUITY		(16.9)	(18.6)	(21.4)
Change in net financial position		**2.2**	**(2.6)**	**(28.6)**
Opening net financial position	(w)	**(283.3)**	**(254.7)**	**(254.7)**
CLOSING NET FINANCIAL POSITION	(w)	**(281.1)**	**(257.3)**	**(283.3)**

(*) 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 2013 was Euro 19.1 million, compared to Euro 16 million generated in the first half of 2012. This increase is the result of improved profitability and was partly offset by an increase in intangible assets and a decrease in net working capital.

PERFORMANCE OF THE ENGINE SYSTEMS DIVISION

During the period under consideration, the Division benefited from business growth in non-European markets – in the USA, India and Brazil for the most part – and from the positive performance of the aftermarket segment (3.5% up).

The Engine Systems Division posted **revenues** of Euro 416.7 million for the half year, 0.9% up (Euro 412.9 million) compared to the same period of 2012, and improved its profitability with an **operating result** of Euro 32.9 million, 11.2% up compared to the first half year 2012, while impact on revenues increased to 7.9% from 7.2% in the previous year.

EBITDA rose by 7.9% to Euro 44 million compared with Euro 40.8 million in the same period of 2012, and margin on revenues grew from 9.7% to 10.6%.

EBIT grew by 16.5% from € 24.6 million to € 28.6 million, with average margin rising to 6.9% of revenues as against 6.0% in the same 2012 period.

Workforce (including temporary workers and excluding employees subject to flexible arrangements) totalled 4,496 at June 30, 2013 compared to 4,394 twelve months earlier.

PERFORMANCE OF THE SUSPENSION COMPONENTS DIVISION

The consolidated **revenues** of the Suspension Components Division amounted to Euro 266.2 million compared to 275.1 million in the first half year 2012 (-3.2%).

Operating result stood at Euro 22 million, compared to 22.4 million in the first half year 2012 (-1.7%), whereas **EBITDA** was Euro 30.5 million compared to Euro 31.5 million in the corresponding period of 2012.
The percentage of operating result and the EBITDA margin are substantially stable at 8.3% and 11.4%, respectively compared to the first six months of 2012 (8.1% and 11.5%, respectively), and demonstrate the Group's ability to maintain profitability levels in the face of decreasing turnover.

EBIT grew to Euro 19.5 million, 9.2% up compared to the first half year 2012, which was adversely affected by restructuring expenses in relation to writedowns of industrial assets for the production of stabilizer bars no longer used at the Prichard plant (USA).

As at June 30, 2013, the Division’s workforce (including temporary workers and excluding employees with flexible arrangements) totalled 2,858 people, compared to 2,841 as at December 31, 2012.

INVESTMENTS AND RESEARCH & DEVELOPMENT ACTIVITIES

New investments totalled Euro 36.8 million in the first half year 2013, compared to Euro 37.9 million in the first half of the previous year. Investments were mostly aimed at increasing production capacity in recently approached markets, as well as innovating and upgrading Group information systems and a partial capitalisation of R&D assets.

TREASURY SHARES

As at June 30, 2013, the Holding Company has 3,969,604 treasury shares in its portfolio, corresponding to 3.4% of share capital, at an average price of Euro 2.28 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 of the Holding Company.
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 Control and Risks Committee and approved the Discipline for related-party transactions, which had previously received a favourable opinion of the Control and Risks 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..

DISCLOSURES PURSUANT TO ART. 70 AND 71 OF CONSOB RULES FOR ISSUERS

Under a resolution of the Board of Directors of October 23, 2012, the Company adopted the simplified procedure provided for by art. 70, paragraph 8 and art. 71, paragraph 1-bis of Consob Regulation issued under Consob Resolution no. 11971 of May 14, 1999 as amended, and made use of the exemption from the obligation to publish the information documents required for significant transactions consisting in mergers, spin-offs, capital increases by means of the conferral of assets in kind, takeovers and transfers.

SIGNIFICANT SUBSEQUENT EVENTS AFTER JUNE 30, 2013

No significant events occurred after June 30, 2013.

OUTLOOK FOR OPERATIONS

A slight growth of the global automotive market is forecast for the year 2013, with manufacture and sales remaining sluggish in Europe, growth in Asia and continued stability in North and Latin American markets.
Within this scenario, Sogefi expects to:

- continue to promote the internationalisation process of the Group
- continue to implement efficiency-oriented measures, also through improved Group integration.

Milan, 23 July 2013

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 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";
(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 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" 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", "Tax payables" and "Other current liabilities" 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", "Equity investments in associates" and "Other financial assets available for sale" in the Holding Company's statutory Statement Of Financial Position;
(q) the heading agrees with the sum of the line items "Total fixed assets", "Other receivables" and "Deferred tax assets" in the Holding Company's statutory Statement Of Financial Position;
(r) the heading agrees with the line item "Total other long-term liabilities" in the Holding Company's statutory Statement Of Financial Position;
(s) the heading agrees with the sum of the line items "Net result", "Depreciation and amortisation", "Accrual to income statement for fair value of cash flow hedging instruments", "Accrued costs for stock-based incentive plans", "Net change phantom stock options provision", "Net change risks provision and deferred charges" and "Net change in provision for employment termination indemnities" as well as the change of deferred tax assets/liabilities included in the line "Other medium/long-term assets/liabilities" of the Holding Company's Statutory Cash Flow Statement;
(t) the heading is included in the line item "Other medium/long-term assets/liabilities" 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 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)”.

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, 2013	December 31, 2012 (*)
CURRENT ASSETS			
Cash and cash equivalents	4	122,132	85,209
Other financial assets	5	7,143	8,229
Working capital			
Inventories	6	153,620	148,584
Trade receivables	7	200,645	155,161
Other receivables	7	32,311	32,477
Tax receivables	7	18,521	21,815
Other assets	7	5,488	3,559
TOTAL WORKING CAPITAL		*410,585*	*361,596*
TOTAL CURRENT ASSETS		539,860	455,034
NON-CURRENT ASSETS			
FIXED ASSETS			
Land	8	15,482	15,711
Property, plant and equipment	8	221,793	231,192
Other tangible fixed assets	8	5,186	5,442
Of which: leases		*8,010*	*5,159*
Intangible assets	9	251,726	239,577
TOTAL FIXED ASSETS		494,187	491,922
OTHER NON-CURRENT ASSETS			
Investments in joint ventures	10	300	298
Other financial assets available for sale	11	489	489
Non-current trade receivables	12	4	-
Financial receivables	12	53	-
Other receivables	12	6,773	6,789
Deferred tax assets	13-19	58,956	60,179
TOTAL OTHER NON-CURRENT ASSETS		66,575	67,755
TOTAL NON-CURRENT ASSETS		560,762	559,677
NON-CURRENT ASSETS HELD FOR SALE	14	-	-
TOTAL ASSETS		1,100,622	1,014,711

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

LIABILITIES	*Note*	*June 30, 2013*	*December 31, 2012 (*)*
CURRENT LIABILITIES			
Bank overdrafts and short-term loans	*15*	6,329	8,377
Current portion of medium/long-term financial debts and other loans	*15*	92,395	89,596
Of which: leases		*1,116*	*814*
TOTAL SHORT-TERM FINANCIAL DEBTS		98,724	97,973
Other short-term liabilities for derivative financial instruments	*15*	194	1,011
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FIN. INSTRUMENTS		98,918	98,984
Trade and other payables	*16*	311,957	282,050
Tax payables	*16*	9,032	12,203
Other current liabilities	*17*	6,625	8,765
TOTAL CURRENT LIABILITIES		426,532	402,002
NON-CURRENT LIABILITIES			
MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS			
Financial debts to bank	*15*	230,568	267,773
Other medium/long-term financial debts	*15*	123,883	8,821
Of which: leases		*7,395*	*4,880*
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS		354,451	276,594
Other medium/long-term financial liabilities for derivative financial instruments	*15*	17,036	13,708
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS		371,487	290,302
OTHER LONG-TERM LIABILITIES			
Long-term provisions	*18*	70,799	80,676
Other payables	*18*	313	179
Deferred tax liabilities	*19*	39,489	41,295
TOTAL OTHER LONG-TERM LIABILITIES		110,601	122,150
TOTAL NON-CURRENT LIABILITIES		482,088	412,452
SHAREHOLDERS' EQUITY			
Share capital	*20*	60,768	60,712
Reserves and retained earnings (accumulated losses)	*20*	96,052	91,343
Group net profit (loss) for the period	*20*	16,191	28,365
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY		173,011	180,420
Non-controlling interests	*20*	18,991	19,837
TOTAL SHAREHOLDERS' EQUITY		192,002	200,257
TOTAL LIABILITIES AND EQUITY		1,100,622	1,014,711

(*) 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 € 25,934 thousand from "Trade and other current payables" to "Long-term provisions" for better posting the relevant liability.

CONSOLIDATED INCOME STATEMENT
(in thousands of Euro)

	Note	1st half 2013		1st half 2012 (*)	
		Amount	%	Amount	%
Sales revenues	22	681,678	100.0	686,802	100.0
Variable cost of sales	24	476,157	69.9	480,632	70.0
CONTRIBUTION MARGIN		205,521	30.1	206,170	30.0
Manufacturing and R&D overheads	25	69,433	10.2	71,267	10.5
Depreciation and amortization	26	28,171	4.1	29,770	4.3
Distribution and sales fixed expenses	27	20,300	3.0	20,166	2.9
Administrative and general expenses	28	36,292	5.3	35,966	5.2
OPERATING RESULT		51,325	7.5	49,001	7.1
Restructuring costs	30	1,434	0.2	1,379	0.2
Losses (gains) on disposal	31	(1,557)	(0.2)	(530)	(0.1)
Exchange losses (gains)	32	948	0.1	244	-
Other non-operating expenses (income)	33	7,266	1.1	10,822	1.6
- of which non-recurring		*312*		*1,920*	
EBIT		43,234	6.3	37,086	5.4
Financial expenses (income), net	34	12,666	1.8	9,474	1.4
Losses (gains) from equity investments	35	-	-	-	-
RESULT BEFORE TAXES AND NON-CONTROLLING INTERESTS		30,568	4.5	27,612	4.0
Income taxes	36	12,626	1.8	10,370	1.5
NET RESULT BEFORE NON-CONTROLLING INTERESTS		17,942	2.7	17,242	2.5
Loss (income) attributable to non-controlling interests		(1,751)	(0.3)	(1,659)	(0.2)
GROUP NET RESULT		16,191	2.4	15,583	2.3
Earnings per share (EPS) (Euro):	38				
Basic		0.143		0.138	
Diluted		0.143		0.137	

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

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

	Note	*1st half 2013*	*1st half 2012 (*)*
Net result before non-controlling interests		17,942	17,242
Profit (loss) booked in Other Comprehensive Income:			
Items that will not be reclassified to profit or loss			
- Actuarial gain (loss)		(1,225)	(1,762)
- Tax on items that will not be reclassified to profit or loss	*20*	277	685
Total items that will not be reclassified to profit or loss		(948)	(1,077)
Items that may be reclassified to profit or loss			
- Profit (loss) booked to cash flow hedge reserve		(2,257)	(2,965)
- Profit (loss) booked to fair value reserve for financial assets available for sale		-	-
- Income tax relating to items that may be reclassified to profit or loss	*20*	620	815
- Profit (loss) booked to translation reserve		(7,315)	(2,206)
Total items that may be reclassified to profit or loss		(8,952)	(4,356)
Profit (loss) booked in Other Comprehensive Income		*(9,900)*	*(5,433)*
Total comprehensive result for the period		8,042	11,809
Attributable to:			
- Shareholders of the Holding Company		6,467	10,167
- Non-controlling interests		1,575	1,642

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

CONSOLIDATED CASH FLOW STATEMENT

(in thousands of Euro)

	1st half 2013	*1st half 2012 (*)*
Cash flows from operating activities		
Net result	16,191	15,583
Adjustments:		
- non-controlling interests	1,751	1,659
- depreciation, amortization and writedowns	27,948	31,406
- accrued costs for stock-based incentive plans	768	554
- losses/(gains) on disposal of fixed assets and non-current assets held for sale	(1,557)	(530)
- losses/(gains) on sale of equity investments in associates	-	-
- dividends collected	-	-
- provisions for risks, restructuring and deferred taxes	(8,794)	(1,302)
- post-retirement and other employee benefits	(514)	159
- change in net working capital	(26,002)	3,526
- other medium/long-term assets/liabilities	(640)	(11,676)
CASH FLOWS FROM OPERATING ACTIVITIES	9,151	39,379
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(14,474)	(19,965)
Purchase of intangible assets	(22,357)	(17,906)
Net change in other securities	1,096	(5,099)
Sale of subsidiaries (net of cash and cash equivalents) and associates	-	-
Sale of property, plant and equipment	2,978	755
Sale of intangible assets	70	-
Dividends collected	-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES	(32,687)	(42,215)
FINANCING ACTIVITIES		
Capital increase in subsidiaries from third parties	-	127
Net change in capital	112	50
Net purchase of treasury shares	-	(992)
Dividends paid to Holding Company shareholders and non-controlling interests	(17,167)	(17,216)
Exchange differences on equity/minority interests	112,783	-
New (repayment of) long-term loans	(33,703)	5,066
New (repayment of) finance leases	2,907	(982)
NET CASH FLOWS FROM FINANCING ACTIVITIES	64,932	(13,947)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	41,396	(16,783)
Balance at the beginning of the period	76,833	92,634
(Decrease) increase in cash and cash equivalents	41,396	(16,783)
Exchange differences	(2,426)	(713)
BALANCE AT THE END OF THE PERIOD	115,803	75,138

ADDITIONAL INFORMATIONS OF CASH FLOW STATEMENT		
Taxes paid	(17,444)	(4,679)
Financial expenses paid	(12,611)	(9,225)
Financial income collected	619	645

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

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, 2011 (*)	*60,665*	*98,884*	*24,046*	*183,595*	*18,976*	*202,571*
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
Other changes	-	(992)	-	(992)	-	(992)
Comprehensive result for the period		(101)	-	(101)	95	(6)
Fair value measurement of financial assets available for sale	-	-	-	-	-	-
Fair value measurement of cash flow hedging instruments	-	(2,965)	-	(2,965)	-	(2,965)
Actuarial gains (losses)	-	(1,762)	-	(1,762)	-	(1,762)
Tax on items booked in Other Comprehensive Income	-	1,500	-	1,500	-	1,500
Currency translation differences	-	(2,189)	-	(2,189)	(17)	(2,206)
Net result for the period	-	-	15,583	15,583	1,659	17,242
Total Comprehensive result for the period	-	(5,416)	15,583	10,167	1,642	11,809
Balance at June 30, 2012 (*)	*60,690*	*102,284*	*15,583*	*178,557*	*18,340*	*196,897*

(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, 2012 (*)	*60,712*	*91,343*	*28,365*	*180,420*	*19,837*	*200,257*
Paid share capital increase	*56*	*56*	-	*112*	-	*112*
Allocation of 2012 net profit:						
Legal reserve	-	-	-	-	-	-
Dividends	-	(14,667)	-	(14,667)	(2,500)	(17,167)
Retained earnings	-	28,365	(28,365)	-	-	-
Credit to equity for stock-based incentives plans	-	768	-	768	-	768
Net purchase of tresury shares	-	-	-	-	-	-
Other changes	-	(89)	-	(89)	79	(10)
Comprehensive result for the period						
Fair value measurement of financial assets available for sale	-	-	-	-	-	-
Fair value measurement of cash flow hedging instruments	-	(2,257)	-	(2,257)	-	(2,257)
Actuarial gains (losses)		(1,225)	-	(1,225)	-	(1,225)
Tax on items booked in Other Comprehensive Income	-	897	-	897	-	897
Currency translation differences	-	(7,139)	-	(7,139)	(176)	(7,315)
Net result for the period	-	-	16,191	16,191	1,751	17,942
Total Comprehensive result for the period	-	*(9,724)*	*16,191*	*6,467*	*1,575*	*8,042*
Balance at June 30, 2013	*60,768*	*96,052*	*16,191*	*173,011*	*18,991*	*192,002*

(*) Certain values for the year 2011 and 2012 were revised after the application of the amendment to IAS 19 – Employee Benefits.

EXPLANATORY AND SUPPLEMENTARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: CONTENTS

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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, 2013 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, 2012, 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 interpretation documents issued by the International Financial Reporting Standards Interpretations Committee ("IFRS IC", formerly "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 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 with the supplementary information considered useful for a clearer understanding of these half-year financial statements.
The interim condensed financial statements as at June 30, 2013 should be read in conjunction with the annual financial statements as at December 31, 2012.
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, 2013 were approved by the Board of Directors on July 23, 2013.

1.1 Format of the consolidated financial statements

The financial statements at June 30, 2013 are consistent with those used for the annual report at December 31, 2012.

1.2 Content of the consolidated financial statements

The interim condensed consolidated financial statements for the six-month period ending June 30, 2013 include the Holding Company Sogefi S.p.A. and its controlled 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.
It should be noted that subsidiary Allevard Rejna Autosuspensions S.A. increased its percentage of ownership in subsidiary Allevard IAI Suspensions Pvt Lt. from 54.91% to 65.20% in the first half year 2013.

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, 2013 are consistent with those used for the annual financial statements as of December 31, 2012 to which the reader should refer, except as reported in paragraph "Accounting standards, amendments and interpretations adopted from January 1, 2013". More specifically, the amendment to IAS 19 "Employee Benefits" eliminated the option to defer the recognition of gains and losses, known as the "corridor method", and requires all actuarial gains and losses to be booked to "Other comprehensive income" immediately, so that the full net amount of the provisions for the defined benefits (net of plan assets) is recognised in the consolidated statement of financial position. The amendment further requires any changes in the defined-benefit provision and plan assets over the previous period to be subdivided into three components: the cost components of work performed during the reporting period must be recognised in the Income Statement as service costs; net interest costs calculated by applying the appropriate discount rate to the opening net balance of defined-benefit provision net of assets must be booked to Income Statement as net financial expenses and the actuarial gains and losses resulting from the remeasurement of assets and liabilities must be booked to "Other comprehensive income". In addition, the return on assets included in net interest costs must be calculated using the discount rate applicable to liabilities and no longer the expected return on the assets.
In accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the amendment was applied retrospectively adjusting Shareholders' equity as at December 31, 2012 for the amount of Euro 15,038 thousand (net of tax effect) and income statement as at June 30, 2012 for the amount of Euro 480 thousand (net of tax effect). Impact as at January 1, 2012 was Euro 11,631 thousand (net of tax effect).
The items of the Statement of Financial Position as at December 31, 2012, of the Consolidated Income Statement as at June 30, 2012 and of the Consolidated Statement of Other Comprehensive Income as at June 30, 2012 that were adjusted upon adoption of the amendment are listed in the following tables. The amendment had no impact on the Cash Flow Statement. The effect of the amendment on Basic and Diluted Earnings per Share is also shown in the tables.

