



**C e m b r e**



*Company presentation*

*(2011 First Nine Months results)*



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## *Activity and Competitive Position*





## *Cembre*

- Cembre **develops, produces and markets** in Europe and in the USA **electrical crimp type connectors and related installation tools**
- Our main objective is to cooperate with our products' users to find the **best technical and economical solutions** related to **electrical connection applications**



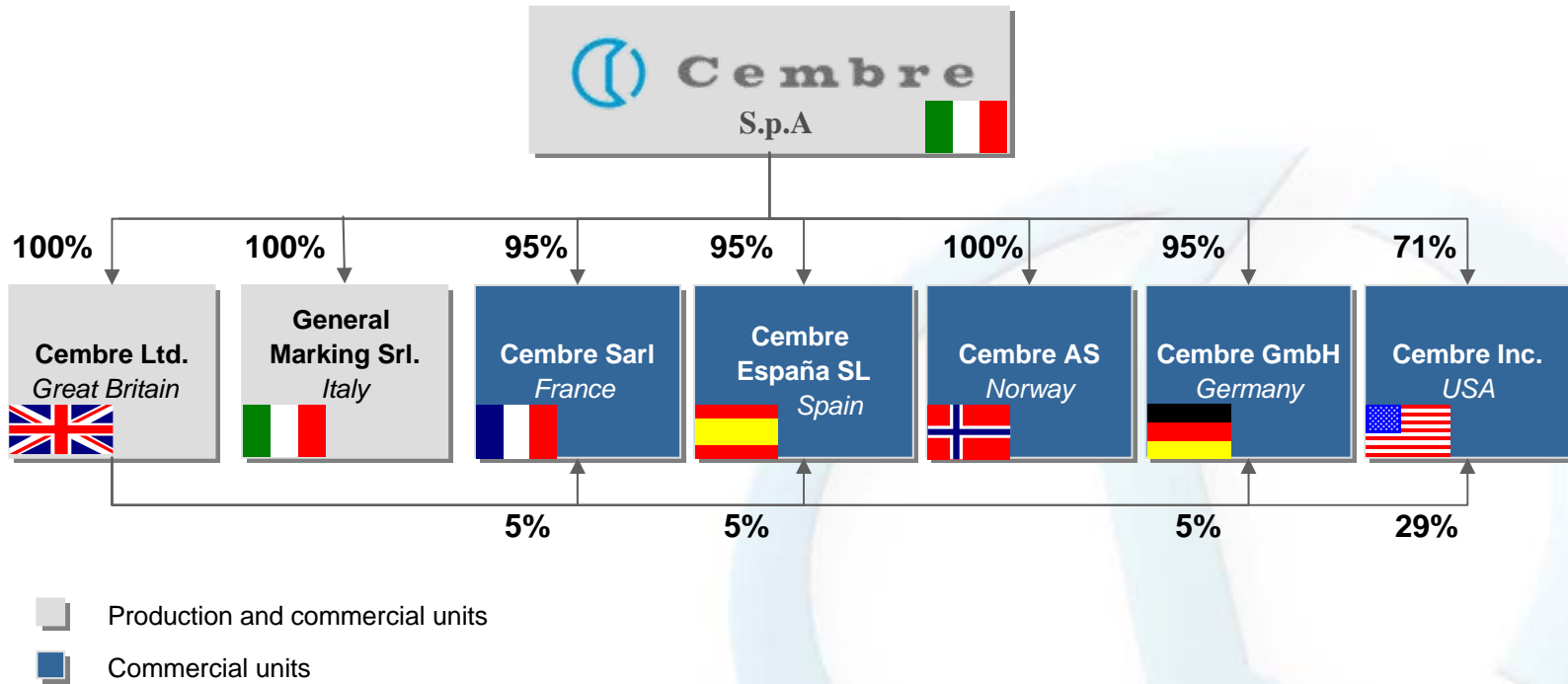
## *Competitive position*

Cembre Group is:

