

Pre-final 1999 results have been released today

SABAF:
EBITDA + 30.4%
Sales +17.5%

The operating income gets to 23.1% of sales

In the first two months of 2000 46% growth in sales

Today Sabaf SpA, the Italian company among the world leaders in the manufacture of components for domestic gas cooking appliances, has released the Group's pre-final 1999 results.

The year closed with extremely positive results, both in sales and margins.

In detail, the consolidated turnover equalled 114.3 bn Lire (59.0 mn Euro), increasing by 17.5% compared to 97.2 bn Lire (50.2 mn Euro) of 1998

The operating margins improved as well: the gross operating margin reached 39.6 bn Lire (20.5 mn Euro, +30.4%) to 34.6% of sales; the operating income grew to 26.4 bn Lire (13.6 mn Euro), increasing by 36.7% (19.3 bn Lire – 10.0 mn Euro in 1998), and reached 23.1% of sales.

The results of the first two months of the current year are even better: in January sales increased by 22.4% compared to January 1999. The company estimates a 46/47% growth by the end of February.

The reasons for such a growth, which started in particular during the second half of 1999 and is now going on more strongly, are the following:

- the Group has entered new non-European markets, such as China, South Korea, Brazil, with a steady growth in demand. Export sales equalled 54% of turnover (15% in non-European markets)
- both domestic and European demand for domestic gas cooking appliances has been recovering
- partnership relationships with customers and new agreements with large multinational appliance manufacturers have been developing.

Mr. Angelo Bettinzoli, the Managing Director declared: *“1999 positive results have been achieved thanks to a strategy which always tries to link up the increase in production and sales volumes with the steady improvement of margins. We have been investing to increase our production capacity and efficiency during last years in order to reach these goals. Moreover, we have been focusing our production both on high value-added niche products and on high quality components for large appliance manufacturers.”*

“Sales in the beginning of the new year”, added Mr. Bettinzoli “have been higher than the budgeted ones. We estimate a sales increase of 35/40% in the first quarter”.

The Board of Directors will meet on 19th March, 1999 to examine the 1998 financial statements.

This press release is also available on the web site of the Company: www.sabaf.it