



Joint-stock Company
 Main Office: Via Serenissima, 9 – 25135 Brescia
 VAT no: 00541390175
 Share Capital: € 8,840,000 fully paid up
 Registration no: 00541390175
 tel.: +39 0303692.1 fax: +39 0303365766

Press release

The Shareholders Meeting approved the 2016 Financial Statements Cembre (a STAR listed company): distribution of a €0.70 dividend per share

- Consolidated sales grow (up 9.4%) in the 1st Quarter of 2017
- Net consolidated financial position at March 31, 2017 equal to a surplus of €26.8 million
- The Shareholders' Meeting authorizes the purchase of own shares
- Section I of the Report on Remuneration was approved

Brescia, April 20, 2017 – The Ordinary Shareholders' Meeting of Cembre S.p.A. – a STAR segment listed company and one of the largest European producers of electrical connectors and tools for their installation – held today at 9:30am and chaired by Giovanni Rosani, approved the Statutory Accounts of Cembre S.p.A. at December 31, 2016 and the proposed allocation of net profit, resolving the distribution of a **€0.70 dividend** per share (up 52% on the €0.46 dividend distributed for 2015).

The ex-dividend date is May 8, 2017, the date at which dividends are recorded as payable is May 9, 2017, while dividends will be paid out from May 10, 2016.

Parent company **Cembre S.p.A.** closed 2016 reporting **sales** of €94.6 million, up 2.2% on 2015. **Gross operating profit** grew by 5.2% from €23.3 million in 2015 to €24.5 million in 2016.

Net operating profit grew by 4.8% to €19.4 million, up from €18.5 million in 2015.

Net profit of the parent company for 2016 amounted to €15.9 million, up 10.3% on €14.4 in the previous year. In 2016 the parent company received €2.3 million in dividends from foreign subsidiaries while in the previous year these had amounted to €1.7 million.

The 2016 Consolidated Financial Statements, whose highlights are shown below, were presented to the Shareholders' Meeting.

(€'000)	2016	% margin	2015	% margin	change
Consolidated sales	122,605	100	121,377	100	1.0%
Consolidated gross operating profit	30,025	24.5	28,537	23.5	5.2%
Consolidated operating profit	24,095	19.7	22,836	18.8	5.5%
Consolidated pre-tax profit	24,059	19.6	22,878	18.8	5.2%
Consolidated net profit	16,927	13.8	15,933	13.1	6.2%
Consolidated net financial position	26,666		17,802		

In 2016, **consolidated revenues** amounted to €122.6 million, up 1% on €121.4 million in 2015.

Consolidated gross operating profit amounted in 2016 to €30.0 million, representing a 24.5% margin on sales, up 5.2% on €28.5 million in 2015, when it represented a 23.5% margin on sales. The cost of goods sold as a percentage of sales declined from 34.2% to 33.2%, the cost of services remained stable

while personnel costs as a percentage of sales grew as the average number of employees increased from 625 (including 26 employees on short-term contracts) in 2015 to 72 (including 50 employees on short-term contracts) in 2016. The increase in the average number of employees is due primarily to hiring in the sales department to implement the expansive sales policy of the Group.

Consolidated operating profit for 2016 amounted to €24.1 million, representing a 19.7% margin on sales, up 5.5% on €22.8 million in 2015, when it represented an 18.8% margin on sales.

Consolidated profit before taxes amounted in 2016 to €24.1 million, representing a 19.6% margin on sales, up 5.2% on €22.9 million in 2015, when it represented an 18.8% margin on sales.

Consolidated net profit for the year amounted to €16.9 million, representing a 13.8% margin on sales, up 6.2% on 2015, when it amounted to €15.9 million and represented a 13.1% margin on sales.

The net financial position improved from a surplus of €17.8 million at December 31, 2015 to a surplus of €26.7 million at the end of December 2016.

“Turnover and net profit were all at historical highs and gross operating margin was equal to 24.5% of sales. Consolidated turnover of the Cembre Group grew 9.4% in the 1st Quarter of 2017, up both in Italy and abroad. We believe that in 2017 the Cembre Group will report an increase in revenues over 2016. The consolidated financial position at March 31, 2017 was equal to a surplus of about €26.8 million” – commented Managing Director Giovanni Rosani.

