



London - 15 September 2010

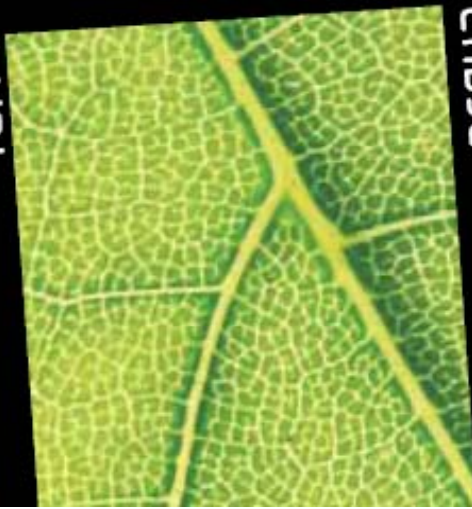
fuoco



aria



terra

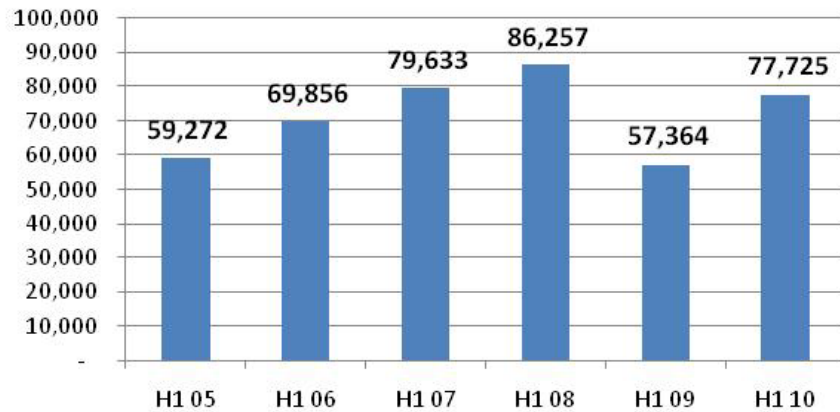


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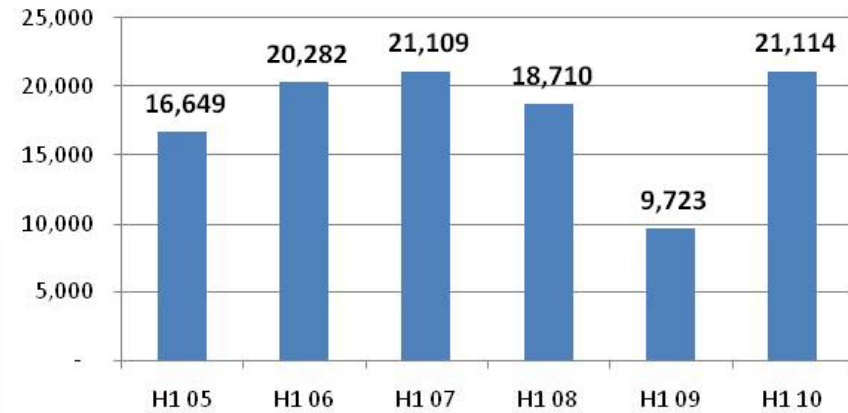


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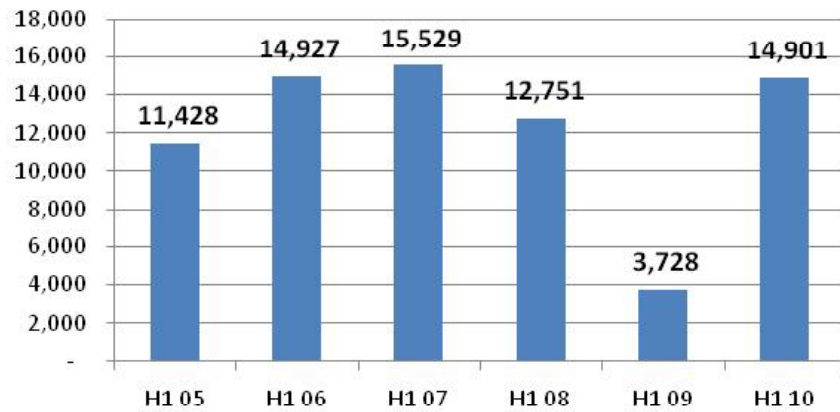
SALES



