



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

**Press release**

**BOARD APPROVES RESULTS FOR THE 2<sup>nd</sup> QUARTER OF 2007**

**CEMBRE (a STAR listed company) REPORTS A 17.4% GROWTH IN SALES  
FOR THE FIRST SIX MONTHS OF 2007  
NET PROFIT FOR THE FIRST HALF OF 2007 UP 22.5%**

- Domestic sales grow by 11.3% and exports register a 22.3% increase
- Consolidated Ebitda grows to €11.9 million (up 19.3%)

(€'000)	1 <sup>st</sup> Half 2007	Sales margin %	1 <sup>st</sup> Half 2006	Sales margin %	Change	2 <sup>nd</sup> Qtr. 2007	2 <sup>nd</sup> Qtr. 2006	Change
<b>Sales</b>	49,071	100	41,795	100	17.4%	25,049	21,926	14.2%
<b>Gross operating profit (Ebitda)</b>	11,890	24.2	9,963	23.8	19.3%	6,198	5,645	9.8%
<b>Operating profit (Ebit)</b>	10,302	21.0	8,424	20.2	22.3%	5,367	4,854	10.6%
<b>Pre-tax profit</b>	10,228	20.8	8,349	20.0	22.5%	5,358	4,818	11.2%

*Brescia, August 3, 2007* – The Board of Directors of Cembre Spa, a company listed in the STAR segment of the Milan Stock Exchange and one of the largest manufacturers of electrical connectors and tools for their installation in Europe, chaired by Giovanni Rosani, approved at today's meeting the Consolidated Report on the 2<sup>nd</sup> Quarter of 2007.

In the 2<sup>nd</sup> Quarter of 2007, **consolidated revenues** grew by 14.2% on the same period in 2006, from €21.9 million to €25 million.

Sales for the first six months of 2007 grew by 17.4%, up from €41.8 million in the 1<sup>st</sup> Half of 2006, to €49.1 million in the 1<sup>st</sup> Half of 2007. New products developed and the growth in the Spanish and US markets, above the others, were determinant in the achievement of these positive results.

In the 1<sup>st</sup> Half of 2007, a total of 41.7% of sales were represented by Italy (44% in the 1<sup>st</sup> Half of 2006), 46.8% by the rest of Europe (46.1% in the 1<sup>st</sup> Half of 2006), and 11.5% by the rest of the world (9.9% in the 1<sup>st</sup> Half of 2006).

In the first six months of the year, domestic sales grew by 11.3% while exports increased by 22.3%.

**Consolidated gross operating profit (Ebitda)** for the first six months of 2007 amounted to €11.9 million (representing a 24.2% margin on sales), up 19.3% on the first six months of 2006, when it amounted to €9.9 million (representing a 23.8% margin on sales). In the first six months of the year, the increase in the weight of raw materials was offset by a lower weight of personnel costs. The latter

in fact, grew at a rate lower than the increase in sales, up from €11.3 million in the first six months of 2006, to €12.4 million in the same period in 2007.

Gross operating profit for the 2<sup>nd</sup> Quarter of 2007 amounted to €6.2 million, representing a 24.7% margin on sales, up 9.8% on €5.6 million in the 2<sup>nd</sup> Quarter of 2006 (a 25.7% margin on sales).

**Consolidated operating profit** (Ebit) for the first six months of 2007 amounted to €10.3 million, representing a 21% margin on sales, up on €8.4 million in the first six months of the previous year, when it represented a 20.2% margin on sales.

The operating profit improved also in the 2<sup>nd</sup> Quarter, growing from €4.9 million in the 2<sup>nd</sup> Quarter of 2006, when it represented a 22.1% margin on sales, to €5.4 million, representing a 21.4% margin on sales in the 2<sup>nd</sup> Quarter of 2007.

**Consolidated pre-tax profit** for the 1<sup>st</sup> Half of 2007 amounted to €10.2 million, representing a 20.8% margin on sales, up 22.5% on €8.3 million in the 1<sup>st</sup> Half of 2006 (a 20% margin on sales).

Pre-tax profit for the 2<sup>nd</sup> Quarter of 2007 amounted to €5.4 million, representing a 21.4% margin on sales, up 11.2% on €4.8 million in the 2<sup>nd</sup> Quarter of 2006, representing 22% margin on sales.

