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**Press release**

**BOARD APPROVES RESULTS FOR THE 4<sup>TH</sup> QUARTER OF 2006**

**CEMBRE (a STAR listed company) CLOSES 2006  
REPORTING A 42.1% IN GROSS PROFIT**

- **Strong increase in sales, up 20.2% on 2005**
- **Operating margin at 19%**
- **A product developed by the Group won a prestigious international design award**

(€'000)	2006	Sales margin %	2005	Sales margin %	Change	4 <sup>th</sup> Qtr. 2006	4 <sup>th</sup> Qtr. 2005	Change
<b>Sales</b>	84,163	100	69,997	100	20.2%	22,382	18,782	19.2%
<b>Gross operating profit</b>	19,171	22.8	14,718	21.0	30.3%	5,190	4,076	27.3%
<b>Operating profit</b>	15,981	19.0	11,023	15.7	45.0%	4,335	3,211	35.0%
<b>Pre-tax profit</b>	15,901	18.9	11,192	16.0	42.1%	4,319	3,201	34.9%

Brescia, February 14, 2007 – Cembre Spa – a STAR listed company and one of the largest European producers of electrical connectors and tools for their installation – closes the 2006 financial year reporting excellent results, both from an operating standpoint and in terms of market recognition. In fact, at the recently held *Livingluce ed Enermotive* international fair in Milan (electrical tools, electronics, illumination, industrial automation, safety and industrial components), a battery-powered tool manufactured by the Cembre Group – the B15 – won a prestigious prize for its design in the context of the *2007 Augusto Morello Innovation & Design Award*.

With regard to operations, the Board of Directors of Cembre Spa, chaired by Managing Director Giovanni Rosani, approved at today's meeting the Report on the 4<sup>th</sup> Quarter of 2006.

In the 4<sup>th</sup> Quarter of 2006, **consolidated revenues** grew by 19.2% to €22.4 million, up from €18.8 million on the 4<sup>th</sup> Quarter of 2005.

Consolidated revenues for the year **posted a 20.2% increase** on the previous year, up from €69.9 million in 2005, to €84.2 million in 2006.

A total of 44.2% of sales were represented by Italy (as compared with 44.6% in 2005), 45.8% by the rest of Europe (46.4% in 2005) and 10% by the rest of the world (9% in 2005). Domestic sales grew by 18.9%, while exports increased by 21.3%.

**Gross operating profit (EBITDA)** for 2006 amounted to €19.2 million, representing a 22.8% margin on sales, up 30.3% on 2005, when it amounted to €14.7 million, representing a 21% margin on sales.

Gross operating profit for the quarter grew from €4.1 million in 2005, representing a 21.7% margin on sales, to €5.2 million in 2006 (a 23.2% margin on sales), up 27.3%.

**Consolidated operating profit (EBIT)** for the year amounted to €16 million, corresponding to a 19% margin on sales, up 45% on €11 million in 2005, when it represented a 15.7% margin on sales.

Operating profit for the quarter improved from €3.2 million in 2005 (a 17.1% margin on sales), to €4.3 million (a 19.4% margin on sales) in the 4<sup>th</sup> Quarter of 2006.

**Consolidated pre-tax profit** for the year amounted to €15.9 million, representing an 18.9% margin on sales, up 42.1% on €11.2 million in 2005, when it represented a 16% margin on sales.

Pre-tax profit for the 4<sup>th</sup> Quarter of 2006 amounted to €4.3 million (a 19.3% margin on sales), up 34.9% on the same period in 2005, when it amounted to €3.2 million.

The **net financial position** declined from positive €2.8 million at December 31, 2005, to positive €1.4 million at December 31, 2006, after capital expenditure amounting to €5.6 million.

*“Sales for the 4<sup>th</sup> quarter of 2006 confirm the positive trend registered in the year thanks to the recovery of the market and the development of new products, one of which won a prestigious international design prize in the context of the Livinluce ed Enermotive electrical equipment fair held recently at the Milan Fair. Despite the increase in the price of raw materials, Cembre closes the year reporting a growth in profit margins thanks to process innovation and the streamlining of production. Sales recorded in January 2007 show a continuation of the positive trend registered in 2006.”* declared Cembre’s Managing Director, Giovanni 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 465 as of December 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](http://www.cembre.com)

