INTERIM REPORT ON OPERATIONS
AS AT MARCH 31, 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 BY CIR S.p.A.
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REPORT OF THE BOARD OF DIRECTORS
ON OPERATIONS AS AT MARCH 31, 2009

In the first three months of 2009, the Group's operations and results significantly suffered from the further fall, with respect to the last few months of 2008, in the volumes produced by world manufacturers in order to reduce the considerable stock of unsold vehicles that still remains high.

The measures implemented by many governments to support the recovery of car demand had a positive impact only from the second half of February, when orders for economic and ecological vehicles rose. The mix of vehicles sold has therefore regarded the medium-low range in particular, which feature lower cost components, while without incentives, production in the *industrial vehicles, commercial vehicles, agricultural and excavation machinery* sectors fell by over 50%.

The considerable reduction in the *original equipment* sector in all markets in which the Group operates, did not lead to an improvement in sales in the *spares* segment, with the *independent aftermarket (IAM)* suffering from financial difficulties as regarding the distribution system, and the *original spares* market from a policy to reduce working capital adopted by vehicle manufacturers.

The Group's **consolidated revenues**, which were also negatively influenced by unfavourable exchange rates, amounted to € 174.9 million in the first quarter, down 35.6% on the same period last year. The revenues of both Divisions have fallen: the Filtration Division achieved € 90.2 million (-32.2% on the previous year's figure of 133 million) and the Suspension Components Division recorded € 84.9 million (-39% on the previous year's figure of 139.2 million). In Europe, sales fell by 37.5%, with revenues amounting to € 138.2 million compared to 221.2 million in 2008, while in South America, the fall was less significant, recording € 29.7 million against 41.1 million in the corresponding period of 2008 (-27.8%).

Within the Suspension Components Division, the *industrial vehicles* sector recorded a 44.4% drop in revenues, while business volumes in the *precision springs* segment fell by 45.6%.

The drop in revenues inevitably influenced the economic results for the period, despite extraordinary measures to curb all cost factors, adopted in late 2008, and the favourable trend in raw materials prices.

In the period, the workforce (including temporary workers and excluding employees covered by flexible arrangements such as ordinary and extraordinary redundancy benefits in Italy, or similar arrangements in other countries) was drastically reduced using social cushions in all countries where possible. At the end of March, the workforce totalled 5,892, down 14.2% compared to the previous twelve month period (6,869) and down 0.6% compared to December 31, 2008 (5,925). Residual and advance holiday leave were also utilised.

Despite a reduction in fixed costs of € 11.5 million (-17.1%) compared to the first quarter of 2008, **consolidated operating result**, which in 2008 had recorded a profit of € 23.5 million (8.6% of revenues), recorded a loss of 3.9 million (-2.2% of revenues).

Consolidated EBITDA fall to € 2.2 million (1.3% of revenues) from the previous 29.1 million (10.7% of revenues), while **consolidated EBIT** recorded a loss of € 8.4 million (-4.8% of revenues), while it had recorded a profit of 17.9 million (6.6% of revenues) in the first quarter of 2008.

Result before taxes and minority interests recorded a loss of € 11.6 million, compared to a profit of 15.7 million in the first three months of the previous year.

A negative **consolidated net result** of € 8.8 million was recorded for the period (-5% of revenues), while a profit of 9 million (3.3% of revenues) had been recorded in the first quarter of 2008.

In the current climate of fast falling revenues, management has mainly focused its efforts on not letting the company's net financial position deteriorate with respect to that recorded at the end of 2008, through measures seeking to adjust working capital to the lower sales levels. At March 31, 2009, **net indebtedness** was € 260.9 million, substantially in line with the 257.2 million recorded at December 31, 2008 and 101.4 million at the end of March 2008, when the dividends had not yet been paid.

Total consolidated shareholders' equity included minority interests stands at € 173 million, while it had been 178.3 million at December 31, 2008 and 332.6 million at the end of the first quarter last year, before the distribution of the dividends.

Consolidated shareholders' equity at March 31, 2009 was € 155.5 million, compared to 160.9 million at December 31, 2008 and 316.2 million at March 31, 2008.

