



C e m b r e

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

Press release

Board approves the Interim Report at June 30, 2009

Cembre (Star): the global recession continues to influence revenues and margins while net financial position is growing

- In the 2nd Quarter, however, sales declined less than in the previous quarter on the corresponding periods in 2008
- The net financial position at June 30, 2009 improves to €2.2 million

Consolidated figures (€'000)	1st Half		1st Half		Change	full year	Sales margin
	2009	Marg. %	2008	Marg. %		2008	
Sales	38,132	100	50,131	100	-23.9%	94,288	100
Gross operating profit	5,813	15.2	10,649	21.2	-45.4%	19,273	20.4
Operating profit	4,344	11.4	9,101	18.2	-52.3%	16,221	17.2
Pre-tax profit	4,444	11.7	8,795	17.5	-49.5%	16,031	17
Net profit	2,872	7.5	6,263	12.5	-54.2%	10,857	11.5
Net financial position	2,188		(5,110)			1,170	

Brescia, August 27, 2009 – 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 2009.

In the first six months of 2009, the Group reported **consolidated sales** of €38.1 million, down 23.9% on €50.1 million in the corresponding period in 2008.

In the 1st Half of 2009, domestic sales amounted to €15.1 million, down 30%, while sales outside Italy amounted to €23.1 million, down 19.4% the same period in the previous year. A total of 39.5% of Group sales were represented by Italy (as compared with 42.9% in the 1st Half of 2008), 48.4% by the rest of Europe (45.3% in the 1st Half of 2008), and the remaining 12.1% by the rest of the World (11.8% in the 1st Half of 2008).

In the 2nd Quarter of 2009, the decline in sales on the corresponding period in 2008 was considerably lower than in the 1st Quarter, declining from a 28.8% reduction at the end of March, to a reduction of 18.9% in the 2nd Quarter vs. the 2nd Quarter of 2008.

Consolidated gross operating profit for the first six months of 2009 was equal to €5.8 million, representing a 15.2% margin on sales, down 45.4% on €10.6 million reported in the first six months of 2008 (21.2% of sales).

In the first six months of 2009 the cost of goods sold as a margin on sales was in line with the 1st Half of 2008, while personnel costs grew as a percentage of sales from 26.6% to 32.5% despite declining in absolute terms by about €1 million.

Consolidated operating profit for the period amounted to €4.3 million, representing an 11.4% margin on sales, down 52.3% on €9.1 million in the 1st Half of 2008, when it represented an 18.2% margin on sales.

Consolidated profit before taxes amounted to €4.4 million, representing an 11.7% margin on sales, down 49.5% on €8.8 million in the 1st Half of 2008, when it represented a 17.5% margin on sales. The favorable foreign exchange performance determined gains amounting to €127 thousand.

Net profit for the first six months of 2009 amounted to €2.9 million, down 54.2% on €6.3 million in the 1st Half of 2008. The margin on sales declined from 12.5% in the 1st Half of 2008, to 7.5% in the corresponding period in 2009.

The **consolidated net financial position** at June 30, 2009 amounted to a surplus of €2.2 million, improving both on June 30, 2008, when it was equal to an indebtedness of €5.1 million, and on December 31, 2008, when it amounted to a surplus of €1.2 million. The financial position was affected by the payment in May of €2.7 million in dividends (as compared with €4.4 million in the 1st Half of 2009), and the payment of €1.8 million in taxes (2.1 million in 2008).

Capital expenditure for the period amounted to €1 million, as compared with €2.5 million in the 1st Half of 2008.

“The financial and economic crisis that exploded in the middle of 2008, influenced significantly results for the 1st Half of 2009. Revenues of the Group declined in fact by 23.9% on the 1st Half of 2008. In the 2nd Quarter of 2009, however, the contraction of sales on the same period of 2008, amounting to 18.9%, was sharply lower than in the 1st Quarter.

The Group reported a further improvement in the net financial position to a surplus of €2.2 million at June 30, 2009. At the end of July consolidated sales declined 23.6%” commented 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 546 as of June 2009. 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.

Contacts:

Peroni e Vitale comunicazione - Ferruccio Peroni +39 335 6974871 f.peroni@peronievitale.it

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, 2009:

- Consolidated Balance Sheet
- Consolidated Comprehensive 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 2009 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, 2009

