50 YEARS
1961-2011

SIX MONTHLY REPORT 2011

brembo

This Six Monthly Report is a translation provided only for the convenience of foreign readers.
The Italian version will prevail.

SIX MONTHLY REPORT 2011

CONTENTS

COMPANY OFFICERS

Based on the one sole list submitted by the main shareholder Nuova FourB S.r.l., the General Shareholders' Meeting of the parent company Brembo S.p.A., held on 29 April 2011, appointed the new Board of Directors, which will remain in office until the approval of the financial statements for the year ending 31 December 2013. The outgoing Director Giuseppe Roma did not stand for re-election, inasmuch as he had served as an Independent Director and Chairman of the Company's Audit Committee for over ten years, since 3 May 2000; Gianfelice Rocca was appointed to replace him.
On 6 June 2011, the Director Andrea Abbati Marescotti was co-opted to replace the Director Bruno Saita following the latter's resignation and was appointed Managing Director and General Manager, after revocation of the powers attributed to the Chairman for that function. Since 6 June 2011, Matteo Tiraboschi has served as Executive Deputy Chairman. Within the revamped management structure, Chairman Alberto Bombassei will gradually take on a more strategic and less operational role.

At 30 June 2011, Company Officers included:

Board of Directors

Chairman	Alberto Bombassei (1) (6)
Executive Deputy Chairman	Matteo Tiraboschi (2) (6)
Managing Director and General Manager	Andrea Abbati Marescotti (3) (6)
Directors	Cristina Bombassei (6) (8)
	Giovanni Cavallini (4)
	Giancarlo Dallera (4)
	Giovanna Dossena (11)
	Umberto Nicodano (5)
	Pasquale Pistorio (4) (7)
	Gianfelice Rocca (4)
	Pierfrancesco Saviotti (4)

Board of Statutory Auditors (14)

Chairman	Sergio Pivato
Auditors	Enrico Colombo
	Mario Tagliaferri
Alternate Auditors	Gerardo Gibellini
	Marco Salvatore

Independent Auditors

PricewaterhouseCoopers S.p.A. (9)

Manager in Charge of the Company's Financial Reports

Matteo Tiraboschi (10)

Committees

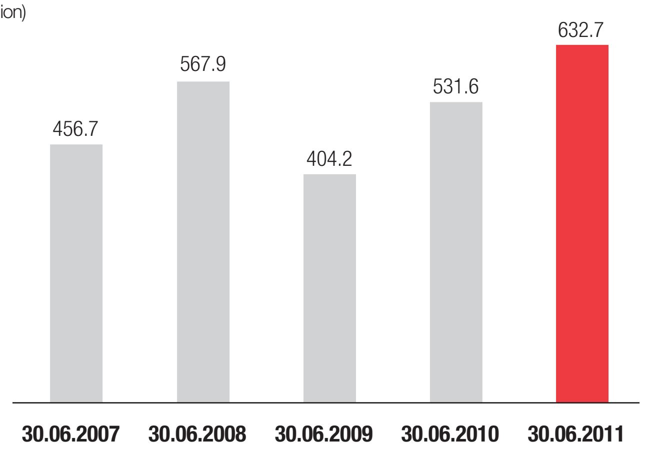
Audit Committee: (15)	Giovanni Cavallini **(Chairman)** Giancarlo Dallera Pasquale Pistorio
Remuneration Committee:	Umberto Nicodano **(Chairman)** Giovanni Cavallini Pierfrancesco Saviotti
Supervisory Committee:	Marco Bianchi **(Chairman)** (12) Giancarlo Dallera Alessandra Ramorino (13)

(1) The Chairman is the Company's legal representative and has powers of ordinary management, within the limits of the law.
(2) The Executive Deputy Chairman is the Company's legal representative. The Board of Directors granted him special powers to manage the Company.
(3) The Board of Directors granted the Managing Director and General Manager special powers to manage the Company.
(4) Independent and non-executive Directors pursuant to Article 148, paragraph 3, of the Finance Consolidation Law (TUF) (as required by Articles 147-*ter*, paragraph 4, and 147-*quater* of TUF) and Article 2.2.3, paragraph 3, of the Rules of Borsa Italiana S.p.A. and the Corporate Governance Manual of Brembo S.p.A. (Article 3).
(5) Non-executive Director.
(6) Executive Directors.
(7) This Director also holds the position of Lead Independent Director.
(8) This Director also holds the position of Executive Director in charge of overseeing the functioning of the Internal Control System.
(9) The Shareholders' Meeting held on 27 April 2007 extended the mandate until financial year 2012.
(10) Appointed by the Board of Directors on 29 April 2011. He also holds the position of Investor Relator.
(11) Independent and non-executive Director pursuant to Article 148, paragraph 3, of TUF (as required by Articles 147-*ter*, paragraph 4, and 147-*quater* of TUF).
(12) Private practice lawyer - Studio Castaldi Mourre & Partners, Milan.
(13) Internal Auditor and Internal Audit Director of the Brembo Group.
(14) This Board holds the role of Audit Committee and Accounting Audit Committee pursuant to Article 19 of Legislative Decree 39/2010.
(15) The Audit Committee also acts as the Related Party Transactions Committee.

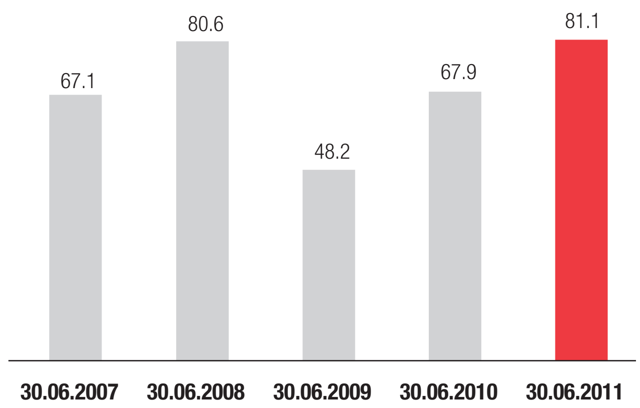
Brembo S.p.A. Registered offices: CURNO (Bergamo) – Via Brembo, 25
Share capital: €34,727,914.00 – Bergamo Register of Companies – Tax Code (VAT Code) No. 00222620163.

BREMBO: SUMMARY OF GROUP RESULTS

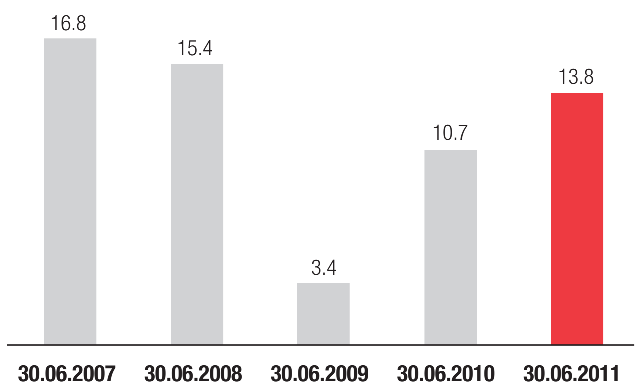
SALES OF GOODS AND SERVICES
(euro million)



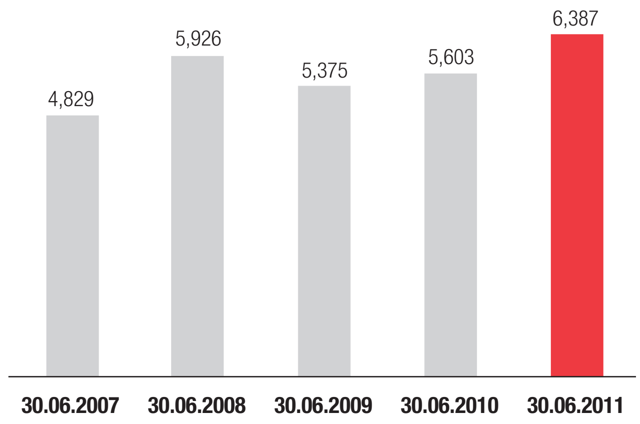
GROSS OPERATING INCOME
(euro million)



ROI
(percentage)



PERSONNEL AT END OF PERIOD
(No.)



