



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
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Press release

The Board of Directors approved the Draft Financial Statements of Cembre S.p.A. and the Consolidated Financial Statements at December 31, 2017

**The Board proposes a €0.80 dividend per share (up 14.3%)
Consolidated sales grew to €132.6 million, (up 8.2%)
Consolidated net profit amounted to €22.7 million (up 34.4%)**

- Net consolidated financial position equal to a surplus of €20.2 million
- Tax benefit from application of Patent Box tax regime for years 2015, 2016 and 2017 amounting to €3.9 million
- Shareholders' Meeting called on April 20, 2017
- Requisites for the independence of Independent Directors were assessed
- Request made to the Shareholders' Meeting called on April 26, 2018 to authorize the purchase of own shares

(€'000)	2017	% Margin	2016	% Margin	change
Consolidated sales	132,637	100	122,605	100	8.2%
Consolidated gross operating profit	33,434	25.2	30,025	24.5	11.4%
Consolidated operating profit	27,036	20.4	24,095	19.7	12.2%
Consolidated pre-tax profit	26,575	20.0	24,059	19.6	10.5%
Consolidated net profit	22,727	17.1	16,927	13.8	34.3%
Consolidated net financial position	20,232		26,666		

Brescia, March 13, 2018 - The Board of Directors of Cembre Spa – 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 Draft Statutory Accounts of Cembre SpA and the Consolidated Financial Statements at December 31, 2017.

With regard to Corporate Governance, the Board, having acknowledged the representations made by Independent Directors and on the basis of independent information acquired, ascertained the possession of requisites for independence – pursuant to article 148, comma 3, of Legislative Decree no. 58/1998, as referred to by article 147-ter, comma 4 of Legislative Decree no. 58/1998 and

article 3 of the Code of Conduct promoted by Borsa Italiana SpA (the Italian Stock Market) – of said Independent Directors.

The Board of Directors also resolved to propose to the Ordinary Shareholders' Meeting called on April 26, 2018 (April 27 on second call), the distribution of a €0.80 dividend for each of the shares in circulation according to the following calendar: ex-dividend date May 7, record date May 8 and payment date May 9, 2018.

In 2017, **consolidated revenues** amounted to €132.6 million, up 8.2% on €122.6 million in 2016.

In the year, consolidated sales to Italy amounted to €55.6 million, up 13.4% on the previous year, while exports to the rest of Europe grew by 5.4% to €54.3 million, and exports to the rest of the world by 3.1% to €22.7 million. A total of 41.9% of Group sales in 2017 were represented by Italy (as compared with 40.0% in 2016), 41.0% by the rest of Europe (42.0% in 2016), and the remaining 17.1% by the rest of the World (18.0% in 2016).

Consolidated gross operating profit amounted in 2017 to €33.4 million, representing a 25.2% margin on sales, up 11.4% on €30.0 million in 2016, when it represented a 24.5% margin on sales. The cost of goods sold as a percentage of sales was in line with the previous year while the cost of services as a percentage of sales grew by half a percentage point. Personnel costs as a percentage of sales declined despite the increase in the average number of employees from 672 (including 50 employees on short-term contracts) in 2016 to 689 (including 39 employees on short-term contracts) in 2017.

Consolidated operating profit for 2017 amounted to €27.0 million, representing a 20.4% margin on sales, up 12.2% on €24.1 million in 2016, when it represented a 19.7% margin on sales.

Consolidated profit before taxes amounted in 2017 to €26.6 million, representing a 20.0% margin on sales, up 10.5% on €24.1 million in 2016, when it represented a 19.6% margin on sales.

Consolidated net profit for the year amounted to €22.7 million, representing a 17.1% margin on sales, up 34.3% on 2016, when it amounted to €16.9 million and represented a 13.8% margin on sales. Consolidated net profit benefited from a €3.9 million non-recurrent gain on the application of the Patent Box tax regime in fiscal years 2015-2017. Net of said tax benefit, consolidated net profit would have amounted to €18.8 million, representing a 14.2% margin on sales and an 11.2% increase on 2016.

The net financial position declined from a surplus of €26.7 million at December 31, 2016 to a surplus of €20.2 million at the end of December 2017.

Capital expenditure in 2017 amounted to €12.8 million, up on €7.6 million in the previous year.

