

**SABAF: FOURTH-QUARTER 2015 RESULTS APPROVED**

- **Revenue for 4Q 2015 €33.4 million (-2.7%); EBITDA €5.7 million (-6.6%); EBIT €2.6 million (+2.7%); net profit €1.3 million (-39.8%)**
- **Revenues for FY 2015 €138 million (+1.2%); EBITDA €26.2 million (+0.8%); EBIT €14.1 million (+7%); net profit €9 million (+7.9%)**
- **Proposed dividend of €0.48 per share (dividend of €0.40 paid in 2015)**

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The Board of Directors of Sabaf S.p.A. met today in Ospitaletto to approve the Interim Management Statement for the fourth quarter of 2015.

*Consolidated results for 4Q15*

In 4Q 2015, the Sabaf Group booked sales revenue of €33.4 million, a decrease of 2.7% compared with the figure of €34.4 million registered in 4Q 2014. Sales fell over the period on European markets, particularly in Eastern Europe. Conversely, all markets outside Europe registered positive growth rates.

With average sales prices down approximately 0.6% and higher commodity prices, which had an impact amounting to 0.5% of revenues, the Group benefited from a positive exchange rate effect equal to 0.8% of sales.

EBITDA for 4Q 2015 amounted to €5.7 million, with a 16.9% margin on sales, down by 6.6% versus €6.1 million (17.6% margin on sales) in 4Q 2014. EBIT was €2.6 million, equivalent to 7.7% of sales, and 2.7% higher than the €2.5 million of the same quarter in 2014 (7.3% of sales). Pre-tax profit, which was affected by the booking of negative exchange rate differences of €0.5 million, was €2 million, a fall of 8.5% from the figure of €2.2 million in 4Q 2014. Net profit for the period came in at €1.3 million, down 39.8% compared with €2.1 million in 4Q 2014 (when positive non-recurring items of €0.9 million were recorded under income taxes).

*Consolidated results for full-year 2015*

Revenues for full-year 2015 came in at €138 million, up 1.2% compared with €136.3 million in 2014. Gross profitability remained broadly unchanged: EBITDA was €26.2 million (with a 19% margin on sales, up 0.8%), while EBIT registered a more significant improvement, coming in at €14.1 million (with a 10.2% margin on sales, an increase of 7% compared with €13.2 million in 2014). Finally, net profit was €9 million (6.5% of sales, +7.9% compared with 2014).

### *Equity and cash flow*

Quarter investments totalled €2.5 million, bringing total investments for the year to €12.1 million (€11.5 million in FY 2014).

At 31 December 2015, net financial debt was €25.9 million, compared with €25.6 million at 30 September 2015 and €26.9 million at 31 December 2014.

### *Outlook*

2016 got off to a highly uncertain start, owing to political, economic and financial tensions that affect the main markets on which Sabaf operates. Sales in the first quarter are expected to fall compared with 2015, which was marked by a highly positive start.

However, agreements reached with some of our leading customers for 2016 point to an increase in our supply share, and the launch of supply for significant new projects. If the macroeconomic environment stabilises, the Group therefore believes it will be able to improve sales and profitability in the full year compared with 2015. If the economic situation were to change significantly, actual figures might diverge from forecasts.

The directors plan to offer the shareholders a dividend of €0.48 per share, versus a dividend paid of €0.40 per share in 2015.

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*Today at 3 p.m. CET there will be a conference call to illustrate the results of the fourth quarter and FY 2015 to financial analysts and institutional investors (please call the number +39 02-8058811).*

*The Interim Management Statement for 4Q 2015, which has not been independently audited, is available in the Investor Relations section of the website [www.sabaf.it](http://www.sabaf.it).*

*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.*

*The consolidated financial statements are attached.*

For more 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.*

*There are four main production lines: valves, thermostats and burners for gas cooking appliances and hinges for ovens, washing machines and dishwashers.*

*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 more than 700 employees. It operates through its direct parent company Sabaf S.p.A. and the subsidiaries Faringosi Hinges (leader in the production of oven and dishwasher hinges), and Sabaf do Brasil and Sabaf Turkey, which are active in production of burners for the South American and Turkish markets.*

