



PRESS RELEASE

Board of Directors approves results as of September 30 2012

SOGEFI: REVENUES TOP 1 BILLION IN FIRST NINE MONTHS (+21.1%) NET INCOME UP AT 22.4 MILLION (+19%)

Despite the difficult economic situation and the slowdown in the car sector, the group benefits from strong growth in North America, with revenues almost trebled compared to 2011, and from the acquisition of Systèmes Moteurs. EBITDA shows double-digit growth (+22.8%) reaching almost 100 million euro

Consolidated results for the first nine months of 2012

Revenues: € 1,005.1 million (+21.1% from € 829.8 million in 9M 2011)
Operating result: € 70.6 million (+4.1% from € 67.8 million in 9M 2011)
EBITDA: € 98.1 million (+22.8% from € 79.9 million in 9M 2011)
Net income: € 22.4 million (+19% from € 18.8 million in 9M 2011)
Net debt: € 325.2 million (€ 307.6 million at June 30 2012)

Milan, October 23 2012 - The **Board of Directors** of Sogefi SpA, which met today under the chairmanship of **Rodolfo De Benedetti**, approved the **Interim Financial Report** of the group as of **September 30 2012**.

Sogefi, the automotive components company belonging to the **CIR group**, is **one of the main world producers in the sector of filters, engine air cooling systems and suspension components** with **44** production sites in **16** countries.

Performance of operations

In the first nine months of 2012 the **Sogefi group** reported **higher revenues and profitability** than in the same period of last year thanks to the growth in the North American market and to the contribution of the businesses of Systèmes Moteurs, acquired in the second half of last year and consolidated as from August 1 2011. These results were obtained in a difficult market environment with a gradual reduction in levels of production and sales of motor vehicles, which became more accentuated in September.

In Europe, in particular, new registrations in the first nine months of the year fell by 20.5% in Italy, 13.8% in France, 11% in Spain and 1.8% in Germany. Vehicle production even declined in Brazil (-5.7% in the nine months), which is an important market for the Sogefi group, particularly because of destocking action. The only large car market that has continued to grow in 2012 is that of the United States.

Consolidated results

In the first nine months of the year the Sogefi group posted **revenues of 1,005.1 million euro**, up from 829.8 million euro in the same period of 2011 (**+21.1%**). In geographical terms, **the greatest revenue growth was in Nafta countries (+182.1%), India (+52.8%), China (+25.3%) and Europe (+16.3%)**. By contrast, sales in Mercosur declined by 6.3%.

With the same consolidation perimeter, considering that Systèmes Moteurs was consolidated as from August 2011, revenues would have declined by 4.3%.

The **Engine Systems Division**, thanks to the extension of the consolidation, reported a rise in revenues of 43.9% to 601.7 million euro (-6.7% with the same consolidation), versus 418.2 million del 2011. The **Suspension Components Division** reported sales of 403.9 million euro, down slightly (-2.3%) from 413.5 million in the first nine months of 2011. The independent aftermarket reported a decline of 5.6%, while the original spares aftermarket was substantially unchanged. The industrial vehicle segment saw stagnation in levels of activity in Europe and a contraction in Brazil, which is the main South American market.

The operating action being taken to balance the impact of the decline in volumes of activity, together with the substantial stability of the prices of the commodities that most affect product cost, enabled the group to obtain overall income levels that were higher or with the same consolidation perimeter were only slightly lower. The impact of the cost of materials on revenues at consolidated level rose slightly from 48.4% last year to 52.1%, mainly because of the change in the product mix after the consolidation of Systèmes Moteurs as from August 1 2011.

The **operating result** of the first nine months was **70.6 million** euro (7% of revenues) and was **up by 4.1%** from 67.8 million (8.2% of revenues) in the same period of 2011.

In the first nine months of the year charges of 3 million euro were recognized for reorganization and restructuring (8.2 million euro in the same period of 2011) and there were non-operating costs of 6.7 million euro, due in particular to the writedown of the stabilizer bar production assets at the Prichard plant (USA) which are no longer being used (1.5 million euro) and to consulting services for initiatives relating to the international development of the group (2.1 million euro).

EBITDA came to **98.1 million** euro (9.8% of revenues), **and was up by 22.8%** from 79.9 million euro (9.6% of revenues) in the first nine months of 2011. **EBIT** was **52.5 million** euro (5.2% of revenues), **posting a rise of 26.1%** from 41.6 million euro (5% of revenues) in 2011.

