



PRESS RELEASE

Board of Directors approves results as of September 30 2010

SOGEFI: IN FIRST NINE MONTHS REVENUES UP BY 20% AND MARGINS DOUBLE NET INCOME 13.5 MILLION EURO COMPARED TO LOSS IN 2009

Significant growth in revenues and profitability reported by the group in the first six months of the year continues in the third quarter too thanks to the recovery in world production levels and the cost-cutting actions which began at the end of 2008

The company confirms its earnings in the first nine months compared to a negative result of 8.6 million euro in 2009. Business grows in all markets, especially emerging markets, and in all business sectors

Consolidated results of the first nine months of 2010

Revenues: € 687 million (+19.7% from € 573.8 million in 9M 2009)
Operating income: € 50.5 million (from € 22.4 million in 9M 2009)
EBITDA: € 64.5 million (from € 32.2 million in 9M 2009)
Net result: € 13.5 million (negative for € 8.6 million in 9M 2009)
Net debt: € 182.6 million (€ 182.5 million at June 30 2010)

Milan, October 19 2010 - The **Board of Directors** of Sogefi SpA, which met today under the chairmanship of **Rodolfo De Benedetti**, approved the **interim financial report** of the group as of **30 September 2010**.

Sogefi, the automotive components company of the **CIR group**, is **one of the main world operators** in **engine filter systems** and **suspension components**.

Performance of operations

The first nine months of 2010 saw a gradual recovery in world vehicle production levels compared to 2009 thanks to the continuing growth in the emerging markets (especially China, India and South America) and to the recovery of demand in the mature markets (Europe, North America and Japan). In Europe in particular new vehicle production levels were good in the third quarter too as destocking phenomena came to an end, offsetting the decline in sales caused by the end of incentives. Even in the industrial vehicle sector there were objective signs of a recovery in production.

The upturn in the market and the cost-cutting actions taken from the end of 2008 enabled the Sogefi group to obtain a significant rise in revenues and profitability in the first nine months of 2010 compared to the same period of 2009, as well as a return to profit.

In the third quarter in particular, the group confirmed the rising trend in revenues seen in the first half of the year thanks mainly to its growing presence in emerging markets, and it consolidated the levels of operating profitability reported in the previous quarter, benefiting also from further organizational action undertaken in the period.

Moreover, during the third quarter the group further **strengthened its presence in markets with the greatest growth potential**, finalizing in the **suspension components sector** too a joint-venture in **India** after the one signed at the end of 2008 in the filter sector.

Consolidated results

The **consolidated revenues** of the first nine months of 2010 came to **687 million** euro and were up by **19.7%** on the same period of 2009. The greatest rise was seen in the **Suspension Components Division** (+26.2%), while the **Filter Division** grew by 14%. In the third quarter revenues rose by 15.1%. This favourable trend was seen in the revenues of **all segments of the market** in which the group operates: the original equipment market (OEM), with a rise of 28.1%, the independent aftermarket (IAM) and the original equipment spares market (OES), both of which rose by 6.5%. The rise in sales affected **all the geographical areas** in which Sogefi is present: **Europe (+11.3%), North America (+12.6%), South America (+48.1%), China (+106%)** and **India (+62.8%)**.

The positive performance of revenues, in the presence of overall stability in selling prices and the costs of the main commodities (the ratio of material costs to revenues declined from 45.7% in the first nine months of 2009 to 45.5% in 2010), associated with further organizational action taken by Sogefi in the third quarter (the restructuring of the Dutch company that markets filters and the start of the procedure for closing the French filter plant at Louvigné), enabled the group to achieve a **strong increase in its profitability levels**. The overall cost of reorganization came to 10.5 million euro compared to 12.6 million in the same period of 2009, which led to a reduction in the ratio of labour costs to revenues to 24.9% from the previous figure of 26.3%.

The **operating result** for the period came in at **50.5 million** euro and **more than doubled** compared to the figure for the first nine months of 2009 (22.4 million euro). The **ratio to sales** rose to **7.4%** from 3.9% reported in the same period of 2009. Particularly significant was the ratio to sales in the third quarter (8.1%), which confirmed the levels reached in the second quarter despite the rising trend of the prices of raw materials which became evident between July and September.

