



COSTRUZIONI ELETTROMECCANICHE BRESCIANE

QUARTERLY REPORT

2009 THIRD QUARTER

Cembre S.p.A.

Head Office: Via Serenissima 9, Brescia, Italy
Share Capital: EUR 8,840,000 (fully paid-up).
Registration no: 00541390175 (Commercial Register of Brescia)

This document contains translations of the quarterly report prepared in the Italian language for the purpose of the Italian law and of CONSOB regulations (CONSOB is the public authority responsible for regulating the Italian securities market)

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Consolidated Financial Statements for the 3rd Quarter 2009

Consolidated Income Statement

<i>(euro '000)</i>	First nine months 2009	First nine months 2008	Full Year 2008	3 rd Quarter 2009	3 rd Quarter 2008
Revenues from sales and services provided	56.046	72.478	94.288	17.914	22.347
Other revenues	431	283	347	119	112
TOTAL REVENUES	56.477	72.761	94.635	18.033	22.459
Cost of goods and merchandise	(17.256)	(27.395)	(36.597)	(5.254)	(8.496)
Change in inventories	(3.240)	163	1.441	(1.066)	92
Cost of services received	(7.912)	(9.990)	(13.096)	(2.402)	(3.120)
Lease and rental costs	(816)	(791)	(1.052)	(271)	(274)
Personnel costs	(17.920)	(19.555)	(25.979)	(5.521)	(6.218)
Other operating costs	(399)	(429)	(539)	(133)	(123)
Increase in assets due to internal construction	492	535	709	101	221
Write-down of receivables	(142)	(123)	(239)	(20)	(19)
Accruals to provisions for risks and charges	(6)	(7)	(10)	(2)	(2)
GROSS OPERATING PROFIT	9.278	15.169	19.273	3.465	4.520
Property, plant and equipment depreciation	(1.965)	(2.032)	(2.734)	(606)	(674)
Intangible asset amortization	(166)	(289)	(318)	(56)	(99)
OPERATING PROFIT	7.147	12.848	16.221	2.803	3.747
Financial income (expense)	(35)	(188)	(205)	(8)	(69)
Foreign exchange gains (losses)	22	(62)	15	(105)	125
PROFIT BEFORE TAXES	7.134	12.598	16.031	2.690	3.803

Consolidated Net Financial Position

<i>(euro '000)</i>	Sept. 30, 2009	Jun. 30, 2009	Dec. 31, 2008
Cash and cash equivalents	8.220	6.525	4.545
Non-current financial liabilities	(34)	(42)	(60)
Current financial liabilities	(2.481)	(4.295)	(3.315)
CONSOLIDATED NET FINANCIAL POSITION	5.705	2.188	1.170

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Notes to the Consolidated Accounts for the 3rd Quarter of 2009

Accounting principles, form and content of the Financial Statements, estimates

Principles of consolidation and valuation criteria adopted in the present Consolidated Report for the 3rd Quarter of 2009 are consistent with international accounting principles (IAS/IFRS).

The Consolidated Financial Statements are based on the Statutory Accounts of Cembre SpA (parent company) at September 30, 2009, and those of the following companies at the same date:

	Share held by the Group at September 30, 2009	Share held by the Group at September 30, 2008
1. Cembre Ltd (UK)	100%	100%
2. Cembre Sarl *(France)	100%	100%
3. Cembre España SL *(Spain)	100%	100%
4. Cembre AS (Norway)	100%	100%
5. Cembre GmbH *(Germany)	100%	100%
6. Cembre Inc. **(USA)	100%	100%
7. General Marking Srl	100%	100%

* 5% share held through Cembre Ltd.

** 29% share held through Cembre Ltd.

The parent company has control of the above companies pursuant to Article 2359 of the Italian Civil Code.

Criteria used in the preparation of the financial statements were applied consistently within the Group. Where necessary, financial data was adjusted and reclassified. In compliance with IFRS 1, in the financial statements, costs were classified by nature. The scope of the consolidation is unchanged from September 30, 2008 and December 31, 2008.

The present Quarterly Report was prepared in accordance with the “period separation criteria”, based on which the period considered is treated as an independent financial period. The income statement for the quarter thus reflects income components relating to the period based on the accrual method.

Year-end bonuses recognized to customers were estimated based on sales and their expected performance.

Notes to the accounts

Among changes in main operating indicators, described more in detail in the Management Report, we highlight the 19.8% decline in the Group’s turnover in the 3rd Quarter of 2009, and the 38.2% reduction in purchases of raw materials and merchandise. After a first quarter in which sales had declined by 28.8%, in the two subsequent quarters the reduction in sales stabilized at around 20%, determining an overall decline for the first nine months of 2009 of 22.7%.

