



Stezzano, 28 July 2016

**BREMBO: H1 2016 REVENUES UP 10.4%  
NET PROFIT +42.8%  
PROJECT FOR A NEW PLANT IN CHINA LAUNCHED**

**Compared to H1 2015:**

- **Revenues** grew by 10.4% to €1,146.8 million (+12.2% on a like-for-like exchange rate basis)
- **EBITDA** +29.5% to €226.5 million; **EBIT** +42.9% to €173.3 million
- **Net investments** amounted to €113.2 million
- **Net financial debt** amounted to €259.4 million, slightly up compared to the first half of 2015 due to the significant investments made

**H1 2016 results:**

(€ million)	2016	2015	Change
Revenues	1,146.8	1,038.9	10.4%
EBITDA % on revenues	226.5 19.8%	175.0 16.8%	29.5%
EBIT % on revenues	173.3 15.1%	121.3 11.7%	42.9%
Pre-tax profit % on revenues	166.0 14.5%	117.8 11.3%	40.9%
Net profit % on revenues	127.1 11.1%	89.0 8.6%	42.8%
	<b>30/06/2016</b>	<b>30/06/2015</b>	
Net financial debt	259.4	249.8	+9.6

**Chairman Alberto Bombassei stated:** “The results achieved in the first six months of the year confirm the effectiveness of Brembo’s global expansion strategy. In fact, the Group continues to grow and strengthen its industrial footprint both in rapidly growing markets, such as China and India, and in the company’s main markets, such as North America and Europe. However, I would like to highlight that Italy continues to be key to Brembo’s plans. This is not only because our Research Centre, which is designing the future of the entire Group, is based in Italy, in the *Kilometro Rosso Scientific and Technological Park*, but also for the irreplaceable productions of the *Curno and Mapello plants*. Lastly, I would like to recall that in a few days’ time, construction work will start for the new manufacturing plant in *Nanjing*. Just two months from the finalisation of the acquisition of a 66% stake in *Asimco Meilian Braking Systems*, the new Chinese plant is a further, tangible sign of our determination to grow in this strategic market, and to position as a top player in this geographical area as well. Thanks to the expertise of the Brembo team, which concluded, amongst others, the work at the *Homer site in the USA* and at the *Escobedo plant in Mexico* — which is to be inaugurated by the end of 2016 — the *Nanjing plant* will be completed at a record speed and will be a centre of excellence in terms of process innovation and vertical integration.”

**Executive Deputy Chairman Matteo Tiraboschi stated:** *“Among the main indicators which, also in this half-year report, underline our Group’s operational and future solidity, I deem it appropriate to highlight the significant increase in margins and net profit. It should also be recalled that in the second half of the year, as forecast and previously announced, the ramp-up costs of the new American manufacturing sites will start to be incurred. The new investment on the Chinese industrial hub not only strengthens our commitment to this particular market, but also represents a new, important example of the ongoing development of the strategy through which Brembo intends to combine growth and solidity, global vision and local presence to support our customers in any country.”*

## **H1 2016 Results**

Brembo’s Board of Directors chaired by Alberto Bombassei approved the Group’s half-year results at 30 June 2016.

Brembo Group’s net consolidated revenues amounted to €1,146.8 million in the first half of 2016, up by 10.4% compared to the same period of the previous year. On a like-for-like exchange rate basis, revenues increased by 12.2%.

All market segments in which the Group operates positively contributed to the results of the reporting period, with the exception of the racing sector that declined by 18.1% due to the exit of Sabelt S.p.A. and Belt & Buckle S.r.o. from the consolidation area; on a like-for-like comparison, there was an increase of 5.6%. Car applications rose by 14.3%, commercial vehicles by 13.8% and motorbikes by 3.3%.

At geographical level, sales in Germany increased by 14.8%, in the United Kingdom by 22.2%, in France by 11.4% and in Italy by 1.0%.

The positive trend of Asian countries continued in the period: India grew by 8.8% (+16.4% on a like-for-like exchange rate basis), China by 35.9%, also thanks to the €11.3 million contribution of Asimco Meilian Braking Systems (+15.9% on a like-for-like consolidation basis and +42.8% on a like-for-like exchange rate basis), and Japan by 24.5%.

