

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

STARCONFERENCE
London - 8 October 2009

Eco Efficienza
e Tecno Design



2009 – First half results and full year forecasts

Comments on H1 2009

- Sales at € 57.4 mn, down by 33.5% due to the generalized drop in demand
- Market share is estimated to be stable
- Average sales prices down by 4%, reflecting lower raw material prices
- EBITDA at € 9.6 mn - 16.9% of sales - down by 48%
- EBIT at € 3.7 mn - 6.5% of sales - down by 71%
- During the second quarter:
 - Partial recovery in sales (+20.4% qoq)
 - Significant improvement in profitability compared to the first quarter

Comments on H1 2009 - cost reductions

The main measures to offset the higher impact of fixed costs include:

- Improvements in productivity - especially for light alloy valves - thanks to production process optimisation
- Careful policy of purchases of raw materials
- Temporary lay-off of 15% of workforce (until May)
- Greater insourcing of burner die casting

Full year forecasts

- FY expected sales in the range of €120 million (down by 26% versus 2008).
- Profitability is expected to improve versus the first half, mainly thanks to a higher level of business, but will continue to be negatively affected by weakness on the market.

Income statement

€ x 000	<u>Q2 09</u>		<u>Q1 09</u>		<u>H1 09</u>		<u>H1 08</u>		<i>var. %</i>
SALES	31,335	100.0%	26,029	100.0%	57,364	100.0%	86,257	100.0%	-33.5%
Materials	(10,084)	-32.2%	(6,684)	-25.7%	(16,768)	-29.2%	(36,471)	-42.3%	
Change in stock	(2,282)	-7.3%	(5,752)	-22.1%	(8,034)	-14.0%	1,169	1.4%	
Payroll	(6,225)	-19.9%	(5,008)	-19.2%	(12,582)	-21.9%	(16,066)	-18.6%	
Other operating costs/income	(6,169)	-19.7%	(5,437)	-20.9%	(10,257)	-17.9%	(16,179)	-18.8%	
EBITDA	6,575	21.0%	3,148	12.1%	9,723	16.9%	18,710	21.7%	-48.0%
Depreciation	(3,032)	-9.7%	(2,964)	-11.4%	(5,996)	-10.5%	(5,968)	-6.9%	
Gains/losses on fixed assets	1	0.0%	0	0.0%	1	0.0%	9	0.0%	
EBIT	3,544	11.3%	184	0.7%	3,728	6.5%	12,751	14.8%	-70.8%
Net financial expense	(293)	-0.9%	(377)	-1.4%	(670)	-1.2%	(918)	-1.1%	
Foreign exchange gains/losses	(63)	-0.2%	(151)	-0.6%	(214)	-0.4%	(272)	-0.3%	
EBT	3,188	10.2%	(344)	-1.3%	2,844	5.0%	11,561	13.4%	-75.4%
Income taxes	232	0.7%	31	0.1%	263	0.5%	(1,480)	-1.7%	
Minorities	0		0		0		0		
NET INCOME	3,420	10.9%	(313)	-1.2%	3,107	5.4%	10,081	11.7%	-69.2%
EPS					0.270		0.874		-69.1%

Balance sheet

€ x 1000	30-Jun-09	31-Dec-08
Fixed assets	100,102	98,019
Net working capital	33,700	41,843
Capital Employed	133,802	139,862
Equity	99,692	103,261
Deferred taxes	443	2,892
Reserves for risks and severance indemnity	3,634	4,053
Net debt	30,033	29,656
Sources of finance	133,802	139,862

