



PRESS RELEASE

Board of Directors approves interim report as of June 30 2010

**SOGEFI: REVENUES AND MARGINS SHARPLY HIGHER IN FIRST HALF
NET INCOME OF 10 MILLION EURO**

The market rally and the cost containment actions taken in the past 18 months have allowed a significant recovery in profitability: operating result quadruples and EBITDA trebles from the difficult first half of 2009

*The company returns to profit in the first half from a loss of over 10 million in 2009
Business is growing in all markets, especially South America, China and India*

Consolidated results of the first half of 2010

Revenues: € 457.6 million (+22.2% from € 374.5 million in H1 2009)
Operating income: € 32 million (€ 8 million in H1 2009)
EBITDA: € 45.3 million (€ 14.2 million in H1 2009)
Net result: a positive € 9.9 million (a negative € 10.6 million in H1 2009)
Net debt: € 182.5 million (€ 188.4 million at March 31 2010)

Milan, July 22 2010 - The **Board of Directors** of Sogefi SpA, which met today under the chairmanship of **Rodolfo De Benedetti**, has examined and approved the **semi-annual financial report as of June 30 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 half of 2010 was characterized by a positive evolution in world vehicle production, thanks to the recovery of the business in the mature markets, which in 2009 had suffered sharp downturns (Europe, Nafta and Japan), and to the further growth of volumes in areas with developing economies such as China, India and Brazil. The improvement in the market was due essentially to two factors: the state incentives adopted by many countries but which are gradually being phased out, and the end of destocking of unsold vehicles which had begun in the last part of 2008. However, in the absence of any incentives, difficulties remain in the industrial vehicle and earth moving sectors, which are nonetheless starting to show the first signs of recovery.

Thanks to the recovery of the market and the cost containment actions taken in the past 18 months, the **Sogefi group closed the first half with a strong rise in all its economic indicators compared to the same period of last year and with a return to net profit**. In terms of margin in particular, in the first half Sogefi succeeded in **quadrupling its operating income** and **more than trebling its EBITDA** compared to the first half of 2009, which was the worst moment of the recent crisis in the sector.

Consolidated results

The **consolidated revenues** of the **first half** came in at **457.6 million** euro, **up by 22.2%** from 374.5 million in the same period of 2009. As well as to the growth of the business, this result was also due to the favourable performance of exchange rates following the rise of the main non-European currencies and of the pound against the euro. At the same exchange rates as those of the previous year, revenues would have been 444.4 million euro, up by 18.7%.

Sales grew by 13.9% in Europe (+8.8% in filters, +19.3% in suspension components) and by 51.1% in the South American market, which also benefited from the rise in value of the Brazilian real and which in the first half of 2010 represented 22.3% of the total revenues of the Sogefi group. Strong revenue growth was also reported in China (+173%) and in India (+64.3%), where the joint venture set up at the end of 2008 is operating successfully in the filter sector. In the United States, after suspension component production ceased in July 2009, the rapid conversion of the local company to the production of filter systems enabled the company to achieve a 10.7% growth in sales.

The **Filter Division** increased its revenues to 231.5 million euro (+17.2%), while the **Suspension Components Division** grew by 27.9% compared to the first half of 2009 with sales revenues of 227.3 million euro.

The positive performance of revenues together with management taking care to contain all cost factors, made it possible for the **group to obtain significant growth in its margins** compared to the first half of 2009.

The **consolidated operating result** came in at **32 million** euro (7% of revenues), showing **strong growth** from 8 million euro (2.1% of revenues) in 2009. Non-recurring costs for reorganization amounted to 4.3 million euro, down from 9.9 million euro in 2009. **EBITDA** was **45.3 million** euro (9.9% of revenues), versus 14.2 million euro in the first half of last year (3.8% of revenues). **EBIT** came to 22.8 million euro (5% of revenues) compared to a negative figure of 7.1 million euro in 2009.

As a result of the reduction of the average net debt in the period, **financial expense** declined to **5.1 million** euro (5.7 million euro in the first half of 2009).

The significant recovery of profitability reported by Sogefi in the first half of the year enabled the group to **return to profit**, posting net income of **9.9 million** euro, compared to the loss of 10.6 million euro in the first half of 2009.

Consolidated shareholders' equity including minority interests amounted to **206.8 million** euro at June 30 2010 and was up substantially compared to the figure at June 30 2009 (174.8 million euro) and at December 31 2009 (182.2 million euro).

