

PRESS RELEASE

The Board of Directors approves FY 2007 results

**SOGEFI GROUP: INCREASED PROFITS AND REVENUES
PROPOSED DISTRIBUTION OF A DIVIDEND OF €1.40 PER SHARE
OF WHICH €0.22 ORDINARY DIVIDEND AND €1.18 EXTRAORDINARY DIVIDEND**

Consolidated results for FY 2007

Revenues € 1,071.8 million (+5.2%)

EBITDA € 134.6 million (+4.7%)

EBIT € 89.9 million (+7.7%)

Net income € 52.2 million (+2.8%)

Net indebtedness € 92.4 million (-26.9%)

*The Board of Directors will submit for approval of the Shareholders' Meeting of 22 April 2008
the distribution of a share dividend of € 1.40*

The Board of Directors of **SOGEFI SpA**, chaired by Mr. Rodolfo De Benedetti, met today to examine the statutory financial statements and consolidated group financial statements for FY 2007.

Group results

In 2007 SOGEFI Group recorded growth in revenues, improved profitability and a further reduction of net indebtedness, despite stagnation in the main world motor industry markets and the higher cost of some raw materials and of energy.

Revenue growth was determined by excellent performance in Latin America, improved market share in industrial vehicles and increased demand by French car manufacturers in the second half of the year.

Consolidated revenues grew 5.2% to reach Euro 1,071.8 million from 1,018.6 million in 2006, with a favourable trend in both the *Suspension Components Division* (+6.7%) and the *Filtration Division* (+4%).

Operating profits benefited from a partial transfer to sales prices of the higher costs of steel, containment of structural costs notwithstanding the higher business volumes, and an overall improvement in manufacturing efficiency. **Consolidated operating income** rose by 6.6% to Euro 113.6 million (10.6% of revenues) compared with 106.6 million (10.5%) in FY 2006.

FY 2007 **EBITDA** and **EBIT** were hit by non-recurring charges for a total Euro 12.9 million, partially offset by non-recurring income for Euro 6.4 million.

Consolidated EBITDA was Euro 134.6 million, an increase of 4.7% from 128.5 million in 2006, remaining at 12.6% of revenues.

Consolidated EBIT grew by 7.7% to Euro 89.9 million (8.4% of sales) compared with 83.5 million (8.2%) in 2006.

The reduction in net indebtedness resulted in lower finance costs and as a consequence higher **profit before taxes and minority interests**, which amounted to Euro 80.6 million compared with 74.9 million in 2006.

Despite the higher tax burden in 2007 compared with previous FY (which benefited from corporate restructuring allowances), **consolidated net profit** grew by 2.8% to Euro 52.2 million (4.9% of revenues) from 50.8 million (5%) in 2006.

In 2007 SOGEFI Group saw further improvement to its financial position, as **net indebtedness** shrank to Euro 92.4 million at 31 December 2007 (-26.9% from 126.3 million at 31 December 2006).

Consolidated equity at 31 December 2007 rose to Euro 310.9 million, an increase of 11.2% from 279.6 million at 31 December 2006. **Return on equity (ROE)** stood at 17.7% (19.3% for FY 2006), while **Return on investment (ROI)** rose to 21.4% from 19.6% in 2006.

Filtration Division

In 2007 **consolidated revenues** for the Filtration Division rose to Euro 548.2 million against 527.2 million in 2006, thanks in particular to a sharp improvement in sales in Latin America and increased revenues for original equipment.

The Division's profits suffered from a setting aside of funds for restructuring: **EBITDA** stood at Euro 67.8 million compared with 70.2 million in 2006, while **EBIT** came to Euro 49.1 million against 51.9 million in the previous financial year.

Suspension Components Division

Thanks to very healthy sales growth in Latin American and the industrial vehicles sector, the Suspension Components Division recorded **consolidated revenues** of Euro 524.6 million against 491.6 million in 2006.

Profits also improved significantly as a result of greater manufacturing efficiency and the transfer to prices of much of the increase in the cost of steel. **Consolidated EBITDA** thus rose to Euro 75.8 million from 63.4 million in 2006, while **EBIT** came to 50.3 million (37.4 million in 2006).

The Parent Company

SOGEFI SpA, thanks to higher dividends from the subsidiaries, recorded **net profit** of Euro 26 million compared with 22.3 million in 2006 (+16.8%).

The **shareholders' equity** of SOGEFI SpA at 31 December 2007 stood at Euro 258.2 million, against 250.1 million in 2006.

Four-Year Goals 2008-2011

The Board of Directors also examined the Group's medium term plans for the period 2008-2011, confirming its expansion strategy for both product lines in East Asia and South America, as well as entry of the filtration division into the North American market. The plan sets average annual growth targets of 4% for revenues and 6% for EBITDA.

