INTERIM FINANCIAL REPORT
AS AT SEPTEMBER 30, 2010

JOINT-STOCK COMPANY - SHARE CAPITAL EURO 60,521,443.84
MANTOVA COMPANY REGISTER AND TAX CODE 00607460201
COMPANY SUBJECT TO POLICY GUIDANCE AND COORDINATION ON THE PART OF CIR S.p.A.
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REPORT OF THE BOARD OF DIRECTORS
ON OPERATIONS
AT SEPTEMBER 30, 2010 AND IN THE THIRD QUARTER

The production levels of the world automobile industry continued to rise also in the third quarter of the current year, marking a recovery over the previous year, due to the sustained growth of emerging markets (China, India, South America) and the resumption of demand in mature markets (Europe, North America, Japan).

Group revenues in the third quarter rose by 15.1%. In the first nine months of 2010, revenues totalled € 687 million, up 19.7% compared to the corresponding period of the previous year, with the largest increase being recorded in the *suspension components* business (+26.2%) compared to the *filtration* division (+14%).

All market segments benefitted from the upward trend, with Group revenues in the *original equipment* market (OEM) up 28.1%, up 6.5% in the *independent aftermarket* (IAM) and 6.5% in the *original equipment spares* market (OES).

Compared to the first nine months of 2009, sales rose in all of the group's major markets: in Europe, they rose by 11.3%, in North America by 12.6%, in South America by 48.1%, in China by 106% and in India by 62.8%.

The positive trend in revenues, combined with the substantial stability of sale prices and the costs of the main raw materials (the percentage of material costs on sales fell from 45.7% in the first nine months of 2009 to 45.5% in the period examined), enabled levels of income to be consolidated, also as a result of further measures to reorganise the Group's business taken in the third quarter: the closure of the Dutch company selling filters and the French filter plant in Louvigné.
The above mentioned restructuring, the total costs of which in the first nine months of 2010 amounted to € 10.5 million against € 12.6 million in the same period of 2009, enabled the incidence of labour costs on sales to be reduced from 26.3% to 24.9%.

Operating profit for the period therefore amounted to € 50.5 million (7.4% of sales) compared to 22.4 million (3.9% of sales) in the first nine months of the previous year.

In the first nine months of 2010, EBITDA and EBIT both improved.
Consolidated EBITDA amounted to € 64.5 million (9.4% of sales), against € 32.2 million (5.6% of sales) in the corresponding period of 2009.
Consolidated EBIT was € 31.3 million (4.6% of sales) against € 0.7 million (0.1% of sales) in the first nine months of 2009.

The **result before taxes and minority interests**, which in the first nine months of 2009 had recorded a loss of € 7.3 million, recorded a profit of € 23.8 million.

Similarly, the **consolidated net result**, which in the first nine months of the previous year had recorded a loss of € 8.6 million, recorded a profit of € 13.5 million.

At September 30, 2010, the Group's **net financial indebtedness** was € 182.6 million, against € 202.7 million at September 30, 2009, and € 170.2 million at December 31, 2009.

At September 30, 2010, **total consolidated shareholders' equity, including minority interest** was € 202.6 million, compared to € 176.8 million at September 30, 2009, while **consolidated shareholders' equity** rose from € 162 million at September 30, 2009 to € 187.1 million at September 30, 2010.

Despite the significant growth in business volumes, at September 30, 2010, the Group's workforce (including temporary workers and excluding employees subject to forms of flexibility such as redundancy benefits in Italy or similar arrangements in other countries) only rose by 3% (6,136 employees, compared to 5,957 employees at the end of September 2009).
The total number of employees at the end of the period in question was 6,304 compared to 6,253 at September 30, 2009.

PERFORMANCE OF THE FILTRATION DIVISION

The Filtration Division, which mainly operates in the spare parts market, succeeded in increasing revenues by 14%, compared to the corresponding period of 2009, recording a figure of € 349.4 million against € 306.4 million recorded in 2009.

The measures undertaken to improve the Division's market presence and efficiency in the independent aftermarket contributed to the improvement in **operating result,** recording a profit of € 27 million (7.7% of sales), against € 17 million (5.5% of sales) in the corresponding period of 2009.

With restructuring costs of € 7.8 million (€ 6.1 million in the first nine months of 2009), **EBITDA** rose to € 29.7 million (8.5% of sales) from the previous € 18.2 million (5.9% of sales), and likewise, **EBIT** rose from € 5.4 million (1.8% of sales) in the first nine months of 2009 to € 15.2 million (4.4% of sales).

