

**PRESS RELEASE**

*The Board of Directors approves the results at 31 December 2008*

**SOGEFI CLOSES A YEAR OF CRISIS FOR THE AUTO INDUSTRY  
WITH NET PROFIT OF 28.5 MILLION**

*Revenues, margins and net profit down on 2007 due to the sharp falloff in new auto sales in the fourth quarter*

*In 2008 a new activity in India and a joint-venture for products to reduce vehicle weight and provide cleaner motoring started-up*

*Given the current economic climate and conditions in the car market, Board proposes not to distribute dividends for FY 2008*

**Consolidated results for FY 2008**

**Revenues: € 1,017.5 million (-5.1% from € 1,071.8 million in 2007)**

**EBITDA: € 104.9 million (-22% from € 134.6 million in 2007)**

**EBIT: € 62.4 million (-30.5% from € 89.9 million in 2007)**

**Net profit: € 28.5 million (-45.4% from € 52.2 million in 2007)**

**Net indebtedness: € 257.2 million (€ 92.4 million at 31 December 2007)**

Milan, 26 February 2009 - The **Board of Directors** of **Sogefi SpA**, chaired by Mr. **Rodolfo De Benedetti**, met today to approve the **proposed statutory accounts** and the **consolidated financial statements** of the Group for **financial year 2008**.

**Business trends**

Over the course of 2008 the **global financial crisis** has provoked a **sharp slowdown in the economy** and a steep falloff in consumption. One of the **sectors worst hit** was the **auto industry**, above all in Europe and the United States. Since September **vehicle demand and production has declined steadily in every major market, falling by around 20%** from the same period of 2007. In Europe alone, Sogefi Group's most important market, new car sales have seen the biggest slide in the last 15 years.

Despite this dramatic scenario, the company closed the financial year in the black with **net profit** of Euro **28.5 million**, though lower than 2007. **Revenues**, of **over Euro 1 billion**, remained substantially unchanged on the previous year, above all in the *Suspension Components Division*, while **profitability** was further weakened by the forex effect and unfavourable extraordinary postings compared with 2007.

During 2008 Sogefi also introduced **restructuring and cost cutting measures to confront the worsening business cycle** and **entered the promising Indian market** with the *Filtration Division*. In the *Suspension Components Division* Sogefi launched a **new manufacturing initiative** in 2008 to **adopt alternative non-steel materials for lighter weight components and therefore less polluting vehicles**.

**Consolidated results**

**Consolidated revenues** came to Euro **1,017.5 million, down 5.1%** from 1,071.8 million in 2007. The variation is largely explained by the significant slowdown in business in the fourth quarter. Europe

and the United States were worst hit, while **Latin America recorded double-digit sales growth (+17.9%)**. Falling revenues affected mainly the *Filtration Division* (-9.3%), while the *Suspension Components Division* remained substantially unchanged (-0.5%) thanks to higher sales prices. Overall revenues were also affected by the devaluation of Sterling against the Euro (consolidation currency) so that excluding the forex effect revenues would amount to Euro 1,039.9 million, down just 3% on 2007.

**Profitability** for the FY was weakened by lower sales, foreign exchange effects and unfavourable extraordinary gains compared with the previous year. **Consolidated operating profit** came to Euro **87.6 million** (8.6% of revenues), **down** from 113.6 million (10.6%) in 2007, despite a general rise in costs of materials and energy. Steel prices rose by 25% and the increase was largely passed onto the sales price with a time lag of few months.

**Consolidated EBITDA** fell to Euro **104.9 million** (10.3% of revenues) from 134.6 million (12.6%) in 2007, while **consolidated EBIT** amounted to Euro **62.4 million** (6.1% of revenues) compared with 89.9 million in 2007 (8.4%). **EBITDA** and **EBIT** were affected by lower operating profits, higher restructuring charges (Euro 11.5 million against 7.6 million in the previous year) and the absence in FY 2008 of positive extraordinary gains which amounted in 2007 to Euro 9 million.

**Profit before taxes and minority interests** amounted to Euro **48.2 million**, compared with 80.6 million in 2007. This is due to higher debt financing costs following the distribution of dividends (Euro 159.5 million) during the year.

**Consolidated net profit** amounted to Euro **28.5 million** (2.8% of revenues), **down 45.4%** from Euro 52.2 million (4.9%) in 2007.

**Net indebtedness** at year-end stood at Euro **257.2 million**, up from 92.4 million at the end of 2007 due to the aforementioned dividend distribution. This is somewhat lower than the figure for 30 September 2008 (Euro 263.3 million).

