



COGEME SET- Interim results to 30.06.2009

- Value of production doubled (+98.4%) following consolidation of the newly acquired company, TTL, and due to the excellent results of the automotive division of Cogeme Set (+5.9%)

- Consolidated gross operating margin up from 34.3% to 36.4% with a first-half 2009 result for the Cogeme division of 39.2% and for TTL of 33.3%

- Consolidated value of production: €35.4 million (+ 98.4%)
- Consolidated EBITDA: €12.9 million (+110.8%)
- Consolidated EBIT: €45.7 million (+64.4%)
- Consolidated net profit: €0.8 million (-62.3%)
- Consolidated net debt: €85.7 million (€89.3 million at 31 December 2008 and €82.2 million at 31 March 2009)
- Consolidated net working capital: €31.7 million (€15.8 million at 31 December 2008 and €22.4 million at 31 March 2009)

Frosinone, 28 August 2009 – The Board of Directors of Gruppo Cogeme met today in Frosinone under the chairmanship of Mr Maurizio Testa to approve the consolidated results of the Group to 30 June 2009.

The increased area of consolidation resulting from the acquisition of 50.998% of TTL makes a comparison between the first-half 2009 Group results and those of the same period 2008 impossible; however a comparison of the stand-alone results of Cogeme Set and of TTL for the two aforementioned periods has been provided.

The consolidated value of production rose 98.4% year-on-year to €35.4 million due to both the positive results of Cogeme Set (+5.9% year-on-year) and to the consolidation of the newly acquired company, TTL. The latter had a slight decrease in the value of production of 2.1% year-on-year.

Consolidated revenues of €29.9 million increased 80.8% although, on a stand-alone basis, the two divisions, Cogeme Set and TTL, had a slight decrease in sales of respectively 5.9% and 10.2%.

Contributory factors to the growth in the Value of production of Cogeme and the strong reduction in the drop in revenues of TTL were the increase in inventories of finished products, caused by some slight delays in European clients accepting deliveries, and the positive change



in other revenues and income due to various charges made to clients, price differences as a result of the changes in the cost of raw materials, and work carried out on plant and machinery aimed at increasing production capacity and efficiency.

The decline in revenues in the Cogeme division resulted from the management strategy and plan to exit the exhaust sector, a sector that is less defensive in terms of product technology and, therefore, one that generates lower margins.

Cogeme revenues calculated including this discontinued sector grew 3.1% thereby confirming a consolidation of the increased market share of components for injection systems for Magneti Marelli and Continental-Siemens, as well as the progress made in developing commercial agreements with Bosch and Delphi Europe.

In the second quarter 2009, Brazil confirmed the volume growth of the first quarter (ca. +30% compared to the second quarter 2008) due to new contracts from Bosch and Delphi.

As a result of the growth of the last three months (+8%) in the Brazilian market, driven by the government incentives to acquire new cars and the willingness of the banking sector to continue to grant credit, Fiat, Volkswagen and GM requested increased volumes from their suppliers, in particular for environmentally friendly components and systems (flex fuel and tetra fuel), resulting in growth in demand for components.

As a result, in June, Cogeme saw an increase in demand for injection system components from its main clients in the Brazilian market of over 30% compared to the budget and beyond its own production capacity.

Compared to first-half 2008, the Group gross operating profit improved through the consolidation of the heat treatment division of TTL; it had **consolidated EBITDA of €12.9 million, up 110.8%**, a margin on the value of production of 36.4% (34.3% in first-half 2008) and on revenues of 43.1% (37.0% in first-half 2008).

Following its exit from the exhaust systems and suspension sectors and the improvement made in the organisation of the manufacturing process in its various plants, the Cogeme division had a 49 bps increase in Ebitda as a percentage of value of production compared to first-half 2008 (from 34.3% to 39.2%).

In the production of turbo system components, which had been particularly negatively affected in Europe, the month of June proved to be the first month to signal a real reversal in the negative trend with a return to volume levels that had been agreed with clients.



