

# **INTERIM FINANCIAL REPORT AS AT SEPTEMBER 30, 2012**



JOINT-STOCK COMPANY - SHARE CAPITAL EURO 60,711,763.84  
MANTOVA COMPANY REGISTER AND TAX CODE 00607460201  
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**BOARD OF DIRECTORS REPORT**  
**ON GROUP OPERATIONS**  
**AS AT SEPTEMBER 30, 2012 AND IN THE THIRD QUARTER**

In this report, the comparison of the income statement and financial results with those of the previous period is not consistent, because the result for the first nine months of 2011 included, for the first time, the consolidation of Systèmes Moteurs for the months of August and September. As a result, in order to improve the understanding of business performance, results are shown for both the new post-acquisition scope and on a like-for-like basis.

INFORMATION ON OPERATIONS

The third quarter of the current year witnessed a continued sluggishness of sales and subsequently of manufacturing in the European automotive sector, with aggravated drops in business in September. In the European market, new registrations during the first nine months of 2012 fell by 20.5% over 2011 in Italy, by 11% in Spain and by 13.8% in France. The German market recorded a negative trend (-1.8%) as well. Among key markets, only the UK market maintained sales volumes at levels comparable with the previous year, growing by 4.3%.

The market for industrial vehicles was characterised by stagnating business in Europe and a decline in the key South American market, Brazil.

All non-European markets except the North American market slowed down, affecting the Group's consolidated revenue, which amounted to Euro 1,005.1 million during the first nine months, up 21.1% from the 829.8 million of the corresponding 2011 period, when Systèmes Moteurs was consolidated as of August. Looking at the markets where the Group's presence is more effective, the best performance is found in the NAFTA area (+182.1%), followed by India (+52.8%), China (+25.3%) and Europe (+16.3%), in contrast with a 6.3% slowdown in Mercosur market. On a like-for-like basis, revenues would have been down 4.3%.

As a result of the consolidation, the Engine Systems Division scored a 43.9% growth in revenues (-6.7% on a like-for-like basis), totalling Euro 601.7 million compared to 418.2 million in the previous year.

Conversely, the Suspension Components Division recorded a slight drop in revenues (-2.3%), which were down to Euro 403.9 million, compared to 413.5 million in the first nine months of 2011.

During the period under examination, the spares market witnessed a 5.6% drop in sales in the independent aftermarket, whereas the original equipment spares market remained substantially

stable.

Thanks to specific measures taken to offset the negative impact of dropping business and revenues and the substantial stability of raw material pricing, economic results record an overall growth, holding back the downtrend on a like-for-like basis. It should be noted that the impact of raw material costs on revenues has increased on a consolidated basis, namely from 48.4% to 52.1%. This is mainly due to the changed product mix after the Systèmes Moteurs consolidation as of August 1st, 2011.

**Consolidated operating result** rose to Euro 70.6 million (7% of revenues), 4.1% up from the 67.8 million (8.2% of revenues) in the first nine months of 2011. On a like-for-like basis, it would have amounted to Euro 51.6 million (7% of revenues).

**Consolidated EBITDA** amounted to Euro 98.1 million (9.8% of revenues), up 22.8% compared to the 79.9 million (9.6% of revenues) in the first nine months 2011. On a like-for-like basis, it would have amounted to Euro 69.2 million (9.3% of revenues).

**Consolidated EBIT** totalled Euro 52.5 million (5.2% of revenues) compared to the previous figure of 41.6 million (5% of revenues) during the equivalent period of 2011. On a like-for-like basis, it would have amounted to Euro 35.5 million (4.8% of revenues).

Net result for the period was affected by non-operating expenses for Euro 6.7 million reflecting the write-down of discontinued industrial assets for the manufacture of stabilizer bars no longer used at the Prichard plant (USA) (Euro 1.5 million), as well as consulting services for the international development of the Group (Euro 2.1 million).

