



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

## Press release

### The Board of Directors approves the Financial Statements at December 31, 2007

## CEMBRE (a STAR listed company): a proposed dividend of €0.26 per share

- The increase in the proposed dividend to €0.26 is due to the growth in consolidated net profit that reached €11.9 million, up 27.5% on the previous year
- Consolidated sales reached €93.4 million, up 11.4% on the previous year
- Adopted organization, management and control model introduced by d.lgs. 231/2001

(€'000)	2007	% Margin	2006	% Margin	change
<b>Consolidated sales</b>	93,417	100	83,870	100	11.4%
<b>Consolidated gross operating profit</b>	21,710	23.2	19,131	22.8	13.5%
<b>Consolidated operating profit</b>	18,420	19.7	15,941	19.0	15.6%
<b>Consolidated pre-tax profit</b>	18,118	19.4	15,861	18.9	14.2%
<b>Consolidated net profit</b>	11,896	12.7	9,327	11.1	27.5%
<b>Consolidated net financial position</b>	(1,720)		1,071		

Brescia, March 25, 2008 - 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 – approved, at today's meeting chaired by its Managing Director Giovanni Rosani, the Statutory Accounts of Cembre SpA and the Consolidated Financial Statements at December 31, 2007.

The Board of Directors also resolved to propose to the Ordinary Shareholders' Meeting, called on April 29, 2008, the distribution of a **€0.26 dividend** for each of the shares in circulation. The ex-dividend date is May 19, 2008, while dividends will be paid out from May 22 against the presentation of coupon no.11. The proposed dividend represents an 18.2% increase over the previous year in which it amounted to €0.22 per share.

In 2007, **consolidated revenues** grew to €93.4 million, up 11.4% from €83.9 million in 2006.

In 2007, consolidated domestic sales amounted to €39.3 million, up 5.9% on the previous year, while exports increased by 15.7% to €54.1 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).

**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).

The increase in the price of copper had a negative impact on profit margins, causing an increase in the cost of goods sold. The average number of employees of the Group grew from 489 in 2006, to 525 in 2007. Normative changes regarding employee termination indemnities generated a non-recurrent gain commented below.

**Consolidated operating profit** (Ebit) for 2007 amounted to €18.4 million, representing a 19.7% margin on sales, up 15.6% on €15.9 million in 2006 representing a 19% margin on sales.

**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, despite the negative effect of the interest expense on short-term loans extended to the parent company and the unfavorable foreign-exchange performance.

**Consolidated net profit** for the year amounted to €11.9 million, representing a 12.7% margin on sales, grew by 27.5% on 2006, when it amounted to €9.3 million and represented an 11.1% margin on sales. Consolidated net profit was affected by the reduction in the current tax expense of the parent company and the restatement of deferred tax assets and liabilities as a result of the reduction of tax rates introduced by the 2008 Budget Law, resulting at the consolidated level in the recording of a €0.3 million reduction in tax liabilities.

**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 purchase of a new building by the German subsidiary amounting to €2.6 million.

*“Positive results achieved in 2007 allow us to propose an 18% increase in the dividend to €0.26 per share. We are also satisfied with the trend in sales for the first months of 2008 that recorded in the first two months of the year an increase of about 16% on the same period in the previous year”* observed 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 in 2007, together with the related deferred taxes amounting to €0.3 million. Figures for 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 below.

(€'000)	2007 Restated	% of sales Restated	2006	% of sales	Change
Sales	93,417	100	83,870	100	11.4%
Grass operating profit	20,684	22.1	19,131	22.8	8.1%
Operating profit	17,394	18.6	15,941	19.0	9.1%
Pre-tax profit	17,092	18.3	15,861	18.9	7.8%
Net profit	11,209	12.0	9,327	11.1	20.2%

Parent company **Cembre S.p.A.** closed the 2007 financial year reporting sales of €73.6 million, up 12.5% on 2006.

**Operating profit** grew by 14.5% to €13.7 million, up from €11.9 million in 2006. Net of the non-recurrent gain resulting from the restatement of employee termination indemnities commented above, operating profit would have amounted to €126 million, up 5.9% on the previous year.

