Share capital Euro 11,333,500 fully paid in

Press release

Ospitaletto, 17 September 2002

SABAF: First half net profit of 5 million euro

Despite the weak international economic situation, the first half of 2002 has seen the Sabaf Group confirm its competitive strength in its particular sector and make the most of opportunities for growth on all its markets. Sales income amounts to 52.2 million euro, up 23.3% on the first half of 2001. This growth, which was entirely organic in origin, has been accompanied by an improvement in profit margins, thanks to increased volumes and a product mix featuring more innovative products with a higher unit value. In detail, EBITDA has climbed 26.6% to 15.2 million euro, representing a margin of 29.1%, while EBITA, is 27.5% higher at 10.2 million euro, corresponding to a margin of 19.5%. The steep increase in the tax rate (from 32.1% to 46.4%) has meant that, at 5.0 million euro, net profit for the half year is broadly unchanged relative to the corresponding period in 2001. The higher tax charge is due to the suspension of tax breaks under the "Visco" and "Superdit" laws; furthermore, if planned investments are completed by year end, the Group will be able to benefit from breaks available under the present law, which could produce a reduction in the tax rate of 2-3 percentage points.

First half investments amount to some 10 million euro.

At 30 June 2002 the Group's financial situation reports fixed assets of 78.2 million euro and net working capital of 15.7 million euro, funded by consolidated net equity of 58.4 million euro and net debt of 24.7 million euro.

Revenues for the full twelve months are expected to increase by around 18%, with operating margins forecast to make a slight improvement on 2001. These forecasts assume that the macroeconomic situation is unchanged with respect to the first half of the year. If the economic scenario changes, the full year results could differ from the forecast.

Sabaf's management will meet the financial community on Friday 20 September in London and Tuesday 24 September (at 17.30) in the offices of Borsa Italiana, Piazza Affari, 6, Milan.

Appendices: Reclassified Balance Sheet and Income Statement

For additional information contact:
Investor Relations
Gianluca Beschi
tel. +39 030 6843236
gianluca.beschi@sabaf.it
www.sabaf.it

Press Office
Power Emprise
Cosimo Pastore
Cristina Groppi
tel. +39 02 48102255

Founded in the early 1950s, SABAF has grown steadily to become the principal producer in Italy and one of the top producers in the world of components for gas cookers and domestic gas cooking appliances.
There are three main product lines: valves, thermostats and burners, all of which are used in gas cooking appliances. Technological know-how, flexibility in production and the ability to offer a wide range of components - which are also designed according to the needs of the individual manufacturers of cookers, hobs and built-in ovens, and comply with the specific characteristics of the various markets in which they are sold - are SABAF's fundamental strengths, in a highly specialized sector, where demand is in constant evolution and increasingly focused on products that guarantee absolute reliability and safety.
The Sabaf Group employs around 480 staff. It operates through the parent company SABAF S.p.A. and its subsidiaries Faringosi Hinges, leader in the production of oven and dishwasher hinges, and Sabaf do Brasil, which manufactures burners for the South American market. Sabaf also has a presence in China through its representative office in Shanghai.
Sabaf has been listed on the Italian Stock Exchange since 24 March 1998 and since April 2001 it has belonged to STAR (*Segmento Titoli con Alti Requisiti* or High Standards Securities Segment).

Reclassified Consolidated Balance Sheet

	in thousands of Euro	30.06.2002	31.12.2001	30.06.2001
A.	FIXED AND NON-CURRENT ASSETS			
	Intangible	6,694	6,614	7,452
	Tangible	66,606	61,204	52,813
	Financial	350	404	767
	VAT credits	4,556	4,445	0
	Total fixed and non-current assets	78,206	72,667	61,032
B.	NET WORKING CAPITAL			
	Inventories	14,433	11,726	10,876
	Trade receivables	29,154	26,744	24,390
	Other assets	3,080	2,900	2,847
	Trade payables	(22,912)	(22,505)	(19,331)
	Other liabilities	(8,026)	(5,718)	(5,105)
	Total net working capital	15,729	13,147	13,677
C.	CAPITAL EMPLOYED NET OF OPERATING LIABILITIES (A+B)	93,935	85,814	74,709
D.	PROVISIONS FOR RISKS & CONTINGENCIES AND EMPLOYEE SEVERANCE INDEMNITIES	(10,847)	(10,835)	(10,369)
E.	NET CAPITAL EMPLOYED (C-D)	83,088	74,979	64,340
	Funded by:			
F.	GROUP PORTION OF NET EQUITY	58,022	56,819	50,579
G.	MINORITY INTERESTS IN NET EQUITY	414	424	342
H.	NET FINANCIAL DEBT			
	Medium/long-term financial debt	16,440	12,953	9,645
	Net medium/long-term financial debt	16,440	12,953	9,645
	Short-term financial debt	12,206	10,755	7,984
	Cash and current financial assets	(3,994)	(5,972)	(4,210)
	Net short-term financial debt	8,212	4,783	3,774
	Total net debt	24,652	17,736	13,419
I.	TOTAL SOURCES OF FINANCING (F+G+H)	83,088	74,979	64,340

Reclassified Consolidated Income Statement

in thousands of Euro	1.1-30.06.02	1.1-30.06.01	1.1-31.12.2001
INCOME FROM SALES AND SERVICES	52,161	42,288	87,363
Change in inventories of WIP, semi-processed and finished products	1,299	1,159	1,706
Increase in fixed assets built internally	109	232	418
Other revenues	363	130	858
VALUE OF PRODUCTION	53,932	43,809	90,345
Materials and services	(30,534)	(24,467)	(50,725)
VALUE ADDED	23,398	19,342	39,620
Payroll costs	(8,214)	(7,352)	(14,624)
EBITDA	15,184	11,990	24,996
Depreciation, amortization and write-downs	(4,820)	(3,810)	(8,043)
Provisions for risks and contingencies	(16)	(22)	(555)
Other operating expenses	(161)	(171)	(367)
EBITA	10,187	7,987	16,031
Goodwill amortization	(340)	(337)	(680)
Net financial charges	(813)	(249)	(643)
Write-downs (write-backs) of financial assets	47	(29)	(228)
EBT & NON-RECURRING ITEMS	9,081	7,372	14,480
Non-recurring income/(expenses)	2	162	175
PROFIT BEFORE TAXATION AND MINORITY INTERESTS	9,083	7,534	14,655
Income taxes for the period	(4,211)	(2,418)	(4,971)
NET PROFIT FOR THE PERIOD	4,872	5,116	9,684
Minority interests in results for the period	(82)	80	(1)
GROUP PORTION OF NET PROFIT FOR THE PERIOD	4,954	5,036	9,685