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## Press release

### BOARD APPROVES THE REPORT ON THE 3<sup>rd</sup> QUARTER OF 2007

#### CEMBRE (A STAR LISTED COMPANY): IN THE FIRST NINE MONTHS OF 2007 PROFIT BEFORE TAXES UP 24.8%

- Consolidated sales up 14.4% (in Italy up 7.7%, abroad up 19.8%)
- Consolidated Ebitda (€17.1 million) up 22.2%

(€'000)	First nine months 2007	Sales margin %	First nine months 2006	Sales margin %	% change	3 <sup>rd</sup> Qtr. 2007	Sales margin	3 <sup>rd</sup> Qtr. 2006	Sales margin	% change
<b>Sales</b>	70,489	100	61,593	100	14.4%	21,418	100	19,798	100	8.2%
<b>Gross operating profit (Ebitda)</b>	17,086	24.2	13,981	22.7	22.2%	4,164	19.4	4,018	20.3	3.6%
<b>Operating profit (Ebit)</b>	14,662	20.8	11,646	18.9	25.9%	3,317	15.5	3,222	16.3	2.9%
<b>Profit before taxes</b>	14,451	20.5	11,582	18.8	24.8%	3,180	14.8	3,233	16.3	-1.6%

*Brescia, November 14, 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 European manufacturers of electrical connectors and tools for their installation – chaired by the Managing Director Giovanni Rosani, approved at today's meeting the Report on the 3<sup>rd</sup> Quarter of 2007.

In the 3<sup>rd</sup> Quarter of 2007, **consolidated revenues** grew by 8.2% from €19.8 million in the 3<sup>rd</sup> Quarter of 2006 to €21.4 million in the same period in 2007.

Consolidated sales of the Cembre Group for the first nine months of 2007 grew by 14.4% on the same period in 2006, up from €61.6 million to €70.5 million.

In the first nine months of 2007, a total of 41.8% of sales were represented by Italy (44.4% in the first nine months of 2006), 46.9% by the rest of Europe (46.2% in the first nine months of 2006) and 11.3% by the rest of the world (9.4% in the first nine months of 2006).

Consolidated domestic sales for the first nine months of 2007 grew by 7.7%, while in the same period exports grew by 19.8%. In the 3<sup>rd</sup> Quarter, domestic sales were stable on the same period in 2006, while exports grew by 14.6%, spurred by strong sales on the Spanish and US markets, with sales in the UK remaining stable.

**Consolidated gross operating profit (Ebitda)** for the first nine months of 2007 amounted to €17.1 million, representing a 24.2% margin on sales, up 22.2% on the first nine months of 2006 when it amounted to €13.9 million, representing a 22.7% margin on sales.

Gross operating profit for the 3<sup>rd</sup> Quarter grew by 3.6%, from €4 million in the 3<sup>rd</sup> Quarter of 2006 (representing a 20.3% margin on sales), to €4.2 million in the 3<sup>rd</sup> Quarter of 2007 (representing a 19.4% margin on sales). In the 3<sup>rd</sup> Quarter of 2007, gross operating profit was negatively affected by the growth as a percentage of sales of raw material costs due in particular to the increase in copper prices and the lower growth of sales with respect to the first six months of the year.

**Consolidated operating profit** (Ebit) for the first nine months of 2007 amounted to €14.7 million, corresponding to a 20.8% margin on sales, up 25.9% on €11.6 million in the first nine months of 2006 (18.9% of sales).

Consolidated operating profit improved also in the quarter from €3.2 million (16.3% of sales) in the 3<sup>rd</sup> Quarter of 2006, to €3.3 million (15.5% of sales) in the 3<sup>rd</sup> Quarter of 2007.

**Consolidated profit before taxes** for the first nine months of 2007 amounts to €14.5 million (20.5% of sales), up 24.8% on €11.6 million in the first nine months of 2006 (18.8% of sales).

Consolidated profit before taxes for the 3<sup>rd</sup> Quarter of 2007 amounted to €3.1 million, representing a 14.8% margin on sales, down 1.6% on €3.2 million in the 3<sup>rd</sup> Quarter of 2006, when it represented a 16.3% margin on sales. Consolidated net profit was negatively affected by the interest expense on short-term loans extended to the parent company and the unfavorable foreign-exchange performance.

The **consolidated net financial position** declined from positive €1.1 thousand at December 31, 2006 to positive €0.1 million at September 30, 2007. The balance was affected by €3.3 million of capital expenditure for the period, the payment at the end of May 2007 of €3.7 million in dividends for the 2006 financial year, the increase in net current assets due primarily to the growth of inventories in the first six months of 2007 from €26 million to €31 million, and the payment in June of €3 million in taxes by the parent company. The net financial position is however improving sharply from a net indebtedness of €3 million at June 30, 2006.

