

REPORT ON GROUP OPERATIONS AS OF SEPTEMBER 30, 2005



SOCIETA' PER AZIONI - SHARE CAPITAL EURO 58.337.651,84
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DIRECTORS' REPORT ON GROUP OPERATIONS AT

SEPTEMBER 30 2005

In the third quarter 2005, the SOGEFI GROUP confirmed the surge in business and improved operating results already evident in the first half of the year, against a similar competitive backdrop.

Spurred by brisk demand on South American markets and the growing success of the *stabilinks* truck suspensions product line and despite a certain flagging in the precision springs sector and on the European independent filter aftermarket, in the first nine months of 2005 consolidated sales moved up 7.6% in relation to the corresponding period of 2004, reaching €774.5 million compared with €719.6 million in the same period of the previous year. Exchange rate trends generated a positive effect of €5.9 million stemming from revaluation of the Brazilian Real.

There was a further improvement in profitability at all levels in relation to the corresponding period of financial 2004 which was negatively affected by major costs for start-up of the new North American company operating in the suspensions sector.

Consolidated operating income stood at €76.5 million (9.9% of sales) in relation to €66.7 million (9.3% of sales) in the first nine months of 2004, an improvement of 14.7%.

Consolidated EBITDA increased by 17.8%, moving from €82.7 million (11.5% of sales) in the first nine months of 2004 to €97.4 million (12.6% of sales) in the same period of the current year.

Consolidated EBIT grew by 29.7% to €62.2 million (8% of sales) compared with €48 million (6.7% of sales) in the first nine months of 2004.

In the third quarter, there were no further increases in the cost of steel but oil prices generated a certain tension on energy prices and those of derivative materials.

The period July/September was not marked by non-recurrent costs or revenues, thereby confirming the provisions made at June 30 to cover litigation with a customer and for industrial re-organisation plans to be adopted in Italy and Spain, as explained in more detail

in the sections dedicated to the performance of the individual Divisions.

Income before taxes and minority interests was equal to €53.8 million, an increase of 32.9% in relation to the €40.4 million posted in the first nine months of the previous year.

Consolidated net income for the period confirmed the noteworthy upswing in this item (+74.1%) which moved up to €33.4 million (4.3% of sales) in relation to €19.2 million (2.7% of sales) in the corresponding period of 2004, also due to the effect of a lower percentage impact of fiscal charges.

At September 30 2005, **consolidated shareholders' equity, including minority interests**, amounted to €248.9 million, an increase in relation to the €215.8 million recorded at September 30 2004 and €224.5 million at December 31 2004.

Group consolidated shareholders' equity at September 30 2005 was equal to €235.5 million in relation to €210.3 million at December 31 2004 and €201 million at September 30 2004.

Significant generation of cash in the quarter made it possible to trim **net financial indebtedness** to €190.6 million compared with €233.5 million at September 30 2004 and €204 million at year-end 2004.

Re-organisation processes resulted in a further reduction in the Group workforce which, at the end of the period under review, comprised 6,311 persons compared with 6,522 at September 30 2004 and 6,303 at December 31 2004.

PERFORMANCE OF THE FILTER DIVISION

In the third quarter 2005, Filter Division business once again bore the brunt of current difficulties of the independent aftermarket sector in Europe, with a retrenching of demand on the three main markets on which the Group operates: Italy, France and Great Britain.

Demand held up well in South America, a market where competitors shaken out in the period of crisis following devaluation of local currencies have reappeared.

Spurred by Latin American markets, sales volumes were on the whole higher than in the first nine months of 2004, with **consolidated sales** of €393.3 million in relation to €388.3 million in the corresponding period of 2004, with a positive impact of exchange rates of €4 million.

There was a slight improvement in profitability, to be ascribed to the reduction in restructuring costs in relation to the corresponding period of the previous year, while the shrinkage in the European area was offset by progress in Latin America.

Consolidated operating income was equal to €43 million (10.9% of sales) in relation to the €42.9 million (11.1% of sales) reported in the corresponding period of the previous year.

Consolidated EBITDA amounted to €51.1 million (13% of sales) compared with €51 million (13.1% of sales) in the first nine months of 2004.

Consolidated EBIT improved by 6.1%, moving from €35.1 million (9% of sales) in the first nine months of 2004 to €37.2 million (9.5% of sales) in the corresponding period of 2005.

