Extract
Financial Year 2013

UNLESS OTHERWISE SPECIFIED, ALL AMOUNTS ARE EXPRESSED IN THOUSANDS OF EUROS.

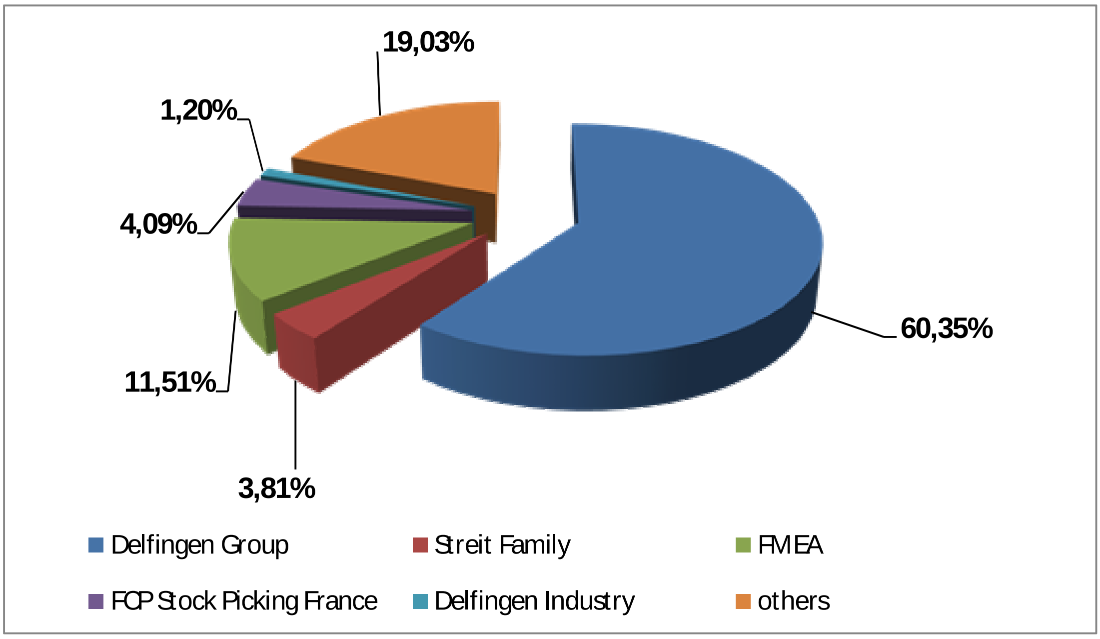
STOCK MARKET

DELFINGEN INDUSTRY STOCK AS ON DECEMBER 31, 2013

Net profit per stock [1]	Stock price	Market capitalization [2]
€ 1.53	€ 16.95	€ 41.4 M

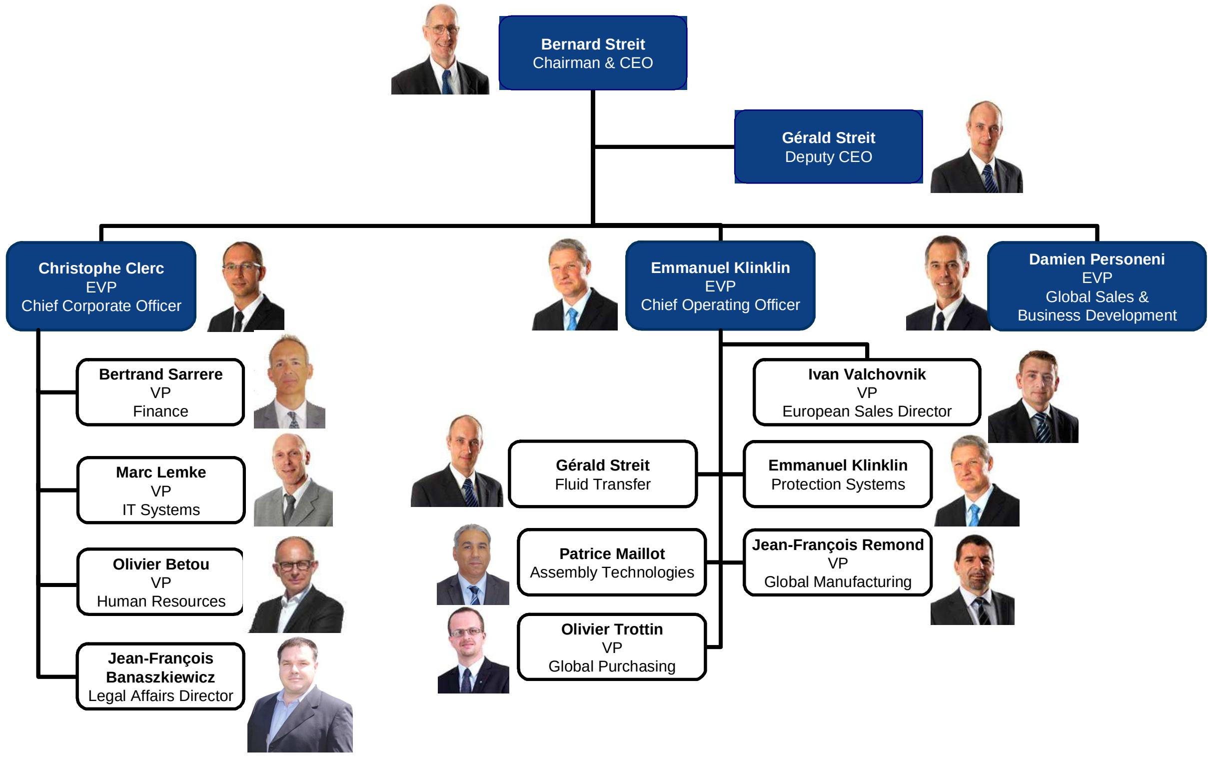
(1) Diluted profit, Group share per stock
(2) On number of stocks on 12/31/2013: 2,443,944

