



C e m b r e

Joint-stock Company
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Press release

BOARD APPROVES INTERIM REPORT ON THE 1st HALF OF 2014

Cembre (STAR): consolidated sales grow by 8.3% in 1st Half of 2014 Capital expenditure for the period amounts to €3.7million

- Revenues for the first six months of 2014 increase by 8.3%, as a result of the 14.9% growth in domestic sales and the 4.5% increase in exports on the corresponding period in 2013
- The net financial position remains positive (a surplus of €4 million at July 31, 2014) and sales for the first seven months of the year were up 8.7% on the corresponding period in 2013

Consolidated figures (€'000)	1 st Half 2014	Sales margin %	1 st Half 2013	Sales margin %	Change	Full year 2013	Sales margin %
Sales	56,613	100	52,259	100	8.3%	104,547	100
Gross operating profit	12,053	21.3	10,103	19.3	19.3%	20,407	19.5
Operating profit	9,707	17.1	7,952	15.2	22.1%	15,838	15.1
Pre-tax profit	9,851	17.4	7,811	14.9	26.1%	15,585	14.9
Net profit	6,813	12.0	5,190	9.9	31.3%	10,503	10.0
Net financial position	2,551		(3,772)			5,892	

Brescia, August 29, 2014 – The Board of Directors of Cembre S.p.A. – a STAR listed company and one of the largest European manufacturers of electrical connectors and tools for their installation – chaired by its Chairman and Managing Director Giovanni Rosani, approved at today's meeting the Report on the 1st Half of 2014.

In the first six months of 2014, the Group reported **consolidated sales** of €56.6 million, up 8.3% on €52.3 million in the corresponding period in 2013.

In the 1st Half of 2014, domestic sales amounted to €22.2 million, up 14.9% on the 1st Half of 2013, while sales outside Italy amounted to €34.4 million up 4.5%. A total of 39.2% of Group sales were represented by Italy (as compared with 37% in the 1st Half of 2013), 46.1% by the rest of Europe (45.9% in the 1st Half of 2013), and the remaining 14.7% by the rest of the World (17.1% in the 1st Half of 2013).

Consolidated gross operating profit for the 1st Half of 2014 amounted to €12.1 million, representing a 21.3% margin on sales, up 19.3% on the corresponding period in 2013 when it amounted to €10.1 million, representing a 19.3% margin on sales.

In 1st Half of 2014 the cost of personnel and the cost of goods sold declined slightly as a margin on sales on the corresponding period in 2013.

The average number of employees of the Group increased from 610 in the 1st Half of 2013, to 619 in the 1st Half of 2014.

Consolidated operating profit for the period amounted to €9.7 million, representing a 17.1% margin on sales, up 22.1% on €8 million in the 1st Half of 2013, when it represented a 15.2% margin on sales.

Consolidated profit before taxes amounted to €9.9 million, representing a 17.4% margin on sales, up 26.1% on €7.8 million in the 1st Half of 2013, when it represented a 14.9% margin on sales. Foreign exchange gains amounted in the period to €142 thousand while net interest income amounted to €2 thousand.

Net profit for the first six months of 2014 amounted to €6.8million, up 31.3% on €5.2 million in the 1st Half of 2013. The margin on sales amounted to 12.0%, as compared to 9.9% in the 1st Half of 2013.

Capital expenditure in the 1st Half of 2014 amounted to €3.7 million and consisted primarily in investments in buildings, plant and equipment. In the 1st Half of 2013 they amounted to €3.9 million.

The **consolidated net financial position** at June 30, 2014 amounted to a surplus of €2.6 million, increasing on June 30, 2013, when it amounted to a deficit of €3.8 million, while at December 31, 2013, it was equal to a surplus of €5.9 million. In the 1st Half of 2014, the Company paid out €4.4 million in dividends, against €2.7 million in the corresponding period in 2013.

“Cembre Group closes the 1st Half of 2014 reporting an 8.3% growth in consolidated sales due to a 14.9% increase in domestic sales – achieved despite the fact that the domestic economy remains in a recession – and a 4.5% increase in exports. Sales through the end of July show an 8.7% increase on the corresponding period in 2013. The Group’s financial position at July 31, 2014 amounted to a surplus of €4 million, as compared with a deficit of €3.3 million at July 31, 2013” – commented Cembre’s Chairman and Managing Director Giovanni Rosani. “We expect to close 2014 as a whole with an increase in consolidated 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 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 one manufacturing and trading subsidiary (Cembre Ltd. in Birmingham, U.K.), for a total workforce of 614 as of June 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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Further information is available at Cembre's institutional website www.cembre.com in the Investor Relations section.

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, 2014:

- 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.

