

PRESS RELEASE

Board approves results at 31 March 2007

SOGEFI GROUP: PROFITS RISE

Consolidated results for Q1 2007

Revenues € 267.1 million (+1%)

EBITDA € 34.6 million (+3.7%)

EBIT € 22.9 million (+8.6%)

Net income € 12.7 million (+8.9%)

Net indebtedness € 124.5 million (€ 160.4 million at 31 March 2006)

The Board of Directors of **SOGEFI SpA**, chaired by Mr. Rodolfo De Benedetti, met today in Mantua to examine the group results for the first quarter of 2007.

SOGEFI reported **consolidated revenues** for Q1 2007 of Euro 267.1 million, up 1% from the 264.3 million of the previous-year period, despite unfavourable exchange rates.

Revenues for the Filtration Division grew by 3.9% to reach Euro 136.7 million compared with 131.6 million in Q1 2006, while the Suspension Components Division saw sales slip by 1.7% to Euro 130.5 million from 132.8 million in 2006, due to falling demand for industrial vehicles.

SOGEFI achieved an increase in profits for the first three months despite flat growth in the world's major vehicle markets, persisting low demand from French car manufacturers—the Group's main customers—higher prices of steels for suspensions and aluminium for filter systems as well as steeper energy costs.

SOGEFI Group's **consolidated EBITDA** amounted to Euro 34.6 million (13% of revenues), against 33.4 million (12.6%) in Q1 2006 (+3.7%).

Net income for the Filtration Division was Euro 18.4 million (13.5% of revenues), an increase of 17% against the 15.8 million (12%) in the previous-year period, while Suspension Components recorded Euro 17.3 million (13.2% of revenues), down from 18.6 million (14%) in the same quarter of 2006.

Consolidated operating profit rose by 4% to Euro 25.7 million (9.6% of revenues) compared with 24.7 million (9.3%) in Q1 2006.

The Filtration Division showed profits of Euro 14.1 million (10.3% of revenues), compared with 13 million (9.9%) in the previous-year period, while the Suspension Components Division recorded net income of Euro 12.5 million (9.6% of revenues), against the 13 million (9.8%) in the same quarter of last year.

In Q1 2007 **consolidated EBIT** rose by 8.6% to reach Euro 22.9 million (8.6% of revenues) against 21.1 million (8%) in 2006.

Filters produced earnings of Euro 13.8 million (10.1% of revenues), compared with 11.2 million (8.5%), while Suspension Components ended the quarter with profits of 10.4 million (8%), down from 11.2 million (8.4% of revenues).

SOGEFI's **income before taxes** amounted to Euro 20.8 million compared with the 18.8 million of Q1 2006, while **consolidated net income** grew by 8.9% to reach Euro 12.7 million (4.7% of revenues), compared with 11.6 million (4.4%) in 2006, a year which benefited from a lower tax burden on the German subsidiaries.

The company's financial position sharply improved over the quarter with **net indebtedness** at 31 March 2007 standing at Euro 124.5 million, down 22.4% from the 160.4 million at 31 March 2006 (126.3 million at 31 December 2006).

Total shareholders' equity including minority interests increased to Euro 310.3 million at 31 March 2007 (274.9 million at 31 March 2006 and 295.7 million at 31 December 2006).

Consolidated equity at 31 March 2007 rose to Euro 293.5 million from 260.1 million at 31 March 2006 and 279.6 million at 31 December 2006.

Rising steel prices, coupled with sluggish demand forecasts for at least the first half of 2007, make it hard to foresee any meaningful improvement in operating profits compared with the previous financial year.

Milan, 20 April 2007

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CONSOLIDATED BALANCE SHEET OF THE SOGEFI GROUP

(in millions of Euro)