Economic results

(euro thousand)	30.06.2007	30.06.2008	30.06.2009	30.06.2010	30.06.2011	% 2011/2010
Sales of goods and services	456,682	567,938	404,193	531,587	632,694	*19.0%*
Gross operating income	67,113	80,628	48,224	67,917	81,060	*19.4%*
% on sales	*14.7%*	*14.2%*	*11.9%*	*12.8%*	*12.8%*	
Net operating income	45,126	51,516	10,096	31,843	42,880	*34.7%*
% on sales	*9.9%*	*9.1%*	*2.5%*	*6.0%*	*6.8%*	
Income before taxes	40,917	43,624	3,221	26,612	37,847	*42.2%*
% on sales	*9.0%*	*7.7%*	*0.8%*	*5.0%*	*6.0%*	
Net income (loss)	26,926	30,566	(481)	18,650	24,735	*32.6%*
% on sales	*5.9%*	*5.4%*	*-0.1%*	*3.5%*	*3.9%*	

Financial results

(euro thousand)	30.06.2007	30.06.2008	30.06.2009	30.06.2010	30.06.2011	% 2011/2010
Net invested capital (1)	542,070	674,442	600,814	601,915	624,497	*3.8%*
Equity	284,509	321,493	275,213	312,270	323,407	*3.6%*
Net financial debt (1)	232,852	330,206	303,401	268,782	281,381	*4.7%*

Personnel and investments

	30.06.2007	30.06.2008	30.06.2009	30.06.2010	30.06.2011	% 2011/2010
Personnel at end of period (No.)	4,829	5,926	5,375	5,603	6,387	*12.9%*
Turnover per employee (euro thousand)	94.6	95.8	75.2	94.9	99.1	*5.4%*
Investments (2) (euro thousand)	34,660	68,625	28,421	33,837	77,249	*128.3%*

Main ratios

	30.06.2007	30.06.2008	30.06.2009	30.06.2010	30.06.2011
Net operating income/Sales	*9.9%*	*9.1%*	*2.5%*	*6.0%*	*6.8%*
Income before taxes/Sales	*9.0%*	*7.7%*	*0.8%*	*5.0%*	*6.0%*
Investments/Sales	*7.6%*	*12.1%*	*7.0%*	*6.4%*	*12.2%*
Net financial debt/Equity	*81.8%*	*102.7%*	*110.2%*	*86.1%*	*87.0%*
Net interest expense/Sales	*0.9%*	*1.1%*	*1.7%*	*0.8%*	*0.7%*
Net interest expense/Net operating income	*9.6%*	*12.4%*	*68.0%*	*12.9%*	*10.6%*
ROI (3)	*16.8%*	*15.4%*	*3.4%*	*10.7%*	*13.8%*
ROE (4)	*19.4%*	*18.9%*	*-0.8%*	*11.9%*	*15.7%*

(1) A breakdown of these items is provided in the reclassified Balance Sheet on page 35.
(2) The item includes acquisitions of property, plant, equipment and intangible assets and increases deriving from the change in the consolidation area.
(3) Net operating income / Net invested capital x annualisation factor (days in the year/days in the reporting period).
(4) Net income (loss) before minority interests / Equity x annualisation factor (days in the year/days in the reporting period).

INTERIM DIRECTOR'S REPORT ON OPERATIONS

BREMBO AND THE MARKET

Macroeconomic Context

The first half of 2011 saw the worldwide economy expanding steadily, although a gradual slowdown was recorded in the latter part of the six months as a result of the earthquake in Japan, tensions in the Middle East and North Africa and the Greek debt crisis, combined with a slowdown in economic growth in the United States. The latest International Monetary Fund estimates, updated at June 2011, forecast world GDP growing by 4.3% this year, slightly down (-0.1) on April forecasts. The estimates for 2012 remain favourable, albeit uncertainty persists due to the intensifying geopolitical turbulence in North Africa and the Middle East.

Economic recovery continues in the Eurozone, but major differences persist among the main countries therein. Again according to the IMF's most recent estimates, in 2011 the GDP in this area is expected to grow by 2.0% on 2010, an increase (+0.4) on the previous April estimates. According to Eurostat, in April 2011 industrial production in the Eurozone grew by 5.2% and in the EU27 by 4.7% year on year.

The European economy is hence continuing to expand even though it was affected by a certain slowdown in a number of specific sectors in the latter part of the first six months. The recovery of the main Euro Area countries continued to be slowed by the climate of uncertainty that is severely conditioning the job market. After falling to 9.9% in February from the 10% recorded in January, the unemployment rate remained constant for the next two months.

In Italy, this figure remains below the European average registering 8.1% during April.

Spain continues to cause most concern from this point of view, with a rate above 20%.

As for inflation, the latest figures distributed by Eurostat show that in the Eurozone inflation fell for the first time in May since the beginning of the year, reaching 2.7% on an annual basis (in January the rate was 2.2% and in April 2.8%), whilst the figure for the whole of Europe reached 3.2%.

Within the European macroeconomic context, the main market in which Brembo operates, a particular focus has to be placed on the automotive industry, to which our Group's products are targeted. In this regard, it is useful to note that vehicle registrations in Europe (EU27+EFTA) for May recorded a rise close to 8%, ending the first five months of the year more or less on a par with the same period in the previous year. Market trends, however, varied from country to country. The German market closed the first five months of the year with growth slightly exceeding 13%. In Italy, by contrast, car registrations fell sharply, by more than 15% compared to the same period in 2010. The Chairman of ANFIA (Italy's Automotive Industry Association) declared at the beginning of June, regarding the performance of the automotive market in Italy: "Total registrations during the month are slightly up on May 2010; it should be recalled that last year, from April, the volumes were particularly low due to the end of the incentives effect: May had touched very low levels, recording 164,704 units, down 13.3% on the previous year." The May registered orders figure confirms the serious crisis situation faced by the Italian car market, falling by a good 6%.

The United States economy is also slowing down. According to the IMF's latest estimates, GDP for the current year is expected to grow by 2.5%, a decrease of 0.3% compared to the previous April forecasts, and the estimates for 2012 have also been revised downwards to 2.7%. Signs of restraint are being received both from industrial production, which in May recorded growth (+0.1%) below analysts' expectations (+0.2%), and from the employment sector, which worsened again in the second half of the six-month period. In May, fewer jobs were created than expected and the unemployment rate again rose to 9.1%. The car production sector also showed signs of a slowdown: volumes of cars and pick-ups produced increased by 4% in April and May, ending the first five months of the year with growth slightly exceeding 10%, with a significant decrease compared to the growth of about 15% recorded at the end of the first quarter.

In Japan, in the aftermath of the devastating earthquake and tsunami which struck on 11 March, the IMF has drastically reduced GDP estimates for 2011, contrary to the 1.4% growth figure estimated in April: the latest June estimates predict GDP for 2011 falling by 0.7%, whilst the Japanese economy for 2012 is expected to bounce back to 2.9%.

The disruption of production and the supply chain are among the main causes for concern for the entire global economy. Car production in Japan fell by more than 32%, in May alone (after a drop of more than 60% in April). The year-to-May reduction was -33%.

The 11 March disaster also had an impact on the production of Japanese vehicles (among other things) in other countries, where delays in deliveries of components from Japan resulted in severe manufacturing slowdowns. However, positive signs are expected in the second half of 2011.

In the main emerging countries, economic performance continued to record broadly positive values, albeit with a slowdown in growth rates compared to the past. China and India are proving once again to be the countries driving international recovery, even capable of countering the negative repercussions arising from the upheavals in the Arab world and the earthquake in Japan.

Particularly as far as China is concerned, it is becoming increasingly difficult to continue to consider it as an emerging country. The IMF's latest June estimates predict a 9.6% growth in GDP. This high growth rate, although lower than the 10.3% reported in 2010, is sustained by industrial production which, in May, rose by 13.3%. Despite the general satisfaction linked to these results, there has recently been a slight slowdown in the rise of the Chinese market. In May the inflation level reached 5.5%, the highest in the past 34 months, giving rise to considerable concern. In order to curb the inflationary pressures, the Chinese Central Bank raised interest rates four times from October 2010. The automotive market reflects the general slowdown in the Chinese economy: in May sales of light vehicles fell by about 2%, bringing the growth rate in the first five months of the year beneath the 6% threshold. Despite this, the sales rates of the main European premium players remain very high.

The Indian economy has also continued to grow at a rapid pace. The IMF's latest June 2011 estimates see GDP growing by 8.2% for the current year, even though the inflationary pressures in this country continue to be quite marked, just like in all areas receiving huge inflows of capital. In order to keep a check on this phenomenon, interest rates have been raised nine times in the past year and a half.