The various auto incentives introduced by European governments (and, in particular, Germany) and by the automotive producers generated a strong and rapid growth in demand which meant the automotive producers required their suppliers, which included the clients of Cogeme, to provide immediate and additional capacity to that which had been planned.

In order to take advantage of this opportunity and the inability of its competitors to make investments, Cogeme brought forward its own investment plan and, at 30 June 2009, had made capital investments of €12.5 million (€5.3 million at 31 March 2009), anticipating by several months the programmed investments; these were made at the best commercial conditions.

Despite growth of 11.6% in the first quarter of 2009, the value of production of TTL in the first half 2009 fell 2.1% due to the lack of the growth drivers in the machinery division of its subsidiaries, HTE and MANACA, which had been present in the first quarter; the drop was also due to a slight decrease in the heat treatment sector which was, in part, offset by invoicing of clients for accessory services (transport) and by an increase in inventories of work in progress. In the first three months of the year, TTL's main clients, active in sectors concerned with large plant, cylinders, maintenance, revamping, machine tool beds, large components for the defence and aviation industries, and railway equipment, were able to maintain volume growth due to the vast quantity of orders received; they then suffered a slight decrease in the second quarter from the partial impact of the general slowdown in economic activity.

The situation is expected to gradually improve, also due to the growth in the auto sector which, albeit marginal to the overall revenues of TTL, is acting as a driver for many segments in associated markets.

For this reason TTL has not called a halt to its investment programme. At 30 June 2009, investments totalled €5.7 million (€2.6 million at 31 March 2009).

The decline in TTL's margins (EBITDA margin down from 40.8% to 33.3%) reflects the extraordinary costs and non-recurring items linked to the development of new services and the start-up of the new hydraulic straightening plant for large cylindrical pieces.



Consolidated net debt at 30 June 2009 was €85.7 million (€89.3 million at 31 December 2008), giving a 12-month rolling Net debt/EBITDA ratio of 2.9x (3.4x at 31 December 2008).

Cogeme's net debt at 30 June 2009 was €52.9 million (€56.1 million at 31 December 2008); that of TTL at 30 June 2009 was €32.8 million (€33.2 million at 31 December 2008).

Consolidated net working capital totalled €31.7 million at 30 June 2009 (€15.8 million at 31 December 2008); for Cogeme the figure was €26.3 million (€11.3 million at 31 December 2008) and for TTL it was €5.4 million (€4.5 million).

The increase in net working capital in the Cogeme division was mainly attributable to higher inventories of finished goods caused by a delay in their delivery to some clients and to an increase in trade receivables caused by delayed payments by two Italian clients.

At TTL, working capital as a percentage of value of production was maintained at 16.2%.

Likely future outlook

In the first half of 2009, the value of production of precision engineering components for the automotive sector grew compared to the corresponding period of 2008 (+5.9%).

The heat treatment sector suffered a slight decline due to the slowdown in the sectors in which it operates where the impact of the slowdown in the economy was delayed compared to sectors like the automotive sector.

It should be highlighted that the Group is receiving confirmation of precision engineering component orders for the automotive sector as scheduled by its clients although in lower volumes than the original expectations of a few months ago. However, this has already in part been compensated by the manufacture of new products for turbo components and for injector components, as well as by the start-up of new production lines (in particular in Romania in the first months of 2009 and in India in the second half of the year).

Despite the slowdown in May and June, the trend in the sector of heat treatment of metal components is in line with our planned growth and could result in an increase in volumes



compared to the preceding financial year, once again due to the introduction of new types of treatment.

Planned capital investments: the Group is currently in line with its planned capital investment programme. During the first half of 2009, investments planned for the second half of the year were brought forward. As regards investments, it should be pointed out that the Group, thanks to its partnership relations with clients, can, in some cases benefit from the use of plant belonging to these clients, thereby containing fixed capital requirements.

