

Press release

Ospitaletto, May 4th 2004

Shareholders approve 2003 accounts

SABAF dividend = € 0.40 per share2004 starts well: revenue growth of 14% YoY in first quarter

Shareholders of Sabaf SpA met today at the company's headquarters in Ospitaletto to approve 2003 year-end accounts.

In 2003's challenging economic environment the Sabaf Group ended the year with sales revenues of € 110 million (mn), with a 6.6% increase over 2002. Despite growth lower than expected, the Group substantially maintained the same margins. EBITDA in fact amounted to € 31.9 mn (29% on sales) vs. € 29.6 mn in 2002 (+8.1% YoY) whilst EBITA (i.e. EBIT before goodwill amortisation) was € 20.3 mn (18.4% on sales), vs. € 19.0 mn in 2002 (+7% YoY). Pre-tax profit was € 17.8 mn (16.2% on sales), against € 16.7 mn in 2002 (+6.9% YoY). Due to the heavy increase in effective tax rate (from 38.4% to 42.5%), consolidated net profit instead totalled € 10.2 mn (9.3% on sales), as compared with € 10.4 mn in 2002 (-1.7% YoY).

As at December 31st 2003 the group's net equity amounted to € 69.5 mn (€ 63.4 mn as at December 31st 2002, whilst net debt decreased to € 20.1 mn (vs. € 25.9 mn at 2002 year-end).

As regards the parent company Sabaf SpA, sales revenues totalled € 99.5 mn (vs. € 94.2 mn in 2002), EBITDA was € 27.1 mn (vs. € 25.3 mn in 2002), and EBIT was € 17.4 mn (vs. € 16.6 mn in 2002). Pre-tax profit amounted to € 17.2 mn (vs. € 15.9 mn in 2002), whilst net profit was € 10.2 mn (unchanged vs. 2002).

After approving FY2003 accounts, shareholders passed a resolution approving distribution of a gross dividend of € 0.40 per share (€ 0.37 for FY2002), corresponding to payout of 44% of consolidated net profit.

Coupons will be detached on May 17th and dividends paid out as from May 20th 2004.

The shareholders' meeting also authorised the Board of Directors to buy and dispose of up to a maximum of 1,000,000 Sabaf shares - equivalent to 8.823% of share capital - in order to maintain an adequate level of market liquidity and, if necessary, to stabilise the stock's market trend.





During the meeting, the Chief Executive Officer, Angelo Bettinzoli, informed shareholders on sales progress during the early months of 2004. The first quarter ended with sales growth of some 14% over the same period in 2003 – perfectly in line with the expectations of management, which projects double-digit full-year sales growth. The increase was mainly driven by good performance in the Italian market and, in particular, by manufacturers of cooking equipment strongly oriented to exports to non-European markets. Although visibility continues to be limited, the instability characterising 2003 seems to have been attenuated and demand continues to be positively toned – so much so that in April the YoY growth trend showed further improvement.

The Board of Directors has been summoned to meet on May 14th at 10.00 a.m. CET to approve the quarterly report for the quarter ending on March 31st 2004. Management will present first-quarter results to financial analysts during a conference call that will also take place on May 14th, at 2.30 p.m. CET. Those wishing to participate in the conference call can call the number +39 02 809 02 011. The conference call will be held in Italian language.

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Founded in the early 1950s, SABAF has grown constantly to become today the main producer in Italy – and one of the leading world producers – of components for kitchens and domestic gas cooking appliances. Its product offering features three main lines: valves, thermostats, and burners, essential components for gas cooking appliances. Sabaf's strong technological know-how, manufacturing flexibility, and its ability to offer a vast range of components – also tailor-made to meet the requirements of individual manufacturers of cookers and of built-in hobs and ovens – that are also aligned 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 500 employees. It operates via the parent company SABAF SpA and the subsidiaries Faringos- Hinges – leader in the production of oven and washing-machine hinges – and Sabaf do Brasil – active in production of burners for the Latin American market. Sabaf is also present in the People's Republic of China via a contact office located in Shanghai. Sabaf has been listed on the Borsa Italiana market since March 24th 1998 and entered the high-quality/small-medium cap segment (STAR – Segmento Titoli con Alti Requisiti) in April 2001.

