INTERIM REPORT ON GROUP OPERATIONS AS OF SEPTEMBER 30, 2008

JOINT-STOCK COMPANY - SHARE CAPITAL € 60,397,475.84
MANTUA COMPANY REGISTER AND TAX CODE 00607460201
COMPANY SUBJECT TO POLICY GUIDANCE AND COORDINATION ON THE PART OF CIR S.p.A.
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REPORT OF THE BOARD OF DIRECTORS
ON GROUP OPERATIONS AS OF SEPTEMBER 30, 2008
AND IN THE THIRD QUARTER OF THE YEAR

The acceleration of the world financial crisis in the last months has reduced economic possibility and consumers' propensity to buy in European market and in other mature markets with a following contraction in demand and in vehicle production.

New vehicle registrations in 15 European countries during the first nine months of the year have fallen by 5% compared to the same period of 2007 with a downsizing in all main manufacturers.
In Europe the decline in demand of spare parts which effected Italian and Spanish market in the first half 2008, later spread over the European markets, apart for French, Eastern European and previous Soviet Union markets.

On the other hand, the growth has been confirmed in South American market thanks to vehicle production and aftermarket sales. Moreover, in the last months the Group has improved its European market share in suspension components for industrial vehicles.

In the first nine months of 2008 the Group has recorded an increase in revenues: +2% compared with the same period of 2007 (+4% without the negative effect of exchange rates, especially Pound sterling).

Consolidated sales stood at € 813.3 million, compared with 797.4 million for the first nine months of 2007 with a reduction in Europe by 1.7% and in North America by 21.2% while in South America and China revenues grew by 29.4% and 8.1% respectively.

Sales in the Filtration Division suffered from negative trend in spare parts segment and fell by 3.2% while sales in the Suspension Division increased by 7.8% thanks to higher selling prices, as well.

At the end of July an arson broken out in Clydach (Wales) left the site for coil springs temporarily unusable.
The damages were assessed at about € 20 million completely covered by insurance.
In order to grant the supplies to the main customers (Ford, Volvo, Land Rover) the production has been duly transferred to the other Group's sites. The present situation witnesses a partial recovery of production, with reduced business volumes, in one of the two Clydach lines.
Consolidated results of operations and financial position at September 30, 2008 have not felt the negative effects deriving from this event as damages will be recovered by the insurance.

In the first nine months of 2008 profitability has been negatively hit by: further rising cost of steel, which was only partially transferred on selling prices on customers; the reduction of aftermarket sales, which have higher profitability; some bad efficiency linked to closures of two filtration sites in Italy and in Spain.

Consolidated operating profit amounted to € 79.4 million (9.8% of revenues) compared with 84.4 million (10.6%) of the previous-year period, when Italian subsidiaries benefited from positive adjustments of around 2 million following a change in accounting treatment of employment termination indemnities.

Consolidated EBIT and EBITDA were impacted by restructuring charges of € 8.8 million compared to 1.7 million in the first nine months of 2007, due mainly to the provisions of 5.4 million set aside for the closure costs of the filtration plant in Mantua forecasted in December 2008.
In the last year the results were influenced by non recurring costs for € 4.6 million incurred in connection with two acquisitions which were not completed. However, they benefited from revaluation of machinery for € 2.6 million, gains on disposal and other positive items for 6.4 million.

Consolidated EBITDA (earnings before interests, taxes, depreciation and amortization) amounted to € 91.2 million (11.2% of revenues) compared with 106.8 million (13.4%), down by 14.6% of the previous-year period.

Consolidated EBIT (earnings before interests and taxes) fell by 20.4% to € 58.6 million (7.2% of revenues) compared with 73.5 million (9.2%) on the corresponding period of the previous year.

Profit before taxes and minority interests stood at € 48.9 million compared with 66.7 million due to increased financial expenses caused by the raise of Group's indebtedness after extraordinary dividends distribution and by the trend in interest rates.