Reorganisation and restructuring expenses during the first nine months of 2012 amounted to Euro 3 million, significantly down from the 8.2 million incurred in the equivalent period of the previous year.

**Result before taxes and non-controlling interests** grew from Euro 33.2 million in the previous year to 40 million (+20.5%).

**Consolidated net result** amounted to Euro 22.4 million, up 19% compared to the 18.8 million in the first nine months of 2011.

After paying dividends for the amount of Euro 14.7 million and purchasing Treasury shares

worth 1.3 million, **net indebtedness** stood at Euro 325.2 million as at September 30, 2012 , at levels close to the 325.3 million figure as at September 30, 2011. As of December 31, 2011, indebtedness amounted to Euro 299.8 million.

As at September 30, 2012, **consolidated equity including non-controlling interests** amounted to Euro 213.8 million (compared to 208.4 million as at September 30, 2011 and 214.2 million as at December 31, 2011), whereas the **Group's consolidated equity** stood at Euro 194.7 million, compared to 190.5 million as at September 30, 2011 and 195.2 million as at December 31, 2011.

Workforce number (including staff working under temporary employment contracts and excluding workers under labour flexibility schemes) decreased from 7,543 units as at September 30, 2011 to 7,280 units as at September 30, 2012.

#### PERFORMANCE OF THE HOLDING COMPANY SOGEFI SPA

The **Holding Company Sogefi SpA** recorded a **net profit** of Euro 13.3 million. The difference compared to the result of the first nine months of 2011 (Euro 18.3 million) is mainly traced back to a lower dividend flow from subsidiaries.

#### PERFORMANCE OF THE ENGINE SYSTEMS DIVISION

The Division's accounts include Systèmes Moteurs as of the beginning of the year, whereas in the previous year the consolidation has been finalised as at August 1st, 2011. As a result, revenues recorded a marked increase (+43.9%), and grew to Euro 601.7 million compared to the 418.2 million figure for the previous year.

An analysis of revenues shows that the fluid filters (combustible oil) business dropped by 6.7%, contrasted with the uptrend in the air intake and cooling system business, which did very well on the North American market.

As mentioned above, revenues declines in the independent aftermarket sector both in the European and South American market due to a loss of purchasing power experienced by final consumers and a resulting drop in miles travelled by vehicles.

Consistently with the trends in revenues, economic results also improved significantly as follows:

- **operating result** grew by 34.1%, namely to Euro 42.9 million (7.1% of revenues) from the

previous figure of 32 million (7.6% of revenues);

- **EBIDTA** grew by 67.8%, namely to Euro 58.6 million (9.7% of revenues) from the previous figure of 34.9 million (8.4% of revenues);
- **EBIT** more than doubled, totalling Euro 34.7 million (5.8% of revenues) compared to 15.2 million (3.6% of revenues) in the first nine months of the previous year.

Non-operating expenses incurred in the current period totalled Euro 1 million (3.8 million in 2011), while restructuring expenses amounted to Euro 2.5 million (8 million in 2011).

### PERFORMANCE OF THE SUSPENSION COMPONENTS DIVISION

The Division's revenues were affected by the sluggish performance of all market segments: cars and industrial vehicles (in Europe and Brazil), railways, military vehicles and precision springs, the only exception being the earth moving machinery segment.

**Consolidated sales revenues** amounted to Euro 403.9 million, down 2.3% from the 413.5 million of the corresponding period of 2011.

In spite of the stable steel prices, profitability was weighed down by the dropping sales of industrial vehicles – the most profitable segment – and in the South American market:

- **operating result** decreased to Euro 30.6 million (7.6% of revenues) from 38.4 million (9.3% of revenues) in the first nine months of the previous year;
- **EBIDTA** stood at Euro 43.2 million (10.7% of revenues) compared to the previous figure of 52.3 million (12.6% of revenues);
- **EBIT** amounted to Euro 23.8 million (5.9% of revenues) from the previous figure of 34.1 million (8.2% of revenues).