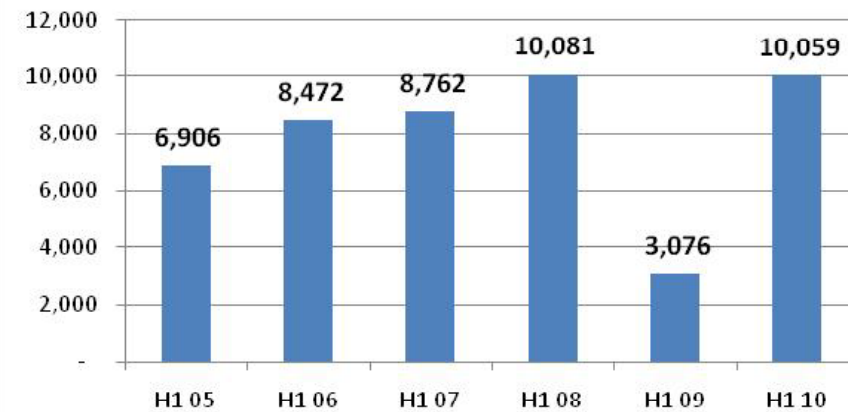
EBITDA



EBIT



NET INCOME



Quarterly income statement

€ x 000	Q2 10	Q1 10	Q4 09	Q3 09	Q2 09	Q1 09
SALES	42,176 100.0%	35,549 100.0%	37,676 100.0%	32,048 100.0%	31,335 100.0%	26,029 100.0%
Materials	(16,861) -40.0%	(14,867) -41.8%	(13,018) -34.6%	(11,047) -34.5%	(10,084) -32.2%	(6,684) -25.7%
Payroll	(8,200) -19.4%	(8,118) -22.8%	(7,434) -19.7%	(6,422) -20.0%	(6,814) -21.7%	(5,768) -22.2%
Change in stock	1,901 4.5%	4,080 11.5%	146 0.4%	1,036 3.2%	(2,282) -7.3%	(5,752) -22.1%
Other operating costs/income	(7,461) -17.7%	(7,085) -19.9%	(7,348) -19.5%	(6,842) -21.3%	(5,580) -17.8%	(4,677) -18.0%
EBITDA	11,555 27.4%	9,559 26.9%	10,022 26.6%	8,773 27.4%	6,575 21.0%	3,148 12.1%
Depreciation	(3,084) -7.3%	(2,958) -8.3%	(3,144) -8.3%	(3,155) -9.8%	(3,032) -9.7%	(2,964) -11.4%
Gains/losses on fixed assets	(191) -0.5%	20 0.1%	4 0.0%	(10) 0.0%	1 0.0%	0 0.0%
EBIT	8,280 19.6%	6,621 18.6%	6,882 18.3%	5,608 17.5%	3,544 11.3%	184 0.7%
Net financial expense	(355) -0.8%	(176) -0.5%	(423) -1.1%	(244) -0.8%	(293) -0.9%	(377) -1.4%
Foreign exchange gains/losses	233 0.6%	42 0.1%	12 0.0%	(131) -0.4%	(63) -0.2%	(151) -0.6%
	(499) -1.2%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	0 0.0%
EBT	7,659 18.2%	6,487 18.2%	6,471 17.2%	5,233 16.3%	3,188 10.2%	(344) -1.3%
Income taxes	(2,118) -5.0%	(1,969) -5.5%	(1,701) -4.5%	(1,527) -4.8%	232 0.7%	31 0.1%
Minorities	0	0	0	0	0	0
NET INCOME	5,541 13.1%	4,518 12.7%	4,770 12.7%	3,706 11.6%	3,420 10.9%	(313) -1.2%
EPS	0.482	0.393	0.415	0.322	0.297	(0.027)

