



FINANCIAL PRESENTATION

June 2014

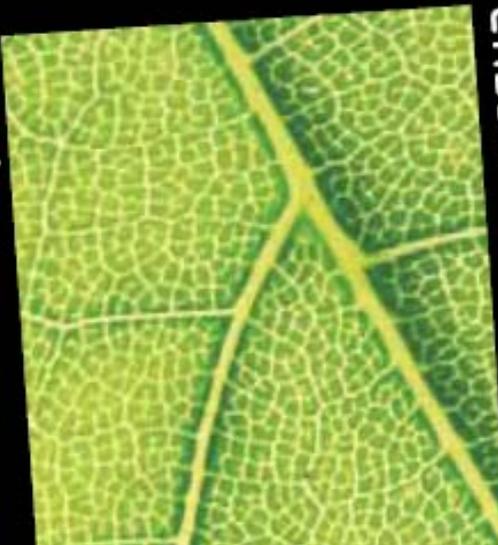
fuoco



aria



terra



acqua



Product range



Single ring burners



Special and multi rings burners



Gas valves



Micro switches
& accessories



Oven hinges



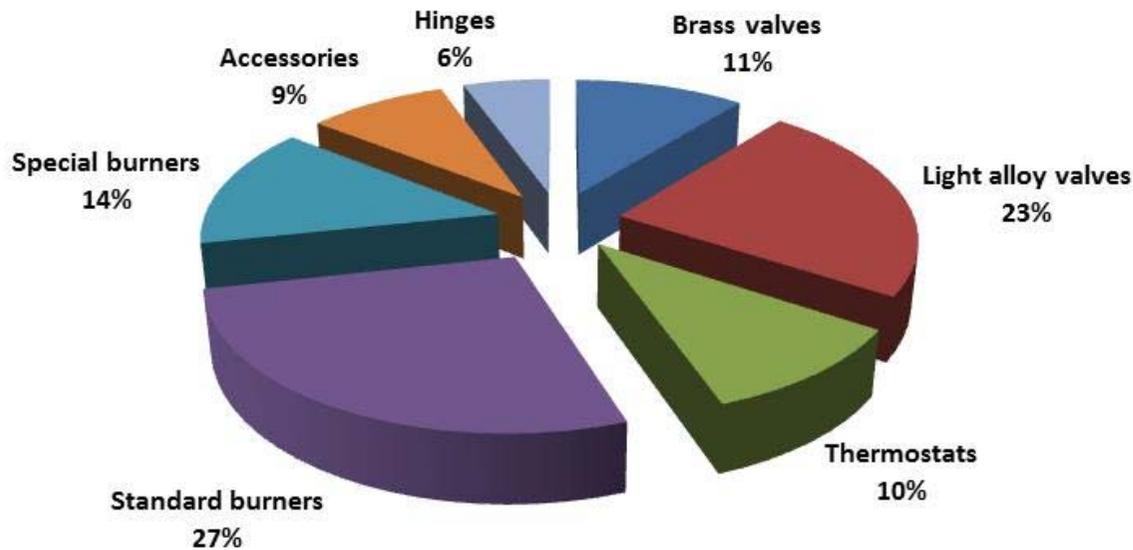
Thermostats



Oven burner



Sales by product line

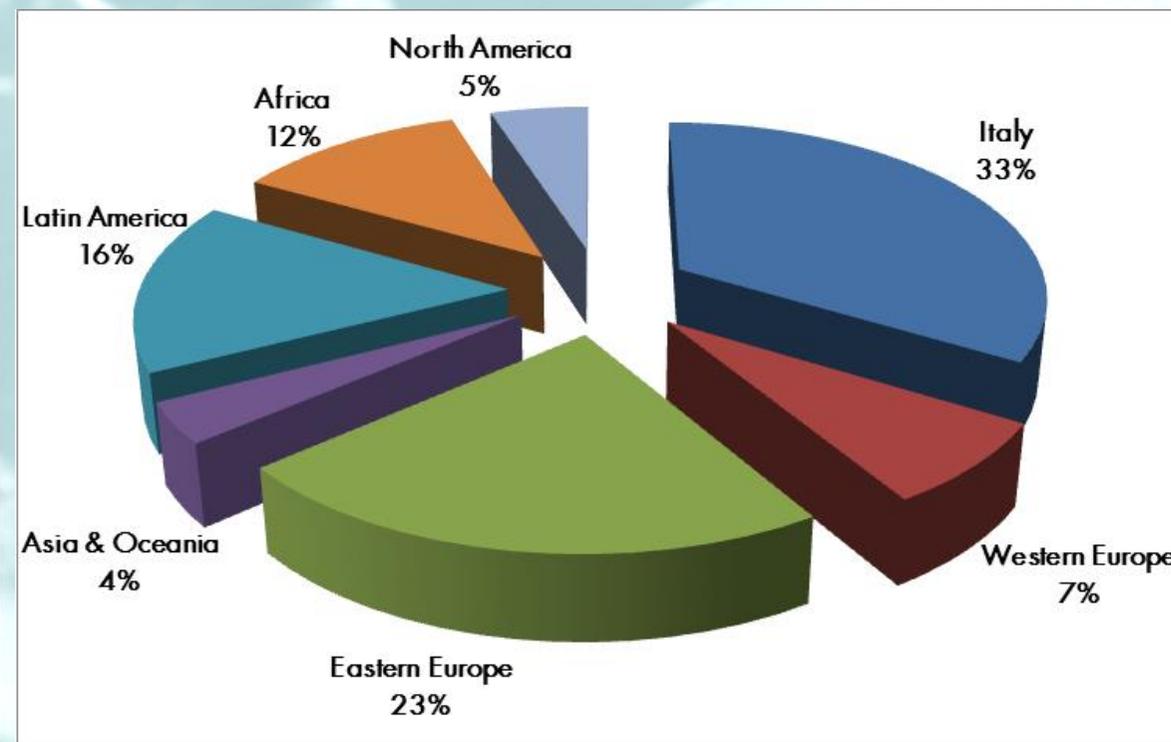


	Q1 2014	Q1 2013	Change
Brass valves	3,600	3,091	+16.5%
Light alloy valves	7,714	7,132	+8.2%
Thermostats	3,461	3,036	+14.0%
Standard burners	8,961	9,138	-1.9%
Special burners	4,598	4,566	+0.7%
Accessories	2,954	2,763	+6.9%
Hinges	1,836	1,647	+11.5%
Total	33,124	31,373	+5.6%

Becoming more international

- Sabaf enjoys a strong leadership position in Italy and Europe (market share above 40%)
- Demographic and macroeconomic trends do not leave space for substantial growth in Europe
- Sabaf market share worldwide is still low (around 10%)
- Efforts are mainly addressed at increasing our international presence, with special focus on:
 - Turkey
 - China
 - Brazil
 - India

Sales by market



	Q1 2014	Q1 2013	Change
Italy	11,139	11,403	-2.3%
Western Europe	2,508	1,684	+48.9%
Eastern Europe	7,496	8,008	-6.4%
Asia & Oceania	1,224	2,484	-50.7%
Latin America	5,179	5,673	-8.7%
Africa	3,922	1,085	+261.5%
North America	1,656	1,036	+59.8%
