INTERIM FINANCIAL REPORT
AT SEPTEMBER 30, 2009

JOINT-STOCK COMPANY - SHARE CAPITAL EURO 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
AT SEPTEMBER 30, 2009 AND IN THE THIRD QUARTER

Despite the full implementation of incentives introduced in the main markets to boost motor vehicle sales, the Group's business levels remained low also in the third quarter of the year.

Revenues in the third quarter fell by 22.5% compared to those in the corresponding period of 2008, marking, however, a partial recovery compared to the fall of 32.7% recorded for the first six months of 2009.

The substantial increase in new vehicles registrations in the European market has not resulted in a corresponding increase in production levels due to continuing destocking measures implemented by the main manufacturers.

Furthermore, the production mix, in line with the trend in demand driven by incentives, has remained mainly addressed to ecological (petrol rather than diesel engines) and economic vehicles, which feature cheaper components.

In Europe, the demand in the *precision springs* and *industrial vehicles and earth-moving machinery* sectors has not shown any signs of recovery while sales in the *aftermarket* sector have risen.

In non-European markets, the quarter was marked by a good recovery of business in Brazil, and by confirmation of the growth of Chinese and Indian markets, while the situation in the North American market continues to be negative.

With the persistent penalisation of exchange rate trends, corresponding to 2%, **consolidated revenues** for the first nine months of the year were € 573.8 million, down 29.4% compared to the € 813.3 million recorded in the corresponding period of the previous year.

Revenues from the *suspensions* sector (-35.8%) were penalised by sales made almost exclusively in *original equipment* and by a greater presence in the *industrial vehicles* sector.

The *filtration* business, regarding mainly spare parts, recorded a fall of 22.7% in the first nine months of the year compared to the first nine months of 2008.

The drastic measures to reduce all cost factors, both variable and structural, launched since the last few months of 2008 have enabled the group to achieve an operating margin of 3.9% on revenues (9.8% in 2008).

The percentage represented by materials fell from 46.7% to 45.7% compared to the first nine months of 2008 and the total labour cost fell to € 151.1 million against the previous € 190.4 million (-20.7%).

Also overheads were considerably downsized (-22.2%), falling from € 137.7 million in the first nine months of 2008 to 107.1 million.

Consolidated operating profit therefore stood at € 22.4 million, against € 79.4 million in the corresponding period of last year, also thanks to the substantial non-reduction of sale prices.

In the third quarter, the fundamental reorganisation of production activities to adjust to new business levels was continued, which incurred costs of € 12.6 million in the first nine months of 2009 compared to € 8.8 million in the corresponding period of 2008 (+42.5%).

Both EBIT and EBITDA were affected by the considerable non-recurring costs as mentioned above, and were significantly down compared with last year.
Consolidated EBITDA (profit before interest, tax and amortisation) amounted to € 32.2 million (5.6% of revenues) against € 91.2 million (11.2% of revenues) in the first nine months of 2008.
Consolidated EBIT (profit before interest and tax), which had recorded a loss in the first six months of the year, recorded a profit, thanks to the results of the third quarter and was € 0.7 million (0.1% of revenues) against 58.6 million (7.2% of revenues) recorded in the corresponding period of the previous year.

As in the first six months of the year, management focused primarily on reducing net financial indebtedness, also in view of not increasing financial charges, which, in the first nine months, amounted to € 8.1 million, down 15.2% against 9.5 million recorded in the corresponding period of 2008.

Result before taxes and minority interests recorded a loss of € 7.3 million against a profit of € 48.9 million recorded in the first nine months of 2008.

A **consolidated net loss** of € 8.6 million was recorded, against a profit of € 29.6 million achieved in the corresponding period of the previous year.

At September 30, 2009, the Group's **total shareholders' equity included minority interests** amounted to € 176.8 million against € 195.9 million twelve months earlier, while **consolidated shareholders' equity** fell from € 180.1 million in 2008 to 162 million at the end of the first nine months of 2009.

Group **net financial indebtedness** fell with respect to June 30, 2009 (€ 212.6 million) and to December 31, 2008 (€ 257.2 million), to € 202.7 million, thanks to a further reduction of inventory, to the assignment of credit without recourse, the extension of supplier payment terms and the containment of new investment to € 24.6 million against the previous € 35.3 million (-30.2%).