(in thousands of Euro)	*December 31, 2012*	*December 31, 2012 restated*	*Change*
OTHER NON-CURRENT ASSETS			
Other receivables	17,022	6,789	(10,233)
Deferred tax assests	57,530	60,179	2,649
TOTAL ASSET	1,022,295	1,014,711	(7,584)
TOTAL LONG-TERM LIABILITIES			
Long-term provisions	70,869	80,676	9,807
Deferred tax liabilities	43,648	41,295	(2,353)
TOTAL LIABILITIES	807,000	814,454	7,454
SHAREHOLDERS' EQUITY			
Reserves and retained earnings (accumulated losses)	105,421	91,343	(14,078)
Group net profit (loss) for the period	29,325	28,365	(960)
TOTAL SHAREHOLDERS' EQUITY	215,295	200,257	(15,038)

(in thousands of Euro)	*June 30, 2012*	*June 30, 2012 restated*	*Change*
CONSOLIDATED INCOME STATEMENT			
Administrative and general expenses	35,929	35,966	37
Other non-operating expenses (income)	11,248	10,822	(426)
Financial expenses (income), net	8,443	9,474	1,031
Income taxes	10,532	10,370	(162)
GROUP NET RESULT	16,063	15,583	(480)

(in thousands of Euro)	*June 30, 2012*	*June 30, 2012 restated*	*Change*
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME			
Net result before non controlling interests	17,722	17,242	(480)
Acutarial gains (losses)	-	(1,762)	(1,762)
Income tax relating to items that will not be reclassified to profit or loss	-	685	685
Profit (loss) booked to translation reserve	(2,060)	(2,206)	(146)
TOTAL GROUP COMPREHENSIVE RESULT	13,512	11,809	(1,703)

	June 30, 2012	*June 30, 2012 restated*	*Change*
EARNINGS PER SHARE (EPS) (Euro)			
Basic	0.142	0.138	(0.004)
Diluted	0.141	0.137	(0.004)

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 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 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.
The main items affected by these estimates are as follows:

- goodwill – the goodwill impairment test conducted as of December 31, 2012 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 2013 and the forecasts for the entire year 2013 are basically in line with the Group's long-term plan as approved by Group Management, there is no indication that goodwill might have suffered any impairment loss in the first half of 2013;
- possible recovery of deferred tax assets for tax losses – As of June 30, 2013, deferred tax assets for tax losses incurred during previous years were accounted for to the extent that the generation of future taxable income against which they can be utilised was deemed probable. Such probability is determined based on the fact that such losses have originated under extraordinary circumstances that are unlikely to occur again;
- pension plans: actuaries who offer their consulting services to the Group use different statistic assumptions in order to anticipate future events for the purpose of estimating pension plan expenses, liabilities and assets. Such assumptions concern discount rate, expected return on pension plan assets (this particular assumption concerns nearly exclusively British pension funds), future wage inflation rates, mortality and turnover rates;
- derivatives: the fair value of derivatives was estimated by third-party consultants based on assessment models in accordance with industry practice;
- long-term provisions: arising out of product warranty risks were determined based on conservative assumptions; the associated indemnification asset arising from indemnities was recognised based on a reasonable certainty that it will be recovered.

Accounting Standards, Amendments and Interpretations adopted from January 1, 2013

In addition to the amendment to IAS 19 mentioned above, the following accounting standards, amendments and interpretations have become applicable on January 1, 2013.

- On May 12, 2011, the IASB issued IFRS 13 – Fair value measurement which establishes a single framework for fair value measurements required or allowed by other IFRS and for the relevant disclosures. Fair value is defined as the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date.
  This standard must be applied prospectively.

- On December 16, 2011, the IASB issued certain amendments to IFRS 7 – Financial instruments: Disclosures (par. 13A-13F). The amendments require disclosures about the effect or potential effect of offsetting financial assets and liabilities in accordance with IAS 32 on an entity's financial position. The required disclosures should be provided retrospectively.

- On June 16, 2011, the IASB issued an amendment to IAS 1 – Presentation of Financial Statements requiring entities to group all items presented in “Other comprehensive income” depending on whether they may or may not be subsequently reclassified to the Income Statement. Taxes must be allocated accordingly.

- IFRIC Interpretation 20 – Stripping Costs in the Production Phase of a Surface Mine was published in October 2011. It addresses waste removal costs incurred in surface mining activities during the production phase of a mine.

- On May 17, 2012 the 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 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.

- 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.

IFRS and IFRIC accounting standards, amendments and interpretations approved by the European Union but not yet applicable unless early adopted

- On May 12, 2011, the IASB issued IFRS 10 – Consolidated Financial Statements, which will replace SIC-12 Consolidation – Special Purpose Entities and parts of IAS 27 – Consolidated and Separate Financial Statements, which has been renamed Separate Financial Statements and addresses the accounting treatment of investments in Separate Financial Statements. The key changes introduced by this new principle are as follows:

    - Under IFRS 10, all types of entities are to be consolidated according to a single basic principle, i.e. the principle of control. The changes introduced remove the perceived inconsistency between the former IAS 27 (based on control) and SIC 12 (based on the transfer of risk and benefits);
    - A more detailed definition of control has been introduced, based on three elements: (a) power over the investee; (b) exposure, or rights, to variable returns from the investor's involvement with the investee; (c) ability on the part of the investor to use its power over the investee to affect the amount of the investor’s returns;
    - for the purpose of determining whether an investor has control over an investee, IFRS 10 requires investor to focus on the activities that significantly affect the investee's return;
    - for the purpose of determining whether an investor has control over an investee, IFRS 10 requires that only substantive rights be considered, i.e. those rights that can be exercised when significant decisions need to be taken concerning the investee;
    - IFRS 10 provides application guidance on evaluating whether control exists in complex situations, such as de facto control, potential voting rights, situations in which it is necessary to assess whether the decision-maker is acting as a principal or an agent, etc.

Generally speaking, IFRS 10 application requires significant insight on a certain number of application issues.
The standard is applicable retrospectively from January 1, 2014.

- 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. The document clarifies that when an entity with a calendar year end first adopts IFRS 10 for the financial statements for the year ended December 31, 2013, initial application date will be January 1, 2013.

If the consolidation conclusion is the same under IAS 27 and SIC 12, as well as under IFRS 10 on the initial application date, the entity is not required to make any adjustments. Likewise, no adjustment is required when the interest was transferred during the comparative period (and is no longer held on initial application date).

The document aims 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. Specifically, when retrospective adjustment as outlined above is impracticable, an acquisition/transfer is accounted for at the beginning of the comparative period presented, and retained earnings are adjusted accordingly.
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). A further amendment to IFRS 12 limits the requirement to present comparative information for the disclosures for structured entities not consolidated in periods preceding the application of IFRS 12.
These amendments are to be applied - along with the reference standards - for years beginning on January 1, 2014, unless adopted earlier.

- 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. Without prejudice to the criteria for determining joint control, the new standard provides criteria for the accounting of joint arrangements that focus 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 in consolidated financial statements, the equity method. According to IFRS 11, the existence of a separate vehicle alone is not sufficient to classify a joint arrangement as a joint venture. The new standard is applicable retrospectively from January 1, 2014. Following the issuance of the new standard, IAS 28 – Investments in associates has been amended to include accounting for investments in jointly-controlled entities in its scope of application (from the date of effect of the 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 to be stated in the consolidated financial statements. The standard is applicable retrospectively from January 1, 2014.

- 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. More specifically, these amendments establish that: (i) assets and liabilities may be set off against each other when a right of set-off is legally enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of a party to the contract; and (ii) under certain conditions, simultaneous gross settlement of financial assets and liabilities that eliminates or significantly reduces credit and liquidity risk may be treated as equivalent to net settlement. The amendments are effective for annual periods beginning on or after January 1, 2014 and are required to be applied retrospectively.

IFRS accounting standards, amendments and interpretations not yet endorsed by the European Union

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

- On November 12, 2009, the IASB issued IFRS 9 – Financial instruments: the same standard was amended on October 28, 2010. The standard, applicable retrospectively from January 1, 2015, represents the first part 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. 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.

Phases two and three of the financial instrument project, which address financial asset impairment and hedge accounting, respectively, are still under way. IASB has also introduced improvements to the part of IFRS 9 that addresses the Classification and measurement of financial assets.

- The amendments to IFRS 10, IFRS 12 and IAS 27 "Investment Entities" issued on October 31, 2012 introduce an exemption from the consolidation of subsidiaries for investment entities, unless the investees provide them with services related to their investment activities. Under these amendments, an investment entity must measure its investment in subsidiaries on a fair value basis through profit or loss. In order to qualify as investment entity, an entity must:

    - obtain funds from one or more investors for the purpose of providing them with professional investment management services;
    - commit to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
    - measure and evaluate the performance of substantially all of its investments on a fair value basis.

These amendments apply for annual periods beginning on January 1, 2014; early adoption is permitted.

- On May 20, 2013 IFRS IC issued IFRIC 21 - Levies, that establishes how to account for levies/taxes paid to governments (in accordance with legislation in a specific jurisdiction) where an entity does not receive specific goods or services in exchange. Typically, the obligating event that triggers the liability is specified in the legislation introducing the levy or tax. A liability must be recognised when the obligating event occurs, even when the levy/tax is calculated on past performance (i.e. prior year revenues); occurrence of the past performance is a necessary but insufficient condition for recognising a liability. This

Interpretation is to be applied retrospectively for periods beginning on or after January 1, 2014.

- On May 29, 2013, the IASB issued an amendment to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets, that establishes certain limitations on the requirement to disclose the recoverable amount of an asset or cash generating unit (CGU). In this regard, IFRS 13 "Fair Value Measurement" had amended IAS 36 introducing the requirement to disclose the recoverable amount of each CGU or group of CGUs to which a significant portion of the carrying amount of goodwill or intangible assets with indefinite useful lives has been allocated. In addition, this amendment expressly requires entities to disclose the discount rate used to determine an impairment loss (or reversal) when the recoverable amount – calculated as fair value less cost to sell – is measured using the present value technique.

- On June 27, 2013, the IASB issued an amendment to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting proposing certain exceptions to the requirement to discontinue hedge accounting under IAS 39 in situations where an existing derivative must necessarily be novated to a Central Counterparty (CCP).

The following exchange rates have been used for translation purposes:

	1st half 2013		*1st half 2012*		*F.Y. 2012*
	Average	*06.30*	*Average*	*06.30*	*12.31*
US dollar	1.3133	1.3080	1.2963	1.2590	1.3194
Pound sterling	0.8510	0.8572	0.8223	0.8068	0.8161
Brazilian real	2.6656	2.8899	2.4102	2.5788	2.7036
Argentine peso	6.7290	7.0403	5.6918	5.6433	6.4863
Chinese renminbi	8.1274	8.0283	8.1893	8.0013	8.2210
Indian rupee	72.2543	77.7001	67.5676	70.1262	72.5689
New romanian Leu	4.3919	4.4603	4.3900	4.4514	4.4444
Canadian dollar	1.3344	1.3714	1.3040	1.2871	1.3137
Mexican peso	16.4908	17.0416	17.1821	16.8748	17.1851
Hong Kong dollar	10.1098	10.1482	10.0604	9.7656	10.2260

B) SEGMENT INFORMATION

3. OPERATING SEGMENTS

In compliance with the provisions of IFRS 8, the following information is provided by operating segments (business segments).
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 below. 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 2012 and 2013:

(in thousands of Euro)	*June 30, 2012*				
	Engine Systems Division	Suspension Components Division	Sogefi SpA / Sogefi Purch.	Adjust-ments	Sogefi Group consolida-tion
REVENUES					
Sales to third parties	412,308	274,494	-	-	686,802
Intersegment sales	580	592	10,183	(11,354)	-
TOTAL REVENUES	412,888	275,085	10,183	(11,354)	686,802
RESULTS					
EBIT	23,700	17,868	(4,468)	(14)	37,086
Financial expenses, net					(9,474)
Income from equity investments					-
Losses from equity investments					-
Result before taxes					27,612
Income taxes					(10,370)
Loss (profit) attributable to non-controlling interests					(1,659)
NET RESULT					15,583
STATEMENT OF FINANCIAL POSITION					
ASSETS					
Segment assets	520,493	440,840	576,274	(630,438)	907,169
Equity investments in associates	-	-	-	-	-
Unallocated assets	-	-	-	151,384	151,384
TOTAL ASSETS	520,493	440,840	576,274	(479,053)	1,058,553
LIABILITIES					
Segment liabilities	329,305	282,288	444,127	(194,064)	861,656
TOTAL LIABILITIES	329,305	282,288	444,127	(194,064)	861,656
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

(in thousands of Euro)	*June 30, 2013*				
	Engine Systems Division	Suspension Components Division	Sogefi SpA / Sogefi Purch.	Adjust-ments	Sogefi Group consolida-tion
REVENUES					
Sales to third parties	416,148	265,530	-	-	681,678
Intersegment sales	537	672	11,504	(12,713)	-
TOTAL REVENUES	416,685	266,202	11,504	(12,713)	681,678
RESULTS					
EBIT	28,625	19,504	(3,403)	(1,493)	43,234
Financial expenses, net					(12,666)
Income from equity investments					-
Losses from equity investments					-
Result before taxes					30,568
Income taxes					(12,626)
Loss (profit) attributable to non-controlling interests					(1,751)
NET RESULT					16,191
STATEMENT OF FINANCIAL POSITION					
ASSETS					
Segment assets	531,478	434,089	616,336	(633,907)	947,996
Equity investments in associates	-	-	-	-	-
Unallocated assets	-	-	-	152,626	152,626
TOTAL ASSETS	531,478	434,089	616,336	(481,281)	1,100,622
LIABILITIES					
Segment liabilities	347,374	278,040	489,435	(206,229)	908,620
TOTAL LIABILITIES	347,374	278,040	489,435	(206,229)	908,620
OTHER INFORMATION					
Increase in tangible and intangible fixed assets	21,676	9,889	5,559	(293)	36,831
Depreciation, amortization and writedowns	15,386	10,966	393	1,203	27,948

Please note that the Engine Systems Division figures include the net book value of the Systemes Moteurs Group – in other words, net assets that were not adjusted to fair value for its Purchase Price Allocation, except for the fair value of provision for product warranties booked at acquisition date and subsequent utilisation; the remaining adjustments for its Purchase Price Allocation are posted in column “Adjustments”.

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 depreciation and amortisation linked to the revaluation of assets resulting from the acquisition of 40% of Sogefi Rejna S.p.A. and its subsidiaries in the year 2000 and of the Systemes 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 Sogefi M.N.R., Filtration India Private Ltd and the Systemes Moteurs Group.

Information on the main customers

Note that revenues from sales to third parties as of June 30, 2013 account for over 10% of Group revenues and refer to: PSA (13.2% of total revenues), Ford (12.5% of total revenues) and Renault/Nissan (10.8% of total revenues).

Information on geographic areas

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.

The following table shows a breakdown of total assets by geographical area:

(in thousands of Euro)	June 30, 2012					
	Europe	South America	North America	Asia	Adjust-ments	Sogefi Group consolida-tion
TOTAL ASSETS	1,434,062	131,494	81,579	58,335	(646,918)	1,058,553

(in thousands of Euro)	June 30, 2013					
	Europe	South America	North America	Asia	Adjust-ments	Sogefi Group consolida-tion
TOTAL ASSETS	1,445,304	133,662	96,321	64,047	(638,712)	1,100,622

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 122,132 thousand versus Euro 85,209 thousand as of December 31, 2012 and break down as follows:

(in thousands of Euro)	*June 30, 2013*	*December 31, 2012*
Short-term cash investments	121,913	84,627
Cheques	151	521
Cash on hand	68	61
TOTAL	122,132	85,209

"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, 2013, the Group has unused lines of credit for the amount of Euro 273,100 thousand. These funds are available for use on demand, because the conditions required for their availability are met.

Please note that this item includes Euro 2,203 thousand held by the Argentinian subsidiaries; use of this amount is temporarily subject to government restrictions that require an official authorisation of foreign payments (including dividend payouts).

5. OTHER FINANCIAL ASSETS

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

(in thousands of Euro)	*June 30, 2013*	*December 31, 2012*
Securities held for trading	14	15
Held-to-maturity investments	7,104	8,199
Assets for derivative financial instruments	25	15
TOTAL	7,143	8,229

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

6. INVENTORIES

The breakdown of inventories is as follows:

(in thousands of Euro)	*June 30, 2013*			*December 31, 2012*		
	Gross	*Write-downs*	*Net*	*Gross*	*Write-downs*	*Net*
Raw, ancillary and consumable materials	58,098	4,335	53,763	53,879	4,274	49,605
Work in progress and semi-finished products	13,751	358	13,393	12,515	379	12,136
Contract work in progress and advances	35,225	161	35,064	41,224	57	41,167
Finished goods and goods for resale	58,579	7,179	51,400	53,173	7,497	45,676
TOTAL	165,653	12,033	153,620	160,791	12,207	148,584

The net value of inventories shows an increase of Euro 5,036 thousand (the increase would amount to Euro 9,708 thousand exchange rates being equal). This growth is in line with the usual seasonal trends.

7. TRADE AND OTHER RECEIVABLES

Current receivables break down as follows:

(in thousands of Euro)	*June 30, 2013*	*December 31, 2012*
Trade receivables	198,682	156,245
Less: allowance for doubtful accounts	4,661	5,263
Trade receivables, net	194,021	150,982
Due from Parent Company	6,624	4,179
Tax receivables	18,521	21,815
Other receivables	32,311	32,477
Other assets	5,488	3,559
TOTAL	256,965	213,012

“Trade receivables” are non-interest bearing and have an average due date of 44 days, against 42 days at the end of the previous year.

It should be noted that as of June 30, 2013, the Group factored trade receivables for Euro 64,103 thousand (Euro 68,415 thousand as of June 30, 2012), including an amount of Euro 29,190 thousand which was not notified and for which the Group continues to manage collection services. 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 debiting the consideration received from the factoring company.

Excluding the factoring transactions (Euro 64,103 thousand as at June 30, 2013 and Euro 65,114 thousand as at December 31, 2012) and the negative effect of exchange rates (Euro 8,015 thousand), net trade receivables show an increase of Euro 50,043 thousand as a result of the increase in the Group’s business activities which occurred in the second quarter of 2013 with respect to the end of the previous year.

“Due from Parent Company” includes receivables resulting from the participation in the Group tax filing system, due to Italian companies from the Parent Company CIR S.p.A.. Outstanding receivables as at December 31, 2012 were collected in the first half of 2013 for the amount of Euro 187 thousand. For further details, please refer to note 39.

“Tax receivables” include tax credits due to Group companies by the tax authorities of various countries. The decrease in this item compared to prior year closing balance is mainly due to lower VAT credits. It does not include deferred taxes which are treated separately.

“Other receivables” include:

(in thousands of Euro)	*June 30, 2013*	*December 31, 2012*
Amounts due from social security institutions	561	468
Amounts due from employees	370	293
Advances to suppliers	1,384	1,289
Due from others	29,996	30,427
TOTAL	32,311	32,477

“Due from others” include an indemnification asset of Euro 23,368 thousand owed by the seller of Systèmes Moteurs S.A.S. shares – booked during the Purchase Price Allocation process of the Systemes Moteurs Group – 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 (after possible partial indemnities obtained from insurers and suppliers).

“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, 2013 amounted to Euro 242,461 thousand versus Euro 252,345 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, 2012					
Historical cost	15,711	808,981	29,685	33,655	888,032
of which: leases - gross value	*331*	*8,496*	*15*	*-*	*8,842*
Accumulated depreciation	-	610,751	24,242	*694*	635,687
of which: leases - accumulated depreciation	-	*3,668*	*15*	-	*3,683*
Net value	15,711	198,230	5,443	32,961	252,345
Net value - leases	*331*	*4,828*	*-*	*-*	*5,159*
Balance at December 31, 2012	15,711	198,230	5,443	32,961	252,345
Additions of the period	13	3,350	363	10,748	14,474
Disposals during the period, net	(115)	(1,194)	-	(113)	(1,422)
Exchange differences	(127)	(3,404)	(180)	(323)	(4,034)
Depreciation for the period	-	(18,076)	(814)	-	(18,890)
Writedowns/revaluations during the period	-	242	-	-	242
Reclassification of non-current assets held for sale	-	-	-	-	-
Other changes	-	11,599	374	(12,227)	(254)
Balance at June 30, 2013	15,482	190,747	5,186	31,046	242,461
Historical cost	15,482	772,752	27,053	31,740	847,027
of which: leases - gross value	*331*	*11,637*	*71*	*-*	*12,039*
Accumulated depreciation	-	582,005	21,867	694	604,566
of which: leases - accumulated depreciation	-	*4,006*	*23*	-	*4,029*
Net value	15,482	190,747	5,186	31,046	242,461
Net value - leases	*331*	*7,631*	*48*	*-*	*8,010*

Investments during the period amounted to Euro 14,474 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 (Suzhou) Auto Parts. Co., Ltd for the new plant under construction, in Allevard Molas do Brasil Ltda to expand production capacity, in S.C. Systemes Moteurs S.r.l. to develop new products and increase production capacity, in Sogefi Filtration Ltd to develop new product and improve production processes, as well as in Sogefi Filtration do Brasil Ltda for process improvement, plant renewal and safety-related projects.