### PERFORMANCE IN THE THIRD QUARTER OF 2012

Consolidated revenues in the third quarter totalled Euro 318.2 million, compared to 303.2 million in the corresponding period of 2011 (+5%). On a like-for-like basis, revenues would have amounted to Euro 237.6 million (-4.8%).

**Consolidated operating result** amounted to Euro 21.6 million (6.8% of revenues), compared to 26.4 million (8.7% of revenues) in the third quarter of 2011 and 24.4 million (7.2% of

revenues) in the second quarter of 2012.

**Consolidated EBITDA** stood at Euro 30 million (9.4% of revenues), compared to 27 million (8.9% of revenues) in the third quarter of 2011 and 33.8 million (9.9% of revenues) in the second quarter of the current year.

**Consolidated EBIT** was Euro 15.8 million (4.9% of revenues), compared to 11 million (3.6% of revenues) in the third quarter of 2011 and 16.6 million (4.9% of revenues) in the second quarter of the current year.

Net result stood at Euro 6.4 million, compared to 3.5 million in the third quarter of 2011 and 6.8 million in the second quarter of 2012.

## OUTLOOK FOR OPERATIONS

In the last quarter of 2012 there is expected to be a further worsening of the automotive market in Europe with a contraction in production levels by the main manufacturers, including those of the premium segment, partly as a result of lower demand in emerging countries which had so far compensated for the lower sales in the domestic market. It is in any case unlikely that there will be any rises in the cost of commodities.

This fact, combined with renewed efforts to reduce all cost factors, especially structure costs, efficiently, should enable the Group to obtain positive results even in the last quarter and to confirm the improvement in its economic indicators compared to 2011 for the whole year.

## OTHER INFORMATION

*Exception to the mandatory publication of information documents under article 70, paragraph 8 and article 71, paragraph 1-bis of the Regulation for Issuers.*

Pursuant to art. 70, paragraph 8, and art. 71, paragraph 1-bis of Consob Regulation no. 11971/99, as amended by Resolution no. 18079 of 20 January 2012, the Board of Directors resolved to make exceptions to the mandatory publication of information documents in the event of significant mergers, spin-offs, share capital increases by means of the conferral of assets in kind, acquisitions and disposals as of today.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of Euro)

<b>ASSETS</b>	<b>09.30.2012</b>	<b>12.31.2011 (*)</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	79.1	102.5
Other financial assets	6.5	1.9
<i>Working capital</i>		
Inventories	162.7	152.5
Trade receivables	185.7	178.6
Other receivables	31.2	32.1
Tax receivables	21.4	19.6
Other assets	4.3	2.8
<b>TOTAL WORKING CAPITAL</b>	<b>405.3</b>	<b>385.6</b>
<b>TOTAL CURRENT ASSETS</b>	<b>490.9</b>	<b>490.0</b>
<b>NON-CURRENT ASSETS</b>		
<b>FIXED ASSETS</b>		
Land	16.7	15.8
Property, plant and equipment	234.8	240.1
Other tangible fixed assets	5.5	4.8
<i>Of wich: leases</i>	<i>12.1</i>	<i>12.8</i>
Intangible assets	233.4	220.2
<b>TOTAL FIXED ASSETS</b>	<b>490.4</b>	<b>480.9</b>
<b>OTHER NON-CURRENT ASSETS</b>		
Investments in joint ventures	0.3	0.3
Other financial assets available for sale	0.5	0.5
Non-current trade receivables	-	0.9
Financial receivables	-	-
Other receivables	16.6	14.1
Deferred tax assets	50.2	48.7
<b>TOTAL OTHER NON-CURRENT ASSETS</b>	<b>67.6</b>	<b>64.5</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>558.0</b>	<b>545.4</b>
	-	-
<b>NON-CURRENT ASSETS HELD FOR SALE</b>	<b>-</b>	<b>0.7</b>
<b>TOTAL ASSETS</b>	<b>1,048.9</b>	<b>1,036.1</b>

(\*) Some values at December 31 2011 have been restated following the conclusion of the Purchase Price Allocation process of Systèmes Moteurs S.A.S.