- **Italian leader in electrical crimp type connectors and related installation tools**, extensively used in large engineering projects
- **European leader within major worldwide producers of tools for the installation of electrical power connectors**

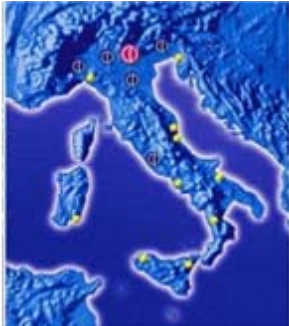


# Group structure





## *Distribution network*



- Cembre is Present all over the **Italian territory** through a network of **own employed salesmen or representatives** able to offer fast and constant technical assistance

- Abroad Cembre operates through **five subsidiaries companies in Europe** (UK, France, Spain, Germany and Norway) and one **in the USA**
- **Presence in the main countries all over the world through** a network of importers and agents able to provide technical and commercial assistance and rapid delivery





## *Competitive advantages*

- **Technological leadership** thanks to a constant involvement in R&D
- **Extensive product range** characterised by a balanced relationship between quality and price
- Ability to **enter markets with a high growth potential** (railway, energy, US market,...)
- A commercial network consisting of **own employed salesmen**
  - **direct presence** in the main European markets and USA and long standing penetration in the main non European markets
  - constant **interaction with end users** and consolidated relationships with **distribution groups**
- **Rapid time to-market** and **automatic warehouse management**





## *Products and Markets*





## *Expanding the products' range*

In order to keep the **leadership** and **increase the penetration of market**, Cembre had sensibly **enlarged the range of products offered** through:

- **research activities** mainly focused on the **development of innovative products** for the **sectors with the highest growth potential** (rail transportation, civil and industrial plant engineering)
- **improvement and update of existing products** to get them easier to use and more efficient in their performances
- **widening of traditional products range**, now richer and more complete thanks to the **introduction of complementary product** (f.i. cable markers)



## Electrical connectors



- Turnover as at Sept. 30, 2011: Euro 29.4 million (+16.6% vs Sept. 30, 2010)
  - To Italy: 19.2% of total sales (+19.5% vs 2010)
  - To foreign countries: 19% of total sales (16.7% to Europe and 2.3% outside Europe; +13.9% vs 2010)
  
- Characteristics:
  - **high and safe performance** guaranteed by effective **Quality Control** during production process
  - **high level automation** of manufacturing and consequent costs reduction
  - **quick adaptation** of products to clients' needs, thanks to its **high flexible productivity**



## Tools

- Turnover as at Sept. 30, 2011: Euro 14.8 million (+10.7% vs Sept. 30, 2010)
  - To Italy: 4.1% of total sales (+10.5% vs 2010)
  - To foreign countries: 15.1% of total sales (9% to Europe and 6.1% outside Europe; +10.8% vs 2010)



**B15**



**B54**

- Characteristics:
  - **quick installation** of connectors thanks to tools used for compressing and cutting the conductors
  - **wide products range**: mechanical, pneumatic, hydraulic and electric based operations
- Development of new products in last years:
  - **B15-B54** battery operated “in line” hand-tools
  - **hydraulic battery operated pump** already marketed in Italy and Europe
  - the **new generation of battery tools** is intended to progressively substitute the traditional ones, as they are **more appreciated** thanks to the **elimination of physical endeavour**



## *Railway products*

- Railway products and accessories, turnover as at Sept. 30, 2011: Euro 13.8 million (+8.3% vs Sept. 30, 2010)
  - To Italy: 1.8% of total sales (-9% vs 2010)
  - To foreign countries: 16% of total sales (12.7% to Europe and 3.3% outside Europe; +10.6% vs 2010)

**NR-11P**



- Characteristics:
  - **high quality products**
  - **constant R&D activities**
  - **high potential growth**

**Rail saw  
RDS 14-P**



- Development of new products:
  - **Nut Runner - NR-11P**
  - **Rail Saw** (with better safety standards for workers)