For Brazil, in June the IMF's 2011 GDP forecasts were revised downwards to 4.1%, -0.4 compared to the April estimates. However, the soundness of the Brazilian economy has, led Moody's to revise this country's rating upwards. According to the latest figures published by Fenabrave, the association of Brazilian dealers, Brazil closed the first half of 2011 with an increase in sales of light vehicles of about 9.5% compared to the same period of the previous year.

In Russia, according to the IMF's June forecasts, GDP in 2011 is expected to grow by 4.8%, after the 4.0% growth in 2010. Sales of cars and light commercial vehicles actually rose by 48% in May alone, bringing growth to +60% in the year to May.

Regarding trends in commodities and oil in particular, the price of oil, after topping USD 100 a barrel (in May the average monthly price was USD 108.2 a barrel), fell to about USD 90 in the second half of June. This was due mainly to the statements issued by the International Energy Agency, which undertook to release 60 million barrels onto the market to make up for the loss of Libyan oil. However, the fact that prices could possibly rise steeply again in the very near future is causing major concerns.

Currency Markets

In the first six months of the year the dollar, after a short period of appreciation up to 1.2903 (10 January 2011), depreciated constantly against the euro reaching maximum depreciation on 4 May 2011 down to 1.4882 and then recovering at the end of June to 1.4453. The depreciation of the dollar has been fuelled by prospects in the United States which are more negative than those in Europe, in spite of the scepticism of the markets regarding the Greece rescue plan launched by the EU.

Regarding the currencies of the main markets in which Brembo operates, at industrial and commercial level, the pound has tended to depreciate against the euro, with weak corrections that have never reversed the trend to any great effect. This situation was underscored by the peak reached by the exchange rate at the end of the reporting period: 0.90255 at 30 June 2011.

The Polish zloty, after appreciating up to 3.8425 in January, lost ground against the euro reaching 4.079 on 17 March 2011. From then on, it has fluctuated around its six-monthly average (about 3.95), closing at 3.9903.

The Czech koruna tended to appreciate against the euro up to the level of 24.018 reached on 4 February 2011, and then fluctuated constantly around the six-monthly average (24.35).

Since the beginning of March (exchange rate of 8.709 on 1 March 2011), the Swedish krona has fallen sharply against the euro. This trend strengthened in June, when maximum depreciation was reached on 28 June 2011 at 9.2475.

In the Far East, the Japanese yen enjoyed a brief early recovery (to an exchange rate of 107.17 on 10 January 2011), but then went on to weaken against the euro, due in part to the natural disasters that struck the country in early March. Maximum depreciation was reached on 8 April 2011 at 122.8. From then on, the JPY has stayed around its six-monthly averages (approximately 115), closing a little above (116.25).

The Chinese yuan/renminbi has followed the trend of the yen, depreciating against the euro in a fairly marked manner. Maximum depreciation against the euro was reached at the beginning of May (9.6636 on 4 May 2011). Since that date, however, the Chinese currency has recovered much more modestly than the JPY, closing well above its six-monthly averages (9.3416 on 30 June 2011).

The Indian rupee started to appreciate against the euro in 2011, but this trend then reversed depreciating constantly for the rest of the six-month period. Maximum depreciation against the euro was reached on 5 May, at 66.307, but the subsequent recovery has been slow and uncertain up to a final level of 64.562.

In the Americas, the Brazilian real exhibited a high level of volatility against the euro throughout the reporting period, with a marked appreciation at the start of January up to 2.1812 at 12 January 2011, followed by alternating phases of depreciation (up to mid-March), appreciation (up to mid-April), renewed depreciation, hitting its low on 5 May 2011 at 2.3909, and showing a slight final recovery to below the six-monthly averages (average value: 2.2879).

Finally, the Mexican peso exchange rate also depreciated sharply, except for two phases of appreciation at the start of January and throughout May. It reached maximum depreciation at 17.3177 on 5 May 2011, recovering a little under 17 on 30 June 2011.

Group Activities and Reference Market

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 34 production and business sites and employs over 6,300 people worldwide. The Group's operations are conducted from ten industrial-commercial facilities in Italy and 24 in other countries. Manufacturing plants are located in Italy, Spain (Zaragoza), Poland (Czestochowa and Dabrowa Górnicza), the United Kingdom (Coventry), the Czech Republic (Ostrava-Hrabová), 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), Germany (Leinfelden-Echterdingen), the United Kingdom (London), China (Beijing and Qingdao) and Japan (Tokyo) carry out distribution and sales activities.

The year 2011 marks an historic milestone for Brembo: 50 years of operation punctuated by impressive achievements in the technical, competitive and commercial arena. On 11 January 1961, Emilio Bombassei and Italo Breda founded Officine Meccaniche di Sombreno, the original nucleus of today's Brembo. Among them was the current chairman, Alberto Bombassei, who had just recently turned 20 years of age. Since then, Brembo has completed a journey of half a century to become the undisputed leader of the braking systems market. In 1964, Brembo began to manufacture brake discs for cars; in 1972, it added brake discs for motorbikes and in 1975 it made its debut in Formula One, where it provided its systems also for the Ferrari single-seater. Over the years, technological innovation and constant research in the fields of materials and manufacturing techniques have led the Brembo brand to win great esteem at a global level. In 1995, the company became listed on the Milan stock exchange and embarked upon a process of growth and internationalisation.

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 aftermarket, Brembo offers in particular brake discs, in addition to pads, drums, brake shoes, drum-brake kits and hydraulic components: a vast and safe range of products allows 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).

In the first half of 2011, Brembo's consolidated net sales amounted to €632,694 thousand, up by 19% compared to the same period of 2010.

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

Applications

Cars

During the first half of 2011, the global light vehicles market reported a 5.2% increase in sales, owing primarily to growth in emerging markets and the recovery in the United States.

In Western Europe, on the other hand, car sales decreased by 2.1% overall, although trends in the main reference markets varied significantly. Only Germany recorded a significant increase of 10.5%, whilst France closed the six-month period with a modest +1% and other countries reported some very sharp downturns such as, for example, Spain (-26.8%), Italy (-13.1%) and Great Britain (-7.1%).

In Eastern Europe and Russia the positive trend has continued and these two markets closed the first half of 2011 with a rise in light vehicle registrations of 35% and 55.7%, respectively. Amongst other things, the Russian government has extended the scrap incentives scheme to September 2011.

The United States closed a highly positive half year, with light vehicle sales up 12.8% overall compared to the first half of 2010. The trend was also positive for Brazil and Argentina, which closed the six-month period with an overall increase in sales of 10.3%.

With reference to Asian markets, China has continued to report a growth trend also this year, albeit at a slower pace than in the past two years, and closed the first half of 2011 with a 5.8% increase in car sales compared to the same period of 2010. The Indian market also performed very positively, growing by 16.3%. Japan, which had already shown signs of weakness in the first two months of the year, was severely affected by the tragic earthquake that struck the country on 11 March, with sales for the six-month period decreasing by 27.8% compared to the first half of 2010.

Within this scenario, Brembo reported €402,252 thousand in net sales of car applications in the first half of 2011, accounting for 63.6% of the Group's turnover, up by 15.6% compared to the same period of 2010.

Motorbikes

In Europe, motorbike registrations in the first half of 2011 fell overall by 7.5% compared to the same period in 2010. Among the main reference markets, only Germany recorded a growth trend (+4.1%). Sales, on the other hand, continued to fall in Italy (-15.8%), Spain (-13.9%) and, to a lesser extent, in France (-6.3%) and the United Kingdom (-2.7%).

In the United States, registrations of motorbikes, scooters and ATVs (All Terrain Vehicles – four-wheelers for recreation and work) declined by 4.6%, primarily as a result of the sharp decrease in ATV registrations (-17.3%), which was only partially offset by the growth of motorbike and scooter registrations (+1.7%).

The Japanese market grew very slightly, recording a gradual increase in the first six months of 2011, closing the period with a 5.5% rise compared to the same period of the previous year, thanks to an increase in registrations of motorbikes with displacements between 125 and 250 cc.

Positive signs were seen in emerging markets, and especially the Indian market, which showed a 19.5% increase in registrations of two-wheeled vehicles.

Despite market trends, Brembo's net sales of motorbike applications in the first half of 2011 amounted to €73,401 thousand, up 22.5% compared to the first half of 2010.

Commercial and Industrial Vehicles

In the first half of 2011, the European commercial vehicles market, Brembo's main market of operation, grew by 13.7% compared to the same period of the previous year, thus confirming the recovery that had begun in the second quarter of 2010 in this sector.
Registrations of light commercial vehicles (up to 3.5 tonnes) showed an overall increase by 9.7% in the reporting period. Amongst the main markets of operation in Western Europe, the UK market showed the greatest growth in registrations (+24.2%), followed by Germany (+19.9%) and France (+5.1%). Conversely, sales decreased in Spain (-13.3%) and, albeit to a lesser extent, in Italy (-0.8%).