PERFORMANCE OF THE FILTRATION DIVISION

As of January, the Division now includes the Indian subsidiaries MNR and EMW, which contributed revenues of € 1.1 million for the quarter, in line with forecasts.
Sales considerably dropped in all markets (-33.9% in Europe and -22.8% in Latin America), particularly in the first two months of the quarter.

After having benefitted from a reduction in structural costs of € 6.7 million (-20.1%) with respect to the first three months of 2008, also following the closure of two production plants in 2008, the Division's **operating profit** was € 0.3 million (11.7 million in the first quarter of 2008).

EBITDA was € 2.3 million (13 million in 2008), while **EBIT** recorded a loss of € 1.8 million, while a profit of 8.5 million had been recorded in the first quarter of 2008.

At the end of March 2009, the Division had a workforce (as defined above) of 3,392, down 13.5% compared to 3,920 employees at March 31, 2008.

PERFORMANCE OF THE SUSPENSION COMPONENTS AND PRECISION SPRINGS DIVISION

As the products of this Division are almost entirely dedicated to the *original equipment* segment, and as sales in the *industrial and excavation vehicles* have fallen drastically since January, in the period in question, the fall in the revenues was even more drastic than that recorded in the last quarter of the previous year.

In the presence of fall in revenues of 39%, the Divisions economic results were inevitably negative. The Division recorded a negative **consolidated operating result** of € 3.7 million, compared to a profit of 13 million in the same period of 2008; **consolidated EBITDA** was € 0.5 million (17.5 million in 2008) while **consolidated EBIT** recorded a loss of € 5.8 million compared to a profit of 11 million in the first quarter of 2008.

The Division recorded the above losses, despite having benefitted from a fall in the cost of steel and having reduced its structural costs by € 4.5 million compared to the first quarter of 2008 (-14%), also through a 16.1% reduction of the workforce (as defined above). At March 31, 2009, the Division employed 2,449 people, with respect to 2,920 twelve months prior and 2,513 at the end of 2008.

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

The Holding company, SOGEFI s.p.a., recorded a loss of € 2.8 million, compared to the 2 million recorded in the first quarter of 2008.

OUTLOOK FOR OPERATIONS

Even though an improvement in demand is expected in the coming months, due to the full impact of incentives to purchase a car on the market, the fall in revenues for 2009 as a whole will be considerable. Measures to widely reduce structural costs will therefore continue and the plan to reorganise production sites will be accelerated in order to adjust production to expected levels of sales. In particular, a production plant in France will be closed, and suspension components will no longer be made in the United States from the end of 2009 onwards. Lower revenues and the considerable extraordinary costs involved in the above will inevitably lead to a net negative result for the year as a whole.

CONSOLIDATED BALANCE SHEET

(in millions of Euro)

ASSETS	**03.31.2009**	**12.31.2008**
CURRENT ASSETS		
Cash and cash equivalents	43.4	49.5
Other financial assets	0.7	0.8
Working capital		
Inventories	102.5	114.5
Trade receivables	157.8	170.0
Other receivables	16.2	19.0
Tax receivables	12.6	14.9
Other assets	3.7	3.8
TOTAL WORKING CAPITAL	*292.8*	*322.2*
TOTAL CURRENT ASSETS	336.9	372.5
NON-CURRENT ASSETS		
Fixed assets		
Land	14.0	13.9
Property, plant and equipment	217.7	218.0
Other tangible fixed assets	4.4	4.6
Of wich: leases	*11.7*	*11.8*
Intangible assets	128.0	127.3
TOTAL FIXED ASSETS	364.1	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	-	-
Other receivables	10.0	8.8
Deferred tax assets	29.7	26.7
TOTAL OTHER NON-CURRENT ASSETS	40.2	36.0
TOTAL NON-CURRENT ASSETS	404.3	399.8
NON-CURRENT ASSETS HELD FOR SALE	0.7	0.7
TOTAL ASSETS	741.9	773.0

