



Reg. Office: Via Serenissima 9 – 25135 Brescia
tel.: +39-030-3692.1 fax: +39-030-3365766

Press release

**The Board of Directors of Cembre approves the Financial Statements at
December 31, 2006**

CEMBRE (a STAR listed company): DIVIDEND GROWS BY 47% TO €0.22

- The increase is due to the strong net consolidated profit amounting to €9.3 million, up 41.2% on the previous year
- Consolidated revenues reach €84 million, up 20.2%
- The Board requests authorization to carry out transaction on treasury stock

(€'000)	2006	Sales margin %	2005	Sales margin %	% change
Consolidated revenues	84,127	100	69,997	100	20.2%
Consolidated gross operating profit	19,132	22.7	14,718	21.0	30.0%
Consolidated operating profit	15,942	18.9	11,023	15.7	44.6%
Consolidated profit before taxes	15,862	18.9	11,192	16.0	41.7%
Net consolidated profit	9,328	11.1	6,605	9.4	41.2%
Consolidated net financial position	1,071		2,777		

Brescia, March 28, 2007 - The Board of Directors of Cembre Spa – a STAR segment listed company and one of the largest European producers of electrical connectors and tools for their installation – chaired by Giovanni Rosani, approved at today's meeting the Financial Statements at December 31, 2006, reporting a marked improvement in results on the previous year.

The Board of Directors of Cembre Spa resolved also to propose to the Shareholders' Meeting to be held on April 30, 2007 on first call and on May 14, 2007 on second call, the distribution to Shareholders of a **€0.22 dividend** for each of the shares in circulation, with a payment date of May 28, 2007 and an ex-dividend date, against the clipping of coupon no.10, of May 28, 2007. The dividend represents a 47% increase on the dividend distributed from 2005 net profit (€0.15 per share).

Consolidated revenues amount to €84.1 million, up 20.2% from €70 million in 2005. The breakdown of sales by region confirms a consolidated trend recorded by the Cembre Group. Domestic sales amounted to €37.1 million, up 18.8%, while exports amounted to €47 million, posting a 21.3% increase on the previous year. A total of 44.1% of sales were represented by Italy (44.6% in the previous year), 45.8% by the rest of Europe (46.4% in the previous year) and 10.1%

by the rest of the world (as compared with 9% in 2005). The strong sales performance is due to the recovery of the market and the widening of the product range.

Gross consolidated operating profit (EBITDA) for 2006 amounted to €19.1 million, representing a 22.7% margin on sales, up 30% on 2005 (when it amounted to €4.7 million, representing a 21% margin on sales). The improvement was achieved despite the increase in raw material prices and can be attributed to the good operating performance, with a strong increase in sales and a more modest increase in costs, due in turn to ongoing research and process innovation carried out by the Group.

Consolidated operating profit (EBIT) for the year amounts to €5.9 million, corresponding to an 18.9% margin on sales, up 44.6% on €1 million in 2005, when it represented a 15.7% margin on sales, due to the lower weight of depreciation and amortization.

Consolidated pre-tax profit for the year amounted to €5.9 million, representing an 18.9% margin on sales, up on €1.2 million in 2005, when it represented a 16% margin on sales despite the less favorable foreign-exchange trend.

Consolidated net profit for the year amounted to €9.3 million, representing an 11.1% margin on sales, up 41.2% on €6.6 million in 2005, when it represented a 9.4% margin on sales.

The strong profits generated in the year and development objectives of the Group led management to make larger investments (€5.7 million in 2006, as compared with €2.1 million in 2005), resulting in a reduction in the **net financial position**, declining from €2.8 million in 2005, to €1.07 million in 2006. Among the largest investment is the acquisition of a plot of land adjacent to the Brescia main offices of the Company for €2.3 million.

Parent company **Cembre S.p.A.** closed the 2006 financial year reporting **sales** of €55.6 million, up 22.7% on €33.5 million in 2005.

Gross operating margin of the parent company grew by 24.6% from €1.4 million in 2005, to €4.3 million in the current year.

Operating margin of the parent company grew by 35.5% to €1.9 million, while **net profit** amounted to €6.7 million, up 40.6% on the previous year. Financial year 2006 is the first in which the financial statements of the parent company were prepared under IAS/IFRS accounting principles.

“The good sales performance for 2006 are due to the recovery of the market and results generated by operating efficiency improvements and the widening of the product range, with the development of new products. These results allow us to better remunerate Shareholders with a dividend of €0.22 per share, up 47% on the previous year. The increase in the dividend is linked also to profits generated by foreign subsidiaries, wholly-owned by Cembre, that continue to post good growth rates in the respective markets.

