



COSTRUZIONI Elettromeccaniche BRESCIANE

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# INTERIM REPORT

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THIRD QUARTER 2015

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# Cembre S.p.A.

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

*This document contains translations of the quarterly report prepared in the Italian language for the purpose of the Italian law and of CONSOB regulations (CONSOB is the public authority responsible for regulating the Italian securities market)*

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## Corporate Boards and Independent Auditors

### Board of Directors

Giovanni Rosani	Chairman and Managing Director
Anna Maria Onofri	Vice-Chairman
Sara Rosani	Director
Giovanni De Vecchi	Director
Aldo Bottini Bongrani	Director
Fabio Fada	Independent Director
Giancarlo Maccarini	Independent Director
Paolo Giuseppe La Pietra	Independent Director

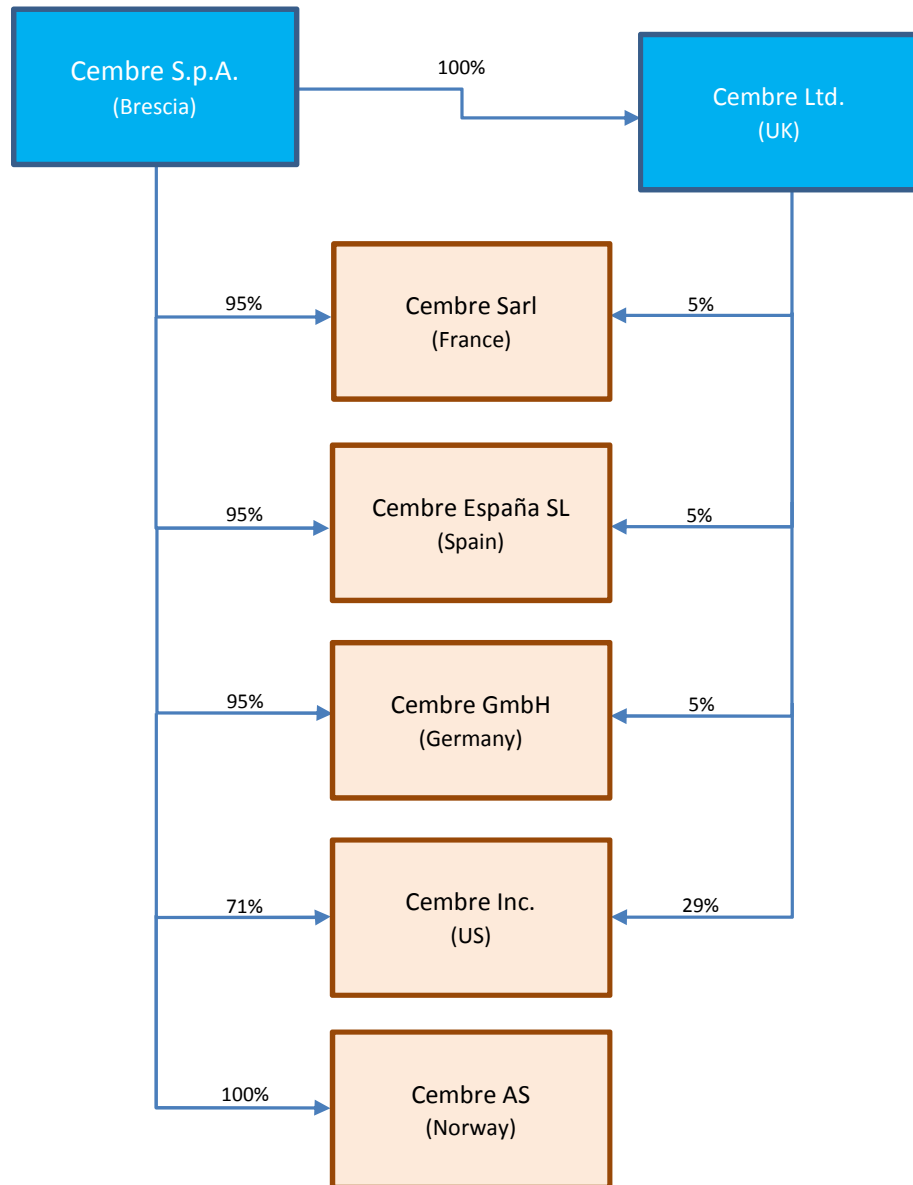
### Board of Statutory Auditors

Fabio Longhi	Chairman
Guido Astori	Permanent Auditor
Rosanna Angela Pilenga	Permanent Auditor
Maria Grazia Lizzini	Substitute Auditor
Gabriele Baschetti	Substitute Auditor

### Independent Auditors

PricewaterhouseCoopers S.p.A.

