

PRESS RELEASE

The Board of Directors approves results at 31 March 2009

SOGEFI REVENUES AND MARGINS HIT BY SHARP FALL IN WORLD VEHICLE PRODUCTION, NEW MEASURES ANNOUNCED TO COMBAT THE CRISIS IN THE INDUSTRY

EBITDA positive in the quarter, indebtedness stable compared with end of 2008 despite the difficult climate

Further measures to contain structural costs and rationalise the production base in view of the changed scenario

Research and innovation efforts and business development in Asian markets stepped up

Consolidated results for Q1 2009

Revenues: € 174.9 million (-35.6% from € 271.7 million in Q1 2008)

EBITDA: € 2.2 million (€ 29.1 million in Q1 2008)

Net result: negative by € 8.8 million (positive by € 9 million in Q1 2008)

Net indebtedness: € 260.9 million (€ 257.2 million at 31 December 2008)

Milan, 23 April 2009 – The **Board of Directors of Sogefi SpA**, chaired by **Mr. Rodolfo De Benedetti**, met today in Milan to examine the **consolidated group results for the first quarter of 2009**.

Business trends

Following an already critical situation in the last quarter of 2008, Q1 2009 saw a **further contraction in world vehicle production** due to a **slump in consumer demand** and the attempts by car makers to **reduce the backlog of unsold vehicles at dealerships**.

The **incentives to buy new and cleaner vehicles** announced by many governments **focused mainly on the auto segment**, and **took effect only from the second half of February**. Without similar support **sales and output of industrial vehicles collapsed**.

This situation hit Sogefi group **revenues and margins** with a **sharp contraction in sales of original equipment**, but also in the **smaller spare parts business in Europe** where dealers are having difficulty obtaining finance.

In this extraordinarily difficult climate, the **company has taken further steps to combat the effects of the crisis throughout the sector**. In particular:

- **Structural reduction of all major costs**, variable and fixed, assisted by the drop in commodity prices. Compared with Q1 2008, **structural costs have been cut by 17.1%** and the **headcount by 14.2%**.
- **Acceleration of existing plans to rationalise the manufacturing structure** in view of the dramatic

scenario. We therefore plan to close one plant in France and cease production of suspension components in the United States by the end of 2009.

- **Intensified research and innovation efforts**, particularly in suspensions in composite materials, and **business development in Asia**, especially India, in the filtration segment.

Consolidated results

In the period under examination Sogefi group's **consolidated revenues** came to Euro **174.9 million, down 35.6%** from 271.7 million in the first quarter of 2008. Revenues for the *Filtration Division* amounted to Euro 90.2 million (-32.2%), while those of the *Suspension Components Division* came to 84.9 million (-39%).

Sales fell 37.5% in Europe (Euro 138.2 million against the previous 221.2 million) and by 27.8% in Latin America (Euro 29.7 million compared with 41.1 million in Q1 2008). The worst performance was seen in Europe in suspension components for industrial vehicles (-44.4%) and precision springs (-45.6%).

Beginning in the final months of 2008 the group has taken extraordinary steps to reduce all the main cost factors, variable and fixed, and contain the impact of the rapid fall in revenues on earnings. Comparison between the first quarters of 2009 and 2008 reveals a reduction in the workforce (including part-time workers but excluding those covered by flexible employment schemes, such as ordinary and extraordinary "cassa integrazione" in Italy or similar arrangements in other countries) by 977 units (-14.2%) and a cut in structural costs of Euro 11.5 million (-17.1%), besides the favourable trend in the cost of raw materials.

Profits for the period nevertheless fell sharply due to lower sales volumes:

- **Consolidated EBITDA** amounted to **Euro 2.2 million** (29.1 million in Q1 2008). Euro 2.3 million were generated by the *Filtration Division* and Euro 0.5 million by the *Suspension Components Division*.
- **Consolidated EBIT** was a **negative Euro 8.4 million**, against a positive result of 17.9 million.
- **Result before taxes and minority interests** came to a negative Euro 11.6 million, compared with a profit of 15.7 million in 2008.
- The **consolidated net result** was also **negative by Euro 8.8 million** against a profit of 9 million in first three months of last year.