**Consolidated equity** at 31 December 2008 stood at Euro 160.9 million compared with 310.9 million at the end of 2007. **Return on equity (ROE)** was 12.1% (17.7% for FY 2007), while **Return on Investment (ROI)** fell to 14.6% from 21.4% in 2007.

The **workforce** of Sogefi Group at 31 December 2008 numbered **6,100**, including the 155 employees at the new Indian company (6,208 at the end of 2007). Active employees at the end of 2008, taking into account the temporary closure of plants to combat falling demand, amounted to **5,831**.

#### ***Filtration Division***

Revenues for the *Filtration Division* came to Euro 497.5 million, down 9.3% from Euro 548.2 million at the end of 2007. This reflects the weaker demand in the European parts market, despite the positive performance achieved in the Mercosur region (+13.9%). Profitability fell, partly due to the costs of two plant closures (in Italy and Spain), with EBITDA standing at Euro 44 million (67.8 million in the previous 12-months' period) and EBIT at Euro 26.6 million (49.1 million in 2007).

In November **Sogefi entered the Indian filters market** with the acquisition, for Euro 4.7 million, of 60% of M.N.Ramarao Filters Private Co. Ltd and EMW Environmental Technologies Private Co. Ltd, makers of filters for two, three and four-wheel vehicles as well as industrial filters. It is hoped the contribution of Sogefi technology will help the companies boost their competitiveness and increase their business volume.

#### ***Suspension Components Division***

Revenue growth in Brazil and higher sales prices enabled the *Suspension Components Division* to achieve consolidated revenues of Euro 521.9 million, substantially in line with the 524.6 million of 2007. Consolidated EBITDA thus stood at Euro 64.5 million from 75.8 million in 2007, while EBIT came

to Euro 40.2 million (50.3 million in 2007). These figures were not affected by the fire that destroyed the Welsh plant at Clydach, since the damage will be entirely covered by insurance and supplies were made up by other production sites.

The financial year also saw the establishment of an **equal joint-venture with the French company Sardou SA for the development, manufacture and medium-term marketing of products in non-steel materials for the components market designed to reduce the weight and polluting effects of motor vehicles.**

### **The Parent Company**

The **Parent Company Sogefi SpA** generated **net profit** of Euro **29.2 million**, an **improvement of 12.2%** compared with 26 million in the previous year, thanks to the higher dividends received from the subsidiaries and the absence of extraordinary costs for unrealised acquisitions, which in 2007 amounted to Euro 5.3 million.

The **shareholders' equity** of Sogefi SpA at 31 December 2008 stood at Euro **130.3 million**, down from 258.2 million in 2007 following the aforementioned payment of dividends.

### **Outlook for the whole of FY 2009**

The crisis in the auto industry will continue in 2009 and is likely to deepen. Moreover, all mature markets will see a sizeable fall in vehicle demand and production compared with 2008, despite substantial state intervention. Sogefi therefore sees revenues and profitability lower than 2008, despite lower commodity and energy costs. In response to the crisis, the Group will be taking further drastic steps to cut all cost factors, in particular structural costs.

### **Shareholders' Meeting**

The Sogefi Shareholders' Meeting was held in first convening on 23 April 2009 and in second sitting on 24 April 2009. Given the current economic climate and conditions in the car market, the Board of Directors proposes not to distribute dividends for FY 2008.

The Board also voted:

- to put to the Shareholders' Meeting for approval a 2009 management stock options plan for a maximum 2,400,000 options, reserved for beneficiaries of the 2007 and 2008 phantom stock options plans who are still employed by the Company or its subsidiaries. This will replace the existing phantom plans;
- to 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 4 million own shares, (including the 1,956,000 shares currently held, representing 1.68% of ordinary share capital) 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;
- to put to the Extraordinary Shareholders' Meeting a proposal to revoke and renew the Board's powers to increase capital by a maximum Euro 250 million, to increase employees share capital by a maximum Euro 5.2 million, and to issue convertible bonds within the limits of the law.

The Ordinary Shareholders' Meeting will also vote on the reappointment of the Statutory Board of Auditors for the three years 2009-2011.

### **New CFO and Investor Relator**

Finally, the Board of Directors appointed Mr. Giancarlo COPPA as Chief Financial Officer and Investor

Relator with all necessary powers to prepare the Group accounts under article 154-(ii) of Leg. Dec 58 of 24 February 1998.