Both the products are very **competitive on the market** since they offer superior flexibility, lightness and velocity against alternative products



## Cable markers

**ROLLY**  
2000



- Cable markers, turnover as at Sept. 30, 2011: Euro 7.5 million (+32.7% vs. Sept. 30, 2010)
  - To Italy: 6.5% of total sales (+30.4% vs 2010)
  - To foreign countries: 3.2% of total sales (2.8% to Europe and 0.4% outside Europe; +37.6% vs 2010)



**mg2**  
MARKINGENIUS 2



- With the introduction of these new products Cembre:
  - further **enriched its offer with thousand of new articles** (electrical equipment wholesalers prefer supplier with a wide catalogue)
  - **strengthened its competitive position** in Italy and **created big opportunities** to enter the European markets
  - **entered a market**, worth of Euro 25 million considering only Italy
  - **improved** the production structure
- Development and production, in Brescia (Italy), of thermal printer **MG2**



## Other products

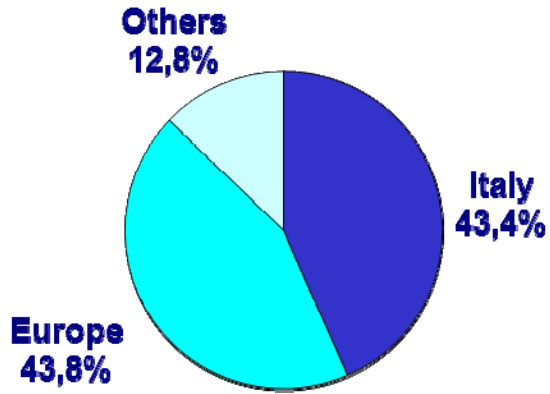
- Cable glands, turnover as at Sept. 30, 2011: Euro 5.6 million (+7.8% vs Sept. 30, 2010)
  - To Italy: 6.2% of total sales (+6.4% vs 2010)
  - To foreign countries: 1.1% of total sales (1% to Europe, 0.1% outside Europe; +16% vs 2010)



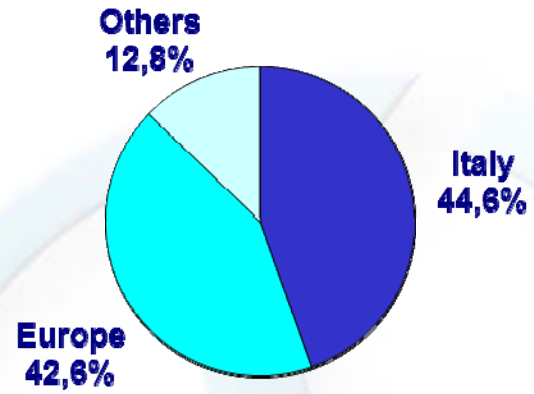
- Terminal blocks, turnover as at Sept. 30, 2011: Euro 1.8 million (+11.8% vs Sept. 30, 2010)
  - To Italy: 2% of total sales (+10% vs 2010)
  - To foreign countries: 0.3% of total sales (Europe; +26.2% vs 2010)
- Product upgrade:
  - implementation of the new European Union safety regulations required the adoption of modern connection systems as those manufactured by Cembre Group



