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Press release

Board approves the Interim Report at June 30, 2008

Cembre (Star): in the 1st Half of 2008 revenues grow by 2.2%

- At the end of July, revenues for the first seven months of the year grew further (up 3.5 % on the corresponding period in 2007).

Consolidated figures (€'000)	1 st Half 2008	Sales margin		Change	full year	
		1 st Half 2007	%		2007	Sales margin %
Sales	50,131	49,071	100	2.2%	93,417	100
Gross operating profit	10,649	12,922	21.2	-17.6%	21,710	23.2
Operating profit	9,101	11,345	18.2	-19.8%	18,420	19.7
Pre-tax profit	8,795	11,271	17.5	-22%	18,118	19.4
Net profit	6,263	7,319	12.5	-14.4%	11,896	12.7

Brescia, August 28, 2008 – The Board of Directors of Cembre Spa – a STAR listed company and one of the largest European manufacturers of electrical connectors and tools for their installation – chaired by Managing Director Giovanni Rosani, approved at today's meeting the Report on the 1st Half of 2008.

In the first six months of 2008, the Group reported **consolidated sales** of €50.1 million, up 2.2% on €49.1 million in the corresponding period in 2007.

In the 1st Half of 2008, domestic sales amounted to €21.5 million, up 5.1%, while sales outside Italy amounted to €28.6 million, unchanged from the same period in the previous year. A total of 42.9% of Group sales were represented by Italy (as compared with 41.7% in the 1st Half of 2007), 45.3% by the rest of Europe (46.8% in the 1st Half of 2007), and the remaining 11.8% by the rest of the World (11.5% in the 1st Half of 2007).

Following a review carried out in the 1st Quarter of 2008, the depreciation schedules of property, plant and equipment were in fact adjusted to bring them into line with their newly determined useful life, resulting in a €250 thousand reduction in the amortization expense for the 1st Half of 2008 with respect to the amortization schedule previously used. The upward revision of the useful life of property, plant and equipment resulted in a reduction of the hourly cost of machinery and equipment used in the determination of the value of semi-finished and finished goods inventories. Had the same depreciation schedule applied in 2007 been applied to determine the value of inventories at March 31, 2008, these would have been higher by about €734 thousand. As it would however be excessively onerous repeat the same simulation for the 2nd Quarter of 2008, due in part to the change in the information system done in May, it is not available a figure for June 30, 2008.

In the 1st Half of 2007, moreover, in compliance with new regulations on employee termination indemnities, the value of indemnities accrued up to December 31, 2006 was restated with the help of an independent actuary. Such restatement resulted – as provided in paragraph 111 of IAS 19 – in the recording in the income statement for the 1st Half of 2007 of a €1,026 thousand non-recurrent gain under the caption “Non-recurrent personnel costs”, and the parallel recording of €339 thousand in deferred tax liabilities. The comparison between the 1st Half of 2008 and the corresponding period in 2007 is consequently affected by the mentioned non-recurrent factors that produced an increase in profits for the 1st Half 2007 and a correspondent decline in the same for the 1st Half of 2008.

Consolidated gross operating profit for the first six months of 2008 was equal to €106 million, representing a 21.2% margin on sales, down 17.6% on €12.9 million reported in the first six months of 2007 (26.3% of sales).

In the first six months of the year the cost of goods sold as a percentage of sales grew from 35.3% to 37.6%, as did personnel costs, which grew as a result of the increase in the number of employees from 512 to 546, and of pay rises consequent to the renewal of the national labour contract for the metal and mechanical sector.

Consolidated operating profit for the period amounted to €9.1 million, representing an 18.2% margin on sales, down 19.8% on €11.4 million in the 1st Half of 2007, when it represented a 23.1% margin on sales.

Consolidated profit before taxes amounted to €8.8 million, representing a 17.5% margin on sales, down 22% from €11.3 million in the 1st Half of 2007, when it represented a 23% margin on sales. The appreciation of the euro determined in fact losses amounting to €187 thousand, contributing, alongside the €119 net financial expense, to reduce the consolidated profit.

