



COSTRUZIONI ELETTROMECCANICHE BRESCIANE

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# QUARTERLY REPORT

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2011 FIRST QUARTER

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# Cembre S.p.A.

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Head Office: Via Serenissima 9, Brescia, Italy  
Share Capital: EUR 8,840,000 (fully paid-up).  
Registration no: 00541390175 (Commercial Register of Brescia)

*This document contains translations of the quarterly report prepared in the Italian language for the purpose of the Italian law and of CONSOB regulations (CONSOB is the public authority responsible for regulating the Italian securities market)*

## Cembre S.p.A.

Registered Office: Via Serenissima 9, Brescia, Italy  
 Share Capital: Euro 8,840,000 (fully paid-up)  
 Registration no: FC 00541390175 (Commercial Register of Brescia)

### Consolidated Financial Statements for the 1<sup>st</sup> Quarter of 2011

#### Consolidated Income Statement

<i>(euro '000)</i>	1 <sup>st</sup> Quarter 2011	1 <sup>st</sup> Quarter 2010	2010
Revenues from sales and services provided	26.800	20.213	93.934
Other revenues	109	86	404
<b>TOTAL REVENUES</b>	<b>26.909</b>	<b>20.299</b>	<b>94.338</b>
Cost of goods and merchandise	(13.226)	(8.035)	(35.667)
Change in inventories	3.897	913	738
Cost of services received	(3.445)	(2.906)	(11.630)
Lease and rental costs	(320)	(280)	(1.184)
Personnel costs	(7.412)	(6.291)	(26.145)
Other operating costs	(188)	(166)	(704)
Increase in assets due to internal construction	63	123	592
Write-down of receivables	(35)	(23)	(160)
Accruals to provisions for risks and charges	(3)	(2)	(8)
<b>GROSS OPERATING PROFIT</b>	<b>6.240</b>	<b>3.632</b>	<b>20.170</b>
Property, plant and equipment depreciation	(616)	(613)	(2.556)
Intangible asset amortization	(61)	(54)	(235)
<b>OPERATING PROFIT</b>	<b>5.563</b>	<b>2.965</b>	<b>17.379</b>
Financial income	38	4	61
Financial expenses	(7)	(13)	(68)
Foreign exchange gains (losses)	(136)	64	64
<b>PROFIT BEFORE TAXES</b>	<b>5.458</b>	<b>3.020</b>	<b>17.436</b>

#### Consolidated Net Financial Position at March 31, 2011

<i>(euro '000)</i>	Mar. 31, 2011	Mar. 31, 2010	Dec. 31, 2010
Cash and cash equivalents	11.700	10.775	14.697
Financial assets	4.000	-	-
Non-current financial liabilities	(1)	(16)	(4)
Current financial liabilities	(935)	(3.807)	(1.024)
<b>CONSOLIDATED NET FINANCIAL POSITION</b>	<b>14.764</b>	<b>6.952</b>	<b>13.669</b>

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## Notes to the Consolidated Financial Statements for the 1<sup>st</sup> Quarter of 2011

### Accounting principles, form and content of the Financial Statements, estimates

Principles of consolidation and valuation criteria adopted are consistent with international accounting principles (IAS/IFRS). The present Quarterly Report was prepared in accordance with Regulations for the implementation of Legislative Decree no. 58 dated February 24, 1998 concerning rules for listed companies, adopted by Consob.

The Consolidated Financial Statements are based on the Statutory Accounts of Cembre S.p.A. (parent company) at March 31, 2011, and those of the following companies at the same date:

	Share owned by the Group at March 31, 2011	Share owned by the Group at March 31, 2010
1. Cembre Ltd (UK)	100%	100%
2. Cembre Sarl *(France)	100%	100%
3. Cembre España SL *(Spain)	100%	100%
4. Cembre AS (Norway)	100%	100%
5. Cembre GmbH *(Germany)	100%	100%
6. Cembre Inc. **(USA)	100%	100%
7. General Marking Srl	100%	100%

\* 5% share held through Cembre Ltd

\*\* 29% share held through Cembre Ltd

The parent company has control of the above companies pursuant to Article 2359 of the Italian Civil Code.

Criteria used in the preparation of the financial statements were applied consistently within the Group. Where necessary, financial data was adjusted and reclassified. In compliance with IAS 1, in the financial statements costs were classified by nature. The scope of the consolidation is unchanged from March 31, 2010 and December 31, 2010.

