

# **INTERIM FINANCIAL REPORT AS AT SEPTEMBER 30, 2011**



JOINT-STOCK COMPANY - SHARE CAPITAL EURO 60,664,755.84  
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# **REPORT OF THE BOARD OF DIRECTORS ON OPERATIONS AS AT SEPTEMBER 30, 2011 AND IN THE THIRD QUARTER**

On July 29, 2011 the Group finalised the acquisition of the French group Systèmes Moteurs, therefore changing its scope of consolidation as of August 1, 2011.

In this report, the comparison of the income statement and financial results with those of the previous period is therefore not consistent. In order to improve the understanding of business performance, results are shown for both the new post-acquisition scope and the previous one.

Furthermore, the Group's activities continue to be organised into two Divisions: the Filtration division will now be called "Engine Systems" as it includes Systèmes Moteurs, while the other division will continue to be known as "Suspension Components and Precision Springs".

## **INFORMATION ON OPERATIONS**

In the third quarter global vehicle production confirmed the increase in volumes reported in the first half of the year, with higher growth in non-European markets.

In the BRIC countries (Brazil, Russia, India and China) production levels continued to rise. The Brazilian market reported a slowdown in the month of September due to the reduction in the stock levels of vehicle manufacturers and their distribution chain.

In Europe, the lacklustre performance of new registrations was more than compensated for by the positive trend of exports, especially in the higher end of the range and for German manufacturers, with a total rise in production of over 7%.

Even the recovery of the European industrial vehicle sector, which began in mid 2010, picked up speed although it has not yet returned to the pre-crisis levels of 2007.

By contrast, in the period demand weakened in the independent aftermarket, which is affected by the economic difficulties in many European countries (Italy, Spain, Greece, Britain and Portugal).

Against a favourable backdrop in all markets except for the European aftermarket, in the first nine months of the year the Sogefi group reported **revenues** of 829.8 million euro (+20.8% on the figure of 687 million euro for the same period of 2010). On the same basis of consolidation, net of the revenues of Systèmes Moteurs, in the two months of August and September sales came in at 776.2 million euro (+13%).

The highest growth (+21.9%) was reported by the *Suspension Components* Division with revenues of 413.5 million euro, while the *Engine Systems* Division posted sales of 418.2 million euro (+19.7%). With the same consolidation as last year the Engine Systems Division would have had sales of 364.7 million euro, with growth of 4.4%.

The group reported double digit revenue growth in all the markets in which it is present: Europe +18.2%, Latin America +12.9%, United States +155.1%, China +30.1% and India +35.1%.

During the period the group continued successfully to transfer higher commodity costs on to selling prices. As in previous years, the rise in the costs of the main commodities was mostly recovered with a time delay of a few months. In coming months, commercial action will continue to recover further costs by the end of the year. At the end of September, the ratio of variable costs to sales was 68.7% and was slightly worse than a year ago, partly because of higher labour costs and the lower sales mentioned above in the most profitable aftermarket.

**Operating income** for the first nine months came in 67.8 million euro, and was up by 34.2% from the figure of 50.5 million at September 30, 2010 with a ratio to sales up to 8.2% from the previous 7.4%. In the third quarter, operating profitability reached 8.7% of sales. With the same consolidation, operating income would have been 63.4 million (8.2% of sales).

In the month of July, restructuring began of the Welsh filtration plant in Llantrisant, which envisages the downsizing of production activities and the closure of the logistics warehouse. The process ended with a positive outcome on October 7, 2011 with costs of 6.8 million euro. Restructuring costs in the first nine months of the year thus totalled 8.2 million euro, to which non-operating expenses of 3.4 million euro must be added for the write-down of fixed assets. The results for the first nine months also included non-operating expenses of 4.3 million euro as consulting fees for the acquisition of the Systèmes Moteurs group. In the last quarter of the year there are not expected to be any other significant restructuring costs.