Total	33,124	31,373	+5.6%

DCC burners range



- A range of 24 different products
 - ✓ 1 way / 2 ways
 - ✓ air from top / air from bottom
 - ✓ 3 different sizes
 - ✓ aluminium / brass ring / full brass
- A portfolio of products compliant with all standards in every country in the world
- The highest efficiency available on the market

DCC burners range



DCC HE 1way AFT



DCC HE Dual 2ways AFT



DCC HE Dual 2ways AFB

Ø 113 mm.

Ø 123 mm.

Ø 135 mm.



Small 3.5 kW.

Medium 4.0 kW.

Big 5.0 kW.



Ø 123 mm.

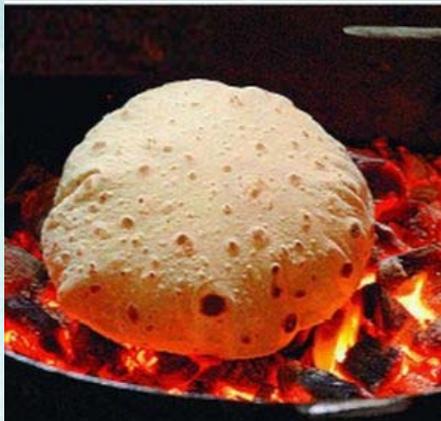
Ø 135 mm.



Lotus/S4 burners range

A product specifically developed for India and other South Asian countries, to cope with local cooking habits

- The typical bread Chapati (Roti) - made of whole wheat - is one of the most common and necessary foods cooked every day in more than 200 million house holds Chapati is traditionally cooked on a direct flame . The ideal burner for this kind of cooking is a multiple ring of flame burner able to distribute the heat evenly specially at the centre of the burner.
- Spillage in cooking is something very common, burner should be particularly resistant to over spilling liquids and sauces.
- The curries that are cooked are usually of a very consistent and sometimes semi solid in appearance, flame should be particularly stable and strong.



