

Press release

Ospitaletto, 14 November 2002

SABAF: very positive third quarter
Income from sales +20%, EBITA +22%, profit before taxes +51%

Once again the third quarter has seen Sabaf report a high level of growth and improve its profit margins. Compared with the third quarter of 2001, sales are 20.2% higher, EBITDA is up by 23.0% and EBITA by 22.2%.

Sales amount to 24.4 million euro, relative to 20.3 million euro in the third quarter of 2001: this represents growth of 20.2%, which was entirely organic in origin.

Value added amounts to 43.1% and is slightly down on the figure of 44.4% reported in the third quarter of 2001. EBITDA has reached 7.0 million euro, corresponding to a margin of 28.5%, compared with 5.7 million euro (a margin of 27.9%) in the same period of 2001. EBITA for the quarter is 4.2 million euro, representing 17.4% of sales, an improvement of 22.2% on the 3.5 million euro reported in the third quarter of 2001. Profit before taxes amounts to 3.5 million euro, up 50.6% from 2.3 million euro in the third quarter of 2001 (which included non-recurring expenses of 0.5 million euro).

The financial position reveals total fixed assets of 78.2 million euro and net working capital of 21.2 million euro. Net capital employed has been financed by consolidated shareholders' equity of 66.1 million euro and net debt of 22.6 million euro.

The in-house coining of burner lids will have started by year end: the bringing in-house of this activity will use technology involving a high volume of production.

Business in the fourth quarter will be slightly better than in the same period of 2001, which was particularly good. Sales for the full twelve months are expected to increase by around 18%, with operating margins forecast to make an improvement on 2001.

The Board of Directors of Sabaf S.p.A. will meet on 17 December 2002 to approve the code of conduct for *internal dealings*.