**EBITDA** came to 76.5 million euro (9.2% of sales) and was up by 18.6% from 64.5 million euro (9.4% of sales) in 2010. On the same basis of consolidation EBITDA would have been 71.6 million euro (9.2% of sales).

**EBIT** was 41.6 million euro (5% of sales) and was up by **32.7%** from 31.3 million euro (4.6% of sales) in the first nine months of 2010. With the same consolidation EBIT would have been 38.7 million euro (5% of sales).

The **result before taxes and non-controlling interests** rose from 23.8 million euro at September 30, 2010 to 33.2 million euro in the first nine months of 2011.

The **net income** of the group came in 18.8 million euro (2.3% of sales) and was up by 40% from 13.5 million euro (2% of sales) in the first nine months of 2010.

The **net debt** at September 30, 2011 included the enterprise value of Systèmes Moteurs (approximately 150 million euro) and came to 325.3 million euro compared to 167.6 million euro at June 30, 2011 and 182.6 million euro at September 30, 2010.

At September 30, 2011 **consolidated equity** including non-controlling interests stood at 208.4 million euro down from 214.4 million euro at December 31, 2010. The **consolidated equity** of the Sogefi group amounted to 190.5 million euro at September 30, 2011 (after dividends of 14.9 million euro) down from 197.2 million at December 31, 2010.

Following the growth in ordinary operations and more especially with the acquisition of Systèmes Moteurs, the number of employees of the group at September 30, 2011 – including temporary contracts but excluding those subject to some form of flexibility – rose to 7,543 (5,841 at December 31, 2010).

#### PERFORMANCE OF THE ENGINE SYSTEMS DIVISION

Through the above-mentioned acquisition, the Group has strengthened its technological know-how in engine air intake systems and has a new product line in engine cooling systems. Furthermore, it will increase its market share as regards German premium vehicle manufacturers and US manufacturers in the NAFTA market.

In the first nine months of the year, the division's revenues were 418.2 million euro, up 19.7%, also due to the 53.6 million euro in revenues brought by Systèmes Moteurs in the two months of consolidation. With the same consolidation, revenues would have been 364.7 million euro (+4.4%).

Despite the weakness of the more profitable spare parts market, the Division achieved an **operating result** of 32 million euro (7.6% of sales), up against the 27 million euro (7.7% of sales) recorded in the first nine months of 2010. With the same consolidation, the operating result would have been 27.6 million euro (7.6% of sales).

**EBITDA** was 31.5 million euro (7.5% of sales) compared to 29.7 million euro (8.5% of sales) recorded for the first nine months of 2010. With the same consolidation, EBITDA would have been 26.6 million euro (7.3% of sales).

**EBIT** was 15.2 million euro, unchanged with respect to 2010, and down with the same consolidation.

#### PERFORMANCE OF THE SUSPENSION COMPONENTS AND PRECISION SPRINGS DIVISION

The Division benefitted from higher demand in the cars sector (+18.8%), in the industrial vehicles sector (+44.2%) and in precision springs (+6.1%), recording an increase in revenues of 21.9%, totalling 413.5 million euro compared with the previous 339.2 million euro, also due to the rise in sale prices to offset the higher cost of steel.

Careful management of fixed costs enabled an increase in profitability.

**Operating result** rose to 38.4 million euro (9.3% of sales) against 26.8 million euro (7.9% of sales) recorded in the first nine months of 2010.

**EBITDA** also improved, rising from 38.3 million euro (11.3% of sales) to 52.3 million euro (12.6% of sales), and **EBIT**, similarly, rose from 20 million euro (5.9% of sales) to 34.1 million euro (8.2% of sales) including lower restructuring costs (0.2 million euro in 2011 against 2.7 million euro in 2010).

## PERFORMANCE OF THE HOLDING COMPANY SOGEFI S.P.A.

The **holding company Sogefi SpA** recorded a **net profit** of 18.3 million euro. The difference compared to the result for the first nine months of 2010 (7.2 million euro) is mainly due to a higher flow of dividends from subsidiary companies.

