First Quarter Report 2010

brembo

Contents

Company Officers

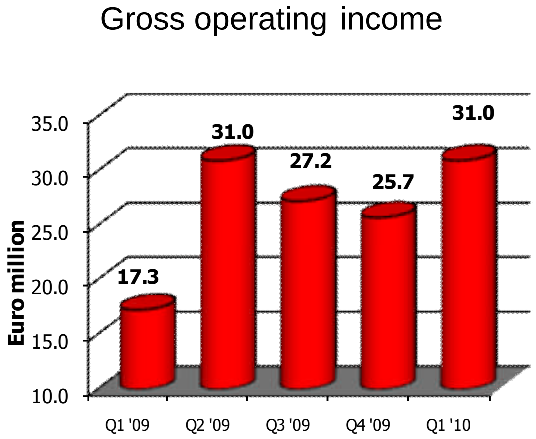
The Shareholders' Meeting of the Parent Company Brembo S.p.A., held on 29 April 2008, passed a resolution in favour of the reappointment of Company Officers for the following three-year period (2008-2010). On 27 April 2010, Brembo's General Shareholders' Meeting appointed Bruno Saita as director (Non-executive, and non independent), already co-opted by the Board of Directors during the meeting held on 15 March 2010, following the termination of the office of Director and Managing Director of Mauro Pessi (Executive and non-independent Director).

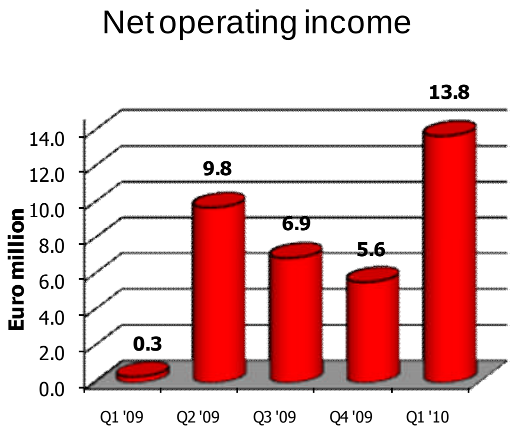
At 31 March 2010, Company Officers included:

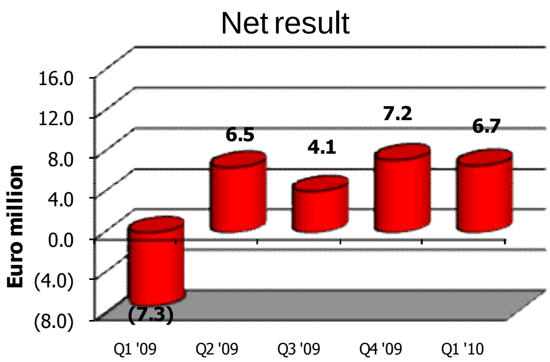
BOARD OF DIRECTORS		
Chairman and Managing Director		Alberto Bombassei (1) (5)
Directors		Cristina Bombassei (3) (5) (7)
		Giovanni Cavallini (2)
		Giancarlo Dallera (2)
		Giovanna Dossena (2)(10)
		Umberto Nicodano (4)
		Pasquale Pistorio (2) (6)
		Giuseppe Roma (2)(10)
		Bruno Saita (4)
		Pierfrancesco Saviotti (2)
		Matteo Tiraboschi (3) (5) (9)
BOARD OF STATUTORY AUDITORS		
Chairman		Sergio Pivato
Auditors		Enrico Colombo
		Daniela Salvioni
Alternate Auditors		Gerardo Gibellini
		Mario Tagliaferri
INDEPENDENT AUDITORS		PricewaterhouseCoopers S.p.A. (8)
MANAGER IN CHARGE OF THE COMPANY'S FINANCIAL REPORTS		Matteo Tiraboschi (9)
COMMITTEES	Audit Committee	Giuseppe Roma (Chairman)
		Giancarlo Dallera
		Giovanna Dossena
	Remuneration Committee	Umberto Nicodano (Chairman)
		Giovanni Cavallini
		Pierfrancesco Saviotti
	Supervisory Committee	Giovanna Dossena (Chairwoman)
		Giancarlo Dallera
		Alessandra Ramorino
		Pierfrancesco Saviotti

(1) The Chairman and Managing Director is the Company's legal representative and has powers of ordinary management, within the limits of the law.
(2) Independent and non-executive Directors, as per Borsa Italiana Regulations, Art. 2.2.3. They also comply with independence requirements set out by Brembo S.p.A. Corporate Governance Manual.
(3) This Director also holds offices in several Group companies.
(4) Non-executive Directors.
(5) Executive Directors.
(6) This Director also holds the position of Lead Independent Director.
(7) This Director also holds the position of Executive Director in charge of overseeing the functioning of the Internal Control System.
(8) The Shareholders' Meeting held on 27 April 2007 extended the mandate until financial year 2012.
(9) Appointed by the Board of Directors on 14 May 2009. He also holds the position of Investor Relator.
(10) At 31 March 2010, the independent status of Directors Giovanna Dossena and Giuseppe Roma pursuant to letter l), paragraph 3 of Article 2.2.3 of the Rules of the Market was confirmed. The Board confirmed the Directors' independent status in light of the professionalism and independent judgement demonstrated by them as well as the fulfilment of the conditions set out in Article 3.C.1. of the Corporate Governance Code and paragraphs 2 and 3 of Article IA.2.13.6 of the Instructions and based on the number of independent directors who for years have comprised the Board (more than required by current regulations).