Consolidated net debt stood at **182.5 million** euro at June 30 2010, lower than the figure at June 30 2009 (212.6 million euro) and that at March 31 2010 (188.4 million euro). The debt figure was, however, up slightly compared to the figure at December 31 2009 (170.2 million euro) on account of the rise in working capital due to greater business activity.

Result of the parent company of the group

In the first half of the year the **parent company Sogefi SpA** reported **net income** of **8.4 million** euro. The change compared to the figure for the first half of 2009 (32.8 million euro) was due mainly to the lower flow of dividends from the subsidiaries.

Outlook for the whole year

In the second half of the year Sogefi should achieve good levels of operating profitability and confirm for the whole year the significant improvement of all its economic indicators compared to 2009. The extent of the improvement will also depend on the performance of the European original equipment market, which is likely to show a contraction in demand when the incentive packages have expired in all the main countries except France, and on the prices of certain commodities, which may rise in the later part of the year.

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 June 30 2010 of the Sogefi group and of its Parent Company Sogefi SpA

SOGEFI GROUP CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of Euro)

ASSETS	June 30, 2010	December 31, 2009	June 30, 2009
CURRENT ASSETS			
Cash and cash equivalents	56.1	111.6	80.5
Other financial assets	0.1	-	0.2
<i>Working capital</i>			
Inventories	104.3	85.9	94.0
Trade receivables	158.4	126.6	146.5
Other receivables	5.7	5.5	6.9
Tax receivables	9.5	9.9	9.9
Other assets	4.8	3.1	4.8
TOTAL WORKING CAPITAL	282.7	231.0	262.1
TOTAL CURRENT ASSETS	338.9	342.6	342.8
NON-CURRENT ASSETS			
Fixed assets			
Land	14.4	14.2	14.1
Property, plant and equipment	214.8	211.6	218.8
Other tangible fixed assets	4.3	5.7	4.3
<i>Of which: leases</i>	<i>14.7</i>	<i>13.7</i>	<i>12.8</i>
Intangible assets	133.4	131.4	129.5
TOTAL FIXED ASSETS	366.9	362.9	366.7
OTHER NON-CURRENT ASSETS			
Equity investments in associated companies	0.1	0.1	0.1
Other financial assets available for sale	0.4	0.5	0.4
Financial receivables	-	0.1	-
Other receivables	10.8	9.0	9.4
Deferred tax assets	36.8	35.0	33.2
TOTAL OTHER NON-CURRENT ASSETS	48.1	44.7	43.1
TOTAL NON-CURRENT ASSETS	415.0	407.6	409.8
NON-CURRENT ASSETS HELD FOR SALE	0.8	0.7	0.7
TOTAL ASSETS	754.7	750.9	753.3
LIABILITIES	June 30, 2010	December 31, 2009	June 30, 2009
CURRENT LIABILITIES			
Bank overdrafts and short-term loans	38.3	4.3	12.9
Current portion of medium/long-term financial debts and other loans	45.5	67.4	88.7
<i>Of which: leases</i>	<i>1.9</i>	<i>1.7</i>	<i>1.5</i>
TOTAL SHORT-TERM FINANCIAL DEBTS	83.8	71.7	101.6
Other short-term liabilities for derivative financial instruments	0.7	1.0	0.2
TOTAL SHORT-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	84.5	72.7	101.8
Trade and other payables	218.3	199.8	198.1
Tax payables	5.9	2.7	3.5
Other current liabilities	2.8	2.0	2.5
TOTAL CURRENT LIABILITIES	311.5	277.2	305.9
NON-CURRENT LIABILITIES			
MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS			
Financial debts to bank	140.1	196.2	177.2
Other medium/long-term financial debts	11.2	10.9	10.8
<i>Of which: leases</i>	<i>8.5</i>	<i>8.0</i>	<i>7.8</i>
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS	151.3	207.1	188.0
Other medium/long-term financial liabilities for derivative financial instruments	2.8	2.1	3.5
TOTAL MEDIUM/LONG-TERM FINANCIAL DEBTS AND DERIVATIVE FINANCIAL INSTRUMENTS	154.1	209.2	191.5
OTHER LONG-TERM LIABILITIES			
Long-term provisions	49.0	51.0	52.3
Other payables	0.4	0.4	0.4
Deferred tax liabilities	32.9	30.9	28.4
TOTAL OTHER LONG-TERM LIABILITIES	82.3	82.3	81.1
TOTAL NON-CURRENT LIABILITIES	236.4	291.5	272.6
SHAREHOLDERS' EQUITY			
Share capital	60.5	60.4	60.4
Reserves and retained earnings (accumulated losses)	121.2	114.0	110.3
Group net profit (loss)	9.9	(7.6)	(10.6)
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE HOLDING COMPANY	191.6	166.8	160.1
Minority interests	15.2	15.4	14.7
TOTAL SHAREHOLDERS' EQUITY	206.8	182.2	174.8
TOTAL LIABILITIES AND EQUITY	754.7	750.9	753.3

