

Press release

**SABAF: record results in the first quarter**  
**Sales +27%, operating profit +37%**

The Board of Directors of Sabaf S.p.A. today approved the quarterly report as of 31 March 2002.

Despite a macroeconomic situation in the first quarter that was still uncertain, the Sabaf Group still managed to reinforce the growth trend that emerged in the second half of 2001, at the same time improving the quality of its results: with sales up 27%, gross operating profit increased by 33% and net operating profit by 37%.

*"It is particularly significant that these results were achieved at a time when Sabaf S.p.A. was transferring most of its production and support services to the new industrial complex at Ospitaletto" - affirms Angelo Bettinzoli, Managing Director of Sabaf S.p.A. "the level of business activity continues to be a good deal higher than in 2001, even if considering the recovery that started in the second half of 2001, it will not be possible to keep up the same rate of growth as we have seen in the first quarter for the whole of the year. Even though the visibility of the second half of the year is still limited, better than expected results in the first half of 2002 encourage us to upgrade our forecasts for the whole of the year; we therefore estimate a growth in sales of around 18% with slightly better profit margins than in 2001" concludes Angelo Bettinzoli.*

Income from sales reached 26.1 million euro, up 27.1% compared to the first quarter of 2001. The markets which showed higher growth rates with respect to the same period last year are those outside the EU. For example, demand on the Polish market returned to a normal level after the sharp slowdown in early 2001. South American and Asian markets also saw a strong increase in sales. This reflects both a higher volume of sales and a change in the sales mix towards higher value products. Average prices were slightly lower than in 2001.

Value added came to 45.2%, in line with 2001, while gross operating profit reached 7.7 million euro (29.3%) versus 5.7 million euro in the first quarter of 2001 (+33.3%). Net operating profit for the quarter comes to 5.2 million euro, rising to 20% of sales, an increase of 37.3% on the figure of 3.8 million euro of 2001. The improvement in profit margin is mainly attributable to a better absorption of fixed costs and to a lower incidence of personnel costs. However, during the first quarter, the Group did not yet benefit from the higher levels of efficiency that will derive from concentrating production at the new plant in Ospitaletto (Brescia).

Pre-tax profit is 4.7 million euro compared with 3.6 million euro in the 1st Qtr of 2001 (+ 30.1%).

The financial position shows net fixed assets of 76.9 million euro and net working capital of 14.6 million euro. Investments are financed by a consolidated shareholders' equity of 58.2 million euro and net debt of 22.5 million euro.

The new plant at Ospitaletto will be presented to the financial community on 16 May at 4.00 p.m. On that occasion, management will comment on the results for the first quarter and will illustrate the prospects for the rest of the year.