“In 2017 the Cembre Group reported consolidated sales of €132.6 million, up 8.2% on the previous year. Consolidated net income reached €22.7million (up 34.3% on 2016), benefiting from a non-recurrent tax gain on the application of the Patent Box tax regime for years 2015-2017 amounting to €3.9 million. Net of said tax benefit, consolidated net profit would have amounted to €18.8 million, representing a 14.2% margin on sales and an 11.2% increase on 2016. Turnover of the Cembre Group in the first two months of 2018 was up 11.4% on the corresponding months of the previous year and in this framework we expect turnover to grow in 2018” commented Managing Director Giovanni Rosani.

“The Group has a solid financial position amounting at December 31, 2017 to a surplus of €20.2 million, remaining stable at the end of February at €18.3 million. A proposal for the distribution of a €0.80 dividend per share (the dividend paid for financial year 2016 amounted to €0.70). The proposed dividend corresponds to 58.8% of consolidated net profit” concluded Rosani.

Parent company **Cembre S.p.A.** closed the 2017 financial year reporting **sales** of €103.5 million, up 9.3% on 2016. **Operating profit** for 2017 grew by 9.6% to €21.24 million, up from €19.4 million in 2016. **Net profit** of the parent company amounted to €24.4 million, up 53.4% on €15.9 million in 2016, benefiting from a €3.9 million non-recurrent tax gain on the application of the Patent Box tax regime in fiscal years 2015-2017. Net of said tax benefit, net profit would have amounted to €20.5 million, representing a 19.9% margin on sales and a 28.9% increase on 2016. In 2017 the parent company received €5.3 million in dividends from its subsidiaries, against €2.3 million in the previous year.

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Request of the Board of Directors to the Shareholders’ Meeting of an authorization to purchase own shares

At today’s meeting, the Board of Directors resolved to submit to the upcoming Shareholders’ Meeting a request to be authorized to purchase own shares after the authorization granted by the Shareholders’ Meeting of April 20, 2017 has been revoked with reference to the unexercised part. The request aims at providing the Company with strategic investment opportunities to any end allowed by current regulations, including those contemplated under article 5 of EU Regulation 596/2014 (*Market Abuse Regulation, MAR*) and in the procedures contemplated under article 13, MAR.

The authorization to purchase own shares is requested for a period of 18 months from the date of the Shareholders’ Meeting and is intended for the purchase of Cembre ordinary shares of par value €0.52, up to a the maximum limit established by current regulations for a consideration that shall not exceed the higher between the price at which the last independent transaction was concluded and the last independent bid price in the market in which the purchase is carried out. For any single purchase, such price per share shall in any case not be more than 20% lower or higher than the closing price registered by Cembre shares on the previous trading day.

The authorization to sell own shares is requested without a time limit.

At the date of the present press release, Cembre holds 284,657 own shares, representing 1.67% of the capital stock of the Company.

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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 five subsidiaries: four trading companies (in Germany, France,

Spain and the United States) and one manufacturing and trading subsidiary (Cembre Ltd., in Birmingham, U.K.), for a total workforce of 710 as of December 2017. 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:

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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, 2017:

- Consolidated Balance Sheet
- Consolidated Comprehensive Income Statement
- Consolidated Statement of Cash Flows
- Balance Sheet of parent company Cembre S.p.A.
- Comprehensive Income Statement 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 2017 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.

Consolidated Financial Statements at December 31, 2017

Consolidated Statement of Financial Position

ASSETS	Dec. 31, 2017		Dec. 31, 2016	
(euro '000)		<i>of which: related parties</i>		<i>of which: related parties</i>
NON CURRENT ASSETS				
Tangible assets	72.082		66.298	
Investment property	1.126		1.647	
Intangible assets	1.867		1.350	
Other investments	10		10	
Other non-current assets	41		44	
Deferred tax assets	2.294		2.502	
TOTAL NON-CURRENT ASSETS	77.420		71.851	
CURRENT ASSETS				
Inventories	41.673		38.796	
Trade receivables	26.520		24.885	
Tax receivables	4.299		850	
Other receivables	465		560	
Cash and cash equivalents	20.232		26.709	
TOTAL CURRENT ASSETS	93.189		91.800	
NON-CURRENT ASSETS AVAILABLE FOR SALE	-		-	
TOTAL ASSETS	170.609		163.651	