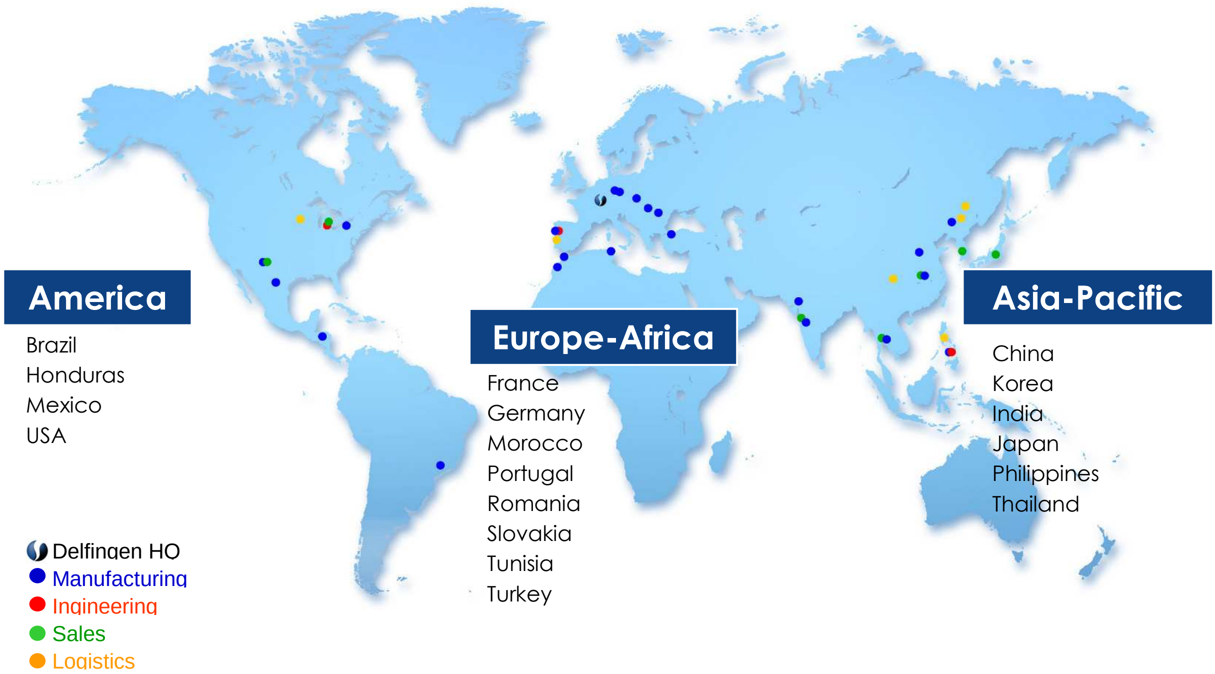
STRUCTURE OF SHAREHOLDERS ON DECEMBER 31, 2013