Consolidated Statement of Financial Position

	Jun. 30, 2009	Dec. 31, 2008
<i>(euro '000)</i>		
ASSETS	<i>of which:</i>	<i>of which:</i>
	<i>related parties</i>	<i>related parties</i>
A) NON-CURRENT ASSETS		
Tangible assets	32.640	32.590
Intangible assets	614	692
Financial assets available for sale	5	5
Other non-current assets	21	76
Deferred tax assets	1.893	1.775
TOTAL NON-CURRENT ASSETS	35.173	35.138
B) CURRENT ASSETS		
Inventories	30.559	32.378
Trade receivables	21.234	24.650
Tax receivables	788	650
Other receivables	298	330
Cash and cash equivalents	6.525	4.545
TOTAL CURRENT ASSETS	59.404	62.553
C) NON-CURRENT ASSETS AVAILABLE FOR SALE	-	-
TOTAL ASSETS(A+B+C)	94.577	97.691
LIABILITIES AND SHAREHOLDERS' EQUITY		
A) SHAREHOLDERS' EQUITY		
Capital stock	8.840	8.840
Reserves	60.551	51.766
Net profit	2.872	10.857
TOTAL SHAREHOLDERS' EQUITY	72.263	71.463
B) NON-CURRENT LIABILITIES		
Non-current financial liabilities	42	60
Non-current tax payables	93	93
Employee Severance Indemnity and other personnel benefits	3.090	156
Provisions for risks and charges	65	3.194
Deferred tax liabilities	2.486	292
	2.486	2.671
TOTAL NON-CURRENT LIABILITIES	5.776	6.310
C) CURRENT LIABILITIES		
Current financial liabilities	4.295	3.315
Trade payables	5.981	10.819
Tax payables	582	247
Other payables	5.680	5.537
TOTAL CURRENT LIABILITIES	16.538	19.918
D) LIABILITIES ON ASSETS HELD FOR DISPOSAL	-	-
TOTAL LIABILITIES (B+C+D)	22.314	26.228
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (A+B+C+D)	94.577	97.691

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, 2009

Statement of Consolidated Comprehensive Income

	1st Half 2009	1st Half 2008
<i>(euro '000)</i>	<i>of which: related parties</i>	<i>of which: related parties</i>
Revenues from sales and services provided	38.132	50.131
Other revenues	312	171
TOTAL REVENUES	38.444	50.302
Cost of goods and merchandise	(12.002)	(18.899)
Change in inventories	(2.174)	71
Cost of services received	(5.510)	(369) (6.870)
Lease and rental costs	(545)	(256) (517)
Personnel costs	(12.399)	(54) (13.337)
Other operating costs	(266)	(306)
Increase in assets due to internal construction	391	314
Write-down of receivables	(122)	(104)
Accruals to provisions for risks and charges	(4)	(5)
GROSS OPERATING PROFIT	5.813	10.649
Property, plant and equipment depreciation	(1.359)	(1.358)
Intangible asset amortization	(110)	(190)
OPERATING PROFIT	4.344	9.101
Financial income	23	53
Financial expenses	(50)	(172)
Foreign exchange gains (losses)	127	(187)
PROFIT BEFORE TAXES	4.444	8.795
Income taxes	(1.572)	(2.532)
NET PROFIT FROM ORDINARY ACTIVITIES	2.872	6.263
NET PROFIT FROM ASSETS HELD FOR DISPOSAL	-	-
NET PROFIT	2.872	6.263
Conversion differences included in equity	648	(686)
COMPREHENSIVE INCOME	3.520	5.577
BASIC EARNINGS PER SHARE	0,17	0,37

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, 2009

Consolidated Statement of Cash Flows

€ '000

	1 st Half 2009	Full Year 2008
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	4.545	4.549
B) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the period	2.872	10.857
Depreciation, amortization and write-downs	1.469	3.052
(Gains)/Losses on disposal of assets	(5)	(2)
Net change in Employee Severance Indemnity	(104)	(158)
Net change in provisions for risks and charges	(227)	(3)
Operating profit (loss) before change in working capital	4.005	13.746
(Increase) Decrease in trade receivables	3.416	1.705
(Increase) Decrease in inventories	1.819	(653)
(Increase) Decrease in other receivables and deferred tax assets	(224)	(551)
Increase (Decrease) of trade payables	(4.638)	(239)
Increase (Decrease) of other payables, deferred tax liabilities and tax payables	293	(1.541)
Change in working capital	666	(1.279)
NET CASH FLOW (USED IN)/FROM OPERATING ACTIVITIES	4.671	12.467
C) CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets:		
- intangible	(32)	(544)
- tangible	(1.004)	(4.064)
Proceeds from disposal of tangible, intangible, available-for-sale financial assets		
- tangible	28	80
Increase (Decrease) of trade payables for assets	(200)	45
NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES	(1.208)	(4.483)
D) CASH FLOW FROM FINANCING ACTIVITIES		
(Increase) Decrease in other non current assets	55	1
Increase (Decrease) in bank loans and borrowings	996	(2.864)
Increase (Decrease) in other loans and borrowings	(34)	(30)
Dividends distributed	(2.720)	(4.420)
NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES	(1.703)	(7.313)
E) INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (B+C+D)	1.760	671
F) Foreign exchange differences	220	(675)
G) CASH AND CASH EQUIVALENTS AT END OF PERIOD (A+E+F)	6.525	4.545

CASH AND CASH EQUIVALENTS AT END OF PERIOD	6.525	4.545
Current financial liabilities	(4.295)	(3.315)
Non current financial liabilities	(42)	(60)
NET CONSOLIDATED FINANCIAL POSITION	2.188	1.170
INTERESTS PAID IN THE PERIOD	(50)	(318)

BREAKDOWN OF CASH AND CASH EQUIVALENTS AT END OF PERIOD		
Cash	16	16
Banks	6.509	4.529
	6.525	4.545