



PRESS RELEASE

Board of Directors approves results as of September 30 2011

**SOGEFI: IN FIRST NINE MONTHS REVENUES AT 830 MLN (+20.8%)
STRONG GROWTH IN MARGINS, NET INCOME +40%**

*Sales up in all geographical areas and contribution of Systèmes Moteurs acquired
in the third quarter drive results of the group*

*Launch of the new Engine Systems Division which includes filters and the new activities
in air intake and engine cooling systems*

*Debt at September 30 2011 of 325.3 million euro includes the enterprise value of Systèmes Moteurs
(approx. 150 million euro)*

**Results of 9M 2011
with Systèmes Moteurs consolidated as of 1/08/2011:**

*Revenues: € 829.8 million (+20.8% from € 687 million in 9M 2010)
Operating income: € 67.8 million (+34.2% from € 50.5 million in 9M 2010)
EBITDA: € 76.5 million (+18.6% from € 64.5 million in 9M 2010)
Net income: € 18.8 million (+40% from € 13.5 million in 9M 2010)
Net debt: € 325.3 million (€ 182.6 million at September 30 2010)*

Results of 9M 2011 with the same basis of consolidation as in 2010:

*Revenues: € 776.2 million (+13% from € 687 million in 9M 2010)
Operating income: € 63.4 million (+25.5% from € 50.5 million in 9M 2010)
EBITDA: € 71.6 million (+11% from € 64.5 million in 9M 2010)*

Milan, October 18 2011 - 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 2011**.

Sogefi, the automotive components company of the **CIR group**, is **one of the main operators worldwide** in **engine systems** and **suspension components** with **43 production sites** in **18 countries** and **14 commercial facilities**.

Performance of operations

On August 1 2011 Sogefi began the **full consolidation of the activities of Systèmes Moteurs** following the acquisition completed on July 29 2011. Systèmes Moteurs is one of the main world operators in air intake and engine cooling systems.

On completion of this deal the group set up the new **Engine Systems Division**, which includes the traditional activities in filtration and the new product lines acquired with the entry of Systèmes Moteurs into the consolidation. The other division of the group, **Suspension Components and Precision Springs**, remains unchanged.

In the first nine months of 2011 the Sogefi group reported **double digit growth of all its economic indicators** compared to 2010 thanks to the growth of business in its main markets and to the contribution in August and September of the Systèmes Moteurs businesses.

In the third quarter global vehicle production confirmed the increase in volumes reported in the first half of the year, with higher growth in non-European markets. In the BRIC countries (Brazil, Russia, India and China) production levels continued to rise. The Brazilian market reported a slowdown in the month of September due to the reduction in the stock levels of vehicle manufacturers and their distribution chain. In Europe the lacklustre performance of new registrations was more than compensated for by the positive trend of exports, especially in the higher end of the range and for German manufacturers, with a total rise in production of over 7%. Even the recovery of the European industrial vehicle sector, which began in mid 2010, picked up speed although it has not yet returned to the pre-crisis levels of 2007. By contrast, in the period demand weakened in the independent aftermarket, which is affected by the economic difficulties in many European countries (Italy, Spain, Greece, Britain and Portugal).

Consolidated results

Against a favourable backdrop in all markets except for the European aftermarket, in the first nine months of the year the Sogefi group reported **revenues of 829.8 million euro (+20.8%** on the figure of 687 million euro for the same period of 2010). On the same basis of consolidation, net of the revenues of Systèmes Moteurs, in the two months of August and September sales came in at 776.2 million euro (+13%).

The highest growth (+21.9%) was reported by the *Suspension Components Division* with revenues of 413.5 million euro, while the *Engine Systems Division* posted sales of 418.2 million euro (+19.7%). With the same consolidation as last year the *Engine Systems Division* would have had sales of 364.7 million euro, with growth of 4.4%.

The group reported **double digit revenue growth in all the markets in which it is present**: Europe +18.2%, Latin America +12.9%, United States +15.1%, China +30.1% and India +35.1%.

During the period the group continued successfully to transfer higher commodity costs on to selling prices. As in previous years, the rise in the costs of the main commodities was mostly recovered with a time delay of a few months. In coming months commercial action will continue to recover further costs by the end of the year. At the end of September, the ratio of variable costs to sales was 68.7% and was slightly worse than a year ago partly because of higher labour costs and the lower sales mentioned above in the most profitable aftermarket.

