



C e m b r e

Joint-stock Company
Main Office: Via Serenissima, 9 – 25135 Brescia
VAT no: 00541390175
Share Capital: € 8,840,000 fully paid up
Registration no: 00541390175
tel.: +39 0303692.1 fax: +39 0303365766

Press release

BOARD APPROVES REPORT ON THE 1st HALF OF 2015

Cembre (STAR): consolidated sales grow by 11.3% in 1st Half of 2015 Operating profit and net profit reached their highest level

- Revenues for the first six months of 2015 increase by 11.3%, as a result of a 14.1% growth in domestic sales and a 9.6% increase in exports on the corresponding period in 2014
- The net financial position remains positive (a surplus of €11.6 million at July 31, 2015) and sales for the first seven months of the year were up 10.1% on the corresponding period in 2014
- Capital expenditure for the period amounts to €2.9 million

Consolidated figures (€'000)	1 st Half		1 st Half		Change	full year	
	2015	Sales margin %	2014	Sales margin %		2014	Sales margin %
Sales	63,037	100	56,613	100	11.3%	112,905	100
Gross operating profit	15,257	24.2	12,053	21.3	26.6%	24,352	21.6
Operating profit	12,466	19.8	9,707	17.1	28.4%	19,433	17.2
Pre-tax profit	12,689	20.1	9,851	17.4	28.8%	19,702	17.5
Net profit	8,952	14.2	6,813	12.0	31.4%	13,542	12.0
Net financial position	8,364		2,551			11,659	

Brescia, August 28, 2015 – The Board of Directors of Cembre Spa – 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 2015.

In the first six months of 2015, the Group reported **consolidated sales** of €63.0 million, up 11.3% on €56.6 million in the corresponding period in 2014.

In the 1st Half of 2015, domestic sales amounted to €25.3 million, up 14.1% on the 1st Half of 2014, while sales outside Italy amounted to €37.7 million, up 9.6%. A total of 40.2% of Group sales were represented by Italy (as compared with 39.2% in the 1st Half of 2014), 41.7% by the rest of Europe (46.1% in the 1st Half of 2014), and the remaining 18.1% by the rest of the World (14.7% in the 1st Half of 2014).

Consolidated gross operating profit for the 1st Half of 2015 amounted to €15.3 million, representing a 24.2% margin on sales, up 26.6% on the corresponding period in 2014 when it amounted to €12.1 million, representing a 21.3% margin on sales.

In 1st Half of 2015 the cost of personnel, the cost of services received and the cost of goods sold declined as a margin on sales on the corresponding period in 2014.

The average number of employees of the Group increased from 619 in the 1st Half of 2014, to 625 in the 1st Half of 2015.

Consolidated operating profit for the period amounted to €12.5 million, representing a 19.8% margin on sales, up 28.4% on €9.7 million in the 1st Half of 2014, when it represented a 17.1% margin on sales.

Consolidated profit before taxes amounted to €12.7 million, representing a 20.1% margin on sales, up 28.8% on €9.9 million in the 1st Half of 2014, when it represented a 17.4% margin on sales. Foreign exchange gains amounted in the period to €207 thousand while net interest income amounted to €16 thousand.

Net profit for the first six months of 2015 amounted to €8.9 million, up 31.4% on €6.8 million in the 1st Half of 2014. The margin on sales amounted to 14.2%, as compared to 12.0% in the 1st Half of 2014.

Capital expenditure in the 1st Half of 2015 amounted to €2.9 million and consisted primarily in investments in plant and equipment. In the 1st Half of 2014 they amounted to €3.7 million.

The **consolidated net financial position** at June 30, 2015 amounted to a surplus of €8.4 million, improving on June 30, 2014, when it was equal to a surplus of €2.6 million, while on December 31, 2014 it amounted to a surplus of €11.7 million. In the 1st Half of 2015, the Company paid out €6.1 million in dividends, against €4.4 million in the corresponding period in 2014.

“Cembre closes the 1st Half of 2015 reporting an 11.3% growth in consolidated sales due to a 14.1% increase in domestic sales – achieved despite a stagnant overall domestic demand – and a 9.6% increase in exports. Operating profit and net profit reached their highest level. Sales through the end of July show a 10.1% increase on the corresponding period in 2014. The Group’s financial position at July 31, 2015 amounted to a surplus of €11.6 million, up from a surplus of about €4 million at July 31, 2014” – commented Cembre’s Chairman and Managing Director Giovanni Rosani. *“We expect to close 2015 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 633 as of June 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.

Contacts:

Ferruccio Peroni Comunicazione

Ferruccio Peroni +39 335 6974871 f.peroni@peronicomunicazione.it

Cembre S.p.A.

Claudio Bornati +39 030 36921 claudio.bornati@cembre.com

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 – Condensed Consolidated Financial Statements at June 30, 2015:

- Consolidated Statement of Financial Position
- 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, 2015

Consolidated Statement of Financial Position

ASSETS	Jun. 30, 2015		Dec. 31, 2014	
(euro '000)		<i>of which: related parties</i>		<i>of which: related parties</i>
NON CURRENT ASSETS				
Tangible assets	64.615		64.050	
Investment property	1.749		1.796	
Intangible assets	1.213		1.219	
Other investments	10		10	
Other non-current assets	51		9	
Deferred tax assets	2.876		2.474	
TOTAL NON-CURRENT ASSETS	70.514		69.558	
CURRENT ASSETS				
Inventories	40.352		38.291	
Trade receivables	29.825		25.625	
Tax receivables	858		847	
Other receivables	429		537	
Cash and cash equivalents	9.558		11.659	
TOTAL CURRENT ASSETS	81.022		76.959	
NON-CURRENT ASSETS AVAILABLE FOR SALE	-		-	
TOTAL ASSETS	151.536		146.517	