Proposed dividend

At the Shareholders' Meeting of 22 April 2008 (23 April 2008 at the second calling), the Board of Directors will propose the distribution of an overall dividend of € 1.40 per share (€ 0.22 ordinary dividend, € 1.18 extraordinary dividend), to be paid from 2 May 2008 detaching coupon No. 28 on 28 April.

The Board of Directors' proposal to submit to the Shareholders' Meeting the distribution of an extraordinary dividend, using reserves of both earnings and capital, rests on the Board's desire to optimise the Group's capital structure.

SOGEFI Group's limited indebtedness represents only a fraction of shareholders' equity, and the high level of self financing is capable of covering the Group's investment and development plans. Therefore, a distribution of reserves will serve to rebalance the equity structure, lower the average cost of capital and thus create value for the Shareholders.

Proposed revocation and fresh mandate for purchase of own shares

The Board of Directors will also put to the Shareholders' Meeting a proposal to revoke and renew, for a period of 18 months, the Board's powers to purchase a maximum 3 million own shares, (including the 1,956,000 shares currently held) within a 10% price band above and below the quoted stock price at the close of trading immediately prior to each purchase.

The principle motive behind this proposal is to enable investment in company shares at prices below their effective value based on the real size of the company's assets and earnings potential.

In FY 2008 the company acquired 341,000 shares at an average price of € 4.55 and sold 80,000 shares at a price of € 3.87 for the purposes of a stock options plan. The company currently has 1,956,000 ordinary shares in its portfolio, representing 1.7% of share capital.

Proposal to modify the 2007 stock options plan and the 2007 incentives plan (phantom stock options)

Following the distribution of the extraordinary dividend, the Board of Directors will also put to the Shareholders' Meeting a proposal to modify the plans approved last year in order to minimise as far as possible the impact on the beneficiaries of the plans.

Proposed 2008 stock options and incentives plan (phantom stock options) for 2008

The Board of Directors will also submit to the Shareholders' Meeting:

- a stock options plan for 2008 aimed at managers of the Group's foreign subsidiaries for a maximum 875,000 options;
- an incentives plan (phantom stock options) for 2008 for the CEO and management of Italian Group companies for a maximum 1.7 million options.

The manager responsible for preparing the Group financial reports, Euro Trapani, declares, pursuant to paragraph 2 of Article 154-*bis* of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.

Milan, 26 February 2008

CONTACTS

PRESS:

Beppe Pescetto
Francesca Sagramoso
Tel.: +39 02 722701

INVESTOR RELATIONS:

Euro Trapani
Tel.: +39 02 46750218
www.sogefi.it

SOGEFI GROUP

RECLASSIFIED CONSOLIDATED ANNUAL INCOME STATEMENT

(in millions of Euro)

	Period 01.01 – 12.31.2007		Period 01.01 – 12.31.2006		Variation	
	Amount	%	Amount	%	Amount	%
Sales revenues	1,071.8	100.0	1,018.6	100.0	53.2	5.2
Variable cost of sales	699.4	65.3	653.2	64.1	46.2	7.1
CONTRIBUTION MARGIN	372.4	34.7	365.4	35.9	7.0	1.9
Manufacturing and R&D overheads	115.2	10.7	114.3	11.2	0.9	0.8
Depreciation and amortization	44.7	4.2	45.0	4.4	(0.3)	(0.8)
Distribution and sales fixed expenses	38.4	3.6	37.7	3.7	0.7	1.9
Administrative and general expenses	60.5	5.6	61.8	6.1	(1.3)	(2.0)
OPERATING INCOME	113.6	10.6	106.6	10.5	7.0	6.6
Restructuring costs	7.6	0.7	5.2	0.5	2.4	44.4
Losses (gains) on disposal	(4.6)	(0.4)	(4.0)	(0.4)	(0.6)	(16.5)
Exchange (gains) losses	0.9	0.1	0.9	0.1	-	-
Other non-operating expenses (income)	19.8	1.8	21.0	2.1	(1.2)	(5.7)
EBIT	89.9	8.4	83.5	8.2	6.4	7.7
Financial expenses (income), net	9.4	0.9	10.2	1.0	(0.8)	(7.5)
Losses (gains) from equity investments	(0.1)	-	(1.6)	(0.2)	1.5	93.2
PROFIT BEFORE TAXES AND MINORITY INTERESTS	80.6	7.5	74.9	7.4	5.7	7.6
Income taxes	25.4	2.4	21.5	2.1	3.9	17.9
NET PROFIT BEFORE MINORITY INTERESTS	55.2	5.1	53.4	5.3	1.8	3.4
Losses (income) attributable to minority interests	(3.0)	(0.2)	(2.6)	(0.3)	(0.4)	15.5
GROUP NET PROFIT FOR THE YEAR	52.2	4.9	50.8	5.0	1.4	2.8