Operating income for the first nine months came in **67.8 million euro**, and was **up by 34.2%** from the figure of 50.5 million at September 30 2010, with a ratio to sales up to 8.2% from the previous 7.4%. In the third quarter operating profitability reached 8.7% of sales. With the same consolidation operating income would have been 63.4 million (8.2% of sales).

In the month of July restructuring began of the Welsh filtration plant at Llantrisant, which envisages the downsizing of production activities and the closure of the logistics warehouse. The process ended with a positive outcome on October 7 2011 with costs of 6.8 million euro. Restructuring costs in the first nine months of the year thus totalled 8.2 million euro, to which non-operating costs of 3.4 million euro must be added for the write-down of fixed assets. The results for the first nine months also included non-operating costs of 4.3 million euro as consulting fees for the acquisition of the Systèmes Moteurs group. In the last quarter of the year there are not expected to be any other significant restructuring costs.

EBITDA came to **76.5 million** euro (9.2% of sales revenues) and was **up by 18.6%** from 64.5 million euro (9.4% of sales) in 2010. On the same basis of consolidation EBITDA would have been 71.6 million euro (9.2% of sales).

EBIT was **41.6 million** euro (5% of sales) and was **up by 32.7%** from 31.3 million euro (4.6% of sales) in the first nine months of 2010. With the same consolidation EBIT would have been 38.7 million euro (5% of revenues).

The result before taxes and minority interests rose from 23.8 million euro at September 30 2010 to 33.2 million euro in the first nine months of 2011.

The **net income** of the group came in **18.8 million** euro (2.3% of sales) and was **up by 40%** from 13.5 million euro (2% of sales) in the first nine months of 2010.

The **net debt** at September 30 2011 included the enterprise value of Systèmes Moteurs (approximately 150 million euro) and came to **325.3 million** euro compared to 167.6 million euro at June 30 2011 and 182.6 million euro at September 30 2010.

At September 30 2011 **consolidated equity** including minority shareholders' equity stood at **208.4 million** down from 214.4 million euro at December 31 2010. The **consolidated equity of the Sogefi group** amounted to **190.5 million** euro at September 30 2011 (after dividends of 14.9 million euro) down from 197.2 million at December 31 2010.

Following the growth in ordinary operations and more especially with the acquisition of Systèmes Moteurs, the number of **employees** of the group at September 30 2011 – including temporary contracts but excluding those subject to some form of flexibility – rose to **7,543** (5,841 at December 31 2010).

Outlook for the whole year

The positive results obtained by the group in the first nine months should be confirmed for full year 2011. Despite the fears of a worsening of the economic scenario in 2012, at present no significant clients are making any announcements or forecasting a slowdown in their demand for components in the last part of the year. It is felt, therefore, that if there is a slowdown it will not be to an extent that could affect the group's full year performance in any substantial way.

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 the statement of financial position at September 30 2011 of the Sogefi group.
It should be noted that these results have not been subject to an external audit.*

SOGEFI GROUP**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

(in millions of Euro)