Lotus/S4 burners range

Consumers in SAARC countries ask for

- Products customized to their cooking habits
- Flame aspect and correct heat distribution are important features
- Easy assembly and traditional “looks like”
- High efficiency and low gas consumption.
- Poka-Yoke (mistake proofing) characteristics
- Resistance to dirt and to usage



Lotus/S4 burners range

SABAF S4 burners

- satisfy end users cooking needs: European style product with Indian cooking requirements
- grant 70% efficiency on built-in hobs ,not been done on any other built-in hob till now.
- CO-CO2 emissions are half of what is currently on any other local brass burner
- Output ranges 1.7 KW-2,5 KW
- Sizes - Ø85 mm small - Ø100 mm medium
- Are available both for built-in hobs and cooktops



Sabaf in Turkey

A new factory was recently built from greenfield in Manisa (near Izmir)

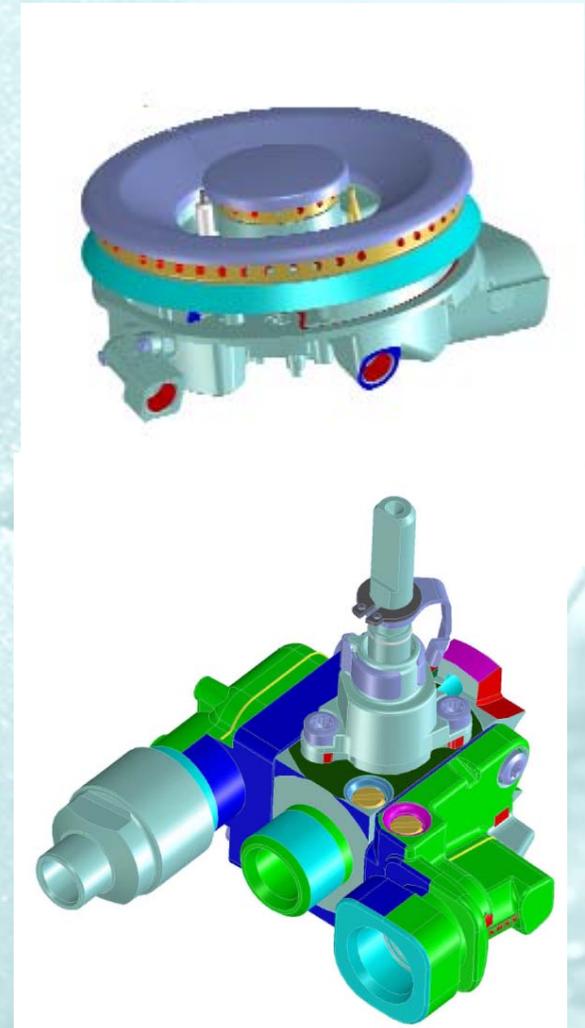
- € 8 mn investment, 10,000 sqm
- Production started in Q4 2012
- Manufacturing of burners for local market, Middle East and North Africa, up to now supplied from Italy
- € 5m sales from the new factory in 2013 (50 people employed), already earning money
- Further expansion of production capacity is ongoing, constant growth has been planned for the following years



Sabaf in China

- Total production: 26 mn hobs
 - Domestic market 19mn
 - Export markets 7 mn
- Expected product mix trend: higher value, moderate volume growth
- 92% of hobs consist of 2 burners and 2 valves
- Sabaf is targeting 10% premium market.

- As for burners, after introducing the new DCC special burner, we have launched a project to start a fully owned factory by the beginning of 2015. Expected capex of € 4mn in case we make in-house all main production phases
- As for valves, we are evaluating a joint venture with a component manufacturer. No decision has been made up to now



Income statement

€ x 000	<u>Q1 14</u>		<u>Q1 13</u>			<u>FY 13</u>	
SALES	33,124	100.0%	31,373	100.0%	+5.6%	130,967	100.0%
Materials	(14,346)	-43.3%	(13,684)	-43.6%		(52,415)	-40.0%
Payroll	(8,017)	-24.2%	(7,898)	-25.2%		(31,339)	-23.9%
Change in stock	1,626	4.9%	2,896	9.2%		4,784	3.7%
Other operating costs/income	(6,380)	-19.3%	(6,987)	-22.3%		(27,425)	-20.9%
EBITDA	6,007	18.1%	5,700	18.2%	+5.4%	24,572	18.8%
Depreciation	(3,124)	-9.4%	(3,229)	-10.3%		(12,856)	-9.8%
Gains/losses on fixed assets	20	0.1%	0	0.0%		71	0.1%
Impairment of fixed assets	0	0.0%	0	0.0%		(655)	-0.5%
EBIT	2,903	8.8%	2,471	7.9%	+17.5%	11,132	8.5%
Net financial expense	(120)	-0.4%	(159)	-0.5%		(637)	-0.5%
Foreign exchange gains/losses	(19)	-0.1%	84	0.3%		(186)	-0.1%
Equity investments profits/losses	(115)	-0.3%	(138)	-0.4%		(498)	-0.4%
EBT	2,649	8.0%	2,258	7.2%	+17.3%	9,811	7.5%
Income taxes	(1,129)	-3.4%	(952)	-3.0%		(1,707)	-1.3%
Minorities	0		0			0	
NET INCOME	1,520	4.6%	1,306	4.2%	+16.4%	8,104	6.2%

