



COSTRUZIONI ELETTROMECCANICHE BRESCIANE

INTERIM REPORT

2017 THIRD QUARTER

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 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)

Summary

Corporate Boards and Independent Auditors	2
Group Structure	3
Management Report.....	4
Events subsequent to September 30, 2017	8
Outlook	8
Attachment 1	9
Consolidated Income Statement	9
Consolidated Financial Statements at September 30, 2017	10
Consolidated Comprehensive Income Statement	10
Consolidated Statement of Financial Position - Assets.....	11
Consolidated Statement of Financial Position – Liabilities and Shareholders’ Equity..	12
Consolidated Statement of Cash Flows	13
Statement of Changes in the Consolidated Shareholders' Equity	14
Notes to the accounts.....	15
Accounting principles, form and content of the Financial Statements, estimates.....	15
Conversion of financial statements of subsidiaries expressed in currencies other than the euro.....	16

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

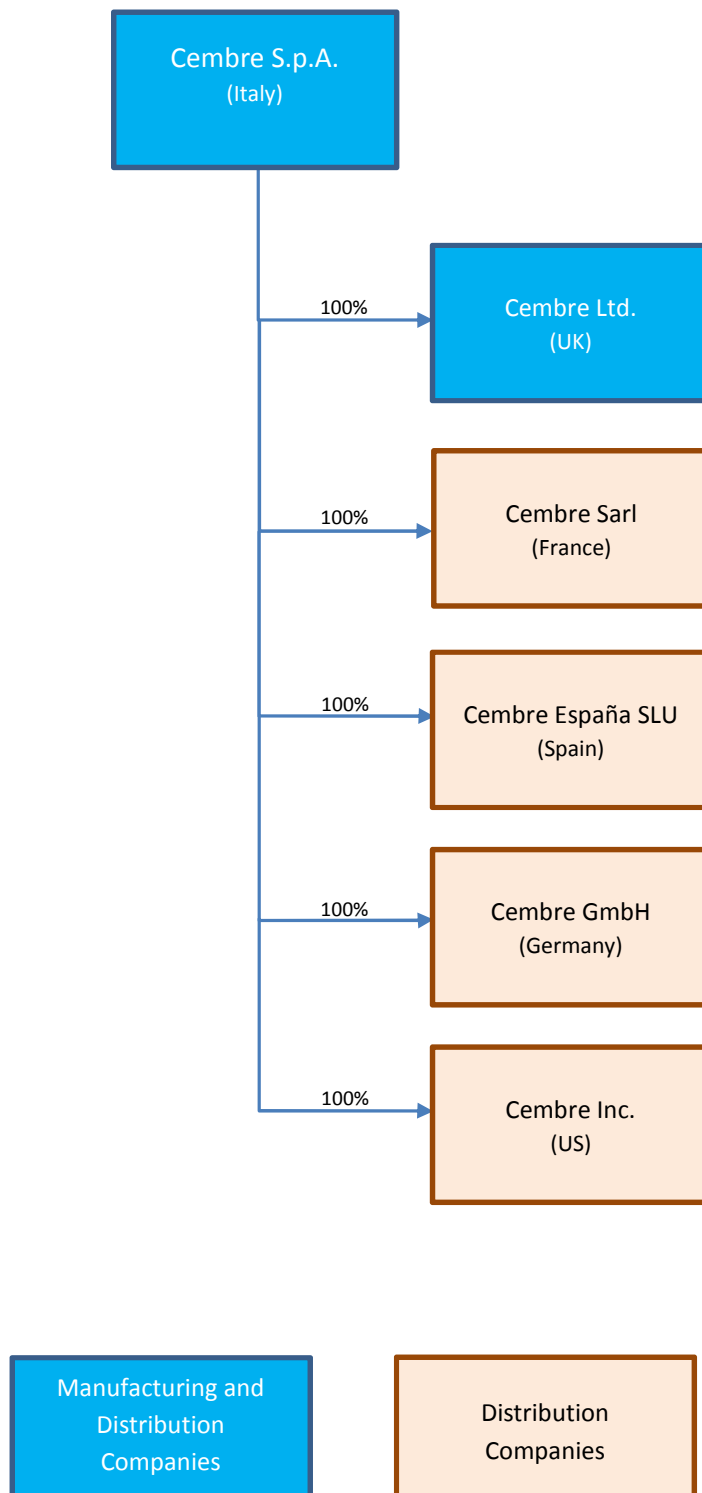
Board of Statutory Auditors

Fabio Longhi	Chairman
Andrea Boreatti	Permanent Auditor
Rosanna Angela Pilenga	Permanent Auditor
Maria Grazia Lizzini	Substitute Auditor
Gabriele Baschetti	Substitute Auditor

Independent Auditors

PricewaterhouseCoopers S.p.A.

Group Structure



Management Report

In the first nine months of 2017 consolidated sales of the Cembre Group registered a strong increase on the corresponding period in 2016, growing by 7.8% from €90,518 thousand in the first nine months of 2016 to €97,555 thousand in the corresponding period in 2017.

Sales in the Italian market grew in the period by 11.0% to €40.8 million, while sales to European countries (Italy excluded) grew by 5.5% to €41.0 million and sales to the rest of the world by 5.6% to €15.8 million.

In the first nine months of 2017, 41.8% of Group sales were represented by Italy (as compared with 40.6% in the first nine months of 2016), 42.0% by the rest of Europe (42.9% in the first nine months of 2016), and the remaining 16.2% by the rest of the World (16.5% in the first nine months of 2016).

