



## PRESS RELEASE

*Board of Directors approves results as of March 31 2013*

### **SOGEFI (CIR GROUP): PROFIT MARGINS HOLD UP AND NET RESULT POSITIVE (€ 7 MN) DESPITE CRISIS OF CAR SECTOR IN EUROPE**

*Growth in Nord America, Asia and Mercosur contains sharp fall in European market:  
share of total revenues from non-European countries rises to 34.7% from 29.8% in Q1 2012*

*With the same exchange rates revenues down by 2.3%. The group protects its profitability  
(EBITDA margin at 9.7% versus 9.9% in Q1 2012) despite contraction in revenues*

#### Consolidated results of Q1 2013

*Revenues: € 329.2 million (€ 346.9 million in Q1 2012)*

*Operating result: € 22.1 million, 6.7% of revenues (€ 24.6 million in Q1 2012, 7.1%)*

*EBITDA: € 32.1 million, 9.7% of revenues (€ 34.5 million in Q1 2012, 9.9%)*

*Net income: € 7 million (€ 9 million in Q1 2012)*

*Net debt: € 311.9 million (€ 295.8 million at 31/12/2012)*

Milan, April 19 2013 - The **Board of Directors** of **Sogefi SpA**, which met today under the chairmanship of **Rodolfo De Benedetti**, has approved the **Interim Financial Report** of the group for the first quarter of 2013.

**Sogefi**, the automotive components company of the **CIR group**, is one of the **main world producers of engine systems and suspension components** with **43** production plants and **18** commercial offices in **21** countries.

#### Performance of operations

In a difficult market environment due to the continuing weakness of the European car sector, **Sogefi reported profitability that was substantially unchanged** partly thanks to an improvement in its geographical mix. Indeed **the impact on revenues of non-European countries rose by almost 5 percentage points** compared to the first quarter of 2012 (from 29.8% of the total to 34.7%).

As for the overall performance of the car market in the first quarter, the rise in production levels in non-European countries, particularly Brazil, China and to a lesser extent North America, partly offset the decline in car sales reported in Europe (-10.2% on 2012).

#### Consolidated results

Sogefi closed the first quarter with **consolidated revenues of € 329.2 million**, down from € 346.9 million in the first quarter of 2012 **(-5.1%)**. At the **same exchange rates** revenues would have come to € 338.9 million with a **small decline of 2.3%**.

The **Engine Systems Division** reported revenues of € 201.9 million, down from € 208.3 million in the first quarter of 2012 **(-3.1%)**, while the **Suspension Components Division** reported revenues of € 127.9 million from € 139.3 million in the same period of 2012 **(-8.2%)**.

The most significant figure was the process of **continuing growth in North America**, which thanks to **revenues of € 45.2 million (+22.7%)** now accounts for **13.7%** of the total sales revenues of the group (10.6% in first quarter 2012). **Growth is also continuing in Asia with revenues up by +35.7%** compared to first quarter 2012 and in the **Mercosur area (+2.5%)**, which benefited from the good performance of the market but which suffered the effect of unfavourable exchange rates. In Europe Sogefi reported revenues of € 214.8 million, which were down 11.8% on last year as a result of the weakness of demand in the market.

In the period there was an overall alignment of the commodity costs of the main components compared to the first quarter of last year. The 30% contribution margin was substantially unchanged from the first quarter of 2012, confirming the **group's ability to guarantee a good level of profitability levels even in the presence of a contraction in revenues**.

The **consolidated operating result** came in at **€ 22.1 million**, down from € 24.6 million in the first quarter of 2012 with a ratio to sales of 6.7%, down slightly from 7.1% in Q1 2012.

**Consolidated EBITDA** (earnings before interest, taxes, depreciation and amortization) came to **€ 32.1 million** in the first three months of the year versus € 34.5 million in the same period of 2012 **(-7.0%)** with a ratio to sales of 9.7%, which was substantially a confirmation of the 9.9% of Q1 2012.

**EBIT** was **€ 18.2 million**, down from € 20.3 million in 2012 **(-9.6%)**, with a ratio of 5.5% to sales, which was slightly down from 5.9% in first quarter 2012.

