



C e m b r e

Joint-stock Company
Main Office: Via Serenissima, 9 – 25135 Brescia
VAT no: 00541390175
Share Capital: € 8.840.000 fully paid up
Registration no: 00541390175
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Press release

Board approves the Report on the 1st Half of 2012

Cembre (a STAR listed company): Consolidated sales decline slightly (-1.1%) on the 1st Half of 2011 Investments of the period amount to €6.6 million

- Revenues for the first six months of 2012 down slightly by 1.1%, as a result of the 15.5% contraction in domestic sales and the 11.2% increase in exports on the corresponding period in 2011
- Net Financial Position remains in balance (a 1.6 million deficit at June 30, 2012)

Consolidated figures (€'000)	1st Half 2012	Sales margin %	1st Half 2011	Sales margin %	Change	full year 2011	Sales margin %
Sales	53,221	100	53,835	100	-1.1%	103,028	100
Gross operating profit	10,295	19.3	11,501	21.4	-10.5%	20,228	19.6
Operating profit	8,509	16.0	10,108	18.8	-15.8%	17,291	16.8
Pre-tax profit	8,580	16.1	10,080	18.7	-14.9%	17,389	16.9
Net profit	5,690	10.7	6,578	12.2	-13.5%	11,400	11.1
Net financial position	(1,577)		9,585			2,275	

Brescia, August 29, 2012 – The Board of Directors of Cembre Spa – a STAR listed company and one of the largest European manufacturers of electrical connectors and tools for their installation – chaired by its Chairman and Managing Director Giovanni Rosani, approved at today's meeting the Report on the 1st Half of 2012.

In the first six months of 2012, the Group reported **consolidated sales** of € 53.2 million, down 1.1% on €53.8 million in the corresponding period in 2011.

In the 1st Half of 2012, domestic sales amounted to € 20.9 million, down 15.5% on the corresponding period in 2011, while sales outside Italy amounted to € 32.3 million, up 11.2%. A total of 39.4% of Group sales were represented by Italy (as compared with 46.1% in the 1st Half of 2011), 44.8% by the rest of Europe (41.2% in the 1st Half of 2011), and the remaining 15.8% by the rest of the World (12.7% in the 1st Half of 2011).

Consolidated gross operating profit for the 1st Half of 2012 amounted to € 10.3 million, representing a 19.3% margin on sales, down 10.5% on the corresponding period in 2011 when it amounted to € 11.5 million, representing a 21.4% margin on sales.

In 1st Half of 2011 the cost of services received and that of personnel as a margin on sales grew on the corresponding period in 2011.

Personnel of the Group increased from 581 employees at June 30, 2011, to 598 at June 30, 2012. Personnel of UK subsidiary Cembre Ltd. grew in the same period from 70 to 86 following the introduction of a second manufacturing shift to fill growing orders on the UK market.

Consolidated operating profit for the period amounted to € 8.5 million, representing a 16% margin on sales, down 15.8% on € 10.1 million in the 1st Half of 2011, when it represented an 18.8% margin on sales. The relative weight of depreciation charges on property, plant and equipment grew as a result of the € 6.6 million investment in construction, plant and machinery made in the 1st Half of 2012, up from € 3 million in the corresponding period in 2011.

Consolidated profit before taxes amounted to € 8.6 million, representing a 16.1% margin on sales, down 14.9% on € 10.1 million in the 1st Half of 2011, when it represented an 18.7% margin on sales. Foreign exchange gains amounted in the period to € 122 thousand.

Net profit for the first six months of 2012 amounted to € 5.7 million, down 13.5% on € 6.6 million in the 1st Half of 2011. The margin on sales amounted thus to 10.7%, as compared with to 12.2% in the 1st Half of 2011.

The **consolidated net financial position** at June 30, 2012 amounted, as a result of the strong capital expenditure of the Group, to a deficit of € 1.6 million, down on June 30, 2011, when it amounted to a surplus of € 9.6 million, and on December 31, 2011, when it amounted to a surplus of € 2.3 million. In the 1st Half of 2012, the Company paid out € 2.7 million in dividends, as compared to € 4.4 million in the corresponding period in 2011.

“Cembre closes the 1st Half of 2012 reporting a 1.1% contraction in consolidated sales. In the period, domestic sales declined by 15.5% while exports grew by 11.2%. Sales through the end of July also show an overall 1.1% decline on the corresponding period in 2011. The Group has a balanced financial position that amounts at July 31, 2012 to a deficit of €1.4 million, a position achieved despite the strong capital expenditure made in the first six months of the year, amounting to €6.6 million, aimed at the construction of the new automated warehouse and the enlargement and streamlining of production departments in the Brescia main complex.” – commented Cembre’s Chairman and Managing Director Giovanni Rosani. “We confirm the views previously expressed in that we expect that in the second half of the year the Italian market will recover, enabling us to achieve an overall slight increase in sales for 2012 as a whole” continued Giovanni Rosani.