Net financial position

	30 Jun 09	31 Dec 08	Change
A. Cash	17	13	4
B. Positive bank current accounts	5,975	10,749	(4,774)
C. Other liquidities	1,425	467	958
D. Cash and cash equivalents (A+B+C)	7,417	11,229	(3,812)
E. Current bank overdrafts	6,411	14,128	(7,717)
F. Current portion of non-current debt	5,543	3,992	1,551
G. Other current financial payables	72	176	(104)
H. Current financial debt (E+F+G)	12,026	18,296	(6,270)
I. Current net financial debt (H-D)	4,609	7,067	(2,458)
J. Non-current bank payables	19,160	16,203	2,957
K. Other non-current financial payables	6,264	6,386	(122)
L. Non-current financial debt (J+K)	25,424	22,589	2,835
M. Net financial debt (L+I)	30,033	29,656	377

Cash flow statement

€ x 1000	H1 09	H1 08
Net profit	3.107	10.081
Depreciation	5.996	5.968
Other non-monetary costs/income	(2.836)	(5.985)
Change in net working capital		
change in inventories	7.856	(1.227)
change in receivables	4.105	(2.842)
change in payables	(4.772)	274
other changes in current assets/liabilities	954	3.308
	8.143	(487)
Operating cash flow	14.410	9.577
Investments, net of disposals	(7.302)	(6.901)
Free cash flow	7.108	2.676
Change in long-term financial assets/liabilities	2.895	(904)
Dividends	(8.050)	(8.073)
Other changes in equity	(140)	0
Forex differences	645	129
Cash flow	2.458	(6.172)