PERFORMANCE OF THE SUSPENSION COMPONENTS AND PRECISION SPRINGS DIVISION

The Division recorded revenues of € 339.2 million, up 26.2% compared to the figure of € 268.7 million recorded in the first nine months of 2009.
Revenues in the *industrial vehicles* sector improved (+19%), as well as those in the *precision springs* sector (+8.7%).

Higher business volumes and the stability of the cost of steel led to higher profitability, with an **operating profit** of € 26.8 million (7.9% of sales), compared to € 7.6 million in first nine months of the previous year (2.8% of sales).

After incurring restructuring costs of € 2.7 million (€ 6.5 million in the corresponding period of 2009), **EBITDA** amounted to € 38.3 million (11.3% of sales) against € 16.4 million (6.1% of sales) in first nine months of 2009.
EBIT, which had recorded a loss of € 1.7 million, recorded a profit for the first nine months of 2010 of € 20 million (5.9% of sales).

At the very beginning of September, a joint-venture agreement was signed with the Indian group Imperial Auto, which enables the Group to penetrate the suspensions sector of the growing Asian market.
Sogefi will hold 51% of the new company's share capital, and a new production plant is planned to be built in the Pune area.

PERFORMANCE OF THE HOLDING COMPANY SOGEFI S.P.A.

The **holding company, Sogefi SpA,** recorded a **net profit** of € 7.2 million. The difference with respect to the result for the first nine months of 2009 (31.2 million) is mainly due to the lower flow of dividends from subsidiary companies.

THIRD QUARTER PERFORMANCE

Revenues in the third quarter were 15.1% higher than those of the corresponding period of 2009, totalling € 229.4 million compared to € 199.3 million, even though sales incentives in almost all markets have now come to an end, and also as a result of the recovery of the *industrial vehicles* sector, following a period of crisis that has lasted over two years.

The Filtration Division improved sales by 8.3% (€ 117.8 million compared to € 108.8 million in the third quarter of 2009), while the suspension components business grew by 23%, recording sales of € 111.9 million (€ 91 million in 2009).

Despite the presence of some pressure on raw materials' prices, profitability for the third quarter of 2010 is higher than those of the third quarter of 2009, in particular:

- an **operating profit** of € 18.5 million (8.1% of sales), up 27.9% compared to € 14.5 million of the corresponding quarter in 2009;
- an **EBITDA** of € 19.2 million (8.4% of sales), after recording restructuring costs of € 6.2 million, compared with an EBITDA for the third quarter of 2009 of € 18 million (9% of sales), with € 2.7 million in restructuring costs;
- an **EBIT** of € 8.6 million (3.7% of sales), up 10.5% compared to € 7.7 million recorded in the third quarter of 2009 (3.9% of sales).

OUTLOOK FOR OPERATIONS

In the later part of the year the levels of business volumes recorded in the third quarter should be confirmed while no significant restructuring charges are expected.

Therefore, although there is some tension in certain commodities, the company should see a further improvement in its net result compared to the first nine months, unless there are any exceptional events not foreseeable at present.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of Euro)

ASSETS	**09.30.2010**	**12.31.2009**
CURRENT ASSETS		
Cash and cash equivalents	65.8	111.6
Other financial assets	0.3	-
Working capital		
Inventories	103.1	85.9
Trade receivables	147.1	126.6
Other receivables	6.5	5.5
Tax receivables	11.2	9.9
Other assets	3.3	3.1
TOTAL WORKING CAPITAL	*271.2*	*231.0*
TOTAL CURRENT ASSETS	337.3	342.6
NON-CURRENT ASSETS		
Fixed assets		
Land	14.3	14.2
Property, plant and equipment	207.1	211.6
Other tangible fixed assets	4.0	5.7
Of wich: leases	*14.0*	*13.7*
Intangible assets	132.8	131.4
TOTAL FIXED ASSETS	358.2	362.9
OTHER NON-CURRENT ASSETS		
Equity investments in subsidiaries	0.8	-
Equity investments in associated companies	0.1	0.1
Other financial assets available for sale	0.4	0.5
Financial receivables	-	0.1
Other receivables	10.5	9.0
Deferred tax assets	37.5	35.0
TOTAL OTHER NON-CURRENT ASSETS	49.3	44.7
TOTAL NON-CURRENT ASSETS	407.5	407.6
NON-CURRENT ASSETS HELD FOR SALE	0.7	0.7
TOTAL ASSETS	745.5	750.9