<b>LIABILITIES</b>	<b>09.30.2012</b>	<b>12.31.2011 (*)</b>
<b>CURRENT LIABILITIES</b>		
Bank overdrafts and short-term loans	7.4	9.8
Current portion of medium/long-term financial debts and other loans	253.6	47.0
<i>Of which: leases</i>	0.8	1.7
<b>TOTAL SHORT-TERM FINANCIAL DEBTS</b>	<b>261.0</b>	<b>56.8</b>
Other short-term liabilities for derivative financial instruments	1.4	0.6
<b>TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>262.4</b>	<b>57.4</b>
Trade and other payables	321.2	314.9
Tax payables	10.0	8.6
Other current liabilities	8.5	7.3
<b>TOTAL CURRENT LIABILITIES</b>	<b>602.1</b>	<b>388.2</b>
<b>NON-CURRENT LIABILITIES</b>		
<b>MEDIUM/LONG TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS</b>		
Financial debts to bank	126.5	330.5
Other medium/long-term financial debts	9.0	7.9
<i>Of which: leases</i>	5.2	5.7
<b>TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS</b>	<b>135.5</b>	<b>338.4</b>
Other medium/long term financial liabilities for derivative financial instruments	12.9	8.4
<b>TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>148.4</b>	<b>346.8</b>
<b>OTHER LONG-TERM LIABILITIES</b>		
Long-term provisions	38.5	40.5
Other payables	0.3	1.6
Deferred tax liabilities	45.8	44.8
<b>TOTAL OTHER LONG-TERM LIABILITIES</b>	<b>84.6</b>	<b>86.9</b>
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>233.0</b>	<b>433.7</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	60.7	60.7
Reserves and retained earnings (accumulated losses)	111.6	110.5
Group net profit (loss) for the period	22.4	24.0
<b>TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY</b>	<b>194.7</b>	<b>195.2</b>
Non-controlling interests	19.1	19.0
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>213.8</b>	<b>214.2</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,048.9</b>	<b>1,036.1</b>

(\*) Some values at December 31 2011 have been restated following the conclusion of the Purchase Price Allocation process of Systèmes Moteurs S.A.S.



## CONSOLIDATED INCOME STATEMENT FROM 1.1.2012 TO 09.30.2012

(in millions of Euro)

	Period		Period		Change	
	01.01 – 09.30.2012		01.01 – 09.30.2011		Amount	%
	Amount	%	Amount	%	Amount	%
Sales revenues	1,005.1	100.0	829.8	100.0	175.3	21.1
Variable cost of sales	705.3	70.2	569.9	68.7	135.4	23.7
<b>CONTRIBUTION MARGIN</b>	<b>299.8</b>	<b>29.8</b>	<b>259.9</b>	<b>31.3</b>	<b>39.9</b>	<b>15.4</b>
Manufacturing and R&D overheads	100.8	10.0	82.7	10.0	18.1	21.9
Depreciation and amortization	44.0	4.4	34.9	4.2	9.1	26.1
Distribution and sales fixed expenses	29.6	2.9	25.9	3.1	3.7	14.1
Administrative and general expenses	54.8	5.5	48.6	5.8	6.2	12.8
<b>OPERATING RESULT</b>	<b>70.6</b>	<b>7.0</b>	<b>67.8</b>	<b>8.2</b>	<b>2.8</b>	<b>4.1</b>
Restructuring costs	3.0	0.3	8.2	1.0	(5.2)	(63.9)
Losses (gains) on disposal	(0.6)	(0.1)	-	-	(0.6)	-
Exchange losses (gains)	(0.2)	-	1.9	0.2	(2.1)	(110.9)
Other non-operating expenses (income)	15.9	1.6	16.1	2.0	(0.2)	(0.8)
<b>EBIT</b>	<b>52.5</b>	<b>5.2</b>	<b>41.6</b>	<b>5.0</b>	<b>10.9</b>	<b>26.1</b>
Financial expenses (income), net	12.5	1.2	8.4	1.0	4.1	48.4
Losses (gains) from equity investments	-	-	-	-	-	-
<b>RESULT BEFORE TAXES AND NON-CONTROLLING INTERESTS</b>	<b>40.0</b>	<b>4.0</b>	<b>33.2</b>	<b>4.0</b>	<b>6.8</b>	<b>20.5</b>
Income taxes	15.3	1.5	12.3	1.5	3.0	24.7
<b>NET RESULT BEFORE NON-CONTROLLING INTERESTS</b>	<b>24.7</b>	<b>2.5</b>	<b>20.9</b>	<b>2.5</b>	<b>3.8</b>	<b>18.1</b>
Loss (income) attributable to non-controlling interests	(2.3)	(0.3)	(2.1)	(0.2)	(0.2)	(9.4)
<b>GROUP NET RESULT</b>	<b>22.4</b>	<b>2.2</b>	<b>18.8</b>	<b>2.3</b>	<b>3.6</b>	<b>19.0</b>

