

Press release

Ospitaletto, 20 March 2013

SABAF: RESULTS AS OF 31 DECEMBER 2012 APPROVED

- Consolidated results 2012: revenue €130.7 million (-12%); EBITDA €21.8 million (-27.5%); EBIT €7.9 million (-52.2%) and net profit €4.2 million (-61.1%)
- Sabaf S.p.A. results 2012: revenue €116.2 million (-12.3%); EBITDA €15.8 million (-35.6%); EBIT €3.8 million (-70.8%) and net profit €2.2 million (-79.9%)
- For 2013, sales and profitability expected to be slightly up
- Proposed dividend of €0.35 per share

The Board of Directors of **Sabaf S.p.A.**, meeting today in Ospitaletto (BS), has approved the consolidated results for 2012 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 2012 report on remuneration prepared pursuant to article 123-*ter* of the TUF. The annual financial report to 31 December 2012, 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 reference market crisis in the primary countries where the Group operates, and particularly in Italy, has characterized all of FY 2012 and heavily impacted the Sabaf Group results. The gains on extra-European markets have only marginally offset the decline in the European market.

The Sabaf Group recorded sales revenue of €130.7 million in 2012, down 12% on the figure of €148.6 million in 2011.

The average 2012 sales price declined 1% compared to 2011 following the competitive pressure in a saturated market.

The average sales price of raw materials did not undergo any significant changes while the cost increases for several productive factors, especially energy sources, had a negative impact.

The insufficient business level, which led to a low saturation of plants and a higher rate of industrial fixed and structure costs, further penalized profitability.

The 2012 results are also impacted by commercial credit losses and provisions totalling €1.6 million and the impairment of goodwill allocated to CGU Cerniere by more than €1 million.

In 2012, EBITDA came in at €21.8 million and represented 16.7% of sales (€30.1 million in 2011, 20.3% of sales). EBIT was €7.9 million, or 6.1% of sales (vs. €16.6 million in 2011, 11.1%), and net profit was €4.2 million, equivalent to 3.2% of sales (€10.8 million in 2011, 7.3% of sales).

In 2012, the Sabaf Group invested more than €14 million, including more than 6 million to complete the new production facilities in Manisa (Turkey) where facilities and machinery to produce burners were installed.

As at 31 December 2012, net financial debt was €23.8 million versus €14.8 million as at 31 December 2011, while shareholders' equity amounted to €115.6 million versus €121.8 million at the end of 2011.





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

The Group parent company Sabaf S.p.A.'s sales revenue totalled €116.2 million in 2011 (-12.3% from the €132.5 million reported in 2011), EBITDA was €15.8 million, down 35.6% from the €24.6 million reported in 2011, EBIT was €3.8 million, down 70.8% from the €12.9 million reported in the previous year, and net profit was €2.2 million, down 79.9% from €11.1 million in 2011.

Business outlook

The household appliance market in Europe continues to struggle at the start of 2013, while the outlook in other countries is encouraging. For FY 2013, the Group believes that it will be able to register slightly improved levels of sales and profitability compared with 2012, thanks to the greater contribution expected from markets outside Europe.

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 10.30 am on 30 April (single call) at the company's registered office in Ospitaletto (BS) - a gross ordinary dividend of €0.35 per share for shares outstanding on the ex-date, excluding therefore treasury shares on that date (a dividend of €0.60 per share was paid in 2011). The ex-date is scheduled for 20 May and the payment date will be on 23 May.

Amendments to the company by-laws

The Board of Directors also approved several amendments to the company by-laws to adapt it to new legislation with regard to the exercising of some shareholders' rights at shareholders' meetings of listed companies and to the balance between genders in the composition of the Board of Directors and Board of Statutory Auditors.

Pursuant to Article 154-bis, paragraph 2 of the Italian Consolidated Finance Act (Testo Unico della Finanza), the company's Financial Reporting Officer Gianluca Beschi declares that the financial disclosure contained in this press release corresponds to the company's records, books and accounting entries.

Annexes: consolidated and Sabaf S.p.A. financial statements. Figures currently being 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 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 and Sabaf Turkey - active in production of burners for the South American and Turkish markets. Sabaf is also present through subsidiaries in Mexico, the USA and China.



Consolidated statement of financial position

31/12/2012 31/12/2011

(in thousands of euro)

ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	81,438	80,769
Investment property	7,393	7,626
Intangible assets	7,915	9,082
Equity investments	951	810
Non-current receivables	90	168
Deferred tax assets (prepaid taxes)	3,941	3,855
Total non-current assets	101,728	102,310
CURRENT ASSETS		
Inventories	24,036	26,883
Trade receivables	37,968	42,774
Tax receivables	3,627	2,512
Other current receivables	822	595
Cash and cash equivalents	6,137	14,208
Total current assets	72,590	86,972
TOTAL ASSETS	174,318	189,282
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Share capital	11,533	11,533
Retained earnings, other reserves	99,897	99,515
Net profit for period	4,196	10,775
<i>Total equity attributable to the Group parent company</i>	<i>115,626</i>	<i>121,823</i>
<i>Minority interest</i>	<i>0</i>	<i>0</i>
Total shareholders' equity	115,626	121,823
NON-CURRENT LIABILITIES		
Loans	5,259	11,939
Post-employment benefit reserve (TFR) and retirement reserves	2,374	2,509
Provisions for risks and contingencies	632	731
Deferred tax	386	366
Total non-current liabilities	8,651	15,545
CURRENT LIABILITIES		
Loans	24,641	17,032
Other financial liabilities	33	33
Trade payables	18,544	27,808
Tax payables	806	803
Other liabilities	6,017	6,238
Total current liabilities	50,041	51,914
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	174,318	189,282

