

The SABAF logo is displayed in a bold, dark blue, sans-serif font within a yellow rectangular box. The background of the entire slide is a blue gradient with a central image of a water droplet creating concentric ripples.

SABAF

TECHNOLOGY AND SAFETY

Milan - 25 March 2009

Eco Efficienza
e Tecno Design

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Business model & strategy

Business model

- Among few players, Sabaf keeps a strong leadership and aims to widen the gap towards the competitors
- Competitive advantage based on:
 - Product and process know-how
 - Process automation
 - Economies of scale
- The industry grows faster than the appliance market, thanks to:
 - Higher technical complexity and increasing value of the components
 - Outsourcing from household manufacturers
 - Growing need for safety and efficiency
 - Attention to environmental matters

Enhance technological leadership

- We will focus on organic growth
- We will keep full control of the production process
 - Unique know how in joint product and process engineering
 - High degree of vertical integration
 - Our products set the standard for the market
- Internal engineering and construction of technical assets not available on the market
 - Special, personalized machinery
 - Robotic die-casting and automated equipment
 - High precision and high performance tools
- Average capex at 15% of sales in the last 8 years
- > 10% of workforce employed in R&D and Equipment Departments

Enhance market leadership

We aim to:

- Further increase market share in Europe (today around 50%)
- Catch huge opportunities outside Europe
- Build long term partnerships together with clients
- Optimise the customer base

Product innovation

➤ Gas valves

Material from brass to extruded aluminium

➤ Burners

Modularity

Dual gas burners

Efficiency

Dish washing safe solution

➤ Oven Burners

Integrated gas oven system including burner / support / accessories

Easy assembling solution

➤ Hinges

New shock absorber system for innovative opening and closing system

Preliminary comments on 2009

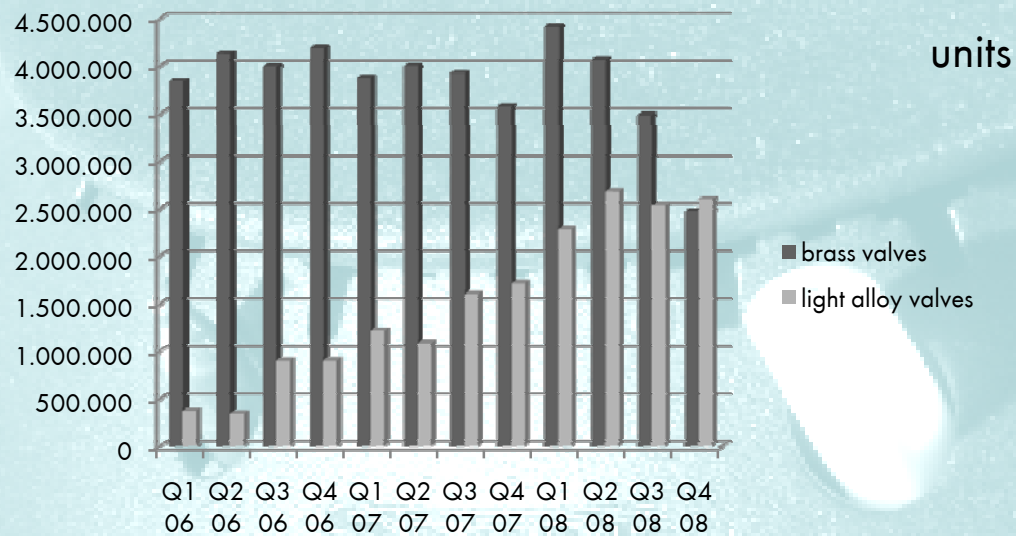
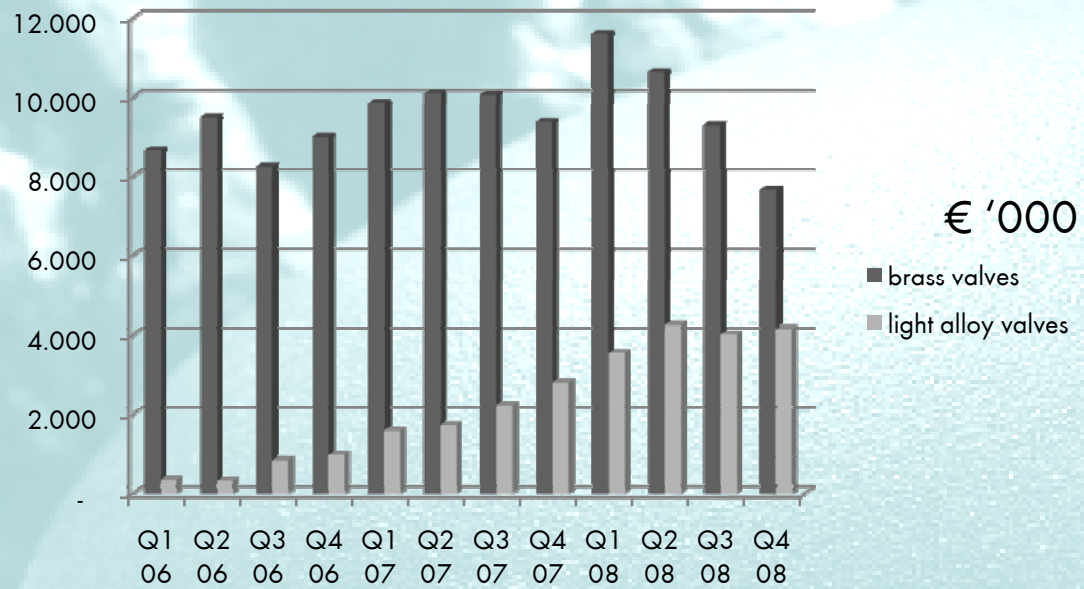
- Significant decline in volumes and revenues due to:
 - the slowdown in durable consumer goods across all the main markets
 - the reduction of the level of stocks along the whole production chain
- First quarter 2009 sales expected down by around 40%
- Visibility is still limited and we do not see any sign of improvement in market conditions in the short-term
- The current situation will not affect development plans underway, geared toward strengthening the Group's position in the international markets
- Investments planned for the year amount to €9 million