In the countries of Eastern Europe the signs of recovery recorded during the first quarter of 2011 also continued into the second quarter, with an overall growth in registrations, in the first six months of the year, of 13.7% compared to the same period in 2010. However, the positive result has to be compared with the closing figure for the first half of last year, which was marked by a sharp reduction in registrations (-33.9%).
The market for commercial vehicles above 3.5 tonnes, which had started to show significant signs of recovery in the second half of last year, also continued to grow markedly throughout the first half of 2011, recording a 43% overall rise in registrations compared to the same period in 2010.
All the main markets of operation in Western Europe grew compared to the first half of 2010: France reported a 52.2% rise in sales, Germany 38.1%, the United Kingdom 36.4% and Spain 35.9%. The Italian market, by contrast, showed more modest growth (+12.2%).
In Eastern Europe, sales of medium and heavy commercial vehicles (over 3.5 tonnes) more than doubled in the first half of 2011 compared to the same period of 2010.

In the first half of 2011, Brembo's net sales of applications for this segment amounted to €97,147 thousand, up by 31.5% compared to €73,874 thousand in the same period of the previous year.

Racing Applications

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.

However, the racing market underwent a global contraction, mainly related to regulations implemented by official entities, which aimed at cutting costs by limiting not only aspects of aerodynamics and engine power in the name of safety, but also the number of tests and replacement parts authorised during the season.

Brembo's results for the first half of 2011 showed a 29% increase in sales compared to the same period in the previous year, with net sales of €43,801 thousand.

Passive Safety

Brembo began operating in the passive safety segment with the acquisition of Sabelt SpA in 2008. The company operates in three different segments: the racing segment, the OEM seatbelt and racing seat market and the children's segment with retention systems for children's car seats.

In the first half of 2011, the passive safety segment reported net sales of €13,338 thousand, a 20% increase compared to the same period in the previous year, primarily linked to the racing market's good performance.

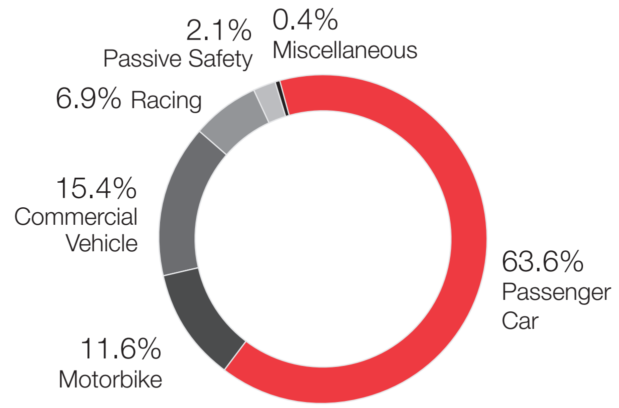
SALES BREAKDOWN BY APPLICATION AND GEOGRAPHICAL AREA

The two following tables respectively list net sales broken down by application and by geographical area of destination [1].

Net Sales Breakdown by Application

(euro thousand)	30.06.2011	%	30.06.2010	%	2011/2010	% 2011/2010
Passenger Car	402,252	*63.6%*	348,038	*65.5%*	54,214	*15.6%*
Motorbike	73,401	*11.6%*	59,916	*11.3%*	13,485	*22.5%*
Commercial Vehicle	97,147	*15.4%*	73,874	*13.9%*	23,273	*31.5%*
Racing	43,801	*6.9%*	33,953	*6.4%*	9,848	*29.0%*
Passive Safety	13,338	*2.1%*	11,114	*2.1%*	2,224	*20.0%*
Miscellaneous	2,755	*0.4%*	4,692	*0.8%*	(1,937)	*-41.3%*
Total	**632,694**	***100.0%***	**531,587**	***100.0%***	**101,107**	***19.0%***

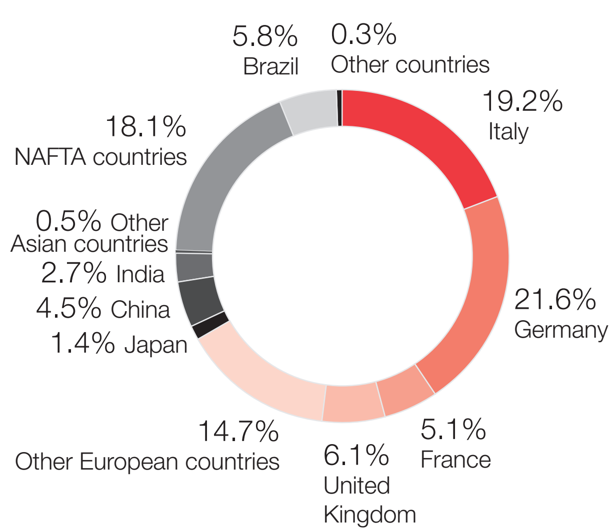
NET SALES BREAKDOWN BY APPLICATION
(percentage)



Net Sales Breakdown by Geographical Area

(euro thousand)	30.06.2011	%	30.06.2010	%	2011/2010	% 2011/2010
Italy	121,336	*19.2%*	95,833	*18.0%*	25,503	*26.6%*
Germany	136,540	*21.6%*	114,073	*21.5%*	22,467	*19.7%*
France	32,371	*5.1%*	23,175	*4.4%*	9,196	*39.7%*
United Kingdom	38,718	*6.1%*	31,518	*5.9%*	7,200	*22.8%*
Other European countries	92,931	*14.7%*	80,651	*15.2%*	12,280	*15.2%*
Japan	8,910	*1.4%*	7,214	*1.4%*	1,696	*23.5%*
China	28,251	*4.5%*	24,737	*4.7%*	3,514	*14.2%*
India	17,214	*2.7%*	12,659	*2.4%*	4,555	*36.0%*
Other Asian countries	3,425	*0.5%*	2,398	*0.5%*	1,027	*42.8%*
NAFTA countries (USA, Canada, Mexico)	114,375	*18.1%*	105,819	*19.9%*	8,556	*8.1%*
Brazil	36,434	*5.8%*	31,209	*5.9%*	5,225	*16.7%*
Other countries	2,189	*0.3%*	2,301	*0.2%*	(112)	*-4.9%*
Total	**632,694**	***100.0%***	**531,587**	***100.0%***	**101,107**	***19.0%***

NET SALES BREAKDOWN BY GEOGRAPHICAL AREA
(percentage)



(1) In line with CONSOB notice No. 980804143 of 27 October 1998 and as required by IFRS 8, segment reporting is provided in the Explanatory Notes in accordance with the same IFRS 8. The above information completes the information provided in the Explanatory Notes, thus meeting the requisites of IFRS 8.

RESEARCH AND DEVELOPMENT

All of Brembo's research and development activities can be related to a single "friction system" concept, whilst at the same time preserving the specific qualities of the Divisions and Business Units, based on a common guideline followed in recent years.
According to this concept ("friction system" meaning an element that integrates all components), each individual component (calliper, disc, pad, suspension) is complementary to the others in optimising the braking function, not only purely in performance terms but also as regards comfort, duration, aesthetics, etc.
As for the main research and development projects on which the Group is engaged, work has continued successfully on optimising the parameters that allow the vibration characteristics (own frequencies) of cast-iron discs to be manipulated so that the features of a disc that can improve the comfort performance of the system may be managed as early as the design stage. The ability to manage these parameters during the design stage, along with subsequent control during production, represents a competitive advantage for Brembo.
Brembo's work on cast-iron discs for heavy commercial vehicles is aimed at optimising mass characteristics and cooling/ventilation capacity while continuing to deliver the required performance.
For car applications, development of new "light" disc concepts continued, not only with the aim of reducing weight but also with the aim of saving production costs to enable a broader application.
After forming the joint venture with SGL, which led to the setting up of BSCCB, Brembo strengthened its leadership also in the carbon-ceramic disc sector, with applications not only on super sports car models but also on high-performance saloons (Audi A8, Mercedes AMG, etc.).
In this context, Brembo has also developed a carbon-ceramic disc for racing applications designated CCM-R, which combines the technique used to make carbon-carbon discs for the most advanced racing applications (F1, MotoGP, etc.) with carbon-ceramic discs for road use. The result is a light disc with very high durability that is optimal for GT racing applications.
A CMC disc is also being developed for motorbike applications and, following a phase to assess the performance of externally supplied technologies, an appraisal is currently being carried out of the technical and economic feasibility of the Motorbike disc using BSCCB processes. The assessment will have to take account of the sharp contraction in the potential market following the 2009 crisis.
Again for motorbike applications, work has started on evaluating the technical and economic feasibility of a polymer clutch cylinder. The aim of the design is to reduce costs and validate the concepts/materials for possible application on brake cylinders. The activities will focus on the following areas: the handlebar fixing system, the floating/liner concept, the brake fluid reservoir/diafram assembly and the quick-connect system with the brake hose. The execution

of polymer levers for both clutch and brake applications will also be assessed in this context.

