

Press release

Ospitaletto, 24 March 2009

SABAF: APPROVES THE RESULTS AT 31 DECEMBER 2008

- 2008 Consolidated results: Revenue €166 million (+5%); EBITDA €33.2 million (-13.7%); EBIT €21.2 million (-21.1%) and net profit €15.4 million (-2.6%)
- SABAF S.p.A. 2008 results: Revenue €149.6 million (+4.7%); EBITDA €28.9 million (-16%), EBIT €19.1 million (-22.6%), net profit at €14 million (-10.5%)
- Proposed dividend of €0.70 per share (unchanged vs. 2008)
- Sales expected to dip by 40% in the first quarter 2009

The Board of Directors of **Sabaf S.p.A.**, which met today in Ospitaletto, has approved the consolidated financial statements and draft statutory financial statements for the year ending on 31 December 2008. The Board also approved the Annual Report on Corporate Governance.

Consolidated Group performance

The financial year 2008 was characterized by a sharp and sudden deterioration in the economic landscape. After three quarters of growth, the fourth quarter saw a dramatic decline in orders, especially from European clients. The year as a whole ended with a 5% increase in sales, from €158.1 million to €166 million. The increase was due exclusively to higher volumes while average sale prices were slightly lower. Profits were down chiefly due to write-downs of trade receivables (€3.6 million), heightened levels of competition, and non-recurring costs on new production lines. EBITDA amounted to €33.2 million (€38.5 million in the previous year), EBIT was €21.2 million (€26.8 million a year earlier), and net profit was €15.4 million (€15.8 million at 31 December 2007).

At 31 December 2008, the financial situation showed net non-current assets of €98 million (€97.1 million at 31 December 2007) and net working capital of €41.8 million (€37.1 million at 31 December 2007). Capital employed was financed by consolidated equity of €03.3 million and by net financial debt of €29.7 million (respectively €98.1 million and €22.8 million at 31 December 2007).

In 2008, the Sabaf Group invested about €15.5 million, mainly for the purchase and in-house construction of machinery for the production of light-alloy valves.

Results of the parent company Sabaf S.p.A.

The Group parent company Sabaf S.p.A.'s sales revenue totalled €149.6 million in 2008 (up 4.7% from the €142.9 million reported in 2007), EBITDA was €28.9 million, down 16% from the €34.4 million earned in 2007, EBIT was €19.1 million, declining by 22.6% from the €24.7 million reported in the previous financial year, and net profits were €14 million, down by 10.5% as compared to the €15.7 million reported in 2007.





Annual General Meeting and proposed dividend

The Board of Directors will propose to the Annual General Meeting of Shareholders - which will be held on first call on 28 April at midday and, if necessary, on second call on 29 April 2009 at the same time at the company's HQ in Ospitaletto - distribution of a gross ordinary dividend of €0.70 per share, the same amount distributed in 2008. Coupon detachment is scheduled for 25 May and payment will be on 28 May 2009.

The Meeting will also discuss the appointment of the Board of Directors and the Board of Statutory Auditors for the three years 2009-2012, granting the assignment to the independent auditors for the period 2009-2017, and renewal of the authorization to purchase and use treasury shares.

Business performance in early 2009

The start of the year 2009 showed a significant contraction in volumes of business caused by the slowdown in the consumption of durable goods, now generalized on all the leading markets, and the lower levels of inventories along the entire production and distribution chain. Sales in the first quarter are expected to fall by 40% versus the same period 2008. At the moment, visibility is still very limited and there are few if any perceptible signs of improvement on the market.

Pursuant to Article 154/2, paragraph 2 of the Italian Consolidated Finance Act (Testo Unico della Finanza), the company's Financial Reporting Officer Alberto Bartoli declares that the financial disclosure contained in this press release corresponds to the company's records, books and accounting entries.

Attachments: consolidated and Sabaf S.p.A. financial statements. Figures currently being audited.

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.

The product range features four main categories: 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 has some 700 employees. It operates via the direct parent company Sabaf SpA and the subsidiaries Faringosi-Hinges - leader in the production of oven and dishwasher hinges - and Sabaf do Brasil - active in production of burners for the Latin American market. Sabaf is also present through subsidiaries in the People's Republic of China, Mexico and the United States.



Consolidated Balance Sheet

	31.12.2008	31.12.2007
<i>(in thousands of euro)</i>		
ASSETS		
NON-CURRENT ASSETS		
Property, plant, and equipment	84,813	86,515
Intangible assets	10,366	9,137
Equity investments	645	419
Non-current receivables	176	253
Deferred tax assets	1,261	816
Total non-current assets	97,261	97,140
CURRENT ASSETS		
Inventories	27,893	27,935
Trade receivables	42,078	46,723
Tax receivables	2,530	1,520
Other current receivables	2,684	490
Cash and cash equivalents	11,229	7,262
Total current assets	86,414	83,930
Non-current assets available for sale	758	0
TOTAL ASSETS	184,433	181,070
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Share capital	11,533	11,533
Retained earnings, other reserves	76,318	70,760
Net profit for period	15,410	15,828
<i>Total equity pertaining to parent company</i>	<i>103,261</i>	<i>98,121</i>
<i>Minority interest</i>	<i>0</i>	<i>0</i>
Total shareholders' equity	103,261	98,121
NON-CURRENT LIABILITIES		
Loans	22,589	12,307
Post-employ. benefit oblig. and retire. reserves	3,007	3,581
Reserves for risks and contingencies	1,046	735
Deferred income tax	2,892	8,944
Total non-current liabilities	29,534	25,567
CURRENT LIABILITIES		
Loans	18,120	17,765
Other Financial liabilities	176	0
Trade payables	25,217	33,682
Tax payables	2,593	905
Other liabilities	5,532	5,030
Total current liabilities	51,638	57,382
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	184,433	181,070