The **net income of the group** came in at **22.4 million** euro (2.2% of revenues), **and was up by 19%** from 18.8 million euro (2.3% of revenues) in the first nine months of 2011.

Net debt stood at **325.2 million** euro at September 30 2012, up from 307.6 million euro at June 30 2012 and 299.8 million at December 31 2011.

After the dividend distribution of 14.7 million euro, **consolidated equity**, including that of minority shareholders, totalled **213.8 million** at September 30 2012 (214.2 million euro at December 31 2011). The **consolidated equity attributable to the Sogefi group** stood at **194.7 million** euro at September 30 2012 (195.2 million at December 31 2011).

The group had **6,727 employees** at September 30 2012 (6,708 at December 31 2011).

Outlook for the whole year

In the last quarter of 2012 there is expected to be a further worsening of the automotive market in Europe with a contraction in production levels by the main manufacturers, including those of the premium segment, partly as a result of lower demand in emerging countries which had so far compensated for the lower sales in the domestic market. It is in any case unlikely that there will be any rises in the cost of commodities.

This fact, combined with renewed efforts to reduce all cost factors, especially structure costs, efficiently, should enable the group to obtain positive results even in the last quarter and to confirm the improvement in its economic indicators compared to 2011 for the whole year.

Waiver of the obligation to publish information documents

The Board of Directors voted to adopt the opt-out regime as per Articles 70, paragraph 8, and 71, paragraph 1-bis, of the Rules for Issuers, thus availing itself of the right to waive obligations to publish the prescribed information documents when carrying out significant transactions involving mergers, demergers, capital increases through the contribution of assets in kind, acquisitions and disposals.

Corporate governance and changes to the Company Bylaws

The Board also approved a series of amendments to improve its Corporate Governance and implement the new rules introduced by the Code of Conduct of Borsa Italiana.

Lastly, at an extraordinary sitting, the Board of Directors voted to amend Articles 17 and 26 of the Company Bylaws to bring them into line with the new rules introduced by Law 120/2011 on the subject of gender balance in the administrative and control bodies of companies.

The executive responsible for the preparation of the Company's financial statements, Giancarlo Coppa, hereby declares as per the terms of paragraph 2 of Article 154 bis of the Finance Consolidation Act (TUF) that the figures contained in this press release correspond to the results documented in the company's accounts and general ledger.

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This press release can also be consulted on the website: <http://www.sogefigroup.com/it/area-stampa/index.html>

*Attached are the key figures from the income statement and the statement of financial position at September 30 2012 of the Sogefi group.
It should be noted that these results have not been externally audited.*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE SOGEFI GROUP

(in millions of Euro)

ASSETS	09.30.2012	12.31.2011 (*)
CURRENT ASSETS		
Cash and cash equivalents	79.1	102.5
Other financial assets	6.5	1.9
<i>Working capital</i>		
Inventories	162.7	152.5
Trade receivables	185.7	178.6
Other receivables	31.2	32.1
Tax receivables	21.4	19.6
Other assets	4.3	2.8
TOTAL WORKING CAPITAL	405.3	385.6
TOTAL CURRENT ASSETS	490.9	490.0
NON-CURRENT ASSETS		
FIXED ASSETS		
Land	16.7	15.8
Property, plant and equipment	234.8	240.1
Other tangible fixed assets	5.5	4.8
<i>Of which: leases</i>	12.1	12.8
Intangible assets	233.4	220.2
TOTAL FIXED ASSETS	490.4	480.9
OTHER NON-CURRENT ASSETS		
Investments in joint ventures	0.3	0.3
Other financial assets available for sale	0.5	0.5
Non-current trade receivables	-	0.9
Financial receivables	-	-
Other receivables	16.6	14.1
Deferred tax assets	50.2	48.7
TOTAL OTHER NON-CURRENT ASSETS	67.6	64.5
TOTAL NON-CURRENT ASSETS	558.0	545.4
NON-CURRENT ASSETS HELD FOR SALE	-	0.7
TOTAL ASSETS	1,048.9	1,036.1
LIABILITIES	09.30.2012	12.31.2011 (*)
CURRENT LIABILITIES		
Bank overdrafts and short-term loans	7.4	9.8
Current portion of medium/long-term financial debts and other loans	253.6	47.0
<i>Of which: leases</i>	0.8	1.7
TOTAL SHORT-TERM FINANCIAL DEBTS	261.0	56.8
Other short-term liabilities for derivative financial instruments	1.4	0.6
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	262.4	57.4
Trade and other payables	321.2	314.9
Tax payables	10.0	8.6
Other current liabilities	8.5	7.3
TOTAL CURRENT LIABILITIES	602.1	388.2
NON-CURRENT LIABILITIES		
MEDIUM/LONG TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS		
Financial debts to bank	126.5	330.5
Other medium/long-term financial debts	9.0	7.9
<i>Of which: leases</i>	5.2	5.7
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS	135.5	338.4
Other medium/long term financial liabilities for derivative financial instruments	12.9	8.4
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	148.4	346.8
OTHER LONG-TERM LIABILITIES		
Long-term provisions	38.5	40.5
Other payables	0.3	1.6
Deferred tax liabilities	45.8	44.8
TOTAL OTHER LONG-TERM LIABILITIES	84.6	86.9
TOTAL NON-CURRENT LIABILITIES	233.0	433.7
SHAREHOLDERS' EQUITY		
Share capital	60.7	60.7
Reserves and retained earnings (accumulated losses)	111.6	110.5
Group net profit (loss) for the period	22.4	24.0
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY	194.7	195.2
Non-controlling interests	19.1	19.0
TOTAL SHAREHOLDERS' EQUITY	213.8	214.2
TOTAL LIABILITIES AND EQUITY	1,048.9	1,036.1

