INTERIM FINANCIAL REPORT
AS AT MARCH 31, 2013

JOINT-STOCK COMPANY - SHARE CAPITAL EURO 60,736,463.84
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' REPORT ON OPERATIONS AS AT MARCH 31, 2013

In the first quarter of 2013 the automotive sector's business continued the downturn which started during late 2011 and persisted throughout the year 2012 further to the worsening of the global economic and financial scenario.

In particular, in Europe, reduced access to credit further decreased consumer's propensity to purchase new cars, leading to a 10.2% drop of new registrations in the first quarter against the corresponding period of 2012, with a 8% fall in production.

Outside Europe, significant production growth was observed in Brazil, China and – to a smaller extent – North America. In this difficult market scenario, Sogefi achieved substantially stable margins, made possible even thanks to an improved geographic mix.

Sogefi ended the first quarter with **consolidated revenues** of € 329.2 million compared to € 346.9 million in the first quarter of 2012 (-5.1%). At the same exchange rates, revenues would have amounted to € 338.9 million, with a moderate 2.3% decrease.

The revenues of the Engine Systems Division were € 201.9 million, compared to € 208.3 million in the same prior year period (-3.1%), whereas the revenues of the Suspension Components Division stood at € 127.9 million, down 8.2% from the € 139.3 million recorded in the same period of 2012.

The growth in non-European markets, combined with the decline in European markets, has driven non-European revenues to 34.7% of total Group's ones (29.8% in the first quarter 2012). The most significant figure was the continuing **growth in North America (NAFTA area)**, where Sogefi achieved revenues of € 45.2 million (+22.7%), now accounting for 13.7% of Group revenues (10.6% in the first quarter 2012). **Growth also continued in Asia** with revenues up 35.7% over the first quarter 2012 **and in the Mercosur area** (+2.5%), where good market performance was impacted by the unfavourable effect of foreign exchange rates. In Europe Sogefi reported revenues of € 214.8 million, down 11.8% from the same prior year period due to weak market demand.

The cost for raw materials of key components was basically consistent with the one of the first quarter of last year. Contribution margin is at 30%, substantially unchanged from first quarter 2012, and demonstrates the Group's ability to maintain profitability levels in the face of decreasing turnover.

Consolidated operating result is posted at € 22.1 million (6.7% of revenues) compared with € 24.6 million (7.1% of revenues) in first quarter 2012.

Consolidated EBITDA (Earnings Before Interest, Tax, Writedowns, Depreciation and Amortisation) for the first three months of the year was € 32.1 million compared with € 34.5 million in the same prior year period, with a percentage on revenues (9.7%) basically unchanged from the first quarter 2012 (9.9%).

EBIT was € 18.2 million compared with € 20.3 million in the same prior year period, with a percentage on revenues (5.5%) slightly decreased compared with the first quarter 2012 (5.9%).

Result before taxes and non-controlling interests stood at € 12.6 million compared with € 15.6 million in the first quarter of the previous year, as a result of higher interest costs incurred after the recent debt refinancing. It has entailed new credit lines at current market prices which replaced the existing credit lines obtained before 2008 under more favourable conditions.

Consolidated net result for the period amounts to € 7 million (2.1% of revenues) compared with € 9 million (2.6% of revenues) in first quarter 2012.

Net financial indebtedness was € 311.9 million as of March 31, 2013, compared with € 295.8 million as of December 31, 2012. Such increase is traced back to cash outflow that reflects restructuring costs booked in the fourth quarter of 2012 and related to the shut-down of the Welsh plant, as well as the seasonal nature of the automotive business.

As of March 31, 2013, **total consolidated equity including non-controlling interests** amounts to € 212 million over the € 200.2 million posted as at December 31, 2012, whereas **consolidated equity** is € 191.1 million compared with € 180.4 million as of December 31, 2012. Both figures were affected by the adoption of the new International Accounting Standard IAS 19 (see note on page 10).