ASSETS	09.30.2011	12.31.2010
CURRENT ASSETS		
Cash and cash equivalents	78.5	66.8
Other financial assets	0.1	0.2
<i>Working capital</i>		
Inventories	173.5	98.4
Trade receivables	209.6	138.8
Other receivables	8.9	10.2
Tax receivables	17.9	12.2
Other assets	4.0	2.5
TOTAL WORKING CAPITAL	413.9	262.1
TOTAL CURRENT ASSETS	492.5	329.1
NON-CURRENT ASSETS		
Fixed assets		
Land	14.9	14.4
Property, plant and equipment	229.8	208.4
Other tangible fixed assets	4.2	4.3
<i>Of which: leases</i>	<i>13.0</i>	<i>13.8</i>
Intangible assets	210.1	133.5
TOTAL FIXED ASSETS	459.0	360.6
OTHER NON-CURRENT ASSETS		
Equity investments in subsidiaries	0.3	-
Other financial assets available for sale	0.5	0.4
Financial receivables	0.2	-
Other receivables	13.2	10.2
Deferred tax assets	40.2	38.3
TOTAL OTHER NON-CURRENT ASSETS	54.4	48.9
TOTAL NON-CURRENT ASSETS	513.4	409.5
NON-CURRENT ASSETS HELD FOR SALE	0.7	0.7
TOTAL ASSETS	1,006.6	739.3
LIABILITIES	09.30.2011	12.31.2010
CURRENT LIABILITIES		
Bank overdrafts and short-term loans	22.0	35.9
Current portion of medium/long-term financial debts and other loans	37.5	42.8
<i>Of which: leases</i>	<i>2.0</i>	<i>1.9</i>
TOTAL SHORT-TERM FINANCIAL DEBTS	59.5	78.7
Other short-term liabilities for derivative financial instruments	0.1	0.2
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	59.6	78.9
Trade and other payables	292.8	210.0
Tax payables	8.3	6.3
Other current liabilities	9.3	2.1
TOTAL CURRENT LIABILITIES	370.0	297.3
NON-CURRENT LIABILITIES		
MEDIUM/LONG TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS		
Financial debts to bank	334.8	141.4
Other medium/long-term financial debts	7.6	9.6
<i>Of which: leases</i>	<i>5.7</i>	<i>7.2</i>
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS	342.4	151.0
Other medium/long term financial liabilities for derivative financial instruments	2.1	2.0
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	344.5	153.0
OTHER LONG-TERM LIABILITIES		
Long-term provisions	44.2	41.8
Other payables	1.4	0.4
Deferred tax liabilities	38.1	32.4
TOTAL OTHER LONG-TERM LIABILITIES	83.7	74.6
TOTAL NON-CURRENT LIABILITIES	428.2	227.6
SHAREHOLDERS' EQUITY		
Share capital	60.7	60.5
Reserves and retained earnings (accumulated losses)	111.0	117.9
Group net result for the period	18.8	18.8
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY	190.5	197.2
Non-controlling interests	17.9	17.2
TOTAL SHAREHOLDERS' EQUITY	208.4	214.4
TOTAL LIABILITIES AND EQUITY	1,006.6	739.3

CONSOLIDATED INCOME STATEMENT FROM 01.01.2011 TO 09.30.2011

(in millions of Euro)

	01.01 – 09.30.2011		01.01 – 09.30.2010		Change	
	Amount	%	Amount	%	Amount	%
Sales revenues	829.8	100.0	687.0	100.0	142.8	20.8
Variable cost of sales	569.9	68.7	460.2	67.0	109.7	23.9
CONTRIBUTION MARGIN	259.9	31.3	226.8	33.0	33.1	14.6
Manufacturing and R&D overheads	82.7	10.0	74.5	10.8	8.2	11.1
Depreciation and amortization	34.9	4.2	33.2	4.8	1.7	5.2
Distribution and sales fixed expenses	25.9	3.1	24.2	3.5	1.7	7.0
Administrative and general expenses	48.6	5.8	44.4	6.5	4.2	9.3
OPERATING RESULT	67.8	8.2	50.5	7.4	17.3	34.2
Restructuring costs	8.2	1.0	10.5	1.5	(2.3)	(21.8)
Losses (gains) on disposal	-	-	(0.5)	(0.1)	0.5	100.0
Exchange losses (gains)	1.9	0.2	0.4	0.1	1.5	366.7
Other non-operating expenses (income)	16.1	2.0	8.8	1.3	7.3	82.6
EBIT	41.6	5.0	31.3	4.6	10.3	32.7
Financial expenses (income), net	8.4	1.0	7.6	1.1	0.8	11.0
Losses (gains) from equity investments	-	-	(0.1)	-	0.1	100.0
RESULT BEFORE TAXES AND NON-CONTROLLING INTERESTS	33.2	4.0	23.8	3.5	9.4	39.3
Income taxes	12.3	1.5	8.9	1.3	3.4	37.1
NET RESULT BEFORE NON-CONTROLLING INTERESTS	20.9	2.5	14.9	2.2	6.0	40.6
Loss (income) attributable to non-controlling interests	(2.1)	(0.2)	(1.4)	(0.2)	(0.7)	(46.5)
GROUP NET RESULT	18.8	2.3	13.5	2.0	5.3	40.0

NET FINANCIAL POSITION

(in millions of Euro)