## *Turnover breakdown by geographical area*



September 30, 2010  
Euro 67.5 million

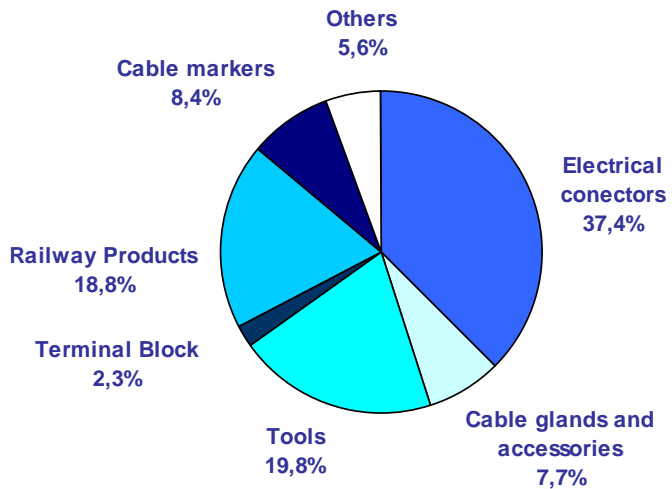


September 30, 2011  
Euro 77.7 million

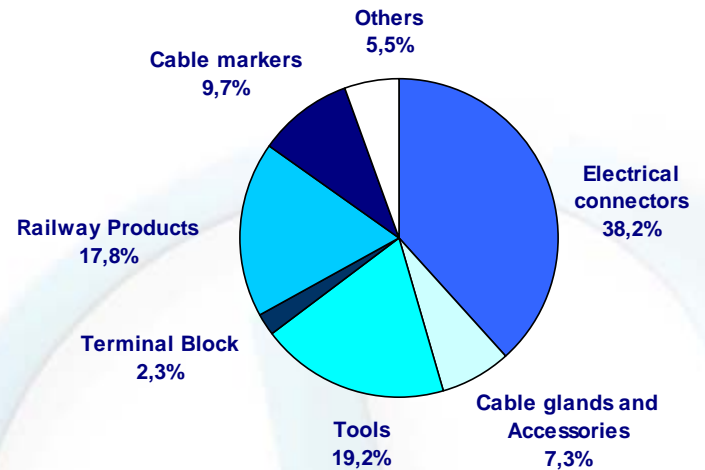




## *Turnover breakdown by product*



**September 30, 2010**  
**Euro 67.5 million**



**September 30, 2011**  
**Euro 77.7 million**



## ***Consolidated Financial Highlights***

***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 presentation corresponds to the document results, books and accounting records***



## *2011 First Nine Months consolidated results:*

Consolidated results of **the First Nine Months of 2011** were characterised by:

- **an increase of sales** of 15.1%
- **a strong improvement** of EBITDA and EBIT
- an increase of **consolidated pre-tax profit** of 16%
- an increase of **average number of employees** from 537 to 584
- **a positive net financial position** which amount to Euro 12.8 millions (positive for 13.6 millions as at December 31, 2010).



## 2011 First Nine Months consolidated results

Euro millions	Sept. 30, 11	Sept. 30, 10	Changes %
Sales	77.7	67.5	15.1%
EBITDA <i>In % of sales</i>	16.4 21.2%	14.5 21.5%	13.2%
EBIT <i>In % of sales</i>	14.3 18.4%	12.4 18.4%	14.8%
EBT <i>In % of sales</i>	14.4 18.5%	12.4 18.4%	16%



