

Press release

Ospitaletto, 23 March 2010

## SABAF APPROVES RESULTS AS OF 31 DECEMBER 2009

- Consolidated results 2009: revenue €127.1 million (-21.5%); EBITDA €28.5 million (-14.2%); EBIT €16.2 million (-23.5%) and net profit €11.6 million (-24.8%)
- Sabaf S.p.A. results 2009: revenue €112.7 million (-22.8%); EBITDA €22.4 million (-22.5%); EBIT €12 million (-37.5%) and net profit €8.4 million (-40.3%)
- Proposed dividend of €0.50 per share (€0.70 per share in 2009)

\*\*\*\*\*

The Board of Directors of **Sabaf S.p.A.**, which met today in Ospitaletto, approved the consolidated financial statements and the draft statutory financial statements of the parent company Sabaf S.p.A. for the year to 31 December 2009. The Board also approved the annual corporate governance report.

### *Consolidated Group performance*

The Sabaf Group recorded sales revenues of €127.1 million in 2009, down 21.5% from €162 million in 2008. The crisis that began to emerge in late 2008 intensified dramatically in the early months of 2009, hitting all the Group's markets. May brought a slow recovery and a level of activity that was more satisfactory, but still far below the peaks of 2008. Anyway, for the newest products (light-alloy valves and special burners) the downturn in sales was limited to a great extent.

Average sales prices were down slightly in 2009, partly due to reduced raw materials prices. The margins were naturally hurt by the sharp fall in sales, but owing to cost containment measures and efficiencies in light-alloy valve production, the 2009 profit indices are not significantly different from those registered in 2008. EBITDA came in at €28.5 million, at 22.4% of sales (compared with €33.2 million a year earlier, or 20.5% of sales), while EBIT was €16.2 million, or 12.8% of sales (€21.2 million in 2008, or 13.1% of sales), and net profit came in at €11.6 million, or 9.1% of sales (€15.4 million at 31 December 2008, or 9.5% of sales).

As of 31 December 2009, the Group had consolidated shareholders' equity of €109,1 million and net debt of €19.2 million (compared with €103.3 million and €29.7 million respectively at 31 December 2008).

In FY2009, the Sabaf Group made capital investments of some €11.9 million.

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

The Parent Company, Sabaf S.p.A., recorded sales revenues of €112.7 million (down 22.8% from €146 million in 2008), EBITDA of €22.4 million, down 22.5% from €28.9 million in 2008, EBIT of €12 million, down 37.5% from €19.1 million in the previous year, and net profit of €8.4 million, down 40.3% from €14 million in 2008.



*Annual General Meeting and proposed dividend*

The Board of Directors will propose to the Annual Shareholders' Meeting - which will be held on first call on 27 April 2010 at 10.30am and, if necessary, on second call on 28 April at the same time at the company's registered office in Ospitaletto - distribution of a gross ordinary dividend of €0.50 per share (in 2009, a dividend of €0.70 per share was paid out). Coupon detachment is scheduled for 24 May and payment will be on 27 May.

*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.*

*Annexes: consolidated accounting statements of Sabaf S.p.A.. Figures not yet audited.*

For further information:

<b>Investor Relations</b> Gianluca Beschi Tel: +39 030 6843236 Email: <a href="mailto:gianluca.beschi@sabaf.it">gianluca.beschi@sabaf.it</a> <a href="http://www.sabaf.it">www.sabaf.it</a>	<b>Press Office</b> Power Emprise - tel: +39 02 39400100 Cosimo Pastore - +39 335 213305 Email: <a href="mailto:cosimopastore@poweremprise.com">cosimopastore@poweremprise.com</a> Sara Pavesi - +39 340 6486083 <a href="mailto:sarapavesi@poweremprise.com">sarapavesi@poweremprise.com</a>
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

*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: Taps, thermostats and burners for gas 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 South American market. Sabaf is also present through subsidiaries in the People's Republic of China, Mexico and the United States.*



