

PRESS RELEASE

Board of Directors approves results as of March 31 2011

SOGEFI: IN FIRST QUARTER 2011 EARNINGS CONTINUE TO GROW

The company is able to report another positive quarter with a double-digit rise in all its economic indicators compared to the same period of 2010

Strong increase in sales in the United States. Growth continues in South America, China and India

Consolidated results of Q1 2011

- **Revenues: € 255.8 million (+19.6% from € 214 million in Q1 2010)**
- **Operating income: € 17.9 million (+47.5% from € 12.2 million in Q1 2010)**
- **EBITDA: € 25 million (+21.1% from € 20.6 million in Q1 2010)**
- **Net income: € 6.7 million (+76.6% from € 3.8 million in Q1 2010)**
- **Net debt: € 166.6 million (€ 164.9 million at 12/31/2010)**

Milan, April 19 2011 – The **Board of Directors** of **Sogefi SpA** met today under the chairmanship of **Rodolfo De Benedetti** to examine the **consolidated results of the group** for the **first quarter of 2011**.

Sogefi, the automotive components company of the **CIR group**, is one of the **principal world producers in the sectors of filters and flexible suspension components**.

Performance of operations

In the first quarter of 2011 **the Sogefi group continued the trend of significant growth in its results** which began in the second half of 2009, thanks to the ongoing efficiency enhancing actions put in place by the company and to the recovery in vehicle production levels in all the main world markets.

Regarding the performance of the various markets in the first quarter, in Europe the weakness of domestic demand for vehicles was more than compensated for, in terms of production, by the strong growth in the export of top-of-the-range models, particularly to Asia, from which the German manufacturers in particular were able to benefit. Weakness remains especially in the Italian and Spanish markets, which are having difficulty in recovering pre-crisis sales levels without incentives.

In the American markets production volumes continue to grow both in the Nafta area and in the Mercosur countries, where the level of demand remains particularly high. The positive trend in production has also been continuing in the Chinese and Indian markets. Performance in Europe and South America was also particularly favourable in the industrial vehicle sector, which consolidated the recovery that began in the second half of 2010.

Consolidated results

In the first quarter of 2011 the Sogefi group reported **consolidated revenues of 255.8 million euro, which were up by 19.6%** on the figure for 2010 (214 million euro). The greatest contribution to revenues was made by the *Suspension Components Division* (+28.4% to 138.7 million euro), because it is mainly active in original equipment, while the Filter Division rose by 10.5% with sales of 117.8 million euro.

In the European market the revenues of the Sogefi group rose by 15.8%, reaching 184.5 million euro. In the United States the group benefited from the fact that the production platforms launched last year were fully up and running (revenues were +145.3% on the same quarter of 2010), while in Mercosur growth was 22.9% with revenues in at 55.9 million euro. Sales have continued to grow significantly in China (+27.3%) and India (+44.2%). In the industrial vehicle sector the group reported a rise in revenues of 43% on the same period of 2010.

Despite a general rise in the prices of commodities and components, which has so far been only partly transferred to selling prices, the profitability of the group has improved thanks to greater volumes of business, to the benefits of the reorganization carried out in the previous year and to the efficiency recovered in the quarter with further action taken to reduce headcount, especially in the *Filter Division* and in certain European markets.

The **consolidated operating result**, which came in at **17.9 million euro** (7% of revenues), rose by **47.5%** compared to the figure of 12.2 million euro (5.7% of revenues) for the same quarter of 2010.

Consolidated EBITDA, despite the presence of restructuring costs of 0.6 million euro, came to **25 million euro** (9.8% of revenues), and was up by **21.1%** from the 20.6 million (9.6% of revenues) for first quarter 2010. **Consolidated EBIT** rose to **13.9 million euro** (5.4% of revenues) from 9.5 million euro (4.5% of revenues) in the first quarter of last year (+45.7%).

The **result before taxes and non-controlling interests** rose to **11.7 million euro** (7 million euro in first quarter 2010), thanks to the rise in operating margins and the reduction in financial expenses.

The **consolidated net income figure** for the quarter was **6.7 million euro** (2.6% of revenues), and was **up by 76.6%** compared to the 3.8 million euro (1.8% of revenues) of the same period of 2010.

At March 31 2011 **net financial debt** stood at **166.6 million euro**, substantially unchanged from 164.9 million euro at December 31 2010. The figure is significantly lower than the 188.4 million euro reported at March 31 2010.

Total consolidated equity amounted to **216.2 million euro** at March 31 2011 (214.4 million euro at December 31 2010). The group's share of consolidated equity stood at **198.7 million euro** at the end of the first quarter (197.2 million euro at the end of 2010).