The consolidated net financial position of the Group improved from a surplus of €2.2 million at June 30, 2009, to a surplus of €5.7 million at September 30, 2009. The net financial position at September 30, 2008 was negative by €0.8 million.

Capital expenditure in the first nine months of 2009 amounted to €1.6 million, and included an expenditure of €0.3 million on plant and equipment and an expenditure

of €0.5 million on assets under construction, consisting primarily in the construction of a new entrance and a new parking lot at the parent company's main complex.

Sales by geographical area

Sales by geographical area were commented in the Management Report, to which we refer.

Outlook

Despite timid signals of a recovery, domestic and international markets continue to experience extremely difficult conditions and for 2009 as a whole, turnover and profits are expected to decline over the previous year.

The Company's activity is not characterized by cyclical or seasonal factors, with the exception of the slowdown registered in August due to the closing of production facilities for the summer holidays and in December for the Christmas season.

Brescia, November 12, 2009

**THE PRESIDENT OF
CEMBRE SPA –PARENT COMPANY**

CARLO ROSANI

Cembre S.p.A.

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Management Report on the consolidated accounts for the 3rd Quarter of 2009

In the 3rd Quarter of 2009, revenues amounted to €17,914 thousand, down 19.8% on €22,347 thousand in the 3rd Quarter of 2008. Sales for the first nine months of 2009 declined by 22.7% on the correspondent period in 2008, down from €72,478 thousand to €56,046 thousand. The strongest declines were registered by the Spanish subsidiary Cembre España SL, whose sales were down by 41%, and by the US subsidiary Cembre Inc., whose sales in dollars were down 27.4%. Despite the decline, the parent company and its subsidiaries closed the 3rd Quarter of 2009 reporting a profit before taxes.

Revenues by geographical area

(€'000)	First nine months 2009	First nine months 2008	3 rd Qtr. 2009	3 rd Qtr. 2008
Italy	22,053	31,705	6,978	10,182
Rest of Europe	26,956	32,680	8,491	9,993
Rest of the World	7,037	8,093	2,445	2,172
Total	56,046	72,478	17,914	22,347

In the first nine months of 2009, 39.4% of Group sales were represented by Italy (as compared with 43.7% in the first nine months of 2008), 48.1% by the rest of Europe (45.1% in the first nine months of 2008), and the remaining 12.5% by the rest of the World (11.2% in the first nine months of 2008). In the first nine months of 2009,

domestic sales declined by 30.4% and exports were down by 16.6% on the corresponding period in 2008, while in the 3rd Quarter of the year, exports declined by 10.1%, and domestic sales declined by 31.5% on the same period in 2008.

Net revenues by Group company

<i>(€'000)</i>	First nine months 2009	First nine months 2008
Parent company	29,496	39,192
Cembre Ltd. (UK)	8,406	9,815
Cembre S.a.r.l. (France)	4,628	4,888
Cembre España S.L. (Spain)	5,504	9,326
Cembre GmbH (Germany)	3,837	3,975
Cembre AS (Norway)	501	607
Cembre Inc. (USA)	3,426	4,243
General Marking Srl (Italy)	248	432
Total	56,046	72,478

Sales of subsidiary General Marking reported in the table above include only sales to third parties managed directly by the same. In the table above, sales made by General Marking to other Group companies for resale are not attributed to General Marking. In the first nine months of 2009, these sales declined by 23.5% to €1,434 thousand, down from €1,874 thousand in the first nine months of 2008.

To provide a better understanding of the Group's operating performance for the first nine months and the 3rd Quarter of 2009, a Reclassified Consolidated Income Statement is enclosed as Attachment A.

Gross operating profit for the first nine months of 2009 amounted to €9,278 thousand, corresponding to a 16.6% margin on sales, down 38.8% on €15,169 thousand reported in the first nine months of 2008 (20.9% of sales). Gross operating profit for the 3rd Quarter of 2009 amounted to €3,465 thousand, corresponding to a

19.3% margin on sales, down 23.3% on €4,520 thousand reported in the 3rd Quarter of 2008 (20.2% of sales). The effect of cost of sales declined both for the first nine months of 2009 and the 3rd Quarter of the year due to the decline in raw material prices. Personnel costs declined respectively by 8.4% and 11.2% in the first nine months and the 3rd Quarter of 2009 with respect to the corresponding periods in 2008, while the average number of employees declined in the first nine months of the year from 545 in 2008 to 531 in 2009, affected by the lower recourse to outsourced personnel.

Consolidated operating profit for the first nine months of 2009 amounts to €7,147 thousand (a 12.8% margin on sales), down 44.4% on €12,848 thousand in the first nine months of 2008 (a 17.7% margin on sales). Consolidated operating profit for the 3rd Quarter of 2009 amounted to €2,803 thousand, representing a 16.8% margin on sales, down on €3,747 thousand in the 3rd Quarter of 2008, when it represented a 15.6% margin on sales.