We are also satisfied of the sales performance in the first months of 2007 that shows a continuation of the positive trend registered in 2006. At the end of February, in fact, consolidated sales registered a 20% growth on the corresponding period in the previous year” declared Cembre’s Managing Director, Giovanni Rosani.

Requested to Shareholders’ Meeting the authorization to acquire and sell own shares

The Board of Directors resolved to submit to the approval of the next Shareholders’ Meeting summoned on first call for April 30, 2007 at 9:30 am at the Company’s Registered Office in Brescia, Via Serenissima, 9, and, where necessary, on second call on May 14, 2007, a request for an authorization to purchase and sell own shares, pursuant to articles 2357 and 2357-ter of the Italian Civil Code, and to article 132 of Legislative Decree 58/1998.

Said authorization to purchase and sell own shares is motivated for corporate management purposes – already at the root of previous similar authorizations of the Shareholders' Meeting – and in view of the expiration (on May 15, 2007) of the twelve-month term of the last authorization.

Transactions involving the purchase and sale of own shares that are the object of the authorization to be submitted to the Shareholders' Meeting will from time to time involve (i) the acquisition and/or sale of own shares for the purposes of investment and/or stabilization of the share price and to provide liquidity to shares traded on the market, under the terms and in the manner provided by applicable regulations, or (ii) allow the use of own shares in the context of transactions carried out in the framework of the ordinary management of the Company or projects coherent with the strategic guidelines of the Company in the pursuit of which the opportunity of an exchange of shares may arise.

The authorization for the purchase of own shares is requested from the date of the Ordinary Shareholders' Meeting for a period of twelve months, as provided by article 2357, paragraph 2, of the Italian Civil Code. The authorization for the sale of own shares is requested without time limitations.

The Board of Directors proposes that the price at which the shares of the Company are acquired or sold should not exceed the official price recorded by ordinary Cembre shares at the closing of the trading day that precedes each individual purchase plus 5%, and no lower than the official price recorded by ordinary Cembre shares at the closing of the trading day that precedes each individual sale minus 25%. The authorization is requested for the purchase, in one or more installments, of ordinary shares having a par value of €0.52 each, up to a maximum amount determined so that, keeping into account the number of ordinary Cembre shares already held by the Company or its subsidiaries, the number of own shares held does not exceed 10% of the Company's share capital (corresponding to 1,700,000 ordinary shares), as provided by article 2357 of the Italian Civil Code. At the date of the present press release, Cembre does not own any of its shares.

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.a) and 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.

* * * *

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 476 as of December 2006. Since 1990 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.

Contact: Peroni e Vitale comunicazione

Ferruccio Peroni +39-335-6974871

f.peroni@peronievitale.it

Claudio Bornati (Cembre S.p.A.) +39-030-36921

BornatiC@cembre.com

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, 2006 are enclosed.

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 at December 31, 2006 Consolidated Balance Sheet

	12/31/2006	12/31/2005
<i>(euro '000)</i>		
ASSETS		
A) NON-CURRENT ASSETS		
Tangible assets	30.528	28.204
Intangible assets	143	154
Financial assets available for sale	5	5
Other non-current assets	92	100
Deferred tax assets	1.807	1.633
TOTAL NON-CURRENT ASSETS	32.575	30.096
B) CURRENT ASSETS		
Inventories	26.047	19.746
Trade receivables	26.504	21.676
Tax receivables	7	-
Other assets	459	166
Cash and cash equivalents	3.964	6.026
TOTAL CURRENT ASSETS	56.981	47.614
C) NON-CURRENT ASSETS AVAILABLE FOR SALE	-	-
TOTAL ASSETS(A+B+C)	89.556	77.710
LIABILITIES AND SHAREHOLDERS' EQUITY		
A) SHAREHOLDERS' EQUITY		
Capital stock	8.840	8.840
Reserves	41.268	37.237
Net profit	9.327	6.605
TOTAL SHAREHOLDERS' EQUITY	59.435	52.682
B) NON-CURRENT LIABILITIES		
Non-current financial liabilities	71	89
Employee Severance Indemnity and other personnel benefits	4.658	4.478
Provisions for risks and charges	288	295
Deferred tax liabilities	4.230	4.054
TOTAL NON-CURRENT LIABILITIES	9.247	8.916
C) CURRENT LIABILITIES		
Current financial liabilities	2.822	3.139
Liabilities on derivative instruments	-	21
Trade payables	11.464	7.017
Tax payables	1.816	977
Other payables	4.772	4.958
TOTAL CURRENT LIABILITIES	20.874	16.112
D) LIABILITIES ON ASSETS HELD FOR DISPOSAL	-	-
TOTAL LIABILITIES (B+C+D)	30.121	25.028
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (A+B+C+D)	89.556	77.710

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 at December 31, 2006 Consolidated Income Statement