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Cembre designs, manufactures and distributes electrical connectors and cable accessories. It enjoys a leadership position in Italy and significant market shares in the rest of Europe. It is also the world's largest producer of connector installation tools (mechanical, pneumatic and hydraulic) and tools for cable shearing. The products it has developed for connection to the rail and for other railway applications are used by the main companies in this sector round the world. Cembre owes its success to an insistence on innovative, high-quality products, a broad and thorough collection, and an extensive distribution network both in Italy and abroad.

Founded in Brescia in 1969, the Cembre Group is now a full-fledged international force. Along with the parent company in Brescia it has seven subsidiaries: five trading companies (in Germany, France, Spain, the United States and Norway) and two manufacturing and trading subsidiaries (Cembre Ltd. in Birmingham, U.K. and General Marking S.r.l. in Bergamo), for a total workforce of 598 as of June

2012. Since 1990 its products have been certified by Lloyd's Register Quality Assurance for the design and production of accessories for cables, electrical connectors and tools for their installation. Cembre has been listed on the Italian Stock Exchange since December 15, 1997, and on the STAR section since September 24, 2001.

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The manager responsible for preparing the Company's financial reports, Claudio Bornati, declares, pursuant to paragraph 2 of Article 154 bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.

Attachments - Financial Statements at June 30, 2012:

- Consolidated Balance Sheet
- Consolidated Comprehensive Income Statement
- Consolidated Statement of Cash Flows

In the present document use is made of "alternative performance indicators" which are not provided for under European IFRS, and whose significance and content are illustrated below (in line with Recommendation CESR/05-178b published on November 3, 2005):

Gross Operating Profit (EBITDA): defined as the difference between sales revenues and costs for materials, of services received, and the net balance of operating income and charges. It represents the profit achieved before amortization, financial flows and taxes.

Operating Profit (EBIT): defined as the difference between the Gross Operating Profit and the value of depreciation, amortization and write-downs. It represents the profit before financial flows and taxes.

Net Financial Position: it represents the algebraic sum of cash and cash equivalents, financial receivables and current and non-current financial debt.

Cembre S.p.A.

Registered Office: Via Serenissima 9, Brescia, Italy
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Condensed Consolidated Financial Statements at June 30, 2012

Consolidated Statement of Financial Position

	June 30, 2012	Dec. 31, 2011	
<i>(euro '000)</i>			
ASSETS	<i>of which:</i>	<i>of which:</i>	
	<i>related parties</i>	<i>related parties</i>	
A) NON-CURRENT ASSETS			
Tangible assets	54.683	50.012	
Intangible assets	970	698	
Financial assets available for sale	5	5	
Other non-current assets	21	22	
Deferred tax assets	2.068	1.872	
TOTAL NON-CURRENT ASSETS	57.747	52.609	
B) CURRENT ASSETS			
Inventories	37.426	37.022	
Trade receivables	27.979	24.451	
Tax receivables	117	494	
Other receivables	1.796	812	
Cash and cash equivalents	6.684	8.986	
TOTAL CURRENT ASSETS	74.002	71.765	
C) NON-CURRENT ASSETS AVAILABLE FOR SALE	-	-	
TOTAL ASSETS(A+B+C)	131.749	124.374	
LIABILITIES AND SHAREHOLDERS' EQUITY			
A) SHAREHOLDERS' EQUITY			
Capital stock	8.840	8.840	
Reserves	81.950	72.889	
Net profit	5.690	11.400	
TOTAL SHAREHOLDERS' EQUITY	96.480	93.129	
B) NON-CURRENT LIABILITIES			
Non-current financial liabilities	-	-	
Employee Severance Indemnity and other personnel benefits	2.508	141	2.609
Provisions for risks and charges	86	82	136
Deferred tax liabilities	2.694	2.672	
TOTAL NON-CURRENT LIABILITIES	5.288	5.363	
C) CURRENT LIABILITIES			
Current financial liabilities	8.233	6.664	
Liabilities on derivative instruments	28	47	
Trade payables	13.347	12.398	
Tax payables	1.395	720	
Other payables	6.978	6.053	
TOTAL CURRENT LIABILITIES	29.981	25.882	
D) LIABILITIES ON ASSETS HELD FOR DISPOSAL	-	-	
TOTAL LIABILITIES (B+C+D)	35.269	31.245	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (A+B+C+D)	131.749	124.374	