CONSOLIDATED CASH FLOW STATEMENT

(in millions of Euro)

	12.31.2007	12.31.2006
SELF-FINANCING	94.8	91.2
Change in net working capital	4.9	12.9
Other medium/long-term assets/liabilities	(1.8)	(2.1)
CASH FLOW GENERATED BY OPERATIONS	97.9	102.0
Sale of equity investments	-	3.0
Net decrease from sale of fixed assets	2.9	2.0
TOTAL SOURCES	100.8	107.0
Increase in intangible assets	11.1	11.1
Purchase of tangible assets	35.9	39.7
TOTAL APPLICATION OF FUNDS	47.0	50.8
Net financial position of subsidiaries purchased/sold during the year	-	-
Exchange differences on assets/liabilities and equity	2.1	2.4
FREE CASH FLOW	55.9	58.6
Holding Company increases in capital	3.6	2.6
Increase in share capital of consolidated subsidiaries	0.3	0.3
Dividend paid by the Holding Company to shareholders	(22.4)	(19.5)
Dividend paid by subsidiaries to minority interests	(3.5)	(1.0)
CHANGES IN SHAREHOLDER'S EQUITY	(22.0)	(17.6)
Change in net financial position	33.9	41.0
Opening net financial position	(126.3)	(167.3)
CLOSING NET FINANCIAL POSITION	(92.4)	(126.3)

CONSOLIDATED BALANCE SHEET

(in millions of Euro)

ASSETS	12.31.2007	12.31.2006
CURRENT ASSETS		
Cash and cash equivalents	63.7	51.5
Other financial assets	1.0	0.2
<i>Working capital</i>		
Inventories	113.2	111.7
Trade receivables	220.1	227.0
Other receivables	6.0	6.0
Tax receivables	10.7	10.9
Other assets	2.5	2.4
TOTAL WORKING CAPITAL	352.5	358.0
TOTAL CURRENT ASSETS	417.2	409.7
NON-CURRENT ASSETS		
Fixed assets		
Land	11.3	15.6
Property, plant and equipment	224.3	229.3
Other tangible fixed assets	4.4	4.5
<i>Of which: leases</i>	<i>12.7</i>	<i>18.3</i>
Intangible assets	118.7	117.4
TOTAL FIXED ASSETS	358.7	366.8
OTHER NON-CURRENT ASSETS		
Equity investments in associated companies	0.1	0.1
Other financial assets available for sale	0.5	0.4
Financial receivables	-	0.3
Other receivables	5.0	5.3
Deferred tax assets	25.2	26.8
TOTAL OTHER NON-CURRENT ASSETS	30.8	32.9
TOTAL NON-CURRENT ASSETS	389.5	399.7
NON-CURRENT ASSETS HELD FOR SALE	6.8	2.6
TOTAL ASSETS	813.5	812.0
LIABILITIES	12.31.2007	12.31.2006
CURRENT LIABILITIES		
Bank overdrafts and short-term loans	12.4	13.3
Current portion of medium/long-term financial debts and other loans	13.7	18.6
<i>Of which: leases</i>	<i>1.3</i>	<i>1.2</i>
TOTAL SHORT-TERM FINANCIAL DEBTS	26.1	31.9
Other short-term liabilities for derivative financial instruments	0.5	-
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	26.6	31.9
Trade and other payables	228.9	234.5
Tax payables	11.8	8.2
Other current liabilities	3.0	2.4
TOTAL CURRENT LIABILITIES	270.3	277.0
NON-CURRENT LIABILITIES		
MEDIUM/LONG TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS		
Financial debts to bank	118.0	128.4
Other medium/long-term financial debts	12.5	18.0
<i>Of which: leases</i>	<i>9.1</i>	<i>15.3</i>
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS	130.5	146.4
Other medium/long term financial liabilities for derivative financial instruments	-	-
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	130.5	146.4
OTHER LONG-TERM LIABILITIES		
Long-term provisions	58.8	68.4
Other payables	-	-
Deferred taxation	27.2	24.5
TOTAL OTHER LONG-TERM LIABILITIES	86.0	92.9
TOTAL NON-CURRENT LIABILITIES	216.5	239.3
SHAREHOLDERS' EQUITY		
Share capital	59.6	58.8
Reserves and retained earnings (accumulated losses)	199.1	170.0
Group net profit (loss) for the year	52.2	50.8
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY	310.9	279.6
Minority interests	15.8	16.1
TOTAL SHAREHOLDERS' EQUITY	326.7	295.7
TOTAL LIABILITIES AND EQUITY	813.5	812.0

SOGEFI S.p.A.