Shareholders’ Meeting resolves to authorize the purchase of own shares

The Shareholders’ Meeting resolved to authorize – after revoking the previous authorization granted by the same on April 21, 2016, not executed – the purchase of own shares with the end of providing the Company with strategic investment opportunities to any end allowed by current regulations, including those contemplated in article 5 of EU Regulation no. 593/2014 (*Market Abuse Regulation*, MAR) and in the procedures contemplated under article 13, MAR.

The authorization to purchase own shares was granted 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 granted without a time limit.

At the date of the present press release, Cembre holds 94,807 own shares, representing 0.56% of the capital stock of the Company.

Approval of Section I of the Report on Remuneration

The Shareholders’ Meeting approved, with a non-binding vote, Section I of the Report on Remuneration prepared pursuant to article 123-*ter* of Legislative Decree no.58/1998 and 84-*quater* of Consob Regulation no. 11971/1999, and in compliance with Attachment 3A, Tables 7-*bis* and 7-*ter* of the same Regulation.

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Further information on the above resolutions are contained in the related reports issued by the Board of Directors and the minutes of the Shareholders’ Meeting that will be deposited within the legal term at the Company’s Registered Office and published on its institutional Internet site www.cembre.it in the Investor Relations – Shareholders’ Meetings section.

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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 678 as of December 2016. Since 1990 its products have been certified by Lloyd's Register Quality Assurance for the design and production of accessories for cables, electrical connectors and tools for their installation.

Cembre has been listed on the Italian Stock Exchange since December 15, 1997, and on the STAR section since September 24, 2001.

Contacts:

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

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.

Consolidated Financial Statements and statutory accounts of parent company Cembre SpA at December 31, 2016 are enclosed.

In the present press release use is made of certain alternative performance indicators that are not envisaged in IFRS-EU accounting principles, and whose significance and content are illustrated below, in line with the CESR/05-178b recommendation published on November 3, 2005:

Gross operating profit (EBITDA): defined as the difference between sales revenues and costs for materials, of services received, and the net balance of operating income and charges. It represents the profit before depreciation, amortization and write-downs, cash flow from financial activities and taxes.

Operating profit (EBIT): defined as the difference between Gross operating profit and the value of depreciation, amortization and write-downs. It represents the profit achieved before financial activities and taxes.

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



Consolidated Financial Statements at December 31, 2016

Consolidated Statement of Financial Position

ASSETS	Dec. 31, 2016		Dec. 31, 2015	
(euro '000)		<i>of which: related parties</i>		<i>of which: related parties</i>
NON CURRENT ASSETS				
Tangible assets	66.298		65.435	
Investment property	1.647		1.715	
Intangible assets	1.350		1.336	
Other investments	10		10	
Other non-current assets	44		10	
Deferred tax assets	2.502		2.550	
TOTAL NON-CURRENT ASSETS	71.851		71.056	
CURRENT ASSETS				
Inventories	38.796		39.191	
Trade receivables	24.885		26.372	
Tax receivables	850		770	
Other receivables	560		567	
Cash and cash equivalents	26.709		17.802	
TOTAL CURRENT ASSETS	91.800		84.702	
NON-CURRENT ASSETS AVAILABLE FOR SALE	-		-	
TOTAL ASSETS	163.651		155.758	

LIABILITIES AND SHAREHOLDERS' EQUITY	Dec. 31, 2016		Dec. 31, 2015	
(euro '000)		<i>of which: related parties</i>		<i>of which: related parties</i>
SHAREHOLDERS' EQUITY				
Capital stock	8.840		8.840	
Reserves	111.860		106.400	
Net profit	16.927		15.933	
TOTAL SHAREHOLDERS' EQUITY	137.627		131.173	
NON-CURRENT LIABILITIES				
Non-current financial liabilities	-		-	
Employee termination indemnity and other personnel benefits	2.618	176	2.617	168
Provisions for risks and charges	421	150	444	100
Deferred tax liabilities	2.043		2.235	
TOTAL NON-CURRENT LIABILITIES	5.082		5.296	
CURRENT LIABILITIES				
Current financial liabilities	-		-	
Liabilities on derivative instruments	43		-	
Trade payables	13.306	16	11.653	
Tax payables	921		679	
Other payables	6.672		6.957	
TOTAL CURRENT LIABILITIES	20.942		19.289	
LIABILITIES ON ASSETS HELD FOR DISPOSAL	-		-	
TOTAL LIABILITIES	26.024		24.585	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	163.651		155.758	