**Net profit** of the parent company amounted to €9 million, up 34.8% on €6.7 million in 2006. Without considering the effect of the restatement of employee termination indemnities, net profit would have amounted to €8.3 million, up 24.5% on 2006. In 2007 the parent company received €0.46 million in dividends from UK subsidiary Cembre Ltd. In 2006, no dividend was paid out by subsidiaries.

The Board of Directors' resolved also the adoption of an organizational, management and control model as provided in Legislative Decree. 231/2001 and has appointed the Supervisory Body, having autonomous spending powers.

\* \* \* \*

*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 major companies in the 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.*

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

**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.**

**Attachments to the Financial Statements at December 31, 2007:**

- Consolidated Balance Sheet
- Consolidated Income Statement
- Consolidated Statement of Cash Flows
- Balance Sheet of parent company Cembre SpA
- Income Statement of parent company Cembre SpA
- Statement of Cash Flows of parent company Cembre SpA

At the date of the present press release the auditing of the above attached financial statements has not yet been completed.

In the present press release use is made of certain alternative performance indicators that are not envisaged in IFRS-EU accounting principles, and whose significance and content are illustrated below, in line with the CESR/05-178b recommendation published on November 3, 2005:

Gross operating profit (EBITDA): defined as the difference between sales revenues and costs for materials, of services received, and the net balance of operating income and charges. It represents the profit before depreciation, amortization and write-downs, cash flow from financial activities and taxes.

Operating profit (EBIT): defined as the difference between Gross operating profit and the value of depreciation, amortization and write-downs. It represents the profit achieved before financial activities and taxes.

Net financial position: represents the algebraic sum of cash and cash equivalents, financial receivables and current and non-current financial debt.

## 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, 2007

#### Consolidated Balance Sheet

	Notes	Dec. 31, 2007		Dec. 31, 2006
<i>(euro '000)</i>				
<b>ASSETS</b>			<i>of which:</i>	<i>of which:</i>
			<i>related parties</i>	<i>related parties</i>
<b>A) NON-CURRENT ASSETS</b>				
Tangible assets	1	32.349		30.528
Intangible assets	2	466		143
Financial assets available for sale		5		5
Other non-current assets	3	77		92
Deferred tax assets	12	1.886		1.807
<b>TOTAL NON-CURRENT ASSETS</b>		<b>34.783</b>		<b>32.575</b>
<b>B) CURRENT ASSETS</b>				
Inventories	4	31.725		26.047
Trade receivables	5	26.355		26.504
Tax receivables	6	1		7
Other receivables	7	317		459
Cash and cash equivalents		4.549		3.964
<b>TOTAL CURRENT ASSETS</b>		<b>62.947</b>		<b>56.981</b>
<b>C) NON-CURRENT ASSETS AVAILABLE FOR SALE</b>		<b>-</b>		<b>-</b>
<b>TOTAL ASSETS(A+B+C)</b>		<b>97.730</b>		<b>89.556</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>A) SHAREHOLDERS' EQUITY</b>				
Capital stock	8	8.840		8.840
Reserves	8	45.976		41.268
Net profit	8	11.896		9.327
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>66.712</b>		<b>59.435</b>
<b>B) NON-CURRENT LIABILITIES</b>				
Non-current financial liabilities	9	86		71
Employee Severance Indemnity and other personnel benefits	10	3.352	143	4.658
Provisions for risks and charges	11	295		288
Deferred tax liabilities	12	3.653		4.230
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>7.386</b>		<b>9.247</b>
<b>C) CURRENT LIABILITIES</b>				
Current financial liabilities	9	6.183		2.822
Trade payables	13	11.013		11.464
Tax payables	14	1.033		1.816
Other payables	15	5.403		4.772
<b>TOTAL CURRENT LIABILITIES</b>		<b>23.632</b>		<b>20.874</b>
<b>D) LIABILITIES ON ASSETS HELD FOR DISPOSAL</b>		<b>-</b>		<b>-</b>
<b>TOTAL LIABILITIES (B+C+D)</b>		<b>31.018</b>		<b>30.121</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (A+B+C+D)</b>		<b>97.730</b>		<b>89.556</b>