LIABILITIES	**09.30.2010**	**12.31.2009**
CURRENT LIABILITIES		
Bank overdrafts and short-term loans	40.9	4.3
Current portion of medium/long-term financial debts and other loans	44.9	67.4
Of which: leases	*1.8*	*1.7*
TOTAL SHORT-TERM FINANCIAL DEBTS	85.8	71.7
Other short-term liabilities for derivative financial instruments	0.5	1.0
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	86.3	72.7
Trade and other payables	205.2	199.8
Tax payables	5.8	2.7
Other current liabilities	3.2	2.0
TOTAL CURRENT LIABILITIES	300.5	277.2
NON-CURRENT LIABILITIES		
MEDIUM/LONG TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS		
Financial debts to bank	149.4	196.2
Other medium/long-term financial debts	10.2	10.9
Of which: leases	*7.6*	*8.0*
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS	159.6	207.1
Other medium/long term financial liabilities for derivative financial instruments	2.8	2.1
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	162.4	209.2
OTHER LONG-TERM LIABILITIES		
Long-term provisions	47.1	51.0
Other payables	0.8	0.4
Deferred tax liabilities	32.1	30.9
TOTAL OTHER LONG-TERM LIABILITIES	80.0	82.3
TOTAL NON-CURRENT LIABILITIES	242.4	291.5
SHAREHOLDERS' EQUITY		
Share capital	60.5	60.4
Reserves and retained earnings (accumulated losses)	113.1	114.0
Group net profit (loss)	13.5	(7.6)
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY	187.1	166.8
Minority interests	15.5	15.4
TOTAL SHAREHOLDERS' EQUITY	202.6	182.2
TOTAL LIABILITIES AND EQUITY	745.5	750.9

CONSOLIDATED INCOME STATEMENT FROM 01.01.2010 TO 09.30.2010

(in millions of Euro)

	Period 01.01 – 09.30.2010		Period 01.01 – 09.30.2009		Variation	
	Amount	%	Amount	%	Amount	%
Sales revenues	687.0	100.0	573.8	100.0	113.2	19.7
Variable cost of sales	460.2	67.0	389.0	67.8	71.2	18.3
CONTRIBUTION MARGIN	226.8	33.0	184.8	32.2	42.0	22.7
Manufacturing and R&D overheads	74.5	10.8	67.5	11.8	7.0	10.3
Depreciation and amortization	33.2	4.8	31.5	5.5	1.7	5.2
Distribution and sales fixed expenses	24.2	3.5	23.5	4.1	0.7	3.1
Administrative and general expenses	44.4	6.5	39.9	6.9	4.5	11.5
OPERATING RESULT	50.5	7.4	22.4	3.9	28.1	125.3
Restructuring costs	10.5	1.5	12.6	2.2	(2.1)	(16.5)
Losses (gains) on disposal	(0.5)	(0.1)	-	-	(0.5)	-
Exchange (gains) losses	0.4	0.1	0.9	0.2	(0.5)	(56.4)
Other non-operating expenses (income)	8.8	1.3	8.2	1.4	0.6	7.1
EBIT	31.3	4.6	0.7	0.1	30.6	-
Financial expenses (income), net	7.6	1.1	8.1	1.4	(0.5)	(6.6)
Losses (gains) from equity investments	(0.1)	-	(0.1)	-	-	-
RESULT BEFORE TAXES AND MINORITY INTERESTS	23.8	3.5	(7.3)	(1.3)	31.1	n.m.
Income taxes	8.9	1.3	0.4	0.1	8.5	-
NET RESULT BEFORE MINORITY INTERESTS	14.9	2.2	(7.7)	(1.4)	22.6	n.m.
Loss (income) attributable to minority interests	(1.4)	(0.2)	(0.9)	(0.1)	(0.5)	(68.1)
GROUP NET RESULT	13.5	2.0	(8.6)	(1.5)	22.1	n.m.