In accordance with Stock Exchange Market Regulations art. 2.3.2., the following information is provided:

- a) First day of trading: 15 December 2006
- b) Listing Partner: Unipol Merchant-Banca per le Imprese

and under art. 2A.2.1, paragraph 5:

Information required by the EXPANDI market	GRUPPO COGEME	
Net profit	>0 > € 100,000	€ 0.8 million
Result before extraordinary items	>0	€ 5.7 million
Net debt/Gross operating profit	<4	2.9x

This press release is also available on the Company website as of today:

www.cogemeset.com

COGEME SET, with registered offices in Milan and operating headquarters in Frosinone, has, since 1991, manufactured and marketed very high precision metal components used to make some of the most sophisticated parts of automobiles and commercial vehicles. The attention paid and the increasing resources dedicated to technological research and development carried out in close conjunction with its clients, together with a logistic structure using sub-contractors, has enabled COGEME SET to become the reference partner and strategic supplier of the most important Tier 1 suppliers of the major global auto producers. Gruppo COGEME SET production is currently carried out in Italy, at the plant it owns in Pratica (FR), and in the manufacturing plants of its subsidiaries COGEME DO BRASIL and COGEME SET RO; in 2009 the plant of its subsidiary COGEME PRECISION PARTS (INDIA) PVT LTD will also start production. On 7 October 2008, Gruppo COGEME SET finalised the acquisition of 51% of TTL Tecno Tempranova Lombarda S.r.l. ("TTL"), the parent company of a group active in the heat treatment of metal components ("Gruppo TTL"). COGEME SET has been listed on the MTA market of Borsa Italiana since 15 December 2006. Listing Partner: Unipol Merchant Banca per le Imprese S.p.A..

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**CONSOLIDATED, COGEME STAND ALONE AND TTL STAND ALONE
FINANCIAL STATEMENTS**

CONSOLIDATED INCOME STATEMENTS

(€. <i>000</i>)	30/06/2009	30/06/2008	Var
Value of production	35.436	17.861	98,4%
Other revenues and incomes	3.560	541	558,0%
Change in Inventories of Finished Goods	1.941	760	155,4%
Revenues	29.935	16.560	80,8%
Gross operating Profit	12.909	6.125	110,8%
%on sales	43,1%	37,0%	
%VOP	36,4%	34,3%	
Depreciation and Amortization	7.254	2.685	170,2%
Operating Profit	5.655	3.440	64,4%
% sales	18,9%	20,8%	
%VOP	16,0%	19,3%	
Net Financial Expenses	-3.229	-1.302	148,0%
Profit before taxation	2.426	2.138	13,5%
% sales	8,1%	12,9%	
%VOP	6,8%	12,0%	
Income Tax expenses	1.642	60	2636,7%
Net profit	784	2.078	-62,3%
% ricavi	2,6%	12,5%	
%VOP	2,2%	11,6%	
out of w hich			
attributable to the Group	668	2.037	-67,2%
attributable to minority interests	116	41	182,9%



COGEME STAND ALONE STATEMENTS

(€ .000)	30/06/2009	30/06/2008	Var
Value of production	18.923	17.861	5,9%
Other revenues and incomes	1.714	541	216,8%
Change in Inventories of Finished Goods	1.630	760	114,5%
Revenues	15.579	16.560	-5,9%
Gross operating Profit	7.411	6.125	21,0%
%on sales	47,6%	37,0%	
%VOP	39,2%	34,3%	
Depreciation and Amortization	3.827	2.685	42,5%
	20,2%	15,0%	
Operating Profit	3.584	3.440	4,2%
% sales	23,0%	20,8%	
%VOP	18,9%	19,3%	
Net Financial Expenses	-2.234	-1.302	71,6%
Profit before taxation	1.350	2.138	-36,9%
% sales	8,7%	12,9%	
%VOP	7,1%	12,0%	
Income Tax expenses	1.013	60	1588,9%
Net profit	337	2.078	-83,8%
% sales	2,2%	12,5%	
%VOP	1,8%	11,6%	
out of which			
attributable to the Group	138	2.037	-93,2%
attributable to minority interests	201	41	390,0%