The North American market also performed well, with sales in the United States, Mexico and Canada up by 8.6%, whereas in South America (Brazil and Argentina) sales further declined by 27.6% (-0.5% on a like-for-like exchange rate basis), due to the continuing difficulties of the macroeconomic and market situation.

In H1 2016, the cost of sales and other net operating costs amounted to €734.0 million, with a 64.0% ratio to sales, down in percentage terms compared to the same period of the previous year (66.1% ratio to sales for €686.3 million).

Personnel expenses amounted to €192.2 million, with a 16.8% ratio to sales, down in percentage terms compared to the first half of 2015, when they were €181.5 million (17.5% of revenues). At 30 June 2016, workforce numbered 8,883, increasing by 1,016 employees compared to 31 December 2015, 657 of which due to the inclusion of Asimco Meilian Braking Systems in the consolidation area.

EBITDA for H1 2016 amounted to €226.5 million (EBITDA margin: 19.8%), up by 29.5% compared to the same period of 2015.

EBIT amounted to €173.3 million (EBIT margin: 15.1%), up 42.9% compared to H1 2015.

Net interest expense for H1 2016 amounted to €7.3 million (€3.5 million in H1 2015); this item includes interest expense amounting to €4.6 million (€6.9 million in H1 2015) and net exchange losses for €2.8 million (exchange gains of €3.5 million in H1 2015).

Pre-tax profit was €166.0 million (14.5% of revenues), compared to €117.8 million for H1 2015.

Based on the applicable tax rates, estimated taxes amounted to €38.6 million (€27.3 million in H1 2015), with a tax rate of 23.2%, stable compared to the same period of the previous year.

The reporting period ended with a net profit of €127.1 million, up 42.8% compared to €89.0 million for the same period of the previous year.

Net financial debt at 30 June 2016 amounted to €259.4 million, slightly up (€9.6 million) compared to 30 June 2015.

### **New €100 million investment launched for the aluminium caliper production facility in Nanjing**

Brembo will build the new aluminium caliper production facility in Nanjing, China, near the current plant dedicated to the production of brake disks. The total planned investment amounts to about €100 million in the three-year period 2016-2018.

Construction work for the plant, which is expected to start production in early 2018, will begin in a few days and will be completed by the end of 2017. The new manufacturing hub will be at the forefront of process integration and automation.

The plant will extend on an area of about 40,000 square meters, have a casting capacity of over 15 thousand tonnes, and a total manufacturing capacity of over 2 million pieces a year (calipers and knuckles). The products manufactured in the new plant will be destined to leading European, Asian, and American OEM manufacturers with production plants in China.

When fully operational, the plant will employ 450 people and will contribute about €100 million per year to the Group's turnover.

### **Foreseeable Evolution**

Order book projections confirm a good revenue growth also for the second half of the year and allow us to look towards the coming months with cautious optimism. Moreover, it should be recalled that in the second part of the year the ramp-up costs relating to the new American and Mexican production facilities will start to be incurred.

*The manager in charge of the Company's financial reports, Matteo Tiraboschi, declares, pursuant to paragraph 2 of Article 154-bis of Italy's Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the documented results, books and accounting records.*

*Annexed hereto are the Statement of Income, Statement of Financial Position and Statement of Cash Flows, which are currently being audited.*

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## CONSOLIDATED STATEMENT OF INCOME

