

Press release

Lumezzane, 14 December 2001

Sabaf Immobiliare to manage Sabaf's real estate

Sabaf S.p.A. would like to announce that, given the importance of the property investments involved in the construction of the new premises at Ospitaletto and the proposal to buy accommodation for employees, management has decided to delegate the day-to-day running of the Company's property assets to a real estate subsidiary set up specifically for the purpose.

To this end, Sabaf Immobiliare s.r.l., which will be a wholly-owned subsidiary of Sabaf S.p.A. with an equity of 14 million euro, will operate independently in questions regarding the company's own properties and the installations pertaining to them, under the guidance of Giuseppe Falconi, an expert in the real estate sector.

By the end of the current year, the buildings at Ospitaletto will be sold to Sabaf Immobiliare for 22.2 million euro, taking over the related mortgage loan of 12.9 million euro. The deal does not entail any gain or loss for either of the two companies.

The buildings and installations will then be rented to Sabaf S.p.A. at a fee in line with current market conditions.

Sabaf Immobiliare will also act as the vehicle through which future real estate investments will be made and managed. For example, during the course of 2002 the plan is to buy a number of apartments near the new plant to be rented out to employees as part of a strategy to foster staff loyalty and facilitate the transfer of operations from Lumezzane to Ospitaletto. Expenditure is expected to be around 1 million euro.

Sabaf Immobiliare will be included in the scope of consolidated of the Sabaf Group.

SABAF was founded in the early '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 440 employees, operating through the Parent Company SABAF S.p.A. and two subsidiaries: Faringosi Hinges, a leading manufacturer of oven and dishwasher hinges, and Sabaf do Brasil, which recently started up production of burners for the South American market. Sabaf also has a presence in China with a representative office in Shanghai.

Sabaf has been quoted on the electronic trading system of the Italian Stock Exchange since March 1998 and in April 2001 it joined the STAR (Segmento Titoli con Alti Requisiti - the segment for securities with high requisites).

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