

October 2014

Chris Dixon
Chief Executive Officer Silatech Srl



Silatech is a subsidiary of Sila Holding Industriale S.p.a. and was created as part of the Sila Group's debt restructuring plan. The Group operates in the automotive components market, and in particular in the design, development and manufacture of gear shifts, cables and similar products. The manager / CEO joined the company after the Torino Court approved the debt restructuring agreement; he is responsible for implementing the restructuring and recovery plan, and for managing Silatech's global recovery in the coming years.

Sito web: www.grupposila.com

Does your country have similar legislation?

Although I have lived in Italy since 1997, I am originally from the UK and also have significant experience of working for US based multi-national companies. While UK company administration processes are not exactly the same as here in Italy, there are many similarities.

Do you think that the current legislative framework is effective?

I believe that, while the Italian legislation is reasonably effective, there are still elements that could be improved by following UK / US business administration practices such as Chapter 11 in the US. While Italian legislation is also focused strongly on maintaining the company concerned and finding a way for the Company in question to operate on a Going Concern basis in the future, I believe that some of the elements of the Chapter 11 process, for example, would offer the Company more protection from its creditors while it goes through the Bankruptcy process and that, importantly, Chapter 11 allows the Company to exit such a process with a much stronger base to move forward.

How do customers view and react to the restructuring process?

Customers are obviously very nervous when a supplier of critical components such as gear shifter systems has financial problems. Their initial reaction will usually be to work out how they can protect their current supply chain and limit the risk of disruption.

In the case of Sila Group, I have to say that our customer base has generally been very supportive during the restructuring process. We have received financial support from some major customers in the form of price increases/protection and strong adherence to payment terms as well as comfort letters from customers to Sila suppliers to assure them of our ongoing survival.

In addition, we continue to work very closely with our major customers to explain to them the details of the restructuring plan itself, and then to report monthly/quarterly progress and financial results to the customer base.