



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
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Press release

The Board of Directors approves the Financial Statements of Cembre S.p.A. and the Consolidated Financial Statements at December 31, 2011

Consolidated sales up 9.7% on 2010

- The Board proposes a €0.16 dividend per share
- The net financial position at the end of the year amounted to €2.3 million, after €16.6 million of capital expenditure
- Shareholders' Meeting called on April 27, 2012

(€'000)	2011	% margin	2010	% margin	change
Consolidated sales	103,028	100	93,934	100	9.7%
Consolidated gross operating profit	20,228	19.6	20,170	21.5	0.3%
Consolidated operating profit	17,291	16.8	17,379	18.5	-0.5%
Consolidated pre-tax profit	17,389	16.9	17,436	18.6	-0.3%
Consolidated net profit	11,400	11.1	11,340	12.1	0.5%
Consolidated net financial position	2,275		13,669		

Brescia, March 14, 2012 - The Board of Directors of Cembre S.p.A. – a STAR segment listed company and one of the largest European producers of electrical connectors and tools for their installation – approved at today's meeting chaired by its Chairman and Managing Director Giovanni Rosani the Statutory Accounts of Cembre S.p.A. and the Consolidated Financial Statements at December 31, 2011.

The Board of Directors also resolved to propose to the Ordinary Shareholders' Meeting called on April 27, 2012, the distribution of a €0.16 dividend for each of the shares in circulation. The ex-dividend date is May 14, 2012, while dividends will be paid out from May 17, 2012 against the presentation of coupon no.15. The Shareholders' Meeting is also called to appoint a new Board of Directors and Board of Statutory Auditors.

In 2011, **consolidated revenues** amounted to €103 million, up 9.7% on €93.9 million in 2010. In the 4th Quarter, consolidated sales declined by 4.1% to €25.4 million, down from €26.5 million in the 4th Quarter of 2010.

In the year, consolidated domestic sales amounted to €44.8 million, up 8.2% on the previous year, while exports grew by 10.9% to €58.2 million. In 2011, a total of 43.5% of sales were represented by Italy (44.1% in 2010), 42.6% by the rest of Europe (42.9% in 2010) and 13.9% by the rest of the world (13% in 2010).

Consolidated gross operating profit amounted in 2011 to €20.23 million, representing a 19.6% margin on sales, up 0.3% on €20.17 million in 2010, when it represented a 21.5% margin on sales. The cost of goods sold as a percentage of sales remained stable, while the cost of services and personnel as a percentage of sales increased, partly as the result of the growth of personnel from 548 to 591.

Consolidated operating profit (Ebit) for 2011 amounted to €17.29 million, representing a 16.8% margin on sales, down 0.5% on €17.38 million in 2010, when it represented an 18.5% margin on sales.

Consolidated profit before taxes for 2011 amounted to €17.39 million, representing a 16.9% margin on sales, down 0.3% on €17.44 million in 2010, when it represented an 18.6% margin on sales.

Consolidated net profit for the year amounted to €11.40 million, representing an 11.1% margin on sales, up 0.5% on 2010, when it amounted to €11.34 million and represented a 12.1% margin on sales.

The net financial position declined from a surplus of €13.7 million at December 31, 2010 to a surplus of €2.3 million at the end of December 2011 as a result of the strong capital expenditure for the year, amounting to €16.6 million.

“Cembre closed the 2011 financial year reporting a 9.7% growth in sales and a net profit in line with 2010. Sales for the first two months of 2012 show however a decline of about 3.8% on the first two months of 2011 due primarily to the stagnation of the Italian and Spanish markets – commented Cembre’s Managing Director, Giovanni Rosani. In this framework, we expect sales for 2012 to grow slightly on the previous year, as we believe that the market situation will recover in the second half of the year”.

“The Group has a solid financial position – that at the end of 2011 amounted to a surplus of €2.3 million – declining as a result of the strong capital expenditure made in the year amounting to €16.6 million – continued the Managing Director. The financial position at the end of February amounted to a deficit of €0.2 million. To retain prudentially part of the financial resources generated in the Company, the Board of Directors resolved to propose to the Shareholders’ Meeting the distribution of a €0.16 dividend per share for the 2011 financial year”.

Parent company **Cembre S.p.A.** closed the 2011 financial year reporting **sales** of €80.6 million, up 10.7% on 2010. **Operating profit** for 2011 declined instead by 3.1% to €12.8 million, down from €13.2 million in 2010. **Net profit** of the parent company amounted to €9.2 million, up 0.4% on €9.16 million in 2010. In 2011 the parent company received €0.9 million in dividends from its subsidiaries, while in the previous year these amounted to €0.6 million.