## 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, 2007

#### Consolidated Income Statement

	Notes	2007		2006
<i>(euro '000)</i>			<i>of which: related parties</i>	<i>of which: related parties</i>
Revenues from sales and services provided	16	93.417		83.870
Other revenues	17	821		345
<b>TOTAL REVENUES</b>		<b>94.238</b>		<b>84.215</b>
Cost of goods and merchandise		(39.955)		(35.818)
Cost of services received	18	(13.645)	(723)	(12.177) (623)
Lease and rental costs	19	(1.084)	(494)	(1.047) (483)
Personnel costs	20	(24.975)	(185)	(22.512) (206)
Non recurring operations	21	1.026		-
Other operating costs	22	(471)		(404)
Change in inventories		6.176		6.399
Increase in assets due to internal construction		555		607
Write-down of receivables		(145)		(124)
Accruals to provisions for risks and charges		(10)		(8)
<b>GROSS OPERATING PROFIT</b>		<b>21.710</b>		<b>19.131</b>
Property, plant and equipment depreciation		(3.113)		(3.092)
Intangible asset amortization		(177)		(98)
<b>OPERATING PROFIT</b>		<b>18.420</b>		<b>15.941</b>
Financial income (expense)	23	(101)		(6)
Foreign exchange gains (losses)		(201)		(74)
<b>PROFIT BEFORE TAXES</b>		<b>18.118</b>		<b>15.861</b>
Income taxes	24	(5.883)		(6.534)
Deferred taxes from non recurring operations	24	(339)		-
<b>NET PROFIT FROM ORDINARY ACTIVITIES</b>		<b>11.896</b>		<b>9.327</b>
<b>NET PROFIT FROM ASSETS HELD FOR DISPOSAL</b>		<b>-</b>		<b>-</b>
<b>NET PROFIT</b>		<b>11.896</b>		<b>9.327</b>
<b>BASIC EARNINGS PER SHARE</b>	25	<b>0,70</b>		<b>0,55</b>

# 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, 2007

### Consolidated Statement of Cash Flows

€ '000

	Dec. 31, 2007	Dec. 31, 2006
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit for the period	11.896	9.327
Depreciation, amortization and write-downs	3.290	3.190
(Gains)/Losses on disposal of assets	(399)	(33)
Net change in Employee Severance Indemnity	(1.306)	180
Net change in provisions for risks and charges	7	(7)
<b>Operating profit (loss) before change in working capital</b>	<b>13.488</b>	<b>12.657</b>
(Increase) Decrease in trade receivables	149	(4.828)
(Increase) Decrease in inventories	(5.678)	(6.300)
(Increase) Decrease in other receivables and deferred tax assets	69	(475)
Increase (Decrease) of trade payables	(579)	4.410
Increase (Decrease) of other payables and deferred tax liabilities	(729)	828
<b>Change in working capital</b>	<b>(6.768)</b>	<b>(6.365)</b>
<b>NET CASH FLOW (USED IN)/FROM OPERATING ACTIVITIES</b>	<b>6.720</b>	<b>6.292</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on fixed assets:		
- intangible	(500)	(87)
- tangible	(6.404)	(5.353)
Proceeds from disposal of tangible, intangible, available-for-sale financial assets		
- tangible	1.869	(30)
Increase (Decrease) of trade payables for assets	128	38
<b>NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES</b>	<b>(4.907)</b>	<b>(5.432)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
(Increase) Decrease in other non current assets	15	8
Increase (Decrease) in bank loans and borrowings	3.356	(314)
Increase (Decrease) in other loans and borrowings	20	(21)
Increase (Decrease) in derivative instruments	-	(21)
Change in reserves	(879)	(24)
Dividends distributed	(3.740)	(2.550)
<b>NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES</b>	<b>(1.228)</b>	<b>(2.922)</b>
<b>D) INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>585</b>	<b>(2.062)</b>
<b>E) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>3.964</b>	<b>6.026</b>
<b>F) CASH AND CASH EQUIVALENTS AT END OF PERIOD (D+E)</b>	<b>4.549</b>	<b>3.964</b>