New products



The introduction of light alloy valves



Profitability of light alloy valves

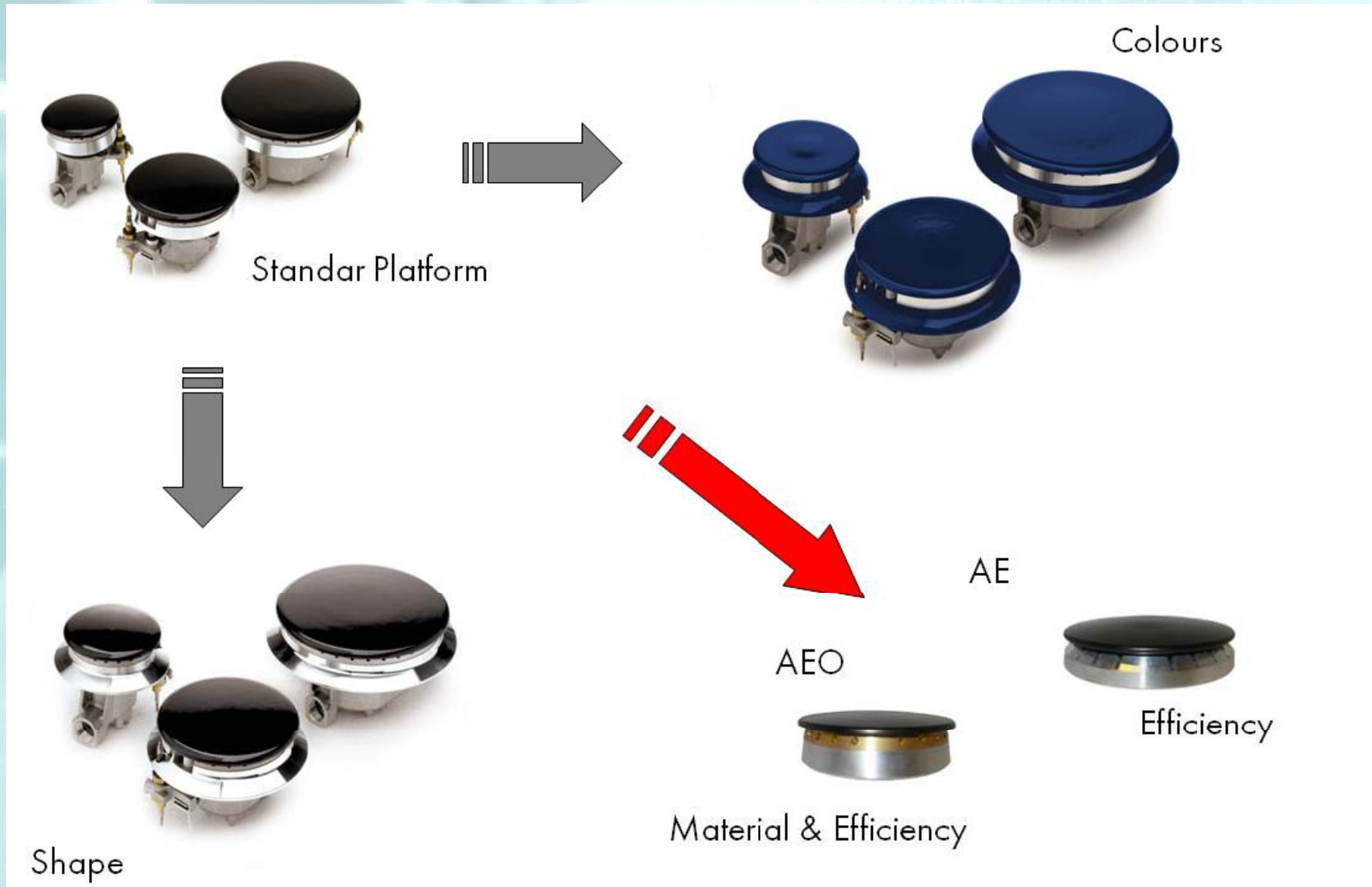
Simple valves

- main goal: to build a higher barrier towards existing competitors and potential new entrants
- focused on gaining share in emerging markets (South America, Turkey)
- full-run profitability: low

Safety valves

- main goal: to gain further competitiveness through innovation
- focused on gaining share in the European market and in some emerging markets
- full-run profitability: in line with brass safety valves

Series II burners - modularity



Series II burners AE

Series II AE is the next burner generation, developed according to the latest market requirements and with the unique experience of SABAF.



Series II burners AEO

- Serie 2 AEO satisfies the Chinese Standards GB16410/2008
- Perfectly interchangeable with Serie 2 AE



AE & AEO – power and efficiency

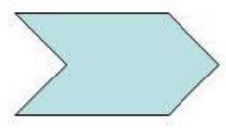


	Auxiliary	Semi Rapid	Rapid	Ultra-rapid (AEO)
Maximum Power (kW)	1.0 kW	1.75 & 2 kW	3.0 kW	3.6 kW
Minimum Power (kW)	0,30 kW	0,35 kW	0.60 kW	0.80 kW
Efficiency	n.a.	69%	64%	62%
<i>Efficiency required by EN30</i>	n.a.	> 52%	> 52%	>52%

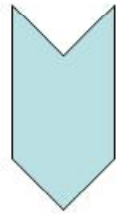
Mini Triple ring of flame wok burner – customization and innovation