EBITDA, totalling **64.5 million** euro (9.4% of revenues), **doubled** from the figure for the same period of 2009 (32.2 million euro, equal to 5.6% of revenues). **EBIT** came in at **31.3 million** euro (4.6% of revenues), up from 0.7 million euro (0.1% of revenues). In the third quarter restructuring costs impacted EBITDA and EBIT for 6.2 million euro.

The **result before taxes and minority interests**, which at the end of September 2009 had been a negative 7.3 million euro, **turned positive** again with net income of **23.8 million** euro, partly thanks also to a reduction in financial expense, which declined to 7.6 million euro from the previous figure of 8.1 million.

The **net result turned positive** with **13.5 million** euro compared to a negative figure of 8.6 million euro in the first nine months of 2009.

Net financial debt came to **182.6 million** euro at September 30 2010 and was substantially unchanged from the figure at June 30 2010 (182.5 million euro) but was significantly lower than the figure at September 30 2009 (202.7 million euro). At December 31 2009 the net debt of the group stood at 170.2 million euro.

At September 30 2010 **total equity**, including minority interests, amounted to **202.6 million** euro, which was higher than at September 30 2009 (176.8 million euro) and at December 31 2009 (182.2 million euro).

Outlook for the whole year

In the later part of the year the levels of business volumes recorded in the third quarter should be confirmed while no significant restructuring charges are expected.

Therefore, although there is some tension in certain commodities, the company should see a further improvement in its net result compared to the first nine months, unless there are any exceptional events not foreseeable at present.

Amendment of the Company Bylaws

With a deed drawn up by a Notary Public, the Board of Directors voted to amend Articles 9, 10, 12, 13, 17, 26 and 27 of the Company Bylaws in order to bring them into line with the mandatory new regulations contained in D.Lgs. 27/2010. The most significant changes made concerned the following: filing the lists of candidates for the position of Director and Statutory Auditor; calling shareholders' meetings; speaking and voting rights at shareholders' meetings.

Approval of the procedure for related party transactions

In compliance with the rules contained in Consob Resolution no. 17221, the Board of Directors adopted the "Procedure for related party transactions" and set up the "Committee for related party transactions" (the members of which are the same as the members of the Internal Control Committee).

The executive responsible for the preparation of the company's financial statements, Giancarlo Coppa, hereby declares, in compliance with the terms of paragraph 2 Article 154-bis of the Finance Consolidation Act (TUF), that the accounting figures contained in this press release correspond to the results documented in the company's accounts and general ledger.

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*Attached are the key figures from the income statement and statement of financial position at September 30 2010 of the Sogefi group.
It should be noted that these accounts have not been externally audited*

SOGEFI GROUP CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(in millions of Euro)