## Group Structure



Manufacturing and  
Distribution  
Companies

Distribution  
Companies

## Management Report

In the first nine months of 2015 both domestic sales and exports of the Cembre Group registered an increase on the corresponding period in 2014. Consolidated sales grew by 9.1% from €83,664 thousand in the first nine months of 2014, to €91,278 thousand in the corresponding period in 2015. In the 3<sup>rd</sup> Quarter of 2015 revenues amounted to €28,241 thousand, up 4.4% on €27,051 thousand in the 3<sup>rd</sup> Quarter of 2014.

In the first nine months of the year sales of Group companies had varied performances, with the parent company and the Spanish subsidiary registering respectively a 15.1% and a 21.9% increase in turnover, and the UK and US subsidiaries registering instead respectively a 15.7% and a 14.4% decline in sales in the respective currency.

### Revenues by Group company (net of intragroup sales):

<i>(euro '000)</i>	First nine months 2015	First nine months 2014	Change	First nine months 2013	First nine months 2012	First nine months 2011	First nine months 2010	First nine months 2009	First nine months 2008
Parent company	49,924	43,371	15.1%	38,726	40,612	44,886	38,490	29,744	39,624
Cembre Ltd. (UK)	14,479	15,376	-5.8%	14,295	13,402	10,410	8,823	8,406	9,815
Cembre S.a.r.l. (F)	6,481	6,188	4.7%	5,853	5,759	5,597	4,638	4,628	4,888
Cembre España S.L. (E)	6,217	5,101	21.9%	4,622	4,548	5,442	6,101	5,504	9,326
Cembre GmbH (D)	5,869	5,706	2.9%	5,478	6,285	5,903	4,738	3,837	3,975
Cembre AS (NOR)	755	665	13.5%	582	774	624	806	501	607
Cembre Inc. (US)	7,553	7,257	4.1%	7,141	6,026	4,788	3,872	3,426	4,243
<b>Total</b>	<b>91,278</b>	<b>83,664</b>	<b>9.1%</b>	<b>76,697</b>	<b>77,406</b>	<b>77,650</b>	<b>67,468</b>	<b>56,046</b>	<b>72,478</b>

In the first nine months of 2015, 40.1% of Group sales were represented by Italy (as compared with 39.2% in the first nine months of 2014), 42.5% by the rest of Europe (45.4% in the first nine months of 2014), and the remaining 17.4% by the rest of the World (15.4% in the first nine months of 2014). In the first nine months of 2015, domestic sales grew by 11.8% while exports were up 7.4% on the corresponding period in 2014; European sales outside Italy increased by 2% on the first nine months of 2014, while sales to the rest of the world grew by 23%.

**Revenues by geographical area**

(euro '000)	First nine months 2015	First nine months 2014	Change	First nine months 2013	First nine months 2012	First nine months 2011	First nine months 2010	First nine months 2009	First nine months 2008
Italy	36,632	32,769	11.8%	28,499	30,549	34,591	29,252	22,053	31,705
Rest of Europe	38,750	37,972	2.0%	35,625	35,323	33,094	29,578	26,956	32,680
Rest of the World	15,896	12,923	23.0%	12,573	11,534	9,965	8,638	7,037	8,093
<b>Total</b>	<b>91,278</b>	<b>83,664</b>	<b>9.1%</b>	<b>76,697</b>	<b>77,406</b>	<b>77,650</b>	<b>67,468</b>	<b>56,046</b>	<b>72,478</b>

