

Press Release

Lumezzane, 14 November 2000

The Board of Directors approves the Quarterly Report as of 30 September 2000**SABAF: sales growth of 23%****Net profit of 14.4 billion lire in first 9 months of 2000**

The Board of Directors of SABAF SpA, the Brescia company which is one of the world's leading manufacturers of components for domestic gas-cooking appliances, met today in Lumezzane to approve the quarterly report as of 30 September 2000.

The 3rd Qtr. figures have been materially affected by the summer holiday shutdown in August, so it is difficult to compare the figures directly with those of previous quarters. As a result, the profitability indicators show a deterioration compared with 1st Half 2000, largely due to a lower absorption of fixed costs. In addition, comparative figures for 3rd Qtr. '99 are not available as a quarterly report was not prepared as of that date.

Sales in the first nine months of 2000 amount to 99.6 billion lire, an increase of 22.8% on the figure of 81.2 billion for the same period in 1999. 3rd Qtr. sales come to 29.4 billion lire (+10.3% on 3rd Qtr. 1999).

Value added in the first nine months amounts to 52.1 billion lire (52.3% of sales) and 14.0 billion (47.4%) in the 3rd Qtr.

The gross operating margin in the first nine months has reached 34.1 billion lire (34.2% of sales) and 8.4 billion lire (28.4%) in the 3rd Qtr.

After charging depreciation of 10.3 billion lire, the operating profit for the first nine months comes to 23.3 billion (23.3%), while the operating profit for the 3rd Qtr. amounts to 4.9 billion lire (16.6% of sales).

In the period January-September 2000 the consolidated net profit reaches 14.4 billion lire, while the net profit for the 3rd Qtr. amounts to 2.9 billion lire.

The Group balance sheet as of 30 September 2000 shows a consolidated shareholders' equity of 89.4 billion lire, while net debt amounts to 3.7 billion lire.

Sales for the whole of 2000 are expected to be up by 20% on 1999. This will be in addition to the effect of consolidating Faringosi Hinges s.r.l., just purchased and consolidated for the last two months of the year (approximately 2.5 billion lire). Profitability in 2000 is expected to be higher than in 1999.