Despite the difficult economic climate, we were able to **avoid a worsening of the net financial position**, so that **net indebtedness at 31 March 2009 remained substantially in line with the figure for year-end 2008 (Euro 260.9 million compared with 257.2 million at 31 December 2008)**.

Total consolidated shareholders' equity including minority interests amounted to **Euro 173 million** at the end of the quarter (178.3 million at the end of 2008), while **consolidated net equity for the group** was **Euro 155.5 million** (160.9 million at 31 December 2008).

Outlook for the whole of FY 2009

While we can expect some pickup in demand over the coming months as the new vehicle purchase incentives take effect, it is clear that sales for the whole year will be significantly lower than those of 2008.

As mentioned above, the group has taken further steps to contain costs as far as possible, bringing them into line with the new revenue levels, and to speed up planned rationalisation measures at its production plants. However, lower revenues and the extraordinary reorganisation costs make the forecast of a net loss for the financial year unavoidable.

The manager responsible for preparing the company's financial statements, Giancarlo Coppa, declares under comma 2 of Article 154-(ii) of the Consolidated Law on Finance that the information presented in this press release corresponds to the results documented in the company accounts and balance sheets.

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Attached are the key Profit & Loss and Balance Sheet Statements for Sogefi Group at 31 March 2009

SOGEFI GROUP CONSOLIDATED BALANCE SHEET

(in millions of Euro)

ASSETS	03.31.2009	12.31.2008
CURRENT ASSETS		
Cash and cash equivalents	43.4	49.5
Other financial assets	0.7	0.8
<i>Working capital</i>		
Inventories	102.5	114.5
Trade receivables	157.8	170.0
Other receivables	16.2	19.0
Tax receivables	12.6	14.9
Other assets	3.7	3.8
TOTAL WORKING CAPITAL	292.8	322.2
TOTAL CURRENT ASSETS	336.9	372.5
NON-CURRENT ASSETS		
Fixed assets		
Land	14.0	13.9
Property, plant and equipment	217.7	218.0
Other tangible fixed assets	4.4	4.6
<i>Of which: leases</i>	11.7	11.8
Intangible assets	128.0	127.3
TOTAL FIXED ASSETS	364.1	363.8
OTHER NON-CURRENT ASSETS		
Equity investments in associated companies	0.1	0.1
Other financial assets available for sale	0.4	0.4
Financial receivables	-	-
Other receivables	10.0	8.8
Deferred tax assets	29.7	26.7
TOTAL OTHER NON-CURRENT ASSETS	40.2	36.0
TOTAL NON-CURRENT ASSETS	404.3	399.8
NON-CURRENT ASSETS HELD FOR SALE	0.7	0.7
TOTAL ASSETS	741.9	773.0
LIABILITIES	03.31.2009	12.31.2008
CURRENT LIABILITIES		
Bank overdrafts and short-term loans	19.9	19.8
Current portion of medium/long-term financial debts and other loans	40.3	35.7
<i>Of which: leases</i>	1.2	1.4
TOTAL SHORT-TERM FINANCIAL DEBTS	60.2	55.5
Other short-term liabilities for derivative financial instruments	-	0.5
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	60.2	56.0
Trade and other payables	180.8	204.1
Tax payables	3.4	4.2
Other current liabilities	2.4	1.7
TOTAL CURRENT LIABILITIES	246.8	266.0
NON-CURRENT LIABILITIES		
MEDIUM/LONG TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS		
Financial debts to bank	232.1	238.6
Other medium/long-term financial debts	10.4	10.7
<i>Of which: leases</i>	7.1	7.2
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS	242.5	249.3
Other medium/long term financial liabilities for derivative financial instruments	2.3	2.3
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	244.8	251.6
OTHER LONG-TERM LIABILITIES		
Long-term provisions	48.4	48.9
Other payables	0.4	0.4
Deferred tax liabilities	28.5	27.8
TOTAL OTHER LONG-TERM LIABILITIES	77.3	77.1
TOTAL NON-CURRENT LIABILITIES	322.1	328.7
SHAREHOLDERS' EQUITY		
Share capital	60.4	60.4
Reserves and retained earnings (accumulated losses)	103.9	72.0
Group net profit (loss)	(8.8)	28.5
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY	155.5	160.9
Minority interests	17.5	17.4
TOTAL SHAREHOLDERS' EQUITY	173.0	178.3
TOTAL LIABILITIES AND EQUITY	741.9	773.0

