



C e m b r e



Company presentation

(First Quarter of 2012)



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Activity and Competitive Position





Cembre

- Cembre **develops, produces** and **markets** in Europe and in the USA **electrical crimp type connectors** and **related installation tools**
- Our main objective is to cooperate with our products' users to find the **best technical** and **economical solutions** related to **electrical connection applications**



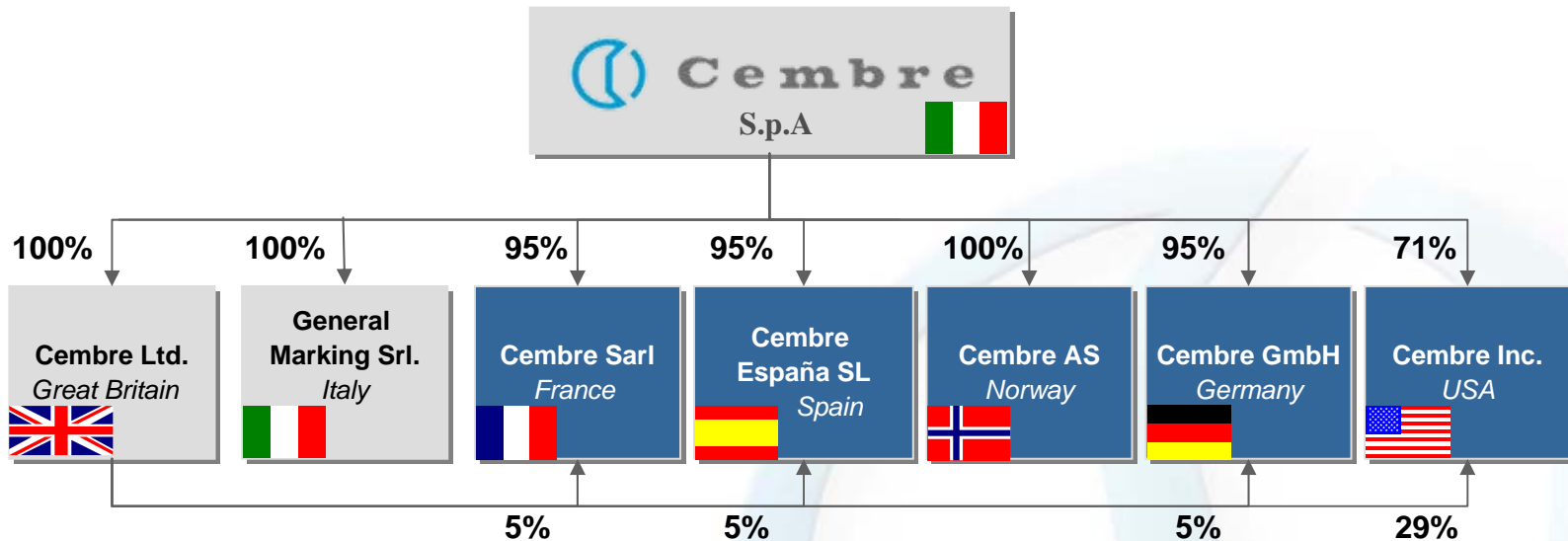
Competitive position

Cembre Group is:

- **Italian leader in electrical crimp type connectors and related installation tools**, extensively used in large engineering projects
- **European leader within major worldwide producers of tools for the installation of electrical power connectors**



Group structure

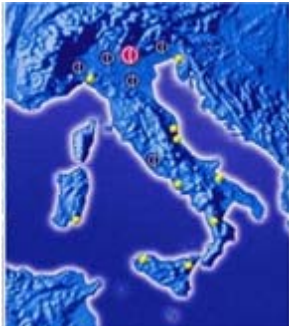


■ Production and commercial units

■ Commercial units



Distribution network



- Cembre is Present all over the **Italian territory** through a network of **own employed salesmen or representatives** able to offer fast and constant technical assistance

- Abroad Cembre operates through **five subsidiaries companies in Europe** (UK, France, Spain, Germany and Norway) and one **in the USA**
- **Presence in the main countries all over the world through** a network of importers and agents able to provide technical and commercial assistance and rapid delivery





Competitive advantages

- **Technological leadership** thanks to a constant involvement in R&D
- **Extensive product range** characterised by a balanced relationship between quality and price
- Ability to **enter markets with a high growth potential** (railway, energy, US market,...)
- A commercial network consisting of **own employed salesmen**
 - **direct presence** in the main European markets and USA and long standing penetration in the main non European markets
 - constant **interaction with end users** and consolidated relationships with **distribution groups**
- **Rapid time to-market** and **automatic warehouse management**