<i>(euro million)</i>	30.06.2016	30.06.2015	Change	%	Q2'16	Q2'15	Change	%
<b>Sales of goods and services</b>	<b>1,146.8</b>	<b>1,038.9</b>	<b>107.9</b>	<b>10.4%</b>	<b>583.3</b>	<b>524.6</b>	<b>58.7</b>	<b>11.2%</b>
Other revenues and income	15.6	5.6	10.0	180.2%	12.4	3.4	9.0	269.0%
Costs for capitalised internal works	8.3	6.1	2.2	35.6%	4.3	3.1	1.2	38.2%
Raw materials, consumables and goods	(574.3)	(530.4)	(43.9)	8.3%	(290.9)	(268.4)	(22.5)	8.4%
Non-financial interest income (expense) from investments	5.9	3.9	2.0	51.5%	3.0	2.6	0.4	14.9%
Other operating costs	(183.6)	(167.6)	(16.0)	9.5%	(95.3)	(84.1)	(11.2)	13.3%
Personnel expenses	(192.2)	(181.5)	(10.7)	5.9%	(100.0)	(91.9)	(8.0)	8.7%
<b>GROSS OPERATING INCOME</b>	<b>226.5</b>	<b>175.0</b>	<b>51.6</b>	<b>29.5%</b>	<b>116.8</b>	<b>89.2</b>	<b>27.6</b>	<b>30.9%</b>
<i>% of sales of goods and services</i>	<b>19.8%</b>	<b>16.8%</b>			<b>20.0%</b>	<b>17.0%</b>		
Depreciation, amortisation and impairment losses	(53.2)	(53.6)	0.5	-0.9%	(27.5)	(27.0)	(0.5)	1.8%
<b>NET OPERATING INCOME</b>	<b>173.3</b>	<b>121.3</b>	<b>52.0</b>	<b>42.9%</b>	<b>89.3</b>	<b>62.2</b>	<b>27.1</b>	<b>43.6%</b>
<i>% of sales of goods and services</i>	<b>15.1%</b>	<b>11.7%</b>			<b>15.3%</b>	<b>11.9%</b>		
Net interest income (expense) from investments	(7.3)	(3.5)	(3.9)	111.2%	(2.9)	(3.4)	0.6	-16.2%
<b>RESULT BEFORE TAXES</b>	<b>166.0</b>	<b>117.8</b>	<b>48.2</b>	<b>40.9%</b>	<b>86.5</b>	<b>58.8</b>	<b>27.7</b>	<b>47.0%</b>
<i>% of sales of goods and services</i>	<b>14.5%</b>	<b>11.3%</b>			<b>14.8%</b>	<b>11.2%</b>		
Taxes	(38.6)	(27.3)	(11.2)	41.1%	(19.5)	(14.2)	(5.3)	37.0%
<b>RESULT BEFORE MINORITY INTERESTS</b>	<b>127.5</b>	<b>90.5</b>	<b>36.9</b>	<b>40.8%</b>	<b>67.0</b>	<b>44.6</b>	<b>22.4</b>	<b>50.2%</b>
<i>% of sales of goods and services</i>	<b>11.1%</b>	<b>8.7%</b>			<b>11.5%</b>	<b>8.5%</b>		
Minority interests	(0.4)	(1.6)	1.2	-75.0%	(0.3)	(1.4)	1.1	-78.7%
<b>NET RESULT FOR THE PERIOD</b>	<b>127.1</b>	<b>89.0</b>	<b>38.1</b>	<b>42.8%</b>	<b>66.7</b>	<b>43.1</b>	<b>23.5</b>	<b>54.5%</b>
<i>% of sales of goods and services</i>	<b>11.1%</b>	<b>8.6%</b>			<b>11.4%</b>	<b>8.2%</b>		
<b>BASIC/DILUTED EARNINGS PER SHARE (euro)</b>	<b>1.95</b>	<b>1.37</b>			<b>1.02</b>	<b>0.66</b>		