Highlights

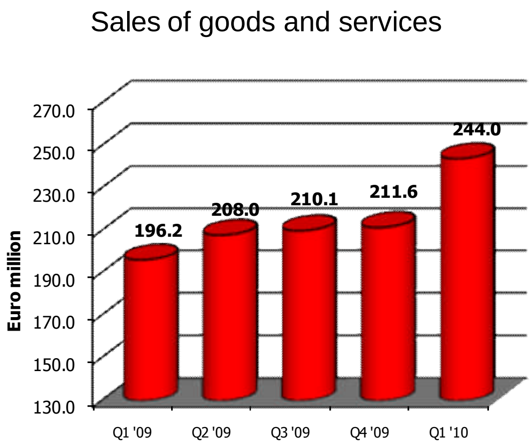


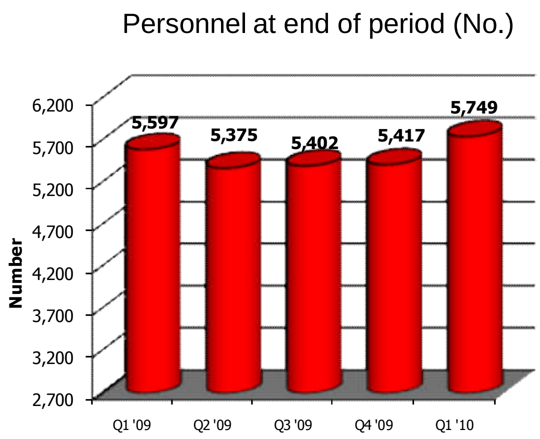


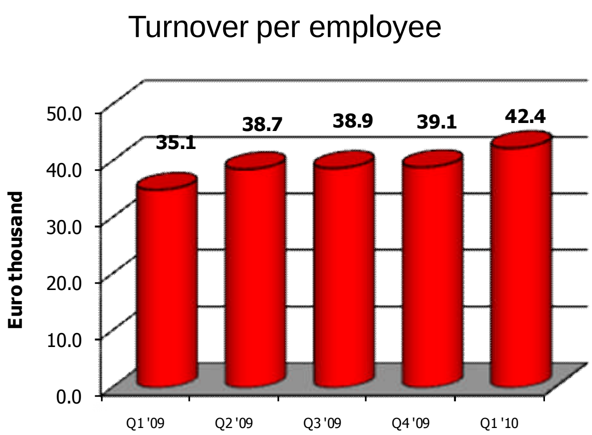


	A				B	
ECONOMIC RESULTS *(euro million)*	**Q1 '09**	**Q2 '09**	**Q3 '09**	**Q4 '09**	**Q1 '10**	**% B/A**
Sales of goods and services	196.2	208.0	210.1	211.6	244.0	*24.4%*
Gross operating income	17.3	31.0	27.2	25.7	31.0	*79.4%*
% of sales	*8.8%*	*14.9%*	*13.0%*	*12.2%*	*12.7%*	
Net operating income	0.3	9.8	6.9	5.6	13.8	*4069.1%*
% of sales	*0.2%*	*4.7%*	*3.3%*	*2.6%*	*5.6%*	
Result before taxes	(5.9)	8.9	2.8	5.0	9.7	*-262.8%*
% of sales	*-3.0%*	*4.3%*	*1.3%*	*2.4%*	*4.0%*	
Net result	(7.3)	6.5	4.1	7.2	6.7	*-191.8%*
% of sales	*-3.7%*	*3.1%*	*1.9%*	*3.4%*	*2.7%*	

Some data of the first quarter 2009 have been revised following the purchase price allocation process relating to business combinations.







	A				B	
FINANCIAL RESULTS *(euro million)*	**Q1 '09**	**Q2 '09**	**Q3 '09**	**Q4 '09**	**Q1 '10**	**% B/A**
Net invested capital	644.0	600.5	586.2	568.4	603.9	*-6.2%*
Shareholders' equity	275.7	274.9	277.7	291.5	312.4	*13.3%*
Net financial indebtedness	345.6	303.4	286.4	255.0	269.8	*-21.9%*
PERSONNEL AND CAPITAL EXPENDITURE						
Personnel at end of period ***(No.)***	5,597	5,375	5,402	5,417	5,749	*2.7%*
Turnover per employee ***(euro thousand)***	35.1	38.7	38.9	39.1	42.4	*21.1%*
Capital Expenditure ***(euro million)***	16.8	11.6	8.4	10.6	16.8	*-0.4%*

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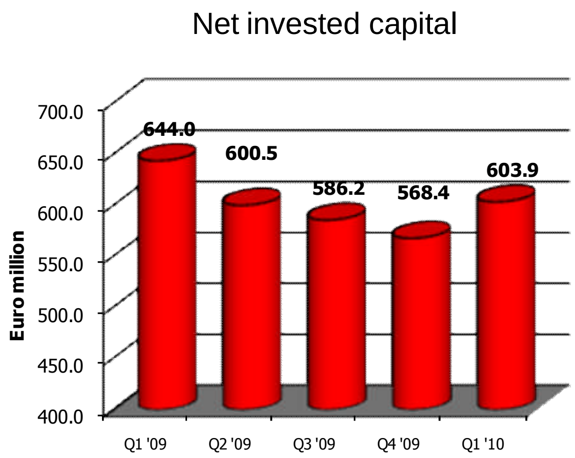
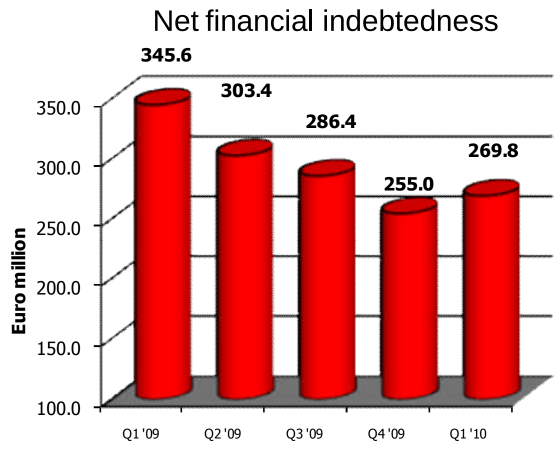




MAIN RATIOS	Q1 '09	Q2 '09	Q3 '09	Q4 '09	Q1 '10
Net operating income/Sales	*0.2%*	*4.7%*	*3.3%*	*2.6%*	*5.6%*
Result before taxes/Sales	*-3.0%*	*4.3%*	*1.3%*	*2.4%*	*4.0%*
Capital Expenditure/Sales	*8.6%*	*5.6%*	*4.0%*	*5.0%*	*6.9%*
Net Financial indebtedness/Shareholders' equity	*125.4%*	*110.4%*	*103.1%*	*87.5%*	*86.3%*
Financial charges/Sales	*3.2%*	*0.3%*	*1.6%*	*0.1%*	*1.5%*
Financial charges/Net Operating Income	*1897.6%*	*6.2%*	*48.8%*	*5.3%*	*26.4%*
ROI	*0.2%*	*6.5%*	*4.7%*	*3.9%*	*9.2%*
ROE	*-11.3%*	*9.2%*	*5.6%*	*9.5%*	*8.4%*

Some data of the first quarter 2009 have been revised following the purchase price allocation process relating to business combinations.

Consolidated Financial Statements

Consolidated Income Statement (31 March 2010)

(euro thousand)	A Q1 '10	B Q1 '09	(A-B) CHANGE	%
Sales of good and services	244,038	196,178	47,860	24.4%
Other revenues and income	2,217	3,442	(1,225)	-35.6%
Costs for capitalised internal works	2,958	2,908	50	1.7%
Cost of raw materials, consumables, goods and change in inventories	(118,638)	(95,257)	(23,381)	24.5%
Other operating costs for production	(45,908)	(42,377)	(3,531)	8.3%
Personnel expenses	(53,687)	(47,627)	(6,060)	12.7%
GROSS OPERATING INCOME	**30,980**	**17,267**	**13,713**	**79.4%**
% of sales	***12.7%***	***8.8%***		
Depreciation, amortization and other write-downs	(17,222)	(16,937)	(285)	1.7%
NET OPERATING INCOME	**13,758**	**330**	**13,428**	**4069.1%**
% of sales	***5.6%***	***0.2%***		
Net financial income (charges)	(3,628)	(6,262)	2,634	-42.1%
Net financial income (charges) from investments	(473)	(1)	(472)	47200.0%
INCOME (LOSS) BEFORE TAXES	**9,657**	**(5,933)**	**15,590**	**-262.8%**
% of sales	***4.0%***	***-3.0%***		
Taxes	(3,189)	(1,714)	(1,475)	86.1%
INCOME (LOSS) BEFORE MINORITY INTERESTS	**6,468**	**(7,647)**	**14,115**	**-184.6%**
% of sales	***2.7%***	***-3.9%***		
Minority interests	198	389	(191)	-49.1%
NET INCOME (LOSS) FOR THE PERIOD	**6,666**	**(7,258)**	**13,924**	**-191.8%**
% of sales	***2.7%***	***-3.7%***		
Basic earning per Share/diluted earnings per share ***(in euro)***	**0.10**	**(0.11)**		

Some data of the first quarter 2009 have been revised following the purchase price allocation process relating to business combinations.

Consolidated Statement of Comprehensive Income (31 March 2010)

(euro thousand)	Q1 '10	Q1 '09
INCOME/(LOSS) BEFORE MINORITY INTERESTS	**6,468**	**(7,647)**
Effect of hedging accounting (cash flow hedge) of derivatives	147	(605)
Change in translation adjustment reserve	14,400	(8,281)
Tax effects on other components of comprehensive income	(31)	152
COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	**20,984**	**(16,381)**
Of which attributable to:		
- the Group	***21,013***	***(16,247)***
- Minority Interests	***(29)***	***(134)***

Some data of the first quarter 2009 have been revised following the purchase price allocation process relating to business combinations.