Cash flow statement

€ x 1000	1H 10	1H 09
<i>Cash at the beginning of the period</i>	9,154	11,229
Net profit	10,059	3,107
Depreciation	6,042	5,996
Change in net working capital		
change in inventories	(5,150)	4,105
change in receivables	(5,984)	7,856
change in payables	6,873	(4,772)
	(4,261)	7,189
Other changes in operating items	3,630	(1,822)
Operating cash flow	15,470	14,470
Investments, net of disposals	(7,679)	(7,302)
Free cash flow	7,791	7,168
Cash flow from financial activity	(1,570)	(3,314)
Own shares	0	(261)
Dividends	(5,750)	(8,050)
Forex	775	645
Cash flow	1,246	(3,812)
<i>Cash at the end of the period</i>	10,400	7,417

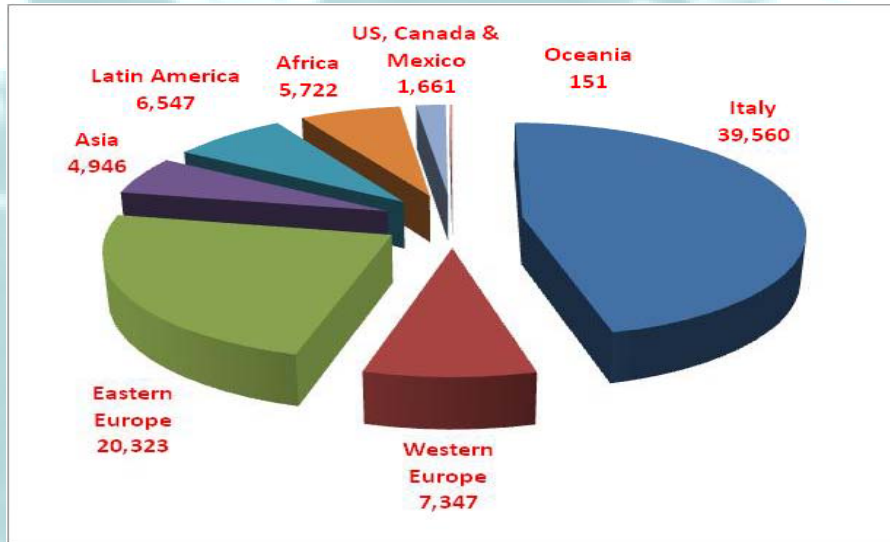
Balance sheet

€ x 1000	30-Jun-10	31-Dec-09	30-Jun-09
Fixed assets	101,150	99,038	99,724
Net working capital	34,073	33,191	33,700
Non current assets held for sale	-	-	378
Capital Employed	135,223	132,229	133,802
Equity	115,038	109,133	99,692
Deferred taxes	301	240	443
Reserves for risks and severance indemnity	3,427	3,695	3,634
Net debt	16,457	19,161	30,033
Sources of finance	135,223	132,229	133,802

