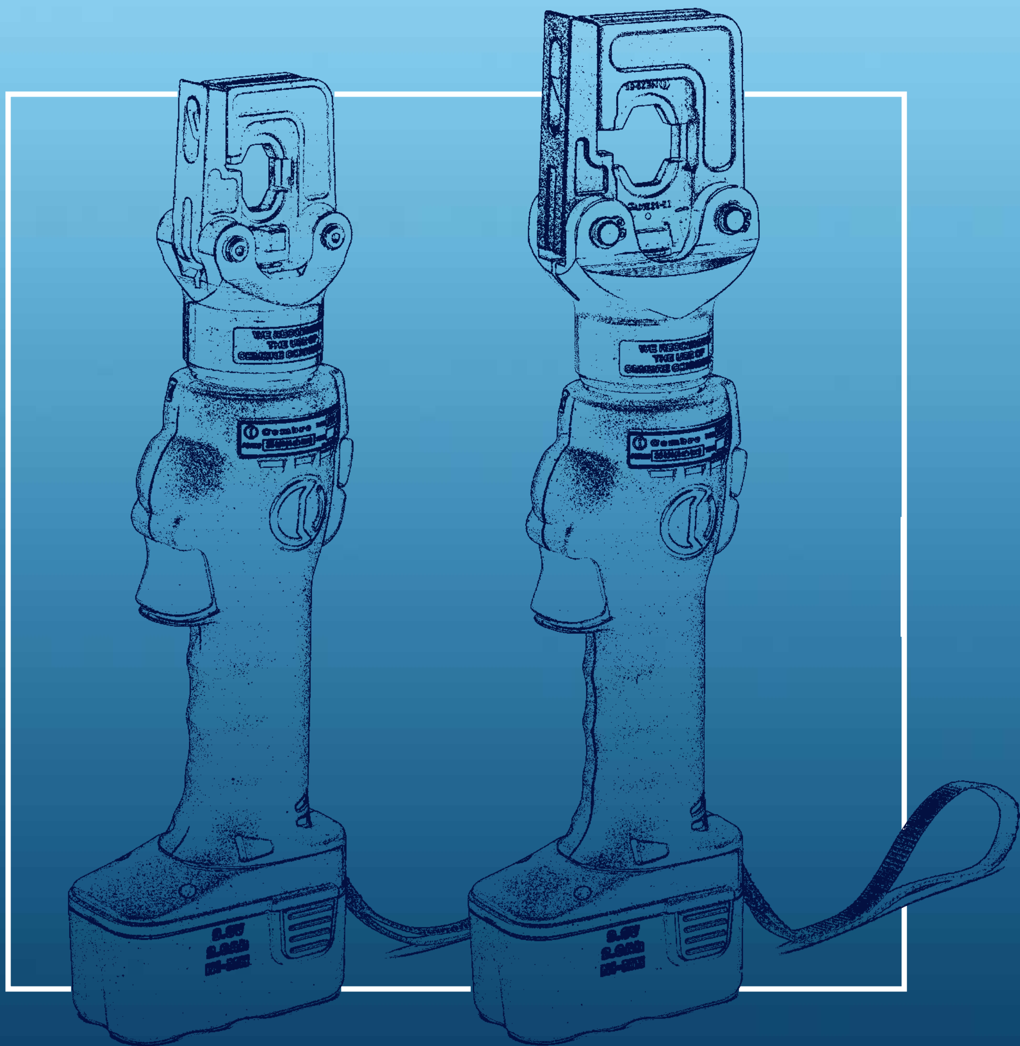
Cembre

COSTRUZIONI ELETTROMECCANICHE BRESCIANE



2009 half-yearly financial report

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 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)

The cover page shows our news rechargeables B35-45 and B35-50 crimping stick tools.

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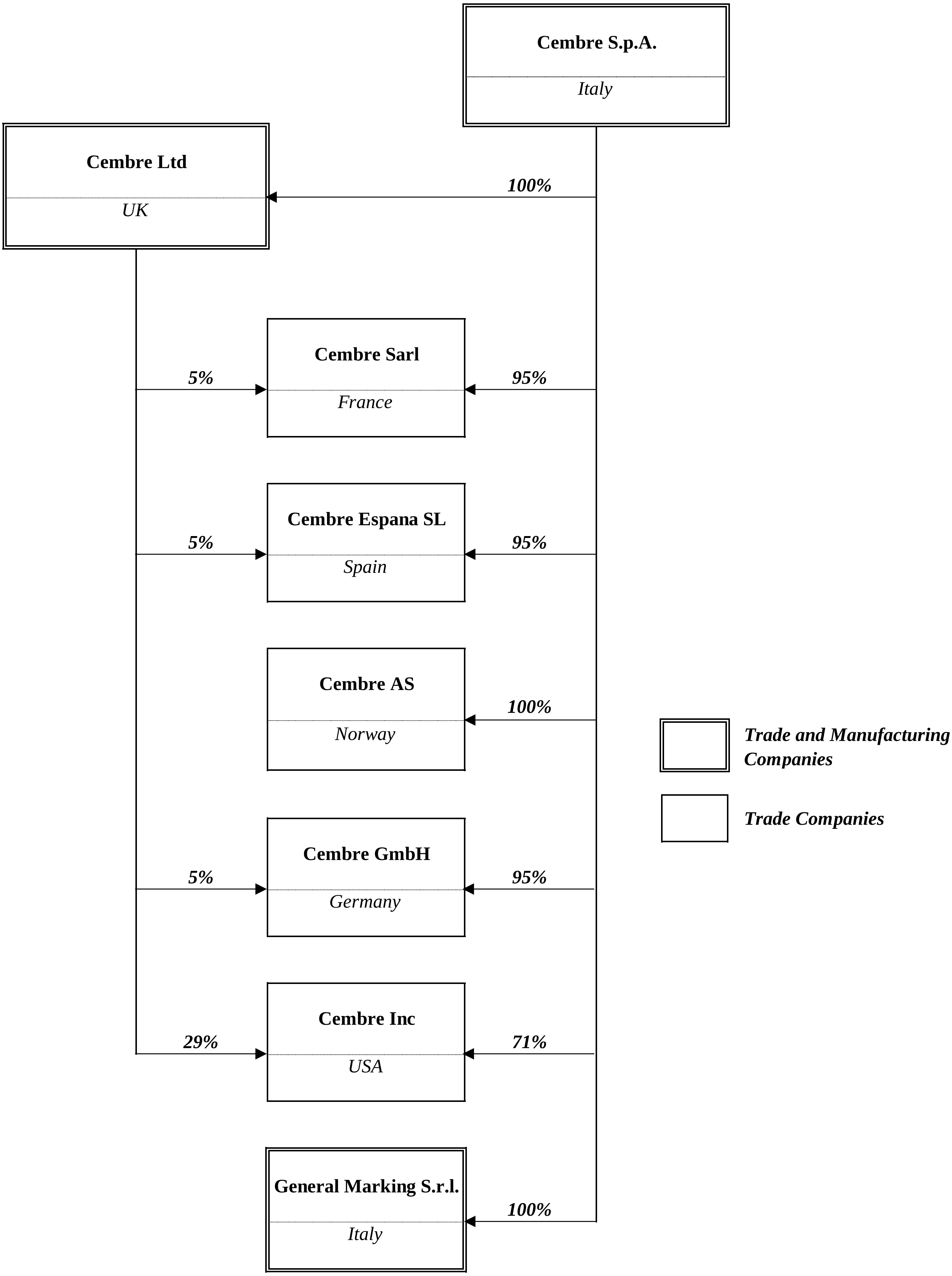
Cembre Group

GROUP STRUCTURE



Report on Operations for the 1st Half of 2009

The financial and economic crisis that exploded in the middle of 2008 influenced significantly results for the 1st Half of 2009. The general decline in consumption resulted in a 23.9% reduction in the Group's consolidated revenues from €50.1 million in the 1st Half of 2008, to €38.1 million in the 1st Half of 2009. In the 2nd Quarter of 2009, the decline in sales on the corresponding period in 2008 was sharply lower than in the 1st Quarter, down from a 28.8% reduction in the 1st Quarter, to a reduction of 18.9% in the 2nd Quarter vs. the 2nd Quarter of 2008.

All Group companies reported a reduction in sales, with the exception of the UK subsidiary whose turnover was stable. We note that, despite the decline in sales, all Group companies closed the 1st Half of 2009 reporting a profit, which we believe to be a sign of careful and correct management of resources. The consolidated net financial position remains positive at €2.2 million.

In the 1st Half of 2009, domestic sales amounted to €15.1 million, down 30%, while sales outside Italy amounted to €23 million, down 19.4% on the same period in the previous year. A total of 39.5% of Group sales were represented by Italy (as compared with 42.9% in the 1st Half of 2008), 48.4% by the rest of Europe (45.3% in the 1st Half of 2008), and the remaining 12.1% by the rest of the World (11.8% in the 1st Half of 2008).