LIABILITIES AND SHAREHOLDERS' EQUITY	Dec. 31, 2017		Dec. 31, 2016	
(euro '000)		<i>of which: related parties</i>		<i>of which: related parties</i>
SHAREHOLDERS' EQUITY				
Capital stock	8.840		8.840	
Reserves	111.508		111.860	
Net profit	22.727		16.927	
TOTAL SHAREHOLDERS' EQUITY	143.075		137.627	
NON-CURRENT LIABILITIES				
Non-current financial liabilities	-		-	
Employee termination indemnity and other personnel benefits	2.664	184	2.618	176
Provisions for risks and charges	448	-	421	150
Deferred tax liabilities	2.047		2.043	
TOTAL NON-CURRENT LIABILITIES	5.159		5.082	
CURRENT LIABILITIES				
Current financial liabilities	-		-	
Liabilities on derivative instruments	-		43	
Trade payables	14.581	-	13.306	16
Tax payables	268		921	
Other payables	7.526	200	6.672	-
TOTAL CURRENT LIABILITIES	22.375		20.942	
LIABILITIES ON ASSETS HELD FOR DISPOSAL	-		-	
TOTAL LIABILITIES	27.534		26.024	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	170.609		163.651	

Consolidated Financial Statements at December 31, 2017

Statement of Consolidated Comprehensive Income

	2017		2016	
	(euro '000)	<i>of which: related parties</i>		<i>of which: related parties</i>
Revenues from sales and services provided	132.637		122.605	
Other revenues	653		681	
Other non recurring revenues	502			
TOTAL REVENUES	133.792		123.286	
Cost of goods and merchandise	(47.487)		(40.953)	
Change in inventories	3.630		235	
Cost of services received	(17.368)	(665)	(15.453)	(666)
Lease and rental costs	(1.598)	(669)	(1.536)	(626)
Personnel costs	(37.251)	(335)	(35.484)	(300)
Other operating costs	(1.198)		(1.151)	
Increase in assets due to internal construction	939		1.138	
Write-down of receivables	(7)		(43)	
Accruals to provisions for risks and charges	(18)		(14)	
GROSS OPERATING PROFIT	33.434		30.025	
Property, plant and equipment depreciation	(5.814)		(5.394)	
Intangible asset amortization	(584)		(536)	
OPERATING PROFIT	27.036		24.095	
Financial income	86		24	
Financial expenses	(35)		(93)	
Foreign exchange gains (losses)	(512)		33	
PROFIT BEFORE TAXES	26.575		24.059	
Benefit from the application of Patent Box Regime on previous years	2.279			
Income taxes	(6.127)		(7.132)	
NET PROFIT FROM ORDINARY ACTIVITIES	22.727		16.927	
NET PROFIT FROM ASSETS HELD FOR DISPOSAL	-		-	
NET PROFIT	22.727		16.927	
Items that will not be reclassified to profit and loss				
Gains (losses) from discounting of Employees' Termination Indemnity	38		(95)	
Income tax relating to items that will not be reclassified	(9)		23	
Items that may be reclassified subsequently to profit and loss				
Conversion differences included in equity	(934)		(1.718)	
COMPREHENSIVE INCOME	21.822		15.137	
BASIC AND DILUTED EARNINGS PER SHARE	1,36		1,00	