(*) Some values at December 31 2011 have been restated following the conclusion of the Purchase Price Allocation process of Systèmes Moteurs S.A.S.

CONSOLIDATED INCOME STATEMENT OF THE SOGEFI GROUP FROM 1.1.2012 TO 09.30.2012

(in millions of Euro)

	Period		Period		Change	
	01.01 – 09.30.2012		01.01 – 09.30.2011		Amount	%
	Amount	%	Amount	%	Amount	%
Sales revenues	1,005.1	100.0	829.8	100.0	175.3	21.1
Variable cost of sales	705.3	70.2	569.9	68.7	135.4	23.7
CONTRIBUTION MARGIN	299.8	29.8	259.9	31.3	39.9	15.4
Manufacturing and R&D overheads	100.8	10.0	82.7	10.0	18.1	21.9
Depreciation and amortization	44.0	4.4	34.9	4.2	9.1	26.1
Distribution and sales fixed expenses	29.6	2.9	25.9	3.1	3.7	14.1
Administrative and general expenses	54.8	5.5	48.6	5.8	6.2	12.8
OPERATING RESULT	70.6	7.0	67.8	8.2	2.8	4.1
Restructuring costs	3.0	0.3	8.2	1.0	(5.2)	(63.9)
Losses (gains) on disposal	(0.6)	(0.1)	-	-	(0.6)	-
Exchange losses (gains)	(0.2)	-	1.9	0.2	(2.1)	(110.9)
Other non-operating expenses (income)	15.9	1.6	16.1	2.0	(0.2)	(0.8)
EBIT	52.5	5.2	41.6	5.0	10.9	26.1
Financial expenses (income), net	12.5	1.2	8.4	1.0	4.1	48.4
Losses (gains) from equity investments	-	-	-	-	-	-
RESULT BEFORE TAXES AND NON-CONTROLLING INTERESTS	40.0	4.0	33.2	4.0	6.8	20.5
Income taxes	15.3	1.5	12.3	1.5	3.0	24.7
NET RESULT BEFORE NON-CONTROLLING INTERESTS	24.7	2.5	20.9	2.5	3.8	18.1
Loss (income) attributable to non-controlling interests	(2.3)	(0.3)	(2.1)	(0.2)	(0.2)	(9.4)
GROUP NET RESULT	22.4	2.2	18.8	2.3	3.6	19.0

CONSOLIDATED NET FINANCIAL POSITION OF THE SOGEFI GROUP

(in millions of Euro)

	09.30.2012	12.31.2011	09.30.2011
A. Cash	79.1	102.5	78.5
B. Other cash at bank and on hand	-	-	-
C. Financial instruments held for trading	0.0	-	-
D. Liquid funds (A) + (B) + (C)	79.1	102.5	78.5
E. Current financial receivables (included held-to- maturity investments)	6.5	1.9	0.1
F. Current payables to banks	(7.4)	(9.8)	(22.0)
G. Current portion of non-current indebtedness	(253.6)	(47.0)	(37.5)
H. Other current financial debts	(1.4)	(0.6)	(0.1)
I. Current financial indebtedness (F) + (G) + (H)	(262.4)	(57.4)	(59.6)
J. Current financial indebtedness, net (I) + (E) + (D)	(176.8)	47.0	19.0
K. Non-current payables to banks	(126.5)	(330.5)	(334.8)
L. Bonds issued	-	-	-
M. Other non-current financial debts	(21.9)	(16.3)	(9.7)
N. Non-current financial indebtedness (K) + (L) + (M)	(148.4)	(346.8)	(344.5)
O. Net indebtedness (J) + (N)	(325.2)	(299.8)	(325.5)
Non-current financial receivables	-	-	0.2
Financial indebtedness, net including non-current financial receivables	(325.2)	(299.8)	(325.3)