PERFORMANCE OF THE ENGINE SYSTEMS DIVISION

The Engine Systems Division realised revenues for the amount of € 201.9 million, limiting the downtrend to 3.1% below the € 208.3 million posted in first quarter 2012, with revenues from the aftermarket segment basically stable at the level of the same 2012 quarter.

Economic results showed that the Group is highly flexible in reacting to difficult market conditions and this flexibility enabled it to achieve greater profitability in terms of both absolute value and margin despite falling revenues:

- division's consolidated operating result grew by 4.1% to € 14.3 million (7.1% of revenues) compared with € 13.7 million (6.6% of revenues) in the same 2012 period;
- EBITDA increased by 5.3% to € 20.5 million (10.2% of revenues) as against € 19.5 million (9.4% of revenues) in the same 2012 period,
- EBIT grew by 11.6% from € 11.4 million to € 12.8 million, with a marginality rising to 6.3% of revenues as against 5.5% in the same 2012 period.

Workforce (including temporary workers and excluding employees subject to flexible arrangements) totalled 4,396 at the end of the first quarter against 4,451 twelve months earlier.

PERFORMANCE OF THE SUSPENSION COMPONENTS DIVISION

The Suspension Components Division realised revenues of € 127.9 million, down 8.2% from € 139.3 million in the same 2012 period.

The drop in volumes adversely affected profitability performance:

- division's consolidated operating result was € 9.5 million (7.5% of revenues) compared with € 11.7 million (8.4% of revenues) in the same 2012 period;
- EBITDA amounted to € 13.1 million (10.2% of revenues) as against € 15.7 million (11.3% of revenues) in first quarter 2012;
- EBIT stand at € 7.8 million (6.1% of revenues) compared with € 9.8 million (7% of revenues) in the first quarter 2012.

At quarter end, workforce (as defined above for the Engine Systems Division) totalled 2,771 employees, as against 2,814 employees at the end of March 2012.

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

The Holding Company Sogefi S.p.A. recorded a loss of € 3.5 million, compared to a loss of € 2.2 million in the first quarter 2012. Especially noteworthy is the increase in net financial expenses.

EXEMPTION FROM THE OBLIGATION TO PUBLISH INFORMATION DOCUMENTS UNDER ARTICLE 70, PARAGRAPH 8 AND ARTICLE 71, PARAGRAPH 1-BIS OF THE RULES FOR ISSUERS

In relation to art. 70, paragraph 8 and art. 71, paragraph 1-bis of Consob Regulation no. 11971/99, as amended by Consob Resolution no. 18079 of January 20, 2012, on October 23, 2012, the Board of Directors resolved to make 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.

OUTLOOK FOR OPERATIONS

Moderate growth is forecast for global automotive markets in 2013, with business volumes falling in Europe, a continued uptrend in Asia and more restrained growth in Latin America and North America. Within this scenario, the Sogefi Group expects to:

- continue to grow in non-European markets;
- enjoy stable prices for key raw materials;
- continue to implement efficiency improvement measures.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of Euro)

ASSETS	**03.31.2013**	**12.31.2012 (*)**
CURRENT ASSETS		
Cash and cash equivalents	88.3	85.2
Other financial assets	4.2	8.2
Working capital		
Inventories	159.6	148.6
Trade receivables	182.2	155.2
Other receivables	32.2	32.5
Tax receivables	19.8	21.8
Other assets	5.6	3.5
TOTAL WORKING CAPITAL	*399.4*	*361.6*
TOTAL CURRENT ASSETS	491.9	455.0
NON-CURRENT ASSETS		
Fixed assets		
Land	15.7	15.7
Property, plant and equipment	230.9	231.2
Other tangible fixed assets	5.5	5.4
Of wich: leases	*4.9*	*5.2*
Intangible assets	246.8	239.6
TOTAL FIXED ASSETS	498.9	491.9
OTHER NON-CURRENT ASSETS		
Investments in joint ventures	0.3	0.3
Other financial assets available for sale	0.5	0.5
Non-current trade receivables	-	-
Financial receivables	-	-
Other receivables	8.5	6.8
Deferred tax assets	60.8	60.2
TOTAL OTHER NON-CURRENT ASSETS	70.1	67.8
TOTAL NON-CURRENT ASSETS	569.0	559.7
NON-CURRENT ASSETS HELD FOR SALE	-	-
TOTAL ASSETS	1,060.9	1,014.7

