

PRESS RELEASE

**SOGEFI GROUP: REVENUES +10% IN THIRD QUARTER
CONTINUED PROFIT GROWTH IN THE FIRST NINE MONTHS**

Consolidated results at 30 September 2007

*Revenues € 797.4 million (+4.2%)
EBITDA € 106.8 million (+4%)
EBIT € 73.5 million (+8.2%)
Net income 41.9 million (+6.5%)
Net indebtedness € 102.8 million (€ 144.1 million at 30 September 2006)*

The Board of Directors of SOGEFI SpA, chaired by Mr. Rodolfo De Benedetti, met today in Milan to examine the group results at 30 September 2007.

A significant jump in revenues in the third quarter (+9.9% against the previous-year period) delivered further improvement to the Group's earnings in the first half of the year.

At the end of September 2007 **consolidated revenues** stood at Euro 797.4 million, an increase of 4.2% compared with 765.5 million for the first nine months of 2006.

Sales grew both for the Filtration Division (+4.4%), and for the Suspension Components Division (+4.1%), and the improvement affected all of SOGEFI Group's main markets: Europe (+2.1%), Mercosur (+17.3%), USA (+2.9%) and China (+62.9%).

Operating profits felt the benefit of a partial passing on to the sales price of higher steel costs, a factor impacting suspension components in particular: **consolidated operating profit** therefore rose by 5.5% to Euro 84.4 million (80 million in the first nine months of 2006), representing an increase from 10.4% to 10.6% of revenues.

EBIT and EBITDA also grew, despite being hit in the third quarter by non-recurring charges relating to acquisition plans that did not come to fruition. Meanwhile, earnings benefited from recovery of a write-down made in 2006 relating to an under-utilized U.S. manufacturing equipment which is expected to return to full capacity following its transfer to Brazil.

Consolidated EBITDA came to Euro 106.8 million (13.4% of revenues), representing growth of 4% from 102.8 million (13.4 %) in the first nine months of 2006.

Both Divisions improved their results: the Filtration Division recorded an EBITDA of Euro 57.1 million (13.9% of revenues), up 8.1% against the corresponding period of 2006, while EBITDA for Suspension Components was Euro 57.5 million (14.8%), 11% higher after the aforementioned extraordinary item.

Growth in **consolidated EBIT** was more substantial, increasing from Euro 68 million (8.9% of revenues) to 73.5 million (9.2%), representing growth of 8.2% over the first nine months of 2007 compared with 30 September 2006.

The Filtration Division produced earnings of Euro 43.4 million (10.6% of revenues), up 11.1%, while Suspension Components showed a consolidated EBIT of 38.3 million (9.9 %), an increase of 22.7%.

Income before tax and minority interests at 30 September 2007 stood at Euro 66.7 million, an increase of 7.3% compared with 62.1 million for the first nine months of the previous year.

Consolidated net income rose by 6.5% from Euro 39.3 million (5.1% of revenues) in first nine months of 2006 to 41.9 million (5.3%) at 30 September 2007.

Thanks to significant cash flow generation SOGEFI Group further reduced its **net indebtedness** from Euro 144.1 million at 30 September 2006 (126.3 million at 31 December 2006) to 102.8 million at 30 September 2007.

Total shareholders' equity including minority interests increased to Euro 318.2 million at 30 September 2007 from 284 million at 30 September 2006 and 295.7 million at 31 December 2006.

Consolidated equity at 30 September 2006 stood at Euro 303.3 million compared with 268.5 million at 30 September 2006 and 279.6 million at 31 December 2006.

Performance in the third quarter of 2007

In the period July-September 2007 SOGEFI Group produced **consolidated revenues** of Euro 255.6 million, compared with 232.5 million for the previous-year period. The increase, amounting to 9.9%, was largely due to excellent performance in Latin America, plus an upswing in demand from French carmakers and the industrial vehicles sector.

The Suspension Components Division achieved a significant increase in revenues compared with the same quarter of 2006 (+14.3%), while the Filtration Division grew by 6.3%.

Consolidated EBITDA, impacted by one-off charges, stood at Euro 32.1 million (12.6% of revenues) against 32.6 million (14%) for the corresponding quarter of 2006, which instead benefited from an insurance refund of Euro 2.3 million.

During the quarter **EBIT** amounted to Euro 22 million (8.6% of revenues), against 22.3 million (9.6%) for the previous-year period, while **net income** came to 13 million (5.1%), up 9.5% from 11.9 million.

SOGEFI closed a major deal in the third quarter winning a first-time order from Ford for diesel filter systems for the US market. This is expected to bring annual revenues in excess of 25 million dollars beginning in 2010.