At September 30, 2009, the Group's workforce (including temporary workers and excluding employees subject to forms of flexibility such as ordinary and extraordinary redundancy benefits in Italy or similar arrangements in other countries) numbered 5,957 (6,581 at September 30, 2008).

PERFORMANCE OF THE FILTRATION DIVISION

Business in the *filtration* division suffered both from the fall in demand, more significant in the *original equipment* market, and from the change in the mix of vehicles produced towards more economical vehicles with non-diesel engines.

In the last quarter, the spare parts market showed signs of a good recovery in terms of volumes, both in the *original equipment spares* (*OES*) and *independent aftermarket (IAM)* sectors.

Consolidated revenues of the division were € 306.4 million, down 22.7% compared to the € 396.5 million recorded in the corresponding period of 2008.

Profitability trend is positive thanks to the substantial confirmed stability of raw materials prices, to savings on all cost factors and to higher sales in the *aftermarket* that generate higher profitability.

The division's **operating profit** was € 17 million (5.5% of revenues) against € 39.1 million (9.9% of revenues) in the first nine months of 2008.

In the first nine months of 2009, the division incurred extraordinary charges for restructuring of € 6.1 million (8.1 million in 2008), resulting in an **EBITDA** of € 18.2 million (5.9% of revenues), against € 39.1 million (9.9% of revenues) in the previous year and an **EBIT** of € 5.4 million (1.8% of revenues), against 25.7 million (6.5% of revenues).

PERFORMANCE OF THE SUSPENSION COMPONENTS AND PRECISION SPRINGS DIVISION

Even given a modest improvement in demand in the *car* sector, the division continues to be heavily hit by the production levels of its main customers, with particular reference to the *industrial vehicles, earth-moving machinery and precision springs* sectors, as well as the above mentioned lower volumes of components for high level segment vehicles.

In the first nine months, the division's **revenues** amounted to € 268.7 million, down 35.8% against 418.4 million of the corresponding period of the previous year.

The price of *steel* has not changed in the quarter and, thanks to the reduction of all other cost factors, **operating profit** amounted to € 7.6 million (2.8% of revenues), also by virtue of the good performance of the Brazilian business. In the corresponding period of 2008, it had been 43.2 million (10.3% of revenues).

After having incurred charges of € 6.5 million for reorganisation (0.7 million in the first nine months of 2008), the division recorded an **EBITDA** of € 16.4 million (6.1% of revenues), against the previous € 56.1 million (13.4% of revenues), and an **EBIT** of € -1.7 million against € +37.1 million in the first nine months of 2008.

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

The Holding company SOGEFI S.p.A. made a profit of € 31.2 million, unchanged with respect to the first nine months of 2008. This result was achieved thanks to a reduction in structural costs of € 1.8 million. Dividends of € 36.4 million were received (40.8 million in the corresponding period of 2008). Note that in the first nine months of the last year, write-downs of € 3.3 million were made on equity investments (US subsidiary).

THIRD QUARTER PERFORMANCE

In the presence of a modest increase in revenues compared to the first six months of the year, in the third quarter, the Group confirmed the progressive recovery of profitability, thanks to the significant and structural down-sizing of all cost factors.

Consolidated revenues for the period amounted to € 199.3 million, down 22.5% against the € 257 million of the corresponding quarter of last year, those of the *filtration* division amounting to € 108.8 million (down 13.1%) and those of the *suspensions* division to € 91 million (-31.2%).

Consolidated operating profit was € 14.5 million and compares with the € 25.7 million recorded in the third quarter of 2008.
The operating margin as a percentage of revenues rose to 7.3% against that of the first six months (2.1%), while it has been 10% in the corresponding period of 2008.

The Filtration division achieved an operating profit of € 9.5 million (8.7% of revenues) compared to € 12.8 million (10.2% of revenues) in the first nine months of 2008.

The Suspension Components Division contributed with an operating profit of € 5.9 million (6.4% of revenues) against € 13.7 million (10.3% of revenues) in the third quarter of 2008.

Consolidated EBITDA, impacted by € 2.7 million in non-recurring reorganisation costs, amounted to € 18 million (9% of revenues), against € 30.2 million (11.8% of revenues) in the corresponding period of the previous year.

Consolidated EBIT was € 7.7 million (3.9% of revenues) against € 19.9 million (7.7% of revenues) in the third quarter of 2008.

A **net consolidated profit** of € 2 million was recorded for the quarter, against € 9.5 million in the corresponding period of 2008.