Consolidated Balance Sheet

(euro thousand)	A 31.03.2010	B 31.12.2009	C 31.03.2009	A-B CHANGE	A-C CHANGE
ASSETS					
NON-CURRENT ASSETS					
Property, plant, equipment and other equipment	319,245	311,838	344,938	7,407	(25,693)
Development costs	40,808	39,786	42,244	1,022	(1,436)
Goodwill and other undefined useful life assets	42,731	40,947	45,064	1,784	(2,333)
Other intangible assets	22,287	22,561	23,387	(274)	(1,100)
Investments accounted for using the equity method	24,006	24,479	820	(473)	23,186
Other financial assets (investments in other companies and derivatives)	149	154	307	(5)	(158)
Other non-current assets	1,015	983	250	32	765
Deferred tax assets	18,981	17,695	14,001	1,286	4,980
TOTAL NON-CURRENT ASSETS	469,222	458,443	471,011	10,779	(1,789)
				2.4%	*(0.4%)*
CURRENT ASSETS					
Inventories	158,924	142,867	185,642	16,057	(26,718)
Trade receivables and receivables from other Group companies	182,144	161,663	172,213	20,481	9,931
Other receivables and current assets	33,030	26,707	45,994	6,323	(12,964)
Financial current assets and derivatives	131	71	107	60	24
Cash and cash equivalents	62,044	64,653	46,501	(2,609)	15,543
TOTAL CURRENT ASSETS	436,273	395,961	450,457	40,312	(14,184)
				10.2%	*(3.1%)*
NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERA	0	0	0	0	0
				0.0%	*0.0%*
TOTAL ASSETS	905,495	854,404	921,468	51,091	(15,973)
EQUITY AND LIABILITIES					
GROUP EQUITY					
Share capital	34,728	34,728	34,728	0	0
Other reserves	121,069	106,834	88,651	14,235	32,418
Retained earnings	142,557	131,917	147,592	10,640	(5,035)
Profit / (loss) for the period	6,666	10,528	-7,258	(3,862)	13,924
TOTAL GROUP EQUITY	305,020	284,007	263,713	21,013	41,307
				7.4%	*15.7%*
MINORITY INTERESTS	7,429	7,458	11,941	(29)	(4,512)
				(0.4%)	*(37.8%)*
TOTAL EQUITY	312,449	291,465	275,654	20,984	36,795
NON-CURRENT LIABILITIES					
Non-current payables to banks	88,533	95,970	121,752	(7,437)	(33,219)
Other non-current financial payables	25,376	26,623	85,445	(1,247)	(60,069)
Other non-current payables	1,022	477	1,179	545	(157)
Provisions for contingencies and charges	6,913	6,086	3,889	827	3,024
Long term provisions for employee benefits	21,660	21,906	22,731	(246)	(1,071)
Deferred tax liabilities	10,491	11,015	14,873	(524)	(4,382)
TOTAL NON-CURRENT LIABILITIES	153,995	162,077	249,869	(8,082)	(95,874)
				(5.0%)	*(38.4%)*
CURRENT LIABILITIES					
Current payables to banks	157,755	136,063	176,568	21,692	(18,813)
Other current financial payables	60,187	60,987	8,414	(800)	51,773
Trade payables and payables to other Group companies	169,860	159,361	148,400	10,499	21,460
Tax payables	2,365	1,263	5,542	1,102	(3,177)
Other current payables	48,884	43,188	57,021	5,696	(8,137)
TOTAL CURRENT LIABILITIES	439,051	400,862	395,945	38,189	43,106
				9.5%	*10.9%*
TOTAL EQUITY AND LIABILITIES	905,495	854,404	921,468	51,091	(15,973)

Some data of the first quarter 2009 have been revised following the purchase price allocation process relating to business combinations.

Consolidated Cash-Flow Statement

(euro thousand)	31.03.2010	31.03.2009
Cash and cash equivalents at beginning of period	**(34,375)**	**(101,272)**
Consolidated net income for the period before taxes	**9,657**	**(5,934)**
Depreciation, amortisation/Impairment losses	17,222	16,937
Capital gains/losses	1	(174)
Write-ups/Write-downs of shareholdings	473	1
Gain from the disposal of 50% of BSCCB S.p.A. and Brembo Rassini operation	0	0
Income from shareholdings	0	0
Financial portion of provisions for defined benefits and payables for personnel	260	293
Long-term provisions for employee benefits	425	214
Other provisions net of utilisations	2,208	(684)
Cash flows generated by operations	**30,246**	**10,653**
Paid current taxes	(2,319)	(1,176)
Uses of long-term provisions for employee benefits	(1,042)	(676)
(Increase) reduction in current assets:		
inventories	(17,687)	11,135
financial assets	(55)	(2,046)
trade receivables and receivables from companies valued using the equity method	(20,979)	18,683
receivables from others and other assets	(6,783)	(51)
Increase (reduction) in current liabilities:		
trade payables and payables to companies valued using the equity method	10,500	(30,526)
payables to others and other liabilities	4,911	6,898
Translation differences on current assets	5,678	(3,290)
Net cash flows from / (for) operating activities	**2,470**	**9,604**
Investments in:		
intangible assets	(3,574)	(3,429)
property, plant and equipment	(5,354)	(10,724)
Acquisition of assets form new Taining foundry (China)	(7,837)	0
Acquisition of business line from Sawen Industrial Ltda. (**)	0	(2,678)
Price for disposal, or reimbursement value of fixed assets	537	954
Net cash flows from / (for) investing activities	**(16,228)**	**(15,877)**
Loans and financing granted by banks and other financial institutions in the period	1,651	25,000
Repayment of long-term loans	(12,460)	(9,032)
Net cash flows from/ (for) financing activities	**(10,809)**	**15,968**
Total cash flows	**(24,567)**	**9,695**
Cash and cash equivalents at the end of period	**(58,942)**	**(91,577)**

Some data of the first quarter 2009 have been revised following the purchase price allocation process relating to business combinations.

Consolidated Net Financial Position

(euro thousand)	31.03.2010	31.12.2009	31.03.2009
A Cash	73	532	1,913
B Other cash equivalents	**61,971**	**64,121**	**44,588**
- bank and postal accounts	61,964	64,119	44,573
- cheques	7	2	15
C Derivatives and securities held for trading	22	0	44
D LIQUIDITY (A+B+C)	**62,066**	**64,653**	**46,545**
E Current financial receivables	0	0	0
F Current payables to banks	120,986	99,028	138,078
G Current portion of non-current debt	36,769	37,034	38,490
H Other current financial debts	60,187	60,987	8,414
I CURRENT FINANCIAL INDEBTEDNESS (F+G+H)	**217,942**	**197,049**	**184,982**
J NET CURRENT FINANCIAL INDEBTEDNESS (I–E–D)	**155,876**	**132,396**	**138,437**
K Non-current payables to banks	88,533	95,971	121,752
L Bonds issued	0	0	50,000
M Other non-current payables	25,376	26,623	35,445
N NON-CURRENT FINANCIAL INDEBTEDNESS (K+L+M)	**113,909**	**122,594**	**207,197**
O NET FINANCIAL INDEBTEDNESS (J+N)	**269,785**	**254,990**	**345,634**