Relocation of production in Great Britain, according to which activities carried out formerly at Nottingham have been transferred to sites in Wales, has been more or less completed.

A similar operation, which envisages closing of the two present sites in Barcelona and transfer of to a new plant, not company-owned, in the same area, is planned in Spain by the end of the year. The project is due for completion in the Spring of 2006 and the forecast costs of €1.5 million have already been covered by a specific provision.

PERFORMANCE OF THE SUSPENSION COMPONENTS AND PRECISION SPRINGS DIVISION

The upswing in Division business, in all sectors except for precision springs, was further consolidated in the third quarter 2005.

The excellent performance of the industrial vehicles sector and of the South American companies was accompanied by stable demand on the European automotive market.

Following alignment of sales prices to increases in the cost of steel, the Division posted **consolidated sales** of €381.2 million, with a year-on-year increase of 15.1%, also driven by a positive exchange effect of €1.8 million.

As in the first half of the year, profitability was negatively affected by appropriation of €3.8 million to cover charges relating to quality problems of a supply of shock absorber springs to a European customer with whom the dispute has not yet been settled.

However, there was a noteworthy upturn in all the main profitability indexes.

Consolidated operating income advanced by 31.3%, moving from €26.7 million (8.1% of sales) in the first nine months of 2004 to €35.1 million (9.2% of sales) in 2005.

Consolidated EBITDA increased by 39.8% rising to €49.1 million (12.9% of sales) in relation to €35.1 million (10.6% of sales) in the same period of 2004.

Consolidated EBIT improved by 66.9% moving to €28.3 million (7.4% of sales) compared with €17 million (5.1% of sales) in the first nine months of 2004.

There was an improvement in the business and results of the North American subsidiary (still affected by negative profitability) and of the Chinese joint-venture which felt the beneficial effects of a recovery in local demand.

The LPDN GmbH German subsidiary posted particularly brilliant results, increasing its operating income by 71.5% in relation to the same period of the previous year.

On September 30, the Melfi (Italy) plant ceased production and all automotive suspension component business has been concentrated at a single facility at Settimo Torinese.

As part of company plans to re-organise the Division, on July 25, Sidergarda Mollificio Bresciano S.r.l. was merged through incorporation in Rejna S.p.A. which continues to be the only suspension component company in Italy.

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

In the first nine months of 2005, the Sogefi S.p.A. Parent Company reported **net income** of €22.8 million in relation to €28.8 million in the same period of the previous year. The reduction is to be ascribed mainly to the reduction in dividends from subsidiaries for €5.6 million and the shortfall in capital gains on disposals of equity investments which had positive repercussions for €3.3 million on the results for the first nine months of 2004. These factors were only partially offset by the increase in revenues for management fees from the subsidiaries and by the positive evolution of income taxes.

To celebrate 25 years of company history and success, on July 26 2005 the Board of Directors voted an extraordinary stock option plan for a total of 1,445,000 shares at a price of €4.5, assigned to 1,445 employees of the SOGEFI GROUP with at least 10 years' seniority. This resulted in a nominal cost of around €0.2 million, already included in the operating results at the end of September.

HIGHLIGHTS OF THE THIRD QUARTER 2005

In the third quarter 2005, **consolidated sales** amounted to €239.1 million, 6.6% up on the same period of 2004 (+0.9% of the Filter Division and +13.4% of the Suspension Components Division).

Consolidated operating income moved up 21.7%, from €21.7 million (9.7% of sales) in the third quarter of the previous year to €26.4 million (11.2% of sales) in the same period of the current year.

The Filter Division achieved €14.7 million (11.9% of sales) in relation to €15.4 million (12.6% of sales) in the same period of 2004.

The Suspensions Division reported €12.1 million (10.5% of sales) in relation to €6.7 million (6.6% of sales) in the corresponding period of the previous year.

Consolidated **EBITDA** advanced by 28.1%, moving from €25.9 million (11.6% of sales) in the third quarter 2004 to €33.2 million (13.9% of sales) in the corresponding period of the current year.

The Filter Division posted €17.6 million (14.3% of sales) in relation to €16.5 million (13.5% of sales) in the same period of 2004.