Consolidated Income Statement

	31.12.2008	31.12.2007
<i>(in thousands of euro)</i>		
CONTINUING OPERATIONS		
OPERATING REVENUE AND INCOME		
Revenue	165,951	158,091
Other income	884	1,027
Total operating revenue and income	166,835	159,118
OPERATING COSTS		
Materials	(72,228)	(72,511)
Change in inventories	208	6,735
Services	(27,700)	(27,590)
Payroll costs	(30,094)	(27,146)
Other operating costs	(4,486)	(723)
Costs for capitalised in-house work	701	648
Total operating cost	(133,599)	(120,587)
OPERATING PROFIT BEFORE DEPRECIATION & AMORTISATION, CAPITAL GAINS/LOSSES, WRITE-DOWNS/WRITE-BACKS OF NON-CURRENT ASSETS (EBITDA)		
	33,236	38,531
Depreciation and amortisation	(11,937)	(11,574)
Capital gains/(losses) on disposal of non-current assets	56	(31)
Write-downs/write-backs of non-current assets	(164)	(76)
OPERATING PROFIT (EBIT)		
	21,191	26,850
Finance income	188	358
Finance expenses	(2,275)	(2,126)
Foreign-exchange gains/(losses)	393	(319)
Profits and losses from equity investments	0	0
PRE-TAX PROFIT		
	19,497	24,763
Income tax	(4,087)	(8,935)
Minority interests	0	0
NET PROFIT FOR THE YEAR		
	15,410	15,828
EARNINGS PER SHARE (EPS)		
Base	1.336 euro	1.372 euro
Diluted	1.336 euro	1.372 euro



Sabaf S.p.A. - Balance sheet

	31.12.2008	31.12.2007
<i>(in thousands of euro)</i>		
ASSETS		
NON-CURRENT ASSETS		
Property, plant, and equipment	43,978	45,274
Intangible assets	3,805	2,594
Equity investments	34,830	34,104
Non-current receivables	10	45
Deferred tax assets	1,051	623
Total non-current assets	83,674	82,640
CURRENT ASSETS		
Inventories	25,586	24,771
Trade receivables	38,434	42,243
Tax receivables	1,728	711
Other current receivables	3,271	358
Cash and cash equivalents	8,144	4,310
Total current assets	77,163	72,393
TOTAL ASSETS	160,837	155,033
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Share capital	11,533	11,533
Retained earnings, other reserves	73,334	65,909
Net profit for period	14,025	15,666
Total shareholders' equity	98,892	93,108
NON-CURRENT LIABILITIES		
Loans	9,955	17
Post-employment benefit obligations and retirement reserves	2,634	3,125
Reserves for risks and contingencies	783	622
Deferred income tax	2,367	8,018
Total non-current liabilities	15,739	11,782
CURRENT LIABILITIES		
Loans	16,189	14,311
Other Financial liabilities	147	0
Trade payables	22,485	30,315
Tax payables	2,343	824
Other liabilities	5,042	4,693
Total current liabilities	46,206	50,143
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	160,837	155,033



Sabaf S.p.A. - Income statement

	31.12.2008	31.12.2007
<i>(in thousands of euro)</i>		
CONTINUING OPERATIONS		
OPERATING REVENUE AND INCOME		
Revenue	149,564	142,878
Other income	736	692
Total operating revenue and income	150,300	143,570
OPERATING COSTS		
COMMODITIES		
Change in inventories	815	6,773
Services	(27,261)	(27,278)
- from related parties	(3,072)	(3,011)
Payroll costs	(27,536)	(24,391)
Other operating costs	(3,562)	(481)
Costs for capitalised in-house work	688	616
Total operating cost	(121,438)	(109,217)
OPERATING PROFIT BEFORE DEPRECIATION & AMORTISATION GAINS/LOSSES, AND WRITE-DOWNS/WRITE-BACKS OF NON-CURRENT ASSETS (EBITDA)		
	28,862	34,353
Depreciation and amortisation	(9,790)	(9,221)
Capital gains/(losses) on disposal of non-current assets	60	16
Write-downs/write-backs of non-current assets	0	(445)
OPERATING PROFIT (EBIT)		
	19,132	24,703
Finance income	70	132
Finance expenses	(1,305)	(1,097)
Foreign-exchange gains/(losses)	43	(81)
Profits and losses from equity investments	0	500
PRE-TAX PROFIT		
	17,940	24,157
Income tax	(3,915)	(8,491)
NET PROFIT FOR THE YEAR		
	14,025	15,666