SOGEFI GROUP CONSOLIDATED INCOME STATEMENT FROM 01.01.2009 TO 03.31.2009

(in millions of Euro)

	Period		Period		Variation	
	01.01 – 03.31.2009		01.01 – 03.31.2008		Amount	%
	Amount	%	Amount	%	Amount	%
Sales revenues	174.9	100.0	271.7	100.0	(96.8)	(35.6)
Variable cost of sales	123.1	70.4	181.0	66.6	(57.9)	(32.0)
CONTRIBUTION MARGIN	51.8	29.6	90.7	33.4	(38.9)	(42.9)
Manufacturing and R&D overheads	22.6	12.9	29.6	10.9	(7.0)	(23.7)
Depreciation and amortization	10.6	6.1	11.2	4.1	(0.6)	(5.0)
Distribution and sales fixed expenses	7.7	4.4	9.4	3.5	(1.7)	(18.2)
Administrative and general expenses	14.8	8.4	17.0	6.3	(2.2)	(13.0)
OPERATING RESULT	(3.9)	(2.2)	23.5	8.6	(27.4)	(116.8)
Restructuring costs	1.3	0.7	1.1	0.4	0.2	24.2
Losses (gains) on disposal	-	-	(0.1)	-	0.1	110.1
Exchange losses (gains)	0.4	0.2	1.1	0.4	(0.7)	(63.4)
Other non-operating expenses (income)	2.8	1.7	3.5	1.2	(0.7)	(22.4)
EBIT	(8.4)	(4.8)	17.9	6.6	(26.3)	(146.6)
Financial expenses (income), net	3.2	1.8	2.2	0.8	1.0	43.9
Losses (gains) from equity investments	-	-	-	-	-	-
RESULT BEFORE TAXES AND MINORITY INTERESTS	(11.6)	(6.6)	15.7	5.8	(27.3)	(173.5)
Income taxes	(2.9)	(1.6)	6.0	2.2	(8.9)	(146.8)
NET RESULT BEFORE MINORITY INTERESTS	(8.7)	(5.0)	9.7	3.6	(18.4)	(190.3)
Loss (income) attributable to minority interests	(0.1)	-	(0.7)	(0.3)	0.6	90.6
GROUP NET RESULT	(8.8)	(5.0)	9.0	3.3	(17.8)	(198.0)

SOGEFI GROUP NET FINANCIAL POSITION

(in millions of Euro)

	03.31.2009	12.31.2008	03.31.2008
A. Cash	43.4	49.5	61.3
B. Other cash at bank and on hand	-	-	-
C. Financial instruments held for trading	-	-	0.1
D. Liquid funds (A) + (B) + (C)	43.4	49.5	61.4
E. Current financial receivables	0.7	0.8	0.8
F. Current payables to banks	(19.9)	(19.8)	(20.7)
G. Current portion of non-current indebtedness	(40.3)	(35.7)	(13.5)
H. Other current financial debts	-	(0.5)	(0.5)
I. Current financial indebtedness (F) + (G) + (H)	(60.2)	(56.0)	(34.7)
J. Current financial indebtedness, net (I) + (E) + (D)	(16.1)	(5.7)	27.5
K. Non-current payables to banks	(232.1)	(238.6)	(117.0)
L. Bonds issued	-	-	-
M. Other non-current financial debts	(12.7)	(12.9)	(11.9)
N. Non-current financial indebtedness (K) + (L) + (M)	(244.8)	(251.5)	(128.9)
O. Net indebtedness (J) + (N)	(260.9)	(257.2)	(101.4)
Non-current financial receivables	-	-	-
Financial indebtedness, net including non-current financial receivables	(260.9)	(257.2)	(101.4)