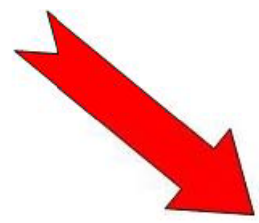
Standard 2,5 kw burner



New Series III Wok burner
new shape



New Squared Wok burner
new shape

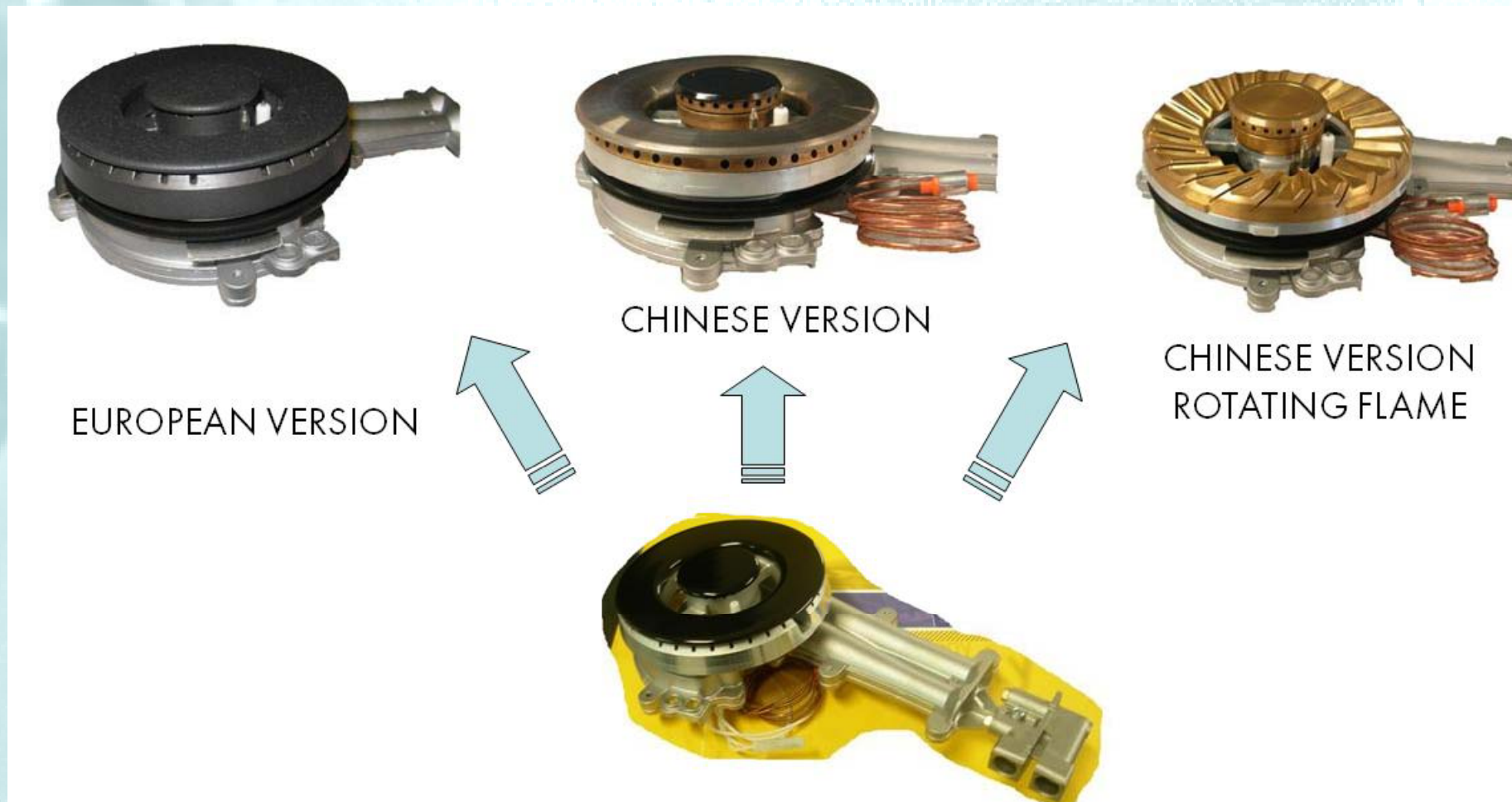


New Ultra Mini Wok 3,3 kw

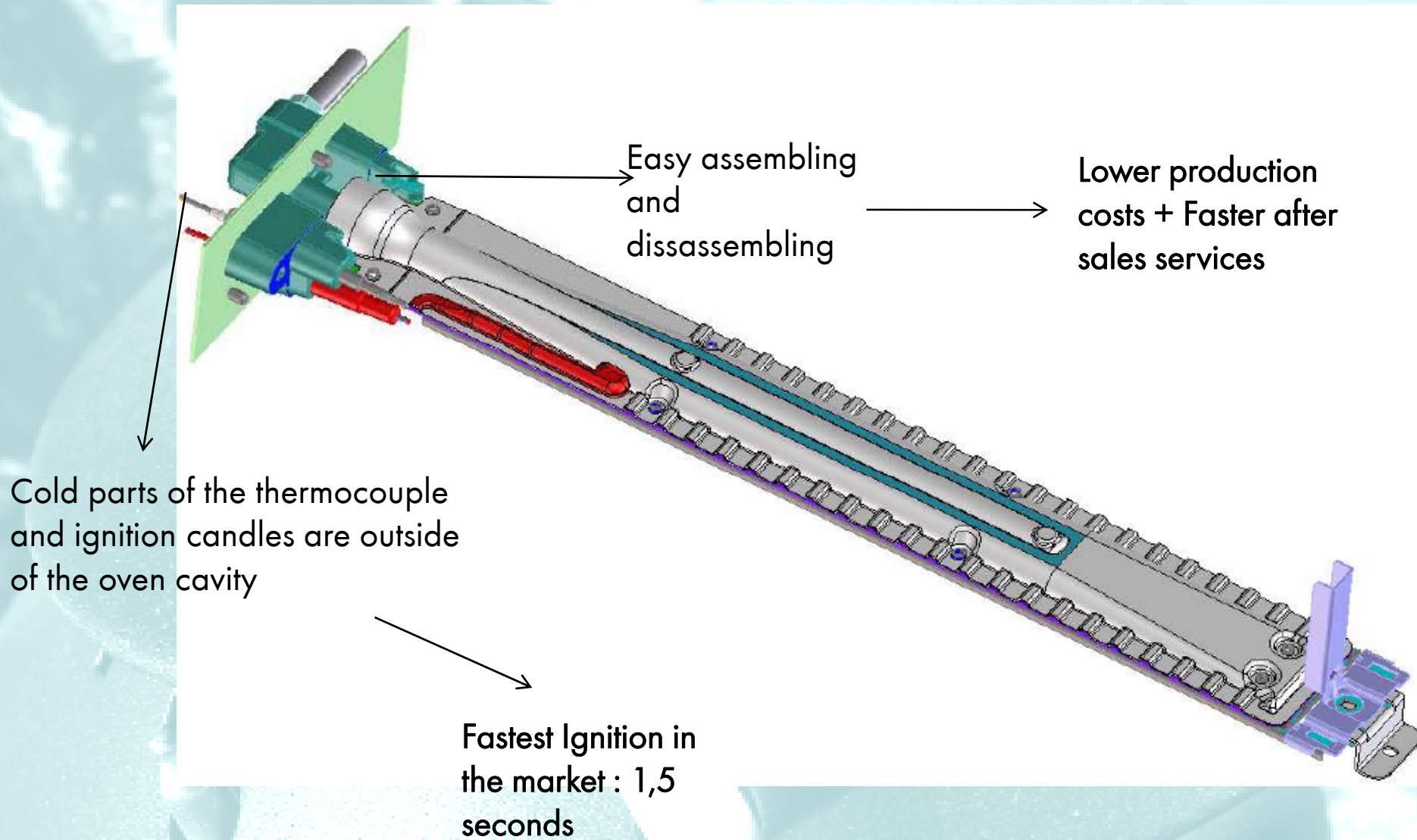
Dual ring of flame wok burner – dual burner system & common platform