Consolidated Statement of Changes in Equity

(euro thousand)	Share capital	Other reserves	Retained earnings	Hedging reserve	Result for the period	Group Equity	Result of Minority interests	Share capital and reserves of Minority interests	Equity of Minority interests	Equity
Balance at 1 January 2009	**34,728**	**97,187**	**110,784**	**(244)**	**37,505**	**279,960**	**(1,276)**	**13,351**	**12,075**	**292,035**
Allocation of profit for the previous year			37,505		(37,505)	**0**	1,276	(1,276)	**0**	**0**
Components of comprehensive income:										
Change in reserve from application of IAS 39				(453)		**(453)**			**0**	**(453)**
Change in translation adjustment reserve		(8,536)				**(8,536)**		255	**255**	**(8,281)**
Net income/(loss) for the period					(7,258)	**(7,258)**	(389)		**(389)**	**(7,647)**
Balance at 31 March 2009	**34,728**	**88,651**	**148,289**	**(697)**	**(7,258)**	**263,713**	**(389)**	**12,330**	**11,941**	**275,654**
Balance at 1 January 2010	**34,728**	**106,834**	**132,407**	**(490)**	**10,528**	**284,007**	**(1,006)**	**8,464**	**7,458**	**291,465**
Allocation of profit for the previous year			10,528		(10,528)	**0**	1,006	(1,006)	**0**	**0**
Components of comprehensive income:										
Reclassification		4		(4)		**0**			**0**	**0**
Change in reserves from application of IAS 39				116		**116**			**0**	**116**
Change in translation adjustment reserve		14,231				**14,231**		169	**169**	**14,400**
Net income/(loss) for the period					6,666	**6,666**	(198)		**(198)**	**6,468**
Balance at 31 March 2009	**34,728**	**121,069**	**142,935**	**(378)**	**6,666**	**305,020**	**(198)**	**7,627**	**7,429**	**312,449**

Some data of the first quarter 2009 have been revised following the purchase price allocation process relating to business combinations.

Hedging reserves are net of the related tax effect.

Explanatory Notes to the Financial Statements

Accounting Principles and Valuation Criteria

The interim report on operations for the first quarter of 2010 was prepared in accordance with paragraph 5 of Article 154-*ter* of Italy's Consolidated Finance Act (TUF), regarding financial disclosures, and the guidelines provided in CONSOB Communication No. DEM/8041082 of 30 April 2008.

In this report, the consolidated accounting statements were prepared by applying the accounting principles used to prepare the Consolidated Financial Statements for 2009. The report includes the balance sheet, income statement, statement of comprehensive income, cash flow statement, statement of changes in equity and explanatory notes.

Reference is made to the 2009 Financial Statements for the relevant international accounting standards and principles adopted by the Group when preparing the above-mentioned financial statements.

The preparation of the interim report requires the use of estimates and assumptions that have an effect on the amounts of revenues, costs, assets and liabilities and the disclosure of contingent assets and liabilities at the reporting date. If in the future such estimates and assumptions, which are based on the management's best assessment, should diverge from actual circumstances, they will be modified accordingly during the period in which such circumstances occur.

Moreover, some valuation processes, particularly the most complex, such as the determination of impairment of non-current assets, are generally conducted in complete form solely for the preparation of the annual report, when all required information is available, unless there are indicators of impairment that require an immediate assessment of losses. In a like manner, the actuarial assessments required to determine provisions for employee benefits are normally conducted for the preparation of the annual report. In addition, it should be noted that:

- the value of inventories has been calculated for Brembo S.p.A. by applying the cost of inventories as at 30 November 2009 to the inventory accounting results as at 31 March 2010;
- the figures for the first quarter of 2009 have been revised following the conclusion of the purchase price allocation process for Brembo Ceramic Brake Systems S.p.A., subsequently renamed Brembo SGL Carbon Ceramic Brakes S.p.A., which was acquired in September 2008;
- the amounts reported below and commented on in these notes are given as thousands of Euro.

Consolidation Area

The financial statements for the first quarter of 2010 include the financial statements of Brembo S.p.A., the Parent Company, and the financial statements of the companies that Brembo S.p.A. directly or indirectly controls as per IFRS (IAS 27).

The consolidation area changed with respect to the first quarter of 2009 as follows:

- following the previously described joint-venture agreement between Brembo and SGL Group, Brembo's equity investment in Brembo Ceramic Brake Systems S.p.A. (now Brembo SGL Carbon Ceramic Brakes S.p.A.) decreased from 100% to 50%. Brembo then acquired 50% of Brembo SGL Carbon Ceramic Brakes GmbH, a SGL-Group company specialised in the manufacture of carbon-ceramic discs. As a result, Brembo SGL Carbon Ceramic Brakes S.p.A. was deconsolidated in June, and the Group's investment in the joint venture was measured using the equity method.

- on 19 August 2009, following the agreements reached between the Sanluis Group and Brembo S.p.A., Brembo acquired the remaining 24% stake in Brembo Rassini S.A. de C.V. (now Brembo Mexico Puebla S.A. de C.V.), in exchange for its stake in Fundimak S.A. de C.V.;
- on 15 July 2009, the company Brembo Czech S.r.o., 100% controlled by Brembo S.p.A. was incorporated; it is still in its start-up phase;
- in September 2009, a new company, Brembo Nanjing Foundry Co. Ltd, was set up in China. In January 2010, it was used as a vehicle to acquire all the assets of a foundry from Donghua Automotive Industrial Co. Ltd.;
- in December 2009, the company Qingdao Brembo Trading Co. Ltd., 100% controlled through Brembo International S.A., was set up in China. Since 2010, the company has started dealing with logistics operations within the Qingdao hub;
- Brembo Participations B.V. was wound up on 22 December 2009.

Notes on the Most Significant Changes in Items of the Consolidated Financial Statements

The positive market trend that began late in the previous year continued in the reporting quarter, which showed further signs of a recovery. However, the global scenario remains extremely uneven. There are severe disparities between the economic performances of the world's various geographical areas. There continues to be uncertainty surrounding the discontinuation of incentive campaigns in the main mature markets, although this is an issue that only affects Brembo to a marginal extent. Emerging markets, and the Chinese market in particular, posted decisive growth.

Conversely, the first quarter of 2009 had been characterised by a severe bear market scenario, with the output of most car makers at very modest levels.

In line with the market performance, Brembo reported a recovery of orders and turnover in the first quarter of 2010. Nonetheless, the Group continues to take strict measures aimed at controlling the performance of working capital and containing costs.

Net sales for Q1 2010 amounted to €244,038, marking a significant increase compared to the same period of 2009 (24.4%). Due to the change in the consolidation area, the two periods do not provide a consistent basis for comparison. On a like-for-like consolidation basis, net sales would have risen by 22.4%. They benefited from the change in car applications for the Chinese market.

Growth generally referred to the applications that in the first quarter of 2009 had been most affected by the crisis situation, namely commercial vehicles (+51.6%) and cars (+36.9%).

On the contrary, sales of motorbike applications declined by 2.5%, as did the racing and passive safety segments, which fell by 15.9% and 30.7%, respectively, over the quarter.

At geographical level, the recovery was mainly concentrated in emerging nations: China grew by 110.6%, owing in part to the acquisitions undertaken (34.7% on a like-for-like consolidation basis), Brazil by 49.9% and India by 31.8%. In mature markets, Germany reported an increase in sales of 28.1% and represents the Group's primary target market, accounting for 20.3% of its total sales. The United Kingdom and NAFTA yielded excellent performances, with growth of 44.1% and 39.9%, respectively. The Italian market, which was affected by the performance of the racing and motorbike segments, showed limited growth (+0.8%), as the French market (+7%).

During the quarter, the **cost of sales** and **other net operating costs** amounted to €159,371, with a ratio of 65.3% to sales, as against 66.9% for the same period in the previous year. The improvement is tied to the recovery of sales and the simultaneous continuation of a strict cost control policy.

Development costs capitalised as intangible assets amounted to €2,958 compared to €2,908 in the first quarter of 2009.

Personnel expenses in the first quarter of 2010 amounted to €53,687 or 22% of revenues, decreasing compared to the same period of the previous year (24.3%).