STOCK PRICE from January 2, to December 31, 2013

GROUP ORGANIZATION

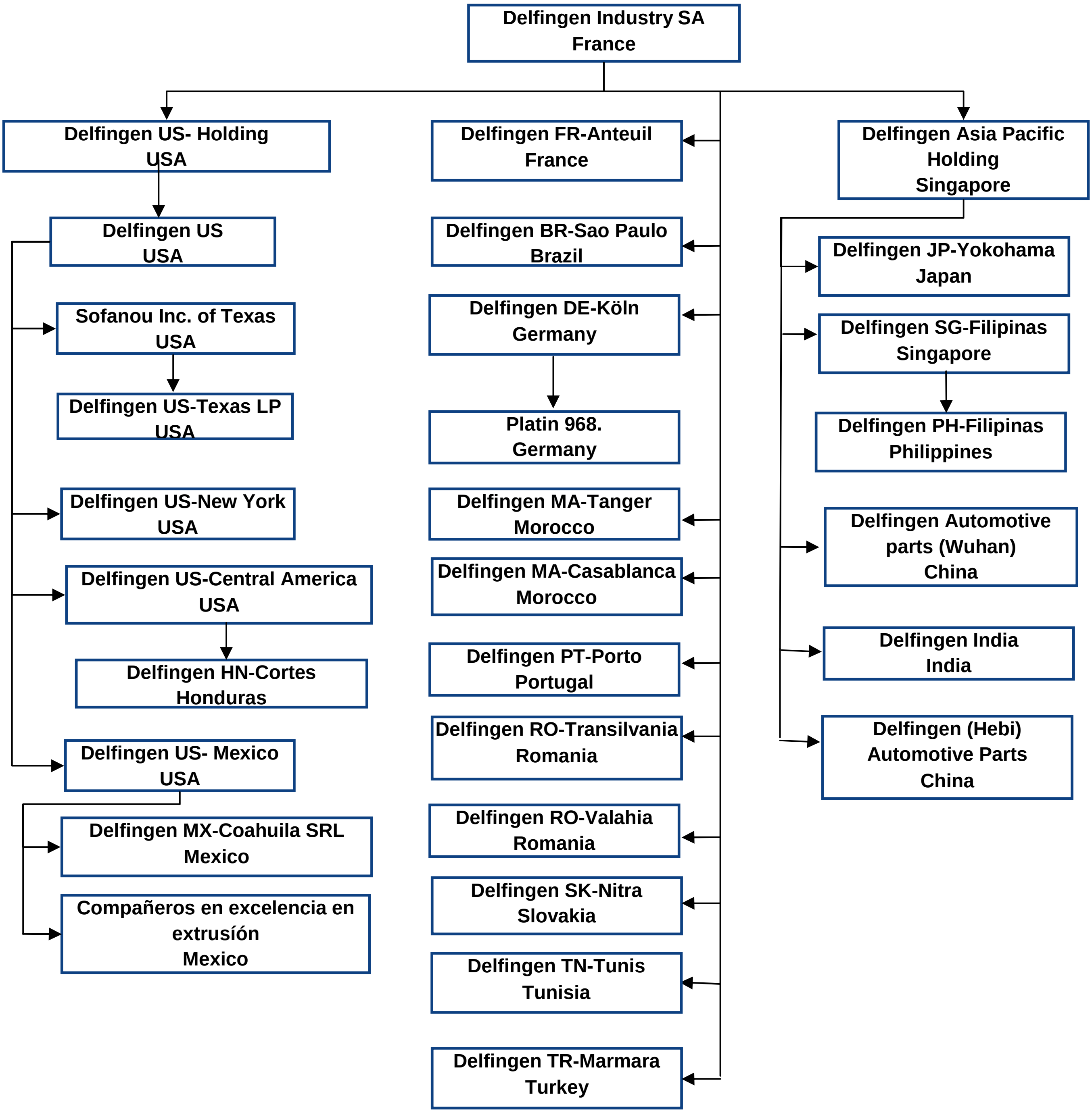




29 SITES AROUND THE WORLD, dedicated to product development, innovation, production, logistics and sales, in 18 countries on 4 continents.

LEGAL ORGANIZATION CHART

DELFINGEN INDUSTRY MAIN SUBSIDIARIES ON DECEMBER 31, 2013



B – Information regarding the scope of consolidation

Note n°1 Scope of consolidation

The Group consolidated statements count the whole subsidiaries, sub-branch and Delfingen Industry company interests.

The companies included within the scope of consolidation of the Group are the following:

		% held			
Corporate name	**Countries**	**2013**	**2012**	**2011**	**Method (*)**
Delfingen Industry	France	Parent company	Parent company	Parent company	GI
Delfingen FR-Anteuil	France	99.98	99.98	99.98	GI
Sofanou Ibérica	Spain	99.96	99.96	99.96	GI
Delfingen PT Porto SA	Portugal	99.50	99.50	98.44	GI
Delfingen TR-Marmara	Turkey	99.99	99.99	99.99	GI
Lima Inmo SL	Spain	-	99.99	99.99	GI
Delfingen TN-Tunis	Tunisia	100.00	100.00	100.00	GI
Delfingen MA-Casablanca	Morocco	100.00	100.00	100.00	GI
Delfingen SK-Nitra	Slovakia	100.00	100.00	100.00	GI
Delfingen MA-Tanger	Morocco	100.00	100.00	100.00	GI
Delfingen RO-Transilvania	Romania	100.00	100.00	100.00	GI
Delfingen RO-Valahia	Romania	99.99	99.99	99.99	GI
Delfingen US-Holding	USA	100.00	100.00	100.00	GI
Delfingen US	USA	100.00	100.00	100.00	GI
Delfingen US-New York	USA	90.00	90.00	90.00	GI
Delfingen US-Texas	USA	100.00	100.00	100.00	GI
STX Holding LLC	USA	100.00	100.00	100.00	GI
Sofanou Inc. of Texas	USA	100.00	100.00	100.00	GI
Delfingen US-Asia	USA	-	-	100.00	GI
Delfingen PH-Filipinas	Philippines	100.00	100.00	100.00	GI
Delfingen US-Central America	USA	100.00	100.00	100.00	GI
Delfingen HN-Cortes	Honduras	100.00	100.00	100.00	GI
Delfingen US-Mexico, Inc	USA	100.00	100.00	100.00	GI
Sofanou of Mexico LLC	USA	100.00	100.00	100.00	GI
Delfingen MX-Coahuila S de RL de CV	Mexico	100.00	100.00	100.00	GI
Compañeros en Excelencia en Extrusion S de RL de CV	Mexico	100.00	100.00	100.00	GI
SCI des Bottes	France	10.05	10.05	10.05	GI
Delfingen PT- Porto	Portugal	-	-	100.00	GI
Delfingen MA- Tanger1	Morocco	-	-	100.00	GI
Delfingen BR- Sao Paulo	Brazil	100.00	100.00	100.00	GI
Delfingen DE- Köln	Germany	100.00	100.00	100.00	GI
Delfingen Asia Pacific Holding Pte	Singapore	100.00	100.00	100.00	GI
Delfingen Automotive Parts (Wuhan) co.	China	100.00	100.00	100.00	GI
Delfingen SG-Filipinas	Singapore	100.00	100.00	-	GI
Delfingen JP-Yokohama	Japan	100.00	100.00	-	GI
Delfingen India Private Limited	India	100.00			GI
Delfingen (Hebi) Automotive Parts Co., Ltd	China	43.09	-	-	GI
Platin 968. GmbH	Germany	100.00	-	-	GI

(1) GI: Global Integration

C – Accounting principles, evaluation and consolidation methods

Note n°2

2 – 1 Referential

The financial statements are presented according to the IFRS reference standards (International Financial Reporting Standards) as adopted by the European Union, as on December 31, 2013 and available on the European Commission website[1].

The financial statements are presented in euro and rounded to closest thousand. They have been prepared according to the general principles of the IFRS standards:

- o Accurate Image;
- o Business as usual;
- o Accounting principal; entries & reserves;
- o Permanent and continuous method.

When the texts offer the possibility, the Group has decided not to apply early the standards, updates and interpretations issued and applicable for the years 2013 and following. The Group does not think it will result in significant changes.

The accounting principles used to prepare the Group financial statements are described in the following notes. Except any particular indication, they have been applied with homogeneity.

