INTERIM FINANCIAL REPORT
AS AT MARCH 31, 2010

JOINT-STOCK COMPANY - SHARE CAPITAL EURO 60,404,755.84
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 OPERATIONS
AS AT MARCH 31, 2010

In the first quarter of 2010, the upward trend indicating the gradual recovery of production levels in the automobile industry continued in the markets (Europe, USA, Japan) that had been worst hit by the crisis which started at the end of 2008. The recovery of the demand for vehicles, sustained by the state incentives adopted by many countries, and the end of destocking policies by manufacturers led to a growth in production volumes, with a positive impact on the supply chain.

In the markets that had recorded higher volumes in 2009 (Brazil, India, China), the upward trend continued as a result of growing internal demand. In Europe, on the other hand, production in the *industrial vehicles, agricultural and excavation machinery* sectors continued to remain particularly low and therefore substantially unchanged with respect to the previous twelve months, while the *aftermarket* segment remained stable, at the levels recorded in the second half of 2009.

The SOGEFI Group benefitted from this upward market trend, recording a 22.4% rise in revenues in the first quarter of 2010 and **consolidated revenues** of € 214 million compared to € 174.9 million in the same quarter of 2009.
In Europe sales improved by 15.3% reaching € 159.3 million against € 138.2 million in the first quarter of 2009, in South America by 53.2% recording € 45.5 million compared to € 29.7 million, also as a result of the revaluation of the Real, in China by 179.9% and in India by 40.1%. Only the North American market showed a contraction due to the presence in the first quarter of 2009 of revenues from the *suspension components division*, which was closed down last July.

The Filtration Division recorded a growth in revenues of 18.2% to € 106.6 million (€ 90.2 million in the first quarter of 2009), and the Suspension Components Division, although penalised by the downward trend of the *industrial vehicles* and *precision springs* sectors, recorded a growth of 27.1% to € 108 million (€ 84.9 million in the first quarter of the previous year).

After the drastic downsizing of structural costs made in the previous year, the increase in revenues led to a significant recovery of profitability in all areas with respect to the first three months of 2009.

Thanks to the stable costs of raw materials, with respect to last year, the **consolidated contribution margin** was € 71 million (33.2% of sales) against € 51.8 million (29.6% of sales) in the first quarter of 2009.

Consolidated operating profit amounted to € 12.2 million (5.7% of sales), while a loss of € 3.9 million had been recorded in the corresponding period of the previous year. The impact of materials on sales was 44.2% (46.7% in the same period of 2009) and the impact of personnel costs on sales fell from 29.2% to 26.6%.

In the absence of significant reorganisation charges (which had amounted to € 1.3 million in the first quarter of 2009), earnings before interest, tax, depreciation and amortisation (EBITDA) and earnings before interest and tax (EBIT) improved considerably.
Consolidated EBITDA was € 20.6 million (9.6% of sales) against just € 2.2 million (1.3% of sales) in the first quarter of 2009 and **EBIT** amounted to € 9.5 million (4.5% of sales) compared to a loss of € 8.4 million (-4.8% of sales) in the corresponding period of 2009.

The considerable reduction in the indebtedness, compared to the situation twelve months earlier, and the fall in interest rates enables financial expenses to be contained to € 2.5 million (3.2 million in the first quarter of 2009), with a positive impact on **profit before taxes and minority interests**, which totalled € 7 million against a loss of € 11.6 million in the first quarter of last year.

The group recorded again a **consolidated net profit** of € 3.8 million (1.8% of sales), after recording a loss of € 8.8 million (-5% of sales).

At March 31, 2010, the **net financial indebtedness** was € 188.4 million compared to € 170.2 million on December 31, 2009 and € 260.9 million on March 31, 2009. The non recourse sale of trade receivables and the extension of suppliers' payments terms policies continued (extensions was lower than in previous quarters).

Total shareholders' equity, included minority interests, at March 31, 2010 was € 190.5 million against € 182.2 million at December 31, 2009 and € 173 million at March 31, 2009.

At March 31, 2010, **consolidated shareholders' equity** was € 174.8 million compared to € 166.8 million at December 31, 2009 and € 155.5 million at March 31, 2009.