Consolidated Financial Statements at December 31, 2017

Consolidated Statement of Cash Flows

	2017	2016
€ '000		
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	26.709	26.709
B) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the period	22.727	16.927
Depreciation, amortization and write-downs	6.398	5.930
(Gains)/Losses on disposal of assets	(535)	(25)
Net change in Employee Severance Indemnity	46	1
Net change in provisions for risks and charges	27	(23)
Operating profit (loss) before change in working capital	28.663	22.810
(Increase) Decrease in trade receivables	(1.635)	1.487
(Increase) Decrease in inventories	(2.877)	395
(Increase) Decrease in other receivables and deferred tax assets	(3.146)	(25)
Increase (Decrease) of trade payables	2.019	1.022
Increase (Decrease) of other payables, deferred tax liabilities and tax payables	205	(235)
Change in working capital	(5.434)	2.644
NET CASH FLOW (USED IN)/FROM OPERATING ACTIVITIES	23.229	25.454
C) CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets:		
- intangible	(1.101)	(553)
- tangible	(11.732)	(7.059)
Proceeds from disposal of tangible, intangible, financial assets		
- tangible	1.644	219
Increase (Decrease) of trade payables for assets	(744)	631
NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES	(11.933)	(6.762)
D) CASH FLOW FROM FINANCING ACTIVITIES		
(Increase) Decrease in other non current assets	3	(34)
Increase (Decrease) in derivative instruments	(43)	43
Change in reserves	(4.540)	(863)
Dividends distributed	(11.834)	(7.820)
NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES	(16.414)	(8.674)
E) INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (B+C+D)	(5.118)	10.018
F) Foreign exchange differences	(1.388)	(1.039)
G) Discounting of Employee Termination Indemnity	29	(72)
H) CASH AND CASH EQUIVALENTS AT END OF THE PERIOD (A+E+F+G)	20.232	35.616
Assets available for sales included above	-	-
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	20.232	35.616
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	20.232	35.616
Liabilities on derivative instruments	-	(43)
NET CONSOLIDATED FINANCIAL POSITION	20.232	35.573
INTERESTS PAID IN THE PERIOD	-	-
BREAKDOWN OF CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
Cash	51	44
Banks	20.181	26.665
	20.232	26.709

Financial Statement at December 31, 2017

Statement of financial position

ASSETS	Dec. 31, 2017		Dec. 31, 2016	
		<i>of which: related parties</i>		<i>of which: related parties</i>
NON CURRENT ASSETS				
Tangible assets	61.848.636		56.051.379	
Investment property	1.125.532		1.179.073	
Intangible assets	1.855.139		1.331.101	
Investments in subsidiaries	12.609.981		9.851.013	
Other investments	10.333		10.333	
Other non-current assets	8.003		7.791	
Deferred tax assets	733.592		765.566	
TOTAL NON-CURRENT ASSETS	78.191.216		69.196.256	
CURRENT ASSETS				
Inventories	30.946.760		28.610.236	
Trade receivables	16.709.505		15.362.022	
Trade receivables from subsidiaries	2.373.027	2.373.027	2.381.905	2.381.905
Tax receivables	4.287.481		708.932	
Other assets	439.377		511.965	
Cash and cash equivalents	13.588.602		20.127.391	
TOTAL CURRENT ASSETS	68.344.752		67.702.451	
NON-CURRENT ASSETS AVAILABLE FOR SALE	-		-	
TOTAL ASSETS	146.535.968		136.898.707	

LIABILITIES AND SHAREHOLDERS' EQUITY	Dec. 31, 2017		Dec. 31, 2016	
		<i>of which: related parties</i>		<i>of which: related parties</i>
EQUITY				
Capital stock	8.840.000		8.840.000	
Reserves	89.704.298		90.116.691	
Net profit	24.444.345		15.931.868	
TOTAL SHAREHOLDERS' EQUITY	122.988.643		114.888.559	
NON-CURRENT LIABILITIES				
Non-current financial liabilities	-		-	
Employee Severance Indemnity and other personnel benefits	2.305.696	184.450	2.353.899	175.705
Provisions for risks and charges	447.892	-	421.029	150.000
Deferred tax liabilities	1.877.144		1.877.199	
TOTAL NON-CURRENT LIABILITIES	4.630.732		4.652.127	
CURRENT LIABILITIES				
Current financial liabilities	-		-	
Liabilities on derivative instruments	-		43.487	
Trade payables	13.665.062		12.320.651	
Trade payables to subsidiaries	11.819	11.819	145	145
Tax payables	-		338.230	
Other Payables	5.239.712	200.000	4.655.508	-
TOTAL CURRENT LIABILITIES	18.916.593		17.358.021	
LIABILITIES ON ASSETS HELD FOR DISPOSAL	-		-	
TOTAL LIABILITIES	23.547.325		22.010.148	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	146.535.968		136.898.707	