| ASSETS | 09.30.2010 | 12.31.2009 |
|--|-------------------|-------------------|
| CURRENT ASSETS | | |
| Cash and cash equivalents | 65.8 | 111.6 |
| Other financial assets | 0.3 | - |
| <i>Working capital</i> | | |
| Inventories | 103.1 | 85.9 |
| Trade receivables | 147.1 | 126.6 |
| Other receivables | 6.5 | 5.5 |
| Tax receivables | 11.2 | 9.9 |
| Other assets | 3.3 | 3.1 |
| TOTAL WORKING CAPITAL | 271.2 | 231.0 |
| TOTAL CURRENT ASSETS | 337.3 | 342.6 |
| NON-CURRENT ASSETS | | |
| Fixed assets | | |
| Land | 14.3 | 14.2 |
| Property, plant and equipment | 207.1 | 211.6 |
| Other tangible fixed assets | 4.0 | 5.7 |
| <i>Of which: leases</i> | <i>14.0</i> | <i>13.7</i> |
| Intangible assets | 132.8 | 131.4 |
| TOTAL FIXED ASSETS | 358.2 | 362.9 |
| OTHER NON-CURRENT ASSETS | | |
| Equity investments in subsidiaries | 0.8 | - |
| Equity investments in associated companies | 0.1 | 0.1 |
| Other financial assets available for sale | 0.4 | 0.5 |
| Financial receivables | - | 0.1 |
| Other receivables | 10.5 | 9.0 |
| Deferred tax assets | 37.5 | 35.0 |
| TOTAL OTHER NON-CURRENT ASSETS | 49.3 | 44.7 |
| TOTAL NON-CURRENT ASSETS | 407.5 | 407.6 |
| NON-CURRENT ASSETS HELD FOR SALE | 0.7 | 0.7 |
| TOTAL ASSETS | 745.5 | 750.9 |
| LIABILITIES | 09.30.2010 | 12.31.2009 |
| CURRENT LIABILITIES | | |
| Bank overdrafts and short-term loans | 40.9 | 4.3 |
| Current portion of medium/long-term financial debts and other loans | 44.9 | 67.4 |
| <i>Of which: leases</i> | <i>1.8</i> | <i>1.7</i> |
| TOTAL SHORT-TERM FINANCIAL DEBTS | 85.8 | 71.7 |
| Other short-term liabilities for derivative financial instruments | 0.5 | 1.0 |
| TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS | 86.3 | 72.7 |
| Trade and other payables | 205.2 | 199.8 |
| Tax payables | 5.8 | 2.7 |
| Other current liabilities | 3.2 | 2.0 |
| TOTAL CURRENT LIABILITIES | 300.5 | 277.2 |
| NON-CURRENT LIABILITIES | | |
| MEDIUM/LONG TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS | | |
| Financial debts to bank | 149.4 | 196.2 |
| Other medium/long-term financial debts | 10.2 | 10.9 |
| <i>Of which: leases</i> | <i>7.6</i> | <i>8.0</i> |
| TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS | 159.6 | 207.1 |
| Other medium/long term financial liabilities for derivative financial instruments | 2.8 | 2.1 |
| TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS | 162.4 | 209.2 |
| OTHER LONG-TERM LIABILITIES | | |
| Long-term provisions | 47.1 | 51.0 |
| Other payables | 0.8 | 0.4 |
| Deferred tax liabilities | 32.1 | 30.9 |
| TOTAL OTHER LONG-TERM LIABILITIES | 80.0 | 82.3 |
| TOTAL NON-CURRENT LIABILITIES | 242.4 | 291.5 |
| SHAREHOLDERS' EQUITY | | |
| Share capital | 60.5 | 60.4 |
| Reserves and retained earnings (accumulated losses) | 113.1 | 114.0 |
| Group net profit (loss) | 13.5 | (7.6) |
| TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY | 187.1 | 166.8 |
| Minority interests | 15.5 | 15.4 |
| TOTAL SHAREHOLDERS' EQUITY | 202.6 | 182.2 |
| TOTAL LIABILITIES AND EQUITY | 745.5 | 750.9 |

SOGEFI GROUP CONSOLIDATED INCOME STATEMENT FROM 01.01.2010 TO 09.30.2010

(in millions of Euro)