2 – 2 Standards, amendments and estimates adopted by the European Union and with a compulsory or not application for the opened fiscal years starting on January 1, 2013

2 - 2 - 1 Standards, amendments and interpretations adopted by the European Union and effective for reporting periods beginning on or after January 1, 2013

The new standards and amendments, mandatory for accounting periods beginning on January 1, 2013 are:

- o Revised IAS 19 "Employee Benefits";
- o IFRS 13 "Valuation at fair value";
- o Amended IAS 1 "Presentation of other comprehensive income";
- o IFRIC 20 "stripping costs in the production phase of a surface mine";
- o Amended IFRS 7 "Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities".

The amendment to IAS 19 has an impact of (€ 53 K) on the Other Comprehensive Income not to be reclassified in Profit and Loss on the consolidated financial statements of Delfingen Industry at December 31, 2013.

2 - 2 - 2 Standards, amendments and interpretations adopted by the European Union, the application is not compulsory for fiscal years beginning on or after January 1, 2013

Moreover Delfingen Industry has not early adopted the new adopted by the European Union accounting principles, but the application is not compulsory:

- o Amendment to IAS 1 "Presentation of other comprehensive income";
- o Amendment to IFRS 7 "Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities";
- o IFRS 10 "Consolidated Financial Statements";
- o IFRS 11 "Joint Arrangements";
- o IFRS 12 "Disclosure of Interests in Other Entities";
- o Amended IAS 27 "separate financial statements";
- o Amended IAS 28 "Investments in Associates";
- o Amendment to IAS 10, 11, 12 "transition guidance";
- o IFRS 13 "Valuation at fair value";
- o Amendment to IAS 32 "Presentation - Offsetting Financial Assets and Financial Liabilities".

[1] http://ec.europa.eu/internal_market/accounting/ias_fr/htm#adopted_commission

These standards are mandatory from the financial years beginning January 1, 2014.

The Group does not think it will result in significant changes.

2 – 7 Closing dates

All companies included in the consolidation have a fiscal year ending at December 31, 2013 except Delfingen India Private Limited fiscal with a year end March 31, 2014

On Delfingen India Private Limited, an intermediate situation was made on December 31, 2013 and approved by local auditors.

In addition, all companies included in the scope of consolidation exercise for a period of 12 months, with the exception of acquired and created companies during the year: Delfingen India Private Limited, Platin 968 Gmbh. and Delfingen (Hebi) Automotive Parts.

I - 1.- Consolidated Statement of Financial Position

Assets	2013	2012	2011	Corresponding notes
Non-current assets				
Goodwill	23,937	22,011	18,940	2-8 ; 2-11 ; 4-1
Intangible assets	1,003	1,061	667	2-9 ; 4-1
Property, plant and equipment	17,414	16,010	15,680	2-10 ; 4-2
Assets available for sale	0			
Other non-current financial assets	1,015	632	592	2-12 ; 4-3
Deferred tax assets	1,454	1,530	1,618	2-20 ; 13
Total non-current assets	**44,823**	**41,244**	**37,496**	
Current assets				
Inventories	12,145	10,974	12,299	2-13 ; 5
Trade and accounts receivables	21,675	19,661	22,812	2-14 ; 6 ; 7
Other net receivables	3,778	4,567	3,280	2-14 ; 7
Current taxes	670	276	268	7
Cash and cash equivalents	14,400	8,905	4,874	2-15 ; 8 ; 12
Assets held for sale				
Total current assets	**52,668**	**44,383**	**43,535**	
Total assets	**97,491**	**85,627**	**81,031**	
€/USD exchange rate	*1.379099*	*1.319400*	*1.293900*	

Liabilities	2013	2012	2011	Corresponding notes
Group shareholders' equity				
Parent company capital	3,764	3,117	3,117	9
Capital-related reserves	12,598	8,220	8,157	9
Treasury shares	(478)	(478)	(478)	2-21
Consolidated reserves	23,809	21,127	20,641	
Foreign currency translation adjustments	(4,916)	(3,041)	(2,488)	
Consolidated Net Income	3,100	3,654	743	
Total Controlling Interest	**37,876**	**32,598**	**29,693**	
Non-Controlling Interest				
Minority interst over the accumulated reserves	1,532	1,088	919	10
Minority interest over the net consolidated net income	307	255	130	
Total Non-Controlling Interest	**1,839**	**1,343**	**1,049**	
Total equity	**39,715**	**33,942**	**30,742**	
Non-current liabilities				
Long and medium term financial debt	22,280	16,263	1,777	2-22 ; 12
Other financial liabilities	165	424	473	
Employee benefits	646	536	451	2-18 ; 11
Non-current provisions	1,150	1,342	1,704	2-17 ; 11
Deferred tax liability	3,667	3,364	2,872	2-20 ; 13
Total non-current liabilities	**27,907**	**21,929**	**7,277**	
Current liabilities				
Current portion of financial debt (1)	8,386	12,363	25,388	2-22 ; 12
Trade payables	13,930	10,383	13,009	
Other current liabilities	7,147	6,673	4,382	15
Current provisions	0	0	0	
Current taxes liabilities	406	336	233	
Liabilities held for sale				
Total current liabilities	**29,869**	**29,756**	**43,012**	
Total Liabilities	**97,491**	**85,627**	**81,031**	
(1) Including Bank credit balances	132	3,407	6,040	
Including accrued interests	105	87	73	
€/USD exchange rate	*1.379099*	*1.319400*	*1.293900*	

The capital is made up of 2,443,944 shares with a nominal of € 1.54. The Group holds 29,442 treasury shares.

