



C e m b r e



Company presentation

(2010 first nine months results)



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Activity and Competitive Position





Cembre

- Cembre **develops, produces** and **markets** in Europe and in the USA **electrical crimp type connectors** and **related installation tools**
- Our main objective is to cooperate with our products' users to find the **best technical** and **economical solutions** related to **electrical connection applications**



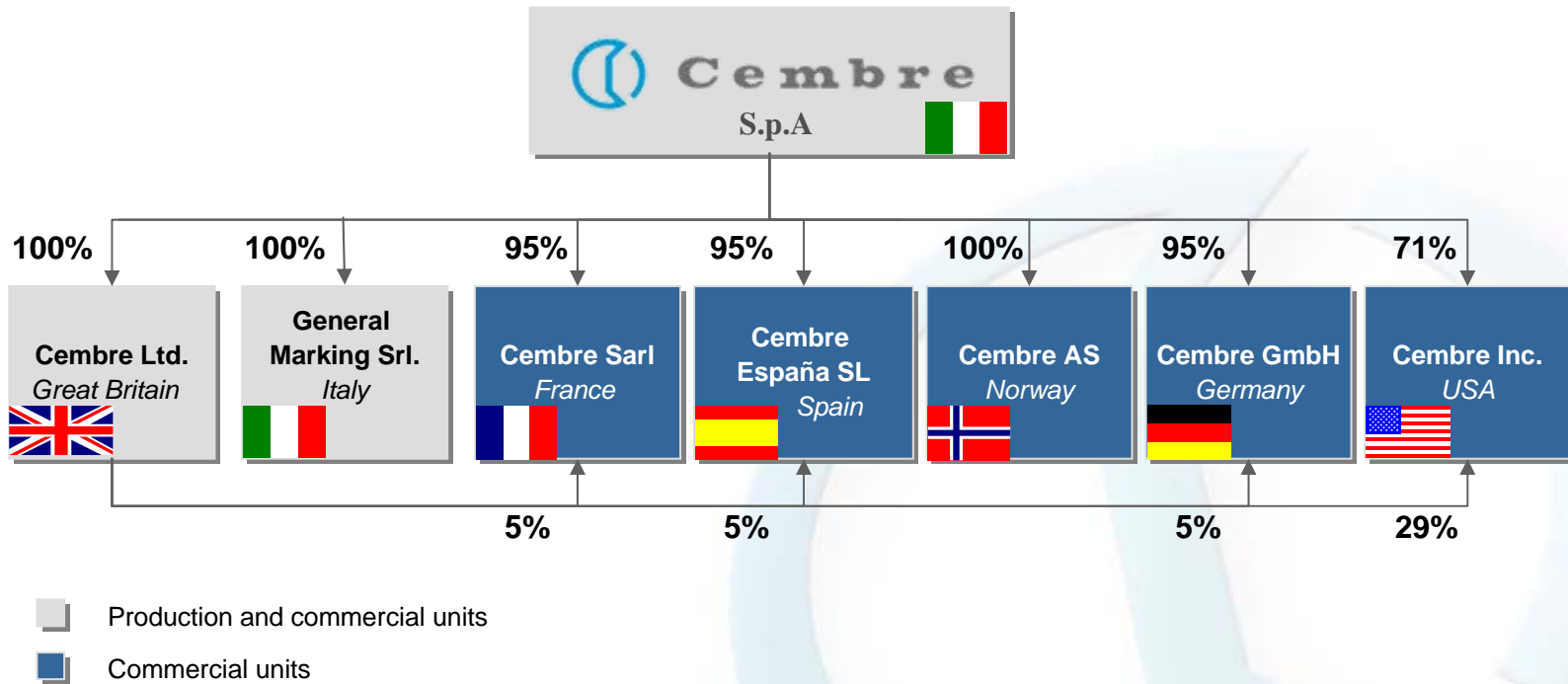
Competitive position

Cembre Group is:

- **Italian leader in electrical crimp type connectors and related installation tools**, extensively used in large engineering projects
- **European leader within major worldwide producers of tools for the installation of electrical power connectors**

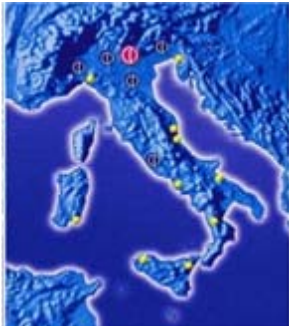


Group structure





Distribution network



- In Italy Cembre has an **extensive distribution network**, with offices and warehouses located in Milan, Rome, Florence, Padua and Bologna
 - Present all over the **Italian territory** through a network of **own employed salesmen or representatives** able to offer fast and constant technical assistance
-
- Abroad Cembre operates through **five subsidiaries companies in Europe** (UK, France, Spain, Germany and Norway) and one **in the USA**
 - **Presence in the main countries all over the world through** a network of importers and agents able to provide technical and commercial assistance and rapid delivery