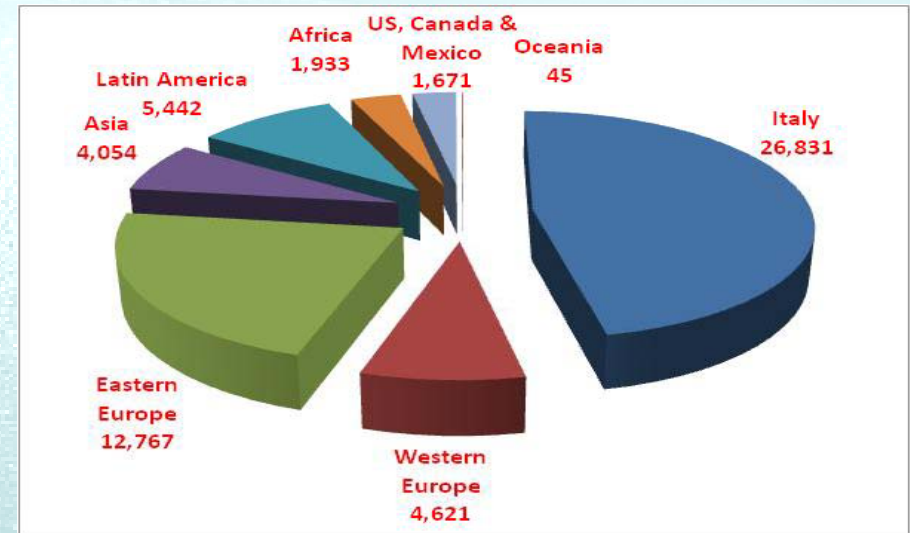
Net financial position

<i>(€'000)</i>	30 Jun 10	31 Dec 09	30 Jun 09
A. Cash	15	14	17
B. Positive bank current accounts	9,082	7,123	5,975
C. Other liquidities	1,303	2,017	1,425
D. Cash and cash equivalents (A+B+C)	10,400	9,154	7,417
E. Current bank overdrafts	1,500	177	6,411
F. Current portion of non-current debt	5,889	5,864	5,543
G. Other current payables	116	4	72
H. Current financial debt (E+F+G)	7,505	6,045	12,026
I. Current net financial debt (H-D)	(2,895)	(3,109)	4,609
J. Non-current bank payables	14,547	16,845	19,160
K. Other non-current financial debts	4,805	5,425	6,264
L. Non-current financial debt (J+K)	19,352	22,270	25,424
M. Net financial debt (L+I)	16,457	19,161	30,033