Net profit for the first six months of 2008 amounted to €6.3 million, down 14.4% from €7.3 million in the 1st Half of 2007. The margin on sales declined from 14.9% to 12.5%.

The **consolidated net financial position** declined from an indebtedness of €3 million at June 30, 2007, to an indebtedness of €5 million at June 30, 2008. At December 31, 2007 it amounted to an indebtedness of €1.7 million. The financial position was affected by the payment at the end of May 2007 of €4.4 million in dividends, the payment in June of €2.1 million in taxes, in addition to €2.4 million of capital expenditure for the period.

“In the 1st Half of 2008, consolidated sales grew by 2.2% despite the difficult market situation worldwide. In July sales registered a stronger growth and consolidated sales for the first seven months of the year grew by 3.5% on the corresponding period in 2007. In comparing results for the 1st Half of 2008 and the 1st Half of 2007 one should however keep into account extraordinary factors described in the Report on the 1st Half of 2008, that produced an increase in profits in the 1st Half of 2007 and a reduction of the same in the 1st Half of 2008” commented Cembre’s Managing Director Giovanni Rosani.

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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 546 as of June 2008. 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 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 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 - Financial Statements at June 30, 2008:

- Consolidated Balance Sheet
- Consolidated Income Statement
- Consolidated Statement of Cash Flows

In the present document use is made of "alternative performance indicators" which are not provided for under European IFRS, and whose significance and content are illustrated below (in line with Recommendation CESR/05-178b 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 achieved before amortization, financial flows and taxes.

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

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

The limited audit of the 2008 Half-year Report is still underway and the Audit Report on the limited audit will be issued by the Independent Auditors subsequent to the publication of the present press release.

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)

Condensed Consolidated Financial Statements at June 30, 2008

Consolidated Balance Sheet

	June 30, 2008	Dec. 31, 2007
<i>(€'000)</i>		
ASSETS	<i>of which:</i>	<i>of which:</i>
	<i>related parties</i>	<i>related parties</i>
A) NON-CURRENT ASSETS		
Property, plant and equipment	32.606	32.349
Intangible assets	720	466
Financial assets available for sale	5	5
Other non-current assets	77	77
Deferred tax assets	1.788	1.886
TOTAL NON-CURRENT ASSETS	35.196	34.783
B) CURRENT ASSETS		
Inventories	31.387	31.725
Trade receivables	29.482	26.355
Tax receivables	112	1
Other receivables	166	317
Cash and cash equivalents	5.047	4.549
TOTAL CURRENT ASSETS	66.194	62.947
C) NON-CURRENT ASSETS AVAILABLE FOR SALE	-	-
TOTAL ASSETS(A+B+C)	101.390	97.730
LIABILITIES AND SHAREHOLDERS' EQUITY		
A) SHAREHOLDERS' EQUITY		
Capital stock	8.840	8.840
Reserves	52.766	45.976
Net profit	6.263	11.896
TOTAL SHAREHOLDERS' EQUITY	67.869	66.712
B) NON-CURRENT LIABILITIES		
Non-current financial liabilities	85	86
Non-current tax payables	93	-
Employee Termination Indemnity and other personnel benefits	3.079	148
Provisions for risks and charges	287	3.352
Deferred tax liabilities	2.767	295
		143
TOTAL NON-CURRENT LIABILITIES	6.311	7.386
C) CURRENT LIABILITIES		
Current financial liabilities	10.072	6.183
Trade payables	10.183	11.013
Tax payables	899	1.033
Other payables	6.056	5.403
TOTAL CURRENT LIABILITIES	27.210	23.632
D) LIABILITIES ON ASSETS HELD FOR DISPOSAL	-	-
TOTAL LIABILITIES (B+C+D)	33.521	31.018
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (A+B+C+D)	101.390	97.730