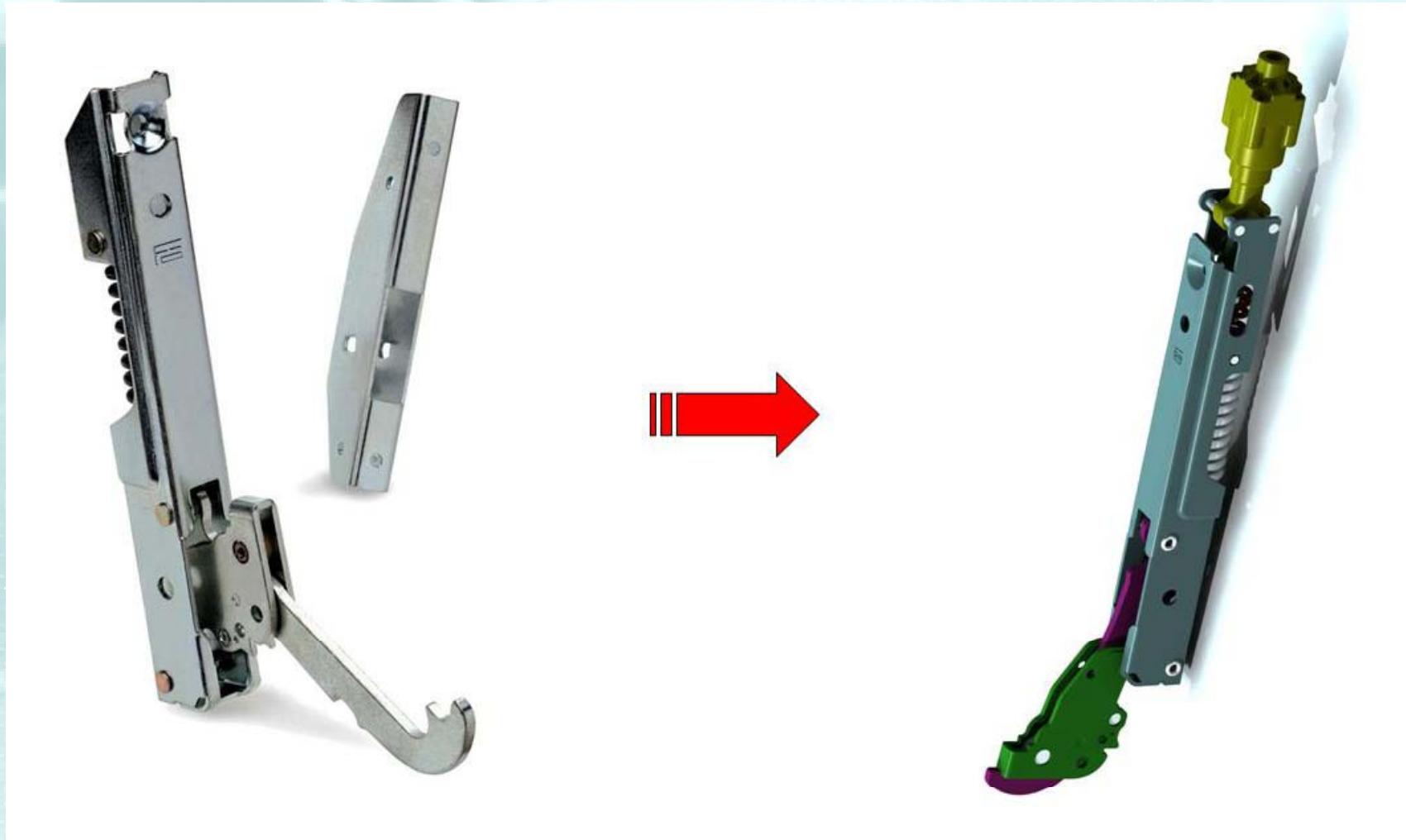
NEW SABAF DUAL BURNERS use the common platform, injector holders, accessories : perfectly interchangeable among each other



New Sabaf oven burners



Oven hinges - innovation



2008 results



Income statement



€ x 000	<u>Q4 08</u>		<u>Q4 07</u>		<i>var. %</i>	<u>FY 08</u>		<u>FY 07</u>	
SALES	36.950	100,0%	39.580	100,0%	-6,6%	165.951	100,0%	158.091	100,0%
Materials	(14.435)	-39,1%	(18.296)	-46,2%		(72.228)	-43,5%	(72.511)	-45,9%
Change in stock	(1.559)	-4,2%	1.510	3,8%		208	0,1%	6.735	4,3%
Payroll	(6.820)	-18,5%	(7.396)	-18,7%		(30.094)	-18,1%	(27.146)	-17,2%
Other operating costs/income	(6.095)	-16,5%	(7.217)	-18,2%		(27.019)	-16,3%	(26.638)	-16,8%
Write off of trade receivables	(1.882)	-5,1%	0	0,0%		(3.582)	-2,2%	0	0,0%
EBITDA	6.159	16,7%	8.181	20,7%	-24,7%	33.236	20,0%	38.531	24,4%
Depreciation	(2.946)	-8,0%	(2.981)	-7,5%		(11.937)	-7,2%	(11.574)	-7,3%
Gains/losses on fixed assets	(114)	-0,3%	4	0,0%		(108)	-0,1%	(107)	-0,1%
EBIT	3.099	8,4%	5.204	13,1%	-40,4%	21.191	12,8%	26.850	17,0%
Net financial expense	(617)	-1,7%	(516)	-1,3%		(2.087)	-1,3%	(1.768)	-1,1%
Foreign exchange gains/losses	231	0,6%	(88)	-0,2%		393	0,2%	(319)	-0,2%
EBT	2.713	7,3%	4.600	11,6%	-41,0%	19.497	11,7%	24.763	15,7%
Income taxes	(990)	-2,7%	(711)	-1,8%		(4.087)	-2,5%	(8.935)	-5,7%
Minorities	0		0			0		0	
NET INCOME	1.723	4,7%	3.889	9,8%	-55,7%	15.410	9,3%	15.828	10,0%