### THIRD QUARTER PERFORMANCE

Revenues in the third quarter were 303.2 million euro (+32.2% compared with the same period of 2010).

With the same consolidation, revenues would have been 249.6 million euro (+8.8%) due to the contribution of the Suspension Components Division (+17.7%, 131.7 million euro compared to 111.9 million euro recorded in the third quarter of 2010), and in particular to the *industrial vehicles* sector which recorded a 35.9% rise in sales compared to the third quarter of 2010. The activities of the Engine Systems division with the same consolidation show a 0.6% increase in sales (118.6 million euro compared to 117.8 million euro in the third quarter of 2010) due to the afore-mentioned difficulties in the Independent Aftermarket.

In the third quarter of 2011, profitability was as follows:

- **Operating profit** of 26.4 million euro (8.7% of sales), up 42.6% compared to 18.5 million euro (8.1% of sales) recorded in the same quarter of 2010. With the same consolidation, operating profit would have been 22 million euro (8.8% of sales), recording an increase of 18.9%;
- **EBITDA** of 23.6 million euro (7.8% of sales), up 23.3% compared to 19.2 million euro (8.4% of sales) recorded in the same quarter of 2010. With the same consolidation, EBITDA would have been 18.7 million euro (7.5% of sales), recording a decrease of 2.2%;  
Restructuring costs in the third quarter of 2011 rose by 0.4 million euro and totalled 6.6 million euro;
- **EBIT** of 11 million euro (3.6% of sales), up 28.8% compared to 8.6 million euro (3.7% of sales) recorded in the same quarter of 2010. With the same consolidation, EBIT would have been 8.1 million euro (3.3% of sales), recording a decrease of 4.8%.

## OUTLOOK FOR OPERATIONS

The positive results obtained by the group in the first nine months should be confirmed for full year 2011. Despite the fears of a worsening of the economic scenario in 2012, at present no significant clients are making any announcements or forecasting a slowdown in their demand for components in the last part of the year. It is felt, therefore, that if there is a slowdown it will not be to an extent that could affect the group's full year performance in any substantial way.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of Euro)

<b>ASSETS</b>	<b>09.30.2011</b>	<b>12.31.2010</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	78.5	66.8
Other financial assets	0.1	0.2
<i>Working capital</i>		
Inventories	173.5	98.4
Trade receivables	209.6	138.8
Other receivables	8.9	10.2
Tax receivables	17.9	12.2
Other assets	4.0	2.5
<b>TOTAL WORKING CAPITAL</b>	<b>413.9</b>	<b>262.1</b>
<b>TOTAL CURRENT ASSETS</b>	<b>492.5</b>	<b>329.1</b>
<b>NON-CURRENT ASSETS</b>		
Fixed assets		
Land	14.9	14.4
Property, plant and equipment	229.8	208.4
Other tangible fixed assets	4.2	4.3
<i>Of wich: leases</i>	<i>13.0</i>	<i>13.8</i>
Intangible assets	210.1	133.5
<b>TOTAL FIXED ASSETS</b>	<b>459.0</b>	<b>360.6</b>
<b>OTHER NON-CURRENT ASSETS</b>		
Equity investments in subsidiaries	0.3	-
Other financial assets available for sale	0.5	0.4
Financial receivables	0.2	-
Other receivables	13.2	10.2
Deferred tax assets	40.2	38.3
<b>TOTAL OTHER NON-CURRENT ASSETS</b>	<b>54.4</b>	<b>48.9</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>513.4</b>	<b>409.5</b>
<b>NON-CURRENT ASSETS HELD FOR SALE</b>	<b>0.7</b>	<b>0.7</b>
<b>TOTAL ASSETS</b>	<b>1,006.6</b>	<b>739.3</b>



