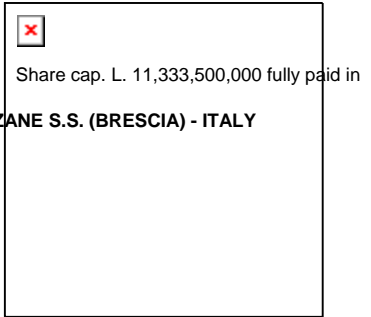


☒ P.O. Box No.33 - ☎ 030/8252211 ☒ SABAF Lumezzane- Fax 030/8921041 - Via Rango, 23 - 25065 LUMEZZANE S.S. (BRESCIA) - ITALY
Fiscal code 03244470179 – IVA no. 01786910982 - Internet Address: sabaf@sabaf.it



Press release

Lumezzane (BS), 13 September 2000

The Board of Directors approves the half-yearly report
SABAF: net profit of 11.4 billion lire
up 59% on the 1st half of '99
Operating profit 26.2% of net sales

A meeting was held today in Lumezzane of the Board of Directors of SABAF SpA, the Brescia company that is one of the world's leading manufacturers of domestic gas-cooking appliances, to approve the half-yearly report as at 30 June 2000.

The first half of 2000 closed with positive results for the Sabaf Group, especially in terms of net profit which has grown considerably (+59.1%) to 11.4 billion lire, compared with 7.2 billion at 30 June 1999. Consolidated cash flow* comes to 18.4 billion lire (12.9 billion in June 1999).

There has been a distinct increase in net sales, 70.2 billion lire, showing a 28.5% rise compared with the figure for the first half of 1999, 54.6 billion lire. Value added amounts to 38.2 billion (30.1 billion in June 1999).

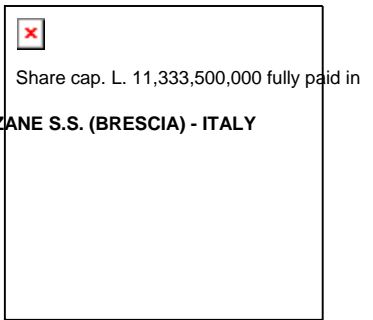
The gross operating profit has also grown considerably, reaching 25.7 billion (+37.4% on the 18.7 billion in first half '99).

After depreciation of 7 billion lire (+22.8%), the operating profit came to 18.4 billion (12.5 billion at 30 June 1999).

The Group's equity situation shows consolidated shareholders' equity of 86.4 billion, compared with 73.3 billion at June 1999, against net debt of 81 million compared with 5.9 billion at 30 June 1999.

At present, Sabaf makes 53% of its sales in Italy and 47% in the rest of the world.

* Cash flow = net profit + depreciation



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“We are very satisfied with the results achieved in the first half of this year, especially because of the distinct increase in margins” declared Angelo Bettinzoli, Managing Director of Sabaf SpA. *“While maintaining our emphasis on organisational and operational improvement, our objective for the second half of 2000 will be to aim for rapid expansion, both internally and externally.”* Bettinzoli continued.

Sabaf’s management will meet the financial community on Thursday, 21 September at 5pm at the offices of Borsa Italiana in Palazzo Mezzanotte, Piazza Affari 6, Milan.

Attached is a summary of the consolidated balance sheet and income statement. The figures have not yet been audited.

*SABAF was founded in the ‘50s and has grown constantly to become the leading manufacturer in Italy and one of the top manufacturers world-wide of components for cookers and domestic gas-cooking appliances.
Production consists of three main product lines: valves, thermostats and burners, all used in gas-cooking appliances. The Company’s know-how, production flexibility and its ability to offer a wide range of components, often custom-made for individual manufacturers of cookers, hobs and built-in ovens in line with the individual specifications of the various reference markets, are fundamental points of strength for SABAF. This is a highly specialised sector, where demand is in constant evolution, increasingly geared to products that can guarantee absolute reliability and safety.
The Company has around 380 employees located in four production units, all in the province of Brescia. SABAF also has a sales office in Brazil, called Sabaf do Brasil (since 1998), and a representative office in Shanghai (China).
SABAF has been quoted on the electronic trading system of the Italian Stock Exchange since 24 March 1998.*