At 31 March 2010, Brembo's workforce was 5,749 (5,417 at 31 December 2009 and 5,597 at 31 March 2009). The increase compared to the end of 2009 is related to the acquisition of the assets of foundry in China.

Gross operating income in the quarter was €30,980 (12.7% of sales) compared to €17,267 in the first quarter of 2009 (8.8% of sales).

Net operating income amounted to €13,758, compared to €330 for the first quarter of 2009, after depreciation, amortisation and impairment losses of tangible and intangible assets for €17,222, compared to depreciation, amortisation and impairment losses for the first quarter of 2009 amounting to €16,937.

Net interest expense, which amounted to €3,628 (€6,262 for the first quarter of 2009), included an exchange rate net loss of €1,656 (€2,106 for the first quarter of 2009) and net interest expense of €1,972 (€4,156 for the same quarter of 2009). The significant decrease in interest expense (-52.6%) is due to the lower average level of indebtedness and, most importantly, the reduction in the rates applied.

Income before taxes amounted to €9,657, compared to a loss of €5,933 in the first quarter of 2009.

Based on tax rates applicable for the year under current tax regulations, estimated taxes amounted to €3,189 thousand (€1,714 thousand in the first quarter of 2009). The tax rate is 33%.

Net income for the quarter was €6,666, after €198 in losses of minority interests.

Net Invested Capital at the end of the quarter was €603,894, compared to €568,361 at 31 December 2009, with an increase of €35,533.

The company's net debt at 31 March 2010 was €269,785, compared to €254,990 at 31 December 2009 and €345,634 at 31 March 2009.

Net financial position increased during the reporting quarter, mainly due to the acquisition of the assets of the Chinese foundry (€7,837 at the exchange rate at 31 March 2010). Other investments amounted to €8,928, of which €5,354 may be attributed to property, plant and equipment and €3,574 to intangible assets.

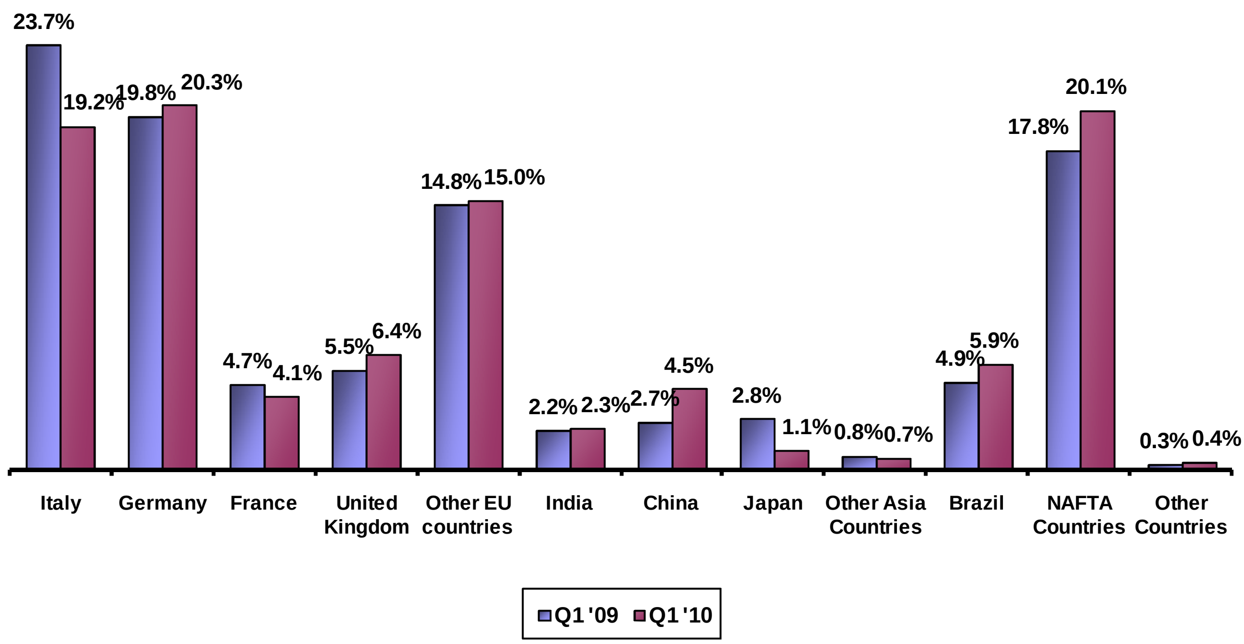
The positive performance of gross operating income was essentially offset by the change in net working capital, which, despite containment measures, amounted to a negative €29,058. There were increases in the items receivables and inventories in particular as a result of the recovery of sales. Factored receivables amounted to €18,770 at 31 March 2010.

Sales Breakdown by Application and Geographical Area

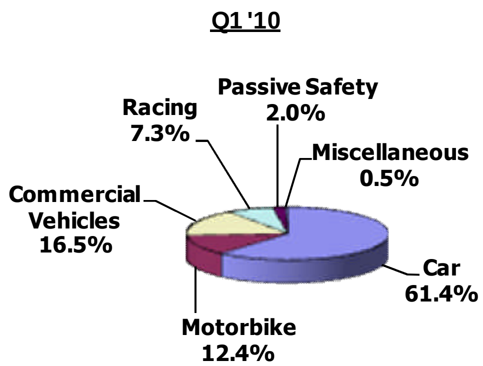
The following table shows the breakdown of net sales for the first quarter of 2010 by geographical area and application. The data of the first quarter 2009 have been revised for a better representation.

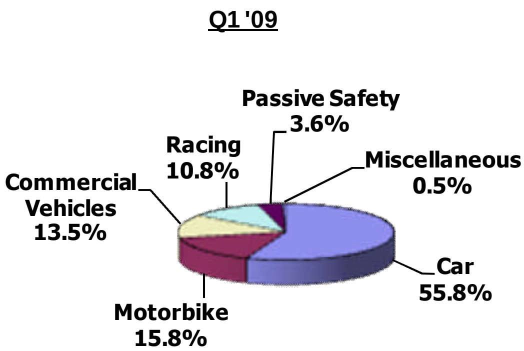
	A		B			
GEOGRAPHICAL AREA	**Q1 '10**	**%**	**Q1 '09**	**%**	**C-D**	**%**
(euro thousand)						
Italy	46,860	19.2%	46,501	23.7%	359	0.8%
Germany	49,652	20.3%	38,763	19.8%	10,889	28.1%
France	9,964	4.1%	9,310	4.7%	654	7.0%
United Kingdom	15,676	6.4%	10,876	5.5%	4,800	44.1%
Other EU countries	36,636	15.0%	29,020	14.8%	7,616	26.2%
India	5,611	2.3%	4,256	2.2%	1,355	31.8%
China	11,004	4.5%	5,226	2.7%	5,778	110.6%
Japan	2,601	1.1%	5,556	2.8%	(2,955)	-53.2%
Other Asia Countries	1,603	0.7%	1,512	0.8%	91	6.0%
Brazil	14,366	5.9%	9,584	4.9%	4,782	49.9%
NAFTA Countries	48,985	20.1%	35,005	17.8%	13,980	39.9%
Other Countries	1,080	0.4%	569	0.3%	511	89.8%
Total	**244,038**	**100.0%**	**196,178**	**100.0%**	**47,860**	**24.4%**

The incidence of the overall turnover



	A		B			
APPLICATION	**Q1 '10**	**%**	**Q1 '09**	**%**	**C-D**	**%**
(euro thousand)						
Car	149,908	61.4%	109,536	55.8%	40,372	36.9%
Motorbike	30,206	12.4%	30,974	15.8%	(768)	-2.5%
Commercial Vehicles	40,214	16.5%	26,528	13.5%	13,686	51.6%
Racing	17,762	7.3%	21,111	10.8%	(3,349)	-15.9%
Passive Safety	4,845	2.0%	6,992	3.6%	(2,147)	-30.7%
Miscellaneous	1,103	0.5%	1,037	0.5%	66	6.4%
Total	**244,038**	**100.0%**	**196,178**	**100.0%**	**47,860**	**24.4%**





Outlook

During this first quarter of the year, the global scenario was less critical than in the first quarter of 2009, although there continues to be a great degree of uncertainty surrounding the evolution of the economic situation.

