

Press release

Ospitaletto, 9 February 2010

SABAF: Q4 2009 RESULTS APPROVED

- Q4 2009: revenues €37.7 million (+4.1%); EBITDA €10 million (+62.7%); EBIT €6.9 million (+122%); net profit €4.8 million (+177%)
- Revenues for FY 2009: €127.1 million (-21.5%); EBITDA €28.5 million (-14.2%); EBIT €16.2 million (-23.5%); net profit €11.6 million (-24.8%)
- Proposed dividend of €0.50 per share (€0.70 in 2009)

The Board of Directors of Sabaf SpA met today in Ospitaletto to approve the Interim Management Statement for the fourth quarter 2009.

Consolidated results for the fourth quarter 2009

In a macroeconomic climate where demand is generally still weak, the domestic appliances market in Q4 2009 confirmed the tentative signs of improvement witnessed in previous months. After nine months of flagging sales, the Sabaf Group returned to growth in the fourth quarter, partly due to its increasing presence in the international market.

In the fourth quarter, revenue stood at €37.7 million, up 4.1% on the €36.2 million reported for the same period in 2008. While sales in Italy showed signs of modest growth (€14.7 million, +4.7%), in Western and Eastern Europe, the comparison with the fourth quarter 2008 was still negative (sales of €2.9 million, or -6.7%, and €7.3 million, or -18.8%, respectively). The top-performing regions during the period were Asia and South America, with sales of €6.2 million (+64.8%) and €3.5 million (+19%) respectively.

The product mix was refined even further, with safety valves and special burners featuring more prominently.

Fourth-quarter profitability was in line with the satisfying results of the previous quarter, a further sign of productivity growth and underscoring the positive impact of the new product mix. The rise in commodity prices which characterised the latter part of 2009 had a negligible impact on results this quarter owing to existing hedge positions. EBITDA for the period was €10 million, or 26.6% of sales, up 63% compared with the €6.2 million (17% of sales) for Q4 2008. EBIT stood at €6.9 million, or 18.3% of revenue, a 122% increase compared with the same period in 2008 (€3.1 million, or 8.6% of revenue). Pre-tax profit amounted to €6.5 million, compared with €2.7 million for the fourth quarter 2008, while net profit was €4.8 million, against €1.7 million for the same period in the previous year (+177%).

FY 2009 consolidated results

FY 2009 closed with revenue of €127.1 million, down 21.5% on 2008, and EBITDA at €28.5 million (22.4% of sales, a fall of 14.2%). EBIT stood at €16.2 million, or 12.8% of sales (a decrease of 23.5% compared with the €21.2 million in 2008) and net profit came in at €11.6 million (-24.8% on 2008).

Equity and cash flow

Investment in the fourth quarter 2009 totalled around €3 million, while FY 2009 net investment came to €11.9 million (€12.6 million in 2008).

At 31 December 2009, the balance sheet showed consolidated equity of €109.2 million and net debt of €19.2 million (equity of €103.3 million and net debt of €29.7 million at 31 December 2008). Current net financial position was positive at €3.1 million. Sound management of net working capital, which fell by €8.7 million in 2009, made a significant contribution to the reduction in financial debt.





TECHNOLOGY AND SAFETY

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Business outlook

Despite the fact that visibility in the core market still remains poor, orders and sales at the start of 2010 are confirming the slow but steady improvement seen in the second half of 2009. Management expects a further improvement in product mix in 2010, partly due to the launch of new energy-efficient products. In addition, changes in European legislation which are due to take effect in April have boosted demand for safety valves.

Management intends to recommend a dividend of €0.50 per share (€0.70 per share in 2009).

Today at 3 p.m. CET there will be a conference call to illustrate Q4 and FY 2009 to financial analysts and institutional investors (please call +39 02-8058811).

The Interim Management Statement for the fourth quarter of 2009, which has not been independently audited, is available from the Investor Relations section of the website (www.sabaf.it).

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.

Enclosures: consolidated balance sheet, income statement, net financial position and cash flow statement.

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 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.



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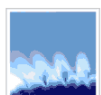
Consolidated Balance Sheet

<i>(in thousands of euros)</i>	31.12.2009	30.09.2009	31.12.2008
ASSETS			
NON-CURRENT ASSETS			
Property, plant, and equipment	76,932	76,876	76,308
Investment property	8,734	8,415	8,505
Intangible assets	10,692	10,645	10,366
Equity investments	1,220	1,220	645
Non-current receivables	226	210	176
Deferred tax assets (prepaid taxes)	1,234	1,323	1,261
Total non-current assets	99,038	98,689	97,261
CURRENT ASSETS			
Inventories	21,447	21,098	27,893
Trade receivables	40,568	38,091	42,078
Tax receivables	2,485	1,900	2,530
Other current receivables	599	832	2,684
Current financial assets	0	21	0
Cash and cash equivalents	9,154	9,674	11,229
Total current assets	74,253	71,616	86,414
Non-current assets available for sale	0	378	758
TOTAL ASSETS	173,291	170,683	184,433
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	11,533	11,533	11,533
Retained earnings, other reserves	86,017	85,605	76,318
Net profit for period	11,583	6,813	15,410
<i>Total equity attributable to the group parent company</i>	<i>109,133</i>	<i>103,951</i>	<i>103,261</i>
<i>Minority interest</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total shareholders' equity	109,133	103,951	103,261
NON-CURRENT LIABILITIES			
Loans	22,270	24,067	22,589
Post-employment benefit obligations (TFR) and retirement reserves	2,916	2,790	3,007
General provisions	779	786	1,046
Deferred income tax	240	292	2,892
Total non-current liabilities	26,205	27,935	29,534
CURRENT LIABILITIES			
Loans	6,041	8,731	18,120
Other financial liabilities	4	0	176
Trade payables	24,844	22,289	25,217
Tax payables	1,445	1,400	2,593
Other liabilities	5,619	6,377	5,532
Total current liabilities	37,953	38,797	51,638
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	173,291	170,683	184,433