Revenues by geographical area

<i>(euro '000)</i>	First nine months 2017	First nine months 2016	Change	First nine months 2015	First nine months 2014	First nine months 2013	First nine months 2012	First nine months 2011	First nine months 2010
Italy	40,768	36,716	11.0%	36,632	32,769	28,499	30,549	34,591	29,252
Europe (Italy excluded)	41,001	38,848	5.5%	38,750	37,972	35,625	35,323	33,094	29,578
Rest of the World	15,786	14,954	5.6%	15,896	12,923	12,573	11,534	9,965	8,638
Total	97,555	90,518	7.8%	91,278	83,664	76,697	77,406	77,650	67,468

In line with the positive trend registered in the past months, in the first nine months of 2017 the Group companies – with the exception of the UK subsidiary, still negatively affected by the weak British pound – registered an increase in turnover. Though reporting a 4.3% increase in sales in British pounds, in fact, due to the devaluation of the currency against the euro the UK subsidiary saw its sales in euro terms decline in the period by 4.1% (3.1% considering only sales to third parties).

Starting with 2016, the Group entrusted the distribution of its products in the Scandinavian market to a company different from its Norwegian subsidiary Cembre AS, which has since been wound up.

Revenues by Group company (net of intragroup sales):

<i>(euro '000)</i>	First nine months 2017	First nine months 2016	Change	First nine months 2015	First nine months 2014	First nine months 2013	First nine months 2012	First nine months 2011	First nine months 2010
Parent	54,587	50,142	8.9%	49,924	43,371	38,726	40,612	44,886	38,490
Cembre Ltd. (UK)	13,209	13,633	-3.1%	14,479	15,376	14,295	13,402	10,410	8,823
Cembre S.a.r.l. (France)	7,215	6,899	4.6%	6,481	6,188	5,853	5,759	5,597	4,638
Cembre España S.L.U. (Spain)	7,237	5,990	20.8%	6,217	5,101	4,622	4,548	5,442	6,101
Cembre GmbH (Germany)	6,552	5,953	10.1%	5,869	5,706	5,478	6,285	5,903	4,738
Cembre Inc. (US)	8,755	7,878	11.1%	7,553	7,257	7,141	6,026	4,788	3,872
Cembre AS (Norway) (liquidated in 2016)	-	23	n.a.	755	665	582	774	624	806
Total	97,555	90,518	7.8%	91,278	83,664	76,697	77,406	77,650	67,468