## CONSOLIDATED NET FINANCIAL POSITION

(in millions of Euro)

	09.30.2012	12.31.2011	09.30.2011
A. Cash	79.1	102.5	78.5
B. Other cash at bank and on hand	-	-	-
C. Financial instruments held for trading	0.0	-	-
<b>D. Liquid funds (A) + (B) + (C)</b>	<b>79.1</b>	<b>102.5</b>	<b>78.5</b>
<b>E. Current financial receivables (included held-to- maturity investments)</b>	<b>6.5</b>	<b>1.9</b>	<b>0.1</b>
F. Current payables to banks	(7.4)	(9.8)	(22.0)
G. Current portion of non-current indebtedness	(253.6)	(47.0)	(37.5)
H. Other current financial debts	(1.4)	(0.6)	(0.1)
<b>I. Current financial indebtedness (F) + (G) + (H)</b>	<b>(262.4)</b>	<b>(57.4)</b>	<b>(59.6)</b>
<b>J. Current financial indebtedness, net (I) + (E) + (D)</b>	<b>(176.8)</b>	<b>47.0</b>	<b>19.0</b>
K. Non-current payables to banks	(126.5)	(330.5)	(334.8)
L. Bonds issued	-	-	-
M. Other non-current financial debts	(21.9)	(16.3)	(9.7)
<b>N. Non-current financial indebtedness (K) + (L) + (M)</b>	<b>(148.4)</b>	<b>(346.8)</b>	<b>(344.5)</b>
<b>O. Net indebtedness (J) + (N)</b>	<b>(325.2)</b>	<b>(299.8)</b>	<b>(325.5)</b>
Non-current financial receivables	-	-	0.2
<b>Financial indebtedness, net including non-current financial receivables</b>	<b>(325.2)</b>	<b>(299.8)</b>	<b>(325.3)</b>

## CONSOLIDATED CASH FLOW STATEMENT

(in millions of Euro)