I – 2 Consolidated statement of comprehensive income

	2013	2012	2011	Corresponding notes
Net Sales	128,673	122,446	112,484	16
Other revenues	92	103	130	
Total Revenue	**128,765**	**122,549**	**112,615**	
Purchases consumed	(70,425)	(66,900)	(68,498)	17
Stored, Capitalized production	2,642	1,528	3,313	
Other purchases and external expenses	(20,286)	(18,317)	(16,590)	18
Taxes	(1,033)	(1,073)	(836)	
Payroll expenses	(26,974)	(24,537)	(22,008)	20
Net depreciation	(3,462)	(2,960)	(3,077)	19
Net charges to provisions and impairment losses	135	(847)	(253)	19
Other operating income	161	408	118	21
Other operating expenses	(385)	(398)	(174)	21
Total current operating expenses	**(119,625)**	**(113,097)**	**(108,005)**	
Current operating income	**9,140**	**9,451**	**4,610**	
Other non current operational income	0	75	2	22
Other non current operational expenses	(1,497)	(439)	(67)	22
Operating income	**7,643**	**9,087**	**4,546**	
Income from cash and cash equivalents	1	0	0	
Gross cost of financial debt	(1,184)	(1,126)	(1,127)	24
Net cost of financial debt	**(1,183)**	**(1,126)**	**(1,126)**	
Other financial income	1,391	595	1,031	23
Other financial expenses	(1,632)	(1,159)	(1,255)	23
Income before income taxes	**6,220**	**7,397**	**3,195**	
Income tax expenses	(2,813)	(3,488)	(2,322)	25
Net income from continuing operations	**3,406**	**3,909**	**873**	
Net income from discontinued operations				2-16
Consolidated net income	**3,406**	**3,909**	**873**	
Consolidated net income allocated to non-controlling interest in subsidiary	307	255	130	
Consolidated net income allocated to controlling interest	**3,100**	**3,654**	**743**	
Income per share (in €)	1,53	1,82	0,37	26
Diluted income per share (in €)	1,53	1,82	0,37	26
Income per share from continuing operations (in €)	1,53	1,82	0,37	26
Average €/USD exchange rate for financial year	*1.327495*	*1.284541*	*1.390637*	

Statement of profit or loss and Other comprehensive income	2013	2012	2011
Net income (loss)	**3,406**	**3,909**	**873**
Other comprehensive income to be reclassified in Profit and Loss	**(1,898)**	**(560)**	**446**
Foreign currency translation adjustments	(1,898)	(560)	446
Other comprehensive income not to be reclassified in Profit and Loss	**(54)**	**0**	**0**
Net actuarial gains and losses	(54)		
Total Other comprehensive income	**(1,952)**	**(560)**	**446**
Net income and Other comprehensive income	**1,454**	**3,348**	**1,319**
Including Controlling interest	1,170	3,101	1,175
Including Non-controlling interest	284	248	144

I - 3 Consolidated cash-flow statement

	2013	2012	2011	Corresponding notes
Net income (loss) from consolidated companies	**3,406**	**3,909**	**873**	
Elimination of non-cash items or items unrelated to operations				
Amortizations and provisions: allowances	3,982	3,907	3,549	
Amortizations and provisions: reversals	(734)	(1,260)	(203)	
Capital gains	154	(63)	(22)	
Cash flow from operations after cost of net financial debt and tax	*6,808*	*6,493*	*4,197*	
Cost of net financial debt	*1,184*	*1,126*	*1,127*	
Current income tax expense	*2,339*	*2,784*	*912*	
Change in deferred income taxes	*475*	*704*	*1,410*	
Cash flow from operations before cost of net financial debt and tax (CAFICE)	*10,806*	*11,107*	*7,645*	28
Taxes paid	*(2,420)*	*(2,695)*	*(1,011)*	
Change in working capital	*1,680*	*3,830*	*(2,544)*	29
Net Cash flow from operating activities	**10,066**	**12,242**	**4,089**	
Cash flow from investing activities				
Acquisitions of property, plant and equipment	(4,816)	(3,542)	(3,074)	4.2
Acquisitions of intangible assets	(221)	(262)	(167)	4.1
Acquisitions of long-term investments (excluding consolidated companies)	(484)	(261)	(66)	
Disposal of fixed assets	242	442	78	
Changes in the scope of consolidation	(3,819)	(4,802)	0	32
Net cash flow from investing activities	**(9,097)**	**(8,426)**	**(3,229)**	
Cash flow from financing activities				
Dividends paid to parent company shareholders	(723)	(140)	(361)	
Dividends paid to minority shareholders in subsidiaries	(12)	(32)	(93)	31
Capital increase in cash	4,830	4	169	
Proceeds from debt	14,404	12,554	4,638	
Payments on debt	(8,967)	(8,171)	(7,718)	
Financial interests paid	(1,184)	(1,126)	(1,127)	
Derivative financial instruments	(259)	(49)	72	
Treasury shares				
Net cash flow from financing activities	**8,090**	**3,040**	**(4,421)**	
Theoretical change in cash flows	**9,059**	**6,856**	**(3,560)**	
Cash and cash equivalents - Beginning of year	**5,498**	**(1,166)**	**2,459**	
Effects on exchange rate changes	**(289)**	**(192)**	(65)	
Cash and cash equivalents - End of year	**14,268**	**5,498**	**(1,166)**	
Actual change in cash flows	**9,059**	**6,856**	**(3,560)**	