Consolidated net profit amounted to € 29.6 million (3.6% of revenues) down by 29.2% from 41.9 million (5.3%).

After the above cited distribution of ordinary and extraordinary dividends for € 159.5 million, Group **total shareholders' equity** fell to 195.9 million from 318.2 million at September 30, 2007.

Group **consolidated equity** dropped to € 180.1 million from 303.3 million at September 30, 2007 for the above mentioned reasons.

Lower self-financing, cash out of extraordinary dividend and worsening of net working capital caused by the increase of selling prices and of inventories (the latter essential for managing the closure of the above mentioned sites) led to an increase in Group's **net indebtedness** from € 102.8 million at September 30, 2007 to 263.3 million at the end of the first nine months 2008 and compared to 92.4 million at December 31, 2007.

As of September 30, 2008 the Group had 6,165 employees compared to 6,250 at September 30, 2007 and to 6,208 at December 31, 2007.

PERFORMANCE OF THE FILTRATION DIVISION

The Filtration revenues fell for negative trend in European spare parts segment (-11.7%) both in independent aftermarket and original equipment spares.
The European original equipment revenues were stable compared with the same period of 2007 (+0.3%).
Notwithstanding the increased operations in South America (+22.6%) **consolidated sales** of Division were reduced to € 396.5 million by 3.2% compared to 409.8 million of the corresponding period of last year.

Profitability suffered a decline of revenues mainly in high-return independent aftermarket segment: **operating profit** fell to € 39.1 million (9.9% of revenues) compared to 43.2 million (10.5%) in the first nine months of 2007.

In accordance with the first half 2008, EBITDA and EBIT were penalized compared to the first nine months 2007 by non recurring items: restructuring charges amounted to € 8.1 million linked to forecasted closure of Mantua plant (Italy) by the end of the year and to other reorganizations of European production sites. However, last year a gain of € 4.6 million was realized for UK building sale.

In the first nine months of 2008 the Filtration Division recorded an **EBITDA** of € 39.1 million (9.9% of revenues) compared with 57.1 million (13.9%) and an **EBIT** of 25.7 million (6.5%) down from 43.4 million (10.6%).

The closure of Oyartzun site (Spain), whose costs were allocated in year 2007, was realized in July after an agreement signed the same month.

PERFORMANCE OF THE SUSPENSION COMPONENTS AND PRECISION SPRINGS DIVISION

The Division's positive trend was confirmed during the first nine months thanks mainly to the South American market (+35.8%) and to industrial vehicles sector in Europe (+26.3%).

Consolidated sales came to € 418.4 million, 7.8% up on 388.3 million in the same period of 2007 also thanks to increased selling prices, which almost offset the rising costs of steel.

Consolidated operating profit amounted to € 43.2 million (10.3% of revenues) in line with 43.7

million (11.2%) of 2007.

Consolidated EBITDA fell by € 56.1 million (13.4% of revenues) compared to 57.5 million (14.8%) of the previous-year period. **EBIT** slipped to € 37.1 million (8.9% of revenues) compared to 38.3 million (9.9%).

As anticipated, at the end of July a fire broken out in the Welsh site in Clydach caused the interruption of the production in the site, but thanks to a prompt reaction the discontinuity in supplies to customers has been avoided.

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

In the first nine months of 2008, thanks to higher received dividends, Holding Company Sogefi S.p.A. achieved a net profit of € 31.2 million, compared with 27.3 million in the same period last year (effected by costs incurred for acquisition projects that were not completed).

PERFORMANCE IN THE THIRD QUARTER

The third quarter **consolidated sales** amounted to € 257 million compared with 255.6 million in the third quarter of 2007 (+0.5%). The Suspension Components Division sales raised from € 124.2 million to 132.3 million, while the Filtration Division sales declined from 131.7 million to 125.2 million.

Consolidated operating profit amounted to € 25.7 million (10% of revenues) compared with 28.3 million (11.1%) in the same period of 2007. The Suspension Components Division achieved an operating profit of € 13.7 million (10.3% of revenues) compared with 15.5 million (12.4%) in third quarter 2007**,** while the operating profit of Filtration Division stood at 12.8 million (10.2% of revenues), slightly down on 13.6 million (10.4% of sales) in the third quarter of 2007.

