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Press release

The Shareholders' Meeting approved the 2005 Financial Statements, appointed the Board of Directors and the Board of Statutory Auditors, extended the appointment of the Independent Auditors and authorized operations regarding own shares

CEMBRE (a STAR listed company): DIVIDENDS GROW BY 50% OPERATIONS REGARDING OWN SHARES WERE AUTHORIZED

- Consolidated revenues reach €70 million (up 7.4%)
- Consolidated profit before taxes climbs to €11.2 million (up 54.1%)
- Consolidated net profit grows to €6.6 million (up 72.5%)

Brescia, May 15, 2006 - The Ordinary Shareholders' Meeting of Cembre Spa – a STAR segment listed company and one of the largest European producers of electrical connectors and tools for their installation – called today at 9:30am and chaired by **Carlo Rosani**, approved at today's meeting the Statutory Accounts of Cembre SpA at December 31, 2005, resolving the distribution of a **€0.15 dividend** for each of the shares in circulation, representing a 50% increase on the dividend distributed for the 2005 financial year.

The ex-dividend date is May 22, while dividends will be paid out from May 25.

Consolidated revenues amounted to €70 million, up 7.4% on the previous year.

Consolidated pre-tax profit for 2005 amounted to €11.2 million, representing a 16% margin on sales, up on 2004, when it amounted to €7.2 million, representing an 11.2% margin on sales.

Consolidated net profit for the year amounted to €6.6 million, representing a 9.4% margin on sales, up 72.5% on €3.8 million in 2004, when it represented a 5.9% margin on sales.

Parent company **Cembre S.p.A.** closed the 2005 financial year reporting **sales** of €3.7 million, up 5% on €1.1 million in 2004.

Gross operating margin of the parent company grew by 9.7% from €10.6 million in 2004, to €11.7 million in the current year, while the **operating profit** grew by 21.6% to €9 million.

Net profit amounted to €4.9 million, up 59.6% in comparable terms on 2004.

"We are satisfied with the operating performance achieved in the year that indicate how our strategies contribute to generate value for our shareholders" declared Cembre's Chairman and Managing Director, Carlo Rosani.

Appointment of the Board of Directors, the Board of Statutory Auditors and of the Independent Auditors

The Shareholders' Meeting appointed the new Board of Directors, whose term expired, for a new three-year term for financial years 2006-2008, confirming Carlo Rosani as Chairman and directors Anna Maria Onofri, Giovanni Rosani, Sara Rosani, Giovanni De Vecchi, Aldo Bottini Bongrani, Mario Comana (independent) e Paolo Lechi (independent).

In the subsequent board meeting, the Board of Directors appointed Anna Maria Onofri as Vice-Chairman, conferring proxies to the Chairman, Carlo Rosani, to Giovanni Rosani and Anna Maria Onofri.

The Board of Directors also reviewed and confirmed the eligibility of independent directors Marco Comana and Paolo Lechi for their position. The new *lead independent director* position introduced by the Code of Conduct of listed companies, will be covered by Mario Comana.

An Internal Audit Committee and a Remuneration Committee were set up within the Board. Such committees are formed by directors Mario Comana (independent), Paolo Lechi (independent) e Giovanni De Vecchi (non-executive).

The Shareholders' Meeting also appointed the new Board of Statutory Auditors, whose term expired, for a new three-year term for financial years 2006-2008. Auditors are Guido Astori (Chairman), Andrea Boreatti and Leone Scutti, renewing for another three-year term independent auditors Reconta Ernst & Young Spa to audit the accounts of the company for financial years 2006-2008.

Authorization to purchase and assign own shares

The Shareholders' Meeting also approved the first item in the agenda relating to the plan for the acquisition and sale of own shares, pursuant to articles 2357 and 2357-ter of the Italian Civil Code.

We note that, also in compliance with and pursuant to article 144-bis of Consob Regulation 11971/1999, the authorization for the acquisition of own shares, valid for 12 months from the Shareholders' Meeting, relates to the acquisition of ordinary shares at a price included between €1 and €10 each, for a total amount that, keeping into account ordinary Cembre shares already held by the Company and its subsidiaries, does not exceed 10% of the capital stock of the same (limited thus to 1,700,000 ordinary shares). At the current date the Company does not hold own shares. The purchase of own shares will commence after May 22, 2006 (ex-dividend date) as deemed appropriate in the interest of the Company, keeping into account the motivation of the authorization granted, as indicated below.

The request for the authorization to acquire and assign own shares has the following motivations:

- the use of shares as payment for possible acquisitions and/or commercial agreements that fall within the investment policy pursued by the Company;
- the use of shares for trading purposes as financial investments and to stabilize the price of the same in case of lack of liquidity on the market.