**Consolidated Financial Statements for the 4<sup>th</sup> Quarter of 2006 are attached.**

# 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 Fourth Quarter 2006

### Consolidated Financial Statements at December 31, 2006

#### Consolidated Income Statement

<i>(euro '000)</i>	01/01 - 12/31 2005	01/01 - 12/31 2005	IV Quarter 10/01 - 12/31 2006	IV Quarter 10/01 - 12/31 2005
Revenues from sales and services provided	84.163	69.997	22.382	18.782
Other revenues	88	105	(22)	58
<b>TOTAL REVENUES</b>	<b>84.251</b>	<b>70.102</b>	<b>22.360</b>	<b>18.840</b>
Cost of goods and merchandise	(35.818)	(22.599)	(10.203)	(5.944)
Cost of services received	(12.410)	(10.395)	(3.384)	(2.707)
Lease and rental costs	(1.047)	(1.014)	(270)	(257)
Personnel costs	(22.250)	(20.579)	(5.585)	(4.835)
Other operating costs	(404)	(470)	(84)	(136)
Change in inventories	6.399	(605)	2.212	(820)
Increase in assets due to internal construction	607	508	208	76
Write-down of receivables	(124)	(209)	(37)	(130)
Accruals to provisions for risks and charges	(33)	(21)	(27)	(11)
<b>GROSS OPERATING PROFIT</b>	<b>19.171</b>	<b>14.718</b>	<b>5.190</b>	<b>4.076</b>
Tangible asset depreciation	(3.092)	(3.364)	(828)	(840)
Intangible asset amortization	(98)	(104)	(27)	(25)
Write-down of long-term assets	0	(227)	0	0
<b>OPERATING PROFIT</b>	<b>15.981</b>	<b>11.023</b>	<b>4.335</b>	<b>3.211</b>
Financial income (expense)	(6)	(142)	2	(20)
Foreign exchange gains (losses)	(74)	311	(18)	10
<b>PROFIT BEFORE TAXES</b>	<b>15.901</b>	<b>11.192</b>	<b>4.319</b>	<b>3.201</b>

#### Consolidated net financial position at December 31, 2006

<i>(euro '000)</i>	12/31/2006	09/30/2006	12/31/2005
Cash and cash equivalents	4.264	7.134	6.026
Non-current financial liabilities	(71)	(88)	(89)
Current financial liabilities	(2.822)	(1.545)	(3.139)
Liabilities on derivative instruments	0	0	(21)
<b>NET FINANCIAL POSITION</b>	<b>1.371</b>	<b>5.501</b>	<b>2.777</b>

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### Consolidated Income Statement

(€ '000)	1/1 - 12/31 2006	%	1/1 - 12/31 2005	%	change	4th Qtr. 2006	%	4th Qtr. 2005	%	change
Revenues from sales and services provided	84.163	100,0%	69.997	100	20,2%	22.382	100,0%	18.782	100,0%	19,2%
Other revenues	88		105			(22)		58		
<b>TOTAL REVENUES</b>	<b>84.251</b>		<b>70.102</b>			<b>22.360</b>		<b>18.840</b>		18,7%
Cost of goods and merchandise	(35.818)	-42,6%	(22.599)	-32,3%	58,5%	(10.203)	-45,6%	(5.944)	-31,6%	71,7%
Cost of services received	(12.410)	-14,7%	(10.395)	-14,9%	19,4%	(3.384)	-15,1%	(2.707)	-14,4%	25,0%
Lease and rental costs	(1.047)	-1,2%	(1.014)	-1,4%	3,3%	(270)	-1,2%	(257)	-1,4%	5,1%
Personnel costs	(22.250)	-26,4%	(20.579)	-29,4%	8,1%	(5.585)	-25,0%	(4.835)	-25,7%	15,5%
Other operating costs	(404)	-0,5%	(470)	-0,7%	-14,0%	(84)	-0,4%	(136)	-0,7%	-38,2%
Change in inventories	6.399	7,6%	(605)	-0,9%		2.212	9,9%	(820)	-4,4%	
Increase in assets due to internal construction	607	0,7%	508	0,7%	19,5%	208	0,9%	76	0,4%	
Write-down of current assets	(124)	-0,1%	(209)	-0,3%	-40,7%	(37)	-0,2%	(130)	-0,7%	-71,5%
Accruals to provisions for risks and charges	(33)	0,0%	(21)	0,0%	57,1%	(27)	-0,1%	(11)	-0,1%	
<b>GROSS OPERATING PROFIT</b>	<b>19.171</b>	22,8%	<b>14.718</b>	21,0%	30,3%	<b>5.190</b>	23,2%	<b>4.076</b>	21,7%	27,3%
Tangible assets depreciation	(3.092)	-3,7%	(3.364)	-4,8%	-8,1%	(828)	-3,7%	(840)	-4,5%	-1,4%
Intangible assets amortization	(98)	-0,1%	(104)	-0,1%	-5,8%	(27)	-0,1%	(25)	-0,1%	8,0%
Write-down of long-term assets	0	0,0%	(227)	-0,3%		0	0,0%	0	0,0%	
<b>OPERATING PROFIT</b>	<b>15.981</b>	19,0%	<b>11.023</b>	15,7%	45,0%	<b>4.335</b>	19,4%	<b>3.211</b>	17,1%	35,0%
Financial income (expense)	(6)	0,0%	(142)	-0,2%	-95,8%	2	0,0%	(20)	-0,1%	
Foreign exchange gains (losses)	(74)	-0,1%	311	0,4%		(18)	-0,1%	10	0,1%	
<b>PROFIT BEFORE TAXES</b>	<b>15.901</b>	18,9%	<b>11.192</b>	16,0%	42,1%	<b>4.319</b>	19,3%	<b>3.201</b>	17,0%	34,9%