*The manager responsible for preparing the Company's financial statements, Alberto Marastoni, declares under comma 2 of Article 154-(ii) of the Finance Consolidation Act that the information presented in this press release corresponds to the results documented in the Company accounts and balance sheets.*

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**SOGEFI GROUP**

**RECLASSIFIED CONSOLIDATED ANNUAL INCOME STATEMENT**

(in millions of Euro)

	Period		Period		Variation	
	01.01 – 12.31.2008		01.01 – 12.31.2007			
	Amount	%	Amount	%	Amount	%
Sales revenues	1,017.5	100.0	1,071.8	100.0	(54.3)	(5.1)
Variable cost of sales	681.7	67.0	699.4	65.3	(17.7)	(2.5)
CONTRIBUTION MARGIN	335.8	33.0	372.4	34.7	(36.6)	(9.8)
Manufacturing and R&D overheads	107.3	10.5	115.2	10.7	(7.9)	(6.8)
Depreciation and amortization	42.5	4.2	44.7	4.2	(2.2)	(4.9)
Distribution and sales fixed expenses	35.9	3.5	38.4	3.6	(2.5)	(6.5)
Administrative and general expenses	62.5	6.2	60.5	5.6	2.0	3.2
OPERATING PROFIT	87.6	8.6	113.6	10.6	(26.0)	(22.8)
Restructuring costs	11.5	1.1	7.6	0.7	3.9	51.8
Losses (gains) on disposal	-	-	(4.6)	(0.4)	4.6	(99.7)
Exchange (gains) losses	2.2	0.2	0.9	0.1	1.3	137.3
Other non-operating expenses (income)	11.5	1.2	19.8	1.8	(8.3)	(42.0)
EBIT	62.4	6.1	89.9	8.4	(27.5)	(30.5)
Financial expenses (income), net	14.0	1.4	9.4	0.9	4.6	48.5
Losses (gains) from equity investments	0.2	-	(0.1)	-	0.3	301.6
PROFIT BEFORE TAXES AND MINORITY INTERESTS	48.2	4.7	80.6	7.5	(32.4)	(40.1)
Income taxes	16.8	1.7	25.4	2.4	(8.6)	(33.9)
NET PROFIT BEFORE MINORITY INTERESTS	31.4	3.0	55.2	5.1	(23.8)	(43.0)
Loss (income) attributable to minority interests	(2.9)	(0.2)	(3.0)	(0.2)	0.1	(0.8)
GROUP NET PROFIT FOR THE YEAR	28.5	2.8	52.2	4.9	(23.7)	(45.4)

**CONSOLIDATED CASH FLOW STATEMENT**  
(in millions of Euro)

	<b>12.31.2008</b>	<b>12.31.2007</b>
<b>SELF-FINANCING</b>	66.3	94.8
Change in net working capital	(9.6)	4.9
Other medium/long-term assets/liabilities	(1.9)	(1.8)
<b>CASH FLOW GENERATED BY OPERATIONS</b>	54.8	97.9
Sale of equity investments	0.3	-
Net decrease from sale of fixed assets	0.3	2.9
<b>TOTAL SOURCES</b>	55.4	100.8
Increase in intangible assets	14.4	11.1
Purchase of tangible assets	41.1	35.9
Purchase of equity investments	4.9	-
<b>TOTAL APPLICATION OF FUNDS</b>	60.4	47.0
Net financial position of subsidiaries purchased/sold during the year	(0.2)	-
Exchange differences on assets/liabilities and equity	(1.7)	2.1
<b>FREE CASH FLOW</b>	(6.9)	55.9
Holding Company increases in capital	4.8	3.6
Net purchase of treasury shares	(1.2)	-
Increases in share capital of consolidated subsidiaries	1.0	0.3
Dividends paid by the Holding Company to shareholders	(159.5)	(22.4)
Dividends paid by subsidiaries to minority interests	(3.0)	(3.5)
<b>CHANGES IN SHAREHOLDER'S EQUITY</b>	(157.9)	(22.0)
Change in net financial position	(164.8)	33.9
Opening net financial position	(92.4)	(126.3)
<b>CLOSING NET FINANCIAL POSITION</b>	(257.2)	(92.4)