Sales by geographical area

(€'000)	1st Half 2009	1st Half 2008
Italy	15,074	21,522
Rest of Europe	18,466	22,687
Rest of the World	4,592	5,922
Total	38,132	50,131

Revenues by Group company (net of intragroup sales):

(€'000)	1st Half 2009	1st Half 2008
Parent company	19,905	26,636
Cembre Ltd. (UK)	5,933	6,849
Cembre S.a.r.l. (France)	3,197	3,420
Cembre España S.L. (Spain)	3,790	6,698
Cembre GmbH (Germany)	2,461	2,637
Cembre AS (Norway)	321	431
Cembre Inc. (USA)	2,366	3,150
General Marking Srl (Italy)	159	310
Total	38,132	50,131

Figures for General Marking reported in the table above include only sales to third parties managed directly by the subsidiary. Part of General Marking's sales to other Group companies that distribute products in their respective markets are not attributed to General Marking in the table above. Such sales declined by 26.9% from €1,347 thousand in the 1st Half of 2008, to €985 thousand in the same period in 2009.

In the first six months of 2009, Group companies reported the following results, before consolidation:

	Revenues		Net profit	
(€'000)	1st Half 2009	1st Half 2008	1st Half 2009	1st Half 2008
Cembre S.p.A.	28,609	39,761	2,027	4,964
Cembre Ltd. (UK)	6,485	7,448	595	500
Cembre S.a.r.l. (F)	3,207	3,431	213	199
Cembre España S.L.	3,790	6,698	153	524
Cembre GmbH (D)	2,499	2,641	84	150
Cembre AS (Nor)	321	432	56	94
Cembre Inc. (US)	2,417	3,154	77	285
General Marking S.r.l.	1,144	1,656	154	299

To allow an evaluation of the impact of foreign exchange translations, we include below sales figures of companies operating outside the euro area, in the respective currency.

	Currency	Revenues		Net profit	
		1st Half 2009	1st Half 2008	1st Half 2009	1st Half 2008
Cembre Ltd. (UK)	£	5,797	5,773	531	387
Cembre AS (Norway)	Nok	2,859	3,431	502	746
Cembre Inc. (USA)	US$	3,221	4,826	103	436

To allow a better understanding of the Company's financial performance for 2009, a Reclassified Consolidated Income Statement for the 1st Half of 2009 and 2008 is enclosed as Attachment 1.

Consolidated gross operating profit for the 1st Half of 2009 amounted to €5,813 thousand, representing a 15.2% margin on sales, down 45.4% on the corresponding period in 2008 when it amounted to €10,649 thousand, representing a 21.2% margin on sales.

Consolidated operating profit for the period amounted to €4,344 thousand, representing an 11.4% margin on sales, down 52.3% on €9,101 thousand in the 1st Half of 2008, when it represented an 18.2% margin on sales.

Consolidated profit before taxes amounted to €4,444 thousand, representing an 11.7% margin on sales, down 49.5% on €8,795 thousand in the 1st Half of 2008, when it represented a 17.5% margin on sales.

The net financial expense amounts to €27 thousand, while the foreign exchange performance was positive, particularly in the case of the pound and the dollar, generating a gain of €127 thousand.

Net profit for the first six months of 2009 amounted to €2,872 thousand, representing a 7.5% margin on sales, down 54.1% on €6,263 thousand in the 1st Half of 2008, when it represented a 12.5% margin on sales.

The consolidated net financial position at June 30, 2009 amounted to a surplus of €2.2 million, improving on December 31, 2008, when it amounted to a surplus of €1.2 million, benefiting from the reduction in capital expenditure, down from €4.6 million to €1 million, which partly offset the payment of €2.7 million in dividends and the payment of €1.8 million in taxes by the parent.

Definition of alternative performance indicators

In compliance with Consob Communication DEM/6064293 dated July 28, 2007, below we define alternative performance indicators used in the present document to illustrate the financial and operating performance of the Group.

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, financial flows 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 flows and taxes.

Net financial position: represents the algebraic sum of cash and cash equivalents, financial receivables and current and non-current financial debt.

Shareholders' Equity

Consolidation adjustments determined the following differences between the Financial Statements of the parent company at June 30, 2009 and the consolidated accounts at the same date:

(€'000)	**Shareholders' Equity**	**Net profit**
Parent company's statutory accounts	**60,498**	**2,027**
Book value of consolidated companies	14,725	1,333
Elimination of intra-group profits included in the value of inventories (*)	(3,081)	(200)
Currency translation differences on elimination of intra-group payables and receivables	102	102

German subsidiary product warranty provision reversal (*)	19	-
Netting of intragroup dividends	-	(390)
Consolidated Financial Statements	**72,263**	**2,872**

(*) Net of the related tax effect

The Group's activity is not subject to cyclical or seasonal factors other than the slowdown in August for the summer holidays and in December for the Christmas holidays.

Capital expenditure

In the first six months of 2009, capital expenditure, gross of amortization, depreciation and disposals, amounted to €1 million, consisting primarily in the acquisition of plant and equipment and advances paid on work for the construction of a new entrance and parking at the Company's main complex.

Research & Development

In the 1st Half of 2009, Research and Development activities focused on the introduction of new technologies in the various segments in which the Company is present.

The main objectives of R&D activities applied to new projects launched and old projects still underway are the following:

- the development of innovative products in line with new market trends;
- innovation applied to existing products to improve their performance;
- the completion of product ranges already in the catalog;
- the improvement of production processes.

In the 1st Half of 2009, research costs included €239 thousand of personnel costs, expensed in the income statement.

Development costs for the period included €23 thousand of personnel costs, capitalized among intangible assets.

A description of Research and Development activities by sector is included in the section that follows.

Research projects in the field of cable terminals

Work continued on the study and development of new cable terminals, joints and connection chain terminals required by the market, in addition to the development and optimization of cable terminals from pipe.

Railroad Equipment Research projects

A number of projects in the field were developed further, including:

- a portable electric impact wrench suitable to screw and unscrew threaded bolts or nuts present on rail tracks;
- an electrically powered version of a wooden sleepers maintenance tool; and
- a head for vices unlocking.

New projects launched include:

- a new family of rail track maintenance tools;
- new drilling masks for Cembre's drills.

Research projects in the field of cable glands

The completion and extension of the product range continued:

- completion of the technopolymer cable glands PG range, with reduced cable entry;
- completion of the technopolymer cable glands PG range, with extended thread;
- completion of the brass cable glands PG range, standard and reduced cable entry versions;
- a new brass cable glands range PG type, extended thread and reduced cable entry versions;

- a new metric inox cable gland family;
- completion of the inox PG cable gland family.

Tools research projects

The following studies were undertaken in the 1st Half of 2009:

- the development of a new family of battery operated hydraulic tools with various combinations of heads for the cutting or compression of cable glands continued;
- the development of a hydraulic head with quick system for plunger fixing continued;
- the development of a new mechanical battery-operated tool began;
- new dies for the compression of a range of connectors were designed.

Cable marking research projects

The development of the following products continued:

- new labelling articles that use Cembre's range of printers;
- extension of the new series of flat labels;
- a new printer for labels.

Related parties

Commercial transactions concluded between the parent company and its subsidiaries in the 1st Half of 2009 are summarized in the table below:

(€'000)	Receivables	Payables	Revenues	Purchases
Cembre Ltd.	2,235	31	2,869	63
Cembre S.a.r.l.	613	7	1,465	7
Cembre España S.L.	934	-	1,654	-
Cembre AS	18	-	145	-
Cembre GmbH	951	28	1,521	31
Cembre Inc.	1,627	-	1,011	47
General Marking S.r.l.	13	353	55	985
Total	**6,391**	**419**	**8,720**	**1,133**

Cembre SpA leased an industrial building to subsidiary General Marking. In the 1st Half of 2009 rent for the building amounted to €49 thousand.

Cembre SpA also currently leases property among which an industrial building adjacent to the Company's main complex in Brescia, measuring a total of 5,960 square meters on three floors, in addition to commercial and office space in Milan, Padua and Bologna. These properties are owned by Tha Immobiliare SpA, with registered office in Brescia, controlled by Anna Maria Onofri, Giovanni Rosani and Sara Rosani, Directors of Cembre S.p.A. Cumulative lease payments for the 1st Half of 2009 amount to €256 thousand, in line with normal market conditions. It is in the Company's interest to benefit from the continuity of office space reducing the risk of early termination of leases. At June 30, 2009, all amounts due to Tha Immobiliare had been settled.

With reference to assets and liabilities relating to subsidiaries shown above, we confirm that transactions with the same and with related parties fall within the scope of normal operating activities.