**Revenues by Group company (net of intragroup sales)**

(euro '000)	Sales								
	First nine months 2015	First nine months 2014	Change	First nine months 2013	First nine months 2012	First nine months 2011	First nine months 2010	First nine months 2009	First nine months 2008
Cembre S.p.A.	70,016	63,408	10.4%	56,944	59,309	61,192	52,281	41,865	57,568
Cembre Ltd. (UK)	15,590	16,716	-6.7%	15,530	14,687	12,122	9,904	9,277	10,819
Cembre S.a.r.l. (F)	6,484	6,197	4.6%	5,903	5,767	5,615	4,643	4,645	4,910
Cembre España S.L. (E)	6,233	5,103	22.1%	4,623	4,910	5,444	6,102	5,506	9,327
Cembre GmbH (D)	5,978	5,748	4.0%	5,616	6,300	5,978	4,756	3,878	3,984
Cembre AS (NOR)	755	665	13.5%	582	774	629	806	502	613
Cembre Inc. (USA)	7,867	7,376	6.7%	7,167	6,076	4,795	3,897	3,486	4,250

(euro '000)	Pre-tax profit								
	First nine months 2015	First nine months 2014	Change	First nine months 2013	First nine months 2012	First nine months 2011	First nine months 2010	First nine months 2009	First nine months 2008
Cembre S.p.A.	16,595	13,602	22.0%	8,400	10,775	12,684	10,994	4,976	9,973
Cembre Ltd. (UK)	2,022	2,416	-16.3%	2,100	1,936	1,513	955	1,104	993
Cembre S.a.r.l. (F)	438	278	57.6%	318	170	350	83	419	491
Cembre España S.L. (E)	479	246	94.7%	169	(234)	(162)	171	335	957
Cembre GmbH (D)	595	422	41.0%	433	736	660	420	316	291
Cembre AS (NOR)	66	76	-13.2%	12	119	30	240	108	164
Cembre Inc. (USA)	239	677	-64.7%	1,012	423	371	154	181	523

For a more direct evaluation of the effect of foreign exchange translations, we include below sales figures of companies operating outside the euro area in the respective currency.

	Currency	Sales								
		First nine months 2015	First nine months 2014	Change	First nine months 2013	First nine months 2012	First nine months 2011	First nine months 2010	First nine months 2009	First nine months 2008
(euro '000)										
Cembre Ltd. (UK)	Gbp	11,337	13,570	-16.5%	13,234	11,926	10,563	8,491	8,221	8,471
Cembre AS (NOR)	Nok	6,654	5,504	20.9%	4,458	5,816	4,913	6,441	4,437	4,893
Cembre Inc. (USA)	US\$	8,767	9,994	-12.3%	9,440	7,782	6,745	5,122	4,764	6,468

	Currency	Pre-tax profit								
		First nine months 2015	First nine months 2014	Change	First nine months 2013	First nine months 2012	First nine months 2011	First nine months 2010	First nine months 2009	First nine months 2008
(euro '000)										
Cembre Ltd. (UK)	Gbp	1,470	1,961	-25.0%	1,789	1,572	1,319	819	979	778
Cembre AS (NOR)	Nok	580	627	-7.5%	93	892	236	1,918	957	1,311
Cembre Inc. (USA)	Us\$	266	917	-71.0%	1,333	542	521	203	247	795

To provide a better understanding of the Company's financial performance for the first nine months of 2015, a Reclassified Consolidated Income Statement for the same period and the corresponding period in 2014 showing percentage changes is enclosed as Attachment 1.

Gross operating profit for the first nine months of 2015 amounted to €22,216 thousand, corresponding to a 24.3% margin on sales, up 22.2% on €18,186 thousand reported in the first nine months of 2014 (21.7% of sales). The cost of goods sold, services and personnel costs declined as a margin of sales despite the slight increase in the average number of employees from 618 in the first nine months of 2014 to 628 in the corresponding period in 2015.

Net operating profit for the first nine months of 2015 amounted to €17,975 thousand, corresponding to a 19.7% margin on sales, up 24.2% on €14,469 thousand reported in the first nine months of 2014 (17.3% of sales).

Profit before taxes for the first nine months of 2015 amounts to €18,092 thousand, representing a 19.8% margin on sales, up 23.3% on the profit before taxes reported in the first nine months of 2014, amounting to €14,672 thousand and corresponding to a 17.5% margin on sales.



Net profit for the first nine months of 2015 amounted to €12,928 thousand, representing a 14.2% margin on sales, up 31.3% on €9,847 thousand in the first nine months of 2014, when it represented an 11.8% margin on sales.