Consolidated EBITDA fell by 5.5% to € 30.2 million (11.8% of revenues), compared with 32 million (12.5%) in the third quarter of 2007 mainly attributable to a decrease in sales for Filtration Division, higher restructuring costs and only partial transfer of the increased steel costs to selling prices.

Similarly **consolidated EBIT** amounted to € 19.9 million (7.7% of revenues), down from 22 million

(8.6%) in the third quarter of 2007.

The third-quarter **consolidated net profit** stood at € 9.5 million (3.7% of revenues) from 13 million (5.1%) in the previous-year period.

OUTLOOK FOR THE REST OF THE YEAR

Sales in the final quarter will definitely feel the effects of the global financial recession which has hit the world automotive industry.

Notwithstanding all possible steps have been taken to limit the effects of the predicted fall in revenues, a contraction of profitability levels in the year 2008 (compared with 2007) has to be foreseen.

CONSOLIDATED BALANCE SHEET

(in millions of Euro)

ASSETS	**09.30.2008**	**12.31.2007**
CURRENT ASSETS		
Cash and cash equivalents	44.7	63.7
Other financial assets	0.4	1.0
Working capital		
Inventories	135.1	113.2
Trade receivables	220.4	220.1
Other receivables	17.7	6.0
Tax receivables	12.5	10.7
Other assets	4.2	2.5
TOTAL WORKING CAPITAL	*389.9*	*352.5*
TOTAL CURRENT ASSETS	435.0	417.2
NON-CURRENT ASSETS		
Fixed assets		
Land	11.3	11.3
Property, plant and equipment	214.1	224.3
Other tangible fixed assets	4.0	4.4
Of wich: leases	*12.3*	*12.7*
Intangible assets	122.6	118.7
TOTAL FIXED ASSETS	352.0	358.7
OTHER NON-CURRENT ASSETS		
Equity investments in associated companies	0.1	0.1
Other financial assets available for sale	0.5	0.5
Financial receivables	0.8	-
Other receivables	8.4	5.0
Deferred tax assets	26.0	25.2
TOTAL OTHER NON-CURRENT ASSETS	35.8	30.8
TOTAL NON-CURRENT ASSETS	387.8	389.5
NON-CURRENT ASSETS HELD FOR SALE	6.7	6.8
TOTAL ASSETS	829.5	813.5

LIABILITIES	**09.30.2008**	**12.31.2007**
CURRENT LIABILITIES		
Bank overdrafts and short-term loans	60.3	12.4
Current portion of medium/long-term financial debts and other loans	28.6	13.7
Of which: leases	*1.4*	*1.3*
TOTAL SHORT-TERM FINANCIAL DEBTS	88.9	26.1
Other short-term liabilities for derivative financial instruments	0.4	0.5
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	89.3	26.6
Trade and other payables	234.9	228.9
Tax payables	4.7	11.8
Other current liabilities	3.6	3.0
TOTAL CURRENT LIABILITIES	332.5	270.3
NON-CURRENT LIABILITIES		
MEDIUM/LONG TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS		
Financial debts to bank	209.0	118.0
Other medium/long-term financial debts	11.0	12.5
Of which: leases	*8.1*	*9.1*
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS	220.0	130.5
Other medium/long term financial liabilities for derivative financial instruments	-	-
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	220.0	130.5
OTHER LONG-TERM LIABILITIES		
Long-term provisions	52.3	58.8
Other payables	0.2	-
Deferred tax liabilities	28.6	27.2
TOTAL OTHER LONG-TERM LIABILITIES	81.1	86.0
TOTAL NON-CURRENT LIABILITIES	301.1	216.5
SHAREHOLDERS' EQUITY		
Share capital	60.4	59.6
Reserves and retained earnings (accumulated losses)	90.1	199.1
Group net profit (loss)	29.6	52.2
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY	180.1	310.9
Minority interests	15.8	15.8
TOTAL SHAREHOLDERS' EQUITY	195.9	326.7
TOTAL LIABILITIES AND EQUITY	829.5	813.5