I – 4 Statement of change in equity

	Capital	Capital-related reserves	Tireasury shares	Consolidated reserves and results	Gains and losses posted directly under equity (translation adjustments)	Shareholders' equity – Group share	Shareholders' equity – Minority interests' share	Total shareholders' equity
At 31/12/2011	**3,117**	**8,158**	**(479)**	**21,384**	**(2,488)**	**29,694**	**1,049**	**30,742**
Capital increase/decrease	(0)	63		(63)		**(0)**		**(0)**
Net income or loss for the period				3,654	,	**3,654**	255	**3,909**
Dividends paid				(140)		**(140)**	(13)	**(152)**
Change in foreign currency translation adjustments					(554)	**(554)**	(7)	**(560)**
Change in consolidation scope				(55)		**(55)**	59	**4**
Other changes						**0**		**0**
A 31/12/2012	**3,117**	**8,221**	**(479)**	**24,780**	**(3,042)**	**32,599**	**1,343**	**33,942**
Capital increase/decrease	647	4 377		(194)		**4,830**		**4,830**
Net income or loss for the period				3,100		**3,100**	307	**3,406**
Dividends paid				(723)		**(723)**	(27)	**(750)**
Change in foreign currency translation adjustments					(1,876)	**(1,876)**	(23)	**(1,898)**
Change in consolidation scope						**0**	239	**239**
Actuarial gain and losses				(54)		**(54)**		**(54)**
Other changes						**0**		**0**
At 31/12/2013	**3,764**	**12,598**	**(479)**	**26,909**	**(4,916)**	**37,876**	**1,839**	**39,715**

There are no rights, liens or restrictions attached to the shares making up the capital.

The dividends paid to the parent company's shareholders over the last three fiscal years amounted to:
- 2011: € 361 K;
- 2012: € 140 K;
- 2013: € 723 K.

For the fiscal year 2013, the proposed distributable dividend is: € 604K.

D – Financial risk management

Note 3 Financial risk management

3 – 1 Cash assets

Cash positions

The details of the cash position and net financial debt (NFD) are stated in notes 8 and 12 hereunder.

At December 31, 2013, Delfingen Industry's cash position was € 14,400 K (€ 8,905 K at December 31, 2012).

In France

Additional sources of cash assets in 2014 include:
- Confirmed short-term current account credit, ending on December 2015, equal to € 5.0 million , not used ;
- Short-term standard line of bank credit, equal to € 0.4 million, not used.

In 2013, the Delfingen Industry Group has introduced:

- o The third term of the credit facility agreement signed in 2011 with the French banks amortized over 5 years;
- o A loan with OSEO for a total amount of € 2.4 million, payable in June 2015 and maturing in March 2020;
- o A contract signed with a private funds “ GIAC” for bonds for a total amount of € 2.4 million, payable in October 2017 and maturing in July 2022;
- o A new credit facility of € 15.0 million with three terms (2013 to 2015) of € 5.0 million each, signed with the French banks amortized over 5 years. The first term was disbursed on November 2013 ;
- o A loan agreement for Innovation with OSEO of € 0.2 million, payable in March 2016 and maturing in December 2020.

Factoring Program

The Program is concerning Delfingen FR- Anteuil and Delfingen PT- Porto.

The French factoring program for Delfingen FR-Anteuil, is on balance sheet: there is no impact on our AR trade balance on the balance sheet as the risk is still supported by Delfingen. The credit facility is up to € 2.5 million.

The Portuguese factoring program for Delfingen PT- Porto is off balance sheet. The contract is signed in line with the IAS 39 standard (credit risk transfer, late payment risk and dilution). The invoices are sold to the factor without recourse up to 90% of the values sold. The credit facility is up to € 4.5 million. The AR trade balance is impacted by the program. As of December 2013 the AR amount sold was € 1,313 K.
The true value of the financial assets transferred is equal to the nominal value of these assets.

Loans to Delfingen US Holding

Besides, Huntington National Bank has confirmed its will to support on the long term Delfingen US Holding, with:

- o A short term credit facility for a total amount of $ 7,500 K (€ 5,438 K) unused ;
- o A medium term credit facility (equipment) for a total amount of $ 329 K (€ 257 K) ending on March 2018.

Delfingen Industry is managing the cash and cash equivalent at the group level, therefore Delfingen US Holding has limited exposure to cash availability.

Covenants:

	2013
Financial debt relating to A covenants	17,753
Financial debt relating to B covenants	3,029
Financial debt unrelated to covenants	9,884
Total gross financial debt	**30,666**

All loans and lines of credit subject to covenants are subject to a related early repayment clause:

For A covenants (calculated on Delfingen Industry Group consolidated data):

- o at the Net Financial Debts /current EBITDA ratio, which must be under 3;
- o at the Free Cash Flow/Debt Servicing ratio, which must be greater than 0,9;
- o at the Net Financial Debts/Shareholders' equity, which must be under 1.

For B covenants (calculated on Delfingen US Holding consolidated data):

- o Minimum fixed charge coverage ratio (adjusted EBITDA / fixed charges), which must be above 1.2;
- o Maximum cash flow leverage ratio (total debt / EBITDA), which must not exceed 2.0;
- o Maximum balance sheet leverage ratio (adjusted total liabilities / adjusted tangible net worth), which must not exceed 3.0.

At year-end and concerning Covenants A, Delfingen Industry has fullfilled the 3 covenant ratios and concerning Covenants B, Delfingen US Holding has fullfilled the 3 covenants.

The group plans to comply with all covenants over the next 12 months.

- Fixed charged stands for repayment of the debt principal and interest adjusted with cash income taxes and unfinanced capex.

3 – 2 Foreign exchange risk

Foreign exchange risk hedging:

Foreign exchange hedges mainly concern the risks on cash advances made by Delfingen Industry to its subsidiary in America and Asia. At December 31, 2013, at Delfingen Industry, no exchange hedging was put in place.
The Group's net exposure is mainly focused on the Dollar (excluding functional currency of the entities).