Products and Markets





Expanding the products' range

In order to keep the **leadership** and **increase the penetration of market**, Cembre had sensibly **enlarged the range of products offered** through:

- **research activities** mainly focused on the **development of innovative products** for the **sectors with the highest growth potential** (rail transportation, civil and industrial plant engineering)
- **improvement and update of existing products** to get them easier to use and more efficient in their performances
- **widening of traditional products range**, now richer and more complete thanks to the **introduction of complementary product** (f.i. cable markers)



Electrical connectors



- Turnover as at Mar. 31, 2012: Euro 9.4 million (-11.2% vs Mar. 31, 2011)
 - To Italy: 15.3% of total sales (-29.3% vs 2011)
 - To foreign countries: 20.8% of total sales (18.1% to Europe and 2.7% outside Europe; +9.4% vs 2011)

- Characteristics:
 - **high and safe performance** guaranteed by effective **Quality Control** during production process
 - **high level automation** of manufacturing and consequent costs reduction
 - **quick adaptation** of products to clients' needs, thanks to its **high flexible productivity**



Tools

- Turnover as at Mar. 31, 2012: Euro 5.5 million (+2.8% vs Mar. 31, 2011)
 - To Italy: 3.7% of total sales (-12% vs 2011)
 - To foreign countries: 17.5% of total sales (8.7% to Europe and 8.8% outside Europe; +6.6% vs 2011)



- Characteristics:
 - **quick installation** of connectors thanks to tools used for compressing and cutting the conductors
 - **wide products range**: mechanical, pneumatic, hydraulic and electric based operations

- Development of new products in last years:
 - **B15-B54** battery operated “in line” hand-tools
 - **hydraulic battery operated pump** already marketed in Italy and Europe
 - the **new generation of battery tools** is intended to progressively substitute the traditional ones, as they are **more appreciated** thanks to the **elimination of physical endeavour**



Railway products

- Railway products and accessories, turnover as at Mar. 31, 2012: Euro 4.8 million (+19.1% vs Mar. 31, 2011)
 - To Italy: 1.7% of total sales (16.7% vs 2011)
 - To foreign countries: 17% of total sales (13.3% to Europe and 3.7% outside Europe; +19.3% vs 2011)

NR-11P



- Characteristics:
 - **high quality products**
 - **constant R&D activities**
 - **high potential growth**

**Rail saw
RDS 14-P**



- Development of new products:
 - **Nut Runner - NR-11P**
 - **Rail Saw** (with better safety standards for workers)

Both the products are very **competitive on the market** since they offer superior flexibility, lightness and velocity against alternative products



Cable markers

ROLLY
2000



- Cable markers, turnover as at Mar. 31, 2012: Euro 2.7 million (+5.2% vs. Dec. 31, 2011)
 - To Italy: 6.6% of total sales (-1.4% vs 2011)
 - To foreign countries: 3.9% of total sales (3.5% to Europe and 0.4% outside Europe; +18.6% vs 2011)



mg2
MARKINGENIUS 2



- With the introduction of these new products Cembre:
 - further **enriched its offer with thousand of new articles** (electrical equipment wholesalers prefer supplier with a wide catalogue)
 - **strengthened its competitive position** in Italy and **created big opportunities** to enter the European markets
 - **entered a market**, worth of Euro 25 million considering only Italy
 - **improved** the production structure
- Development and production, in Brescia (Italy), of thermal printer **MG2**



Other products

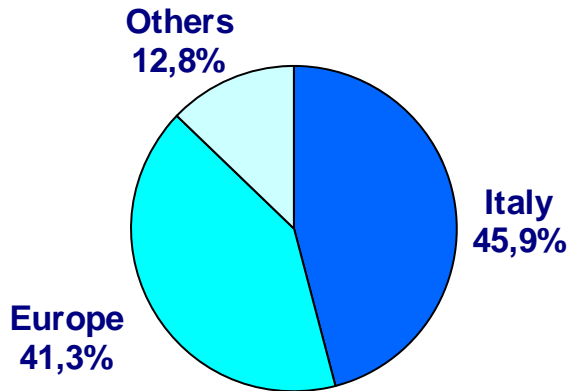
- Cable glands, turnover as at Mar. 31, 2012: Euro 1.7 million (-20% vs Mar. 31, 2011)
 - To Italy: 5.3% of total sales (-21,4% vs 2011)
 - To foreign countries: 1.1% of total sales (1% to Europe, 0.1% outside Europe; -13% vs 2011)