CONSOLIDATED INCOME STATEMENT FROM 1.1.2008 TO 09.30.2008

(in millions of Euro)

	Period 01.01 – 09.30.2008		Period 01.01 – 09.30.2007		Variation	
	Amount	%	Amount	%	Amount	%
Sales revenues	813.3	100.0	797.4	100.0	15.9	2.0
Variable cost of sales	539.6	66.4	518.9	65.1	20.7	4.0
CONTRIBUTION MARGIN	273.7	33.6	278.5	34.9	(4.8)	(1.7)
Manufacturing and R&D overheads	85.4	10.5	86.9	10.9	(1.5)	(1.8)
Depreciation and amortization	32.7	4.0	33.3	4.2	(0.6)	(1.8)
Distribution and sales fixed expenses	27.5	3.4	28.9	3.6	(1.4)	(4.7)
Administrative and general expenses	48.7	5.9	45.0	5.6	3.7	7.9
OPERATING PROFIT	79.4	9.8	84.4	10.6	(5.0)	(5.8)
Restructuring costs	8.8	1.1	1.7	0.2	7.1	431.6
Losses (gains) on disposal	(0.1)	-	(4.7)	(0.6)	4.6	(96.8)
Exchange (gains) losses	1.1	0.1	0.7	0.1	0.4	51.0
Other non-operating expenses (income)	11.0	1.4	13.2	1.7	(2.2)	(15.4)
EBIT	58.6	7.2	73.5	9.2	(14.9)	(20.4)
Financial expenses (income), net	9.5	1.2	6.9	0.8	2.6	36.7
Losses (gains) from equity investments	0.2	-	(0.1)	-	0.3	(251.0)
PROFIT BEFORE TAXES AND MINORITY INTERESTS	48.9	6.0	66.7	8.4	(17.8)	(26.7)
Income taxes	17.1	2.1	22.7	2.9	(5.6)	(25.0)
NET PROFIT BEFORE MINORITY INTERESTS	31.8	3.9	44.0	5.5	(12.2)	(27.6)
Loss (income) attributable to minority interests	(2.2)	(0.3)	(2.1)	(0.2)	(0.1)	(4.3)
GROUP NET PROFIT	29.6	3.6	41.9	5.3	(12.3)	(29.2)

NET FINANCIAL POSITION

(in millions of Euro)

	09.30.2008	12.31.2007	09.30.2007
A. Cash	44.7	63.7	62.0
B. Other cash at bank and on hand	-	-	-
C. Financial instruments held for trading	0.1	0.1	1.5
D. Liquid funds (A) + (B) + (C)	**44.8**	**63.8**	**63.5**
E. Current financial receivables	**0.4**	**0.9**	**0.5**
F. Current payables to banks	(60.3)	(12.4)	(21.5)
G. Current portion of non-current indebtedness	(28.6)	(13.7)	(11.9)
H. Other current financial debts	(0.4)	(0.5)	-
I. Current financial indebtedness (F) + (G) + (H)	**(89.3)**	**(26.6)**	**(33.4)**
J. Current financial indebtedness, net (I) + (E) + (D)	**(44.1)**	**38.1**	**30.6**
K. Non-current payables to banks	(209.0)	(118.0)	(122.4)
L. Bonds issued	-	-	-
M. Other non-current financial debts	(11.0)	(12.5)	(11.4)
N. Non-current financial indebtedness (K) + (L) + (M)	**(220.0)**	**(130.5)**	**(133.8)**
O. Net indebtedness (J) + (N)	**(264.1)**	**(92.4)**	**(103.2)**
	-	-	-
Non-current financial receivables	0.8	-	0.4
Financial indebtedness, net including non-current financial receivables	**(263.3)**	**(92.4)**	**(102.8)**

CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER 2008
(in millions of Euro)

	Period 07.01 – 09.30.2008		Period 07.01 – 09.30.2007		Variation	
	Amount	%	Amount	%	Amount	%
Sales revenues	257.0	100.0	255.6	100.0	1.4	0.5
Variable cost of sales	171.3	66.7	165.6	64.8	5.7	3.5
CONTRIBUTION MARGIN	85.7	33.3	90.0	35.2	(4.3)	(4.9)
Manufacturing and R&D overheads	26.3	10.2	27.7	10.9	(1.4)	(5.1)
Depreciation and amortization	10.4	4.0	10.1	3.9	0.3	3.1
Distribution and sales fixed expenses	8.5	3.3	9.2	3.6	(0.7)	(7.4)
Administrative and general expenses	14.8	5.8	14.7	5.7	0.1	0.3
OPERATING PROFIT	25.7	10.0	28.3	11.1	(2.6)	(9.3)
Restructuring costs	2.0	0.8	0.7	0.3	1.3	182.6
Losses (gains) on disposal	-	-	-	-	-	-
Exchange (gains) losses	-	-	0.3	0.1	(0.3)	(94.3)
Other non-operating expenses (income)	3.8	1.5	5.3	2.1	(1.5)	(28.0)
EBIT	19.9	7.7	22.0	8.6	(2.1)	(9.5)
Financial expenses (income), net	3.8	1.4	2.4	0.9	1.4	59.4
Losses (gains) from equity investments	-	-	-	-	-	-
PROFIT BEFORE TAXES AND MINORITY INTERESTS	16.1	6.3	19.6	7.7	(3.5)	(17.8)
Income taxes	6.0	2.3	6.0	2.3	-	-
NET PROFIT BEFORE MINORITY INTERESTS	10.1	4.0	13.6	5.4	(3.5)	(26.0)
Loss (income) attributable to minority interests	(0.6)	(0.3)	(0.6)	(0.3)	-	-
GROUP NET PROFIT	9.5	3.7	13.0	5.1	(3.5)	(27.2)

FORM AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. INTRODUCTION

The unaudited consolidated financial statements at September 30, 2008 have been prepared in accordance with International Financial Reporting Standards (IAS/IFRS) and to this end the financial statement figures of the Group companies included in the consolidation have been suitably reclassified and adjusted.

The report has been prepared in accordance with art. 154 ter, paragraph 5, Legislative Decree no. 58 of February 24, 1998 (Consolidate Law on Finance) and subsequent amendments. Thus the IFRS principle regarding interim reports has not been applied (see IAS 34 “Interim Financial Reporting”).

2. CONSOLIDATION PRINCIPLES

The consolidation has been carried out on a line-by-line basis. The principles adopted for the application of this method are the same as those used at December 31, 2007.

3. ACCOUNTING PRINCIPLES

The accounting principles adopted in the preparation of the financial statements at September 30, 2008 are consistent with those applied for the financial statements at December 31, 2007.

COMMENTS ON THE ACCOUNTING SCHEDULES

Changes in Group shareholders' equity and total shareholders' equity over the third quarter 2008 were as follows:

(in millions of Euro)	**Consolidated shareholders' equity - Group**	**Capital and reserves pertaining to minority interests**	**Total Group and minority shareholders' equity**
Balance at December 31, 2007	310.9	15.8	326.7
Paid share capital increase	4.9	1.0	5.9
Dividends	(159.5)	(3.0)	(162.5)
Exchange differences and other variations	(5.8)	(0.2)	(6.0)
Net income for the period	29.6	2.2	31.8
Balance at September 30, 2008	180.1	15.8	195.9

Net sales totalled € 813.3 million compared with € 797.4 million for the same period of 2007.