Within this scenario, Brembo expects a better performance, in terms of sales and margins, than in the previous year, also thanks to the positive signs from the BRIC markets, and will continue to take strict measures aimed at limiting working capital and containing costs.

Directors' Report on Operations and Significant Events

Macroeconomic Context

In order to draw up an assessment of Brembo performance in the first quarter of the year, it is essential to consider the world macroeconomic scenario, specifically for the markets in which the Group operates.

In the first few months 2010, the global economy showed further signs of a recovery, continuing the positive trend that began in the fourth quarter of the previous year. However, the global scenario remains extremely uneven. There are severe disparities between the economic performances of the various countries, especially between mature and emerging markets, as well as differences among the various emerging markets.

It should be recalled that fiscal and monetary policies in support of economic recovery continue in many world markets. These measures became necessary during the previous year to combat the low level of consumption and investment, which were respectively slowed by the high unemployment rate and uncertainty caused by this situation. Strong domestic demand was the main cause of the growth of emerging economies, although there have also been the first signs of the recovery of foreign demand. The global scenario in this first quarter of the year thus appears highly positive, especially when compared to the catastrophic situation of the first quarter of 2009, despite being burdened by severe concerns and uncertainties as to the continuation of the recovery.

In Europe, after the second half of 2009 witnessed the definitive end to the most acute phase of the recession, the recovery continued, albeit at a gradual pace. In the first quarter, the unemployment rate, which reached 10% in February, continued to prevent the growth of domestic demand, which has thus proven unable to give the desired boost to the Eurozone's economic growth. Conversely to the situation in emerging economies, foreign demand represents the main driver of this phase of growth, which analysts believe may be consolidated in mid-2010. However, due to its volatility, this strong dependence on foreign demand is cause for great concern for Eurozone countries, which continue to exercise a high level of attention, while also gradually eliminating the incentive measures that they had implemented in 2009 to foster the economic recovery of their respective markets. The estimates prepared by Consensus Economics in March call for GDP growth of 1.1% in 2010 compared to 2009. Turning to inflation in the euro area, the harmonised consumer price index rose to 1.5% at the end of 2010 (0.9% in February 2010). The main drivers of this increase include the rise in the price of oil, which resulted in a higher price for energy resources. Positive signs were forthcoming from the European industrial production index, which showed an increase of 2.4% in the first two months of 2010.

An overview of the European macroeconomic context, the major market in which Brembo operates, cannot fail to include the performance of the automotive market. In this sector, car registrations declined in the first quarter of 2010 compared to the fourth quarter of 2009, mainly due to the failure to renew tax incentives in Italy and Germany. The figures for these past three months showed a severe decline in the German market (-26.6% in March alone and -22.8% in the first three months of the year) and a growing decline in the other major markets. Year-to-date figures for the first three months of 2010 showed an increase of 9.2% in the EU27 area compared to the same period of 2009. Projections of further sharp declines in registrations tied to the failure to renew incentive campaigns were the cause of severe concerns.

The situation in Central and Eastern Europe has gradually improved compared to Western Europe, although the recession in Romania has intensified. The current year is expected to show further growth, but to a markedly more limited extent when compared to the estimates for other countries, especially emerging nations. The high unemployment rate and weak demand from Europe's advanced nations, always the main driver of growth in these economies, continue to represent a severe threat to this area's economic stability.

The situation in Italy reflects the general European trend. The severe decline in domestic demand tied to consumption and investments resulted in a 5% decrease in GDP in 2009. According to the estimate prepared by the Confindustria Research Centre, industrial production should rise by 1.7% in the first quarter of 2010 (growth was 1% in the fourth quarter of 2009). This growth was burdened by uncertainties surrounding the outlook for the job market, which is threatening the wealth and confidence of Italian households. The unemployment rate was approximately 8.5% in February, a level that, while below the European index, is ground for considerable concern: approximately 700,000 jobs have been lost since April 2008 and the first three months of 2010 are expected to witness a further decline in employment compared to the fourth quarter of 2009.

In the United States, 2009 ended with a decrease in GDP of 5%. March 2010 forecasts by Consensus Economics call for growth of slightly above 3% in the current year. Despite the relative optimism apparent in this first quarter of the year, U.S. economic stability remains very fragile. With a deficit/GDP ratio in the double digits, government accounts remain at unsustainable levels. The problems surrounding the public finances in the United States thus continue to threaten the economic recovery in the coming period. The signs shown in the first quarter of the year are inconsistent with one another and lead to the concern that the pace of the recovery may fluctuate. For example, the industrial production index first rose in January and then remained stagnant in February. Although the ratio of household savings to disposable income fell in February, retail sales continued to rise. As in Europe, the unemployment rate is the most evident flaw in the American economic scenario. In January, unemployment fell from 10% to 9.7% and then held steady. Turning to the real-estate market, home prices, as measured by the Case-Shiller index for the nation's ten main cities, stopped growing, and demand is expected to resume its decline, owing both to a likely increase in mortgage interest rates and to the expiry of tax incentives for the purchase of first homes in April. Licences for new building are at a low. According to the projections surveyed by Consensus Economics, inflation will rise slightly in 2010 to 2.3%, compared to the more moderate values reported at the beginning of this year (2.1% in February). Lastly, on 10 February the Federal Reserve illustrated the rules it will follow in its exit strategy to discontinue the extraordinary measures it has implemented once the U.S. economy has returned to a path of stable, lasting growth.

In Japan, GDP is expected to grow by 1.7% in 2010 compared to 2009. The nation's GDP had fallen by 5.2% in 2009. Private consumption continued to rise, buoyed by the incentive measures implemented. In Japan, as in other mature markets, there continue to be conflicting indications regarding the true strength of recovery. At the level of investments, for example, there have been diverging trends in which non-residential investments have risen and residential investments have declined considerably. According to the estimate surveyed by Consensus Economics, deflation should continue in 2010 (at an average annual rate of -1.1%). This aspect, inasmuch as it is accompanied by high public debt (the debt/GDP ratio exceeds 200%), is the cause for considerable concern regarding the recovery of the Japanese economy. In mid-March, the Bank of Japan doubled the amount of liquidity it intended to place on the market with the aim of facilitating a decline in long-term interest rates.

As mentioned briefly above, high domestic demand was accompanied by a recovery of exports in the major emerging nations in the first quarter of 2010. Accordingly, growth estimates for the current year have been revised upwards once more.

In China, the constant growth of domestic demand offset the decline in exports, closing out 2009 with an 8.7% increase in GDP, representing an improvement over the government target. The estimates surveyed by Consensus Economics in March, driven by a recovery in foreign demand, predict an even higher growth rate for the current year (10%). In February 2010, driven by the rise in food and real-estate prices, the consumer inflation rate began to climb once more (2.7%).

In India, activity continued to expand at a rapid pace. March estimates call for GDP to increase by 7.7% in 2010, marking further progress compared to the 7.3% reported at the end of 2009. In February, wholesale inflation rose sharply to nearly 10%.

Industrial production and retail sales rose sharply in Brazil in the first two months of the year, representing a generally positive scenario. The imminent discontinuation of a series of tax incentives is cause for concern.

In Russia, the contribution of foreign demand increased slightly, whereas domestic demand remained extremely weak. According to the latest projections by Consensus Economics, in 2010 GDP is expected to rise by 4.5%, following on a decline of 7.9% in 2009.