<b>LIABILITIES</b>	<b>09.30.2011</b>	<b>12.31.2010</b>
<b>CURRENT LIABILITIES</b>		
Bank overdrafts and short-term loans	22.0	35.9
Current portion of medium/long-term financial debts and other loans	37.5	42.8
<i>Of which: leases</i>	2.0	1.9
<b>TOTAL SHORT-TERM FINANCIAL DEBTS</b>	<b>59.5</b>	<b>78.7</b>
Other short-term liabilities for derivative financial instruments	0.1	0.2
<b>TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>59.6</b>	<b>78.9</b>
Trade and other payables	292.8	210.0
Tax payables	8.3	6.3
Other current liabilities	9.3	2.1
<b>TOTAL CURRENT LIABILITIES</b>	<b>370.0</b>	<b>297.3</b>
<b>NON-CURRENT LIABILITIES</b>		
<b>MEDIUM/LONG TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS</b>		
Financial debts to bank	334.8	141.4
Other medium/long-term financial debts	7.6	9.6
<i>Of which: leases</i>	5.7	7.2
<b>TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS</b>	<b>342.4</b>	<b>151.0</b>
Other medium/long term financial liabilities for derivative financial instruments	2.1	2.0
<b>TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>344.5</b>	<b>153.0</b>
<b>OTHER LONG-TERM LIABILITIES</b>		
Long-term provisions	44.2	41.8
Other payables	1.4	0.4
Deferred tax liabilities	38.1	32.4
<b>TOTAL OTHER LONG-TERM LIABILITIES</b>	<b>83.7</b>	<b>74.6</b>
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>428.2</b>	<b>227.6</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	60.7	60.5
Reserves and retained earnings (accumulated losses)	111.0	117.9
Group net result for the period	18.8	18.8
<b>TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY</b>	<b>190.5</b>	<b>197.2</b>
Non-controlling interests	17.9	17.2
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>208.4</b>	<b>214.4</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,006.6</b>	<b>739.3</b>

## CONSOLIDATED INCOME STATEMENT FROM 01.01.2011 TO 09.30.2011

(in millions of Euro)

	01.01 – 09.30.2011		01.01 – 09.30.2010		Change	
	Amount	%	Amount	%	Amount	%
Sales revenues	829.8	100.0	687.0	100.0	142.8	20.8
Variable cost of sales	569.9	68.7	460.2	67.0	109.7	23.9
<b>CONTRIBUTION MARGIN</b>	<b>259.9</b>	<b>31.3</b>	<b>226.8</b>	<b>33.0</b>	<b>33.1</b>	<b>14.6</b>
Manufacturing and R&D overheads	82.7	10.0	74.5	10.8	8.2	11.1
Depreciation and amortization	34.9	4.2	33.2	4.8	1.7	5.2
Distribution and sales fixed expenses	25.9	3.1	24.2	3.5	1.7	7.0
Administrative and general expenses	48.6	5.8	44.4	6.5	4.2	9.3
<b>OPERATING RESULT</b>	<b>67.8</b>	<b>8.2</b>	<b>50.5</b>	<b>7.4</b>	<b>17.3</b>	<b>34.2</b>
Restructuring costs	8.2	1.0	10.5	1.5	(2.3)	(21.8)
Losses (gains) on disposal	-	-	(0.5)	(0.1)	0.5	100.0
Exchange losses (gains)	1.9	0.2	0.4	0.1	1.5	366.7
Other non-operating expenses (income)	16.1	2.0	8.8	1.3	7.3	82.6
<b>EBIT</b>	<b>41.6</b>	<b>5.0</b>	<b>31.3</b>	<b>4.6</b>	<b>10.3</b>	<b>32.7</b>
Financial expenses (income), net	8.4	1.0	7.6	1.1	0.8	11.0
Losses (gains) from equity investments	-	-	(0.1)	-	0.1	100.0
<b>RESULT BEFORE TAXES AND NON-CONTROLLING INTERESTS</b>	<b>33.2</b>	<b>4.0</b>	<b>23.8</b>	<b>3.5</b>	<b>9.4</b>	<b>39.3</b>
Income taxes	12.3	1.5	8.9	1.3	3.4	37.1
<b>NET RESULT BEFORE NON-CONTROLLING INTERESTS</b>	<b>20.9</b>	<b>2.5</b>	<b>14.9</b>	<b>2.2</b>	<b>6.0</b>	<b>40.6</b>
Loss (income) attributable to non-controlling interests	(2.1)	(0.2)	(1.4)	(0.2)	(0.7)	(46.5)
<b>GROUP NET RESULT</b>	<b>18.8</b>	<b>2.3</b>	<b>13.5</b>	<b>2.0</b>	<b>5.3</b>	<b>40.0</b>