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Condensed Consolidated Financial Statements at June 30, 2012

Statement of Consolidated Comprehensive Income

<i>(euro '000)</i>	1st Half 2012	<i>of which:</i>		1st Half 2011
		<i>related parties</i>		<i>of which:</i>
		<i>related parties</i>		<i>related parties</i>
Revenues from sales and services provided	53.221			53.835
Other revenues	346			243
TOTAL REVENUES	53.567			54.078
Cost of goods and merchandise	(19.349)			(26.232)
Change in inventories	122			6.282
Cost of services received	(7.384)	(370)		(6.909)
Lease and rental costs	(687)	(329)		(632)
Personnel costs	(15.746)	(114)		(14.896)
Other operating costs	(452)			(376)
Increase in assets due to internal construction	317			285
Write-down of receivables	(89)			(70)
Accruals to provisions for risks and charges	(4)			(29)
GROSS OPERATING PROFIT	10.295			11.501
Property, plant and equipment depreciation	(1.610)			(1.266)
Intangible asset amortization	(176)			(127)
OPERATING PROFIT	8.509			10.108
Financial income	20			78
Financial expenses	(71)			(19)
Foreign exchange gains (losses)	122			(87)
PROFIT BEFORE TAXES	8.580			10.080
Income taxes	(2.890)			(3.502)
NET PROFIT FROM ORDINARY ACTIVITIES	5.690			6.578
NET PROFIT FROM ASSETS HELD FOR DISPOSAL	-			-
NET PROFIT	5.690			6.578
Conversion differences included in equity	381			(558)
COMPREHENSIVE INCOME	6.071			6.020
BASIC EARNINGS PER SHARE	0,33			0,39

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Condensed Consolidated Financial Statements at June 30, 2011

Consolidated Statement of Cash Flows

€ '000

	1 st Half 2012	Full Year 2011	1 st Half 2011
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	8.986	14.697	14.697
B) CASH FLOW FROM OPERATING ACTIVITIES			
Net profit for the period	5.690	11.400	6.578
Depreciation, amortization and write-downs	1.785	2.937	1.393
(Gains)/Losses on disposal of assets	10	(43)	(20)
Net change in Employee Severance Indemnity	(101)	(166)	(61)
Net change in provisions for risks and charges	4	10	5
Operating profit (loss) before change in working capital	7.388	14.138	7.895
(Increase) Decrease in trade receivables	(3.528)	3.554	(1.047)
(Increase) Decrease in inventories	(404)	(7.390)	(5.925)
(Increase) Decrease in other receivables and deferred tax assets	(803)	(810)	120
Increase (Decrease) of trade payables	(1.508)	1.168	2.910
Increase (Decrease) of other payables, deferred tax liabilities and tax payables	1.622	(1.218)	(322)
Change in working capital	(4.621)	(4.696)	(4.264)
NET CASH FLOW (USED IN)/FROM OPERATING ACTIVITIES	2.767	9.442	3.631
C) CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on fixed assets:			
- intangible	(447)	(418)	(109)
- tangible	(6.182)	(16.183)	(2.889)
Proceeds from disposal of tangible, intangible, available-for-sale financial assets			
- tangible	41	99	25
Increase (Decrease) of trade payables for assets	2.457	(205)	53
NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES	(4.131)	(16.707)	(2.920)
D) CASH FLOW FROM FINANCING ACTIVITIES			
(Increase) Decrease in other non current assets	1	(4)	(3)
Increase (Decrease) in bank loans and borrowings	1.573	5.658	1.197
Increase (Decrease) in other loans and borrowings	(4)	(22)	(15)
Increase (Decrease) in derivative instruments	(19)	47	0
Dividends distributed	(2.720)	(4.200)	(4.420)
NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES	(1.169)	1.479	(3.241)
E) INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (B+C+D)	(2.533)	(5.786)	(2.530)
F) Foreign exchange differences	231	75	(372)
G) CASH AND CASH EQUIVALENTS AT END OF PERIOD (A+E+F)	6.684	8.986	11.795

CASH AND CASH EQUIVALENTS AT END OF PERIOD	6.684	8.986	11.795
Current financial liabilities	(8.233)	(6.664)	(2.210)
Liabilities on derivative instruments	(28)	(47)	0
NET CONSOLIDATED FINANCIAL POSITION	(1.577)	2.275	9.585
INTERESTS PAID IN THE PERIOD	(65)	(44)	(19)

BREAKDOWN OF CASH AND CASH EQUIVALENTS AT END OF PERIOD			
Cash	17	18	13
Banks	6.667	8.968	11.782
	6.684	8.986	11.795