LIABILITIES	03.31.2009	12.31.2008
CURRENT LIABILITIES		
Bank overdrafts and short-term loans	19.9	19.8
Current portion of medium/long-term financial debts and other loans	40.3	35.7
Of which: leases	*1.2*	*1.4*
TOTAL SHORT-TERM FINANCIAL DEBTS	60.2	55.5
Other short-term liabilities for derivative financial instruments	-	0.5
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	60.2	56.0
Trade and other payables	180.8	204.1
Tax payables	3.4	4.2
Other current liabilities	2.4	1.7
TOTAL CURRENT LIABILITIES	246.8	266.0
NON-CURRENT LIABILITIES		
MEDIUM/LONG TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS		
Financial debts to bank	232.1	238.6
Other medium/long-term financial debts	10.4	10.7
Of which: leases	*7.1*	*7.2*
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS	242.5	249.3
Other medium/long term financial liabilities for derivative financial instruments	2.3	2.3
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	244.8	251.6
OTHER LONG-TERM LIABILITIES		
Long-term provisions	48.4	48.9
Other payables	0.4	0.4
Deferred tax liabilities	28.5	27.8
TOTAL OTHER LONG-TERM LIABILITIES	77.3	77.1
TOTAL NON-CURRENT LIABILITIES	322.1	328.7
SHAREHOLDERS' EQUITY		
Share capital	60.4	60.4
Reserves and retained earnings (accumulated losses)	103.9	72.0
Group net profit (loss)	(8.8)	28.5
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY	155.5	160.9
Minority interests	17.5	17.4
TOTAL SHAREHOLDERS' EQUITY	173.0	178.3
TOTAL LIABILITIES AND EQUITY	741.9	773.0

CONSOLIDATED INCOME STATEMENT FROM 1.1.2009 TO 03.31.2009

(in millions of Euro)

	Period 01.01 – 03.31.2009		Period 01.01 – 03.31.2008		Variation	
	Amount	%	Amount	%	Amount	%
Sales revenues	174.9	100.0	271.7	100.0	(96.8)	(35.6)
Variable cost of sales	123.1	70.4	181.0	66.6	(57.9)	(32.0)
CONTRIBUTION MARGIN	51.8	29.6	90.7	33.4	(38.9)	(42.9)
Manufacturing and R&D overheads	22.6	12.9	29.6	10.9	(7.0)	(23.7)
Depreciation and amortization	10.6	6.1	11.2	4.1	(0.6)	(5.0)
Distribution and sales fixed expenses	7.7	4.4	9.4	3.5	(1.7)	(18.2)
Administrative and general expenses	14.8	8.4	17.0	6.3	(2.2)	(13.0)
OPERATING RESULT	(3.9)	(2.2)	23.5	8.6	(27.4)	(116.8)
Restructuring costs	1.3	0.7	1.1	0.4	0.2	24.2
Losses (gains) on disposal	-	-	(0.1)	-	0.1	110.1
Exchange losses (gains)	0.4	0.2	1.1	0.4	(0.7)	(63.4)
Other non-operating expenses (income)	2.8	1.7	3.5	1.2	(0.7)	(22.4)
EBIT	(8.4)	(4.8)	17.9	6.6	(26.3)	(146.6)
Financial expenses (income), net	3.2	1.8	2.2	0.8	1.0	43.9
Losses (gains) from equity investments	-	-	-	-	-	-
RESULT BEFORE TAXES AND MINORITY INTERESTS	(11.6)	(6.6)	15.7	5.8	(27.3)	(173.5)
Income taxes	(2.9)	(1.6)	6.0	2.2	(8.9)	(146.8)
NET RESULT BEFORE MINORITY INTERESTS	(8.7)	(5.0)	9.7	3.6	(18.4)	(190.3)
Loss (income) attributable to minority interests	(0.1)	-	(0.7)	(0.3)	0.6	90.6
GROUP NET RESULT	(8.8)	(5.0)	9.0	3.3	(17.8)	(198.0)

NET FINANCIAL POSITION

(in millions of Euro)

