



C e m b r e

Joint-stock Company
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Press release

BOARD APPROVES INTERIM REPORT ON THE 1ST QUARTER OF 2014

Cembre (STAR): both consolidated sales (up 7.2%) and profits (pre-tax profit up 21%) for the 1st Quarter of 2014 were up strongly

- In the 1st Quarter of 2014 domestic sales were up 8.2% and exports grew by 6.6%
- Consolidated sales for the first four months of 2014 were up 8% on the corresponding period in 2013 and the net financial position at April 30, 2014 amounted to a surplus of €4.9 million

Consolidated figures (€'000)	1 st Qtr. 2014	Sales margin %	1 st Qtr. 2013	Sales margin %	Change
Sales	27,529	100	25,672	100	7.2%
Gross operating profit	5,787	21.0	4,913	19.1	17.8%
Operating profit	4,628	16.8	3,886	15.1	19.1%
Pre-tax profit	4,653	16.9	3,846	15.0	21.0%
Net profit	2,730	9.9	2,255	8.8	21.1%
Net financial position	4,385		(2,217)		

Brescia, May 14, 2014 – The Board of Directors of Cembre Spa, chaired by the Chairman and Managing Director Giovanni Rosani, approved at today's meeting the Consolidated Financial Statements at **March 31, 2014**.

In the first three months of 2014, **consolidated revenues** grew by 7.2% on the 1st Quarter of 2013, from €25.7 million to €27.5 million. In the same period, domestic sales, amounting to €10.3 million, grew by 8.2%, and exports, corresponding to €17.2 million, increased by 6.6% on the 1st Quarter of 2013.

In the 1st Quarter of 2014, 37.5% of sales were represented by Italy, 48.4% by the rest of Europe and 14.1% by the rest of the world.

Consolidated gross operating profit (EBITDA) grew by 17.8% from €4.9 million in the 1st Quarter of 2013 (representing a 19.1% margin on sales), to €5.8 million (a 21.0% margin on sales) in the 1st Quarter of 2014. Personnel costs as a percentage of sales declined on the corresponding period in

2013 while the average number of employees increased slightly from 616 at March 31, 2013 to 619 on March 31, 2014. Cost of goods sold and the cost of services as a percentage of sales were in line with the 1st Quarter of 2013.

Consolidated operating profit (EBIT) for the 1st Quarter of 2014 amounted to €4.6 million, representing a 16.8% margin on sales, up 19.1% on €3.9 million in the 1st Quarter of 2013 when it represented a 15.1% margin on sales.

Consolidated profit before taxes for the 1st Quarter of 2014 was equal to €4.7 million, representing a 16.9% margin on sales, up 21% on €3.8 million in the 1st Quarter of 2013, when it represented 15% of sales.

Consolidated net profit before taxes for the 1st Quarter of 2014 was equal to €2.7 million, representing a 9.9% margin on sales, up 21.1% on €2.3 million in the 1st Quarter of 2013, when it represented 8.8% of sales.

The **consolidated net financial position** of the Group improved from a deficit of €2.2 million at March 31, 2013, to a surplus of €4.4 million at March 31. At December 31, 2013, the net financial position amounted to a surplus of €5.9 million. Short-term financial debt does not include €4.4 million of dividends for the 2013 financial year (€2.7 million in the previous year) payable to Shareholders on May 22, 2014, as resolved by the Shareholders' Meeting on April 23, 2014.

Capital expenditure for the 1st Quarter of 2014 by the Group amounted to €1.6 million, down on the corresponding period in 2013 when it amounted to €2.3 million.

