



C e m b r e



Company presentation



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Activity and Competitive Position





Cembre

- Cembre **develops, produces** and **markets** in Europe and in the USA **electrical crimp type connectors** and **related installation tools**
- Our main objective is to cooperate with our products' users to find the **best technical** and **economical solutions** related to **electrical connection applications**



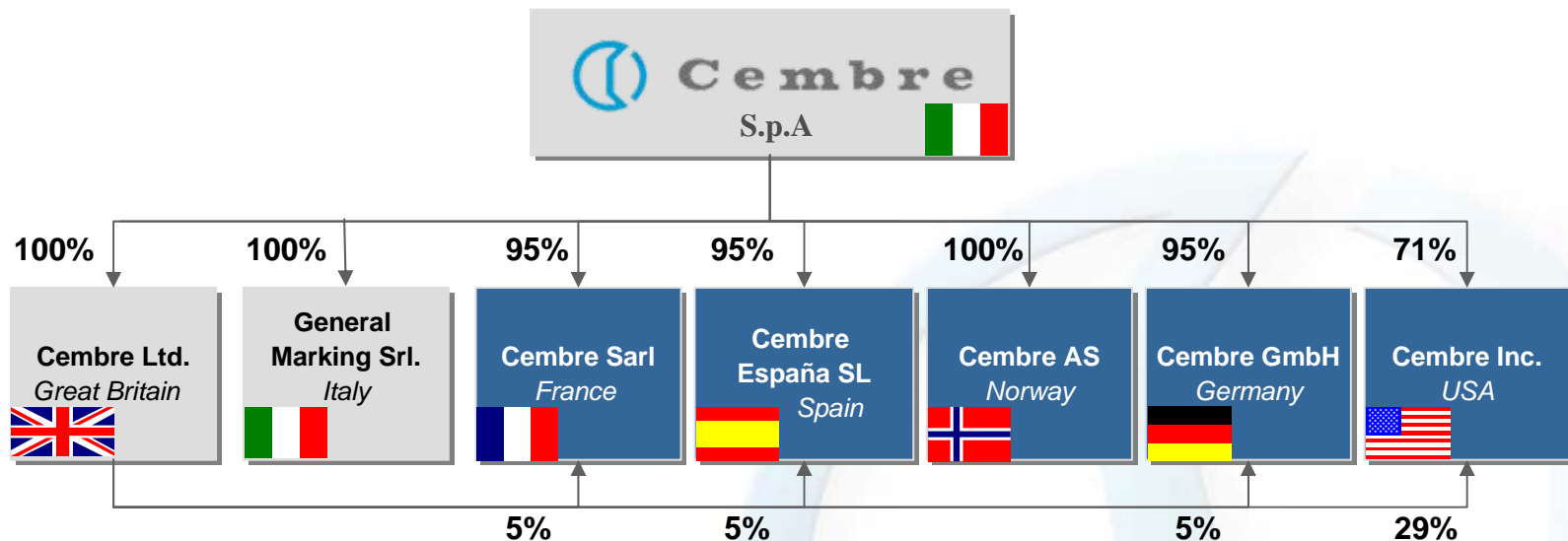
Competitive position

Cembre Group is:

- **Italian leader** in **electrical crimp type connectors** and **related installation tools**, extensively used in large engineering projects
- **European leader** within **major worldwide producers** of **tools for the installation of electrical power connectors**



Group structure

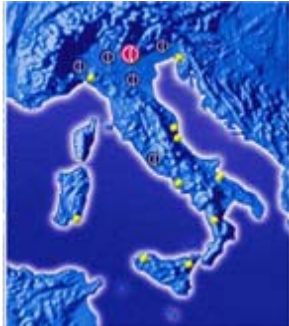


■ Production and commercial units

■ Commercial units



Distribution network



- In Italy Cembre has an **extensive distribution network**, with offices and warehouses located in Milan, Rome, Florence, Padua and Bologna
- Present all over the **Italian territory** through a network of **own employed salesmen or representatives** able to offer fast and constant technical assistance
- Abroad Cembre operates through **five subsidiaries companies in Europe** (UK, France, Spain, Germany and Norway) and one **in the USA**
- **Presence in the main countries all over the world through** a network of importers and agents able to provide technical and commercial assistance and rapid delivery





Competitive advantages

- **Technological leadership** thanks to a constant involvement in R&D
- **Extensive product range** characterised by a balanced relationship between quality and price
- Ability to **enter markets with a high growth potential** (railway, energy, US market,...)
- A commercial network consisting of **own employed salesmen**
 - **direct presence** in the main European markets and USA and long standing penetration in the main non European markets
 - constant **interaction with end users** and consolidated relationships with **distribution groups**
- **Rapid time to-market** and **automatic warehouse management**



