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Press release

Board approves the Financial Statements for the 4th Quarter of 2005

Cembre confirms positive trend Profit before taxes grows in 2005 by 54.1%

- *Sales up 14.3% on the 4th Quarter of 2004 thanks to the good performance of exports*
- *Domestic sales resume growth*
- *The net financial position of the Group improves*

Consolidated figures
(€ '000)

	2005	Sales margin %	2004	Sales margin %	% change	4 th Qtr. 2005	4 th Qtr. 2004	% change
Sales	69,997	100	65,149	100	7.4%	18,782	16,426	14.3%
Gross operating profit	14,718	21.0	12,187	18.7	20.8%	4,076	3,802	7.2%
Operating profit	11,023	15.7	7,656	11.8	44.0%	3,211	2,349	36.7%
Profit before taxes	11,192	16.0	7,263	11.1	54.1%	3,201	2,038	57.1%

Brescia, February 14, 2006 - The Board of Directors of Cembre Spa – a company listed in the STAR segment of the Milan Stock Exchange and one of the largest European manufacturers of electrical connectors and tools for their installation – chaired by Carlo Rosani, approved at today's meeting the Consolidated Report on the 4th Quarter of 2005. Cembre adopted international accounting principles (IAS/IFRS) starting with the Report on the 1st Half of 2005.

In the 4th Quarter of 2005, **consolidated revenues** grew by 14.3% from €16.4 million in the 4th Quarter of 2004 to €18.8 million in the same period in 2005.

Consolidated sales of the Cembre Group for 2005 grew by 7.4% on the same period in 2004, up from €65.2 million to €70.0 million.

In 2005, 44.6% of **consolidated sales** were represented by Italy (as compared with 47.9% in 2004), 46.4% by the rest of Europe (43.7% in 2004), and the remaining 9.0% by the rest of the World (8.5% in 2004).

In 2005 domestic sales grew by 0.2%, while exports climbed 14.1%.

Consolidated gross operating profit (Ebitda) for 2005 amounted to €4.7 million, representing a 21% margin on sales, up 20.8% on 2004 when it amounted to €2.2 million (and represented an 18.7% margin on sales).

Gross operating profit for the 4th Quarter of 2005 grew by 7.2% from €3.8 million, representing a 23.1% margin on sales, in the 4th Quarter of 2004, to €4.1 million, representing a 21.7% margin on sale, in the same period in 2005.

The improvement can be attributed to higher operating efficiency and efforts to reduce costs.

Consolidated operating profit (Ebit) for 2005 amounts to €11 million, corresponding to a 15.7% margin on sales, up 44% on €7.7 million in 2004 (11.8% of sales), due partly to the lower weight of depreciation charges.

Consolidated operating profit improved also in the 4th Quarter from €2.4 million (14.3% of sales) in the 4th Quarter of 2004, to €3.2 million (17.1% of sales) in the same period in 2005.

Consolidated profit before taxes for the 4th Quarter of 2005 amounts to €3.2 million (a 17% margin on sales), up 57.1% on €2 million in the 4th Quarter of 2004. **Consolidated profit before taxes** for 2005 amounts to €1.2 million, representing a 16% margin on sales, up 54.1% on €7.3 million in 2004, when it represented an 11.1% margin on sales.

The increase is connected to the lower interest expense resulting from the improvement in the **net financial position** from a net indebtedness of €2.1 million at December 31, 2004, to positive €2.8 million at December 31, 2005. Foreign exchange differences also improved in the period.

“Strong results achieved in 2005 are due primarily to the wider range of products offered, with the development of new ones, in addition to efforts to improve operating efficiency and the resulting benefits in terms of costs. We are also pleased with the good sales performance in the first weeks of 2006 that confirms the positive trend registered in the last quarter of 2005” commented the Chairman and Managing Director, Carlo 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 463 as of December 31, 2005. Since 1992 its products have been certified by Lloyd's Register Quality Assurance for the design and production of accessories for cables, electrical connectors and their installation tools.

Cembre has been listed on the Italian Stock Exchange since December 15, 1997, and on the STAR section since 24 September 2001.

The financial statements and accounts of all companies of the Cembre Group are audited by independent auditors Ernst & Young.

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For further information please visit the Investor Relation section in the www.cembre.com site.

Attachments: Consolidated Financial Statements at December 31, 2005

Cembre SpA

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 at December 31, 2005

Consolidated income statement

<i>(euro '000)</i>	1/1 - 31/12 2005	1/1 - 31/12 2004	4 th Quarter 1/10 - 31/12 2005	4 th Quarter 1/10 - 31/12 2004
Revenues from sales and services provided	69.997	65.149	18.782	16.426
Other revenues	105	208	58	146
TOTAL REVENUES	70.102	65.357	18.840	16.572
Cost of goods and merchandise	(22.599)	(21.102)	(5.944)	(4.917)
Cost of services received	(10.395)	(10.414)	(2.707)	(2.596)
Lease and rental costs	(1.014)	(963)	(257)	(249)
Personnel costs	(20.579)	(20.208)	(4.835)	(4.527)
Other operating costs	(470)	(320)	(136)	(107)
Change in inventories	(605)	(349)	(820)	(353)
Increase in assets due to internal construction	508	345	76	54
Write-down of receivables	(209)	(141)	(130)	(62)
Accruals to provisions for risks and charges	(21)	(18)	(11)	(13)
GROSS OPERATING PROFIT	14.718	12.187	4.076	3.802
Tangible asset depreciation	(3.364)	(3.869)	(840)	(972)
Intangible asset amortization	(104)	(257)	(25)	(76)
Write-down of long-term assets	(227)	(405)	0	(405)
OPERATING PROFIT	11.023	7.656	3.211	2.349
Financial income (expense)	(142)	(297)	(20)	(111)
Foreign exchange gains (losses)	311	(96)	10	(200)
PROFIT BEFORE TAXES	11.192	7.263	3.201	2.038

Consolidated net financial position at December 31, 2005

<i>(euro '000)</i>	31/12/2005	30/09/2005	31/12/2004
Cash and cash equivalents	6.026	7.209	6.507
Non-current financial liabilities	(89)	(65)	(282)
Current financial liabilities	(3.139)	(5.276)	(8.320)
Liabilities on derivative instruments	(21)	(34)	(30)
NET FINANCIAL POSITION	2.777	1.834	(2.125)