ASSETS	03.31.2007	12.31.2006
CURRENT ASSETS		
Cash and cash equivalents	46.7	51.5
Securities and financial assets held for trading	0.9	0.2
Current portion of long term financial assets	-	-
<i>Working capital</i>		
Inventories	116.0	111.7
Trade receivables	242.3	227.0
Other receivables	5.8	6.0
Receivables from tax authorities	9.6	10.9
Other assets	3.1	2.4
TOTAL WORKING CAPITAL	376.8	358.0
TOTAL CURRENT ASSETS	424.4	409.7
NON-CURRENT ASSETS		
Fixed assets		
Land	15.7	15.6
Property, plant and equipment	223.4	229.3
Other tangible fixed assets	4.2	4.5
<i>Of which: leasing</i>	<i>18.0</i>	<i>18.3</i>
Intangible assets	118.0	117.4
TOTAL FIXED ASSETS	361.3	366.8
OTHER NON-CURRENT ASSETS		
Equity investments in associated companies	0.1	0.1
Other financial assets available for sale	0.4	0.4
Long term trade receivables	-	-
Financial receivables	0.3	0.3
Other receivables	5.2	5.3
Deferred tax assets	26.0	26.8
TOTAL OTHER NON-CURRENT ASSETS	32.0	32.9
TOTAL NON-CURRENT ASSETS	393.3	399.7
NON-CURRENT ASSETS HELD FOR SALE	3.5	2.6
TOTAL ASSETS	821.2	812.0
LIABILITIES	03.31.2007	12.31.2006
CURRENT LIABILITIES		
Current bank overdrafts	10.1	13.3
Current portion of medium/long term financial debt and other loans	16.1	18.6
<i>Of which: leasing</i>	<i>1.2</i>	<i>1.2</i>
TOTAL SHORT TERM FINANCIAL DEBT	26.2	31.9
Other short term liabilities for <i>cash flow hedge</i>	-	-
TOTAL SHORT TERM FINANCIAL DEBT AND CASH FLOW HEDGES	26.2	31.9
Trade and other payables	236.2	234.5
Tax payables	9.0	8.2
Other current liabilities	2.5	2.4
TOTAL CURRENT LIABILITIES	273.9	277.0
NON-CURRENT LIABILITIES		
MEDIUM/LONG TERM FINANCIAL DEBT AND CASH FLOW HEDGES		
Financial debt to bank	128.5	128.4
Other medium/long term financial debts	17.7	18.0
<i>Of which: leasing</i>	<i>14.9</i>	<i>15.3</i>
TOTAL MEDIUM/LONG TERM FINANCIAL DEBT	146.2	146.4
Other medium/long term financial liabilities for <i>cash flow hedge</i>	-	-
TOTAL MEDIUM/LONG TERM FINANCIAL DEBT AND CASH FLOW HEDGES	146.2	146.4
OTHER LONG TERM LIABILITIES		
Long term provisions	65.3	68.4
Other debts	-	-
Deferred taxation	25.5	24.5
TOTAL OTHER LONG TERM LIABILITIES	90.8	92.9
TOTAL NON-CURRENT LIABILITIES	237.0	239.3
SHAREHOLDERS' EQUITY		
Share capital	59.0	58.8
Reserves and retained earnings (accumulated losses)	221.9	170.0
Net income (loss) for the period	12.7	50.8
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE PARENT COMPANY	293.6	279.6
Minority interests	16.7	16.1
TOTAL SHAREHOLDERS' EQUITY	310.3	295.7
TOTAL LIABILITIES AND EQUITY	821.2	812.0

CONSOLIDATED INCOME STATEMENT FROM 01.01.2007 TO 03.31.2007

(In millions of Euro)

	Period 01.01 – 03.31.2007		Period 01.01 – 03.31.2006		Variation	
	Amount	%	Amount	%	Amount	%
Sales revenues	267.1	100.0	264.3	100.0	2.8	1.0
variable cost of sales	174.1	65.2	170.2	64.4	3.9	2.3
CONTRIBUTION MARGIN	93.0	34.8	94.1	35.6	(1.1)	(1.2)
Manufacturing and R&D overheads	29.5	11.0	30.4	11.5	(0.9)	(3.0)
Depreciation and amortization	11.7	4.4	12.3	4.7	(0.6)	(4.8)
Distribution and sales fixed expenses	9.8	3.7	9.9	3.7	(0.1)	(0.3)
Administrative and general expenses	16.3	6.1	16.8	6.4	(0.5)	(3.4)
OPERATING INCOME	25.7	9.6	24.7	9.3	1.0	4.0
Restructuring costs	0.7	0.2	0.3	0.1	0.4	128.2
Losses (gains) on disposal	-	-	-	-	-	-
Exchange (gains) losses	0.1	0.1	0.1	-	-	-
Other non-operating expenses (income)	2.0	0.7	3.2	1.2	(1.2)	(39.2)
EBIT	22.9	8.6	21.1	8.0	1.8	8.6
Financial expenses (income), net	2.2	0.8	2.4	0.9	(0.2)	(5.0)
Losses (gains) from equity investments	(0.1)	-	(0.1)	-	-	-
INCOME BEFORE TAXES AND MINORITY INTERESTS	20.8	7.8	18.8	7.1	2.0	10.6
Income taxes for the period	7.5	2.9	6.7	2.5	0.8	12.3
NET INCOME BEFORE MINORITY INTERESTS	13.3	4.9	12.1	4.6	1.2	9.7
Loss (income) attributable to minority interests	(0.6)	(0.2)	(0.5)	(0.2)	(0.1)	(29.5)
GROUP NET INCOME	12.7	4.7	11.6	4.4	1.1	8.9

NET FINANCIAL POSITION

(In millions of Euro)

	Position as 03.31.2007	Position as 12.31.2006	Position as 03.31.2006
A. Cash and banks	46.7	51.5	53.3
B. Securities and other liquid funds	-	-	-
C. Financial instruments held for trading	0.9	0.2	6.1
D. Liquid funds (A) + (B) + (C)	47.6	51.7	59.4
E. Current financial receivables	-	-	-
F. Current bank overdrafts	(10.1)	(13.3)	(13.7)
G. Current portion of the non-current indebtedness	(16.1)	(18.6)	(102.1)
H. Other current financial payables	-	-	-
I. Current financial indebtedness (F) + (G) + (H)	(26.2)	(31.9)	(115.8)
J. <net current financial position (I) + (E) + (D)	21.4	19.8	(56.4)
K. Non-current financial debt to banks	(128.5)	(128.4)	(83.7)
L. Bond issues	-	-	-
M. Other non-current financial debts	(17.7)	(18.0)	(20.3)
N. Non-current financial indebtedness (K) + (L) + (M)	(146.2)	(146.4)	(104.0)
O. Net financial indebtedness (J) + (N)	(124.8)	(126.6)	(160.4)
P. Non-current financial receivables	0.3	0.3	-
Net financial indebtedness, non-current financial receivables included	(124.5)	(126.3)	(160.4)