The Suspensions Division achieved €16.6 million (14.4% of sales) in relation to €10.4 million (10.2% of sales) in the third quarter 2004 which bore the brunt of increases in steel prices and completion of the start-up phase of the North American subsidiary.

Consolidated EBIT increased by 47.6%, moving from €15.4 million (6.9% of sales) of the third quarter 2004 to €22.7 million (9.5% of sales).

The Filter Division reported €13.2 million (10.7% of sales) in relation to €11.8 million (9.6% of sales) in the same period of 2004.

The Suspensions Division achieved €10.7 million (9.2% of sales) in relation to €4.8 million (4.7% of sales) in the corresponding period of the previous year.

Consolidated net income soared by 85.9%, moving to €11.4 million (4.8% of sales) in relation to €6.1 million (2.7% of sales) in the same period of the previous year.

During the quarter, there was a reduction of €23.8 million in **net financial indebtedness** which moved from €214.4 million at the end of June to €190.6 million at the end of September, driven also by the beneficial effects of seasonal factors.

BUSINESS OUTLOOK

Major changes in market scenario and in the main cost factors are not expected in the last quarter of the year.

Therefore, it is considered that higher revenues and improved operating results in relation to the previous year will be confirmed for the entire year.

CONSOLIDATED ACCOUNTING SCHEDULES

SOGEFI GROUP CONSOLIDATED BALANCE SHEET

(Euro m)

ASSETS	September 30 2005	December 31 2004
CURRENT ASSETS		
Cash and cash equivalents	56.8	49.8
Short-term securities and financial assets	9.4	7.1
Current portion of long-term financial assets	0.1	0.1
CURRENT OPERATING ASSETS		
Inventories	114.4	112.1
Trade receivables	238.5	243.1
Other-receivables	6.3	5.1
Receivables from tax authorities	8.7	11.3
Other current assets	2.7	2.4
TOTAL CURRENT OPERATING ASSETS	370.6	374.0
TOTAL CURRENT ASSETS	436.9	431.0
NON-CURRENT ASSETS		
FIXED ASSETS		
Land	16.0	15.7
Property, plant and equipment	237.5	236.9
Other tangible fixed assets	5.4	5.7
<i>Of which leasing</i>	<i>20.6</i>	<i>19.6</i>
Intangible fixed assets	112.6	110.3
TOTAL FIXED ASSETS	371.5	368.6
OTHER NON-CURRENT ASSETS		
Investments in subsidiaries	-	-
Investments in associated companies	5.2	6.0
Other short-term financial assets	0.5	4.2
Long-term trade receivables	0.8	0.7
Other receivables	3.7	3.0
Deferred tax assets	11.2	13.4
TOTAL OTHER NON-CURRENT ASSETS	21.4	27.3
TOTAL NON-CURRENT ASSETS	392.9	395.9
TOTAL ASSETS	829.8	826.9

LIABILITIES AND SHAREHOLDERS' EQUITY	September 30 2005	December 31 2004
CURRENT LIABILITIES		
Due to banks	3.8	11.1
Current portion of long-term debt and other loans	90.5	94.8
<i>Of which leasing</i>	1.1	1.0
TOTAL SHORT-TERM BORROWINGS	94.3	105.9
Trade payables and other liabilities	217.8	229.9
Due for taxes	6.2	10.9
Other current liabilities	3.0	3.1
TOTAL CURRENT LIABILITIES	321.3	349.8
NON-CURRENT LIABILITIES		
Long-term debt		
Due to banks	141.2	133.8
Other long-term loans	21.6	21.4
<i>Of which leasing</i>	18.3	18.2
TOTAL LONG-TERM FINANCIAL LIABILITIES	162.8	155.2
OTHER LONG-TERM LIABILITIES		
Long-term provisions	82.2	85.0
Other liabilities	0.1	0.3
Deferred tax liabilities	14.5	12.1
TOTAL OTHER LONG-TERM LIABILITIES	96.8	97.4
TOTAL NON-CURRENT LIABILITIES	259.6	252.6
SHAREHOLDERS' EQUITY		
Share capital	57.3	57.7
Reserves and retaining earnings (accumulated losses)	144.8	122.6
Net income (loss) for the year	33.4	30.0
CONTROLLING COMPANY'S INTEREST IN SHAREHOLDERS' EQUITY	235.5	210.3
Minority interests	13.4	14.2
TOTAL SHAREHOLDERS' EQUITY	248.9	224.5
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	829.8	826.9