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

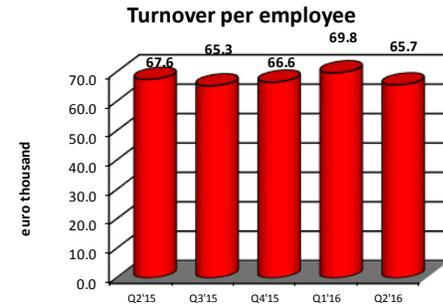
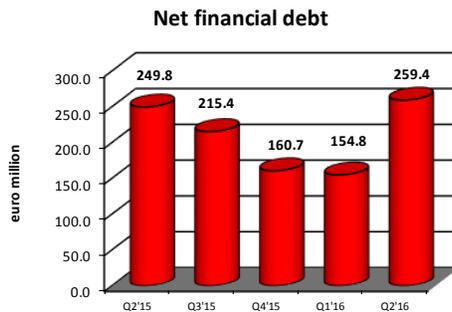
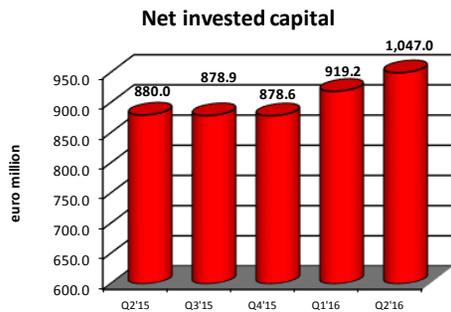
<i>(euro million)</i>	A 30.06.2016	B 31.12.2015	C 30.06.2015	A-B Change	A-C Change
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Property, plant, equipment and other equipment	662.6	589.8	559.2	72.8	103.4
Development costs	44.2	40.8	40.2	3.4	4.0
Goodwill and other indefinite useful life assets	92.5	43.9	44.1	48.6	48.5
Other intangible assets	46.7	14.5	14.8	32.2	31.9
Shareholdings valued using the equity method	27.9	25.0	24.5	2.9	3.5
Other financial assets (including investments in other companies and derivatives)	7.7	11.6	1.8	(4.0)	5.9
Receivables and other non-current assets	4.6	5.1	5.8	(0.5)	(1.2)
Deferred tax assets	56.7	55.6	60.1	1.2	(3.4)
<b>TOTAL NON-CURRENT ASSETS</b>	<b>943.0</b>	<b>786.4</b>	<b>750.4</b>	<b>156.6</b>	<b>192.6</b>
<b>CURRENT ASSETS</b>					
Inventories	271.1	247.7	256.7	23.4	14.4
Trade receivables	397.5	311.2	350.9	86.3	46.6
Other receivables and current assets	41.2	36.4	31.7	4.8	9.5
Current financial assets and derivatives	1.3	0.8	10.4	0.5	(9.0)
Cash and cash equivalents	188.0	202.1	166.5	(14.1)	21.5
<b>TOTAL CURRENT ASSETS</b>	<b>899.1</b>	<b>798.2</b>	<b>816.1</b>	<b>100.9</b>	<b>83.0</b>
<b>TOTAL ASSETS</b>	<b>1,842.1</b>	<b>1,584.5</b>	<b>1,566.6</b>	<b>257.6</b>	<b>275.6</b>
<b>EQUITY AND LIABILITIES</b>					
<b>GROUP EQUITY</b>					
Share capital	34.7	34.7	34.7	0.0	0.0
Other reserves	148.2	137.3	143.5	11.0	4.7
Retained earnings/(losses)	425.7	325.9	324.0	99.7	101.7
Net result for the period	127.1	184.0	89.0	(56.9)	38.1
<b>TOTAL GROUP EQUITY</b>	<b>735.7</b>	<b>681.9</b>	<b>591.2</b>	<b>53.8</b>	<b>144.5</b>
<b>TOTAL MINORITY INTERESTS</b>	<b>20.4</b>	<b>5.7</b>	<b>5.4</b>	<b>14.7</b>	<b>15.0</b>
<b>TOTAL EQUITY</b>	<b>756.1</b>	<b>687.5</b>	<b>596.6</b>	<b>68.5</b>	<b>159.5</b>
<b>NON-CURRENT LIABILITIES</b>					
Non-current payables to banks	229.5	211.9	230.8	17.6	(1.3)
Other non-current financial payables and derivatives	3.0	3.3	3.8	(0.3)	(0.8)
Other non-current liabilities	4.3	1.0	0.9	3.3	3.4
Provisions	17.3	15.3	15.6	2.0	1.7
Provisions for employee benefits	31.5	30.3	33.6	1.1	(2.1)
Deferred tax liabilities	18.6	13.0	14.5	5.6	4.0
<b>TOTAL NON -CURRENT LIABILITIES</b>	<b>304.1</b>	<b>274.8</b>	<b>299.2</b>	<b>29.3</b>	<b>4.9</b>
<b>CURRENT LIABILITIES</b>					
Current payables to banks	212.6	147.4	190.5	65.2	22.2
Other current financial payables and derivatives	3.7	1.1	1.5	2.6	2.1
Trade payables	430.3	349.9	352.9	80.3	77.3
Tax payables	22.0	14.1	13.3	7.9	8.7
Short term provisions	2.3	2.8	2.8	(0.5)	(0.5)
Other current payables	111.1	106.9	109.7	4.2	1.4
<b>TOTAL CURRENT LIABILITIES</b>	<b>781.9</b>	<b>622.2</b>	<b>670.8</b>	<b>159.7</b>	<b>111.2</b>
<b>TOTAL LIABILITIES</b>	<b>1,086.0</b>	<b>897.0</b>	<b>969.9</b>	<b>189.0</b>	<b>116.1</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,842.1</b>	<b>1,584.5</b>	<b>1,566.6</b>	<b>257.6</b>	<b>275.6</b>

