

Press release

Ospitaletto, 26 March 2012

SABAF: RESULTS AS OF 31 DECEMBER 2011 APPROVED

- Consolidated results 2011: revenue at €148.6 million (-1.5%); EBITDA €30.1 million (-21.9%); EBIT €16.6 million (-35.8%) and net profit €10.8 million (-36.1%)
- Sabaf S.p.A. results 2011: revenue €132.5 million (+0.3%); EBITDA €24.6 million (-25.1%); EBIT €12.9 million (-37.6%) and net profit €11.1 million (-16%)
- For 2012 sales and profitability expected to be in line with 2011
- Proposed dividend of €0.60 per share

The Board of Directors of **Sabaf S.p.A.**, meeting today in Ospitaletto (BS), has approved the consolidated results for 2011, and the draft financial statements of the parent company, as well as the report on company governance and on the ownership structure prepared pursuant to article 123-*bis* of the Consolidated Finance Act (TUF) and the 2011 report on remuneration prepared pursuant to article 123-*ter* of the TUF. The annual financial report to 31 December 2011, together with the abovementioned reports and the reports of the Independent Auditor's and the Board of Statutory Auditors, will be available from the company headquarters and Borsa Italiana S.p.A., and will also be published on the website www.sabaf.it pursuant to the laws in force.

Consolidated Group performance

The Sabaf Group recorded sales revenue of €148.6 million in 2011, down 1.5% on the figure of €150.9 million in 2010. After a satisfying start, the Group's core market progressively entered a new phase of weakness, with a consequent drop in sales.

Average sales prices in 2011 were slightly higher than those of 2010, but not enough to fully make up for the rises in commodity prices over the year. The higher incidence of commodities and energy costs, as well as insufficient use of production capacity due to lower than expected volumes, were the main factors affecting profitability: EBITDA represented 20.3% of sales (25.5% in 2010), EBIT was 11.1% of sales (17.1%) and net profit fell from 11.2% to 7.3% as a percentage of sales.

The financial statements to 31 December 2011 show consolidated shareholders' equity of €121.8 million and net financial debt of €14.8 million (€121.8 million and €12.5 million respectively at 31 December 2010).

In 2011, the Sabaf Group invested more than €14 million.

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

The Group parent company Sabaf S.p.A.'s sales revenue totalled €132.5 million in 2011 (up 0.3% from the €132.2 million reported in 2010), EBITDA was €24.6 million, down 25.1% from the €30.7 million reported in 2010, EBIT was €12.9 million, down 37.6% from the €20.7 million reported in the previous year, and net profit was €11.1 million, down 16% from €13.2 million in 2010.



Business outlook

The household appliance market in Europe continues to struggle at the start of 2012, while the outlook in other countries is encouraging. For FY 2012, the Group believes that it will be able to register sales and profitability levels in line with those of 2011. However, compared with 2011, Sabaf expects a weaker first half of the year and a gradual recovery in the second half, partly thanks to the contribution of new supply contracts that will gradually come into force over the year.

These targets assume a macroeconomic scenario not affected by unpredictable events. If the economic situation were to change significantly, actual figures might diverge from forecasts.

Shareholders' Meeting and proposed dividend

The Board of Directors will propose to the Shareholders' Meeting - which will be held at 10.00 am on 8 May (single call) at the company's registered office in Ospitaletto (BS) - a gross ordinary dividend of €0.60 per share for shares outstanding on the ex-date, excluding therefore treasury shares on that date (a dividend of €0.80 per share was paid in 2011). The ex-date is scheduled for 21 May and the payment date will be on 24 May.

The Meeting will also discuss the appointment of the Board of Directors and the Board of Statutory Auditors for the three years 2012-2015.

Pursuant to Article 154-bis, 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:

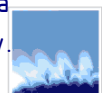
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Founded in the early 1950s, Sabaf has grown consistently over the years to become the key manufacturer in Italy - and one of the leading in the world - of components for kitchens and domestic gas cooking appliances.

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 through its 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 Mexico, the USA and China.



Consolidated statement of financial position

	31.12.2011	31.12.2010
<i>(in thousands of Euro)</i>		
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	80,769	79,070
Investment property	7,626	7,859
Intangible assets	9,082	10,409
Equity investments	810	964
Non-current receivables	168	140
Deferred tax assets (prepaid taxes)	3,855	2,190
Total non-current assets	102,310	100,632
CURRENT ASSETS		
Inventories	26,883	26,082
Trade receivables	42,774	43,755
Tax receivables	2,512	1,304
Other current receivables	595	776
Cash and cash equivalents	14,208	9,769
Total current assets	86,972	81,686
TOTAL ASSETS	189,282	182,318
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Share capital	11,533	11,533
Retained earnings, other reserves	99,515	93,446
Net profit for period	10,775	16,867
<i>Total equity attributable to the Group parent company</i>	<i>121,823</i>	<i>121,846</i>
<i>Minority interest</i>	<i>0</i>	<i>0</i>
Total shareholders' equity	121,823	121,846
NON-CURRENT LIABILITIES		
Loans	11,939	16,416
Post-employment benefit reserve (TFR) and retirement reserves	2,509	2,627
Provisions for risks and contingencies	731	767
Deferred tax	366	323
Total non-current liabilities	15,545	20,133
CURRENT LIABILITIES		
Loans	17,032	5,843
Other financial liabilities	33	55
Trade payables	27,808	24,185
Tax payables	803	3,485
Other liabilities	6,238	6,771
Total current liabilities	51,914	40,339
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	189,282	182,318