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 “Property, plant and equipment, industrial and commercial equipment” category, noteworthy are the investments in subsidiary Sogefi Engine Systems Mexico S. de R.L. de C.V. to expand production capacity as new product lines are developed, in Systèmes Moteurs S.A.S. to improve production processes and maintain and renew plants; and in Allevard Sogefi U.S.A. Inc. mainly to develop new products.

“Disposals during the period” total Euro 1,422 thousand and refer nearly entirely to the sale of an industrial building and adjoining land of subsidiary Sogefi Rejna S.p.A. (in Melfi); the Euro 462 thousand gains from this sale transaction were recognised in “Losses (gains) on disposal”.

“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 impairment reversals on industrial assets for the manufacture of stabilizer bars no longer used at subsidiary Allevard Sogefi U.S.A. Inc. that were sold to Chinese company Sogefi (Suzhou) Auto Parts Co., Ltd. during the year.

“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, 2013, tangible fixed assets are encumbered by mortgages or liens totalling Euro 11,623 thousand to guarantee loans from financial institutions, compared to Euro 13,046 thousand as of December 31, 2012. Guarantees refer to subsidiaries Sogefi Engine Systems Canada Corp., 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, 2013, there are binding commitments to buy tangible fixed assets for the amount of Euro 450 thousand (Euro 480 thousand as at December 31, 2012). 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, 2013 was Euro 12,039 thousand, and the related accumulated depreciation amounted to Euro 4,029 thousand.
The gross value of fixed assets under financial leases increased by Euro 3,198 thousand compared to December 31, 2012, and the increase relates to Allevard Sogefi U.S.A. Inc..
The financial aspects of the lease payments and their due dates are explained in note 15.

9. INTANGIBLE ASSETS

At June 30, 2013 intangible assets amount to Euro 251,726 thousand against Euro 239,577 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*	*Customer Relationship*	*Trade name Systèmes Moteurs*	*Goodwill*	*TOTAL*
Balance at December 31, 2012				-			
Historical cost	130,229	24,072	26,136	19,215	8,437	149,537	357,626
Accumulated amortization	69,333	19,105	4,695	1,402	616	22,898	118,049
Net value	60,896	4,967	21,441	17,813	7,821	126,639	239,577
Balance at December 31, 2012	60,896	4,967	21,441	17,813	7,821	126,639	239,577
Additions of the period	13,266	5,643	3,448	-	-	-	22,357
Disposals during the period, net	(70)	-	-	-	-	-	(70)
Exchange differences	(662)	(7)	(159)	-	-	-	(828)
Amortization for the period	(7,274)	(932)	(360)	(495)	(217)	-	(9,278)
Writedowns during the period	-	-	(22)	-	-	-	(22)
Other changes	1,058	10,763	(11,831)	-	-	-	(10)
Balance at June 30, 2013	67,214	20,434	12,517	17,318	7,604	126,639	251,726
Historical cost	142,717	40,290	16,981	19,215	8,437	149,537	377,177
Accumulated amortization	75,503	19,856	4,464	1,897	833	22,898	125,451
Net value	67,214	20,434	12,517	17,318	7,604	126,639	251,726

Investments in the half year amounted to Euro 22,357 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., Sogefi Filtration do Brasil Ltda and Sogefi Engine Systems Canada Corp.

Increases in "Industrial patents and intellectual property rights, concessions, licences and trademarks" refer mainly to the development and implementation of the new information system across the Sogefi Group. The integrated information system will be depreciated over a ten-year period starting from implementation date at each subsidiary.

Increases in "Other, assets under construction and payments on account" refer mainly to a large number of investments in the development and implementation of the new information system across the Sogefi Group. The largest investments were made in subsidiaries Allevard Rejna Autosuspensions S.A., Sogefi Rejna S.p.A. and Sogefi Filtration d.o.o.

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, 2012 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 2013, there are no indications that said assets have suffered any impairment loss in the first half of 2013.

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, 2013, these totalled Euro 489 thousand. They are unchanged versus December 31, 2012 and break down as follows:

(in thousands of Euro)	*June 30, 2013*	*December 31, 2012*
Equity investments in other companies	489	489
Other securities	-	-
TOTAL	489	489

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, 2013, non-current financial receivables total Euro 53 thousand and refer to the fair value of interest risk hedging instruments.

“Other receivables” break down as follows:

(in thousands of Euro)	*June 30, 2013*	*December 31, 2012*
Substitute tax	576	576
Pension fund surplus	1,631	2,631
Other receivables	4,566	3,582
TOTAL	6,773	6,789

“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 subsidiary Sogefi Filtration Ltd, as the company is entitled to any surplus upon plan termination, as outlined in note 18.

The item “Other receivables” mainly includes tax credits, including fiscal credits on purchases of assets made by the Brazilian subsidiaries, VAT credits of subsidiary Sogefi

(Suzhou) Auto Parts Co., Ltd 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, 2013, this item amounts to Euro 58,956 thousand compared with Euro 60,179 thousand as of December 31, 2012.
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 19,709 thousand (down by Euro 1,826 thousand from December 31, 2012). "Tax losses carried forward" mainly relate to subsidiary Allevard Sogefi U.S.A. Inc., Allevard Rejna Autosuspensions 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 of the British subsidiary can be carried forward indefinitely, those of the US subsidiary may be carried for up to twenty years (the first term expires in 2022), whereas those of the French subsidiary can be carried forward indefinitely, but a new law passed in 2012 has established a limit for the amount that can be utilised each year, making recovery time longer.

14. NON-CURRENT ASSETS HELD FOR SALE

As at June 30, 2013, there are no non-current assets held for sale.

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, 2013*	*December 31, 2012*
Bank overdrafts and short-term loans	6,329	8,377
Current portion of medium/long-term financial debts *of which: leases*	92,395 *1,116*	89,596 *814*
TOTAL SHORT-TERM FINANCIAL DEBTS	98,724	97,973
Other short-term liabilities for derivative financial instruments	194	1,011
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	98,918	98,984

Non-current portion

(in thousands of Euro)	*June 30, 2013*	*December 31, 2012*
Financial debts to banks	230,568	267,773
Other medium/long-term financial debts *of which: leases*	123,883 *7,395*	8,821 *4,880*
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS	354,451	276,594
Other medium/long-term liabilities for derivative financial instruments	17,036	13,708
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	371,487	290,302

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.

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.

Current and non-current portions of medium/long-term financial debts

Details are as follows (in thousands of Euro):

Company	Bank/Credit Institute	Signing date	Due date	Original amount loan	Interest rate	Current portion at June 30, 2013	Non-current portion at June 30, 2013	Total amount at June 30, 2013	Real Guarantees
Sogefi S.p.A.	Unicredit S.p.A.	Jun 2006	Mar - 2014	100,000	Euribor 3m + 90 bps variable	22,238	-	22,238	N/A
Sogefi S.p.A.	European Investment Bank - tranche A	Dec - 2010	Apr - 2016	20,000	Euribor 3m + 316 bps variable	5,000	9,931	14,931	N/A
Sogefi S.p.A.	European Investment Bank - tranche B	Dec 2010	Apr - 2016	20,000	Euribor 3m + 187 bps variable	5,000	9,931	14,931	N/A
Sogefi S.p.A.	Banca Monte dei Paschi di Siena S.p.A.	Mar - 2011	Mar - 2017	25,000	Euribor 3m + 200 bps variable	6,250	17,005	23,255	N/A
Sogefi S.p.A.	Intesa San Paolo S.p.A.	Apr - 2011	Dic - 2016	60,000	Euribor 3m + 230 bps variable	8,000	19,537	27,537	N/A
Sogefi S.p.A.	Banca Carige Italia S.p.A.	Jul - 2011	Set - 2017	25,000	Euribor 3m + 225 bps variable	4,765	16,548	21,313	N/A
Sogefi S.p.A.	Ge Capital Interbanca S.p.A.	Oct - 2011	Giu - 2017	10,000	Euribor 3m + 230 bps variable	2,000	5,948	7,948	N/A
Sogefi S.p.A.	Syndacated Loan	Dec - 2012	Dic - 2017	200,000	Euribor 3m + 425 bps variabile	-	115,752	115,752	N/A
Sogefi S.p.A.	Banco do Brasil S.A.	Dec - 2012	Dic - 2016	15,000	Euribor 3m + 315 bps variable	3,750	11,100	14,850	N/A
Allevard Rejna Autosuspensions S.A.	CIC Bank	May - 2013	Mag - 2014	4,000	2.012% fixed	4,000	-	4,000	N/A
Systèmes Moteurs S.A.S	CIC Bank	Dec - 2012	Dic - 2016	15,000	Euribor 3m + 315 bps fixed	3,500	-	3,500	N/A
Sogefi Filtration S.A.	Banco de Sabadell	May - 2011	Mag - 2016	7,000	Euribor 3m + 225 bps fixed	1,400	2,800	4,200	N/A
Shangai Sogefi Auto Part Co., Ltd	Unicredit S.p.A.	May - 2012	Dic - 2013	5,978	PBOC 6m x 130	5,978	-	5,978	N/A
Sogefi (Shouzu) Auto Parts Co., Ltd	ING bank	Mar - 2013	Mar - 2015	3,363	PBOC 12m rate x 1.5 vairable	-	3,363	3,363	N/A
Sogefi Engine Systems Canada Corp.	Ge Capital	Dic - 2011	Dic - 2013	3,050	B/A 3m+ 4.65% variable	569	2,479	3,048	YES
Sogefi Engine Systems Canada Corp.	Ge Capital	Dic - 2011	Dic - 2013	3,050	6.16% fixed	569	2,479	3,048	YES
Sogefi Filtration do Brasil Ltda	Banco do Brasil S.A.	Jun - 2010	Lug - 2013	6,112	4.5% fixed	6,112	-	6,112	N/A
Sogefi Filtration do Brasil Ltda	Banco Itau BBA	Feb - 2013	Mar - 2016	7,188	5.5% fixed	-	7,188	7,188	N/A
Other loan						13,264	6,507	19,771	N/A
TOTAL						92,395	230,568	322,963	

Line “Other loan” includes other minor loans, as well as financial lease payments in accordance with IAS 17.

Other medium/long-term financial debts

Details are as follows (in thousands of Euro):

Company	Bank/Credit Institute	Signing date	Due date	Original amount loan	Interest rate	Total amount at June 30, 2013	Real Guarantees
Sogefi S.p.A.	Private placement	May - 2013	May - 2023	USD 115.000	Fixed coupon 600 bps	87,831	N/A
Sogefi S.p.A.	Private placement	May - 2013	May - 2020	Euro 25.000	Fixed coupon 505 bps	24,952	N/A
Other financial debts						11,099	
TOTALE						123,882	

Line "Other financial debts" includes other minor loans, as well as financial lease payments in accordance with IAS 17.

As can be seen from the table above, Sogefi S.p.A. made two private placements in the US bond market in May 2013.
A US private placement of bonds to prime institutional investors for a total amount of USD 115 million for a 10-year term was completed on May 3, 2013 and will be amortised starting from the fourth year. The fixed coupon rate on this issue is 600 basis points.
A second US private placement of bonds to a prime institutional investor for the amount of Euro 25 million was completed on May 22, 2013 and will be repaid in a single instalment in May 2020. The fixed coupon rate on this issue is 505 basis points.

On May 8, 2013, the Holding Company Sogefi S.p.A. redeemed two loans obtained from Banca Sella S.p.A. in advance for a total amount of Euro 15,000 thousand (Euro 10,000 thousand had been drawn down in July 2012 and were to fall due in January 2014, whereas another Euro 5,000 thousand draw-down made in February 2013 was to fall due in July 2014).

On May 20, 2013, the Holding Company Sogefi S.p.A. repaid the revolving portion of the loan from Intesa Sanpaolo S.p.A. for the amount of Euro 30 million which had been drawn down in December 2012. The funds will remain available for draw-down to the Holding Company Sogefi S.p.A. until the loan expires in December 2016.

Furthermore, note that, contractually, the spreads relating to 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 the note below entitled "Analysis of the financial position".

Other medium/long-term 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	1,569	1,116
Between 1 and 5 years	4,889	3,616
Beyond 5 years	4,479	3,779
Total lease payments	10,937	8,511
Interests	(2,426)	-
TOTAL PRESENT VALUE OF LEASE PAYMENTS	8,511	8,511

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, 2013*	*December 31, 2012*
Trade and other payables	311,957	282,050
Tax payables	9,032	12,203
TOTAL	320,989	294,253

Details of trade and other payables are as follows:

(in thousands of Euro)	*June 30, 2013*	*December 31, 2012*
Due to suppliers	237,743	212,891
Due to Parent company	1,606	597
Due to tax authorities for indirect and other taxes	9,402	10,846
Due to social and security institutions	21,385	20,710
Due to employees	35,990	30,024
Other payables	5,831	6,982
TOTAL	311,957	282,050

Amounts “Due to suppliers ” are not interest-bearing and are settled on average in 75 days (74 days at December 31, 2012).

The amounts “Due to suppliers” increased by Euro 24,852 thousand (by Euro 33,582 thousand exchange rates being equal); this is mainly due to business growth in the second quarter 2013 compared to the last quarter 2012.

Amounts “Due to Parent Company” refer to the debt amounting to Euro 965 thousand with the Parent Company CIR S.p.A. for services rendered in the first half of 2013 (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 2012); Euro 641 thousand reflect the consideration due for the fiscal surplus transferred by companies that have joined the CIR Group tax filing system.

The decrease in amounts “Due to tax authorities for indirect and other taxes” reflects VAT debts for the most part relating to Engine Systems Division.

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 13th month salaries that will be paid to employees in the coming months.

The decrease in “Tax payables” is mostly accounted for by payment of taxes for the entire year 2012 of subsidiary Sogefi Engine Systems Canada Corp.; the subsidiary had made no down payments due to the tax benefit resulting from prior-year losses realised in the year 2011.

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.
The increase in the item for the amount of Euro 2,140 thousand mainly refers to minor advances paid by customers.

18. LONG-TERM PROVISIONS AND OTHER PAYABLES

Long-term provisions

These are made up as follows:

(in thousands of Euro)	*June 30, 2013*	*December 31, 2012*
Pension funds	35,732	36,213
Provision for employment termination indemnities	7,892	7,867
Provision for restructuring	2,130	7,720
Provisions for disputes with tax authorities	546	546
Provision for phantom stock option	218	30
Provision for product warranties	23,303	27,329
Agents' termination indemnities	93	90
Lawsuits	885	881
TOTAL	70,799	80,676

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, 2013*	*December 31, 2012*
Opening balance	33,582	30,086
Cost of benefits charged to income statement	955	4,057
Acutarial gain (loss)	1,224	2,155
Contributions paid	(1,497)	(2,873)
Exchange differences	(163)	157
TOTAL	34,101	33,582
of which booked to Liabilities	*35,732*	*36,213*
of which booked to Assets	*(1,631)*	*(2,631)*

"Cost of benefits charged to income statement" as at June 30, 2013 includes a benefit of Euro 821 thousand relating to subsidiary Allevard Springs Ltd booked under "Past service cost" after the relevant plan was modified.

We point out that as at June 30, 2013, the pension fund of subsidiary Sogefi Filtration Ltd shows a surplus of Euro 1,631 thousand, which was booked to "Other receivables", as explained in note 12. Most of the surplus decrease occurred since December 31, 2012 is accounted for by actuarial losses for the period.

The following table shows the balances of pension funds by geographical area of the relevant subsidiaries:

(in thousands of Euro)	*June 30, 2013*	*December 31, 2012*
Great Britain	3,381	3,443
France	27,256	26,624
Germany	3,064	3,139
Other	400	376
TOTAL	34,101	33,582

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

(in thousands of Euro)	*June 30, 2013*	*December 31, 2012*
Opening balance	7,867	6,491
Accruals for the period	130	348
Actuarial gain (loss)	-	1,370
Contributions paid	(105)	(342)
TOTAL	7,892	7,867

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, 2013	December 31, 2012
Opening balance	7,720	2,484
Accruals for the period	4	7,103
Utilizations	(5,162)	(1,666)
Provisions not used during the period	(150)	(158)
Other changes	-	(20)
Exchange differences	(282)	(23)
TOTAL	2,130	7,720

"Utilisations" have been booked as reductions of provisions previously set aside for restructuring projects planned and initiated in previous years and completed or being completed mainly in the Engine Systems Division.

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
The item amounts to Euro 546 thousand (unchanged from December 2012) and reflects tax disputes under way with local European tax authorities.

Provision for phantom stock options
This item amounts to Euro 218 thousand (Euro 30 thousand as of December 31, 2012) and refers to the fair value of incentive plans providing for cash payment, known as phantom stock options, for the Director in office as Managing Director of the Holding Company at the date of issue of the relevant plans. The change in the provision reflects the portion of the change in fair value attributable to the period (Euro 188 thousand). The increase 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
The provision changed as follows during the period:

(in thousands of Euro)	June 30, 2013	December 31, 2012
Opening balance	27,329	33,974
Accruals for the period	192	581
Utilizations	(4,096)	(5,463)
Provisions not used during the period	(100)	(1,770)
Other changes	-	20
Exchange differences	(22)	(13)
TOTAL	23,303	27,329

"Other payables" reflect for the most part liabilities connected with product warranty risks of the Systemes Moteurs Group and other liabilities booked to accounts during the Purchase Price Allocation process relating to the acquisition of the Group.
The item also includes provisions for product warranties calculated on a statistical basis made by Group companies to cover customer warranty claims accepted and allocations made to provision for specific risks and litigation with customers.

Other payables
As of June 30, 2013, “Other payables” amount to Euro 313 thousand (Euro 179 thousand as at December 31, 2012).

19. DEFERRED TAX LIABILITIES

As of June 30, 2013, this item amounts to Euro 39,489 thousand compared with Euro 43,648 thousand as of December 31, 2012.
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 60,768 thousand as of June 30, 2013 (Euro 60,712 thousand as of December 31, 2012), split into 116,862,192 ordinary shares with a par value of Euro 0.52 each.

As at June 30, 2013, the Holding Company has 3,969,604 treasury shares (3,981,095 as at December 31, 2012) in its portfolio, corresponding to 3.40% of share capital (3.41% as at December 31, 2012), at an average price of Euro 2.28 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*	*Traeasury share*	*Translation reserve*	*Legal reserve*	*Cash flow hedging reserve*	*Stock-based incentive plans reverve*	*Defined benefit reserve*	*Tax on items booked in Other Comprehensive Income*	*Other reserves*	*Retained earnings*	*Net result for the period*	*Total*
Balance at December 31, 2011	*60,665*	*12,145*	*7,691*	*(7,691)*	*3,721*	*12,320*	*(9,158)*	*2,319*	*(14,850)*	*5,741*	*3,111*	*83,535*	*24,046*	*183,595*
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 treasury shares	-	(992)	992	(992)	-	-	-	-	-	-	-	-	-	(992)
Other changes	-	-	-	-	-	-	-	-	-	-	-	(101)	-	(101)
Fair value measurement of financial assets available for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fair value measurement of cash flow hedging instruments: share booked to equity	-	-	-	-	-	-	(3,793)	-	-	-	-	-	-	(3,793)
Fair value measurement of cash flow hedging instruments: share booked to income statement	-	-	-	-	-	-	828	-	-	-	-	-	-	828
Actuarial gain (loss)	-	-	-	-	-	-	-	-	(1,762)	-	-	-	-	(1,762)
Tax on items booked in Other Comprehensive Income	-	-	-	-	-	-	-	-	-	1,500	-	-	-	1,500
Currency translation differences	-	-	-	-	(2,189)	-	-	-	-	-	-	-	-	(2,189)
Net result for the period	-	-	-	-	-	-	-	-	-	-	-	-	15,583	15,583
Balance at June 30, 2012	60,690	11,178	8,683	(8,683)	1,532	12,320	(12,123)	2,873	(16,612)	7,241	3,111	92,764	15,583	178,557
Balance at December 31, 2012	*60,712*	*10,796*	*9,087*	*(9,087)*	*(6,923)*	*12,320*	*(14,528)*	*3,552*	*(18,374)*	*8,587*	*3,111*	*92,802*	*28,365*	*180,420*
Paid share capital increase	*56*	*56*	-	-	-	-	-	-	-	-	-	-	-	*112*
Allocation of 2012 net profit:														
Legal reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	(14,667)	-	(14,667)
Retained earnings	-	-	-	-	-	-	-	-	-	-	-	28,365	(28,365)	-
Credit to equity for stock-based incentive plans	-	-	-	-	-	-	-	768	-	-	-	-	-	768
Net purchase of tresury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other changes	-	26	(26)	26	-	-	-	(32)	-	-	-	(83)	-	(89)
Fair value measurement of financial assets available for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fair value measurement of cash flow hedging instruments: share booked to equity	-	-	-	-	-	-	(3,636)	-	-	-	-	-	-	(3,636)
Fair value measurement of cash flow hedging instruments: share booked to income statement	-	-	-	-	-	-	1,379	-	-	-	-	-	-	1,379
Actuarial gain (loss)	-	-	-	-	-	-	-	-	(1,225)	-	-	-	-	(1,225)
Tax on items booked in Other Comprehensive Income	-	-	-	-	-	-	-	-	-	897	-	-	-	897
Currency translation differences	-	-	-	-	(7,139)	-	-	-	-	-	-	-	-	(7,139)
Net result for the period	-	-	-	-	-	-	-	-	-	-	-	-	16,191	16,191
Balance at June 30, 2013	60,768	10,878	9,061	(9,061)	(14,062)	12,320	(16,785)	4,288	(19,599)	9,484	3,111	106,417	16,191	173,011

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 7,139 thousand, mainly due to the depreciation of the Brazilian Real and of the Canadian Dollar 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 2,257 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 the first half year 2013.