Balance sheet

€ x 1000	31-Dec-08	31-Dec-07
Fixed assets	97,261	97,140
<i>Trade receivables</i>	42,078	46,723
<i>Inventories</i>	27,893	27,935
<i>Trade payables</i>	(25,217)	(33,682)
<i>Other current receivables/payables</i>	(2,911)	(3,925)
Net working capital	41,843	37,051
Fixed assets held for disposal	758	-
Capital Employed	139,862	134,191
Equity	103,261	98,121
Deferred taxes	2,892	8,944
Reserves for risks and severance indemnity	4,053	4,316
Net debt	29,656	22,810
Sources of finance	139,862	134,191

Net financial position

<i>(€'000)</i>	31.12.08	31.12.07
A. Cash	13	16
B. Positive balances of non-binding bank current accounts	10,749	7,246
C. Other liquidities	467	0
D. Cash and cash equivalents (A+B+C)	11,229	7,262
E. Current bank overdrafts (1)	14,128	15,137
F. Current portion of non-current debt	3,992	2,628
G. Other current payables	176	0
H. Current financial debt (E+F+G)	18,296	17,765
I. Current net financial debt (H-D)	7,067	10,503
J. Non-current bank payables (2)	16,203	6,990
K. Other non-current financial debts	6,386	5,317
L. Non-current financial debt (J+K)	22,589	12,307
M. Net financial debt (L+I)	29,656	22,810

(1) Euribor 1m + 0.75:0.80 %

(2) Euribor 3m + 1.10:1.20%

Cash flow statement

€ x 1000	FY 08	FY 07
Net profit	15,410	15,828
Depreciation	11,937	11,574
Other non-monetary costs/income	(6,652)	(911)
Change in net working capital		
change in inventories	42	(6,858)
change in receivables	4,645	(7,919)
change in payables	(8,465)	4,573
other changes in current assets/liabilities	(1,014)	(1,756)
	(4,792)	(11,960)
Operating cash flow	15,903	14,531
Investments, net of disposals	(12,556)	(18,740)
Free cash flow	3,347	(4,209)
Change in long-term financial assets/liabilities	10,359	(2,361)
Dividends	(8,073)	(8,073)
Other changes in equity	(2,197)	601
Cash flow	3,436	(14,042)