Products and Markets





Expanding the products' range

In order to keep the **market leadership** and to **fight the market slowdown of the period 2002-2003**, Cembre had sensibly **increased the range of products offered** through:

- **research activities** mainly focused on the **development of innovative products** for the **sectors with the highest growth potential** (rail transportation, civil and industrial plant engineering)
- **improvement and update of existing products** to get them easier to use and more efficient in their performances
- **widening of traditional products range**, now richer and more complete thanks to the **introduction of complementary product** (f.i. cable markers)



Electrical connectors



- Turnover as at September 30, 2008: Euro 28.4 millions (+ 2.2% vs Sept. 30, 2007)
 - To Italy: 19.3% of total sales
 - To foreign countries: 19.9% of total sales (17.8% to Europe and 2.1% outside Europe)

- Characteristics:
 - **high and safe performance** guaranteed by effective **Quality Control** during production process
 - **high level automation** of manufacturing and consequent costs reduction
 - **quick adaptation** of products to clients' needs, thanks to its **high flexible productivity**



Tools

- Turnover as at September 30, 2008: Euro 16.2 millions (+3.6% vs September 30, 2007)
 - To Italy: 5.2% of total sales
 - To foreign countries: 17.3% of total sales (11.8% to Europe and 5.5% outside Europe)



B15



B54

- Characteristics:
 - **quick installation** of connectors thanks to tools used for compressing and cutting the conductors
 - **wide products range**: mechanical, pneumatic, hydraulic and electric based operations
- Development of new products in last two years:
 - **B15-B54** battery operated "in line" hand-tools
 - **hydraulic battery operated pump** already marketed in Italy and Europe
 - the **new generation of battery tools** is intended to progressively substitute the traditional ones, as they are **more appreciated** thanks to the **elimination of physical endeavour**



Railway products

- Railway products and accessories, turnover as at September 30, 2008: Euro 12.9 millions (-4.4% vs September 30, 2007)
 - To Italy: 2.3% of total sales
 - To foreign countries: 15.6% of total sales (12.9% to Europe and 2.7% outside Europe)

NR-11P



- Characteristics:
 - **high quality products**
 - **constant R&D activities**
 - **high potential growth**

- v Development of new products:

- **Nut Runner - NR-11P**
- **new machine for insertion and extraction of "Pandrol" type clips** for the fixing of rails to cross-beams (already marketed in Italy and Europe)

**Pandrol machine
PCM-2P**



Both the products are very **competitive on the market** since they offer superior flexibility, lightness and velocity against alternative products



Cable markers

- Cable markers, turnover as at September 30, 2008: Euro 4.7 millions (+33.4% vs. September 30, 2007)
 - To Italy: 4.6% of total sales
 - To foreign countries: 1.9% of total sales (1.5% to Europe and 0.4% outside Europe)

Rolly
1000



RING
cablesys



mg2
MARKINGENIUS 2



- With the introduction of these new products Cembre:
 - further **enriched its offer with thousand of new articles** (electrical equipment wholesalers prefer supplier with a wide catalogue)
 - **strengthened its competitive position** in Italy and **created big opportunities** to enter the European markets
 - **entered a market**, worth of Euro 25 million considering only Italy
 - **improved** the production structure
- Development and production, in Brescia (Italy), of thermal printer **MG2**



Other products

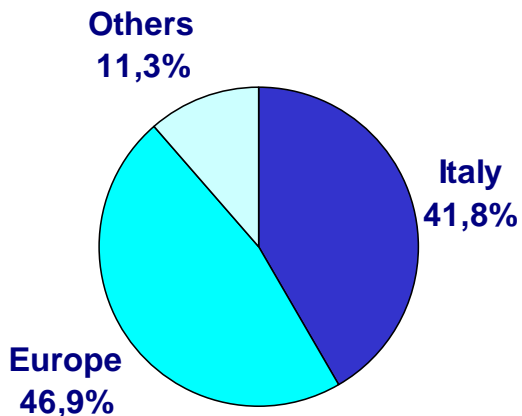
- Cable glands, turnover as at September 30, 2008: Euro 4.95 millions (+1.6% vs September 30, 2007)
 - To Italy: 6.5% of total sales
 - To foreign countries: 0.6% of total sales (Europe)