Absence of control and coordination

Despite the fact that article 2497-*sexies* of the Italian Civil Code states that "it is presumed that, unless otherwise proved, the direction and coordination activities of companies is exercised by the company or entity that is required to consolidate the same in its accounts or that, in any case, controls the former company pursuant to article 2359 (of the Italian Civil Code)", Cembre S.p.A. believes to be operating in full autonomy from its parent Lysne SpA. In particular, as a non-exhaustive example, the Company manages autonomously its own treasury and relationships with its customers and suppliers, and does not make use of any service provided by its parent company.

Cembre S.p.A.'s relationships with its parent company Lysne S.p.A. is limited to the normal exercise of shareholders' rights on the part of the parent.

Own shares and shares of parent companies

In the 1st Half of 2009, the Cembre Group did not acquire or sell any of its own shares, nor did it own, either directly or through any of its subsidiaries, trust companies or intermediaries, any of its own shares or any of its parent company's shares.

Ownership Structure and Corporate Governance

For a description of the Company's corporate governance please refer to the Report on Corporate Governance which, in addition to providing a general description of corporate governance, contains information regarding the ownership structure of the Company, the adoption of the Code of Conduct and the observance of the resulting commitments. Said Report is available for consultation in the Investor Relations section of the Group's Internet site (www.cembre.it).

Main risks and uncertainties

Risks connected to the economic situation

The economic and financial situation of the Group is clearly influenced by macroeconomic factors such as changes in the Gross Domestic Product, consumer and business confidence, changes in interest rates and the cost of raw materials.

The 1st Half of 2009 was characterized by a strong market contraction caused by the financial crisis and deep economic downturn. In this framework, due to the contraction in demand and measures taken by international authorities to contrast speculative pressures, raw material prices declined.

Although the first timid signals of a recovery are showing, it remains extremely difficult to predict the timing of a return to normal market conditions.

Though being able to count on a solid financial position, should the uncertain situation persist for a long period of time, strategies, outlook and results of the Group could be negatively affected.

Risks connected with the market

In view of the overall liquidity crisis, the Group could suffer from competition from manufacturers that benefit from lower labour costs. Protectionist policies followed by some governments to protect local producers could also have an adverse effect on the Group, which is countering these factors with ongoing innovation, the widening of the product range, the launch of lower cost products and the upgrade of its production process, implementing focused marketing policies also with the help of its foreign subsidiaries.

Credit risk

The scarce liquidity of the system and difficulties in accessing credit from banks could lead some of the Group's customers to become insolvent, making the retrieval of amounts receivable difficult. In this framework, Cembre and its subsidiaries have focused over time on a careful selection of their customers, managing prudently sales to customers that do not possess an adequate credit standing. The Group has accrued a provision for doubtful accounts and the management of litigation, while the monitoring of customers has become more careful, with an ongoing monitoring of overdues and immediate contact with morose customers.

Exposure to credit risk relates exclusively to trade receivables.

Liquidity risk

Thanks to its solid financial position, the Group is not currently subject to particular liquidity risk, even in case cash flow from operating activities should decline drastically.

Interest rate risk

The Group does not currently make consistent recourse to bank loans and is not therefore subject to appreciable risks connected with fluctuations in interest rates.

Currency risk

Despite a strong international presence, the Group does not have a significant exposure to currency risk, as it operates almost entirely in the euro area, reducing currency risk to a non significant level. Exposure to currency risk is basically limited to sales in US dollars and British pounds, but the size of these transactions is not significant in influencing the overall performance of the Group or its financial position.

Integrity and reputation risk

Illicit behaviour of employees, aimed at obtaining benefits for themselves and for the Group can imply the risk of a loss of reputation and of sanctions against the Group. To prevent the risk of these occurrences and in line with Legislative Decree 231/2001, the parent company adopted an organizational, management and control model that identifies processes that are subject to risk and establishes the conduct that the various persons involved are to keep in carrying out their tasks. To ensure that the model adopted becomes the basis of conduct in the operation of the company, employees were instructed through specific training sessions. The parent company constantly integrates and upgrades the model.

For more detailed information please refer to the notes.

Handling of private information

Cembre S.p.A. (responsible for the handling of personal information) updated the Privacy Plan through its Director for the Handling of Private Information. Said document describes minimum security standards adopted by the Company to minimize the risk of destruction or loss, including accidental, of personal information, of unauthorized access or unwarranted treatment of the same or uses not consistent with the reason for the collection of personal data.

Environmental management

Cembre S.p.A. deemed it fundamental for its development to adopt an Environmental Management system that covers in an integrated manner every aspect of its activities. Thanks to the setting of behavioural guidelines and of rigorous procedures, the Company obtained an Environmental Certification under standard UNI EN ISO 14001:2004 that singles out companies that are more sensitive to environmental protection issues.

Subsequent events

No event having significant effects on Cembre's financial or operating performance occurred after June 30, 2009.

Outlook

Due to the continuing difficult situation in the domestic and international markets, Cembre expects a contraction in sales and profits for 2009 as a whole. The general 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.

Attachments

- Attachment 1: Reclassified Consolidated Income Statement
- Attachment 2: Corporate Boards

Brescia, August 27, 2009

THE CHAIRMAN OF THE BOARD OF DIRECTORS
OF PARENT COMPANY CEMBRE S.P.A.

CARLO ROSANI

Cembre S.p.A.

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

Attachment 1 - Report on Operations for the 1st Half of 2009

Consolidated Income Statement

(€ '000)	**1st Half 2009**	**%**	**1st Half 2008**	**%**	**change**
Revenues from sales and services provided	38.132	100	50.131	100	-23,9%
Other revenues	312		171		
TOTAL REVENUES	**38.444**		**50.302**		
Cost of goods and marchandise	(12.002)	(31,5)	(18.899)	(37,7)	-36,5%
Change in inventories	(2.174)	(5,7)	71	0,1	
Cost of services received	(5.510)	(14,4)	(6.870)	(13,7)	-19,8%
Lease and rental costs	(545)	(1,4)	(517)	(1,0)	5,4%
Personnel costs	(12.399)	(32,5)	(13.337)	(26,6)	-7,0%
Other operating costs	(266)	(0,7)	(306)	(0,6)	-13,1%
Increase in assets due to internal construction	391	1,0	314	0,6	24,5%
Write-down of current assets	(122)	(0,3)	(104)	(0,2)	17,3%
Accruals to provisions for risks and charges	(4)	(0,0)	(5)	(0,0)	-20,0%
GROSS OPERATING PROFIT	**5.813**	**15,2**	**10.649**	**21,2**	-45,4%
Tangible assets depreciation	(1.359)	(3,6)	(1.358)	(2,7)	0,1%
Intangible assets amortization	(110)	(0,3)	(190)	(0,4)	-42,1%
OPERATING PROFIT	**4.344**	**11,4**	**9.101**	**18,2**	-52,3%
Financial income	23	0,1	53	0,1	-56,6%
Financial expenses	(50)	(0,1)	(172)	(0,3)	-70,9%
Foreign exchange gains (losses)	127	0,3	(187)	(0,4)	-167,9%
PROFIT BEFORE TAXES	**4.444**	**11,7**	**8.795**	**17,5**	-49,5%
Income taxes	(1.572)	(4,1)	(2.532)	(5,1)	-37,9%
NET PROFIT FROM ORDINARY ACTIVITIES	**2.872**	**7,5**	**6.263**	**12,5**	-54,1%
NET PROFIT FROM ASSETS HELD FOR DISPOSAL	**-**		**-**		
NET PROFIT	**2.872**	**7,5**	**6.263**	**12,5**	-54,1%

Corporate Boards
(Attachment 2 – Report on operations for the 1st Half of 2009)

Board of Directors

Chairman and Managing Director	Carlo Rosani
Vice Chairman and Managing Director	Anna Maria Onofri
Managing Director	Giovanni Rosani
Director	Sara Rosani
Director	Giovanni De Vecchi
Director	Aldo Bottini Bongrani
Independent Director	Giancarlo Maccarini
Independent Director	Fabio Fada

Secretary

	Giorgio Rota

Board of Statutory Auditors

Chairman	Guido Astori
Permanent Auditor	Leone Scutti
Permanent Auditor	Andrea Boreatti
Substitute Auditor	Maria Grazia Lizzini
Substitute Auditor	Giorgio Astori

Independent Auditors

	PricewaterhouseCoopers S.p.A.

The above list is updated at August 27, 2009.

The Board of Directors and Board of Statutory Auditor's term expires with the approval of the Financial Statements at December 31, 2011.
The Chairman and Managing Director Carlo Rosani holds by statute (article 18) powers of legal representation of the Company. The Board of Directors conferred to the Chairman all the ordinary management powers not specifically reserved to it by law. The Board of Directors conferred to Managing Director Giovanni Rosani all the ordinary management powers not specifically reserved to it by law and exclusive powers over the organization, management and monitoring of the internal control system.
In case of absence or impediment of the Chairman and of Managing Director Carlo Rosani, Vice Chairman and Managing Director Anna Maria Onofri holds all ordinary management powers not reserved to the Board by law, with the exception of the appointment of professionals. All Managing Directors must keep the Board of Directors informed of all relevant transactions concluded in the context of their mandate. The Board of Directors has approved rules that define which particularly relevant transactions may be concluded exclusively by the same.