Competitive advantages

- **Technological leadership** thanks to a constant involvement in R&D
- **Extensive product range** characterised by a balanced relationship between quality and price
- Ability to **enter markets with a high growth potential** (railway, energy, US market,...)
- A commercial network consisting of **own employed salesmen**
 - **direct presence** in the main European markets and USA and long standing penetration in the main non European markets
 - constant **interaction with end users** and consolidated relationships with **distribution groups**
- **Rapid time to-market** and **automatic warehouse management**



Products and Markets





Expanding the products' range

In order to keep the **leadership** and **increase the penetration of market**, Cembre had sensibly **enlarged the range of products offered** through:

- **research activities** mainly focused on the **development of innovative products** for the **sectors with the highest growth potential** (rail transportation, civil and industrial plant engineering)
- **improvement and update of existing products** to get them easier to use and more efficient in their performances
- **widening of traditional products range**, now richer and more complete thanks to the **introduction of complementary product** (f.i. cable markers)



Electrical connectors



- Turnover as at Sept. 30, 2010: Euro 25.3 million (+28.3% vs Sept. 30, 2009)
 - To Italy: 18.3% of total sales
 - To foreign countries: 19.1% of total sales (17% to Europe and 2.1% outside Europe)

- Characteristics:
 - **high and safe performance** guaranteed by effective **Quality Control** during production process
 - **high level automation** of manufacturing and consequent costs reduction
 - **quick adaptation** of products to clients' needs, thanks to its **high flexible productivity**



Tools

- Turnover as at Sept. 30, 2010: Euro 13.4 million (+17.7% vs Sept. 30, 2009)
 - To Italy: 4.2% of total sales
 - To foreign countries: 15.6% of total sales (9.2% to Europe and 6.4% outside Europe)



- Characteristics:
 - **quick installation** of connectors thanks to tools used for compressing and cutting the conductors
 - **wide products range**: mechanical, pneumatic, hydraulic and electric based operations

- Development of new products in last two years:
 - **B15-B54** battery operated “in line” hand-tools
 - **hydraulic battery operated pump** already marketed in Italy and Europe
 - the **new generation of battery tools** is intended to progressively substitute the traditional ones, as they are **more appreciated** thanks to the **elimination of physical endeavour**



Railway products

- Railway products and accessories, turnover as at Sept. 30, 2010: Euro 12.7 million (-9.6% vs Sept. 30, 2009)
 - To Italy: 2.3% of total sales
 - To foreign countries: 16.5% of total sales (13.5% to Europe and 3% outside Europe)

NR-11P



- Characteristics:
 - **high quality products**
 - **constant R&D activities**
 - **high potential growth**

- Development of new products:
 - **Nut Runner - NR-11P**
 - **Rail Saw** (with better safety standards for workers)

**Rail saw
RDS 14-P**



Both the products are very **competitive on the market** since they offer superior flexibility, lightness and velocity against alternative products



Cable markers

ROLLY
2000



- Cable markers, turnover as at Sept. 30, 2010: Euro 5.7 million (+49.5% vs. Sept. 30, 2009)
 - To Italy: 5.7% of total sales
 - To foreign countries: 2.7% of total sales (2.3% to Europe and 0.4% outside Europe)

RING
cablesys



mg2
MARKINGENIUS 2



- With the introduction of these new products Cembre:
 - further **enriched its offer with thousand of new articles** (electrical equipment wholesalers prefer supplier with a wide catalogue)
 - **strengthened its competitive position** in Italy and **created big opportunities** to enter the European markets
 - **entered a market**, worth of Euro 25 million considering only Italy
 - **improved** the production structure
- Development and production, in Brescia (Italy), of thermal printer **MG2**



Other products

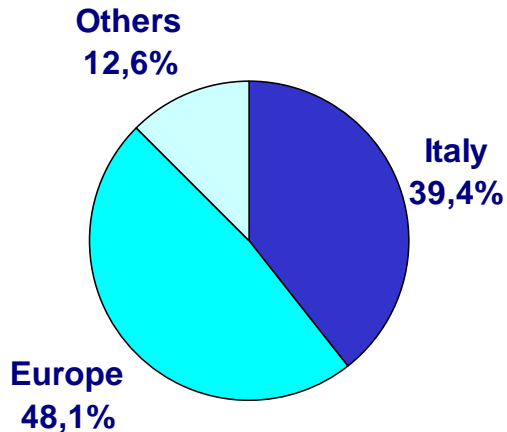
- Cable glands, turnover as at Sept. 30, 2010: Euro 5.2 million (+46% vs Sept. 30, 2009)
 - To Italy: 6.6% of total sales
 - To foreign countries: 1.1% of total sales (1.0% to Europe, 0.1% outside Europe)