	09.30.2011	12.31.2010	09.30.2010
A. Cash	78.5	66.8	65.8
B. Other cash at bank and on hand	-	-	-
C. Financial instruments held for trading	-	-	-
D. Liquid funds (A) + (B) + (C)	78.5	66.8	65.8
E. Current financial receivables	0.1	0.2	0.3
F. Current payables to banks	(22.0)	(35.9)	(40.9)
G. Current portion of non-current indebtedness	(37.5)	(42.8)	(44.9)
H. Other current financial debts	(0.1)	(0.2)	(0.5)
I. Current financial indebtedness (F) + (G) + (H)	(59.6)	(78.9)	(86.3)
J. Current financial indebtedness, net (I) + (E) + (D)	19.0	(11.9)	(20.2)
K. Non-current payables to banks	(334.8)	(141.4)	(149.4)
L. Bonds issued	-	-	-
M. Other non-current financial debts	(9.7)	(11.6)	(13.0)
N. Non-current financial indebtedness (K) + (L) + (M)	(344.5)	(153.0)	(162.4)
O. Net indebtedness (J) + (N)	(325.5)	(164.9)	(182.6)
Non-current financial receivables	0.2	-	-
Financial indebtedness, net including non-current financial receivables	(325.3)	(164.9)	(182.6)

CASH FLOW STATEMENT

(in millions of Euro)

	September 30, 2011	December 31, 2010	September 30, 2010
SELF-FINANCING	54.9	55.3	41.6
Change in net working capital	(29.3)	(15.4)	(29.6)
Other medium/long-term assets/liabilities	(0.1)	0.7	0.3
CASH FLOW GENERATED BY OPERATIONS	25.5	40.6	12.3
Sale of equity investments	-	0.1	-
Net decrease from sale of fixed assets	0.3	0.7	0.3
TOTAL SOURCES	25.8	41.4	12.6
Increase in intangible assets	11.9	11.7	8.0
Purchase of tangible assets	20.3	24.3	15.1
Purchase of equity investments	123.7	-	0.8
TOTAL APPLICATION OF FUNDS	155.9	36.0	23.9
Net financial position of subsidiaries purchased/sold during the period	(12.2)	-	-
Exchange differences on assets/liabilities and equity	(1.1)	0.7	0.6
FREE CASH FLOW	(143.4)	6.1	(10.7)
Holding Company increases in capital	0.3	0.3	0.3
Net purchase of treasury share	(1.1)	-	-
Increase in share capital of consolidated subsidiaries	-	0.9	-
Dividends paid by the Holding Company to shareholders	(14.9)	-	-
Dividends paid by subsidiaries to non-controlling interests	(1.3)	(2.0)	(2.0)
CHANGES IN SHAREHOLDERS' EQUITY	(17.0)	(0.8)	(1.7)
Change in net financial position	(160.4)	5.3	(12.4)
Opening net financial position	(164.9)	(170.2)	(170.2)
CLOSING NET FINANCIAL POSITION	(325.3)	(164.9)	(182.6)

CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER

(in milioni di Euro)

	07.01 – 09.30.2011		07.01 – 09.30.2010		Change	
	Amount	%	Amount	%	Amount	%
Sales revenues	303.2	100.0	229.4	100.0	73.8	32.2
Variable cost of sales	210.8	69.5	154.4	67.3	56.4	36.5
CONTRIBUTION MARGIN	92.4	30.5	75.0	32.7	17.4	23.3
Manufacturing and R&D overheads	28.7	9.5	24.4	10.7	4.3	17.3
Depreciation and amortization	12.6	4.2	10.6	4.6	2.0	19.0
Distribution and sales fixed expenses	8.5	2.8	8.1	3.5	0.4	4.8
Administrative and general expenses	16.2	5.3	13.4	5.8	2.8	22.0
OPERATING RESULT	26.4	8.7	18.5	8.1	7.9	42.6
Restructuring costs	6.6	2.2	6.2	2.7	0.4	6.8
Losses (gains) on disposal	-	-	-	-	-	-
Exchange losses (gains)	0.5	0.2	0.8	0.4	(0.3)	(42.1)
Other non-operating expenses (income)	8.3	2.7	2.9	1.3	5.4	176.9
EBIT	11.0	3.6	8.6	3.7	2.4	28.8
Financial expenses (income), net	3.7	1.2	2.5	1.0	1.2	53.4
Losses (gains) from equity investments	-	-	-	-	-	-
RESULT BEFORE TAXES AND NON-CONTROLLING INTERESTS	7.3	2.4	6.1	2.7	1.2	18.9
Income taxes	3.0	1.0	2.0	0.9	1.0	53.0
NET RESULT BEFORE NON-CONTROLLING INTERESTS	4.3	1.4	4.1	1.8	0.2	3.0
Loss (income) attributable to non-controlling interests	(0.8)	(0.2)	(0.6)	(0.3)	(0.2)	(25.3)
GROUP NET RESULT	3.5	1.2	3.5	1.5	(0.0)	-