<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>4.549</b>	<b>3.964</b>
Current financial liabilities	(6.183)	(2.822)
Non current financial liabilities	(86)	(71)
<b>NET CONSOLIDATED FINANCIAL POSITION</b>	<b>(1.720)</b>	<b>1.071</b>
<b>INTERESTS PAID IN THE YEAR</b>	<b>(209)</b>	<b>(76)</b>

<b>BREAKDOWN OF CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>		
Cash	19	18
Banks	4.530	3.946
	<b>4.549</b>	<b>3.964</b>

## 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)

### Cosolidated financial statements at December 31, 2007 Statement of Changes in the Consolidated Shareholders' Equity for the Year 2007

(€ '000)	Capital stock	Share premium reserve	Legal reserve	Suspended-tax reserves	Consolidation reserve	Conversion differences	Extraordinary reserve	Urealized gains reserve	Exchange gains reserve	Retained earnings	Net profit	Total Shareholders' Equity
<b>Balance at December 31, 2005</b>	<b>8.840</b>	<b>12.245</b>	<b>1.663</b>	<b>68</b>	<b>3.367</b>	<b>(9)</b>	<b>16.104</b>	<b>3.799</b>	-	-	<b>6.605</b>	<b>52.682</b>
Conversion differences					(21)	(3)						(24)
Allocation of previous year net profit (1)			105		1.867		2.069		14		(6.605)	(2.550)
Other changes							14		(14)			-
Net profit for 2006											9.327	9.327
<b>Balance at December 31, 2006</b>	<b>8.840</b>	<b>12.245</b>	<b>1.768</b>	<b>68</b>	<b>5.213</b>	<b>(12)</b>	<b>18.187</b>	<b>3.799</b>	-	-	<b>9.327</b>	<b>59.435</b>
Conversion differences					87	(966)						(879)
Allocation of previous year net profit (1)					2.661		2.926				(9.327)	(3.740)
Other changes								(84)		84		-
Net profit for 2007											11.896	11.896
<b>Balance at December 31, 2007</b>	<b>8.840</b>	<b>12.245</b>	<b>1.768</b>	<b>68</b>	<b>7.961</b>	<b>(978)</b>	<b>21.113</b>	<b>3.715</b>	-	<b>84</b>	<b>11.896</b>	<b>66.712</b>

(1) Dividends resolved by the Shareholders' Meeting are included in the Total Shareholders' Equity column under Allocation of previous year net profit.

## 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, 2007

#### Balance Sheet

	Notes	Dec. 31, 2007		Dec. 31, 2006	
<i>(amounts in euro)</i>					
<b>ASSETS</b>			<i>of which: related parties</i>		<i>of which: related parties</i>
<b>A) NON CURRENT ASSETS</b>					
Tangible assets	1	21.819.941		22.347.764	
Intangible assets	2	460.296		135.227	
Investments in subsidiaries	3	8.057.883		8.115.406	
Financial assets available for sale	4	5.224		5.224	
Other non-current assets	5	9.762		10.160	
Deferred tax assets	15	371.017		628.253	
<b>TOTAL NON-CURRENT ASSETS</b>		<b>30.724.123</b>		<b>31.242.034</b>	
<b>B) CURRENT ASSETS</b>					
Inventories	6	23.927.378		19.147.506	
Trade receivables	7	16.508.934		16.823.315	
Trade receivables from subsidiaries	8	7.538.172	7.538.172	6.077.021	6.077.021
Financial receivables from subsidiaries	9	2.055.562	2.055.562	2.046.438	2.046.438
Other assets	10	240.953		406.484	
Cash and cash equivalents	11	727.275		1.199.796	
<b>TOTAL CURRENT ASSETS</b>		<b>50.998.274</b>		<b>45.700.560</b>	
<b>C) NON-CURRENT ASSETS AVAILABLE FOR SALE</b>					
		-		-	
<b>TOTAL ASSETS(A+B+C)</b>		<b>81.722.397</b>		<b>76.942.594</b>	
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>A) SHAREHOLDERS' EQUITY</b>					
Capital stock	12	8.840.000		8.840.000	
Reserves	12	38.993.166		36.067.821	
Net profit	12	8.987.113		6.665.345	
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>56.820.279</b>		<b>51.573.166</b>	
<b>B) NON-CURRENT LIABILITIES</b>					
Employee Severance Indemnity and other personnel benefits	13	3.208.264	142.762	4.511.572	132.808
Provisions for risks and charges	14	295.024		288.154	
Deferred tax liabilities	15	3.542.600		4.059.331	
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>7.045.888</b>		<b>8.859.057</b>	
<b>C) CURRENT LIABILITIES</b>					
Current financial liabilities	16	3.914.810		2.567.102	
Trade payables	17	9.724.517		9.669.634	
Trade payables to subsidiaries	18	449.267	449.267	423.003	423.003
Tax payables	19	402.831		986.873	
Other Payables	20	3.364.805		2.863.759	
<b>TOTAL CURRENT LIABILITIES</b>		<b>17.856.230</b>		<b>16.510.371</b>	
<b>D) LIABILITIES ON ASSETS HELD FOR DISPOSAL</b>					
		-		-	
<b>TOTAL LIABILITIES (B+C+D)</b>		<b>24.902.118</b>		<b>25.369.428</b>	
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (A+B+C+D)</b>		<b>81.722.397</b>		<b>76.942.594</b>	