SOGEFI Group sees positive sales trends continuing in the fourth quarter of the year, with earnings in line with performance to the end of September. Despite restructuring charges scheduled for the final part of the year, we expect net profits for the whole of FY 2007 to be in line with or higher than those of 2006.

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, 18 October 2007

CONTACTS

PRESS

Beppe Pescetto
Francesca Sagramoso
tel.: 39/02/722701

INVESTOR RELATIONS:

Euro Trapani
tel.: 39/02/46750218
www.sogefi.it

SOGEFI GROUP CONSOLIDATED BALANCE SHEET

(mln euro)

ASSETS	09.30.2007	12.31.2006
CURRENT ASSETS		
Cash and cash equivalents	62.0	51.5
Securities and financial assets held for trading	2.0	0.2
Current portion of long-term financial assets	-	-
<i>Working capital</i>		
Inventories	124.0	111.7
Trade receivables	225.4	227.0
Other receivables	4.6	6.0
Tax receivables	8.9	10.9
Other assets	3.9	2.4
TOTAL WORKING CAPITAL	366.8	358.0
TOTAL CURRENT ASSETS	430.8	409.7
NON-CURRENT ASSETS		
Fixed assets		
Land	15.7	15.6
Property, plant and equipment	220.5	229.3
Other tangible fixed assets	4.3	4.5
<i>Of which leases</i>	<i>11.0</i>	<i>18.3</i>
Intangible assets	117.5	117.4
TOTAL FIXED ASSETS	358.0	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	0.4	0.3
Other receivables	3.6	5.3
Deferred tax assets	22.7	26.8
TOTAL OTHER NON-CURRENT ASSETS	27.2	32.9
TOTAL NON-CURRENT ASSETS	385.2	399.7
NON-CURRENT ASSETS HELD FOR SALE	0.9	2.6
TOTAL ASSETS	816.9	812.0
LIABILITIES	09.30.2007	12.31.2006
CURRENT LIABILITIES		
Bank overdrafts	21.6	13.3
Current portion of medium/long-term financial debts and other loans	11.9	18.6
<i>Of which leases</i>	<i>0.8</i>	<i>1.2</i>
TOTAL SHORT-TERM FINANCIAL DEBTS	33.5	31.9
Other short term liabilities for <i>cash flow hedge</i>	-	-
TOTAL SHORT-TERM FINANCIAL DEBT AND CASH FLOW HEDGES	33.5	31.9
Trade and other payables	232.1	234.5
Tax payables	10.9	8.2
Other current liabilities	3.2	2.4
TOTAL CURRENT LIABILITIES	279.7	277.0
NON-CURRENT LIABILITIES		
MEDIUM/LONG TERM FINANCIAL DEBT AND CASH FLOW HEDGES		
Financial debts to bank	122.4	128.4
Other medium/long-term financial debts	11.4	18.0
<i>Of which leases</i>	<i>8.2</i>	<i>15.3</i>
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS	133.8	146.4
Other medium/long-term liabilities for <i>cash flow hedge</i>	-	-
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND CASH FLOW HEDGES	133.8	146.4
OTHER LONG TERM LIABILITIES		
Long-term provisions	58.5	68.4
Other payables	-	-
Deferred taxation	26.7	24.5
TOTAL OTHER LONG-TERM LIABILITIES	85.2	92.9
TOTAL NON-CURRENT LIABILITIES	219.0	239.3
SHAREHOLDERS' EQUITY		
Share capital	59.1	58.8
Reserves and retained earnings (accumulated losses)	202.3	170.0
Group net profit (losses) for the period	41.9	50.8
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY	303.3	279.6
Minority interests	14.9	16.1
TOTAL SHAREHOLDERS' EQUITY	318.2	295.7
TOTAL LIABILITIES AND EQUITY	816.9	812.0

SOGEFI GROUP CONSOLIDATED INCOME STATEMENT FROM 1.1.2007 TO 30.09.2007

(mln euro)

