

PRESS RELEASE

**SOGEFI GROUP FURTHER IMPROVEMENT
IN LAST QUARTER OF 2005
NET INCREASE FOR THE YEAR AS A WHOLE**

Operating results for last quarter of 2005

Revenues € 248.9 million (+1%)

EBITDA € 29.5 million (+7.9%)

EBIT € 18.7 million (+10.5%)

Net Income € 11.3 million (+4.4%)

Preliminary operating results for financial and accounting year 2005

Revenues € 1,023.4 million (+5.9%)

EBITDA € 126,9 million (+15.3%)

EBIT € 81 million (+24.7%)

Net Income € 44,7 million (+48.9%)

Net Financial Indebtedness € 167.3 million (-18%)

The Board of Directors of SOGEFI SpA met today under the chairmanship of Mr. Rodolfo De Benedetti and considered the Group's performance in the last quarter of 2005 and the preliminary operating results for the whole financial and accounting year 2005.

OPERATING RESULTS FOR THE LAST QUARTER OF 2005

In spite of the downturn in demand affecting the European motor industry generally in the latter part of the year, the SOGEFI Group achieved further business growth in the last quarter of 2005 and an improvement in operating results compared with the same period in 2004.

Consolidated revenues for the last quarter was 248.9 million Euro compared with 246.6 million in the equivalent period for 2004 (+1%). This performance was particularly positive in South America and in the industrial vehicles sector.

The Group's profitability improved, thanks to an upturn in turnover in the suspensions division. The **consolidated EBITDA** (earnings before interest, tax, depreciation and amortization) were 29.5 million Euro (11.8% of sales), an increase of 7.9% compared with 27.3 million (11.1% of sales) in the last three months of the previous year. A provision of 7.4 million Euro was made for costs to be sustained in future years for further company restructuring and the amalgamation of manufacturing centres. In the final quarter of 2004 these costs amounted to 12.3 million Euro, which was partly offset by 7.8 million capital gains on sale of land and buildings.

Consolidated operating profit, which benefited from the stabilisation of costs of steel, increased by 17.4%, showing at 29,2 million Euro (11.7% of sales), as against 24.8 million (10.1% of sales) in the final quarter of 2004.

Consolidated EBIT (earnings before interest and taxes) were 18.7 million Euro (7.5% of sales), an increase of 10.5% compared with 17 million for the final quarter of 2004 (6.9% of sales).

In the final quarter of 2005, **consolidated profits before tax** amounted to 13.4 million Euro compared with 14 million in the equivalent period of 2004, while **consolidated net profit** grew by 4.4% to 11.3 million Euro (4.5% of sales), compared with 10.8 million in the last three months of 2004 (4.4% of sales).

As at 31 December 2005 **net borrowing** had been reduced to 167.3 million Euro, a decrease of 36.7 million compared with 204 million as at 31 December 2004 (190.6 million at 30 September 2005).

On 22 December 2005, SOGEFI SpA, the parent company in the Group, repaid the debenture loan then falling due of 80 million Euro using available borrowing facilities.

PRELIMINARY OPERATING RESULTS FOR 2005

The 2005 financial and accounting year was affected in the first half by significant increases in the price of steel and by a general stagnation in the principal markets in all sectors of the motor industry and especially in the independent aftermarket, but saw the SOGEFI Group's revenues for the first time exceeding one billion Euro and making a further significant improvement in its profits.

The Consolidated Revenues of the SOGEFI Group was 1,023.4 million Euro in 2005, an increase of 5.9% compared with 2004 (966.1 million).

Consolidated operating profit increased by 15.4%, reaching 105.6 million Euro (10.3% of sales) compared with 91.5 million for the previous year (9.5% of sales).

Consolidated EBITDA amounted to 126.9 million Euro, an upturn of 15.3% compared with 110 million for the financial and accounting year 2004, while **Consolidated EBIT** amounted to 81 million Euro, an increase of 24.7% compared with 65 million for 2004.

Consolidated net profit showed a significant improvement, moving from 30 million Euro in 2004 to 44.7 million in 2005 (+48.9%).

The proposed Civil Code company accounts for SOGEFI SpA together with consolidated accounts for the Group for the financial and accounting year 2005 will be considered by the Board of Directors on 28 February next.

In the year 2006 the SOGEFI Group is likely to benefit on the one hand from a slight improvement in the general current European picture, from continuing evidence of a lively Latin-American market and from a foreseeable stability in the price of steel; but on the other hand it is likely to have to face a significant increase across the board in energy costs.

