Press release

Ospitaletto, May 13th 2003

Sales 6% up

2003 starts well for Sabaf

EBITDA at 28.8%, ROS at 18.8%

The Board of Directors of Sabaf S.p.A. met today in Ospitaletto to approve the quarterly report as of 31 March 2003.

Sabaf has continued to grow and maintain its high margins in the first quarter of 2003. Despite the difficult macroeconomic conditions, the Group has been able to reap the results of two of its strategies for medium-to-long term growth: the development of markets outside Europe and wider marketing of products with safety devices.

Income from sales amounts to 27.8 million euro, up 6.3% on the figure of 26.1 million posted in the first quarter of 2002.
First quarter EBITDA amounts to 8.0 million euro (+4.4% compared with the first quarter of 2002), while EBITA is unchanged on the corresponding prior-year period at 5.2 million euro. EBITDA represents 28.8% of sales and EBITA 18.8%. These margins are lower than in the first quarter of 2002, whose results were particularly good, but higher than those for the whole of 2002.
Profit before taxes amounts to 4.6 million euro (16.5% of sales), compared with 4.7 million euro in the first quarter of 2002.

The financial position at 31 March 2003 reports total fixed assets of 78.4 million euro and net working capital of 23.7 million euro.
Net capital employed has been financed by 63.6 million euro in consolidated shareholders' equity (before minority interests and income taxes for the period) and 27.2 million euro in net debt.

The level of business continues to be in line with the forecasts made at the start of the year, meaning that we can confirm a minimum growth target of 10% for 2003, thanks to a stronger performance in the second half than in the first part of the year. These projections assume the same macroeconomic scenario. If the economic situation were instead to change, final year-end figures might diverge from projected results.

Attachments: Reclassified Consolidated Balance Sheet and Profit & Loss Account

For further information, please 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.
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).

Reclassified Consolidated Balance Sheet

	in thousands of euro	31.03.2003	31.12.2002
A.	FIXED ASSETS		
	Intangible fixed assets	7,862	6,164
	Tangible fixed assets	70,132	71,567
	Financial fixed assets	364	369
	Total fixed assets	78,358	78,100
B.	NET WORKING CAPITAL		
	Inventories	14,404	14,700
	Trade receivables	31,036	29,116
	Other assets	5,186	5,873
	Trade payables	(18,250)	(22,568)
	Other liabilities	(8,631)	(4,100)
	Total net working capital	23,745	23,021
C.	CAPITAL EMPLOYED LESS OPERATING LIABILITIES (A+B)	102,103	101,121
D.	RESERVES FOR RISKS AND CONTINGENCIES AND SEVERANCE INDEMNITIES	(11,309)	(11,366)
E.	NET CAPITAL EMPLOYED (C-D)	90,794	89,755
	Funded by:		
F.	SHAREHOLDERS' EQUITY (including minority interests)	63,630	63,865
G.	NET DEBT		
	Medium/long-term debt	15,895	16,055
	Net medium/long-term debt	15,895	16,055
	Short-term debt	15,059	13,702
	Cash and banks	(3,790)	(3,867)
	Net short-term debt	11,269	9,835
	Total net debt	27,164	25,890
H.	TOTAL SOURCES OF FUNDING (F+G)	90,794	89,755

Reclassified Consolidated Income Statement

in thousands of euro	*1st quarter 2003*		*1st quarter 2002*		*01.01 - 31.12.2002*	
INCOME FROM SALES AND SERVICES	27,770	*100.0%*	26,122	*100.0%*	103,223	*100.0%*
Change in inventories of work in progress and semifinished and finished products	(466)	*-1.7%*	152	*0.6%*	1,908	*1.8%*
Increase in fixed assets built internally	100	*0.4%*	47	*0.2%*	317	*0.3%*
Other revenues	141	*0.5%*	204	*0.8%*	618	*0.6%*
VALUE OF PRODUCTION	27,545	*99.2%*	26,525	*101.5%*	106,066	*102.7%*
Cost of raw materials and external services	(15,350)	*-55.3%*	(14,715)	*-56.3%*	(60,550)	*-58.6%*
VALUE ADDED	12,195	*43.9%*	11,810	*45.2%*	45,516	*44.1%*
Payroll and related expenses	(4,198)	*-15.1%*	(4,151)	*-15.9%*	(15,958)	*-15.5%*
EBITDA	7,997	*28.8%*	7,659	*29.3%*	29,558	*28.6%*
Amortization, depreciation and writedowns	(2,682)	*-9.7%*	(2,373)	*-9.1%*	(10,226)	*-9.9%*
Provisions for risks and contingencies	(8)	*0.0%*	(6)	*-0.0%*	(65)	*-0.1%*
Other operating expenses	(79)	*-0.3%*	(65)	*-0.2%*	(305)	*-0.3%*
EBITA	5,228	*18.8%*	5,215	*20.0%*	18,962	*18.4%*
Amortization of goodwill	(233)	*-0.8%*	(170)	*-0.7%*	(680)	*-0.7%*
Net financial income (expenses)	(416)	*-1.5%*	(364)	*-1.4%*	(1,681)	*-1.6%*
Writedown (revaluation) of financial assets	(5)	*0.0%*	47	*0.2%*	47	*0.0%*
PROFIT (LOSS) BEFORE TAXATION AND NON-RECURRING ITEMS	4,574	*16.5%*	4,728	*18.1%*	16,648	*16.1%*
Non-recurring income (expenses)	1	*0.0%*	2	*0.0%*	26	*0.0%*
PROFIT (LOSS) BEFORE TAXATION AND MINORITY INTERESTS	4,575	*16.5%*	4,730	*18.1%*	16,674	*16.1%*