

2009 HALF-YEARLY FINANCIAL REPORT



JOINT-STOCK COMPANY - SHARE CAPITAL EURO 60,397,475.84
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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BOARD OF DIRECTORS

Honorary Chairman CARLO DE BENEDETTI

Chairman RODOLFO DE BENEDETTI (1)

Managing Director
and General Manager EMANUELE BOSIO (2)

Directors CARLO DE BENEDETTI (4)
OLIVIERO MARIA BREGA (3)
PIERLUIGI FERRERO (3)
GIOVANNI GERMANO
FRANCO GIRARD
ALBERTO PIASER
RENATO RICCI
ROBERTO ROBOTTI (4) (5) (6)
PAOLO RICCARDO ROCCA (5) (6) (7)
ANTONIO TESONE (4) (5)

Secretary to the Board NIVES RODOLFI

BOARD OF STATUTORY AUDITORS

Chairman ANGELO GIRELLI

Acting Auditors GIUSEPPE LEONI
RICCARDO ZINGALES

Alternate Auditors LUIGI BAULINO
MAURO GIRELLI
LUIGI MACCHIORLATTI VIGNAT

INDEPENDENT AUDITORS

PRICEWATERHOUSECOOPERS S.p.A.

Details on the exercise of powers (Consob Resolution no. 97001574 of February 20, 1997):

- (1) All ordinary and extraordinary powers with single signature, except for those delegated to the Board of Directors by law or the by-laws.
- (2) All ordinary powers with single signature.
- (3) All ordinary and extraordinary powers with joint signatures, except for those delegated to the Board of Directors by law or the by-laws.
- (4) Members of the Remuneration Committee.
- (5) Members of the Internal Control Committee.
- (6) Members of the Supervisory Body (Legislative Decree 231/2001).
- (7) Lead independent director.

INTERIM REPORT ON OPERATIONS

This interim report has been prepared in accordance with Legislative Decree no. 58 of February 24, 1998 and with Consob resolution no. 11971/1999 and subsequent amendments. It includes the consolidated financial statements and explanatory notes to the accounts of the Group and the financial statements and explanatory notes of the Holding Company (the latter prepared on a voluntary basis, not being required by Legislative Decree no. 195 of November 6, 2007), prepared in accordance with IAS/IFRS and specifically IAS 34 on interim financial reporting.

INFORMATION ON OPERATIONS

In the first half of 2009 worldwide vehicle production had a significantly deterioration with respect to the same period of 2008 as a consequence of the world economic and financial crisis and despite the measures to offset its effects taken by governments in the main markets.

In the *car* sector, incentives to purchase new vehicles, which in some countries were applied only to vehicles with low CO₂ emissions, reduced the fall in new registrations, however production levels were still low due to the efforts put in place by all manufacturers to reduce their huge stocks of unsold vehicles.

In Europe, North America and Japan the fall in production exceeded 30%, in South America it was limited to 12%, while the Chinese and Indian markets achieved modest growth.

As no measures to encourage demand were implemented for the *industrial vehicles, earth-moving and agricultural equipment* sectors, the same recorded considerable downturns in sales and production, to the extent of 65% in Europe.

The *spare parts* sector, for both *original equipment* and *independent aftermarket* segments, recorded lower sales volumes due to destocking policies and to the increased financial difficulties of independent distributors.

In addition to the general fall in demand, the Group's revenues were penalised by a change in the mix of products sold, which, in line with market demand for cheap vehicles, tended towards components with prices and added values lower than those of the first half of 2008.

Exchange rate trends also had a negative impact on **consolidated sales** in the first six months, which therefore amounted to €374.5 million, down 181.8 million (-32.7%) on the € 556.3 million recorded in the first half of 2008 (-30.7% at the same exchange rate).

June marked a recovery in sales levels, with a reduction of only 23.9% on the same month of 2008.

Sales for the *Suspension components division*, almost exclusively destined for *original equipment* sector and with a strong presence in *industrial vehicles* sector, fell by 37.9% on the previous period, recording sales of €177.7 million against 286.2 million for the first six months of 2008.

Benefiting from significant sales in the spare parts market, the *Filtration Division* saw its sales fall by 27.2%, making €197.6 million, against 271.3 million in the first half of 2008.

(in millions of Euro)	1st half 2009		1st half 2008		% var. 1st half 09/1st half 08	Year 2008 Amount
	Amount	%	Amount	%		
Filters	197.6	52.8	271.3	48.8	(27.2)	497.5
Suspension components and precision springs	177.7	47.4	286.2	51.4	(37.9)	521.9
Intercompany eliminations	(0.8)	(0.2)	(1.2)	(0.2)	(33.3)	(1.9)
TOTAL	374.5	100.0	556.3	100.0	(32.7)	1,017.5

The European market saw the highest drop in sales (-35.1%) with €293.1 million against 451.6 million, while the decrease in the South American market was 21.8% recording €67.4 million against 86.2 million in the first half of last year. In North America sales fell by 29.9%.

(in millions of Euro)	1st half 2009		1st half 2008		% var. 1st half 09/1st half 08	Year 2008 Amount
	Amount	%	Amount	%		
France	93.7	25.0	125.4	22.5	(25.3)	220.2
Germany	50.6	13.5	82.2	14.8	(38.4)	155.0
Italy	33.6	9.0	49.8	9.0	(32.5)	90.9
Great Britain	32.1	8.6	61.0	11.0	(47.3)	109.5
Benelux	20.6	5.5	34.6	6.2	(40.5)	63.7
Spain	19.3	5.2	38.3	6.9	(49.6)	61.3
Other European countries	43.2	11.5	60.3	10.8	(28.4)	107.2
Mercosur	67.4	18.0	86.2	15.5	(21.8)	175.1
United States	7.2	1.9	10.2	1.8	(29.9)	19.3
China	2.6	0.7	3.1	0.6	(16.6)	5.6
Rest of the World	4.2	1.1	5.2	0.9	(19.1)	9.7
TOTAL	374.5	100.0	556.3	100.0	(32.7)	1,017.5

Sales in the *original equipment* segment fell by 39%, in line with the trend of vehicle production in the main reference markets in which the Group has substantially maintained its market share. In the spare parts market, the most significant reduction was suffered in the *original equipment spares* segment (-24.5%) in comparison to the *independent aftermarket* (-15.7%).

(in millions of Euro)	1st half 2009		1st half 2008		% var. 1st half 09/1st half 08	Year 2008 Amount
	Amount	%	Amount	%		
Original Equipment (O.E.)	231.5	61.8	379.7	68.2	(39.0)	680.6
Independent Aftermarket (I.A.M.)	92.8	24.8	110.1	19.8	(15.7)	210.8
Original Equipment Spares (O.E.S.)	50.2	13.4	66.5	12.0	(24.5)	126.1
TOTAL	374.5	100.0	556.3	100.0	(32.7)	1,017.5

RECLASSIFIED CONSOLIDATED INCOME STATEMENT FOR THE FIRST HALF OF 2009

The Group's results were inevitably affected by the significant fall in revenues, which was counteracted by vigorous action to reduce all items of cost.

(in millions of Euro)	1st half 2009		1st half 2008		Year 2008	
	Amount	%	Amount	%	Amount	%
Sales revenues	374.5	100.0	556.3	100.0	1,017.5	100.0
Variable cost of sales	257.2	68.7	368.3	66.2	681.7	67.0
CONTRIBUTION MARGIN	117.3	31.3	188.0	33.8	335.8	33.0
Manufacturing and R&D overheads	45.7	12.2	59.1	10.6	107.3	10.5
Depreciation and amortization	21.2	5.7	22.3	4.0	42.5	4.2
Distribution and sales fixed expenses	15.6	4.2	19.0	3.4	35.9	3.5
Administrative and general expenses	26.8	7.1	33.8	6.1	62.5	6.2
OPERATING RESULT	8.0	2.1	53.8	9.7	87.6	8.6
Restructuring costs	9.9	2.7	6.9	1.2	11.5	1.1
Losses (gains) on disposal	-	-	(0.1)	-	-	-
Exchange (gains) losses	1.1	0.3	1.1	0.2	2.2	0.2
Other non-operating expenses (income)	4.1	1.0	7.2	1.3	11.5	1.2
EBIT	(7.1)	(1.9)	38.7	7.0	62.4	6.1
Financial expenses (income), net	5.7	1.5	5.8	1.0	14.0	1.4
Losses (gains) from equity investments	(0.1)	-	0.2	0.1	0.2	-
RESULT BEFORE TAXES AND MINORITY INTERESTS	(12.7)	(3.4)	32.7	5.9	48.2	4.7
Income taxes	(2.4)	(0.7)	11.0	2.0	16.8	1.7
NET RESULT BEFORE MINORITY INTERESTS	(10.3)	(2.7)	21.7	3.9	31.4	3.0
Loss (income) attributable to minority interests	(0.3)	(0.1)	(1.5)	(0.3)	(2.9)	(0.2)
GROUP NET RESULT	(10.6)	(2.8)	20.2	3.6	28.5	2.8

Variable costs benefited from a generalised fall in the prices for the main raw materials and components which, given a substantially unchanged selling price policy, enabled the percentage represented by the materials cost on revenues to be reduced from 46.4% to 46.1%.

The cost of direct labour fell against the first half of 2008 by €19.8 million (-31%), while total labour cost fell by 30.7 million (-23.1%). The total number of employees (including temporary workers and excluding employees with flexible arrangements such as ordinary and extraordinary temporary redundancy benefits in Italy or similar in other countries) fell by 1,193 with respect to June 30, 2008 and 183 with respect to December 31, 2008.

Overheads, including personnel costs, were reduced by € 24.9 million (-18.6%) against the first half of 2008, enabling a **consolidated operating profit** of € 8 million to be achieved (2.1% of sales), compared to 53.8 million (9.7% of sales) in the previous year.

Non-recurring costs (due to the generalised reduction in the number of employees) totalled €9.9 million in the period, against 6.9 million recorded in the first half of the previous year.

The half-year period also benefited from a gain of €1.7 million consequent to the settlement of an insurance claim for damages suffered in July 2008 following the fire that destroyed the Welsh suspensions plant in Clydach.

EBITDA (earnings before interest, tax, depreciation and amortisation) and **EBIT** (earnings before interest and tax), after the non-operational items described above, amounted to a positive €14.2 million (3.8% on sales) and a negative €7.1 million (1.9% on sales) respectively. They had both been positive in 2008 by €61 million (11% on sales) and 38.7 million (7% on sales) respectively.

Financial expenses amounted to €5.7 million, stable compared to the first half of 2008, in line with trends in interest rates and the average indebtedness for the period. As a consequence the Group recorded a **loss before taxes and minority interests** of €12.7 million, while a profit of 32.7 million had been recorded in the first six months of the previous year.

A **consolidated net loss** of €10.6 million was recorded for the period, against a profit of 20.2 million in the first half of 2008.

Consolidated equity, including minority interests, was substantially unchanged in comparison to the figure of December 31, 2008 and stood at €174.8 million, down 6.8% on the 187.5 million recorded in June 30, 2008.

(in millions of Euro)	Note*	June 30, 2009		December 31, 2008		June 30, 2008	
		Amount	%	Amount	%	Amount	%
Short-term operating assets	(a)	262.1		322.2		395.2	
Short-term operating liabilities	(b)	(204.1)		(210.0)		(267.0)	
Net working capital		58.0	15.0	112.2	25.8	128.2	29.2
Investments	(c)	0.5	0.1	0.5	0.1	0.8	0.2
Intangible, tangible fixed assets and other medium and long-term assets	(d)	410.0	105.8	399.9	91.8	396.4	90.4
CAPITAL INVESTED		468.5	120.9	512.6	117.7	525.4	119.8
Other medium and long-term liabilities	(e)	(81.1)	(20.9)	(77.1)	(17.7)	(86.9)	(19.8)
NET CAPITAL INVESTED		387.4	100.0	435.5	100.0	438.5	100.0
Net financial position		212.6	54.9	257.2	59.1	251.0	57.2
Minority interests		14.7	3.8	17.4	4.0	14.0	3.2
Consolidated equity of the Group		160.1	41.3	160.9	36.9	173.5	39.6
TOTAL		387.4	100.0	435.5	100.0	438.5	100.0

* see the notes at the end of this report for a detailed explanation of the reasons for the reclassifications that we have made.

The net financial position improved, despite the above-illustrated difficulties in generating positive cash flows.

As at June 30, 2009, **net financial indebtedness** was €212.6 million, after a stock reduction of €36 million (-27.7%) compared to 12 months earlier and 20.5 million (-17.9%) compared to December 31, 2008, the non recourse sale of trade receivables for €28.2 million and the reduction in new investments from €21.3 million in the first six months of 2008 to 17.1 million in the related period.

This figure compares with an indebtedness of €251 million as at June 30, 2008 and 257.2 million at the end of 2008.

A cash flow statement for the period is provided in the following table with comparative figures for the same period of 2008 and the whole of last year.

(in millions of Euro)	Note*	1st half 2009	1st half 2008	Year 2008
SELF-FINANCING	(f)	7.1	40.5	66.3
Change in net working capital		57.2	(20.3)	(9.6)
Other medium/long-term assets/liabilities	(g)	(0.6)	1.1	(1.9)
CASH FLOW GENERATED BY OPERATIONS		63.7	21.3	54.8
Sale of equity investments	(h)	-	-	0.3
Net decrease from sale of fixed assets	(i)	0.2	0.1	0.3
TOTAL SOURCES		63.9	21.4	55.4
Increase in intangible assets		5.8	5.6	14.4
Purchase of tangible assets		11.3	15.6	41.1
Purchase of equity investment		-	0.2	4.9
TOTAL APPLICATION OF FUNDS		17.1	21.4	60.4
Net financial position of subsidiaries purchased/sold during the year		-	-	(0.2)
Exchange differences on assets/liabilities and equity	(l)	0.8	0.3	(1.7)
FREE CASH FLOW		47.6	0.3	(6.9)
Holding Company increases in capital		-	4.8	4.8
Net purchase of treasury share		-	(1.2)	(1.2)
Increase in share capital of consolidated subsidiaries		-	-	1.0
Dividends paid by the Holding Company to shareholders		-	(159.5)	(159.5)
Dividends paid by subsidiaries to minority interests		(3.0)	(3.0)	(3.0)
CHANGES IN SHAREHOLDERS' EQUITY		(3.0)	(158.9)	(157.9)
Change in net financial position	(m)	44.6	(158.6)	(164.8)
Opening net financial position	(m)	(257.2)	(92.4)	(92.4)
CLOSING NET FINANCIAL POSITION	(m)	(212.6)	(251.0)	(257.2)

* see the notes at the end of this report for a detailed explanation of the reasons for the reclassifications that we have made.

The breakdown of the **net financial indebtedness** shows a decrease in long-term debts. The preference for the use of short-term debts and cash increase is better analyzed in the table below:

(in millions of Euro)	June 30, 2009	December 31, 2008	June 30, 2008
Cash, banks, financial receivables and securities held for trading	80.7	50.3	52.4
Medium/long-term financial receivables	-	-	0.8
Short-term financial debts (*)	(101.8)	(55.9)	(132.5)
Medium/long-term financial debts	(191.5)	(251.6)	(171.7)
NET FINANCIAL POSITION	(212.6)	(257.2)	(251.0)

(*) including current portions of medium and long-term financial debts.

With reference to the loan obtained by the Holding Company Sogefi S.p.A., whose original amount was € 50 million (the residual amount at June 30, 2009 was €47.1 million), an agreement to change covenants envisaged in the contract has been finalised.

The changes agreed to the loan are as follows:

- after a payment of a commission and an increase of the spreads, with reference to the measurement of the covenants on June 30, 2009 and December 31, 2009, the maximum ratio of the consolidated net financial position to EBITDA has been increased and, for the purposes of EBITDA calculation, costs resulting from non-ordinary operations will be excluded for the entire duration of the loan.

Lastly, a six-month remediation period has been confirmed in the event that the covenants are exceeded.

The drastic fall in sales has forced the Group to immediately reduce the number of employees, eliminating almost all employees with time-definite and temporary contracts and reducing the number of clerical staff and managers, with the objective of transforming the organisational structure from *lean* to *basic*.

The following table shows the fall in the number of employees by category.

	<i>June 30, 2009</i>		<i>December 31, 2008</i>		<i>June 30, 2008</i>	
	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>
Managers	86	1.5	87	1.4	90	1.4
Clerical staff	1,369	23.2	1,434	23.5	1,399	22.2
Blue collar workers	4,438	75.3	4,579	75.1	4,819	76.4
TOTAL	5,893	100.0	6,100	100.0	6,308	100.0

RECONCILIATION BETWEEN THE HOLDING COMPANY'S STATUTORY FINANCIAL STATEMENTS AND THE CONSOLIDATED FINANCIAL STATEMENTS

The following is a reconciliation of the Group's net profit and equity at the end of the period with the equivalent figures for the Holding Company.

Net result for the period

(in millions of Euro)	<i>1st half 2009</i>	<i>1st half 2008</i>
Net profit per Sogefi S.p.A. financial statements	32.8	35.0
Group share of results of subsidiary companies included in the consolidated financial statements	(7.0)	22.6
Writedowns of equity investments in Sogefi S.p.A.	-	2.0
Elimination of intercompany dividends received by Sogefi S.p.A.	(36.4)	(40.8)
Elimination of unrealized gains deriving from intercompany transactions and other consolidation adjustments, net of the related deferred taxation	-	1.4
NET RESULT PER CONSOLIDATED FINANCIAL STATEMENTS	(10.6)	20.2

Shareholders' equity

(in millions of Euro)	<i>June 30, 2009</i>	<i>Dec. 31, 2008</i>
Shareholders' equity per Sogefi S.p.A. financial statements	162.6	130.3
Group share of excess equity value of investments in consolidated companies over carrying value in Sogefi S.p.A. financial statements	16.1	49.2
Elimination of unrealized gains deriving from intercompany transactions and other consolidation adjustments, net of the related deferred taxation	(18.6)	(18.6)
SHAREHOLDERS' EQUITY PER CONSOLIDATED FINANCIAL STATEMENTS	160.1	160.9

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

The holding company recorded a net profit of €32.8 million in the first half of 2009, down 6.4% compared to €35 million recorded in the corresponding period of the previous year.

The deterioration was mainly due to lower dividends from subsidiaries of €4.4 million and higher net financial expenses of €0.8 million. In the first half of 2008, the income statement was penalised by a write-down of €2 million of the subsidiary Allevard Sogefi U.S.A. Inc..

(in millions of Euro)	1st half 2009	1st half 2008	Year 2008
Financial income/expenses and dividends	33.9	39.1	35.5
Adjustments to financial assets	-	(2.0)	(4.6)
Other operating revenues	5.0	4.3	10.4
Operating costs	(6.6)	(6.5)	(13.4)
Other non-operating income (expenses)	-	(0.4)	(0.4)
PROFIT BEFORE TAXES	32.3	34.5	27.5
Income taxes	(0.5)	(0.5)	(1.7)
NET PROFIT	32.8	35.0	29.2

Shareholders' equity has increased significantly, totalling €162.6 million, up 17.7% on the €138.2 million recorded as at June 30, 2008, and 24.8% on the €130.3 million recorded as at December 31, 2008.

This increase is mainly attributable to the Shareholders' resolution regarding the 2008 profit allocation to Reserves and Retained earnings without distributing the dividends.

This resolution, together with cash on hand in the first six months of 2009, contributed to improving the net financial position by €34.3 million, with a positive variation of 21.1% compared to the corresponding value as at December 31, 2008.

(in millions of Euro)	Note*	June 30, 2009	December 31, 2008	June 30, 2008
Short-term assets	(n)	4.7	6.3	4.7
Short-term liabilities	(o)	(5.0)	(4.1)	(6.4)
Net working capital		(0.3)	2.2	(1.7)
Investments	(p)	264.5	264.3	258.8
Other fixed assets	(q)	28.7	28.2	27.6
CAPITAL INVESTED		292.9	294.7	284.7
Other medium and long-term liabilities	(r)	(1.7)	(1.5)	(2.0)
NET CAPITAL INVESTED		291.2	293.2	282.7
Net financial position		128.6	162.9	144.5
Shareholders' equity		162.6	130.3	138.2
TOTAL		291.2	293.2	282.7

* see the notes at the end of this report for a detailed explanation of the reasons for the reclassifications that we have made.

The table below shows a breakdown of the main components of the company's cash flow:

(in millions of Euro)	Note*	1st half 2009	1st half 2008	Year 2008
SELF-FINANCING	(s)	32.9	38.0	33.7
Change in net working capital		2.5	2.7	(1.2)
Other medium/long term assets/liabilities	(t)	(0.7)	0.5	(1.4)
CASH FLOW GENERATED BY OPERATIONS		34.7	41.2	31.1
Sale of equity investments		-	-	0.2
TOTAL SOURCES		34.7	41.2	31.3
Increase in intangible assets		-	0.1	-
Purchase of tangible assets		0.2	-	0.3
Purchase of equity investments		0.2	0.2	8.5
TOTAL APPLICATION OF FUNDS		0.4	0.3	8.8
FREE CASH FLOW		34.3	40.9	22.5
Holding Company increases in capital		-	4.8	4.8
Net purchase of treasury share		-	(1.2)	(1.2)
Dividends paid by the Holding Company		-	(159.5)	(159.5)
CHANGES IN SHAREHOLDERS' EQUITY		-	(155.9)	(155.9)
Change in net financial position	(u)	34.3	(115.0)	(133.4)
Opening net financial position	(u)	(162.9)	(29.5)	(29.5)
CLOSING NET FINANCIAL POSITION	(u)	(128.6)	(144.5)	(162.9)

* see the notes at the end of this report for a detailed explanation of the reasons for the reclassifications that we have made.

In the first six months of the current year, the Free Cash Flow generated was €34.3 million, with a 15.9% reduction on the same period of the previous year. This decrease was mainly due to lower profitability and to a fall in other medium/long term assets/liabilities.

The components of the net financial position are shown below:

(in millions of Euro)	June 30, 2009	December 31, 2008	June 30, 2008
Cash, banks, financial receivables and securities held for trading	70.6	6.9	7.1
Medium/long-term financial receivables	103.1	125.5	146.8
Short-term financial debts (*)	(125.2)	(62.3)	(150.0)
Medium/long-term financial debts	(177.1)	(233.0)	(148.4)
NET FINANCIAL POSITION	(128.6)	(162.9)	(144.5)

(*) including current portions of medium and long-term financial debts.

Note that "Short-term financial debts" item includes an amount of € 40 million regarding a part of the 2008 syndicated loan with lead banks Ing Bank N.V. and Intesa Sanpaolo S.p.A., repaid on July 2, 2009, utilising the temporary short-term liquidity as at June 30, 2009.