Brembo has begun to develop and manufacture innovative friction material specific to its own racing and road applications with carbon-ceramic discs. With the Ferrari FF, it has introduced a new type of friction material for organic matrix ceramic discs and Ferrari itself acknowledges in this application the introduction of a new generation of systems.

Development of materials in collaboration with Hitachi Chemical resulted in the creation of a NAO (non-asbestos organic) friction material, typical of the U.S. and Asia-Japan markets, which as soon as early 2011 entered standard production with Daimler-Mercedes.

Brembo is also considering the use of unconventional materials and brake types in order to meet the markets' needs in the near future. For example, the company is evaluating the use of aluminium alloys obtained by bringing the alloy into a thixotropic state (i.e., temperatures below the melting point) for motorbike master cylinders and car callipers.

In parallel, work continues to improve products and processes in order to supply cutting-edge products to emerging markets as well (e.g., India for motorbike applications and China for light commercial vehicles). For this reason, Brembo is continuing with its strategy of planned expansion of specific Development Centres in those markets (China, India and the USA).

Advanced R&D activities are focused on mechatronic systems for the brake systems of tomorrow. In this regard, the foundations are being laid for work over the next decade, which will see vehicles (initially cars, and then other types of vehicles) undergo extensive electrification.

Brembo is continuing to develop a Brake-By-Wire system with the aim of major integration into the vehicle system. This activity also allows the evolution of individual brake system components to be anticipated, so that the Group can maintain its lead in product innovation.

In the interim, standard production applications are being identified for the first mechatronic systems developed by Brembo, such as electric parking brakes, which should enter standard production by 2012.

Brembo continues to conduct R&D activities in cooperation with Universities and Research Centres to seek out new solutions to apply to brake discs and callipers, in terms of innovative materials, new technologies and/or mechanical components to be introduced to brake callipers.

These partnerships also extend to methodological activities relating to development, involving the creation and use of increasingly sophisticated simulation and calculation tools.

INVESTMENTS

Brembo is consolidating its worldwide position with international investments in several countries.
In China, the new integrated production centre in Nanjing is in advanced stage of development. The centre, which will include a foundry and a production facility for brake callipers and discs (for cars and commercial vehicles), will be able to offer the Chinese market braking systems built to meet Brembo's standards of performance, style and comfort. The installation of a new production line is also planned and is expected to enter operation by the end of this year. The new Nanjing site will also include an R&D centre. Investments made in the first half of 2011 totalled €10,121 thousand.

Brembo's investments in Poland continued and will be carried on until 2014. These investments are aimed at increasing the production capacity of the integrated industrial hub of Dabrowa Gornicza (dedicated to the production of brake discs for cars and commercial vehicles).
The investments are 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, bank loans and partly with grants from the European Union (€16,500 thousand); it will also benefit from tax breaks, as part of the Katowice Economic Special Zone. In the first half of 2011, investments amounted to €30,471 thousand.

Investments continued in the Czech Republic to develop and complete a new production site, housed in an existing industrial building, which has already started to operate in 2011. Once the works are completed, the new site will include the casting, processing and assembly of brake callipers and other aluminium components. The new integrated industrial hub will be able to offer the European market quality and high-tech braking systems, also applying in the mid-premium segment technologies of the luxury and high premium segment, in which Brembo is the world leader. Investments for the first half of 2011 amounted to €12,469 thousand.

In May, Brembo S.p.A. signed an agreement to take over Perdriel S.A., an Argentine company that produces brake discs and carries out its production activity in the Buenos Aires area, employing about 150 staff and with forecast revenues for 2011 in the region of €20 million.
Based on the agreement, in the second half of 2011 Brembo will take over 75% of the share capital of the company, with option rights on the remaining 25% exercisable after three years of the signature of the agreement. The seller is an Argentinian group with significant presence in the domestic car component market. Overall outlay for the acquisition of the 75% stake will amount to €3.3 million, to be paid upon execution of the agreement.
Brembo, which already has a share of almost 60% of the Brazilian market in the production of brake discs and drums, deems it strategic to maintain and reinforce its presence in South America, also by taking advantage of the opportunities offered by current and prospective growth of the Argentinian production and sale market. The South American uptrend in vehicle manufacturing over the past five years has been mostly driven by growing demand from Brazil, which fuelled a significant growth in volumes produced by car plants in South America, particularly in Argentina.

In line with the development programmes undertaken, the level of investment during the six-month period has been considerable, particularly compared with the policy of investment restraint adopted over the two previous years. In the first half of 2011, the Group invested a total of €77,249 thousand across its operating units, including €67,198 thousand in property, plant and equipment and €10,051 thousand in intangible assets.
Development costs amounted to €6,243 thousand and were incurred primarily by the parent company Brembo S.p.A.
The AP brand was also acquired during the first half of 2011.

RISK MANAGEMENT POLICY

Effective risk management is a key factor in maintaining the Group's value over time. The management of opportunities and risks is an integral part of Brembo's governance system and is not allocated to a separate organisational unit or function.
Risks are monitored at meetings held on at least a monthly basis, where results, opportunities and risks are analysed for each business unit and geographical area in which Brembo operates. The meetings also focus on determining the actions required to mitigate any risks. Brembo's general risk-management policies and the bodies charged with risk evaluation and monitoring are included in the Corporate Governance Manual, in the Organisation, Management and Control Model (as per Italian Legislative Decree 231/2001) and in the reference Layout for preparing accounting documents (as per Article 154-*bis* of TUF, to which the reader is referred).

The guidelines established by the Board of Directors to ensure proper risk management, which are enforced by the Executive Director charged with supervising the Internal Control System, are based on the principles of prevention, cost effectiveness and continuous improvement. Brembo has developed a model for identifying and classifying risks that allows the company to identify and classify the risk categories on which it should focus.

The model groups risk classes by type based on the managerial level or corporate function from which they originate or that is responsible for monitoring and managing them. Internal Audit evaluates the effectiveness and efficiency of risk management and the overall internal control system on a regular basis and reports the results to the Chairman, the Executive Deputy Chairman, the Managing Director, the Board of Statutory Auditors, the Audit Committee and the Supervisory Committee of Brembo S.p.A. regarding specific risks connected with compliance with Legislative Decree No. 231/2001.

The types of risks whose profiles have not substantially changed compared to the previous period/year are the following:

1. strategic risks;
2. operating risks;
3. financial and reporting risks;
4. legal and compliance risks.

The international model used by Brembo as a reference is the COSO (Committee of Sponsoring Organizations), which defines internal control as "a process, effected by an entity's Board of Directors, management, and all personnel, designed to provide reasonable assurance regarding the achievement of objectives of effectiveness and efficiency of operating activities, the reliability of financial reporting and compliance with applicable laws and regulations."
The risks to which Brembo is exposed (classified into the above categories) are discussed below. The order in which they are discussed does not imply classification in terms of probability of occurrence or possible impact.

Strategic Risks

Brembo is exposed to risks associated with the evolution of technology, in other words, the risk that competing products will be developed that are technically superior because they are built based on innovative technologies. While this risk cannot be eliminated, Brembo minimises it by investing sizeable resources in Research and Development, with regard to both existing technologies as well as technologies that will likely be applied in the future, e.g., "mechatronics". For additional information, see the "Research and Development" section in the Report on Operations.

Product and process innovations – those currently being used as well as those that may be used in production in the future – are patented to protect the Group's technological leadership.
Brembo targets the Luxury and Premium segments of the automotive sector and, in terms of geography, generates most of its sales from mature markets (Europe, North America and Japan). To mitigate the risk of segment/market saturation, the Group has long ago implemented a strategy aimed at diversifying into the geographical areas where the highest growth rates are reported and anticipated (China, India, and Brazil) and is broadening its product range, also by focussing on the mid-premium segment.