Reserve for defined-benefit plans
This reserve reflects the impact of the application of the amendment to IAS 19 "Employee Benefits" on Shareholders' equity as at January 1, 2012. The item also includes actuarial gains and losses accrued after January 1, 2012 and recognised in the Consolidated Statement of Other Comprehensive Income.

Retained earnings
These totalled Euro 106,417 thousand and include amounts of profit that have not been distributed. The decrease of Euro 83 thousand mainly arises from the change in the percentage held in the subsidiary Allevard IAI Suspensions Pvt Ltd.

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 2013*			*1st half 2012*		
	Gross Amount	Tax effect	Net Amount	Gross Amount	Tax effect	Net Amount
Profit (loss) that will not be reclassified in Other Comprehensive Income						
- Actuarial profit (loss)	(1,225)	277	(948)	(1,762)	685	(1,077)
Subtotal of profit (loss) that will not be reclassified in Other Comprehensive Income	*(1,225)*	*277*	*(948)*	*(1,762)*	*685*	*(1,077)*
Profit (loss) that may be reclassified in Other Comprehensive Income						
- Profit (loss) booked to cash flow hedge reserve	(2,257)	620	(1,637)	(2,965)	815	(2,150)
- Profit (loss) booked to translation reserve	(7,315)	-	(7,315)	(2,206)	-	(2,206)
Subtotal of profit (loss) that may be reclassified in Other Comprehensive Income	*(9,572)*	*620*	*(8,952)*	*(5,171)*	*815*	*(4,356)*
Total Other Comprehenive Income, net of fiscal effect	(10,797)	897	(9,900)	(6,933)	1,500	(5,433)

NON-CONTROLLING INTERESTS

The balance amounts to Euro 18,991 thousand and refers to the portion of shareholders' equity attributable to non-controlling interests.

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, 2013*	*December 31, 2012*
A. Cash	122,132	85,209
B. Other cash at bank and on hand (held-to-maturity investments)	7,104	8,199
C. Financial instruments held for trading	14	15
D. Liquid funds (A) + (B) + (C)	**129,250**	**93,423**
E. Current financial receivables	**25**	**15**
F. Current payables to banks	6,329	8,377
G. Current portion of non-current indebtedness	92,395	89,596
H. Other current financial debts	194	1,011
I. Current financial indebtedness (F) + (G) + (H)	**98,918**	**98,984**
J. Current financial indebtedness, net (I) - (E) - (D)	**(30,357)**	**5,546**
K. Non-current payables to banks	230,568	267,772
L. Bonds issued	112,783	-
M. Other non-current financial debts	28,135	22,529
N. Non-current financial indebtedness (K) + (L) + (M)	**371,486**	**290,301**
O. Net indebtedness (J) + (N)	**341,129**	**295,847**
Non-current financial receivables	53	-
Financial indebtedness, net including non-current financial receivables (as per the "Net financial position" included in the Report on operations)	**341,076**	**295,847**

Details of the covenants applying to loans outstanding at the end of the first half year 2013 are as follows (see note 15 for further details on loans):
- loan of Euro 100,000 thousand from Unicredit 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 consolidated net financial position to consolidated normalised EBITDA has to be less than or equal to 3.5;
- 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 than 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 Interbanca S.p.A.: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less than 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 Monte dei Paschi di Siena S.p.A.: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less than or equal to 3.5; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 4;
- 2012 syndicated loan of Euro 200,000 thousand: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less than 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 15,000 thousand from Banco do Brasil S.A.: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less than or equal to 3.5; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 4;
- bond issue of USD 115,000 thousand: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less than or equal to 3.5; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 4;
- bond issue of Euro 25,000 thousand: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less than 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, 2013 all covenants were complied with.

D) NOTES ON THE MAIN INCOME STATEMENT ITEMS

22. SALES REVENUES

Revenues from sales and services
The Sogefi Group recorded net revenues for the amount of Euro 681,678 thousand during the period, compared with Euro 686,802 thousand in H1 2012 (-0.7%).
Exchange rates being equal (at the average exchange rates of H1 2012), corresponding revenues would amount to Euro 701,592 thousand (+2.2%).

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

By business sector:

(in thousands of Euro)	*1st half 2013*		*1st half 2012*	
	Amount	*%*	*Amount*	*%*
Engine Systems	416,685	61.0	412,021	60.0
Suspension components	266,201	39.0	275,085	40.0
Intercompany eliminations	(1,208)	-	(304)	-
TOTAL	681,678	100.0	686,802	100.0

By geographical area of "destination":

(in thousands of Euro)	*1st half 2013*		*1st half 2012*	
	Amount	*%*	*Amount*	*%*
Europe	443,143	65.0	474,223	69.0
Mercosur	118,437	17.4	108,445	15.8
Nafta	89,256	13.1	75,369	11.0
Asia	28,194	4.1	21,033	3.1
Rest of the World	2,648	0.4	7,732	1.1
TOTAL	681,678	100.0	686,802	100.0

With regard to the performance of individual markets, one noteworthy fact is the continuing growth in North America, with revenues close to Euro 90 million for the half year (+18.4%), which now account for 13.1% of total Group sales revenues (2.1 percentage points up from last year). Particularly significant was growth in Asia as well, with revenues 34% higher than in the first half year 2012.
The Mercosur region also recorded a very positive performance (+9.2%), namely 2.3 percentage points better than the market in spite of the unfavourable effect of exchange rates. In Europe Sogefi reported revenues of Euro 443.1 million, down 6.6% from last year, which however are in line with market trends.

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 2011	526,593	631,792	1,158,385
FY 2012	686,802	632,431	1,319,233

24. VARIABLE COST OF SALES

Details are as follows:

(in thousands of Euro)	*1st half 2013*	*1st half 2012*
Materials	355,261	357,274
Direct labour cost	60,010	61,825
Energy costs	18,632	19,123
Sub-contracted work	9,705	13,024
Ancillary materials	9,283	9,537
Variable sales and distribution costs	21,453	20,527
Royalties paid to third parties on sales	2,538	2,493
Other variable costs	(725)	(3,171)
TOTAL	476,157	480,632

At 69.9%, the impact of "Variable cost of sales" on revenues remains more or less in line with that of the prior year (70% in the first six months of 2012).

25. MANUFACTURING AND R&D OVERHEADS

Details are as follows:

(in thousands of Euro)	*1st half 2013*	*1st half 2012*
Labour cost	56,474	55,946
Materials, maintenance and repairs	11,039	12,632
Rental and hire charges	4,814	4,484
Personnel services	4,430	4,187
Technical consulting	2,788	2,749
Sub-contracted work	938	788
Insurance	1,838	2,087
Utilities	832	919
Capitalization of internal construction costs	(15,576)	(14,564)
Other	1,856	2,039
TOTAL	69,433	71,267

"Manufacturing and R&D overheads" show a decrease of Euro 1,834 thousand which is entirely due to the effect of exchange rates.

The most significant changes are discussed below:

- "Materials, maintenance and repairs" dropped by Euro 1,593 thousand as a whole thanks especially to cost abatements achieved by subsidiaries LPDN GmbH, Sogefi Rejna S.p.A. and Systèmes Moteurs S.A.S.;
- the Euro 249 thousand decrement in "Insurance" mainly relates to subsidiary Filtrauto S.A.;
- conversely, "Labour cost" increased by Euro 528 thousand mainly because of the increase of direct labour at subsidiaries Allevard Rejna Argentina S.A. and Allevard Sogefi USA Inc., as well as at the Chinese subsidiaries. The increase was partly offset by a significant reduction in labour cost at subsidiary Sogefi Filtration Ltd as a result of the restructuring measures implemented during the year and downsizing measures at the French subsidiaries Filtrauto S.A. and Systèmes Moteurs S.A.S..

"Capitalisation of internal construction costs" increased by Euro 1,012 thousand, in particular at the Chinese subsidiaries. This is mainly due to increased research and development efforts and costs incurred in implementing the new Wujiang site.

Total costs for Research and Development (not reported in the table) amount to Euro 19,347 thousand compared to Euro 19,160 thousand in June 2012. Margin on revenues remained stable at 2.8% for both half years.

26. DEPRECIATION AND AMORTISATION

Details are as follows:

(in thousands of Euro)	*1st half 2013*	*1st half 2012*
Depreciation of tangible fixed assets	18,893	20,684
of which: assets under finance leases	*411*	*534*
Amortization of intangible assets	9,278	9,087
TOTAL	28,171	29,771

Item “Depreciation and amortisation” amounts to Euro 28,171 thousand compared with Euro 29,771 thousand in the first half year 2012.

This reduction is mainly traced back to European subsidiaries and is partly offset by growing depreciation and amortisation at Chinese subsidiaries.

Industrial depreciation included in the total depreciation of tangible fixed assets amounted to Euro 18,078 thousand versus Euro 19,838 thousand in the same period of the previous year.

Amortisation of intangible assets refers principally to development costs capitalised in previous years.

27. DISTRIBUTION AND SALES FIXED EXPENSES

The table below shows the main components of this item:

(in thousands of Euro)	*1st half 2013*	*1st half 2012*
Labour cost	12,558	12,336
Sub-contracted work	2,861	2,678
Advertising, publicity and promotion	1,755	1,851
Personnel services	1,620	1,589
Rental and hire charges	761	789
Consulting	389	385
Other	356	538
TOTAL	20,300	20,166

“Distribution and sales fixed expenses” increased by Euro 134 thousand (+0.7%) from H1 2012.

No significant changes occurred in the different items of these types of expenses.

28. ADMINISTRATIVE AND GENERAL EXPENSES

These can be broken down as follows:

(in thousands of Euro)	*1st half 2013*	*1st half 2012*
Labour cost	19,031	17,952
Personnel services	2,728	2,378
Maintenance and repairs	2,467	1,998
Cleaning and security	1,541	1,924
Consulting	2,634	3,066
Utilities	1,611	1,485
Rental and hire charges	2,064	2,032
Insurance	610	642
Participation des salaries	1,101	780
Administrative, financial and tax-related services provided by Parent Company	965	994
Audit fees	949	932
Directors' and statutory auditors' remuneration	681	911
Sub-contracted work	312	313
Internally generated assets	(3,094)	(1,255)
Other	2,692	1,814
TOTAL	36,292	35,966

"Administrative and general expenses" increased by Euro 326 thousand.

The Euro 1,079 thousand increase in "Labour cost" reflects for the most part newly hired workforce at the Chinese subsidiaries to complete the administration departments, at subsidiary Filtrauto S.A. engaged in the management of IT systems, and at the Holding Company Sogefi S.p.A..
The increase was partly offset by a significant reduction in labour cost at subsidiary Sogefi Filtration Ltd as a result of the restructuring measures under way.

"Personnel services" increased by Euro 350 thousand mainly because of higher travelling expenses incurred by the French subsidiary Filtrauto S.A. – relating to the IT Department for the most part – and by subsidiary Allevard Rejna Autosuspensions S.A., which set up an International Development Team to manage the new strategic initiatives.

"Maintenance and repairs" increased by Euro 469 thousand; most of the increase relates to costs incurred by the French subsidiary Filtrauto S.A. in implementing the integrated Group information system and to higher routine maintenance and repair costs incurred by subsidiary Allevard Rejna Autosuspensions S.A..

The integrated Group information system also resulted in increased "Capitalisation of internal construction costs" – by Euro 1,839 thousand – related to the Holding Company Sogefi S.p.A.. Please note that this impact had been charged to "Manufacturing and R&D overheads" under "Capitalisation" in the half-year report 2012; previous half-year figures were reclassified to allow for a comparison.

Lastly, item "Other" shows an increase of Euro 878 thousand which mainly relates to the Holding Company Sogefi S.p.A. and reflects third party operating expenses connected with the new Group information system.

29. PERSONNEL COSTS

Personnel

Personnel costs can be broken down as follows:

(in thousands of Euro)	*1st half 2013*	*1st half 2012*
Wages, salaries and contributions	145,934	145,991
Pension costs: defined benefit plans	1,249	1,077
Pension costs: defined contribution plans	875	795
Participation des salaries	1,101	780
Imputed cost of stock option and stock grant plans	768	554
Other costs	143	275
TOTAL	150,070	149,472

With respect to H1 of the previous year, “Personnel costs” have risen by Euro 598 thousand (+0.4%). Exchange rates being equal, the increment would have been Euro 3,763 thousand (+2.5%).

The impact of “Personnel costs” on sales revenues has risen slightly, namely to 22% from 21.8% in the first half year 2012.

“Wages, salaries and contributions”, “Pension costs: defined benefit plans” and “Pension costs: defined contribution plans” are posted in the tables provided above at line “Labour cost”.

“*Participation des salaries*” is included in “Administrative and general expenses”.

“Other costs” is included in “Administrative and general expenses”.

“Imputed cost of stock option and stock grant plans” is included in “Other non-operating expenses (income)”. The following paragraph “Personnel benefits” provides details of the *stock option* and *stock grant* plans.

The structure of the workforce by category is as follows:

(Number of employees)	*1st half 2013*	*1st half 2012*
Managers	111	114
Clerical staff	1,830	1,802
Blue collar workers	4,751	4,833
TOTAL	6,692	6,749

Personnel benefits

Sogefi S.p.A. implements stock-based incentive plans for the Managing Director of the Company and for employees of the Company and of 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 2013, the plans issued in the period from 2004 until 2012 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, 2013, after the Shareholders' Meeting approved the 2013 stock grant plan to assign a maximum of 1,700,000 conditional rights, the Board of Directors executed the 2013 stock grant plan restricted to employees of the Company and of its subsidiaries, who were assigned a total of 1,041,358 Units (432,434 of which were Time-based Units and 608,924 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, 2015 and ending on January 31, 2017.
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 2013 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 1,890 thousand overall.

Input data used for measuring the fair value of the 2013 stock grant plans are provided below:
- curve of EUR/GBP/SEK/CFH-riskless interest rates as of April 19, 2013;
- prices of the underlying (equal to price of Sogefi S.p.A. share as of April 19, 2013, and equal to Euro 2.156) and of the securities included in the benchmark basket, again as of April 19, 2013;
- standard prices of Sogefi S.p.A. share and of the securities included in the benchmark basket during the period starting on March 19, 2013 and ending on April 19, 2013 for the determination of the Stock Grant Performance Units limit;
- historical volatility rate of stock and exchange rates during 260 days, as of April 19, 2013;
- null *dividend yield* for *stock grant* valuation;
- historical series of the logarithmic returns of involved securities and EURGBP, EURSEK and EURCHF exchange rates to calculate the correlation among securities and among the three non-EUR denominated securities and associated exchange rates (to adjust for estimated trends);
- 200,000 simulations were used for the MC simulation.

The main characteristics of the *stock grant* plans approved during previous years and still under way are outlined below:

• 2011 stock grant plan for a maximum of 1,250,000 conditional rights, restricted to the Managing Director of the Company and employees of the Company and its subsidiaries through the assignment of 757,500 Units in total (320,400 of which are Time-based Units and 437,100 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, 2013 and ending on January 20, 2015.
Performance Units will vest at the same vesting dates established for *Time-based* Units, provided that the price value of shares at vesting date is at least equal to the percentage of the initial value indicated in the regulation;
• 2012 stock grant plan for a maximum of 1,600,000 conditional rights, restricted to the Managing Director of the Company and employees of the Company and its subsidiaries through the assignment of 1,152,436 Units in total (480,011 of which are 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 imputed cost for H1 2013 for existing stock grant plans is Euro 742 thousand, booked to the Income Statement under “Other non-operating expenses (income)”.

The table below reports the overall number of existing units relating to the plans of period 2011-2013:

	June 30,2013	*December 31,2012*
Not exercised/not exercisable at the start of the year	1,854,618	757,500
Granted during the period	1,045,977	1,152,436
Cancelled during the period	(21,453)	(55,318)
Exercised during the period	(11,491)	-
Not exercised/not exercisable at the end of the period	2,867,651	1,854,618
Exercisable at the end of the period	31,753	-

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, 2013) 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, 2013) 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 (1.51% of the share capital as of June 30, 2013) 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, 2013) 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, 2013) 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, 2013) 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, 2013) 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 at the date of issue of the relevant plan and employees of the Company and its subsidiaries for a maximum of 2,440,000 shares (2.09% of the share capital as of June 30, 2013) with a subscription price of Euro 2.3012, to be exercised between September 30, 2010 and September 30, 2020.

The imputed cost for 2013 for existing stock option plans is Euro 26 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 exercise price:

	June 30, 2013		*December 31, 2012*	
	Number	*Average price of the period*	*Number*	*Average price of the period*
Not exercised/not exercisable at the start of the year	7,178,400	2.96	7,767,400	3.02
Granted during the period	-	-	-	-
Cancelled during the period	(77,400)	3.26	(498,600)	4.19
Exercised during the period	(108,800)	1.04	(90,400)	1.04
Not exercised/not exercisable at the end of the period	6,992,200	3.00	7,178,400	2.96
Exercisable at the end of the period	6,278,200	3.08	5,760,400	3.22

The line "Not exercised/not exercisable at the end of the period" 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, 2013 are given below:

	Total
Number of exercisable options remaining at December 31, 2012	5,760,400
Options matured during the period	764,000
Options cancelled during the period	(137,400)
Options exercised during the period	(108,800)
Number of exercisable options remaining at June 30, 2013	6,278,200

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 Director in office as Managing Director of the Holding Company at the date of issue of the relevant plan, 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 Director in office as Managing Director of the Holding Company at the date of issue of the relevant plan and to managers of the Holding Company, as well as 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, 2013 are given below:

	June 30, 2013
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, 2013 of the options awarded was calculated using the Black-Scholes method and amounts to Euro 218 thousand. The negative change compared to the previous year, corresponding to Euro 188 thousand, was booked to the Income Statement under "Directors' and statutory auditors' remuneration".

30. RESTRUCTURING COSTS

These amount to Euro 1,434 thousand (Euro 1,379 thousand in H1 of the previous year) and refer to restructuring plans that are already being implemented.
This item is comprised of costs incurred and paid during the half-year in the amount of Euro 1,580 thousand, allocations to "Provision for restructuring" amounting to Euro 4 thousand and provisions not used during the period for Euro 150 thousand.

31. LOSSES (GAINS) ON DISPOSAL

Gains on disposal amount to Euro 1,557 thousand, Euro 462 thousand of which from the sale of the Melfi site by subsidiary Sogefi Rejna S.p.A., Euro 436 thousand arise from the sale of the Custine site by subsidiary Allevard Rejna Autosuspensions S.A., and the remaining balance reflects the sale of machinery by subsidiary Sogefi Filtration Ltd.

As at June 30, 2012, gains on disposal amounted to Euro 530 thousand.