Cembre S.p.A.

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Condensed consolidated financial statements at June 30, 2009

Consolidated Statement of Financial Position

	Notes	Jun. 30, 2009		Dec. 31, 2008	
(euro '000)					
ASSETS			*of which: related parties*		*of which: related parties*
A) NON-CURRENT ASSETS					
Tangible assets	*1*	32.640		32.590	
Intangible assets	*2*	614		692	
Financial assets available for sale		5		5	
Other non-current assets		21		76	
Deferred tax assets	*9*	1.893		1.775	
TOTAL NON-CURRENT ASSETS		**35.173**		**35.138**	
B) CURRENT ASSETS					
Inventories	*3*	30.559		32.378	
Trade receivables	*4*	21.234		24.650	
Tax receivables		788		650	
Other receivables		298		330	
Cash and cash equivalents		6.525		4.545	
TOTAL CURRENT ASSETS		**59.404**		**62.553**	
C) NON-CURRENT ASSETS AVAILABLE FOR SALE		**-**		**-**	
TOTAL ASSETS(A+B+C)		**94.577**		**97.691**	
LIABILITIES AND SHAREHOLDERS' EQUITY					
A) SHAREHOLDERS' EQUITY					
Capital stock	*5*	8.840		8.840	
Reserves	*5*	60.551		51.766	
Net profit	*5*	2.872		10.857	
TOTAL SHAREHOLDERS' EQUITY		**72.263**		**71.463**	
B) NON-CURRENT LIABILITIES					
Non-current financial liabilities	*6-21*	42		60	
Non-current tax payables		93		93	
Employee Severance Indemnity and other personnel benefits	*7*	3.090	156	3.194	152
Provisions for risks and charges	*8*	65		292	
Deferred tax liabilities	*9*	2.486		2.671	
TOTAL NON-CURRENT LIABILITIES		**5.776**		**6.310**	
C) CURRENT LIABILITIES					
Current financial liabilities	*6*	4.295		3.315	
Trade payables	*10*	5.981		10.819	
Tax payables		582		247	
Other payables	*11*	5.680		5.537	
TOTAL CURRENT LIABILITIES		**16.538**		**19.918**	
D) LIABILITIES ON ASSETS HELD FOR DISPOSAL		**-**		**-**	
TOTAL LIABILITIES (B+C+D)		**22.314**		**26.228**	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (A+B+C+D)		**94.577**		**97.691**	

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Condensed consolidated financial statements at June 30, 2009

Statement of Consolidated Comprehensive Income

(euro '000)	**Notes**	**1st Half 2009**	*of which: related parties*	**1st Half 2008**	*of which: related parties*
Revenues from sales and services provided	*12*	38.132		50.131	
Other revenues	*13*	312		171	
TOTAL REVENUES		**38.444**		**50.302**	
Cost of goods and merchandise		(12.002)		(18.899)	
Change in inventories		(2.174)		71	
Cost of services received	*14*	(5.510)	(369)	(6.870)	(368)
Lease and rental costs	*19*	(545)	(256)	(517)	(248)
Personnel costs	*15*	(12.399)	(54)	(13.337)	(86)
Other operating costs		(266)		(306)	
Increase in assets due to internal construction		391		314	
Write-down of receivables		(122)		(104)	
Accruals to provisions for risks and charges		(4)		(5)	
GROSS OPERATING PROFIT		**5.813**		**10.649**	
Property, plant and equipment depreciation		(1.359)		(1.358)	
Intangible asset amortization		(110)		(190)	
OPERATING PROFIT		**4.344**		**9.101**	
Financial income		23		53	
Financial expenses		(50)		(172)	
Foreign exchange gains (losses)		127		(187)	
PROFIT BEFORE TAXES		**4.444**		**8.795**	
Income taxes	*16*	(1.572)		(2.532)	
NET PROFIT FROM ORDINARY ACTIVITIES		**2.872**		**6.263**	
NET PROFIT FROM ASSETS HELD FOR DISPOSAL		**-**		**-**	
NET PROFIT		**2.872**		**6.263**	
Conversion differences included in equity		648		(686)	
COMPREHENSIVE INCOME	*17*	**3.520**		**5.577**	
BASIC EARNINGS PER SHARE	*18*	**0,17**		**0,37**	

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Condensed consolidated financial statements at June 30, 2009

Consolidated Statement of Cash Flows

€ '000

	1st Half 2009	Full Year 2008
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**4.545**	**4.549**
B) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the period	2.872	10.857
Depreciation, amortization and write-downs	1.469	3.052
(Gains)/Losses on disposal of assets	(5)	(2)
Net change in Employee Severance Indemnity	(104)	(158)
Net change in provisions for risks and charges	(227)	(3)
Operating profit (loss) before change in working capital	**4.005**	**13.746**
(Increase) Decrease in trade receivables	3.416	1.705
(Increase) Decrease in inventories	1.819	(653)
(Increase) Decrease in other receivables and deferred tax assets	(224)	(551)
Increase (Decrease) of trade payables	(4.638)	(239)
Increase (Decrease) of other payables, deferred tax liabilities and tax payables	293	(1.541)
Change in working capital	**666**	**(1.279)**
NET CASH FLOW (USED IN)/FROM OPERATING ACTIVITIES	**4.671**	**12.467**
C) CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets:		
- intangible	(32)	(544)
- tangible	(1.004)	(4.064)
Proceeds from disposal of tangible, intangible, available-for-sale financial assets		
- tangible	28	80
Increase (Decrease) of trade payables for assets	(200)	45
NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES	**(1.208)**	**(4.483)**
D) CASH FLOW FROM FINANCING ACTIVITIES		
(Increase) Decrease in other non current assets	55	1
Increase (Decrease) in bank loans and borrowings	996	(2.864)
Increase (Decrease) in other loans and borrowings	(34)	(30)
Dividends distributed	(2.720)	(4.420)
NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES	**(1.703)**	**(7.313)**
E) INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (B+C+D)	**1.760**	**671**
F) Foreign exchange differences	220	(675)
G) CASH AND CASH EQUIVALENTS AT END OF PERIOD (A+E+F)	**6.525**	**4.545**

CASH AND CASH EQUIVALENTS AT END OF PERIOD	**6.525**	**4.545**
Current financial liabilities	(4.295)	(3.315)
Non current financial liabilities	(42)	(60)
NET CONSOLIDATED FINANCIAL POSITION	**2.188**	**1.170**
INTERESTS PAID IN THE PERIOD	**(50)**	**(318)**

BREAKDOWN OF CASH AND CASH EQUIVALENTS AT END OF PERIOD		
Cash	16	16
Banks	6.509	4.529
	6.525	**4.545**

Cembre S.p.A.

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

Condensed consolidated financial statements at June 30, 2009

Statement of Changes in the Consolidated Shareholders' Equity

(€ '000)	Capital stock	Share premium reserve	Legal reserve	Suspended-tax reserves	Consolidation reserve	Conversion differences	Extraordinary reserve	Urealized gains reserve	Reserve for exchange gains	Retained earnings	Net profit	Total Shareholders' Equity
Balance at December 31, 2008	**8.840**	**12.245**	**1.768**	**68**	**11.006**	**(2.800)**	**25.680**	**3.715**	**-**	**84**	**10.857**	**71.463**
Allocation of previous year's net profit (1)					2.068		6.015		54		(10.857)	(2.720)
Other changes							84			(84)		-
Comprehensive income					(185)	833					2.872	3.520
Balance at June 30, 2009	**8.840**	**12.245**	**1.768**	**68**	**12.889**	**(1.967)**	**31.779**	**3.715**	**54**	**-**	**2.872**	**72.263**

(€ '000)	Capital stock	Share premium reserve	Legal reserve	Suspended-tax reserves	Consolidation reserve	Conversion differences	Extraordinary reserve	Urealized gains reserve	Reserve for exchange gains	Retained earnings	Net profit	Total Shareholders' Equity
Balance at December 31, 2007	**8.840**	**12.245**	**1.768**	**68**	**7.961**	**(978)**	**21.113**	**3.715**	**-**	**84**	**11.896**	**66.712**
Allocation of previous year's net profit (1)					2.909		4.567				(11.896)	(4.420)
Comprehensive income					17	(703)					6.263	5.577
Balance at June 30, 2008	**8.840**	**12.245**	**1.768**	**68**	**10.887**	**(1.681)**	**25.680**	**3.715**	**-**	**84**	**6.263**	**67.869**

(1) Dividends resolved by the Shareholders' Meeting are included in the Total Shareholders' Equity column under Allocation of previous year's net profit.

