

SABAF
enters in the US market with HARPER WYMAN
A distribution agreement has been signed with the largest producer
of gas cooking components in North America

SABAF S.p.A., one of the world's leading producers of components for domestic cooking appliances, has signed an agreement with HARPER WYMAN, the largest producer of gas components in North America.

The renewable 3-year agreement covers the exclusive distribution of SABAF's entire product range (valves, thermostats, burners, and accessories) in the North American market, with minimum agreed upon sale objectives totaling 2 billion lire in year 2000, 12 billion lire in 2001, and 23 billion lire in 2002.

HARPER WYMAN is a leading controls supplier to the gas range industry in North America, holding a market share of approximately 40%. The Company has grown at a high rate over the last few years, ending 1999 with record sales in excess of \$90.0 million (approximately 180 billion lire).

HARPER WYMAN is headquartered in Aurora Illinois and has three manufacturing locations, two in the United States (Illinois and Tennessee) and one in Mexico.

In February 2000, HARPER WYMAN became part of CORNING INCORPORATED as a result of the merger between OAK INDUSTRIES and CORNING INCORPORATED. CORNING is a \$5.0 billion (about 10.000 billion lire) global company in the telecommunications and advanced materials industries (fiber optics, semiconductors, etc.).

The signing of this agreement will present great advantages to both companies.

SABAF will be able to enter, by means of a prestigious partner with a strong competitive positioning like HARPER WYMAN, a highly strategic market, second in dimension only to the European market, in which SABAF is already leader.

Thanks to the partnership with SABAF, HARPER WYMAN will be able to offer a complete production range to multinational appliance manufacturers of high quality and technologically advanced components, which correspond to the current market trends of global standardization. This agreement will also permit HARPER WYMAN to focus their investments in the development of other products, like electronic controls for gas and electric cooking appliances.

"A partnership with a company of such industrial strength as HARPER WYMAN" declares Mr. Angelo Bettinzoli, CEO of SABAF, "represents a fundamental step for the future growth of SABAF. It will open the doors to the world's second largest market currently valued at least 130 billion lire. Thanks to this alliance with the industry's key player, SABAF will have a solid position in North America".

"In addition, this agreement follows a strategy to strengthen alliances between industry leaders, basically the same intention behind our joint-venture with Siber and our agreement with Schott (the German based group world leader in the glass industry) for the development of ceramic-glass cook tops, which currently represent approximately 45% of the American market".

Forecasts and new projects for year 2000: sale of BSPARKS products and production from the new factory in Brazil

During January, initial sales were recorded for a new line of components (ignition generator boxes) from BSPARKS; a joint venture created last September with the SIBER group. Year 2000 revenues have been forecasted at around 3 billion lire. An additional 2 billion lire is forecasted in the second semester, after the launching of another line of innovative components patented by BSPARKS, like a highly dependable and easy to assemble "snap-in" microswitch.

It has been forecasted that by the end of the year production will be launched in the new plant in Brazil, with a 2-year objective of reaching scale economies of approximately 3-4 million pieces produced locally.

"As far as our performance during the first months of 2000 is concerned" Mr. Angelo Bettinzoli specified, "sales at the end of March will total approximately 36 billion lire, a growth of about 40% in comparison to the 25.5 billion lire recorded in the first quarter of 1999. The orders to the end of May record an increase of 37% compared to the same period in 1999."

"By the end of year 2000" Mr. Bettinzoli added, "we expect a sales growth of about 20% with respect to 1999, keeping margins in line".

This press release is available on the Company's Internet Site: www.sabaf.it