



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 INTERIM REPORT ON THE 1ST QUARTER OF 2016

Cembre (STAR): in the 1st Quarter consolidated sales decline slightly (down 1.8%) while net profit improves by 2.6%

- In the 1st Quarter of 2016 domestic sales were up 2.7% while exports declined by 4.7%
- Consolidated sales for the first four months of 2016 were down 2.9% on the corresponding period in 2015

Consolidated figures (€'000)	1 st Qtr. 2016	Sales margin %	1 st Qtr. 2015	Sales margin %	Change
Sales	30,327	100	30,897	100	-1.8%
Gross operating profit	7,372	24.3	6,767	21.9	8.9%
Operating profit	5,930	19.6	5,408	17.5	9.7%
Pre-tax profit	5,763	19.0	5,876	19.0	-1.9%
Net profit	3,968	13.1	3,867	12.5	2.6%
Net financial position	19,182		13,767		

Brescia, May 12, 2016 – 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, 2016**.

In the 1st Quarter of 2016, **consolidated revenues** declined by 1.8% on the corresponding period in 2015 from €30.9 million to €30.3 million. In the same period, domestic sales (€12.3 million) grew by 2.7%, while exports (€18.0 million) declined by 4.7% on the 1st Quarter of 2015.

In the 1st Quarter of 2016, 40.5% of sales were represented by Italy, 42.0% by the rest of Europe and 17.5% by the rest of the world.

Consolidated gross operating profit (EBITDA) grew by 8.9% from €6.8 million in the 1st Quarter of 2015 (representing a 21.9% margin on sales), to €7.4 million (a 24.3% margin on sales) in the 1st Quarter of 2016. The increase is due primarily to the decline in the cost of goods sold as a percentage of sales primarily due to the reduction in the price of copper, which is the main raw

material used in the production of cable terminals. In the period, the cost of services as a percentage of sales remained stable while personnel costs as a percentage of sales grew, partly as a result of the increase in the average number of employees from 621 in the 1st Quarter of 2015 to 647 in the 1st Quarter of 2016.

Consolidated operating profit (EBIT) for the 1st Quarter of 2016 amounted to €5.9 million, representing a 19.6% margin on sales, up 9.7% on €5.4 million in the 1st Quarter of 2015 when it represented a 17.5% margin on sales.

Consolidated profit before taxes for the 1st Quarter of 2016 was equal to €5.8 million, representing a 19.0% margin on sales, down 1.9% on €5.9 million in the 1st Quarter of 2015, when it represented 19.0% of sales. The decline is due to the strengthening of the euro in the quarter which resulted in a currency translation loss of €0.2 million, as compared with a €0.5 million gain registered in the 1st Quarter of 2015.

Consolidated net profit for the 1st Quarter of 2016 was equal to €4.0 million, representing a 13.1% margin on sales, up 2.6% on €3.9 million in the 1st Quarter of 2015, when it represented 12.5% of sales.

The **consolidated net financial position** of the Group improved from a surplus of €13.8 million at March 31, 2015, to a surplus of €19.2 million at March 31, 2016. At December 31, 2015, the net financial position amounted to a surplus of €17.8 million. Short-term financial debt does not include €7.8 million of dividends for the 2015 financial year (€6.1 million in the previous year) payable to Shareholders on May 18, 2016, as resolved by the Shareholders' Meeting on April 21, 2016.

Capital expenditure for the 1st Quarter of 2016 by the Group amounted to €0.8 million, down on the corresponding period in 2015 when it amounted to €1.3 million.

“In the 1st Quarter of 2015 consolidated revenues declined slightly (down 1.8%) on the corresponding period in 2015, due to difficulties encountered on foreign markets, a trend that was confirmed in the first four months of the year in which sales were down 2.9% on the corresponding period in 2015. We however expect to close 2016 reporting an increase in sales and a further improvement in profits” – commented Cembre’s Chairman and Managing Director, Giovanni Rosani.

* * *

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 647 as of March 31, 2016. 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:

Claudio Bornati (Cembre S.p.A.) +39 030 36921 claudio.bornati@cembre.com

For further information please visit the Investor Relation section in the www.cembre.com site.

Attachments: Financial Statements at March 31, 2016

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 Quarterly Report at March 31, 2016 has not been audited.

Interim Report at March 31, 2016
Consolidated Financial Statements
Consolidated Comprehensive Income Statement

	1 st Quarter 2016	1 st Quarter 2015
(euro '000)		
Revenues from sales and services provided	30.327	30.897
Other revenues	112	251
TOTAL REVENUES	30.439	31.148
Cost of goods and merchandise	(11.068)	(11.172)
Change in inventories	1.409	(138)
Cost of services received	(3.740)	(3.718)
Lease and rental costs	(364)	(338)
Personnel costs	(9.096)	(8.819)
Other operating costs	(267)	(311)
Increase in assets due to internal construction	164	212
Write-down of receivables	(101)	(94)
Accruals to provisions for risks and charges	(4)	(3)
GROSS OPERATING PROFIT	7.372	6.767
Property, plant and equipment depreciation	(1.314)	(1.246)
Intangible asset amortization	(128)	(113)
OPERATING PROFIT	5.930	5.408
Financial income	8	10
Foreign exchange gains (losses)	(175)	458
PROFIT BEFORE TAXES	5.763	5.876
Income taxes	(1.795)	(2.009)
NET PROFIT FROM ORDINARY ACTIVITIES	3.968	3.867
Items that may be reclassified subsequently to profit and loss		
Conversion differences included in equity	(1.258)	1.572
COMPREHENSIVE INCOME	2.710	5.439

Interim Report at March 31, 2016
Consolidated Financial Statements
Consolidated Statement of Financial Position - Assets

ASSETS	Mar. 31, 2016	Dec. 31, 2015
(euro '000)		
NON CURRENT ASSETS		
Tangible assets	64.433	65.435
Investment property	1.698	1.715
Intangible assets	1.317	1.336
Other investments	10	10
Other non-current assets	48	10
Deferred tax assets	2.427	2.550
TOTAL NON CURRENT ASSETS	69.933	71.056
CURRENT ASSETS		
Inventories	39.978	39.191
Trade receivables	28.009	26.372
Tax receivables	744	770
Other receivables	634	567
Cash and cash equivalents	19.182	17.802
TOTAL CURRENT ASSETS	88.547	84.702
NON-CURRENT ASSETS AVAILABLE FOR SALE	-	-
TOTAL ASSETS	158.480	155.758

Interim Report at March 31, 2016

Consolidated Financial Statements

Consolidated Statement of Financial Position - Liabilities and Shareholders' Equity

LIABILITIES AND SHAREHOLDERS' EQUITY	Mar. 31, 2016	Dec. 31, 2015
(euro '000)		
SHAREHOLDERS' EQUITY		
Capital stock	8.840	8.840
Reserves	121.075	106.400
Net profit	3.968	15.933
TOTAL SHAREHOLDERS' EQUITY	133.883	131.173
NON-CURRENT LIABILITIES		
Employee Severance Indemnity and other personnel benefits	2.592	2.617
Provisions for risks and charges	297	444
Deferred tax liabilities	2.228	2.235
TOTAL NON-CURRENT LIABILITIES	5.117	5.296
CURRENT LIABILITIES		
Trade payables	11.545	11.653
Tax payables	2.028	679
Other payables	5.907	6.957
TOTAL CURRENT LIABILITIES	19.480	19.289
LIABILITIES ON ASSETS HELD FOR DISPOSAL	-	-
TOTAL LIABILITIES	24.597	24.585
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	158.480	155.758