



Cembre

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 2013

Cembre (STAR): consolidated sales decline slightly in the 1st Half of 2013 (down 1.8%): Capital expenditure for the period amounts to €3.9 million

- Revenues for the first six months of 2013 down slightly (-1.8%), as a result of the 7.9% contraction in domestic sales and the 2.2% increase in exports on the corresponding period in 2012
- The net financial position remains balanced (a deficit of €3.8 million at June 30, 2013)

Consolidated figures (€'000)	1 st Half 2013	Sales margin %	1 st Half 2012	Sales margin %	Change	full year 2012	Sales margin %
Sales	52,259	100	53,221	100	-1.8%	103,899	100
Gross operating profit	10,103	19.3	10,295	19.3	-1.9%	20,042	19.3
Operating profit	7,952	15.2	8,509	16.0	-6.5%	16,390	15.8
Pre-tax profit	7,811	14.9	8,580	16.1	-9.0%	16,290	15.7
Net profit	5,190	9.9	5,690	10.7	-8.8%	11,400	11.1
Net financial position (deficit)	(3,772)		(1,577)			620	

Brescia, August 29, 2013 – 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 2013.

In the first six months of 2013, the Group reported **consolidated sales** of €52.3 million, down 1.8% on €53.2 million in the corresponding period in 2012.

In the 1st Half of 2013, domestic sales amounted to €19.3 million, down 7.9% on the corresponding period in 2012, while sales outside Italy amounted to €33 million, up 2.2%. A total of 37% of Group sales were represented by Italy (as compared with 39.4% in the 1st Half of 2012), 45.9% by the rest of Europe (44.8% in the 1st Half of 2012), and the remaining 17.1% by the rest of the World (15.8% in the 1st Half of 2012).

Consolidated gross operating profit for the 1st Half of 2013 amounted to €10.1 million, representing a 19.3% margin on sales, down 1.9% on the corresponding period in 2012 when it amounted to €10.3 million, representing a 19.3% margin on sales.

In 1st Half of 2013 the cost of services received and that of personnel as a margin on sales grew slightly on the corresponding period in 2012, while the cost of goods sold declined slightly as a proportion of sales.

The average number of employees of the Group increased from 598 employees in the 1st Half of 2012, to 610 in the 1st Half of 2013.

Consolidated operating profit for the period amounted to €8 million, representing a 15.2% margin on sales, down 6.5% on €8.5 million in the 1st Half of 2012, when it represented a 16% margin on sales.

Consolidated profit before taxes amounted to €7.8 million, representing a 14.9% margin on sales, down 9% on €8.6 million in the 1st Half of 2012, when it represented a 16.1% margin on sales. Foreign exchange losses amounted in the period to €106 thousand while net interest charges amounted to €35 thousand.

Net profit for the first six months of 2013 amounted to €5.2 million, down 8.8% on €5.7 million in the 1st Half of 2012. The margin on sales amounted thus to 9.9%, as compared to 10.7% in the 1st Half of 2012.

Capital expenditure in the 1st Half of 2013 amounted to €3.9 million and consisted primarily in investments in buildings, plant and equipment. In the 1st Half of 2012 they amounted to €6.6 million.

The **consolidated net financial position** at June 30, 2013 amounted to a deficit of €3.8 million, increasing on June 30, 2012, when it amounted to a deficit of €1.6 million, and on December 31, 2012, when it amounted to a surplus of €0.6 million. In the 1st Half of 2013, the Company paid out €2.7 million in dividends, the same amount as in the corresponding period in 2012.

“Cembre closes the 1st Half of 2013 reporting a 1.8% contraction in consolidated sales. In the period, domestic sales declined by 7.9% while exports grew by 2.2%. Sales through the end of July also show an overall 0.8% decline on the corresponding period in 2012 due to good sales in July 2013, improving both in Italy and in the rest of the world with respect to July 2012. The Group has a balanced financial position that amounts at July 31, 2013 to a deficit of €3.3 million” – commented Cembre’s Chairman and Managing Director Giovanni Rosani. “We expect for 2013 as a whole to achieve a slight increase in consolidated sales” 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 606 as of June 2013. 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, 2013:

- 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.

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Registered Office: Via Serenissima 9, Brescia, Italy
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Condensed Consolidated Financial Statements at June 30, 2013

