

Press release

Ospitaletto, 14 February 2002

Sabaf continues to grow in fourth quarter 2001Sales +18%, Operating profit +16%

The Board of Directors of Sabaf S.p.A. met today in Ospitaletto to examine the fourth quarter 2001 results and the provisional figures for the 2001 consolidated financial statements.

Once again, the Sabaf Group in the fourth quarter managed to achieve its growth targets. In a flattish market, the Group still benefited during the period from the sales strategy adopted from the start of the year. The fourth quarter therefore shows rising sales figures with better levels of profitability compared with previous quarters.

Sales in the fourth quarter reached 24.8 million euro, an increase of 18.3% on the same period of 2000 (21.0 million euro). Based on the same scope of consolidation, the increase comes to 14.5%.

Value added for the period comes to 11.3 million euro (9.4 million euro in the fourth quarter of 2000, +19.4%), coming to 45.4% as a percentage of sales.

The gross operating profit for the period reached 7.4 million euro (29.8% of sales) with an increase of 20.2% and operating profit prior to amortisation of goodwill rose 15.9% to 4.7 million euro (4.1 million in fourth quarter 2000).

Pre-tax profit amounts to 4.8 million euro, versus 4.1 in fourth quarter 2000 (+ 18.4%).

The whole of 2001 closes with revenues of 87.3 million euro, up 20.7% on 2000. Based on the same scope of consolidation, the increase comes to 10%. The gross operating profit for the period has increased by 5.4% to 25.0 million euro (28.7% on sales), while the operating profit prior to amortisation of goodwill comes to 16.2 million euro (18.5% of sales), in line with the previous year.

As at 31 December 2001, the financial position shows net fixed assets of 70.8 million euro versus 62.9 million euro of 30 September 2001. Net working capital comes to 17.7 million euro, versus 15.0 million euro as at 30 September 2001. On shareholders' equity (including pre-tax profit for the year) of 60.7 million euro, as at 31 December 2001 the Group has net debt of 17.7 million euro.

"The Group has reacted strongly to the market difficulties in 2001, adopting strategies that made it possible for us to maintain a rate of organic growth in double figures and an operating profit in line

with that of 2000." declared Angelo Bettinzoli. "This ongoing improvement in both quality and quantity during the course of the year is particularly encouraging. We are convinced that we have laid solid foundations for a 2002 that is already looking positive, both in terms of the expected recovery in demand on markets where the company is leader, and in terms of initiatives currently in progress on the product and process innovation front."

January 2002 saw a successful start to the transfer of the company's business from its historical base in Lumezzane to its new headquarters in Ospitaletto. The transfer will be completed by the end of this summer, laying the bases for total automation of the factory and a further improvement in productivity.

Sabaf will be presenting its results to the financial community on 27 February 2002 at 2.45 p.m. at Palazzo delle Stelline, Corso Magenta 61, Milan, as part of a presentation by all of the companies quoted on the STAR segment organised by Borsa Italiana together with AIAF.

The Board of Directors will meet to examine the draft financial statements on 19 March 2002.

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 has just 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