



Press release

Ospitaletto, 26 June 2007

**SABAF S.P.A.: SHAREHOLDERS' MEETING APPROVES AMENDMENTS TO THE ARTICLES OF ASSOCIATION  
BASED ON THE SAVINGS ACT****THE BOARD OF DIRECTORS APPROVES THE GUIDELINES FOR A STOCK OPTIONS PLAN FOR COMPANY  
DIRECTORS AND EMPLOYEES**

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The extraordinary shareholders' meeting of Sabaf S.p.A., held today in Ospitaletto, resolved to amend the Articles of Association in accordance with the rules contained in the Savings Protection Act.

The Board of Directors subsequently met and approved the guidelines for a stock options plan to be submitted for the approval of the Shareholders' Meeting, which provides for the assignment to several Company directors and employees of option rights to subscribe for newly-issued ordinary shares in the Company.

At the same time, the Board of Directors resolved to call the Ordinary and Extraordinary Shareholders' Meeting for 2 August 2007 on the first call.

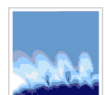
During the ordinary session, the Shareholders' Meeting will be called upon to decide on the approval of the Plan, pursuant to Article 114-*bis* of Legislative Decree 58/98.

During the extraordinary session, the Shareholders' Meeting will be called upon to decide on the increase in share capital from €11,533,450.00 to a maximum of €12,133,450.00, by the issue of a maximum of 600,000 ordinary Company shares with a par value of €1.00 each, at the service of the Plan and, consequently, excluding the option right, pursuant to Article 2441, fourth paragraph, second sentence of the Italian Civil Code, and pursuant to Article 5 of the Articles of Association.

The main terms and conditions of the Plan that will be submitted for the approval of the Ordinary Shareholders' Meeting are as follows:

The recipients of the Plan are: the Chief Executive Officer Angelo Bettinzoli, the Director Alberto Bartoli and the members subsequently identified by the Board of Directors from the categories of managers, executives and employees of the Company.

The Plan is based on the assignment of Options that allow recipients to subscribe for newly-issued Company shares, with payment on actual delivery. Options are assigned free of charge, while exercise of the Options and the resulting subscription for shares will be subject to the payment of a price equal to the arithmetic mean of the reference prices of the Company shares during the period running from the date of assignment of the Options to individual recipients to the same day of the previous calendar month.





With regard to the Directors, it is proposed to assign Angelo Bettinzoli 132,000 Options and Alberto Bartoli 45,000 Options; with regard to the employees, a total of 157,000 Options will be assigned to executives, 120,000 Options will be assigned to managers and 146,000 Options will be assigned to employees.

In order to take into account the tax rules on stock options, the Plan provides that: (i) the Options are only exercisable after expiry of the third year following their assignment and, in any event, at any time during the period running from 3 August 2010 to 2 December 2010; and that (ii) a number of shares corresponding to an investment of an amount equal to the difference between the value of the Company's ordinary shares on the date of exercise of the Options and the strike price paid by the recipient may not be transferred by the recipient for the following five years.

The aim of the Plan is to strengthen the loyalty of recipients, at the same time guaranteeing alignment with the shareholders' interests and developing a culture aimed at creating value for the Company. More particularly, the Plan aims to motivate and involve recipients, encouraging them to stay with the Company and in that way improving the competitiveness of the Group, making it more attractive to the best talent present on the market. The number of Options that may be exercised by each recipient will be linked to the achievement of specific targets, such as the consolidated EBITDA and EBIT at 31 December 2009, the share price, again at that date, and specific environmental and occupational objectives.

For further information:

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Founded in the early 1950s, SABAF has grown consistently over the years to become the key manufacturer in Italy - and one of the leading in the world - of components for kitchens and domestic gas cooking appliances.

Its product offering features four main lines: valves, thermostats and burners for gas cooking appliances and hinges for ovens, washing machines and dishwashers. Unparalleled technological expertise, manufacturing flexibility, and the ability to offer a vast range of components - tailor-made to meet the requirements of individual manufacturers of cookers and built-in hobs and ovens and in line with the specific characteristics of its core markets - are Sabaf's key strengths in a sector featuring major specialisation, constantly evolving demand and an ever-increasing orientation towards products assuring total reliability and safety.

The Sabaf Group employs some 600 employees and operates via the parent company SABAF S.p.A. and its subsidiaries Faringosi- Hinges - leader in oven and washing-machine hinge production - and Sabaf do Brasil - active in production of burners for the South American market. Sabaf is also present in the People's Republic of China via a contact office located in Shanghai.