At the end of the period, the Holding Company had 29 employees, unchanged with respect to June 30, 2008.

PERFORMANCE OF THE FILTRATION DIVISION

The Filtration Division suffered a fall in sales, recording **revenues** of € 197.6 million, 27.2% lower than those of the first half of 2008, which amounted to €271.3 million.

In Europe, the fall in revenues was 30.7%, while in South America it was limited to 16%, also as a result of unfavourable exchange rates.

In the *original equipment* segment, the production of vehicles with small-medium sized engines and the huge stocks of engines held by manufacturers led to a 40.3% fall in sales, while the *independent aftermarket* recorded a reduction of 15.7% and the *original equipment spares* segment of 26.3%.

From January 2009, the joint venture set up at the end of 2008 in the Indian market has been included in the Division's scope of consolidation. In the six-month period, the joint venture recorded sales of €2.4 million, in line with forecasts.

The Division implemented a wide-ranging and drastic reorganisation in order to cut down its operating structure, as well as bringing variable costs in line with the lower level of sales.

In the half-year period it recorded an **operating profit** of €7.5 million (3.8% on sales) against 26.3 million (9.7% on sales) in the first half of 2008.

After having recorded €5 million in restructuring costs (6.5 million in 2008, when two production sites were closed), the Division achieved a positive **EBITDA** of 7 million (3.6% on sales) and a negative **EBIT** of 1.3 million (0.7% of sales), while in the first half of 2008, both figures had been positive by €25 million (9.2% on sales) and 15.9 million (5.9% on sales) respectively.

In the first six months of 2009, the Division made a **net loss** of €1.8 million, while it had recorded a net profit of 9.7 million in the first six months of 2008.

New investments were made in the period for an amount of €8.2 million (9.4 million in 2008), mainly to complete the production plants in the USA, where the start-up is planned for the autumn, and in China, where production will be up and running by the end of the year.

The total number of employees (including temporary workers and excluding employees with flexible arrangements such as ordinary and extraordinary temporary redundancy benefits in Italy or similar in other countries) fell by 16.5%, with 3,285 people at work at June 30, 2009 compared to 3,935 twelve months earlier and 3,386 as at December 31, 2008.

PERFORMANCE OF THE SUSPENSION COMPONENTS AND PRECISION SPRINGS DIVISION

Sogefi Group operates principally as a first-tier supplier of world vehicle manufacturers in the suspension components business.

The significant fall in demand and a cheaper product mix resulted in a 37.9% reduction in sales with respect to the first half of 2008.

The sales performance of LP-DN, focusing on the *industrial vehicles* sector, was particularly poor (-49.3%) as was that of companies operating in the *precision springs* sector (-44.9%).

Sales fell by 35.3% in Europe, 29.4% in South America, also as a result of exchange rates, 46.7% in the USA and 15.7% in China.

The deflationary trend in steel prices and the stability of sales prices led to an improvement in percentage represented by materials cost on revenues, however, despite a €11.2 million reduction in overhead costs, **operating profit** fell to €1.7 million (1% on sales) from the previous €29.6 million (10.3% on sales).

EBITDA and EBIT were affected by reorganisation expenses (amongst which the closure, within the autumn, of the torsion bar production plant in Custines, France) for €4.9 million against 0.4 million in the same period of 2008.

However, they did benefit from the afore-mentioned insurance settlement of €18.5 million for the damages caused by the fire at the Clydach site in 2008.

EBITDA therefore amounted to €8.7 million (4.9% on sales) against the previous 38.6 million (13.5% on sales), while **EBIT** recorded a loss of 3.8 million (2.2% on sales), whereas in the first half of 2008 it had been positive for €25.6 million (8.9% on sales).

The Division recorded a **net loss** of €5.2 million, against a net profit of 13 million in the first half of the previous year.

New investments for the period amounted to €8.6 million against 11.7 million in the first half of 2008, and were mainly directed towards completing the Chinese stabiliser bar production plant, which will be operational by the end of the year, and the implementation of a new divisional ERP system.

The total number of employees (including temporary workers and excluding employees with flexible arrangements such as ordinary and extraordinary temporary redundancy benefits in Italy or similar in other countries) fell by 569 over the twelve month period (-19.2%), with 2,402 people at work against 2,971 as at June 30, 2008 and 2,513 as at December 31, 2008.

PERFORMANCE IN THE SECOND QUARTER OF 2009

Although sales recovered in June 2009 (-23.9% compared to June 2008), revenues for the second quarter were down 29.8% on the same period of the previous year (a fall of 35.6% was recorded in the first quarter).

Consolidated sales for the period amounted to €199.6 million against 284.6 million in the second quarter of 2008.

Performance for the quarter marked a net improvement due to reorganisation and cost cutting measures, undertaken from the end of 2008 and stepped up in the first months of the current year, as is better shown in the table below.

(in millions of Euro)	Period 4.1 - 6.30.2009		Period 4.1 - 6.30.2008		Change	
	Amount	%	Amount	%	Amount	%
Sales revenues	199.6	100.0	284.6	100.0	(85.0)	(29.8)
Variable cost of sales	134.1	67.2	187.3	65.8	(53.2)	(28.4)
CONTRIBUTION MARGIN	65.5	32.8	97.3	34.2	(31.8)	(32.7)
Manufacturing and R&D overheads	23.1	11.6	29.4	10.3	(6.3)	(21.5)
Depreciation and amortization	10.7	5.3	11.2	3.9	(0.5)	(4.7)
Distribution and sales fixed expenses	7.9	3.9	9.6	3.4	(1.7)	(18.0)
Administrative and general expenses	11.9	6.0	16.8	6.0	(4.9)	(28.7)
OPERATING RESULT	11.9	6.0	30.3	10.6	(18.4)	(60.8)
Restructuring costs	8.6	4.3	5.8	2.1	2.8	47.9
Losses (gains) on disposal	-	-	-	-	-	-
Exchange (gains) losses	0.7	0.4	-	-	0.7	-
Other non-operating expenses (income)	1.3	0.7	3.8	1.2	(2.5)	(67.4)
EBIT	1.3	0.6	20.7	7.3	(19.4)	(93.8)
Financial expenses (income), net	2.5	1.2	3.5	1.2	(1.0)	(29.3)
Losses (gains) from equity investments	(0.1)	-	0.2	0.1	(0.3)	(145.8)
RESULT BEFORE TAXES AND MINORITY INTERESTS	(1.1)	(0.6)	17.0	6.0	(18.2)	(106.7)
Income taxes	0.4	0.2	5.0	1.7	(4.6)	(91.7)
NET RESULT BEFORE MINORITY INTERESTS	(1.5)	(0.8)	12.0	4.3	(13.5)	(112.9)
Loss (income) attributable to minority interests	(0.3)	(0.1)	(0.8)	(0.4)	0.5	66.7
GROUP NET RESULT	(1.8)	(0.9)	11.2	3.9	(13.0)	(116.2)

Both sales prices and cost of raw materials and components were stable compared to the first quarter, however the effectiveness of measures to cut personnel costs and overheads led to an improvement in **operating profit**, which was €11.9 million (6% on sales), against a negative result of €3.9 million in the first quarter of 2009.

Operating profit was 30.3 million (10.6% on sales) in the corresponding period of the previous year.

Although costs and provisions for restructuring of €8.6 million were recorded (5.8 million in 2008), **EBITDA** and **EBIT** were both positive, standing at €11.9 million (6% on sales) and 1.3 million (0.6% on sales) respectively, and compare with an EBITDA of €2.2 million and a negative EBIT of 8.4 million in the first quarter of the current year, while in the second quarter of 2008, they totalled €31.9 million (11.2% on sales) and 20.7 million (7.3% on sales).

The **net result** of the period April-June 2009 showed a slight improvement, albeit remaining negative for €1.8 million, compared to €8.8 million in the first quarter 2009. A net profit of €11.2 million was recorded in the second quarter of 2008.

INVESTMENT AND RESEARCH & DEVELOPMENT

New investments in tangible and intangible assets, as well as research and development activities were also the focus of measures to cut costs and cash outflows during the first part of a difficult 2009, while at the same time ensuring the continuation of all projects that are strategic for business development in future years (investments for filters in the USA and in both divisions in China) or regard product and process innovation (development of suspension products in innovative materials).

In the six-month period, new investments of €17.1 million were made (21.3 million in 2008) and research and development costs of €10.1 million were incurred (11.7 million in 2008).

TREASURY SHARES

In the first half of 2009, the Holding Company did not conduct any new transactions in treasury shares. As at June 30, 2009, the Company held 1,956,000 treasury shares in its portfolio, corresponding to 1.68% of its share capital, at an average price of € 2.56 each.

INTERCOMPANY AND RELATED PARTY TRANSACTIONS

Further information on the most important transactions and balances with related parties is provided in the explanatory notes to the consolidated financial statements, in the section entitled “Related Party Transactions”, as well as in the notes to the statutory financial statements.

Dealings between Group companies are conducted at arm’s length, taking into account the quality and type of services rendered.

We point out that no transactions have been carried out with related parties which, according to the definition used by Consob, are atypical or unusual, do not relate to the normal business activity or are such as to have a significant impact on the Group's results, balance sheet or financial position.

In accordance with art. 2497 bis of the Italian Civil Code, we point out that Sogefi S.p.A. is subject to policy guidance and coordination by its parent company CIR S.p.A..

SIGNIFICANT SUBSEQUENT EVENTS AFTER JUNE 30, 2009

No significant events took place after June 30, 2009.

OUTLOOK FOR OPERATIONS

The second half of the year should see a slow but steady recovery in demand, though much lower over the year than 2008.

Since it is unlikely that there will be a return to record 2007 sales level in the next two years, Sogefi Group will continue, over the coming months, its reorganisation efforts aimed at achieving increased efficiency, cutting surplus production capacity in Europe, containing all variable and overhead costs and improving the net financial position.

These measures will entail further extraordinary costs, which do not allow us to predict a net positive result for entire financial year.

Milan, July 24, 2009

THE BOARD OF DIRECTORS

ATTACHMENT: NOTES RECONCILING THE FINANCIAL STATEMENTS SHOWN IN THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS CONTAINED IN THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AND THE HOLDING COMPANY'S STATUTORY FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH IFRS/IAS

Notes relating to the Consolidated Financial Statements

- (a) the heading agrees with "Total working capital" in the consolidated statement of financial position;
- (b) the heading agrees with the sum of the line items "Trade and other payables", "Tax payables" and "Other current liabilities" in the consolidated statement of financial position;
- (c) the heading agrees with the sum of the line items "Equity investments in associated companies" and "Other financial assets available for sale" in the consolidated statement of financial position;
- (d) the heading agrees with the sum of the line items "Total fixed assets", "Other receivables", "Deferred tax assets" and "Non-current assets held for sale" in the consolidated statement of financial position;
- (e) the heading agrees with the line item "Total other long-term liabilities" in the consolidated statement of financial position;
- (f) the heading agrees with the sum of the line items "Net result", "Minority interests", "Depreciation, amortisation and writedowns", "Accrued costs for stock options", "Provisions for risks, restructuring and deferred taxes" and "Post-retirement and other employee benefits" in the consolidated cash flow statement;
- (g) the heading agrees with the sum of the line items "Other medium/long-term assets/liabilities" and "Other equity movements" in the consolidated cash flow statement, excluding movements relating to financial receivables;
- (h) the heading agrees with the sum of the line items "Losses/(gains) on disposal of equity investments in associated companies" and "Sale of subsidiaries (net of cash and cash equivalents) and associated" in the consolidated cash flow statement;
- (i) the heading agrees with the sum of the line items "Losses/(gains) on disposal of fixed assets and non-current assets held for sale", "Sale of property, plant and equipment" and "Sale of intangible assets" in the consolidated cash flow statement;
- (l) the heading agrees with the sum of the line items "Exchange differences on assets/liabilities" and "Exchange differences on equity/minority interests" in the consolidated cash flow statement, excluding exchange differences on medium/long-term financial receivables and payables;
- (m) these headings differ from those shown in the consolidated cash flow statement as they refer to the total net financial position and not just to cash and cash equivalents.

Notes relating to the Holding Company's Statutory Financial Statements

- (n) the heading agrees with "Total working capital" in the Holding Company's statutory statement of financial position;
- (o) the heading agrees with the sum of the line items "Trade and other payables", "Tax payables" and "Other current liabilities" in the Holding Company's statutory statement of financial position;
- (p) the heading agrees with the sum of the line items "Equity investments in subsidiaries", "Equity investments in associated companies" and "Other financial assets available for sale" in the Holding Company's statutory statement of financial position;
- (q) the heading agrees with the sum of the line items "Total fixed assets", "Other receivables", and "Deferred tax assets" in the Holding Company's statutory statement of financial position;
- (r) the heading agrees with the line item "Total other long-term liabilities" in the Holding Company's statutory statement of financial position;
- (s) the heading agrees with the sum of the line items "Net profit", "Writedowns of equity investments", "Depreciation, amortisation", "Adjustment to fair value of investments properties", "Fair value adjustment booked to income statement", "Accrued costs for stock options", "Adjustment to provision for Phantom Stock Options" and "Net adjustment to provision for employment termination indemnities" as well as the change in deferred tax assets/liabilities included on the line "Other assets/liabilities" in the Holding Company's statutory cash flow statement;
- (t) the heading is included in the line item "Other assets/liabilities" in the Holding Company's statutory cash flow statement, excluding movements relating to financial receivables/payables;
- (u) these headings differ from those shown in the Holding Company's statutory cash flow statement as they refer to the total net financial position and not just to cash and cash equivalents.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of Euro)

	<i>Note</i>	<i>June 30,</i>	<i>December 31,</i>
ASSETS		2009	2008
CURRENT ASSETS			
Cash and cash equivalents	4	80,472	49,456
Other financial assets	5	187	841
<i>Working capital</i>			
Inventories	6	94,006	114,492
Trade receivables	7	146,528	169,973
Other receivables	7	6,905	19,019
Tax receivables	7	9,871	14,934
Other assets	7	4,791	3,801
<i>TOTAL WORKING CAPITAL</i>		<i>262,101</i>	<i>322,219</i>
TOTAL CURRENT ASSETS		342,760	372,516
NON-CURRENT ASSETS			
FIXED ASSETS			
Land	8	14,085	13,929
Property, plant and equipment	8	218,749	218,069
Other tangible fixed assets	8	4,344	4,583
<i>Of which: leases</i>		<i>12,828</i>	<i>11,779</i>
Intangible assets	9	129,547	127,255
TOTAL FIXED ASSETS		366,725	363,836
OTHER NON-CURRENT ASSETS			
Equity investments in associated companies	10	101	101
Other financial assets available for sale	11	442	442
Financial receivables	12	50	22
Other receivables	12	9,317	8,772
Deferred tax assets	13	33,202	26,688
TOTAL OTHER NON-CURRENT ASSETS		43,112	36,025
TOTAL NON-CURRENT ASSETS		409,837	399,861
NON-CURRENT ASSETS HELD FOR SALE	<i>14</i>	<i>730</i>	<i>653</i>
TOTAL ASSETS		753,327	773,030

LIABILITIES	Note	June 30, 2009	December 31, 2008
CURRENT LIABILITIES			
Bank overdrafts and short-term loans	15	12,928	19,750
Current portion of medium/long-term financial debts and other loans	15	88,683	35,733
<i>Of which: leases</i>		1,527	1,385
TOTAL SHORT-TERM FINANCIAL DEBTS		101,611	55,483
Other short-term liabilities for derivative financial instruments	15	235	473
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FIN. INSTRUMENTS		101,846	55,956
Trade and other payables	16	198,119	204,094
Tax payables	16	3,491	4,181
Other current liabilities	17	2,446	1,770
TOTAL CURRENT LIABILITIES		305,902	266,001
NON-CURRENT LIABILITIES			
MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FIN. INSTRUMENTS			
Financial debts to bank	15	177,187	238,612
Other medium/long-term financial debts	15	10,763	10,723
<i>Of which: leases</i>		7,801	7,206
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS		187,950	249,335
Other medium/long-term financial liabilities for derivative financial instruments	15	3,484	2,263
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS		191,434	251,598
OTHER LONG-TERM LIABILITIES			
Long-term provisions	18	52,270	48,883
Other payables	18	382	384
Deferred tax liabilities	19	28,474	27,849
TOTAL OTHER LONG-TERM LIABILITIES		81,126	77,116
TOTAL NON-CURRENT LIABILITIES		272,560	328,714
SHAREHOLDERS' EQUITY			
Share capital	20	60,397	60,397
Reserves and retained earnings (accumulated losses)	20	110,358	72,013
Group net profit (loss) for the period	20	(10,607)	28,495
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY		160,148	160,905
Minority interests	20	14,717	17,410
TOTAL SHAREHOLDERS' EQUITY		174,865	178,315
TOTAL LIABILITIES AND EQUITY		753,327	773,030

CONSOLIDATED INCOME STATEMENT

(in thousands of Euro)

	Note	1st half 2009		1st half 2008	
		Amount	%	Amount	%
Sales revenues	22	374,502	100.0	556,286	100.0
Variable cost of sales	24	257,205	68.7	368,287	66.2
CONTRIBUTION MARGIN		117,297	31.3	187,999	33.8
Manufacturing and R&D overheads	25	45,703	12.2	59,057	10.6
Depreciation and amortization	26	21,244	5.7	22,320	4.0
Distribution and sales fixed expenses	27	15,585	4.2	19,029	3.4
Administrative and general expenses	28	26,809	7.1	33,839	6.1
OPERATING RESULT		7,956	2.1	53,754	9.7
Restructuring costs	30	9,940	2.7	6,887	1.2
Losses (gains) on disposal	31	17	-	(133)	-
Exchange losses (gains)	32	1,139	0.3	1,108	0.2
Other non-operating expenses (income) - of which non-recurring	33	3,924 (1,718)	1.0	7,221 659	1.3
EBIT		(7,064)	(1.9)	38,671	7.0
Financial expenses (income), net	34	5,706	1.5	5,768	1.0
Losses (gains) from equity investments	35	(75)	-	164	0.1
RESULT BEFORE TAXES AND MINORITY INTERESTS		(12,695)	(3.4)	32,739	5.9
Income taxes	36	(2,424)	(0.7)	11,034	2.0
NET RESULT BEFORE MINORITY INTERESTS		(10,271)	(2.7)	21,705	3.9
Loss (income) attributable to minority interests		(336)	(0.1)	(1,509)	(0.3)
GROUP NET RESULT		(10,607)	(2.8)	20,196	3.6
Earnings (Losses) per share (EPS) (Euro):	38				
Basic		(0.093)		0.178	
Diluted		(0.093)		0.178	

STATEMENT OF COMPREHENSIVE INCOME
(in thousands of Euro)

	<i>1st half 2009</i>	<i>1st half 2008</i>
Net result before minority interests	(10,271)	21,705
<i>Profit (loss) booked directly to equity</i>		
- Profit (loss) booked to cash flow hedging reserve	(1,143)	754
- Profit (loss) booked to fair value reserve for financial assets held for sale	(1)	(4)
- Tax on items booked directly to equity	314	(207)
- Profit (loss) booked to translation reserve	10,373	(2,476)
<i>Profit (loss) booked directly to equity</i>	<i>9,543</i>	<i>(1,933)</i>
Total comprehensive income (loss) for the period	(728)	19,772
Attributable to:		
- Shareholders of the Holding Company	(1,035)	18,269
- Minority interests	307	1,503

CONSOLIDATED CASH FLOW STATEMENT

(in thousands of Euro)

	<i>1st half 2009</i>	<i>1st half 2008</i>
Cash flows from operating activities		
Net result	(10,607)	20,196
Adjustments:		
- minority interests	336	1,509
- depreciation, amortization and writedowns	21,244	22,466
- accrued costs for stock options	278	255
- losses/(gains) on disposal of fixed assets and non-current assets held for sale	17	(133)
- dividends collected	(75)	(127)
- provisions for risks, restructuring and deferred taxes	(1,197)	725
- post-retirement and other employee benefits	(2,982)	(4,637)
- change in net working capital	57,242	(20,312)
- other medium/long-term assets/liabilities	1,875	1,066
- exchange differences on assets/liabilities	(9,431)	2,597
CASH FLOWS FROM OPERATING ACTIVITIES	56,700	23,605
of which: taxes paid	1,129	(15,402)
Net interest paid	(5,583)	(5,847)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(11,332)	(15,629)
Purchase of intangible assets	(5,809)	(5,623)
Net change in other securities	40	(208)
Sale of property, plant and equipment	224	199
Sale of intangible assets	-	-
Dividends collected	75	127
NET CASH FLOWS FROM INVESTING ACTIVITIES	(16,802)	(21,134)
FINANCING ACTIVITIES		
Capital increase in subsidiaries from third parties	-	-
Net change in capital	-	4,851
Net purchase of treasury shares	-	(1,245)
Dividends paid to Holding Company shareholders and minority interests	(3,000)	(162,529)
Exchange differences on equity/minority interests	10,373	(2,476)
New (repayment of) long-term loans	(9,109)	105,526
New (repayment of) finance leases	506	(440)
Other equity movements	(830)	282
NET CASH FLOWS FROM FINANCING ACTIVITIES	(2,060)	(56,031)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	37,838	(53,560)
Balance at the beginning of the period	29,706	51,335
(Decrease) increase in cash and cash equivalents	37,838	(53,560)
BALANCE AT THE END OF THE PERIOD	67,544	(2,225)

NB: this table shows the elements that bring about the change in cash and cash equivalents, as expressly required by IAS 7. The cash flow statement included in the Report on operations shows the various operational components of cash flow, thereby explaining all of the changes in the overall net financial position.

