



C e m b r e

Joint-stock Company
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Press release

BOARD APPROVES INTERIM REPORT ON THE 1ST QUARTER OF 2015

Cembre (STAR): in the 1st Quarter both consolidated sales (up 12.2%) and profits (pre-tax profit up 26.3%) grew strongly

- In the 1st Quarter of 2015 domestic sales were up 15.9% and exports grew by 10%
- Consolidated sales for the first four months of 2015 were up 13.2% on the corresponding period in 2014 and the net financial position at April 30, 2015 amounted to a surplus of €14.6 million
- Board resolved the start of a program for the purchase of own shares

Consolidated figures (€'000)	1 st Qtr. 2015	Sales margin %	1 st Qtr. 2014	Sales margin %	Change
Sales	30,897	100	27,529	100	12.2%
Gross operating profit	6,767	21.9	5,787	21.0	16.9%
Operating profit	5,408	17.5	4,628	16.8	16.9%
Pre-tax profit	5,876	19.0	4,653	16.9	26.3%
Net profit	3,867	12.5	2,730	9.9	41.6%
Net financial position	13,767		4,385		

Brescia, May 14, 2015 – 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, 2015**.

In the 1st Quarter of 2015, **consolidated revenues** grew by 12.2% on the 1st Quarter of 2014, from €27.5 million to €30.9 million. In the same period, domestic sales (€12.0 million) grew by 15.9%, and exports (€18.9 million) increased by 10% on the 1st Quarter of 2014.

In the 1st Quarter of 2015, 38.7% of sales were represented by Italy, 42.6% by the rest of Europe and 18.7% by the rest of the world.

Consolidated gross operating profit (EBITDA) grew by 16.9% from €5.8 million in the 1st Quarter of 2014 (representing a 21% margin on sales), to €6.8 million (a 21.9% margin on sales) in the 1st Quarter of 2015. Personnel costs as a percentage of sales declined on the corresponding period in

2014 while the number of employees increased slightly from 619 at March 31, 2014 to 621 on March 31, 2015. Cost of goods sold grew on the 1st Quarter of 2014 while the cost of services as a percentage of sales declined.

Consolidated operating profit (EBIT) for the 1st Quarter of 2015 amounted to €5.4 million, representing a 17.5% margin on sales, up 16.9% on €4.6 million in the 1st Quarter of 2014 when it represented a 16.8% margin on sales.

Consolidated profit before taxes for the 1st Quarter of 2015 was equal to €5.9 million, representing a 19% margin on sales, up 26.3% on €4.7 million in the 1st Quarter of 2014, when it represented 16.9% of sales.

Consolidated net profit before taxes for the 1st Quarter of 2015 was equal to €3.9 million, representing a 12.5% margin on sales, up 41.6% on €2.7 million in the 1st Quarter of 2014, when it represented 9.9% of sales.

The **consolidated net financial position** of the Group improved from a surplus of €4.4 million at March 31, 2014, to a surplus of €13.8 million at March 31, 2015. At December 31, 2014, the net financial position amounted to a surplus of €11.7 million. Short-term financial debt does not include €6.1 million of dividends for the 2014 financial year (€4.4 million in the previous year) payable to Shareholders on May 20, 2015, as resolved by the Shareholders' Meeting on April 23, 2015.

Capital expenditure for the 1st Quarter of 2015 by the Group amounted to €1.3 million, down slightly on the corresponding period in 2014 when it amounted to €1.6 million.

"In the 1st Quarter of 2015 consolidated revenues grew by 12.2% on the corresponding period in 2014, as a result of a 15.9% increase in domestic sales and a 10% increase in exports. Sales for the first four months of the year were up by 13.2% thus confirming the positive trend. The Group has a positive net financial position amounting at April 30, 2015 to a surplus €14.6 million (as compared with a surplus of €4.9 million at April 30, 2014)" – commented Cembre's Chairman and Managing Director, Giovanni Rosani. *"We expect to close 2015 reporting an increase in sales and a further improvement in the net financial position"* continued Giovanni Rosani.