CONSOLIDATED INCOME STATEMENT OF THE SOGEFI GROUP FROM 1.1.2005 TO 30.9.2005

(Euro m)

	Period		Period		Financial Year	
	1.1 - 30.9.2005		1.1 - 30.9.2004		2004	
	Amount	%	Amount	%	Amount	%
Sales revenues	774.5	100.0	719.6	100.0	966.1	100.0
Variable cost of sales	500.6	64.6	454.5	63.2	614.5	63.6
CONTRIBUTION MARGIN	273.9	35.4	265.1	36.8	351.6	36.4
Manufacturing and R&D overheads	87.0	11.2	87.7	12.2	116.4	12.0
Depreciation and amortisation	35.2	4.5	34.7	4.8	45.1	4.7
Fixed selling and distribution expenses	29.4	3.8	30.0	4.2	39.5	4.1
Administrative and general expenses	45.8	6.0	46.0	6.3	59.0	6.1
OPERATING INCOME	76.5	9.9	66.7	9.3	91.6	9.5
Restructuring costs	5.2	0.7	10.6	1.5	23.0	2.4
Capital gains (losses) on disposals	(0.1)	-	(0.1)	-	(7.9)	(0.8)
Negative (positive) exchange differences	(0.3)	-	0.8	0.1	1.9	0.2
Other non-operating expenses (income)	9.5	1.2	7.4	1.0	9.6	1.0
EBIT	62.2	8.0	48.0	6.7	65.0	6.7
Net financial expense (income)	8.4	1.1	9.4	1.3	12.2	1.3
Losses (gains) on equity investments	0.1	-	(1.8)	(0.2)	(1.7)	(0.2)
INCOME BEFORE TAXES AND MINORITY INTERESTS	53.7	6.9	40.4	5.6	54.5	5.6
Income taxes	20.0	2.5	19.4	2.7	22.0	2.3
NET INCOME BEFORE MINORITY INTERESTS	33.7	4.4	21.0	2.9	32.5	3.3
Minority interests in loss (income)	(0.3)	(0.1)	(1.8)	(0.2)	(2.5)	(0.2)
GROUP NET INCOME	33.4	4.3	19.2	2.7	30.0	3.1

SOGEFI GROUP NET FINANCIAL POSITION

(Euro m)

	Position as of 30.9.2005	Position as of 30.06.2005	Position as of 31.12.2004	Position as of 30.09.2004
Cash, banks, financial receivables and negotiable securities	66.4	53.7	57.1	46.9
Short-term borrowings (*)	(94.2)	(104.4)	(105.9)	(44.2)
Long-term debt	(162.8)	(163.7)	(155.2)	(236.2)
NET FINANCIAL INDEBTEDNESS	(190.6)	(214.4)	(204.0)	(233.5)

(*) including current portions of medium/long-term debt

CONSOLIDATED INCOME STATEMENT OF THE THIRD QUARTER

(Euro m)

	Period 1.7 - 30.9.2005		Period 1.7 – 30.9.2004		Change	
	Amount	%	Amount	%	Amount	%
Sales revenues	239.1	100.0	224.3	100.0	14.8	6.6
Variable cost of sales	151.4	63.3	141.4	63.0	10.0	7.1
CONTRIBUTION MARGIN	87.7	36.7	82.9	37.0	4.8	5.8
Manufacturing and R&D overheads	27.1	11.3	27.5	12.2	(0.4)	(1.1)
Depreciation and amortisation	10.5	4.4	10.5	4.7	-	-
Fixed selling and distribution expenses	9.3	3.9	9.4	4.2	(0.1)	(0.6)
Administrative and general expenses	14.4	5.9	13.8	6.2	0.6	3.4
OPERATING INCOME	26.4	11.2	21.7	9.7	4.7	21.7
Restructuring costs	0.1	0.1	3.9	1.7	(3.8)	(96.9)
Gains (losses) on disposals	(0.1)	-	-	-	(0.1)	(100.0)
Negative (positive) exchange differences	0.5	0.2	0.2	0.1	0.3	133.6
Other non-operating expenses (income)	3.2	1.4	2.2	1.0	1.0	42.6
EBIT	22.7	9.5	15.4	6.9	7.3	47.6
Net financial expense (income)	2.8	1.2	3.3	1.5	(0.5)	(14.5)
Losses (gains) on equity investments	-	-	(0.1)	-	0.1	100.0
INCOME BEFORE TAXES AND MINORITY INTERESTS	19.9	8.3	12.2	5.4	7.7	63.1
Income taxes	8.1	3.4	5.6	2.4	2.5	45.7
NET INCOME BEFORE MINORITY INTERESTS	11.8	4.9	6.6	3.0	5.2	77.5
Minority interests in loss (income)	(0.4)	(0.1)	(0.5)	(0.3)	0.1	18.0
GROUP NET INCOME	11.4	4.8	6.1	2.7	5.3	85.9