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

(in thousands of Euro)	Attributable to the shareholders of the parent company				Minority interests	Total
	Share capital	Reserves and retained earnings (accumulated losses)	Net result for the period	Total		
<i>Balance at December 31, 2007</i>	59,595	199,093	52,200	310,888	15,826	326,714
Paid share capital increase	802	4,049	-	4,851	-	4,851
Allocation of 2007 net profit:						
Legal reserve	-	300	(300)	-	-	-
Dividends	-	(133,793)	(25,734)	(159,527)	(3,002)	(162,529)
Retained earnings	-	26,166	(26,166)	-	-	-
Fair value measurement of cash flow hedging instruments	-	754	-	754	-	754
Net purchase of treasury shares	-	(1,245)	-	(1,245)	-	(1,245)
Other changes	-	52	-	52	(317)	(265)
Tax on items booked directly to equity	-	(207)	-	(207)	-	(207)
Imputed cost of stock options	-	255	-	255	-	255
Currency translation differences	-	(2,470)	-	(2,470)	(6)	(2,476)
Net result for the period	-	-	20,196	20,196	1,509	21,705
<i>Balance at June 30, 2008</i>	60,397	92,954	20,196	173,547	14,010	187,557

(in thousands of Euro)	Attributable to the shareholders of the parent company				Minority interests	Total
	Share capital	Reserves and retained earnings (accumulated losses)	Net result for the period	Total		
<i>Balance at December 31, 2008</i>	60,397	72,013	28,495	160,905	17,410	178,315
Paid share capital increase	-	-	-	-	-	-
Allocation of 2008 net profit:						
Legal reserve	-	140	(140)	-	-	-
Dividends	-	-	-	-	(3,000)	(3,000)
Retained earnings	-	28,355	(28,355)	-	-	-
Fair value measurement of cash flow hedging instruments	-	(1,143)	-	(1,143)	-	(1,143)
Net purchase of treasury shares	-	-	-	-	-	-
Other changes	-	(1)	-	(1)	-	(1)
Tax on items booked directly to equity	-	314	-	314	-	314
Imputed cost of stock options	-	278	-	278	-	278
Currency translation differences	-	10,402	-	10,402	(29)	10,373
Net result for the period	-	-	(10,607)	(10,607)	336	(10,271)
<i>Balance at June 30, 2009</i>	60,397	110,358	(10,607)	160,148	14,717	174,865

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: CONTENTS

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	3	Operating segment
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A) GENERAL ASPECTS

1. CONTENT AND FORMAT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The interim consolidated financial statements for the period January 1 - June 30, 2009 have been prepared in accordance with IAS/IFRS (International Accounting Standards/International Financial Reporting Standards) and to this end the financial statements of the consolidated group companies have been appropriately reclassified and adjusted.

These interim financial statements and explanatory notes have been prepared in accordance with the recommendations contained in IAS 34 “Interim Financial Reporting”. As a partial exception to IAS 34, these interim financial statements provide detailed as opposed to summary schedules in order to provide a better and clearer overview of the changes that have taken place in the Group's assets and liabilities, financial position and results during the half-year.

They also contain the disclosures required by IAS 34 with the supplementary information considered useful for a clearer understanding of these half-yearly financial statements.

The interim financial statements as of June 30, 2009 should be read in conjunction with the annual financial statements as of December 31, 2008.

The interim financial statements as of June 30, 2009 were approved by the Board of Directors on July 24, 2009.

1.1 Format of the consolidated financial statements

The accounting schedules at June 30, 2009 are consistent with those used for the annual report at December 31, 2008.

1.2 Content of the consolidated financial statements

The interim consolidated financial statements for the period ending June 30, 2009 include the Holding Company Sogefi S.p.A. and of its subsidiaries.

Chapter H of these notes gives a list of the companies included in the scope of consolidation and the percentages held.

These financial statements are expressed in Euro (€) and all figures are rounded up or down to the nearest thousand Euro, unless specifically stated otherwise.

The consolidated financial statements (prepared on a line-by-line basis) include the financial statements of Sogefi S.p.A., the Holding Company, and of all the Italian and foreign companies in which, directly or indirectly, it holds a majority of the voting rights.

It should be noted that the consolidated income statement at June 30, 2009 includes for the first time figures regarding the Indian subsidiaries Sogefi M.N.R. Filtration India Private Ltd and EMW Environmental Technologies Private Ltd, while the assets and liabilities of the same were already consolidated in the balance sheet at December 31, 2008.

No further changes were made to the scope of consolidation during the period.

2. CONSOLIDATION PRINCIPLES AND ACCOUNTING POLICIES

The consolidation and accounting policies applied in preparing the financial statements for the six-month period ended June 30, 2009 are consistent with those used for the annual financial statements as of December 31, 2008 to which readers should refer.

In the first half of 2009, the Group has taken note of and, where applicable, adopted the following Standards, Interpretations and Revisions to existing accounting standards:

- IAS 1 (revised) – *Presentation of financial statements*. The new version of the standard requires that all changes to equity resulting from transactions other than those performed by shareholders must be reported in a single income statement schedule or in a separate schedule called “Statement of comprehensive income”. The Group has opted for the second option;

IFRS 8 – *Operating segments*. This standard replaces IAS 14 (Segment Reporting) and introduces a new approach, according to which segments have to be identified in the same way as for the purposes of internal reporting to top management. The adoption of this standard has not had any significant impact on the information provided by the Group;

- IAS 23 (revised) – *Borrowing costs*. This revised statement is not significant to the Group;

- IAS 32 (revision regarding “Puttable instruments and obligations arising on liquidation”) – *Financial instruments: Presentation*. This revised statement is not significant to the Group;

- IAS 39 (revised) – *Financial instruments: Recognition and measurement*. This revised statement is not significant to the Group;

- IFRIC 13 – *Customer loyalty programmes*. This interpretation is not significant to the Group;

Furthermore, the Group has not opted for early adoption of the following Standards, Interpretations and Revisions to the existing standards endorsed by the European Union, which will become obligatory in future periods:

- IFRS 3 (revised) – *Business combinations*. This standard will become effective for financial years beginning on or after January 1, 2010.

The following exchange rates have been used for translation purposes:

	1st half 2009		1st half 2008		F.Y. 2008
	Average	06.30	Average	06.30	12.31
US dollar	1.3310	1.4134	1.5298	1.5764	1.3917
Pound sterling	0.8934	0.8521	0.7748	0.7922	0.9525
Swedish krona	10.8542	10.8120	9.3756	9.4706	10.8696
Brazilian real	2.9173	2.7469	2.5938	2.5112	3.2436
Argentine peso	4.8305	5.3585	4.7982	4.7660	4.8045
Chinese renminbi	9.0950	9.6544	10.7991	10.8050	9.4958
Indian rupee	65.5308	67.5219	-	-	67.6133

B) SEGMENT INFORMATION

3. OPERATING SEGMENTS

Information on the Group's business segments and geographical areas is provided below in compliance with IFRS8.

Information by business segments is also provided for the two divisions, Filtration and Suspension Components, as well as for the Holding Company, Sogefi S.p.A., and the subsidiary Sogefi Purchasing S.a.S..

Business segments

The following tables give key figures for the Group's two divisions relating to the first half of 2008 and 2009:

(in thousands of Euro)	<i>June 30, 2008</i>				
	Filtration Division	Suspension Components Division	Sogefi SpA / Sogefi Purch. SaS	Adjust- ments	Sogefi Group consolida- tion
REVENUES					
Sales to third parties	270,685	285,541	-	-	556,226
Intersegment sales	622	625	4,073	(5,260)	60
TOTAL REVENUES	271,307	286,166	4,073	(5,260)	556,286
RESULTS					
EBIT	15,938	25,556	(2,691)	(132)	38,671
Financial expenses, net					(5,768)
Income from equity investments					127
Losses from equity investments					(291)
Result before taxes					32,739
Income taxes					(11,034)
Loss (profit) attributable to minority interests					(1,509)
NET RESULT					20,196
BALANCE SHEET					
ASSETS					
Segment assets	353,437	460,144	413,774	(474,183)	753,172
Equity investments in associated companies	-	101	-	-	101
Unallocated assets	-	-	-	92,399	92,399
TOTAL ASSETS	353,437	460,245	413,774	(381,784)	845,672
LIABILITIES					
Segment liabilities	224,092	299,214	306,363	(171,553)	658,116
TOTAL LIABILITIES	224,092	299,214	306,363	(171,553)	658,116
OTHER INFORMATION					
Increase in tangible and intangible fixed assets	9,419	11,732	101	-	21,252
Depreciation, amortization and writedowns	9,069	13,181	2,081	(1,865)	22,466

(in thousands of Euro)	June 30, 2009				
	Filtration Division	Suspension Components Division	Sogefi SpA / Sogefi Purch. SaS	Adjust- ments	Sogefi Group consolida- tion
REVENUES					
Sales to third parties	197,202	177,300	-	-	374,502
Intersegment sales	425	426	6,961	(7,812)	-
TOTAL REVENUES	197,627	177,726	6,961	(7,812)	374,502
RESULTS					
EBIT	(1,341)	(3,829)	(1,763)	(131)	(7,064)
Financial expenses, net					(5,706)
Income from equity investments					75
Losses from equity investments					-
Result before taxes					(12,695)
Income taxes					2,424
Loss (profit) attributable to minority interests					(336)
NET RESULT					(10,607)
BALANCE SHEET					
ASSETS					
Segment assets	297,728	404,725	441,594	(486,322)	657,725
Equity investments in associated companies	-	101	-	-	101
Unallocated assets	-	-	-	95,501	95,501
TOTAL ASSETS	297,728	404,826	441,594	(390,821)	753,327
LIABILITIES					
Segment liabilities	188,827	257,419	310,618	(178,402)	578,462
TOTAL LIABILITIES	188,827	257,419	310,618	(178,402)	578,462
OTHER INFORMATION					
Increase in tangible and intangible fixed assets	8,231	8,566	348	(4)	17,141
Depreciation, amortization and writedowns	8,374	12,540	200	130	21,244

The adjustments to “Total revenues” mainly refer to services provided by Sogefi S.p.A. and the subsidiary Sogefi Purchasing S.a.S. to other Group companies. This item also includes intersegment sales between the Filtration division and the Suspension components divisions.

Adjustments to “EBIT” refer principally to depreciation on the fixed assets revaluations that arose on the acquisition of 40% of Sogefi Filtration S.p.A. in the year 2000.

On the balance sheet, the adjustments to "Segment assets" refer to the elimination of equity investments and intercompany receivables.

The adjustments to “Unallocated assets” are mainly goodwill and the revaluations of fixed assets that took place at the time of the acquisitions of the Allevard Ressorts Automobile group, of 40% of Sogefi Filtration S.p.A., the Filtrauto group and 60% of Sogefi M.N.R. Filtration India Private Ltd and EMW Environmental Technologies Private Ltd.

Geographical areas

The following tables give a breakdown of the Group's income statement and balance sheet figures by geographical area "of origin" during the first half 2008 and 2009, based on the country of the company which made the sales or which owns the assets. A breakdown of revenues by geographical area "of destination", in other words with regard to the nationality of the customer, is analyzed in the Interim report on operations and in the notes to the income statement.

(in thousands of Euro)	<i>June 30, 2008</i>				
	Europe	South America	Others	Adjustments	Sogefi Group consolidation
REVENUES					
Sales to third parties	461,510	86,258	8,458	-	556,226
Intersegment sales	7,840	463	69	(8,312)	60
TOTAL REVENUES	469,350	86,721	8,527	(8,312)	556,286
BALANCE SHEET					
ASSETS					
Segment assets	1,223,765	103,923	31,929	(606,445)	753,172
Equity investments in associated companies	101	-	-	-	101
Unallocated assets	-	-	-	92,399	92,399
TOTAL ASSETS	1,223,866	103,923	31,929	(514,046)	845,672
OTHER INFORMATION					
Increase in tangible and intangible fixed assets	17,115	2,892	1,245	-	21,252
Depreciation, amortization and writedowns	21,333	2,323	693	(1,883)	22,466

(in thousands of Euro)	<i>June 30, 2009</i>				
	Europe	South America	Others	Adjustments	Sogefi Group consolidation
REVENUES					
Sales to third parties	297,847	67,369	9,286	-	374,502
Intersegment sales	10,463	351	291	(11,105)	-
TOTAL REVENUES	308,310	67,720	9,577	(11,105)	374,502
BALANCE SHEET					
ASSETS					
Segment assets	1,134,203	97,803	45,455	(619,736)	657,725
Equity investments in associated companies	101	-	-	-	101
Unallocated assets	-	-	-	95,501	95,501
TOTAL ASSETS	1,134,304	97,803	45,455	(524,235)	753,327
OTHER INFORMATION					
Increase in tangible and intangible fixed assets	14,390	1,560	3,092	(1,901)	17,141
Depreciation, amortization and writedowns	17,952	2,436	745	111	21,244

C) NOTES ON THE MAIN STATEMENT OF FINANCIAL POSITION ITEMS

C 1) ASSETS

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents amounted to €80,472 thousand versus €49,456 thousand at December 31, 2008 and break down as follows:

(in thousands of Euro)	June 30, 2009	December 31, 2008
Bank and post office deposits	80,107	49,305
Cheques	287	66
Cash and cash equivalents on hand	78	85
TOTAL	80,472	49,456

Short-term bank deposits earn interest at a floating rate. Post office deposits also earn interest at a floating rate and have a maturity of less than one month.

The increase in “Bank and post office deposits” must be read in conjunction with the decrease of “Bank overdrafts and short-term loans” on the liabilities side and mainly benefits from the collection, in June, of trade receivables amounting to around €28.2 million, resulting from the non-recourse sale of trade receivables, as well as the collection, in the first half of 2009, of an insurance settlement of €18.5 million (€13 million of which was recognised as a receivable at the end of the previous year) for the damages suffered in July 2008 following the fire that destroyed the Welsh suspension production plant in Clydach.

At June 30, 2009 the Group had unused lines of credit of €228,706 thousand. As all of the conditions have been respected, this means that these funds are available for use on demand.

5. OTHER FINANCIAL ASSETS

“Other financial assets” can be broken down as follows:

(in thousands of Euro)	June 30, 2009	December 31, 2008
Securities held for trading	21	17
Assets for derivative financial instruments	166	780
Due from financial institutions and others	-	44
TOTAL	187	841

“Assets for derivative financial instruments” amounted to €166 thousand and related to the fair value of forward forex contracts measured in accordance with IAS 32 and 39 and IFRS 7. The decrease in this item must be read in conjunction with the trend in exchange rates at the end of the first half of 2009.

6. INVENTORIES

A breakdown of inventories is as follows:

(in thousands of Euro)	June 30, 2009			December 31, 2008		
	Gross	Write-downs	Net	Gross	Write-downs	Net
Raw, ancillary and consumable materials	38,159	4,581	33,578	48,256	4,024	44,232
Work in progress and semi-finished products	11,889	221	11,668	13,481	334	13,147
Contract work in progress and advances	4,625	-	4,625	3,042	-	3,042
Finished goods and goods for resale	51,945	7,810	44,135	61,388	7,317	54,071
TOTAL	106,618	12,612	94,006	126,167	11,675	114,492

The fall in the net value of inventories reflects the Group's ability to align stock to the lower production levels. Furthermore, the value of inventories reflects the general reduction in the purchase costs of raw materials recorded in the first half of 2009.

7. TRADE AND OTHER RECEIVABLES

Current receivables are analyzed as follows:

(in thousands of Euro)	June 30, 2009	December 31, 2008
Trade receivables	150,522	170,887
Less: allowance for doubtful accounts	6,055	5,871
Trade receivables, net	144,467	165,016
Due from Parent Company	2,001	4,885
Due from associated companies	60	72
Tax receivables	9,871	14,934
Other receivables	6,905	19,019
Other assets	4,791	3,801
TOTAL	168,095	207,727

"Trade receivables" are non-interest bearing and have an average due date of 55 days, against 68 days six months earlier.

It should be noted that in June 2009, the Group recorded a non-recourse sale of trade receivables worth around €28.2 million. The main risks and benefits related to these receivables have been transferred to the factor; therefore these receivables have been derecognised from the balance sheet in correspondence with the amount received from the factoring companies.

If the factoring transactions (€28.2 million) and the revaluation of receivables due to the exchange rate (€3.7 million) are excluded, trade receivables show an increase of €4 million as a result of the steady increase in the Group's business volumes in the second quarter of 2009 with respect to the previous year.

The reduction in receivable “Due from Parent Company” was the result of the Italian companies collecting amounts due by the Parent Company CIR S.p.A. in connection with the Group tax filing system.

“Tax receivables” include tax credits due to Group companies in various countries. It does not include deferred taxes which are treated separately.

The decrease in this item with respect to the previous year is due to both a reduction of VAT credit (following the offsetting of existing credit at the end of the previous year and the recovery of business activities in the second quarter of 2009, which results in a higher VAT debt) and the recovery of advance payments of direct taxes made in 2008.

“Other receivables” include:

(in thousands of Euro)	<i>June 30, 2009</i>	<i>December 31, 2008</i>
Amounts due from social security institutions	484	375
Amounts due from employees	1,185	311
Advances to suppliers	547	388
Due from others	4,689	17,945
TOTAL	6,905	19,019

The increase in “Amounts due from employees” refers mainly to advances on the thirteenth month’s wages paid by the subsidiary Filtrauto S.A. to its employees.

The decrease of the item “Due from others” is mainly the result of the collection of the insurance settlement of around € 13 million by the subsidiary Allevard Springs Ltd at the end of the previous year, as mentioned above.

“Other assets” mainly consist of accrued income and prepaid expenses on insurance premiums and on indirect taxes on buildings.

The increase in this item is seasonal and is mainly due to the prepaid portions of insurance premiums and indirect taxes on buildings paid in the first half of the year but relating to the whole of the year.

8. TANGIBLE FIXED ASSETS

The net value of tangible fixed assets at June 30, 2009 amounted to € 237,178 thousand versus €236,581 thousand at the end of the previous year and breaks down as follows:

<i>(in thousands of Euro)</i>					
	<i>Land</i>	<i>Buildings, plant and machinery, commercial and industrial equipment</i>	<i>Other assets</i>	<i>Assets under construction and payments on account</i>	<i>TOTAL</i>
<i>Balance at December 31, 2008</i>					
Historical cost	13,929	682,596	27,146	28,519	752,190
<i>of which: leases - gross value</i>	<i>1,158</i>	<i>14,611</i>	-	-	<i>15,769</i>
Accumulated depreciation	-	493,046	22,563	-	515,609
<i>of which: leases - accumulated depreciation</i>	<i>-</i>	<i>3,990</i>	-	-	<i>3,990</i>
Net value	13,929	189,550	4,583	28,519	236,581
<i>Net value - leases</i>	<i>1,158</i>	<i>10,621</i>	-	-	<i>11,779</i>
<i>Balance at December 31, 2008</i>	13,929	189,550	4,583	28,519	236,581
Additions of the period	-	1,691	355	9,286	11,332
Disposals during the period, net	-	(175)	(8)	(58)	(241)
Exchange differences	156	5,587	70	740	6,553
Depreciation for the period	-	(16,221)	(775)	-	(16,996)
Other changes	-	4,349	119	(4,519)	(51)
<i>Balance at June 30, 2009</i>	14,085	184,781	4,344	33,968	237,178
Historical cost	14,085	698,797	27,448	33,968	774,298
<i>of which: leases - gross value</i>	<i>1,158</i>	<i>15,600</i>	-	<i>471</i>	<i>17,229</i>
Accumulated depreciation	-	514,016	23,104	-	537,120
<i>of which: leases - accumulated depreciation</i>	<i>-</i>	<i>4,401</i>	-	-	<i>4,401</i>
Net value	14,085	184,781	4,344	33,968	237,178
<i>Net value - leases</i>	<i>1,158</i>	<i>11,199</i>	-	<i>471</i>	<i>12,828</i>

Investments during the period amounted to € 11,332 thousand and mainly regard “Assets under construction and payments on account” and “Buildings, plant and machinery, commercial and industrial equipment”.

With regard to “Assets under construction and payments on account”, the largest investments were around €2.6 million for the subsidiary Sogefi Filtration Ltd for the development of new projects including a new oil filter; around €2.3 million for the subsidiary Allevard Rejna Autosuspensions S.A. for the construction of equipment for the manufacture of new products and the completion of projects that started in the previous year; around €0.9 million for the subsidiary Shanghai Sogefi Auto Parts Co. Ltd for the completion of a new suspensions production line; around € 0.7 million for the subsidiary Allevard Sogefi USA Inc. where the plant is being changed in order to produce filters.

Other smaller investments were made which focused on upgrading production plants and developing specific equipments for customers.

As regards the “Buildings, plant and machinery, commercial and industrial equipment” category, we would like to mention an investment of around € 0.4 million for the automation and rationalisation of production processes in the subsidiary ISSA S.A.. This category also includes other smaller investments to upgrade plants.

The increase in the “Other assets” category regards almost exclusively the initial investments made in the subsidiary Sogefi Purchasing S.a.S. needed to start up business.

“Other changes” refer to completion of projects that were underway at the end of the previous year and their reclassification to the pertinent headings.

The depreciation charge for the period has been recorded in the income statement.

Guarantees

Tangible fixed assets as of June 30, 2009 were encumbered by mortgages and liens with financial institutions totalling € 631 thousand securing loans obtained by the Indian subsidiaries (€640 thousand at December 31, 2008).

Purchase commitments

At June 30, 2009 there were binding commitments to buy tangible fixed assets for €1,528 thousand (€1,868 thousand at December 31, 2008).

Leases

The book value of assets under finance leases at June 30, 2009 was € 17,229 thousand, and the related accumulated depreciation amounted to €4,401 thousand. It should be noted that in the first half of 2009, the subsidiary Allevard Sogefi USA Inc. entered into a new finance lease agreement for an amount of \$ 1,600 thousand. The financial aspects of the lease payments and their due dates are explained in note 15.

9. INTANGIBLE ASSETS

At June 30, 2009 intangible assets amounted to €129,547 thousand versus €127,255 thousand at the end of the previous year and can be broken down as follows:

<i>(in thousands of Euro)</i>					
	<i>Develop- ment costs</i>	<i>Industrial patents and intellectual property rights, concessions licences and trademarks</i>	<i>Other, assets under constructi- on and payments on account</i>	<i>Goodwill</i>	<i>TOTAL</i>
<i>Balance at December 31, 2008</i>					
Historical cost	56,044	15,170	10,376	116,970	198,560
Accumulated amortization	34,067	12,023	2,316	22,899	71,305
Net value	21,977	3,147	8,060	94,071	127,255
<i>Balance at December 31, 2008</i>	21,977	3,147	8,060	94,071	127,255
Additions of the period	3,161	67	2,581	-	5,809
Exchange differences	790	(15)	3	-	778
Amortization for the period	(3,452)	(585)	(211)	-	(4,248)
Writedowns during the period	-	-	-	-	-
Other changes	238	280	(523)	(42)	(47)
<i>Balance at June 30, 2009</i>	22,714	2,894	9,910	94,029	129,547
Historical cost	61,724	15,757	12,949	116,928	207,358
Accumulated amortization	39,010	12,863	3,039	22,899	77,811
Net value	22,714	2,894	9,910	94,029	129,547

Investments in the period amounted to €5,809 thousand.

Increases in “Development costs” refer to the capitalisation of costs incurred by Group companies, mainly by the subsidiary Filtrauto S.A., to develop new products in collaboration with leading motor vehicle manufacturers.

Increases in “Other, assets under construction and payments on account” are principally due to costs for the development of products that are not yet in production and to the new information management system for the Suspension Components Division.