The consolidated net financial position at September 30, 2015 amounted to a surplus of €16.1 million, improving on December 31, 2014, when it amounted to a surplus of €11.7 million. The consolidated net financial position at September 30, 2014 amounted to a surplus of €8 million.

	(euro '000)	September 30, 2015	December 31, 2014	September 30, 2014
A	Cash	14	13	42
B	Bank deposits	16,118	11,646	8,474
<b>C</b>	<b>Cash and cash equivalents (A+B)</b>	<b>16,132</b>	<b>11,659</b>	<b>8,516</b>
D	Current bank debt	-	-	(546)
<b>E</b>	<b>Current financial debt (D)</b>	<b>-</b>	<b>-</b>	<b>(546)</b>
<b>F</b>	<b>Net current financial position (C+E)</b>	<b>16,132</b>	<b>11,659</b>	<b>7,970</b>
<b>G</b>	<b>Non-current financial debt</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>H</b>	<b>Net financial position (F+G)</b>	<b>16,132</b>	<b>11,659</b>	<b>7,970</b>

Capital expenditure made by the Group in the first nine months of 2015 amounted to €4.9 million, of which €2.3 million on plant, €0.4 million on buildings, and €0.7 million on equipment. In the first nine months of 2014, capital investment had amounted to €6.3 million.

### Events subsequent to September 30, 2015

No event having significant effects on the Group's financial position or operating performance occurred after September 30, 2015.

### Outlook

Cembre expects to close the 2015 financial year reporting an increase in sales over 2014 both in the domestic and foreign markets, thus achieving an increase in consolidated turnover and a positive consolidated profit.

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.

## Attachment 1

## Comparative Consolidated Income Statement

	First nine months 2015	%	First nine months 2014	%	Change	3 <sup>rd</sup> Qtr. 2015	%	3 <sup>rd</sup> Qtr. 2014	%	Change
(€ '000)										
Revenues from sales and services provided	91,278	100.0%	83,664	100.0%	9.1%	28,241	100.0%	27,051	100.0%	4.4%
Other revenues	478		772		-38.1%	118		469		-74.8%
<b>Total Revenues</b>	<b>91,756</b>		<b>84,436</b>		<b>8.7%</b>	<b>28,359</b>		<b>27,520</b>		<b>3.0%</b>
Cost of goods and merchandise	(32,249)	-35.3%	(31,149)	-37.2%	3.5%	(9,658)	-34.2%	(8,547)	-31.6%	13.0%
Change in inventories	1,350	1.5%	1,125	1.3%	20.0%	325	1.2%	(1,642)	-6.1%	-119.8%
Cost of services received	(11,192)	-12.3%	(10,749)	-12.8%	4.1%	(3,411)	-12.1%	(3,251)	-12.0%	4.9%
Lease and rental costs	(1,027)	-1.1%	(1,038)	-1.2%	-1.1%	(348)	-1.2%	(351)	-1.3%	-0.9%
Personnel costs	(25,663)	-28.1%	(23,855)	-28.5%	7.6%	(8,059)	-28.5%	(7,516)	-27.8%	7.2%
Other operating costs	(976)	-1.1%	(786)	-0.9%	24.2%	(284)	-1.0%	(206)	-0.8%	37.9%
Capitalized internal construction costs	548	0.6%	707	0.8%	-22.5%	126	0.4%	237	0.9%	-46.8%
Write-down of receivables	(280)	-0.3%	(498)	-0.6%	-43.8%	(80)	-0.3%	(109)	-0.4%	-26.6%
Accruals to provisions for risks and charges	(51)	-0.1%	(7)	0.0%	628.6%	(11)	0.0%	(2)	0.0%	450.0%
<b>Gross Operating Profit</b>	<b>22,216</b>	<b>24.3%</b>	<b>18,186</b>	<b>21.7%</b>	<b>22.2%</b>	<b>6,959</b>	<b>24.6%</b>	<b>6,133</b>	<b>22.7%</b>	<b>13.5%</b>
Property, plant and equipment depreciation	(3,889)	-4.3%	(3,289)	-3.9%	18.2%	(1,327)	-4.7%	(1,141)	-4.2%	16.3%
Intangible asset amortization	(352)	-0.4%	(302)	-0.4%	16.6%	(123)	-0.4%	(104)	-0.4%	18.3%
Write-down of assets	-	0.0%	(126)	-0.2%	-100.0%	-	0.0%	(126)	-0.5%	-100.0%
<b>Operating Profit</b>	<b>17,975</b>	<b>19.7%</b>	<b>14,469</b>	<b>17.3%</b>	<b>24.2%</b>	<b>5,509</b>	<b>19.5%</b>	<b>4,762</b>	<b>17.6%</b>	<b>15.7%</b>
Financial Income	23	0.0%	11	0.0%	109.1%	6	0.0%	4	0.0%	50.0%
Financial expenses	(1)	0.0%	(7)	0.0%	-85.7%	-	0.0%	(2)	0.0%	-100.0%
Foreign exchange gains (losses)	95	0.1%	199	0.2%	-52.3%	(112)	-0.4%	57	0.2%	-296.5%
<b>Profit Before Taxes</b>	<b>18,092</b>	<b>19.8%</b>	<b>14,672</b>	<b>17.5%</b>	<b>23.3%</b>	<b>5,403</b>	<b>19.1%</b>	<b>4,821</b>	<b>17.8%</b>	<b>12.1%</b>
Income taxes	(5,164)	-5.7%	(4,825)	-5.8%	7.0%	(1,427)	-5.1%	(1,787)	-6.6%	-20.1%
<b>Net Profit</b>	<b>12,928</b>	<b>14.2%</b>	<b>9,847</b>	<b>11.8%</b>	<b>31.3%</b>	<b>3,976</b>	<b>14.1%</b>	<b>3,034</b>	<b>11.2%</b>	<b>31.0%</b>

