



CENTRAL – EUROPE FINANCE (HOLDING)

Wednesday, 20 February 2008

Cefin Group:

Economic Highlights of the Automotive activities (Provisional Results for 2007 and Budget 2008)

1. Description of Operations

Cefin Automotive operates in Hungary, Bulgaria and Romania several integrated activities aimed at the “world of transport” under the following brands.

Iveco Franchise. We Import and distribute Iveco new vehicles and multibrands used vehicles. We operate after sales services for commercial vehicles. We are the largest Iveco franchise in the world. We distribute software and technology applications for fleet management following the SAS (Software as a Service) business model.

Cefin Automotive. We import and distribute parts, tyres, oils and equipment for after sales centres. We rethread tyres under the “Marangoni” license.

Eurobody. We manufacture bodies for commercial vehicles (Platform, Tarpaulin, Isothermal, Cranes etc....); we operate after sale services. We import and distribute cooling equipments.

4Bus. We import and distribute Irisbus buses and minibuses. We trade Trolleybuses produced by Astra Bus based on Irisbus body shell.

With few exceptions we own all the premises where we operate our automotive activities through the group real estate division.

The administration is centralized and serves each division.

2. Economic highlights (YE07 - provisional and BDG08)

Herein below the key economic result of our Automotive Activities (Year End 07 and Budget 2008).

Unless otherwise stated all numbers of this report are expressed in EUR.

This report refers to the Provisional Economic Result for the year 2007 (“PER07” or “Forecast 2007”) and the Budget for 2008 (“BDG08”). The group Year End results are expected to substantially reflect the numbers of this report and will be published by the end of March 2008.

IVECO

Hungary

ETS

Bulgaria



Romania

CEFIN
AUTOVEHICULE COMERCIALE



4BUS

EuroBody



Cefin

CEFIN REAL ESTATE ASSET MANAGEMENT

Profit & Loss	TOTAL		
	PER07	BDG 2008	Δ
Turnover	267,585,236	386,285,963	44.4%
1 Gross Margin	42,084,505	61,727,016	48.8%
1 Gross Margin %	15.7%	16.0%	3.1%
2 Gross Margin	26,981,790	38,467,035	45.9%
2 Gross Margin %	10.1%	10.0%	1.0%
EBITDA	12,667,407	19,998,554	64.9%
EBITDA %	4.7%	5.2%	14.2%
EBIT	10,549,868	16,880,064	68.4%
EBIT %	3.9%	4.4%	16.7%
PBT	6,883,481	12,425,197	93.4%
PBT %	2.6%	3.2%	34.0%

The group aims at reaching a **PBT of 4%** within the next 3 years with an incremental target of 0.4-0.5% p.a. We implement a policy of **sustainable development and growth** where the investments made to start-up new activities or to finance the expansion of current one do not have an impact on our overall PBT targets.

Also in connection with Automotive activities, but not consolidated in the numbers herein-above, Cefin Holding holds several participations:

Forza Rossa

VAR

AGROEXPERT®
Capital S.R.L.

AB
ASTRA BUS

Cefin Systems
integrated e-solutions

- Forza Rossa Srl (47.5%), Importer and Distributor of Ferrari automobiles in Romania
- VAR Srl (33%), a distributors of parts in Italy used for parts sourcing for our markets
- Agroexpert Srl (50%), Importer and Distributor of Agricultural Equipment in Romania – Challenger and other leading brands.
- Astra Bus (72.5%), producer of Trolleybuses - exclusive supplier for this product in the last 10 years to the Municipality of Bucharest. Assembly line for Buses and Minibuses.
- Cefin Systems (70%), producer of software application for fleet management and integrator of technology applied telematics following the SAS (Software as a Service) business model.

The above-mentioned participations contributed to the group consolidated PBT with 1 Mio/Eur in 2007 and are expected to contribute 1.5 Mio/Eur in 2008.

The group employs 1.200 people directly and 250 people in its participated company.

3. YE07 provisional and BDG08 results by Divisions

3.1 Iveco Franchise

With more than 3.400 Units sold in 2007 and a Budget for 2008 of 4.300 Units we are the largest commercial vehicle franchise in Europe (average sale per franchise being at 5-600 Units/Year). We exclusively trade Iveco new vehicles and we are multi-brand on our second hand activities.

Furthermore we traded 900 used vehicles in 2007 and we plan to reach 1200 units in 2008

We consider after sale a “core” component of our automotive division and we invest in our Service and parts facilities more than 80% of our budget. We operate 12 Service centres within the 3 markets.

The consolidated PER07 and BDG 2008 for the Iveco Franchise is:

Profit & Loss	IVECO FRANCHISE		
	PER07	BDG 2008	Δ
Turnover	202.692.544	276.641.109	36,5%
1 Gross Margin	25.280.360	33.655.897	33,1%
1 Gross Margin %	12,5%	12,2%	-2,5%
2 Gross Margin	19.305.440	25.145.889	30,3%
2 Gross Margin %	9,5%	9,1%	-4,6%
EBITDA	12.309.575	16.218.182	31,8%
EBITDA %	6,1%	5,9%	-3,5%
EBIT	11.230.317	14.791.567	31,7%
EBIT %	5,5%	5,3%	-3,5%
PBT	9.491.393	12.443.451	31,1%
PBT %	4,7%	4,5%	-3,9%

3.2 Cefin Automotive

We import and distribute Spare Parts, Oils and Equipments. Beside Iveco Original Parts (representing 45% of total sales) we trade a full range of after market parts.