SOGEFI GROUP CONSOLIDATED CASH FLOW STATEMENT AT SEPTEMBER 30 2005

(Euro m)	September 30 2005	September 30 2004
Cash flow from operations		
Net income for the period	33.4	19.2
Adjustments for:		
- minority interests	0.3	1.8
- depreciation and amortisation of tangible and intangible fixed assets	35.2	34.7
- provisions for stock option costs	0.6	-
- gains (losses) on the disposal of fixed assets	(0.1)	(0.1)
- dividends collected	(0.3)	(0.1)
- share of income before taxes of associated companies	0.3	(0.3)
- provisions for risks and for restructuring	1.4	4.6
- pensions and similar commitments behalf of employees	(1.7)	(1.8)
- change in net working capital	(13.4)	(15.2)
- other medium/long-term assets/liabilities	(0.8)	(1.9)
- exchange differences on medium/long-term assets/liabilities	(7.1)	(0.8)
CASH FLOW FROM OPERATIONS	47.8	40.1
Of which: taxes paid	21.2	17.7
net interest expense	(8.3)	(9.1)
INVESTING ACTIVITIES		
Acquisition of equity investments	-	(0.1)
Purchase of property, plant and equipment	(21.0)	(32.3)
Purchase of intangible fixed assets	(6.3)	(5.1)
Net change in other securities	(2.4)	6.5
Sale of subsidiaries (net of cash and cash equivalents assigned)	-	1.4
Sale of property, plant and equipment	0.3	0.3
Sale of intangible fixed assets	-	-
Dividends collected	0.3	0.1
NET CASH FLOW FROM INVESTING ACTIVITIES	(29.1)	(29.2)
FINANCING ACTIVITIES		
Capital increases in subsidiaries subscribed by minority shareholders	-	0.2
Net change in share capital	2.2	1.6
Dividends paid to shareholders of the Parent Company	(18.9)	(15.8)
Provisions to cover stock option costs	(0.6)	-
Exchange differences on shareholders' equity and minority interests	11.3	2.9
Issue (redemption) of bonds	0.1	0.1
Issue (repayment) of long-term loans	2.7	22.7
Issue (repayment) of leases	(0.9)	(0.4)
Other changes in shareholders' equity	(0.3)	-
NET CASH FLOW FROM FINANCING ACTIVITIES	(4.4)	11.3
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	14.3	22.2
Balance at the start of period	38.7	(5.7)
(Decrease) increase in cash and cash equivalents	14.3	22.2
BALANCE AT THE END OF THE PERIOD	53.0	16.5

Note: this schedule highlights the factors that have determined the change in cash and cash equivalents, reflecting the specific requirements of IAS 7. For an examination of the various operating components of cash flow with consequent indication of changes in the all-round net financial position, reference should be made to the consolidated statement of changes in financial position on the next page.

**CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION OF THE SOGEFI GROUP AT
SEPTEMBER 30 2005**

(Euro m)	September 30 2005	September 30 2004	Financial Year 2004
SELF FINANCING	68.9	58.1	88.5
Changes in net working capital	(13.4)	(15.2)	(0.3)
Other medium/long-term assets/liabilities	(0.9)	(1.8)	(2.7)
CASH FLOW FROM OPERATIONS	54.6	41.1	85.5
Sale of equity investments	-	1.4	1.4
Net decrease from sale of fixed assets	0.2	0.2	1.5
TOTAL SOURCES OF FUNDS	54.8	42.7	88.4
Increase in intangible fixed assets	6.3	5.1	8.0
Additions to tangible fixed assets	21.0	32.3	44.5
Acquisition of equity investments	-	-	-
TOTAL APPLICATIONS OF FUNDS	27.3	37.4	52.5
Net financial position of companies acquired/sold during the year	-	-	(0.2)
Exchange differences on medium-long-term assets/liabilities and shareholders' equity	2.6	1.8	1.1
FREE CASH FLOW	30.1	7.1	36.8
Share capital increases of the Parent Company	2.2	1.7	2.6
Share capital increases of consolidated companies	-	0.2	0.2
Dividends distributed by the Parent Company	(17.6)	(15.8)	(15.8)
Dividends distributed to minority shareholders by Group companies	(1.3)	-	(1.1)
CHANGES IN SHAREHOLDERS' EQUITY	(16.7)	(13.9)	(14.1)
Change in net financial position	13.4	(6.8)	22.7
Net financial position at the start of the period	(204.0)	(226.7)	(226.7)
NET FINANCIAL POSITION AT THE END OF THE PERIOD	(190.6)	(233.5)	(204.0)

CHANGES IN SOGEFI GROUP CONSOLIDATED SHAREHOLDERS' EQUITY AT SEPTEMBER 30 2005

(Euro m)

	Ascribable to shareholders of the Parent Company				Minority interests	TOTAL
	Share capital	Reserve and retained earnings (accumulated losses)	Income for the period	TOTAL		
<i>Balances at December 31 2004</i>	57.7	122.6	30.0	210.3	14.2	224.5
Reclassification of treasury stock	(0.9)	(2.9)	-	(3.8)		(3.8)
Adjustments for application of IAS 32 39:						
Fair value of cash flow hedging instruments	-	(0.9)	-	(0.9)	-	(0.9)
Fair value of securities	-	-	-	-	-	-
Taxes on items posted directly to shareholders' equity	-	0.3	-	0.3	-	0.3
<i>Balances at January 1 2005</i>	56.8	119.1	30.0	205.9	14.2	220.1
Share capital increases:						
- paid	0.5	1.7	-	2.2	-	2.2
Allocation of 2004 net income:						
Legal reserve	-	0.2	(0.2)	-	-	-
Dividends	-	-	(17.6)	(17.6)	(1.3)	(18.9)
Retained earnings	-	12.2	(12.2)	-	-	-
Fair value of cash flow hedging instruments	-	(0.5)	-	(0.5)	-	(0.5)
Taxes on items posted directly to shareholders' equity	-	0.2	-	0.2	-	0.2
Nominal costs of stock options	-	0.6	-	0.6	-	0.6
Exchange differences arising on conversion	-	11.3	-	11.3	0.2	11.5
Result of the period	-	-	33.4	33.4	0.3	33.7
<i>Balances at September 30 2005</i>	57.3	144.8	33.4	235.5	13.4	248.9

CONTENTS AND FORMAT OF CONSOLIDATED ACCOUNTING SCHEDULES

The unaudited consolidated financial statements at September 30 2005 have been prepared in accordance with IAS/IFRS which, starting from 2005, must be adopted in preparing the consolidated financial statements of companies listed on European regulated markets.

The comparison data of the periods have also been determined according to IAS/IFRS. Such criteria may not coincide with the regulations that will be in force on December 31 2005 due to future decisions of the European Commission regarding the approval of international accounting standards both as regards the issue of new criteria or interpretations by the competent authorities.

The quarterly report has been drawn up according to the indications of Art. 82 of the Issuers Regulation No. 11971/1999 (as amended by CONSOB resolution No. 14990 of April 14 2005) and Annex D of the Regulation. Therefore, the provisions of the IAS 34 - Interim Financial Reporting - have not been applied.

COMMENTARY ON THE ACCOUNTING SCHEDULES

Sales amounted to €774.5 million in relation to €719.6 million in the previous period of 2004.