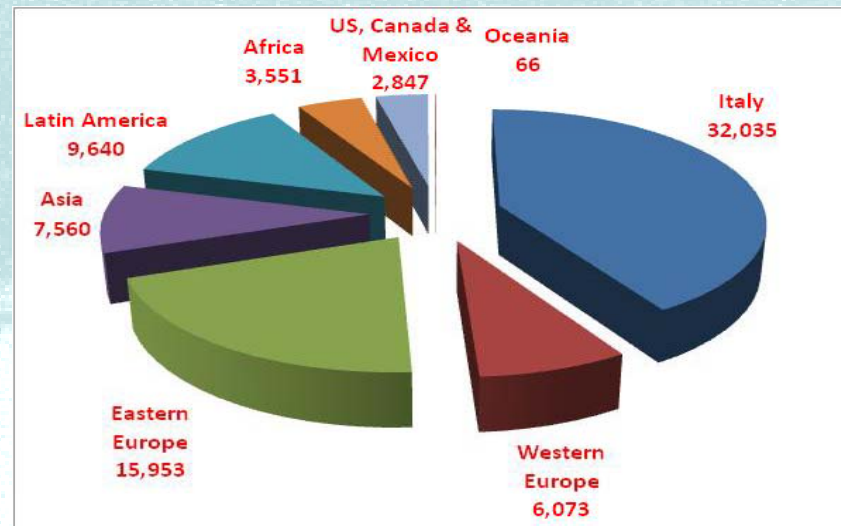
Sales by geographical area



1H 2008

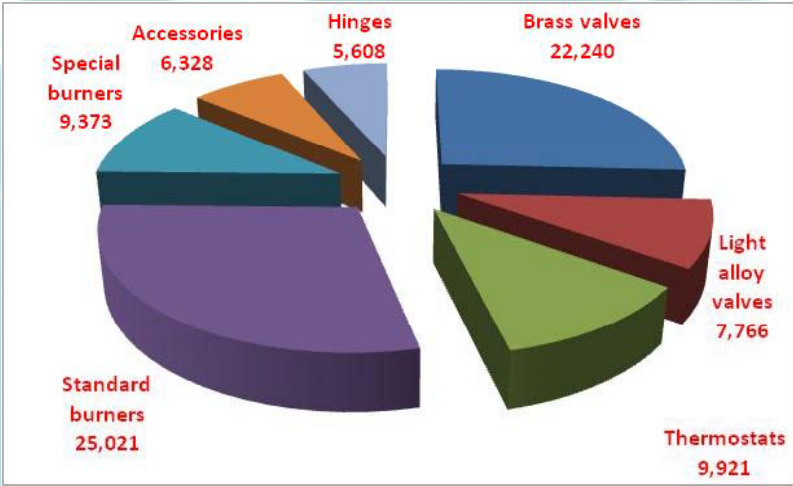


1H 2009

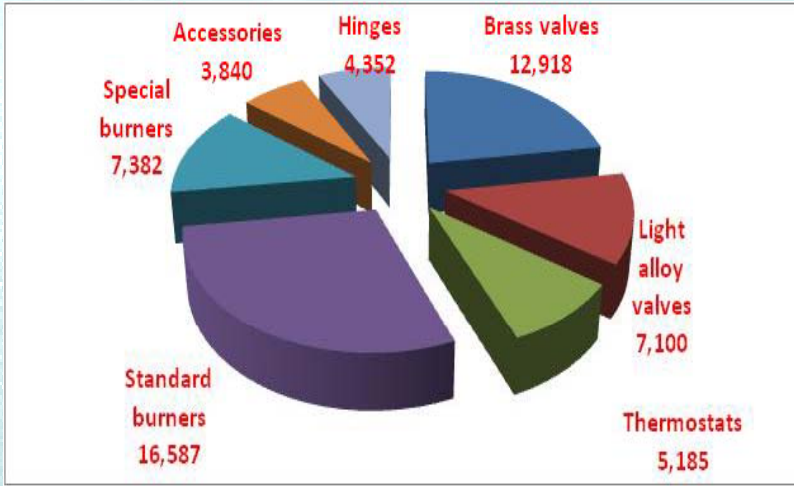


1H 2010

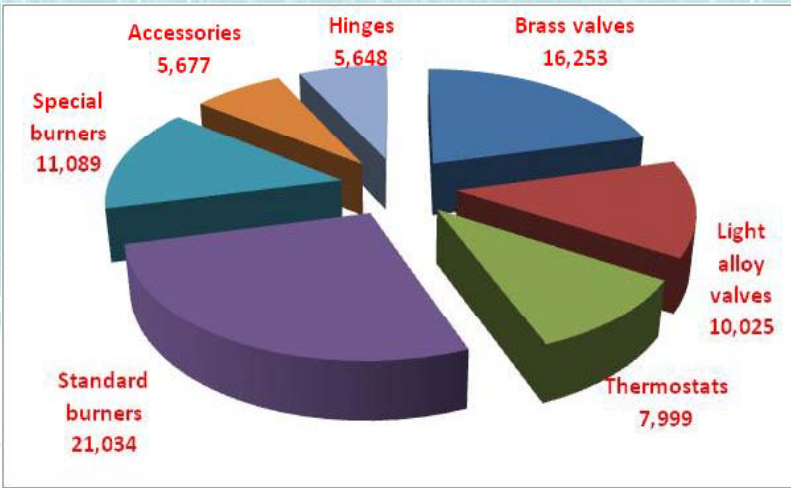
Sales by product line



1H 2008



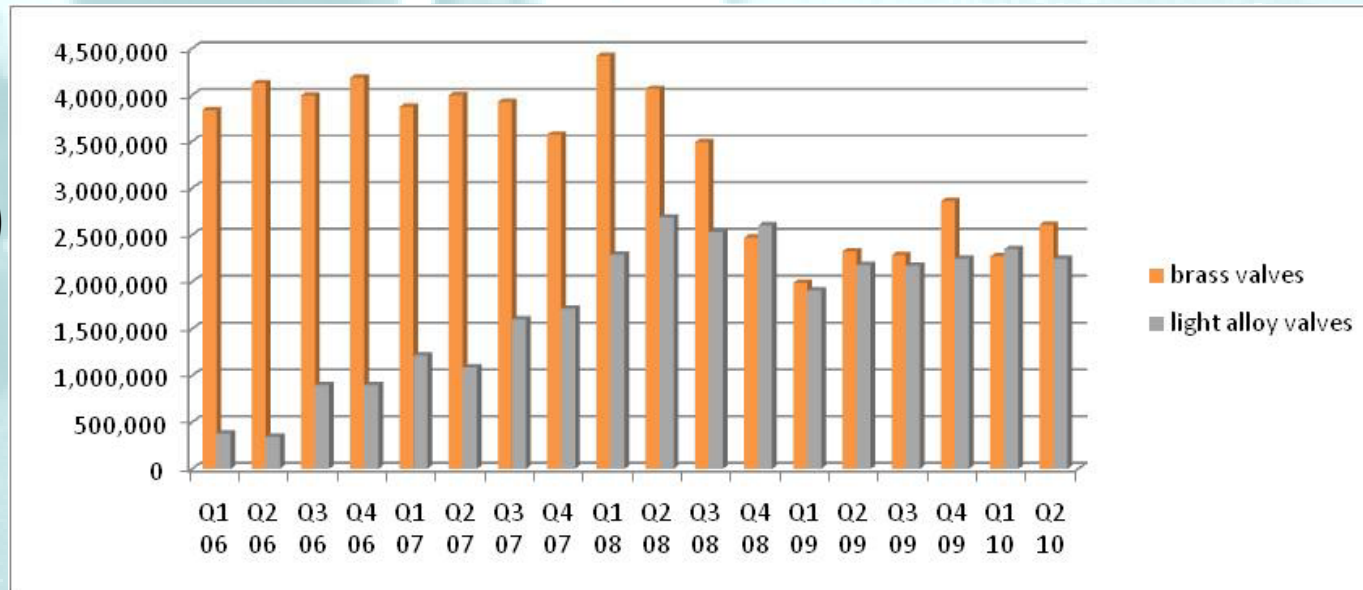
1H 2009



1H 2010

The introduction of light alloy valves

sales
(units)



Raw material incidence on an extruded aluminium gas valve for freestanding range is lower than 5%*



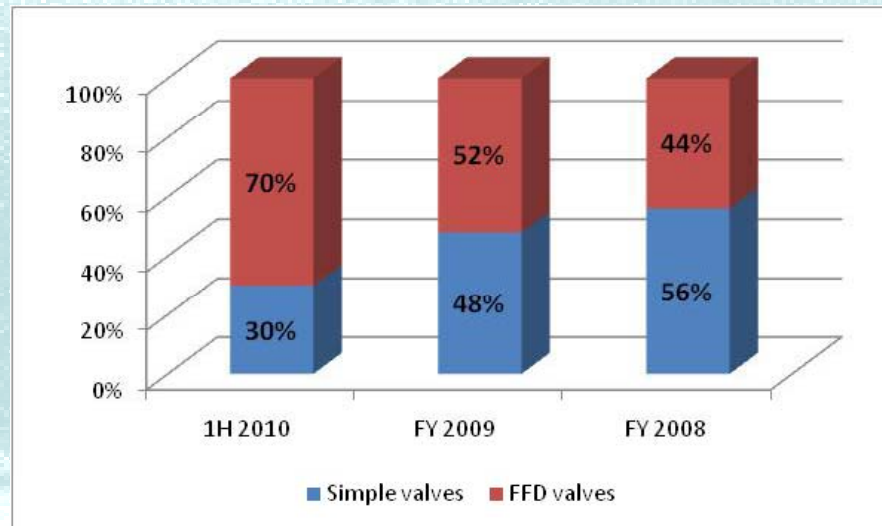
Raw material incidence on a forged brass gas valve for freestanding range is about 25%*

Compulsory safety in EU



- A flame supervision device "a device which, under the influence of the flame on the detector element, holds open a supply of gas to the burner, and which shuts off this supply of gas in the event of extinction of the supervised flame" is mandatory for all gas cooking appliances sold in Europe starting from 1st April 2010 (standard EN 30-1-1)
- Sabaf's production switch from simple to safety valves is accelerating