Consolidated Financial Statements at December 31, 2016

Statement of Consolidated Comprehensive Income

	2016		2015	
	(euro '000)	<i>of which: related parties</i>		<i>of which: related parties</i>
Revenues from sales and services provided	122.605		121.377	
Other revenues	681		665	
TOTAL REVENUES	123.286		122.042	
Cost of goods and merchandise	(40.953)		(41.454)	
Change in inventories	235		(92)	
Cost of services received	(15.453)	(666)	(15.245)	(655)
Lease and rental costs	(1.536)	(626)	(1.410)	(584)
Personnel costs	(35.484)	(300)	(34.410)	(300)
Other operating costs	(1.151)		(1.258)	
Increase in assets due to internal construction	1.138		852	
Write-down of receivables	(43)		(417)	
Accruals to provisions for risks and charges	(14)		(71)	
GROSS OPERATING PROFIT	30.025		28.537	
Property, plant and equipment depreciation	(5.394)		(5.223)	
Intangible asset amortization	(536)		(478)	
OPERATING PROFIT	24.095		22.836	
Financial income	24		33	
Financial expenses	(93)		(60)	
Foreign exchange gains (losses)	33		69	
PROFIT BEFORE TAXES	24.059		22.878	
Income taxes	(7.132)		(6.945)	
NET PROFIT FROM ORDINARY ACTIVITIES	16.927		15.933	
NET PROFIT FROM ASSETS HELD FOR DISPOSAL	-		-	
NET PROFIT	16.927		15.933	
Items that will not be reclassified to profit and loss				
Gains (losses) from discounting of Employees' Termination Indemnity	(95)		(42)	
Income tax relating to items that will not be reclassified	23		7	
Items that may be reclassified subsequently to profit and loss				
Conversion differences included in equity	(1.718)		1.293	
Restatement of deferred tax liability as per new tax rate	-		207	
COMPREHENSIVE INCOME	15.137		17.398	
BASIC AND DILUTED EARNINGS PER SHARE	1,00		0,94	

Consolidated Financial Statements at December 31, 2016

Consolidated Statement of Cash Flows

	2016	2015
€ '000		
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	17.802	11.659
B) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the period	16.927	15.933
Depreciation, amortization and write-downs	5.930	5.701
(Gains)/Losses on disposal of assets	(25)	9
Net change in Employee Severance Indemnity	1	63
Net change in provisions for risks and charges	(23)	175
Operating profit (loss) before change in working capital	22.810	21.881
(Increase) Decrease in trade receivables	1.487	(747)
(Increase) Decrease in inventories	395	(900)
(Increase) Decrease in other receivables and deferred tax assets	(25)	(29)
Increase (Decrease) of trade payables	1.022	(1.401)
Increase (Decrease) of other payables, deferred tax liabilities and tax payables	(235)	(709)
Change in working capital	2.644	(3.786)
NET CASH FLOW (USED IN)/FROM OPERATING ACTIVITIES	25.454	18.095
C) CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets:		
- intangible	(553)	(601)
- tangible	(7.059)	(6.534)
Proceeds from disposal of tangible, intangible, financial assets		
- intangible	-	9
- tangible	219	327
Increase (Decrease) of trade payables for assets	631	(165)
NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES	(6.762)	(6.964)
D) CASH FLOW FROM FINANCING ACTIVITIES		
(Increase) Decrease in other non current assets	(34)	(1)
Increase (Decrease) in derivative instruments	43	-
Change in reserves for purchase of own shares	(863)	-
Dividends distributed	(7.820)	(6.120)
NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES	(8.674)	(6.121)
E) INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (B+C+D)	10.018	5.010
F) Foreign exchange differences	(1.039)	961
G) Discounting of Employee Termination Indemnity	(72)	(35)
H) Restatement of deferred tax liabilities as per new tax rate	-	207
I) CASH AND CASH EQUIVALENTS AT END OF THE PERIOD (A+E+F+G+H)	26.709	17.802
Assets available for sales included above	-	-
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	26.709	17.802
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	26.709	17.802
Liabilities on derivative instruments	(43)	-
NET CONSOLIDATED FINANCIAL POSITION	26.666	17.802
INTERESTS PAID IN THE PERIOD	-	(1)
BREAKDOWN OF CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
Cash	44	18
Banks	26.665	17.784
	26.709	17.802