**CONSOLIDATED BALANCE SHEET**  
(in millions of Euro)

<b>ASSETS</b>	<b>12.31.2008</b>	<b>12.31.2007</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	49.5	63.7
Other financial assets	0.8	1.0
<i>Working capital</i>		
Inventories	114.5	113.2
Trade receivables	170.0	220.1
Other receivables	19.0	6.0
Tax receivables	14.9	10.7
Other assets	3.8	2.5
<b>TOTAL WORKING CAPITAL</b>	<b>322.2</b>	<b>352.5</b>
<b>TOTAL CURRENT ASSETS</b>	<b>372.5</b>	<b>417.2</b>
<b>NON-CURRENT ASSETS</b>		
Fixed assets		
Land	13.9	11.3
Property, plant and equipment	218.0	224.3
Other tangible fixed assets	4.6	4.4
<i>Of which: leases</i>	<i>11.8</i>	<i>12.7</i>
Intangible assets	127.3	118.7
<b>TOTAL FIXED ASSETS</b>	<b>363.8</b>	<b>358.7</b>
<b>OTHER NON-CURRENT ASSETS</b>		
Equity investments in associated companies	0.1	0.1
Other financial assets available for sale	0.4	0.5
Financial receivables	-	-
Other receivables	8.8	5.0
Deferred tax assets	26.7	25.2
<b>TOTAL OTHER NON-CURRENT ASSETS</b>	<b>36.0</b>	<b>30.8</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>399.8</b>	<b>389.5</b>
<b>NON-CURRENT ASSETS HELD FOR SALE</b>	<b>0.7</b>	<b>6.8</b>
<b>TOTAL ASSETS</b>	<b>773.0</b>	<b>813.5</b>
<b>LIABILITIES</b>	<b>12.31.2008</b>	<b>12.31.2007</b>
<b>CURRENT LIABILITIES</b>		
Bank overdrafts and short-term loans	19.8	12.4
Current portion of medium/long-term financial debts and other loans	35.7	13.7
<i>Of which: leases</i>	<i>1.4</i>	<i>1.3</i>
<b>TOTAL SHORT-TERM FINANCIAL DEBTS</b>	<b>55.5</b>	<b>26.1</b>
Other short-term liabilities for derivative financial instruments	0.5	0.5
<b>TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>56.0</b>	<b>26.6</b>
Trade and other payables	204.1	228.9
Tax payables	4.2	11.8
Other current liabilities	1.7	3.0
<b>TOTAL CURRENT LIABILITIES</b>	<b>266.0</b>	<b>270.3</b>
<b>NON-CURRENT LIABILITIES</b>		
<b>MEDIUM/LONG TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS</b>		
Financial debts to bank	238.6	118.0
Other medium/long-term financial debts	10.7	12.5
<i>Of which: leases</i>	<i>7.2</i>	<i>9.1</i>
<b>TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS</b>	<b>249.3</b>	<b>130.5</b>
Other medium/long term financial liabilities for derivative financial instruments	2.3	-
<b>TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>251.6</b>	<b>130.5</b>
<b>OTHER LONG-TERM LIABILITIES</b>		
Long-term provisions	48.9	58.8
Other payables	0.4	-
Deferred tax liabilities	27.8	27.2
<b>TOTAL OTHER LONG-TERM LIABILITIES</b>	<b>77.1</b>	<b>86.0</b>
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>328.7</b>	<b>216.5</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	60.4	59.6
Reserves and retained earnings (accumulated losses)	72.0	199.1
Group net profit (loss) for the year	28.5	52.2
<b>TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY</b>	<b>160.9</b>	<b>310.9</b>
Minority interests	17.4	15.8
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>178.3</b>	<b>326.7</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>773.0</b>	<b>813.5</b>

**SOGEFI S.p.A.****RECLASSIFIED ANNUAL INCOME STATEMENT**

(in millions of Euro)

	<b>2008</b>	<b>2007</b>
Financial income/expenses and dividends	35.5	34.1
Adjustments to financial assets	(4.6)	(5.2)
Other operating revenues	10.4	8.2
Operating costs	(13.4)	(10.9)
Other non-operating income (expenses)	(0.4)	(6.8)
<b>PROFIT BEFORE TAXES</b>	<b>27.5</b>	<b>19.4</b>
Income taxes	(1.7)	(6.6)
<b>NET PROFIT</b>	<b>29.2</b>	<b>26.0</b>

**CASH FLOW STATEMENT**

(in millions of Euro)