RECLASSIFIED ANNUAL INCOME STATEMENT

(in millions of Euro)

	2007	2006
Financial income/expenses and dividends	34.1	28.0
Adjustments to financial assets	(5.2)	(1.3)
Other operating revenues	8.2	10.0
Operating costs	(10.9)	(11.7)
Other non-operating income (expenses)	(6.8)	(3.1)
PROFIT BEFORE TAXES	19.4	21.9
Income taxes	(6.6)	(0.4)
NET PROFIT	26.0	22.3

CASH FLOW STATEMENT

(in millions of Euro)

	2007	2006
SELF-FINANCING	29.3	24.0
Change in net working capital	(4.6)	0.4
Other medium/long-term assets/liabilities	-	0.6
CASH FLOW GENERATED BY OPERATIONS	24.7	25.0
Sale of equity investments	-	-
TOTAL SOURCES	24.7	25.0
Purchase of tangible assets	0.2	-
Purchase of equity investments	10.1	-
TOTAL APPLICATION OF FUNDS	10.3	-
FREE CASH FLOW	14.4	25.0
Holding Company increases in capital	3.6	2.6
Dividend paid by the Holding Company to shareholders	(22.4)	(19.5)
CHANGES IN SHAREHOLDER'S EQUITY	(18.8)	(16.9)
Change in net financial position	(4.4)	8.1
Opening net financial position	(25.1)	(33.2)
CLOSING NET FINANCIAL POSITION	(29.5)	(25.1)

BALANCE SHEET

(in millions of Euro)

ASSETS	12.31.2007	12.31.2006
CURRENT ASSETS		
Cash and cash equivalents	3.9	6.2
Centralized treasury current accounts with subsidiaries	8.4	21.5
Other financial assets	0.5	-
Other financial loans	12.8	26.1
<i>Working capital</i>		
Inventories	-	-
Trade receivables	4.8	2.3
Other receivables	0.1	0.1
Tax receivables	0.3	0.3
Other assets	0.2	0.2
TOTAL WORKING CAPITAL	5.4	2.9
TOTAL CURRENT ASSETS	31.0	56.7
NON-CURRENT ASSETS		
Fixed assets		
Land	12.2	12.2
Buildings	14.5	15.2
Other tangible fixed assets	0.1	0.1
<i>Of which: leases</i>	-	-
Intangible assets	0.2	-
TOTAL FIXED ASSETS	27.0	27.5
OTHER NON-CURRENT ASSETS		
Equity investments in subsidiary companies	260.6	256.4
Equity investments in associated companies	-	-
Other financial assets available for sale	-	-
Other financial loans	100.2	91.8
<i>Of which: other medium/long-term assets for derivative financial instruments</i>	-	0.3
Other receivables	-	-
Deferred tax assets	0.5	1.4
TOTAL OTHER NON-CURRENT ASSETS	361.3	349.6
TOTAL NON-CURRENT ASSETS	388.3	377.1
TOTAL ASSETS	419.3	433.8
LIABILITIES	12.31.2007	12.31.2006
CURRENT LIABILITIES		
Bank overdrafts and short-term loans	3.6	7.1
Centralized treasury current accounts with subsidiaries	48.8	58.2
Current portion of medium/long-term financial debts and other loans	1.2	2.8
<i>Of which: leases</i>	-	-
TOTAL SHORT-TERM FINANCIAL DEBTS	53.6	68.1
Other short-term liabilities for derivative financial instruments	-	-
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	53.6	68.1
Trade and other payables	3.6	5.9
Tax payables	0.3	0.2
Other current liabilities	0.5	0.4
TOTAL CURRENT LIABILITIES	58.0	74.6
NON-CURRENT LIABILITIES		
MEDIUM/LONG TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS		
Financial debts to bank	101.7	102.6
Other medium/long-term financial debts	-	-
<i>Of which: leases</i>	-	-
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS	101.7	102.6
Other medium/long-term financial liabilities for derivative financial instruments	-	-
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	101.7	102.6
OTHER LONG-TERM LIABILITIES		
Long-term provisions	1.0	1.5
Other payables	-	-
Deferred taxation	0.4	5.0
TOTAL OTHER LONG-TERM LIABILITIES	1.4	6.5
TOTAL NON-CURRENT LIABILITIES	103.1	109.1
SHAREHOLDERS' EQUITY		
Share capital	59.6	58.8
Reserves and retained earnings (accumulated losses)	172.6	169.0
Net profit (loss) for the year	26.0	22.3
TOTAL SHAREHOLDERS' EQUITY	258.2	250.1
TOTAL LIABILITIES AND EQUITY	419.3	433.8