Turning to commodities trends, the price of crude oil rose late in the first quarter of 2010 to reach 85 dollars a barrel, compared to 75 dollars in October 2009. According to the International Energy Agency, global oil demand is expected to rise. In detail, the estimate in December 2009 was 86.3 million barrels per day, whereas in March 2010 it was expected to rise to 86.6 million. The main driver of this trend is the rise in consumption in China and other Asian nations, which could bring the price of crude oil above 90 dollars a barrel. The prices of non-energy commodities increased in the first quarter of 2010. In detail, the increases in percent terms compared to the previous period were 3% for food, 14.2% for non-food agricultural products and 6.3% for metals.

The global market for the sale of light vehicles continued to expand in the first quarter of 2010, showing a growth rate in excess of 20% at the end of the quarter. According to this trend, the final 2010 figure is expected to represent growth of 9.5%. However, there continues to be uncertainty regarding the discontinuation of incentive campaigns in the major mature markets. The impressive level of growth shown by the Chinese market, which resisted the declines in mature markets, and indeed seems entirely unaffected by the crisis, has met with amazement.

Currency Markets

Following an initial depreciation early in the year, the dollar appreciated against the euro in the first quarter of 2010, and continues to do so. The exchange rate came to a low of 1.3338 on 24 March and ended the quarter at an average of 1.3842. In general, the euro weakened against the dollar and the other major Western currencies due to the effects of the problems relating to the situation of public accounts in Greece.

Turning to the currencies of Brembo's major markets of operation at the industrial and commercial level, the pound showed considerable volatility against the euro, beginning with appreciation to reach a low of 0.8616 on 28 January, followed by depreciation to bring the British currency to 0.9114 on 10 March, and then concluding with renewed appreciation. The exchange rate at the end of the period was close to that at the beginning of the year (0.8898). The quarterly average was 0.8869.

The Japanese yen showed net appreciation against the euro, reaching a quarterly low of 120.66 on 25 February. However, the figure for the end of the quarter showed a slight recovery by the euro, bringing the exchange rate with the yen to 125.93.

The Polish zloty appreciated strongly over the quarter, while showing lively volatility within the trend. The range of fluctuation was between 3.86 and 4.1285, with a period-end rate of 3.8673.

The Brazilian real depreciated throughout January to reach a period high of 2.612, then re-appreciated to 2.3884. The rate at the end of the quarter confirmed the currency's strength at 2.4043.

Lastly, the Mexican peso appreciated strongly over the quarter owing to the increase in manufacturing activity in the U.S. and Canada, beginning the year at 18.67 and reaching a low at the end of March of 16.66.

Operating Structure and Reference Markets

Operating Structure

Brembo is the world leader and acknowledged innovator of the brake disc technology for automotive vehicles. It operates in 14 countries on 3 continents, with 35 production and business sites and employs about 5,700 people. The Group's operations are conducted from nine industrial-commercial facilities in Italy and 26 in other countries. Manufacturing plants are located in Italy, Spain (Zaragoza), Poland (Czestochowa and Dabrowa), the United Kingdom (Coventry), the Slovak Republic (Zilina), Germany (Meitingen), Mexico (Puebla and Apodaca), Brazil (Betim and São Paulo), China (Nanjing), India (Pune) and the United States (Homer). Other companies located in Sweden (Göteborg), France (Levallois Perret), Germany (Leinfelden-Echterdingen), the United Kingdom (London), the United States (Costa Mesa, California, and Plymouth, Michigan), China (Beijing and Qingdao) and Japan (Tokyo) carry out distribution and sales activities.

Reference Markets

Brembo's reference market is represented by the most important manufacturers of cars, motorbikes, commercial vehicles and racing cars and motorbikes. Constant focus on innovation, as well as technological and process development, factors that have always been fundamental to Brembo's philosophy, have earned the Group a strong international leadership position in the research, design and production of high-performance braking systems for a wide range of road and racing vehicles. Brembo operates in both the original equipment market and the aftermarket. Brembo's range of products for the car application and the commercial vehicle application includes brake discs, brake callipers, the side-wheel module and increasingly often the complete braking system, including integrated engineering services. All of these back the development of new models produced by vehicle manufacturers. Manufacturers of motorbikes are also offered brake discs, brake callipers, brake master cylinders, light-alloy wheels and complete braking systems.

In the car aftermarket, Brembo offers in particular a vast range of brake discs: over 1,600 product codes allow the company to meet the needs of nearly all European vehicles. The Group also specialises in the design and manufacture of clutch systems for racing vehicles and recently entered the passive safety segment (seats, seat belts and accessories).

Brembo reported consolidated net sales of €244,038 in the first quarter of 2010, marking an increase of 24.4% compared to the first quarter of 2009.

Information on the performance of the separate applications and their related markets is provided under the following headings.

Applications

Cars

The global car market showed a 22.5% increase in registrations in the first quarter of 2010. However, it should be considered that the figure is favoured by the particularly negative conditions of the first three months of 2009.

The Western European market reported overall growth of 9.2%, continuing the uptrend that began in the second half of 2009, driven largely by the government incentive measures implemented in some of the major target markets. However, the annual sales rate is falling due to the negative effect that the failure to renew the incentives will inevitably have on sales. The market is expected to weaken further in the coming months.

Germany alone of the major target markets showed a decrease in sales of 22.8% compared to the same period of 2009, while there was growth in France (+16.9%), Italy (+23.3%), Great Britain (+27.3%) and Spain (+44.5%).

Eastern Europe recorded a combined decrease in registrations of approximately 18% in the first quarter of 2010.

In the United States, overall sales rose by 15.5% in the first quarter of 2010. The Japanese market also grew by 22.1% in the reporting period compared to 2009.

The Brazilian and Argentinean markets continued to grow throughout the first quarter of 2010, showing an overall increase in sales of 19.7% and continuing the uptrend that began in 2009. The growth of the Chinese market did not stop and car sales showed further acceleration in the first quarter of the year, bringing the growth rate to 77.1%. The Indian market also continued to grow, increasing 30% in the first quarter of 2010.

Within this scenario, Brembo reported net sales of car applications of €149,908 in the first quarter of 2010, representing 61.4% of the Group's sales, an improvement of 36.9% compared to the first quarter of 2009.

Motorbikes

Europe, the United States and Japan are Brembo's three most important markets in the motorbike sector. In the first quarter of 2010, motorbike registrations in Europe showed an overall decline of 7% compared to the previous year. Spain alone of the major target markets reported growth compared to the first quarter of 2009 (+24.5%). Conversely, registrations fell sharply in France (-19.7%), Germany (-10.3%) and the United Kingdom (-19.7%). The decline in the Italian market was more moderate, coming to a decrease in registrations of 4.1% in the reporting period. In the United States, registrations of motorbikes, scooters and ATVs (All Terrain Vehicles) continued to fall throughout the first quarter 2010, as in 2009, dropping 22.7% compared to 2009. Motorbike sales alone fell by 21%. The Japanese market also remains weak, reporting an overall contraction of 5.8% in the first quarter of 2010.

Brembo's revenues on net sales of motorbike applications amounted to €30,206 in the first quarter of 2010, down by 2.5% compared to the first quarter of 2009.

Commercial and Industrial Vehicles

The commercial vehicles market in Europe, Brembo's main target market, showed overall growth of 9.1% in the first quarter of 2010 compared to the first quarter of 2009, representing the first positive sign of the past two years.