32. EXCHANGE (GAINS) LOSSES

Net exchange losses as of June 30, 2013 amount to Euro 948 thousand (Euro 244 thousand as of H1 2012).

33. OTHER NON-OPERATING EXPENSES (INCOME)

These amount to Euro 7,266 thousand (compared to Euro 10,822 thousand in H1 of the previous year), Euro 1,126 thousand of which relate to the Systemes Moteurs Group.
The following table shows the main elements:

Details are as follows:

(in thousands of Euro)	*1st half 2013*	*1st half 2012*
Indirect taxes	3,948	4,226
Other fiscal charges	1,782	1,944
Imputed cost of stock options and stock grant	768	554
Other non-operating expenses (income)	768	4,098
TOTAL	7,266	10,822

"Indirect taxes" include tax charges such as property tax, taxes on sales revenues (French companies), non-deductible VAT and taxes on professional training.
"Other fiscal charges" consist of the *cotisation économique territoriale* (previously called *taxe professionnelle*) relating to the French companies, which is calculated on the value of tangible fixed assets and on added value.

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

of which non-recurring:
- costs associated with the transfer of a production line from subsidiary Allevard Sogefi USA Inc. to subsidiary Sogefi (Suzhou) Auto Parts Co., Ltd for the amount of Euro 572 thousand;
- impairment reversals on tangible fixed assets that had been written down during the previous year relating to subsidiary Allevard Sogefi USA Inc. for the amount of Euro 260 thousand;

of which recurring:
- writedown of tangible and intangible fixed assets for the amount of Euro 40 thousand;

- 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 458 thousand;
- income in the amount of Euro 818 thousand relating to “Past service cost” mainly relating to subsidiary Allevard Springs Ltd;
- pension costs for employees no longer on the books of Allevard Federn GmbH for the amount of Euro 51 thousand;
- costs for business development consulting for the amount of Euro 133 thousand;
- costs associated with a fire occurred at subsidiary Allevard Rejna Autosuspensions S.A. for the amount of Euro 250 thousand;
- other recurring costs for the amount of Euro 342 thousand.

34. FINANCIAL EXPENSES (INCOME), NET

Financial expenses are detailed as follows:

(in thousands of Euro)	*1st half 2013*	*1st half 2012*
Interest on bond loans	999	-
Interest on amounts due to banks	6,728	5,826
Financial charges under lease contracts	182	213
Financial component of pension funds and termination indemnities	618	798
Loss on interest-bearing hedging instruments	1,398	839
Other interest and commissions	3,360	2,445
TOTAL FINANCIAL EXPENSES	13,285	10,121

Financial income is detailed as follows:

(in thousands of Euro)	*1st half 2013*	*1st half 2012*
Gain on interest-bearing hedging instruments	19	11
Interest on amounts due from banks	454	527
Other interest and commissions	146	109
TOTAL FINANCIAL INCOME	619	647
TOTAL FINANCIAL EXPENSES (INCOME), NET	12,666	9,474

“Financial expenses, net” show an increase of Euro 3,192 thousand mainly due to a higher average cost of indebtedness.

35. LOSSES (GAINS) FROM EQUITY INVESTMENTS

As of June 30, 2013, this item amounts to zero.

36. INCOME TAXES

(in thousands of Euro)	*1st half 2013*	*1st half 2012*
Current taxes	11,672	8,718
Deferred tax liabilities (assets)	313	1,351
Income expenses from Group tax filing system	641	301
TOTAL	12,626	10,370

The first half of 2013 shows a tax rate corresponding to 41.3%, against a tax rate of 37.6% in the same period of the previous year.
The tax rate increase is mainly due to an allocation made to provision for litigation by a European subsidiary and to a change in the taxation of dividend payments made by French subsidiaries.

37. DIVIDENDS PAID

Dividends paid during H1 2013 amounted to Euro 14,667 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, 2013	*June 30, 2012*
Net result attributable to the ordinary shareholders (in thousands of Euro)	16,191	15,583
Weighted average number of shares outstanding during the period (thousands)	112,893	113,180
Basic EPS (Euro)	*0.143*	*0.138*

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, 2013	*June 30, 2012*
Net result attributable to the ordinary shareholders (in thousands of Euro)	16,191	15,583
Average number of shares outstanding during the period (thousands)	112,893	113,180
Weighted average number of shares potentially under option during the period (thousands)	1,714	976
Number of shares that could have been issued at fair value (thousands)	(1,120)	(493)
Adjusted weighted average number of shares outstanding during the period (thousands)	113,487	113,663
Diluted EPS (Euro)	*0.143*	*0.137*

The "Weighted average number of shares potentially under option during the 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 the 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 2013 amounted to Euro 2.2455, compared to Euro 2.0543 in H1 2012.

Please note that 2,856,582 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 2013.

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, 2013 held 56.31% 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, 2013 amount to Euro 965 thousand (against Euro 994 thousand in the first half of 2012). At June 30, 2013, amounts payable to the Parent Company CIR S.p.A. by the Holding Company Sogefi S.p.A. totalled Euro 965 thousand.

The Italian companies of the Sogefi Group posted receivables for the amount of Euro 6,624 thousand owed by CIR S.p.A. in connection with their participation in the Group tax filing system. This amount also includes a Euro 187 thousand amount receivable as at 31 December 2012, yet to be collected as of June 30, 2013.

At the end of the first half-year 2013, the Holding Company Sogefi S.p.A. records a liability and an amount payable amounting to Euro 641 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 2013.

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, 2013*	*December 31, 2012*
Receivables		
- for the Group tax filing from CIR S.p.A.	6,624	4,075
- for income following the transfer of fiscal surplus to the CIR Group	-	104
Payables		
- for purchases of energy/gas from Sorgenia S.p.A.	8	8
- for services received from CIR S.p.A.	965	994
- for expense due to fiscal surplus received from the CIR Group	641	597

(in thousands of Euro)	*1st half 2013*	*1st half 2012*
Costs		
- for services received from CIR S.p.A.	965	994
- for net expense due to fiscal surpul received from the CIR Group	641	301
Remuneration of directors and statutory auditors		
- directors	611	841
- statutory auditors	70	70
Compensation and related contributions to the Managing Director and General Manager of the Holding Company	739 (*)	-
Compensation and related contributions to Manager with strategic responsibilities ex Consob resolution no. 17221/2010	358 (*)	304 (*)

(*) including relevant social charges, employment termination indemnities and fringe benefits.

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, 2013 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.
As at June 30, 2013, total remaining payments amount to Euro 13,845 thousand, Euro 539 thousand of which due by the end of the year. The Group has not given any guarantees for this contract;

- Filtrauto S.A. for the rental of the production plant in Guyancourt. The contract will expire in May 2021 and remaining payments as of June 30, 2013 amount to Euro 6,487 thousand, Euro 758 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. As at June 30, 2013, the remaining payments amount to Euro 2,656 thousand, Euro 366 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.
As at June 30, 2013, total remaining payments amount to Euro 2,213 thousand, Euro 262 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, 2013 amount to Euro 1,881 thousand, Euro 740 thousand of which due by the end of the year.
The Group has not given any guarantees 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 June 30, 2013 amount to Euro 1,864 thousand, of which Euro 337 thousand due by the end of the year.
For this contract Sogefi S.p.A. provided a guarantee equal to 64% 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, 2013, Group companies have binding commitments for investments relating to the purchase of property, plant and equipment for Euro 450 thousand (Euro 480 thousand at December 31, 2012), as already disclosed in the explanatory notes regarding tangible fixed assets.

42. GUARANTEES GIVEN

Details of guarantees are as follows:

(in thousands of Euro)	*June 30, 2013*	*December 31, 2012*
PERSONAL GUARANTEES GIVEN		
a) Sureties to third parties	1,748	1,232
b) Other personal guarantees in favour of third parties	9,714	9,714
TOTAL PERSONAL GUARANTEES GIVEN	11,462	10,946
REAL GUARANTEES GIVEN		
a) against liabilities shown in the financial statement	11,910	13,237
TOTAL REAL GUARANTEES GIVEN	11,910	13,237

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 to subsidiaries Sogefi Engine Systems Canada Corp., Systèmes Moteurs S.A.S, Allevard IAI Suspensions Private Ltd, United Springs B.V. and Sogefi M.N.R. Filtration India Private Ltd, which pledged tangible fixed assets, inventories and trade receivables as real guarantees to secure loans obtained from financial institutions.

43. OTHER RISKS

As of June 30, 2013, the Group had third-party goods and materials held at Group companies worth Euro 6,805 thousand (Euro 6,064 thousand as of December 31, 2012).

44. 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 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.

45. SUBSEQUENT EVENTS

No significant events occurred after June 30, 2013.

G) 46. FINANCIAL INSTRUMENTS

A) Exchange risk hedges – not designated in hedge accounting

As of June 30, 2013, 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	06/20/2013	1.33740	09/20/2013	1.33810

Forward sale	Date opened	Spot price €/currency	Date closed	Forward price €/currency
GBP 4,000,000	06/20/2013	0.85620	09/20/2013	0.85712

As of June 30, 2013, the fair value of the first contract was negative for Euro 122 thousand and was recognised in "Other short-term liabilities for derivative financial instruments"; the fair value of the second contract was positive for Euro 5 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, 2013.

The subsidiary Sogefi Filtration Ltd has the following forward purchase contract to hedge the exchange risk on intercompany financial positions (EUR):

Forward purchases	Date opened	Spot price GBP/currency	Date closed	Forward price GBP/currency
EUR 2,500,00	06/20/2013	0.85620	09/20/2013	0.85712

As at June 30, 2013 the fair value of that contract amounts to zero.

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

Forward purchases	Date opened	Spot price €/currency	Date closed	Forward price €/currency
CAD 16,000,000	06/20/2013	1.36350	09/20/2013	1.36708

As of June 30, 2013, the fair value of this contract was negative for Euro 64 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, 2013.

The subsidiary Filtrauto S.A. held the following forward purchase contracts to hedge the exchange risk on trade positions:

Forward purchases	Date opened	Spot price €/currency	Date closed	Forward price €/currency
USD 250,000	06/07/2013	1.32350	07/03/2013	1.32364
USD 250,000	06/07/2013	1.32350	08/03/2013	1.32385

As of June 30, 2013, the fair value of these contracts was negative for Euro 5 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, 2013.

B) Interest rate hedges – designated in hedge accounting

As of June 30, 2013, 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 € 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%	(1,303)
TOTAL			28,000		(1,303)

Description of IRS	Date opened	Contract maturity	Notional	Fixed rate	Fair value
Hedging for € 200 million (12/04/2012 maturity 12/04/2017), rate: Euribor 3 months + 425 base bps	02/19/2013	12/04/2017	30,000	0.838%	(63)
Hedging for € 200 million (12/04/2012 maturity 12/04/2017), rate: Euribor 3 months + 425 base bps	02/20/2013	12/04/2017	30,000	0.860%	(71)
Hedging for € 200 million (12/04/2012 maturity 12/04/2017), rate: Euribor 3 months + 425 base bps	02/21/2013	12/04/2017	30,000	0.857%	(80)
Hedging for € 200 million (12/04/2012 maturity 12/04/2017), rate: Euribor 3 months + 425 base bps	02/20/2013	12/04/2017	30,000	0.856%	(52)
TOTAL			120,000		(266)

In 2011, the Holding Company Sogefi S.p.A. held the following Interest Rate Swap contracts (in thousands of Euro) as part of a macro cash flow hedge strategy aimed at hedging the risk of fluctuations in future cash flows deriving from the envisaged future long term indebtedness of the company. Future indebtedness is believed to be highly probable as it is envisaged by the long-term plan approved by management.

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%	(1,245)
Hedging of Sogefi S.p.A. future financial indebtedness for 2013-2018	02/23/2011	06/01/2018	10,000	3.500%	(1,225)
Hedging of Sogefi S.p.A. future financial indebtedness for 2013-2018	03/11/2011	06/01/2018	10,000	3.545%	(1,252)
Hedging of Sogefi S.p.A. future financial indebtedness for 2013-2018	03/23/2011	06/01/2018	10,000	3.560%	(1,233)
Hedging of Sogefi S.p.A. future financial indebtedness for 2013-2018	03/27/2011	06/01/2018	10,000	3.670%	(1,304)
Hedging of Sogefi S.p.A. future financial indebtedness for 2013-2018	05/13/2011	06/01/2018	10,000	3.460%	(1,200)
Hedging of Sogefi S.p.A. future financial indebtedness for 2013-2018	06/24/2011	06/01/2018	10,000	3.250%	(1,100)
Hedging of Sogefi S.p.A. future financial indebtedness for 2013-2018	06/28/2011	06/01/2018	10,000	3.250%	(1,105)
Hedging of Sogefi S.p.A. future financial indebtedness for 2013-2018	11/28/2011	06/01/2018	10,000	2.578%	(765)
TOTAL			90,000		(10,429)

In 2013, the Holding Company Sogefi S.p.A. held the following Interest Rate Swap contracts (in thousands of Euro) as part of a macro cash flow hedge strategy aimed at hedging the risk of fluctuations in future cash flows deriving from the envisaged future long term indebtedness of the company. Future indebtedness is believed to be highly probable as it is envisaged by the long-term plan approved by management.

Description of IRS	Date opened	Contract maturity	Notional	Fixed rate	Fair value
Hedging of Sogefi S.p.A. future financial indebtedness for 2013-2018	02/07/2013	06/01/2018	15,000	1.445%	7
Hedging of Sogefi S.p.A. future financial indebtedness for 2013-2018	02/11/2013	06/01/2018	5,000	1.225%	2
Hedging of Sogefi S.p.A. future financial indebtedness for 2013-2018	02/11/2013	06/01/2018	5,000	1.425%	5
Hedging of Sogefi S.p.A. future financial indebtedness for 2013-2018	02/19/2013	06/01/2018	10,000	1.440%	6
Hedging of Sogefi S.p.A. future financial indebtedness for 2013-2018	02/21/2013	06/01/2018	10,000	1.660%	14
Hedging of Sogefi S.p.A. future financial indebtedness for 2013-2018	02/01/2013	06/01/2018	10,000	1.310%	(32)
Hedging of Sogefi S.p.A. future financial indebtedness for 2013-2018	02/06/2013	06/01/2018	10,000	1.281%	(21)
Hedging of Sogefi S.p.A. future financial indebtedness for 2013-2018	02/11/2013	06/01/2018	5,000	1.220%	4
Hedging of Sogefi S.p.A. future financial indebtedness for 2013-2018	02/11/2013	06/01/2018	5,000	1.240%	2
Hedging of Sogefi S.p.A. future financial indebtedness for 2013-2018	02/12/2013	06/01/2018	5,000	1.420%	(2)
Hedging of Sogefi S.p.A. future financial indebtedness for 2013-2018	02/13/2013	06/01/2018	5,000	1.500%	(8)
Hedging of Sogefi S.p.A. future financial indebtedness for 2013-2018	02/19/2013	06/01/2018	10,000	1.650%	9
Hedging of Sogefi S.p.A. future financial indebtedness for 2013-2018	02/21/2013	06/01/2018	5,000	1.660%	4
TOTAL			100,000		(10)

As of June 30, 2013, 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	2,100	2.651%	(73)
TOTAL			2,100		(73)

The aim of these instruments is to limit the risk of changes in interest rates, this is why they have been treated in hedge accounting as hedging instruments and the related fair value is booked to equity.

On April 30, 2013, the Company entered into three Cross currency swap (CCS) contracts maturing in June 2023, designated in hedge accounting, in order to hedge interest and exchange rate risk relating to the private placement of USD 115 million bonds. Under these contracts, a fixed interest receivable of 600 basis points on subscribed notional USD amount is collected by the Company on a quarterly basis against payment of a fixed interest payable on a notional amount in EUR corresponding to the USD notional amount converted at the fixed exchange rate of 1.3055.

Details of these contracts are as follows:

Description of CCS	Date opened	Contract maturity	Notional (USD)	Fixed rate	Fair value
Private Placement USD for USD 115 million (05/03/2013 maturity 03/05/2023), fixed coupon 600 bps	04/30/2013	06/01/2023	55,000	6,0% USD receivable 5,6775% Euro payables	(2,230)
Private Placement USD for USD 115 million (05/03/2013 maturity 03/05/2023), fixed coupon 600 bps	04/30/2013	06/01/2023	40,000	6,0% USD receivable 5,74% Euro payables	(1,742)
Private Placement USD for USD 115 million (05/03/2013 maturity 03/05/2023), fixed coupon 600 bps	04/30/2013	06/01/2023	20,000	6,0% USD receivable 5,78% Euro payables	(925)
TOTAL			115,000		(4,897)

The fair value of all the derivatives has been calculated making use of the forward curve of the interest and exchange rate as at June 30, 2013, considering also a credit valuation adjustment/debit valuation adjustment (such element was not considered in valuations performed as at December 31, 2012).
The fair value of derivatives are classified as level 2 in the fair value hierarchy.

H) GROUP COMPANIES

47. LIST OF GROUP COMPANIES AS OF JUNE 30, 2013

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS

Direct subsidiaries	Currency	Share capital	Number of shares	% of share capital	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 Tredegar (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. Guyancourt (France)	Euro	54,938,125	3,602,500	100.00	15.25	54,938,125
SOGEFI (SUZHOU) AUTO PARTS CO., Ltd Wujiang (China)	USD	15,000,000		100.00		15,000,000

Indirect subsidiaries	Currency	Share capital	Number of shares	% of share capital	Par value per share	Par value of the interest held
ENGINE SYSTEMS DIVISION – FLUID FILTERS						
SOGEFI M.N.R. FILTRATION INDIA Pvt 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	% of share capital	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
SYSTEMES MOTEURS INDIA Pvt Ltd New Delhi (India) 99.91% held by Systèmes Moteurs S.A.S. 0.09% held by Systemes Moteurs China, S.à.r.l.	INR	106,386,860	10,638,686	100.00	10	106,386,860
S.C. SYSTEMES MOTEURS S.r.l. Titesti (Romania) 99.9997% held by Systèmes Moteurs S.A.S. 0.0003% held by Sogefi Filtration S.A. (Spain)	RON	7,087,610	708,761	100.00	10	7,087,610
SOGEFI ENGINE SYSTEMS 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 Ltd Hong Kong (Hong Kong) Held by Systemes Moteurs China, S.à.r.l.	HKD	1,000	1,000	100.00	1	1,000
SOGEFI ENGINE SYSTEMS (SHANGHAI) Co., Ltd (**) (***) Shanghai (China) Held by Sogefi Engine Systems Hong Kong Limited	RMB	5,000,000	1	100.00		5,000,000

(*) On April 4, 2013, the Company changed name from MARK IV AIS MEXICO, S de R.L. de C.V. to SOGEFI ENGINE SYSTEMS MEXICO S. DE R.L. DE C.V..
(**) On May 3, 2013, the Company changed name from MARK IV (Shanghai) TRADING Co., Ltd. to SOGEFI ENGINE SYSTEMS (SHANGHAI) Co., Ltd.
(***) In liquidation.

Indirect subsidiaries	Currency	Share capital	Number of shares	% of share capital	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 Völklingen (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 Pvt Ltd Pune (India) Held by Allevard Rejna Autosuspensions S.A.	INR	207,000,000	13,497,000	65.20	10	134,970,000
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	% of share capital	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 OTHER COMPANIES CARRIED AT COST

Indirect subsidiaries	Currency	Share capital	Number of shares	% of share capital	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, 2013*	*December 31, 2012 (*)*
CURRENT ASSETS			
Cash and cash equivalents	*3*	45,651	26,976
Cash pooling current accounts with subsidiaries	*4*	23,409	13,946
Other financial assets		24	7
Loans and financial receivables similar to loans with subsidiaries	*5*	35,348	10,615
of which dividends from subsidiaries not yet collected		*25,848*	*1,115*
WORKING CAPITAL			
Inventories		-	-
Trade receivables	*6*	12,898	8,089
of which from subsidiaries		*6,823*	*4,756*
of which from parent company		*6,075*	*3,333*
Other receivables	*6*	149	363
Tax receivables	*6*	924	841
Other assets	*6*	679	683
TOTAL WORKING CAPITAL		14,650	9,976
TOTAL CURRENT ASSETS		119,082	61,520
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	*7*	183	132
of which leases		-	-
Intangible assets	*8*	15,962	10,652
TOTAL FIXED ASSETS		42,194	36,833
OTHER NON-CURRENT ASSETS			
Equity investments in subsidiaries	*9*	396,702	396,476
Equity investments in associates		-	-
Other financial assets available for sale		1	1
Loans and financial receivables similar to loans	*10*	87,747	82,977
of which from subsidiaries		*87,694*	*82,977*
of which other medium/long-term assets for derivative financial instruments		*53*	-
Other receivables		24	23
Deferred tax assets	*11*	5,319	4,806
TOTAL OTHER NON-CURRENT ASSETS		489,793	484,283
TOTAL NON-CURRENT ASSETS		531,987	521,116
TOTAL ASSETS		651,069	582,636

(*) Certain values as at December 31, 2012 were revised after the application of the amendment to IAS 19 “Employee Benefits”.

