



TECHNOLOGY AND SAFETY

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Press Release

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SABAF ACQUIRES LAST 20% OF FARINGOSI-HINGES

Double-digit growth also forecast for 2003

Today Sabaf SpA completed acquisition, for the sum of € 2.58 million, of the last 20% stake in Faringosi-Hinges Srl, the company based in Bareggio in the province of Milan, leader in the production of hinges for oven and dishwasher doors. Payment took place in cash and has been financed by Sabaf's normal commercial credit lines.

Sabaf had already gained control of Faringosi-Hinges in October 2000, when it acquired an 80% interest for € 7.75 million.

"Two years after Faringosi's entry into the Sabaf group - commented Angelo Bettinzoli, CEO of Sabaf SpA and Chairman of Faringosi-Hinges Srl - acquisition of the remaining 20% marks the end of Phase 1 of integration. Hinge sales have risen from € 8 million in 1999 to nearly € 9 million in 2002 and EBIT margin has risen from 14.3% to about 16.5%. In these two years we have also helped to define the technical and commercial underpinnings for sale of Faringosi hinges in new markets and to new customers. We therefore believe that Faringosi's growth rates in forthcoming years will be higher and that the levels of profitability achieved will be confirmed"

The deal completed today will not lead to any change in the organisational structure of Faringosi-Hinges, which will continue to be headed by the present Managing Director, Claudio Faringosi.

As regards the current year, Angelo Bettinzoli also outlined the targets that the Sabaf Group intends to achieve: *"The minimum target that we have set ourselves is sales growth of 10% YoY, with a second half that we expect to be stronger than the first, thanks to start of the sale of new products, for which industrialisation will be completed in the next few weeks"*.

These projections assume a macroeconomic scenario the same as in 2002. If the economic situation were instead to change, actual figures could deviate from forecasts.

Results for the fourth quarter of 2002 will be disclosed on February 14th, the date on which the BoD will meet to approve the quarterly report for the period ending on December 31st 2002.

For further information, please contact:

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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).



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