PERFORMANCE OF THE FILTRATION DIVISION

As mentioned above, in the first quarter, the Division's revenues increased by 18.2% compared to the corresponding period of 2009, recording the highest growth in South America (38.5%) compared to Europe (9.9%) and improving sales in all three market segments: *original equipment* (OE) +34.6%, *independent aftermarket* (IAM) +9% and *original equipment spares* (OES) +14.9%.

The reduction in the number of employees made in the previous year and higher sales led to a considerable improvement in profitability.
The Division's **operating profit** rose to € 5.8 million (5.4% of sales) against the substantial break-even of the first quarter of 2009 (0.3 million), **EBITDA** rose from € 2.3 million (2.5% of sales) to 9.1 million (8.5%), while **EBIT**, which had recorded a loss of € 1.8 million in the first three months of the previous year, recorded a profit of € 4.4 million (4.2% of sales).

The Division'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) amounted to 3,560 employees, up compared to the 3,392 employees recorded twelve months previously, due to higher production levels.

PERFORMANCE OF THE SUSPENSION COMPONENTS AND PRECISION SPRINGS DIVISION

Overall, the Division, which operates almost exclusively in the *original equipment* sector, recorded an increase in sales of 27.1%, with a rise of 20.7% in Europe, 76% in Latin America and 173.7% in China.

The European *industrial vehicles* sector did not show any signs of recovery, with stables sales, while the *precision springs* sector, although still depressed, recorded a slight upturn in sales.

The price of steel was substantially unchanged with respect to the last quarter of 2009, but was down compared to the first quarter of 2009. Together with the higher revenues allowed a return to **operating profit** for € 7.5 million (7% of sales), while the figure for the first quarter of the previous year had been a loss of € 3.7 million.

Following the closure in January of the Custines plant (France), which had produced *torsion bars*, and the reduction in the workforces of all sites made in 2009, **EBITDA** rose to € 12.7 million (11.8% of sales) against € 0.5 million in the first quarter of 2009, as did **EBIT,** which recorded a profit of € 6.4 million (5.9% of sales) compared to a loss of € 5.8 million in the corresponding period of the previous year.

At March 31, 2010, the Division’s workforce (as defined above) totalled 2,503 employees, up compared to March 31, 2009 (2,457 employees) due to higher production levels.

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

The Holding company, SOGEFI S.p.A., recorded a loss of € 1.6 million, compared to € 2.8 million in the first quarter of 2009. The improvement was obtained as a result of lower financial charges, the previously mentioned reduction in indebtedness and interest rates, as well as to the absence of write-downs of equity investments, which had had a negative impact on the result of the first quarter of 2009 (€ 0.8 million).

OUTLOOK FOR OPERATIONS

In 2010, the company continues to foresee an increase in revenues and profitability with respect to the previous year and a return to net profit. Results will benefit from a slight improvement in the production levels of cars in Europe, where the absence of destocking that penalised 2009 revenues, should compensate the fall in sales due to the end of incentive schemes in many countries.

The good start to the year recorded in BIC markets (Brazil, India and China) and in the aftermarket segment is expected to continue. Furthermore, in the coming months, the company will continue to reorganise the production structure, resulting in significantly lower expenses than in 2009. Current pressure on the prices of raw materials, if confirmed, should, as in the past, be rapidly transferred to sales prices. However, any impact would only regard the end of the year.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(in millions of Euro)

ASSETS	**03.31.2010**	**12.31.2009**
CURRENT ASSETS		
Cash and cash equivalents	52.3	111.6
Other financial assets	-	-
Working capital		
Inventories	97.1	85.9
Trade receivables	143.5	126.6
Other receivables	5.9	5.5
Tax receivables	7.7	9.9
Other assets	3.4	3.1
TOTAL WORKING CAPITAL	*257.6*	*231.0*
TOTAL CURRENT ASSETS	309.9	342.6
NON-CURRENT ASSETS		
Fixed assets		
Land	14.3	14.2
Property, plant and equipment	210.8	211.6
Other tangible fixed assets	4.4	5.7
Of wich: leases	*13.7*	*13.7*
Intangible assets	131.9	131.4
TOTAL FIXED ASSETS	361.4	362.9
OTHER NON-CURRENT ASSETS		
Equity investments in associated companies	0.1	0.1
Other financial assets available for sale	0.4	0.5
Financial receivables	0.1	0.1
Other receivables	9.3	9.0
Deferred tax assets	35.7	35.0
TOTAL OTHER NON-CURRENT ASSETS	45.6	44.7
TOTAL NON-CURRENT ASSETS	407.0	407.6
NON-CURRENT ASSETS HELD FOR SALE	0.7	0.7
TOTAL ASSETS	717.6	750.9