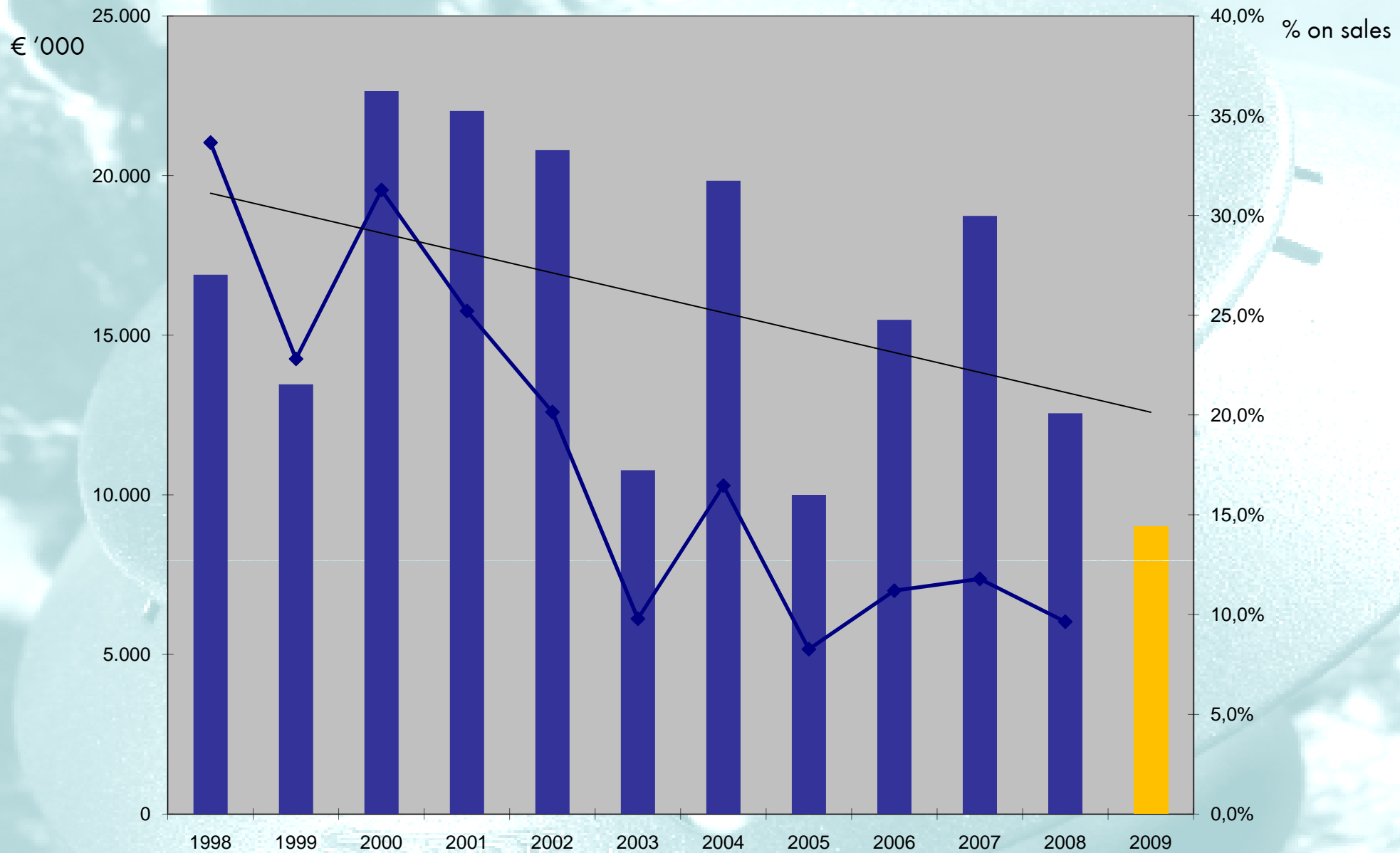
Sales by geographical area

<i>in thousands of Euro</i>	Q2 2009	Q2 2008	Change %	H1 2009	H1 2008	Change %	FY 2008
Italy	13,898	20,093	-30.8%	26,831	39,560	-32.2%	68,750
Rest of Western Europe	2,377	3,650	-34.9%	4,621	7,347	-37.1%	13,443
Eastern Europe	6,673	9,931	-32.8%	12,767	20,323	-37.2%	38,840
Asia	2,519	2,040	23.5%	4,054	4,946	-18.0%	11,350
Latin America	3,380	2,868	17.9%	5,442	6,547	-16.9%	13,378
Africa	1,522	3,006	-49.4%	1,933	5,722	-66.2%	12,390
USA, Canada & Mexico	934	884	5.7%	1,671	1,661	0.6%	3,309
Oceania	32	87	-63.2%	45	151	-70.2%	524
Total	31,335	42,559	-26.4%	57,364	86,257	-33.5%	161,984

Sales by product line

<i>in thousands of Euro</i>	Q2 2009	Q2 2008	Change %	H1 2009	H1 2008	Change %	FY 2008
Brass valves	6,770	10,636	-36.3%	12,918	22,240	-41.9%	39,188
Light alloy valves	3,747	4,233	-11.5%	7,100	7,766	-8.6%	15,923
Thermostats	3,121	4,764	-34.5%	5,185	9,921	-47.7%	18,948
Standard burners	9,091	12,336	-26.3%	16,587	25,021	-33.7%	46,818
Special burners	4,081	4,420	-7.7%	7,382	9,373	-21.2%	18,255
Accessories	2,323	3,301	-29.7%	3,840	6,328	-39.3%	12,435
<i>Total gas components</i>	<i>29,133</i>	<i>39,690</i>	<i>-26.6%</i>	<i>53,012</i>	<i>80,649</i>	<i>-34.3%</i>	<i>151,567</i>
<i>Hinges</i>	<i>2,202</i>	<i>2,869</i>	<i>-23.2%</i>	<i>4,352</i>	<i>5,608</i>	<i>-22.4%</i>	<i>10,417</i>
Total	31,335	42,559	-26.4%	57,364	86,257	-33.5%	161,984

Capex 1998 - 2009e





New products



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



Available at 3 different powers



AE on ABC platform
Available at 3 different powers

Series II burners AEO

- Series 2 AEO is compliant with the Chinese Standard GB16410/2008
- Perfectly interchangeable with Series 2 AE