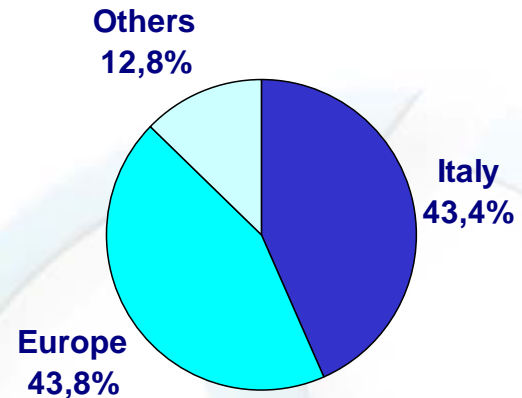
- Terminal blocks, turnover as at Sept. 30, 2010: Euro 1.6 million (+10.5% vs Sept. 30, 2009)
 - To Italy: 2.1% of total sales
 - To foreign countries: 0.3% of total sales (Europe)
- Product upgrade:
 - implementation of the new European Union safety regulations required the adoption of modern connection systems as those manufactured by Cembre Group



Turnover breakdown by geographical area



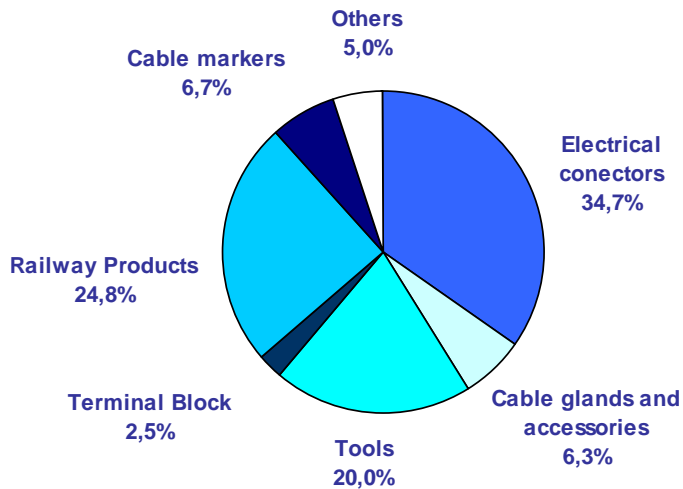
September 30, 2009
Euro 56 million



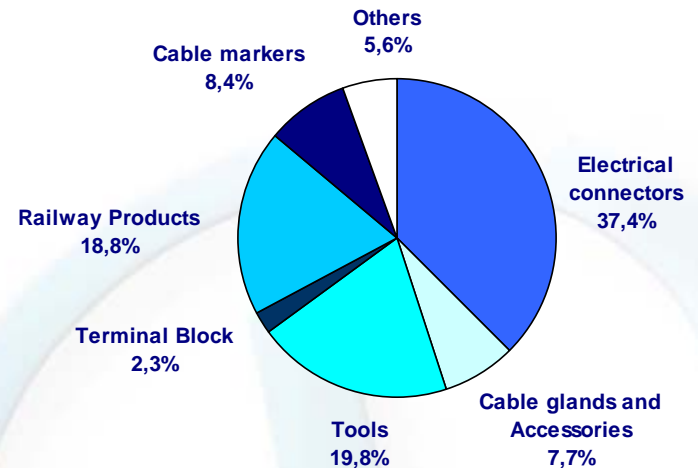
September 30, 2010
Euro 67.5 million



Turnover breakdown by product



September 30, 2009
Euro 56 million



September 30, 2010
Euro 67.5 million



Consolidated Financial Highlights

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 presentation corresponds to the document results, books and accounting records



2010 first nine months consolidated results:

Consolidated results of **the first nine months of 2010** were characterised by:

- **an increase of sales** of 20.4%
- **a strong improvement** of EBITDA and EBIT
- an increase of **consolidated profit before taxes**
- **a positive net financial position** which amount to Euro 9.1 millions (positive for 5.3 millions as at December 31, 2009, positive for 5.7 millions as at September 2009).



