PRESS RELEASE

The Board of Directors approves results at 30 September 2009

SOGEFI REPORTS EARNINGS IN THIRD QUARTER, PROFITABILITY CONTINUES TO IMPROVE

Thanks to the first signs of recovery in demand and the measures taken by management, the company closed the quarter with net profit of € 2 million

Operating result rises again versus previous quarters (€ 14.5 million in Q3 compared with 11.9 million in Q2 and -3.9 million in Q1), net debt continues to contract

Consolidated results as of 30 September 2009

Revenues: € 573.8 million (-29.4% from € 813.3 million in 9M 2008)
Operating result: € 22.4 million (€ 79.4 million in 9M 2008)
EBITDA: € 32.2 million (€ 91.2 million in 9M 2008)
Net result: a loss of € 8.6 million (earnings of € 29.6 million in 9M 2008)
Net debt: € 202.7 million (€ 212.6 million at 30 June 2009)

Milan, 20 October 2009 - The **Board of Directors** of **Sogefi SpA**, chaired by **Mr. Rodolfo De Benedetti**, has approved the **interim financial report at 30 September 2009**.

Performance of operations

Over the **period July-September 2009** Sogefi Group saw a **significant improvement in the main business indicators compared with the previous two quarters**, confirming the trend already in evidence on June 30. The **first signs of strengthening demand** and the **positive effects of action taken by company management** at the outset of the crisis have **enabled Sogefi to close the third quarter with a positive net result of Euro 2 million**, compared with losses in the previous two quarters.

Outside Europe the quarter saw a healthy recovery of business in Brazil and continued growth in China and India, while the situation remains unfavourable in North America. Over the period, Sogefi **maintained its four-pronged attack to combat the crisis in the automobile industry** through the reduction of structural costs, further rationalisation of production facilities, improvement in the net financial position and expansion of initiatives in emerging markets (Brazil, China, India).

Business in the first nine months of 2009 was hit hard by the **fall in world car production**. Government car scrapping schemes in major markets have still not produced a corresponding rise in production in Europe, due to continued efforts by big manufacturers to draw down their inventory backlogs. Furthermore the production mix follows the trend in demand originated by incentives and is largely directed at economy vehicles. The spare parts market has also been affected, though less dramatically, primarily owing to financial tensions in the distribution chain. In Europe demand for industrial vehicles and earth moving machinery remains sluggish, as does the precision springs segment, though aftermarket sales have begun to pick up.

Consolidated results

Consolidated revenues at 30 September 2009 stood at **Euro 573.8 million**, **down 29.4%** from the 813.3 million for the same period of 2008 (-27.4% at the same exchange rates). Q3 revenues (Euro 199.3 million) were down 22.5% against the previous-year period, but the **slide was much less steep than in the first and second quarters**, 35.6% and 29.8% respectively.

Sales for the *Suspension Components Division*, mainly directed towards original equipment and industrial vehicles, fell by 35.8% on the previous period, recording revenues of Euro 268.7 million (418.4 million in 2008). The *Filtration Division*, which primarily serves the spare parts market, saw its volumes decline by 22.7% to Euro 306.4 million from 396.5 million in 2008.

In Europe revenues fell by 31.8% (Euro 440.9 million compared with 646.2 million in 2008), while in Latin America the drop was only 21.1% (110.1 million against 139.6 million in 2008).

Group profitability have been affected by the sharp fall-off in revenues. To counter the situation the company has taken **drastic measures to contain all cost factors** through the following actions:

- cheaper prices paid for key raw materials, while maintaining sales prices substantially unchanged. This has cut the impact of material costs on revenues by 1% compared with the first nine months of 2008;
- overall reduction in labour costs of Euro 39.4 million (-20.7%) on the previous-year period achieved by cutting the workforce (624 fewer employees).
- structural costs cut by 31.8 million (-16.4%), of which 14.2 million for personnel, compared with the first nine months of 2008.

Operating profit for the first nine months of 2009 comes to **Euro 22.4 million** (3.9% of revenues), of which 14.5 million produced in the third quarter, compared with Euro 79.4 million (9.8%) at 30 September 2008. In particular the steady improvement in the ratio of operating result to sales over the three quarters of 2009 is: -2.2% in Q1, +6% in Q2 and +7.3% in Q3. This **recovery in profitability is proof of the effectiveness of the past and ongoing efforts of management**.

Gross operating margin (EBITDA) for the period, after non-recurring restructuring charges of Euro 12.6 million (+42.5% from 8.8 million in first nine months of 2008), was a **positive 32.2 million** (5.6% of revenues), down 91.2 million (11.2%) from 30 September 2008. Once again it is worth highlighting the improvement in results in the third quarter, when EBITDA reached 9% of revenues, close to the 11.8% of the previous-year period. In the first nine months **EBIT turned positive at Euro 0.7 million** from 58.6 million at 30 September 2008.

Financial expenses stood at Euro 8.1 million compared with 9.5 million in 2008 due to the reduction in net indebtedness.

Consolidated net result was **negative** for **Euro 8.6 million** over the whole nine months, though the **third quarter** generated a **positive 2 million**. Over the first nine months of 2008 net profits came to Euro 29.6 million.