In the first nine months of 2017, Group companies reported the following pre-consolidated results:

<i>(euro '000)</i>	Sales								
	First nine months 2017	First nine months 2016	Change	First nine months 2015	First nine months 2014	First nine months 2013	First nine months 2012	First nine months 2011	First nine months 2010
Parent	76,059	70,140	8.4%	70,016	63,408	56,944	59,309	61,192	52,281
Cembre Ltd. (UK)	14,119	14,719	-4.1%	15,590	16,716	15,530	14,687	12,122	9,904
Cembre S.a.r.l. (France)	7,221	6,925	4.3%	6,484	6,197	5,903	5,767	5,615	4,643
Cembre España S.L.U. (Spain)	7,238	5,991	20.8%	6,233	5,103	4,623	4,910	5,444	6,102
Cembre GmbH (Germany)	6,609	6,012	9.9%	5,978	5,748	5,616	6,300	5,978	4,756
Cembre Inc. (US)	8,782	8,037	9.3%	7,867	7,376	7,167	6,076	4,795	3,897
Cembre AS (Norway) (liquidated in 2016)	-	199	n.a.	755	665	582	774	629	806

<i>(euro '000)</i>	Pre-tax profit								
	First nine months 2017	First nine months 2016	Change	First nine months 2015	First nine months 2014	First nine months 2013	First nine months 2012	First nine months 2011	First nine months 2010
Parent	21,521	16,765	28.4%	16,595	13,602	8,400	10,775	12,684	10,994
Cembre Ltd. (UK)	3,611	1,790	101.7%	2,022	2,416	2,100	1,936	1,513	955
Cembre S.a.r.l. (France)	427	286	49.3%	438	278	318	170	350	83
Cembre España S.L.U. (Spain)	996	8	n.a.	479	246	169	(234)	(162)	171
Cembre GmbH (Germany)	705	432	63.2%	595	422	433	736	660	420
Cembre Inc. (US)	566	271	108.9%	239	677	1,012	423	371	154
Cembre AS (Norway) (liquidated in 2016)	-	(90)	n.a.	66	76	12	119	30	240

The strong increase in net profit of the UK subsidiary is due to the £1,928 thousand (€2,231 thousand) capital gain on the sale to the parent company of shares held by the UK Company in other subsidiaries. For more detailed information see the attached Notes to the accounts where the changes in the Group holding structure are described.

Either Cembre Group or Cembre España S.L.U. net profit were effected by a €502 thousand capital gain on the sale, realized in September 2017, of the industrial building located in Coslada (Madrid), formerly hosting the subsidiary's operations; this amount is classified in the Income Statement under *Other non-recurrent income*.

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								
(euro '000)		First nine months 2017	First nine months 2016	Change	First nine months 2015	First nine months 2014	First nine months 2013	First nine months 2012	First nine months 2011	First nine months 2010
Cembre Ltd. (UK)	£	12,329	11,820	4.3%	11,337	13,570	13,234	11,926	10,563	8,491
Cembre Inc. (USA)	US\$	9,784	8,971	9.1%	8,767	9,994	9,440	7,782	6,745	5,122
Cembre AS (NOR) (liquidated in 2016)	Nok	-	1,844	n.a.	6,654	5,504	4,458	5,816	4,913	6,441

	Currency	Pre-tax profit								
(euro '000)		First nine months 2017	First nine months 2016	Change	First nine months 2015	First nine months 2014	First nine months 2013	First nine months 2012	First nine months 2011	First nine months 2010
Cembre Ltd. (UK)	£	3,153	1,438	119.3%	1,470	1,961	1,789	1,572	1,319	819
Cembre Inc. (USA)	US\$	645	303	112.9%	266	917	1,333	542	521	203
Cembre AS (NOR) (liquidated in 2016)	Nok	-	(861)	n.a.	580	627	93	892	236	1,918

To provide a better understanding of the Company's financial performance for the first nine months of 2017, a Reclassified Consolidated Income Statement for the same period and the corresponding period in 2016 showing percentage changes is enclosed as Attachment 1.