Consolidated income statement

	2012	2011
<i>(in thousands of euro)</i>		
CONTINUING OPERATIONS		
OPERATING REVENUE AND INCOME		
Revenue	130,733	148,583
Other income	3,661	5,032
Total operating revenue and income	134,394	153,615
OPERATING COSTS		
Materials	(47,748)	(59,103)
Change in inventories	(3,174)	910
Services	(30,989)	(34,168)
Payroll costs	(29,302)	(30,740)
Other operating costs	(2,424)	(1,403)
Costs for capitalised in-house work	1,056	981
Total operating cost	(112,581)	(123,523)
OPERATING PROFIT BEFORE DEPRECIATION & AMORTISATION, CAPITAL GAINS/LOSSES, AND WRITE-DOWNS/WRITE-BACKS OF NON-CURRENT ASSETS		
	21,813	30,092
Depreciation and amortisation	(12,919)	(12,420)
Capital gains/(losses) on disposal of non-current assets	54	23
Write-downs/write-backs of non-current assets	(1,028)	(1,129)
OPERATING PROFIT	7,920	16,566
Financial income	219	162
Financial expenses	(1,162)	(1,308)
Foreign exchange gains/losses	(293)	390
Profits and losses from equity investments	(465)	(356)
PRE-TAX PROFIT	6,219	15,454
Income tax	(2,023)	(4,679)
Minority interests	0	0
NET PROFIT FOR THE YEAR	4,196	10,775
EARNINGS PER SHARE (EPS)		
Base	€0.367	€0.937
Diluted	€0.367	€0.937

Sabaf S.p.A. - Balance sheet

<i>(in euro)</i>	31/12/2012	31/12/2011
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	34,574,889	38,060,804
Investment property	2,416,055	2,612,083
Intangible assets	3,921,690	3,897,787
Equity investments	42,129,019	35,027,421
Non-current assets	1,515,841	0
- of which from related parties	1,515,841	0
Non-current receivables	6,800	6,800
Deferred tax assets (prepaid taxes)	3,318,814	3,151,331
Total non-current assets	87,883,108	82,756,226
CURRENT ASSETS		
Inventories	20,779,835	24,433,461
Trade receivables	35,363,276	39,561,007
- of which from related parties	876,361	242,760
Tax receivables	1,895,451	1,492,609
- of which from related parties	1,568,002	730,693
Other current receivables	1,954,904	389,795
- of which from related parties	1,490,988	0
Current financial assets	0	1,545,714
- of which from related parties	0	1,545,714
Cash and cash equivalents	1,601,050	9,180,481
Total current assets	61,594,516	76,603,067
TOTAL ASSETS	149,477,624	159,359,293
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Share capital	11,533,450	11,533,450
Retained earnings, other reserves	88,024,906	85,807,315
Net profit for period	2,236,106	11,122,020
Total shareholders' equity	101,794,462	108,462,785
NON-CURRENT LIABILITIES		
Loans	317,003	3,873,406
Post-employment benefit reserve (TFR) and retirement reserves	2,092,013	2,199,065
Provisions for risks and contingencies	398,930	466,987
Deferred tax	27,016	46,242
Total non-current liabilities	2,834,962	6,585,700
CURRENT LIABILITIES		
Loans	21,524,555	12,383,057
Other financial liabilities	32,522	32,727
Trade payables	17,079,138	24,928,499
Tax payables	668,603	687,612
Other liabilities	5,543,382	6,278,913
Total current liabilities	44,848,200	44,310,808
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	149,477,624	159,359,293

Sabaf S.p.A. – Income statement

	2012	2011
<i>(in euro)</i>		
CONTINUING OPERATIONS		
OPERATING REVENUE AND INCOME		
Revenue	116,202,488	132,513,660
Other income	3,239,249	4,417,258
Total operating revenue and income	119,441,737	136,930,918
OPERATING COSTS		
Materials	(42,329,552)	(52,278,310)
Change in inventories	(3,653,626)	1,007,735
Services	(30,753,060)	(33,778,172)
- of which from related parties	(4,043,254)	(3,489,242)
Payroll costs	(25,934,244)	(27,359,436)
Other operating costs	(1,997,587)	(934,290)
Costs for capitalised in-house work	1,056,473	975,919
Total operating cost	(103,611,596)	(112,366,554)
OPERATING PROFIT BEFORE DEPRECIATION AND AMORTISATION, CAPITAL GAINS/LOSSES, WRITE-DOWNS/WRITE-BACKS ON CURRENT ASSETS		
	15,830,141	24,564,364
Depreciation and amortisation	(10,389,323)	(10,220,658)
Capital gains/(losses) on disposal of non-current assets	374,882	37,798
Write-downs/write-backs of non-current assets	(2,050,638)	(1,483,735)
- of which from related parties	(2,050,638)	(1,483,735)
OPERATING PROFIT		
	3,765,062	12,897,769
Financial income	40,918	57,101
Financial expenses	(828,160)	(920,446)
Foreign exchange gains/losses	(61,348)	616,364
Profits and losses from equity investments	792,079	2,717,531
- of which from related parties	792,079	2,717,531
PRE-TAX PROFIT		
	3,708,551	15,368,319
Income tax	(1,472,445)	(4,246,299)
NET PROFIT FOR THE YEAR		
	2,236,106	11,122,020