| | Period | | Period | | Variation | |
|---|--------------------|-------------|--------------------|--------------|-------------|--------------|
| | 01.01 – 09.30.2010 | | 01.01 – 09.30.2009 | | | |
| | Amount | % | Amount | % | Amount | % |
| Sales revenues | 687.0 | 100.0 | 573.8 | 100.0 | 113.2 | 19.7 |
| Variable cost of sales | 460.2 | 67.0 | 389.0 | 67.8 | 71.2 | 18.3 |
| CONTRIBUTION MARGIN | 226.8 | 33.0 | 184.8 | 32.2 | 42.0 | 22.7 |
| Manufacturing and R&D overheads | 74.5 | 10.8 | 67.5 | 11.8 | 7.0 | 10.3 |
| Depreciation and amortization | 33.2 | 4.8 | 31.5 | 5.5 | 1.7 | 5.2 |
| Distribution and sales fixed expenses | 24.2 | 3.5 | 23.5 | 4.1 | 0.7 | 3.1 |
| Administrative and general expenses | 44.4 | 6.5 | 39.9 | 6.9 | 4.5 | 11.5 |
| OPERATING RESULT | 50.5 | 7.4 | 22.4 | 3.9 | 28.1 | 125.3 |
| Restructuring costs | 10.5 | 1.5 | 12.6 | 2.2 | (2.1) | (16.5) |
| Losses (gains) on disposal | (0.5) | (0.1) | - | - | (0.5) | - |
| Exchange (gains) losses | 0.4 | 0.1 | 0.9 | 0.2 | (0.5) | (56.4) |
| Other non-operating expenses (income) | 8.8 | 1.3 | 8.2 | 1.4 | 0.6 | 7.1 |
| EBIT | 31.3 | 4.6 | 0.7 | 0.1 | 30.6 | - |
| Financial expenses (income), net | 7.6 | 1.1 | 8.1 | 1.4 | (0.5) | (6.6) |
| Losses (gains) from equity investments | (0.1) | - | (0.1) | - | - | - |
| RESULT BEFORE TAXES AND MINORITY INTERESTS | 23.8 | 3.5 | (7.3) | (1.3) | 31.1 | n.m. |
| Income taxes | 8.9 | 1.3 | 0.4 | 0.1 | 8.5 | - |
| NET RESULT BEFORE MINORITY INTERESTS | 14.9 | 2.2 | (7.7) | (1.4) | 22.6 | n.m. |
| Loss (income) attributable to minority interests | (1.4) | (0.2) | (0.9) | (0.1) | (0.5) | (68.1) |
| GROUP NET RESULT | 13.5 | 2.0 | (8.6) | (1.5) | 22.1 | n.m. |

SOGEFI GROUP NET FINANCIAL POSITION

(in millions of Euro)

| | 09.30.2010 | 12.31.2009 | 09.30.2009 |
|--|----------------|----------------|----------------|
| A. Cash | 65.8 | 111.6 | 114.3 |
| B. Other cash at bank and on hand | - | - | - |
| C. Financial instruments held for trading | - | - | - |
| D. Liquid funds (A) + (B) + (C) | 65.8 | 111.6 | 114.3 |
| E. Current financial receivables | 0.3 | - | 0.1 |
| F. Current payables to banks | (40.9) | (4.3) | (6.3) |
| G. Current portion of non-current indebtedness | (44.9) | (67.4) | (66.8) |
| H. Other current financial debts | (0.5) | (1.0) | (0.3) |
| I. Current financial indebtedness (F) + (G) + (H) | (86.3) | (72.7) | (73.4) |
| J. Current financial indebtedness, net (I) + (E) + (D) | (20.2) | 38.9 | 41.0 |
| K. Non-current payables to banks | (149.4) | (196.2) | (228.8) |
| L. Bonds issued | - | - | - |
| M. Other non-current financial debts | (13.0) | (13.0) | (15.0) |
| N. Non-current financial indebtedness (K) + (L) + (M) | (162.4) | (209.2) | (243.8) |
| O. Net indebtedness (J) + (N) | (182.6) | (170.3) | (202.8) |
| Non-current financial receivables | - | 0.1 | 0.1 |
| Financial indebtedness, net including non-current financial receivables | (182.6) | (170.2) | (202.7) |

SOGEFI GROUP CONSOLIDATED CASH FLOW STATEMENT

(in millions of Euro)

