



COSTRUZIONI ELETTROMECCANICHE BRESCIANE

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# QUARTERLY REPORT

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2009 FIRST QUARTER

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# Cembre S.p.A.

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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)*

# Cembre S.p.A.

Registered Office: Via Serenissima 9, Brescia, Italy

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## Consolidated Financial Statements for the 1<sup>st</sup> Quarter 2009

### Consolidated Income Statement

<i>(euro '000)</i>	1 <sup>st</sup> Quarter 2009	1 <sup>st</sup> Quarter 2008	Full Year 2008
Revenues from sales and services provided	18.239	25.609	94.288
Other revenues	68	82	347
<b>TOTAL REVENUES</b>	<b>18.307</b>	<b>25.691</b>	<b>94.635</b>
Cost of goods and merchandise	(6.227)	(8.996)	(36.597)
Change in inventories	(217)	(805)	1.441
Cost of services received	(2.899)	(3.513)	(13.096)
Lease and rental costs	(302)	(248)	(1.052)
Personnel costs	(6.246)	(6.600)	(25.979)
Other operating costs	(89)	(162)	(539)
Increase in assets due to internal construction	182	184	709
Write-down of receivables	(33)	(60)	(239)
Accruals to provisions for risks and charges	(2)	(3)	(10)
<b>GROSS OPERATING PROFIT</b>	<b>2.474</b>	<b>5.488</b>	<b>19.273</b>
Property, plant and equipment depreciation	(686)	(662)	(2.734)
Intangible asset amortization	(53)	(41)	(318)
<b>OPERATING PROFIT</b>	<b>1.735</b>	<b>4.785</b>	<b>16.221</b>
Financial income (expense)	(17)	(65)	(205)
Foreign exchange gains (losses)	68	(313)	15
<b>PROFIT BEFORE TAXES</b>	<b>1.786</b>	<b>4.407</b>	<b>16.031</b>

### Consolidated Net Financial Position at March 31, 2009

<i>(euro '000)</i>	Mar. 31, 2009	Mar. 31, 2008	Dec. 31, 2008
Cash and cash equivalents	5.429	5.836	4.545
Non-current financial liabilities	(50)	(73)	(60)
Current financial liabilities	(3.085)	(6.046)	(3.315)
<b>CONSOLIDATED NET FINANCIAL POSITION</b>	<b>2.294</b>	<b>(283)</b>	<b>1.170</b>

## **Cembre S.p.A.**

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### **Notes to the Consolidated Financial Statements for the 1<sup>st</sup> Quarter of 2008**

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

Principles of consolidation and valuation criteria adopted are consistent with international accounting principles (IAS/IFRS). The present Quarterly Report was prepared in accordance with Regulations for the implementation of Legislative Decree no. 58 dated February 24, 1998 concerning rules for listed companies, adopted by Consob.

The Consolidated Financial Statements are based on the Statutory Accounts of Cembre S.p.A. (parent company) at March 31, 2009, and those of the following companies at the same date:

	Share owned by the Group at March 31, 2009	Share owned by the Group at March 31, 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 IAS 1, in the financial statements costs were classified by nature. The scope of the consolidation is unchanged from March 31, 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 the income components relating to the period based on the accrual method.

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

#### **Notes to the accounts**

With regard to the operating performance, analyzed in detail in the Management Report, we note that in the 1<sup>st</sup> Quarter of 2009 turnover declined by 28.8% while purchases of goods and materials declined by 30.8%.

The consolidated net financial position of the Group improved from a surplus of €1.2 million at December 31, 2008, to a surplus of €2.3 million at March 31, 2009. Short-term financial debt does not include dividends payable to shareholders on May 21, 2009, amounting to €2.72 million, as resolved by the Shareholders’ Meeting on April 28, 2009. At March 31, 2008, dividends resolved and not included in the net financial position amounted to €4.42 million.

Capital expenditure of the Group made in the 1<sup>st</sup> Quarter of 2009 amounted to €0.5 million, as compared with a capital expenditure of €1.2 million in the 1<sup>st</sup> Quarter of 2008.

### **Sales by geographical area**

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

### **Outlook**

Due to the continuing difficult situation in the domestic and international markets, Cembre expects a contraction in sales and profits for 2009. The deterioration of market conditions and the strong credit crisis, involving both households and businesses, makes it currently difficult to formulate reliable and accurate estimates for the future.

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, May 14, 2009

**THE CHAIRMAN OF THE BOARD OF DIRECTORS  
OF CEMBRE S.P.A.**

*Signed by*  
**CARLO ROSANI**

# Cembre S.p.A.

Head Office: Via Serenissima 9, Brescia, Italy

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## Report on Operations for the 1<sup>st</sup> Quarter of 2009

In the 1<sup>st</sup> Quarter of 2009 revenues declined by 28.8% to €18239 thousand, down from €25,609 thousand in the 1<sup>st</sup> Quarter of 2008. The strongest decline in sales was registered by the Spanish subsidiary, whose sales were down 48.7% on the corresponding period in 2008, and by the US subsidiary, whose sales in US dollars declined in the quarter by 39.4%. The French subsidiary registered instead a 1.8% increase in sales.

Despite the strong negative effect of the global economic downturn, Cembre closed the 1<sup>st</sup> Quarter of 2009 reporting a consolidated profit before taxes.