(*) Some values as at December 31, 2012 have been restated following the application of the amendments to IAS 19 - Employee Benefits

LIABILITIES	03.31.2013	12.31.2012 (*)
CURRENT LIABILITIES		
Bank overdrafts and short-term loans	18.8	8.4
Current portion of medium/long-term financial debts and other loans	101.6	89.6
Of which: leases	*0.8*	*0.8*
TOTAL SHORT-TERM FINANCIAL DEBTS	120.4	98.0
Other short-term liabilities for derivative financial instruments	0.5	1.0
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	120.9	99.0
Trade and other payables	338.9	308.0
Tax payables	6.0	12.2
Other current liabilities	7.3	8.7
TOTAL CURRENT LIABILITIES	473.1	427.9
NON-CURRENT LIABILITIES		
MEDIUM/LONG TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS		
Financial debts to bank	258.8	267.8
Other medium/long-term financial debts	9.4	8.8
Of which: leases	*4.7*	*4.9*
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS	268.2	276.6
Other medium/long term financial liabilities for derivative financial instruments	15.3	13.7
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	283.5	290.3
OTHER LONG-TERM LIABILITIES		
Long-term provisions	50.4	54.7
Other payables	0.3	0.2
Deferred tax liabilities	41.6	41.4
TOTAL OTHER LONG-TERM LIABILITIES	92.3	96.3
TOTAL NON-CURRENT LIABILITIES	375.8	386.6
SHAREHOLDERS' EQUITY		
Share capital	60.7	60.7
Reserves and retained earnings (accumulated losses)	123.4	91.3
Group net result for the period	7.0	28.4
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY	191.1	180.4
Non-controlling interests	20.9	19.8
TOTAL SHAREHOLDERS' EQUITY	212.0	200.2
TOTAL LIABILITIES AND EQUITY	1,060.9	1,014.7

(*) Some values as at December 31, 2012 have been restated following the application of the amendments to IAS 19 - Employee Benefits

CONSOLIDATED INCOME STATEMENT FROM 01.01.2013 TO 03.31.2013

(in millions of Euro)

	Period 01.01 – 03.31.2013		Period 01.01 – 03.31.2012 (*)		Change	
	Amount	%	Amount	%	Amount	%
Sales revenues	329.2	100.0	346.9	100.0	(17.7)	(5.1)
Variable cost of sales	230.3	70.0	243.4	70.2	(13.1)	(5.4)
CONTRIBUTION MARGIN	98.9	30.0	103.5	29.8	(4.6)	(4.5)
Manufacturing and R&D overheads	33.4	10.1	35.6	10.3	(2.2)	(6.2)
Depreciation and amortization	14.1	4.3	14.2	4.1	(0.1)	(0.2)
Distribution and sales fixed expenses	9.8	3.0	10.0	2.9	(0.2)	(2.4)
Administrative and general expenses	19.5	5.9	19.1	5.4	0.4	2.3
OPERATING RESULT	22.1	6.7	24.6	7.1	(2.5)	(10.5)
Restructuring costs	0.4	0.1	0.5	0.2	(0.1)	(22.9)
Losses (gains) on disposal	-	-	-	-	-	(0.0)
Exchange losses (gains)	(0.2)	(0.1)	0.2	0.1	(0.4)	-
Other non-operating expenses (income)	3.7	1.2	3.6	0.9	0.1	(3.4)
EBIT	18.2	5.5	20.3	5.9	(2.1)	(9.6)
Financial expenses (income), net	5.6	1.7	4.7	1.4	0.9	35.1
Losses (gains) from equity investments	-	-	-	-	-	-
RESULT BEFORE TAXES AND NON-CONTROLLING INTERESTS	12.6	3.8	15.6	4.5	(3.0)	(21.3)
Income taxes	4.8	1.4	5.8	1.7	(1.0)	(20.5)
NET RESULT BEFORE NON-CONTROLLING INTERESTS	7.8	2.4	9.8	2.8	(2.0)	(21.8)
Loss (income) attributable to non-controlling interests	(0.8)	(0.3)	(0.8)	(0.2)	-	(1.9)
GROUP NET RESULT	7.0	2.1	9.0	2.6	(2.0)	(23.9)

