

PRESS RELEASE

**SOGEFI GROUP: GROWTH GOES ON
FURTHER IMPROVEMENT OF RESULTS**

Consolidated results as of 30 September 2005
(IAS/IFRS compliant)

Revenues € 774.5 million (+7.6%)

EBITDA € 97.4 million (+17.8%)

EBIT € 62.2 (+29.7%)

Net Income € 33.4 million (+74.1%)

Net Financial Indebtedness € 190.6 million (-18.3% compared with 30 September 2004)

The Board of Directors of Sogefi S.p.A. met today in Milan under the chairmanship of dr. Rodolfo De Benedetti and examined the results of the group as of 30 September 2005.

Going on with the favourable trend already emerged at the end of the first half of 2005, in the third quarter of the current year the group reported a further significant progress in its business, improving at the same time the economic results.

Steel prices, finally stable after a long period of growth, the particularly favourable performance in the South American area and the success of the product line *stabilinks* (anti-roll bars for industrial vehicles) have determined a sensible improvement of all the main indicators in comparison with the same period of 2004.

Consolidated revenues in the first nine months of 2005 amounted to € 774.5 million, growing by 7.6% against € 719.6 million of the same period of 2004.

The largest increase in sales was achieved by the Suspension Components Division, with revenues of € 381.2 million (+15.1% versus € 331.3 million as of 30 September 2004), while the Filtration Division improved its profits by 1.3%, passing from € 388.3 million to € 393.3 million, in spite of a slow-moving period in the European spare parts market.

Thanks to the actions carried out to curb costs, the profitability of the first nine months of 2005 has further improved.

The **consolidated EBITDA** was of € 97.4 million (12.6% on sales), up by 17.8% compared with € 82.7 million in the nine months of 2004 (11.5% on sales).

The Suspension Components Division, benefiting from the brilliant performance in the industrial vehicles sector, improved its revenues by 39.8% from € 35.1 million (10.6% on sales) to € 49.1 million (12.9% on sales). The first nine months of 2004, had been influenced by the start-up charges of the North American subsidiary.

The Filtration Division achieved a result equal to € 51.1 million (13% on sales), stable in comparison with € 51 million in the first nine months of 2004 (13.1% on sales).

The **consolidated EBIT** reported even more significantly results, from € 48 million (6.7% on sales) to € 62.2 million (8% on sales), with an increase of 29.7% in the first nine months of 2005 compared with figures as of 30 September 2004.

The Suspension Components Division reached € 28.3 million (7.4% on sales) as against € 17

million (5.1% on sales) as of 30 September 2004, with a growth of 66.9%.
The Filtration Division passed from € 35.1 million (9% on sales) to € 37.2 million (9.5% on sales).

Income before taxes and minority interests as of 30 September 2005 amounted to € 53.7 million, growing by 32.9% from € 40.4 million in the nine months of the previous year.

In the first nine months of 2005 the **consolidated net income** went up by 74.1% compared with the same period of 2004, passing from € 19.2 million (2.7% on sales) to € 33.4 million (4.3% on sales).

Confirming its strong capability to generate cash, the group SOGEFI further reduced its **net financial indebtedness** from € 233.5 million as of 30 September 2004 (€ 204 million as of 31 December 2004) to € 190.6 million as of 30 September 2005.

As of 30 September 2005 the **shareholders' equity**, included minority interests, was of € 248.9 million, growing from € 224.5 million as of 31 December 2004 and € 215.8 million as of 30 September 2004.

The **consolidated net equity** was of € 235.5 million versus € 210.3 million as of 31 December 2004 and € 201 million as of 30 September 2004.

Performance in the third quarter of 2005

Consolidated revenues in the third quarter of 2005 amounted to € 239.1 million, growing by 6.6% compared with the same period in 2004.

The consolidated EBITDA went up by 28.1%, passing from € 25.9 million (11.6% on sales) in the third quarter of 2004 to € 33.2 million (13.9% on sales) in the corresponding period of the current year.

The consolidated EBIT grew by 47.6%, from e 15.4 million (6.9% on sales) to € 22.7 million (9.5% on sales).

The consolidated net income reported in the third quarter of 2005 an increase of 85.9%, up to € 11.4 million (4.8% on sales) from € 6.1 million (2.7% on sales) in the same period of the previous year.

In the quarter, the net financial indebtedness reduced by € 23.8 million, passing from € 214.4 million at the end of June 2005 to € 190.6 million as of 30 September.

For the last quarter of 2005, no forecasts indicate relevant changes in the market scenario and in the main cost factors. Thus, it is possible to confirm for the whole year economic results sensibly improved in comparison with 2004.