LIABILITIES	03.31.2010	12.31.2009
CURRENT LIABILITIES		
Bank overdrafts and short-term loans	32.2	4.3
Current portion of medium/long-term financial debts and other loans	46.2	67.4
Of which: leases	*1.7*	*1.7*
TOTAL SHORT-TERM FINANCIAL DEBTS	78.4	71.7
Other short-term liabilities for derivative financial instruments	1.1	1.0
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	79.5	72.7
Trade and other payables	201.2	199.8
Tax payables	3.8	2.7
Other current liabilities	2.3	2.0
TOTAL CURRENT LIABILITIES	286.8	277.2
NON-CURRENT LIABILITIES		
MEDIUM/LONG TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS		
Financial debts to bank	148.3	196.2
Other medium/long-term financial debts	10.9	10.9
Of which: leases	*7.7*	*8.0*
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS	159.2	207.1
Other medium/long term financial liabilities for derivative financial instruments	2.1	2.1
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	161.3	209.2
OTHER LONG-TERM LIABILITIES		
Long-term provisions	47.2	51.0
Other payables	0.4	0.4
Deferred tax liabilities	31.4	30.9
TOTAL OTHER LONG-TERM LIABILITIES	79.0	82.3
TOTAL NON-CURRENT LIABILITIES	240.3	291.5
SHAREHOLDERS' EQUITY		
Share capital	60.4	60.4
Reserves and retained earnings (accumulated losses)	110.6	114.0
Group net profit (loss)	3.8	(7.6)
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY	174.8	166.8
Minority interests	15.7	15.4
TOTAL SHAREHOLDERS' EQUITY	190.5	182.2
TOTAL LIABILITIES AND EQUITY	717.6	750.9

CONSOLIDATED INCOME STATEMENT FROM 1.1.2010 to 03.31.2010

(in millions of Euro)

	Period 01.01 – 03.31.2010		Period 01.01 – 03.31.2009		Variation	
	Amount	%	Amount	%	Amount	%
Sales revenues	214.0	100.0	174.9	100.0	39.1	22.4
Variable cost of sales	143.0	66.8	123.1	70.4	19.9	16.2
CONTRIBUTION MARGIN	71.0	33.2	51.8	29.6	19.2	37.1
Manufacturing and R&D overheads	24.7	11.6	22.6	12.9	2.1	9.4
Depreciation and amortization	11.1	5.2	10.6	6.1	0.5	4.8
Distribution and sales fixed expenses	7.7	3.6	7.7	4.4	-	-
Administrative and general expenses	15.3	7.1	14.8	8.4	0.5	3.0
OPERATING RESULT	12.2	5.7	(3.9)	(2.2)	16.1	409.3
Restructuring costs	0.2	0.1	1.3	0.7	(1.1)	(87.8)
Losses (gains) on disposal	(0.1)	-	-	-	(0.1)	-
Exchange losses (gains)	(0.2)	(0.1)	0.4	0.2	(0.6)	(153.9)
Other non-operating expenses (income)	2.8	1.2	2.8	1.7	-	-
EBIT	9.5	4.5	(8.4)	(4.8)	17.9	214.1
Financial expenses (income), net	2.5	1.2	3.2	1.8	(0.7)	(21.0)
Losses (gains) from equity investments	-	-	-	-	-	-
RESULT BEFORE TAXES AND MINORITY INTERESTS	7.0	3.3	(11.6)	(6.6)	18.6	160.6
Income taxes	2.9	1.3	(2.9)	(1.6)	5.8	201.5
NET RESULT BEFORE MINORITY INTERESTS	4.1	2.0	(8.7)	(5.0)	12.8	147.3
Loss (income) attributable to minority interests	(0.3)	(0.2)	(0.1)	-	(0.2)	(402.3)
GROUP NET RESULT	3.8	1.8	(8.8)	(5.0)	12.6	143.3

NET FINANCIAL POSITION

(in millions of Euro)