SOGEFI GROUP CONSOLIDATED INCOME STATEMENT FROM 01.01.2010 TO 06.30.2010

(in millions of Euro)

	1st half 2010		1st half 2009		Year 2009	
	Amount	%	Amount	%	Amount	%
Sales revenues	457.6	100.0	374.5	100.0	781.0	100.0
Variable cost of sales	305.7	66.8	257.2	68.7	529.8	67.8
CONTRIBUTION MARGIN	151.9	33.2	117.3	31.3	251.2	32.2
Manufacturing and R&D overheads	50.1	10.9	45.7	12.2	90.4	11.6
Depreciation and amortization	22.5	4.9	21.2	5.7	42.1	5.4
Distribution and sales fixed expenses	16.1	3.5	15.6	4.2	31.1	4.0
Administrative and general expenses	31.2	6.9	26.8	7.1	53.9	6.9
OPERATING RESULT	32.0	7.0	8.0	2.1	33.7	4.3
Restructuring costs	4.3	0.9	9.9	2.7	17.2	2.2
Losses (gains) on disposal	(0.5)	(0.1)	-	-	1.2	0.2
Exchange (gains) losses	(0.4)	(0.1)	1.1	0.3	0.8	0.1
Other non-operating expenses (income)	5.8	1.3	4.1	1.0	9.4	1.2
EBIT	22.8	5.0	(7.1)	(1.9)	5.1	0.6
Financial expenses (income), net	5.1	1.1	5.7	1.5	10.8	1.4
Losses (gains) from equity investments	-	-	(0.1)	-	(0.1)	(0.1)
RESULT BEFORE TAXES AND MINORITY INTERESTS	17.7	3.9	(12.7)	(3.4)	(5.6)	(0.7)
Income taxes	7.0	1.5	(2.4)	(0.7)	0.7	0.1
NET RESULT BEFORE MINORITY INTERESTS	10.7	2.4	(10.3)	(2.7)	(6.3)	(0.8)
Loss (income) attributable to minority interests	(0.8)	(0.2)	(0.3)	(0.1)	(1.3)	(0.2)
GROUP NET RESULT	9.9	2.2	(10.6)	(2.8)	(7.6)	(1.0)

SOGEFI GROUP NET FINANCIAL POSITION

(in millions of Euro)

	06.30.2010	12.31.2009	06.30.2009
A. Cash	56.1	111.6	80.5
B. Other cash at bank and on hand	-	-	-
C. Financial instruments held for trading	-	-	-
D. Liquid funds (A) + (B) + (C)	56.1	111.6	80.5
E. Current financial receivables	-	-	0.2
F. Current payables to banks	(38.3)	(4.3)	(12.9)
G. Current portion of non-current indebtedness	(45.5)	(67.4)	(88.7)
H. Other current financial debts	(0.7)	(1.0)	(0.2)
I. Current financial indebtedness (F) + (G) + (H)	(84.5)	(72.7)	(101.8)
J. Current financial indebtedness, net (I) + (E) + (D)	(28.4)	38.9	(21.1)
K. Non-current payables to banks	(140.1)	(196.2)	(177.2)
L. Bonds issued	-	-	-
M. Other non-current financial debts	(14.0)	(13.0)	(14.3)
N. Non-current financial indebtedness (K) + (L) + (M)	(154.1)	(209.2)	(191.5)
O. Net indebtedness (J) + (N)	(182.5)	(170.3)	(212.6)
Non-current financial receivables	-	0.1	-
Financial indebtedness, net including non-current financial receivables	(182.5)	(170.2)	(212.6)

SOGEFI GROUP CONSOLIDATED INCOME STATEMENT FOR THE SECOND QUARTER

(in millions of Euro)