Consolidated Income Statement

	Q4 2009		Q4 2008		12M 2009		12M 2008	
<i>(in thousands of euros)</i>								
CONTINUING OPERATIONS								
OPERATING REVENUE AND INCOME								
Revenue	37,676	100.0%	36,175	100.0%	127,088	100.0%	161,984	100.0%
Other income	825	2.2%	1,168	3.2%	2,919	2.3%	4,851	3.0%
Total operating revenue and income	38,501	102.2%	37,343	103.2%	130,007	102.3%	166,835	103.0%
OPERATING COSTS								
Materials	(13,018)	-34.6%	(13,167)	-36.4%	(40,833)	-32.1%	(65,870)	-40.7%
Change in inventories	146	0.4%	(1,559)	-4.3%	(6,852)	-5.4%	208	0.1%
Services	(8,173)	-21.7%	(7,463)	-20.6%	(26,654)	-21.0%	(34,058)	-21.0%
Payroll costs	(7,434)	-19.7%	(6,820)	-18.9%	(26,438)	-20.8%	(30,094)	-18.6%
Other operating costs	(152)	-0.4%	(2,384)	-6.6%	(1,647)	-1.3%	(4,486)	-2.8%
Costs for capitalised in-house work	152	0.4%	209	0.6%	935	0.7%	701	0.4%
Total operating cost	(28,479)	-75.6%	(31,184)	-86.2%	(101,489)	-79.9%	(133,599)	-82.5%
OPERATING PROFIT BEFORE DEPRECIATION & AMORTISATION, CAPITAL GAINS/LOSSES, AND WRITE-DOWNS/WRITE-BACKS OF NON-CURRENT ASSETS (EBITDA)								
	10,022	26.6%	6,159	17.0%	28,518	22.4%	33,236	20.5%
Depreciation and amortisation	(3,144)	-8.3%	(2,946)	-8.1%	(12,295)	-9.7%	(11,937)	-7.4%
Capital gains/(losses) on disposal of non-current assets	4	0.0%	50	0.1%	(5)	0.0%	56	0.0%
Write-downs/write-backs of non-current assets	0	0.0%	(164)	-0.5%	0	0.0%	(164)	-0.1%
OPERATING PROFIT (EBIT)								
	6,882	18.3%	3,099	8.6%	16,218	12.8%	21,191	13.1%
Finance income	50	0.1%	52	0.1%	207	0.2%	188	0.1%
Finance expenses	(473)	-1.3%	(669)	-1.8%	(1,544)	-1.2%	(2,275)	-1.4%
Foreign-exchange gains/losses	12	0.0%	231	0.6%	(333)	-0.3%	393	0.2%
Profits and losses from equity investments	0	0.0%	0	0.0%	0	0.0%	0	0.0%
PRE-TAX PROFIT								
	6,471	17.2%	2,713	7.5%	14,548	11.4%	19,497	12.0%
Income tax	(1,701)	-4.5%	(990)	-2.7%	(2,965)	-2.3%	(4,087)	-2.5%
Minority interests	0	0.0%	0	0.0%	0	0.0%	0	0.0%
NET PROFIT FOR PERIOD								
	4,770	12.7%	1,723	4.8%	11,583	9.1%	15,410	9.5%



Consolidated Net Financial Position

<i>(in thousands of euros)</i>	31.12.2009	30.09.2009	31.12.2008
A. Cash	14	15	13
B. Positive balances of unrestricted bank accounts	7,123	8,432	10,749
C. Other liquidities	2,017	1,227	467
F. Cash and cash equivalents (A+B+C)	9,154	9,674	11,229
E. Current bank overdrafts	177	3,000	14,128
F. Current portion of non-current debt	5,864	5,731	3,992
G. Other current financial payables	4	0	176
H. Current financial debt (E+F+G)	6,045	8,731	18,296
I. Current net financial debt (H-D)	(3,109)	(943)	7,067
J. Non-current bank payables	16,845	18,246	16,203
K. Other non-current financial payables	5,425	5,821	6,386
L. Non-current financial debt (J+K)	22,270	24,067	22,589
M. Net financial debt (L-I)	19.161	23.124	29.656

Consolidated Cash Flow Statement

<i>(in thousands of euros)</i>	Q4 2009	Q4 2008	12M 2009	12M 2008
OPENING NET SHORT-TERM FINANCIAL POSITION	943	(17,506)	(7,067)	(10,503)
Net profit/(loss) for period	4,770	1,723	11,583	15,410
Depreciation and amortisation	3,144	2,946	12,295	11,937
Other non-monetary items	152	(373)	(2,978)	(6,249)
Change in net working capital	(1,336)	1,392	8,652	(5,195)
Operating cash flow	6,730	5,688	29,552	15,903
Net investments	(2,956)	(3,276)	(11,864)	(12,556)
Change in financial assets and loans (non-current)	(1,792)	9,645	(369)	10,359
Distribution of dividends	0	0	(8,050)	(8,073)
Other changes in equity	184	(1,618)	907	(2,197)
CASH FLOW FOR THE PERIOD	2,166	10,439	10,176	3,436
CLOSING NET SHORT-TERM FINANCIAL POSITION	3,109	(7,067)	3,109	(7,067)