### Revenues by geographical area

(€'000)	1 <sup>st</sup> Quarter 2009	1 <sup>st</sup> Quarter 2008
Italy	7,206	10,759
Rest of Europe	8,929	11,573
Rest of the World	2,104	3,277
Total	18,239	25,609

In the 1<sup>st</sup> Quarter of 2009, 39.5% of sales were represented by Italy (as compared with 42% in the 1<sup>st</sup> Quarter of 2008), 49% by the rest of Europe (45.2% in the 1<sup>st</sup> Quarter of 2008) and 11.5% by the rest of the world (12.8% in

the 1<sup>st</sup> Quarter of 2008). In the 1<sup>st</sup> Quarter of 2009 domestic sales declined by 33%, while exports decreased by 25.7%, on the same period in 2008.

#### **Net revenues by Group company**

(€'000)	1 <sup>st</sup> Quarter 2009	1 <sup>st</sup> Quarter 2008
Parent company	9,643	13,482
Cembre Ltd. (UK)	2,425	3,399
Cembre S.a.r.l. (France)	1,696	1,669
Cembre España S.L. (Spain)	1,860	3,622
Cembre GmbH (Germany)	1,199	1,358
Cembre AS (Norway)	144	160
Cembre Inc. (USA)	1,188	1,779
General Marking Srl (Italy)	84	140
Total	18,239	25,609

Sales of subsidiary General Marking reported in the table above include only sales outside the Group, while sales made by the subsidiary to other Group companies for subsequent resale are not attributed to General Marking. In the 1<sup>st</sup> Quarter of 2009, the latter declined by 19.7% to €526 thousand, down from €655 thousand in the 1<sup>st</sup> Quarter of 2008.

To provide a better understanding of the Group's financial performance, a Reclassified Consolidated Income Statement for the 1<sup>st</sup> Quarter of 2009 is enclosed as Attachment A.

Consolidated gross operating profit declined by 54.9% from €5,488 thousand in the 1<sup>st</sup> Quarter of 2008 (representing a 21.4% margin on sales), to €2,474 thousand (a 13.6% margin on sales) in the 1<sup>st</sup> Quarter of 2009.

Consolidated operating profit for the 1<sup>st</sup> Quarter of 2009 amounted to €1,735 thousand, representing a 9.5% margin on sales, down 63.7% on €4,785



thousand in the 1<sup>st</sup> Quarter of 2008 (when it represented an 18.7% margin on sales). In 2009, raw materials costs declined as a result of lower market prices. The weight of personnel costs as a percentage of sales grew from 25.8% in the 1<sup>st</sup> Quarter of 2008, to 34.2% in the corresponding period in 2009, despite the reduction of personnel costs from €6,600 thousand to €6,246 thousand in the same period. The average number of employees grew from 539 in the 1<sup>st</sup> Quarter of 2008, to 543 in the corresponding period in 2009.

Profit before taxes for the 1<sup>st</sup> Quarter of 2009 was equal to €1,786 thousand, representing a 9.8% margin on sales, down 59.5% on €4,407 thousand in the 1<sup>st</sup> Quarter of 2008, when it represented 17.2% of sales.

#### **Events subsequent to March 31, 2009**

No particular event that may significantly affect the economic performance, asset structure or financial performance of the Group occurred after March 31, 2009.

Brescia, May 14, 2009

**THE CHAIRMAN OF THE BOARD OF DIRECTORS  
OF CEMBRE S.P.A.**

*Signed by*  
**CARLO ROSANI**

# Cembre S.p.A.

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## Attachment A to the Report on Operations for the 1<sup>st</sup> Quarter of 2009

### Consolidated Income Statement

(€ '000)	1 <sup>st</sup> Quarter 2009	%	1 <sup>st</sup> Quarter 2008	%	change
Revenues from sales and services provided	18.239	100,0%	25.609	100,0%	-28,8%
Other revenues	68		82		-17,1%
<b>TOTAL REVENUES</b>	<b>18.307</b>		<b>25.691</b>		
Cost of goods and merchandise	(6.227)	-34,1%	(8.996)	-35,1%	-30,8%
Change in inventories	(217)	-1,2%	(805)	-3,1%	-73,0%
Cost of services received	(2.899)	-15,9%	(3.513)	-13,7%	-17,5%
Lease and rental costs	(302)	-1,7%	(248)	-1,0%	21,8%
Personnel costs	(6.246)	-34,2%	(6.600)	-25,8%	-5,4%
Other operating costs	(89)	-0,5%	(162)	-0,6%	-45,1%
Increase in assets due to internal construction	182	1,0%	184	0,7%	-1,1%
Write-down of current assets	(33)	-0,2%	(60)	-0,2%	-45,0%
Accruals to provisions for risks and charges	(2)	0,0%	(3)	0,0%	-33,3%
<b>GROSS OPERATING PROFIT</b>	<b>2.474</b>	13,6%	<b>5.488</b>	21,4%	-54,9%
Property, plant and equipment depreciation	(686)	-3,8%	(662)	-2,6%	3,6%
Intangible assets amortization	(53)	-0,3%	(41)	-0,2%	29,3%
<b>OPERATING PROFIT</b>	<b>1.735</b>	9,5%	<b>4.785</b>	20,5%	-63,7%
Financial income (expense)	(17)	-0,1%	(65)	-0,3%	-73,8%
Foreign exchange gains (losses)	68	0,4%	(313)	-1,2%	-121,7%
<b>PROFIT BEFORE TAXES</b>	<b>1.786</b>	9,8%	<b>4.407</b>	17,2%	-59,5%

**Sede:**  
Via Serenissima, 9  
25135 Brescia  
Tel.: 030 3692.1  
Telefax: 030 3365766  
www.cembre.com  
E-mail: Info@cembre.com



**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 first 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 first Quarter of 2009 corresponds to the document results, books and accounting records.

Brescia, may 14, 2009

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