The decrease of “Goodwill” refers to the adjustment of the purchase cost (for the subsidiaries Sogefi M.N.R. Filtration India Private Ltd and EMW Environmental Technologies Private Ltd) in the first half of 2009 on the basis of contractual agreements. It should be noted that the analysis of the fair value of the assets and liabilities acquired from the Indian subsidiaries, which has now been completed, has not resulted in adjustments to the provisional allocation, made at the end of 2008, of the difference between the purchase cost and the relevant share of equity of said companies.

There are no intangible assets with an indefinite useful life except for goodwill.

Goodwill of €77 million and €17 million resulting from external acquisitions was recorded for the Filtration Division and the Car Suspension Components Division respectively.

The impairment test carried out as of December 31, 2008 confirmed that there was no need to make any adjustments to the values shown on the financial statements. The analysis of sales performance and of divisions' margins in the first half of 2009 and of prospects with respect to plans and to the assumptions made for the impairment test as at December 31, 2008 enable us to confirm the validity of the impairment test and that the reported amounts are appropriate.

10. EQUITY INVESTMENTS IN ASSOCIATED COMPANIES

At June 30, 2009 these amounted to €101 thousand and are carried at equity, except where the recoverable value of an equity investment is lower than its book value. These are made up as follows:

(in thousands of Euro)	Allevard Resorts Composites S.a.S.
% held	50.00
<i>Balance at December 31, 2008</i>	101
Sale	-
Writedowns	-
Share of profit	-
<i>Balance at June 30, 2009</i>	101

A list of equity investments in associated companies is provided in section H of this document.

11. OTHER FINANCIAL ASSETS AVAILABLE FOR SALE

This item amounted to €442 thousand at June 30, 2009 and is unchanged from the previous year. This item mainly includes the equity investment in AFICO FILTERS S.A.E., measured at the fair value which corresponds to its cost.

12. FINANCIAL RECEIVABLES AND OTHER RECEIVABLES

“Financial receivables” amounted to €50 thousand and mainly include unites of SBI funds held by the subsidiaries Sogefi M.N.R. Filtration India Private Ltd and EMW Environmental Technologies Private Ltd.

“Other receivables” break down as follows:

(in thousands of Euro)	<i>June 30, 2009</i>	<i>December 31, 2008</i>
Substitute tax	576	576
Pension fund surplus	6,055	4,048
Other receivables	2,686	4,148
TOTAL	9,317	8,772

“Substitute tax” refers to the amount paid by the Holding Company Sogefi S.p.A. for the revaluation of buildings at the end of 2005.

The “Pension fund surplus” concerns the subsidiary Sogefi Filtration Ltd, as explained in note 18 to which reference should be made. The increase in this item was due to contributions paid in the first half of 2009.

“Other receivables” mainly include tax credits, including those on purchases of assets made by the Brazilian subsidiaries and tax rebates for losses recorded in the previous year, grants receivable by several Group companies for their investment plans and non-interest bearing guarantee deposits paid for leased properties. These receivables will be collected over the coming years.

€ 1,459 of the decrease of this item is due to the reclassification of the tax effect resulting from the losses recorded in the previous year by the subsidiary Sogefi Filtration S.A. under “Deferred tax assets”.

13. DEFERRED TAX ASSETS

At June 30, 2009 this item amounted to €33,202 thousand compared with €26,688 thousand at December 31, 2008.

This amount relates to the benefits due on deductible temporary differences, recognised to the extent that they are likely to be recovered.

The increase in this item with respect to December 31, 2008 is essentially due to deferred tax assets related to tax losses recorded in the year by the subsidiary Allevard Rejna Autosuspensions S.A.. Furthermore, an increase of € 1,459 thousand is shown, resulting from the reclassification to this item of the tax effect resulting from the losses recorded in the previous year by the subsidiary Sogefi Filtration S.A. as illustrated in note 12.

14. NON-CURRENT ASSETS HELD FOR SALE

This item includes the net value of the building owned by the British subsidiary, United Springs Ltd, held for sale.

C 2) LIABILITIES AND EQUITY

15. FINANCIAL DEBTS TO BANKS AND OTHER FINANCING CREDITORS

These break down as follows:

Current portion

(in thousands of Euro)	June 30, 2009	December 31, 2008
Bank overdrafts and short-term loans	12,928	19,750
Current portion of medium/long-term financial debts	88,683	35,733
<i>of which: leases</i>	1,527	1,385
<i>of which: purchase commitments</i>	-	-
Total loans maturing within one year	88,683	35,733
TOTAL SHORT-TERM FINANCIAL DEBTS	101,611	55,483
Other short-term liabilities for derivative financial instruments	235	473
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	101,846	55,956

Non-current portion

(in thousands of Euro)	June 30, 2009	December 31, 2008
Financial debts to banks	177,187	238,612
Other medium/long-term financial debts	10,763	10,723
<i>of which: leases</i>	7,801	7,206
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS	187,950	249,335
Other medium/long-term financial liabilities for derivative financial instruments	3,484	2,263
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	191,434	251,598

Bank overdrafts and short-term loans

The decrease in this item must be considered jointly with the increase in the asset item "Cash and cash equivalents". Please see note 4 for further details.

Current portion of medium/long-term financial debts

This item mainly includes the following loans:

- the current portion of €40 million, repaid at the beginning of July 2009, of the syndicated loan obtained by the Holding Company Sogefi S.p.A. in 2008 for a total of €160 million, €100 million of which was drawn down at June 30, 2009. The loan expires in June 2013 and has a floating interest rate corresponding to the Euribor rate plus a spread, applied in the first half of 2009, of 50 basis points;
- the current portion of €22.2 million of the €100 million loan obtained by the Holding Company Sogefi S.p.A. in 2006 and fully drawn down at June 30, 2009. The loan expires in September 2013 and has a floating interest rate corresponding to the Euribor rate plus a spread of 22.5 basis points. The spread actually applied in the first half of 2009 was 30.0 basis points. The loan is not secured against any of the company's assets;

- the current portion of €11.1 million of the loan obtained by the Holding Company Sogefi S.p.A. in 2006 for an original amount of €50 million (the residual amount at June 30, 2009 was €47.1 million). The loan expires in September 2013 and has a floating interest rate corresponding to the Euribor rate plus a spread of 22.5 basis points. The spread actually applied in the first half of 2009 was 32.5 basis points. The loan is not secured against any of the company's assets;
- the current portion of €6.7 million of the loan obtained by the subsidiary Allevard Federn GmbH for the original amount of €30 million (the residual amount at June 30, 2009 was €10 million), repayable in yearly instalments ending in December 2010. This loan bears floating-rate interest corresponding to the Euribor rate plus a spread of 70 basis points. The loan is not secured against any of the subsidiary's assets;
- the current portion of €2 million of the loan obtained by the subsidiary Sogefi Filtration S.A. for the original amount of €8 million (the residual amount at June 30, 2009 was €2 million), repayable in six-monthly instalments ending in January 2010. This loan bears floating-rate interest corresponding to the Euribor rate plus a spread of 45 basis points. The loan is not secured against any of the subsidiary's assets;
- the portion due within the next twelve months of other minor medium/long-term loans, including finance lease payments in accordance with IAS 17.

Other short-term liabilities for derivative financial instruments

This item refers to the current portion of financial instruments in accordance with IAS 32 and 39 and IFRS 7. The latter refer to the fair value of forward forex contracts taken out to hedge exchange risk.

Reference should be made to chapter G for a further discussion of this matter.

Medium/long-term financial debts

This mainly includes the following loans:

- the medium-long term portion of €59.5 million of the syndicated loan obtained by the Holding Company Sogefi S.p.A. in 2008 for a total of €160 million;
- the medium-long term portion of €77.6 million of the €100 million loan obtained by the Holding Company Sogefi S.p.A. in 2006 and fully drawn down at June 30, 2009;
- the medium-long term portion of €36 million of the loan obtained by the Holding Company Sogefi S.p.A. in 2006 for an original amount of €50 million (the residual amount at June 30, 2009 was €47.1 million) and fully drawn down at June 30, 2009;
- the non-current portion of the loan obtained by the subsidiary Allevard Federn GmbH.

The item "Other medium/long-term financial debts" includes other minor loans, including finance lease payments in accordance with IAS 17.

With regard to the loan obtained by the Holding Company Sogefi S.p.A. for an original amount of €50 million (the residual at June 30, 2009 was €47.1 million), an agreement has been reached to change the covenants envisaged in the contract.

The changes agreed to the loan are as follows:

- upon payment of a commission and an increase of the spreads, with reference to the measurement of the covenants on June 30, 2009 and December 31, 2009, the maximum ratio of the consolidated net financial position to EBITDA has been increased, and for the purposes of calculating EBITDA, costs resulting from non-ordinary operations will be excluded for the entire duration of the loan.

Lastly, a six-month remediation period has been confirmed in the event that the covenants are exceeded.

For an analysis of the financial covenants applying to loans outstanding at the end of the period, please refer to note 21.

Other medium/long-term financial liabilities for derivative financial instruments

This item includes the medium-long term portion of financial instruments in accordance with IAS 32 and 39 and IFRS 7. The latter refer to the fair value of the derivative contracts (Irs, Irc and K.in forward Zero Cost) subscribed by the Holding Company Sogefi S.p.A. to transform a part of medium/long-term loans from floating interest rate to fixed interest rate.

Finance leases

The Group has finance leases as well as rental and hire contracts for land and buildings that, according to their type, cover almost the entire useful life of the asset concerned. The assets held under these leases, rental and hire contracts are booked in accordance with IAS 17 as though they were fixed assets owned by the company, disclosing their historical cost, depreciation, the interest cost and the remaining liability.

Future payments deriving from these contracts can be summarized as follows:

(in thousands of Euro)	Lease payments	Principal
Within 12 months	1,989	1,527
Between 1 and 5 years	6,195	4,765
Beyond 5 years	4,393	3,036
Total lease payments	12,577	9,328
Interest	(3,249)	-
TOTAL PRESENT VALUE OF LEASE PAYMENTS	9,328	9,328

16. TRADE AND OTHER CURRENT PAYABLES

The amounts shown on the financial statements can be broken down into the following categories:

(in thousands of Euro)	June 30, 2009	December 31, 2008
Trade and other payables	198,119	204,094
Tax payables	3,491	4,181
TOTAL	201,610	208,275

Details of trade and other payables are as follows:

(in thousands of Euro)	June 30, 2009	December 31, 2008
Due to suppliers	143,409	159,892
Due to the Parent Company	973	-
Due to tax authorities for indirect and other taxes	8,499	5,128
Due to social security institutions	14,250	14,858
Due to employees	25,670	19,554
Other payables	5,318	4,662
TOTAL	198,119	204,094

Amounts “Due to suppliers” are not subject to interest and on average are settled in 92 days (91 days at December 31, 2008).

The decrease in the amount “Due to suppliers” is mainly due to the use of stock held at the end of the previous period and, consequently, to the lower purchases of raw materials.

The increase in amounts “Due to tax authorities for indirect and other taxes” is essentially due to an increase in amounts due for VAT following the upturn in sales in the second quarter of 2009.

The item “Due to the Parent Company” refers to the amount owing to CIR S.p.A. for services provided in the first half of 2009.

The increase in amounts “Due to employees” is highly seasonal and is mainly due to vacation entitlements and the 13th month salaries that will be paid to employees in the coming months.

17. OTHER CURRENT LIABILITIES

“Other current liabilities” include adjustments to costs and sales revenues for the period so as to ensure compliance with the accrual basis of accounting (accrued expenses and deferred income) and advances received from customers for orders still to be delivered.

18. LONG-TERM PROVISIONS AND OTHER PAYABLES

Long-term provisions

These are made up as follows:

(in thousands of Euro)	June 30, 2009	December 31, 2008
Pension funds	22,996	23,470
Provision for employment termination indemnities	9,272	10,190
Provision for restructuring	8,886	4,460
Provisions for disputes with tax authorities	6,565	5,491
Provision for phantom stock options	137	344
Provision for product warranties	843	936
Other risks	3,027	3,010
Agents' termination indemnities	153	148
Lawsuits	391	834
TOTAL	52,270	48,883

Details of the main items are given below.

Pension funds

Changes in this item during the period are shown below:

(in thousands of Euro)	June 30, 2009	December 31, 2008
Opening balance	19,422	23,594
Cost of benefits charged to income statement	(402)	1,129
Contributions paid	(1,662)	(5,748)
Change to scope of consolidation	-	7
Exchange differences	(417)	440
TOTAL	16,941	19,422
<i>of which booked to liabilities</i>	<i>22,996</i>	<i>23,470</i>
<i>of which booked to assets</i>	<i>(6,055)</i>	<i>(4,048)</i>

The negative amount in “Cost of benefits charged to income statement” item is due to the reduction of pension funds of the French subsidiaries (€ 1,208 thousand) following the decrease in the number of employees after the restructuring plans currently underway.

Note that at June 30, 2009 the pension fund of the subsidiary Sogefi Filtration Ltd showed a surplus of €6,055 thousand, booked in “Other receivables” as mentioned in note 12. The increase in the surplus compared to December 31, 2008 is due to contributions paid in the first half of 2009.

Provisions for the pension funds operating in the geographical areas of the subsidiaries concerned are as follows:

(in thousands of Euro)	June 30, 2009	December 31, 2008
Great Britain	(4,844)	(2,920)
France	18,511	19,053
Germany	3,036	3,072
Other	238	217
TOTAL	16,941	19,422

Provision for employment termination indemnities

The provision changed as follows during the period:

(in thousands of Euro)	June 30, 2009	December 31, 2008
Opening balance	10,190	14,207
Accruals for the period	279	679
Contributions paid	(1,197)	(4,696)
TOTAL	9,272	10,190

The “Contributions paid” in the first half of 2009 mainly refer to employees of the subsidiary Sogefi Filtration S.p.A. subsequent to the restructuring plan announced last year.

Provision for restructuring

These are amounts set aside for restructuring operations that have been officially announced and communicated to those concerned, as required by IAS/IFRS.

The provision has changed as follows during the period:

(in thousands of Euro)	June 30, 2009	December 31, 2008
Opening balance	4,460	6,003
Accruals for the period	5,347	3,845
Utilizations	(921)	(5,225)
Provisions not used during the period	-	(163)
Exchange differences	-	-
TOTAL	8,886	4,460

“Accruals for the period” refer mainly to the reorganisation of production activities underway in the French subsidiaries.

“Utilizations” have been booked mainly as reductions of provisions previously set aside for restructuring projects planned and initiated in previous years and completed or being completed by the two divisions during the course of the current period.

Movements in “Accruals for the period” net of “Provisions not used during the period” are recorded in the income statement under “Restructuring costs”.

Provisions for disputes with tax authorities

This item amounted to €6,565 thousand (€5,491 thousand at December 31, 2008) and refers to tax litigation underway with local tax authorities, related mainly to the subsidiaries Sogefi Filtration S.p.A. and Sogefi Filtration do Brazil Ltda, for which the appropriate provisions have been made, even though the final outcome is still not certain. The increase during the period is essentially due to exchange rate differences.

Provision for phantom stock options

This item amounted to €137 thousand (€344 thousand at December 31, 2008) and refers to the allowance of the fair value for incentive schemes providing for cash payment, known as “phantom stock options”, for the Managing Director and managers of the Holding Company. The reduction of the provision at June 30, 2009 includes €135 thousand for the waiver of options related to 2007 and 2008 phantom stock options plans. The beneficiaries received options of the 2009 extraordinary stock options plan, resolved upon by the Shareholders’ Meeting held on April 23, 2009, to replace the waived options, as shown in note 29. The reduction of the provision and the accrual in the period for the change in fair value (€72 thousand) have been booked to the income statement under “Personnel costs”, “Administrative and general consulting” and “Directors’ and statutory auditors’ remuneration”.

Provision for product warranties

This item amounted to €843 thousand (in line with December 31, 2008) and relates to allowance made by Group companies to cover customers' contractual warranty rights. The amounts provided are calculated on a statistical basis.

Other risks

"Other risks" amounted to €3,027 thousand, and are substantially unchanged with respect to December 31, 2008.

Lawsuits

"Lawsuits" amounted to €391 thousand against €834 thousand at December 31, 2008. The reduction in this item is due to the settlement of a dispute in the subsidiary Filtrauto S.A. regarding a risk associated to a patent.

Other payables

"Other payables" totalled €382 thousand at June 30, 2009 (€384 thousand at December 31, 2008) and refer to the subsidiary LPDN GmbH.

19. DEFERRED TAX LIABILITIES

At June 30, 2009 this item amounted to €28,474 thousand compared with €27,849 thousand at December 31, 2008.

This amount relates to the expected taxes on taxable temporary differences.

20. SHARE CAPITAL AND RESERVES

Share capital

The share capital of the Holding Company Sogefi S.p.A. is fully paid in and as of June 30, 2009 amounted to €60,397 thousand (unchanged with respect to December 31, 2008), divided into 116,148,992 ordinary shares of par value €0.52 each.

Reserves and retained earnings (accumulated losses)

These are made up as follows:

(in thousands of Euro)	Share capital	Share premium reserve	Reserve for treasury shares	Reserve for reclassification of treasury shares	Translation reserve	Legal reserve	Cash flow hedging reserve	Reserve for stock options	Tax on items booked directly to equity	Other reserves	Retained earnings	Net result for the period	Total
<i>Balance at December 31, 2007</i>	59,595	73,660	3,762	(3,762)	5,566	11,880	287	2,363	(74)	5,738	99,673	52,200	310,888
Paid share capital increase	802	4,063	-	-	-	-	-	-	-	(14)	-	-	4,851
Allocation of 2007 net profit:													
Legal reserve	-	-	-	-	-	300	-	-	-	-	-	(300)	-
Dividends	-	(61,987)	-	-	-	-	(287)	(2,363)	78	(2,609)	(66,625)	(25,734)	(159,527)
Retained earnings	-	-	-	-	-	-	-	-	-	-	26,166	(26,166)	-
Fair value measurement of cash flow hedging instruments	-	-	-	-	-	-	754	-	-	-	-	-	754
Net purchase of treasury shares	-	(1,245)	1,245	(1,245)	-	-	-	-	-	-	-	-	(1,245)
Other changes	-	-	-	-	-	-	-	-	(4)	1	55	-	52
Tax on items booked directly to equity	-	-	-	-	-	-	-	-	(207)	-	-	-	(207)
Imputed cost of stock options	-	-	-	-	-	-	-	255	-	-	-	-	255
Currency translation differences	-	-	-	-	(2,470)	-	-	-	-	-	-	-	(2,470)
Net result for the period	-	-	-	-	-	-	-	-	-	-	-	20,196	20,196
<i>Balance at June 30, 2008</i>	60,397	14,491	5,007	(5,007)	3,096	12,180	754	255	(207)	3,116	59,269	20,196	173,547
<i>Balance at December 31, 2008</i>	60,397	14,491	5,007	(5,007)	(15,825)	12,180	(2,550)	635	701	3,115	59,266	28,495	160,905
Paid share capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-
Allocation of 2008 net profit:													
Legal reserve	-	-	-	-	-	140	-	-	-	-	-	(140)	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Retained earnings	-	-	-	-	-	-	-	-	-	-	28,355	(28,355)	-
Fair value measurement of cash flow hedging instruments	-	-	-	-	-	-	(1,143)	-	-	-	-	-	(1,143)
Net purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	(1)	-	-	(1)
Tax on items booked directly to equity	-	-	-	-	-	-	-	-	314	-	-	-	314
Imputed cost of stock options	-	-	-	-	-	-	-	278	-	-	-	-	278
Currency translation differences	-	-	-	-	10,402	-	-	-	-	-	-	-	10,402
Net result for the period	-	-	-	-	-	-	-	-	-	-	-	(10,607)	(10,607)
<i>Balance at June 30, 2009</i>	60,397	14,491	5,007	(5,007)	(5,423)	12,320	(3,693)	913	1,015	3,114	87,621	(10,607)	160,148

Translation reserve

This reserve is used to record the exchange differences arising on the translation of foreign subsidiaries' financial statements.

Changes during the period show an increase of €10,402 thousand, mainly due to the appreciation of the Pound Sterling and the Brazilian Real against the Euro.

Cash flow hedging reserve

This reserve has changed as a result of accounting for the cash flows deriving from instruments that for IAS 39 purposes are designated as "cash flow hedges". Changes during the period show a decrease of €1,143 thousand.

Reserve for stock options

The reserve refers to the value of the imputed cost of stock option plans assigned to employees and project workers and resolved after November 7, 2002, including the portion relating to the latest stock option plan approved in the first half of 2009.

Retained earnings

These totalled € 87,621 thousand and include amounts of net profit that have not been distributed.

MINORITY INTERESTS

The balance amounted to €14,717 thousand and refers to the portion of shareholders' equity attributable to minority interests.

21. ANALYSIS OF THE NET FINANCIAL POSITION

The following table provides details of the net financial position as required by Consob in its communication no. DEM/6064293 of July 28, 2006 with a reconciliation of the net financial position included in the report on operations:

(in thousands of Euro)	<i>June 30, 2009</i>	<i>December 31, 2008</i>
A. Cash	80,472	49,456
B. Other cash at bank and on hand (details)	-	-
C. Financial instruments held for trading	21	17
D. Liquid funds (A) + (B) + (C)	80,493	49,473
E. Current financial receivables	166	824
F. Current payables to banks	12,928	19,750
G. Current portion of non-current indebtedness	88,683	35,733
H. Other current financial debts	235	473
I. Current financial indebtedness (F) + (G) + (H)	101,846	55,956
J. Current financial indebtedness, net (I) - (E) - (D)	21,187	5,659
K. Non-current payables to banks	177,187	238,612
L. Bonds issued	-	-
M. Other non-current financial debts	14,247	12,986
N. Non-current financial indebtedness (K) + (L) + (M)	191,434	251,598
O. Net indebtedness (J) + (N)	212,621	257,257
Non-current financial receivables	50	22
Financial indebtedness, net including non-current financial receivables (as per the "Net financial position" included in the director's report on operations)	212,571	257,235

Details of the covenants applying to loans outstanding at period end are as follows:

- syndicated loan of € 160 million obtained by the Holding Company Sogefi S.p.A.: the ratio of the consolidated net financial position to consolidated EBITDA must be less than or equal to 3.5; the ratio of EBITDA to net financial interest must not be less than 4;
- loan of €100 million obtained by the Holding Company Sogefi S.p.A.: the ratio of the consolidated net financial position to consolidated EBITDA must be less than 4;
- loan of € 50 million obtained by the Holding Company Sogefi S.p.A.: as previously described in note 15, on June 30, 2009, the Holding Company agreed to change the covenants envisaged in the loan contract with the financial institution in question. With reference to the measurement of the covenants on June 30, 2009 and December 31, 2009, the maximum ratio of the consolidated net financial position to consolidated EBITDA has been increased from 3.5 to 4.