	Period 01.1 – 09.30.2007		Period 01.1 – 09.30.2006		Variation	
	Amount	%	Amount	%	Amount	%
Sales revenues	797.4	100.0	765.5	100.0	31.9	4.2
Variable cost of sales	518.9	65.1	488.3	63.8	30.6	6.3
CONTRIBUTION MARGIN	278.5	34.9	277.2	36.2	1.3	0.5
Manufacturing and R&D overheads	86.9	10.9	87.3	11.4	(0.4)	(0.5)
Depreciation and amortization	33.3	4.2	34.8	4.5	(1.5)	(4.3)
Distribution and sales fixed expenses	28.9	3.6	28.5	3.7	0.4	1.2
Administrative and general expenses	45.0	5.6	46.6	6.2	(1.6)	(3.3)
OPERATING INCOME	84.4	10.6	80.0	10.4	4.4	5.5
Restructuring costs	1.7	0.2	3.3	0.4	(1.6)	(49.6)
Losses (gains) on disposal	(4.7)	(0.6)	(3.8)	(0.5)	(0.9)	(24.5)
Exchange (gains) losses	0.7	0.1	0.6	0.1	0.1	32.5
Other non-operating expenses (income)	13.2	1.7	11.9	1.5	1.3	10.2
EBIT	73.5	9.2	68.0	8.9	5.5	8.2
Financial expenses (income), net	6.9	0.8	7.7	1.0	(0.8)	(8.8)
Losses (gains) from equity investments	(0.1)	-	(1.8)	(0.2)	1.7	93.9
PROFIT BEFORE TAXES AND MINORITY INTERESTS	66.7	8.4	62.1	8.1	4.6	7.3
Income taxes	22.7	2.9	20.9	2.7	1.8	9.0
NET PROFIT BEFORE MINORITY INTERESTS	44.0	5.5	41.2	5.4	2.8	6.5
Losses (income) attributable to minority interests	(2.1)	(0.2)	(1.9)	(0.3)	(0.2)	(6.6)
GROUP NET PROFIT	41.9	5.3	39.3	5.1	2.6	6.5

SOGEFI GROUP NET FINANCIAL POSITION

(mln euro)

	Position as at 09.30.2007	Position as at 12.31.2006	Position as at 09.30.2006
A. Cash	62.0	51.5	65.8
B. Other cash at bank and on hand (details)	-	-	-
C. Financial instruments held for trading	2.0	0.2	0.2
D. Liquid funds (A) + (B) + (C)	64.0	51.7	66.0
E. Current financial receivables	-	-	-
F. Current payables to banks	(21.5)	(13.3)	(4.2)
G. Current portion of non-current indebtedness	(11.9)	(18.6)	(110.8)
H. Other current financial payables	-	-	-
I. Current financial indebtedness (F) + (G) + (H)	(33.4)	(31.9)	(115.0)
J. Current financial net indebtedness (I) + (E) + (D)	30.6	19.8	(49.0)
K. Non-current payables to banks	(122.4)	(128.4)	(75.4)
L. Bond issued	-	-	-
M. Other non-current payables	(11.4)	(18.0)	(19.7)
N. Non-current financial indebtedness (K) + (L) + (M)	(133.8)	(146.4)	(95.1)
O. Net indebtedness (J) + (N)	(103.2)	(126.6)	(144.1)
P. Long term financial receivables	0.4	0.3	-
Financial indebtedness, net including non-current financial receivables	(102.8)	(126.3)	(144.1)

SOGEFI GROUP CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER

(mln euro)

	Period 07.1 – 09.30.2007		Period 07.1 – 09.30.2006		Variation	
	Amount	%	Amount	%	Amount	%
Sales revenues	255.6	100.0	232.5	100.0	23.1	9.9
Variable cost of sales	165.6	64.8	146.8	63.2	18.8	12.7
CONTRIBUTION MARGIN	90.0	35.2	85.7	36.8	4.3	5.1
Manufacturing and R&D overheads	27.7	10.9	26.8	11.5	0.9	3.4
Depreciation and amortization	10.1	3.9	10.3	4.4	(0.2)	(2.0)
Distribution and sales fixed expenses	9.2	3.6	8.8	3.8	0.4	4.1
Administrative and general expenses	14.7	5.7	14.4	6.2	0.3	2.6
OPERATING INCOME	28.3	11.1	25.4	10.9	2.9	11.7
Restructuring costs	0.7	0.3	0.2	0.1	0.5	191.4
Losses (gains) on disposal	-	-	-	-	-	-
Exchange (gains) losses	0.3	0.1	0.2	0.1	0.1	89.2
Other non-operating expenses (income)	5.3	2.1	2.7	1.1	2.6	95.0
EBIT	22.0	8.6	22.3	9.6	(0.3)	(1.2)
Financial expenses (income), net	2.4	0.9	2.5	1.1	(0.1)	(6.2)
Losses (gains) from equity investments	-	-	-	-	-	-
PROFIT BEFORE TAXES AND MINORITY INTERESTS	19.6	7.7	19.8	8.5	(0.2)	(0.6)
Income taxes	6.0	2.3	6.7	2.9	(0.7)	(10.8)
NET PROFIT BEFORE MINORITY INTERESTS	13.6	5.4	13.1	5.6	0.5	4.7
Losses (income) attributable to minority interests	(0.6)	(0.3)	(1.2)	(0.5)	0.6	44.1
GROUP NET PROFIT	13.0	5.1	11.9	5.1	1.1	9.5