**Consolidated statement of financial position**

	31.12.2009	31.12.2008
<i>(in thousands of Euros)</i>		
<b>ASSETS</b>		
NON-CURRENT ASSETS		
Property, plant and equipment	76,932	76,308
Investment property	8,734	8,505
Intangible assets	10,692	10,366
Equity investments	1,220	645
Non-current receivables	226	176
Deferred tax assets (prepaid taxes)	1,234	1,261
<b>Total non-current assets</b>	<b>99,038</b>	<b>97,261</b>
CURRENT ASSETS		
Inventories	21,447	27,893
Trade receivables	40,568	42,078
Tax receivables	2,485	2,530
Other current receivables	599	2,684
Cash and cash equivalents	9,154	11,229
<b>Total current assets</b>	<b>74,253</b>	<b>86,414</b>
<b>Non-current assets held for sale</b>	<b>0</b>	<b>758</b>
<b>TOTAL ASSETS</b>	<b>173,291</b>	<b>184,433</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
SHAREHOLDERS' EQUITY		
Share capital	11,533	11,533
Retained earnings, other reserves	86,017	76,318
Net profit for period	11,583	15,410
<i>Total equity attributable to the group parent company</i>	<i>109,133</i>	<i>103,261</i>
<i>Minority interest</i>	<i>0</i>	<i>0</i>
<b>Total shareholders' equity</b>	<b>109,133</b>	<b>103,261</b>
NON-CURRENT LIABILITIES		
Loans	22,270	22,589
Staff severance fund and retirement reserves	2,916	3,007
General provisions	779	1,046
Deferred income tax	240	2,892
<b>Total non-current liabilities</b>	<b>26,205</b>	<b>29,534</b>
CURRENT LIABILITIES		
Loans	6,041	18,120
Other financial liabilities	4	176
Trade payables	24,844	25,217
Tax payables	1,445	2,593
Other liabilities	5,619	5,532
<b>Total current liabilities</b>	<b>37,953</b>	<b>51,638</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>173,291</b>	<b>184,433</b>

## Consolidated Income Statement

	31.12.2009	31.12.2008
<i>(in thousands of Euros)</i>		
<b>CONTINUING OPERATIONS</b>		
<b>OPERATING REVENUE AND INCOME</b>		
Revenue	127,088	161,984
Other income	2,919	4,851
<b>Total operating revenue and income</b>	<b>130,007</b>	<b>166,835</b>
<b>OPERATING COSTS</b>		
Materials	(40,833)	(65,870)
Change in inventories	(6,852)	208
Services	(26,654)	(34,058)
Payroll costs	(26,438)	(30,094)
Other operating costs	(1,647)	(4,486)
Costs for capitalised in-house work	935	701
<b>Total operating cost</b>	<b>(101,489)</b>	<b>(133,599)</b>
<b>OPERATING PROFIT BEFORE DEPRECIATION &amp; AMORTISATION, CAPITAL GAINS/LOSSES, AND WRITE-DOWNS/WRITE-BACKS OF NON-CURRENT ASSETS (EBITDA)</b>		
	<b>28,518</b>	<b>33,236</b>
Depreciation and amortisation	(12,295)	(11,937)
Capital gains/(losses) on disposal of non-current assets	(5)	56
Write-downs/write-backs of non-current assets	0	(164)
<b>OPERATING PROFIT (EBIT)</b>		
	<b>16,218</b>	<b>21,191</b>
Finance income	207	188
Finance expenses	(1,544)	(2,275)
Foreign-exchange gains/losses	(333)	393
Profits and losses from equity investments	0	0
<b>PRE-TAX PROFIT</b>		
	<b>14,548</b>	<b>19,497</b>
Income tax	(2,965)	(4,087)
Minority interests	0	0
<b>NET PROFIT FOR THE YEAR</b>		
	<b>11,583</b>	<b>15,410</b>
<b>EARNINGS PER SHARE (EPS)</b>		
Base	€1.007	€1.336
Diluted	€1.007	€1.336

