

SABAF: THE SHAREHOLDERS' MEETING APPROVES THE 2016 FINANCIAL STATEMENTS

POWERS CONFERRED AD INTERIM TO THE CFO GIANLUCA BESCHI

- **The financial statements at 31 December 2016 were approved**
- **The distribution of a dividend of €0.48 per share was approved**
- **The authorisation to purchase and dispose of treasury shares was renewed**
- **The postponement of the appointment of a new director to replace the chief executive officer Alberto Bartoli was approved**
- **The Board of Directors conferred ad interim the powers to Gianluca Beschi**

The Ordinary Shareholders' Meeting of Sabaf S.p.A. met today at Ospitaletto under the chairmanship of the Chief Financial Officer Gianluca Beschi.

2016 financial statements and dividend

The Shareholders' Meeting voted to approve the Sabaf S.p.A. financial statements for FY 2016.

In 2016, Parent Company Sabaf S.p.A. registered sales revenue of €101.5 million, down 10.9% from €114 million in 2015. EBITDA was €13.5 million, down 16.1% from €16.1 million in 2015, EBIT was €4 million, down 54% from €8.8 million in the previous year and net profit was €2.5 million, down 56.4% from €5.6 million in 2015.

The 2016 consolidated results of the Sabaf Group were presented at the shareholders' meeting. Sales revenue totalled €131 million, down 5.1% from €138 million in 2015. In 2016, EBITDA was €25.4 million, down 3.1%, and represented 19.4% of sales (€26.2 million in 2015, equal to 19% of sales), EBIT totalled €12.5 million, equal to 9.6% of sales (€14.1 million in 2015, equal to 10.2% of sales, -11.1%) and consolidated net profit was €9 million, equal to 6.9% of sales (€9 million also in 2015, 6.5% of sales). At 31 December 2016, net financial debt was €23.5 million and shareholders' equity was €112.3 million.

The Shareholders' Meeting approved the payout of a gross dividend of €0.48 per share (unchanged compared to that paid out in 2016). The ex-date is 29 May 2017, the record date 30 May 2017 and the payment date 31 May 2017.

Report on Remuneration

The Shareholders' Meeting approved the section of the report on remuneration that sets out the policy adopted by the Company regarding the remuneration of Directors and Executives with strategic responsibilities.

Authorisation to purchase and sell treasury shares

The Shareholders' Meeting authorised the Board of Directors to purchase and sell treasury shares, in compliance with the equal treatment of shareholders and with the regulations in force, for the following purposes:

- in accordance with Company's strategic guidelines, use treasury shares as part of the transactions related to business plans and agreements with strategic partners or as part of investment transactions, or extraordinary financial transactions that imply the assignment or disposal of treasury shares;
- offer shareholders an additional tool to liquidate their investments;
- carry out operations to support market liquidity.

This authorisation allows the Board to purchase up to 1,153,345 ordinary shares on the market, for a period of 18 months, for a maximum total disbursement equal to the available reserves and distributable profits, at a price not higher than 10% the average official prices recorded on the MTA (electronic stock exchange) during the five sessions prior to purchase.

The Board of Directors has also been authorised to dispose of treasury shares without any time restrictions according to any procedure, determined by the Board of Directors itself that proves advisable for achieving the goals pursued. The price for the sale of shares may not be more than 10% lower than the average official prices recorded on the MTA during the five previous sessions, or, if the shares are disposed of by any means other than sale on the market, the price will be determined with different criteria, also with the aid of independent experts.

Resolutions following the resignation of the chief executive officer Alberto Bartoli

The Shareholders' meeting was also called to decide on the appointment of a director, following the resignation of the chief executive officer Alberto Bartoli, handed in last 23 January and effective as from today. Mario Mazzoleni, representing the shareholder Giuseppe Saleri S.a.p.A. holding 30.7% of the share capital of Sabaf S.p.A., intervened on this point and announced: *“Following the resignation of Bartoli, Giuseppe Saleri S.a.p.A. started immediately the search and selection of a candidate to be proposed to the shareholders' meeting, whose professional profile is eligible to hold the position of Chief Executive Officer to continue the strategy and development plans of Sabaf. This process is now very advanced but we are still unable to propose a name to the shareholders' meeting”*. Therefore, the Shareholders' Meeting decided to postpone the integration of the Board of Directors, by appointing the Board to convene a new Shareholders' Meeting.

The Board of Directors that met at the end of the shareholders' meeting decided to confer the powers previously assigned to Bartoli to the director Beschi, Chief Financial Officer of the Company, until the appointment of a new director.



We burn for technology and safety.

Pursuant to Article 154-bis, paragraph 2 of the Italian Consolidated Finance Act (Testo Unico della Finanza), the company's Financial Reporting Officer Gianluca Beschi declares that the financial disclosure contained in this press release corresponds to the company's records, books and accounting entries.

For further information:

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Founded in the early fifties, SABAF has grown consistently over the years to become the key manufacturer in Italy – and one of the leading producers in the world – of components for kitchens and domestic gas cooking appliances.

There are four main lines of production: valves, thermostats and burners for gas cooking appliances and hinges for ovens, washing machines and dishwashers.

Technological expertise, manufacturing flexibility, and the ability to offer a vast range of components – tailor-made to meet the requirements of individual manufacturers of cookers and built-in hobs and ovens and in line with the specific characteristics of its core markets – are Sabaf's key strengths in a sector featuring major specialisation, constantly evolving demand and an ever-increasing orientation towards products assuring total reliability and safety.

The Sabaf Group has more than 800 employees. It operates through its parent company SABAF S.p.A. and the subsidiaries Sabaf do Brasil, Sabaf Turkey and Sabaf China, active in the production of domestic burners, A.R.C., which produces burners for professional cooking, and Faringosi Hinges, leader in the production of oven hinges.