Available at 4 different powers

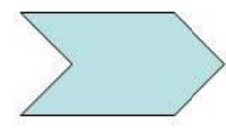


AE on ABC platform
Available at 4 different powers

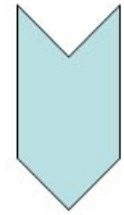
AE & AEO – power and efficiency

	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



New Series III Wok burner
new shape



New Squared Wok burner
new shape



New Ultra Mini Wok 3,3 kw

All available on 2 different versions, also on ABC platform

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



Based on the same platform, cup and accessories: perfectly interchangeable



Available at 1 power



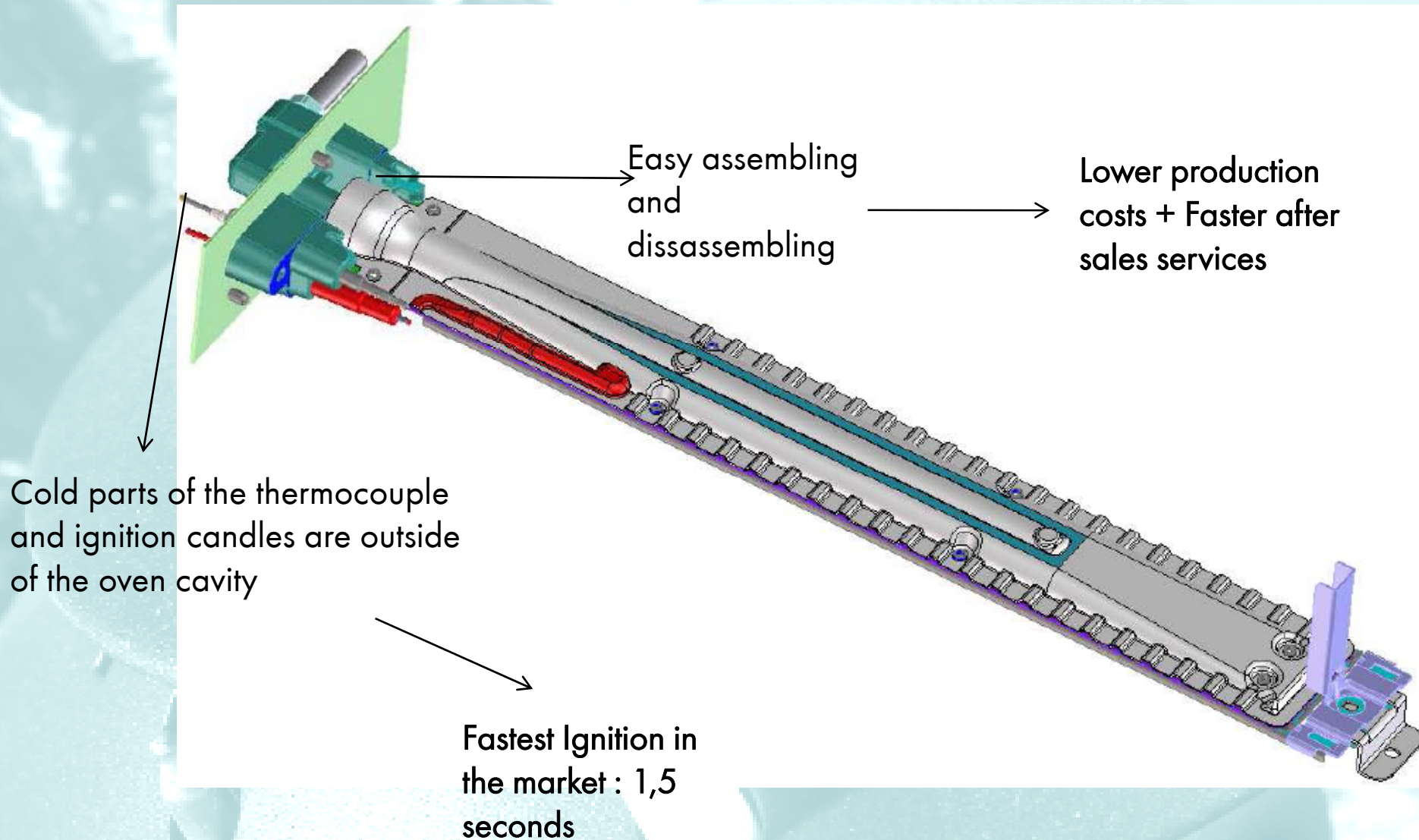
Available at 2 different powers

Bruciatore dual torche

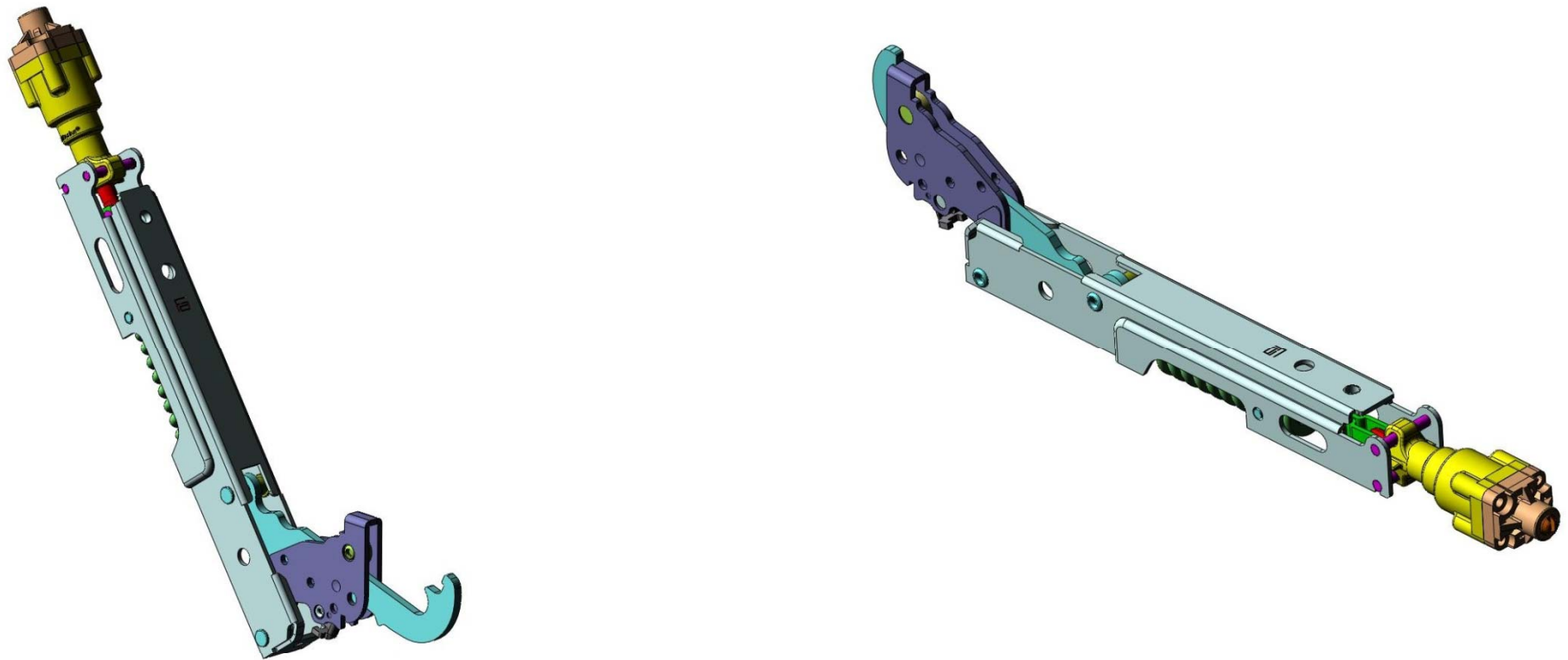


Available at 4 different powers

New Sabaf oven burners



Oven hinges - innovation



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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