	September 30, 2012	December 31, 2011	September 30, 2011
SELF-FINANCING	67.0	70.9	54.9
Change in net working capital	(11.5)	14.2	(29.3)
Other medium/long-term assets/liabilities	(4.3)	(5.0)	(0.1)
<b>CASH FLOW GENERATED BY OPERATIONS</b>	<b>51.2</b>	<b>80.1</b>	<b>25.5</b>
Sale of equity investments	-	-	-
Net decrease from sale of fixed assets	0.1	0.3	0.3
<b>TOTAL SOURCES</b>	<b>51.3</b>	<b>80.4</b>	<b>25.8</b>
Increase in intangible assets	27.1	20.5	11.9
Purchase of tangible assets	31.0	36.3	20.3
Purchase of equity investments	-	146.5	144.2
<b>TOTAL APPLICATION OF FUNDS</b>	<b>58.1</b>	<b>203.3</b>	<b>176.4</b>
Net financial position of subsidiaries purchased/sold during the period	-	8.3	8.3
Exchange differences on assets/liabilities and equity	(0.4)	(1.8)	(1.1)
<b>FREE CASH FLOW</b>	<b>(7.2)</b>	<b>(116.4)</b>	<b>(143.4)</b>
Holding Company increases in capital	0.1	0.3	0.3
Net purchase of treasury share	(1.3)	(2.7)	(1.1)
Increase in share capital of consolidated subsidiaries	0.2	-	-
Dividends paid by the Holding Company to shareholders	(14.7)	(14.9)	(14.9)
Dividends paid by subsidiaries to non-controlling interests	(2.5)	(1.2)	(1.3)
<b>CHANGES IN SHAREHOLDERS' EQUITY</b>	<b>(18.2)</b>	<b>(18.5)</b>	<b>(17.0)</b>
<b>Change in net financial position</b>	<b>(25.4)</b>	<b>(134.9)</b>	<b>(160.4)</b>
<b>Opening net financial position</b>	<b>(299.8)</b>	<b>(164.9)</b>	<b>(164.9)</b>
<b>CLOSING NET FINANCIAL POSITION</b>	<b>(325.2)</b>	<b>(299.8)</b>	<b>(325.3)</b>

## CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER OF 2012

(in millions of Euro)

	Period 07.01 – 09.30.2012		Period 07.01 – 09.30.2011		Change	
	Amount	%	Amount	%	Amount	%
Sales revenues	318.2	100.0	303.2	100.0	15.0	5.0
Variable cost of sales	224.6	70.6	210.8	69.5	13.8	6.5
<b>CONTRIBUTION MARGIN</b>	<b>93.6</b>	<b>29.4</b>	<b>92.4</b>	<b>30.5</b>	<b>1.2</b>	<b>1.3</b>
Manufacturing and R&D overheads	30.8	9.7	28.7	9.5	2.1	7.6
Depreciation and amortization	14.2	4.5	12.6	4.2	1.6	12.7
Distribution and sales fixed expenses	9.4	2.9	8.5	2.8	0.9	10.6
Administrative and general expenses	17.6	5.5	16.2	5.3	1.4	8.7
<b>OPERATING RESULT</b>	<b>21.6</b>	<b>6.8</b>	<b>26.4</b>	<b>8.7</b>	<b>(4.8)</b>	<b>(18.3)</b>
Restructuring costs	1.6	0.5	6.6	2.2	(5.0)	(76.0)
Losses (gains) on disposal	-	-	-	-	-	-
Exchange losses (gains)	(0.4)	(0.1)	0.5	0.2	(0.9)	(194.6)
Other non-operating expenses (income)	4.6	1.5	8.3	2.7	(3.7)	(42.9)
<b>EBIT</b>	<b>15.8</b>	<b>4.9</b>	<b>11.0</b>	<b>3.6</b>	<b>4.8</b>	<b>43.0</b>
Financial expenses (income), net	4.0	1.2	3.7	1.2	0.3	6.9
Losses (gains) from equity investments	-	-	-	-	-	-
<b>RESULT BEFORE TAXES AND NON-CONTROLLING INTERESTS</b>	<b>11.8</b>	<b>3.7</b>	<b>7.3</b>	<b>2.4</b>	<b>4.5</b>	<b>61.5</b>
Income taxes	4.8	1.5	3.0	1.0	1.8	59.5
<b>NET RESULT BEFORE NON-CONTROLLING INTERESTS</b>	<b>7.0</b>	<b>2.2</b>	<b>4.3</b>	<b>1.4</b>	<b>2.7</b>	<b>62.9</b>
Loss (income) attributable to non-controlling interests	(0.6)	(0.2)	(0.8)	(0.2)	0.2	19.0
<b>GROUP NET RESULT</b>	<b>6.4</b>	<b>2.0</b>	<b>3.5</b>	<b>1.2</b>	<b>2.9</b>	<b>81.1</b>

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

### **1. INTRODUCTION**

The consolidated Interim financial report as at September 30, 2012, 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 subsidiaries 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, 2011.