## Consolidated Financial Statements at September 30, 2015

### Consolidated Comprehensive Income Statement

	First nine months 2015	First nine months 2014
<i>(euro '000)</i>		
Revenues from sales and services provided	91,278	83,664
Other revenues	478	772
<b>Total Revenues</b>	<b>91,756</b>	<b>84,436</b>
Cost of goods and merchandise	(32,249)	(31,149)
Change in inventories	1,350	1,125
Cost of services received	(11,192)	(10,749)
Lease and rental costs	(1,027)	(1,038)
Personnel costs	(25,663)	(23,855)
Other operating costs	(976)	(786)
Capitalized internal construction costs	548	707
Write-down of receivables	(280)	(498)
Accruals to provisions for risks and charges	(51)	(7)
<b>Gross Operating Profit</b>	<b>22,216</b>	<b>18,186</b>
Property, plant and equipment depreciation	(3,889)	(3,289)
Intangible asset amortization	(352)	(302)
Write-down of assets	-	(126)
<b>Operating Profit</b>	<b>17,975</b>	<b>14,469</b>
Financial income	23	11
Financial expenses	(1)	(7)
Foreign exchange gains (losses)	95	199
<b>Profit Before Taxes</b>	<b>18,092</b>	<b>14,672</b>
Income taxes	(5,164)	(4,825)
<b>Net Profit</b>	<b>12,928</b>	<b>9,847</b>
<b>Elements that could be charged to the income statement</b>		
Conversion difference reserves	1,038	1,258
<b>Comprehensive Income</b>	<b>13,966</b>	<b>11,105</b>

## Consolidated Statement of Financial Position - Assets

ASSETS	Sept. 30, 2015	Dec. 31, 2014
<i>(euro '000)</i>		
<b>NON-CURRENT ASSETS</b>		
Tangible assets	64,817	64,050
Investment property	1,732	1,796
Intangible assets	1,220	1,219
Other investments	10	10
Other non-current assets	50	9
Deferred tax assets	2,856	2,474
<b>TOTAL NON-CURRENT ASSETS</b>	<b>70,685</b>	<b>69,558</b>
<b>CURRENT ASSETS</b>		
Inventories	40,423	38,291
Trade receivables	25,340	25,625
Tax receivables	761	847
Other receivables	435	537
Cash and cash equivalents	16,132	11,659
<b>TOTAL CURRENT ASSETS</b>	<b>83,091</b>	<b>76,959</b>
<b>NON-CURRENT ASSETS HELD FOR DISPOSAL</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>153,776</b>	<b>146,517</b>