Financial Statement at December 31, 2017

Statement of comprehensive income

	2017		2016	
		<i>of which: related parties</i>		<i>of which: related parties</i>
Revenues from sales and services provided	103.476.300	28.509.756	94.649.538	27.516.298
Other revenues	1.059.173	712.098	785.692	477.145
TOTAL REVENUES	104.535.473		95.435.230	
Cost of goods and merchandise	(40.277.060)	(433.191)	(35.080.007)	(779.015)
Change in inventories	2.336.523		86.296	
Cost of services received	(12.766.571)	(664.856)	(10.723.508)	(665.660)
Lease and rental costs	(983.185)	(527.925)	(955.513)	(528.342)
Personnel costs	(25.922.580)	(335.231)	(24.642.238)	(300.397)
Other operating costs	(854.805)		(750.563)	
Increase in assets due to internal construction	809.631		1.106.158	
Accruals to provisions for risks and charges	(18.264)		(14.000)	
GROSS OPERATING PROFIT	26.859.162		24.461.855	
Tangible asset depreciation	(5.039.585)		(4.555.464)	
Intangible asset amortization	(571.139)		(517.237)	
OPERATING PROFIT	21.248.438		19.389.154	
Financial income	5.393.610	5.315.078	2.422.764	2.408.894
Financial expenses	(31.177)		(92.038)	
Foreign exchange gains (losses)	(11.114)		69.359	
PROFIT BEFORE TAXES	26.599.757		21.789.239	
Income taxes	2.279.186 (4.434.598)		(5.857.371)	
NET PROFIT FROM ORDINARY ACTIVITIES	24.444.345		15.931.868	
NET PROFIT FROM ASSETS HELD FOR DISPOSAL	-		-	
NET PROFIT	24.444.345		15.931.868	
Items that will not be reclassified to profit and loss				
Gains (losses) from discounting of Employees' Termination Indemnity	38.522		(94.905)	
Income tax relating to items that will not be reclassified	(9.245)		22.778	
COMPREHENSIVE INCOME	24.473.622		15.859.741	
BASIC AND DILUTED EARNINGS PER SHARE	1,46		0,94	

Financial Statement at December 31, 2017

Statement of Cash Flows

	2017	2016
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	20.127.391	11.074.009
B) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the year	24.444.345	15.931.868
Depreciation, amortization and write-downs	5.610.724	5.072.701
(Gains)/Losses on disposal of assets	(25.476)	(6.441)
Net change in Employee Severance Indemnity	(48.203)	(33.975)
Net change in provisions for risks and charges	26.863	(22.826)
Operating profit (loss) before change in working capital	30.008.253	20.941.327
(Increase) Decrease in trade receivables	(1.338.605)	2.274.834
(Increase) Decrease in inventories	(2.336.524)	(86.296)
(Increase) Decrease in other receivables and deferred tax assets	(3.473.987)	(164.044)
Increase (Decrease) of trade payables	2.100.376	963.376
Increase (Decrease) of other payables and deferred tax liabilities	245.919	20.725
Change in working capital	(4.802.821)	3.008.595
NET CASH FLOW (USED IN)/FROM OPERATING ACTIVITIES	25.205.432	23.949.922
C) CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets:		
- intangible	(1.095.177)	(545.641)
- tangible	(10.823.701)	(6.706.294)
- financial	(2.758.968)	-
Proceeds from disposal of tangible, intangible, financial assets		
- tangible	65.876	143.392
- financial	-	293.070
Increase (Decrease) of trade payables for assets	(744.291)	631.186
NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES	(15.356.261)	(6.184.287)
D) CASH FLOW FROM FINANCING ACTIVITIES		
(Increase) Decrease in other non current assets	(212)	(953)
Increase (Decrease) of liabilities from derivative instruments	(43.487)	43.487
Change in reserves	(4.539.903)	(862.660)
Dividends distributed	(11.833.635)	(7.820.000)
NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES	(16.417.237)	(8.640.126)
E) INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (B+C+D)	(6.568.066)	9.125.509
F) Discounting of employees' termination indemnities	29.277,00	(72.127)
G) CASH AND CASH EQUIVALENTS AT END OF YEAR (A+E+F)	13.588.602	20.127.391
CASH AND CASH EQUIVALENTS AT END OF YEAR	13.588.602	20.127.391
Liabilities on derivative instruments	-	(43.487)
NET FINANCIAL POSITION	13.588.602	20.083.904
INTEREST PAID IN THE YEAR	-	(21)
BREAKDOWN OF CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash	9.920	5.760
Banks	13.578.682	20.121.631
	13.588.602	20.127.391