## 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, 2007

#### Income Statement

<i>(amounts in euro)</i>	Notes	2007		2006	
			<i>of which: related parties</i>		<i>of which: related parties</i>
Revenues from sales and services provided	21	73.622.957	21.805.769	65.470.671	18.810.371
Other revenues	22	682.689	149.730	249.086	94.513
<b>TOTAL REVENUES</b>		<b>74.305.646</b>		<b>65.719.757</b>	
Cost of goods and merchandise	23	(36.260.151)	(2.091.091)	(31.773.332)	(1.328.334)
Cost of services received	24	(9.818.500)	(726.039)	(8.761.042)	(651.754)
Lease and rental costs	25	(765.364)	(493.503)	(746.094)	(483.149)
Personnel costs	26	(17.318.638)	(185.044)	(15.358.098)	(205.545)
Non recurring operations	27	1.026.143		-	
Other operating costs	28	(214.013)		(169.522)	
Change in inventories		4.779.871		4.870.842	
Increase in assets due to internal construction		439.832		606.986	
Write-down of receivables		(123.256)		(115.673)	
Accruals to provisions for risks and charges	29	(9.514)		(7.941)	
<b>GROSS OPERATING PROFIT</b>		<b>16.042.056</b>		<b>14.265.883</b>	
Tangible asset depreciation		(2.202.256)		(2.239.102)	
Intangible asset amortization		(173.785)		(89.823)	
<b>OPERATING PROFIT</b>		<b>13.666.015</b>		<b>11.936.958</b>	
Financial income (expense)	30	400.035	59.123	62.939	46.438
Foreign exchange gains (losses)	31	(165.791)		(80.131)	
<b>PROFIT BEFORE TAXES</b>		<b>13.900.259</b>		<b>11.919.766</b>	
Income taxes	32	(4.574.519)		(5.254.421)	
Deferred taxes from non recurring operations	32	(338.627)		-	
<b>NET PROFIT FROM ORDINARY ACTIVITIES</b>		<b>8.987.113</b>		<b>6.665.345</b>	
<b>NET PROFIT FROM ASSETS HELD FOR DISPOSAL</b>		-		-	
<b>NET PROFIT</b>		<b>8.987.113</b>		<b>6.665.345</b>	

## 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, 2007

#### Statement of Cash Flows

(Amounts in Euro)