At June 30, 2009 the Company was in full compliance with these covenants.

D) NOTES ON THE MAIN INCOME STATEMENT ITEMS

22. SALES REVENUES

Revenues from the sale of goods and services

During the period, the Sogefi Group recorded sales of €374,502 thousand compared with €556,286 thousand the previous year (-32.7%); applying the same average exchange rates of the first half 2008, Group sales would have amounted to €385,284 thousand (-30.7%).

Revenues from the sale of goods and services break down as follows.

By business sector:

(in thousands of Euro)	1st half 2009		1st half 2008	
	Amount	%	Amount	%
Filters	197,627	52.8	271,307	48.8
Suspension components and precision springs	177,726	47.4	286,166	51.4
Intercompany eliminations	(851)	(0.2)	(1,187)	(0.2)
TOTAL	374,502	100.0	556,286	100.0

By geographical area of "destination":

(in thousands of Euro)	1st half 2009		1st half 2008	
	Amount	%	Amount	%
France	93,656	25.0	125,401	22.5
Germany	50,643	13.5	82,210	14.8
Italy	33,601	9.0	49,789	9.0
Great Britain	32,123	8.6	60,976	11.0
Benelux	20,594	5.5	34,592	6.2
Spain	19,302	5.2	38,303	6.9
Other European countries	43,183	11.5	60,279	10.8
Mercosur	67,416	18.0	86,175	15.5
United States	7,151	1.9	10,205	1.8
China	2,582	0.7	3,097	0.6
Rest of the World	4,251	1.1	5,259	0.9
TOTAL	374,502	100.0	556,286	100.0

Sales performance in the Group's major markets declined in all areas. The European market recorded the highest fall in sales (-35.1%), €293.1 million compared with 451.6 million the previous year. Sales in the South American market fell by 21.8% recording €67.4 million versus 86.2 million in the first half of 2008. In North America sales dropped by 29.9%.

23. SEASONAL NATURE OF SALES

The type of products sold by the companies and the sectors in which the Group operates mean that sales in 2007 were fairly linear over the course of the year and did not suffer any particular seasonal factors assuming the same scope of consolidation. In 2008, on the other hand, a fall was recorded in the second half of the year due to the world economic crisis.

Sales by half-year period for the last two years are shown below:

(in thousands of Euro)	1st half	2nd half	Total year
FY 2007	541,725	530,040	1,071,765
FY 2008	556,286	461,172	1,017,458

24. VARIABLE COST OF SALES

Details are as follows:

(in thousands of Euro)	1st half 2009	1st half 2008
Materials	176,319	255,095
Direct labour cost	44,091	63,867
Energy costs	12,875	16,800
Sub-contracted work	2,305	4,218
Ancillary materials	6,009	9,501
Variable sales and distribution costs	13,446	16,509
Royalties paid to third parties on sales	2,160	2,297
TOTAL	257,205	368,287

The decrease, in absolute terms, of “Variable cost of sales” reflects the fall in sales revenues.

In percentage terms, “Variable cost of sales” represents 68.7% of sales, against 66.2% in the first half of 2008. The increase mainly refers to “Materials”, 47.1% on sales at the end of the first half 2009 against 45.9% in 2008. 1.5% of this change is linked to the negative impact of the added value on finished products taken out from stock. This impact is unlikely to be repeated in the second half of the year, thus enabling the Group to recover its margins thanks to the afore-mentioned fall in the prices of the main raw materials and components, with a substantially unchanged sales price policy.

The percentage of sales represented by “Variable sales and distribution costs” increased (from 3% to 3.6%) following the change in the sales mix, namely the increase of the aftermarket segment.

The percentage of sales represented by “Direct labour cost” is substantially stable, as a result of the reduction of the average number of employees by 1,045 compared to the first half of 2008.

25. MANUFACTURING AND R&D OVERHEADS

(in thousands of Euro)	1st half 2009	1st half 2008
Labour cost	36,328	41,024
Materials, maintenance and repairs	6,609	11,301
Rental and hire charges	2,469	2,479
Personnel services	3,030	4,072
Technical consulting	1,077	2,161
Sub-contracted work	323	666
Insurance	925	876
Utilities	805	859
Capitalization of internal construction costs	(6,129)	(5,755)
Other	266	1,374
TOTAL	45,703	59,057

“Manufacturing and R&D overheads” fell by €13,354 thousand (-22.6%).

This decrease regarded almost all items, in particular “Labour cost”, due to a reduction in the average number of employees, and “Materials, maintenance and repairs” due to lower levels of production.

The increase in “Capitalization of internal construction costs” is mainly attributable to the filtration business in the USA and the completion of the suspensions plant in China.

26. DEPRECIATION AND AMORTISATION

Details are as follows:

(in thousands of Euro)	1st half 2009	1st half 2008
Depreciation of tangible fixed assets	16,996	18,396
<i>of which: assets under finance leases</i>	300	243
Amortization of intangible assets	4,248	3,924
TOTAL	21,244	22,320

“Depreciation and Amortisation” totalled €21,244 thousand at June 30, 2009, down against the €22,320 thousand recorded in the same period of the previous year.

This decrease can be broken down into: € 344 thousand for lower depreciation recorded by the subsidiary Allevard Springs Ltd (following the loss of part of its assets following the fire in July 2008), €336 thousand due to the negative exchange effect and the remainder due to the completion of the depreciation process of several assets and lower investments in the period.

Industrial depreciation included in “Depreciation of tangible fixed assets” amounted to € 16,227 thousand against €17,664 thousand in the same period of the previous year.

“Amortisation of intangible assets” refers principally to development costs capitalized in previous years. The increase in this item is mainly attributable to the European subsidiaries of the Filtration Division.

27. DISTRIBUTION AND SALES FIXED EXPENSES

The table below shows the main components of this item:

(in thousands of Euro)	1st half 2009	1st half 2008
Labour cost	9,121	10,332
Sub-contracted work	2,565	3,181
Advertising, publicity and promotion	1,105	2,021
Personnel services	1,026	1,454
Rental and hire charges	1,009	1,005
Consulting	395	487
Other	364	549
TOTAL	15,585	19,029

“Distribution and sales fixed expenses” fell by €3,444 thousand (-18.1%).

This decrease can be mainly attributed to: “Labour cost” due to an exchange effect of €0.4 million and a different mix of the labour force; “Advertising, publicity and promotion” due to the fall in sales; “Sub-contracted work” due to lesser use of external services to manage warehouses.

28. ADMINISTRATIVE AND GENERAL EXPENSES

These can be broken down as follows:

(in thousands of Euro)	1st half 2009	1st half 2008
Labour cost	12,757	14,993
Personnel services	1,545	2,180
Maintenance and repairs	1,551	2,267
Cleaning and security	1,324	1,813
Consulting	2,449	2,789
Utilities	1,386	1,585
Rental and hire charges	1,573	1,594
Insurance	1,533	1,511
<i>Participation des salaries</i>	59	1,389
Administrative, financial and tax-related services provided by Parent Company	973	965
Audit fees	639	605
Directors' and statutory auditors' remuneration	482	439
Sub-contracted work	246	338
Other	292	1,371
TOTAL	26,809	33,839

“Administrative and general expenses” fell by €7,030 thousand (-20.8%). Like the other items, this decrease reflects the Group’s ability to reduce overhead costs following the fall in business volumes.

The reduction in the item is mainly due to “Labour cost”, as a result of lower expenses for bonuses disbursed and lower costs of employees with flexible arrangements such as ordinary and extraordinary temporary redundancy benefits in Italy or equivalent schemes in other countries.

The more significant changes in the other components of “Administrative and general expenses” are discussed below.

The decrease in “Personnel services” is attributable to lower costs for business trips, meals and transport.

The fall in “Maintenance and repairs” was recorded mainly by the subsidiary Filtrauto S.A. following a general optimization.

The decrease in “Consulting” was mainly due to lower costs in the IT sector as well as less legal consulting services in the Holding Company Sogefi S.p.A..

The fall in “*Participation des salaries*” reflects the deterioration of the business performance of the French subsidiaries, on which this amount is calculated.

The decrease in “Other” is mainly due to the effect of the reduction in pension funds of the French subsidiaries following the decrease in the number of employees as a result of the restructuring plans currently underway.

29. PERSONNEL COSTS

Personnel

Personnel costs can be broken down as follows:

(in thousands of Euro)	1st half 2009	1st half 2008
Wages, salaries and contributions	98,477	117,766
Pension costs: defined benefit plans	(289)	1,011
Pension costs: defined contribution plans	588	971
<i>Participation des salaries</i>	59	1,389
Imputed cost of stock option plans	278	255
Other costs	588	948
TOTAL	99,701	122,340

“Personnel costs” fell by € 22,639 thousand (-18.5%) against the corresponding period of 2008. Despite this significant reduction, the percentage of sales represented by “Personnel costs” rose from 22% in the first half 2008 to 26.6% in the current period.

The trends of the components of “Personnel costs” have already been discussed in previous notes.

The average number of Group employees, broken down by category, is shown in the table below:

(Number of employees)	1st half 2009	1st half 2008
Managers	86	89
Clerical staff	1,398	1,393
Blue collar workers	4,490	4,834
TOTAL	5,974	6,316

Personnel benefits

Stock option plans

Sogefi S.p.A. implements and has implemented in previous years stock option plans for managers and project workers of the Company and its subsidiaries that hold important positions of responsibility within the Group. The purpose is to foster greater loyalty to the Company and to provide an incentive that will raise their commitment to improving the Company's performance and value generation in the long term.

Plans provide participants with the opportunity to exercise an option to subscribe to newly-issued Sogefi shares at a set price and within a particular period of time. Under the plan an essential condition for exercising the option is that the person is still employed by the Company or one of its subsidiaries at the exercise date, except in the case of retirement, permanent invalidity or death.

Stock option plans are first approved by the Shareholders' Meeting.

In the first half of 2009, the Board of Directors resolved on the following stock option plans:

- 2009 stock option plan restricted to employees of the Company and its subsidiaries for a maximum of 2,335,000 shares (2.01% of the share capital at June 30, 2009) with a subscription price of € 1.0371, to be exercised between September 30, 2009 and September 30, 2019;
- 2009 extraordinary stock option plan restricted to beneficiaries of the 2007 and 2008 phantom stock option plans, still employed by the Company or by its subsidiaries, subject to the waiver by beneficiaries of the rights under the above-mentioned phantom stock option plans. The 2009 extraordinary stock option plan entailed the allocation, at the same conditions of the options replaced, of 1,015,000 options (corresponding to a maximum of 1,015,000 shares, 0.87% of share capital at June 30, 2009), of which 475,000 (first "tranche" options) replace options under the 2007 phantom stock option plan and 540,000 (Second "tranche" options) replace options under the 2008 phantom stock option plan. The first "tranche" options may be exercised up until September 30, 2017; the second "tranche" options may be exercised up until September 30, 2018.

Except for the plans mentioned above and the content of the paragraph below regarding "Phantom stock option plans", the Company has not carried out any other transaction that involves the purchase of goods or services with payments based on shares or any other kind of equity instrument. As a result, it is not necessary to disclose the fair value of such goods or services.

According to the accounting standard IFRS 2, only plans that were awarded after November 7, 2002 must be considered (note that the Company does not have any plans prior to said date) and therefore, in addition to those issued in 2009, also the plans issued in 2004, 2005, 2006, 2007 and 2008 must be considered. The main characteristics of these plans are as follows:

- 2004 stock option plan for a maximum of 1,880,000 ordinary shares (1.62% of share capital at June 30, 2009) at a price of € 2.64 per share, with a right to exercise them at the end of each four-month period starting on September 30, 2004 and ending on September 30, 2014;

- 2005 stock option plan restricted to the managers of the Company and its subsidiaries for a maximum of 1,930,000 shares (1.66% of the share capital at June 30, 2009) with a subscription price of € 3.87, to be exercised between September 30, 2005 and September 30, 2015;
- 2005 extraordinary stock option plan restricted to Group employees with over 10 years of service at December 31, 2004 for a maximum of 1,445,000 shares (1.24% of share capital at June 30, 2009) at a subscription price of €4.50 with a right to exercise them from October 1 to December 7, 2008 and from May 1 to July 7, 2009;
- 2006 stock option plan restricted to the managers of the Company and its subsidiaries for a maximum of 1,770,000 shares (1.52% of the share capital at June 30, 2009) with a subscription price of € 5.87, to be exercised between September 30, 2006 and September 30, 2016;
- 2007 stock option plan restricted to managers of foreign subsidiaries for a maximum of 715,000 shares (0.62% of share capital at June 30, 2009) with an initial subscription price of €6.96, to be exercised between September 30, 2007 and September 30, 2017. On April 22, 2008, the Board of Directors, on the basis of the powers awarded to the same by the Shareholders' Meeting, changed the exercise price from €6.96 to €5.78 to take into account the extraordinary portion of the dividend approved by the Shareholders' Meeting on the same date;
- 2008 stock option plan reserved for managers of foreign subsidiaries for a maximum of 875,000 shares (0.75% of share capital at June 30, 2009) with a subscription price of €2.1045, to be exercised between September 30, 2008 and September 30, 2018.

The fair value of the options awarded during the course of 2009 was calculated, at the time they were granted, using the Black-Scholes method, and amounted to €471 thousand. The imputed cost for 2009 relating to existing plans is €278 thousand, posted to the income statement under "Other non-operating expenses (income)".

The following table shows the overall number of existing options with regard to the 2004-2009 plans and their average exercise price:

	<i>June 30, 2009</i>		<i>December 31, 2008</i>	
	<i>Number</i>	<i>Average price of the period</i>	<i>Number</i>	<i>Average price of the period</i>
Not exercised/not exercisable at the start of the year	3,947,600	4.55	4,835,800	4.82
Granted during the period	3,350,000	1.90	875,000	2.10
Cancelled during the period	(190,000)	4.50	(376,000)	4.87
Exercised during the period	-	-	(1,387,200)	3.30
Not exercised/not exercisable at the end of the period	7,107,600	3.30	3,947,600	4.55
Exercisable at the end of the period	2,825,900	4.77	1,953,400	4.92

The line "Not exercised/not exercisable at the end of the period" refers to the total number of options, net of those exercised or cancelled during the current and previous years.

The line "Exercisable at the end of the period" refers to the total amount of options vesting at the end of the period and not yet subscribed.

Details of the number of options exercisable at June 30, 2009 are given below:

	Total
Number of exercisable options remaining at December 31, 2008	1,953,400
Options matured during the period	1,264,900
Options cancelled during the period	(392,400)
Options exercised during the period	-
Number of exercisable options remaining at June 30, 2009	2,825,900

Phantom stock option plans

Unlike traditional stock option plans, phantom stock option plans do not envisage the allocation of a right to subscribe or purchase a share, but entail paying the beneficiaries an extraordinary variable amount in cash corresponding to the difference between the Sogefi share price in the option exercise period and the Sogefi share price at the time the option is awarded.

In the first half of 2009, as shown in the paragraph “Stock option plans”, the Holding Company gave the beneficiaries of 2007 and 2008 phantom stock option plans the opportunity to waive the options of the above-mentioned plans and to join the 2009 extraordinary stock option plan.

The main characteristics of these plans are as follows:

- 2007 phantom stock option plan restricted to the Managing Director, managers and project workers of the Holding Company and to managers of Italian subsidiaries, for a maximum of 1,760,000 options at the initial grant price of €7.0854, amended in 2008 to €5.9054, to be exercised between September 30, 2007 and September 30, 2017. Following the previously mentioned restructuring of the plan, 475,000 options were waived;
- 2008 phantom stock option plan restricted to the Managing Director and managers of the Holding Company and to managers of Italian subsidiaries, for a maximum of 1,700,000 options at the grant price of €2.1045, to be exercised between September 30, 2008 and September 30, 2018. Following the previously mentioned restructuring of the plan, 540,000 options were waived.

Details of the number of phantom stock options at June 30, 2009 are given below:

	June 30, 2009
Not exercised/not exercisable at the start of the year	2,966,800
Granted during the period	-
Cancelled during the period	(1,045,000)
Exercised during the period	-
Not exercised/not exercisable at the end of the period	1,921,800
Exercisable at the end of the period	842,400

The fair value at June 30, 2009 of the options awarded was calculated using the Black-Scholes method and amounts to €137 thousand. The change with respect to the previous year, corresponding to €207 thousand, has been posted to the income statement on the lines “Labour Cost”, “Administrative and general consulting” and “Directors’ and statutory auditors’ remuneration”.

30. RESTRUCTURING COSTS

These amounted to €9,940 thousand (compared with €6,887 thousand in the first half of the previous year) and relate to restructuring plans already underway. €5,347 thousand of this item regards the accrual to the “Provision for restructuring”, net of the unused portion provided in previous years, while the remainder refers to costs incurred and paid during the half-year period.

31. LOSSES (GAINS) ON DISPOSAL

Losses on disposals amounted to €17 thousand. At June 30, 2008, gains of €133 thousand were recorded.

32. EXCHANGE LOSSES (GAINS)

At June 30, 2009 net exchange losses amounted to €1,139 thousand against €1,108 thousand in the first half of 2008.

33. OTHER NON-OPERATING EXPENSES (INCOME)

These amounted to €3,924 thousand (against €7,221 thousand in the first half of last year) and mainly refer to indirect taxes and fiscal charges that are not directly related to income.

Details are as follows:

(in thousands of Euro)	1st half 2009	1st half 2008
Indirect taxes	2,490	2,712
Other fiscal charges	2,349	2,849
Imputed cost of stock options	278	255
Other non-operating expenses (income)	(1,193)	1,405
TOTAL	3,924	7,221

“Indirect taxes” refer to indirect fiscal charges not directly linked to income generated by operating activity.

“Other fiscal charges” consist of the *taxe professionnelle* paid by the French companies, which is fundamentally a capital tax.

The main components of “Other non-operating expenses (income)” are as follows:

of which non-recurring:

A) items related to the subsidiary Allevard Springs Ltd for the fire that broke out in July 2008:

- costs of €2,646 thousand to re-start operations in the British subsidiary and in the other companies involved in the reorganisation of production;
- insurance recoveries of €4,388 thousand;

B) other non-recurring expenses/income

- €24 thousand in other non-recurring expenses;

of which recurring

- € 344 thousand in provisions for legal disputes with employees and tax authorities (Sogefi Filtration do Brazil Ltda);
- € 108 thousand of pension costs for employees no longer on the payroll of Allevard Federn GmbH;
- €73 thousand in other recurring costs.

34. FINANCIAL EXPENSES (INCOME), NET

Financial expenses are detailed as follows:

(in thousands of Euro)	1st half 2009	1st half 2008
Interests on amounts due to banks	4,301	5,115
Financial charges under lease contracts	266	383
Financial component of pension funds and termination indemnities	106	377
Costs of interest-rate hedging contracts	690	-
Other interest and commissions	969	956
TOTAL FINANCIAL EXPENSES	6,332	6,831

Financial income is detailed as follows:

(in thousands of Euro)	1st half 2009	1st half 2008
Income from interest-rate hedging contracts	24	150
Interests on amounts due from banks	513	804
Other interest and commissions	89	109
TOTAL FINANCIAL INCOME	626	1,063
TOTAL FINANCIAL EXPENSES (INCOME), NET	5,706	5,768

Financial expenses were substantially unchanged with respect to the corresponding period of 2008, in line with trends in interest rates and the average indebtedness for the period.

“Financial component of pension funds and termination indemnities” refers to the financial item included in the actuarial valuation of pension funds and provision for employment termination indemnities.

35. LOSSES (GAINS) FROM EQUITY INVESTMENTS

These include the dividends received from the associated company Allevard Ressorts Composites S.A.S. of €75 thousand (€127 thousand at June 30, 2008). Note that in the previous half year this item also included €291 thousand posted to the income statement for the difference between the purchase cost of 30% of the subsidiary Shanghai Sogefi Auto Parts Co. Ltd and the corresponding equity value.

36. INCOME TAXES

(in thousands of Euro)	1st half 2009	1st half 2008
Current taxes	2,188	11,515
Deferred tax liabilities (assets)	(4,612)	(481)
TOTAL	(2,424)	11,034

The first half of 2009 shows a negative tax rate corresponding to 19.1%, against a positive tax rate of 33.7% in the same period of the previous year. Note that at June 30, 2009 deferred tax assets were not recognised on losses of the subsidiaries Allevard Sogefi U.S.A. Inc. and Shanghai Sogefi Auto Parts Co. Ltd for which there was not a reasonable certainty at the end of the period that such losses would be recovered.

37. DIVIDENDS PAID

Dividends were not paid in the first half of 2009.

The dividends paid in the first half of 2008 (related to the allocation of the profit for 2007 as well as a part of the reserves of profit and capital, in accordance with the resolution of the shareholders' meeting held on April 22, 2008) amounted to a total of €159,527 thousand, corresponding to €1.40 per share of which €0.22 was the ordinary dividend and €1.18 the extraordinary dividend.

The Company only issued ordinary shares; treasury shares are always excluded from the dividend.

38. EARNINGS (LOSSES) PER SHARE (EPS)

Earnings (losses) per share

Basic EPS

	June 30, 2009	June 30, 2008
Net result attributable to the ordinary shareholders (in thousands of Euro)	(10,607)	20,196
Weighted average number of shares outstanding during the period (thousands)	114,193	113,491
Basic EPS (Euro)	(0.093)	0.178

Diluted EPS

The Company only has one category of potentially dilutive ordinary shares, namely those deriving from the potential conversion of the stock options granted to Group employees.

	<i>June 30, 2009</i>	<i>June 30, 2008</i>
Net result attributable to the ordinary shareholders (in thousands of Euro)	(10,607)	20,196
Average number of shares outstanding during the period (thousands)	114,193	113,491
Weighted average number of shares potentially under option during the period (thousands)	2,084	1,403
Number of shares that could have been issued at fair value (thousands)	(2,084)	(1,403)
Adjusted weighted average number of shares outstanding during the period (thousands)	114,193	113,491
<i>Diluted EPS (Euro)</i>	<i>(0.093)</i>	<i>0.178</i>

The “Weighted average number of shares potentially under option during the period” represents the average number of shares that were potentially outstanding because of stock option plans for which the subscription right had vested but had not yet been exercised as of the balance sheet date. These shares have a potentially dilutive effect on Basic EPS and are therefore taken into consideration in the calculation of Diluted EPS.

The “Number of shares that could have been issued at fair value” represents the factor of normalisation, being the number of shares that would have been issued dividing the proceeds that would have been received from subscription of the stock options by the average half-yearly fair value of the Sogefi S.p.A. ordinary shares, which in the first half of 2009 amounted to €1.0527, whereas in the first half of 2008 it was €3.7034.