## Consolidated Statement of Financial Position – Liabilities and Shareholders' Equity

LIABILITIES AND SHAREHOLDERS' EQUITY	Sept. 30, 2015	Dec. 31, 2014
<i>(euro '000)</i>		
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock	8,840	8,840
Reserves	105,973	97,513
Net profit	12,928	13,542
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>127,741</b>	<b>119,895</b>
<b>NON-CURRENT LIABILITIES</b>		
Employee Severance Indemnity and other personnel benefits	2,547	2,554
Provisions for risks and charges	358	269
Deferred tax liabilities	2,481	2,439
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>5,386</b>	<b>5,262</b>
<b>CURRENT LIABILITIES</b>		
Trade payables	9,917	13,219
Tax payables	2,799	1,744
Other payables	7,933	6,397
<b>TOTAL CURRENT LIABILITIES</b>	<b>20,649</b>	<b>21,360</b>
<b>LIABILITIES ON ASSETS HELD FOR DISPOSAL</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>26,035</b>	<b>26,622</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>153,776</b>	<b>146,517</b>

## Consolidated Statement of Cash Flows

	First Nine Months 2015	2014
(migliaia di euro)		
<b>A) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>11,659</b>	<b>7,539</b>
<b>B) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit (loss) for the period	12,928	13,542
Depreciation, amortization and write-downs	4,241	4,919
(Gains)/Losses on disposal of assets	(51)	190
Net change in Employee Termination Indemnity	(7)	116
Net change in provisions for risks and charges	89	190
<b>Operating profit (loss) before change in working capital</b>	<b>17,200</b>	<b>18,957</b>
(Increase) Decrease in trade receivables	285	(771)
(Increase) Decrease in inventories	(2,132)	(1,533)
(Increase) Decrease in other receivables and deferred tax assets	(194)	264
Increase (Decrease) of trade payables	(2,965)	390
Increase (Decrease) of other payables, deferred tax liabilities and tax payables	2,633	972
<b>Change in working capital</b>	<b>(2,373)</b>	<b>(678)</b>
<b>NET CASH FLOW (USED IN)/FROM OPERATING ACTIVITIES</b>	<b>14,827</b>	<b>18,279</b>
<b>C) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on fixed assets:		
- intangible	(359)	(477)
- tangible	(4,587)	(8,759)
- financial	-	(5)
Proceeds from disposal of tangible, intangible, available-for-sale financial assets:		
- intangible	9	-
- tangible	335	142
Increase (Decrease) of trade payables for assets	(337)	50
<b>NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES</b>	<b>(4,939)</b>	<b>(9,049)</b>
<b>D) CASH FLOW FROM FINANCING ACTIVITIES</b>		
(Increase) Decrease in other non current assets	(41)	1
Increase (Decrease) in bank loans and borrowings	-	(1,647)
Dividends distributed	(6,120)	(4,420)
<b>NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES</b>	<b>(6,161)</b>	<b>(6,066)</b>
<b>E) INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (B+C+D)</b>	<b>3,727</b>	<b>3,164</b>
F) Foreign exchange conversion differences	746	1,047
G) Discounting of employee termination indemnities	-	(91)
<b>H) CASH AND CASH EQUIVALENTS AT END OF PERIOD (A+E+F)</b>	<b>16,132</b>	<b>11,659</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>16,132</b>	<b>11,659</b>
Current financial liabilities	-	-
<b>NET CONSOLIDATED FINANCIAL POSITION</b>	<b>16,132</b>	<b>11,659</b>
<b>INTEREST EXPENSE FOR THE PERIOD</b>	<b>(1)</b>	<b>(6)</b>
<b>BREAKDOWN OF CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>		
Cash	14	13
Current accounts	16,118	11,646
	<b>16,132</b>	<b>11,659</b>

## Statement of Changes in the Consolidated Shareholders' Equity

(€'000)	Balance at December 31, 2014	Allocation of previous year's net profit	Other changes	Comprehensive Income for the period	Balance at September 30, 2015
Capital stock	8,840				8,840
Share premium reserve	12,245				12,245
Legal Reserve	1,768				1,768
Suspended-tax reserves	585				585
Other suspended-tax reserves	68				68
Other reserves	19,586	1,339		(15)	20,910
Conversion differences	(248)			1,053	805
Extraordinary reserve	55,286	6,083			61,369
First time application of IFRS reserve	3,715				3,715
Discounting of employee termination indemnities	111				111
Merger differences	4,397				4,397
Retained earnings	-				-
Net profit	13,542	(13,542)		12,928	12,928
<b>Total Shareholders' Equity</b>	<b>119,895</b>	<b>(6,120)</b>	<b>-</b>	<b>13,966</b>	<b>127,741</b>