Purchase of Treasury Shares

At the same meeting the Board of Directors – in compliance with the authorization to purchase own shares resolved by the Shareholders' Meeting held on April 23, 2015 – resolved the start of a program for the purchase of own shares in compliance with "market practices" allowed by Consob pursuant to article 180, comma 1, letter c) of the Unified Finance Act (Testo Unico della Finanza) through Resolution no. 16839 of March 19, 2009 and by EU Regulation no. 2273/2003 of December 22, 2003, having the following characteristics and consistent with the related resolution passed by said Shareholders' Meeting:

- the maximum number of shares that are the object of the program does not exceed 5% of the capital stock;
- terms of purchase on the market are in compliance with article 144-bis, comma, 1, par. b) of Consob's Regulation 11971/1999;
- the purchase price does not exceed the higher between the price at which the last independent transaction was concluded and the last independent bid price in the market in

which the purchase is carried out, provided that the price per share shall in any case not be more than 20% lower or higher than the closing price registered by Cembre shares on the previous trading day.

The authorization to purchase treasury shares was granted for a period of eighteen months from the date of the Ordinary Shareholders' Meeting of April 23, 2015.

At the date of the present press release, Cembre does not hold any of its shares.

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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 623 as of March 31, 2015. 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 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.

The Interim Report at March 31, 2015 has not been audited.

Interim Report at March 31, 2015
Consolidated Financial Statements
Consolidated Comprehensive Income Statement

	1 st Quarter 2015	1 st Quarter 2014
(euro '000)		
Revenues from sales and services provided	30.897	27.529
Other revenues	251	158
TOTAL REVENUES	31.148	27.687
Cost of goods and merchandise	(11.172)	(11.498)
Change in inventories	(138)	2.027
Cost of services received	(3.718)	(3.653)
Lease and rental costs	(338)	(344)
Personnel costs	(8.819)	(8.176)
Other operating costs	(311)	(297)
Increase in assets due to internal construction	212	139
Write-down of receivables	(94)	(96)
Accruals to provisions for risks and charges	(3)	(2)
GROSS OPERATING PROFIT	6.767	5.787
Property, plant and equipment depreciation	(1.246)	(1.061)
Intangible asset amortization	(113)	(98)
OPERATING PROFIT	5.408	4.628
Financial income	10	3
Financial expenses	-	(3)
Foreign exchange gains (losses)	458	25
PROFIT BEFORE TAXES	5.876	4.653
Income taxes	(2.009)	(1.923)
NET PROFIT FROM ORDINARY ACTIVITIES	3.867	2.730
Items that may be reclassified subsequently to profit and loss		
Conversion differences included in equity	1.572	59
COMPREHENSIVE INCOME	5.439	2.789

Interim Report at March 31, 2015
Consolidated Financial Statements
Consolidated Statement of Financial Position - Assets

ASSETS	Mar. 31, 2015	Dec. 31, 2014
(euro '000)		
NON CURRENT ASSETS		
Tangible assets	66.093	65.846
Intangible assets	1.236	1.219
Other investments	10	10
Other non-current assets	54	9
Deferred tax assets	2.832	2.474
TOTAL NON CURRENT ASSETS	70.225	69.558
CURRENT ASSETS		
Inventories	39.301	38.291
Trade receivables	27.884	25.625
Tax receivables	858	847
Other receivables	563	537
Cash and cash equivalents	13.767	11.659
TOTAL CURRENT ASSETS	82.373	76.959
NON-CURRENT ASSETS AVAILABLE FOR SALE	-	-
TOTAL ASSETS	152.598	146.517

Interim Report at March 31, 2015

Consolidated Financial Statements

Consolidated Statement of Financial Position - Liabilities and Shareholders' Equity

LIABILITIES AND SHAREHOLDERS' EQUITY	Mar. 31, 2015	Dec. 31, 2014
(euro '000)		
SHAREHOLDERS' EQUITY		
Capital stock	8.840	8.840
Reserves	112.627	97.513
Net profit	3.867	13.542
TOTAL SHAREHOLDERS' EQUITY	125.334	119.895
NON-CURRENT LIABILITIES		
Non-current financial liabilities	-	-
Employee Severance Indemnity and other personnel benefits	2.555	2.554
Provisions for risks and charges	285	269
Deferred tax liabilities	2.439	2.439
TOTAL NON-CURRENT LIABILITIES	5.279	5.262
CURRENT LIABILITIES		
Current financial liabilities	-	-
Trade payables	12.455	13.219
Tax payables	3.727	1.744
Other payables	5.803	6.397
TOTAL CURRENT LIABILITIES	21.985	21.360
LIABILITIES ON ASSETS HELD FOR DISPOSAL	-	-
TOTAL LIABILITIES	27.264	26.622
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	152.598	146.517