The group had **5,646 employees** at March 31 2011 (5,574 at the end of 2010).

Outlook for the year

For the whole year the group expects to see a rise in revenues associated with an opportunity to increase profitability compared to 2010, confident of being able to pass the higher cost of raw material and components on to selling prices.

In the second part of the year there will be further production reorganization in the filter business, which will generate higher costs than those recorded in the first quarter.

The executive responsible for the preparation of the company's financial statements, Giancarlo Coppa, hereby declares, in compliance with the terms of paragraph 2 Article 154-bis of the Finance Consolidation Act (TUF), that the accounting figures contained in this press release correspond to the results documented in the company's accounts and general ledger.

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Attached are the key figures from the income statement and the statement of financial position at March 31 2011 of the Sogefi group.

It should be noted that these accounts have not been externally audited.

SOGEFI GROUP CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of Euro)

ASSETS	03.31.2011	12.31.2010
CURRENT ASSETS		
Cash and cash equivalents	68.2	66.8
Other financial assets	0.3	0.2
<i>Working capital</i>		
Inventories	110.5	98.4
Trade receivables	156.9	138.8
Other receivables	5.5	10.2
Tax receivables	10.7	12.2
Other assets	4.0	2.5
TOTAL WORKING CAPITAL	287.6	262.1
TOTAL CURRENT ASSETS	356.1	329.1
NON-CURRENT ASSETS		
Fixed assets		
Land	14.3	14.4
Property, plant and equipment	202.1	208.4
Other tangible fixed assets	3.8	4.3
<i>Of which: leases</i>	<i>13.3</i>	<i>13.8</i>
Intangible assets	133.2	133.5
TOTAL FIXED ASSETS	353.4	360.6
OTHER NON-CURRENT ASSETS		
Equity investments in associates	-	-
Other financial assets available for sale	0.4	0.4
Financial receivables	-	-
Other receivables	10.8	10.2
Deferred tax assets	38.0	38.3
TOTAL OTHER NON-CURRENT ASSETS	49.2	48.9
TOTAL NON-CURRENT ASSETS	402.6	409.5
NON-CURRENT ASSETS HELD FOR SALE	0.7	0.7
TOTAL ASSETS	759.4	739.3
LIABILITIES	03.31.2011	12.31.2010
CURRENT LIABILITIES		
Bank overdrafts and short-term loans	46.5	35.9
Current portion of medium/long-term financial debts and other loans	44.6	42.8
<i>Of which: leases</i>	<i>1.9</i>	<i>1.9</i>
TOTAL SHORT-TERM FINANCIAL DEBTS	91.1	78.7
Other short-term liabilities for derivative financial instruments	0.2	0.2
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	91.3	78.9
Trade and other payables	226.1	210.0
Tax payables	6.7	6.3
Other current liabilities	2.8	2.1
TOTAL CURRENT LIABILITIES	326.9	297.3
NON-CURRENT LIABILITIES		
MEDIUM/LONG TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS		
Financial debts to bank	133.0	141.4
Other medium/long-term financial debts	8.8	9.6
<i>Of which: leases</i>	<i>6.5</i>	<i>7.2</i>
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	141.8	151.0
Other medium/long term financial liabilities for derivative financial instruments	2.0	2.0
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	143.8	153.0
OTHER LONG-TERM LIABILITIES		
Long-term provisions	40.3	41.8
Other payables	0.2	0.4
Deferred tax liabilities	32.0	32.4
TOTAL OTHER LONG-TERM LIABILITIES	72.5	74.6
TOTAL NON-CURRENT LIABILITIES	216.3	227.6
SHAREHOLDERS' EQUITY		
Share capital	60.6	60.5
Reserves and retained earnings (accumulated losses)	131.4	117.9
Group net result for the period	6.7	18.8
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY	198.7	197.2
Non-controlling interests	17.5	17.2
TOTAL SHAREHOLDERS' EQUITY	216.2	214.4
TOTAL LIABILITIES AND EQUITY	759.4	739.3

SOGEFI GROUP CONSOLIDATED INCOME STATEMENT FROM 01.01.2011 TO 03.31.2011

(in millions of Euro)