In the first half of 2009, the average fair value of Sogefi shares was lower than the average exercise price of shares potentially under option. Therefore, the “Number of shares that could have been issued at fair value” corresponds to the “Weighted average number of shares potentially under option during the period” and the diluted EPS is equal to the basic EPS.

E) 39. RELATED PARTY TRANSACTIONS

The Group is controlled by the Parent Company CIR S.p.A., which at June 30, 2009 held 56.6% of the outstanding shares. Sogefi S.p.A.'s shares are listed on the Milan Stock Exchange.

The Group’s consolidated financial statements include the financial statements of the consolidated companies listed in chapter H along with the stake held in the same by the Group.

Dealings between Group companies are conducted at arm’s length, taking into account the quality and type of the services rendered; Sogefi S.p.A., the Holding Company, charges Group companies fees for administrative, financial and management support services. The Holding Company also debits and credits interest

at a market spread to those subsidiaries that have signed up for the Group's cash pooling function.

As part of its activity, Sogefi S.p.A. makes use of the services provided by CIR S.p.A., the Parent Company, in areas such as strategic development, disposals and acquisitions, and services of an administrative, financial, fiscal and corporate nature. This relationship is regulated by contracts at arm's length conditions and the cost is commensurate to the effective value of such services to the Sogefi Group in terms of the time devoted to them and the specific economic benefits obtained as a result.

Services provided to Sogefi S.p.A. by CIR S.p.A. in the first half of 2009 amounted to € 973 thousand (against €965 thousand in the first half of 2008).

At June 30, 2009 the Holding Company Sogefi S.p.A. showed payables to the Parent Company CIR S.p.A. for €973 thousand.

At June 30, 2009 the Italian companies of the Sogefi Group had receivables of € 2,001 thousand due from CIR S.p.A. in connection with the Group tax filing system. At December 31, 2008, receivables amounted to €4,885 thousand and were collected in the first half of 2009.

Apart from those mentioned above, at the date of these interim financial statements, we are not aware of any other related party transactions.

The following table summarises related party transactions:

(in thousands of Euro)	June 30, 2009	December 31, 2008
Receivables		
- for the Group tax filing from Cir S.p.A.	2,001	4,885
Payables		
- for the Group tax filing to Cir S.p.A.	973	-
- for purchases of energy/gas to Sorgenia S.p.A.	27	27

(in thousands of Euro)	1st half 2009	1st half 2008
Costs		
- for services received from Cir S.p.A.	973	965
- for purchases of energy/gas from Sorgenia S.p.A.	-	15
Compensation of directors and statutory auditors		
- directors	409	366
- statutory auditors	73	73

F) COMMITMENTS AND RISKS

40. OPERATING LEASES

For accounting purposes, leases and rental contracts are classified as operating when:

- a significant part of the risks and benefits of ownership are retained by the lessor;
- there are no purchase options at prices that do not represent the presumable market value of the asset being leased at the end of the period;
- the duration of the contract does not reflect most of the useful life of the asset leased or rented.

Operating lease instalment payments are booked to the income statement in line with the underlying contracts.

The main operating lease is a contract made by the US subsidiary Allevard Sogefi U.S.A. Inc. for the rent of its plant in Prichard (West Virginia).

The contract expires on October 27, 2018 and the remaining payments amount to USD 3,703 thousand, of which USD 396 thousand due within 12 months.

For this contract, the Holding Company Sogefi S.p.A. has provided a guarantee that covers around 50% of the remaining lease payments; this guarantee is renewed each year end based on the residual amount due.

There are no restrictions of any kind on this type of lease and at the end of the contract the US company will be able to purchase the building at its market value.

41. INVESTMENT COMMITMENTS

There are no binding commitments for capital expenditure other than those relating to the purchase of property, plant and equipment (€ 1,528 thousand) already disclosed in the explanatory notes regarding tangible fixed assets. At December 31, 2008 the equivalent figure amounted to €1,868 thousand.

42. GUARANTEES GIVEN

Details of guarantees are as follows:

(in thousands of Euro)	<i>June 30, 2009</i>	<i>December 31, 2008</i>
PERSONAL GUARANTEES GIVEN		
a) Sureties to third parties	974	974
b) Other personal guarantees in favour of third parties	9,714	9,714
TOTAL PERSONAL GUARANTEES GIVEN	10,688	10,688
REAL GUARANTEES GIVEN		
a) Against liabilities shown in the balance sheet	1,337	1,587
TOTAL REAL GUARANTEES GIVEN	1,337	1,587

The guarantees given in favour of third parties relate to guarantees given to certain customers and under operating lease contracts; guarantees are shown at a value equal to the outstanding commitment at the balance sheet date. These accounts indicate risks, commitments and guarantees provided by Group companies to third parties.

"Other personal guarantees in favour of third parties" relate to the commitment of the subsidiary LPDN GmbH to the pension fund of employees belonging to the two business areas at the time it was acquired in 1996; this commitment is covered by the contractual obligations of the seller, a leading German business.

"Real guarantees given" refer to encumbrances or liens on corporate assets granted to banks to secure loans.

43. OTHER RISKS

At June 30, 2009 the Group had third-party goods and materials held at Group companies worth €6,486 thousand (€7,097 thousand at December 31, 2008).

44. SUBSEQUENT EVENTS

No significant events occurred subsequent to June 30, 2009.

G) 45. FINANCIAL INSTRUMENTS

A) Exchange risk hedges

At June 30, 2009, the Holding Company Sogefi S.p.A. and the subsidiary Allevard Rejna Autosuspensions S.A. had the following forward sale contracts to hedge exchange risk on intercompany financial positions:

Forward sale	Date opened	Spot price currency/€	Date closed	Forward price currency/€
USD 5,530,000	06/19/2009	1.38400	07/03/2009	1.38395
GBP 2,000,000	06/19/2009	0.85220	07/03/2009	0.85222
USD 5,500,000	06/19/2009	1.38400	07/03/2009	1.38395

At June 30, 2009 the fair value of these contracts amounted to €166 thousand and was booked to “Other financial assets – Assets for derivative financial instruments”.

The subsidiaries Sogefi Filtration Ltd and Filtrauto S.A. had the following forward purchase contracts to hedge exchange risk on trade positions:

Forward purchase	Date opened	Spot price GBP/currency	Date closed	Forward price GBP/currency
EUR 2,300,000	06/19/2009	0.85220	07/03/2009	0.85222
EUR 500,000	05/08/2009	0.89750	07/01/2009	0.89748
EUR 500,000	05/08/2009	0.89750	08/03/2009	0.89740
EUR 500,000	05/08/2009	0.89750	09/01/2009	0.89735
USD 300,000	06/30/2009	1.65870	07/24/2009	1.65863
USD 200,000	05/11/2009	1.50800	07/27/2009	1.50763

Forward purchase	Date opened	Spot price €/currency	Date closed	Forward price €/currency
USD 200,000	05/08/2009	1.34880	07/15/2009	1.34818
USD 200,000	05/08/2009	1.34880	07/31/2009	1.34805
USD 300,000	06/09/2009	1.39400	07/06/2009	1.39362

At June 30, 2009, the fair value of these contracts was negative for a total amount of € 111 thousand, booked to “Other short-term liabilities for derivative financial instruments”.

At June 30, 2009 the subsidiary Allevard Molas do Brasil Ltda held the following derivative contracts to hedge exchange risk related to the debt in dollars to the subsidiary Allevard Sogefi U.S.A. Inc. for the purchase of a springs production line in 2007.

Zero cost collar:

Forward purchase	Date opened	Spot price BRL/currency	Date closed	Forward price (call put) BRL/currency
USD 550,000	06/19/2007	1.9047	08/31/2009	2.0940/2.1530
USD 550,000	06/19/2007	1.9047	11/30/2009	2.1180/2.1790

Forward purchases:

Forward purchase	Date opened	Spot price BRL/currency	Date closed	Forward price BRL/currency
USD 400,000	07/12/2007	1.8900	08/31/2009	2.0642
USD 400,000	07/12/2007	1.8900	11/30/2009	2.0895

Forward purchase	Date opened	Spot price BRL/currency	Date closed	Forward price BRL/currency
USD 400,000	07/23/2007	1.8606	08/31/2009	2.0425
USD 400,000	07/23/2007	1.8606	11/30/2009	2.0677

Forward purchase	Date opened	Spot price BRL/currency	Date closed	Forward price BRL/currency
USD 585,000	09/18/2007	1.9123	08/31/2009	2.0764
USD 385,687	09/18/2007	1.9123	11/30/2009	2.1016

At June 30, 2009 the fair value of these contracts was a negative € 124 thousand, booked to “Other short-term liabilities for derivative financial instruments”.

B) Interest risk hedges

At June 30, 2009, the Holding Company Sogefi S.p.A. held the following contracts to hedge its interest rate risk (in thousands of Euro):

Description of IRS	Date opened	Contract maturity	Notional	Fixed rate	Fair value
Hedging of Sogefi S.p.A. loan for €50 million (09/08/2006 maturity 09/08/2013), rate: Euribor 3 months + 22.5 bps	04/24/2008	09/30/2012	10,000	4.193%	(637)
Hedging of Sogefi S.p.A. loan for €50 million (09/08/2006 maturity 09/08/2013), rate: Euribor 3 months + 22.5 bps	10/07/2008	12/31/2010	15,000	3.755%	(535)
Hedging of Sogefi S.p.A. loan for €100 million (06/04/2008 maturity 06/04/2013), rate: Euribor 3 months + 50 bps	10/07/2008	11/04/2010	10,000	3.860%	(381)
Hedging of Sogefi S.p.A. loan for €100 million (06/04/2008 maturity 06/04/2013), rate: Euribor 3 months + 50 bps	10/07/2008	11/04/2010	10,000	3.890%	(386)

Description of IRC	Date opened	Contract maturity	Notional	Cap/Floor	Fair value
Hedging of Sogefi S.p.A. loan for €100 million (09/29/2006 maturity 09/29/2013), rate: Euribor 3 months + 22.5 bps	04/24/2008	10/31/2012	10,000	Cap: 4.50% Floor: 3.84%	(590)

Description of K.IN FORWARD ZERO COST	Date opened	Contract maturity	Notional	Cap/Floor	Fair value
Hedging of Sogefi S.p.A. loan for €100 million (09/29/2006 maturity 09/29/2013), rate: Euribor 3 months + 22.5 bps	04/24/2008	10/31/2012	10,000	Cap: 4.50% Floor: 4.20% Knock in European: 3.33%	(673)
Hedging of Sogefi S.p.A. loan for €100 million (09/29/2006 maturity 09/29/2013), rate: Euribor 3 months + 22.5 bps	05/09/2008	10/31/2011	5,000	Cap: 4.40% Floor: 4.10% Knock in European: 3.10%	(282)

The purpose of these contracts is to limit the risk of changes in interest rates. They have been treated as hedges and the related fair value is posted to equity.

H) GROUP COMPANIES

46. LIST OF GROUP COMPANIES AS OF JUNE 30, 2009

SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS

Direct subsidiaries	Currency	Share capital	Number of shares	% held	Par value per share	Par value of the interest held
REJNA S.p.A. Settimo Torinese (Italy)	Euro	5,200,000	7,986,992	99.84	0.65	5,191,544.80
SOGEFI FILTRATION B.V. Weesp (Netherlands)	Euro	1,125,000	2,500	100.00	450	1,125,000
SOGEFI FILTRATION Ltd Llantrisant (Great Britain)	GBP	5,126,737	5,126,737	100.00	1	5,126,737
SOGEFI FILTRATION A.B. Stockholm (Sweden)	SEK	100,000	1,000	100.00	100	100,000
SOGEFI FILTRATION S.A. Cerdanyola (Spain) Held by Sogefi S.p.A.: 86.08% Held by Filtrauto S.A.: 13.92%	Euro	12,953,713.60	2,155,360	100.00	6.01	12,953,713.60
FILTRAUTO S.A. Guyancourt (France)	Euro	5,750,000	287,494	99.99	20	5,749,880
ALLEVARD REJNA AUTOSUSPENSIONS S.A. Saint Cloud (France)	Euro	36,000,000	1,999,747	99.987	18	35,995,446
SOGEFI FILTRATION S.p.A. Mantova (Italy)	Euro	21,951,000	21,951,000	100.00	1	21,951,000
ALLEVARD SOGEFI U.S.A. Inc. Prichard (U.S.A.)	USD	20,055,000	191	100.00		20,055,000
SOGEFI FILTRATION d.o.o. Medvode (Slovenia)	Euro	10,291,798		100.00		10,291,798
SOGEFI PURCHASING S.A.S. Paris (France)	Euro	100,000	10,000	100.00	10	100,000

Indirect subsidiaries	Currency	Share capital	Number of shares	% held	Par value per share	Par value of the interest held
FILTRATION DIVISION						
FILTRAUTO GmbH (*) Ludwigsburg (Germany) Held by Sogefi Filtration B.V.	Euro	51,130		100.00		51,130
SOGEFI FILTRATION DO BRASIL Ltda São Bernardo do Campo (Brazil) Held by Sogefi Filtration S.A.	BRL	29,857,374	29,857,373	99.99	1	29,857,373
FILTRAUTO DO BRASIL Ltda São Paulo (Brazil) Held by Sogefi Filtration do Brasil Ltda:99% Held by Filtrauto S.A.: 1%	BRL	354,600	354,600	100.00	1	354,600
SOGEFI FILTRATION ARGENTINA S.A. Buenos Aires (Argentina) Held by Sogefi Filtration do Brasil Ltda: 91.90% Held by Filtrauto S.A.: 7.28% Held by Sogefi Filtration S.p.A.: 0.81%	ARP	10,691,607	10,691,605	99.99	1	10,691,605
SHANGHAI SOGEFI AUTO PARTS Co. Ltd Shanghai (China) Held by Sogefi Filtration S.p.A.	USD	9,980,000	5,480,000	100.00		9,980,000
SOGEFI M.N.R. FILTRATION INDIA Private Ltd Bangalore (India) Held by Filtrauto S.A.	INR	15,893,480	953,609	60.00	10	9,536,090
EMW ENVIRONMENTAL TECHNOLOGIES Private Ltd Bangalore (India) Held by Filtrauto S.A.	INR	475,000	28,500	60.00	10	285,000
(*) in liquidation						

Indirect subsidiaries	Currency	Share capital	Number of shares	% held	Par value per share	Par value of the interest held
SUSPENSION COMPONENTS DIVISION						
ALLEVARD SPRINGS Ltd Mid Glamorgan (Great Britain) Held by Allevard Rejna Autosuspensions S.A.	GBP	4,000,002	4,000,001	99.99	1	4,000,001
ALLEVARD FEDERN GmbH Volklingen (Germany) Held by Allevard Rejna Autosuspensions S.A.	Euro	50,000		100.00		50,000
ALLEVARD REJNA ARGENTINA S.A. Buenos Aires (Argentina) Held by Allevard Rejna Autosuspensions S.A.	ARP	600,000	599,827	99.97	1	599,827
IBERICA DE SUSPENSIONES S.L. (ISSA) Alsasua (Spain) Held by Allevard Rejna Autosuspensions S.A.	Euro	10,529,668	5,264,834	50.00	1	5,264,834
ALLEVARD MOLAS DO BRASIL Ltda São Paulo (Brazil) Held by Allevard Rejna Autosuspensions S.A.: 99.997% Held by Allevard Springs Ltd: 0.003%	BRL	37,161,683	37,161,683	100.00	1	37,161,683
UNITED SPRINGS Ltd Rochdale (Great Britain) Held by Allevard Rejna Autosuspensions S.A.	GBP	6,500,000	6,500,000	100.00	1	6,500,000
UNITED SPRINGS B.V. Hengelo (Netherlands) Held by Allevard Rejna Autosuspensions S.A.	Euro	254,979	254,979	100.00	1	254,979
SHANGHAI ALLEVARD SPRINGS Co. Ltd Shanghai (China) Held by Allevard Rejna Autosuspensions S.A.	Euro	5,335,308		60.58		3,231,919.16
UNITED SPRINGS S.A.S. Saint Cloud (France) Held by Allevard Rejna Autosuspensions S.A.	Euro	10,218,000	2,043,599	99.99	5	10,217,995
S.ARA COMPOSITE S.A.S. Saint Cloud (France) Held by Allevard Rejna Autosuspensions S.A.	Euro	2,000,000	1,000,000	50.00	1	1,000,000
LUHN & PULVERMACHER - DITTMANN & NEUHAUS GmbH Hagen (Germany) Held by Allevard Federn GmbH	Euro	50,000		100.00		50,000

EQUITY INVESTMENTS IN NON-CONSOLIDATED SUBSIDIARIES

Indirect subsidiaries	Currency	Share capital	Number of shares	% held	Par value per share	Par value of the interest held
INTEGRAL S.A. San Luis (Argentina) Held by Filtrauto S.A.: 93.50% Held by Sogefi Filtration Argentina S.A.: 6.50%	ARP	2,515,600	2,515,600	100.00	1	2,515,600
LES NOUVEAUX ATELIERS MECANIKES S.A. (*) Brussels (Belgium) Held by Sogefi S.p.A.: 74.9% Held by Rejna S.p.A.: 25.1%	Euro	2,880,000	120,000	100.00	24	2,880,000
(*) being closed down						

EQUITY INVESTMENTS IN ASSOCIATED COMPANIES CARRIED AT EQUITY

	Currency	Share capital	Number of shares	% held	Par value per share	Par value of the interest held
ALLEVARD RESSORTS COMPOSITES S.A.S. Held by Allevard Rejna Autosuspensions S.A.	Euro	300,000	60,000	50.00	2.50	150,000

EQUITY INVESTMENTS IN ASSOCIATED COMPANIES CARRIED AT COST

	Currency	Share capital	Number of shares	% held	Par value per share	Par value of the interest held
MAKKAWI CARS & LORRIES Co. Khartoum (Sudan) Held by Rejna S.p.A.	SDP	900,000	225	25.00	1.000	225,000

EQUITY INVESTMENTS IN OTHER COMPANIES CARRIED AT COST

	Currency	Share capital	Number of shares	% held	Par value per share	Par value of the interest held
AFICO FILTERS S.A.E. Cairo (Egypt) Held by Sogefi Filtration S.p.A.	EGP	10,000,000	19,000	19.00	100	1,900,000

FINANCIAL STATEMENTS OF THE HOLDING COMPANY SOGEFI S.p.A.

STATEMENT OF FINANCIAL POSITION
INCOME STATEMENT

STATEMENT OF FINANCIAL POSITION
(in thousands of Euro)

ASSETS	Note	June 30,2009	December 31, 2008
CURRENT ASSETS			
Cash and cash equivalents	3	36,080	6,872
Cash pooling current accounts with subsidiaries	4	15,990	24,288
Other financial assets	5	83	2
Loans to and financial receivables similar to loans from subsidiaries	6	18,441	-
WORKING CAPITAL			
Inventories		-	-
Trade receivables	7	3,565	4,918
<i>of which from subsidiaries</i>		2,676	2,987
<i>of which from parent company</i>		887	1,931
Other receivables	7	227	227
Receivables from tax authorities	7	155	384
Other assets	8	751	792
<i>of which from subsidiaries</i>		57	109
TOTAL WORKING CAPITAL		4,698	6,321
TOTAL CURRENT ASSETS		75,292	37,483
NON-CURRENT ASSETS			
FIXED ASSETS			
Investment properties: land	9	12,154	12,154
Investment properties: other	9	14,925	14,765
Other property, plant and equipment		56	65
<i>of which: leases</i>		-	-
Intangible assets	10	66	66
TOTAL FIXED ASSETS		27,201	27,050
OTHER NON-CURRENT ASSETS			
Equity investments in subsidiaries	11	264,463	264,296
Equity investments in associated companies		-	-
Other financial assets available for sale	12	2	3
Loans and financial receivables similar to loans	13	103,144	101,203
<i>of which from subsidiaries</i>		103,144	101,203
<i>of which other long-term assets for derivative financial instruments</i>		-	-
Other receivables		20	21
Deferred tax assets	14	1,441	1,146
TOTAL OTHER NON-CURRENT ASSETS		369,070	366,669
TOTAL NON-CURRENT ASSETS		396,271	393,719
TOTAL ASSETS		471,563	431,202

LIABILITIES	<i>Note</i>	<i>June 30,2009</i>	<i>December 31,2008</i>
CURRENT LIABILITIES			
Bank overdrafts and short-term loans	<i>15</i>	123	10,224
Cash pooling current accounts with subsidiaries	<i>15</i>	49,803	29,290
Current portion of medium/long-term financial debts and other loans	<i>15</i>	75,243	22,816
<i>of which: leases</i>		-	-
<i>of which: to subsidiaries</i>		21	25
TOTAL SHORT-TERM FINANCIAL DEBTS		125,169	62,330
Other short-term liabilities for derivative financial instruments		-	-
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FIN. INSTRUMENTS		125,169	62,330
Trade and other payables	<i>16</i>	4,752	3,878
<i>of which to subsidiaries</i>		163	518
<i>of which to parent company</i>		973	-
Tax payables		192	155
Other current liabilities		60	61
TOTAL CURRENT LIABILITIES		130,173	66,424
NON-CURRENT LIABILITIES			
MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS			
Financial debts to banks	<i>15</i>	173,642	230,717
Other medium/long-term financial debts		-	-
<i>of which: leases</i>		-	-
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS		173,642	230,717
Other medium/long-term financial liabilities for derivative financial instruments		3,484	2,263
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS		177,126	232,980
OTHER LONG-TERM LIABILITIES			
Long-term provisions	<i>17</i>	940	1,053
Other payables		-	-
Deferred tax liabilities		765	459
TOTAL OTHER LONG-TERM LIABILITIES		1,705	1,512
TOTAL NON-CURRENT LIABILITIES		178,831	234,492
SHAREHOLDERS' EQUITY			
Share capital	<i>18</i>	60,397	60,397
Reserves and retained earnings (accumulated losses)		69,338	40,667
Net profit (loss) for the period		32,824	29,222
TOTAL SHAREHOLDERS' EQUITY		162,559	130,286
TOTAL LIABILITIES AND EQUITY		471,563	431,202

INCOME STATEMENT

(in thousands of Euro)