Milan, 20 October 2005

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SOGEFI GROUP

CONSOLIDATED STATEMENT OF INCOME FOR SOGEFI GROUP FROM 1.1.2005 TO 30.9.2005

(in millions of Euro)

	Period		Period		Fiscal Year 2004	
	1.1 - 30.9.2005		1.1 - 30.9.2004			
	Amount	%	Amount	%	Amount	%
Sales Revenues	774.5	100.0	719.6	100.0	966.1	100.0
Variable Cost of Sales	500.6	64.6	454.5	63.2	614.5	63.6
CONTRIBUTION MARGIN	273.9	35.4	265.1	36.8	351.6	36.4
Manufacturing and R&D Overheads	87.0	11.2	87.7	12.2	116.4	12.0
Depreciations and Amortizations	35.2	4.5	34.7	4.8	45.1	4.7
Distribution, Marketing and Sales Fixed Expenses	29.4	3.8	30.0	4.2	39.5	4.1
Administrative and General Expenses	45.8	6.0	46.0	6.3	59.0	6.1
OPERATING INCOME	76.5	9.9	66.7	9.3	91.6	9.5
Restructuring Costs	5.2	0.7	10.6	1.5	23.0	2.4
Losses (Gain) on Disposals	(0.1)	-	(0.1)	-	(7.9)	(0.8)
Exchange Differences (Gain) Losses	(0.3)	-	0.8	0.1	1.9	0.2
Other Non Operating Expenses (Income)	9.5	1.2	7.4	1.0	9.6	1.0
EBIT	62.2	8.0	48.0	6.7	65.0	6.7
Financial Expenses (Income), Net	8.4	1.1	9.4	1.3	12.2	1.3
Losses (Gain) from Equity Investments	0.1	-	(1.8)	(0.2)	(1.7)	(0.2)
INCOME BEFORE TAXES AND MINORITY INTERESTS	53.7	6.9	40.4	5.6	54.5	5.6
Income Taxes	20.0	2.5	19.4	2.7	22.0	2.3
INCOME BEFORE MINORITY INTERESTS	33.7	4.4	21.0	2.9	32.5	3.3
Loss/(Income) Attributable to Minority Interests	(0.3)	(0.1)	(1.8)	(0.2)	(2.5)	(0.2)
NET INCOME OF GROUP	33.4	4.3	19.2	2.7	30.0	3.1

NET FINANCIAL POSITION SOGEFI GROUP

(in millions of Euro)

	Situation as of 30.9.2005	Situation as of 30.06.2005	Situation as of 31.12.2004	Situation as of 30.09.2004
Cash, banks, financial receivables and marketable securities	66.4	53.7	57.1	46.9
Short-term borrowings (*)	(94.2)	(104.4)	(105.9)	(44.2)
Medium/long-term debt	(162.8)	(163.7)	(155.2)	(236.2)
NET FINANCIAL INDEBTEDNESS	(190.6)	(214.4)	(204.0)	(233.5)

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

CONSOLIDATED STATEMENT OF INCOME FOR THIRD QUARTER OF SOGEFI GROUP

(in millions of Euro)

	Period 1.7 - 30.9.2005		Period 1.7 - 30.9.2004		Change	
	Amount	%	Amount	%	Amount	%
Sales Revenues	239.1	100.0	224.3	100.0	14.8	6.6
Variable Cost of Sales	151.4	63.3	141.4	63.0	10.0	7.1
CONTRIBUTION MARGIN	87.7	36.7	82.9	37.0	4.8	5.8
Manufacturing and R&D Overheads	27.1	11.3	27.5	12.2	(0.4)	(1.1)
Depreciations and Amortizations	10.5	4.4	10.5	4.7	-	-
Distribution, Marketing and Sales Fixed Expenses	9.3	3.9	9.4	4.2	(0.1)	(0.6)
Administrative and General Expenses	14.4	5.9	13.8	6.2	0.6	3.4
OPERATING INCOME	26.4	11.2	21.7	9.7	4.7	21.7
Restructuring Costs	0.1	0.1	3.9	1.7	(3.8)	(96.9)
Losses (Gain) on Disposals	(0.1)	-	-	-	(0.1)	(100.0)
Exchange Differences (Gain) Losses	0.5	0.2	0.2	0.1	0.3	133.6
Other Non Operating Expenses (Income)	3.2	1.4	2.2	1.0	1.0	42.6
EBIT	22.7	9.5	15.4	6.9	7.3	47.6
Financial Expenses (Income), Net	2.8	1.2	3.3	1.5	(0.5)	(14.5)
Losses (Gain) from Equity Investments	-	-	(0.1)	-	0.1	100.0
INCOME BEFORE TAXES AND MINORITY INTERESTS	19.9	8.3	12.2	5.4	7.7	63.1
Income Taxes	8.1	3.4	5.6	2.4	2.5	45.7
INCOME BEFORE MINORITY INTERESTS	11.8	4.9	6.6	3.0	5.2	77.5
Loss/(Income) Attributable to Minority Interests	(0.4)	(0.1)	(0.5)	(0.3)	0.1	18.0
NET INCOME OF GROUP	11.4	4.8	6.1	2.7	5.3	85.9