	01/01 - 12/31 2006	01/01 - 12/31 2005
<i>(euro '000)</i>		
Revenues from sales and services provided	84.127	69.997
Other revenues	88	105
TOTAL REVENUES	84.215	70.102
Cost of goods and merchandise	(35.818)	(22.599)
Cost of services received	(12.413)	(10.395)
Lease and rental costs	(1.047)	(1.014)
Personnel costs	(22.276)	(20.579)
Other operating costs	(404)	(470)
Change in inventories	6.399	(605)
Increase in assets due to internal construction	607	508
Write-down of receivables	(124)	(209)
Accruals to provisions for risks and charges	(8)	(21)
GROSS OPERATING PROFIT	19.131	14.718
Tangible asset depreciation	(3.092)	(3.364)
Intangible asset amortization	(98)	(104)
Write-down of long-term assets	-	(227)
OPERATING PROFIT	15.941	11.023
Financial income (expense)	(6)	(142)
Foreign exchange gains (losses)	(74)	311
PROFIT BEFORE TAXES	15.861	11.192
Income taxes	(6.534)	(4.587)
NET PROFIT FROM ORDINARY ACTIVITIES	9.327	6.605
NET PROFIT FROM ASSETS HELD FOR DISPOSAL	-	-
NET PROFIT	9.327	6.605
BASIC EARNINGS PER SHARE	0,55	0,39

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 Income Statement

(€ '000)	1/1 - 12/31 2006	%	1/1 - 12/31 2005	%	change
Revenues from sales and services provided	84.127	100	69.997	100	20,2%
Other revenues	88		105		
TOTAL REVENUES	84.215		70.102		
Cost of goods and merchandise	(35.818)	(42,6)	(22.599)	(32,3)	58,5%
Cost of services received	(12.413)	(14,8)	(10.395)	(14,9)	19,4%
Lease and rental costs	(1.047)	(1,2)	(1.014)	(1,4)	3,3%
Personnel costs	(22.276)	(26,5)	(20.579)	(29,4)	8,2%
Other operating costs	(404)	(0,5)	(470)	(0,7)	-14,0%
Change in inventories	6.399	7,6	(605)	(0,9)	
Increase in assets due to internal construction	607	0,7	508	0,7	19,5%
Write-down of current assets	(124)	(0,1)	(209)	(0,3)	-40,7%
Accruals to provisions for risks and charges	(8)	(0,0)	(21)	(0,0)	-61,9%
GROSS OPERATING PROFIT	19.131	22,7	14.718	21,0	30,0%
Tangible assets depreciation	(3.092)	(3,7)	(3.364)	(4,8)	-8,1%
Intangible assets amortization	(98)	(0,1)	(104)	(0,1)	-5,8%
OPERATING PROFIT	15.941	18,9	11.023	15,7	44,6%
Financial income (expense)	(6)	(0,0)	(142)	(0,2)	-95,8%
Foreign exchange gains (losses)	(74)	(0,1)	311	0,4	
PROFIT BEFORE TAXES	15.861	18,9	11.192	16,0	41,7%
Income taxes	(6.534)	(7,8)	(4.587)	(6,6)	42,4%
NET PROFIT FROM ORDINARY ACTIVITIES	9.327	11,1	6.605	9,4	41,2%
NET PROFIT FROM ASSETS HELD FOR DISPOSAL	-		-		
NET PROFIT	9.327	11,1	6.605	9,4	41,2%

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)

Financial Statements at December 31, 2006

Balance Sheet

	12/31/06	12/31/05
ASSETS		
A) NON CURRENT ASSETS		
Tangible assets	22.347.764	20.128.118
Intangible assets	135.227	144.612
Investments in subsidiaries	8.115.406	8.115.406
Financial assets available for sale	5.224	5.224
Other non-current assets	10.160	10.106
Deferred tax assets	628.253	647.845
TOTAL NON-CURRENT ASSETS	31.242.034	29.051.311
B) CURRENT ASSETS		
Inventories	19.147.506	14.276.664
Trade receivables	16.823.315	14.310.271
Trade receivables from subsidiaries	6.077.021	5.153.679
Financial receivables from subsidiaries	2.046.438	-
Other assets	406.484	73.478
Cash and cash equivalents	1.199.796	3.109.815
TOTAL CURRENT ASSETS	45.700.560	36.923.907
C) NON-CURRENT ASSETS AVAILABLE FOR SALE	-	-
TOTAL ASSETS(A+B+C)	76.942.594	65.975.218
LIABILITIES AND SHAREHOLDERS' EQUITY		
A) SHAREHOLDERS' EQUITY		
Capital stock	8.840.000	8.840.000
Reserves	36.067.821	33.878.850
Net profit	6.665.345	4.738.970
TOTAL SHAREHOLDERS' EQUITY	51.573.166	47.457.820
B) NON-CURRENT LIABILITIES		
Non-current financial liabilities	-	-
Employee Severance Indemnity and other personnel benefits	4.511.572	4.352.301
Provisions for risks and charges	288.154	280.602
Deferred tax liabilities	4.059.331	3.898.528
TOTAL NON-CURRENT LIABILITIES	8.859.057	8.531.431
C) CURRENT LIABILITIES		
Current financial liabilities	2.567.102	291.753
Liabilities on derivative instruments	-	21.024
Trade payables	9.669.634	5.863.600
Trade payables to subsidiaries	423.003	195.770
Tax payables	986.873	449.647
Other Payables	2.863.759	3.164.173
TOTAL CURRENT LIABILITIES	16.510.371	9.985.967
D) LIABILITIES ON ASSETS HELD FOR DISPOSAL	-	-
TOTAL LIABILITIES (B+C+D)	25.369.428	18.517.398
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (A+B+C+D)	76.942.594	65.975.218