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

The accounting standards applied in the preparation of the financial statements as at September 30, 2012 are the same as those applied to the financial statements as at December 31, 2011.

The determination of the fair value of identifiable assets acquired and identifiable liabilities assumed in connection with the Systèmes Moteurs Group acquisition in July 2011, required by the acquisition method, was completed during the first half of 2012.

The final fair values details of acquired assets and liabilities and goodwill on change of control date were disclosed in the half-year report 2012.

## 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, 2011	195.2	19.0	214.2
Paid share capital increase	0.1	0.2	0.3
Dividends	(14.7)	(2.5)	(17.2)
Currency translation differences and other changes	(8.3)	0.1	(8.2)
Net result for the period	22.4	2.3	24.7
Balance at September 30, 2012	194.7	19.1	213.8

Sales revenues amounted to Euro 1,005.1 million, compared to 829.8 million in the equivalent period of 2011.

The breakdown of revenues by business area is as follows:

(in millions of Euro)	Period 01.01 – 09.30.2012		Period 01.01 – 09.30.2011		Change	
	Amount	%	Amount	%	Amount	%
Engine systems	601.7	59.9	418.2	50.4	183.5	43.9
Suspension components	403.9	40.2	413.5	49.8	(9.6)	(2.3)
Intercompany eliminations	(0.5)	(0.1)	(1.9)	(0.2)	1.4	(72.8)
<b>TOTAL</b>	<b>1,005.1</b>	<b>100.0</b>	<b>829.8</b>	<b>100.0</b>	<b>175.3</b>	<b>21.1</b>

The breakdown of revenues by geographical area is as follows:

	Period 01.01 – 09.30.2012		Period 01.01 – 09.30.2011		Change	
	Amount	%	Amount	%	Amount	%
France	208.3	20.7	180.2	21.7	28.1	15.6
Germany	137.4	13.7	112.5	13.6	24.9	22.2
Great Britain	80.0	8.0	70.8	8.5	9.2	13.1
Italy	59.4	5.9	56.9	6.9	2.5	4.3
Spain	41.9	4.2	33.5	4.0	8.4	25.1
Benelux	41.1	4.1	43.8	5.3	(2.7)	(6.3)
Russia	2.4	0.2	3.6	0.4	(1.2)	(34.7)
Other European countries	103.5	10.3	78.5	9.5	25.0	31.9
Mercosur	172.4	17.2	184.0	22.2	(11.6)	(6.3)
United States	79.8	7.9	33.1	4.0	46.7	141.1
Mexico	18.6	1.8	4.9	0.6	13.7	280.1
Canada	16.5	1.6	2.7	0.3	13.8	504.9
China	15.3	1.5	12.2	1.5	3.1	25.3
India	14.3	1.4	9.4	1.1	4.9	52.8
Rest of the World	14.2	1.5	3.7	0.4	10.5	282.5
<b>TOTAL</b>	<b>1,005.1</b>	<b>100.0</b>	<b>829.8</b>	<b>100.0</b>	<b>175.3</b>	<b>21.1</b>

As at September 30, 2012, the Group's employees were 6,727, compared to 6,708 as at December 31, 2011 and 6,836 as at September 30, 2011, broken down as follows:

	<b>09.30.2012</b>	<b>12.31.2011</b>	<b>09.30.2011</b>
Managers	116	108	116
Clerical staff	1,826	1,774	1,775
Blue collar workers	4,785	4,826	4,945
<b>TOTAL</b>	<b>6,727</b>	<b>6,708</b>	<b>6,836</b>

Milan, October 23, 2012

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, 2012**

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, October 23, 2012

SOGEFI S.p.A.  
(Giancarlo Coppa)