Gross operating profit for the first nine months of 2017 amounted to €25,292 thousand, corresponding to a 25.9% margin on sales, up 13.7% on €22,237 thousand reported in the

first nine months of 2016 (24.6% of sales). The cost of goods sold and the cost of services as a percentage of sales were stable while personnel costs as a percentage of sales declined despite the increase in the average number of employees from 672 in the first nine months of 2016 to 684 in the corresponding period in 2017.

The operating profit for the first nine months of 2017 amounted to €20,564 thousand, corresponding to a 21.1% margin on sales, up 15.4 % on €17,824 thousand reported in the first nine months of 2016 (19.7% of sales).

Profit before taxes for the first nine months of 2017 amounts to €20,182 thousand, representing a 20.7% margin on sales, up 13.6% on the profit before taxes reported in the first nine months of 2016, amounting to €17,770 thousand and corresponding to a 19.6% margin on sales.

Due primarily to the continued weakness of the British pound, foreign exchange losses caused a reduction of pre-tax profit amounting to €454 thousand, as compared to a reduction of €70 thousand in the corresponding period in 2016.

Net profit for the first nine months of 2017 grew by 13.4% on the corresponding period in 2016 from €12,716 thousand, representing a 14.0% margin on sales, to €14,416 thousand representing a 14.8% margin on sales.

The consolidated net financial position at September 30, 2017 amounted to a surplus of €20.3 million, declining on December 31, 2016, when it amounted to a surplus of €26.7 million. The consolidated net financial position at September 30, 2016 amounted to a surplus of €23.1 million.

	(euro '000)	September 30, 2017	December 31, 2016	September 30, 2016
A	Cash	23	44	35
B	Bank deposits	20,340	26,665	23,087
C	Cash and cash equivalents (A+B)	20,363	26,709	23,122
D	Liabilities on derivatives	-	(43)	-

E	Current financial debt	-	(43)	-
F	Net current financial position (C+E)	20,363	26,666	23,122
G	Non-current financial debt	-	-	-
H	Net financial position (F+G)	20,363	26,666	23,122

Capital expenditure made by the Group in the first nine months of 2017 amounted to €9.3 million, of which €3.9 million on plant and machinery, and €1 million on buildings. Advances on the purchase of assets amounted to €2.4 million, among which €1.4 million on the construction of a new industrial building at the Brescia main complex. In the first nine months of 2016, capital investment had amounted to €4.3 million.

Events subsequent to September 30, 2017

No event having significant effects on the Group's financial position or operating performance occurred after September 30, 2017.

Outlook

The devaluation of the British pound against the euro is strongly affecting the euro value of sales of the UK subsidiary, which account for 14% of Cembre's total consolidated sales. Despite this, Cembre expects to close the 2017 financial year reporting a growth in turnover on 2016.