**Sabaf S.p.A. – Statement of financial position**

<i>(in euro)</i>	31.12.2009	31.12.2008
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	39,285,152	40,770,874
Investment property	3,007,184	3,207,428
Intangible assets	4,219,112	3,804,636
Equity investments	35,404,032	34,829,949
Non-current receivables	9,708	9,689
Deferred tax assets (prepaid taxes)	1,085,591	1,051,092
<b>Total non-current assets</b>	<b>83,010,779</b>	<b>83,673,668</b>
<b>CURRENT ASSETS</b>		
Inventories	19,349,865	25,586,394
Trade receivables	37,501,763	38,433,563
Tax receivables	1,681,619	1,727,175
- of which from related parties	1,270,195	1,223,376
Other current receivables	844,297	3,271,116
Cash and cash equivalents	5,550,507	8,144,479
<b>Total current assets</b>	<b>64,928,051</b>	<b>77,162,727</b>
<b>TOTAL ASSETS</b>	<b>147,938,830</b>	<b>160,836,395</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	11,533,450	11,533,450
Retained earnings, other reserves	79,146,219	73,332,970
Net profit for period	8,372,867	14,025,161
<b>Total shareholders' equity</b>	<b>99,052,536</b>	<b>98,891,581</b>
<b>NON-CURRENT LIABILITIES</b>		
Loans	11,463,084	9,954,692
Staff severance fund and retirement reserves	2,598,514	2,633,791
General provisions	560,380	783,246
Deferred income tax	6,573	2,367,399
<b>Total non-current liabilities</b>	<b>14,628,551</b>	<b>15,739,128</b>
<b>CURRENT LIABILITIES</b>		
Loans	5,345,594	16,190,025
- of which from related parties	1,700,000	0
Other financial liabilities	4,499	146,541
Trade payables	22,482,838	22,485,136
Tax payables	1,312,447	2,341,678
Other liabilities	5,112,365	5,042,306
<b>Total current liabilities</b>	<b>34,257,743</b>	<b>46,205,686</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>147,938,830</b>	<b>160,836,395</b>

**Sabaf S.p.A. – Income statement**

<i>(in euro)</i>	31.12.2009	31.12.2008
<b>CONTINUING OPERATIONS</b>		
<b>OPERATING REVENUE AND INCOME</b>		
Revenue	112,698,619	146,047,895
Other income	2,618,642	4,252,094
<b>Total operating revenue and income</b>	<b>115,317,261</b>	<b>150,299,989</b>
<b>OPERATING COSTS</b>		
Materials	(35,503,543)	(58,223,926)
Change in inventories	(6,236,529)	815,385
Services	(26,848,616)	(33,619,263)
- from related parties	(3,266,958)	(3,071,731)
Payroll costs	(23,833,944)	(27,535,616)
Other operating costs	(1,431,859)	(3,562,254)
Costs for capitalised in-house work	896,173	687,961
<b>Total operating cost</b>	<b>(92,958,318)</b>	<b>(121,437,713)</b>
<b>OPERATING PROFIT BEFORE DEPRECIATION AND AMORTI- CAPITAL GAINS/LOSSES, WRITE-DOWNS/ WRITE-BACKS OF NON-CURRENT ASSETS (EBITDA)</b>		
	<b>22,358,943</b>	<b>28,862,276</b>
Depreciation and amortisation	(10,404,666)	(9,789,651)
Capital gains/(losses) on disposal of non-current assets	5,226	59,523
<b>OPERATING PROFIT (EBIT)</b>		
	<b>11,959,503</b>	<b>19,132,148</b>
Finance income	16,993	70,299
Finance expenses	(1,105,543)	(1,305,474)
Foreign-exchange gains/losses	31,608	42,553
<b>PRE-TAX PROFIT</b>		
	<b>10,902,561</b>	<b>17,939,526</b>
Income tax	(2,529,694)	(3,914,365)
<b>NET PROFIT FOR THE YEAR</b>		
	<b>8,372,867</b>	<b>14,025,161</b>