Notes to the condensed consolidated financial statements at June 30, 2009

I. CORPORATE INFORMATION

Cembre S.p.A. is a joint-stock company with registered office in Brescia, Via Serenissima 9.

Cembre S.p.A. and its subsidiaries (hereinafter referred to jointly as “the Cembre Group” or “the Group”) are active primarily in the manufacturing and sale of electrical connectors and related tools.

Cembre S.p.A. is controlled by Lysne S.p.A., a holding company based in Brescia, that does not direct or coordinate its subsidiary.

The publication of the Consolidated Financial Statements of Cembre S.p.A. for the half-year ended June 30, 2009 was authorized by a resolution of the Board of Directors dated August 27, 2009.

II. FORM AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING PRINCIPLES

Form and content

The present consolidated Interim Report at June 30, 2009 was prepared under IAS 34 on Interim Reports.

This consolidated interim report does not include all additional information required for annual reports and must be read in conjunction with the Financial Statements at December 31, 2008.

Accounting principles

Principles adopted in the preparation of the consolidated interim report are consistent with those adopted in the preparation of the Financial Statements at December 31, 2008. The adoption of mandatory amendments for accounting periods beginning on January 1, 2009 or later had no effect on the operating results or the financial position of the Group.

Principles adopted in the preparation of the present consolidated interim report are those formally approved by the European Union, in force at June 30, 2009.

Unless otherwise indicated, figures reported in the financial statements and the related notes are expressed in thousands of euro.

Adoption of IAS 1 Revised

The revised version of IAS 1 – *Presentation of Financial Statements* no longer allows the presentation of income components as income and charges (defined as “non-owner changes in equity”) in the Statement of Changes in the Shareholders’ Equity, requiring instead separate presentation with respect to changes generated by transactions with shareholders. According to the revised version of IAS 1, in fact, all changes generated by transactions with non-shareholders must be presented in a single separate statement that shows the performance for the period (statement of comprehensive income), or in two statements (a separate income statement and a statement of comprehensive income). These changes must be reported separately also in the Statement of Changes in the Shareholders’ Equity.

The Group applied the revised version of IAS 1 retrospectively from January 1, 2009, choosing to report all changes generated by transactions with non-shareholders in a single statement called “Consolidated Statement of

Comprehensive Income. The Group has consequently adjusted the presentation of the Statement of Changes in the Shareholders' Equity.

Adoption of IFRS 8

Accounting principle IFRS 8 – *Operating Segments* replaces IAS 14 – *Segment Information* and requires entities to base information included in segment information on those elements used by management to base its decisions on operations, thus requiring the identification of operating segments based on internal reporting elements, regularly reviewed by management to allocate resources to the different operating segments and to analyze performance. The adoption of this principle did not have an effect on the Consolidated Financial Statements and on the notes, as the previously adopted reporting schedule was already in line with internal reports.

Translation of financial statements expressed in currencies other than the euro

The functional reporting currency of the Group is the euro.

Exchange rates applied in the translation of financial statements of subsidiaries are shown in the table below.

	Exchange rate at June 30, 2009	Average exchange rate for the 1st Half of 2009
British pound (€/£)	0.8521	0.8939
US dollar ($/€)	1.4134	1.3328
Norway kroner (NOK/€)	9.0180	8.8956

III. SEASONAL FACTORS

The Group's activity is not subject to cyclical or seasonal factors except for the slowdown in activity in August for the summer holidays, and in December for the Christmas holidays.

IV. SEGMENT INFORMATION

IFRS 8 requires segment information to be reported using the same elements utilized by management for internal reporting purposes.

Cembre uses for its analysis information based on geographical areas, based on the location in which the operations of the company are based or the production process takes place.

As the Cembre Group operates in a single segment denominated "Electric connectors and related tools", information by segment of activity is not normally used in internal reporting.

Segment information by geographical area, based on the location in which the operations of the company are based or the production process takes place, is provided below.

1st Half 2009	Italy	Rest of Europe	Rest of World	Elimination of intragroup transactions	TOTAL
Revenues					
Sales to customers	20,064	15,702	2,366		38,132
Sales to other Group companies	9,689	600	51	(10,340)	-
Revenues by sector	29,753	16,302	2,417	(10,340)	38,132
Operating profit by sector	2,720	1,508	116		4,344
Overhead costs/profits not assigned					-
Operating profit					4,344
Financial income (expense)					100
Income taxes					(1,572)
Gain (loss) from discontinued operations					-
Net profit					2,872

1st Half 2008	Italy	Rest of Europe	Rest of World	Elimination of intragroup transactions	TOTAL
Revenues					
Sales to customers	26,946	20,035	3,150		50,131
Sales to other Group companies	14,471	615	3	(15,089)	-
Revenues by sector	41,417	20,650	3,153	(15,089)	50,131
Operating profit by sector	6,428	2,209	464		9,101
Overhead costs/profits not assigned					-
Operating profit					9,101
Financial income (expense)					(306)
Income taxes					(2,532)
Gain (loss) from discontinued operations					-
Net profit					6,263

As the breakdown of sales by geographical area is different from that of the related Group activities, a breakdown of sales by geographical area of customers is shown below.

	1st Half 2009	1st Half 2008	Change
Italy	15,074	21,522	(6,448)
Europe	18,466	22,687	(4,221)
Rest of World	4,592	5,922	(1,330)
	38,132	**50,131**	**(11,999)**

The breakdown of assets and liabilities is shown below:

June 30, 2009	Italy	Rest of Europe	Rest of World	TOTAL
Assets and Liabilities				
Assets of the sector	64,335	29,254	4,070	97,659
Unassigned assets				(3,082)
Total assets				94,577
Liabilities of the sector	18,030	4,250	53	22,333
Unassigned liabilities				(19)
Total liabilities				22,314

December 31, 2008	Italy	Rest of Europe	Rest of World	TOTAL
Assets and Liabilities				
Assets of the sector	67,273	28,701	4,148	100,122
Unassigned assets				(2,431)
Total assets				97,691
Liabilities of the sector	21,883	4,351	14	26,248
Unassigned liabilities				(20)
Total liabilities				26,228

June 30, 2009	Italy	Rest of Europe	Rest of World	TOTAL
Other information by sector				
Capital expenditure:				
- Property, plant and equipment	909	92	3	1,004
- Intangible assets	32	-	-	32
				1,036
Depreciation and amortization:				
- Property, plant and equipment	(1,062)	(253)	(44)	(1,359)
- Intangible assets	(109)	(1)	-	(110)
Accruals and provisions for employee benefits	450	-	-	450
Average no. of employees	396	137	13	546

June 30, 2008	Italy	Rest of Europe	Rest of World	TOTAL
Other information by sector				
Capital expenditure:				
- Property, plant and equipment	1,557	437	89	2,083
- Intangible assets	445	-	-	445
				2,528
Depreciation and amortization:				
- Property, plant and equipment	(1,050)	(284)	(24)	(1,358)
- Intangible assets	(189)	(1)	-	(190)
Accruals and provisions for employee benefits	370	4	-	374
Average no. of employees	393	137	16	546

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Plant and machinery	Equipment	Other assets	Leased assets	Work in progress	Total
Historical cost and revaluations	27,364	31,336	7,435	5,727	343	1,221	73,426
Accumulated depreciation	(5,667)	(24,442)	(6,079)	(4,424)	(224)	-	(40,836)
Balance at Dec. 31, 2008	**21,697**	**6,894**	**1,356**	**1,303**	**119**	**1,221**	**32,590**
Increases	83	105	105	104	-	607	1,004
Foreign-exchange differences	308	103	-	16	-	-	427
Depreciation	(251)	(666)	(177)	(249)	(16)	-	(1,359)
Net divestments	-	-	-	(1)	-	(21)	(22)
Reclassifications	4	200	201	7	(7)	(405)	-
Balance at June 30, 2009	**21,841**	**6,636**	**1,485**	**1,180**	**96**	**1,402**	**32,640**

	Land and buildings	Plant and machinery	Equipment	Other assets	Leased assets	Work in progress	Total
Historical cost and revaluations	27,967	30,110	6,934	6,024	306	313	71,654
Accumulated depreciation	(5,251)	(23,607)	(5,768)	(4,520)	(159)	-	(39,305)
Balance at Dec. 31, 2007	**22,716**	**6,503**	**1,166**	**1,504**	**147**	**313**	**32,349**
Increases	272	1,729	496	397	37	1,133	4,064
Foreign-exchange differences	(789)	(180)	(1)	(42)	-	-	(1,012)
Depreciation	(502)	(1,308)	(322)	(537)	(65)	-	(2,734)
Net divestments	-	(29)	-	(33)	-	(15)	(77)
Reclassifications	-	179	17	14	-	(210)	-
Balance at Dec. 31, 2008	**21,697**	**6,894**	**1,356**	**1,303**	**119**	**1,221**	**32,590**

Capital expenditure for the 1st Half of 2009 consists primarily of purchases made by the parent company. Among these is the construction by Cembre's tooling center of dies and equipment worth €368 thousand. The amount is recorded among work in progress and advances, which includes also €183 thousand of costs incurred in the construction, started in 2008 and still underway, of a new entrance and parking at the Brescia main complex. The work resulted also in a €54 thousand increase in the value of buildings.