The breakdown of sales by business area is as follows:

(in millions of Euro)	Period 01.01 – 09.30.2008		Period 01.01 – 09.30.2007		Variation	
	Amount	%	Amount	%	Amount	%
Filters	396.5	48.8	409.8	51.4	(13.3)	(3.2)
Suspension components and precision springs	418.4	51.5	388.3	48.7	30.1	7.8
Intercompany eliminations	(1.6)	(0.3)	(0.7)	(0.1)	(0.9)	132.2
TOTAL	813.3	100.0	797.4	100.0	15.9	2.0

The breakdown of sales by geographical area is shown below:

(in millions of Euro)	Period 01.01 – 09.30.2008		Period 01.01 – 09.30.2007		Variation	
	Amount	%	Amount	%	Amount	%
France	176.4	21.7	186.8	23.4	(10.4)	(5.6)
Germany	123.6	15.2	103.4	13.0	20.2	19.6
Great Britain	88.5	10.9	96.8	12.1	(8.3)	(8.6)
Italy	70.8	8.7	79.0	9.9	(8.2)	(10.5)
Spain	52.6	6.5	56.7	7.1	(4.1)	(7.1)
Benelux	49.3	6.1	54.9	6.9	(5.6)	(10.0)
Other European countries	85.1	10.4	79.9	10.0	5.2	6.3
Mercosur	139.6	17.2	107.9	13.5	31.7	29.4
United States	15.4	1.9	19.3	2.4	(3.9)	(20.4)
China	4.5	0.6	4.2	0.5	0.3	8.0
Rest of the World	7.5	0.8	8.5	1.2	(1.0)	(11.3)
TOTAL	813.3	100.0	797.4	100.0	15.9	2.0

As of September 30, 2008 the Group had 6,165 employees compared with 6,208 at December 31, 2007 and 6,250 at September 30, 2007, broken down as follows:

	09.30.2008	12.31.2007	09.30.2007
Managers	86	86	86
Clerical staff	1,382	1,401	1,403
Blue collar workers	4,697	4,721	4,761
TOTAL	6,165	6,208	6,250

DECLARATION EX ARTICLES 36 AND 37 OF CONSOB RESOLUTION 16191 OF OCTOBER 29, 2007

With reference to the obligations of article 2.6.2., para. 15, of Borsa Italiana Rules and to provisions of articles 36 and 37 of Consob resolution 16191 of October 29, 2007 it is declared that no specific conditions are in force to prevent the listing of Sogefi shares on Italian Regulated Market organized by Borsa Italiana S.p.A. in consideration of the fact that: Sogefi S.p.A. (the "Company") obtains the articles of association and composition and powers of the control bodies from the non-EU subsidiaries deemed to be of material significance; the above cited subsidiaries provide the parent company auditor with information necessary to perform annual and interim audit of the parent company and use an administrative and accounting system appropriate for regular reporting to the management and auditor of the parent company of income statement, balance sheet and financial data necessary for preparation of the consolidated financial statements.

In consideration of the fact that Sogefi is subject to policy guidance and coordination on the part of CIR – Compagnie Industriali Riunite S.p.A., it is declared that no specific conditions are in force to prevent the listing of Sogefi shares on Italian Regulated Market organized by Borsa Italiana S.p.A. in consideration of the fact that: the Company has fulfilled publication obligations pursuant to article 2497-bis of the Italian Civil Code; the Company has independent decision-making powers in relations with customers and suppliers; the Company has not a centralized treasury with CIR. The Company has a centralized treasury with its subsidiaries that satisfies the interests of the company. This centralized treasury allows to reduce the bank financing and interest costs. It is declared that The Board of Directors has twelve directors of which four independent in order to guarantee significant weight being given to their opinion in decisions of the Board of Directors.

Milan, October 21, 2008

THE BOARD OF DIRECTORS

DECLARATION PURSUANT PARA. 2, OF ART. 154-*BIS,* DECREE 58/1998

Interim Report on Group operations as of September 30, 2008

The Manager Responsible for preparing the Company's financial reports – Alberto Marastoni –

declares

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

Milan, October 21, 2008

SOGEFI S.p.A.
(Alberto Marastoni)