The breakdown of sales by business area is as follows:

(Euro m)	Position as of 30.9.2005		Position as of 30.9.2004		Change
	Amount	%	Amount	%	%
Filters	393.3	50.8	388.3	54.0	1.3
Suspension components	354.2	45.7	303.0	42.1	16.9
Precision springs	27.0	3.5	28.3	3.9	(5.0)
TOTAL	774.5	100.0	719.6	100.0	7.6

The breakdown of sales by geographical area is set forth in the table below:

(Euro m)	Position as of 30.9.2005		Position as of 30.9.2004		Change
	Amount	%	Amount	%	
France	222.7	28.8	214.2	29.8	4.0
Germany	95.6	12.3	91.3	12.6	4.7
Great Britain	95.0	12.3	94.2	13.1	0.8
Italy	83.9	10.8	92.9	12.9	(9.6)
Spain	50.0	6.5	52.3	7.3	(4.5)
Other European countries	111.7	14.4	97.9	13.6	14.1
Mercosur	82.8	10.7	57.7	8.0	43.5
United States	23.9	3.1	9.7	1.4	145.1
China	3.2	0.4	2.1	0.3	54.9
Rest of the world	5.7	0.7	7.3	1.0	(22.1)
TOTAL	774.5	100.0	719.6	100.0	7.6

At September 30 2005, the Group workforce comprised 6,311 persons compared with 6,303 at December 31 2004 and 6,522 at September 30 2004. The detail is as follows:

	Position as of 30.9.2005	Position as of 31.12.2004	Position as of 30.9.2004
Managers	96	98	99
White collar	1.447	1.460	1.496
Blue collar	4.768	4.745	4.927
TOTAL	6.311	6.303	6.522

SECTOR INFORMATION

The information by business area (primary sector) and by geographical area (secondary sector) is set out below.

With regard to the above and referring to the areas of business, in addition to the Sogefi Parent Company, information regarding the two filter and suspension components Divisions is also provided.

Primary sector: areas of business

Group operating and financial data referring to the two Divisions for the first half 2005 is set out below:

(Euro m)	Filter Division	Suspension Components Division	Sogefi S.p.A.	Adjustments	Sogefi consolidated
REVENUES					
Sales to third parties	393.3	381,1	-	-	774.4
Intersector sales	-	0,1	6,2	(6,2)	0,1
TOTAL REVENUES	393.3	381,2	6,2	(6,2)	774.5
RESULTS					
EBIT	37,2	28.3	(3,1)	(0,2)	62,2
Net financial expense					8.4
Dividends from equity investments					(0.3)
Expenses on equity investments					0.4
Income before taxes					53.7
Income taxes					20,0
Minority interest in the loss (income) for the year					0.3
NET INCOME					33.4
BALANCE SHEET					
ASSETS					
Sector assets	429.9	414,8	437.3	(457.4)	824.6
Investments in associated companies	-	5,2	-	-	5.2
TOTAL ASSETS	429.9	420,0	437.3	(457.4)	829,8
LIABILITIES					
Sector liabilities	233,0	271,0	262,2	(185,2)	581,0
TOTAL LIABILITIES	233,0	271,0	262,2	(185,2)	581,0
OTHER INFORMATION					
Increases in tangible and intangible fixed assets	11,1	16,1	-	-	27,2
Depreciation, amortisation and write-downs	14,1	21,1	0.3	-	35.5

Adjustments to the "Total revenues" item refer mainly to services furnished by Sogefi S.p.A. to Group companies.

Secondary sector: geographical area

The table below sets forth Group operating and financial data for the first nine months of 2005 referring to the “originating” geographical areas i.e. referring to the country of the company that achieved the revenues or where the activity is located.

(Euro m)	Europe	South America	Others	Adjustments	Sogefi consolidated
REVENUES					
Sales to third parties	678.4	81.7	14.3	-	774.4
Intersector sales	9.0	3.4	-	(12.3)	0.1
TOTAL REVENUES	687.4	85.1	14.3	(12.3)	774.5
BALANCE SHEET					
ASSETS					
Sector assets	1.282.6	64.2	36.3	(558.5)	824.6
Investments in associated companies	5.2	-	-	-	5.2
TOTAL ASSETS	1.287.8	64.2	36.3	(558.5)	829.8
OTHER INFORMATION					
Increases in tangible and intangible fixed assets	22.3	3.1	1.8	-	27.2
Depreciation, amortisation and write-downs	31.6	2.6	1.3	-	35.5

Milan, October 20 2005

THE BOARD OF DIRECTORS