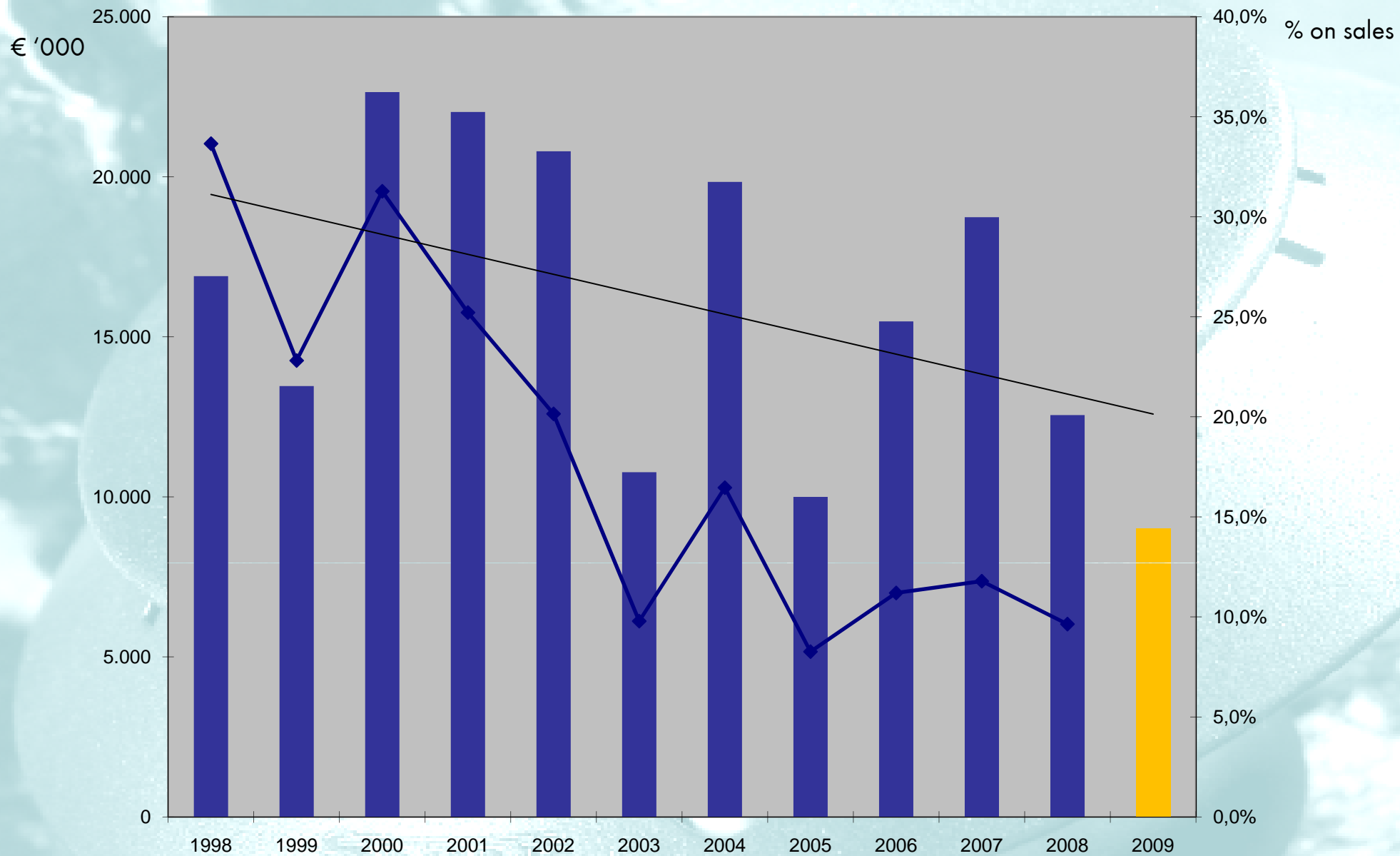
Sales by product line

	FY 08	%	FY 07	%	% change
Simple brass valves	8,936	5.4	11,665	7.4	-23.4%
Brass valves with safety devices	30,252	18.2	27,674	17.5	+9.3%
Light alloy valves	15,923	9.6	8,309	5.3	+91.6%
Thermostats	18,948	11.4	18,991	12.0	-0.2%
<i>Total valves and thermostats</i>	<i>74,059</i>	<i>44.6</i>	<i>66,639</i>	<i>42.2</i>	<i>+11.1%</i>
Standard burners	46,818	28.2	46,087	29.1	+1.6%
Special burners	18,255	11.0	18,919	12.0	-3.5%
<i>Burners</i>	<i>65,073</i>	<i>39.2</i>	<i>65,006</i>	<i>41.1</i>	<i>+0.1%</i>
<i>Hinges</i>	<i>10,417</i>	<i>6.3</i>	<i>10,751</i>	<i>6.8</i>	<i>-3.1%</i>
<i>Accessories and other revenues</i>	<i>16,402</i>	<i>9.9</i>	<i>15,695</i>	<i>9.9</i>	<i>+4.5%</i>
Total	165,951	100.0	158,091	100.0	+5.0%

Sales by geographical area

<u>Area</u>	<u>FY 08</u>		<u>FY 07</u>		<u>VAR %</u>
ITALY	72,460	43.7%	74,039	46.8%	- 2.1%
W. EUROPE	13,443	8.1%	15,480	9.8%	- 13.2%
E. EUROPE & TURKEY	38,840	23.4%	29,143	18.4%	+ 33.3%
ASIA	11,305	6.8%	13,970	8.8%	- 19.1%
SOUTH AMERICA	13,680	8.2%	9,975	6.3%	+ 37.1%
AFRICA	12,390	7.5%	10,387	6.6%	+ 19.3%
NORTH AMERICA	3,309	2.0%	4,517	2.9%	- 26.7%
OCEANIA	524	0.3%	580	0.4%	- 9.7%
TOTAL SALES	165,951	100.0%	158,091	100.0%	+ 5.0%

Capex 1998 - 2009e



Disclaimer

Certain information included in this document is forward looking and is subject to important risks and uncertainties that could cause actual results to differ materially, The Company's business is in the domestic appliance industry, with special reference to the gas cooking sector, and its outlook is predominantly based on its interpretation of what it considers to be the key economic factors affecting this business, Forward-looking statements with regard to the Group's business involve a number of important factors that are subject to change, including: the many interrelated factors that affect consumer confidence and worldwide demand for durable goods; general economic conditions in the Group's markets; actions of competitors; commodity prices; interest rates and currency exchange rates; political and civil unrest; and other risks and uncertainties,

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