LIABILITIES	*Note*	*June 30, 2013*	*December 31, 2012 (*)*
CURRENT LIABILITIES			
Bank overdrafts and short-term loans	*12*	51	1
Cash pooling current accounts with subsidiaries	*12*	78,291	84,031
Current portion of medium/long-term financial debts and other loans	*12*	58,580	58,123
of which leases		-	-
of which to subsidiaries		-	-
Capital shares of subsidiaries subscribed and not yet paid		764	7,769
TOTAL SHORT-TERM FINANCIAL DEBTS		137,686	149,924
Other short-term liabilities for derivative financial instruments		129	850
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS		137,815	150,774
Trade and other payables	*13*	10,526	9,267
of which to subsidiaries		*1,710*	*2,344*
of which to parent company		*1,606*	*597*
Tax payables		136	334
Other current liabilities		61	54
TOTAL CURRENT LIABILITIES		148,538	160,429
NON-CURRENT LIABILITIES			
MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS			
Financial debts to bank	*12*	205,751	253,421
Other medium/long-term financial debts		112,783	-
of which leases		-	-
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS		318,534	253,421
Other medium/long-term financial liabilities for derivative financial instruments	*12*	16,958	13,597
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS		335,492	267,018
OTHER LONG-TERM LIABILITIES	*14*		
Long-term provisions		1,040	807
Other payables		-	-
Deferred tax liabilities		737	397
TOTAL OTHER LONG-TERM LIABILITIES		1,777	1,204
TOTAL NON-CURRENT LIABILITIES		337,269	268,222
SHAREHOLDERS' EQUITY	*15*		
Share capital		60,768	60,712
Reserves and retained earnings (accumulated losses)		77,768	87,117
Profit (loss) for the period		26,726	6,156
TOTAL SHAREHOLDERS' EQUITY		165,262	153,985
TOTAL LIABILITIES AND EQUITY		651,069	582,636

(*) Certain values as at December 31, 2012 were revised after the application of the amendment to IAS 19 “Employee Benefits”.

INCOME STATEMENT
(in thousands of Euro)

		Note	1st half 2013	1st half 2012
FINANCIAL INCOME AND EXPENSES		17		
1)	Income from equity investments		34,933	21,369
2)	Other financial income		3,538	3,366
	of which from subsidiaries		*2,243*	*2,679*
3)	Interest expenses and other financial expenses		10,159	6,460
	of which from subsidiaries		*36*	*216*
TOTAL FINANCIAL INCOME AND EXPENSES			28,312	18,275
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS				
4)	Revaluations		-	-
5)	Writedowns		-	-
TOTAL VALUE ADJUSTMENTS			-	-
6) OTHER OPERATING INCOME		18	8,181	6,905
of which from subsidiaries			*8,168*	*6,897*
OTHER OPERATING EXPENSES		19		
7)	Non-financial services		3,535	3,513
	of which to subsidiaries		*2,729*	*1,008*
	of which to parent company		*965*	*994*
8)	Leases and rentals		2,443	2,390
9)	Personnel		4,476	2,837
10)	Depreciation, amortisation and writedowns		159	25
11)	Provisions for risks		-	-
12)	Other provisions		-	-
13)	Other operating expenses		661	696
TOTAL OTHER OPERATING EXPENSES			11,274	9,461
NON-OPERATING INCOME AND EXPENSES		20		
14)	Income		-	-
	of which non-recurring		-	-
15)	Expenses		133	1,920
	of which non-recurring		*133*	*1,920*
NON-OPERATING PROFIT (LOSS)			(133)	(1,920)
PROFIT BEFORE TAXES			25,086	13,799
16)	Income taxes	21	(1,640)	(1,582)
NET PROFIT			26,726	15,381

STATEMENT OF COMPREHENSIVE INCOME

(in thousands of Euro)

	1st half 2013	*1st half 2012 (*)*
Profit (loss) for the period	26,726	15,381
Profit (loss) booked in Other Comprehensive Income:		
Items that will not be reclassified to income statement:		
- Actuarial gains (losses)	-	(64)
- Tax effect on items that will not be reclassified to income statement	-	18
Subtotal of items that will not be reclassified to income statement	-	*(46)*
Items that may be reclassified to income statement:		
- Profit (loss) from fair value measurement of cash flow hedge derivatives	(2,294)	(2,951)
- Profit (loss) from fair value measurement of financial assets available for sale	-	-
- Tax effect on items that may be reclassified to income statement	631	811
Subtotal of items that may be reclassified to income statement	*(1,663)*	*(2,140)*
Total Profit (loss) booked in Other Comprehensive Income net of tax effect	(1,663)	(2,186)
Total comprehensive profit for the period	25,063	13,195

(*) Certain values for the 1st half 2012 were revised after the application of the amendment to IAS 19 “Employee Benefits”.

CASH FLOW STATEMENT

(in thousands of Euro)

	1st half 2013	*1st half 2012*
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period	26,726	15,381
Adjustments:		
- non collected dividends	(24,733)	(19,369)
- depreciation and amortisation	159	25
- fair value of cash flow hedge derivatives allocated to income statement	168	34
- accrued costs for stock-based incentive plans	542	377
- net change in provision for phantom stock options	188	(19)
- net change in provision for risks and charges	-	(177)
- net change in provision for employment termination indemnities	45	(11)
- change in net working capital	(3,325)	3,396
- change in tax receivables/payables	(282)	(248)
- other medium/long-term assets/liabilities	457	396
CASH FLOWS FROM OPERATING ACTIVITIES	(55)	(215)
INVESTING ACTIVITIES		
Acquisition of equity investments	-	(5)
Payables for capital shares of subsidiaries subscribed and not yet paid	(7,004)	-
Net change in intangible and tangible fixed assets	(5,519)	(3,186)
Net change in other financial assets	106	(36)
Sale of equity investments	-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES	(12,417)	(3,227)
FINANCING ACTIVITIES		
Paid share capital increase	112	50
Net purchase of treasury shares	-	(992)
Dividends paid to shareholders	(14,666)	(14,716)
New (repayment of) long term loans	(47,213)	(7,170)
New (repayment of) bonds	112,783	-
Net cash pooling position	(15,203)	(3,923)
Loans and other financial receivables from subsidiaries	(4,717)	11,384
NET CASH FLOWS FROM FINANCING ACTIVITIES	31,096	(15,367)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	18,624	(18,809)
Balance at the beginning of the period	26,975	44,340
(Decrease) increase in cash and cash equivalents	18,624	(18,809)
BALANCE AT THE END OF THE PERIOD	45,599	25,531

Note: 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.

ADDITIONAL INFORMATION OF CASH FLOW STATEMENT	*1st half 2013*	*1st half 2012*
Interest collected	2,164	2,604
Interest paid	(7,824)	(5,502)
Dividends collected	10,200	2,000
Current income tax collections (payments)	(4)	3,453

STATEMENT OF CHANGES IN EQUITY

(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*	*95,446*	*10,486*	*166,597*
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 distribution 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:				
- Actuarial gains (losses)	-	(64)	-	(64)
- Fair value measurement of cash flow hedging instruments	-	(2,951)	-	(2,951)
- Fair value of financial assets available for sale	-	-	-	-
- Tax on items booked directly in "Other Comprehensive Income"	-	829	-	829
- Net result for the period	-	-	15,381	15,381
Total comprehensive profit for the period	-	*(2,186)*	*15,381*	*13,195*
Balance at June 30, 2012	*60,690*	*88,617*	*15,381*	*164,688*

(in thousands of Euro)	Share capital	Reserves and retained earnings (accumulated losses) (*)	Profit for the period	Total Shareholders' equity
Balance at December 31, 2012	*60,712*	*87,117*	*6,156*	*153,985*
Increases in share capital restricted to the employees of Sogefi S.p.A and its subsidiaries	56	56	-	112
Purchase of treasury shares	-	-	-	-
Allocation of 2012 net profit and distribution of Retained earnings reserve:				
- dividends	-	(8,510)	(6,156)	(14,666)
Credit to equity for stock-based incentive plans	-	768	-	768
Comprehensive income for the period:				
- Actuarial gains (losses)	-	-	-	-
- Fair value measurement of cash flow hedging instruments	-	(2,294)	-	(2,294)
- Fair value of financial assets available for sale	-	-	-	-
- Tax on items booked directly in "Other Comprehensive Income"	-	631	-	631
- Net result for the period	-	-	26.726	26.726
Total comprehensive profit for the period	-	*(1,663)*	*26,726*	*25,063*
Balance at June 30, 2013	*60,768*	*77,768*	*26,726*	*165,262*

(*) Certain values as at December 31, 2012 and December 31, 2011 were revised after the application of the amendment to IAS 19 “Employee Benefits”.

EXPLANATORY AND SUPPLEMENTARY NOTES TO THE FINANCIAL STATEMENTS OF THE HOLDING: CONTENTS

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A) GENERAL ASPECTS

1. CONTENT AND FORMAT OF THE FINANCIAL STATEMENTS

The interim condensed financial statements for the period January 1 - June 30, 2013 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 have 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, 2012, 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").
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, 2012 for the statement of financial position, and for the 1st half of 2012 for the income statement.

The interim condensed financial statements as at June 30, 2013 should be read in conjunction with the annual financial statements as at December 31, 2012.
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, 2013 were approved by the Board of Directors on July 23, 2013.

2. ACCOUNTING POLICIES

The accounting policies applied in preparing the condensed financial statements for the six-month period ended June 30, 2013 are consistent with those used for the annual financial statements as at December 31, 2012 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 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 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.
For a broader description of the critical estimates and assumptions for the Company, see note 2 of the Holding Financial Statement at December 31, 2012.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED FROM JANUARY 1, 2013

The following accounting standards, amendments and interpretations have become applicable on January 1, 2013.

- On May 12, 2011, the IASB issued *IFRS 13 – Fair value measurement* which establishes a single framework for fair value measurements required or allowed by other IFRS and for the relevant disclosures. Fair value is defined as the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date.
  This standard must be applied prospectively.
- On December 16, 2011, the IASB issued certain amendments to IFRS 7 – Financial instruments: Disclosures (par. 13A-13F). The amendments require disclosures about the effect or potential effect of offsetting financial assets and liabilities in accordance with IAS 32 on an entity's financial position. The required disclosures should be provided retrospectively.
- On June 16, 2011, the IASB issued an amendment to IAS 1 – Presentation of Financial Statements requiring entities to group all items presented in "Other comprehensive income" depending on whether they may or may not be subsequently reclassified to the Income Statement. Taxes must be allocated accordingly.

- On June 16, 2011, the IASB issued an amendment to IAS 19 – Employee benefits that eliminates the option to defer the recognition of gains and losses, known as the "corridor method", and requires all actuarial gains and losses to be booked to "Other comprehensive income" immediately, so that the full net amount of the provisions for the defined benefits (net of plan assets) is recognised in the financial position. The amendments further require any changes in the defined-benefit provision and plan assets over the previous period to be subdivided into three components: the cost components of work performed during the reporting period must be recognised in the Income Statement as service costs; net interest costs calculated by applying the appropriate discount rate to the opening net balance of defined-benefit provision net of assets must be booked to Income Statement as net financial expenses and the actuarial gains and losses resulting from remeasurements of assets and liabilities must be booked to "Other comprehensive income". In addition, the return on assets included in net interest costs must be calculated using the discount rate applicable to liabilities and no longer the expected return on the assets. The amendment also introduces the requirement for additional disclosures to be provided in the notes. The amendment is applicable retrospectively.
  In accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the amendment was applied retrospectively adjusting Shareholders' equity, long-term provisions and deferred tax assets as at December 31, 2012. The amendment had no impact on the 2012 Income Statement. The items of the Statement of Financial Position, of the Statement of Other Comprehensive Income and of the Statement of Changes in Shareholders' Equity that were adjusted upon adoption of the amendment are listed in the following tables.

(in thousands of Euro)	*December 31, 2012*	*2012 restated*	*Change*
OTHER NON-CURRENT ASSETS			
Deferred tax assets	4,762	4,806	44
TOTAL ASSETS	4,762	4,806	44

(in thousands of Euro)	*December 31, 2012*	*2012 restated*	*Change*
OTHER LONG-TERM LIABILITIES			
Long-term provisions	648	807	159
SHAREHOLDERS' EQUITY			
Reserves and retained earnings (accumulated losses)	87,232	87,117	(115)
TOTAL LIABILITIES AND EQUITY	87,880	87,924	44

(in thousands of Euro)	*1st half 2012*	*1st half 2012 restated*	*Change*
STATEMENT OF COMPREHENSIVE INCOME			
Income (expenses) from actuarial valuation of defined-benefit plans	-	(64)	(64)
Tax effect on items that will not be reclassified to income statement	-	18	18
TOTAL COMPREHENSIVE INCOME	-	(46)	(46)

(in thousands of Euro)	*December 31, 2011*	*2011 restated*	*Change*
STATEMENT OF CHANGES IN EQUITY			
Reserves and retained earnings (accumulated losses) of which:	95,469	95,446	(23)
Income (expenses) from actuarial valuation of defined-benefit plans	-	-	(32)
Tax effect on items that will not be reclassified to income statement	-	-	9
TOTAL CHANGES IN EQUITY	95,469	95,446	(23)

- IFRIC Interpretation 20 – Stripping Costs in the Production Phase of a Surface Mine was published in October 2011. It addresses waste removal costs incurred in surface mining activities during the production phase of a mine.
- On May 17, 2012 the 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 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 Company 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.

- 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.

IFRS AND IFRIC ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPROVED BY THE EUROPEAN UNION BUT NOT YET APPLICABLE UNLESS EARLY ADOPTED

- 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 for in separate financial statements. The key changes introduced by this new principle are as follows:
  - Under IFRS 10, all types of entities are to be consolidated according to a single basic principle, i.e. the principle of control. The changes introduced remove the perceived inconsistency between the former IAS 27 (based on control) and SIC 12 (based on the transfer of risk and benefits);
  - A more detailed definition of control has been introduced, based on three elements: (a) power over the investee; (b) exposure, or rights, to variable returns from the investor's involvement with the investee; (c) ability on the part of the investor to use its power over the investee to affect the amount of the investor’s returns;
  - for the purpose of determining whether an investor has control over an investee, IFRS 10 requires investor to focus on the activities that significantly affect the investee's return;
  - for the purpose of determining whether an investor has control over an investee, IFRS 10 requires that only substantive rights be considered, i.e. those rights that can be exercised when significant decisions need to be taken concerning the investee;
  - IFRS 10 provides application guidance on evaluating whether control exists in complex situations, such as *de facto* control,

potential voting rights, situations in which it is necessary to assess whether the decision-maker is acting as a principal or an agent, etc.

Generally speaking, IFRS 10 application requires significant insight on a certain number of application issues.

This standard is to be applied retrospectively from January 1, 2014.

- On June 28, 2012, the 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. The document clarifies that when an entity with a calendar year end first adopts IFRS 10 for the financial statements for the year ended December 31, 2013, initial application date will be January 1, 2013.

  If the consolidation conclusion is the same under IAS 27 and SIC 12, as well as under IFRS 10 on the initial application date, the entity is not required to make any adjustments. Likewise, no adjustment is required when the interest was transferred during the comparative period (and is no longer held on initial application date).

  The document aims 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. Specifically, when retrospective adjustment as outlined above is impracticable, an acquisition/transfer is accounted for at the beginning of the comparative period presented, and retained earnings are adjusted accordingly.

  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). A further amendment to IFRS 12 limits the requirement to present comparative information for the disclosures for structured entities not consolidated in periods preceding the application of IFRS 12.

  These amendments are to be applied - along with the reference standards - for years beginning on January 1, 2014, unless adopted earlier.

- 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. Without prejudice to the criteria for determining joint control, the new standard provides criteria for the accounting of joint arrangements that focus 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 in consolidated financial statements, the equity method. According to IFRS 11, the existence of a separate vehicle alone is not sufficient to classify a joint arrangement as a joint venture. This new standard is to be applied retrospectively from January 1, 2014. 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 to be stated in the consolidated financial statements. The standard is applicable retrospectively from January 1, 2014.
- 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. More specifically, these amendments establish that: (i) assets and liabilities may be set off against each other when a right of set-off is legally enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of a party to the contract; and (ii) under certain conditions, simultaneous gross settlement of financial assets and liabilities that eliminates or significantly reduces credit and liquidity risk may be treated as equivalent to net settlement. These amendments are to be applied retrospectively for periods beginning on or after January 1, 2014.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ENDORSED BY THE EUROPEAN UNION

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

- On November 12, 2009, the IASB issued IFRS 9 - Financial instruments: the same standard was amended on October 28, 2010. The standard, applicable retrospectively from January 1, 2015, represents the first part 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. 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.

  Phases two and three of the financial instrument project, which address financial asset impairment and hedge accounting, respectively, are still under way. IASB has also introduced improvements to the part of IFRS 9 that addresses the Classification and measurement of financial assets.
- The amendments to IFRS 10, IFRS 12 and IAS 27 "Investment Entities" issued on October 31, 2012 introduce an exemption from the consolidation of subsidiaries for investment entities, unless the investees provide them with services related to their investment activities. Under these amendments, an investment entity must measure its investment in

subsidiaries on a fair value basis through profit or loss. In order to qualify as investment entity, an entity must:

- obtain funds from one or more investors for the purpose of providing them with professional investment management services;
- commit to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- measure and evaluate the performance of substantially all of its investments on a fair value basis.

These amendments apply for annual periods beginning on January 1, 2014; early adoption is permitted.

- On May 20, 2013 IFRS IC issued IFRIC 21 - Levies, that establishes how to account for levies/taxes paid to governments (in accordance with legislation in a specific jurisdiction) where an entity does not receive specific goods or services in exchange. Typically, the obligating event that triggers the liability is specified in the legislation introducing the levy or tax. A liability must be recognised when the obligating event occurs, even when the levy/tax is calculated on past performance (i.e. prior year revenues); occurrence of the past performance is a necessary but insufficient condition for recognising a liability. This interpretation is to be applied retrospectively for periods beginning on or after January 1, 2014.
- On May 29, 2013, the IASB issued an amendment to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets, that establishes certain limitations on the requirement to disclose the recoverable amount of an asset or cash generating unit (CGU). In this regard, IFRS 13 "Fair Value Measurement" had amended IAS 36 introducing the requirement to disclose the recoverable amount of each CGU or group of CGUs to which a significant portion of the carrying amount of goodwill or intangible assets with indefinite useful lives has been allocated. In addition, this amendment expressly requires entities to disclose the discount rate used to determine an impairment loss (or reversal) when the recoverable amount – calculated as fair value less cost to sell – is measured using the present value technique.
- On June 27, 2013, the IASB issued an amendment to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting proposing certain exceptions to the requirement to discontinue hedge accounting under IAS 39 in situations where an existing derivative must necessarily be novated to a Central Counterparty (CCP).

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, 2013*	*December 31, 2012*
Short-term cash investments	45,648	26,968
Cash and cash equivalents on hand	3	8
TOTAL	45,651	26,976

This mainly comprises bank deposits and includes interest accrued at June 30, 2013.
The change in "Cash and cash equivalents" should be read jointly with the changes in financial liabilities.

As at June 30, 2013 the Company had unused lines of credit of Euro 172,640 thousand. These funds are available for use on demand, because the conditions required for their availability are met.