We import and distribute Commercial Vehicles tyres. We further re-tread tyres (Marangoni Technology). The economic result of the division is:

The consolidated PER07 and BDG 2008 for the Cefin Automotive is:

Profit & Loss	CEFIN AUTOMOTIVE		
	PER07	BDG 2008	Δ
Turnover	35,410,679	50,404,488	42.3%
1 Gross Margin	10,448,734	15,366,344	47.1%
1 Gross Margin %	29.5%	30.5%	3.3%
2 Gross Margin	6,688,866	9,390,268	40.4%
2 Gross Margin %	18.9%	18.6%	-1.4%
EBITDA	3,269,531	5,191,260	58.8%
EBITDA %	9.2%	10.3%	11.5%
EBIT	2,889,260	4,314,602	49.3%
EBIT %	8.2%	8.6%	4.9%
PBT	2,101,840	3,751,829	78.5%
PBT %	5.9%	7.4%	25.4%

3.3 4Bus

The Bus division operates the trading of buses and minibuses mainly on the Rumanian market. The bus trading activity in the other two markets (Hungary and Bulgaria) is within the tens of units.

We aim at both the public and the private sectors and we have been awarded several important public tenders (RATB Bucharest, RATT Cluj-Napoca).

The consolidated PER07 and BDG 2008 for our Bus Operations is:

Profit & Loss	BUS		
	PER07	BDG 2008	Δ
Turnover	11.260.333	23.369.850	107,5%
1 Gross Margin	680.176	1.402.000	106,1%
1 Gross Margin %	6,0%	6,0%	-0,7%
2 Gross Margin	537.520	1.074.735	99,9%
2 Gross Margin %	4,8%	4,6%	-3,7%
EBITDA	304.347	751.765	147,0%
EBITDA %	2,7%	3,2%	19,0%
EBIT	283.303	722.376	155,0%
EBIT %	2,5%	3,1%	22,9%
PBT	283.303	713.143	151,7%
PBT %	2,5%	3,1%	21,3%

3.4 Eurobody

Eurobody is a manufacturer of superstructure for commercial vehicles (Plateau, Isotermic Body, cranes, Aluboxes, etc...) and operates four manufacturing/assembly plants in Bucharest, Cluj-Napoca, Timisoara and Oradea,

With 1.500 Units produced in 2007 and a forecast of 2000 Units in 2008 Eurobody is the leading body builder in Romania.

We re planning the spin off of this division into a separate legal entity in 2008 owned 85% by Cefin Holding and 15% by Mr. Ovidiu Vlad (General Manager of the Division).

In 2007 Eurobody moved to its new production facility and more than doubled its monthly production capacity. The production facility re-location had a negative impact on the division result due to some production disruption and the time required to bring the new location up to capacity (4-5 Months). Since October the month on month performance has been profitable.

The opening of a new manufacturing facility in Sofia (Bulgaria) will have positive impact on the 2008 performance.

Eurobody is holding several import license of leading manufacturer of components for bodies (PM, Zanotti, etc...) and it's operating a several services centres for these equipments.

The consolidated PER07 and BDG 2008 for Eurobody is:

Profit & Loss	EUROBODY		
	PER07	BDG 2008	Δ
Turnover	18.057.918	35.601.516	97,2%
1 Gross Margin	5.511.473	11.033.775	116,3%
1 Gross Margin %	30,5%	31,0%	9,7%
2 Gross Margin	2.354.384	5.452.630	169,4%
2 Gross Margin %	13,0%	15,3%	36,6%
EBITDA	510.541	2.755.286	613,6%
EBITDA %	2,8%	7,7%	262,0%
EBIT	63.104	2.228.405	4838,5%
EBIT %	0,3%	6,3%	2404,9%
PBT	-194.861	1.900.934	-1531,2%
PBT %	-1,1%	5,3%	-826,0%

In consideration of the spin off the 2008 Budget already includes all the administration costs related to this activity.

3.5 Finance, Treasury, Control and Administration (FTCA)

The FTCA department provides the following services to all operational divisions: IT systems (Hardware & Software), Marketing, Accounting, Human Resources, Top Management and the financing costs of the group activities

The consolidated PER07 and BDG 2008 of FTCA expressed in this case as % of the total turnover of the Cefin Automotive activities is:

Profit & Loss	ADMINISTRATION		
	PER07	BDG 2008	Δ
Turnover	163.762	269.000	64,3%
1 Gross Margin	163.762	269.000	64,3%
1 Gross Margin %	0,1%	0,1%	13,8%
2 Gross Margin	-1.904.420	-2.596.487	36,3%
2 Gross Margin %	-0,7%	-0,7%	-5,6%
EBITDA	-3.726.587	-4.917.938	32,0%
EBITDA %	-1,4%	-1,3%	-8,6%
EBIT	-3.916.116	-5.176.886	32,2%
EBIT %	-1,5%	-1,3%	-8,4%
PBT	-4.798.194	-6.384.159	33,1%
PBT %	-1,8%	-1,7%	-7,8%

More information can be obtained by contacting our group CFO, Maurizio Rossetto (maurizio.rossetto@cefin.com).

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Ceo – Cefin Holding