## NET FINANCIAL POSITION

(in millions of Euro)

	09.30.2011	12.31.2010	09.30.2010
A. Cash	78.5	66.8	65.8
B. Other cash at bank and on hand	-	-	-
C. Financial instruments held for trading	-	-	-
<b>D. Liquid funds (A) + (B) + (C)</b>	<b>78.5</b>	<b>66.8</b>	<b>65.8</b>
<b>E. Current financial receivables</b>	<b>0.1</b>	<b>0.2</b>	<b>0.3</b>
F. Current payables to banks	(22.0)	(35.9)	(40.9)
G. Current portion of non-current indebtedness	(37.5)	(42.8)	(44.9)
H. Other current financial debts	(0.1)	(0.2)	(0.5)
<b>I. Current financial indebtedness (F) + (G) + (H)</b>	<b>(59.6)</b>	<b>(78.9)</b>	<b>(86.3)</b>
<b>J. Current financial indebtedness, net (I) + (E) + (D)</b>	<b>19.0</b>	<b>(11.9)</b>	<b>(20.2)</b>
K. Non-current payables to banks	(334.8)	(141.4)	(149.4)
L. Bonds issued	-	-	-
M. Other non-current financial debts	(9.7)	(11.6)	(13.0)
<b>N. Non-current financial indebtedness (K) + (L) + (M)</b>	<b>(344.5)</b>	<b>(153.0)</b>	<b>(162.4)</b>
<b>O. Net indebtedness (J) + (N)</b>	<b>(325.5)</b>	<b>(164.9)</b>	<b>(182.6)</b>
Non-current financial receivables	0.2	-	-
<b>Financial indebtedness, net including non-current financial receivables</b>	<b>(325.3)</b>	<b>(164.9)</b>	<b>(182.6)</b>

## CASH FLOW STATEMENT

(in millions of Euro)

	September 30, 2011	December 31, 2010	September 30, 2010
SELF-FINANCING	54.9	55.3	41.6
Change in net working capital	(29.3)	(15.4)	(29.6)
Other medium/long-term assets/liabilities	(0.1)	0.7	0.3
<b>CASH FLOW GENERATED BY OPERATIONS</b>	<b>25.5</b>	<b>40.6</b>	<b>12.3</b>
Sale of equity investments	-	0.1	-
Net decrease from sale of fixed assets	0.3	0.7	0.3
<b>TOTAL SOURCES</b>	<b>25.8</b>	<b>41.4</b>	<b>12.6</b>
Increase in intangible assets	11.9	11.7	8.0
Purchase of tangible assets	20.3	24.3	15.1
Purchase of equity investments	123.7	-	0.8
<b>TOTAL APPLICATION OF FUNDS</b>	<b>155.9</b>	<b>36.0</b>	<b>23.9</b>
Net financial position of subsidiaries purchased/sold during the period	(12.2)	-	-
Exchange differences on assets/liabilities and equity	(1.1)	0.7	0.6
<b>FREE CASH FLOW</b>	<b>(143.4)</b>	<b>6.1</b>	<b>(10.7)</b>
Holding Company increases in capital	0.3	0.3	0.3
Net purchase of treasury share	(1.1)	-	-
Increase in share capital of consolidated subsidiaries	-	0.9	-
Dividends paid by the Holding Company to shareholders	(14.9)	-	-
Dividends paid by subsidiaries to non-controlling interests	(1.3)	(2.0)	(2.0)
<b>CHANGES IN SHAREHOLDERS' EQUITY</b>	<b>(17.0)</b>	<b>(0.8)</b>	<b>(1.7)</b>
<b>Change in net financial position</b>	<b>(160.4)</b>	<b>5.3</b>	<b>(12.4)</b>
<b>Opening net financial position</b>	<b>(164.9)</b>	<b>(170.2)</b>	<b>(170.2)</b>
<b>CLOSING NET FINANCIAL POSITION</b>	<b>(325.3)</b>	<b>(164.9)</b>	<b>(182.6)</b>

## CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER 2011

(in millions of Euro)

	07.01 – 09.30.2011		07.01 – 09.30.2010		Change	
	Amount	%	Amount	%	Amount	%
Sales revenues	303.2	100.0	229.4	100.0	73.8	32.2
Variable cost of sales	210.8	69.5	154.4	67.3	56.4	36.5
<b>CONTRIBUTION MARGIN</b>	<b>92.4</b>	<b>30.5</b>	<b>75.0</b>	<b>32.7</b>	<b>17.4</b>	<b>23.3</b>
Manufacturing and R&D overheads	28.7	9.5	24.4	10.7	4.3	17.3
Depreciation and amortization	12.6	4.2	10.6	4.6	2.0	19.0
Distribution and sales fixed expenses	8.5	2.8	8.1	3.5	0.4	4.8
Administrative and general expenses	16.2	5.3	13.4	5.8	2.8	22.0
<b>OPERATING RESULT</b>	<b>26.4</b>	<b>8.7</b>	<b>18.5</b>	<b>8.1</b>	<b>7.9</b>	<b>42.6</b>
Restructuring costs	6.6	2.2	6.2	2.7	0.4	6.8
Losses (gains) on disposal	-	-	-	-	-	-
Exchange losses (gains)	0.5	0.2	0.8	0.4	(0.3)	(42.1)
Other non-operating expenses (income)	8.3	2.7	2.9	1.3	5.4	176.9
<b>EBIT</b>	<b>11.0</b>	<b>3.6</b>	<b>8.6</b>	<b>3.7</b>	<b>2.4</b>	<b>28.8</b>
Financial expenses (income), net	3.7	1.2	2.5	1.0	1.2	53.4
Losses (gains) from equity investments	-	-	-	-	-	-
<b>RESULT BEFORE TAXES AND NON-CONTROLLING INTERESTS</b>	<b>7.3</b>	<b>2.4</b>	<b>6.1</b>	<b>2.7</b>	<b>1.2</b>	<b>18.9</b>
Income taxes	3.0	1.0	2.0	0.9	1.0	53.0
<b>NET RESULT BEFORE NON-CONTROLLING INTERESTS</b>	<b>4.3</b>	<b>1.4</b>	<b>4.1</b>	<b>1.8</b>	<b>0.2</b>	<b>3.0</b>
Loss (income) attributable to non-controlling interests	(0.8)	(0.2)	(0.6)	(0.3)	(0.2)	(25.3)
<b>GROUP NET RESULT</b>	<b>3.5</b>	<b>1.2</b>	<b>3.5</b>	<b>1.5</b>	<b>(0.0)</b>	<b>-</b>

## **CONTENT AND FORMAT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

### **1. INTRODUCTION**

The consolidated interim financial report as at September 30, 2011, 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 at December 31, 2010.

### **3. ACCOUNTING STANDARDS APPLIED**

The accounting standards applied in the preparation of the financial statements as at September 30, 2011 are the same as those applied to the financial statements as at December 31, 2010.