Consolidated shareholders' equity at 30 September 2009, including minority interests, came to **Euro 176.8 million** (178.3 million at 31 December 2008).

Efforts continue to **reduce the debt level**. **Net indebtedness** at 30 September 2009 stood at **Euro 202.7 million**, down from 212.6 million at 30 June and 257.2 million at 31 December 2008.

Outlook for the whole of 2009

In the last quarter the profitability recovery shown in the second and third quarters is likely to continue, thanks to further strengthening of demand and the effects of management strategy. However, expectations of stronger results in the last quarter are insufficient to alter our forecast of an overall loss for the financial year, bearing in mind the restructuring costs.

The manager responsible for preparing the company's financial statements, Giancarlo Coppa, declares under comma 2 of Article 154-(ii) of the Consolidated Law on Finance that the information presented in this press release corresponds to the results documented in the company accounts and balance sheets.

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Attached are the key Profit & Loss and Balance Sheet Statements for Sogefi Group at 30 September 2009.
These statements are not subject to an independent audit.

SOGEFI GROUP CONSOLIDATED BALANCE SHEET

(in millions of Euro)

ASSETS	09.30.2009	12.31.2008
CURRENT ASSETS		
Cash and cash equivalents	114.3	49.5
Other financial assets	0.1	0.8
Working capital		
Inventories	91.9	114.5
Trade receivables	138.5	170.0
Other receivables	6.6	19.0
Tax receivables	10.0	14.9
Other assets	3.9	3.8
TOTAL WORKING CAPITAL	*250.9*	*322.2*
TOTAL CURRENT ASSETS	365.3	372.5
NON-CURRENT ASSETS		
Fixed assets		
Land	14.1	13.9
Property, plant and equipment	213.9	218.0
Other tangible fixed assets	4.2	4.6
Of wich: leases	*13.8*	*11.8*
Intangible assets	130.2	127.3
TOTAL FIXED ASSETS	362.4	363.8
OTHER NON-CURRENT ASSETS		
Equity investments in associated companies	0.1	0.1
Other financial assets available for sale	0.4	0.4
Financial receivables	0.1	-
Other receivables	8.9	8.8
Deferred tax assets	34.2	26.7
TOTAL OTHER NON-CURRENT ASSETS	43.7	36.0
TOTAL NON-CURRENT ASSETS	406.1	399.8
NON-CURRENT ASSETS HELD FOR SALE	0.7	0.7
TOTAL ASSETS	772.1	773.0

LIABILITIES	09.30.2009	12.31.2008
CURRENT LIABILITIES		
Bank overdrafts and short-term loans	6.3	19.8
Current portion of medium/long-term financial debts and other loans	66.8	35.7
Of which: leases	*1.6*	*1.4*
TOTAL SHORT-TERM FINANCIAL DEBTS	73.1	55.5
Other short-term liabilities for derivative financial instruments	0.3	0.5
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	73.4	56.0
Trade and other payables	189.3	204.1
Tax payables	3.5	4.2
Other current liabilities	2.6	1.7
TOTAL CURRENT LIABILITIES	268.8	266.0
NON-CURRENT LIABILITIES		
MEDIUM/LONG TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS		
Financial debts to bank	228.8	238.6
Other medium/long-term financial debts	11.4	10.7
Of which: leases	*8.4*	*7.2*
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS	240.2	249.3
Other medium/long term financial liabilities for derivative financial instruments	3.5	2.3
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	243.7	251.6
OTHER LONG-TERM LIABILITIES		
Long-term provisions	52.4	48.9
Other payables	0.4	0.4
Deferred tax liabilities	30.0	27.8
TOTAL OTHER LONG-TERM LIABILITIES	82.8	77.1
TOTAL NON-CURRENT LIABILITIES	326.5	328.7
SHAREHOLDERS' EQUITY		
Share capital	60.4	60.4
Reserves and retained earnings (accumulated losses)	110.2	72.0
Group net profit (loss)	(8.6)	28.5
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY	162.0	160.9
Minority interests	14.8	17.4
TOTAL SHAREHOLDERS' EQUITY	176.8	178.3
TOTAL LIABILITIES AND EQUITY	772.1	773.0

SOGEFI GROUP CONSOLIDATED INCOME STATEMENT FROM 01.01.2009 TO 09.30.2009

(in millions of Euro)