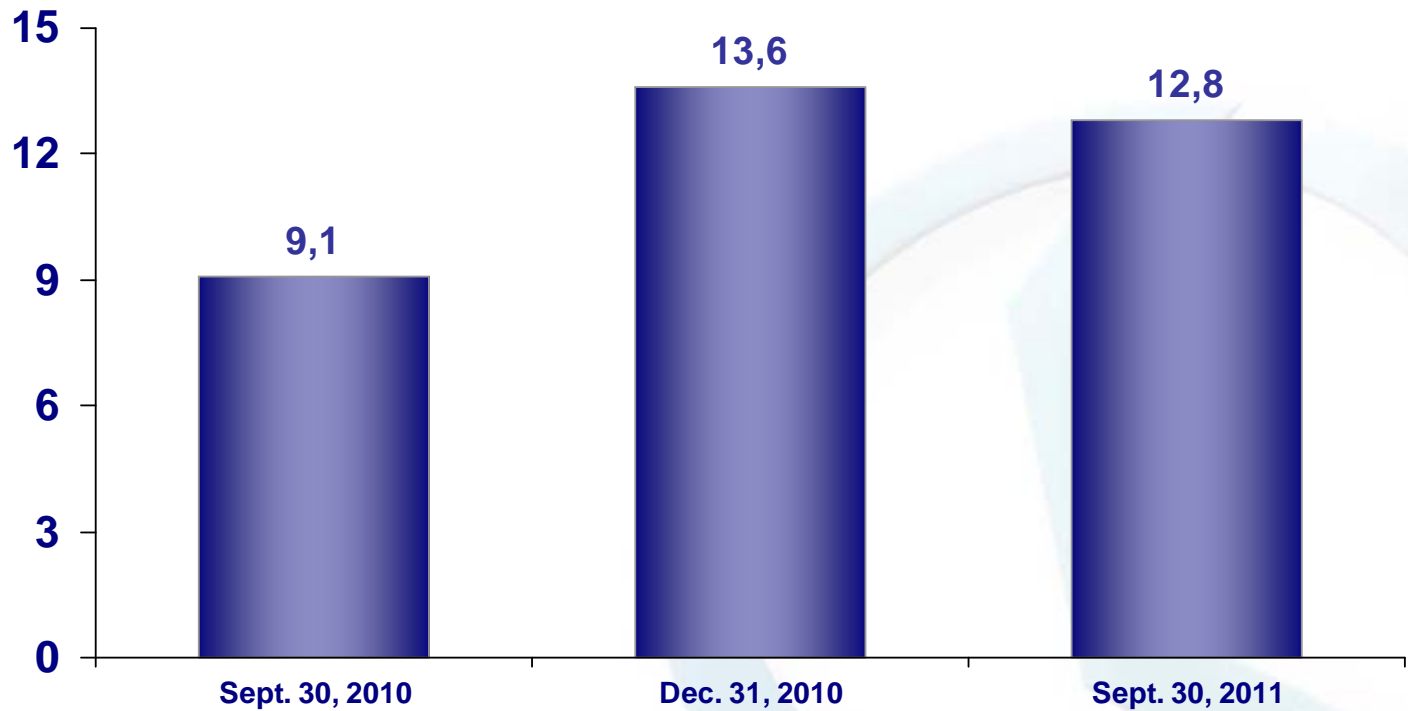
## 2011 First Half Consolidated balance sheet

Millions of Euro		Jun. 30, 2011	Dec. 31, 2010
<b>A</b>	Net working capital	43.0	38.6
<b>B</b>	Net fixed assets	40.1	38.1
<b>C</b>	Assets available for sales	-	-
<b>D</b>	Severance indemnities	2.7	2.8
<b>E</b>	Provisions for risks and charges	-	-
<b>F</b>	Deferred taxes	2.6	2.5
	<b>Net invested capital (A+B+C-D-E-F)</b>	<b>77.8</b>	<b>72.1</b>
<b>G</b>	Equity	87.4	85.7
<b>H</b>	Net financial position	(9.6)	(13.6)
	<b>Total sources (G+H)</b>	<b>77.8</b>	<b>72.1</b>



## *Net financial position*

Euro millions





## *Objectives and Strategies*





## *Objectives*

In order to face the current financial crisis, in 2011 Cembre will move on three different levels:

- **Increase of turnover** thanks to:
  - **A strengthening of Cembre competitive advantage** by developing new products and continuous product range renewing
  - **An higher penetration in the foreign markets, especially in the US**
  - A commercial commitment focus on high growing potential products
- **Optimization of working capital structure**
- **Cost management** by:
  - **Labour cost management** (by overtime restraint, control of fixed term contracts, etc.)
  - **Internalization of currently outsourced activities** (when less expensive)
  - **Better operative efficiency** by taking advantage of economies of scale and product innovations





## *Strategies*

- Continue to improve quality of products and extend the range thanks to the **constant and intensive R&D activities**
- **Strengthen the presence on foreign markets**
  - increase of penetration in the USA
  - expansion of market shares in Europe
  - strengthening of presence on South-East Asian market
- **Further reinforcement of existing market share** in Italy, where Cembre has already a leadership position