“In the 1st Quarter of 2014 consolidated revenues grew by 7.2% on the corresponding period in 2013, as a result of the combined effect of an 8.2% increase in domestic sales – achieved despite the continuing contraction of the domestic economy – and a 6.6% increase in exports. Sales for the first four months of the year were up by 8% thus confirming the positive trend. The Group has a balanced net financial position amounting at April 30, 2014 to €4.9 million (as compared with a deficit of €2.3 million at April 30, 2013)” – commented Cembre's Chairman and Managing Director, Giovanni Rosani. *“We expect to close 2014 reporting an increase in sales and a further improvement in the net financial position”* continued 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 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 six subsidiaries: five trading companies (in Germany, France, Spain, the United States and Norway) and one manufacturing and trading subsidiaries (Cembre Ltd. in Birmingham, U.K.), for a total workforce of 617 as of March 2014. 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.

Attachments: Financial Statements at March 31, 2014

The Interim Report at March 31, 2014 has not been audited.

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.

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.

Interim Report at March 31, 2014
Consolidated Financial Statements
Consolidated Comprehensive Income Statement

	1 st Quarter 2014	1 st Quarter 2013
(euro '000)		
Revenues from sales and services provided	27.529	25.672
Other revenues	158	143
TOTAL REVENUES	27.687	25.815
Cost of goods and merchandise	(11.498)	(9.806)
Change in inventories	2.027	1.052
Cost of services received	(3.653)	(3.501)
Lease and rental costs	(344)	(331)
Personnel costs	(8.176)	(8.124)
Other operating costs	(297)	(232)
Increase in assets due to internal construction	139	90
Write-down of receivables	(96)	(48)
Accruals to provisions for risks and charges	(2)	(2)
GROSS OPERATING PROFIT	5.787	4.913
Property, plant and equipment depreciation	(1.061)	(953)
Intangible asset amortization	(98)	(74)
OPERATING PROFIT	4.628	3.886
Financial income	3	4
Financial expenses	(3)	(17)
Foreign exchange gains (losses)	25	(27)
PROFIT BEFORE TAXES	4.653	3.846
Income taxes	(1.923)	(1.591)
NET PROFIT FROM ORDINARY ACTIVITIES	2.730	2.255
Items that may be reclassified subsequently to profit and loss		
Conversion differences included in equity	59	(180)
COMPREHENSIVE INCOME	2.789	2.075

Interim Report at March 31, 2014
Consolidated Financial Statements
Consolidated Statement of Financial Position - Assets

ASSETS	Mar. 31, 2014	Dec. 31, 2013
(euro '000)		
NON CURRENT ASSETS		
Tangible assets	61.952	61.602
Intangible assets	1.156	1.153
Other investments	10	5
Other non-current assets	10	10
Deferred tax assets	1.998	1.937
TOTAL NON CURRENT ASSETS	65.126	64.707
CURRENT ASSETS		
Inventories	38.826	36.758
Trade receivables	26.659	24.854
Tax receivables	805	807
Other receivables	905	1.378
Cash and cash equivalents	5.233	7.539
TOTAL CURRENT ASSETS	72.428	71.336
NON-CURRENT ASSETS AVAILABLE FOR SALE	-	-
TOTAL ASSETS	137.554	136.043

Interim Report at March 31, 2014

Consolidated Financial Statements

Consolidated Statement of Financial Position - Liabilities and Shareholders' Equity

LIABILITIES AND SHAREHOLDERS' EQUITY	Mar. 31, 2014	Dec. 31, 2013
(euro '000)		
SHAREHOLDERS' EQUITY		
Capital stock	8.840	8.840
Reserves	100.711	90.149
Net profit	2.730	10.503
TOTAL SHAREHOLDERS' EQUITY	112.281	109.492
NON-CURRENT LIABILITIES		
Employee Severance Indemnity and other personnel benefits	2.430	2.438
Provisions for risks and charges	81	79
Deferred tax liabilities	2.318	2.426
TOTAL NON-CURRENT LIABILITIES	4.829	4.943
CURRENT LIABILITIES		
Current financial liabilities	848	1.647
Trade payables	12.126	12.779
Tax payables	2.263	720
Other payables	5.207	6.462
TOTAL CURRENT LIABILITIES	20.444	21.608
LIABILITIES ON ASSETS HELD FOR DISPOSAL	-	-
TOTAL LIABILITIES	25.273	26.551
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	137.554	136.043