	Dec. 31, 2007	Dec. 31, 2006
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit for the period	8.987.113	6.665.345
Depreciation, amortization and write-downs	2.376.041	2.328.925
(Gains)/Losses on disposal of assets	(388.246)	(4.518)
Net change in Employee Severance Indemnity	(1.303.308)	159.271
Net change in provisions for risks and charges	6.870	7.552
<b>Operating profit (loss) before change in working capital</b>	<b>9.678.470</b>	<b>9.156.575</b>
(Increase) Decrease in trade receivables	(1.146.770)	(3.436.386)
(Increase) Decrease in inventories	(4.779.872)	(4.870.841)
(Increase) Decrease in other receivables and deferred tax assets	422.767	(313.414)
Increase (Decrease) of trade payables	(47.026)	3.995.753
Increase (Decrease) of other payables and deferred tax liabilities	(599.727)	397.615
<b>Change in working capital</b>	<b>(6.150.628)</b>	<b>(4.227.273)</b>
<b>NET CASH FLOW (USED IN)/FROM OPERATING ACTIVITIES</b>	<b>3.527.842</b>	<b>4.929.302</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on fixed assets:		
- intangible	(498.854)	(80.438)
- tangible	(2.723.815)	(4.467.968)
Proceeds from disposal of tangible, intangible, financial assets		
- tangible	1.437.628	13.738
- financial	57.523	-
Increase (Decrease) of trade payables for assets	128.173	37.514
<b>NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES</b>	<b>(1.599.345)</b>	<b>(4.497.154)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
(Increase) Decrease in other non current assets	398,00	(54)
(Increase) Decrease of financial receivables	(9.124)	(2.046.438)
Increase (Decrease) in bank loans and borrowings	1.347.708	2.275.349
Increase (Decrease) in derivative instruments	-	(21.024)
Dividends distributed	(3.740.000)	(2.550.000)
<b>NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES</b>	<b>(2.401.018)</b>	<b>(2.342.167)</b>
<b>D) INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(472.521)</b>	<b>(1.910.019)</b>
<b>E) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>1.199.796</b>	<b>3.109.815</b>
<b>F) CASH AND CASH EQUIVALENTS AT END OF PERIOD (D+E)</b>	<b>727.275</b>	<b>1.199.796</b>

<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>727.275</b>	<b>1.199.796</b>
Financial receivables from subsidiaries	2.055.562	2.046.438
Current financial liabilities	(3.914.810)	(2.567.102)
<b>NET FINANCIAL POSITION</b>	<b>(1.131.973)</b>	<b>679.132</b>
<b>INTEREST PAID IN THE PERIOD</b>	<b>(172.189)</b>	<b>(37.689)</b>

<b>BREAKDOWN OF CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>		
Cash	9.817	7.189
Banks	717.458	1.192.607
	<b>727.275</b>	<b>1.199.796</b>

## 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 Statement at December 31, 2007 Statement of Changes in the Shareholders' Equity for Year 2007

(€ '000)	Capital stock	Share premium reserve	Legal reserve	Suspended-tax reserves	Extraordinary reserve	Exchange gains reserve	Urealized gains reserve	Retained earnings	Net profit	Total Shareholders' Equity
<b>Balance at December 31, 2005</b>	<b>8.840.000</b>	<b>12.244.869</b>	<b>1.663.013</b>	<b>68.412</b>	<b>16.000.423</b>	-	<b>3.902.133</b>	-	<b>4.738.971</b>	<b>47.457.821</b>
Allocation of previous year net profit (1)			104.987		2.069.480	14.504			(4.738.971)	(2.550.000)
Other changes					14.504	(14.504)				-
Net profit for 2006									6.665.345	6.665.345
<b>Balance at December 31, 2006</b>	<b>8.840.000</b>	<b>12.244.869</b>	<b>1.768.000</b>	<b>68.412</b>	<b>18.084.407</b>	-	<b>3.902.133</b>	-	<b>6.665.345</b>	<b>51.573.166</b>
Allocation of previous year net profit (1)					2.925.345				(6.665.345)	(3.740.000)
Other changes					(232.596)		149.071	83.525		-
Net profit for 2006									8.987.113	8.987.113
<b>Balance at December 31, 2007</b>	<b>8.840.000</b>	<b>12.244.869</b>	<b>1.768.000</b>	<b>68.412</b>	<b>20.777.156</b>	-	<b>4.051.204</b>	<b>83.525</b>	<b>8.987.113</b>	<b>56.820.279</b>

(1) Dividends resolved by the Shareholders' Meeting are included in the Total Shareholders' Equity column under Allocation of previous year net profit.