



TECHNOLOGY AND SAFETY

<http://www.sabaf.it> - sabaf@sabaf.it

Press Release

Ospitaletto, March 18th 2003

SABAF GROUP: FY2002 NET PROFIT = € 10.4 MILLION,**UP BY 7.4% YoY****Proposed dividend: € 0.37 per share****Sales growth in first two months of 2003 = 7% YoY**

Today the Board of Sabaf SpA approved consolidated and parent company year-end financial statements for the year ending on December 31st 2002

Once again in 2002 - a year featuring a stagnant macroeconomic environment and a certainly less-than-brilliant trend in the sector - the Sabaf group succeeded in achieving its budgeted growth objectives thanks to its technological leadership. FY2002 ended with sales revenues of € 103.2 million (mn), up by 18.2% over 2001. EBITDA amounted to € 29.6 mn (with a 28.6% margin on sales), compared with € 25 mn in 2001 (+18.2% YoY). EBITA (EBIT before goodwill amortisation) totalled € 19 mn (18.4% on sales) vs. € 16 mn in 2001 (+18.3%). Pre-tax profit amounted to € 16.7 mn (16.1% on sales) vs. € 14.7 mn in 2001 (+13.7% YoY). Consolidated net profit totalled € 10.4 mn (10.1% on sales), with 7.4% growth vs. € 9.7 mn in 2001.

As at December 31st 2002, the group's net equity amounted to € 63.4 mn whilst net debt totalled € 25.9 mn.

As regards the parent company Sabaf SpA, sales revenues totalled € 94.2 mn (vs. € 79 mn in 2001), EBITDA € 25.3 mn (€ 22.7 mn in 2001) and EBIT € 16.6 mn (€ 14.5 mn in 2001). Pre-tax profit amounted to € 15.9 mn (€ 13.7 mn in 2001), whilst net profit totalled € 10.2 mn (vs. € 9.5 mn at 2001 year-end).

At the annual general meeting of shareholders - scheduled to be held on first call on April 30th at 11.30 a.m. at the company's HQ in Ospitaletto and on second call on May 6th 2003 at the same time and place - the Board will propose distribution of a gross dividend of € 0.37 per share (vs. € 0.34 for FY2001). Coupon detachment is scheduled for May 19th with payment as from May 22nd.

As regards the first two months of 2003, sales totalled € 18.1 mn with growth of 7% vs. € 16.9 mn in the same period of 2002. They were in line with the expectations of management, which has set a minimum full-year growth objective of 10%, with a second half stronger than the first half thanks to the start of new-product sales. These projections assume no change in the macroeconomic situation. If the economic situation were to change, actual performance figures could diverge from forecast data.

Attachments: reclassified and consolidated and Sabaf SpA year-end financial statements

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.

Its three main product lines are: 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 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 constantly changing 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).



SABAF SpA • Via dei Carpini 1
• 25035 Ospitaletto (Brescia) • Italy
Tel. + 39 030 6843001 • Fax + 39 030 6848249
• Share capital € 11,333,500 fully paid in



Reclassified Consolidated & Condensed Balance Sheet and Cash Flow

<i>Amounts in € '000</i>	31.12.2002	31.12.2001
A. FIXED & NON-CURRENT ASSETS		
Intangible	6,164	6,614
Tangible	71,567	61,204
Financial	369	404
VAT receivables	0	4,445
Total fixed & non-current assets	78,100	72,667
B. NET WORKING CAPITAL		
Inventory	14,700	11,726
Trade receivables	29,116	26,744
Other current assets	5,873	6,618
Trade payables	(22,568)	(22,505)
Other current liabilities	(4,100)	(5,718)
Total net working capital	23,021	16,865
C. CAPITAL EMPLOYED (A+B)	101,121	89,532
D. PROVISIONS FOR RISKS & CHARGES AND EMPLOYEE SEVERANCE INDEMNITIES	(11,366)	(10,835)
E. NET CAPITAL EMPLOYED (C-D)	89,755	78,697
Funded by:		
F. GROUP NET EQUITY	63,428	56,819
G. MINORITIES' SHARE OF NET EQUITY	437	424
H. NET FINANCIAL INDEBTEDNESS		
Non-current financial debts	16,055	12,953
Net non-current financial indebtedness	16,055	12,953
Current financial debts	13,702	10,755
Cash and banks	(3,867)	(2,254)
Net current financial indebtedness	9,835	8,501
Total net financial debt	25,890	21,454
I. TOTAL SOURCES OF FUNDING (F+G+H)	89,755	78,697