*“We are witnessing significant growth in revenues in difficult markets, as in the US, despite the strength of the euro. Sales for October, also show an increase in sales of 8.4%. These results, together with launch of new products, make us confident on the maintenance of this growth trend” declared Cembre’s Managing Director, Giovanni Rosani.*

Consolidated results for the first nine months of 2007 were affected to a relevant degree by a non recurrent operation generated by new norms regulating employee termination indemnities that came into effect January 1, 2007. The restatement using different actuarial assumptions of termination indemnities accrued at December 31, 2006 resulted in a €1 million reduction in the value of the same. As required under paragraph 111 of IAS 19, such reduction was recorded in full in the income statement for the 1<sup>st</sup> Half of 2007, together with the related deferred taxes amounting to €0.3 million. Figures for the first nine months of 2007 and the related changes on the same period in the previous year, net of the effect of the mentioned event, are shown in the table that follows.

(€'000)	First nine months 2007 <i>Restated</i>	% of sales <i>Restated</i>	First nine months 2006	% of sales	Change
<b>Sales</b>	70,489	100.0	61,593	100.0	14.4%
<b>Gross operating profit (Ebitda)</b>	16,060	22.8	13,981	22.7	14.9%
<b>Operating profit (Ebit)</b>	13,636	19.3	11,646	18.9	17.1%
<b>Pre-tax profit</b>	13,425	19.0	11,582	18.8	15.9%

\* \* \* \*

*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 522 as of September 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 tools for their installation.*

*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 Relation section in the [www.cembre.com](http://www.cembre.com) site.

**Attachments: Financial Statements at September 30, 2007**

The Quarterly Report at September 30, 2007 has not been audited.

The manager responsible for preparing the Company's financial reports, Claudio Bornati, declares, pursuant to paragraph 2 of Article 154 bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.

# 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 3<sup>rd</sup> Quarter of 2007

### Consolidated Financial Statements

#### Consolidated Income Statement

(€'000)	First nine months 2007	First nine months 2006	Full Year 2006	3 <sup>rd</sup> Quarter 2007	3 <sup>rd</sup> Quarter 2006
Revenues from sales and services provided	70,489	61,593	83,870	21,418	19,798
Other revenues	280	298	345	114	61
<b>TOTAL REVENUES</b>	<b>70,769</b>	<b>61,891</b>	<b>84,215</b>	<b>21,532</b>	<b>19,859</b>
Cost of goods and merchandise	(30,885)	(25,615)	(35,818)	(9,603)	(8,290)
Cost of services received	(10,186)	(8,855)	(12,191)	(3,107)	(2,899)
Lease and rental costs	(810)	(777)	(1,047)	(271)	(259)
Personnel costs	(18,273)	(16,836)	(22,498)	(5,889)	(5,526)
Personnel cost from non recurring operations	1,026	-	-	-	-
Other operating costs	(319)	(320)	(404)	(99)	(122)
Change in inventories	5,573	4,187	6,399	1,609	1,114
Increase in assets due to internal construction	305	399	607	16	168
Write-down of receivables	(107)	(87)	(124)	(22)	(29)
Accruals to provisions for risks and charges	(7)	(6)	(8)	(2)	2
<b>GROSS OPERATING PROFIT</b>	<b>17,086</b>	<b>13,981</b>	<b>19,131</b>	<b>4,164</b>	<b>4,018</b>
Tangible asset depreciation	(2,298)	(2,264)	(3,092)	(803)	(765)
Intangible asset amortization	(126)	(71)	(98)	(44)	(31)
<b>OPERATING PROFIT</b>	<b>14,662</b>	<b>11,646</b>	<b>15,941</b>	<b>3,317</b>	<b>3,222</b>
Financial income (expense)	(69)	(8)	(6)	(42)	1
Foreign exchange gains (losses)	(142)	(56)	(74)	(95)	10
<b>PROFIT BEFORE TAXES</b>	<b>14,451</b>	<b>11,582</b>	<b>15,861</b>	<b>3,180</b>	<b>3,233</b>

#### Consolidated Net Financial Position at September 30, 2007

(€'000)	Sept. 30, 2007	June 30, 2007	Dec. 31, 2006
Cash and cash equivalents	5,222	3,846	3,964
Non-current financial liabilities	(83)	(83)	(71)
Current financial liabilities	(5,077)	(6,790)	(2,822)
<b>NET FINANCIAL POSITION</b>	<b>62</b>	<b>(3,027)</b>	<b>1,071</b>