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)

Financial Statements at December 31, 2006

Income Statement

	01/01-12/31 2006	01/01-12/31 2005
Revenues from sales and services provided	65.579.826	53.462.743
Other revenues	139.931	128.103
TOTAL REVENUES	65.719.757	53.590.846
Cost of goods and merchandise	(31.773.332)	(19.504.085)
Cost of services received	(8.967.575)	(7.275.291)
Lease and rental costs	(746.094)	(720.980)
Personnel costs	(15.151.565)	(14.034.149)
Other operating costs	(169.522)	(219.862)
Change in inventories	4.870.842	(683.287)
Increase in assets due to internal construction	606.986	507.530
Write-down of receivables	(115.673)	(199.501)
Accruals to provisions for risks and charges	(7.941)	(14.915)
GROSS OPERATING PROFIT	14.265.883	11.446.306
Tangible asset depreciation	(2.239.102)	(2.549.883)
Intangible asset amortization	(89.823)	(87.097)
OPERATING PROFIT	11.936.958	8.809.326
Financial income (expense)	62.939	(431.959)
Foreign exchange gains (losses)	(80.131)	253.293
PROFIT BEFORE TAXES	11.919.766	8.630.660
Income taxes	(5.254.421)	(3.891.690)
NET PROFIT FROM ORDINARY ACTIVITIES	6.665.345	4.738.970
NET PROFIT FROM ASSETS HELD FOR DISPOSAL	-	-
NET PROFIT	6.665.345	4.738.970

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)

Income Statement

(€'000)	1/1 - 12/31 2006	%	1/1 - 12/31 2005	%	change
Revenues from sales and services provided	65.579.826	100	53.462.743	100	22,7%
Other revenues	139.931		128.103		
TOTAL REVENUES	65.719.757		53.590.846		
Cost of goods and merchandise	(31.773.332)	(48,4)	(19.504.085)	(36,5)	62,9%
Cost of services received	(8.967.575)	(13,7)	(7.275.291)	(13,6)	23,3%
Lease and rental costs	(746.094)	(1,1)	(720.980)	(1,3)	3,5%
Personnel costs	(15.151.565)	(23,1)	(14.034.149)	(26,3)	8,0%
Other operating costs	(169.522)	(0,3)	(219.862)	(0,4)	-22,9%
Change in inventories	4.870.842	7,4	(683.287)	(1,3)	
Increase in assets due to internal construction	606.986	0,9	507.530	0,9	19,6%
Write-down of current assets	(115.673)	(0,2)	(199.501)	(0,4)	-42,0%
Accruals to provisions for risks and charges	(7.941)	(0,0)	(14.915)	(0,0)	-46,8%
GROSS OPERATING PROFIT	14.265.883	21,8	11.446.306	21,4	24,6%
Tangible assets depreciation	(2.239.102)	(3,4)	(2.549.883)	(4,8)	-12,2%
Intangible assets amortization	(89.823)	(0,1)	(87.097)	(0,2)	3,1%
OPERATING PROFIT	11.936.958	18,2	8.809.326	16,5	35,5%
Financial income (expense)	62.939	0,1	(431.959)	(0,8)	
Foreign exchange gains (losses)	(80.131)	(0,1)	253.293	0,5	
PROFIT BEFORE TAXES	11.919.766	18,2	8.630.660	16,1	38,1%
Income taxes	(5.254.421)	(8,0)	(3.891.690)	(7,3)	35,0%
NET PROFIT FROM ORDINARY ACTIVITIES	6.665.345	10,2	4.738.970	8,9	40,6%
NET PROFIT FROM ASSETS HELD FOR DISPOSAL	-		-		0,0%
NET PROFIT	6.665.345	10,2	4.738.970	8,9	40,6%