2. INTANGIBLE ASSETS

	Development costs	Software	Total
Historical cost	283	3,057	3,340
Accumulated amortization	(181)	(2,467)	(2,648)
Balance at Dec. 31, 2008	**102**	**590**	**692**
Increases	23	9	32
Amortization	(25)	(85)	(110)
Balance at June 30, 2009	**100**	**514**	**614**

The increase in development costs relates to the cost of personnel employed in development in the 1st Half of 2009.

3. INVENTORIES

	June 30, 2009	Dec. 31, 2008	Change
Raw materials	6,729	6,842	(113)
Work in progress and semi-finished goods	6,932	8,480	(1,548)
Finished goods	16,898	17,056	(158)
Total	**30,559**	**32,378**	**(1,819)**

The value of finished goods inventories is adjusted to its expected realizable value through a provision for slow-moving stock amounting approximately to €1,509 thousand. Changes in the provision in the first six months of 2009 are shown in the table that follows:

	June 30, 2009	Dec. 31, 2008
Balance at January 1	**1,484**	**1,593**
Accruals	23	118
Uses	(21)	(175)
Currency translation differences	23	(52)
Balance at June 30	**1,509**	**1,484**

4. TRADE RECEIVABLES

	June 30, 2009	Dec. 31, 2008	Change
Gross trade receivables	21,830	25,160	(3,330)
Provision for doubtful accounts	(596)	(510)	(86)
Total	**21,234**	**24,650**	**(3,416)**

Trade receivables by geographical area

	June 30, 2009	Dec. 31, 2008	Change
Italy	12,227	14,223	(1,996)
Europe	8,447	9,454	(1,007)
America	689	706	(17)
Oceania	72	143	(71)
Middle East	102	201	(99)
Far East	157	285	(128)
Africa	136	148	(12)
Total	**21,830**	**25,160**	**(3,330)**

Average collection time grew to 104 days, up from 98 days in 2008.

Changes in the provision for doubtful accounts, accrued in part for overall bad debt and in part for individual accounts, is shown in the table that follows:

	June 30, 2009	Dec. 31, 2008
Balance at January 1	**510**	**648**
Accruals	134	261
Uses	(49)	(399)
Foreign exchange differences	1	-
Ending balance	**596**	**510**

Breakdown of receivables by maturity at June 30, 2009

	Not matured	0-90 days	91-180 days	181-365 days	Over one year	Under litigation	Total
June 30, 2009	18,444	2,070	683	261	241	131	**21,830**
Dec. 31, 2008	21,502	2,053	985	270	238	112	**25,160**

5. SHAREHOLDERS’ EQUITY

At June 30, 2009, the capital stock of the parent company amounted to €8,840,000, and was made up of 17 million ordinary shares of par value €0.52 each, fully underwritten and paid-up. At the same date the Company did not hold treasury shares.

The Statement of Changes in the Consolidated Shareholders’ Equity included in the Consolidated Financial Statements shows changes in individual components of the Consolidated Shareholders’ Equity.

6. FINANCIAL LIABILITIES

	Effective interest rate (%)	Maturity	June 30, 2009	Dec. 31, 2008
Bank overdrafts				
Parent company	4.0-5.5	on demand		
Unicredit			379	631
Credito Bergamasco			372	371
Monte dei Paschi di Siena			283	115
Popolare di Verona			103	54
Popolare di Bergamo			673	41
Popolare di Sondrio			611	3
Banco di Brescia			161	-
Banco Nazionale del Lavoro			2	-
Intesa - San Paolo			1	-
			2,585	1.215
Cembre Ltd				
Lloyds TSB	6 (rate+1.5 spread)	on demand	-	65
Cembre Gmbh				
Popolare di Bergamo	8.5	Dec. 2008	-	24
Total bank overdrafts			**2,585**	**1.304**
Loans				
General Marking				
Popolare di Sondrio	2.5-3.0	a 30 days	1,019	1.304
Cembre Gmbh				
Popolare di Bergamo	Euribor+0.375	July 2009	650	650
Total loans			**1,669**	**1.954**
Leasing (short-term portion)				
Cembre España SL	5.22-8.34	2009-2010	41	61
Total leasing (short-term portion)			**41**	**57**
CURRENT FINANCIAL LIABILITIES			**4,295**	**6,183**
Leasing (long-term portion)				
Cembre España SL	5.22-8.34	2010-2012	42	86
Total leasing (long-term portion)			**42**	**60**
NON-CURRENT FINANCIAL LIABILITIES			**42**	**86**

The present value of minimum future lease payments, discounted at the average rate paid on current lease contracts, is shown in the table that follows:

Year	Cash flow	No. of days	Current value
2009	24	183	21
2010	33	548	28
2011	22	913	17
2012	4	1,278	3
Total	**83**		**70**

Difference	**13**
Avg. discounting rate	**5.92%**

Long-term portion of leasing commitments by maturity

	2009	2010	2011	2012	Total
Minimum lease payments	24	33	22	4	83
Discounted amounts	21	28	17	3	70

The parent company granted guarantees against a loan extended to subsidiary General Marking.

7. EMPLOYEE TERMINATION INDEMNITY AND OTHER RETIREMENT BENEFITS

The item includes the Employee Termination Indemnity accrued for employees of Italian companies. Special retirement benefits, due in accordance with French regulations to persons employed in France at the time of retirement, are also included in the provision.

At June 30, 2009, the Group, after verifying the immateriality of the operation, decided not to discount back employee termination indemnities accrued, maintaining the discounting effect at December 31, 2008. The above practice will be reviewed in the Financial Statements at December 31, 2009.

	June 30, 2009	Dec. 31, 2008
Beginning balance	**3,194**	**3,352**
Accruals	351	656
Uses	(204)	(441)
INPS treasury account	(251)	(525)
Discounting effect	-	152
Ending balance	**3,090**	**3,194**

8. PROVISIONS FOR RISKS AND CHARGES

	Social Security (INAIL) litigation	Customer indemnities	Total
At December 31, 2008	**231**	**61**	**292**
Accruals	-	4	4
Uses	(51)	-	(51)
Decreases	(180)	-	(180)
At June 30, 2009	**-**	**65**	**65**

The provision for social security (INAIL) litigation was accrued in past years to cover potential liabilities that could emerge from alleged different classifications made in the past and contested by INAIL, against which claims the parent company made a motivated appeal. In the 1st Half of 2009, second degree appeals were concluded. As a result of the court ruling, the provision was drawn down by €51 thousand, recording a liability towards INAIL, while the residual €180 thousand were recorded as non-recurrent gains under Other revenues.

9. DEFERRED TAX ASSETS AND LIABILITIES

	June 30, 2009	Dec. 31, 2008
Deferred tax liabilities		
Average cost valuation of inventories by the parent	(192)	(345)
Accelerated depreciation	(226)	(231)
Elimination of Cembre GmbH product warranty provision	(13)	(13)
Reversal of land depreciation	(27)	(27)
Revaluation of land	(1,859)	(1,859)
Discounting of employee termination indemnity	(109)	(109)
Capital gain on sale of industrial building	(60)	(72)
Foreign exchange translation differences	-	(15)
Gross deferred tax liabilities	**(2,486)**	**(2,671)**
Deferred tax assets		
Elimination of unrealized intra-group profits included in the value of inventories	1,411	1,319
Write-down of inventories	192	192
Goodwill amortization	40	43
Depreciation and write-down of inventories of General Marking	115	118
Risk provision	-	5
Foreign exchange differences	37	-
Other	98	98
Gross deferred tax assets	**1,893**	**1,775**
Net deferred tax liabilities	**(593)**	**(896)**

As a result of a change in the interpretation on the deductibility of a cost component, in the Financial Statements at December 31, 2009, €72 thousand of deferred tax assets were reclassified under tax receivables.