## CONSOLIDATED CASH-FLOW STATEMENT

<i>(euro million)</i>	<b>30.06.2016</b>	<b>30.06.2015</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>111.8</b>	<b>99.3</b>
<b>Result before taxes</b>	<b>166.0</b>	<b>117.8</b>
Depreciation, amortisation/Impairment losses	53.2	53.6
Capital gains/losses	(0.7)	(0.3)
Interest income (expense) from investments, net of dividends received	(2.9)	3.1
Financial portion of provisions for defined benefits and payables for personnel	0.4	0.4
Long-term provisions for employee benefits	0.4	0.4
Other provisions net of utilisations	15.7	17.3
<b>Cash flows generated by operating activities</b>	<b>232.0</b>	<b>192.4</b>
Paid current taxes	(37.0)	(34.2)
Uses of long-term provisions for employee benefits	(1.1)	(1.5)
<i>(Increase) reduction in current assets:</i>		
inventories	(25.1)	(39.8)
financial assets	0.0	(0.5)
trade receivables	(65.5)	(77.5)
receivables from others and other assets	1.5	7.5
<i>Increase (reduction) in current liabilities:</i>		
trade payables	55.8	57.2
payables to others and other liabilities	(14.3)	3.9
Translation differences on current assets	(0.9)	6.1
<b>Net cash flows from/(for) operating activities</b>	<b>145.4</b>	<b>113.7</b>
<i>Investments in:</i>		
intangible assets	(13.3)	(9.7)
property, plant and equipment	(102.2)	(54.3)
Disposal of subsidiaries, net of cash disposed of	(68.7)	9.1
Price for disposal or reimbursement value of fixed assets	3.1	1.0
<b>Net cash flows from/(for) investing activities</b>	<b>(181.2)</b>	<b>(54.0)</b>
Dividends paid in the period	(52.0)	(39.0)
Change in fair value of derivatives	(0.4)	(0.7)
Loans and financing granted by banks and other financial institutions in the period	50.0	4.8
Repayment of long-term loans	(36.9)	(69.3)
<b>Net cash flows from/(for) financing activities</b>	<b>(39.4)</b>	<b>(104.1)</b>
<b>Total cash flows</b>	<b>(75.1)</b>	<b>(44.4)</b>
Translation differences on cash and cash equivalents	(7.1)	1.0
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>29.5</b>	<b>55.9</b>