The Divisions and Business Units into which the Group is structured aim to strengthen relations with the technical bodies in order to effectively represent skills and product expertise and create an industrial model that optimises product cost through LCC (Low Cost Country) options.
Investments in certain countries may be influenced by major modifications of the local regulatory framework, which could result in changes in the economic conditions existing at the time of the investment. For this reason, before investing in foreign countries, Brembo assesses the country risk carefully in the short, medium and long term. In general, M&A activities must be accurately coordinated in all their aspects in order to mitigate any investment risks.

Operating Risks

The main operating risks to which Brembo is exposed are associated with the price and availability of raw materials, the international economy, issues involving health, job safety and the environment and, to a lesser extent, the regulatory framework of the countries in which the Group operates.
Risks associated with raw materials include their price volatility and possible limited availability. Brembo is exposed to risks resulting from its reliance on strategic suppliers who, if they were to unexpectedly discontinue their supplier relationships, could create problems for the production process and Brembo's ability to process customer orders on schedule. To mitigate this risk, the Purchasing Department identifies alternate suppliers to ensure the availability of critical materials (supplier risk management program). The supplier selection process, including an assessment of suppliers' financial solidity – an aspect that is taking on growing importance in the current scenario – has been reinforced. By diversifying its sources, Brembo can also reduce its risk exposure to price increases (a risk that is however partially offset by reflecting price increases in sales prices).
The risk of purchasing components with quality levels not compliant with Brembo's quality standards has also been significantly mitigated by setting up a dedicated function: Supplier Quality Assurance.
Again in relation to the current economic situation, the management of trade union relations has become more critical, mainly in Italy and India, albeit for different reasons.
The Group's primary risks relating to health, on-the-job safety and the environment can be of the following types:

- inadequate protection of employee health and safety, which can lead to serious accidents or work-related illnesses;
- environmental pollution resulting from sources such as uncontrolled emissions, inadequate waste disposal or the spreading of dangerous substances on the ground;
- partial or non-compliance with laws and regulations governing the sector.

The occurrence of these facts could result in substantial criminal and/or administrative penalties or pecuniary fines against Brembo. Furthermore, in particularly serious cases, the actions of public entities in charge of assessing the situation could interfere with

Brembo's normal production activities, even causing production lines to halt or forcing the production facility to close.
Brembo manages this type of risk by carrying out ongoing and systematic evaluations of its exposure to specific risks and by reducing or eliminating those considered unacceptable. This procedure is organised within a Management System (which is compliant with international standards ISO 14001 and OHSAS 18001 and certified by an independent body) that covers health, job safety and environmental aspects.
Brembo implements the activities necessary to allow it to effectively monitor and manage these aspects while scrupulously complying with applicable laws.

Some examples of activities that are currently underway include the definition and yearly review of:

- "Management Plans" for Safety and the Environment that define the objectives to be achieved;
- "Supervisory Plans", which list all the activities to be carried out under the laws governing the sector or regulations imposed by the Group (e.g., authorisation renewals, periodic controls, reports to public entities, etc.);
- "Audit Plans", which monitor the extent to which the System is being applied and encourage continuous improvement. In summary, although accidents and mistakes can happen, the Group has implemented systematic rules and management procedures that allow it to minimise the number of accidents as well as the impact they may have.
  A clear-cut assignment of responsibility at all levels, the presence of independent internal control bodies that report to the company's highest officer and the application of the highest international management standards are the best way to guarantee the company's commitment to health, job safety and the environment.

The internationalisation strategies and, particularly, international industrial footprint development have also highlighted the need to strengthen operational management able to operate locally and communicate effectively with the Business Unit functional departments.
Brembo is also undertaking a brand extension strategy which involves the risk of compromising the way it is perceived in its main market of operation, as well as introducing onto the market products with quality levels considered to be less than satisfactory in sectors where the Group lacks specific expertise.

Financial Risks

In conducting its business, the Brembo Group is exposed to various financial risks, including, in particular, the main components of market risk: interest rate fluctuations and fluctuations in the foreign currencies in which the company operates. Financial risk management is the responsibility of the Parent Company's Central Treasury Department, which, together with the Finance Department, evaluates all the company's main financial transactions and the related risk management policies.

Interest Rate Risk Management
Since most of the Group's financial debt is subject to variable interest rates, it is exposed to the risk of interest-rate fluctuations. To reduce this risk, the Group has entered into several medium/long-term fixed-rate loan agreements accounting for approximately 17.5% of its gross financial position.
The objective is to eliminate the variability of the borrowing costs associated with a portion of debt and benefit from fixed rates.

No specific hedging transactions are currently in place for the remaining portion of variable-rate borrowing; as indicated above, the Group Central Treasury constantly monitors rate trends in order to evaluate in advance changes to the financial indebtedness structure, when necessary.

Exchange Rate Risk Management

Since Brembo operates in international markets, it is exposed to exchange rate risks. To mitigate these risks, the Group uses natural hedging (offsetting receivables and payables) and hedges only net positions in foreign currency, using mostly short-term financing denominated in the currency to be hedged. Other hedging instruments used by the company, where advisable, include forward contracts, which are also used to offset differences between receivables and payables. This policy reduces exchange risk exposure.
Further information on other types of financial risks is reported below:

- **credit risk:** credit risk is the probability that a customer or one of the parties to a financial instrument will cause a financial loss by failing to perform an obligation. Exposure to credit risk arises mainly in relation to trade receivables. Most parties with which Brembo does business are leading car and motorbike manufacturers with strong credit standing; the current macroeconomic situation requires that Brembo continuously monitor the credit worthiness of its customers in order to anticipate situations where customers are unable to pay or must pay late;

- **liquidity risk:** liquidity risk can arise from a company's inability to obtain the financial resources necessary to guarantee its operation.
  The Central Treasury and Credit Department implements the main measures indicated below in order to minimise such risk:
  – it constantly assesses financial requirements to ensure the appropriate measures are taken in a timely manner (obtaining additional credit lines, capital increases, etc.);
  – obtains adequate credit lines;
  – optimises liquidity, where feasible, through cash-pooling arrangements;
  – ensures that the composition of net financial debt is adequate for the investments carried out;
  – ensures a proper balance between short- and long-term debt.

Legal and Compliance Risks

Brembo is exposed to risks arising from the failure to rapidly comply with changing laws and new regulations in the sectors and markets in which it operates. To mitigate this risk, each business unit stays abreast of relevant regulations, with the assistance of outside consultants, where necessary.
The Corporate Legal Department monitors the progress of existing and potential litigations and determines the most appropriate steps to take in managing them.
The Group works with dedicated personnel within the Quality Department regarding risks arising in relation to employee safety and environmental protection. These risks are often associated with factors that are "external" to the Group, making it only partially possible to organise or define activities that can minimise their impact.

These "external" factors, which underlie some of the major risks facing the company, include:

- the complexity of laws and regulations;

- the lack of clarity of laws and regulations, which leaves too much room for interpretations;
- the uncertain, and often lengthy, period of time needed to obtain the necessary authorisations to allow production.

The risks associated with these issues mainly arise from the fact that the incorrect interpretation of a law or failure to recognise all the laws that govern a specific matter could lead to an unintentional lack of compliance on the part of the Group.
To minimise this risk, the Group makes a constant effort to research and obtain updated information about legislative matters, with the support of specialised companies and Confindustria (Italian Manufacturers' Association).
For information concerning compliance risks, including those arising from participation in the Star Segment of Borsa Italiana, refer to the Corporate Governance and Ownership Structure Report (in accordance with Article 123-*bis* of TUF). Compliance risks include the reporting risk, which is the risk that the financial information reported by the Group is not sufficiently accurate and reliable. To improve its internal control system (especially with regard to subsidiaries) as well as the quality, promptness and comparability of information provided by its consolidated companies, Brembo is completing the project aimed at deploying the same ERP *(Enterprise Resource Planning)* application across all Group companies.

Risk Management: Insurance Coverage

Where available and financially feasible, the Group obtains insurance coverage to minimise financial impacts of any damage or liability.
To analyse its risk exposure and determine the appropriate coverage, the Group works with its insurance broker Jardine Lloyd Thompson, which provides such service through its international organisation and handles any claims on behalf of the Group.
Brembo's changing needs through the years have been specifically reflected in its insurance coverage, which has been optimised to significantly decrease the company's exposure, especially to possible damages arising from the manufacturing and sale of its products. This has been achieved through risk mapping, risk analysis and risk management, which have allowed critical areas to be identified and analysed, such as the risks associated with countries whose laws are detrimental for manufacturers of consumer goods.
To summarise, all Brembo Group Companies are covered against the following risks: liability insurance, product liabilities, product recalls, directors' liabilities, property-all risks/interruption of operations.
Additional coverage has been arranged locally based on the requirements of local legislation or collective labour contracts and/or corporate agreements or regulations.

