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Press release

**BOARD APPROVES THE REPORT FOR THE 3<sup>rd</sup> QUARTER OF 2009**

**CEMBRE (A STAR LISTED COMPANY): IN THE FIRST NINE MONTHS OF 2009  
THE DECLINE IN PROFIT SLOWS DOWN  
WHILE THE NET FINANCIAL POSITION IMPROVES**

- In the 3<sup>rd</sup> Quarter of 2009 the decline in sales stabilizes (down 19.8%) while the reduction of profit before taxes is less marked (down 29.3%).
- The consolidated net financial position at September 30, 2009 improves further to a surplus of €5.7 million

(€'000)	First nine months 2009	Sales margin %	First nine months 2008	Sales margin %	% change	3 <sup>rd</sup> Qtr. 2009	Sales margin	3 <sup>rd</sup> Qtr. 2008	Sales margin	% change
<b>Sales</b>	56.046	100	72.478	100	-22.7%	17.914	100	22.347	100	-19.8%
<b>Gross operat. profit (Ebitda)</b>	9.278	16.6	15.169	20.9	-38.8%	3.465	19.3	4.520	20.2	-23.3%
<b>Operating profit (Ebit)</b>	7.147	12.8	12.848	17.7	-44.4%	2.803	15.6	3.747	16.8	-25.2%
<b>Profit before taxes</b>	7.134	12.7	12.598	17.4	-43.4%	2.690	15.0	3.803	17.0	-29.3%

*Brescia, November 12, 2009* - 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 for the 3<sup>rd</sup> Quarter of 2009.

In the 3<sup>rd</sup> Quarter of 2009, **consolidated revenues** declined by 19.8% from €22.3 million in the 3<sup>rd</sup> Quarter of 2008 to €17.9 million in the same period in 2009.

Consolidated sales of the Cembre Group for the first nine months of 2009 dropped by 22.7% on the same period in 2008, down from €72.5 million to €56 million.

In the first nine months of 2009, a total of 39.4% of sales were represented by Italy (43.7% in the first nine months of 2008), 48.1% by the rest of Europe (45.1% in the first nine months of 2008) and 12.5% by the rest of the world (11.2% in the first nine months of 2008).

In the first nine months of 2009, domestic sales declined by 30.4% and exports were down by 16.6% on the corresponding period in 2008, while in the 3<sup>rd</sup> Quarter of the year, exports declined by 10.1%, and domestic sales declined by 31.5% on the same period in 2008.

**Consolidated gross operating profit (Ebitda)** for the first nine months of 2009 amounted to €9.3 million, representing a 16.6% margin on sales, down 38.8% on the first nine months of 2008 when it amounted to €15.2 million, representing a 20.9% margin on sales.

Gross operating profit for the 3<sup>rd</sup> Quarter declined by 23.3%, from €4.5 million in the 3<sup>rd</sup> Quarter of 2008 (representing a 20.2% margin on sales), to €3.5 million in the 3<sup>rd</sup> Quarter of 2009 (representing a

19.3% margin on sales). The cost of sales declined both for the first nine months of 2009 and the 3<sup>rd</sup> Quarter of the year due to the decline in raw material prices.

**Consolidated operating profit** (Ebit) for the first nine months of 2009 amounted to €7.1 million, corresponding to a 12.8% margin on sales, down 44.4% on €12.8 million in the first nine months of 2008 (17.7% of sales).

Consolidated operating profit declined also in the quarter from €3.7 million (16.8% of sales) in the 3<sup>rd</sup> Quarter of 2008, to €2.8 million (15.6% of sales) in the 3<sup>rd</sup> Quarter of 2009.

**Consolidated profit before taxes** for the first nine months of 2009 amounts to €7.1 million (a 12.7% margin on sales), down 43.4% on €12.6 million in the first nine months of 2008 (a 17.4% margin on sales).

Consolidated profit before taxes for the 3<sup>rd</sup> Quarter of 2009 amounted to €2.7 million, representing a 15% margin on sales, down 29.3% on €3.8 million in the 3<sup>rd</sup> Quarter of 2008, when it represented a 17% margin on sales. In 3<sup>rd</sup> Quarter, net foreign exchange gains were negative, due to the decline of the dollar against the euro.

The **consolidated net financial position** improved from a surplus of €2.2 million at June 30 2009, to a surplus of €5.7 million at September 30, 2009. The consolidated net financial position at September 30, 2008 was negative by €0.8 million.

*“The global financial and economic crisis continues to weigh on the Group’s performance, though in the 3<sup>rd</sup> Quarter of 2009 turnover is basically unchanged from the 2<sup>nd</sup> Quarter and profit margins have improved. The Group achieved a further improvement in the net financial position, which at the end of October amounted to a surplus of €6.8 million. Sales in October declined by 19.2% on the corresponding month in 2008, thus taking the decline in sales for the first nine months of the year to 22.4%”* – declared 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 531 as of September 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.*

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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: Financial Statements at September 30, 2009**

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.

The Interim Report for the 3<sup>rd</sup> Quarter of 2009 has not been audited.

# 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 for the 3<sup>rd</sup> Quarter 2009

### Consolidated Income Statement

<i>(euro '000)</i>	First nine months 2009	First nine months 2008	Full Year 2008	3 <sup>rd</sup> Quarter 2009	3 <sup>rd</sup> Quarter 2008
Revenues from sales and services provided	56.046	72.478	94.288	17.914	22.347
Other revenues	431	283	347	119	112
<b>TOTAL REVENUES</b>	<b>56.477</b>	<b>72.761</b>	<b>94.635</b>	<b>18.033</b>	<b>22.459</b>
Cost of goods and merchandise	(17.256)	(27.395)	(36.597)	(5.254)	(8.496)
Change in inventories	(3.240)	163	1.441	(1.066)	92
Cost of services received	(7.912)	(9.990)	(13.096)	(2.402)	(3.120)
Lease and rental costs	(816)	(791)	(1.052)	(271)	(274)
Personnel costs	(17.920)	(19.555)	(25.979)	(5.521)	(6.218)
Other operating costs	(399)	(429)	(539)	(133)	(123)
Increase in assets due to internal construction	492	535	709	101	221
Write-down of receivables	(142)	(123)	(239)	(20)	(19)
Accruals to provisions for risks and charges	(6)	(7)	(10)	(2)	(2)
<b>GROSS OPERATING PROFIT</b>	<b>9.278</b>	<b>15.169</b>	<b>19.273</b>	<b>3.465</b>	<b>4.520</b>
Property, plant and equipment depreciation	(1.965)	(2.032)	(2.734)	(606)	(674)
Intangible asset amortization	(166)	(289)	(318)	(56)	(99)
<b>OPERATING PROFIT</b>	<b>7.147</b>	<b>12.848</b>	<b>16.221</b>	<b>2.803</b>	<b>3.747</b>
Financial income (expense)	(35)	(188)	(205)	(8)	(69)
Foreign exchange gains (losses)	22	(62)	15	(105)	125
<b>PROFIT BEFORE TAXES</b>	<b>7.134</b>	<b>12.598</b>	<b>16.031</b>	<b>2.690</b>	<b>3.803</b>

### Consolidated Net Financial Position

<i>(euro '000)</i>	Sept. 30, 2009	Jun. 30, 2009	Dec. 31, 2008
Cash and cash equivalents	8.220	6.525	4.545
Non-current financial liabilities	(34)	(42)	(60)
Current financial liabilities	(2.481)	(4.295)	(3.315)
<b>CONSOLIDATED NET FINANCIAL POSITION</b>	<b>5.705</b>	<b>2.188</b>	<b>1.170</b>