* * * *

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 two manufacturing and trading subsidiaries (Cembre Ltd. in Birmingham, U.K. and General Marking S.r.l. in Bergamo), for a total workforce of 591 as of December 2011. 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 December 31, 2011:

- Consolidated Statement of Financial Position
- Statement of Consolidated Comprehensive Income
- Consolidated Statement of Cash Flows
- Statement of Financial Position of parent company Cembre S.p.A.
- Statement of Comprehensive Income of parent company Cembre S.p.A.
- Statement of Cash Flows of parent company Cembre S.p.A.

At the date of the present press release the auditing of the 2011 financial statements has not yet been completed.

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.

Cembre S.p.A.

Registered Office: Via Serenissima 9, Brescia, Italy
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Consolidated financial statements at December 31, 2011

Consolidated Statement of Financial Position

	Dec. 31, 2011	Dec. 31, 2010	
<i>(euro '000)</i>			
ASSETS	<i>of which:</i>	<i>of which:</i>	
	<i>related parties</i>	<i>related parties</i>	
A) NON-CURRENT ASSETS			
Tangible assets	50.012	36.440	
Intangible assets	698	554	
Financial assets available for sale	5	5	
Other non-current assets	22	18	
Deferred tax assets	1.872	1.754	
TOTAL NON-CURRENT ASSETS	52.609	38.771	
B) CURRENT ASSETS			
Inventories	37.022	29.632	
Trade receivables	24.451	28.005	
Tax receivables	494	218	
Other receivables	812	396	
Cash and cash equivalents	8.986	14.697	
TOTAL CURRENT ASSETS	71.765	72.948	
C) NON-CURRENT ASSETS AVAILABLE FOR SALE	-	-	
TOTAL ASSETS(A+B+C)	124.374	111.719	
LIABILITIES AND SHAREHOLDERS' EQUITY			
A) SHAREHOLDERS' EQUITY			
Capital stock	8.840	8.840	
Reserves	72.889	65.566	
Net profit	11.400	11.340	
TOTAL SHAREHOLDERS' EQUITY	93.129	85.746	
B) NON-CURRENT LIABILITIES			
Non-current financial liabilities	-	4	
Employee Severance Indemnity and other personnel benefits	2.609	136	2.775
Provisions for risks and charges	82	72	128
Deferred tax liabilities	2.672	2.471	
TOTAL NON-CURRENT LIABILITIES	5.363	5.322	
C) CURRENT LIABILITIES			
Current financial liabilities	6.664	1.024	
Liabilities on derivative instruments	47	-	
Trade payables	12.398	11.435	
Tax payables	720	2.522	
Other payables	6.053	5.670	
TOTAL CURRENT LIABILITIES	25.882	20.651	
D) LIABILITIES ON ASSETS HELD FOR DISPOSAL	-	-	
TOTAL LIABILITIES (B+C+D)	31.245	25.973	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (A+B+C+D)	124.374	111.719	

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Statement of Consolidated Comprehensive Income

	2011	2010
<i>(euro '000)</i>	<i>of which: related parties</i>	<i>of which: related parties</i>
Revenues from sales and services provided	103.028	93.934
Other revenues	518	404
TOTAL REVENUES	103.546	94.338
Cost of goods and merchandise	(45.725)	(35.667)
Change in inventories	7.153	738
Cost of services received	(13.881)	(11.630)
Lease and rental costs	(1.300)	(1.184)
Personnel costs	(29.104)	(26.145)
Other operating costs	(785)	(704)
Increase in assets due to internal construction	535	592
Write-down of receivables	(194)	(160)
Accruals to provisions for risks and charges	(17)	(8)
GROSS OPERATING PROFIT	20.228	20.170
Property, plant and equipment depreciation	(2.663)	(2.556)
Intangible asset amortization	(274)	(235)
OPERATING PROFIT	17.291	17.379
Financial income	131	61
Financial expenses	(101)	(68)
Foreign exchange gains (losses)	68	64
PROFIT BEFORE TAXES	17.389	17.436
Income taxes	(5.989)	(6.096)
NET PROFIT FROM ORDINARY ACTIVITIES	11.400	11.340
NET PROFIT FROM ASSETS HELD FOR DISPOSAL	-	-
NET PROFIT	11.400	11.340
Conversion differences included in equity	403	449
COMPREHENSIVE INCOME	11.803	11.789
BASIC EARNINGS PER SHARE	0,67	0,67

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Consolidated financial statements at December 31, 2011