(*) Some values as at December 31, 2012 have been restated following the application of the amendments to IAS 19 - Employee Benefits

CONSOLIDATED NET FINANCIAL POSITION

(in millions of Euro)

	03.31.2013	12.31.2012	03.31.2012
A. Cash	88.3	85.2	124.7
B. Other cash at bank and on hand	4.0	8.2	6.1
C. Financial instruments held for trading	-	-	-
D. Liquid funds (A) + (B) + (C)	**92.3**	**93.4**	**130.8**
E. Current financial receivables	**0.2**	**0.1**	**-**
F. Current payables to banks	(18.8)	(8.4)	(7.1)
G. Current portion of non-current indebtedness	(101.6)	(89.6)	(54.3)
H. Other current financial debts	(0.5)	(1.0)	(0.6)
I. Current financial indebtedness (F) + (G) + (H)	**(120.9)**	**(99.0)**	**(62.0)**
J. Current financial indebtedness, net (I) + (E) + (D)	**(28.4)**	**(5.5)**	**68.8**
K. Non-current payables to banks	(258.8)	(267.8)	(350.1)
L. Bonds issued	-	-	-
M. Other non-current financial debts	(24.7)	(22.5)	(18.0)
N. Non-current financial indebtedness (K) + (L) + (M)	**(283.5)**	**(290.3)**	**(368.1)**
O. Net indebtedness (J) + (N)	**(311.9)**	**(295.8)**	**(299.3)**
Non-current financial receivables	-	-	-
Financial indebtedness, net including non-current financial receivables	**(311.9)**	**(295.8)**	**(299.3)**

CONSOLIDATED CASH FLOW STATEMENT

(in millions of Euro)

	March 31, 2013	December 31, 2012	March 31, 2012
SELF-FINANCING	17.5	89.8	22.3
Change in net working capital	(12.8)	19.8	(4.3)
Other medium/long-term assets/liabilities	(1.9)	(5.1)	(1.2)
CASH FLOW GENERATED BY OPERATIONS	2.8	104.5	16.8
Sale of equity investments	-	-	-
Net decrease from sale of fixed assets	0.1	3.4	-
TOTAL SOURCES	2.9	107.9	16.8
Increase in intangible assets	11.0	39.2	7.9
Purchase of tangible assets	7.1	45.2	8.5
Purchase of equity investments	-	-	-
TOTAL APPLICATION OF FUNDS	18.1	84.4	16.4
Net financial position of subsidiaries purchased/sold during the period	-	-	-
Exchange differences on assets/liabilities and equity	(0.9)	(1.2)	0.6
FREE CASH FLOW	(16.1)	22.3	1.0
Holding Company increases in capital	-	0.1	-
Net purchase of treasury share	-	(1.4)	(0.5)
Increase in share capital of consolidated subsidiaries	-	0.2	-
Dividends paid by the Holding Company to shareholders	-	(14.7)	-
Dividends paid by subsidiaries to non-controlling interests	-	(2.5)	-
CHANGES IN SHAREHOLDERS' EQUITY	-	(18.3)	(0.5)
Change in net financial position	(16.1)	4.0	0.5
Opening net financial position	(295.8)	(299.8)	(299.8)
CLOSING NET FINANCIAL POSITION	(311.9)	(295.8)	(299.3)

CONTENT AND FORMAT OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. INTRODUCTION

The consolidated interim financial report as at March 31, 2013, which has not been externally audited, has been prepared in compliance with International Accounting Standards (IAS/IFRS) and to this end, the financial statements of consolidated investee companies have been appropriately reclassified and adjusted.