The present Quarterly Report was prepared in accordance with the “period separation criteria”, based on which the period considered is treated as an independent financial period. The income statement for the quarter thus reflects the income components relating to the period based on the accrual method.

Year-end bonuses recognized to customers were estimated based on past sales and their expected future performance.

### **Notes to the accounts**

With regard to the operating performance, analyzed in detail in the Management Report, we note that in the 1<sup>st</sup> Quarter of 2011 turnover grew by 32.6%. The cost of goods sold as a percentage of total sales was in line with the corresponding period in 2010.

The consolidated net financial position of the Group improved from a surplus of €13.7 million at December 31, 2010, to a surplus of €14.8 million at March 31, 2011. Short-term financial debt does not include €4.4 million of dividends payable to shareholders on May 19, 2011, as resolved by the Shareholders’ Meeting on April 28, 2011. At March 31, 2010, the net financial position amounted to a surplus of €7 million and did not include dividends resolved amounting to €2 million.

### **Sales by geographical area**

Sales by geographical area were commented in the Management Report, to which we refer.

**Outlook**

The Group expects its turnover and net profit to grow in 2011.

The Company's activity is not characterized by cyclical or seasonal factors, with the exception of the slowdown registered in August due to the closing of production facilities for the summer holydays and in December for the Christmas season.

Brescia, May 13, 2011

**THE CHAIRMAN AND MANAGING DIRECTOR  
OF CEMBRE S.P.A.**

**GIOVANNI ROSANI**

# Cembre S.p.A.

Head Office: Via Serenissima 9, Brescia, Italy

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## Report on Operations for the 1<sup>st</sup> Quarter of 2011

In the 1<sup>st</sup> Quarter of 2011 revenues grew by 32.6% to €26,800 thousand, up from €20,213 thousand in the 1<sup>st</sup> Quarter of 2010. Domestic sales grew by 43.1% in the quarter, while exports increased by 24.8% on the 1<sup>st</sup> Quarter of 2010.

### Revenues by geographical area

(€'000)	1 <sup>st</sup> Quarter 2011	1 <sup>st</sup> Quarter 2010	1 <sup>st</sup> Quarter 2009
Italy	12,302	8,594	7,206
Rest of Europe	11,071	8,671	8,929
Rest of the World	3,427	2,948	2,104
Total	26,800	20,213	18,239

In the 1<sup>st</sup> Quarter of 2011, 45.9% of sales were represented by Italy (as compared with 42.5% in the 1<sup>st</sup> Quarter of 2010), 41.3% by the rest of Europe (42.9% in the 1<sup>st</sup> Quarter of 2010) and 12.8% by the rest of the world (14.6% in the 1<sup>st</sup> Quarter of 2010).

### Net revenues by Group company

(€'000)	1 <sup>st</sup> Quarter 2011	1 <sup>st</sup> Quarter 2010	1 <sup>st</sup> Quarter 2009
Parent company	15,643	11,310	9,643
Cembre Ltd. (UK)	3,588	2,654	2,425
Cembre S.a.r.l. (France)	1,934	1,514	1,696
Cembre España S.L. (Spain)	1,932	2,097	1,860
Cembre GmbH (Germany)	1,769	1,220	1,199
Cembre AS (Norway)	159	131	144
Cembre Inc. (USA)	1,656	1,216	1,188
General Marking Srl (Italy)	119	71	84
Total	26,800	20,213	18,239

Sales of subsidiary General Marking reported in the table above include only sales outside the Group, while sales made by the subsidiary to other Group companies for subsequent resale are not attributed to General Marking. In the 1<sup>st</sup> Quarter of 2011, the latter grew by 43.3% to €933 thousand, down from €61 thousand in the 1<sup>st</sup> Quarter of 2010.

To provide a better understanding of the Group's financial performance, a Reclassified Consolidated Income Statement for the 1<sup>st</sup> Quarter of 2011 is enclosed as Attachment A. Consolidated gross operating profit grew by 71.8% from €3,632 thousand in the 1<sup>st</sup> Quarter of 2010 (representing an 18% margin on sales), to €6,240 thousand (a 23.3% margin on sales) in the 1<sup>st</sup> Quarter of 2011. In the 1<sup>st</sup> Quarter of 2011, sales grew, while the weight of personnel costs and of services received as a percentage of sales declined. The average number of employees grew from 530 in the 1<sup>st</sup> Quarter of 2010, to 579 in the corresponding period in 2011.