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Consolidated Income Statement

	1 st Half 2008	1 st Half 2007
(<i>€000</i>)	<i>of which:</i>	<i>of which:</i>
	<i>related parties</i>	<i>related parties</i>
Revenues from sales and services provided	50.131	49.071
Other revenues	171	166
TOTAL REVENUES	50.302	49.237
Cost of goods and merchandise	(18.899)	(21.282)
Cost of services received	(6.870)	(368) (7.079)
Lease and rental costs	(517)	(248) (539)
Personnel costs	(13.337)	(86) (12.384)
Non recurring operations	0	1.026
Other operating costs	(306)	(220)
Change in inventories	71	3.964
Increase in assets due to internal construction	314	289
Write-down of receivables	(104)	(85)
Accruals to provisions for risks and charges	(5)	(5)
GROSS OPERATING PROFIT	10.649	12.922
Property, plant and equipment depreciation	(1.358)	(1.495)
Intangible asset amortization	(190)	(82)
OPERATING PROFIT	9.101	11.345
Financial income (expense)	(119)	(27)
Foreign exchange gains (losses)	(187)	(47)
PROFIT BEFORE TAXES	8.795	11.271
Income taxes	(2.532)	(3.602)
Deferred taxes from non recurring operations	-	(339)
NET PROFIT FROM ORDINARY ACTIVITIES	6.263	7.330
NET PROFIT FROM ASSETS HELD FOR DISPOSAL	-	(11)
NET PROFIT	6.263	7.319
BASIC EARNINGS PER SHARE	0,37	0,43

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Consolidated Statement of Cash Flows

(€'000)

	1 st Half 2008	Full Year 2007
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the period	6.263	11.896
Depreciation, amortization and write-downs	1.548	3.290
(Gains)/Losses on disposal of assets	24	(399)
Net change in Employee Termination Indemnity	(273)	(1.306)
Net change in provisions for risks and charges	(8)	7
Operating profit (loss) before change in working capital	7.554	13.488
(Increase) Decrease in trade receivables	(3.127)	149
(Increase) Decrease in inventories	338	(5.678)
(Increase) Decrease in other receivables and deferred tax assets	138	69
Increase (Decrease) in trade payables	(988)	(579)
Increase (Decrease) in other payables, deferred tax liabilities and tax payables	(274)	(729)
Change in working capital	(3.913)	(6.768)
NET CASH FLOW (USED IN)/FROM OPERATING ACTIVITIES	3.641	6.720
B) CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets:		
- intangible	(444)	(500)
- property, plant and equipment	(2.082)	(6.404)
Proceeds from disposal of tangible, intangible and available-for-sale financial assets		
- tangible	443	1.869
Increase (Decrease) in trade payables for assets	158	128
NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES	(1.925)	(4.907)
C) CASH FLOW FROM FINANCING ACTIVITIES		
(Increase) Decrease in other non-current assets	-	15
Increase (Decrease) in bank loans and borrowings	3.888	3.356
Increase (Decrease) in other loans and borrowings	-	20
Change in reserves	(686)	(879)
Dividends distributed	(4.420)	(3.740)
NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES	(1.218)	(1.228)
D) INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	498	585
E) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	4.549	3.964
F) CASH AND CASH EQUIVALENTS AT END OF PERIOD (D+E)	5.047	4.549

CASH AND CASH EQUIVALENTS AT END OF PERIOD	5.047	4.549
Current financial liabilities	(10.072)	(6.183)
Non current financial liabilities	(85)	(86)
NET CONSOLIDATED FINANCIAL POSITION	(5.110)	(1.720)
INTERESTS EXPENSE FOR THE PERIOD	(172)	(209)

BREAKDOWN OF CASH AND CASH EQUIVALENTS AT END OF PERIOD		
Cash	11	19
Banks	5.036	4.530
	5.047	4.549