Total registrations of light commercial vehicles (up to 3.5 tonnes) increased 12.7%. All of the main Western European markets recorded increases in registrations: the Italian and Spanish markets reported the greatest growth, 29.2% and 25.3%, respectively, followed by France (+15.8%), Germany (+15.4%) and the UK (+16.2%). Conversely, Eastern European nations continued to show a downtrend amounting to an overall decrease of 38.7% in the reporting period compared to the same period of the previous year.

There are no signs of a recovery in the segment of commercial vehicles over 3.5 tonnes, which in Europe showed an overall decline in sales of 10.6% compared to the first quarter of 2009. However, the decrease in registrations in the major target markets of Western Europe appears more moderate: while in France and Italy they continued to fall by 22.6% and 7.5%, respectively, the German and UK markets held substantially stable compared to 2009, and the Spanish market showed slight growth of 3.3%.

The recovery in registrations of commercial and industrial vehicles resulted in this being the segment in which sales showed the strongest recovery in 2010, with net sales of €40,214, up by 51.6% compared to €26,528 in the first quarter of the previous year.

Racing Market

Brembo is present in the racing sector with three leading brands: Brembo Racing, with braking systems for race cars and motorbikes; AP Racing, with braking systems and clutches for race cars; Marchesini, with magnesium and aluminium wheels for racing motorbikes. Brembo is the long-time leader in this segment, claiming more than 200 world championships won to date.

Nonetheless, the results for the first quarter of 2010 show a decline in sales in this segment of approximately 15.9% (net revenues of €17,762).

Passive Safety

Brembo began operating in the passive safety segment with the acquisition of Sabelt S.p.A in the first quarter of 2008. The company operates in three segments: in the racing segment, it manufactures and sells safety belts, FIA-approved seats and car racing accessories; in the original equipment segment, it manufactures and sells special seats for sports road cars; in the child safety segment, it produces car seat restraint systems that are marketed to high-end customers.

While Brembo's traditional segments — the original equipment and racing markets — are still suffering from the impact of the economic crisis also in the first quarter of 2010, consumer saving did not affect household purchases of passive safety items. Global child seat sales are on the rise at world level, as a result of increasingly stringent legislation in this area. There was an increase of 7% compared to 2009 and an even more global presence in terms of sales to customers. Not only emerging markets, but also consolidated markets such as those of Europe showed highly positive signs compared to the first quarter of 2009, which was characterised by uncertainty.

Net sales in this segment amounted to €4,845 in the first quarter of 2010, marking a decrease of 30.7% compared to the first quarter of 2009.

Significant Events During the Quarter

As previously reported, on 15 January 2010 the contracts between Brembo Nanjing Foundry Co. Ltd. (100% Brembo S.p.A.) and Donghua Automotive Industrial Co. Ltd (a member of the Saic Group, China's leading car and commercial vehicle manufacturer) for the purchase of foundry plants and machinery became effective.

The project envisages the gradual creation of an integrated production centre in Nanjing, including a foundry and a production facility for brake callipers and discs (for cars and commercial vehicles) that will be able to offer the Chinese market braking systems built to meet Brembo's standards of performance, style and comfort.

On 12 March 2010, Brembo announced that it will invest €82 million in Poland from 2010 to 2014, to expand the production capacity of the Dabrowa Gornicza integrated industrial hub (manufacture of brake discs for cars and commercial vehicles).

The investment is aimed at acquiring a growing share in the European brake disc market, which even now is guaranteed to exploit the capacity of the foundry under construction to the full. The project will be financed with cash generated by the Group, EIB loans and, in part, with a grant from the European Union (€13.5 million); the project also benefits from tax breaks, as part of the Katowice Economic Special Zone.

The prestigious fair JPMS (Journées Professionnelles de la Moto et du Scooter) held in Lyon (France) in February conferred the Product of the Year award for the Urbains category (products for urban roads) on the B-Jet Brembo helmet. The product's winning trait was its innovative automatic tightening system. The Automatic Fit Belt system, for which a patent application has been filed by Brembo and Newmax, was developed by Sabelt.

In March, the creation of the new Brembo brand "BYBRE" (short for "By Brembo") was announced in Pune, India. The brand was conceived for the manufacture in India of brake systems for motorbikes and scooters under 600 cc.

Purchase and Sale of Own Shares

As regards Brembo's plan for repurchasing own shares, the company neither bought nor sold shares in the first quarter of 2010. At 13 May 2010, the company held a total of 1,440,000 own shares, representing 2.16% of the share capital, for an overall value of €11,435,811 at a weighted average price of €7.94 per share.

Subsidiaries Formed Under and Governed by the Law of Countries Not Belonging to the European Union – Obligations Under Articles 36 and 39 of CONSOB's Market Regulations

In accordance with the requirements of Articles 36 and 39 of CONSOB's Market Regulations (adopted with CONSOB regulation No. 16191 of 29 October 2007 and amended with Resolution No. 16530 of 25 June 2008), following the change in the consolidation area and the relevance of different companies, the Brembo Group identified three subsidiaries based in three countries not belonging to the European

Union that are of material importance, as defined under Paragraph 2 of the same Article 36, and therefore fall within the scope of application of the Regulation.

Rebalanced net financial position

Leading credit institutions recently approved medium-/long-term loans which will enable Brembo to bring the long-term portion of debt to over 70% of total debt.

Significant Events After 31 March 2010

On 27 April 2010, the Shareholders' Meeting of Brembo S.p.A. approved the Annual Report for the year ended 31 December 2009 and the distribution of a gross dividend of €0.225 per each share outstanding at the ex-dividend date, excluding treasury shares. The remainder was allocated to reserves.

The Shareholders' Meeting also appointed a new Director, who had already been co-opted by the Board of Directors on 15 March 2010. Bruno Saita, who has collaborated with the Group for several years, took up the position of non-executive Director.

The Shareholders' Meeting further approved a new plan to purchase and sell own shares that sets the maximum number of shares that may be purchased at 2,680,000, which represents 4.01% of the Company' share capital. The minimum and maximum purchase prices are €0.52 and €10.00, respectively. The maximum potential purchase outlay is €26,800,000. The authorisation to purchase own shares has a duration of 18 months from the date of the shareholders' resolution. This authorisation was requested in order to undertake possible investments, including with the aim of supporting the liquidity of the security in the market, thus fostering the regular conduct of trading beyond normal variations tied to market performance, give effect to any share-based incentive plans for directors, employees and independent contractors of the Company and/or its subsidiaries, and pursue, as part of the Company's industrial projects, possible equity investment swap transactions.

The Shareholders' Meeting also resolved to approve the three-year incentive plan for Executive Directors and top management for 2010-2012, which is based, inter alia and indirectly, on financial instruments, and is intended for Brembo's Executive Directors and/or employees, known as the "Three-year (2010-2012) Incentive Plan for Executive Directors and Top Management".
The potential beneficiaries of the Plan were identified as 31 persons who serve in a management capacity within Brembo and have the power to take management decisions that may affect the Company's development and future prospects.

No other significant events took place following the end of the first quarter of 2010.

Statement Pursuant to Art. 154/bis, Paragraph 2 – Part IV, Title III, Chapter II, Section V-*bis*, of Italian Legislative Decree No. 58 of 24 February 1998: "Consolidation Act on Financial Brokerage Pursuant to Articles 8 and 21 of Italian Law No. 52 of 6 February 1996"

Re: Interim Report on Operations at 31 March 2010, approved on 13 May 2010.

I, the undersigned, Matteo Tiraboschi, the Manager in charge of the financial reports of BREMBO S.p.A. hereby

DECLARE

in accordance with the second paragraph of Art. 154-*bis*, Part IV, Title III, Chapter II, Section V-bis of Italian Legislative Decree No. 58 of 24 February 1998, that to the best of my knowledge, the Interim Report on Operations at 31 March 2010 corresponds with the documented results, books and accounting records.

Matteo Tiraboschi
BREMBO S.p.A.