Consolidated income statement

	2011	2010
<i>(in thousands of Euro)</i>		
CONTINUING OPERATIONS		
OPERATING REVENUE AND INCOME		
Revenue	148,583	150,897
Other income	5,032	4,773
Total operating revenue and income	153,615	155,670
OPERATING COSTS		
Materials	(59,103)	(57,919)
Change in inventories	910	4,656
Services	(34,168)	(32,280)
Payroll costs	(30,740)	(30,920)
Other operating costs	(1,403)	(1,628)
Costs for capitalised in-house work	981	937
Total operating cost	(123,523)	(117,154)
OPERATING PROFIT BEFORE DEPRECIATION & AMORTISATION, CAPITAL GAINS/LOSSES, AND WRITE-DOWNS/WRITE-BACKS OF NON-CURRENT ASSETS		
	30,092	38,516
Depreciation and amortisation	(12,420)	(12,438)
Capital gains/(losses) on disposal of non-current assets	23	(34)
Write-downs/write-backs of non-current assets	(1,129)	(251)
OPERATING PROFIT		
	16,566	25,793
Financial income	162	132
Financial expenses	(1,308)	(1,239)
Foreign exchange gains/losses	390	(151)
Profits and losses from equity investments	(356)	(759)
PRE-TAX PROFIT		
	15,454	23,776
Income tax	(4,679)	(6,909)
Minority interests	0	0
NET PROFIT FOR THE YEAR		
	10,775	16,867

Sabaf S.p.A. - Balance sheet

<i>(in euro)</i>	31.12.2011	31.12.2010
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	38,060,804	39,876,790
Investment property	2,612,083	2,808,192
Intangible assets	3,897,787	4,141,235
Equity investments	35,027,421	35,998,577
Non-current receivables	6,800	9,708
Deferred tax assets (prepaid taxes)	3,151,331	1,386,306
Total non-current assets	82,756,226	84,220,808
CURRENT ASSETS		
Inventories	24,433,461	23,425,726
Trade receivables	39,561,007	40,173,836
Tax receivables	1,492,609	338,824
- of which from related parties	730,693	0
Other current receivables	389,795	876,742
Current financial assets	1,545,714	0
- of which from related parties	1,545,714	0
Cash and cash equivalents	9,180,481	5,026,100
Total current assets	76,603,067	69,841,228
TOTAL ASSETS	159,359,293	154,062,036
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Share capital	11,533,450	11,533,450
Retained earnings, other reserves	85,807,315	81,740,276
Net profit for period	11,122,020	13,245,691
Total shareholders' equity	108,462,785	106,519,417
NON-CURRENT LIABILITIES		
Loans	3,873,406	7,706,678
Post-employment benefit reserve (TFR) and retirement reserves	2,199,065	2,309,707
Provisions for risks and contingencies	466,987	520,087
Deferred tax	46,242	267
Total non-current liabilities	6,585,700	10,536,739
CURRENT LIABILITIES		
Loans	12,383,057	6,444,427
- of which from related parties	0	2,700,000
Other financial liabilities	32,727	55,410
Trade payables	24,928,499	21,029,676
Tax payables	687,612	3,149,800
- of which from related parties	0	2,052,024
Other liabilities	6,278,913	6,326,567
Total current liabilities	44,310,808	37,005,880
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	159,359,293	154,062,036

Sabaf S.p.A. – Income statement

	2011	2010
<i>(in euro)</i>		
CONTINUING OPERATIONS		
OPERATING REVENUE AND INCOME		
Revenue	132,513,660	132,176,431
Other income	4,417,258	3,845,485
Total operating revenue and income	136,930,918	136,021,916
OPERATING COSTS		
Materials	(52,278,310)	(49,907,820)
Change in inventories	1,007,735	4,075,861
Services	(33,778,172)	(31,618,058)
- from related parties		(3,606,424)
Payroll costs	(27,359,436)	(27,566,627)
Other operating costs	(934,290)	(1,175,478)
Costs for capitalised in-house work	975,919	909,116
Total operating cost	(112,366,554)	(105,283,006)
OPERATING PROFIT BEFORE DEPRECIATION AND AMORTISATION, CAPITAL GAINS/LOSSES, WRITE-DOWNS/WRITE-BACKS OF NON-CURRENT ASSETS		
	24,564,364	30,738,910
Depreciation and amortisation	(10,220,658)	(10,157,691)
Capital gains/(losses) on disposal of non-current assets	37,798	(11,326)
Write-downs/write-backs of non-current assets	(1,483,735)	93,739
OPERATING PROFIT	12,897,769	20,663,632
Financial income	57,101	14,589
Financial expenses	(920,446)	(978,660)
Foreign exchange gains/losses	616,364	93,491
Profits and losses from equity investments	2,717,531	207
- from related parties	2,717,531	0
PRE-TAX PROFIT	15,368,319	19,793,259
Income tax	(4,246,299)	(6,547,568)
NET PROFIT FOR THE YEAR	11,122,020	13,245,691