The **result before taxes and minority interests** came in at **€ 12.6 million** compared to € 15.6 million in the first quarter of last year, affected by higher financial expense following the recent process of refinancing the debt which led to the replacement of credit facilities in place since before 2008 with new facilities at current market rates.

**Consolidated net income** for the period came to **€ 7 million** (€ 9 million in Q1 2012) with a ratio to sales of 2.1%, down from 2.6% in the first three months of last year.

**Net debt** stood at **€ 311.9 million** at March 31 2013, up from € 295.8 million at December 31 2012. The rise was due to the cash disbursement for restructuring costs recorded in the last quarter of 2012 for the closure of the plant in Wales and to seasonal factors typical of the automotive sector.

At March 31 2013 **consolidated equity including minority interests** stood at € 212 million and was up from € 200.2 million at December 31 2012, while the **consolidated equity** figure at March 31 2013 was € 191.1 million which compares to € 180.4 million at December 31 2012. Both figures were affected by the introduction of new international accounting standards (IAS 19).

The Sogefi group had **6,678 employees** at the end of the first quarter of 2013 (6,735 at December 31 2012).

### **Outlook for the year**

The performance of the car industry at global level is expected to show slight growth in 2013, with declining volumes in Europe, a confirmed rise in Asia and more moderate progress in Latin American and North America. In this environment the Sogefi group expects to:

- Continue to grow in non-European markets;
- Have cost stability in the main commodities;
- Continue to implement efficiency enhancing measures.

*The executive responsible for the preparation of the company's financial statements, Giancarlo Coppa, hereby declares, in compliance with the terms of paragraph 2 of Article 154-bis of the Finance Consolidation Act (TUF), that the accounting figures contained in this press release correspond to the results documented in the company's accounts and general ledger.*

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*Attached are the key figures from the Income Statement and the Statement of Financial Position at March 31 2013 of the Sogefi group. It should be noted that these accounts have not been externally audited.*

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This press release can also be consulted on the website: <http://www.sogefigroup.com/it/area-stampa/index.html>

# **SOGEFI GROUP CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

(in millions of Euro)

<b>ASSETS</b>	<b>03.31.2013</b>	<b>12.31.2012 (*)</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	88.3	85.2
Other financial assets	4.2	8.2
<i>Working capital</i>		
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
<b>TOTAL WORKING CAPITAL</b>	<b>399.4</b>	<b>361.6</b>
<b>TOTAL CURRENT ASSETS</b>	<b>491.9</b>	<b>455.0</b>
<b>NON-CURRENT ASSETS</b>		
Fixed assets		
Land	15.7	15.7
Property, plant and equipment	230.9	231.2
Other tangible fixed assets	5.5	5.4
<i>Of which: leases</i>	<i>4.9</i>	<i>5.2</i>
Intangible assets	246.8	239.6
<b>TOTAL FIXED ASSETS</b>	<b>498.9</b>	<b>491.9</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	-	-
Financial receivables	-	-
Other receivables	8.5	6.8
Deferred tax assets	60.8	60.2
<b>TOTAL OTHER NON-CURRENT ASSETS</b>	<b>70.1</b>	<b>67.8</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>569.0</b>	<b>559.7</b>
<b>NON-CURRENT ASSETS HELD FOR SALE</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>1,060.9</b>	<b>1,014.7</b>
<b>LIABILITIES</b>	<b>03.31.2013</b>	<b>12.31.2012 (*)</b>
<b>CURRENT LIABILITIES</b>		
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
<i>Of which: leases</i>	<i>0.8</i>	<i>0.8</i>
<b>TOTAL SHORT-TERM FINANCIAL DEBTS</b>	<b>120.4</b>	<b>98.0</b>
Other short-term liabilities for derivative financial instruments	0.5	1.0
<b>TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>120.9</b>	<b>99.0</b>
Trade and other payables	338.9	308.0
Tax payables	6.0	12.2
Other current liabilities	7.3	8.7
<b>TOTAL CURRENT LIABILITIES</b>	<b>473.1</b>	<b>427.9</b>
<b>NON-CURRENT LIABILITIES</b>		
<b>MEDIUM/LONG TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS</b>		
Financial debts to bank	258.8	267.8
Other medium/long-term financial debts	9.4	8.8
<i>Of which: leases</i>	<i>4.7</i>	<i>4.9</i>
<b>TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS</b>	<b>268.2</b>	<b>276.6</b>
Other medium/long term financial liabilities for derivative financial instruments	15.3	13.7
<b>TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>283.5</b>	<b>290.3</b>
<b>OTHER LONG-TERM LIABILITIES</b>		
Long-term provisions	50.4	54.7
Other payables	0.3	0.2
Deferred tax liabilities	41.6	41.4
<b>TOTAL OTHER LONG-TERM LIABILITIES</b>	<b>92.3</b>	<b>96.3</b>
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>375.8</b>	<b>386.6</b>
<b>SHAREHOLDERS' EQUITY</b>		
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
<b>TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY</b>	<b>191.1</b>	<b>180.4</b>
Non-controlling interests	20.9	19.8
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>212.0</b>	<b>200.2</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,060.9</b>	<b>1,014.7</b>