	03.31.2009	12.31.2008	03.31.2008
A. Cash	43.4	49.5	61.3
B. Other cash at bank and on hand	-	-	-
C. Financial instruments held for trading	-	-	0.1
D. Liquid funds (A) + (B) + (C)	**43.4**	**49.5**	**61.4**
E. Current financial receivables	**0.7**	**0.8**	**0.8**
F. Current payables to banks	(19.9)	(19.8)	(20.7)
G. Current portion of non-current indebtedness	(40.3)	(35.7)	(13.5)
H. Other current financial debts	-	(0.5)	(0.5)
I. Current financial indebtedness (F) + (G) + (H)	**(60.2)**	**(56.0)**	**(34.7)**
J. Current financial indebtedness, net (I) + (E) + (D)	**(16.1)**	**(5.7)**	**27.5**
K. Non-current payables to banks	(232.1)	(238.6)	(117.0)
L. Bonds issued	-	-	-
M. Other non-current financial debts	(12.7)	(12.9)	(11.9)
N. Non-current financial indebtedness (K) + (L) + (M)	**(244.8)**	**(251.5)**	**(128.9)**
O. Net indebtedness (J) + (N)	**(260.9)**	**(257.2)**	**(101.4)**
Non-current financial receivables	-	-	-
Financial indebtedness, net including non-current financial receivables	**(260.9)**	**(257.2)**	**(101.4)**

CONTENT AND FORMAT OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. INTRODUCTION

The interim consolidated report on operations as at March 31, 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

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

COMMENTS ON THE FINANCIAL STATEMENTS

Changes in Group shareholders’ equity and total shareholders’ equity over the first quarter 2009 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	-	-	-
Exchange differences and other variations	3.4	-	3.4
Net result for the period	(8.8)	0.1	(8.7)
Balance at March 31, 2009	155.5	17.5	173.0

Revenues from sales amounted to € 174.9 million compared to 271.7 million in the previous period of 2008.

The breakdown of revenues by business area is as follows:

(in millions of Euro)	Period 01.01 – 03.31.2009		Period 01.01 – 03.31.2008		Variation	
	Amount	%	Amount	%	Amount	%
Filters	90.2	51.6	133.0	48.9	(42.8)	(32.2)
Suspension components and precision springs	84.9	48.6	139.2	51.2	(54.3)	(39.0)
Intercompany eliminations	(0.2)	(0.2)	(0.5)	(0.1)	0.3	52.3
TOTAL	174.9	100.0	271.7	100.0	(96.8)	(35.6)

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

(in millions of Euro)	Period 01.01 – 03.31.2009		Period 01.01 – 03.31.2008		Variation	
	Amount	%	Amount	%	Amount	%
France	41.8	23.9	59.7	22.0	(17.9)	(30.0)
Germany	25.1	14.4	40.3	14.8	(15.2)	(37.7)
Italy	16.5	9.4	24.0	8.8	(7.5)	(31.3)
Great Britain	15.9	9.1	30.7	11.3	(14.8)	(48.2)
Spain	9.1	5.2	19.0	7.0	(9.9)	(52.1)
Benelux	10.1	5.8	17.8	6.6	(7.7)	(43.0)
Other European countries	19.7	11.2	29.7	10.9	(10.0)	(33.8)
Mercosur	29.7	17.0	41.1	15.1	(11.4)	(27.8)
United States	4.0	2.3	4.8	1.8	(0.8)	(17.5)
China	1.1	0.6	1.4	0.5	(0.3)	(20.5)
Rest of the World	1.9	1.1	3.2	1.2	(1.3)	(39.4)
TOTAL	174.9	100.0	271.7	100.0	(96.8)	(35.6)

At March 31, 2009, the Group's workforce was 6,003, compared to 6,100 at December 31, 2008 and 6,319 at March 31, 2008, broken down as follows:

	03.31.2009	12.31.2008	03.31.2008
Managers	86	87	89
Clerical staff	1,422	1,434	1,383
Blue collar workers	4,495	4,579	4,847
TOTAL	6,003	6,100	6,319

Milan, April 23, 2009

THE BOARD OF DIRECTORS

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

Interim Report on Group operations as at March 31, 2009

The Manager Responsible for preparing the Company's financial reports – Giancarlo Coppa –

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, April 23, 2009

SOGEFI S.p.A.
(Giancarlo Coppa)