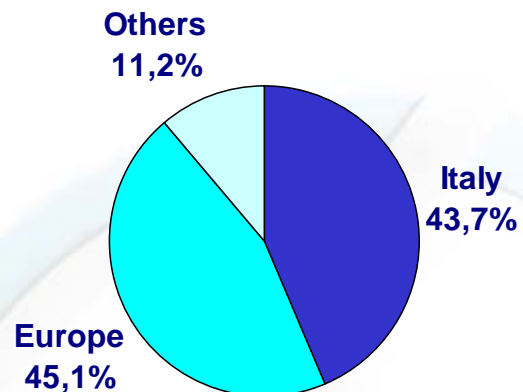
- Terminal blocks, turnover as at September 30, 2008: Euro 1.8 millions (-0.3% vs Sept. 30, 2007)
 - To Italy: 2.2% of total sales
 - To foreign countries: 0.3% of total sales (Europe)
- Product upgrade:
 - implementation of the new European Union safety regulations required the adoption of modern connection systems as those manufactured by Cembre Group



Turnover breakdown by geographical area



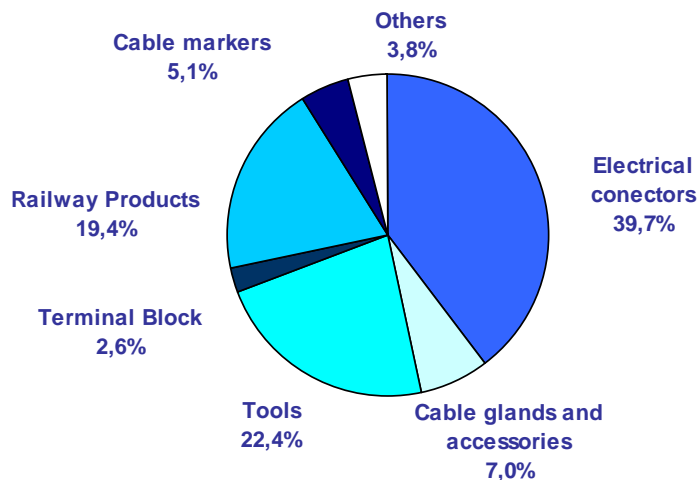
September 30, 2007
Euro 70.5 millions



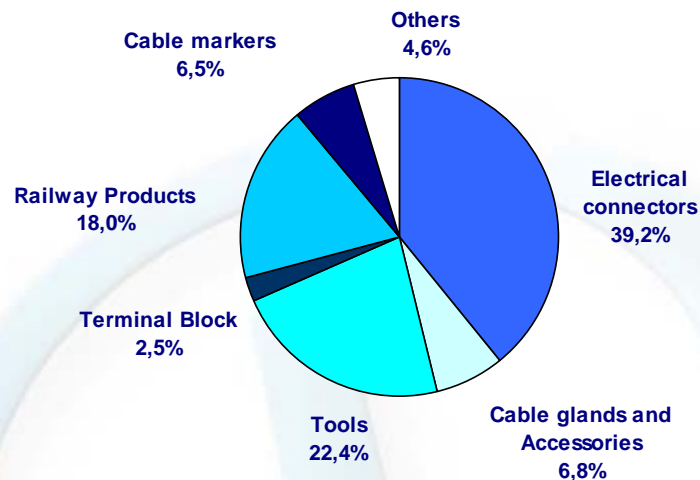
September 30, 2008
Euro 72.5 millions



Turnover breakdown by product



September 30, 2007
Euro 70.5 millions



September 30, 2008
Euro 72,5 millions



Consolidated Financial Highlights

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 presentation corresponds to the document results, books and accounting records



First Half 2008 consolidated results:

Consolidated results of **the First Nine months of 2008** were characterised by:

- **Increase of sales** of 2.8% thanks to:
 - the progressive **reinforcement** of **competitive position** on **Italian and foreign markets**
- **Reduction** of EBITDA and EBIT, resulting from the decrease of hourly cost used in the evaluation of stock, caused by the revision of the amortization period of plant and equipment and from absence of non recurring operations effecting 2007 results
- The growth of the **number of employees** from 525 to 545
- The decrease of **consolidated pre-tax profit**
- **A negative net financial position** which amount to Euro 0.8 millions (negative for 1.7 millions as at December 31, 2007).