| | September 30, 2010 | December 31, 2009 | September 30, 2009 |
|---|-----------------------|----------------------|-----------------------|
| SELF-FINANCING | 41.6 | 34.8 | 20.6 |
| Change in net working capital | (29.6) | 85.4 | 59.3 |
| Other medium/long-term assets/liabilities | 0.3 | 0.8 | (0.1) |
| CASH FLOW FROM OPERATIONS | 12.3 | 121.0 | 79.8 |
| Sale of equity investments | - | - | - |
| Net decrease from sale of fixed assets | 0.3 | 1.5 | 0.3 |
| TOTAL SOURCES | 12.6 | 122.5 | 80.1 |
| Increase in intangible assets | 8.0 | 11.8 | 8.8 |
| Purchase of tangible assets | 15.1 | 22.5 | 15.8 |
| Purchase of equity investments | 0.8 | - | - |
| TOTAL APPLICATION OF FUNDS | 23.9 | 34.3 | 24.6 |
| Net financial position of subsidiaries purchased/sold during the period | - | - | - |
| Exchange differences on assets/liabilities and equity | 0.6 | 1.8 | 2.0 |
| FREE CASH FLOW | (10.7) | 90.0 | 57.5 |
| Holding Company increases in capital | 0.3 | - | - |
| Net purchase of treasury share | - | - | - |
| Increase in share capital of consolidated subsidiaries | - | - | - |
| Dividends paid by the Holding Company to shareholders | - | - | - |
| Dividends paid by subsidiaries to minority interests | (2.0) | (3.0) | (3.0) |
| CHANGES IN SHAREHOLDERS' EQUITY | (1.7) | (3.0) | (3.0) |
| Change in net financial position | (12.4) | 87.0 | 54.5 |
| Opening net financial position | (170.2) | (257.2) | (257.2) |
| CLOSING NET FINANCIAL POSITION | (182.6) | (170.2) | (202.7) |

SOGEFI GROUP CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER

(in millions of Euro)

| | Period 07.01 – 09.30.2010 | | Period 07.01 – 09.30.2009 | | Variation | |
|---|------------------------------|-------------|------------------------------|-------------|------------|-------------|
| | Amount | % | Amount | % | Amount | % |
| Sales revenues | 229.4 | 100.0 | 199.3 | 100.0 | 30.1 | 15.1 |
| Variable cost of sales | 154.4 | 67.3 | 131.8 | 66.1 | 22.6 | 17.2 |
| CONTRIBUTION MARGIN | 75.0 | 32.7 | 67.5 | 33.9 | 7.5 | 11.0 |
| Manufacturing and R&D overheads | 24.4 | 10.7 | 21.8 | 11.0 | 2.6 | 11.9 |
| Depreciation and amortization | 10.6 | 4.6 | 10.2 | 5.1 | 0.4 | 3.4 |
| Distribution and sales fixed expenses | 8.1 | 3.5 | 7.9 | 4.0 | 0.2 | 2.8 |
| Administrative and general expenses | 13.4 | 5.8 | 13.1 | 6.5 | 0.3 | 1.8 |
| OPERATING RESULT | 18.5 | 8.1 | 14.5 | 7.3 | 4.0 | 27.9 |
| Restructuring costs | 6.2 | 2.7 | 2.7 | 1.3 | 3.5 | 133.1 |
| Losses (gains) on disposal | - | - | - | - | - | - |
| Exchange (gains) losses | 0.8 | 0.4 | (0.2) | (0.1) | 1.0 | n.m. |
| Other non-operating expenses (income) | 2.9 | 1.3 | 4.3 | 2.2 | (1.4) | (30.7) |
| EBIT | 8.6 | 3.7 | 7.7 | 3.9 | 0.9 | 10.5 |
| Financial expenses (income), net | 2.5 | 1.0 | 2.3 | 1.2 | 0.2 | 2.4 |
| Losses (gains) from equity investments | - | - | - | - | - | - |
| RESULT BEFORE TAXES AND MINORITY INTERESTS | 6.1 | 2.7 | 5.4 | 2.7 | 0.7 | 14.2 |
| Income taxes | 2.0 | 0.9 | 2.9 | 1.4 | (0.9) | (31.5) |
| NET RESULT BEFORE MINORITY INTERESTS | 4.1 | 1.8 | 2.5 | 1.3 | 1.6 | 65.7 |
| Loss (income) attributable to minority interests | (0.6) | (0.3) | (0.5) | (0.3) | (0.1) | (21.3) |
| GROUP NET RESULT | 3.5 | 1.5 | 2.0 | 1.0 | 1.5 | 77.2 |