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

# **SOGEFI GROUP 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)
<b>CONTRIBUTION MARGIN</b>	<b>98.9</b>	<b>30.0</b>	<b>103.5</b>	<b>29.8</b>	<b>(4.6)</b>	<b>(4.5)</b>
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
<b>OPERATING RESULT</b>	<b>22.1</b>	<b>6.7</b>	<b>24.6</b>	<b>7.1</b>	<b>(2.5)</b>	<b>(10.5)</b>
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)
<b>EBIT</b>	<b>18.2</b>	<b>5.5</b>	<b>20.3</b>	<b>5.9</b>	<b>(2.1)</b>	<b>(9.6)</b>
Financial expenses (income), net	5.6	1.7	4.7	1.4	0.9	35.1
Losses (gains) from equity investments	-	-	-	-	-	-
<b>RESULT BEFORE TAXES AND NON-CONTROLLING INTERESTS</b>	<b>12.6</b>	<b>3.8</b>	<b>15.6</b>	<b>4.5</b>	<b>(3.0)</b>	<b>(21.3)</b>
Income taxes	4.8	1.4	5.8	1.7	(1.0)	(20.5)
<b>NET RESULT BEFORE NON-CONTROLLING INTERESTS</b>	<b>7.8</b>	<b>2.4</b>	<b>9.8</b>	<b>2.8</b>	<b>(2.0)</b>	<b>(21.8)</b>
Loss (income) attributable to non-controlling interests	(0.8)	(0.3)	(0.8)	(0.2)	-	(1.9)
<b>GROUP NET RESULT</b>	<b>7.0</b>	<b>2.1</b>	<b>9.0</b>	<b>2.6</b>	<b>(2.0)</b>	<b>(23.9)</b>

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

## **SOGEFI GROUP 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 (held to maturity investments)	4.0	8.2	6.1
C. Financial instruments held for trading	-	-	-
<b>D. Liquid funds (A) + (B) + (C)</b>	<b>92.3</b>	<b>93.4</b>	<b>130.8</b>
<b>E. Current financial receivables</b>	<b>0.2</b>	<b>0.1</b>	<b>-</b>
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)
<b>I. Current financial indebtedness (F) + (G) + (H)</b>	<b>(120.9)</b>	<b>(99.0)</b>	<b>(62.0)</b>
<b>J. Current financial indebtedness, net (I) + (E) + (D)</b>	<b>(28.4)</b>	<b>(5.5)</b>	<b>68.8</b>
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)
<b>N. Non-current financial indebtedness (K) + (L) + (M)</b>	<b>(283.5)</b>	<b>(290.3)</b>	<b>(368.1)</b>
<b>O. Net indebtedness (J) + (N)</b>	<b>(311.9)</b>	<b>(295.8)</b>	<b>(299.3)</b>
Non-current financial receivables	-	-	-
<b>Financial indebtedness, net including non-current financial receivables</b>	<b>(311.9)</b>	<b>(295.8)</b>	<b>(299.3)</b>

## SOGEFI GROUP 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)