OUTLOOK FOR OPERATIONS

We expect a further, modest improvement in business volumes in the last quarter of the year with respect to those recorded for the first nine months.

In addition to a positive trend in revenues, we envisage the completion of the reorganisation plans in the last quarter, which will lead to further cost savings, and an improvement in the results achieved in the first nine months, while confirming the forecast of a net loss for the year as a whole.

CONSOLIDATED BALANCE SHEET
(in millions of Euro)

ASSETS	**09.30.2009**	**12.31.2008**
CURRENT ASSETS		
Cash and cash equivalents	114.3	49.5
Other financial assets	0.1	0.8
Working capital		
Inventories	91.9	114.5
Trade receivables	138.5	170.0
Other receivables	6.6	19.0
Tax receivables	10.0	14.9
Other assets	3.9	3.8
TOTAL WORKING CAPITAL	*250.9*	*322.2*
TOTAL CURRENT ASSETS	365.3	372.5
NON-CURRENT ASSETS		
Fixed assets		
Land	14.1	13.9
Property, plant and equipment	213.9	218.0
Other tangible fixed assets	4.2	4.6
Of wich: leases	*13.8*	*11.8*
Intangible assets	130.2	127.3
TOTAL FIXED ASSETS	362.4	363.8
OTHER NON-CURRENT ASSETS		
Equity investments in associated companies	0.1	0.1
Other financial assets available for sale	0.4	0.4
Financial receivables	0.1	-
Other receivables	8.9	8.8
Deferred tax assets	34.2	26.7
TOTAL OTHER NON-CURRENT ASSETS	43.7	36.0
TOTAL NON-CURRENT ASSETS	406.1	399.8
NON-CURRENT ASSETS HELD FOR SALE	0.7	0.7
TOTAL ASSETS	772.1	773.0

LIABILITIES	**09.30.2009**	**12.31.2008**
CURRENT LIABILITIES		
Bank overdrafts and short-term loans	6.3	19.8
Current portion of medium/long-term financial debts and other loans	66.8	35.7
Of which: leases	*1.6*	*1.4*
TOTAL SHORT-TERM FINANCIAL DEBTS	73.1	55.5
Other short-term liabilities for derivative financial instruments	0.3	0.5
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	73.4	56.0
Trade and other payables	189.3	204.1
Tax payables	3.5	4.2
Other current liabilities	2.6	1.7
TOTAL CURRENT LIABILITIES	268.8	266.0
NON-CURRENT LIABILITIES		
MEDIUM/LONG TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS		
Financial debts to bank	228.8	238.6
Other medium/long-term financial debts	11.4	10.7
Of which: leases	*8.4*	*7.2*
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS	240.2	249.3
Other medium/long term financial liabilities for derivative financial instruments	3.5	2.3
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	243.7	251.6
OTHER LONG-TERM LIABILITIES		
Long-term provisions	52.4	48.9
Other payables	0.4	0.4
Deferred tax liabilities	30.0	27.8
TOTAL OTHER LONG-TERM LIABILITIES	82.8	77.1
TOTAL NON-CURRENT LIABILITIES	326.5	328.7
SHAREHOLDERS' EQUITY		
Share capital	60.4	60.4
Reserves and retained earnings (accumulated losses)	110.2	72.0
Group net profit (loss)	(8.6)	28.5
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY	162.0	160.9
Minority interests	14.8	17.4
TOTAL SHAREHOLDERS' EQUITY	176.8	178.3
TOTAL LIABILITIES AND EQUITY	772.1	773.0

CONSOLIDATED INCOME STATEMENT FROM 1.1.2009 to 09.30.2009

(in millions of Euro)