NET FINANCIAL POSITION

(in millions of Euro)

	09.30.2010	12.31.2009	09.30.2009
A. Cash	65.8	111.6	114.3
B. Other cash at bank and on hand	-	-	-
C. Financial instruments held for trading	-	-	-
D. Liquid funds (A) + (B) + (C)	**65.8**	**111.6**	**114.3**
E. Current financial receivables	**0.3**	**-**	**0.1**
F. Current payables to banks	(40.9)	(4.3)	(6.3)
G. Current portion of non-current indebtedness	(44.9)	(67.4)	(66.8)
H. Other current financial debts	(0.5)	(1.0)	(0.3)
I. Current financial indebtedness (F) + (G) + (H)	**(86.3)**	**(72.7)**	**(73.4)**
J. Current financial indebtedness, net (I) + (E) + (D)	**(20.2)**	**38.9**	**41.0**
K. Non-current payables to banks	(149.4)	(196.2)	(228.8)
L. Bonds issued	-	-	-
M. Other non-current financial debts	(13.0)	(13.0)	(15.0)
N. Non-current financial indebtedness (K) + (L) + (M)	**(162.4)**	**(209.2)**	**(243.8)**
O. Net indebtedness (J) + (N)	**(182.6)**	**(170.3)**	**(202.8)**
Non-current financial receivables	-	0.1	0.1
Financial indebtedness, net including non-current financial receivables	**(182.6)**	**(170.2)**	**(202.7)**

CONSOLIDATED CASH FLOW STATEMENT

(in millions of Euro)

	September 30, 2010	December 31, 2009	September 30, 2009
SELF-FINANCING	41.6	34.8	20.6
Change in net working capital	(29.6)	85.4	59.3
Other medium/long-term assets/liabilities	0.3	0.8	(0.1)
CASH FLOW FROM OPERATIONS	**12.3**	**121.0**	**79.8**
Sale of equity investments	-	-	-
Net decrease from sale of fixed assets	0.3	1.5	0.3
TOTAL SOURCES	12.6	122.5	80.1
Increase in intangible assets	8.0	11.8	8.8
Purchase of tangible assets	15.1	22.5	15.8
Purchase of equity investments	0.8	-	-
TOTAL APPLICATION OF FUNDS	23.9	34.3	24.6
Net financial position of subsidiaries purchased/sold during the period	-	-	-
Exchange differences on assets/liabilities and equity	0.6	1.8	2.0
FREE CASH FLOW	**(10.7)**	**90.0**	**57.5**
Holding Company increases in capital	0.3	-	-
Net purchase of treasury share	-	-	-
Increase in share capital of consolidated subsidiaries	-	-	-
Dividends paid by the Holding Company to shareholders	-	-	-
Dividends paid by subsidiaries to minority interests	(2.0)	(3.0)	(3.0)
CHANGES IN SHAREHOLDERS' EQUITY	(1.7)	(3.0)	(3.0)
Change in net financial position	**(12.4)**	**87.0**	**54.5**
Opening net financial position	**(170.2)**	**(257.2)**	**(257.2)**
CLOSING NET FINANCIAL POSITION	**(182.6)**	**(170.2)**	**(202.7)**

CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER 2010

(in millions of Euro)

	Period 07.01 – 09.30.2010		Period 07.01 – 09.30.2009		Variation	
	Amount	%	Amount	%	Amount	%
Sales revenues	229.4	100.0	199.3	100.0	30.1	15.1
Variable cost of sales	154.4	67.3	131.8	66.1	22.6	17.2
CONTRIBUTION MARGIN	75.0	32.7	67.5	33.9	7.5	11.0
Manufacturing and R&D overheads	24.4	10.7	21.8	11.0	2.6	11.9
Depreciation and amortization	10.6	4.6	10.2	5.1	0.4	3.4
Distribution and sales fixed expenses	8.1	3.5	7.9	4.0	0.2	2.8
Administrative and general expenses	13.4	5.8	13.1	6.5	0.3	1.8
OPERATING RESULT	18.5	8.1	14.5	7.3	4.0	27.9
Restructuring costs	6.2	2.7	2.7	1.3	3.5	133.1
Losses (gains) on disposal	-	-	-	-	-	-
Exchange (gains) losses	0.8	0.4	(0.2)	(0.1)	1.0	n.m.
Other non-operating expenses (income)	2.9	1.3	4.3	2.2	(1.4)	(30.7)
EBIT	8.6	3.7	7.7	3.9	0.9	10.5
Financial expenses (income), net	2.5	1.0	2.3	1.2	0.2	2.4
Losses (gains) from equity investments	-	-	-	-	-	-
RESULT BEFORE TAXES AND MINORITY INTERESTS	6.1	2.7	5.4	2.7	0.7	14.2
Income taxes	2.0	0.9	2.9	1.4	(0.9)	(31.5)
NET RESULT BEFORE MINORITY INTERESTS	4.1	1.8	2.5	1.3	1.6	65.7
Loss (income) attributable to minority interests	(0.6)	(0.3)	(0.5)	(0.3)	(0.1)	(21.3)
GROUP NET RESULT	3.5	1.5	2.0	1.0	1.5	77.2

CONTENT AND FORMAT OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. INTRODUCTION

The interim consolidated report on operations at September 30, 2010, which has not been externally audited, has been prepared in compliance with International Accounting Standards (IAS/IFRS) and to this end, the financial statements of consolidated investee companies have been appropriately reclassified and adjusted.