Financial Statement at December 31, 2016

Statement of financial position

ASSETS	Dec. 31, 2016		Dec. 31, 2015	
		<i>of which: related parties</i>		<i>of which: related parties</i>
NON CURRENT ASSETS				
Tangible assets	56.051.379		53.983.959	
Investment property	1.179.073		1.232.614	
Intangible assets	1.331.101		1.302.697	
Investments in subsidiaries	9.851.013		10.144.083	
Other investments	10.333		10.333	
Other non-current assets	7.791		6.838	
Deferred tax assets	765.566		728.392	
TOTAL NON-CURRENT ASSETS	69.196.256		67.408.916	
CURRENT ASSETS				
Inventories	28.610.236		28.523.940	
Trade receivables	15.362.022		16.283.580	
Trade receivables from subsidiaries	2.381.905	2.381.905	3.735.181	3.735.181
Tax receivables	708.932		669.002	
Other assets	511.965		425.025	
Cash and cash equivalents	20.127.391		11.074.009	
TOTAL CURRENT ASSETS	67.702.451		60.710.737	
NON-CURRENT ASSETS AVAILABLE FOR SALE	-		-	
TOTAL ASSETS	136.898.707		128.119.653	

LIABILITIES AND SHAREHOLDERS' EQUITY	Dec. 31, 2016		Dec. 31, 2015	
		<i>of which: related parties</i>		<i>of which: related parties</i>
EQUITY				
Capital stock	8.840.000		8.840.000	
Reserves	90.116.691		84.433.132	
Net profit	15.931.868		14.438.346	
TOTAL SHAREHOLDERS' EQUITY	114.888.559		107.711.478	
NON-CURRENT LIABILITIES				
Non-current financial liabilities	-		-	
Employee Severance Indemnity and other personnel benefits	2.353.899	175.705	2.387.874	167.665
Provisions for risks and charges	421.029	150.000	443.855	100.000
Deferred tax liabilities	1.877.199		1.971.605	
TOTAL NON-CURRENT LIABILITIES	4.652.127		4.803.334	
CURRENT LIABILITIES				
Current financial liabilities	-		-	
Liabilities on derivative instruments	43.487		-	
Trade payables	12.320.651		10.721.910	
Trade payables to subsidiaries	145	145	4.324	4.324
Tax payables	338.230		188.972	
Other Payables	4.655.508		4.689.635	
TOTAL CURRENT LIABILITIES	17.358.021		15.604.841	
LIABILITIES ON ASSETS HELD FOR DISPOSAL	-		-	
TOTAL LIABILITIES	22.010.148		20.408.175	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	136.898.707		128.119.653	