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

Consolidated Income Statement

	First nine months 2017	%	First nine months 2016	%	Change	3 rd Qtr. 2017	%	3 rd Qtr. 2016	%	Change
(€ '000)										
Revenues from sales and services provided	97,555	100.0%	90,518	100.0%	7.8%	30,959	100.0%	27,833	100.0%	11.2%
Other revenues	371		408		-9.1%	118		(15)		-886.7%
Other non-recurring revenues	502		-			502		-		
Total Revenues	98,428		90,926		8.3%	31,579		27,818		13.5%
Cost of goods and merchandise	(34,759)	-35.6%	(30,758)	-34.0%	13.0%	(10,767)	-34.8%	(8,142)	-29.3%	32.2%
Change in inventories	2,657	2.7%	1,121	1.2%	137.0%	29	0.1%	(375)	-1.3%	-107.7%
Cost of services received	(12,407)	-12.7%	(11,210)	-12.4%	10.7%	(3,852)	-12.4%	(3,508)	-12.6%	9.8%
Lease and rental costs	(1,186)	-1.2%	(1,139)	-1.3%	4.1%	(392)	-1.3%	(391)	-1.4%	0.3%
Personnel costs	(27,361)	-28.0%	(26,593)	-29.4%	2.9%	(8,665)	-28.0%	(8,300)	-29.8%	4.4%
Other operating costs	(849)	-0.9%	(828)	-0.9%	2.5%	(268)	-0.9%	(281)	-1.0%	-4.6%
Capitalized internal construction costs	816	0.8%	763	0.8%	6.9%	233	0.8%	226	0.8%	3.1%
Write-down of receivables	(34)	0.0%	(34)	0.0%	0.0%	63	0.2%	(16)	-0.1%	-493.8%
Accruals to provisions for risks and charges	(13)	0.0%	(11)	0.0%	18.2%	(4)	0.0%	(4)	0.0%	0.0%
Gross Operating Profit	25,292	25.9%	22,237	24.6%	13.7%	7,956	25.7%	7,027	25.2%	13.2%
Property, plant and equipm. depreciation	(4,301)	-4.4%	(4,017)	-4.4%	7.1%	(1,465)	-4.7%	(1,361)	-4.9%	7.6%
Intangible asset amortization	(427)	-0.4%	(396)	-0.4%	7.8%	(154)	-0.5%	(136)	-0.5%	13.2%
Operating Profit	20,564	21.1%	17,824	19.7%	15.4%	6,337	20.5%	5,530	19.9%	14.6%
Financial Income	76	0.1%	17	0.0%	347.1%	3	0.0%	4	0.0%	-25.0%
Financial expense	(4)	0.0%	(1)	0.0%		-	0.0%	-	0.0%	
Foreign exchange gains (losses)	(454)	-0.5%	(70)	-0.1%		(380)	-1.2%	42	0.2%	
Profit Before Taxes	20,182	20.7%	17,770	19.6%	13.6%	5,960	19.3%	5,576	20.0%	6.9%
Income taxes	(5,766)	-5.9%	(5,054)	-5.6%	14.1%	(1,694)	-5.5%	(1,370)	-4.9%	23.6%
Net Profit	14,416	14.8%	12,716	14.0%	13.4%	4,266	13.8%	4,206	15.1%	1.4%

Consolidated Financial Statements at September 30, 2017

Consolidated Comprehensive Income Statement

	First nine months 2017	First nine months 2016
<i>(euro '000)</i>		
Revenues from sales and services provided	97,555	90,518
Other revenues	371	408
Other non-recurring revenues	502	-
Total Revenues	98,428	90,926
Cost of goods and merchandise	(34.759)	(30.758)
Change in inventories	2.657	1.121
Cost of services received	(12.407)	(11.210)
Lease and rental costs	(1.186)	(1.139)
Personnel costs	(27.361)	(26.593)
Other operating costs	(849)	(828)
Capitalized internal construction costs	816	763
Write-down of receivables	(34)	(34)
Accruals to provisions for risks and charges	(13)	(11)
Gross Operating Profit	25,292	22,237
Property, plant and equipment depreciation	(4.301)	(4.017)
Intangible asset amortization	(427)	(396)
Operating Profit	20,564	17,824
Financial income	76	17
Financial expenses	(4)	(1)
Foreign exchange gains (losses)	(454)	(70)
Profit Before Taxes	20,182	17,770
Income taxes	(5,766)	(5,054)
Net Profit	14,416	12,716
Elements that could be charged to the income statement		
Conversion difference reserves	(734)	(2,213)
Comprehensive Income	13,682	10,503