The **consolidated net financial position** declined from positive €1.1 million at December 31, 2006, to a net indebtedness of €3 million at June 30, 2007. The decline is due primarily to capital expenditure amounting to €2 million and the payment at the end of May of €3.7 million in dividends, in addition to the increase in net current assets caused primarily by the growth in inventories in the first six months of the year from €26 million to €30 million, and the payment in June of about €3 million in taxes by the parent company.

*“In the first half of 2007 there was a growth in sales in all strategic markets of the Group. The joint effect of this growth in sales and the improvements in operating efficiency, allowed us to increase profit margins” declared Cembre’s Managing Director, Giovanni Rosani.*

\* \* \* \*

*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 512 as of June 2007. 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.*

Contacts: Peroni e Vitale Comunicazione

Ferruccio Peroni (Peroni e Vitale Comunicazione) Mob. +39 335 6974871 [f.peroni@peronievitale.it](mailto:f.peroni@peronievitale.it)

Claudio Bornati (Cembre S.p.A.) +39 030 36921 [BornatiC@cembre.com](mailto:BornatiC@cembre.com)

For further information please visit the Investor Relations section at [www.cembre.com](http://www.cembre.com)

**Consolidated Financial Statements for the 2<sup>nd</sup> Quarter of 2007 are attached.**

The present Quarterly Report has not been audited.

The Manager in charge of drafting the Company's accounts, Claudio Bornati, declares, pursuant to paragraph 2 of article 154bis of the Testo Unico Financial Law that, to the best of his knowledge, financial information contained in the present press release corresponds to those contained in the documents, accounting records and individual entries made in the same.

# 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 2007

### Consolidated Financial Statements

#### Consolidated Income Statement

<i>(euro '000)</i>	01/01 - 06/30 2007	01/01 - 06/30 2006	01/01 - 12/31 2006	II Quarter 04/01 - 06/30 2007	II Quarter 04/01 - 06/30 2006
Revenues from sales and services provided	49.071	41.795	83.870	25.049	21.926
Other revenues	166	237	345	76	130
<b>TOTAL REVENUES</b>	<b>49.237</b>	<b>42.032</b>	<b>84.215</b>	<b>25.125</b>	<b>22.056</b>
Cost of goods and merchandise	(21.282)	(17.325)	(35.818)	(10.533)	(9.474)
Cost of services received	(7.079)	(5.956)	(12.191)	(3.433)	(3.018)
Lease and rental costs	(539)	(518)	(1.047)	(273)	(261)
Personnel costs	(12.390)	(11.310)	(22.498)	(6.250)	(5.669)
Other operating costs	(220)	(198)	(404)	(112)	(99)
Change in inventories	3.964	3.073	6.399	1.588	1.993
Increase in assets due to internal construction	289	231	607	141	103
Write-down of receivables	(85)	(58)	(124)	(53)	18
Accruals to provisions for risks and charges	(5)	(8)	(8)	(2)	(4)
<b>GROSS OPERATING PROFIT</b>	<b>11.890</b>	<b>9.963</b>	<b>19.131</b>	<b>6.198</b>	<b>5.645</b>
Tangible asset depreciation	(1.506)	(1.499)	(3.092)	(769)	(767)
Intangible asset amortization	(82)	(40)	(98)	(62)	(24)
<b>OPERATING PROFIT</b>	<b>10.302</b>	<b>8.424</b>	<b>15.941</b>	<b>5.367</b>	<b>4.854</b>
Financial income (expense)	(27)	(9)	(6)	(8)	(14)
Foreign exchange gains (losses)	(47)	(66)	(74)	(1)	(22)
<b>PROFIT BEFORE TAXES</b>	<b>10.228</b>	<b>8.349</b>	<b>15.861</b>	<b>5.358</b>	<b>4.818</b>

#### Consolidated net financial position at June 30, 2007

<i>(euro '000)</i>	06/30/2007	03/31/2007	12/31/2006
Cash and cash equivalents	3.846	4.560	3.964
Non-current financial liabilities	(83)	(57)	(71)
Current financial liabilities	(6.790)	(3.163)	(2.822)
<b>NET FINANCIAL POSITION</b>	<b>(3.027)</b>	<b>1.340</b>	<b>1.071</b>