	Note	1st half 2009	1st half 2008
FINANCIAL INCOME AND EXPENSES	20		
1) Income from equity investments		36,398	40,825
2) Other financial income		3,638	4,742
<i>of which from subsidiaries</i>		2,421	3,384
3) Interest and other financial charges		6,133	6,467
<i>of which from subsidiaries</i>		263	917
TOTAL FINANCIAL INCOME AND EXPENSES		33,903	39,100
ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS			
4) Revaluations		-	-
5) Writedowns		-	1,994
TOTAL ADJUSTMENTS TO FINANCIAL ASSETS		-	(1,994)
6) OTHER OPERATING INCOME	21	4,995	4,349
<i>of which from subsidiaries</i>		4,969	4,326
OTHER OPERATING EXPENSES	22		
7) Non-financial services		2,171	2,685
<i>of which from subsidiaries</i>		52	297
<i>of which from parent company</i>		973	965
8) Leases and rentals		2,081	222
9) Personnel costs		1,888	2,873
10) Depreciation, amortization and writedowns		16	19
11) Accruals for contingencies		-	-
12) Other accruals		-	-
13) Other operating expenses		481	720
TOTAL OTHER OPERATING COSTS		6,637	6,519
NON-OPERATING INCOME AND EXPENSES	23		
14) Income		160	-
<i>of which non-recurring</i>		-	-
15) Expenses		111	383
<i>of which non-recurring</i>		-	128
NON-OPERATING INCOME (LOSS)		49	(383)
INCOME BEFORE TAXES		32,310	34,553
16) Income taxes	24	(514)	(531)
NET INCOME		32,824	35,084

STATEMENT OF COMPREHENSIVE INCOME

(in thousands of Euro)	<i>1st half 2009</i>	<i>1st half 2008</i>
Profit (Loss) for the period	32,824	35,084
<i>Profit (Loss) booked directly to equity</i>		
- Income (costs) from fair value measurement of derivatives cash flow hedge	(1,143)	754
- Income (costs) from fair value measurement of financial assets available for sale	-	(3)
- Tax on items booked directly to equity	314	(207)
Total income (loss) for the period after the tax effect	(829)	544
Total comprehensive income (loss) for the period	31,995	35,628

CASH FLOW STATEMENT

(in thousands of Euro)

	1st half 2009	1st half 2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period	32,824	35,084
Adjustments:		
- writedowns of equity investments	-	1,994
- depreciation, amortization	16	19
- adjustment to fair value of investment properties	(160)	-
- fair value adjustment booked to income statement	78	-
- accrued costs for stock options	111	255
- adjustment to provision for Phantom Stock Option	(173)	62
- net adjustment to provision for employment termination indemnities	59	64
- change in net working capital	2,267	2,562
- change in tax receivables/payables	266	104
- other assets/liabilities	328	329
CASH FLOWS FROM OPERATING ACTIVITIES	35,616	40,473
of which:		
Net interest paid	(3,695)	(271)
Dividends collected	17,957	22,467
Current income tax (payments) receipts	1,884	3,189
INVESTING ACTIVITIES		
Acquisition of equity investments	-	(212)
Net change in intangible assets and property, plant and equipment	(6)	(101)
Net change in other financial assets	(81)	38
Sale of equity investments	-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES	(87)	(275)
FINANCING ACTIVITIES		
Paid share capital increase	-	4,851
Net purchase of treasury shares	-	(1,245)
Dividends paid to shareholders	-	(159,527)
New (repayment of) loans	(4,649)	110,118
Net cash pooling position	28,811	(22,747)
Loan to subsidiaries	(20,382)	(10,472)
NET CASH FLOWS FROM FINANCING ACTIVITIES	3,780	(79,022)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	39,309	(38,824)
Balance at the beginning of the period	(3,352)	293
(Decrease) increase in cash and cash equivalents	39,309	(38,824)
BALANCE AT THE END OF THE PERIOD	35,957	(38,531)

NB: this table shows the elements that bring about the change in cash and cash equivalents, as expressly required by IAS 7. For a greater understanding of the various operating cash flows and hence the changes in the overall net financial position, reference should be made to the cash flow statement included in the Report on Operations.

STATEMENT OF CHANGES IN EQUITY

(in thousands of Euro)	Share capital	Reserves and retained earnings (accumulated losses)	Net profit for the period	Total shareholders' equity
<i>Balance at December 31, 2007</i>	59,595	172,573	26,034	258,202
Increase in share capital restricted to the employees of the Company and its subsidiaries	802	4,049	-	4,851
Allocation of 2007 net profit:				
- Legal reserve	-	300	(300)	-
- Dividends	-	(133,793)	(25,734)	(159,527)
Net purchase treasury shares	-	(1,245)	-	(1,245)
Fair value measurement of cash flow hedging instruments	-	754	-	754
Fair value on financial assets available for sale	-	(3)	-	(3)
Tax on items booked directly to equity	-	(207)	-	(207)
Imputed cost of stock options	-	255	-	255
Net profit for the period	-	-	35,084	35,084
<i>Balance at June 30, 2008</i>	60,397	42,683	35,084	138,164

(in thousands of Euro)	Share capital	Reserves and retained earnings (accumulated losses)	Net profit for the period	Total shareholders' equity
<i>Balance at December 31, 2008</i>	60,397	40,667	29,222	130,286
Increase in share capital restricted to the employees of the Company and its subsidiaries	-	-	-	-
Allocation of 2008 net profit:				
- Legal reserve	-	140	(140)	-
- Dividends	-	29,082	(29,082)	-
Fair value measurement of cash flow hedging instruments	-	(1,143)	-	(1,143)
Fair value on financial assets available for sale	-	-	-	-
Tax on items booked directly to equity	-	314	-	314
Imputed cost of stock options	-	278	-	278
Net profit for the period	-	-	32,824	32,824
<i>Balance at June 30, 2009</i>	60,397	69,338	32,824	162,559

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS: CONTENTS

Chapter	Note no.	DESCRIPTION
<i>A</i>		<i>GENERAL ASPECTS</i>
	1	Content and format of the financial statements
	2	Accounting policies
<i>B</i>		<i>NOTES ON THE MAIN STATEMENT OF FINANCIAL POSITION ITEMS</i>
<i>B1</i>		<i>ASSETS</i>
	3	Cash and cash equivalents
	4	Cash pooling current accounts with subsidiaries
	5	Other financial assets
	6	Loans and financial receivables similar to loans from subsidiaries
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	8	Other current assets
	9	Investment properties
	10	Intangible assets
	11	Equity investments in subsidiaries
	12	Other financial assets available for sale
	13	Loans and financial receivables similar to loans
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<i>B2</i>		<i>LIABILITIES AND EQUITY</i>
	15	Financial debts to banks and other financing creditors
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	18	Shareholders' equity
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<i>C</i>		<i>NOTES ON THE MAIN INCOME STATEMENT ITEMS</i>
	20	Financial income and expenses
	21	Other operating revenues
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<i>D</i>	26	<i>RELATED PARTY TRANSACTIONS</i>
<i>E</i>		<i>COMMITMENTS AND RISKS</i>
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<i>F</i>	28	<i>FINANCIAL INSTRUMENTS</i>

A) GENERAL ASPECTS

1. CONTENT AND FORMAT OF THE FINANCIAL STATEMENTS

The interim financial statements for the period January 1 - June 30, 2009 have been prepared in accordance with IAS/IFRS (International Accounting Standards/International Financial Reporting Standards).

The interim financial statements and explanatory notes have been prepared in accordance with the recommendations contained in IAS 34.

These interim financial statements provide detailed as opposed to summary schedules in order to provide a better and clearer overview of the changes that have taken place in the Company's assets and liabilities, financial position and results during the half-year.

They also contain the disclosures required by IAS 34 with the supplementary information considered useful for a clearer understanding of these half-yearly financial statements.

The Holding Company's income statement has been drawn up, as in previous years, on the basis of the instructions contained in Consob circular no. SOC/RM 94001437 of February 23, 1994.

The enclosed financial schedules show the amounts of the corresponding items as at December 31, 2008 for the statement of financial position, and for the first half of 2008 for the income statement.

The interim financial statements as of June 30, 2009 should be read in conjunction with the annual financial statements as of December 31, 2008.

The interim financial statements as of June 30, 2009 were approved by the Board of Directors on July 24, 2009.

2. ACCOUNTING POLICIES

In the first half of 2009, the Company has taken note of and, where applicable, adopted the following Standards, Interpretations and Revisions to existing accounting standards:

- IAS 1 (revised) – *Presentation of financial statements*. The new version of the standard requires that all changes to shareholders' equity resulting from transactions other than those performed by shareholders must be stated in a single income statement schedule or in a separate schedule called "Statement of Comprehensive Income". The Company has opted for the second option;

IFRS 8 – *Operating segments*. This standard replaces IAS 14 (Segment Reporting) and introduces a new approach, according to which segments have to be identified in the same way as for the purposes of internal reporting to top management. The adoption of this standard has not has any significant impact on the information provided by the Company;

- IAS 23 (revised) – *Borrowing costs*. This standard is not significant to the Company;

- IAS 32 (revision regarding "Puttable instruments and obligations arising on liquidation") – *Financial instruments: Presentation*. This standard is not significant to the Company;

- IAS 39 (revised) – *Financial instruments: Recognition and measurement*. This standard is not significant to the Company;

- IFRIC 13 – *Customer loyalty programmes*. This interpretation is not significant to the Company.

Furthermore, the Company has not opted for early adoption of the following Standards, Interpretations and Revisions to the existing standards ratified by the European Union, which will become obligatory in future periods:

- IFRS 3 (revised) – *Business combinations*. This standard will be effective for financial years beginning on or after January 1, 2010.

B) NOTES ON THE MAIN STATEMENT OF FINANCIAL POSITION ITEMS

B1) ASSETS

3. CASH AND CASH EQUIVALENTS

Details are as follows:

(in thousands of Euro)	June 30, 2009	December 31, 2008
Bank deposits	36,064	6,851
Cash and cash equivalents on hand	16	21
TOTAL	36,080	6,872

Short-term bank deposits earn interest at a floating rate.

Bank deposits at June 30, 2009 represent a temporary liquidity reserve.

The increase in this item is due to changes in other financial items commented on below.

At June 30, 2009 the Company had unutilized lines of credit of € 163,401 thousand. As all of the conditions have been respected, this means that these funds are available for use on demand.

4. CASH POOLING CURRENT ACCOUNTS WITH SUBSIDIARIES

Details are as follows:

(in thousands of Euro)	June 30, 2009	December 31, 2008
Allevard Rejna Autosuspensions S.A.	-	1,294
Sogefi Filtration S.p.A.	-	884
Rejna S.p.A.	5,831	6,444
Sogefi Filtration Ltd	2,536	3,721
Allevard Springs Ltd	767	5,184
United Springs Ltd	-	14
United Springs B.V.	1,374	616
Sogefi Filtration B.V.	3,982	2,558
Sogefi Filtration S.A.	579	1,552
Allevard Federn GmbH	-	2,021
Sogefi Purchasing S.A.S.	921	-
TOTAL	15,990	24,288

5. OTHER FINANCIAL ASSETS

Details are as follows:

(in thousands of Euro)	June 30, 2009	December 31, 2008
Assets for derivative financial instruments	83	2
<i>of which cash flow hedge</i>	-	-
<i>of which fair value exchange rate hedges</i>	83	2
<i>of which other financial assets</i>	-	-
TOTAL	83	2

Assets for derivative financial instruments refer to the fair value of forward forex contracts in accordance with IAS 32 and 39 and IFRS 7.

6. LOANS TO AND FINANCIAL RECEIVABLES SIMILAR TO LOANS FROM SUBSIDIARIES

These are amounts due from subsidiaries Allevard Rejna Autosuspensions S.A. and Sogefi Filtration S.A., for dividends approved in the first half year but not received as of June 30, 2009, as shown below:

(in thousands of Euro)	June 30, 2009	December 31, 2008
Allevard Rejna Autosuspensions S.A.	14,998	-
Sogefi Filtration S.A.	3,443	-
TOTAL	18,441	-

7. TRADE AND OTHER RECEIVABLES

Details are as follows:

(in thousands of Euro)	June 30, 2009	December 31, 2008
Due from subsidiaries	2,676	2,987
Due from parent company	887	1,931
Other trade receivables	2	-
Other receivables	227	227
Receivables from tax authorities	155	384
Other current assets	751	792
TOTAL	4,698	6,321

The reduction of “Due from parent company” is due to the collection by the Company of receivables from the Parent Company CIR S.p.A. in connection with the Group tax filing system.

8. OTHER CURRENT ASSETS

The amount of € 586 thousand represents a prepayment on the renewal of the licence contract with Honeywell International Inc, for the use of the FRAM trademark by the Group's filtration division. The contract's term is from July 1, 2008 to June 30, 2021 and envisages the exclusive use of the trademark in the major European markets, in those of the former Soviet Union and in South America.

9. INVESTMENT PROPERTIES

These are land and buildings held for the purpose of earning rent or capital gains on their disposal.

At June 30, 2009 they amounted to €27,079 thousand against €26,919 thousand at December 31, 2008.

The increase of € 160 thousand corresponds to the higher fair value of the industrial complex located in S.Felice del Benaco. A corresponding entry has been posted to the income statement under the item "Non-operating income".

The fair value at June 30, 2009 of investment properties was confirmed by an internal assessment, taking into account estimates made by external assessors in June 2009.

At June 30, 2009 investment properties were not encumbered by any restrictions or commitments.

10. INTANGIBLE ASSETS

Details are as follows:

(in thousands of Euro)	2009		
	<i>Industrial patents and intellectual property rights</i>	<i>Concessions, licences, trademarks and similar rights</i>	<i>TOTAL</i>
<i>Balance at January 1</i>	7	59	66
Additions of the period	1	5	6
Amortization for the period	(1)	(5)	(6)
<i>Balance at June 30:</i>	7	59	66
Historical cost	402	101	503
Accumulated amortization	(395)	(42)	(437)
Net value	7	59	66

11. EQUITY INVESTMENTS IN SUBSIDIARIES

Changes during the first half of 2009 in equity investments in subsidiaries are illustrated in the following table:

STATEMENT OF CHANGES IN EQUITY INVESTMENTS IN SUBSIDIARIES
DURING THE FIRST HALF OF 2009

(in thousands of Euro)

	Opening balance			Balance
	Number of shares	Historical Cost	Revaluations (Writedowns)	
				12.31.2008
Subsidiaries				
REJNA S.p.A.	7,986,992	34,775	(2,363)	32,412
SOGEFI FILTRATION S.p.A.	21,951,000	44,628	-	44,628
SOGEFI FILTRATION B.V.	2,500	823	3,871	4,694
SOGEFI FILTRATION Ltd	5,126,737	9,994	28,366	38,360
SOGEFI FILTRATION A.B.	1,000	69	614	683
SOGEFI FILTRATION S.A.	1,855,360	25,230	7,755	32,985
SOGEFI FILTRATION d.o.o.	1	10,717	-	10,717
FILTRAUTO S.A.	287,494	38,314	-	38,314
ALLEVARD REJNA				
AUTOSUSPENSIONS S.A.	1,999,747	54,071	-	54,071
ALLEVARD SOGEFI U.S.A. Inc.	191	23,487	(16,155)	7,332
SOGEFI PURCHASING S.A.S.	10,000	100	-	100
LES NOUVEAUX ATELIERS MECANIQUES S.A. (*)	89,880	8,131	(8,131)	-
Total subsidiaries		250,339	13,957	264,296

(*) being closed down

1st half 2009						Closing balance		
						06.30.2009		
	Additions		Disposals		Writedowns	Number of shares	Amount	% ownership
	Number of shares	Amount	Number of shares	Amount	Amount			
Subsidiaries								
REJNA S.p.A.	-	-	-	-	-	7,986,992	32,412	99.84
SOGEFI FILTRATION S.p.A.	-	28	-	-	-	21,951,000	44,656	100.00
SOGEFI FILTRATION B.V.	-	7	-	-	-	2,500	4,701	100.00
SOGEFI FILTRATION Ltd	-	24	-	-	-	5,126,737	38,384	100.00
SOGEFI FILTRATION A.B.	-	5	-	-	-	1,000	688	100.00
SOGEFI FILTRATION S.A.	-	18	-	-	-	1,855,360	33,003	(*) 86.08
SOGEFI FILTRATION d.o.o.	-	4	-	-	-	1	10,721	100.00
FILTRAUTO S.A.	-	21	-	-	-	287,494	38,335	99.99
ALLEVARD REJNA AUTOSUSPENSIONS S.A.	-	58	-	-	-	1,999,747	54,129	99.987
ALLEVARD SOGEFI U.S.A. Inc.	-	2	-	-	-	191	7,334	100.00
SOGEFI PURCHASING S.A.S.	-	-	-	-	-	10,000	100	100.00
LES NOUVEAUX ATELIERS MECANIQUES S.A.	-	-	-	-	-	89,880		(**) 74.90
Total subsidiaries		167		-	-		264,463	

(*) Ownership up to 100% through the subsidiary Filtrauto S.A.

(**) Ownership up to 100% through the subsidiary Rejna S.p.A.

The increase in the cost of equity investments of € 167 thousand corresponds to the fair value of the options related to stock option plans awarded to employees of subsidiaries.

12. OTHER FINANCIAL ASSETS AVAILABLE FOR SALE

The balance corresponds to the value of Banca Monte dei Paschi Siena S.p.A. shares held in the portfolio.

13. LOANS AND FINANCIAL RECEIVABLES SIMILAR TO LOANS

These are financial receivables due from subsidiaries, as a result of loans granted in arm's length transactions.

Details are as follows:

(in thousands of Euro)	<i>June 30, 2009</i>	<i>December 31, 2008</i>
Allevard Rejna Autosuspensions S.A.	82,200	82,200
Rejna S.p.A.	8,500	8,500
Allevard Sogefi U.S.A. Inc.	4,544	2,603
Sogefi Filtration S.A.	7,900	7,900
TOTAL	103,144	101,203

14. DEFERRED TAX ASSETS

At June 30, 2009, these amounted to €1,441 thousand, against €1,146 thousand at the end of the previous year, and relate to benefits expected at the end of the period on deductible temporary differences, to the extent that it is reasonably certain they will be recovered.

“Deferred tax liabilities” reflects the impact of deferred tax liabilities at the end of the period.

B2) LIABILITIES AND EQUITY

15. FINANCIAL DEBTS TO BANK AND OTHER FINANCING CREDITORS

Details are as follows:

Current portion

(in thousands of Euro)	June 30, 2009	December 31, 2008
Bank overdrafts and short-term loans	123	10,224
Cash pooling current accounts with subsidiaries	49,803	29,290
Short-term bank loans	-	-
Current portion of medium/long-term financial debts <i>of which to subsidiaries</i>	75,243 21	22,816 25
Total loans maturing within one year	125,046	52,106
TOTAL SHORT-TERM FINANCIAL DEBTS	125,169	62,330
Other short-term liabilities for derivatives	-	-
TOTAL BANK OVERDRAFTS, OTHER CURRENT LOANS AND DERIVATIVES	125,169	62,330

Non-current portion

(in thousands of Euro)	June 30, 2009	December 31, 2008
Medium/long-term financial debts to banks	173,642	230,717
Other medium/long-term financial debts	-	-
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS	173,642	230,717
Other medium/long-term financial liabilities for derivative financial instruments	3,484	2,263
MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	177,126	232,980

Bank overdrafts and short-term loans

This figure mainly represents the amount due in terms of interest accrued at June 30, 2009 on temporary drawdowns of credit lines made in the second quarter of 2009.

Cash pooling current accounts with subsidiaries

Details are as follows:

(in thousands of Euro)	June 30, 2009	December 31, 2008
Filtrauto S.A.	10,221	7,630
Sogefi Filtration d.o.o.	1,207	1,819
Sogefi Filtration S.p.A.	911	-
Luhn & Pulvermacher-Dittmann & Neuhaus GmbH	12,872	15,899
Allevard Federn GmbH	5,349	-
United Springs S.A.S.	3,203	2,852
Sogefi Filtration Ltd	481	941
Allevard Springs Ltd	10,302	-
United Springs Ltd	382	149
Allevard Rejna Autosuspensions S.A.	4,875	-
TOTAL	49,803	29,290

Current portion of medium/long-term financial debts

This principally includes:

- The current portion, corresponding to € 1,020 thousand, of the loan obtained from Banca Carige S.p.A., described below;
- The current portion, corresponding to € 11,111 thousand, of the loan obtained from Intesa Sanpaolo S.p.A., described below;
- The current portion, corresponding to € 22,200 thousand, of the loan obtained from Unicredit Corporate Banking S.p.A., as described below;
- Drawdowns of € 40 million on the loan granted to the Company in June 2008 in the form of a syndicated loan, with lead banks ING Bank N.V. and Intesa Sanpaolo S.p.A., as described below. At December 31, 2008 said drawdown was recognised under “Medium/long term loans”. At June 30, 2009, it has been reclassified under “Current portion of medium/long term loans” as a result of the payment made on July 2, 2009;
- € 891 thousand in net financial expenses accrued at June 30, 2009 on loans and on hedging derivatives on interest rates.

Medium/Long-term financial debts to banks

This includes:

- The medium/long term portion, corresponding to € 525 thousand, of the loan obtained from Banca Carige S.p.A. for a total of € 7,500 thousand, of which € 4,820 thousand has been drawn down, at an interest rate indexed to the six-month Euribor rate, plus 100 basis points, due to be repaid between June 30, 2006 and December 31, 2010;
- Drawdowns corresponding to € 77,581 thousand of a loan for a total of € 100 million obtained from Unicredit Corporate Banking S.p.A. in September 2006, which expires in September 2013, at a floating interest rate with a spread of 22.5 basis points on the 3-month Euribor rate. In the six-month period in question, the spread applied was 30 basis points;
- Drawdowns corresponding to € 36,018 thousand of a loan for a total of € 50 million obtained from Intesa Sanpaolo S.p.A. in September 2006, which

expires in September 2013, at a floating interest rate with a spread of 22.5 basis points on the 3-month Euribor rate. In the six-month period in question, the spread applied was 32.5 basis points;

- Drawdowns of € 59,518 thousand on the loan granted in the form of a syndicated loan for a total of €160 million granted in June 2008, which expires in June 2013 at a floating interest rate with a spread of 50 basis points on the 3-month Euribor rate.

With reference to the loan of €50 million obtained in September 2006 from Intesa Sanpaolo S.p.A., on June 30, 2009 the Company finalised an agreement to change the covenants envisaged in the loan contract. Upon payment of a commission and an increase of the spreads, with reference to the measurement of the covenants on June 30, 2009 and December 31, 2009, the maximum ratio of the consolidated net financial position to EBITDA has been increased, and for the purposes of calculating EBITDA, costs resulting from non-ordinary operations will be excluded for the entire duration of the loan.

The existing loans are not secured by the Company's assets. Refer to note 19 below for an analysis of the covenants on said loans.