The interim financial report has been drawn up in accordance with the provisions of art. 154 ter, paragraph 5 of Legislative Decree no. 58 of 02/24/98 (Consolidated Law on Finance) and subsequent amendments. Therefore, the provisions of the international accounting standard regarding infra-annual financial information (IAS 34 “Interim financial statements”) have not been adopted.

2. CONSOLIDATION PRINCIPLES

Consolidation is performed on a line-by-line basis. The criteria adopted for the application of this method have not changed with respect to those used at December 31, 2009.

3. ACCOUNTING PRINCIPLES APPLIED

The accounting principles applied in the preparation of the financial statements at September 30, 2010 are the same as those applied to the financial statements at December 31, 2009.

COMMENTS ON THE FINANCIAL STATEMENTS

Changes in Group shareholders' equity and total shareholders' equity were as follows:

(in millions of Euro)	**Consolidated shareholders' equity - Group**	**Capital and reserves pertaining to minority interests**	**Total Group and minority shareholders' equity**
Balance at December 31, 2009	166.8	15.4	182.2
Paid share capital increase	0.3	-	0.3
Dividends	-	(2.0)	(2.0)
Exchange differences and other variations	6.5	0.7	7.2
Net result for the period	13.5	1.4	14.9
Balance at September 30, 2010	187.1	15.5	202.6

Revenues from sales amounted to € 687 million compared to € 573.8 million in the corresponding period of 2009.

The breakdown of sales by business area is as follows:

(in millions of Euro)	Period 01.01 – 09.30.2010		Period 01.01 – 09.30.2009		Variation	
	Amount	%	Amount	%	Amount	%
Filters	349.4	50.9	306.4	53.4	43.0	14.0
Suspension components and precision springs	339.2	49.4	268.7	46.8	70.5	26.2
Intercompany eliminations	(1.6)	(0.3)	(1.3)	(0.2)	(0.3)	(2.0)
TOTAL	687.0	100.0	573.8	100.0	113.2	19.7

The breakdown of sales by geographical area is shown below:

(in millions of Euro)	Period 01.01 – 09.30.2010		Period 01.01 – 09.30.2009		Variation	
	Amount	%	Amount	%	Amount	%
France	154.5	22.5	139.7	24.3	14.8	10.6
Germany	88.3	12.8	77.4	13.5	10.9	14.1
Great Britain	59.9	8.7	50.2	8.8	9.7	19.1
Italy	53.7	7.8	49.4	8.6	4.3	8.7
Benelux	34.1	5.0	30.1	5.2	4.0	13.2
Spain	26.9	3.9	28.8	5.0	(1.9)	(6.8)
Other European countries	73.2	10.7	65.2	11.4	8.0	12.5
Mercosur	163.0	23.7	110.1	19.2	52.9	48.1
United States	13.0	1.9	11.5	2.0	1.5	12.6
China	9.4	1.4	4.6	0.8	4.8	106.0
India	6.9	1.0	4.2	0.7	2.7	62.8
Rest of the World	4.1	0.6	2.6	0.5	1.5	60.2
TOTAL	687.0	100.0	573.8	100.0	113.2	19.7

As of September 30, 2010 the Group had 5,597 employees compared with 5,770 at December 31, 2009 and 5,790 at September 30, 2009, broken down as follows:

	09.30.2010	12.31.2009	09.30.2009
Managers	86	88	86
Clerical staff	1,308	1,329	1,331
Blue collar workers	4,203	4,353	4,373
TOTAL	5,597	5,770	5,790

Milano, October 19, 2010

THE BOARD OF DIRECTORS

DECLARATION PURSUANT TO ART. 154 BIS, PARAGRAPH 2,
LEGISLATIVE DECREE No. 58/1998

Subject: Interim financial report at September 30, 2010

The undersigned, Mr. Giancarlo Coppa - Manager Responsible for preparing the Company's financial reports -

declares

pursuant to paragraph 2 of article 154-bis of the Consolidated Law on Finance that the accounting information contained in this document corresponds to the document results, books and accounting records.

Milano, October 19, 2010

Sogefi S.p.A.
(Giancarlo Coppa)