Consolidated Statement of Financial Position - Assets

ASSETS	Sept. 30, 2017	Sept. 30, 2016
<i>(euro '000)</i>		
NON-CURRENT ASSETS		
Plant and equipment	70,346	66,298
Investment property	1,139	1,647
Intangible assets	1,749	1,350
Other investments	10	10
Other non-current assets	45	44
Deferred tax assets	2,403	2,502
TOTAL NON-CURRENT ASSETS	75,692	71,851
CURRENT ASSETS		
Inventories	40,808	38,796
Trade receivables	24,897	24,885
Tax receivables	152	850
Other receivables	296	560
Cash and cash equivalents	20,363	26,709
TOTAL CURRENT ASSETS	86,516	91,800
NON-CURRENT ASSETS HELD FOR DISPOSAL	-	-
TOTAL ASSETS	162,208	163,651

Consolidated Statement of Financial Position – Liabilities and Shareholders' Equity

LIABILITIES AND SHAREHOLDERS' EQUITY	Sept. 30, 2017	Dec. 31, 2016
<i>(euro '000)</i>		
SHAREHOLDERS' EQUITY		
Capital stock	8,840	8,840
Reserves	113,227	111,860
Net profit	14,416	16,927
TOTAL SHAREHOLDERS' EQUITY	136,483	137,627
NON-CURRENT LIABILITIES		
Employee Severance Indemnity and other personnel benefits	2,630	2,618
Provisions for risks and charges	585	421
Deferred tax liabilities	2,143	2,043
TOTAL NON-CURRENT LIABILITIES	5,358	5,082
CURRENT LIABILITIES		
Financial liabilities on derivatives	-	43
Trade payables	9,405	13,306
Tax payables	2,372	921
Other payables	8,590	6,672
TOTAL CURRENT LIABILITIES	20,367	20,942
LIABILITIES ON ASSETS HELD FOR DISPOSAL	-	-
TOTAL LIABILITIES	25,625	26,024
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	162,208	163,651

Consolidated Statement of Cash Flows

	First nine months 2017	2016
	<i>(euro '000)</i>	
A) CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	26,709	17,802
B) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit (loss) for the period	14,416	16,927
Depreciation, amortization and write-downs	4,729	5,930
(Gains)/Losses on disposal of assets	(532)	(25)
Net change in Employee Termination Indemnity	12	1
Net change in provisions for risks and charges	164	(23)
Operating profit (loss) before change in working capital	18,789	22,810
(Increase) Decrease in trade receivables	(12)	1,487
(Increase) Decrease in inventories	(2,012)	395
(Increase) Decrease in other receivables and deferred tax assets	1,061	(25)
Increase (Decrease) of trade payables	(3,516)	1,022
Increase (Decrease) of other payables, deferred tax liabilities and tax payables	3,469	(235)
Change in working capital	(1,110)	2,644
NET CASH FLOW (USED IN)/FROM OPERATING ACTIVITIES	17,779	25,454
C) CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets:		
- intangible	(826)	(553)
- tangible	(8,468)	(7,059)
Proceeds from disposal of tangible, intangible, available-for-sale financial assets		
- tangible	757	219
Increase (Decrease) of trade payables for assets	(385)	631
NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES	(8,922)	(6,964)
D) CASH FLOW FROM FINANCING ACTIVITIES		
(Increase) Decrease in other non current assets	(1)	(34)
(Increase) Decrease in liabilities for currency hedging instruments	(43)	43
Change in reserves on purchase of shares	(2,992)	(863)
Dividends distributed	(11,834)	(7,820)
NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES	(14,870)	(8,674)
E) INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (B+C+D)	(6,013)	10,018
F) Foreign exchange conversion differences	(333)	(1,039)
G) Discounting of employee termination indemnities	-	(72)
H) CASH AND CASH EQUIVALENTS AT END OF PERIOD (A+E+F+G)	20,363	26,709
of which: assets held for disposal	-	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	20,363	26,666
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	20,363	26,709
Current financial liabilities	-	-
Liabilities for currency hedging instruments	-	(43)
NET CONSOLIDATED FINANCIAL POSITION	20,363	26,666
INTEREST EXPENSE FOR THE PERIOD	-	-
BREAKDOWN OF CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
Cash	23	44
Current accounts	20,340	26,665
	20,363	26,709