Cash flow statement

	€ x 1000	31-Mar-14	31-Dec-13	31-Mar-13
A.	Cash	10	15	10
B.	Positive balances of unrestricted bank accounts	2,633	4,519	3,005
C.	Other liquidities	370	577	3,028
D.	Cash and cash equivalents (A+B+C)	3,013	5,111	6,043
E.	Current bank overdrafts	14,275	15,503	21,867
F.	Current portion of non-current debt	1,047	1,363	3,360
G.	Other current financial payables	-	1,076	38
H.	Current financial debt (E+F+G)	15,322	17,942	25,265
I.	Current net financial debt (H-D)	12,309	12,831	19,222
J.	Non-current bank payables	1,859	1,859	2,771
K.	Other non-current financial payables	2,002	2,036	2,138
L.	Non-current financial debt (J+K)	3,861	3,895	4,909
M.	Net financial debt (L+I)	16,170	16,726	24,131

Balance sheet

€ x 1000	31-Mar-14	31-Dec-13	31-Mar-13
Fixed assets	96,545	97,467	100,673
Net working capital	43,483	41,241	44,016
Short term financial assets	-	22	-
Capital Employed	140,028	138,730	144,689
Equity	119,798	117,955	116,513
Provisions for risks and severance indemnity, deferred taxes	4,060	4,049	4,045
Net debt	16,170	16,726	24,131
Sources of finance	140,028	138,730	144,689

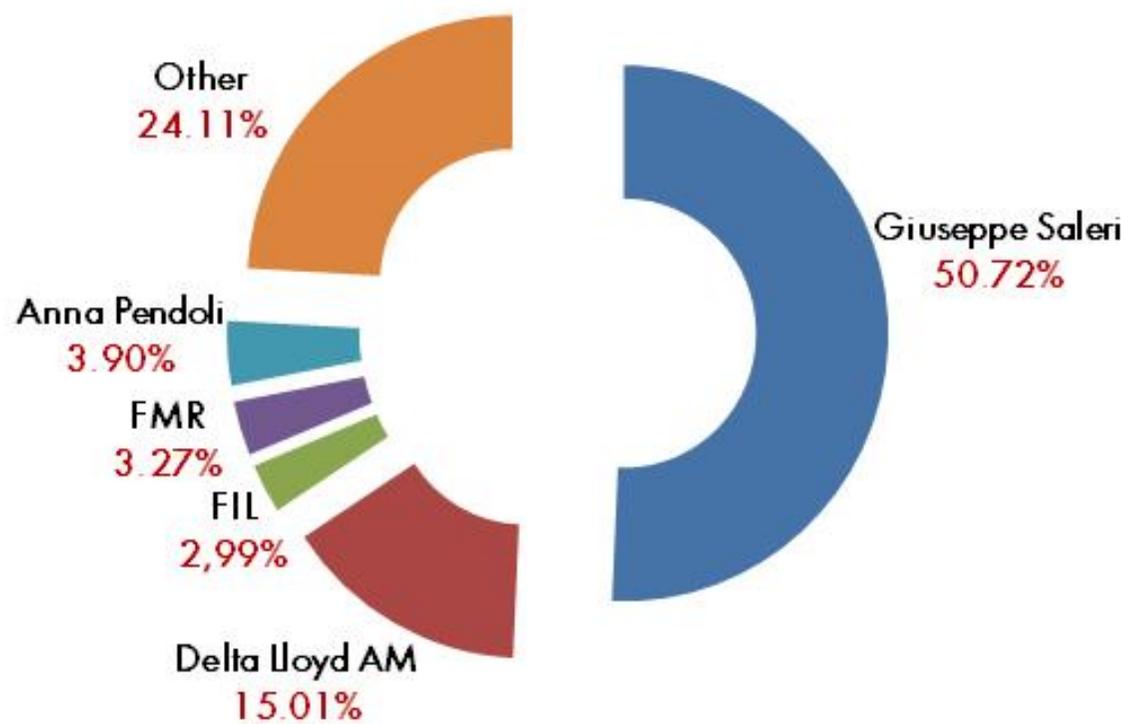
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Forecasts

- For FY 2014, the Group confirms its forecasts of moderate growth in sales and profitability compared with 2013.
- 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



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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 Gianluca Beschi declares that the financial disclosure contained in this financial presentation corresponds to the company's records, books and accounting entries.