First Nine Months 2008 consolidated results

Euro millions	Sept. 30, 08	Sept. 30, 07	Changes %
Sales	70.5	72.5	2.8%
EBITDA <i>In % of sales</i>	15.2 20.9%	17.1 24.2%	-11.2%
EBIT <i>In % of sales</i>	12.8 17.7%	14.7 20.8%	-12.4%
EBT <i>In % of sales</i>	12.6 17.4%	14.5 20.5%	-12.8%



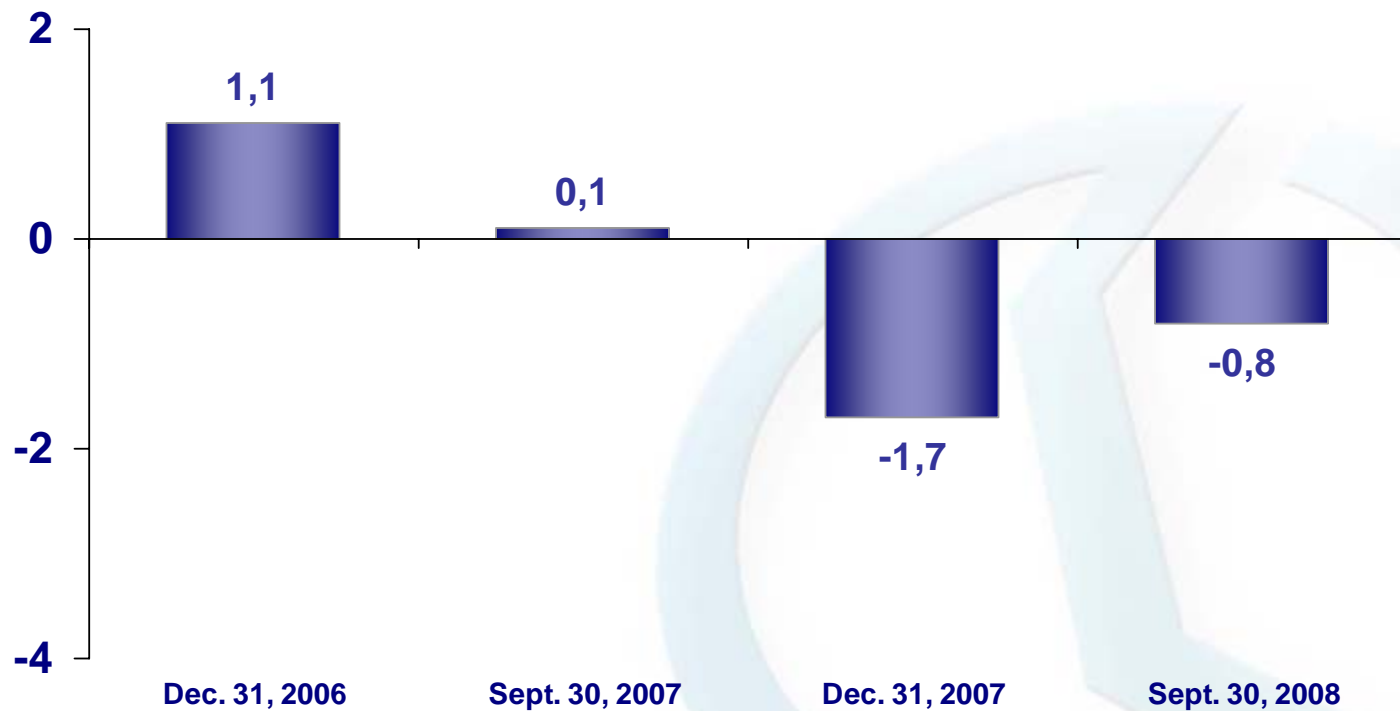
First Half 2008 Consolidated balance sheet

	Millions of Euro	June 30, 2007	Dec. 31, 2007
A	Net working capital	43.9	41.0
B	Net fixed assets	35.2	34.8
C	Assets available for sales	-	-
D	Severance indemnities	3.0	3.4
E	Provisions for risks and charges	0.3	0.3
F	Deferred taxes	2.8	3.7
	Net invested capital (A+B+C-D-E-F)	73.0	68.4
G	Equity	67.9	66.7
H	Net financial position	5.1	1.7
	Total sources (G+H)	73.0	68,4



Net financial position

Euro millions





Objectives and Strategies





Objectives

Cembre's future targets:

- **turnover increase/maintenance** thanks to:
 - **continuous update of existing products and development of new ones**
 - **higher penetration in the US market**
 - carrying out of **high-speed rail lines** in different European Countries

- **maintenance of profitability** thanks to:
 - **higher operative efficiency** due to economies of scale and due to process innovation
 - **improvement of margins** of cable marking products thanks to the progressive results due to synergies between General Marking production and Group's distribution network



Strategies

- Continue to improve quality of products and extend the range thanks to the **constant and intensive R&D activities**
- **Strengthen the presence on foreign markets**
 - increase of penetration in the USA
 - expansion of market shares in Europe
 - strengthening of presence on South-East Asian market
- **Further reinforcement of existing market share** in Italy, where Cembre has already a leadership position