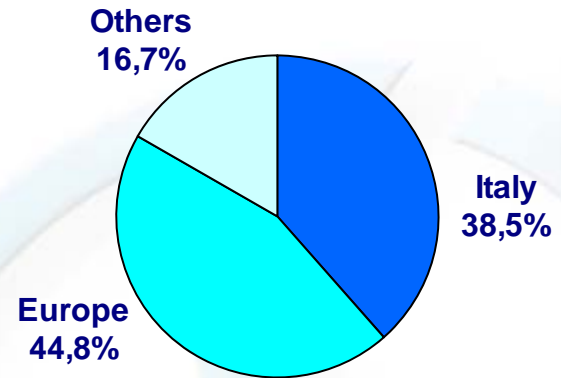
- Terminal blocks, turnover as at Mar. 31, 2012: Euro 0.5 million (-19.5% vs Mar. 31, 2011)
 - To Italy: 1.6% of total sales (-25.2% vs 2011)
 - To foreign countries: 0.4% of total sales (Europe; +21.9% vs 2011)
- Product upgrade:
 - implementation of the new European Union safety regulations required the adoption of modern connection systems as those manufactured by Cembre Group



Turnover breakdown by geographical area



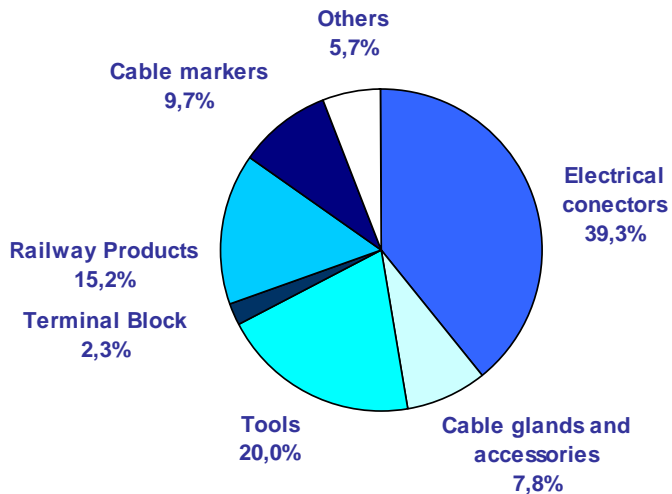
March 31, 2011
Euro 26.8 million



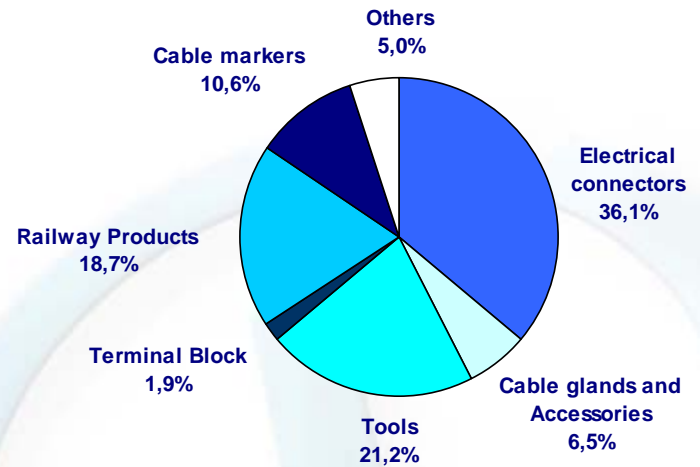
March 31, 2012
Euro 26.1 million



Turnover breakdown by product



March 31, 2011
Euro 26.8 million



March 31, 2012
Euro 26.1 million



Consolidated Financial Highlights

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 presentation corresponds to the document results, books and accounting records



First Quarter of 2012 consolidated results:

Consolidated results of **the First Quarter of 2012** were characterised by:

- **a decrease of sales** of 2.5%
- **a decrease of EBITDA** of 14.5% and **a decrease of EBIT** of 19.9%
- a reduction of **consolidated pre-tax profit** of 20.5%
- an increase of **average number of employees** from 598 to 602
- **a positive net financial position** which amount to Euro 1.2 millions (positive for 2.3 millions as at December 31, 2011).