TTL STAND ALONE STATEMENTS

(€.000)	30/06/2009	30/06/2008	Var
Value of production	16.513	16.868	-2,1%
Other revenues and incomes	1.846	485	280,6%
Change in Inventories of Finished Goods	311	390	-20,3%
Revenues	14.356	15.993	-10,2%
Gross operating Profit	5.497	6.880	-20,1%
%on sales	38,3%	43,0%	
%VOP	33,3%	40,8%	
Depreciation and Amortization	3.427	3.217	6,5%
Operating Profit	2.070	3.663	-43,5%
% sales	14,4%	22,9%	
%VOP	12,5%	21,7%	
Net Financial Expenses	-995	-1.526	-34,8%
Profit before taxation	1.075	2.137	-49,7%
% sales	7,5%	13,4%	
%VOP	6,5%	12,7%	
Income Tax expenses	629	1.147	-45,2%
Net profit	446	990	-54,9%
% sales	3,1%	6,2%	
%VOP	2,7%	5,9%	
	out of w hich		
attributable to the Group	531	953	-44,3%
attributable to minority interests	-85	37	-329,7%



NET FINANCIAL INDEBTEDNESS

Net Financial Indebtedness		
	30/06/2009	31/12/2008
Cash	49	56
Cash Equivalents	23.787	11.144
Marketable Securities	9.509	2.323
Cash and cash Equivalents	33.345	13.523
Current Financial assets	17.157	6.847
Banks loans	35.464	28.997
Other financial payables	8.784	7.938
Indebtedness - Short Term	44.248	36.935
Net Financial Position- Short Term	-6.254	16.565
Medium/ Long term-loans and borrowings	47.867	49.862
Convertible Bonds	19.355	0
Other non current financial liabilities	24.738	22.878
Net Financial Position - Long Term	85.706	89.305
Other non current financial assets	0	0
Net Financial Indebtedness	85.706	89.305

CONSOLIDATED BALANCE SHEET



(€.000)	30/06/2009	31/12/2008	Var
Property Plant and Equipment	17.412	16.002	8,8%
Goodwill and other intangible assets with an indefinite and definitive useful life	111.528	101.967	9,4%
Investments in associates	0	0	
Other non current assets	1.170	862	35,7%
Tax receivables	1.909	1.694	12,7%
Deferres tax assets	2.121	1.724	23,0%
Total non current assets	134.140	122.249	9,7%
Inventories	16.773	14.575	15,1%
Trade receivables	38.772	30.368	27,7%
Other receivables and current assets	22.410	10.593	111,6%
out of which current financial assets	16.347	6.057	169,9%
Marketable securities	9.509	2.323	309,3%
Cash and cash equivalents	23.836	11.200	112,8%
Total current assets	111.300	69.059	61,2%
Total assets	245.440	191.308	28,3%
Share Capital	27.318	9.004	203,4%
Other reserves	34.998	23.062	51,8%
Profit attributable to the Group	668	1.589	-58,0%
Minority interests	11.938	10.809	10,4%
Total Equity	74.922	44.464	
Medium and long term interests-bearing loans and borrowings	91.960	72.740	26,4%
Employee benefits	2.026	2.122	-4,5%
Deferred tax liabilities	4.990	4.583	8,9%
Provisions for risks and charges	0	0	
Total non current liabilities	98.976	79.445	
Banks and other financial payables	44.248	36.935	19,8%
Trade payables	13.262	15.238	-13,0%
Tax payables	5.369	4.159	29,1%
Other payables	8.663	11.067	-21,7%
Total current liabilities	71.542	67.399	6,1%
Total equity and liabilities	245.440	191.308	28,3%