As a result of the new authorization given to the Board of Directors, the previous similar authorization given by the Ordinary Shareholders' Meeting of May 12, 2005, limited to the part that has not been utilized, is to be considered as no longer effective.

The purchase and sale of own shares will be carried out on regulated markets in accordance with operating procedures set in the regulations for the organization and management of said markets, that do not allow for the direct matching of purchase bids with predetermined sale offers, pursuant to article 144-bis, comma 1, par. b) of Consob Regulation 11971/99, so as to ensure equal treatment to all shareholders, as provided by article 132 of Legislative Decree 58/1998.

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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 the development of 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 466 as of March 2006. 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 September 24, 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 Relations section at www.cembre.com

Consolidated Financial Statements and statutory accounts of parent company Cembre SpA at December 31, 2005 are enclosed.

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 Balance Sheet at December 31, 2005

<i>(euro '000)</i>	12/31/2005	12/31/2004
ASSETS		
A) NON-CURRENT ASSETS		
Tangible assets	28.204	29.636
Intangible assets	154	344
Financial assets available for sale	5	5
Other non-current assets	100	145
Deferred tax assets	1.633	1.520
TOTAL NON-CURRENT ASSETS	30.096	31.650
B) CURRENT ASSETS		
Inventories	19.746	20.103
Trade receivables	21.676	19.474
Tax receivables	0	47
Other receivables	166	311
Cash and cash equivalents	6.026	6.507
TOTAL CURRENT ASSETS	47.614	46.442
C) NON-CURRENT ASSETS AVAILABLE FOR SALE	0	0
TOTAL ASSETS(A+B+C)	77.710	78.092
LIABILITIES AND SHAREHOLDERS' EQUITY		
A) SHAREHOLDERS' EQUITY		
Capital stock	8.840	8.840
Reserves	37.237	34.460
Net profit	6.605	3.830
TOTAL SHAREHOLDERS' EQUITY	52.682	47.130
B) NON-CURRENT LIABILITIES		
Non-current financial liabilities	89	282
Employee Severance Indemnity and other personnel benefits	4.478	4.253
Provisions for risks and charges	295	281
Deferred tax liabilities	4.054	4.205
TOTAL NON-CURRENT LIABILITIES	8.916	9.021
C) CURRENT LIABILITIES		
Current financial liabilities	3.139	8.320
Liabilities on derivative instruments	21	30
Trade payables	7.017	7.424
Tax payables	1.851	2.121
Other payables	4.084	4.046
TOTAL CURRENT LIABILITIES	16.112	21.941
D) LIABILITIES ON ASSETS HELD FOR DISPOSAL	0	0
TOTAL LIABILITIES (B+C+D)	25.028	30.962
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (A+B+C+D)	77.710	78.092

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Comparative Consolidated Income Statement

(€'000)	2005	%	2004	%	change
Revenues from sales and services provided	69.997	100	65.149	100	7,4%
Other revenues	105		208		
TOTAL REVENUES	70.102		65.357		
Cost of goods and merchandise	(22.599)	(32,3)	(21.102)	(32,4)	7,1%
Cost of services received	(10.395)	(14,9)	(10.414)	(16,0)	-0,2%
Lease and rental costs	(1.014)	(1,4)	(963)	(1,5)	5,3%
Personnel costs	(20.579)	(29,4)	(20.208)	(31,0)	1,8%
Other operating costs	(470)	(0,7)	(320)	(0,5)	46,9%
Change in inventories	(605)	(0,9)	(349)	(0,5)	
Increase in assets due to internal construction	508	0,7	345	0,5	47,2%
Write-down of current assets	(209)	(0,3)	(141)	(0,2)	48,2%
Accruals to provisions for risks and charges	(21)	0,0	(18)	0,0	16,7%
GROSS OPERATING PROFIT	14.718	21,0	12.187	18,7	20,8%
Tangible assets depreciation	(3.364)	(4,8)	(3.869)	(5,9)	-13,1%
Intangible assets amortization	(104)	(0,1)	(257)	(0,4)	-59,5%
Write-down of long-term assets	(227)	(0,3)	(405)	(0,6)	
OPERATING PROFIT	11.023	15,8	7.656	11,8	44,0%
Financial income (expense)	(142)	(0,2)	(297)	(0,5)	-52,2%
Foreign exchange gains (losses)	311	0,4	(96)	(0,1)	
PROFIT BEFORE TAXES	11.192	16,0	7.263	11,2	54,1%
Income taxes	(4.587)	(6,6)	(3.433)	(5,3)	33,6%
NET PROFIT FROM ORDINARY ACTIVITIES	6.605	9,4	3.830	5,9	72,5%
NET PROFIT FROM ASSETS HELD FOR DISPOSAL	0	0,0	0	0,0	0,0%
NET PROFIT	6.605	9,4	3.830	5,9	72,5%