10. TRADE PAYABLES

	June 30, 2009	Dec. 31, 2008	Change
Payable to suppliers	5,940	10,792	(4,852)
Advances	41	27	14
Total	**5,981**	**10,819**	**(4,838)**

Trade payables by geographical area

	June 30, 2009	Dec. 31, 2008	Change
Italy	4,080	8,144	(4,064)
Europe	1,815	2,604	(789)
America	1	11	(10)
Oceania	42	29	13
Other	2	4	(2)
Total	**5,940**	**10,792**	**(4,852)**

11. OTHER PAYABLES

	June 30, 2009	Dec. 31, 2008	Change
Payables to employees	2,678	1,234	1,444
Employee withholding taxes payable	250	803	(553)
Bonuses owed to customers	390	962	(572)
VAT and similar foreign taxes payable	913	476	437
Commissions payable	191	227	(36)
Payable to Statutory Auditors and similar foreign boards	58	48	10
Payable to Directors	18	15	3
Social security payables	1,264	1,726	(462)
Payable on sundry taxes	42	40	2
Other	(124)	6	(130)
Total	**5,680**	**5,537**	**143**

The increase in payables to employees is due to the accrual for thirteenth salary payments, paid holidays and leaves, and year-end bonuses to be paid out in the year.

12. REVENUES FROM SALES AND SERVICES PROVIDED

In the 1st Half of 2009, revenues declined by 23.9% on the same period in the previous year. Domestic sales represented 39.5% of total sales and declined by

30% on the 1st Half of 2008, while sales in the rest of Europe represented 48.4% of the total, and were down 18.6% on the same period in the previous year. Sales in the rest of the world declined by 22.5% and represented 12.1% of total sales.

13. OTHER REVENUES

	1st Half 2009	1st Half 2008	Change
Capital gains	6	10	(4)
Uses of provisions	3	-	3
Insurance damages	6	4	2
Reimbursements	100	145	(45)
Other	17	12	5
Non-recurrent gains	180	-	180
Total	**312**	**171**	**141**

Non-recurrent gains result from the cancellation of the Provision for Social Security litigation (INAIL), as described in note 8 (Provisions for risks and charges).

14. COST OF SERVICES RECEIVED

	1st Half 2009	1st Half 2008	Change
Subcontracted work	1,004	1,571	(567)
Electricity, heating and water	538	623	(85)
Transport of goods sold	703	1,140	(437)
Fuel	129	168	(39)
Travelling expenses	328	404	(76)
Maintenance and repair	573	658	(85)
Consulting	551	553	(2)
Advertising and promotion	163	210	(47)
Insurance	249	246	3
Boards' compensation	450	447	3
Postage and telephone	138	159	(21)
Commissions	148	176	(28)
Security and cleaning	198	175	23
Other	338	340	(2)
Total	**5,510**	**6,870**	**(1,360)**

The cost of services received declined on the 1st Half of 2009. The decline in subcontracted work is due primarily to the outsourcing abroad of some production phases, while the decline in transport costs is due to the contraction in turnover caused by the international economic crisis.

Item "Other" includes mainly expenses and banking charges borne by the parent company, in addition to sundry services received by UK subsidiary Cembre Ltd.

15. PERSONNEL COSTS

	1st Half 2009	1st Half 2008	Change
Wages and salaries	9,191	10,052	(861)
Social security contributions	2,517	2,644	(127)
Employee termination indemnity	450	401	49
Retirement benefits	49	54	(5)
Other costs	192	186	6
Total	**12,399**	**13,337**	**(938)**

Wages and salaries include €165 thousand relating to outsourced personnel, mainly of the parent company.

Average number of employees by category

	1st Half 2009	1st Half 2008	Change
Managers	14	14	-
Administrative and commercial staff	254	247	7
Workers	264	265	(1)
Outsourced personnel	14	20	(6)
Total	**546**	**546**	**-**

Average number of employees by Group company

	Managers	Administrative and commercial staff	Workers	Outsourced personnel	Total
Cembre S.p.A.	6	155	203	10	374
General Marking S.r.l.	-	14	8	-	22
Cembre Ltd	3	27	31	1	62
Cembre Sarl	1	17	4	-	22
Cembre España SL	1	22	9	3	35
Cembre AS	-	2	-	-	2
Cembre Inc.	2	9	2	-	13
Cembre GmbH	1	8	7	-	16
Total	**14**	**254**	**264**	**14**	**546**

16. INCOME TAXES

	1st Half 2009	1st Half 2008	Change
Current taxes	1,889	3,196	(1,307)
Deferred (prepaid) taxes	(317)	(906)	589
Taxes on freeing up of reserves	-	310	(310)
Extraordinary tax items	-	(68)	68
	1,572	**2,532**	**(960)**

In view of the complexity of the calculation and the immateriality of the difference between theoretical and actual tax expense recorded in the past, taxes for some foreign subsidiaries were calculated based on the theoretical tax rate. We therefore limit our analysis to the comparison between actual tax and theoretical tax expense for the 1st Half of 2009 and the 1st Half of 2008, postponing a reconciliation to the financial statements at December 31, 2009.

	1st Half 2009	1st Half 2008
Profit before taxes	4,444	8,795
Income taxes	(1,572)	(2,532)
Effective tax rate	**35.37%**	**28.79%**
Theoretical tax rate	31.40%	31.40%

The lower effective tax rate for 2008 is due to the freeing-up for tax purposes of some classes of fixed assets that resulted in the reduction in the provision for deferred tax assets, while on the other hand in 2009 the relative weight of IRAP (local tax on productive activities) increased.

At June 30, 2009 there were no temporary differences and loss carry-forwards on which no deferred tax asset or liability had been recorded.

Deferred and prepaid taxes

	1st Half 2009	1st Half 2008
Deferred tax liabilities		
Average cost valuation of inventories	153	75
Accelerated depreciation	5	820
Discounting of employee termination indemnities	-	(21)
Capital gain on sale of building	12	12
Unrealized foreign exchange differences	15	-
	185	**886**
Deferred tax assets		
Elimination of unrealized intra-group gains included in the value of inventories	92	56
Amortization of goodwill	(3)	(3)
Depreciation expense and write-downs of General Marking inventories	(3)	(126)
Unrealized foreign exchange differences	37	-
Other	(5)	(25)
	118	**(98)**
Use of prepaid tax assets	-	126
Foreign exchange differences	14	(8)
Deferred taxes for the period	**317**	**906**

17. COMPREHENSIVE INCOME

The Cembre Group chose to adopt IAS 1 Revised and to report in a single statement its comprehensive income. The economic effect of transactions recorded under Shareholders' Equity are reported separately and are a component (positive or negative) of net income for the period. At June 30, 2009, the only change resulting from the adoption of IAS 1 Revised relates to foreign exchange differences formed upon consolidation from the translation of the financial statements of foreign subsidiaries not operating in the euro area.

18. EARNINGS PER SHARE

Earnings per share are calculated by dividing net profit by the weighted average number of shares in circulation for the period

	1st Half 2009	1st Half 2008
Net income attributable to Shareholders	2,872	6,263
Average number of ordinary shares	17,000	17,000
Earnings per share	**0,17**	**0,37**

19. RELATED PARTIES

The table that follows shows transactions between the parent company and its subsidiaries at June 30, 2009.

	Receivables	Payables	Revenues	Expenses
Cembre Ltd.	2,235	31	2,869	63
Cembre S.a.r.l.	613	7	1,465	7
Cembre España S.L.	934	-	1,654	-
Cembre AS	18	-	145	-
Cembre GmbH	951	28	1,521	31
Cembre Inc.	1,627	-	1,011	47
General Marking S.r.l.	13	353	55	985
Total	**6,391**	**419**	**8,720**	**1,133**

Cembre S.p.A. leases an industrial building to subsidiary General Marking. Rent for the building for the 1st Half of 2009 amounts to €49 thousand.

Among property leased to Cembre by third parties are an industrial building adjacent to the Company's registered office measuring a total of 5,960 square meters on three floors, in addition to the Milan, Padua and Bologna sales offices, all of which are owned by company Tha Immobiliare S.p.A., with registered office in Brescia, controlled by Anna Maria Onofri, Giovanni Rosani and Sara Rosani, directors of the parent company. Lease payments for the 1st Half of 2009 amount to €256 thousand. Rent is in line with market conditions. It is in the Company's interest to benefit from the continuity of office space reducing the risk of early termination of leases. At June 30, 2009, all amounts due to Tha Immobiliare had been settled.

With reference to assets and liabilities relating to subsidiaries shown above, we confirm that transactions with the same and with related parties fall within the scope of normal operating activities.

Cembre S.p.A. does not have direct relationships with its parent company Lysne S.p.A. of any other nature than that of the exercise of shareholders' rights on the part of the parent. Lysne S.p.A. does not carry out any management or coordination activity with respect to Cembre S.p.A.

Boards' compensation

In the 1st Half of 2009, compensation for the Board of Directors and the Board of Statutory Auditors amounted to:

	Statutory Auditors	*Directors*
Emoluments as directors and auditors of the parent company	31	321
Emoluments as directors of subsidiaries	-	17
Retribution as employees	-	54
Non-monetary benefits	-	9

Non-monetary benefits relate to the use of a company car and insurance policies underwritten on their behalf.