(€'000)	Balance at December 31, 2013	Allocation of previous year's net profit	Other changes	Comprehensive Income for the period	Balance at December 31, 2014
Capital stock	8,840				8,840
Share premium reserve	12,245				12,245
Legal Reserve	1,768				1,768
Suspended-tax reserves	585				585
Other suspended-tax reserves	68				68
Other reserves	17,758	1,827		1	19,586
Conversion differences	(1,619)			1,371	(248)
Extraordinary reserve	51,030	4,256			55,286
First time application of IFRS reserve	3,715				3,715
Discounting of employee termination indemnities	202			(91)	111
Merger differences	4,397				4,397
Retained earnings	-				-
Net profit	10,503	(10,503)		13,542	13,542
<b>Total Shareholders' Equity</b>	<b>109,492</b>	<b>(4,420)</b>	<b>-</b>	<b>14,823</b>	<b>119,895</b>



## Notes to the accounts

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

The present Interim Report at September 30, 2015 was prepared in accordance with Regulations for the implementation of Legislative Decree no. 58 dated February 24, 1998 of the Consolidated Law on Finance (*Testo Unico*), and with article 82 of the Listed Companies Code, adopted by Consob with Resolution no. 11971 and subsequent amendments. Disclosure required under IAS 34 is therefore not provided in the present document.

Principles of consolidation and valuation criteria adopted are consistent with international accounting principles (IAS/IFRS).

The Consolidated Financial Statements are based on the Statutory Accounts of Cembre S.p.A. (parent company) at September 30, 2015, and those of the following companies at the same date:

	Share owned by the Group September 30, 2015	Share owned by the Group September 30, 2014
<b>Cembre Ltd. (UK)</b>	100%	100%
<b>Cembre Sarl* (France)</b>	100%	100%
<b>Cembre España SL* (Spain)</b>	100%	100%
<b>Cembre AS (Norway)</b>	100%	100%
<b>Cembre GmbH* (Germany)</b>	100%	100%
<b>Cembre Inc.**(US)</b>	100%	100%

\* 5% share held through Cembre Ltd.

\*\* 29% share held through Cembre Ltd.

The parent company has control of the above companies pursuant to Article 2359 of the Italian Civil Code.

Criteria used in the preparation of the financial statements were applied consistently within the Group. Where necessary, financial data was adjusted and reclassified. In

compliance with IAS 1, in the financial statements costs were classified by nature. The scope of the consolidation is unchanged from September 30, 2014 and December 31, 2014. Amounts are expressed in thousands of euro.

The present Quarterly Report was prepared in accordance with the “period separation criteria”, based on which the period considered is treated as an independent financial period. The income statement for the quarter thus reflects the income components relating to the period based on the accrual method.

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

### **Conversion of financial statements of subsidiaries expressed in currencies other than the euro**

The functional currency of the Group is the euro, in which its accounts are presented.

Exchange rates applied for the conversion of financial statements of subsidiaries expressed in currencies other than the euro are shown in the table below.

Currency	Exchange rate at September 30, 2015	Average exchange rate for 2015
British pound (£)	0.7385	0.7271
US dollar (US\$)	1.1203	1.1144
Norwegian kroner (NOK)	9.5245	8.8174

Brescia, November 13, 2015

**The Chairman and Managing Director of  
Cembre S.p.A.**

Giovanni Rosani

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**C e m b r e**

## **DECLARATION**

pursuant to art 154-bis, Paragraph 2 of Legislative Decree 58 dated Feb. 24, 1998 "Consolidated Law on financial intermediation regulations" and subsequent integrations and updates

Re: 2015 third Quarter Interim Report

The undersigned,

Claudio Bornati, Manager responsible for preparing the Cembre S.p.A. financial reports

## **DECLARES**

pursuant to Paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the financial disclosure contained in the 2015 third Quarter Interim Report corresponds to the document results, books and accounting records.

Brescia, november 13, 2015

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