At December 31, 2013, net dollar receivables were as follows:

In thousands of dollars	Total	< 1 year	> 1 year
Delfingen Industry / Delfingen US-Holding	1,155	1,155	0
Delfingen Industry / Delfingen SG-Filipinas	1,007	1,007	0
Delfingen FR-Anteuil / Delfingen US-Holding	1,788	1,788	0
Delfingen FR-Anteuil / Delfingen SG-Filipinas	1,291	1,291	0
Delfingen US-Holding / Delfingen CN-Wuhan	102	102	0
Delfingen Asia Pacific Holding / Delfingen SG-Filipinas	685		685
Delfingen SG-Filipinas / Delfingen US-Holding	245	245	0
Delfingen SG-Filipinas / Delfingen CN-Wuhan	336	336	0
Delfingen PH-Filipinas / Delfingen SG-Filipinas	2,635	2,635	0
Total net receivables	**9,244**	**8,559**	**685**

Sensitivity to fluctuations in the Dollar:

Impact of Dollar fluctuations on the basis of the 2013 accounts

In thousands of euros	USD
Assumed variance in relation to the USD	***4%***
Impact on Income before tax	235
Impact on shareholders' equity	1,104

3 – 3 Interest rate risk management

These hedges concern the risks of changes in interest rates on medium-term borrowings made by Delfingen Industry and Delfingen US Inc.

	Rate	1st maturity	Last maturity	Thousands of Euros at 12/31/13
Delfingen Industry	Fixed rate : 2,33% 3 months Euribor	11/04/2011	02/06/2014	323
Delfingen Industry	Fixed rate : 2,28% 3 months Euribor	11/04/2011	03/03/2014	108
Delfingen Industry Tunnel	CAP : 2,50%, FLOOR : 1,50% 3 months Euribor	11/04/2011	11/04/2014	550
Delfingen Industry Tunnel	CAP : 3,00%, FLOOR : 1,50% 3 months Euribor	11/04/2011	30/09/2015	311
Delfingen Industry Tunnel	Tunnel between 2,00 % and 5,00 % : 1.62 %	17/10/2011	17/07/2016	2,750
Delfingen Industry	Fixed rate : 0,69% 3 months Euribor	18/01/2013	31/06/2014	3,387
Delfingen Industry	Fixed rate : 0,75% 3 months Euribor	17/07/2013	29/03/2018	4,300
Delfingen US Inc	LIBOR 1M locked rate 3,73%	01/10/2012	29/08/2017	816
	LIBOR 1M locked rate 3,65%	01/10/2012	29/08/2016	598

The interest on bank liabilities is predominantly indexed on the 3-months Euribor or 3-months Libor. Only € 7.8M is at fixed rates (see details in note 12-6).

The detailed financial structure by type of rate is presented in note 12-6 hereunder.

It is worth noting that a 0.5 point change on the interest rate would have an impact of + or – € 150 K on the financial year's interest expenses.

3 – 4 Counterparties

Delfingen Industry is exposed to counterparty risk in its financing activities. However this risk is limited because these financing activities are carried out with ten or so counterparties:

- In France: Banque Populaire de Franche Comté, Crédit Agricole de Franche Comté, BECM, CIC-Est, Société Générale, BNP Paribas/Fortis, HSBC, OSEO, Caisse d'Epargne Bourgogne Franche-Comté, the Micado Funds and the GIAC;
- In the USA: Huntington National Bank;
- In Portugal: BPN.

Note 8 Cash and cash equivalents

The «Cash» item breaks down as follows:

	2013	2012	2011
Marketable securities	0	8	8
Cash assets	14,400	8,896	4,866
Total Gross value	**14,400**	**8,905**	**4,874**
Provisions	0	0	0
Total Net value	**14,400**	**8,905**	**4,874**

Marketable securities are entirely made up of cash securities.

Note 12 Current and non-current financial liabilities

The bank finance contracts in place have contractual clauses referring to the consolidated financial position, either for Delfingen Industry, or for North America and for Central America for the loans undertaken by Delfingen US-Holding. These "financial covenants" are fixed in consultation with the lenders. Due compliance with them is assessed at each annual closing for loans in France and each quarter for loans in the USA.

If these ratios are not met, the lender can demand total or partial repayment of the loan in question (refer to note 3.1 herein).

At December 31, 2013, and by at December 31, 2012, the whole of the covenants had been complied.

At December 31, 2011, one of the covenants had not been complied; the corresponding financial liabilities had been reclassified, in accordance with IAS 1, as current liabilities for an amount of € 11,765 K, even though the financial partners had not demanded repayment.

12 – 1 Net financial debt

Net financial debt is defined as follows: it includes all long-term financial debt, short-term bank credit and overdrafts, less loans and other long-term financial assets and cash and cash equivalents.

	2013	2012	2011
Cash and cash equivalents	14,400	8,905	4,874
Long and medium-term financial debt	(22,280)	(16,263)	(1,777)
Current portion of financial debt	(8,386)	(12,363)	(25,388)
Net financial debt (NFD)	**(16,266)**	**(19,721)**	**(22,291)**

Financial liabilities under 1 year include € 132 K of overdrafts and renewable bank credit facilities.

12 – 2 Gearing ratio

	2013	2012	2011
Net financial debt	16,266	19,721	22,291
Total shareholders' equity	39,715	33,942	30,742
Debt ratio (%)	**40.96%**	**58.10%**	**72.51%**

12 – 3 Breakdown by nature

	2013	2012	2011
Non-current portion			
Bonds	5,257	3,410	
Bank borrowings	17,004	12,828	1,632
Restatement of leasing-contracts	3	0	110
Miscellaneous financial debts	16	25	34
Subtotal of non-current financial debts	**22,280**	**16,263**	**1,777**
Current portion			
Bank borrowings	6,952	7,745	19,163
Bank credit balances	132	3,407	6,040
Accrued interests	105	87	73
Restatement of leasing-contracts	4	0	102
Miscellaneous financial debts	1,193	1,124	9
Subtotal of current financial debts	**8,386**	**12,363**	**25,388**

The Miscellaneous borrowings are including a debt of € 1,184 K in relation with the factoring program in France. As the program is on balance sheet, this is corresponding to the current credit facility granted.