The interim financial report has been drawn up in accordance with the provisions of art. 154-ter, paragraph 5 of Legislative Decree no. 58 of 02/24/98 (Consolidated Law on Finance) and subsequent amendments. Therefore, the provisions of the international accounting standard regarding interim financial information (IAS 34 “Interim financial reporting”) have not been adopted.

2. CONSOLIDATION PRINCIPLES

Consolidation is performed on a line-by-line basis. The criteria adopted for the application of this method have not changed with respect to those used as at December 31, 2012.

3. ACCOUNTING STANDARDS APPLIED

The accounting standards applied in the preparation of the financial statements as at March 31, 2013 are the same as those applied to the financial statements as at December 31, 2012, the one exception being the amendment to IAS 19 "Employee Benefits", which has been adopted for the first time in the year 2013. This amendment eliminates the option to defer the recognition of actuarial 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 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 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”, the amendment was applied retrospectively adjusting Shareholders' equity as at December 31, 2012 for the amount of Euro 15 million (net of tax effect) and income statement as at March 31, 2012 for the amount of Euro 0.2 million (net of tax effect).

COMMENTS ON THE FINANCIAL STATEMENTS

Changes in the Group's consolidated shareholders' equity and in total shareholders' equity in the first quarter of 2013 are as follows:

(in millions of Euro)	Consolidated shareholders' equity - Group	Capital and reserves pertaining to non-controlling interests	Total Group and non-controlling shareholders' equity
Balance at December 31, 2012 (*)	180.4	19.8	200.2
Paid share capital increase	-	-	-
Dividends	-	-	-
Currency translation differences and other changes	3.7	0.3	4.0
Net result for the period	7.0	0.8	7.8
Balance at March 31, 2013	191.1	20.9	212.0

(*) Some values as at December 31, 2012 have been restated following the application of the amendments IAS 19 - Employee Benefits

Revenues from sales amounted to € 329.2 million compared to € 346.9 million in the same period of 2012.

The breakdown of revenues by business area is as follows:

(in millions of Euro)

	03.31.2013		03.31.2012		Change	
	Amount	%	Amount	%	Amount	%
Engine Systems	201.9	61.3	208.3	60.0	(6.4)	(3.1)
Suspension components	127.9	38.9	139.3	40.2	(11.4)	(8.2)
Intercompany eliminations	(0.6)	(0.2)	(0.7)	(0.2)	0.1	(5.8)
TOTAL	329.2	100.0	346.9	100.0	(17.7)	(5.1)

The breakdown of revenues by geographical area is as follows:

(in millions of Euro)

	03.31.2013		03.31.2012		Change	
	Amount	%	Amount	%	Amount	%
Europe	214.8	65.3	243.6	70.2	(28.8)	(11.8)
Mercosur	54.9	16.7	53.5	15.4	1.4	2.5
NAFTA	45.2	13.7	36.8	10.6	8.4	22.7
Asia	12.9	3.9	9.5	2.7	3.4	35.7
Rest of the World	1.4	0.4	3.5	1.1	(2.1)	(59.1)
TOTAL	329.2	100.0	346.9	100.0	(17.7)	(5.1)

As at March 31, 2013, the Group's workforce was 6,678, compared to 6,735 as at December 31, 2012 and 6,752 as at March 31, 2012, broken down as follows:

	03.31.2013	**12.31.2012**	**03.31.2012**
Managers	111	111	113
Clerical staff	1,827	1,821	1,793
Blue collar workers	4,740	4,803	4,846
TOTAL	6,678	6,735	6,752

Milan, 19 April 2013

THE BOARD OF DIRECTORS

DECLARATION PURSUANT TO ART. 154 BIS, PARAGRAPH 2, LEGISLATIVE DECREE NO. 58/1998

Subject: Interim financial report as at March 31, 2013

The undersigned, Mr. Giancarlo Coppa - Manager responsible for preparing the Company's financial reports -

declares

pursuant to paragraph 2 of article 154-bis of the Consolidated Law on Finance that the accounting information contained in this document corresponds to the document results, books and accounting records.

Milan, April 19, 2013

SOGEFI S.p.A.
(Giancarlo Coppa)