Profit before taxes for the first nine months of 2009 amounts to €7,134 thousand, representing a 12.7% margin on sales, down 43.4% on the profit before taxes reported in the first nine months of 2008, amounting to €12,598 thousand, corresponding to a 17.4% margin on sales. Profit before taxes for the 3rd Quarter of 2009 amounts to €2,690 thousand, corresponding to a 15% margin on sales, down 29.3% on €3,803 thousand in the 3rd Quarter of 2008, when it amounted to a 17% margin on sales.

In 3rd Quarter, net foreign exchange losses amounted to €105 thousand.

Events subsequent to September 30, 2009

No particular event that may significantly affect the economic performance, asset structure or financial performance of the Group occurred after September 30, 2009.

Brescia, November 12, 2009

**THE PRESIDENT OF
CEMBRE SPA –PARENT COMPANY**

CARLO ROSANI

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Attachment A to the Management Report on the 3rd Quarter of 2009

Consolidated Income Statement

(€ '000)	First nine months 2009	% of sales	First nine months 2008	% of sales	change	3 rd Qtr. 2009	% of sales	3 rd Qtr. 2008	% of sales	change
Revenues from sales and services provided	56.046	100,0%	72.478	100,0%	-22,7%	17.914	100,0%	22.347	100,0%	-19,8%
Other revenues	431		283		52,3%	119		112		
TOTAL REVENUES	56.477		72.761			18.033		22.459		
Cost of goods and merchandise	(17.256)	-30,8%	(27.395)	-37,8%	-37,0%	(5.254)	-29,3%	(8.496)	-38,0%	-38,2%
Change in inventories	(3.240)	-5,8%	163	0,2%		(1.066)	-6,0%	92	0,4%	
Cost of services received	(7.912)	-14,1%	(9.990)	-13,8%	-20,8%	(2.402)	-13,4%	(3.120)	-14,0%	-23,0%
Lease and rental costs	(816)	-1,5%	(791)	-1,1%	3,2%	(271)	-1,5%	(274)	-1,2%	-1,1%
Personnel costs	(17.920)	-32,0%	(19.555)	-27,0%	-8,4%	(5.521)	-30,8%	(6.218)	-27,8%	-11,2%
Other operating costs	(399)	-0,7%	(429)	-0,6%	-7,0%	(133)	-0,7%	(123)	-0,6%	8,1%
Increase in assets due to internal construction	492	0,9%	535	0,7%	-8,0%	101	0,6%	221	1,0%	-54,3%
Write-down of current assets	(142)	-0,3%	(123)	-0,2%	15,4%	(20)	-0,1%	(19)	-0,1%	5,3%
Accruals to provisions for risks and charges	(6)	0,0%	(7)	0,0%	-14,3%	(2)	0,0%	(2)	0,0%	0,0%
GROSS OPERATING PROFIT	9.278	16,6%	15.169	20,9%	-38,8%	3.465	19,3%	4.520	20,2%	-23,3%
Property, plant and equipment depreciation	(1.965)	-3,5%	(2.032)	-2,8%	-3,3%	(606)	-3,4%	(674)	-3,0%	-10,1%
Intangible assets amortization	(166)	-0,3%	(289)	-0,4%	-42,6%	(56)	-0,3%	(99)	-0,4%	-43,4%
OPERATING PROFIT	7.147	12,8%	12.848	17,7%	-44,4%	2.803	15,6%	3.747	16,8%	-25,2%
Financial income (expense)	(35)	-0,1%	(188)	-0,3%	-81,4%	(8)	0,0%	(69)	-0,3%	-88,4%
Foreign exchange gains (losses)	22	0,0%	(62)	-0,1%	-135,5%	(105)	-0,6%	125	0,6%	-184,0%
PROFIT BEFORE TAXES	7.134	12,7%	12.598	17,4%	-43,4%	2.690	15,0%	3.803	17,0%	-29,3%

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C e m b r e

DECLARATION

pursuant to art 154-bis Paragraph 2, Part IV, Title III, Heading II, Section V-bis, of Legislative Decree 58 dated Feb. 24, 1998 "Consolidated Law on financial intermediation regulations"

Re: Quarterly Report for the third Quarter of 2009

The undersigned,

Claudio Bornati, Manager responsible for preparing the Cembre S.p.A. financial reports

DECLARES

pursuant to Paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the Quarterly Report for the third Quarter of 2009 corresponds to the document results, books and accounting records.

Brescia, november 12, 2009

Signed by: Claudio Bornati
Manager in charge of drafting
the accounts of Cembre S.p.A.