4. CASH POOLING CURRENT ACCOUNTS WITH SUBSIDIARIES

Details are as follows:

(in thousands of Euro)	*June 30, 2013*	*December 31, 2012*
United Springs Ltd	-	16
Sogefi Filtration Ltd	8,726	5,179
Sogefi Purchasing S.A.S.	1,682	1,425
Allevard Federn GmbH	13,001	7,326
TOTAL	23,409	13,946

5. LOANS AND FINANCIAL RECEIVABLES SIMILAR TO LOANS WITH SUBSIDIARIES

Details are as follows:

(in thousands of Euro)	*June 30, 2013*	*December 31, 2012*
Receivables for dividends resolved to be collected:		
Sogefi Filtration S.A.	5,849	1,115
Allevard Rejna Autosuspensions S.A.	19,999	-
Loans to subsidiaries:		
Sogefi Filtration Ltd	2,500	2,500
Filtrauto S.A.	5,000	5,000
Sogefi Rejna S.p.A.	2,000	2,000
TOTAL	35,348	10,615

As at June 30, 2013, Euro 9,500 thousand represented loans granted at market rates linked to the 3-month Euribor to subsidiaries Sogefi Filtration Ltd, Filtrauto S.A. and Sogefi Rejna S.p.A. These loans fall due within the next 12-month period.
The Company has receivables for dividends yet to be collected from subsidiaries Allevard Rejna Autosuspensions S.A. (dividend resolved in April 2013 amounting to Euro 19,999 thousand) and Sogefi Filtration S.A. (dividend resolved in April 2012 amounting to Euro 1,115 thousand and in April 2013 for the amount of Euro 4,734 thousand); collection is expected to occur during the second half of 2013.

6. TRADE AND OTHER RECEIVABLES

Details are as follows:

(in thousands of Euro)	*June 30, 2013*	*December 31, 2012*
Receivables from subsidiaries	6,823	4,756
Receivables from parent company	6,075	3,333
Other receivables	149	363
Tax receivables	924	841
Other assets	679	683
TOTAL	14,650	9,976

The increase in “Receivables from subsidiaries” at June 30, 2013 reflects both increased revenues from services – as outlined in Note no. 18 further below – and receivables from subsidiaries Allevard Rejna Argentina S.A. and Sogefi Filtration Argentina S.A. accruing as from January 1, 2012 not yet collected due to the block on dividend, royalty and services payments to foreign beneficiaries imposed by Argentinian monetary authorities.
“Receivables from parent company” includes receivables due from the Parent Company CIR S.p.A. resulting from the participation in the Group tax filing

system recognised in the half-year under consideration and in the previous year (a payment of Euro 183 thousand was collected in June 2013 in partial settlement of receivables outstanding at December 31, 2012). Please note that during the first half of 2013 the Company renewed its adhesion to the Cir Group tax filing system for the three-year period 2013-2015.
“Tax receivables” mainly consists of the VAT credits due by the tax authorities (Euro 898 thousand).
“Other assets” is represented by Euro 182 thousand of accrued income and prepaid expenses. The additional amount of Euro 497 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 – OTHER TANGIBLE FIXED ASSETS

These are land and buildings held for the purpose of earning rent or capital gains on their disposal.
As at June 30, 2013, these amount to Euro 26,049 thousand and are unchanged with respect to December 31, 2012.
The fair value as at June 30, 2013 is based on estimates made by external experts in November 2011 (these valuations will be updated for the 2013 financial statements) and still deemed valid considering that in the first half of 2013 market conditions have not changed.
As at June 30, 2013 investment properties are not encumbered by any restriction or commitment.

The increase in “Other tangible fixed assets” mainly reflects the purchase of electronic equipment that has been installed at certain subsidiaries as part of a project to centralise the Group's data communication lines through a single global provider.

8. INTANGIBLE ASSETS

Details are as follows:

(in thousands of Euro)	2013			
	Industrial patents and intellectual property rights	*Concessions, licenses, trademarks and similar right*	*Other assets, under construction and payments on account*	*TOTAL*
Net balance on January 1	34	88	10,530	10,652
Reclassified in the period	10,530	-	(10,530)	-
Additions of the period	5,440	10	-	5,450
Amortisation of the period	(132)	(8)	-	(140)
Net balance on June 30:	15,872	90	-	15,962
Historical cost	16,454	197	-	16,651
Accumulated amortisation	(582)	(107)	-	(689)
Net value	15,872	90	-	15,962

In January 2013, the installation of the integrated "SAP" platform at the Italian subsidiary Sogefi Rejna S.p.A. (which hosted the pilot project) was completed and the platform became operational. The platform has been developed by an in-house team of employees from the Information Technology Departments of the Company and its subsidiaries, in cooperation with an external partner (IBM Italia S.p.A.) starting from July 2011. The implementation of the Group information system has been completed also at subsidiaries Allevard Rejna Autosuspensions S.A. and Allevard Springs Ltd during the first half of 2013 and the system will be introduced at subsidiaries Filtrauto S.A. and Sogefi Filtration d.o.o. during the second half of 2013. It will be installed at other Group companies over the next few years.
The Company owns intellectual property of said Group IT system and has licensed its use to the subsidiaries involved in the implementation process, against payment of royalty fees.
When the IT system became operational, the Company transferred the balance at December 31, 2012 from "Other assets and payments on account" to item "Industrial Patent and Intellectual Property Rights". The increase by Euro 5,440 thousand mainly reflects development costs incurred during the first half of 2013 for the SAP platform.
The integrated information system will be depreciated over a ten-year period starting from implementation date at each subsidiary.

9. EQUITY INVESTMENTS IN SUBSIDIARIES

Changes during the first half of 2013 in equity investments in subsidiaries are illustrated in the following table:

STATEMENT OF CHANGES IN EQUITY INVESTMENTS IN SUBSIDIARIES DURING THE FIRST HALF OF 2013
(amounts in thousands of Euro)

	Opening balance 12.31.2012			
	No. of shares	Historical cost	Revaluations (Writedowns)	Balance
Subsidiaries				
SOGEFI REJNA S.p.A.	21,950,990	79,473	(13,662)	65,811
SOGEFI FILTRATION Ltd	5,126,737	10,191	28,366	38,557
SOGEFI FILTRATION S.A.	1,855,360	25,291	7,755	33,046
SOGEFI FILTRATION d.o.o.	1	10,751	-	10,751
FILTRAUTO S.A.	287,494	38,540	-	38,540
ALLEVARD REJNA AUTOSUSPENSIONS S.A.	1,999,855	54,468	-	54,468
ALLEVARD SOGEFI U.S.A. Inc.	191	23,513	(16,155)	7,358
SOGEFI PURCHASING S.A.S.	10,000	119	-	119
SHANGHAI SOGEFI AUTO PARTS Co., Ltd	1	9,462	-	9,462
SYSTEMES MOTEURS S.A.S.	3,602,500	126,054	-	126,054
SOGEFI (SUZHOU) AUTO PARTS Co., Ltd	1	12,310	-	12,310
Total subsidiaries		390,172	6,304	396,476

	1st half 2013					Closing balance 06.30.2013		
	Increases		Decreases		Writedowns			
	No. of shares	Amount	No. of shares	Amount	Amount	No. of shares	Amount	% ownership
Subsidiaries								
SOGEFI REJNA S.p.A.	-	9	-	-	-	21,950,990	65,820	99.88
SOGEFI FILTRATION Ltd	-	45	-	-	-	5,126,737	38,602	100.00
SOGEFI FILTRATION S.A.	-	19	-	-	-	1,855,360	33,065	(*) 86.08
SOGEFI FILTRATION d.o.o.	-	6	-	-	-	1	10,757	100.00
FILTRAUTO S.A.	-	67	-	-	-	287,494	38,607	99.99
ALLEVARD REJNA AUTOSUSPENSIONS S.A.	-	67	-	-	-	1,999,855	54,535	99.99
ALLEVARD SOGEFI U.S.A. Inc.	-	6	-	-	-	191	7,364	100.00
SOGEFI PURCHASING S.A.S.	-	7	-	-	-	10,000	126	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
SOGEFI (SUZHOU) AUTO PARTS Co., Ltd	-	-	-	-	-	1	12,310	100.00
Total subsidiaries		226		-	-		396,702	

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

The increase in the cost of equity investments in subsidiaries of Euro 226 thousand corresponds to the fair value of options and rights relating to stock-based incentive plans (Stock Option and Stock Grant plans) awarded to employees of subsidiaries; said increases have a balancing item in a specific equity reserve.

As at June 30, 2013, indicators did not occur on the 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, 2013, these represent for the most part financial receivables due from subsidiaries for loans granted at market conditions, the repayment of which is envisaged in the medium-term.
Euro 53 thousand account for the fair value of interest rate swap (Irs) contracts designated in hedge accounting, entered into for a notional amount of Euro 70 million during the first half of 2013 and maturing in 2018, as part of a macro cash flow hedge strategy aimed at hedging the risk of fluctuations in future cash flows deriving from the envisaged future long-term indebtedness of the Company. Relating cash flows will be exchanged from the next financial period.
Details of these contracts are provided in the note below entitled "Financial Instruments".

Details are as follows:

(in thousands of Euro)	*June 30, 2013*	*December 31, 2012*
Loans to subsidiaries:		
Allevard Rejna Autosuspensions S.A.	77,200	77,200
Allevard Sogefi U.S.A. Inc.	5,828	5,777
Sogefi Filtration Ltd	4,666	-
Other medium/long-term assets for cash flow hedge derivative:		
Fair value of interest rate derivative contracts designated in hedge accounting	53	-
TOTAL	87,747	82,977

11. DEFERRED TAX ASSETS

As at June 30, 2013, these amounted to Euro 5,319 thousand, against Euro 4,806 thousand at the end of the previous year, and relate to benefits on deductible temporary differences – mostly traced back to cash flow hedging reserve for the amount of Euro 4,517 thousand – 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 tax liabilities", 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, 2013*	*December 31, 2012*
Bank overdrafts and short-term loans	51	1
Cash pooling current accounts with subsidiaries	78,291	84,031
Current portion of medium/long-term financial debts and other loans	58,580	58,123
of which to subsidiaries	-	-
Capital shares of subsidiaries subscribed and not yet paid	764	7,769
Total loans maturing within one year	137,635	149,923
TOTAL SHORT-TERM FINANCIAL DEBTS	137,686	149,924
Other short-term liabilities for derivative financial instruments	129	850
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	137,815	150,774

Non-current portion

(in thousands of Euro)	*June 30, 2013*	*December 31, 2012*
Debts to bank for medium/long-term loans	205,751	253,421
Other medium/long-term financial debts	112,783	-
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS	318,534	253,421
Other medium/long-term financial liabilities for derivative financial instruments	16,958	13,597
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	335,492	267,018

Cash pooling current accounts with subsidiaries
Details are as follows:

(in thousands of Euro)	*June 30, 2013*	*December 31, 2012*
Filtrauto S.A.	3,303	11,929
Sogefi Rejna S.p.A.	32	6,984
Sogefi Filtration S.A.	2,197	2,113
Sogefi Filtration Ltd	-	1,072
Sogefi Filtration d.o.o.	3,119	4,682
Luhn & Pulvermacher-Dittmann & Neuhaus GmbH	1,888	6,116
United Springs S.A.S.	3,659	3,355
Allevard Springs Ltd	5,721	8,354
United Springs Ltd	1,717	1,574
Allevard Rejna Autosuspensions S.A.	28,785	19,429
Systèmes Moteurs S.A.S.	27,870	18,423
TOTAL	78,291	84,031

Capital shares of subsidiaries subscribed and not yet paid
The amount of Euro 764 thousand (the equivalent of USD 1,000 thousand) is the residual liability toward the Chinese subsidiary Sogefi (Suzhou) Auto Parts Co., Ltd, for capital shares subscribed when it was established outstanding at June 30, 2013, that will be paid by the end of the year.
As at December 31, 2012, residual liability amounted to USD 10,250 thousand.
The Company recognised net exchange losses for the amount of Euro 89 thousand relating to this item during the first half of 2013.

Other short-term liabilities for derivative financial instruments
Euro 122 thousand account for the fair market value of a forward foreign exchange contract. The relevant cost is included in the income statement under "Interest expenses and other financial expenses".

Medium/long-term financial debts
Details are as follows:

Bank / Credit institute	*Signing date*	*Due date*	*Original Loan Amount*	*Interest rate applied at June 30, 2013*	*Current portion (in thousands of Euro)*	*Non-current portion (in thousands of Euro)*	*Total amount (in thousands of Euro)*	*Guarantee*
Medium/long-term financial debts								
Unicredit S.p.A.	June -2006	Mar -2014	Euro 100,000,000	3M Euribor + 90 bps	22,238	-	22,238	N/A
Banca Europea degli Investimenti Tr. A	Dec -2010	Apr -2016	Euro 20,000,000	3M Euribor + 316 bps	5,000	9,931	14,931	N/A
Banca Europea degli Investimenti Tr. B	Dec -2010	Apr -2016	Euro 20,000,000	3M Euribor + 187 bps	5,000	9,931	14,931	N/A
Banca Monte dei Paschi di Siena S.p.A.	Mar -2011	Mar -2017	Euro 25,000,000	3M Euribor + 200 bps	6,250	17,005	23,255	N/A
Intesa Sanpaolo S.p.A.	Apr -2011	Dec -2016	Euro 60,000,000	3M Euribor + 230 bps	8,000	19,537	27,537	N/A
Banca Carige Italia S.p.A.	July -2011	Sept -2017	Euro 25,000,000	3M Euribor + 225 bps	4,765	16,548	21,313	N/A
Ge Capital Interbanca S.p.A.	Oct -2011	June -2017	Euro 10,000,000	3M Euribor + 230 bps	2,000	5,948	7,948	N/A
2012 Syndicated Loan	Dec -2012	Dec -2017	Euro 200,000,000	3M Euribor + 425 bps	-	115,752	115,752	N/A
Banco do Brasil S.A.	Dec -2012	Dec -2016	Euro 15,000,000	3M Euribor + 315 bps	3,750	11,099	14,849	N/A
Net financial expense due at June 30, 2013					1,577	-	1,577	
TOTAL Medium/long-term financial debts					58,580	205,751	264,331	

Bank / Credit institute	*Signing date*	*Due date*	*Original Loan Amount*	*Interest rate applied at June 30, 2013*	*Current portion (in thousands of Euro)*	*Non-current portion (in thousands of Euro)*	*Total amount (in thousands of Euro)*	*Guarantee*
Other medium/long-term financial debts								
Bond / Private Placement	May -2013	May -2023	USD 115,000,000	Fixed coupon 600 bps	-	87,831	87,831	N/A
Bond / Private Placement	May -2013	May -2020	Euro 25,000,000	Fixed coupon 505 bps	-	24,952	24,952	N/A
TOTAL Other medium/long-term financial debts					-	112,783	112,783	

As can be seen from the table above, the Company made two private placements in the U.S. bond market in May 2013.
A U.S. *private placement* of bonds to prime institutional investors for a total amount of USD 115 million for a 10-year term was completed on May 3, 2013 and will be amortised starting from the fourth year. The fixed coupon rate on this issue is 600 basis points.
A second U.S. private placement of bonds to a prime institutional investor for the amount of Euro 25 million was completed on May 22, 2013 and will be repaid in a single instalment in May 2020. The fixed coupon rate on this issue is 505 basis points.

On May 8, 2013, the Company redeemed two loans obtained from Banca Sella S.p.A. in advance for a total amount of Euro 15,000 thousand (Euro 10,000 thousand had been drawn down in July 2012 and were to fall due in January 2014, whereas another Euro 5,000 thousand draw-down made in February 2013 was to fall due in July 2014).

On May 20, 2013, the Company repaid the revolving portion of the loan from Intesa Sanpaolo S.p.A. for the amount of Euro 30 million which had been drawn down in December 2012. The funds will remain available for draw-down until the loan expires in December 2016.

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
Details are as follows:
- Euro 1,303 thousand represent the fair value of an interest rate swap (Irs) contract maturing in December 2016, designated in hedge accounting, signed to transform part of the existing medium/long-term loan obtained from Intesa Sanpaolo S.p.A. from floating to fixed interest rate.
- Euro 266 thousand represent the fair value of four interest rate swap (Irs) contracts signed in February 2013, maturing in December 2017, designated in hedge accounting, which were entered into to transform the entire amortisable portion of the 2012 syndicated loan from floating to fixed interest rate.
- Euro 4,897 thousand represent the fair value of three cross currency swap (Ccs) contracts signed in late April 2013, effective as of June 2013 and maturing in June 2023, designated in hedge accounting, which were entered into to hedge interest and exchange rate risk relating to the private placement of USD 115 million bonds.
- Euro 10,492 thousand account for the liabilities equivalent to the fair value of interest rate swap (Irs) contracts, entered into for a notional amount of Euro 90 million in 2011 and for a notional amount of Euro 30 million in the first half of 2013 maturing in June 2018, as part of a macro cash flow hedge strategy aimed at hedging the risk of fluctuations in future cash flows deriving from the envisaged future long-term indebtedness of the Company. Cash flows under the

contracts entered into in 2011 are exchanged starting from June 2013, those relating to contracts signed in the first half of 2013 will be exchanged starting from the following year.
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, 2013*	*December 31, 2012*
Due to subsidiaries	1,710	2,344
Due to parent company	1,606	597
Due to suppliers	3,609	3,052
Due to Social and Security institutions	663	777
Due to employees	1,285	1,218
Other payables	1,653	1,279
TOTAL	10,526	9,267

Item "Due to subsidiaries" includes the services provided by the subsidiaries Filtrauto S.A., Allevard Rejna Autosuspensions S.A., Sogefi Filtration S.A., Systèmes Moteurs S.A.S. 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 1,606 thousand refer to amounts owed to CIR S.p.A. for services provided to the Company in the first half of 2013 and costs booked within the frame of the CIR Group tax filing system agreement.
Item "Due to suppliers" includes about Euro 2 million external partner service fees for the SAP implementation project at a Group-wide level.
"Other payables" includes Euro 1,500 thousand 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, 2013*	*December 31, 2012*
Provision for employment termination indemnities	822	777
Provision for Phantom Stock Option	218	30
TOTAL	1,040	807

In accordance with the amendment to IAS 19 of June 16, 2011, the Company adjusted the closing balance of the Provision for employment termination indemnities at December 31, 2012 for accumulated actuarial losses totalling Euro 159 thousand.
The provision for Phantom Stock Option refers to the fair value measurement of options related to Phantom Stock Option incentive plans for the Director, in office as Managing Director at the date of issue of the relevant plan. The relative provision – for the amount of Euro 188 thousand – is included in the income statement under “Non-financial services”.

Provisions for deferred tax liabilities
As of June 30, 2013, this item amounts to Euro 737 thousand compared with Euro 397 thousand as of December 31, 2012.
This amount relates to the taxes expected to be paid on taxable temporary differences.

15. SHAREHOLDERS' EQUITY

Share capital

At June 30, 2013, the share capital amounted to Euro 60,768,339.84 (divided into 116,862,192 ordinary shares of a par value of Euro 0.52 each).

In the first half of 2013, the amount of share capital rose by Euro 56 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 January and May 2013 (108,800 shares).

As of June 30, 2013, the Holding Company has 3,969,604 treasury shares in its portfolio, corresponding to 3.4% of share capital. During the first half of 2013, the Company assigned 11,491 treasury shares to beneficiaries of the 2011 Stock Grant plan free of charge in exchange for the conversion of 11,491 time-based units.

Reserves and retained earnings (accumulated losses)

At June 30, 2013, this item amounted to Euro 77,768 thousand, compared to Euro 87,117 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 14,666 thousand, as per resolution passed by the Shareholders' Meeting on April 19, 2013, of a dividend of Euro 0.13 per share by using the whole 2012 profit of Euro 6,156 thousand and withdrawing the difference of Euro 8,510 thousand from the Reserve of Retained Earnings;
- net reduction of Euro 1,663 thousand as a consequence of the change, as at June 30, 2013, in the fair value of the hedging instruments classified as cash flow hedge;
- increase of Euro 768 thousand of credit to equity for the stock-based incentive plans (stock option and stock grant) for the Director, in office as Managing Director at the date of issue of the relevant plan and for employees of the Company and its subsidiaries.