Statement of Changes in the Consolidated Shareholders' Equity

(€'000)	Balance at December 31, 2016	Allocation of previous year's net profit	Other changes	Comprehensive Income for the period	Balance at September 30, 2017
Capital stock	8,840				8,840
Share premium reserve	12,245				12,245
Legal Reserve	1,768				1,768
Reserve for own shares held	(863)		(2,992)		(3,855)
Suspended-tax reserves	585				585
Other suspended-tax reserves	68				68
Other reserves	22,378	995		545	23,918
Conversion differences	(631)			(1,279)	(1,910)
Extraordinary reserve	68,194	4,098			72,292
First time application of IFRS reserve	3,715				3,715
Discounting of employee termination indemnities	4				4
Merger differences	4,397				4,397
Retained earnings	-				-
Net profit	16,927	(16,927)		14,416	14,416
Total Shareholders' Equity	137,627	(11,834)	(2,992)	13,682	136,483

(€'000)	Balance at December 31, 2015	Allocation of previous year's net profit	Other changes	Comprehensive Income for the period	Balance at December 31, 2016
Capital stock	8,840				8,840
Share premium reserve	12,245				12,245
Legal Reserve	1,768				1,768
Reserve for Treasury Shares	-		(863)		(863)
Suspended-tax reserves	585				585
Other suspended-tax reserves	68				68
Other reserves	20,895	1,495		(12)	22,378
Conversion differences	1,075			(1,706)	(631)
Extraordinary reserve	61,576	6,618			68,194
First time application of IFRS reserve	3,715				3,715
Discounting of employee termination indemnities	76			(72)	4
Merger differences	4,397				4,397
Retained earnings	-				-
Net profit	15,933	(15,933)		16,927	16,927
Total Shareholders' Equity	131,173	(7,820)	(863)	15,137	137,627

Notes to the accounts

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

The present Interim Report at September 30, 2017 was prepared in compliance with article 2.2.3, comma 3 of the Listed Companies Code and aims at providing a general description of the financial position of and the economic performance of the Company and its subsidiaries in the period, in addition to reporting important events occurred and operations carried out and their effect on the financial position of the Company and its subsidiaries. Therefore, keeping into account recommendations provided by the *European Securities and Markets Authority (ESMA)*, disclosure required under IAS 34 is 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, 2017, and those of the following companies at the same date:

	Share owned by the Group September 30, 2017	Share owned by the Group September 30, 2016
Cembre Ltd. (UK)	100%	100%
Cembre S.a.r.l. (France)	100%	100%
Cembre España S.L.U. (Spain)	100%	100%
Cembre GmbH* (Germany)	100%	100%
Cembre Inc.**(US)	100%	100%

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

The scope of the consolidation has changed from that at December 31, 2016 as a result of the liquidation of Norwegian subsidiary Cembre AS that was completed in December 2016.

On June 23, 2017, the parent company acquired from its UK subsidiary Cembre Ltd. (of which it holds the entire capital stock) shares held by the latter in other Group companies (i.e. a 29% share in Cembre Inc. (USA), a 5% share in Cembre Sarl (F), a 5% share in Cembre España S.L.U. (E) and a 5% share in Cembre GmbH (D). The operation did not have any effect on the consolidation area as the parent company already controlled – either directly or indirectly – all of its subsidiaries, and the reorganization of the ownership structure was only aimed at streamlining the governance of the Group which previously involved Cembre Ltd. in most operations.

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.

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.

Bonuses recognized to customers at the end of the period 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, 2017	Average exchange rate for 2017
British pound (€/£)	0.8818	0.8732
US dollar (€/US\$)	1.1806	1.1140

Brescia, November 14, 2017

**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: 2017 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 2017 third Quarter Interim Report corresponds to the document results, books and accounting records.

Brescia, November 14, 2017

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