	04.01 - 06.30.2010		04.01 - 06.30.2009		Variation	
	Amount	%	Amount	%	Amount	%
Sales revenues	243.7	100.0	199.6	100.0	44.1	22.0
Variable cost of sales	162.8	66.8	134.1	67.2	28.7	21.4
CONTRIBUTION MARGIN	80.9	33.2	65.5	32.8	15.4	23.5
Manufacturing and R&D overheads	25.3	10.4	23.1	11.6	2.2	9.7
Depreciation and amortization	11.4	4.7	10.7	5.3	0.7	7.4
Distribution and sales fixed expenses	8.4	3.4	7.9	3.9	0.5	6.0
Administrative and general expenses	15.9	6.6	11.9	6.0	4.0	32.5
OPERATING RESULT	19.9	8.1	11.9	6.0	8.0	67.0
Restructuring costs	4.2	1.7	8.6	4.3	(4.4)	(52.0)
Losses (gains) on disposal	(0.4)	(0.2)	-	-	(0.4)	-
Exchange (gains) losses	(0.2)	(0.1)	0.7	0.4	(0.9)	(127.1)
Other non-operating expenses (income)	3.1	1.3	1.3	0.7	1.8	150.9
EBIT	13.2	5.4	1.3	0.6	11.9	-
Financial expenses (income), net	2.6	1.1	2.5	1.2	0.1	3.2
Losses (gains) from equity investments	(0.1)	(0.1)	(0.1)	-	-	-
RESULT BEFORE TAXES AND MINORITY INTERESTS	10.7	4.4	(1.1)	(0.6)	11.8	-
Income taxes	4.1	1.7	0.4	0.2	3.7	-
NET RESULT BEFORE MINORITY INTERESTS	6.6	2.7	(1.5)	(0.8)	8.1	-
Loss (income) attributable to minority interests	(0.5)	(0.2)	(0.3)	(0.1)	(0.2)	(76.8)
GROUP NET RESULT	6.1	2.5	(1.8)	(0.9)	7.9	-

SOGEFI S.p.A.

RECLASSIFIED INCOME STATEMENT FOR THE FIRST HALF

(in millions of Euro)

	1st half 2010	1st half 2009	Year 2009
Financial income/expenses and dividends	10.6	33.9	35.5
Adjustments to financial assets	-	-	-
Other operating revenues	5.5	5.0	9.8
Operating costs	(8.9)	(6.6)	(13.6)
Other non-operating income (expenses)	-	-	0.1
RESULT BEFORE TAXES	7.2	32.3	31.8
Income taxes	(1.2)	(0.5)	(1.6)
NET RESULT	8.4	32.8	33.4

STATEMENT OF FINANCIAL POSITION

(in millions of Euro)

	June 30, 2010	December 31, 2009	June 30, 2009
Short-term assets	6.2	4.9	4.7
Short-term liabilities	(4.8)	(4.0)	(5.0)
Net working capital	1.4	0.9	(0.3)
Investments	274.2	271.9	264.5
Other fixed assets	28.7	28.6	28.7
CAPITAL INVESTED	304.3	301.4	292.9
Other medium and long-term liabilities	(1.4)	(1.6)	(1.7)
NET CAPITAL INVESTED	302.9	299.8	291.2
Net financial position	130.7	136.1	128.6
Shareholders' equity	172.2	163.7	162.6
TOTAL	302.9	299.8	291.2

CASH FLOW STATEMENT

(in millions of Euro)

	1st half 2010	1st half 2009	Year 2009
SELF-FINANCING	8.0	32.9	33.2
Change in net working capital	(0.5)	2.5	1.3
Other medium/long-term assets/liabilities	-	(0.7)	-
CASH FLOW GENERATED BY OPERATIONS	7.5	34.7	34.5
Sale of equity investments	-	-	-
TOTAL SOURCES	7.5	34.7	34.5
Increase of intangible assets	-	-	0.1
Purchase of tangible assets	-	0.2	0.1
Purchase of equity investments	2.3	0.2	7.5
TOTAL APPLICATION OF FUNDS	2.3	0.4	7.7
FREE CASH FLOW	5.2	34.3	26.8
Holding Company increases in capital	0.2	-	-
Net purchase of treasury shares	-	-	-
Dividends paid by the Holding Company	-	-	-
CHANGES IN SHAREHOLDER'S EQUITY	0.2	-	-
Change in net financial position	5.4	34.3	26.8
Opening net financial position	(136.1)	(162.9)	(162.9)
CLOSING NET FINANCIAL POSITION	(130.7)	(128.6)	(136.1)