	<b>2008</b>	<b>2007</b>
<b>SELF-FINANCING</b>	<b>33.7</b>	<b>29.3</b>
Change in net working capital	(1.2)	(4.6)
Other medium/long-term assets/liabilities	(1.4)	-
<b>CASH FLOW GENERATED BY OPERATIONS</b>	<b>31.1</b>	<b>24.7</b>
Sale of equity investments	0.2	-
<b>TOTAL SOURCES</b>	<b>31.3</b>	<b>24.7</b>
Purchase of tangible assets	0.3	0.2
Purchase of equity investments	8.5	10.1
<b>TOTAL APPLICATION OF FUNDS</b>	<b>8.8</b>	<b>10.3</b>
<b>FREE CASH FLOW</b>	<b>22.5</b>	<b>14.4</b>
Holding Company increases in capital	4.8	3.6
Net purchase of treasury shares	(1.2)	-
Dividends paid by the Holding Company	(159.5)	(22.4)
<b>CHANGES IN SHAREHOLDER'S EQUITY</b>	<b>(155.9)</b>	<b>(18.8)</b>
Change in net financial position	(133.4)	(4.4)
Opening net financial position	(29.5)	(25.1)
<b>CLOSING NET FINANCIAL POSITION</b>	<b>(162.9)</b>	<b>(29.5)</b>



**BALANCE SHEET**  
(in millions of Euro)

<b>ASSETS</b>	<b>12.31.2008</b>	<b>12.31.2007</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	6.9	3.9
Centralized treasury current accounts with subsidiaries	24.3	8.4
Other financial assets	-	0.5
Other financial loans	-	12.8
<i>Working capital</i>		
Inventories	-	-
Trade receivables	4.9	4.8
Other receivables	0.2	0.1
Tax receivables	0.4	0.3
Other assets	0.8	0.2
<b>TOTAL WORKING CAPITAL</b>	<b>6.3</b>	<b>5.4</b>
<b>TOTAL CURRENT ASSETS</b>	<b>37.5</b>	<b>31.0</b>
<b>NON-CURRENT ASSETS</b>		
Fixed assets		
Land	12.2	12.2
Buildings	14.7	14.5
Other tangible fixed assets	0.1	0.1
<i>Of which: leases</i>	-	-
Intangible assets	0.1	0.2
<b>TOTAL FIXED ASSETS</b>	<b>27.1</b>	<b>27.0</b>
<b>OTHER NON-CURRENT ASSETS</b>		
Equity investments in subsidiary companies	264.3	260.6
Equity investments in associated companies	-	-
Other financial assets available for sale	-	-
Other financial loans	101.2	100.2
<i>Of which: other medium/long-term assets for derivative financial instruments</i>	-	-
Other receivables	-	-
Deferred tax assets	1.1	0.5
<b>TOTAL OTHER NON-CURRENT ASSETS</b>	<b>366.6</b>	<b>361.3</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>393.7</b>	<b>388.3</b>
<b>TOTAL ASSETS</b>	<b>431.2</b>	<b>419.3</b>
<b>LIABILITIES</b>	<b>12.31.2008</b>	<b>12.31.2007</b>
<b>CURRENT LIABILITIES</b>		
Bank overdrafts and short-term loans	10.2	3.6
Centralized treasury current accounts with subsidiaries	29.3	48.8
Current portion of medium/long-term financial debts and other loans	22.8	1.2
<i>Of which: leases</i>	-	-
<b>TOTAL SHORT-TERM FINANCIAL DEBTS</b>	<b>62.3</b>	<b>53.6</b>
Other short-term liabilities for derivative financial instruments	-	-
<b>TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>62.3</b>	<b>53.6</b>
Trade and other payables	3.8	3.6
Tax payables	0.2	0.3
Other current liabilities	0.1	0.5
<b>TOTAL CURRENT LIABILITIES</b>	<b>66.4</b>	<b>58.0</b>
<b>NON-CURRENT LIABILITIES</b>		
<b>MEDIUM/LONG TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS</b>		
Financial debts to bank	230.7	101.7
Other medium/long-term financial debts	-	-
<i>Of which: leases</i>	-	-
<b>TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>230.7</b>	<b>101.7</b>
Other medium/long-term financial liabilities for derivative financial instruments	2.3	-
<b>TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>233.0</b>	<b>101.7</b>
<b>OTHER LONG-TERM LIABILITIES</b>		
Long-term provisions	1.0	1.0
Other payables	-	-
Deferred tax liabilities	0.5	0.4
<b>TOTAL OTHER LONG-TERM LIABILITIES</b>	<b>1.5</b>	<b>1.4</b>
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>234.5</b>	<b>103.1</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	60.4	59.6
Reserves and retained earnings (accumulated losses)	40.7	172.6
Net profit (loss) for the year	29.2	26.0
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>130.3</b>	<b>258.2</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>431.2</b>	<b>419.3</b>