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**Press release**

**BOARD APPROVES RESULTS FOR THE 4<sup>TH</sup> QUARTER OF 2007**

**CEMBRE (a STAR listed company) CLOSES 2007  
REPORTING AN 14.2% INCREASE IN PRE-TAX PROFIT**

- **Consolidated sales 2007 up 11.4% (domestic sales up 5.9% exports up 15.7%)**
- **Consolidated Ebitda 2007 reaches €21,7 million, up 13.5%**
- **January 2008 consolidated sales up about 15% on the same month of 2007**

(€'000)	2007	Sales margin %	2006	Sales margin %	% change	4 <sup>th</sup> Qtr. 2007	Sales margin %	4 <sup>th</sup> Qtr. 2006	Sales margin %	% change
<b>Sales</b>	93,412	100	83,870	100	11.4%	22,923	100	22,277	100	2.9%
<b>Gross operating profit (Ebitda)</b>	21,706	23.2	19,131	22.8	13.5%	4,620	20.2	5,150	23.1	-10.3%
<b>Operating profit (Ebit)</b>	18,416	19.7	15,941	19.0	15.5%	3,754	16.4	4,295	19.3	-12.6%
<b>Pre-tax profit</b>	18,114	19.4	15,861	18.9	14.2%	3,663	16.0	4,279	19.2	-14.4%

*Brescia, February 14, 2008* - 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 4<sup>th</sup> Quarter of 2007.

In the 4<sup>th</sup> Quarter of 2007, **consolidated revenues** grew by 2.9% from €22.3 million in the 4<sup>th</sup> Quarter of 2006 to €22.9 million in the same period in 2007.

Consolidated sales of the Cembre Group for 2007 as a whole grew by 11.4% on 2006, up from €83.9 million in 2006 to €93.4 million.

In 2007, a total of 42% of sales were represented by Italy (44.2% in 2006), 46.4% by the rest of Europe (45.7% in 2006) and 11.6% by the rest of the world (10.1% in 2006). In 2007, consolidated domestic sales grew by 5.9%, while exports increased by 15.7%.

In the 4<sup>th</sup> Quarter, domestic sales were stable on the same period in 2006, while exports grew by 4.6%.

**Consolidated gross operating profit (Ebitda)** for 2007 amounted to €21.7 million, corresponding to a 23.2% margin on sales, up 13.5% on €19.1 million reported in 2006 (22.8% of sales).

In the 4<sup>th</sup> Quarter of 2007, gross operating profit declined to €4.6 million, corresponding to a 20.2% margin on sales, down 10.3% on €5.1 million reported in the 4<sup>th</sup> Quarter of 2006 (23.1% of sales). Gross operating profit for the 4<sup>th</sup> Quarter of 2007 was negatively affected by the growth as a percentage of sales of raw material costs due in particular to the increase in copper prices, in addition

to the higher cost of personnel, due in part to the increase in the number of employees from 489 in 2006, to 525 in 2007.

**Consolidated operating profit (Ebit)** for 2007 amounted to €18.4 million, representing a 19.7% margin on sales, up 15.5% on €15.9 million in 2006 (a 19% margin on sales).

Operating profit for the 4<sup>th</sup> Quarter of 2007 declined to €3.8 million, representing a 16.4% margin on sales, down from €4.3 million (a 19.3% margin on sales) in the 4<sup>th</sup> Quarter of 2006.

**Consolidated profit before taxes** for 2007 amounted to €18.1 million, representing a 19.4% margin on sales, up 14.2% on €15.9 million in 2006, when it represented an 18.9% margin on sales.

In the 4<sup>th</sup> Quarter of 2007, consolidated profit before taxes for amounted to €3.7 million, representing a 16% margin on sales, down 14.4% on €4.3 thousand in the 4<sup>th</sup> Quarter of 2006, when it represented a 19.2% margin on sales. Consolidated profit before taxes was negatively affected by the interest expense on short-term loans extended to the parent company and the unfavorable foreign-exchange performance.