Financial Statement at December 31, 2016

Statement of comprehensive income

	2016		2015	
		<i>of which: related parties</i>		<i>of which: related parties</i>
Revenues from sales and services provided	94.649.538	27.516.298	92.615.852	26.890.753
Other revenues	785.692	477.145	754.013	482.473
TOTAL REVENUES	95.435.230		93.369.865	
Cost of goods and merchandise	(35.080.007)	(779.015)	(35.996.664)	(707.765)
Change in inventories	86.296		1.615.010	
Cost of services received	(10.723.508)	(665.660)	(10.552.282)	(655.295)
Lease and rental costs	(955.513)	(528.342)	(920.254)	(528.376)
Personnel costs	(24.642.238)	(300.397)	(23.774.554)	(299.510)
Other operating costs	(750.563)		(892.730)	
Increase in assets due to internal construction	1.106.158		819.091	
Write-down of receivables	-		(340.343)	
Accruals to provisions for risks and charges	(14.000)		(70.326)	
GROSS OPERATING PROFIT	24.461.855		23.256.813	
Tangible asset depreciation	(4.555.464)		(4.306.646)	
Intangible asset amortization	(517.237)		(453.494)	
OPERATING PROFIT	19.389.154		18.496.673	
Financial income	2.422.764	2.408.894	1.750.719	1.728.542
Financial expenses	(92.038)		(59.072)	
Foreign exchange gains (losses)	69.359		(24.387)	
PROFIT BEFORE TAXES	21.789.239		20.163.933	
Income taxes	(5.857.371)		(5.725.587)	
NET PROFIT FROM ORDINARY ACTIVITIES	15.931.868		14.438.346	
NET PROFIT FROM ASSETS HELD FOR DISPOSAL	-		-	
NET PROFIT	15.931.868		14.438.346	
Items that will not be reclassified to profit and loss				
Gains (losses) from discounting of Employees' Termination Indemnity	(94.905)		(42.413)	
Income tax relating to items that will not be reclassified	22.778		6.946	
Items that may be reclassified subsequently to profit and loss				
Restatement of deferred tax liability as per new tax rate	-		207.232	
COMPREHENSIVE INCOME	15.859.741		14.610.111	
BASIC AND DILUTED EARNINGS PER SHARE	0,94		0,85	

Financial Statement at December 31, 2016

Statement of Cash Flows

	2016	2015
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	11.074.009	7.342.623
B) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the year	15.931.868	14.438.346
Depreciation, amortization and write-downs	5.072.701	4.760.140
(Gains)/Losses on disposal of assets	(6.441)	42.679
Net change in Employee Severance Indemnity	(33.975)	54.773
Net change in provisions for risks and charges	(22.826)	174.528
Operating profit (loss) before change in working capital	20.941.327	19.470.466
(Increase) Decrease in trade receivables	2.274.834	(283.349)
(Increase) Decrease in inventories	(86.296)	(1.615.010)
(Increase) Decrease in other receivables and deferred tax assets	(164.044)	186.561
Increase (Decrease) of trade payables	963.376	(1.303.140)
Increase (Decrease) of other payables and deferred tax liabilities	20.725	(666.954)
Change in working capital	3.008.595	(3.681.892)
NET CASH FLOW (USED IN)/FROM OPERATING ACTIVITIES	23.949.922	15.788.574
C) CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets:		
- intangible	(545.641)	(599.338)
- tangible	(6.706.294)	(5.631.774)
Proceeds from disposal of tangible, intangible, financial assets		
- intangible	-	9.269
- tangible	143.392	278.993
- financial	293.070	-
Increase (Decrease) of trade payables for assets	631.186	(164.823)
NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES	(6.184.287)	(6.107.673)
D) CASH FLOW FROM FINANCING ACTIVITIES		
(Increase) Decrease in other non current assets	(953)	(1.280)
Increase (Decrease) of liabilities from derivative instruments	43.487	-
Change in reserves for purchase of own shares	(862.660)	-
Dividends distributed	(7.820.000)	(6.120.000)
NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES	(8.640.126)	(6.121.280)
E) INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (B+C+D)	9.125.509	3.559.621
F) Discounting of employees' termination indemnities	(72.127)	(35.467)
H) Restatement of deferrd tax liabilities as per new tax rate	-	207.232
G) CASH AND CASH EQUIVALENTS AT END OF YEAR (A+E+F)	20.127.391	11.074.009
CASH AND CASH EQUIVALENTS AT END OF YEAR	20.127.391	11.074.009
Liabilities on derivative instruments	(43.487)	-
NET FINANCIAL POSITION	20.083.904	11.074.009
INTEREST PAID IN THE YEAR	(21)	(325)
BREAKDOWN OF CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash	5.760	11.608
Banks	20.121.631	11.062.401
	20.127.391	11.074.009