Condensed Consolidated Financial Statements at June 30, 2014

Consolidated Statement of Financial Position

ASSETS	Jun. 30, 2014		Dec. 31, 2013	
(euro '000)		<i>of which: related parties</i>		<i>of which: related parties</i>
NON CURRENT ASSETS				
Tangible assets	62.935		61.602	
Intangible assets	1.190		1.153	
Other investments	10		5	
Other non-current assets	15		10	
Deferred tax assets	2.127		1.937	
TOTAL NON-CURRENT ASSETS	66.277		64.707	
CURRENT ASSETS				
Inventories	39.803		36.758	
Trade receivables	27.762		24.854	
Tax receivables	832		807	
Other receivables	596		1.378	
Cash and cash equivalents	4.713		7.539	
TOTAL CURRENT ASSETS	73.706		71.336	
NON-CURRENT ASSETS AVAILABLE FOR SALE	-		-	
TOTAL ASSETS	139.983		136.043	

LIABILITIES AND SHAREHOLDERS' EQUITY	Jun. 30, 2014		Dec. 31, 2013	
(euro '000)		<i>of which: related parties</i>		<i>of which: related parties</i>
SHAREHOLDERS' EQUITY				
Capital stock	8.840		8.840	
Reserves	96.701		90.149	
Net profit	6.813		10.503	
TOTAL SHAREHOLDERS' EQUITY	112.354		109.492	
NON-CURRENT LIABILITIES				
Non-current financial liabilities	-		-	
Employee Severance Indemnity and other personnel benefits	2.350	158	2.438	153
Provisions for risks and charges	108		79	
Deferred tax liabilities	2.339		2.426	
TOTAL NON-CURRENT LIABILITIES	4.797		4.943	
CURRENT LIABILITIES				
Current financial liabilities	2.162		1.647	
Trade payables	12.332		12.779	
Tax payables	1.502		720	
Other payables	6.836		6.462	
TOTAL CURRENT LIABILITIES	22.832		21.608	
LIABILITIES ON ASSETS HELD FOR DISPOSAL	-		-	
TOTAL LIABILITIES	27.629		26.551	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	139.983		136.043	

Condensed Consolidated Financial Statements at June 30, 2014

Statement of Consolidated Comprehensive Income

	1 st Half 2014		1 st Half 2013	
	(euro '000)	<i>of which: related parties</i>		<i>of which: related parties</i>
Revenues from sales and services provided	56.613		52.259	
Other revenues	303		399	
TOTAL REVENUES	56.916		52.658	
Cost of goods and merchandise	(22.602)		(19.894)	
Change in inventories	2.767		1.287	
Cost of services received	(7.498)	(315)	(7.025)	(290)
Lease and rental costs	(687)	(339)	(661)	(359)
Personnel costs	(16.339)	(126)	(15.938)	(118)
Other operating costs	(580)		(476)	
Increase in assets due to internal construction	470		299	
Write-down of receivables	(389)		(143)	
Accruals to provisions for risks and charges	(5)		(4)	
GROSS OPERATING PROFIT	12.053		10.103	
Property, plant and equipment depreciation	(2.148)		(1.991)	
Intangible asset amortization	(198)		(160)	
OPERATING PROFIT	9.707		7.952	
Financial income	7		7	
Financial expenses	(5)		(42)	
Foreign exchange gains (losses)	142		(106)	
PROFIT BEFORE TAXES	9.851		7.811	
Income taxes	(3.038)		(2.621)	
NET PROFIT FROM ORDINARY ACTIVITIES	6.813		5.190	
NET PROFIT FROM ASSETS HELD FOR DISPOSAL	-		-	
NET PROFIT	6.813		5.190	
Items that may be reclassified subsequently to profit and loss				
Conversion differences included in equity	469		(417)	
COMPREHENSIVE INCOME	7.282		4.773	
BASIC AND DILUTED EARNINGS PER SHARE	0,40		0,31	

Condensed Consolidated Financial Statements at June 30, 2014

Consolidated Statement of Cash Flows

	1 st Half 2014	2013
	€ '000	
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	7.539	4.839
B) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the period	6.813	10.503
Depreciation, amortization and write-downs	2.346	4.569
(Gains)/Losses on disposal of assets	(30)	(31)
Net change in Employee Severance Indemnity	(88)	7
Net change in provisions for risks and charges	29	(2)
Operating profit (loss) before change in working capital	9.070	15.046
(Increase) Decrease in trade receivables	(2.908)	244
(Increase) Decrease in inventories	(3.045)	57
(Increase) Decrease in other receivables and deferred tax assets	567	1.727
Increase (Decrease) of trade payables	(318)	(508)
Increase (Decrease) of other payables, deferred tax liabilities and tax payables	1.069	541
Change in working capital	(4.635)	2.061
NET CASH FLOW (USED IN)/FROM OPERATING ACTIVITIES	4.435	17.107
C) CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets:		
- intangible	(234)	(573)
- tangible	(3.448)	(6.802)
- financial	(5)	-
Proceeds from disposal of tangible, intangible, financial assets		
- tangible	176	66
Increase (Decrease) of trade payables for assets	(129)	(1.577)
NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES	(3.640)	(8.886)
D) CASH FLOW FROM FINANCING ACTIVITIES		
(Increase) Decrease in other non current assets	(5)	3
Increase (Decrease) in bank loans and borrowings	515	(2.572)
Dividends distributed	(4.420)	(2.720)
NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES	(3.910)	(5.289)
E) INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (B+C+D)	(3.115)	2.932
F) Foreign exchange differences	289	(256)
G) Discounting of Employee Termination Indemnity	-	24
H) CASH AND CASH EQUIVALENTS AT END OF THE PERIOD (A+E+F+G)	4.713	7.539
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	4.713	7.539
Current financial liabilities	(2.162)	(1.647)
NET CONSOLIDATED FINANCIAL POSITION	2.551	5.892
INTERESTS PAID IN THE PERIOD	(5)	(54)
BREAKDOWN OF CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
Cash	38	17
Banks	4.675	7.522
	4.713	7.539