

Delfingen Industry showed a sales growth of 10% and an operating profit of € 2.5 M

In millions of euros	June 2011	%	June 2010	%
Sales	58.4	100.0%	54.2	100.0%
Operating profit	2.5	4.2%	3.2	6.0%
Consolidated net profit	0.5	0.8%	2.2	4.1%
Net equity - Group share	26.7	100.0%	31.0	100.0%
Net Financial Indebtedness	22.1	83%	24.3	75%

The worldwide automotive production continued increasing during the 1st half-year, despite a 2nd quarter affected by the earthquake in Japan. It grew by 8% compared to the 1st half-year 2010 (+ 8% in Europe, + 8% in North America, + 9% in South America and -3 % in Asia).

Taking benefit from this favorable environment, the Delfingen Industry Group registered the best commercial performance of its history, with a sales figures of € 58.4M, increasing by 10% (at constant parity) compared to the 1st half-year 2010.

The gross margin of the Group was deteriorated by the significant impact of the purchasing price increases of raw materials.

In the same way, the Group reinforced its organizational structure and human resources, which are necessary to the execution of the strategic plan. 2011 is a year of transformation for the Group, that moves us towards markets that are more technological and integrating more added value, mainly within the field of fluids transfer, assembly services and protection of wiring harnesses by textile products.

Delfingen Industry showed an operating profit of 4.2% of sales. The operating profit of the 1st half-year of 2011 is € 2.5M to be compared to:

- € 3.2M during the 1st half-year 2010;
- € 2.4M during the 2nd half-year 2010.

The net consolidated profit reached € 0.5M i.e. +0.8% of sales, to be compared to 4.1% on the 1st half-year 2010. The net profit is particularly impacted by the differed taxes charges.

The Net Financial Indebtedness of the Group increased by € 0.6M: it reached € 22.2M on June 30th, 2011 against € 21.6M on December 31st, 2010.

The Group activity produced an EBITDA of € 4.2M that covered:

- the increase of the need for working capital (€ +3.0M) linked to the activity increase. The need for working capital in days of sales remained stable at 65.5 days;
- the investments (€ +1.2M).

The Group should have, during the 2nd half-year of 2011, a sales growth higher than the one of the automotive production, however, the operating profit should be penalized by the pressure on purchasing prices on several raw materials.