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Consolidated Statement of Cash Flows

(Euro '000)

	2005	2004
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the period	6.605	3.830
Depreciation, amortization and write-downs	3.697	4.531
(Gains)/Losses on disposal of assets	(32)	9
Net change in Employee Severance Indemnity	225	704
Net change in provisions for risks and charges	14	(105)
Operating profit (loss) before change in working capital	10.509	8.969
(Increase) Decrease in trade receivables	(2.202)	(1.275)
(Increase) Decrease in inventories	357	531
(Increase) Decrease in other receivables and deferred tax assets	79	(603)
Increase (Decrease) of trade payables	(407)	638
Increase (Decrease) of other payables and deferred tax liabilities	(383)	1.598
Change in working capital	(2.556)	889
NET CASH FLOW (USED IN)/FROM OPERATING ACTIVITIES	7.953	9.858
B) CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets:		
- intangible	(142)	(112)
- tangible	(1.910)	(3.092)
Proceeds from disposal of tangible, intangible, available-for-sale financial assets	9	333
NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES	(2.043)	(2.871)
C) CASH FLOW FROM FINANCING ACTIVITIES		
(Increase) Decrease in other non current assets	45	60
Increase (Decrease) in bank loans and borrowings	(5.406)	(3.645)
Increase (Decrease) in other loans and borrowings	32	39
Increase (Decrease) in derivative instruments	(9)	30
Change in reserves	645	201
Dividends distributed	(1.698)	(1.223)
NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES	(6.391)	(4.538)
D) INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(481)	2.449
E) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	6.507	4.058
F) CASH AND CASH EQUIVALENTS AT END OF PERIOD (D+E)	6.026	6.507

CASH AND CASH EQUIVALENTS AT END OF PERIOD	6.026	6.507
Current financial liabilities	(3.139)	(8.320)
Non current financial liabilities	(89)	(282)
Liabilities on derivative instruments	(21)	(30)
NET CONSOLIDATED FINANCIAL POSITION	2.777	(2.125)
INTEREST PAID IN THE PERIOD	(194)	(326)

BREAKDOWN OF CASH AND CASH EQUIVALENTS AT END OF PERIOD		
Cash	9	18
Banks	6.017	6.489
	6.026	6.507

Cembre S.p.A.

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Financial Statements at December 31, 2005**Balance Sheet***(in euro)*

Assets	Dec. 31, 2005	Dec. 31, 2004
A) Capital not paid-in	-	-
B) Fixed assets		
I - Intangible assets		
2) Research and development costs and advertising expenses	106.165	43.341
3) Industrial patents and intellectual property rights	38.447	50.650
5) Goodwill	-	-
7) Other	608.758	684.807
Total	753.370	778.798
II - Tangible assets		
1) Land and buildings	7.774.664	7.949.591
2) Plant and machinery	4.281.029	5.177.733
3) Equipment	423.450	641.366
4) Other assets	732.802	853.970
5) Work in progress and advances	253.399	92.286
Total	13.465.344	14.714.946
III - Financial assets		
1) Investments in:		
a) subsidiaries	8.115.406	7.006.983
d) other companies	5.224	5.224
2) Receivables		
a) from subsidiaries		
- short-term	-	-
d) from others		
- long-term	10.106	54.890
Total	8.130.736	7.067.097
Total fixed assets	22.349.450	22.560.841

C) Current assets	Dec. 31, 2005	Dec. 31, 2004
I - Inventories		
1) Raw materials	3.645.231	3.459.940
2) Work in progress and semi-finished goods	4.758.886	4.626.887
4) Finished goods	5.177.038	6.337.929
Total	13.581.155	14.424.757
II - Receivables		
1) Trade	14.310.271	12.948.869
2) From subsidiaries	5.153.679	5.082.815
4-bis) Taxes receivables	16.346	16.257
4-ter) Deferred tax assets		
- short-term	414.727	356.069
- long-term	69.273	76.979
Total	484.000	433.048
5) From others		
- short-term	57.132	58.076
- long-term	-	-
Total	57.132	58.076
Total receivables	20.021.428	18.539.065
III - Marketable securities		
5) Own shares (par value € 52,000)	-	291.052
IV - Cash and cash equivalents		
1) Bank deposits	3.108.799	4.727.449
3) Cash	1.016	10.372
Total cash and cash equivalents	3.109.815	4.737.822
Total current assets	36.712.398	37.992.695
D) Accrued income and prepaid expenses	31.429	39.842
Total assets	59.093.277	60.593.379