	Period 01.01 – 09.30.2009		Period 01.01 – 09.30.2008		Variation	
	Amount	%	Amount	%	Amount	%
Sales revenues	573.8	100.0	813.3	100.0	(239.5)	(29.4)
Variable cost of sales	389.0	67.8	539.6	66.4	(150.6)	(27.9)
CONTRIBUTION MARGIN	184.8	32.2	273.7	33.6	(88.9)	(32.5)
Manufacturing and R&D overheads	67.5	11.8	85.4	10.5	(17.9)	(20.9)
Depreciation and amortization	31.5	5.5	32.7	4.0	(1.2)	(3.7)
Distribution and sales fixed expenses	23.5	4.1	27.5	3.4	(4.0)	(14.7)
Administrative and general expenses	39.9	6.9	48.7	5.9	(8.8)	(17.9)
OPERATING PROFIT	22.4	3.9	79.4	9.8	(57.0)	(71.8)
Restructuring costs	12.6	2.2	8.8	1.1	3.8	42.5
Losses (gains) on disposal	-	-	(0.1)	-	0.1	108.5
Exchange (gains) losses	0.9	0.2	1.1	0.1	(0.2)	(18.7)
Other non-operating expenses (income)	8.2	1.4	11.0	1.4	(2.8)	(25.7)
EBIT	0.7	0.1	58.6	7.2	(57.9)	(98.8)
Financial expenses (income), net	8.1	1.4	9.5	1.2	(1.4)	(15.2)
Losses (gains) from equity investments	(0.1)	-	0.2	-	(0.3)	(145.8)
RESULT BEFORE TAXES AND MINORITY INTERESTS	(7.3)	(1.3)	48.9	6.0	(56.2)	(115.0)
Income taxes	0.4	0.1	17.1	2.1	(16.7)	(97.5)
NET RESULT BEFORE MINORITY INTERESTS	(7.7)	(1.4)	31.8	3.9	(39.5)	(124.4)
Loss (income) attributable to minority interests	(0.9)	(0.1)	(2.2)	(0.3)	1.3	60.5
GROUP NET RESULT	(8.6)	(1.5)	29.6	3.6	(38.2)	(129.0)

SOGEFI GROUP NET FINANCIAL POSITION

(in millions of Euro)

	09.30.2009	12.31.2008	09.30.2008
A. Cash	114.3	49.5	44.7
B. Other cash at bank and on hand	-	-	-
C. Financial instruments held for trading	-	-	0.1
D. Liquid funds (A) + (B) + (C)	**114.3**	**49.5**	**44.8**
E. Current financial receivables	**0.1**	**0.8**	**0.4**
F. Current payables to banks	(6.3)	(19.8)	(60.3)
G. Current portion of non-current indebtedness	(66.8)	(35.7)	(28.6)
H. Other current financial debts	(0.3)	(0.5)	(0.4)
I. Current financial indebtedness (F) + (G) + (H)	**(73.4)**	**(56.0)**	**(89.3)**
J. Current financial indebtedness, net (I) + (E) + (D)	**41.0**	**(5.7)**	**(44.1)**
K. Non-current payables to banks	(228.8)	(238.6)	(209.0)
L. Bonds issued	-	-	-
M. Other non-current financial debts	(15.0)	(12.9)	(11.0)
N. Non-current financial indebtedness (K) + (L) + (M)	**(243.8)**	**(251.5)**	**(220.0)**
O. Net indebtedness (J) + (N)	**(202.8)**	**(257.2)**	**(264.1)**
Non-current financial receivables	0.1	-	0.8
Financial indebtedness, net including non-current financial receivables	**(202.7)**	**(257.2)**	**(263.3)**

SOGEFI GROUP CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER
(in millions of Euro)

	Period 07.01 – 09.30.2009		Period 07.01 – 09.30.2008		Variation	
	Amount	%	Amount	%	Amount	%
Sales revenues	199.3	100.0	257.0	100.0	(57.7)	(22.5)
Variable cost of sales	131.8	66.1	171.3	66.7	(39.5)	(23.1)
CONTRIBUTION MARGIN	67.5	33.9	85.7	33.3	(18.2)	(21.2)
Manufacturing and R&D overheads	21.8	11.0	26.3	10.2	(4.5)	(17.1)
Depreciation and amortization	10.2	5.1	10.4	4.0	(0.2)	(1.2)
Distribution and sales fixed expenses	7.9	4.0	8.5	3.3	(0.6)	(7.2)
Administrative and general expenses	13.1	6.5	14.8	5.8	(1.7)	(11.4)
OPERATING PROFIT	14.5	7.3	25.7	10.0	(11.2)	(43.6)
Restructuring costs	2.7	1.3	2.0	0.8	0.7	36.3
Losses (gains) on disposal	-	-	-	-	-	-
Exchange (gains) losses	(0.2)	(0.1)	-	-	(0.2)	-
Other non-operating expenses (income)	4.3	2.2	3.8	1.5	0.5	11.6
EBIT	7.7	3.9	19.9	7.7	(12.2)	(61.1)
Financial expenses (income), net	2.3	1.2	3.8	1.4	(1.5)	(36.7)
Losses (gains) from equity investments	-	-	-	-	-	-
PROFIT BEFORE TAXES AND MINORITY INTERESTS	5.4	2.7	16.1	6.3	(10.7)	(66.7)
Income taxes	2.9	1.4	6.0	2.3	(3.1)	(52.7)
NET PROFIT BEFORE MINORITY INTERESTS	2.5	1.3	10.1	4.0	(7.6)	(75.1)
Loss (income) attributable to minority interests	(0.5)	(0.3)	(0.6)	(0.3)	0.1	20.3
GROUP NET PROFIT	2.0	1.0	9.5	3.7	(7.5)	(78.8)