Milan, 14 February 2006

CONTACTS

PRESS:

Beppe Pescetto
Francesca Sagramoso
tel.: 39/02/72.27.01

INVESTOR RELATIONS:

Euro Trapani
tel.: 39/02/46.75.02.18
www.sogefi.it

THE SOGEFI GROUP

CONSOLIDATED STATEMENT OF INCOME FOR SOGEFI GROUP FROM 1.1.2005 TO 31.12.2005 - (PROVISIONAL)

(in million of Euro)

	Period		Period	
	1.1 – 31.12.2005		1.1 – 31.12.2004	
	Amount	%	Amount	%
Sales Revenues	1,023.4	100.0	966.1	100.0
Variable costs of sales	657.6	64.3	614.5	63.6
CONTRIBUTION MARGIN	365.8	35.7	351.6	36.4
Manufacturing and R&D overheads	115.7	11.3	116.4	12.0
Depreciations and Amortizations	45.9	4.5	45.1	4.7
Distribution, Marketing and Sales Fixed Expenses	39.4	3.8	39.5	4.1
Administrative and General Expenses	59.2	5.8	59.0	6.1
OPERATING INCOME	105.6	10.3	91.6	9.5
Restructuring costs	12.6	1.2	23.0	2.4
Losses (gains) on Disposals	(0.1)	-	(7.9)	(0.8)
Exchange Differences (Gain) Losses	(0.1)	-	1.9	0.2
Other Non Operating Expenses (Income)	12.2	1.2	9.6	1.0
EBIT	81.0	7.9	65.0	6.7
Financial Expenses (Income), Net	11.6	1.1	12.2	1.3
Losses (Gain) from Equity Investments	2.3	0.2	(1.7)	(0.2)
INCOME BEFORE TAXES AND MINORITY INTERESTS	67.1	6.6	54.5	5.6
Income Taxes	21.2	2.1	22.0	2.3
INCOME BEFORE MINORITY INTERESTS	45.9	4.5	32.5	3.3
Loss/ (Income) Attributable to Minority Interests	(1.2)	(0.1)	(2.5)	(0.2)
NET INCOME OF GROUP	44.7	4.4	30.0	3.1

NET FINANCIAL POSITION SOGEFI GROUP - (PROVISIONAL)

(in million of Euro)

	Position at 31.12.2005	Position at 30.9.2005	Position at 31.12.2004
Cash, banks, financial receivables and marketable securities	57.5	66.4	57.1
Short term borrowings (*)	(120.6)	(94.2)	(105.9)
Medium/long term debt	(104.2)	(162.8)	(155.2)
NET FINANCIAL INDEBTEDNESS	(167.3)	(190.6)	(204.0)

(*) including current portions of medium and long term financial debt.

SOGEFI GROUP CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR FINAL QUARTER OF 2005
(in million of Euro)

	Period 1.10 – 31.12.2005		Period 1.10 – 31.12.2004		Variation	
	Amount	%	Amount	%	Amount	%
Sales Revenues	248.9	100.0	246.6	100.0	2.3	1.0
Variable Costs of Sales	157.0	63.1	159.9	64.9	(2.9)	(1.8)
CONTRIBUTION MARGIN	91.9	36.9	86.7	35.1	5.2	6.1
Manufacturing and R&D overheads	28.7	11.5	28.7	11.6	-	-
Depreciations and Amortizations	10.7	4.3	10.4	4.2	0.3	3.6
Distribution, Marketing and Sales Fixed Expenses	9.9	4.0	9.5	3.8	0.4	4.3
Administrative and General Expenses	13.4	5.4	13.3	5.4	0.1	1.7
OPERATING INCOME	29.2	11.7	24.8	10.1	4.4	17.4
Restructuring costs	7.4	3.0	12.3	5.0	(4.9)	(40.1)
Losses (gains) on Disposals	-	-	(7.8)	(3.2)	7.8	100.2
Exchange Differences (Gain) Losses	0.2	0.1	1.1	0.5	(0.9)	(82.6)
Other Non Operating Expenses (Income)	2.9	1.1	2.2	0.9	0.7	31.8
EBIT	18.7	7.5	17.0	6.9	1.7	10.5
Financial Expenses (Income), Net	3.0	1.2	2.8	1.1	0.2	10.2
Losses (Gain) from Equity Investments	2.3	0.9	0.2	0.1	2.1	-
INCOME BEFORE TAXES AND MINORITY INTERESTS	13.4	5.4	14.0	5.7	(0.6)	(4.7)
Income Taxes	1.2	0.5	2.5	1.0	(1.3)	(53.1)
INCOME BEFORE MINORITY INTERESTS	12.2	4.9	11.5	4.7	0.7	5.9
Loss/ (Income) Attributable to Minority Interests	(0.9)	(0.4)	(0.7)	(0.3)	(0.2)	(30.0)
NET INCOME OF GROUP	11.3	4.5	10.8	4.4	0.5	4.4