MGI COUTIER

Operating income up 39%

Continued growth at subsidiaries outside Western Europe

Preliminary first-half income (1 January to 30 June)

In € m	H1 2013	H1 2012	Change
Sales	**348.1**	**352.6**	**-1%**
Income from ordinary activities	**28.5**	**21.5**	**+33%**
Operating income	**29.1**	**20.9**	**+39%**
Financial income/(expense)	**(0.8)**	**(1.9)**	**-**
Profit before tax and non-recurring items	**28.4**	**19.1**	**+48%**
Group share of consolidated net income	**19.6**	**14.3**	**+36%**

AVON AUTOMOTIVE AND THE SUBSIDIARIES OUTSIDE WESTERN EUROPE CONTINUED TO ADVANCE

Sales of products & functions during the first half of 2013 totalled €331.1 million, i.e. stable compared to the year-earlier period and up 1.2% at constant scope and exchange rates.

Avon Automotive continued to prosper in a vibrant North American market and benefited from initial Group synergies. Excluding the aftermarket division, which continued to advance, France continued to suffer from the ongoing tough economic conditions in Western Europe. The Group's entities outside Western Europe posted particularly strong growth, in particular in China, Argentina and Turkey, and contributed significantly to the bottom line.

The healthy business activity outside Western Europe and a sharp recovery in the earnings of Avon Automotive France (return to profitability) and Spain (losses reduced by half) enabled the Group to post a significant increase in net income.

The R&D costs for France, relating to the SCR depollution project, remained high during the period. This project will start generating revenues in 2014, and will have a significant impact from 2015 onward.

Income from ordinary activities increased 33% vs. H1 2012. Profitability over the first half increased two points to 8.2%.
Financial expense totalled €0.8 million and benefited from foreign exchange gains compared to the year-earlier period.
Group share of consolidated net income after tax expense of €9.1 million, i.e. a tax rate of 32%, totalled €19.6 million, up 36%. The net margin came in at 5.6%.

FINANCIAL STRUCTURE FURTHER STRENGTHENED

This robust growth in operating performance was accompanied by a strengthened financial structure, with financial debt down €4.9 million since the beginning of the financial year. Gearing (ratio of net debt to equity, Group share) declined to less than 31% as of 30 June 2013, a very satisfactory level.

THE GROUP STRENGTHENS ITS INTERNATIONAL PRESENCE

The Group wishes to extend its manufacturing facilities in China. To this end, it is currently searching for a site on which to build a second production unit – most likely in Chongqing (China's most populous city) – dedicated to Avon Automotive's products & functions. Production should begin at the end of 2014 or beginning of 2015. The site will be big enough to generate sales of around €20 million, which have already been secured by orders from a US manufacturer.

In Europe, a production plant in the north of Portugal, not far from the Spanish factory in Vigo, will begin operations in H1 2014.

NEW GROWTH TARGETS FOR 2013

For the full year, the Group is on target to post a slight increase in consolidated sales at constant exchange rates, with favourable momentum outside Western Europe and at Avon Automotive.

MGI Coutier's full-year earnings will also continue to rise, and significant capital expenditure and R&D will be maintained.

Next press release: *Third-quarter 2013 sales on 14 November 2013 after the market close*

Automotive equipment manufacturer MGI Coutier is active in two main product families:
fluid transfer and mechanisms.
The Group has 8,000 employees worldwide.

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