**Consolidated statement of financial position**

(€'000)	31.12.2015	30.09.2015	31.12.2014
<b>ASSETS</b>			
NON-CURRENT ASSETS			
Tangible assets (property, plant, and equipment)	73,037	73,320	74,483
Real estate investment	6,712	6,822	7,228
Intangible assets	7,525	7,524	7,359
Investments	204	204	974
Non-current receivables	432	239	529
Deferred tax assets	4,887	5,409	5,579
<b>Total non-current assets</b>	<b>92,797</b>	<b>93,518</b>	<b>96,152</b>
CURRENT ASSETS			
Inventories	31,009	31,911	30,774
Trade receivables	40,425	38,530	40,521
Tax receivables	2,489	2,438	2,390
Other current receivables	1,447	1,576	1,095
Current financial assets	69	0	0
Cash and cash equivalents	3,991	5,686	2,958
<b>Total current assets</b>	<b>79,430</b>	<b>80,141</b>	<b>77,738</b>
ASSETS HELD FOR SALE	0	0	0
<b>TOTAL ASSETS</b>	<b>172,227</b>	<b>173,659</b>	<b>173,890</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
SHAREHOLDERS' EQUITY			
Share capital	11,533	11,533	11,533
Retained earnings, other reserves	90,509	89,329	90,867
Net profit for the period	8,998	7,747	8,338
<i>Total equity interest of the Parent Company</i>	<i>111,040</i>	<i>108,609</i>	<i>110,738</i>
<i>Minority interests</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>Total shareholders' equity</b>	<b>111,040</b>	<b>108,609</b>	<b>110,738</b>
NON-CURRENT LIABILITIES			
Loans	6,388	7,575	10,173
Post-employment benefit and retirement reserves	2,914	2,968	3,028
Reserves for risks and contingencies	395	510	605
Deferred tax	772	740	692
<b>Total non-current liabilities</b>	<b>10,469</b>	<b>11,793</b>	<b>14,498</b>
CURRENT LIABILITIES			
Loans	23,480	23,750	19,613
Other financial liabilities	31	7	105
Trade payables	19,450	19,564	19,328
Tax payables	1,219	2,294	2,453
Other liabilities	6,538	7,642	7,155
<b>Total current liabilities</b>	<b>50,718</b>	<b>53,257</b>	<b>48,654</b>
LIABILITIES HELD FOR SALE	0	0	0
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>172,227</b>	<b>173,659</b>	<b>173,890</b>

### Consolidated income statement

	Q4 2015		Q4 2014		12M 2015		12M 2014	
<i>(€'000)</i>								
<b>CONTINUING OPERATIONS</b>								
OPERATING REVENUE AND INCOME								
Revenues	33,434	100.0%	34,371	100.0%	138,003	100.0%	136,337	100.0%
Other income	906	2.7%	895	2.6%	3,758	2.7%	3,748	2.7%
<b>Total operating revenue and income</b>	<b>34,340</b>	<b>102.7%</b>	<b>35,266</b>	<b>102.6%</b>	<b>141,761</b>	<b>102.7%</b>	<b>140,085</b>	<b>102.7%</b>
OPERATING COSTS								
Materials	(13,057)	-39.1%	(11,778)	-34.3%	(54,366)	-39.4%	(54,472)	-40.0%
Change in inventories	(1,057)	-3.2%	(2,483)	-7.2%	1,025	0.7%	2,447	1.8%
Services	(6,871)	-20.6%	(7,244)	-21.1%	(29,759)	-21.6%	(29,875)	-21.9%
Payroll costs	(7,911)	-23.7%	(7,765)	-22.6%	(32,526)	-23.6%	(32,180)	-23.6%
Other operating costs	(77)	-0.2%	(180)	-0.5%	(1,193)	-0.9%	(1,042)	-0.8%
Costs for capitalised in-house work	292	0.9%	243	0.7%	1,230	0.9%	989	0.7%
<b>Total operating costs</b>	<b>(28,681)</b>	<b>-85.8%</b>	<b>(29,207)</b>	<b>-85.0%</b>	<b>(115,589)</b>	<b>-83.8%</b>	<b>(114,133)</b>	<b>-83.7%</b>
<b>OPERATING PROFIT BEFORE DEPRECIATION &amp; AMORTISATION, CAPITAL GAINS/LOSSES, AND WRITE-DOWNS/WRITE-BACKS OF NON-CURRENT ASSETS (EBITDA)</b>								
	<b>5,659</b>	<b>16.9%</b>	<b>6,059</b>	<b>17.6%</b>	<b>26,172</b>	<b>19.0%</b>	<b>25,952</b>	<b>19.0%</b>
Depreciation & amortisation	(3,124)	-9.3%	(3,001)	-8.7%	(12,185)	-8.8%	(12,292)	-9.0%
Capital gains/(losses) on disposals of non-current assets	45	0.1%	1	0.0%	104	0.1%	63	0.0%
Write-downs/write-backs of non-current assets	0	0.0%	(548)	-1.6%	0	0.0%	(548)	-0.4%
<b>OPERATING PROFIT (EBIT)</b>								
	<b>2,580</b>	<b>7.7%</b>	<b>2,511</b>	<b>7.3%</b>	<b>14,091</b>	<b>10.2%</b>	<b>13,175</b>	<b>9.7%</b>
Financial income	23	0.1%	12	0.0%	67	0.0%	61	0.0%
Financial expense	(134)	-0.4%	(130)	-0.4%	(596)	-0.4%	(592)	-0.4%
Exchange rate gains and losses	(489)	-1.5%	(11)	0.0%	(89)	-0.1%	119	0.1%
Profits and losses from equity investments	0	0.0%	(219)	-0.6%	0	0.0%	(606)	-0.4%
<b>PROFIT BEFORE TAXES</b>								
	<b>1,980</b>	<b>5.9%</b>	<b>2,163</b>	<b>6.3%</b>	<b>13,473</b>	<b>9.8%</b>	<b>12,157</b>	<b>8.9%</b>
Income tax	(729)	-2.2%	(85)	-0.2%	(4,475)	-3.2%	(3,819)	-2.8%
Minority interests	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>NET PROFIT FOR THE PERIOD</b>								
	<b>1,251</b>	<b>3.7%</b>	<b>2,078</b>	<b>6.0%</b>	<b>8,998</b>	<b>6.5%</b>	<b>8,338</b>	<b>6.1%</b>