Consolidated Statement of Cash Flows

€ '000

	Full Year 2011	Full Year 2010
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	14.697	8.901
B) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the period	11.400	11.340
Depreciation, amortization and write-downs	2.937	2.791
(Gains)/Losses on disposal of assets	(43)	7
Net change in Employee Severance Indemnity	(166)	(169)
Net change in provisions for risks and charges	10	4
Operating profit (loss) before change in working capital	14.138	13.973
(Increase) Decrease in trade receivables	3.554	(6.641)
(Increase) Decrease in inventories	(7.390)	(1.045)
(Increase) Decrease in other receivables and deferred tax assets	(810)	1.143
Increase (Decrease) of trade payables	1.168	3.198
Increase (Decrease) of other payables, deferred tax liabilities and tax payables	(1.218)	3.443
Change in working capital	(4.696)	98
NET CASH FLOW (USED IN)/FROM OPERATING ACTIVITIES	9.442	14.071
C) CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets:		
- intangible	(418)	(169)
- tangible	(16.183)	(3.863)
Proceeds from disposal of tangible, intangible, available-for-sale financial assets		
- tangible	99	72
Increase (Decrease) of trade payables for assets	(205)	13
NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES	(16.707)	(3.947)
D) CASH FLOW FROM FINANCING ACTIVITIES		
(Increase) Decrease in other non current assets	(4)	3
Increase (Decrease) in bank loans and borrowings	5.658	(2.566)
Increase (Decrease) in other loans and borrowings	(22)	(33)
Increase (Decrease) in derivative instruments	47	-
Dividends distributed	(4.200)	(2.040)
NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES	1.479	(4.636)
E) INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (B+C+D)	(5.786)	5.488
F) Foreign exchange differences	75	308
G) CASH AND CASH EQUIVALENTS AT END OF PERIOD (A+E+F)	8.986	14.697

CASH AND CASH EQUIVALENTS AT END OF PERIOD	8.986	14.697
Current financial liabilities	(6.664)	(1.024)
Non current financial liabilities	-	(4)
Liabilities on derivative instruments	(47)	-
NET CONSOLIDATED FINANCIAL POSITION	2.275	13.669
INTERESTS PAID IN THE PERIOD	(44)	(56)

BREAKDOWN OF CASH AND CASH EQUIVALENTS AT END OF PERIOD		
Cash	18	14
Banks	8.968	14.683
	8.986	14.697

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Financial statements at December 31, 2011

Statement of financial position

	Dec. 31, 2011	Dec. 31, 2010	
<i>(amounts in euro)</i>			
ASSETS	<i>of which: related parties</i>	<i>of which: related parties</i>	
A) NON CURRENT ASSETS			
Tangible assets	37.007.336	24.318.488	
Intangible assets	687.901	544.912	
Investments in subsidiaries	10.243.083	10.243.083	
Financial assets available for sale	5.224	5.224	
Other non-current assets	5.376	5.182	
Deferred tax assets	359.883	357.546	
TOTAL NON-CURRENT ASSETS	48.308.803	35.474.435	
B) CURRENT ASSETS			
Inventories	27.106.600	21.156.752	
Trade receivables	15.628.452	18.975.560	
Trade receivables from subsidiaries	6.571.363	6.637.423	6.637.423
Tax receivables	492.315	82.204	
Other assets	730.451	290.387	
Cash and cash equivalents	3.651.782	8.975.859	
TOTAL CURRENT ASSETS	54.180.963	56.118.185	
C) NON-CURRENT ASSETS AVAILABLE FOR SALE	-	-	
TOTAL ASSETS(A+B+C)	102.489.766	91.592.620	
LIABILITIES AND SHAREHOLDERS' EQUITY			
A) SHAREHOLDERS' EQUITY			
Capital stock	8.840.000	8.840.000	
Reserves	56.926.846	52.188.989	
Net profit	9.196.485	9.157.857	
TOTAL SHAREHOLDERS' EQUITY	74.963.331	70.186.846	
B) NON-CURRENT LIABILITIES			
Non-current tax payables	-	-	
Employee Severance Indemnity and other personnel benefits	2.419.543	2.611.402	120.897
Provisions for risks and charges	81.967	71.712	
Deferred tax liabilities	2.493.670	2.314.306	
TOTAL NON-CURRENT LIABILITIES	4.995.180	4.997.420	
C) CURRENT LIABILITIES			
Current financial liabilities	5.958.081	423	
Liabilities on derivative instruments	47.211	-	
Trade payables	11.063.596	9.873.704	
Trade payables to subsidiaries	1.722.803	1.004.205	1.004.205
Tax payables	-	1.860.208	
Other Payables	3.739.564	3.669.814	
TOTAL CURRENT LIABILITIES	22.531.255	16.408.354	
D) LIABILITIES ON ASSETS HELD FOR DISPOSAL	-	-	
TOTAL LIABILITIES (B+C+D)	27.526.435	21.405.774	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (A+B+C+D)	102.489.766	91.592.620	