Consolidated Statement of Financial Position

	Jun. 30, 2013	Dec. 31, 2012 Restated*
<i>(euro '000)</i>		
ASSETS	<i>of which: related parties</i>	<i>of which: related parties</i>
A) NON-CURRENT ASSETS		
Tangible assets	60.580	59.157
Intangible assets	1.009	942
Financial assets available for sale	5	5
Other non-current assets	13	13
Deferred tax assets	1.655	1.890
TOTAL NON-CURRENT ASSETS	63.262	62.007
B) CURRENT ASSETS		
Inventories	37.871	36.815
Trade receivables	26.172	25.098
Tax receivables	1.067	1.512
Other receivables	2.910	2.447
Cash and cash equivalents	5.911	4.839
TOTAL CURRENT ASSETS	73.931	70.711
C) NON-CURRENT ASSETS AVAILABLE FOR SALE	-	-
TOTAL ASSETS(A+B+C)	137.193	132.718
LIABILITIES AND SHAREHOLDERS' EQUITY		
A) SHAREHOLDERS' EQUITY		
Capital stock	8.840	8.840
Reserves	90.079	81.709
Net profit	5.190	11.507
TOTAL SHAREHOLDERS' EQUITY	104.109	102.056
B) NON-CURRENT LIABILITIES		
Non-current financial liabilities	-	-
Employee Severance Indemnity and other personnel benefits	2.408	2.431
Provisions for risks and charges	75	81
Deferred tax liabilities	2.530	2.698
TOTAL NON-CURRENT LIABILITIES	5.013	5.210
C) CURRENT LIABILITIES		
Current financial liabilities	9.683	4.219
Trade payables	10.917	14.864
Tax payables	819	422
Other payables	6.652	5.947
TOTAL CURRENT LIABILITIES	28.071	25.452
D) LIABILITIES ON ASSETS HELD FOR DISPOSAL	-	-
TOTAL LIABILITIES (B+C+D)	33.084	30.662
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (A+B+C+D)	137.193	132.718

*Some of the amounts do not correspond to those previously published in the Financial Statements at December 31, 2012 due to the restatement of some items in line with the criteria described in the notes.

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Statement of Consolidated Comprehensive Income

	I Half 2013		I Half 2012	
<i>(euro '000)</i>		<i>of which: related parties</i>		<i>of which: related parties</i>
Revenues from sales and services provided	52.259		53.221	
Other revenues	399		346	
TOTAL REVENUES	52.658		53.567	
Cost of goods and merchandise	(19.894)		(19.349)	
Change in inventories	1.287		122	
Cost of services received	(7.025)	(290)	(7.384)	(370)
Lease and rental costs	(661)	(359)	(687)	(329)
Personnel costs	(15.938)	(118)	(15.746)	(114)
Other operating costs	(476)		(452)	
Increase in assets due to internal construction	299		317	
Write-down of receivables	(143)		(89)	
Accruals to provisions for risks and charges	(4)		(4)	
GROSS OPERATING PROFIT	10.103		10.295	
Property, plant and equipment depreciation	(1.991)		(1.610)	
Intangible asset amortization	(160)		(176)	
OPERATING PROFIT	7.952		8.509	
Financial income	7		20	
Financial expenses	(42)		(71)	
Foreign exchange gains (losses)	(106)		122	
PROFIT BEFORE TAXES	7.811		8.580	
Taxes from non recurring operations	-		-	
Income taxes	(2.621)		(2.890)	
NET PROFIT FROM ORDINARY ACTIVITIES	5.190		5.690	
NET PROFIT FROM ASSETS HELD FOR DISPOSAL	-		-	
NET PROFIT	5.190		5.690	
Items that may be reclassified subsequently to profit and loss				
Conversion differences included in equity	(417)		381	
COMPREHENSIVE INCOME	4.773		6.071	
BASIC AND DILUTED EARNINGS PER SHARE	0,31		0,33	

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Condensed Consolidated Financial Statements at June 30, 2013

Consolidated Statement of Cash Flows

€ '000

	1 st Half 2013	Full Year 2012
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	4.839	8.986
B) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the year	5.190	11.507
Depreciation, amortization and write-downs	2.151	3.630
(Gains)/Losses on disposal of assets	1	200
Net change in Employee Severance Indemnity	(23)	(178)
Net change in provisions for risks and charges	(6)	(1)
Operating profit (loss) before change in working capital	7.313	15.158
(Increase) Decrease in trade receivables	(1.074)	(647)
(Increase) Decrease in inventories	(1.056)	207
(Increase) Decrease in other receivables and deferred tax assets	217	(2.671)
Increase (Decrease) of trade payables	(2.306)	(171)
Increase (Decrease) of other payables, deferred tax liabilities and tax payables	934	(378)
Change in working capital	(3.285)	(3.660)
NET CASH FLOW (USED IN)/FROM OPERATING ACTIVITIES	4.028	11.498
C) CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets:		
- intangible	(228)	(597)
- tangible	(3.656)	(12.591)
Proceeds from disposal of tangible, intangible, available-for-sale financial assets		
- tangible	20	71
Increase (Decrease) of trade payables for assets	(1.641)	2.637
NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES	(5.505)	(10.480)
D) CASH FLOW FROM FINANCING ACTIVITIES		
(Increase) Decrease in other non current assets	-	9
Increase (Decrease) in bank loans and borrowings	5.464	(2.441)
Increase (Decrease) in other loans and borrowings	-	(4)
Increase (Decrease) in derivative instruments	-	(47)
Dividends distributed	(2.720)	(2.720)
NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES	2.744	(5.203)
E) INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (B+C+D)	1.267	(4.185)
F) Foreign exchange differences	(195)	6
G) Discounting of employees' termination indemnities	-	32
H) CASH AND CASH EQUIVALENTS AT END OF THE YEAR (A+E+F+G)	5.911	4.839
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	5.911	4.839
Current financial liabilities	(9.683)	(4.219)
NET CONSOLIDATED FINANCIAL POSITION	(3.772)	620
INTERESTS PAID IN THE YEAR	(38)	(93)
BREAKDOWN OF CASH AND CASH EQUIVALENTS AT END OF THE YEAR		
Cash	15	12
Banks	5.896	4.827
	5.911	4.839

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