The initial accounting of the Business Combination relating to the Systèmes Moteurs group according to the acquisition method was incomplete as at September 30, 2011.

Indeed, due to the short time between the date on which control of the Systèmes Moteurs group was acquired by the Sogefi group (July 29, 2011) and the date on which this interim financial report was prepared, information about the fair value of the identifiable assets and liabilities of the Systèmes Moteurs group at the acquisition date were still not available. In order to calculate the provisional goodwill resulting from the acquisition, provisional IFRS consolidated financial statements as at July 29, 2011 of the Systèmes Moteurs were therefore used.

## COMMENTS ON THE FINANCIAL STATEMENTS

The change in Group's consolidated shareholders' equity and in total shareholders' equity is 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, 2010	197.2	17.2	214.4
Paid share capital increase	0.3	-	0.3
Dividends	(14.9)	(1.3)	(16.2)
Currency translation differences and other changes	(10.9)	(0.1)	(11.0)
Net result for the period	18.8	2.1	20.9
Balance at September 30, 2011	190.5	17.9	208.4

Revenues amounted to € 829.8 million compared to 687 million in the same period of 2010.

The breakdown of revenues by business area is as follows:

(in millions of Euro)	01.01 – 09.30.2011		01.01 – 09.30.2010		Change	
	Amount	%	Amount	%	Amount	%
Engine systems	418.2	50.4	349.4	50.9	68.8	19.7
Suspension components and precision springs	413.5	49.8	339.2	49.4	74.3	21.9
Intercompany eliminations	(1.9)	(0.2)	(1.6)	(0.3)	(0.3)	(2.1)
TOTAL	829.8	100.0	687.0	100.0	142.8	20.8

The breakdown of revenues by geographic area is shown in the table below:

(in millions of Euro)	01.01 – 09.30.2011		01.01 – 09.30.2010		Change	
	Amount	%	Amount	%	Amount	%
France	180.2	21.7	154.5	22.5	25.7	16.7
Germany	112.5	13.6	88.3	12.8	24.2	27.4
Great Britain	70.8	8.5	59.9	8.7	10.9	18.2
Italy	56.9	6.9	53.7	7.8	3.2	6.0
Benelux	43.8	5.3	34.1	5.0	9.7	28.6
Spain	33.5	4.0	26.9	3.9	6.6	24.5
Russia	3.6	0.4	2.2	0.3	1.4	67.1
Other European countries	78.5	9.5	71.0	10.4	7.5	10.3
Mercosur	184.0	22.2	163.0	23.7	21.0	12.9
United States	33.1	4.0	13.0	1.9	20.1	155.1
China	12.2	1.5	9.4	1.4	2.8	30.1
India	9.4	1.1	6.9	1.0	2.5	35.1
Rest of the World	11.3	1.3	4.1	0.6	7.2	182.6
<b>TOTAL</b>	<b>829.8</b>	<b>100.0</b>	<b>687.0</b>	<b>100.0</b>	<b>142.8</b>	<b>20.8</b>

As at September 30, 2011, the Group's workforce was 6,836, compared to 5,574 as at December 31, 2010 and 5,597 as at September 30, 2010, broken down as follows:

	09.30.2011	12.31.2010	09.30.2010
Managers	116	87	86
Clerical staff	1,775	1,304	1,308
Blue collar workers	4,945	4,183	4,203
<b>TOTAL</b>	<b>6,836</b>	<b>5,574</b>	<b>5,597</b>

Milano, October 18, 2011

THE BOARD OF DIRECTORS

**DECLARATION PURSUANT TO ART. 154-BIS, PARAGRAPH 2,  
LEGISLATIVE DECREE No. 58/1998**

**Subject: Interim financial report as at September 30, 2011**

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.

Milano, October 18, 2011

SOGEFI S.p.A.  
(Giancarlo Coppa)