## SALES BREAKDOWN BY GEOGRAPHICAL AREA AND APPLICATION

<i>(euro million)</i>	<b>30.06.2016</b>	%	<b>30.06.2015</b>	%	<b>Change</b>	%	<b>Q2'16</b>	%	<b>Q2'15</b>	%	<b>Change</b>	%
<b>GEOGRAPHICAL AREA</b>												
Italy	135.7	11.8%	134.4	12.9%	1.3	1.0%	69.5	11.9%	66.4	12.7%	3.1	4.7%
Germany	272.3	23.7%	237.2	22.8%	35.1	14.8%	140.0	24.0%	118.5	22.6%	21.6	18.2%
France	47.2	4.1%	42.4	4.1%	4.8	11.4%	24.5	4.2%	22.4	4.3%	2.1	9.4%
United Kingdom	99.8	8.7%	81.7	7.9%	18.2	22.2%	47.1	8.1%	39.1	7.5%	7.9	20.3%
Other European countries	108.0	9.4%	105.0	10.1%	3.0	2.9%	56.5	9.7%	56.9	10.8%	(0.4)	-0.6%
India	26.8	2.3%	24.6	2.4%	2.2	8.8%	12.8	2.2%	11.8	2.3%	1.0	8.6%
China	76.8	6.7%	56.5	5.4%	20.3	35.9%	45.9	7.9%	29.4	5.6%	16.5	56.3%
Japan	19.1	1.7%	15.3	1.5%	3.8	24.5%	7.4	1.3%	6.9	1.3%	0.4	6.0%
Other Asian Countries	6.7	0.6%	4.7	0.5%	2.0	42.6%	3.4	0.6%	2.5	0.5%	0.9	36.0%
South America (Argentina and Brazil)	26.5	2.3%	36.6	3.5%	(10.1)	-27.6%	14.4	2.5%	17.2	3.3%	(2.8)	-16.2%
North America (USA, Mexico & Canada)	319.7	27.9%	294.4	28.3%	25.3	8.6%	157.9	27.1%	150.6	28.7%	7.3	4.8%
Other Countries	8.2	0.8%	6.2	0.6%	2.0	32.8%	3.9	0.5%	2.9	0.4%	1.0	35.4%
<b>Total</b>	<b>1,146.8</b>	<b>100.0%</b>	<b>1,038.9</b>	<b>100.0%</b>	<b>107.9</b>	<b>10.4%</b>	<b>583.3</b>	<b>100.0%</b>	<b>524.6</b>	<b>100.0%</b>	<b>58.7</b>	<b>11.2%</b>
<i>(euro million)</i>	<b>30.06.2016</b>	%	<b>30.06.2015</b>	%	<b>Change</b>	%	<b>Q2'16</b>	%	<b>Q2'15</b>	%	<b>Change</b>	%
<b>APPLICATION</b>												
Passengers Car	855.7	74.6%	748.5	72.1%	107.2	14.3%	442.2	75.8%	380.5	72.5%	61.6	16.2%
Motorbike	109.3	9.5%	105.8	10.2%	3.5	3.3%	51.8	8.9%	51.7	9.9%	0.1	0.2%
Commercial Vehicle	117.4	10.2%	103.2	9.9%	14.2	13.8%	59.3	10.2%	56.2	10.7%	3.1	5.5%
Racing	64.1	5.7%	78.2	7.5%	(14.1)	-18.1%	29.7	5.1%	34.4	6.6%	(4.8)	-13.9%
Miscellaneous	0.4	0.0%	3.2	0.3%	(2.8)	-87.2%	0.3	0.0%	1.6	0.3%	(1.4)	-83.6%
<b>Total</b>	<b>1,146.8</b>	<b>100.0%</b>	<b>1,038.9</b>	<b>100.0%</b>	<b>107.9</b>	<b>10.4%</b>	<b>583.3</b>	<b>100.0%</b>	<b>524.6</b>	<b>100.0%</b>	<b>58.7</b>	<b>11.2%</b>



**MAIN RATIOS**

	30.06.2012	30.06.2013	30.06.2014	30.06.2015	30.06.2016
Net operating income/Sales of goods and services	7.0%	7.3%	10.4%	11.7%	15.1%
Result before taxes/Sales of goods and services	6.3%	6.2%	9.6%	11.3%	14.5%
Investments/Sales of goods and services	9.8%	9.5%	6.8%	6.2%	10.1%
Net Financial indebtedness/Equity	99.2%	94.0%	70.4%	41.9%	34.3%
Net interest expense(*)/Sales of goods and services	0.8%	0.9%	0.6%	0.7%	0.4%
Net interest expense(*)/Net operating income	11.5%	12.5%	6.2%	5.7%	2.6%
ROI	13.6%	14.2%	23.1%	27.8%	33.4%
ROE	20.2%	21.9%	27.9%	30.6%	34.0%

Notes:

ROI: Net operating income/ Net invested capital multiply by year days/period days.

ROE: Result before minority interests/ Shareholders equity multiply by year days/period days.

(\*) This item does not include exchange gains and losses.