CONSOLIDATED CASH FLOW STATEMENT OF THE SOGEFI GROUP

(in millions of Euro)

	September 30, 2012	December 31, 2011	September 30, 2011
SELF-FINANCING	67.0	70.9	54.9
Change in net working capital	(11.5)	14.2	(29.3)
Other medium/long-term assets/liabilities	(4.3)	(5.0)	(0.1)
CASH FLOW GENERATED BY OPERATIONS	51.2	80.1	25.5
Sale of equity investments	-	-	-
Net decrease from sale of fixed assets	0.1	0.3	0.3
TOTAL SOURCES	51.3	80.4	25.8
Increase in intangible assets	27.1	20.5	11.9
Purchase of tangible assets	31.0	36.3	20.3
Purchase of equity investments	-	146.5	144.2
TOTAL APPLICATION OF FUNDS	58.1	203.3	176.4
Net financial position of subsidiaries purchased/sold during the period	-	8.3	8.3
Exchange differences on assets/liabilities and equity	(0.4)	(1.8)	(1.1)
FREE CASH FLOW	(7.2)	(116.4)	(143.4)
Holding Company increases in capital	0.1	0.3	0.3
Net purchase of treasury share	(1.3)	(2.7)	(1.1)
Increase in share capital of consolidated subsidiaries	0.2	-	-
Dividends paid by the Holding Company to shareholders	(14.7)	(14.9)	(14.9)
Dividends paid by subsidiaries to non-controlling interests	(2.5)	(1.2)	(1.3)
CHANGES IN SHAREHOLDERS' EQUITY	(18.2)	(18.5)	(17.0)
Change in net financial position	(25.4)	(134.9)	(160.4)
Opening net financial position	(299.8)	(164.9)	(164.9)
CLOSING NET FINANCIAL POSITION	(325.2)	(299.8)	(325.3)

CONSOLIDATED THIRD QUARTER INCOME STATEMENT OF THE SOGEFI GROUP

(in millions of Euro)

	Period 07.01 – 09.30.2012		Period 07.01 – 09.30.2011		Change	
	Amount	%	Amount	%	Amount	%
Sales revenues	318.2	100.0	303.2	100.0	15.0	5.0
Variable cost of sales	224.6	70.6	210.8	69.5	13.8	6.5
CONTRIBUTION MARGIN	93.6	29.4	92.4	30.5	1.2	1.3
Manufacturing and R&D overheads	30.8	9.7	28.7	9.5	2.1	7.6
Depreciation and amortization	14.2	4.5	12.6	4.2	1.6	12.7
Distribution and sales fixed expenses	9.4	2.9	8.5	2.8	0.9	10.6
Administrative and general expenses	17.6	5.5	16.2	5.3	1.4	8.7
OPERATING RESULT	21.6	6.8	26.4	8.7	(4.8)	(18.3)
Restructuring costs	1.6	0.5	6.6	2.2	(5.0)	(76.0)
Losses (gains) on disposal	-	-	-	-	-	-
Exchange losses (gains)	(0.4)	(0.1)	0.5	0.2	(0.9)	(194.6)
Other non-operating expenses (income)	4.6	1.5	8.3	2.7	(3.7)	(42.9)
EBIT	15.8	4.9	11.0	3.6	4.8	43.0
Financial expenses (income), net	4.0	1.2	3.7	1.2	0.3	6.9
Losses (gains) from equity investments	-	-	-	-	-	-
RESULT BEFORE TAXES AND NON-CONTROLLING INTERESTS	11.8	3.7	7.3	2.4	4.5	61.5
Income taxes	4.8	1.5	3.0	1.0	1.8	59.5
NET RESULT BEFORE NON-CONTROLLING INTERESTS	7.0	2.2	4.3	1.4	2.7	62.9
Loss (income) attributable to non-controlling interests	(0.6)	(0.2)	(0.8)	(0.2)	0.2	19.0
GROUP NET RESULT	6.4	2.0	3.5	1.2	2.9	81.1