Other medium/long-term liabilities in derivatives

These represent payables corresponding to the fair value of derivative contracts (*Irs, Irc e K.in forward Zero Cost*) that mature beyond June 30, 2010, subscribed in 2008 for the purpose of transforming part of medium/long term loans from floating to fixed interest rate. Details of these contracts are provided in the note below entitled "Financial Instruments".

16. TRADE AND OTHER CURRENT PAYABLES

Details are as follows:

(in thousands of Euro)	June 30, 2009	December 31, 2008
Due to subsidiaries	163	518
Due to parent company	973	-
Due to suppliers	839	1,090
Due to social security institutions	432	476
Due to employees	825	796
Other payables	1,520	998
TOTAL	4,752	3,878

Amounts "Due to parent company" of €973 thousand refer to amounts owed to CIR S.p.A. for services provided in the first half of 2009.

"Other payables" includes €1,399 thousand due to Honeywell International Inc. for the licence contract to use the FRAM trademark.

17. OTHER LONG-TERM LIABILITIES

Long-term provisions

These can be broken down as follows:

(in thousands of Euro)	June 30, 2009	December 31, 2008
Provision for employment termination indemnities	804	745
Provision for phantom stock options	136	308
TOTAL	940	1,053

“Provisions for Phantom Stock Options” refers to allocations of the fair value of options related to Phantom Stock Option incentive schemes for the Managing Director and managers of the Company. The related provision is included in the income statement under “Non-financial services” and “Personnel costs”. The reduction in the provision at June 30, 2009 includes €101 thousand due to the waiver of 2007 and 2008 phantom stock options by the beneficiaries. Said beneficiaries received 2009 extraordinary stock options, resolved upon by the Shareholders’ Meeting held on 23 April 2009 to replace the waived options.

Deferred tax liabilities

At June 30, 2009 this item amounted to €765 thousand compared with €459 thousand at December 31, 2008.

This amount related to the taxes expected to be paid on taxable temporary differences.

18. SHAREHOLDERS' EQUITY

Share capital

At June 30, 2009, the share capital amounted to €60,397,475.84 (divided into 116,148,992 ordinary shares of a par value of €0.52 each) and is unchanged with respect to December 31, 2008.

Reserves and retained earnings (accumulated losses)

At June 30, 2009, this item amounted to €69,338 thousand, against €40,667 thousand at the end of the previous year.

The increase is mainly due to the resolution of the Shareholders’ Meeting held on April 23, 2009, which allocated the profit for 2008 to legal reserves (€140 thousand) and the remaining amount to Retained earnings (€29,082 thousand).

Changes in equity in the first half of 2008 and 2009 have already been illustrated in the table above entitled “Statement of changes in Shareholders’ Equity”.

19. ANALYSIS OF THE NET FINANCIAL POSITION

The following table provides details of the net financial position as required by Consob in its communication no. DEM/6064293 of July 28, 2006 with a reconciliation of the net financial position included in the report on operations:

(in thousands of Euro)	June 30, 2009	December 31, 2008
A. Cash	16	21
B. Other cash (bank deposits and cash pooling current accounts)	52,054	31,139
<i>of which cash pooling current accounts with subsidiaries</i>	15,990	24,288
C. Other financial assets	83	2
D. Liquid funds (A) +(B)+(C)	52,153	31,162
E. Current financial receivables	18,441	-
<i>of which loans to subsidiaries</i>	18,441	-
F. Current payables to banks and cash pooling current accounts	49,926	39,514
<i>of which cash pooling current accounts with subsidiaries</i>	49,803	29,290
G. Current portion of non-current indebtedness	75,222	22,791
H. Other current financial payables	21	25
<i>of which financial debts to subsidiaries</i>	21	25
I. Current financial indebtedness (F)+(G)+(H)	125,169	62,330
J. Current financial indebtedness, net (I)-(E)-(D)	54,575	31,168
K. Non-current payables to banks	173,642	230,717
L. Bonds issued	-	-
M. Other non-current financial debts	3,484	2,263
N. Non-current financial indebtedness (K)+(L)+(M)	177,126	232,980
O. Net indebtedness (J)+(N)	231,701	264,148
Non-current loans and financial receivables similar to loans	103,144	101,203
<i>of which loans to subsidiaries</i>	103,144	101,203
Net financial indebtedness, including non-current financial receivables (as per the "Net financial position" included in the director's report operations)	128,557	162,945

Details of the covenants applying to loans outstanding at the end of the period are as follows:

- Syndicated loan of € 160 million: the ratio of the consolidated net financial position to consolidated EBITDA must be less than or equal to 3.5; the ratio of EBITDA to net financial interests must not be less than 4;
- Loan of € 50 million from Intesa Sanpaolo S.p.A.: as previously commented in note 15, on June 30, 2009, the Company agreed to change the covenants envisaged in the loan contract with the financial institution in question; with reference to the measurement of the covenants at June 30, 2009 and at December 31, 2009, the maximum ratio of consolidated net financial position to consolidated EBITDA has been increased from 3.5 to 4;
- Loan of € 100 million from Unicredit Corporate Banking S.p.A: the ratio of the consolidated net financial position to consolidated EBITDA must be less than 4.

At June 30, 2009 the Company was in full compliance with these covenants.

C) NOTES ON THE MAIN INCOME STATEMENT ITEMS

20. FINANCIAL INCOME AND EXPENSES

Income from equity investments

This item can be broken down as follows:

(in thousands of Euro)	1 st half 2009	1 st half 2008
Dividends from subsidiaries:		
- Sogefi Filtration A.B.	456	495
- Sogefi Filtration S.A.	3,443	1,722
- Sogefi Filtration B.V.	3,800	2,000
- Sogefi Filtration d.o.o.	700	2,000
- Filtrauto S.A.	13,001	11,002
- Allevard Rejna Autosuspensions S.A.	14,998	17,498
- Sogefi Filtration Ltd	-	5,109
- Rejna S.p.A.	-	998
Dividends and other income from other companies:		
- Banca Monte dei Paschi Siena S.p.A.	-	1
TOTAL	36,398	40,825

The dividends approved in the first half of the year have been entirely booked to the income statement.

In the first half of 2009, the Company collected dividends totalling € 17,957 thousand from its subsidiaries.

Other financial income

Details are as follows:

(in thousands of Euro)	1 st half 2009	1 st half 2008
Interest from subsidiaries	1,818	2,899
Interest from cash pooling	603	485
Interest from banks	19	156
Income from interest-rate hedging contracts	24	150
Exchange gains and income from exchange-rate hedging contracts	1,154	1,023
Interest grants	20	29
TOTAL	3,638	4,742

Interest and other financial charges

Details as follows:

(in thousands of Euro)	<i>1 st half 2009</i>	<i>1 st half 2008</i>
Interest expense on syndicated loans	1,421	525
Interest expense on Unicredit C.B. S.p.A.	1,316	1,660
Interest expense on Intesa Sanpaolo S.p.A.	655	1,254
Interest expense on Banca Carige S.p.A.	46	88
Interest on financial debts to banks	316	711
Interest on cash pooling accounts	263	917
Expenses from interest-rate hedging contracts	690	-
Exchange losses and cost of hedging exchange risks	1,221	1,096
Bank commissions and fees	13	68
Commission on financial transactions	176	130
Other	16	18
TOTAL	6,133	6,467

21. OTHER OPERATING INCOME

This item can be broken down as follows:

(in thousands of Euro)	<i>1 st half 2009</i>	<i>1 st half 2008</i>
REVENUES FROM THE SALE OF GOODS AND SERVICES		
Business consulting and assistance, royalties:		
- Filtration Division companies	3,345	1,870
- Suspension Components Division companies	1,181	1,646
Leased and sub-leased premises:		
- Sogefi Filtration S.p.A.	152	303
- Rejna S.p.A.	259	255
OTHER REVENUES AND INCOME		
Other income and cost recoveries from subsidiaries	32	252
Other income	26	23
TOTAL	4,995	4,349

The increase in income for the Filtration Division is mainly due to income falling due in the first half of 2009 on sub-licence contracts with subsidiaries for the use of the FRAM trademark under the licence agreement between the Company and Honeywell International Inc. effective as from July 1, 2008. Income from sub-licence contracts for the FRAM trademark started to be generated in the second half of 2008.

As part of the project to centralise the Group's procurement, assigning it to the newly-established subsidiary Sogefi Purchasing S.A.S., as of January 1, 2009 the Company has ceased to provide purchasing negotiation services to Group companies by setting up a support service directly with the subsidiary.

The lease contract with Sogefi Filtration S.p.A. was terminated in advance on March 31, 2009, following the closure of production activities in the Mantua plant by the subsidiary.

22. OTHER OPERATING EXPENSES

In the first half of 2009, "Non-financial services" included the amount of €973 thousand for administrative, financial, tax-related and corporate services provided by the Parent company.

Costs of services fell with respect to the same period of the previous year mainly due to the termination of secondment contracts and external consulting contracts supporting services provided by the Company.

"Leases and rentals" included €1,863 thousand from royalties accrued during the period on the licence contract signed on June 30, 2008 with Honeywell International Inc. for the use of the FRAM trademark by the Group's Filtration Division.

The decrease in "Personnel costs" is mainly due to the lower disbursement of the variable part of pay linked to the results of the previous year. This item also includes a reversal of the cost of € 101 thousand related to the waiver by beneficiaries and consequent cancellation of options related to 2007 and 2008 phantom stock option plans as discussed above in note 17 "Other long-term liabilities".

The decrease of "Other operating expenses" is mainly due to lower travelling expenses of Company employees with respect to the previous year.

23. NON-OPERATING INCOME AND EXPENSES

Recurring income

This corresponds to the increase in the fair value at June 30, 2009, of the investment property located in San Felice del Benaco.

Recurring expenses

These represent the imputed cost, corresponding to €111 thousand, related to the existing stock option plans, as a result of the application of the principle indicated in IFRS 2. For stock option plans restricted to Company employees, the fair value of the option, established at the time of allocation, is recognised as a cost on the income statement for the entire period for which the benefit accrues, while a balancing entry is made to a reserve under equity. The fair value (€167 thousand) of the options related to the stock option plans assigned to employees of subsidiaries is added to the book value of the relative equity investments.

24. INCOME TAXES

At June 30, 2009, tax assets amounted to €514 thousand against €531 thousand at June 30, 2008.

25. OTHER INFORMATION

In the first half of 2009, Sogefi S.p.A. had an average of 28.5 employees.

D) 26. RELATED PARTY TRANSACTIONS

Information on related party transactions can be found in the corresponding section of the explanatory notes to the consolidated financial statements.

The impact on the balance sheet and income statement of related party transactions is summarised in the following tables:

Balance at June 30, 2009	<i>Balance sheet</i>						
	CURRENT ASSETS				NON - CURRENT ASSETS	CURRENT LIABILITIES	
	Cash pooling accounts	Loans and financial receivables	Trade receivable s	Other assets	Loans	Cash pooling accounts	Trade payables
Sogefi Filtration S.p.A.			352			911	
Sogefi Filtration Ltd	2,536		432			481	3
Sogefi Filtration B.V.	3,982		169				
Sogefi Filtration S.A.	579	3,443	70	4	7,900		
Sogefi Filtration A.B.			40				
Filtrauto S.A.			253			10,221	4
Sogefi Filtration d.o.o.			3			1,207	4
Sogefi Filtration do Brasil Ltda			170				
Sogefi Filtration Argentina S.A.			62				
Sogefi Purchasing S.A.S.	921		429				
Rejna S.p.A.	5,831		168	5	8,500		74
Luhn & Pulvermacher-Dittmann & Neuhaus GmbH						12,872	32
Allevarð Rejna Autosuspensions S.A.		14,998	405	46	82,200	4,875	
Allevarð Federn GmbH						5,349	21
Allevarð Springs Ltd	767		19			10,302	13
Allevarð Rejna Argentina S.A.			52				
Allevarð Molas do Brasil Ltda							
Allevarð Sogefi U.S.A. Inc.			43	2	4,544		
United Springs S.A.S.						3,203	11
United Springs B.V.	1,374		7				
United Springs Ltd			1			382	1
Shanghai Sogefi Autoparts Co. Ltd							21
Shanghai Allevarð Springs Co. Ltd.			1				
TOTAL	15,990	18,441	2,676	57	103,144	49,803	184

1 st half 2009	<i>Income statement</i>					
	Income				Expenses	
	From equity investments	Other financial income	Revenues from the sale of goods and services	Other revenues and income	Interest and other financial charges	Other operating expenses
Sogefi Filtration S.p.A.		23	837	10	6	
Sogefi Filtration Ltd		62	607	4	12	
Sogefi Filtration A.B.	456		40			
Sogefi Filtration B.V.	3,800	53	325			
Sogefi Filtration S.A.	3,443	170	198	1		
Filtrauto S.A.	13,001	45	670		20	
Sogefi Filtration d.o.o.	700		34	3	15	
Sogefi Filtration do Brasil Ltda			449			
Sogefi Filtration Argentina S.A.			184			
Sogefi Purchasing S.A.S.		5	310			
Rejna S.p.A.		268	485	11		50
Luhn & Pulvermacher-Dittmann & Neuhaus GmbH			203		133	
Allevard Rejna Autosuspensions S.A.	14,998	1,655	323	3	1	2
Allevard Federn GmbH		22	33		29	
Allevard Springs Ltd		54	5		13	
Allevard Rejna Argentina S.A.			52			
Allevard Molas do Brasil Ltda			129			
Allevard Sogefi U.S.A. Inc.		46				
United Springs S.A.S.			43		32	
United Springs B.V.		17	5			
United Springs Ltd		1	5		2	
TOTAL	36,398	2,421	4,937	32	263	52

The Company issues guarantees on behalf of its subsidiaries for commitments made to third parties, illustrated in item E) below “Commitments and risks”.

Sogefi S.p.A. is subject to policy guidance and coordination by CIR S.p.A.; Details of transactions with the parent company can be found in the following notes:

- Note 7. Trade and other receivables;
- Note 16. Trade and other current payables;
- Note 22. Other operating expenses.

E) COMMITMENTS AND RISKS

27. INFORMATION ON COMMITMENTS AND RISKS

The most important are:

- “*guarantees*” on behalf of subsidiaries amounting to €42,164 thousand and in favour of third parties amounting to €45 thousand;
- commitments for “Interest rate hedging contracts” held by the Company with a notional value of €70,000 thousand;
- commitments for forward forex contracts amounting to €6,343 thousand.

F) 28. FINANCIAL INSTRUMENTS

At June 30, 2009 the Company held the following contracts to hedge interest rate risk on part of its medium/long term loans:

Description of IRS	Date opened	Contract Maturity	Notional	Fixed rate	Fair value
Hedging of loan for €50 million (09/08/2006 maturity 09/08/2013) rate: Euribor + 22.5 bps	04/24/2008	09/30/2012	10,000	4.193%	(637)
Hedging of loan for €50 million (09/08/2006 maturity 09/08/2013) rate: Euribor + 22.5 bps	10/07/2008	12/31/2010	15,000	3.755%	(535)
Hedging of loan for €100 million (06/04/2008 maturity 06/04/2013) rate: Euribor + 50.0 bps	10/07/2008	11/04/2010	10,000	3.860%	(381)
Hedging of loan for €100 million (06/04/2008 maturity 06/04/2013) rate: Euribor + 50.0 bps	10/07/2008	11/04/2010	10,000	3.890%	(386)
Description of IRC	Date opened	Contract Maturity	Notional	Cap/Floor	Fair value
Hedging of loan for €100 million (09/29/2006 maturity 09/29/2013) rate: Euribor + 22.5 bps	04/24/2008	10/31/2012	10,000	Cap: 4.50% Floor: 3.84%	(590)
Description of K.IN FORWARD ZERO COST	Date opened	Contract Maturity	Notional	Cap/Floor	Fair value
Hedging of loan for €100 million (09/29/2006 maturity 09/29/2013) rate: Euribor + 22.5 bps	04/24/2008	10/31/2012	10,000	Cap: 4.50% Floor: 4.20% Knock in European: 3.33%	(673)
Hedging of loan for €100 million (09/29/2006 maturity 09/29/2013) rate: Euribor + 22.5 bps	05/09/2008	10/31/2011	5,000	Cap: 4.40% Floor: 4.10% Knock in European: 3.10%	(282)

At June 30, 2009, the Company also held the following forward contracts to hedge exchange rate risk on intercompany financial positions:

Forward sale	Date opened	Spot price Currency/€	Date closed	Forward price currency/€	Fair Value
USD 5,530,000	06/19/2009	1.38400	07/03/2009	1.38395	(83)
GBP 2,000,000	06/19/2009	0.85220	07/03/2009	0.85222	-



SOCIETA' PER AZIONI
CAPITALE SOCIALE € 60.397.475,84 INT. VERS.

ISCRITTA AL REG. IMPRESE MANTOVA N. 0060746 020 1
ISCRITTA AL R.E.A. MANTOVA N° 142702
CODICE FISCALE (IVA) 0060746 020 1
SOCIETA' SOGGETTA ALL'ATTIVITA' DI DIREZIONE
E COORDINAMENTO DI CIR S.p.A.

DECLARATION OF THE HALF YEAR CONDENSED FINANCIAL STATEMENTS OF THE GROUP AND HOLDING COMPANY PURSUANT TO ART. 81-TER OF CONSOB REGULATION No. 11971 DATED 14 MAY 1999 AND SUBSEQUENT AMENDMENTS

1. The undersigned:

Emanuele Bosio – Chief Executive Officer of Sogefi S.p.A.

Giancarlo Coppa – Manager responsible for preparing Sogefi S.p.A.'s financial reports

hereby certify, having also taken into consideration the provisions of Article 154-bis, paragraph 3 and 4, of Italian Legislative Decree no. 58 of February 24, 1998, that:

the administrative and accounting procedures for the preparation of the half-yearly condensed financial statements of the Group and of the Holding Company, in the first half of 2009:

- are adequate with respect to the company structure and
- have been effectively applied.

2. No relevant aspect are to be reported on this subject.

3. It is also certified that:

3.1 the half-yearly condensed financial statements of the Group and of the Holding Company at June 30, 2009:

- have been prepared in accordance with international accounting standards as endorsed by the European Union through Regulation (CE) No. 1606/2002 of the European Parliament and Council, dated July 19, 2002;
- correspond to the books and accounting records;
- provide a true and fair representation of the financial position, results of operations and cash flows of the issuer and the companies included in the scope of consolidation;

3.2 the interim report on operations includes a reliable analysis of the significant events that occurred during the first six months and their impact on the condensed interim financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year. The interim report on operations also includes a reliable analysis of the information on the significant related party transactions.

Milan, July 24, 2009

Chief Executive Officer

Emanuele Bosio

Manager responsible for preparing
financial reports

Giancarlo Coppa

AUDITORS' REPORT ON THE REVIEW OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2009

To the shareholders of
SOGEFI SpA

- 1 We have reviewed the consolidated condensed interim financial statements of Sogefi SpA and its subsidiaries (Sogefi Group) as of 30 June 2009 and for the six months then ended, comprising the consolidated statement of financial position, the consolidated income statement and statement of comprehensive income, the consolidated statements of changes in shareholders' equity and cash flows and the related explanatory notes. Sogefi SpA's directors are responsible for the preparation of the consolidated condensed interim financial statements in accordance with the international accounting standard IAS 34, applicable to interim financial reporting, as adopted by the European Union. Our responsibility is to issue this report based on our review.

- 2 Our work was conducted in accordance with the criteria for a review recommended by the National Commission for Companies and the Stock Exchange (CONSOB) with Resolution no. 10867 of 31 July 1997. The review consisted principally of inquiries of company personnel about the information reported in the consolidated condensed interim financial statements and about the consistency of the accounting principles utilised therein as well as the application of analytical review procedures on the data contained in the above mentioned consolidated financial statements. The review excluded certain auditing procedures such as compliance testing and verification and validation tests of the assets and liabilities and was therefore substantially less in scope than an audit performed in accordance with generally accepted auditing standards. Accordingly, unlike an audit on the annual consolidated financial statements, we do not express a professional audit opinion on the consolidated condensed interim financial statements.

Regarding the comparative amounts of the consolidated financial statements of the prior year and the consolidated condensed interim financial statements of the prior year presented in the consolidated condensed interim financial statements, reclassified to reflect the changes to the financial statements presentation introduced by IAS 1 (2007), reference should be made to our reports dated March 13, 2009 and July 31, 2008.

- 3 Based on our review, nothing has come to our attention that causes us to believe that the consolidated condensed interim financial statements of Sogefi Group have not been prepared, in all material respects, in accordance with the international accounting standard IAS 34, applicable to interim financial reporting, as adopted by the European Union.

Milan, July 31, 2009

PricewaterhouseCoopers SpA

Sergio Pizzarelli
(Partner)

This report has been translated into the English language solely for the convenience of international readers.

**AUDITORS' REPORT ON THE REVIEW OF THE CONDENSED INTERIM
FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2009**

To the shareholders of
SOGEFI SpA

- 1 We have reviewed the condensed interim financial statements of Sogefi SpA as of June 30, 2009 and for the six months then ended, comprising the statement of financial position, the income statement and statement of comprehensive income, the statements of changes in shareholders' equity and cash flows and the related explanatory notes. Sogefi SpA's directors are responsible for the preparation of the condensed interim financial statements in accordance with the international accounting standard IAS 34, applicable to interim financial reporting, as adopted by the European Union. Our responsibility is to issue this report based on our review.
- 2 Our work was conducted in accordance with the criteria for a review recommended by the National Commission for Companies and the Stock Exchange (CONSOB) with Resolution no. 10867 of July 31, 1997. The review consisted principally of inquiries of company personnel about the information reported in the condensed interim financial statements and about the consistency of the accounting principles utilised therein as well as the application of analytical review procedures on the data contained in the above mentioned financial statements. The review excluded certain auditing procedures such as compliance testing and verification and validation tests of the assets and liabilities and was therefore substantially less in scope than an audit performed in accordance with generally accepted auditing standards. Accordingly, unlike an audit on the annual financial statements, we do not express a professional audit opinion on the condensed interim financial statements.

Regarding the comparative amounts of the financial statements of the prior year and the condensed interim financial statements of the prior year presented in the condensed interim financial statements, reclassified to reflect the changes to the financial statements presentation introduced by IAS 1 (2007), reference should be made to our reports dated March 13, 2009 and July 31, 2008.

- 3 Based on our review, nothing has come to our attention that causes us to believe that the condensed interim financial statements of Sogefi Group have not been prepared, in all material respects, in accordance with the international accounting standard IAS 34, applicable to interim financial reporting, as adopted by the European Union.

Milan, July 31, 2009

PricewaterhouseCoopers SpA

Sergio Pizzarelli
(Partner)

This report has been translated into the English language solely for the convenience of international readers.