20. NET FINANCIAL POSITION

		June 30, 2009	Dec. 31, 2008
A	Cash	16	16
B	Bank deposits	6,509	4,529
C	**Cash and cash equivalents (A+B)**	**6,525**	**4,545**
D	**Financial receivables**	**-**	**-**
E	Current bank debt	(4,254)	(3,258)
G	Other current financial payables	(41)	(57)
H	**Current financial debt (E+F+G)**	**(4,295)**	**(3,315)**
I	**Net current financial position (C+D+H)**	**2,230**	**1,230**
K	Other non-current financial debt	(42)	(60)
L	**Non-current financial debt (J+K)**	**(42)**	**(60)**
M	**Net financial position (I+L)**	**2,188**	**1,170**

The improvement in the consolidated net financial position is due to the lower capital expenditure, thanks to which the Group has indirectly managed to offset in part the payment of tax advances and dividends.

21. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Group does not make significant use of derivative instruments to hedge against interest risk and currency exposure. The short term maturity of a large part of the financial instruments held is such that their carrying value is in line with their fair value.

At June 30, 2009 the Group had not entered into financial derivative instruments.

Risks connected with the market

In view of the overall liquidity crisis, the Group could suffer the aggression of manufacturers that benefit from lower labour costs. Protectionist policies followed by some governments to protect local producers could also have an adverse effect on the Group, which is countering these factors with ongoing innovation, the widening of the product range, the upgrade of its production process, implementing focused marketing policies also with the help of its foreign subsidiaries.

Interest rate risk

The Group generally stipulates short-term floating-rate loans. At June 30, 2009, the following short-term loans were extended to Group companies:

- a loan extended to subsidiary Cembre GmbH. Pursuant to the loan contract, the subsidiary is extended a further line of credit of €0.8 million, expiring on July 22, 2009, to be used for transactions of fixed amount at set rates. Interest payable is set at the time the line of credit is used, and is equal to the Euribor rate plus a spread of 0.375%. At June 30, 2009, uses of said credit line amounted to €0.6 million. Interest is payable at maturity.
- a €1 million 30-day floating-rate loan extended to subsidiary General Marking (expired on June 30, 2009 and renewed for €850 thousand) at a fixed 5% rate. Average interest in 2009 was equal to 2.5-3%, while

current interest applicable is 2.2%.

The Group also makes use of bank overdrafts to face ordinary liquidity needs.

Currency risk

Despite a strong international presence, the Group does not have a significant exposure to currency risk (on an operating or equity basis), as it operates mainly in the euro area, the currency in which its trade transactions are mainly denominated.

Exposure to currency risk is determined mainly by sales in US dollars, British pounds and Norway kroners. The size of these transactions is not significant in influencing the overall performance of the Group.

As described in the consolidation principles section, financial statements of consolidated companies prepared in currencies other than the euro are translated into euro at the exchange rate published on the Internet site of the Ufficio Italiano Cambi. In the table that follows we report the economic effect of possible fluctuations in exchange rates for main financial figures of consolidated companies operating outside the euro area.

	Currency	Exchange rate fluctuation	Effect on Shareholders' Equity	Effect on sales	Effect on pre-tax profit
Cembre Ltd.	£	+5% / -5%	367 / (367)	324 / (324)	41 / (41)
Cembre AS	NOK	+5% / -5%	24 / (24)	16 / (16)	4 / (4)
Cembre Inc.	US$	+5% / -5%	120 / (120)	121 / (121)	6 / (6)

In the 1st Half of 2009, the effect of foreign-exchange transactions, originating primarily in the context of intragroup netting, was positive by €127 thousand.

Liquidity risk

The exposure of the Group to liquidity risk is not material.

Credit risk

Exposure to credit risk relates exclusively to trade receivables.

As shown in note 4, none of the areas in which the Group operates poses relevant credit risks.

Operating procedures limit the sale of products or services to customers who do not possess an adequate credit profile or provide secured guarantees. Receivables matured over 12 months and those under litigation are widely covered by the provision for bad debt accrued.

22. SUBSEQUENT EVENTS

No event having significant effects on the Group's financial position or operating performance occurred after June 30, 2009.

23. CONSOLIDATED COMPANIES

The consolidation area is unchanged from December 31, 2008. Companies consolidated line-by-line are:

Company	Registered office	Share capital	Share held at June 30, 2009	Share held at Dec. 31, 2008
Cembre Ltd.	Sutton Coldfield (Birmingham)	£ 1,700,000	100%	100%
Cembre Sarl	Morangis (Paris)	€ 1,071,000	100% (*)	100% (*)
Cembre España SL	Coslada (Madrid)	€ 1,902,000	100% (*)	100% (*)
Cembre AS	Stokke (Norway)	NOK 2,400,000	100%	100%
Cembre GmbH	Munich (Germany)	€ 1,812,000	100% (*)	100% (*)
Cembre Inc.	Edison (New Jersey - Usa)	US$ 1,440,000	100%(**)	100%(**)
General Marking S.r.l.	Brescia (Italy)	€ 99,000	100%	100%

(*) of which 5% held through Cembre Ltd.
(**) of which 29% held through Cembre Ltd.

Brescia, August 27, 2009

THE CHAIRMAN OF THE BOARD OF DIRECTORS
OF PARENT COMPANY CEMBRE S.P.A.

CARLO ROSANI

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Attestation of the Half-year Condensed Financial Statements

pursuant to art.81-ter of Consob Regulation no.11971 dated May 14, 1999 and subsequent amendments and addendums

The undersigned Giovanni Rosani and Claudio Bornati in their capacity respectively of, Managing Director and Manager responsible for preparing the financial reports of Cembre S.p.A., attest, pursuant to article 154-bis, paragraphs 3 and 4 of Legislative Decree no. 58 dated February 24, 1998, as amended and integrated:

• the adequacy in relation to the characteristics of the company, and

• the application of

administrative and accounting procedures used in the preparation of the Half-year Condensed Financial Statements for the 1st Half of 2009.

It is furthermore attested that the Half-year Condensed Financial Statements for the 1st Half of 2009:

• correspond to the document results, books and accounting records;

• have been prepared in accordance with International Financial Reporting Standards, as endorsed by the European Union through Regulation (EC) 1606/2002 of the European Parliament and Counsel dated July 19, 2002;

• provide a fair and correct representation of the financial conditions, results of operations and cash flows of the Company and its consolidated subsidiaries.

It is furthermore attested that the Report on Operations contains a reliable analysis of information defined in paragraph 4 of article 154-ter of Legislative Decree no.58, dated February 24, 1998, as amended and integrated.

Brescia, August 27, 2009

the Managing Director	the Manager responsible for preparing the financial reports
signed by Giovanni Rosani	signed by Claudio Bornati

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers SpA

AUDITORS' REPORT ON THE REVIEW OF THE HALF-YEAR CONSOLIDATED CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2009

To the Shareholders of
Cembre SpA

1 We have reviewed the half-year consolidated condensed financial statements, consisting of the consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of cash flow, consolidated statement of changes in equity and related explanatory notes as of June 30, 2009 of Cembre SpA and its subsidiaries (the "Cembre Group"). These half-year condensed financial statements, prepared in conformity with the International Financial Reporting Standard applicable for interim financial statements (IAS 34) as adopted by the European Union, are the responsibility of Cembre SpA's Directors. Our responsibility is to issue a report on these half-year financial statements based on our review.

2 We conducted our review in accordance with the standards recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob") for the review of the half-year interim financial statements under Resolution no. 10867 of July 31, 1997. Our review consisted principally of applying analytical procedures to the half-year consolidated condensed financial statements, assessing whether accounting policies have been consistently applied and making inquiries of management responsible for financial and accounting matters. The review excluded audit procedures such as tests of controls and substantive verification procedures of the assets and liabilities and was therefore substantially less in scope than an audit performed in accordance with established auditing standards. Accordingly, unlike our report on the year-end consolidated financial statements, we do not express an audit opinion on the half-year consolidated condensed financial statements.

The comparative figures related to the year ended December 31, 2008 and to the six-month period ended June 30, 2008, presented in the half-year consolidated condensed financial statements – reclassified to consider the changes to the financial statements required by the amendment of IAS 1 (2007) and other changes commented in the explanatory notes – have been audited and reviewed, respectively, by other auditors and, consequently, reference should be made to their reports dated March 13, 2009 and August 29, 2008, respectively.

3 Based on our review, nothing has come to our attention that causes us to believe that the half-year consolidated condensed financial statements of Cembre Group as of June 30, 2009 are not presented fairly, in all material respects, in accordance with the International Financial Reporting Standard applicable for interim financial statements (IAS 34) as adopted by the European Union.

Brescia, August 28, 2009

PricewaterhouseCoopers SpA

Signed by
Alessandro Mazzetti
(Partner)

This report has been translated into the English language solely for the convenience of international readers.