	03.31.2010	12.31.2009	03.31.2009
A. Cash	52.3	111.6	43.4
B. Other cash at bank and on hand	-	-	-
C. Financial instruments held for trading	-	-	-
D. Liquid funds (A) + (B) + (C)	**52.3**	**111.6**	**43.4**
E. Current financial receivables	**-**	**-**	**0.7**
F. Current payables to banks	(32.2)	(4.3)	(19.9)
G. Current portion of non-current indebtedness	(46.2)	(67.4)	(40.3)
H. Other current financial debts	(1.1)	(1.0)	-
I. Current financial indebtedness (F) + (G) + (H)	**(79.5)**	**(72.7)**	**(60.2)**
J. Current financial indebtedness, net (I) + (E) + (D)	**(27.2)**	**38.9**	**(16.1)**
K. Non-current payables to banks	(148.3)	(196.2)	(232.1)
L. Bonds issued	-	-	-
M.Other non-current financial debts	(13.0)	(13.0)	(12.7)
N. Non-current financial indebtedness (K) + (L) + (M)	**(161.3)**	**(209.2)**	**(244.8)**
O. Net indebtedness (J) + (N)	**(188.5)**	**(170.3)**	**(260.9)**
Non-current financial receivables	0.1	0.1	-
Financial indebtedness, net including non-current financial receivables	**(188.4)**	**(170.2)**	**(260.9)**

CONTENT AND FORMAT OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. INTRODUCTION

The interim consolidated report on operations as at March 31, 2010, 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 financial report 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, 2009.

3. ACCOUNTING PRINCIPLES APPLIED

The accounting principles applied in the preparation of the financial statements at March 31, 2010 are the same as those applied to the financial statements at December 31, 2009.

COMMENTS ON THE FINANCIAL STATEMENTS

The change in the Group’s consolidated shareholders’ equity and in the total shareholders’ equity in the first quarter of 2010 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, 2009	166.8	15.4	182.2
Paid share capital increase	-	-	-
Dividends	-	-	-
Exchange differences and other variations	4.2	-	4.2
Net result for the period	3.8	0.3	4.1
Balance at March 31, 2010	174.8	15.7	190.5

Revenues from sales amounted to € 214 million compared to 174.9 million in the corresponding period of 2009.

The breakdown of revenues by business area is as follows:

(in millions of Euro)	Period 01.01 – 03.31.2010		Period 01.01 – 03.31.2009		Variation	
	Amount	%	Amount	%	Amount	%
Filters	106.6	49.8	90.2	51.6	16.4	18.2
Suspension components and precision springs	108.0	50.5	84.9	48.6	23.1	27.1
Intercompany eliminations	(0.6)	(0.3)	(0.2)	(0.2)	(0.4)	(165.8)
TOTAL	214.0	100.0	174.9	100.0	39.1	22.4

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

(in millions of Euro)	Period 01.01 – 03.31.2010		Period 01.01 – 03.31.2009		Variation	
	Amount	%	Amount	%	Amount	%
France	50.7	23.7	41.8	23.9	8.9	21.4
Germany	28.3	13.2	25.1	14.4	3.2	12.8
Great Britain	19.2	9.0	15.9	9.1	3.3	21.2
Italy	17.2	8.1	16.5	9.4	0.7	4.4
Benelux	11.1	5.2	10.1	5.8	1.0	9.6
Spain	9.1	4.3	9.1	5.2	-	-
Other European countries	23.7	11.0	19.7	11.2	4.0	19.8
Mercosur	45.5	21.3	29.7	17.0	15.8	53.2
China	3.0	1.4	1.1	0.6	1.9	179.9
United States	2.9	1.3	4.0	2.3	(1.1)	(28.1)
India	2.0	0.9	1.4	0.8	0.6	40.1
Rest of the World	1.3	0.6	0.5	0.3	0.8	166.3
TOTAL	214.0	100.0	174.9	100.0	39.1	22.4

At March 31, 2010, the Group's workforce was 5,758, compared to 5,770 at December 31, 2009 and 6,003 at March 31, 2009, broken down as follows:

	03.31.2010	12.31.2009	03.31.2009
Managers	87	88	86
Clerical staff	1,328	1,329	1,422
Blue collar workers	4,343	4,353	4,495
TOTAL	5,758	5,770	6,003

Milan, April 20, 2010

THE BOARD OF DIRECTORS

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

Subject: Interim financial report as at March 31, 2010

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, April 20, 2010

SOGEFI S.p.A.
(Giancarlo Coppa)