

Press release

Milan, 27 February 2002

Sabaf meets the financial community

Today, Sabaf S.p.A. presented to the financial community in Milan its 2001 results, objectives for the current year and strategies for the immediate future.

The year closed with revenues of Euro 87.3 million, 20.7% up on 2000. The gross operating profit amounted to Euro 25.0 million (28.7% on sales), up 5.4% and the operating profit prior to amortisation on goodwill totalled Euro 16.2 million (18.5% on sales) in line with the previous year.

The Group managed to overcome a difficult macroeconomic situation without serious repercussions and has laid solid foundations for an excellent 2002. Sales in the first two months amount to around Euro 17 million, a growth of 30% with respect to the same period of 2001. For the whole of the year, the Group has confirmed its sales target of Euro 100 million (+15% on 2001) and a corresponding increase in operating profit.

“Less penalising prices for the main raw materials, together with a constant shift towards more innovative products with higher value-added, will enable the Group to maintain its profitability in 2002” - Angelo Bettinzoli, CEO of Sabaf, declared. *“The second half of the year and in 2003 should then benefit in full from the concentration of production at the new industrial complex at Ospitaletto, which will make it possible to complete the automation of the plant, rationalise the layout and achieve further increases in flexibility throughout the production process. The vertical integration of burner production will also be completed, which will involve components made of coined steel as well.”*

Commento: Dubbio

Lastly, Sabaf has announced that it has terminated the distribution agreement with Harper Wyman in North America as it did not produce the results that had been hoped for, partly because of the US partner's acquisition by Corning. The Company will now operate directly on the North American market, which remains strategic in terms of value and size.

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