Liabilities and Shareholders' Equity

A) Shareholders' Equity		
I - Share capital	8.840.000	8.840.000
II - Paid-in capital in excess of par value	12.244.869	12.244.869
III - Revaluation reserve	585.159	585.159
IV - Legal reserve	1.663.013	1.366.445
V - Reserve for own shares	-	291.052
VI - Statutory reserves	-	-
VII - Other reserves		
Provisions for suspended tax reserves	68.412	68.412
Extraordinary reserve	15.318.482	11.090.640
VIII - Retained earnings	-	-
IX - Net profit	4.867.280	5.931.357
Total Shareholders' Equity	43.587.215	40.417.935

	Dec. 31, 2005	Dec. 31, 2004
B) Provision for risks and charges		
2) Deferred Income taxes	1.352.264	1.566.074
3) Other	301.626	639.112
Total provisions for risks and charges	1.653.890	2.205.186
C) Employee termination indemnities	3.855.800	3.805.556
D) Payables		
4) Bank loans		
- short-term	291.753	3.040.942
- long-term	-	-
Total bank loans	291.753	3.040.942
6) Advances	1.907	20.373
7) Trade payables	5.889.641	6.598.245
9) Payables to subsidiaries	195.770	424.270
12) Taxes payable	1.024.349	1.575.388
13) Social security payables	932.406	895.596
14) Other payables	1.660.546	1.586.850
Total payables	9.996.372	14.141.664
E) Accrued expenses and deferred income	-	23.037
Total liabilities and Shareholders' Equity	59.093.277	60.593.379

Commitments

2) Guarantees given	2.475.458	5.539.989
of which in favor of subsidiaries	2.369.535	5.478.132
3) Guarantees received	19.821	19.821

Income Statement (in euro)	full year 2005	full year 2004
A) Revenues		
1) Sales	53.660.849	51.114.666
2) Change in work in progress, semi-finished and finished goods inventories	(1.028.892)	231.997
4) Increase in assets due to internal construction	507.530	344.636
5) Other revenues:		
a) sundry	128.103	104.267
b) contributions received	0	12.515
Total operating value	53.267.590	51.808.081
B) Operating costs		
6) Raw materials	(19.504.095)	(18.502.227)
7) Services	(7.278.705)	(7.195.051)
8) Leases and rentals	(719.832)	(698.378)
9) Personnel		
a) Wages and salaries	(9.969.071)	(9.920.193)
b) Social security	(3.137.499)	(3.066.704)
c) Employee severance indemnities	(714.521)	(712.495)
d) Retirement benefits	(6.090)	(5.414)
e) Other costs	(45.227)	(43.599)
Total personnel costs	(13.872.408)	(13.748.404)
10) Depreciation and write-downs		
a) Amortization of intangible assets	(163.146)	(162.578)
b) Depreciation of tangible assets	(2.473.834)	(3.041.815)
d) Write-down in the value of current assets	(199.501)	(92.134)
Total depreciation and write-downs	(2.836.481)	(3.296.527)
11) Change in raw material inventories	185.291	(402.482)
12) Accruals to risk provisions	(14.915)	(355.424)
14) Other operating costs	(201.529)	(185.313)
Total operating costs	(44.242.674)	(44.383.806)
Operating profit (A-B)	9.024.916	7.424.275
C) Financial income and expense		
16) Other financial income:		
c) marketable securities (excluding subsidiaries)	68.152	83.974
d) other income	56.905	20.563
17) Interest and other financial charges	(57.219)	(191.873)
17-bis) Foreign exchange gains and losses	253.293	(173.437)
Total	321.131	(260.774)

D) Adjustments to the value of financial assets	full year 2005	full year 2004
18) Revaluations		
b) of long-term financial assets	-	1.147
c) of marketable securities	-	48.982
19) Write-downs		
a) Investments in subsidiaries	(431.648)	(692.637)
Total adjustments to the value of financial assets	(431.648)	(642.507)
E) Extraordinary items		
20) Gains (note 1)	119.280	4.705.228
21) Losses (note 2)	(265.682)	(2.023.250)
Total extraordinary items	(146.402)	2.681.978
Profit before taxes (A-B+C+D+E)	8.767.997	9.202.973
22) Income taxes		
a) current	(4.165.480)	(3.634.359)
b) deferred and prepaid	264.763	362.744
Total income taxes	(3.900.717)	(3.271.615)
23) Net profit	4.867.280	5.931.357

note 1: for year 2004 , gains arising from the elimination of the entries made only for tax purposes, amounts to € 4.673.933

note 2: for year 2004, losses arising from the elimination of the entries made only for tax purposes, amounts to € 1.741.040