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Financial statements at December 31, 2011

Statement of comprehensive income

<i>(amounts in euro)</i>	Full Year 2011		Full Year 2010	
	<i>of which: related parties</i>		<i>of which: related parties</i>	
Revenues from sales and services provided	80.562.001	22.051.480	72.750.859	18.795.379
Other revenues	682.822	473.598	464.044	288.408
TOTAL REVENUES	81.244.823		73.214.903	
Cost of goods and merchandise	(41.666.955)	(4.337.203)	(32.227.966)	(3.135.083)
Change in inventories	5.949.848		558.848	
Cost of services received	(9.243.875)	(576.782)	(7.648.022)	(589.147)
Lease and rental costs	(886.671)	(572.218)	(784.849)	(513.060)
Personnel costs	(20.331.739)	(204.435)	(18.074.534)	(189.214)
Other operating costs	(403.935)		(370.422)	
Increase in assets due to internal construction	428.818		586.733	
Write-down of receivables	(122.411)		(138.133)	
Accruals to provisions for risks and charges	(10.546)		(7.946)	
GROSS OPERATING PROFIT	14.957.357		15.108.612	
Tangible asset depreciation	(1.931.291)		(1.714.334)	
Intangible asset amortization	(270.058)		(232.418)	
OPERATING PROFIT	12.756.008		13.161.860	
Financial income	983.706	871.822	680.546	634.530
Financial expenses	(72.714)		(28.048)	
Foreign exchange gains (losses)	34.460		93.615	
PROFIT BEFORE TAXES	13.701.460		13.907.973	
Income taxes	(4.504.975)		(4.750.116)	
NET PROFIT FROM ORDINARY ACTIVITIES	9.196.485		9.157.857	
NET PROFIT FROM ASSETS HELD FOR DISPOSAL	-		-	
NET PROFIT	9.196.485		9.157.857	
COMPREHENSIVE INCOME	9.196.485		9.157.857	

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Financial Statements at December 31, 2011

Statement of Cash Flows

(Amounts in Euro)

	Full Year 2011	Full Year 2010
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	8.975.859	5.004.166
B) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the year	9.196.485	9.157.857
Depreciation, amortization and write-downs	2.201.349	1.946.752
(Gains)/Losses on disposal of assets	(24.870)	(23.126)
Net change in Employee Severance Indemnity	(191.859)	(161.238)
Net change in provisions for risks and charges	10.255	3.681
Operating profit (loss) before change in working capital	11.191.360	10.923.926
(Increase) Decrease in trade receivables	3.413.168	(7.358.123)
(Increase) Decrease in inventories	(5.949.848)	(558.848)
(Increase) Decrease in other receivables and deferred tax assets	(852.512)	832.118
Increase (Decrease) of trade payables	2.113.547	3.557.164
Increase (Decrease) of other payables and deferred tax liabilities	(1.611.094)	2.592.393
Change in working capital	(2.886.739)	(935.296)
NET CASH FLOW (USED IN)/FROM OPERATING ACTIVITIES	8.304.621	9.988.630
C) CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets:		
- intangible	(413.047)	(161.202)
- tangible	(14.666.655)	(2.911.249)
- financial	-	(950.190)
Proceeds from disposal of tangible, intangible, financial assets		
- tangible	71.386	44.682
Increase (Decrease) of trade payables for assets	(205.057)	12.813
NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES	(15.213.373)	(3.965.146)
D) CASH FLOW FROM FINANCING ACTIVITIES		
(Increase) Decrease in other non current assets	(194)	2.956
Increase (Decrease) in bank loans and borrowings	5.957.658	(14.747)
Increase (Decrease) of liabilities from derivative instruments	47.211	-
Dividends distributed	(4.420.000)	(2.040.000)
NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES	1.584.675	(2.051.791)
E) INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (B+C+D)	(5.324.077)	3.971.693
F) CASH AND CASH EQUIVALENTS AT END OF YEAR (A+E)	3.651.782	8.975.859

CASH AND CASH EQUIVALENTS AT END OF YEAR	3.651.782	8.975.859
Current financial liabilities	(5.958.081)	(423)
Liabilities on derivative instruments	(47.211)	-
NET FINANCIAL POSITION	(2.353.509)	8.975.436
INTEREST PAID IN THE YEAR	(25.503)	(16.388)

BREAKDOWN OF CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash	2.537	2.429
Banks	3.649.245	8.973.430
	3.651.782	8.975.859