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Press release

BOARD APPROVES THE FINANCIAL STATEMENTS FOR THE 2nd QUARTER OF 2006

CEMBRE (A STAR LISTED COMPANY): AT THE END OF THE FIRST HALF OF 2006 CONSOLIDATED SALES GROW BY 20%

- **Important increase of domestic and foreign sales**
- **Consolidated Profit before taxes (8.3 million of Euro) grows by 40.9%**
- **Consolidated Ebitda (9.9 million of Euro) grows by 30.5%**

(€'000)	1/1-6/30 2006	Sales margin %	1/1-6/30 2005	Sales margin %	% change	2 nd Qtr 2006	2 nd Qtr 2005	% change
Sales	41,925	100	34,982	100	19,8%	21,995	19,178	14,7%
Gross operating profit	9,963	23,8	7,637	21,8	30,5%	5,645	4,351	29,7%
Operating profit	8,424	20,1	5,701	16,3	47,8%	4,854	3,284	47,8%
Profit before taxes	8,349	19,9	5,926	16,9	40,9%	4,818	3,387	42,2%

Brescia, August 04, 2006 - 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 Carlo Rosani, approved at today's meeting the Report on the 2nd Quarter of 2006.

In the 2nd Quarter of 2006, **consolidated revenues** grew by 14.7% from €19.1 million in the 2nd Quarter of 2005 to €21.9 million in the same period in 2006.

Consolidated sales of the Cembre Group for the first six months of 2006 grew by 19.8% on the same period in 2005, up from €34.9 million to €41.9 million.

In the first six months of 2006, 43.9% of **consolidated sales** were represented by Italy (as compared with 43.7% in the first six months of 2005), 46.1% by the rest of Europe (47.5% in the first six months of 2005), and the remaining 10% by the rest of the World (8.8% in the first six months of 2004).

In this framework, domestic sales grew by 20.4%, while exports grew by 19.4%.

Consolidated gross operating profit (Ebitda) for the first six months of 2006 amounted to €9.9 million, representing a 23.8% margin on sales, up 21.8% on the first six months of 2005 when it amounted to €7.6 million (and it represented to a 21.8% margin on sales).

Gross operating profit for the 2nd Quarter grew by 29.7%, from €4.3 million (representing a 22.7% margin on sales) in the 2nd Quarter of 2005, to €5.6 million (representing an 25.7% margin on sales) in the 2nd Quarter of 2006.

Consolidated operating profit (Ebit) for the first six months of 2006 amounts to €8.4 million, corresponding to a 20.1% margin on sales, up 47.8% on €5.7 million in the first six months of 2005 (16.3% of sales), due partly to the lower weight of depreciation charges.

Consolidated operating profit improved also in the 2nd Quarter from €3.2 million (17.1% of sales) in the 2nd Quarter of 2005, to €4.8 million (22.1% of sales) in the same period in 2006.

Consolidated profit before taxes for the first six months of 2006 amounts to €3.3 million (a 19.9% margin on sales), up 40.9% on 5.9 million in the first six months of 2005 (a 16.9% margin on sales).

Net financial position improved from a negative amount of €1.9 million at the end of June 2005 to a positive amount of €2.1 million, at the end of June 2006

Consolidated profit before taxes for the 2nd Quarter of 2006 amounts to €4.8 million, representing a 21.9% margin on sales, up 42.2% on €3.3 million in the 2nd Quarter of 2005.

“The good performances of the second quarter of 2006 confirm the Group’s good position in the market. We are very pleased by the growth of the most important economic indicator resulted at the end of June, and by the net financial position stability, positive for more than €2 million”, declared 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 471 as of June 30, 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 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 June 30, 2006

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)

Report on the Operations of the Second Quarter 2006

Consolidated Financial Statements at June 30, 2006

Consolidated Income Statement

<i>(euro '000)</i>	01/01 - 06/30 2006	01/01 - 06/30 2005	01/01 - 12/31 2005	II Quarter 04/01 - 06/30 2006	II Quarter 04/01 - 06/30 2005
Revenues from sales and services provided	41.925	34.982	69.997	21.995	19.178
Other revenues	107	12	105	61	3
TOTAL REVENUES	42.032	34.994	70.102	22.056	19.181
Cost of goods and merchandise	(17.325)	(11.329)	(22.599)	(9.474)	(6.039)
Cost of services received	(6.088)	(5.330)	(10.395)	(3.077)	(2.839)
Lease and rental costs	(518)	(567)	(1.014)	(261)	(286)
Personnel costs	(11.178)	(10.598)	(20.579)	(5.610)	(5.544)
Other operating costs	(198)	(166)	(470)	(99)	(81)
Change in inventories	3.073	401	(605)	1.993	(184)
Increase in assets due to internal construction	231	294	508	103	178
Write-down of receivables	(58)	(55)	(209)	18	(32)
Accruals to provisions for risks and charges	(8)	(7)	(21)	(4)	(3)
GROSS OPERATING PROFIT	9.963	7.637	14.718	5.645	4.351
Tangible asset depreciation	(1.499)	(1.662)	(3.364)	(767)	(837)
Intangible asset amortization	(40)	(47)	(104)	(24)	(3)
Write-down of long-term assets	0	(227)	(227)	0	(227)
OPERATING PROFIT	8.424	5.701	11.023	4.854	3.284
Financial income (expense)	(9)	(93)	(142)	(14)	(52)
Foreign exchange gains (losses)	(66)	318	311	(22)	155
PROFIT BEFORE TAXES	8.349	5.926	11.192	4.818	3.387

Consolidated net financial position at June 30, 2006

<i>(euro '000)</i>	06/30/2006	03/31/2006	12/31/2005
Cash and cash equivalents	4.620	5.040	6.026
Non-current financial liabilities	(102)	(118)	(89)
Current financial liabilities	(2.460)	(1.049)	(3.139)
Liabilities on derivative instruments	(7)	(13)	(21)
NET FINANCIAL POSITION	2.051	3.860	2.777