First Quarter of 2012 consolidated results

Euro millions	Mar. 31, 12	Mar. 31, 11	Changes %
Sales	26.1	26.8	-2.5%
EBITDA <i>In % of sales</i>	5,3 20.4%	6.2 23.3%	-14.5%
EBIT <i>In % of sales</i>	4,5 17.1%	5.6 20.8%	-19.9%
EBT <i>In % of sales</i>	4.3 16.6%	5.5 20.4%	-20.5%



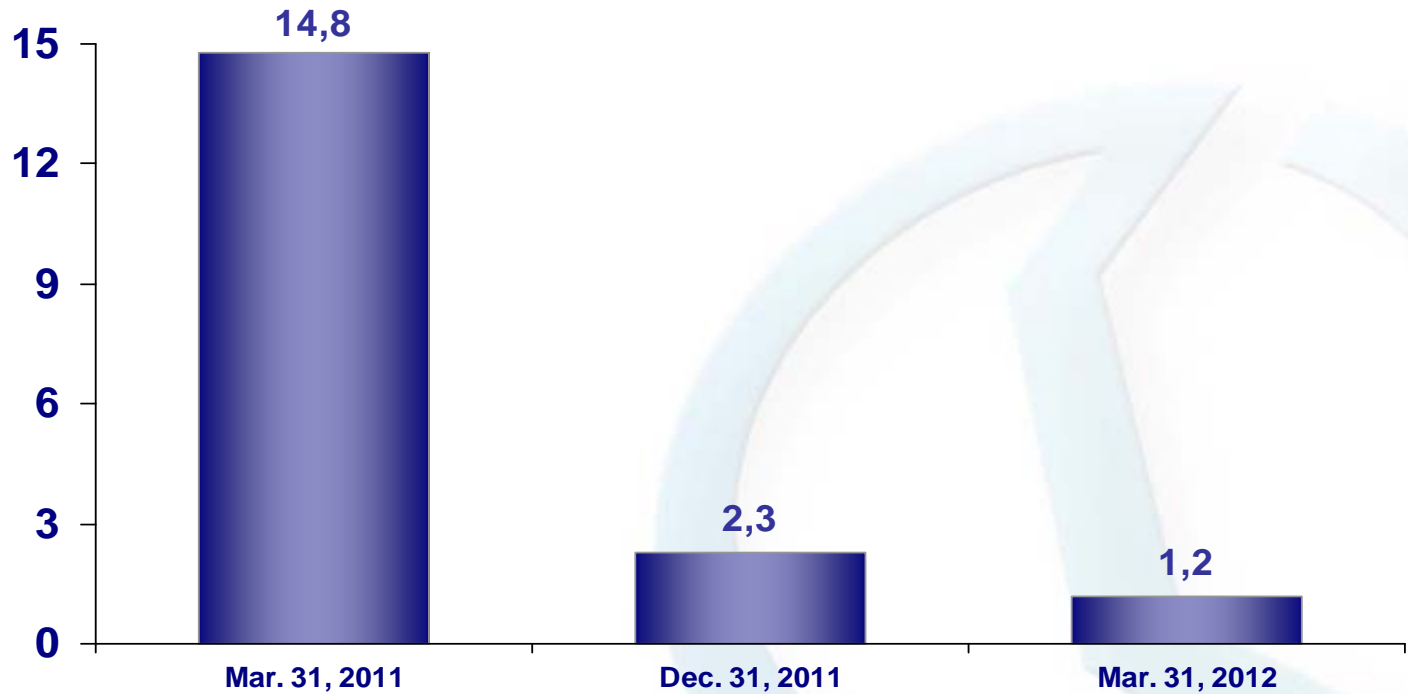
2011 Consolidated balance sheet

	Millions of Euro	Dec. 31, 2011	Dec. 31, 2010
A	Net working capital	43.6	38.6
B	Net fixed assets	52.6	38.1
C	Assets available for sales	-	-
D	Severance indemnities	2.6	2.8
E	Provisions for risks and charges	0.1	-
F	Deferred taxes	2.7	2.5
	Net invested capital (A+B+C-D-E-F)	90.8	72.1
G	Equity	93.1	85.7
H	Net financial position	(2.3)	(13.6)
	Total sources (G+H)	90.8	72.1



Net financial position

Euro millions





Objectives and Strategies





Targets and strategies for year 2012

In order to face the current financial crisis Cembre focused on these targets:

- **Increase of turnover** thanks to:
 - **A strengthening of Cembre competitive advantage** by developing new products and continuous product range renewing by an intense **R&D activity**
 - **An higher penetration in the foreign markets, especially in the US**
 - A commercial commitment focus on high growing potential products
- **Cost management** by a **better operative efficiency** obtained from economies of scale and process innovations;
- **Enforcing of manufacturing structure** by:
 - **The purchase of an industrial area near the company of 13,000 m² (floor-space)** (total complex area 50,000 m²), corresponding to an investment of 9.7 million of euro (now Brescia plants and offices cover an area of 50,000 m² floor-space, while the total Company area reached 128,000 m²)
 - **The construction of a new industrial building of 4,800 m²** that will become the new logistic center of the Company, including an automated warehouse with 15 m high shelves.