	Period 01.01 – 09.30.2009		Period 01.01 – 09.30.2008		Variation	
	Amount	%	Amount	%	Amount	%
Sales revenues	573.8	100.0	813.3	100.0	(239.5)	(29.4)
Variable cost of sales	389.0	67.8	539.6	66.4	(150.6)	(27.9)
CONTRIBUTION MARGIN	184.8	32.2	273.7	33.6	(88.9)	(32.5)
Manufacturing and R&D overheads	67.5	11.8	85.4	10.5	(17.9)	(20.9)
Depreciation and amortization	31.5	5.5	32.7	4.0	(1.2)	(3.7)
Distribution and sales fixed expenses	23.5	4.1	27.5	3.4	(4.0)	(14.7)
Administrative and general expenses	39.9	6.9	48.7	5.9	(8.8)	(17.9)
OPERATING PROFIT	22.4	3.9	79.4	9.8	(57.0)	(71.8)
Restructuring costs	12.6	2.2	8.8	1.1	3.8	42.5
Losses (gains) on disposal	-	-	(0.1)	-	0.1	108.5
Exchange (gains) losses	0.9	0.2	1.1	0.1	(0.2)	(18.7)
Other non-operating expenses (income)	8.2	1.4	11.0	1.4	(2.8)	(25.7)
EBIT	0.7	0.1	58.6	7.2	(57.9)	(98.8)
Financial expenses (income), net	8.1	1.4	9.5	1.2	(1.4)	(15.2)
Losses (gains) from equity investments	(0.1)	-	0.2	-	(0.3)	(145.8)
RESULT BEFORE TAXES AND MINORITY INTERESTS	(7.3)	(1.3)	48.9	6.0	(56.2)	(115.0)
Income taxes	0.4	0.1	17.1	2.1	(16.7)	(97.5)
NET RESULT BEFORE MINORITY INTERESTS	(7.7)	(1.4)	31.8	3.9	(39.5)	(124.4)
Loss (income) attributable to minority interests	(0.9)	(0.1)	(2.2)	(0.3)	1.3	60.5
GROUP NET RESULT	(8.6)	(1.5)	29.6	3.6	(38.2)	(129.0)

NET FINANCIAL POSITION

(in millions of Euro)

	09.30.2009	12.31.2008	09.30.2008
A. Cash	114.3	49.5	44.7
B. Other cash at bank and on hand	-	-	-
C. Financial instruments held for trading	-	-	0.1
D. Liquid funds (A) + (B) + (C)	**114.3**	**49.5**	**44.8**
E. Current financial receivables	**0.1**	**0.8**	**0.4**
F. Current payables to banks	(6.3)	(19.8)	(60.3)
G. Current portion of non-current indebtedness	(66.8)	(35.7)	(28.6)
H. Other current financial debts	(0.3)	(0.5)	(0.4)
I. Current financial indebtedness (F) + (G) + (H)	**(73.4)**	**(56.0)**	**(89.3)**
J. Current financial indebtedness, net (I) + (E) + (D)	**41.0**	**(5.7)**	**(44.1)**
K. Non-current payables to banks	(228.8)	(238.6)	(209.0)
L. Bonds issued	-	-	-
M. Other non-current financial debts	(15.0)	(12.9)	(11.0)
N. Non-current financial indebtedness (K) + (L) + (M)	**(243.8)**	**(251.5)**	**(220.0)**
O. Net indebtedness (J) + (N)	**(202.8)**	**(257.2)**	**(264.1)**
Non-current financial receivables	0.1	-	0.8
Financial indebtedness, net including non-current financial receivables	**(202.7)**	**(257.2)**	**(263.3)**

CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER OF 2009

(in millions of Euro)

	Period 07.01 – 09.30.2009		Period 07.01 – 09.30.2008		Variation	
	Amount	%	Amount	%	Amount	%
Sales revenues	199.3	100.0	257.0	100.0	(57.7)	(22.5)
Variable cost of sales	131.8	66.1	171.3	66.7	(39.5)	(23.1)
CONTRIBUTION MARGIN	67.5	33.9	85.7	33.3	(18.2)	(21.2)
Manufacturing and R&D overheads	21.8	11.0	26.3	10.2	(4.5)	(17.1)
Depreciation and amortization	10.2	5.1	10.4	4.0	(0.2)	(1.2)
Distribution and sales fixed expenses	7.9	4.0	8.5	3.3	(0.6)	(7.2)
Administrative and general expenses	13.1	6.5	14.8	5.8	(1.7)	(11.4)
OPERATING PROFIT	14.5	7.3	25.7	10.0	(11.2)	(43.6)
Restructuring costs	2.7	1.3	2.0	0.8	0.7	36.3
Losses (gains) on disposal	-	-	-	-	-	-
Exchange (gains) losses	(0.2)	(0.1)	-	-	(0.2)	-
Other non-operating expenses (income)	4.3	2.2	3.8	1.5	0.5	11.6
EBIT	7.7	3.9	19.9	7.7	(12.2)	(61.1)
Financial expenses (income), net	2.3	1.2	3.8	1.4	(1.5)	(36.7)
Losses (gains) from equity investments	-	-	-	-	-	-
PROFIT BEFORE TAXES AND MINORITY INTERESTS	5.4	2.7	16.1	6.3	(10.7)	(66.7)
Income taxes	2.9	1.4	6.0	2.3	(3.1)	(52.7)
NET PROFIT BEFORE MINORITY INTERESTS	2.5	1.3	10.1	4.0	(7.6)	(75.1)
Loss (income) attributable to minority interests	(0.5)	(0.3)	(0.6)	(0.3)	0.1	20.3
GROUP NET PROFIT	2.0	1.0	9.5	3.7	(7.5)	(78.8)