Consolidated operating profit for the 1<sup>st</sup> Quarter of 2011 amounted to €5,563 thousand, representing a 20.8% margin on sales, up 87.6% on €2,965 thousand in the 1<sup>st</sup> Quarter of 2011 (when it represented a 14.7% margin on sales).

Capital expenditure made by the Group in the quarter amounted to €1 million, in line with expenditure made in the 1<sup>st</sup> Quarter of 2010.

Profit before taxes for the 1<sup>st</sup> Quarter of 2011 was equal to €5,458 thousand, representing a 20.4% margin on sales, up 80.7% on €3,020 thousand in the 1<sup>st</sup> Quarter of 2010, when it represented 14.9% of sales.

#### **Events subsequent to March 31, 2011**

No particular event that may significantly affect the economic performance, asset structure or financial performance of the Group occurred after March 31, 2011.

Brescia, May 13, 2011

**THE CHAIRMAN AND MANAGING DIRECTOR  
OF CEMBRE S.P.A.**

GIOVANNI ROSANI

# Cembre S.p.A.

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## Attachment A to the Report on Operations for the 1<sup>st</sup> Quarter of 2011

### Consolidated Income Statement

(€ '000)	1 <sup>st</sup> Quarter 2011	%	1 <sup>st</sup> Quarter 2010	%	change
Revenues from sales and services provided	26.800	100,0%	20.213	100,0%	32,6%
Other revenues	109		86		26,7%
<b>TOTAL REVENUES</b>	<b>26.909</b>		<b>20.299</b>		
Cost of goods and merchandise	(13.226)	-49,4%	(8.035)	-39,8%	64,6%
Change in inventories	3.897	14,5%	913	4,5%	326,8%
Cost of services received	(3.445)	-12,9%	(2.906)	-14,4%	18,5%
Lease and rental costs	(320)	-1,2%	(280)	-1,4%	14,3%
Personnel costs	(7.412)	-27,7%	(6.291)	-31,1%	17,8%
Other operating costs	(188)	-0,7%	(166)	-0,8%	13,3%
Increase in assets due to internal construction	63	0,2%	123	0,6%	-48,8%
Write-down of current assets	(35)	-0,1%	(23)	-0,1%	52,2%
Accruals to provisions for risks and charges	(3)	0,0%	(2)	0,0%	50,0%
<b>GROSS OPERATING PROFIT</b>	<b>6.240</b>	<b>23,3%</b>	<b>3.632</b>	<b>18,0%</b>	<b>71,8%</b>
Property, plant and equipment depreciation	(616)	-2,3%	(613)	-3,0%	0,5%
Intangible assets amortization	(61)	-0,2%	(54)	-0,3%	13,0%
<b>OPERATING PROFIT</b>	<b>5.563</b>	<b>20,8%</b>	<b>2.965</b>	<b>14,7%</b>	<b>87,6%</b>
Financial gains	38	0,1%	4	0,0%	850,0%
Financial expenses	(7)	0,0%	(13)	-0,1%	-46,2%
Foreign exchange gains (losses)	(136)	-0,5%	64	0,3%	-312,5%
<b>PROFIT BEFORE TAXES</b>	<b>5.458</b>	<b>20,4%</b>	<b>3.020</b>	<b>14,9%</b>	<b>80,7%</b>

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**C e m b r e**

## **DECLARATION**

pursuant to art 154-bis Paragraph 2, Part IV, Title III, Heading II, Section V-bis, of Legislative Decree 58 dated Feb. 24, 1998 "Consolidated Law on financial intermediation regulations"

Re: Quarterly Report for the first Quarter of 2011

The undersigned,

Claudio Bornati, Manager responsible for preparing the Cembre S.p.A. financial reports

## **DECLARES**

pursuant to Paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the financial disclosure contained in the Quarterly Report for the first Quarter of 2011 corresponds to the document results, books and accounting records.

Brescia, may 13, 2011

Signed by: Claudio Bornati  
Manager in charge of drafting  
the accounts of Cembre S.p.A.