The bank credit balances are the drawn portion of the short-term lines of bank credit. See note 3-1 herein.

12 – 4 Breakdown on financial liabilities by date of maturity

Breakdown on non-current financial liabilities by date of maturity

	Total	2015	2016	2017	2018	> 5 years
Financial liabilities	22,280	5,841	5,262	3,489	5,466	2,222

Breakdown by maturity of borrowings of more than one year, from credit institutions

Subscription date	**Total**	**2014**	**2015**	**2016**	**2017**	**2018**	**Beyond**
Before 2013	15,802	5,071	3,582	2,842	820	3,487	
2013	13,410	1,881	2,246	2,413	2,669	1,979	2,222
Total	29,212	6,952	5,828	5,255	3,489	5,466	2,222

The Maturity of the medium term debt has been significantly been improved. Mainly due to the establishment in 2013 of:

- the third term of the credit facility agreement signed in 2011 with the French banks for € 5 million amortized over 5 years with fixed terms;
- the first term of the second credit facility agreement signed in 2013 with the French banks for € 5 million amortized over 5 years with fixed terms;
- the bond of € 2.4 million subscribed to the GIAC, repayable over 5 years from October 2017;
- the loan of € 2.4 million from OSEO, repayable over 5 years from June 2015.

It evolves from 2.12 years before getting this new funding, to 2.55 years at December 31, 2013.

12 – 5 Breakdown by currency

All bank borrowings from credit institutions are in Euros (€ 26.2 million), or in US Dollars (€ 3 million) for the American companies.

12 – 6 Breakdown by rate tape

The table below lists the most significant exposures of medium-term loans, broken down into fixed rates and variable rates (in millions of Euros).

Type of credit	Fixed rate	Variable rate	Total lines of credit	Capital balance at 12/31/13	Maturities	Existence of hedges
Standard credit		Euribor 3 months + margin	5.4	0.6	2014	
Standard credit		Euribor 3 months + margin	0.9	0.3	2015	
Standard credit		Euribor 3 months + margin	5.0	0.7	2014	Rate hedge
Growth credit facility	5.00%		3.0	1.9	2017	Cash deposit
Standard credit		Euribor 3 months + margin	5.0	2.4	2016	Rate hedge
Standard credit		Euribor 3 months + margin	5.0	3.4	2017	Rate hedge
Standard credit		Euribor 3 months + margin	5.0	4.3	2018	Rate hedge
Standard credit		Euribor 3 months + margin	5.0	4.6	2018	Rate hedge
Bonds	6.50%		3.5	3.4	2018	
Bonds		Euribor 3 months + margin	2.4	1.8	2022	
Growth credit facility	2.68%		2.4	2.3	2020	Cash deposit
Borrowing agreement for innovation	0.00%		0.2	0.2	2020	
Standard credit		Euribor 3 months + margin	0.4	0.1	2014	Letter of intent Delfingen Industry
Standard credit		Libor USD 1 month + margin	2.3	1.6	2017	Rate hedge
Standard credit		Libor USD 1 month + margin	1.8	1.2	2016	Rate hedge
Standard credit		Libor USD 1 month + margin	0.2	0.2	2018	
Standard credit	5.50%		1.3	0.0	2014	Pledge building

In order to manage the risk of interest rate fluctuations on variable-rate loans, the Group has signed Cap, Cap+Floor interest rate contracts, the specifications are described in note 3-3.

Note 14 Breakdown of assets and liabilities by class of financial instrument

		Breakdown by class of financial instrument				
	Total 12/31/13	Fair value by Profit and loss	Assets available for sale	Loans, receivables and other liabilities	Liabilities at amortized cost	Derivative instruments
Other non-current financial assets	1,015	0	0	1,015	0	0
Trade receivables	21,675	0	0	21,675	0	0
Other debtors (excluding current taxes)	3,778	0	0	3,778	0	0
Cash equivalents	0	0	0	0	0	0
Cash	14,400	14,400	0	0	0	0
ASSETS	**40,868**	**14,400**	**0**	**26,468**	**0**	**0**
Financial liabilities	30,666	0	0	0	30,666	0
Other non-current financial liabilities	165	0	0	0	0	165
Trade payables	13,930	0	0	13,930	0	0
Other current liabilities	7,147	0	0	7,147	0	0
LIABILITIES	**51,908**	**0**	**0**	**21,077**	**30,666**	**165**

Note 23 Other financial income and charges

	2013	2012	2011
Foreign exchange gains	1,126	493	1,078
Other financial income	265	102	(48)
Total Other financial income	**1,391**	**595**	**1,031**
Foreign exchange losses	(1,379)	(998)	(1,020)
Other financial expenses	(253)	(161)	(236)
Total Other financial expenses	**(1,632)**	**(1,159)**	**(1,255)**

At December 31, 2013, the consolidated financial statements showed a foreign exchange loss of € 252 K.

The other financial charges primarily concern the restatement of borrowings according to the TIE method

Note 24 Cost of gross financial debt

	2013	2012	2011
Interests expenses	1,184	1,126	1,127
Cost of gross debt	**1,184**	**1,126**	**1,127**

The average cost of gross debt is 3.11 %.
A change of + or – 0.5 points in interest rates would have an impact of + or - € 150 K on interest expenses.

Note 30 Free cash flow

	2013	2012	2011
CAFICE	10,806	11,107	7,645
Change in Working capital	1,680	3,830	(2,544)
Taxes paid	(2,420)	(2,695)	(1,011)
Free cash flow (before investments)	10,066	12,242	4,089
Investments (net of disposals)	(5,279)	(3,623)	(3,229)
Net free cash flows (after investments)	**4,788**	**8,619**	**861**