**Consolidated statement of cash flows**

(€'000)	Q4 2015	Q4 2014	12M 2015	12M 2014
<b><i>Cash and cash equivalents at beginning of period (*)</i></b>	<b>5,686</b>	<b>2,637</b>	<b>3,675</b>	<b>5,111</b>
Net profit/(loss) for the period	1,251	2,078	8,998	8,338
Adjustments for:				
- Depreciation for the period	3,124	3,001	12,185	12,292
- Realised gains/losses	(45)	(1)	(104)	(63)
- Write-downs/write-backs of non-current assets	0	548	0	548
- Profits and losses from equity investments	0	219	0	606
- Financial income and expenses	111	118	529	531
- Income tax	729	85	4,475	3,819
Payment of post-employment benefit reserve	(37)	(3)	(129)	(158)
Change in risk provisions	(115)	61	(210)	(67)
<i>Change in trade receivables</i>	<i>(1,895)</i>	<i>(1,025)</i>	<i>107</i>	<i>(4,079)</i>
<i>Change in inventories</i>	<i>902</i>	<i>2,532</i>	<i>(170)</i>	<i>(2,548)</i>
<i>Change in trade payables</i>	<i>(114)</i>	<i>(650)</i>	<i>(58)</i>	<i>365</i>
Change in net working capital	(1,107)	857	(121)	(6,262)
Change in other receivables and payables, deferred tax	(304)	116	(72)	210
Payment of taxes	(2,154)	(153)	(5,931)	(2,325)
Payment of financial expenses	(154)	(136)	(556)	(553)
Collection of financial income	23	12	67	61
<b>Cash flow from operations</b>	<b>1,322</b>	<b>6,802</b>	<b>19,131</b>	<b>16,977</b>
<b>Net investments</b>	<b>(2,476)</b>	<b>(4,173)</b>	<b>(12,079)</b>	<b>(11,491)</b>
Repayment of loans	(4,252)	(5,451)	(19,480)	(16,993)
New loans	2,819	14,660	19,488	25,047
Short-term financial assets	(69)	0	(69)	0
Purchase/sale of own shares	(543)	0	(718)	0
Payment of dividends	0	(11,533)	(4,613)	(16,146)
<b>Cash flow from financing activities</b>	<b>(2,045)</b>	<b>(2,324)</b>	<b>(5,392)</b>	<b>(8,092)</b>
Foreign exchange differences	1,504	16	(1,344)	453
<b>Net financial flows for the period</b>	<b>(1,695)</b>	<b>321</b>	<b>316</b>	<b>(2,153)</b>
<b><i>Cash and cash equivalents at end of period</i></b>	<b><i>3,991</i></b>	<b><i>2,958</i></b>	<b><i>3,991</i></b>	<b><i>2,958</i></b>
Current financial debt	23,511	19,718	23,511	19,718
Non-current financial debt	6,388	10,173	6,388	10,173
<b>Net financial debt</b>	<b>25,908</b>	<b>26,933</b>	<b>25,908</b>	<b>26,933</b>

(\*) the balance of cash and cash equivalents at 01/01/2015 differs in the amount of €717,000 from the balance at 31/12/2014 owing to the change in the method of consolidation for Sabaf Appliance Components (Kunshan)

**Consolidated net financial position**

<i>(€'000)</i>	<b>31.12.2015</b>	<b>30.09.2015</b>	<b>31.12.2014</b>
A. Cash	11	15	9
B. Positive balances of unrestricted bank accounts	3,822	5,376	2,691
C. Other cash equivalents	158	295	258
<b>D. Liquidity (A+B+C)</b>	<b>3,991</b>	<b>5,686</b>	<b>2,958</b>
E. Current bank overdrafts	19,697	19,985	15,890
F. Current portion of non-current debt	3,783	3,765	3,723
G. Other current financial payables	31	7	105
<b>H. Current financial debt (E+F+G)</b>	<b>23,511</b>	<b>23,757</b>	<b>19,718</b>
<b>I. Current net financial debt (H-D)</b>	<b>19,520</b>	<b>18,071</b>	<b>16,760</b>
J. Non-current bank payables	4,632	5,782	8,275
K. Other non-current financial payables	1,756	1,793	1,898
<b>L. Non-current financial debt (J+K)</b>	<b>6,388</b>	<b>7,575</b>	<b>10,173</b>
<b>M. Net financial debt (L+I)</b>	<b>25,908</b>	<b>25,646</b>	<b>26,933</b>