	Period		Period		Variation	
	01.01 – 03.31.2011		01.01 – 03.31.2010			
	Amount	%	Amount	%	Amount	%
Sales revenues	255.8	100.0	214.0	100.0	41.8	19.6
Variable cost of sales	174.7	68.3	143.0	66.8	31.7	22.2
CONTRIBUTION MARGIN	81.1	31.7	71.0	33.2	10.1	14.2
Manufacturing and R&D overheads	26.7	10.4	24.7	11.6	2.0	8.1
Depreciation and amortization	11.1	4.3	11.1	5.2	-	(0.1)
Distribution and sales fixed expenses	9.0	3.5	7.7	3.6	1.3	15.6
Administrative and general expenses	16.4	6.5	15.3	7.1	1.1	7.5
OPERATING RESULT	17.9	7.0	12.2	5.7	5.7	47.5
Restructuring costs	0.6	0.2	0.2	0.1	0.4	283.9
Losses (gains) on disposal	-	-	(0.1)	-	0.1	-
Exchange losses (gains)	0.9	0.4	(0.2)	(0.1)	1.1	-
Other non-operating expenses (income)	2.5	1.0	2.8	1.2	(0.3)	(10.0)
EBIT	13.9	5.4	9.5	4.5	4.4	45.7
Financial expenses (income), net	2.2	0.8	2.5	1.2	(0.3)	(13.5)
Losses (gains) from equity investments	-	-	-	-	-	-
RESULT BEFORE TAXES AND NON-CONTROLLING INTERESTS	11.7	4.6	7.0	3.3	4.7	67.1
Income taxes	4.4	1.7	2.9	1.3	1.5	53.0
NET RESULT BEFORE NON-CONTROLLING INTERESTS	7.3	2.9	4.1	2.0	3.2	76.9
Loss (income) attributable to non-controlling interests	(0.6)	(0.3)	(0.3)	(0.2)	(0.3)	(79.8)
GROUP NET RESULT	6.7	2.6	3.8	1.8	2.9	76.6

SOGEFI GROUP NET FINANCIAL POSITION

(in millions of Euro)

	03.31.2011	12.31.2010	03.31.2010
A. Cash	68.2	66.8	52.3
B. Other cash at bank and on hand	-	-	-
C. Financial instruments held for trading	-	-	-
D. Liquid funds (A) + (B) + (C)	68.2	66.8	52.3
E. Current financial receivables	0.3	0.2	-
F. Current payables to banks	(46.5)	(35.9)	(32.2)
G. Current portion of non-current indebtedness	(44.6)	(42.8)	(46.2)
H. Other current financial debts	(0.2)	(0.2)	(1.1)
I. Current financial indebtedness (F) + (G) + (H)	(91.3)	(78.9)	(79.5)
J. Current financial indebtedness, net (I) + (E) + (D)	(22.8)	(11.9)	(27.2)
K. Non-current payables to banks	(133.0)	(141.4)	(148.3)
L. Bonds issued	-	-	-
M. Other non-current financial debts	(10.8)	(11.6)	(13.0)
N. Non-current financial indebtedness (K) + (L) + (M)	(143.8)	(153.0)	(161.3)
O. Net indebtedness (J) + (N)	(166.6)	(164.9)	(188.5)
Non-current financial receivables	-	-	0.1
Financial indebtedness, net including non-current financial receivables	(166.6)	(164.9)	(188.4)

SOGEFI GROUP CASH FLOW STATEMENT

(in millions of Euro)

	March 31, 2011	December 31, 2010	March 31, 2010
SELF-FINANCING	16.0	55.3	10.9
Change in net working capital	(10.0)	(15.4)	(23.0)
Other medium/long-term assets/liabilities	(0.1)	0.7	0.1
CASH FLOW GENERATED BY OPERATIONS	5.9	40.6	(12.0)
Sale of equity investments	-	0.1	-
Net decrease from sale of fixed assets	0.1	0.7	0.1
TOTAL SOURCES	6.0	41.4	(11.9)
Increase in intangible assets	3.1	11.7	2.5
Purchase of tangible assets	5.6	24.3	3.4
Purchase of equity investments	-	-	-
TOTAL APPLICATION OF FUNDS	8.7	36.0	5.9
Net financial position of subsidiaries purchased/sold during the period	-	-	-
Exchange differences on assets/liabilities and equity	0.9	0.7	(0.4)
FREE CASH FLOW	(1.8)	6.1	(18.2)
Holding Company increases in capital	0.1	0.3	-
Net purchase of treasury share	-	-	-
Increase in share capital of consolidated subsidiaries	-	0.9	-
Dividends paid by the Holding Company to shareholders	-	-	-
Dividends paid by subsidiaries to non-controlling interests	-	(2.0)	-
CHANGES IN SHAREHOLDERS' EQUITY	0.1	(0.8)	-
Change in net financial position	(1.7)	5.3	(18.2)
Opening net financial position	(164.9)	(170.2)	(170.2)
CLOSING NET FINANCIAL POSITION	(166.6)	(164.9)	(188.4)