This press release is available on the Company’s website: www.sabaf.it



Share cap. L. 11,333,500,000 fully paid in

RECLASSIFIED CONSOLIDATED BALANCE SHEET

	30.06.2000	31.12.1999	30.06.1999
<i>(in millions of lire)</i>			
A. FIXED ASSETS			
Intangible fixed assets	2,771	1,824	1,986
Tangible fixed assets	78,533	75,278	70,784
Financial fixed assets	645	3,649	696
Total fixed assets	81,949	80,751	73,466
B. NET WORKING CAPITAL			
Inventories	18,388	13,212	13,438
Trade receivables	36,852	31,976	31,865
Other assets	4,906	1,618	4,110
Trade payables	(23,819)	(22,285)	(20,624)
Other liabilities	(14,443)	(6,675)	(9,277)
Total net working capital	21,884	17,846	19,512
C. CAPITAL EMPLOYED			
LESS OPERATING LIABILITIES (A+B)	103,833	98,597	92,978
D. RESERVE FOR RISKS AND CHARGES AND SEVERANCE INDEMNITIES	(17,272)	(15,762)	(13,689)
E. NET CAPITAL EMPLOYED (C-D)	86,561	82,835	79,289
Financed by:			
F. GROUP'S PORTION OF SHAREHOLDERS' EQUITY	86,442	81,178	73,327
G. MINORITY INTERESTS IN SHAREHOLDERS' EQUITY	38	35	34
H. NET FINANCIAL INDEBTEDNESS (LIQUIDITY)			
Medium/long-term debt	7,146	5,064	5,064
Net medium/long-term financial indebtedness (liquidity)	7,146	5,064	5,064
Short-term borrowings	4,707	5,300	6,771
Short-term liquidity and financial assets	(11,772)	(8,742)	(5,907)
Net current borrowings (liquidity)	(7,065)	(3,442)	864
Total financial indebtedness (liquidity)	81	1,622	5,928
I. TOTAL SOURCES OF FINANCE (F+G+H)	86,561	82,835	79,289

 Share cap. L. 11,333,500,000 fully paid in

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

<i>(in millions of lire)</i>	1.1-30.6.00	1.1-30.6.99	1.1-31.12.99
A. INCOME FROM SALES AND SERVICES	70,189	54,602	114,257
Change in inventories of work in progress and semifinished and finished products	4,492	2,434	3,689
Increase in assets built internally	473	474	964
Other revenues	139	157	304
B. VALUE OF PRODUCTION	75,293	57,667	119,214
Costs for raw materials and external services	(37,142)	(27,567)	(56,783)
C VALUE ADDED	38,151	30,100	62,431
Cost of labour and related expenses	(12,416)	(11,373)	(22,833)
D. GROSS OPERATING PROFIT	25,735	18,727	39,598
Amortization, depreciation and writedowns	(7,136)	(5,802)	(12,346)
Provisions for risks and contingencies	(65)	0	(50)
Other operating expenses	(157)	(456)	(849)
E. NET OPERATING PROFIT	18,377	12,469	26,353
Net financial income (expenses)	(312)	(430)	(498)
Adjustments to financial assets	(36)	144	(62)
F. PROFIT BEFORE TAXATION AND NON-RECURRING ITEMS	18,029	12,183	25,793
Non-recurring income (expenses)	585	0	(304)
G. PROFIT BEFORE TAXATION	18,614	12,183	25,489
Income taxes for the year	(7,178)	(4,995)	(10,399)
H. NET PROFIT (LOSS) FOR THE YEAR	11,436	7,188	15,090
I. Minority interests in net profit (loss) for the year	(3)	(1)	(2)
L. GROUP'S PORTION OF NET PROFIT FOR THE YEAR	11,433	7,187	15,088