HUMAN RESOURCES AND ORGANISATION

During the first half of 2011, Business Units, Central Staff and top management were all influenced by organisational considerations, with the clear aim of continuing along the road of strong recovery achieved in 2010.

At the beginning of June, Brembo's Board of Directors approved the company's new organisational structure. This arose out of a desire to reinforce the governance model, strengthen the management team and gradually implement internal succession mechanisms, in light of the growth objectives defined by the 2010-2015 Strategic Plan. The new structure provides for the creation of the new role of Executive Deputy Chairman, in the person of Matteo Tiraboschi, and the appointment within the company of Andrea Abbati Marescotti as Managing Director and General Manager. Within the revamped management structure, Chairman Alberto Bombassei will gradually take on a more strategic and less operational role.

As far as the Central Staff is concerned, the Purchasing Department has revised its Commodities structure, whilst positions in the Staff Cost Controllers within the Administration, Finance and Control Department have been renewed. In addition, the new Communications & Institutional Relations Manager joined the Brembo Group in June.

With reference to the Business Units, the Discs Division saw the creation of the role of Project Director, reporting to the Manager, with the aim of evaluating the strategic development alternatives and organisation of medium and long term strategic projects, as well as reorganisation of the Disc Technologies function. The Systems Technologies function within the Systems Division was entrusted to a new manager, whilst the Project Engineering area within the Car Business Unit has been restructured to improve coverage of the different markets and customers.

Regarding the subsidiaries, Sabelt has reorganised its management structure, whilst in Brembo North America Inc. the new Brembo Performance BNA function has been created following the merger between Brembo North America Inc. and Brembo Performance North America Inc., effective January 2011. In addition, Brembo Brake India Pvt. has reviewed the organisation of the Country Operations, Quality and Purchasing areas with the identification of three Italian senior managers to support three local managers, thus allowing improved synergy with the Motorbike Business Unit.

Organisational considerations in the second half of 2011 will be considerably influenced by the new corporate structure, although a clear link will be maintained with the guidelines followed in the first half of the year and in recent years, with a view to consolidating growth and further developing the Italian and foreign markets.

Within the area of Brembo's Human Resources Training and Development, the objectives of enhancing skills and expertise in 2011 are increasingly related to business development and company organisation. The logics governing strategic choices in this area are hence focused on growth, internationalisation and cultural integration.

Within this context, in 2011 training has featured, in particular, the international application of two important training projects, from which Italian resources had already benefited at the end of 2010. The first is the training path for Executives, which has involved a large number of newly appointed or newly recruited executives from all over the world, with the aim of offering them a mix of hard and soft competencies fundamental for managers of the future. The second project, known as the "Kart Factory", has seen the involvement of optimisers of Brembo plants, located throughout the world, working both in the classroom for the theoretical part and in Italian plants for the practical part. Despite

the profoundly diverse nature of the two training projects and the professional positions involved, in both of them a fundamental role of training is the promotion and facilitation of the process of integrating the different cultures of which the Brembo group is formed.
Among the “traditional” training initiatives, mention should be made of the start of Brembo’s Language School’s 2011 activities. In addition, the annual Survey of Training Requirements has recently been concluded, supported by a major new training offer. The new Finance courses designed for those who want a better understanding of the logics governing corporate finance stand out as one of the most significant innovations in the catalogue now on offer. These initiatives, which are also open for self-registration, have received an immediate strong response from the company’s entire workforce. Interculture, seen from the standpoint of the effective management both of relations between peers and staff management, is another new skills area that enriches the training offer and has been validated by the number of training requirements recorded. It is within this context that Brembo’s Mediateca Self-Development tool proves to be consistently valuable. This is a veritable treasure chest of tools, manuals, research papers and magazines (hard and soft copy), useful for building on the skills of every person, from the manual worker to the executive, who makes use of them in a proactive way.
Overall, 271 training initiatives were implemented in the first half of 2011 for a total of 145 courses, 12,988 training hours and 1,501 participants.

In the first half of 2011 Development, which aims to develop and make the most of the potential and skills of human resources, consolidated the People Management tools such as the BYR (Brembo Yearly Interview, for performance management), the Development Centers (Group or individual) and the Succession Planning tools. Finally, during the second quarter a new world Climate Survey started which involved the company’s entire workforce, just as on previous occasions: the results will be made known after the summer.

In 2010, Brembo launched the Brembo Kids initiative (“Progetto 90 Giorni” – the 90 Days Project – run by Best Nest), created to help parents in the so-called critical 90 days of the year when children between 3 and 10 are at home from nursery and primary schools, whilst their parents are at work.
A special area has been provided at the Stezzano (Bergamo) site, inside the Kilometro Rosso, offering employees the chance to have their children close to the workplace, in a safe and protected environment. In April 2011, Brembo was considered worthy to receive for this initiative the Prize for the Best Child-dedicated Programme for the concrete help given to employees and for the innovative nature of the childcare programme offered. The award was given as part of the third edition of the FamigliaLavoro Prize, promoted by the Lombardy Region, in which 125 entities took part, including companies, public bodies and non-profit organisations.

ENVIRONMENT, SAFETY AND HEALTH

Complying with the draft decree approved by the Council of Ministers on 7 April 2011 which is currently being examined by the Italian Parliament, Brembo is working to include environmental crimes into its own Organisation, Management and Control Model. Pursuant to Legislative Decree No. 231/01, the decree also extends liability for this type of crime to the company when the company cannot prove that it has set up an organisation model able to prevent their commission.

The main activity at the moment concerns the incorporation of Brembo's Environmental Management System (based on the ISO 14001 standard), which is already operating, into the more general Corporate Organisation Model. In particular, a risk assessment of areas such as the discharge of industrial waste water, waste disposal and atmospheric emissions is being followed up with the preparation of appropriate control protocols. These will provide for continual monitoring and auditing by internal functions such as Internal Audit and Safety & Environment at corporate level.

The objective is to plan and prepare in advance an important part of the work that will have to be carried out so that Brembo can quickly comply with the new legislation when it is finally approved by Parliament.

In the meantime, new procedures have been activated for implementing workplace safety training courses for Supervisors (namely: Section Supervisors, Shift Supervisors, Team Supervisors, etc.). "Behavioural" training has been combined with training of a primarily technical nature (such as the legislative principles applicable, how a company should organise safety, etc.), so that a common awareness can be disseminated throughout the company on how to tackle the risks presenting in the workplace. In fact, the technical compliance of machines and plant is not enough on its own to ensure the best safety standards within work environments: instead, increasing importance should be attached to implementing the concept that all persons interacting within the company should conduct themselves in the correct manner so as to ensure and enhance the general level of safety.

In environmental terms, Brembo started the works aimed at monitoring the quantity of greenhouse gases emitted directly by the Company, such as the gas produced by the combustion of boilers installed to heat premises, and indirectly by plant producing the electricity required to operate our machinery. Given the legislation for the sector and considering the type of production processes in place, at the moment Brembo is not required to carry out any monitoring and/or containment work regarding the emission of these types of gas. Aware that environmental protection is one of the factors on which our future will be decided, Brembo has, however, decided that it is important to also engage with this aspect in order to determine, first of all, what quantities of gas are emitted from its production sites and, based on the data recorded, define any plans for their abatement.