LIABILITIES AND SHAREHOLDERS' EQUITY	Jun. 30, 2015		Dec. 31, 2014	
(euro '000)		<i>of which: related parties</i>		<i>of which: related parties</i>
SHAREHOLDERS' EQUITY				
Capital stock	8.840		8.840	
Reserves	106.576		97.513	
Net profit	8.952		13.542	
TOTAL SHAREHOLDERS' EQUITY	124.368		119.895	
NON-CURRENT LIABILITIES				
Non-current financial liabilities	-		-	
Employee Severance Indemnity and other personnel benefits	2.554	165	2.554	160
Provisions for risks and charges	335	75	269	50
Deferred tax liabilities	2.452		2.439	
TOTAL NON-CURRENT LIABILITIES	5.341		5.262	
CURRENT LIABILITIES				
Current financial liabilities	1.063		-	
Liabilities on derivative instruments	131		-	
Trade payables	11.357		13.219	
Tax payables	1.756		1.744	
Other payables	7.520		6.397	
TOTAL CURRENT LIABILITIES	21.827		21.360	
LIABILITIES ON ASSETS HELD FOR DISPOSAL	-		-	
TOTAL LIABILITIES	27.168		26.622	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	151.536		146.517	

Condensed Consolidated Financial Statements at June 30, 2015

Statement of Consolidated Comprehensive Income

	1 st Half 2015		1 st Half 2014	
	(euro '000)	<i>of which: related parties</i>		<i>of which: related parties</i>
Revenues from sales and services provided	63.037		56.613	
Other revenues	360		303	
TOTAL REVENUES	63.397		56.916	
Cost of goods and merchandise	(22.591)		(22.602)	
Change in inventories	1.025		2.767	
Cost of services received	(7.781)	(323)	(7.498)	(315)
Lease and rental costs	(679)	(291)	(687)	(339)
Personnel costs	(17.604)	(131)	(16.339)	(126)
Other operating costs	(692)		(580)	
Increase in assets due to internal construction	422		470	
Write-down of receivables	(200)		(389)	
Accruals to provisions for risks and charges	(40)		(5)	
GROSS OPERATING PROFIT	15.257		12.053	
Property, plant and equipment depreciation	(2.562)		(2.148)	
Intangible asset amortization	(229)		(198)	
OPERATING PROFIT	12.466		9.707	
Financial income	17		7	
Financial expenses	(1)		(5)	
Foreign exchange gains (losses)	207		142	
PROFIT BEFORE TAXES	12.689		9.851	
Income taxes	(3.737)		(3.038)	
NET PROFIT FROM ORDINARY ACTIVITIES	8.952		6.813	
NET PROFIT FROM ASSETS HELD FOR DISPOSAL	-		-	
NET PROFIT	8.952		6.813	
Items that may be reclassified subsequently to profit and loss				
Conversion differences included in equity	1.641		469	
COMPREHENSIVE INCOME	10.593		7.282	
BASIC AND DILUTED EARNINGS PER SHARE	0,53		0,40	



Condensed Consolidated Financial Statements at June 30, 2015

Consolidated Statement of Cash Flows

	1 st Half 2015	2014
€ '000		
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	11.659	7.539
B) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the PERIOD	8.952	13.542
Depreciation, amortization and write-downs	2.791	4.919
(Gains)/Losses on disposal of assets	14	190
Net change in Employee Severance Indemnity	-	116
Net change in provisions for risks and charges	66	190
Operating profit (loss) before change in working capital	11.823	18.957
(Increase) Decrease in trade receivables	(4.200)	(771)
(Increase) Decrease in inventories	(2.061)	(1.533)
(Increase) Decrease in other receivables and deferred tax assets	(305)	264
Increase (Decrease) of trade payables	(1.602)	390
Increase (Decrease) of other payables, deferred tax liabilities and tax payables	1.148	972
Change in working capital	(7.020)	(678)
NET CASH FLOW (USED IN)/FROM OPERATING ACTIVITIES	4.803	18.279
C) CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets:		
- intangible	(228)	(477)
- tangible	(2.712)	(8.759)
- financial	-	(5)
Proceeds from disposal of tangible, intangible, financial assets		
- intangible	26	-
- tangible	84	142
Increase (Decrease) of trade payables for assets	(260)	50
NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES	(3.090)	(9.049)
D) CASH FLOW FROM FINANCING ACTIVITIES		
(Increase) Decrease in other non current assets	(42)	1
Increase (Decrease) in bank loans and borrowings	1.063	(1.647)
Increase (Decrease) in derivative instruments	131	-
Dividends distributed	(6.120)	(4.420)
NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES	(4.968)	(6.066)
E) INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (B+C+D)	(3.255)	3.164
F) Foreign exchange differences	1.154	1.047
G) Discounting of Employee Termination Indemnity	-	(91)
H) CASH AND CASH EQUIVALENTS AT END OF THE PERIOD (A+E+F+G)	9.558	11.659
Assets available for sales included above	-	-
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	9.558	11.659
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	9.558	11.659
Current financial liabilities	(1.063)	-
Liabilities on derivative instruments	(131)	-
NET CONSOLIDATED FINANCIAL POSITION	8.364	11.659
INTERESTS PAID IN THE PERIOD	(1)	(6)
BREAKDOWN OF CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
Cash	18	13
Banks	9.540	11.646
	9.558	11.659