**The net financial position** declined from €1.1 million at December 31, 2006 to an indebtedness of €1.7 million at the end of December 2007. The balance was affected by €6.9 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 from €26 million to €31.7 million, and the payment in June of €3 million in taxes by the parent company. The net financial position at September 30, 2007 amounted to €0.1 million, and was affected in the 4<sup>th</sup> Quarter of 2007 by the acquisition of the new main office of the German subsidiary for €2.6 million.

*“Despite the unfavorable market situation, we managed to achieve growth also in the 4<sup>th</sup> Quarter. In January 2008, consolidated revenues grew by about 15% on the same period in 2007, marking a performance which makes us confident of achieving growth also in the 1<sup>st</sup> Quarter of 2008”* declared Cembre’s Managing Director, Giovanni Rosani.

Consolidated results for 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 reduction of about €1 million 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 2007. Figures for 2007 and the related changes on the previous year, net of the effect of the mentioned event, are shown in the table below.

(€'000)	2007 Restated	% of sales	2006	% of sales	Change
<b>Sales</b>	93,412	100.0	83,870	100.0	11.4%
<b>Gross operating profit (Ebitda)</b>	20,680	22.1	19,131	22.8	8.1%
<b>Operating profit (Ebit)</b>	17,390	18.6	15,941	19.0	9.1%
<b>Pre-tax profit</b>	17,088	18.3	15,861	18.9	7.7%

\* \* \* \*

*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.*

*Established 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 525 as of December 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.*

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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 December 31, 2007**

The Quarterly Report at December 31, 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 Operations on the 4<sup>th</sup> Quarter 2007

### Consolidated Financial Statements

#### Consolidated Income Statement

<i>(euro '000)</i>	Full Year 2007	Full Year 2006	4 <sup>th</sup> Quarter 2007	4 <sup>th</sup> Quarter 2006
Revenues from sales and services provided	93.412	83.870	22.923	22.277
Other revenues	821	345	541	47
<b>TOTAL REVENUES</b>	<b>94.233</b>	<b>84.215</b>	<b>23.464</b>	<b>22.324</b>
Cost of goods and merchandise	(39.953)	(35.818)	(9.068)	(10.203)
Cost of services received	(13.645)	(12.177)	(3.459)	(3.322)
Lease and rental costs	(1.084)	(1.047)	(274)	(270)
Personnel costs	(24.975)	(22.512)	(6.702)	(5.676)
Personnel costs from non recurring operations	1.026	-	-	-
Other operating costs	(471)	(404)	(152)	(84)
Change in inventories	6.176	6.399	603	2.212
Increase in assets due to internal construction	555	607	250	208
Write-down of receivables	(146)	(124)	(39)	(37)
Accruals to provisions for risks and charges	(10)	(8)	(3)	(2)
<b>GROSS OPERATING PROFIT</b>	<b>21.706</b>	<b>19.131</b>	<b>4.620</b>	<b>5.150</b>
Property, plant and equipment depreciation	(3.113)	(3.092)	(815)	(828)
Intangible asset amortization	(177)	(98)	(51)	(27)
<b>OPERATING PROFIT</b>	<b>18.416</b>	<b>15.941</b>	<b>3.754</b>	<b>4.295</b>
Financial income (expense)	(101)	(6)	(32)	2
Foreign exchange gains (losses)	(201)	(74)	(59)	(18)
<b>PROFIT BEFORE TAXES</b>	<b>18.114</b>	<b>15.861</b>	<b>3.663</b>	<b>4.279</b>

#### Consolidated Net Financial Position at December 31, 2007

<i>(euro '000)</i>	Dec. 31, 2007	Sept. 30, 2007	Dec. 31, 2006
Cash and cash equivalents	4.549	5.222	3.964
Non-current financial liabilities	(86)	(83)	(71)
Current financial liabilities	(6.183)	(5.077)	(2.822)
<b>CONSOLIDATED NET FINANCIAL POSITION</b>	<b>(1.720)</b>	<b>62</b>	<b>1.071</b>