Reclassified Consolidated Profit & Loss Account

<i>Amounts in € '000</i>	FY2002	FY2001
A. SALES REVENUES	103,223	87,363
Change in inventories of work in process, semiprocessed and finished goods	1,908	1,706
Internal enhancement of fixed assets	317	418
Other revenue and income	618	858
B. PRODUCTION VALUE	106,066	90,345
Materials and services	(60,550)	(50,725)
C. VALUE-ADDED (GROSS RETURN)	45,516	39,620
Payroll costs	(15,958)	(14,624)
D. EBITDA	29,558	24,996
Depreciation, amortisation and write-downs	(10,226)	(8,043)
Annual provision for risks & charges	(65)	(555)
Sundry operating costs	(305)	(367)
E. EBITA	18,962	16,031
Goodwill amortisation	(680)	(680)
Net financial income/(charges)	(1,681)	(643)
Net write-ups/(write-downs) of financial assets	47	(228)
F. PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	16,648	14,480
Net extraordinary income/(charges)	26	175
G. PRE-TAX PROFIT	16,674	14,655
Taxes	(6,404)	(4,971)
H. NET PROFIT	10,270	9,684
I. Minorities' share of net profit	127	1
L. GROUP NET PROFIT	10,397	9,685



Reclassified Parent Company (Sabaf SpA)
Condensed Balance Sheet and Cash Flow

<i>Amounts in € '000</i>		31.12.2002	31.12.2001
A.	FIXED & NON-CURRENT ASSETS		
	Intangible	990	627
	Tangible	40,173	32,109
	Financial	21,557	20,730
	Total fixed & non-current assets	62,720	53,466
B.	NET WORKING CAPITAL		
	Inventory	13,567	10,791
	Trade receivables	27,100	28,799
	Other current assets	1,378	6,801
	Trade payables	(20,092)	(20,881)
	Other current liabilities	(3,704)	(5,475)
	Total net working capital	18,249	20,035
C.	CAPITAL EMPLOYED (A+B)	80,969	73,501
D.	PROVISIONS FOR RISKS & CHARGES AND EMPLOYEE SEVERANCE INDEMNITIES	(9,633)	(9,283)
E.	<u>NET CAPITAL EMPLOYED (C-D)</u>	71,336	64,218
	Funded by:		
F.	NET EQUITY	62,016	55,674
G.	NET FINANCIAL INDEBTEDNESS		
	Non-current financial debts	172	229
	Non-current financial credits	(1,182)	(231)
	Net non-current financial indebtedness	(1,010)	(2)
	Current financial debts	12,057	9,749
	Cash & banks	(1,727)	(1,203)
	Net current financial indebtedness	10,330	8,546
	Total net financial indebtedness	9,320	8,544
H.	<u>TOTAL SOURCES OF FUNDING (F+G)</u>	71,336	64,218



Reclassified parent company (Sabaf SpA) Profit & Loss account

<i>Amounts in € '000</i>		2002	2001
A.	SALES REVENUES	94,247	79,087
	Change in inventories of work in process, semiprocessed and finished goods	1,570	1,584
	Internal enhancement of fixed assets	316	418
	Other revenue and income	721	943
B.	PRODUCTION VALUE	96,854	82,032
	Materials and services	(57,184)	(46,110)
C.	VALUE-ADDED (GROSS RETURN)	39,670	35,922
	Payroll costs	(14,390)	(13,200)
D.	EBITDA	25,280	22,722
	Depreciation, amortisation and write-downs	(8,457)	(7,364)
	Annual provision for risks & charges	(65)	(555)
	Sundry operating costs	(184)	(299)
E.	EBIT	16,574	14,504
	Net financial income/(charges)	(345)	(25)
	Net write-ups/(write-downs) of financial assets	(341)	(540)
F.	PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	15,888	13,939
	Net extraordinary income/(charges)	11	(196)
G.	PRE-TAX PROFIT	15,899	13,743
	Taxes	(5,744)	(4,236)
H.	NET PROFIT	10,155	9,507