Changes in shareholders' equity in the first half of 2012 and 2013 have already been illustrated in the table above entitled "Statement of changes in 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, 2013*		*December 31, 2012*
A. Cash		3		8
B. Other cash and cash equivalents (short-term cash investments and cash pooling current accounts)		69,057		40,914
of which cash pooling current accounts with subsidiaries	*23,409*		*13,946*	
C. Other financial assets		24		7
D. Liquid funds (A) + (B) + (C)		69,084		40,929
E. Current financial receivables		35,348		10,615
of which from subsidiaries	*35,348*		*10,615*	
F. Current payables to bank and cash pooling current accounts		78,342		84,032
of which cash pooling current accounts with subsidiaries	*78,291*		*84,031*	
G. Current portion of non-current indebtedness		59,344		65,892
of which financial debts to subsidiaries	*764*		*7,769*	
H. Other current financial debts		129		850
of which financial debts to subsidiaries	-		-	
I. Current financial indebtedness (F)+(G)+(H)		137,815		150,774
J. Current financial indebtedness, net (I)-(E)-(D)		33,383		99,230
K. Non-current payables to bank		205,751		253,421
L. Bonds issued		112,783		-
M. Other non-current financial debts		16,958		13,597
N. Non-current financial indebtedness (K) + (L) + (M)		335,492		267,018
O. Net indebtedness (J) + (N)		368,875		366,248

Loans and financial receivables similar to loans – non current		87,747		82,977
of which loans to subsidiaries	*87,694*		*82,977*	
Financial indebtedness, net including non-current financial receivables (as per the "Net financial position" included in the Director's report on operations)		281,128		283,271

Details of the covenants applying to loans outstanding at the end of the first half year 2013 are as follows (see note 12 for further details on loans):
- loan of Euro 100,000 thousand from Unicredit 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 Banca Europea degli Investimenti (BEI): 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 consolidated net financial position to consolidated normalised EBITDA has to be less than or equal to 3.5;
- loan of Euro 25,000 thousand from Banca Carige Italia S.p.A.: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less than 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 Interbanca S.p.A.: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less than 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 Monte dei Paschi di Siena S.p.A.: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less than or equal to 3.5; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 4.
- 2012 syndicated loan of Euro 200,000 thousand: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less than 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 15,000 thousand from Banco do Brasil S.A.: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less than or equal to 3.5; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 4;
- bond issue of USD 115,000 thousand: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less than or equal to 3.5; the ratio of consolidated normalised EBITDA to consolidated net financial expenses must not be less than 4;
- bond issue of Euro 25,000 thousand: the ratio of consolidated net financial position to consolidated normalised EBITDA has to be less than 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, 2013 all covenants were complied with.

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 2013*	*1st half 2012*
Dividends from subsidiaries:		
- Sogefi Filtration S.A.	4,734	6,370
- Sogefi Filtration d.o.o.	1,200	2,000
- Allevard Rejna Autosuspensions S.A.	19,999	9,999
- Systèmes Moteurs S.A.S.	3,000	3,000
- Filtrauto S.A.	6,000	-
TOTAL	34,933	21,369

Dividends resolved by the competent corporate bodies of the subsidiaries in the first half-year were fully recognised in the income statement. As of June 30, 2013 the Company collected the dividends of Sogefi Filtration d.o.o., Systèmes Moteurs S.A.S. and Filtrauto S.A. It is expected that the dividends of Allevard Rejna Autosuspensions S.A. and Sogefi Filtration S.A. will be collected during the second half of 2013.

Other financial income

Details are as follows:

(in thousands of Euro)	*1st half 2013*	*1st half 2012*
Interest on amounts due from subsidiaries	2,041	2,464
Interest on cash pooling current accounts	202	215
Interest on amounts due from banks	30	49
Income from interest-rate hedging derivatives (designated in hedge accounting)	-	11
Income from cross currency swaps (designated in hedge accounting)	19	-
Exchange differences and income from currency derivatives (not designated in hedge accounting)	1,246	627
TOTAL	3,538	3,366

Interest expenses and other financial expenses

Details are as follows:

(in thousands of Euro)	*1st half 2013*	*1st half 2012*
Interest expense on syndicated loans	2,683	1,236
Interest expense on loan from Unicredit S.p.A.	147	344
Interest expense on loans from Intesa Sanpaolo S.p.A.	650	528
Interest expense on BEI loan	438	724
Interest expense on loan from Banca Carige Italia S.p.A.	306	433
Interest expense on loan from Banca Nazionale del Lavoro S.p.A.	-	575
Interest expense on loan from GE Capital Interbanca S.p.A.	110	169
Interest expense on loan from Banca Monte dei Paschi di Siena S.p.A.	274	239
Interest expense on loan from Banco do Brasil S.A.	93	-
Interest expense on loans from Banca Sella S.p.A.	135	-
Interest expense on bond issues	999	-
Interest on amounts due to banks	101	70
Interest on cash pooling current accounts	36	216
Costs from interest-rate hedging derivatives (designated in hedge accounting)	1,398	839
Exchange differences and costs of currency derivatives (not designated in hedge accounting)	1,173	543
Exchange differences on cross currency swaps (designated in hedge accounting)	168	-
Commission and bank charges	53	40
Commission on financial transactions	1,387	492
Other	8	12
TOTAL	10,159	6,460

Rising net financial expense accounts for the higher spreads paid on existing loans compared to those paid during the first half year 2012.

18. OTHER OPERATING INCOME

These can be broken down as follows:

(in thousands of Euro)	*1st half 2013*	*1st half 2012*
REVENUES FROM SALES AND SERVICES		
Consultancy and business assistance, royalties:		
- engine systems division companies	5,742	4,692
- suspension components division companies	2,060	1,848
Leases:		
- Sogefi Rejna S.p.A.	276	271
OTHER REVENUES AND INCOME		
Various income and recoveries from subsidiaries	90	86
Other income	13	8
TOTAL	8,181	6,905

Income from both divisions was up thanks to increased revenues from corporate consulting and service contracts, royalty fees on the Group SAP information system and higher revenues from the Group centralised provider on the data communication lines compared to the same period of the previous year.

19. OTHER OPERATING EXPENSES

In the first half of 2013, “Costs of services” included the amount of Euro 965 thousand for administrative, financial, tax related and corporate services provided by the parent company (Euro 994 thousand in the first half year 2012).
“Costs of services” also includes the overall expense of Euro 419 thousand (Euro 172 thousand in the first half of 2012) resulting from the fair value measurement of options and rights on Phantom Stock Option, Stock Option and Stock Grant incentive plans for the Director, in office as Managing Director at the date of issue of the relevant plan.
“Costs of services” also include Euro 278 thousand that account for net operating expense incurred in managing the Group integrated SAP information system.

“Costs for leases and rentals” included Euro 2,176 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 fluid Filtration Division.

The increase in “Personnel costs” is mostly due to the higher average number of employees compared to the first half of 2012, as outlined in the note “Other information” further below.
"Personnel costs" includes an expense of Euro 312 thousand (Euro 185 thousand in the first half of 2012) 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”.

Euro 3,094 thousand has been capitalised, in the first half of 2013, from “Other operating expenses” to “Intangible Assets”.

20. NON-OPERATING INCOME AND EXPENSES

Non-operating non-recurring expenses

The amount at June 30, 2012 reflected fees of consultants who assisted the Company with the due diligence for an acquisition that was not completed.

21. INCOME TAXES

In the first half of 2013, tax assets amounted to Euro 1,640 thousand compared to Euro 1,582 thousand of the first half of 2012.

22. OTHER INFORMATION

In the first half of 2013, the average number of employees of Sogefi S.p.A. was 36 compared to 33 in the first half of 2012.

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, 2013	*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.		2,000	672		32	162
Sogefi Filtration Ltd	8,726	2,500	538	4,666		
Sogefi Filtration S.A.		5,849	9		2,197	38
Filtrauto S.A.		5,000	562		3,303	938
Sogefi Filtration d.o.o.			8		3,119	1
Sogefi Filtration do Brasil Ltda			246			6
Sogefi Filtration Argentina S.A.			1,865			
Sogefi Purchasing S.A.S.	1,682		218			
Luhn & Pulvermacher-Dittmann & Neuhaus GmbH			4		1,888	
Allevard Rejna Autosuspensions S.A.		19,999	271	77,200	28,785	420
Allevard Federn GmbH	13,001		59			
Allevard Springs Ltd			50		5,721	6
Allevard Molas do Brasil Ltda						
Allevard Rejna Argentina S.A.			893			
Allevard Sogefi U.S.A. Inc.			591	5,828		
United Springs S.A.S.			4		3,659	1
United Springs B.V.			22			
United Springs Ltd			50		1,717	2
Shanghai Allevard Spring Co., Ltd.			1			
Iberica De Suspensiones S.L. (ISSA)			5			
Systèmes Moteurs S.A.S.			356		27,870	136
Sogefi Engine Systems Canada Corp.			347			
Sogefi Engine Systems USA, Inc.			5			
Sogefi Engine Systems Mexico, S de R.L. de C.V.			47			
TOTAL	23,409	35,348	6,823	87,694	78,291	1,710

1st half 2013	*Income statement*					
	Income				Expenses	
	From equity investments	Other financial income	Revenues from sales and services	Other revenues and income	Interest expenses and other financial expenses	Other operating expenses
Sogefi Rejna S.p.A.		48	1,353	10	1	325
Sogefi Filtration Ltd		141	563	4		
Sogefi Filtration S.A.	4,734		117	3	1	74
Filtrauto S.A.	6,000	119	1,713	15	3	1,736
Sogefi Filtration d.o.o.	1,200		58	1	1	
Sogefi Filtration do Brasil Ltda			895			6
Sogefi Filtration Argentina S.A.			559			
Sogefi Purchasing S.A.S.		18	208			
Luhn & Pulvermacher-Dittmann & Neuhaus GmbH		1	171	4	1	
Allevard Rejna Autosuspensions S.A.	19,999	1,746	629	13	7	415
Allevard Federn GmbH		96	55	1		
Allevard Springs Ltd			80	1	12	
Allevard Rejna Argentina S.A.			227			
Allevard Molas do Brasil Ltda			264			
Allevard Sogefi U.S.A. Inc.		74	122	6		
United Springs S.A.S.			72	1	1	
United Springs B.V.			41	1		
United Springs Ltd			43	1	3	
Iberica De Suspensiones S.L. (ISSA)				5		
Systèmes Moteurs S.A.S.	3,000		535	24	6	173
Sogefi Engine Systems Canada Corp.			321			
Sogefi Engine Systems USA, Inc.			5			
Sogefi Engine Systems Mexico, S de R.L. de C.V.			47			
TOTAL	34,933	2,243	8,078	90	36	2,729

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 balance sheet 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, 2013*
Statement of financial position:		
Trade and other receivables (*)	*6*	6,075
Trade and other payables	*13*	1,606
Income statement:		
Other operating expenses	*19*	965
Income taxes (*)	*21*	641

(*) The amount of "Income taxes" reflects only the consideration due to the Parent Company CIR S.p.A. for excess tax transferred in order to recognise non-deductible financial expenses. On the other hand, "Trade and other receivables" reflect the tax losses of the Company at June 30, 2013 transferred and recognised in the income statement under item "Income taxes".

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

In the first half of 2013, the remuneration to the Directors amounted to Euro 344 thousand (Euro 785 thousand in the first half of 2012), to the Statutory Auditors Euro 46 thousand (the same amount as in the first half of 2012), and to the Manager with strategic responsibilities pursuant to Consob resolution no. 17221/2010 Euro 257 thousand (Euro 217 thousand in the first half of 2012).
In the first half of 2013, the remuneration to the General Manager, currently in office as Managing Director, amounted to Euro 542 thousand.
The total cost recognised in the income statement in the first half of 2013 for the remunerations outlined above, including relevant social charges, employment termination indemnities and fringe benefits, amounts to Euro 1,518 thousand (Euro 1,165 thousand in the first half of 2012).

In the first half of 2013, the fair value of the stock-based compensation plans granted to the Director, in office as Managing Director at the date of issue of the relevant plan, to the Managing Director and General Manager currently in office and to the Manager with strategic responsibilities was Euro 495 thousand (Euro 198 thousand in the first half of 2012).

E) COMMITMENTS AND RISKS

24. INFORMATION ON COMMITMENTS AND RISKS

The most important are:
- “guarantees” on behalf of subsidiaries amounting to Euro 146,837 thousand and in favour of third parties amounting to Euro 45 thousand;
- commitments for interest rate swap (Irs) contracts held by the Company with a notional value of Euro 338,000 thousand;
- commitments for cross currency swap (Ccs) contracts held by the Company with a notional value of Euro 88,089 thousand;
- commitments for forward foreign exchange contracts amounting to Euro 10,070 thousand.

F) 25. FINANCIAL INSTRUMENTS

At June 30, 2013 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 equity.

Description of IRS	Date opened	Contract maturity	Notional	Fixed rate	Fair value
Hedge of Euro 60 million (04/29/2011 maturity 12/31/2016) Euribor rate + 200 base bps	05/11/2011	12/31/2016	28,000	2.990%	(1,303)
TOTAL			28,000		(1,303)

Description of IRS	Date opened	Contract maturity	Notional	Fixed rate	Fair value
Hedge of Euro 200 million (12/04/2012 maturity 12/04/2017) Euribor rate + 425 base bps	02/19/2013	12/04/2017	30,000	0.838%	(63)
Hedge of Euro 200 million (12/04/2012 maturity 12/04/2017) Euribor rate + 425 base bps	02/20/2013	12/04/2017	30,000	0.86%	(71)
Hedge of Euro 200 million (12/04/2012 maturity 12/04/2017) Euribor rate + 425 base bps	02/21/2013	12/04/2017	30,000	0.857%	(80)
Hedge of Euro 200 million (12/04/2012 maturity 12/04/2017) Euribor rate + 425 base bps	02/20/2013	12/04/2017	30,000	0.856%	(52)
TOTAL			120,000		(266)

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 June 2013 onwards:

Description of IRS	Date opened	Contract maturity	Notional	Fixed rate	Fair value
Hedging of future financial indebtedness for 2013-2018	02/10/2011	06/01/2018	10,000	3.679%	(1,245)
Hedging of future financial indebtedness for 2013-2018	02/23/2011	06/01/2018	10,000	3.500%	(1,225)
Hedging of future financial indebtedness for 2013-2018	03/11/2011	06/01/2018	10,000	3.545%	(1,252)
Hedging of future financial indebtedness for 2013-2018	03/23/2011	06/01/2018	10,000	3.560%	(1,233)
Hedging of future financial indebtedness for 2013-2018	03/27/2011	06/01/2018	10,000	3.670%	(1,304)
Hedging of future financial indebtedness for 2013-2018	05/13/2011	06/01/2018	10,000	3.460%	(1,200)
Hedging of future financial indebtedness for 2013-2018	06/24/2011	06/01/2018	10,000	3.250%	(1,100)
Hedging of future financial indebtedness for 2013-2018	06/28/2011	06/01/2018	10,000	3.250%	(1,105)
Hedging of future financial indebtedness for 2013-2018	11/28/2011	06/01/2018	10,000	2.578%	(765)
TOTAL			90,000		(10,429)

In the first half of 2013, 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 2014 onwards:

Description of IRS	Date opened	Contract maturity	Notional	Fixed rate	Fair value
Hedging of future financial indebtedness for 2013-2018	02/07/2013	06/01/2018	15,000	1.445%	7
Hedging of future financial indebtedness for 2013-2018	02/11/2013	06/01/2018	5,000	1.225%	2
Hedging of future financial indebtedness for 2013-2018	02/11/2013	06/01/2018	5,000	1.425%	5
Hedging of future financial indebtedness for 2013-2018	02/19/2013	06/01/2018	10,000	1.44%	6
Hedging of future financial indebtedness for 2013-2018	02/21/2013	06/01/2018	10,000	1.66%	14
Hedging of future financial indebtedness for 2013-2018	02/01/2013	06/01/2018	10,000	1.31%	(32)
Hedging of future financial indebtedness for 2013-2018	02/06/2013	06/01/2018	10,000	1.281%	(21)
Hedging of future financial indebtedness for 2013-2018	02/11/2013	06/01/2018	5,000	1.22%	4
Hedging of future financial indebtedness for 2013-2018	02/11/2013	06/01/2018	5,000	1.24%	2
Hedging of future financial indebtedness for 2013-2018	02/12/2013	06/01/2018	5,000	1.42%	(2)
Hedging of future financial indebtedness for 2013-2018	02/13/2013	06/01/2018	5,000	1.50%	(8)
Hedging of future financial indebtedness for 2013-2018	02/19/2013	06/01/2018	10,000	1.65%	9
Hedging of future financial indebtedness for 2013-2018	02/21/2013	06/01/2018	5,000	1.66%	4
TOTAL			100,000		(10)

On April 30, 2013, the Company entered into three cross currency swap (Ccs) contracts maturing in June 2023, designated in hedge accounting, in order to hedge interest and exchange rate risk relating to the private placement of USD 115 million bonds. Under these contracts, a fixed interest receivable of 600 basis points on subscribed notional USD amount is collected by the Company on a quarterly basis against payment of a fixed interest payable on a notional amount in EUR corresponding to the USD notional amount converted at the fixed exchange rate of 1.3055 (totalling Euro 88,089 thousand).
Details of these contracts are as follows:

Description of CCSwap	Date opened	Contract maturity	Notional (in thousands of USD)	Fixed rate	Fair value (in thousands of Euro)
Private Placement for USD 115 million (05/03/2013 maturity 05/03/2023) Fixed coupon 600 bps	04/30/2013	06/01/2023	55,000	6.0% USD receivable 5.6775% Euro payable	(2,230)
Private Placement for USD 115 million (05/03/2013 maturity 05/03/2023) Fixed coupon 600 bps	04/30/2013	06/01/2023	40,000	6.0% USD receivable 5.74% Euro payable	(1,742)
Private Placement for USD 115 million (05/03/2013 maturity 05/03/2023) Fixed coupon 600 bps	04/30/2013	06/01/2023	20,000	6.0% USD receivable 5.78% Euro payable	(925)
TOTAL			115,000		(4,897)

As at June 30, 2013, the Company holds the following forward sale contracts 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	06/20/2013	1.33740	09/20/2013	1.33810	(122)
GBP 4,000,000	06/20/2013	0.85620	09/20/2013	0.85712	5

The fair value of all the derivatives has been calculated making use of the forward curve of the interest and exchange rate as at June 30, 2013, considering also a credit valuation adjustment/debit valuation adjustment (such element was not considered in valuations performed as at December 31, 2012).
The fair value of derivatives are classified as level 2 in the fair value hierarchy.

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

1. The undersigned:

   Guglielmo Fiocchi –Managing Director and General Manager 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 2013 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, 2013:
- 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.

Milan, July 23, 2013

Managing Director and General Manager	Manager responsible for preparing financial reports
Guglielmo Fiocchi	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, 2013 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 consolidated financial statements under Resolution n° 10867 of July 31, 1997. Our review consisted principally of applying analytical procedures to the half-year condensed consolidated 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 consolidated financial statements.

   As far as comparative figures related to the year ended December 31, 2012 and the six-month period ended June 30, 2012 are concerned, reference should be made to our auditors' report dated March 28, 2013 and our auditors' review report dated August 3, 2012, respectively. Such comparative data have been revised to take into account of the adoption of the new amendment of IAS 19 – Employee Benefits. These revisions to comparative data and related disclosures included in the notes to the half-year condensed consolidated financial statements have been reviewed by us in order to express our conclusion on the half-year condensed consolidated financial statements as of June 30, 2013.

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, 2013 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 2, 2013

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, 2013 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, 2012 and the six-month period ended June 30, 2012 are concerned, reference should be made to our auditors' report dated March 28, 2013 and our auditors' review report dated August 3, 2012, respectively. Such comparative data have been revised to take into account of the adoption of the new amendment of IAS 19 – Employee Benefits. These revisions to comparative data and related disclosures included in the notes to the half-year condensed financial statements have been reviewed by us in order to express our conclusion on the half-year condensed financial statements as of June 30, 2013.

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, 2013 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 2, 2013

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