2010 first nine months consolidated results

Euro millions	Sept. 30, 10	Sept. 30, 09	Changes %
Sales	67.5	56	20.4%
EBITDA <i>In % of sales</i>	14.5 21.5%	9.3 16.6%	56.4%
EBIT <i>In % of sales</i>	12.4 18.4%	7.2 12.8%	74.1%
EBT <i>In % of sales</i>	12.4 18.4%	7.1 12.7%	74.1%



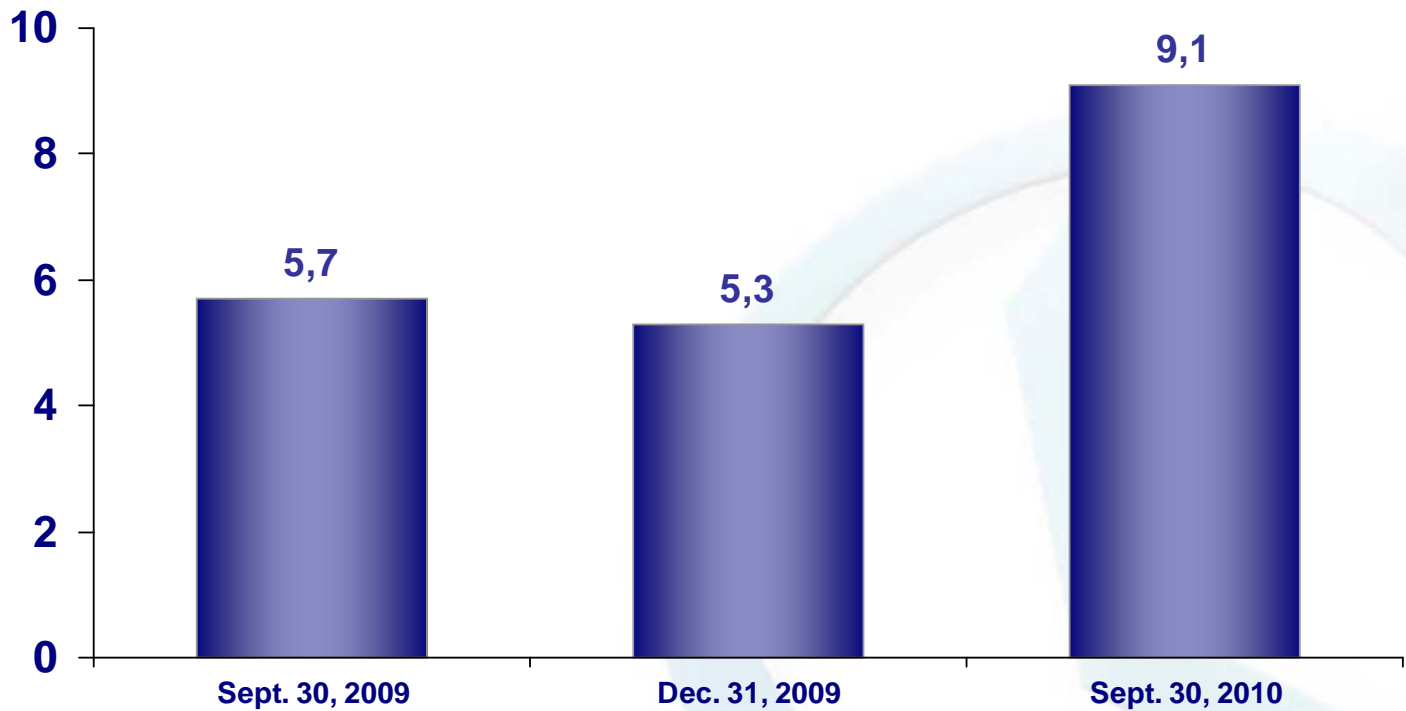
2010 First Half Consolidated balance sheet

Millions of Euro		Jun. 30, 2010	Dec. 31, 2009
A	Net working capital	41.9	38.7
B	Net fixed assets	38.7	37.5
C	Assets available for sales	-	-
D	Severance indemnities	2.8	3.0
E	Provisions for risks and charges	0.1	-
F	Deferred taxes	2.7	2.5
	Net invested capital (A+B+C-D-E-F)	75.0	70.7
G	Equity	79.7	76.0
H	Net financial position	(4.7)	(5.3)
	Total sources (G+H)	75.0	76.0



Net financial position

Euro millions





Objectives and Strategies





Objectives

In order to face the current financial crisis, in 2010 Cembre will move on three different levels:

- **Increase of turnover** thanks to:
 - **A strengthening of Cembre competitive advantage** by developing new products and continuous product range renewing
 - **An higher penetration in the foreign markets, especially in the US**
 - A commercial commitment focus on high growing potential products
- **Optimization of working capital structure**
- **Cost containment** by:
 - **Labour cost management** (by overtime restraint, control of fixed term contracts, etc.)
 - **Internalization of currently outsourced activities** (when less expensive)
 - **Better operative efficiency** by taking advantage of economies of scale and product innovations



Strategies

- Continue to improve quality of products and extend the range thanks to the **constant and intensive R&D activities**
- **Strengthen the presence on foreign markets**
 - increase of penetration in the USA
 - expansion of market shares in Europe
 - strengthening of presence on South-East Asian market
- **Further reinforcement of existing market share** in Italy, where Cembre has already a leadership position