% based on units sold



- Positive effect on top line (est. +1.5% in 2010) and profitability

2010 full year forecasts

- Sales at €150 mn (+18%)
- EBITDA margin not lower than 26%

In 2H10 profitability will be partly affected by

- higher raw materials purchase costs
- lower sales than in 1H10 due to seasonality

New product range

➤ Serie II High Efficiency burners, AE & AEO



➤ DUAL wok High Efficiency burners
AE, AEO and TORCH



➤ Sabaf oven burner



➤ New aluminium valve



Series II AE (High Efficiency)



Series II AE burners are interchangeable with the world wide successful Serie II standard burners. Flame spreader with inclined ports and rounded cap shape have been developed to obtain an important increase in term of efficiency

Series II AEO (High Efficiency brass version)

Series II AEO burners are perfectly interchangeable with Series II AE burners and satisfy the latest Chinese Standard GB16410/2008



Series II AEO burner range also includes an ultra rapid single ring burner

Serie II AE & Serie II AEO – Power & Efficiency



	Auxiliary	Semi Rapid	Rapid	Ultra Rapid
Maximum Output (kW)	1.00 kW	1.75 kW	3.00 kW	3.60 kW
Minimum Output (kW)	0.22 kW	0.33 kW	0.60 kW	1.50 kW
Efficiency	68%*	69%	64%	60%

	EN-30 Standards Burners	Sabaf Series II Burners	Sabaf Serie s II AE, AEO
Efficiency	52 %	60%	69%
Time needed (seconds)	345	299	260
Total GAS CONSUMED (dm3 - ltr)	15.98	13.85	12.04
Saving	-	13%	25%

Comparing 3 semi rapid burners
Boiling 1 litres of tap water with
initial temperature of 25°C,
natural gas

Double Ring Dual High Efficiency burners



Sabaf new double ring dual are designed to be the most flexible, high efficiency and eco-friendly multiple flame ring burners in the market place.

They are available in three different versions:

AE (High Efficiency) – aluminium alloy flame spreader

AEO (High Efficiency brass version) – brass ring flame spreader

TORCH –brass flame spreader

Flexible – Platform concept

Using the same injector holder (applicable both on standard steel tops and ceramic glass ones) it is possible to fit **eight different flame spreaders**.

This platform concept allows the OEMs to reduce investments with a huge opportunity to diversify the aesthetics of the top of the appliances using different and interchangeable flame spreader versions.

Moreover the injector holder can have one or two inlets:

Single inlet – all rings of flame work simultaneously

Double inlets – inner and outer rings of flame work separately

Efficiency

Standard level of efficiency for triple or double ring of flame is about 52 – 53%

New Double Ring Dual burners have an **efficiency over 60%**

Eco-friendly

Increasing efficiency automatically reduces gas consumption resulting in lower pollution and carbon monoxide emissions.



Oven and grill burner

SABAF expands its range of products introducing a new and revolutionary oven and grill burner. Thanks to its technological design it allows outstanding performance and savings in assembly time.



The new oven and grill burner is set to revolutionize user habits with ignition and safety system activation time of only 1,5 seconds compared with the current 8 - 10 seconds

New extruded aluminium cooktop valve



TODAY



TODA



TOMORRO
W



New Sabaf aluminium cooktop valve is perfectly interchangeable with the brass cooktop valve that SABAF is currently supplying.

First Samples : September 2010
Serial Production : December 2010

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

Strategy 1 – 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 past 8 years
- > 10% of workforce employed in R&D and Equipment Departments

Strategy 2 - 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

Strategy 3 – Product innovation



- Sabaf is the sole provider of the full range of components for gas cooking appliances
- We have the most innovative and advanced product portfolio
- Strong focus on power efficiency, common to all new products
- Product innovation aims to increase the barriers towards competitors
 - Technology not available to others
 - Continuous cost reduction
 - New patents
- Research for a higher value product mix

Contact

For further information, please contact our Investor Relations Department

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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.

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 financial presentation corresponds to the company's records, books and accounting entries.