CONTENT AND FORMAT OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. INTRODUCTION

The interim consolidated report on operations at September 30, 2009, which has not been externally audited, has been prepared in compliance with International Accounting Standards (IAS/IFRS) and to this end, the financial statements of consolidated investee companies have been appropriately reclassified and adjusted.

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

2. CONSOLIDATION PRINCIPLES

Consolidation is performed on a line-by-line basis. The criteria adopted for the application of this method have not changed with respect to those used at December 31, 2008.

3. ACCOUNTING PRINCIPLES APPLIED

The accounting principles applied in the preparation of the financial statements at September 30, 2009 are the same as those applied to the financial statements at December 31, 2008.

COMMENTS ON THE FINANCIAL STATEMENTS

The change in the Group’s consolidated shareholders’ equity and in the total shareholders’ equity is 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, 2008	160.9	17.4	178.3
Paid share capital increase	-	-	-
Dividends	-	(3.0)	(3.0)
Exchange differences and other variations	9.7	(0.5)	9.2
Net result for the period	(8.6)	0.9	(7.7)
Balance at September 30, 2009	162.0	14.8	176.8

Revenues from sales amounted to € 573.8 million compared to € 813.3 million in the corresponding period of 2008.

The breakdown of revenues by business area is as follows

(in millions of Euro)	Period 01.01 – 09.30.2009		Period 01.01 – 09.30.2008		Variation	
	Amount	%	Amount	%	Amount	%
Filters	306.4	53.4	396.5	48.8	(90.1)	(22.7)
Suspension components and precision springs	268.7	46.8	418.4	51.5	(149.7)	(35.8)
Intercompany eliminations	(1.3)	(0.2)	(1.6)	(0.3)	0.3	14.4
TOTAL	573.8	100.0	813.3	100.0	(239.5)	(29.4)

The breakdown of revenues by geographic area is shown in the table below:

(in millions of Euro)	Period 01.01 – 09.30.2009		Period 01.01 – 09.30.2008		Variation	
	Amount	%	Amount	%	Amount	%
France	139.7	24.3	176.4	21.7	(36.7)	(20.8)
Germany	77.4	13.5	123.6	15.2	(46.2)	(37.4)
Great Britain	50.2	8.8	88.5	10.9	(38.3)	(43.2)
Italy	49.4	8.6	70.8	8.7	(21.4)	(30.2)
Benelux	30.1	5.2	49.3	6.1	(19.2)	(39.0)
Spain	28.8	5.0	52.6	6.5	(23.8)	(45.2)
Other European countries	65.2	11.4	85.1	10.4	(19.9)	(23.4)
Mercosur	110.1	19.2	139.6	17.2	(29.5)	(21.1)
United States	11.5	2.0	15.4	1.9	(3.9)	(25.1)
China	4.6	0.8	4.5	0.6	0.1	0.7
Rest of the World	6.8	1.2	7.5	0.8	(0.7)	(10.5)
TOTAL	573.8	100.0	813.3	100.0	(239.5)	(29.4)

At September 30, 2009, the Group's workforce was 5,790, compared to 6,100 at December 31, 2008 and 6,165 at September 30, 2008, broken down as follows:

	09.30.2009	12.31.2008	09.30.2008
Managers	86	87	86
Clerical staff	1,331	1,434	1,382
Blue collar workers	4,373	4,579	4,697
TOTAL	5,790	6,100	6,165

Milan, October 20, 2009

THE BOARD OF DIRECTORS

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

Subject: Interim financial report at September 30, 2009

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

declares

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

Milan, October 20, 2009

SOGEFI S.p.A.
(Giancarlo Coppa)