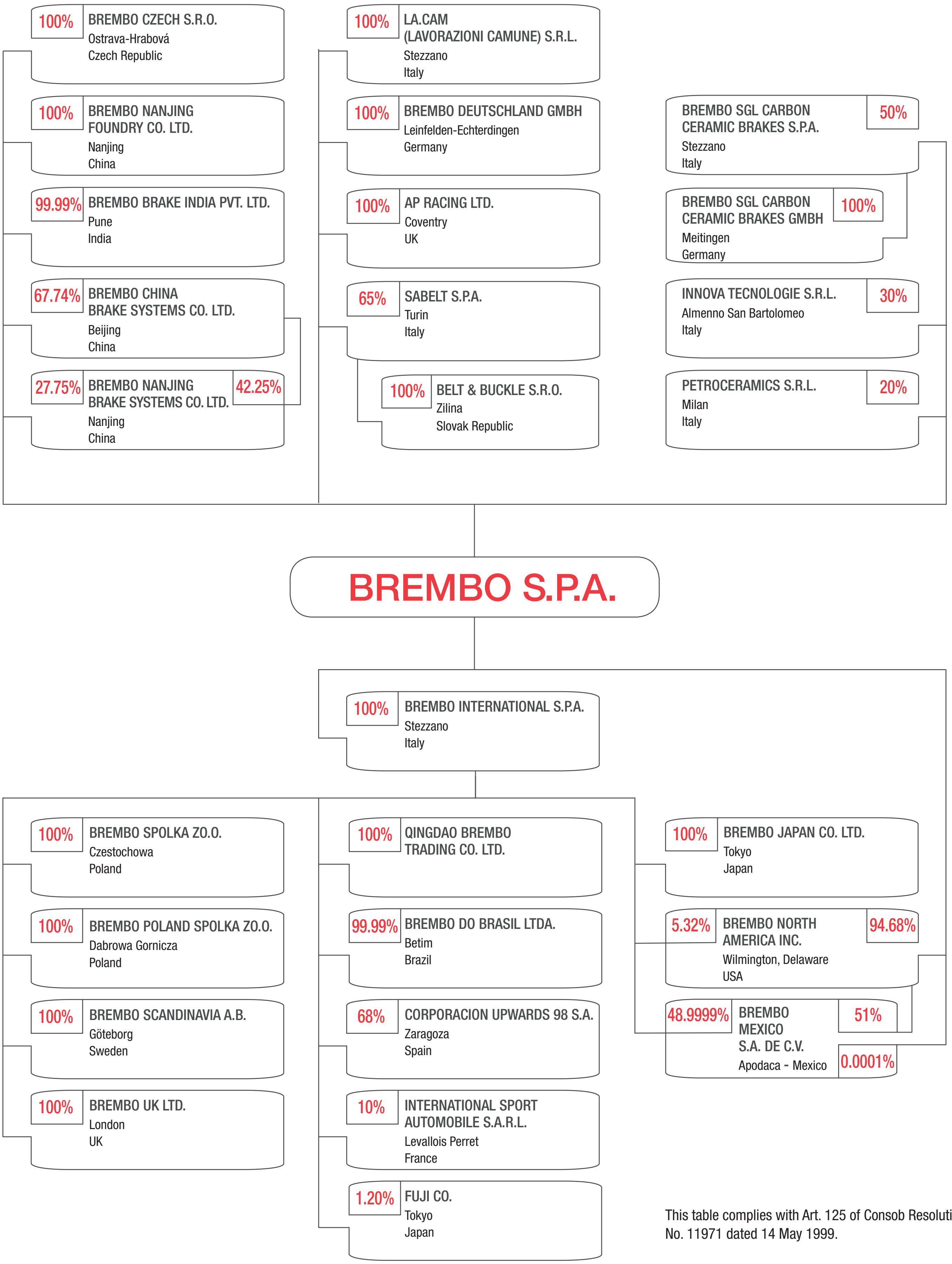
Finally, mention should be made of a further reduction in the accident rate at Group level. After closing 2010 with an Index of Severity of Injuries of 0.72, in the first quarter of 2011, the indicator recorded a value of 0.66. A general reduction has been registered both on Italian and foreign sites.

BREMBO STRUCTURE

In late 2010, Parent Company Brembo S.p.A. launched a project aimed at wider corporate streamlining and reorganisation with the objective of achieving greater flexibility in internal processes and containing structural costs. The implementation of the aforementioned plan led to the mergers between Brembo S.p.A. and Marchesini S.p.A., Brembo S.p.A. and Brembo Performance S.p.A., Brembo Japan Co. Ltd. and Brembo Perfomance Japan Co. Ltd., as well as Brembo North America Inc. and Brembo Performance North America Inc., effective as of January 2011. The above-mentioned transactions did not impact the consolidation area.

Again within the context of the corporate streamlining and reorganisation plan, effective 17 May 2011 Brembo International S.p.A., formerly Brembo International S.A., a company under Luxembourg law, transferred its registered office to Italy. In addition, on 21 June 2011 the Board of Directors approved the proposed merger of Brembo International S.p.A. into Brembo S.p.A. The merger is scheduled to be finalised by the end of 2011.

Finally, on 24 May 2011 the equity investment in Softia S.r.l. was sold.



This table complies with Art. 125 of Consob Resolution No. 11971 dated 14 May 1999.

BREMBO'S CONSOLIDATED PERFORMANCE

Consolidated Income Statement

(euro thousand)	30.06.2011	30.06.2010	Change	%
Sales of goods and services	**632,694**	**531,587**	**101,107**	**19.0%**
Cost of sales, operating costs and other net charges/income	(425,360)	(356,106)	(69,254)	19.4%
Personnel expenses	(126,274)	(107,564)	(18,710)	17.4%
GROSS OPERATING INCOME	**81,060**	**67,917**	**13,143**	**19.4%**
% on sales	*12.8%*	*12.8%*		
Depreciation, amortisation and impairment losses	(38,180)	(36,074)	(2,106)	5.8%
NET OPERATING INCOME	**42,880**	**31,843**	**11,037**	**34.7%**
% on sales	*6.8%*	*6.0%*		
Net interest income (expense) from investments	(5,033)	(5,231)	198	-3.8%
RESULT BEFORE TAXES	**37,847**	**26,612**	**11,235**	**42.2%**
% on sales	*6.0%*	*5.0%*		
Taxes	(12,639)	(8,120)	(4,519)	55.7%
RESULT BEFORE MINORITY INTERESTS	**25,208**	**18,492**	**6,716**	**36.3%**
% on sales	*4.0%*	*3.5%*		
Minority interests	(473)	158	(631)	-399.4%
GROUP NET RESULT	**24,735**	**18,650**	**6,085**	**32.6%**
% on sales	*3.9%*	*3.5%*		
Basic and diluted earnings per share (in euro)	**0.38**	**0.29**		

* The item is obtained by adding the following items of the consolidated income statement: "Other revenues and income", "Costs for capitalised internal works", "Raw materials, consumables and goods" and "Other operating costs".

The performance of the first quarter of 2011 confirmed the Group's expectations for the year underway, with sales continuing to trend upwards, thus leading to the saturation of newly constructed plants sooner than initially expected.
Net sales for the first half of 2011 amounted to €632,694 thousand, marking an increase compared to the same period of 2010 (+19%). Due to the change in the consolidation area, the two periods do not offer a consistent basis of comparison since La.Cam S.r.l. was formed in the second half of 2010 and Brembo Czech S.r.o. started its production and commercial activity in the first half of 2011; on a like-for-like basis, net sales grew by 18.6%.
In general, all sectors reported a positive performance during the six-month period: growth was driven primarily by applications for cars (+15.6%), commercial vehicles (+31.5%) and motorbikes (+22.5%) which overall represent more than 90% of Group turnover; the racing and passive safety sectors also performed well, with an increase in turnover of 29% and 20% respectively, in contrast to performance in the first half of 2010.

At the geographic level, growth was in general reported in all markets: Germany, which continues to be the Group's main market of operation (21.6% of sales), recorded a 19.7% rise; the market which made the greatest contribution to growth in absolute terms was Italy (+26.6%) and in general the European market within which the United Kingdom registered a rise of 22.8%, and France an increase as high as 39.7%.
The NAFTA area, the Group's third market of operation representing 18.1% of total turnover for the period, reported a more modest growth of 8.1%.
Emerging markets as well achieved significant turnover increases, especially India (+36%), China (+14.2%) and Brazil (+16.7%).

In the first half of 2011, the **cost of sales** and **other net operating costs** amounted to €425,360 thousand, with a ratio of 67.2% to sales, as against 67% for the same period in the previous year.

Development costs capitalised as intangible assets amounted to €5,860 thousand compared to €5,833 thousand in the same period of 2010.

Personnel costs in the first half of 2011 amounted to €126,274 thousand, with a 20% ratio to sales, slightly lower than the figure for the same period of the previous year (20.2%).

At 30 June 2011, Brembo employed 6,387 staff (5,904 staff at 31 December 2010 and 5,603 at 30 June 2010). The increase compared to the first half and the end of 2010 was primarily due to the rise in the number of employees required for the higher level of production associated with the increase in sales.

Gross operating income for the first half of the year was €81,060 thousand compared to €67,917 thousand in the same period of 2010, with the same ratio to sales (12.8%).

Net operating income for the first half of 2011 amounted to €42,880 thousand (6.8% of revenues), compared to €31,843 thousand (6% of sales) for the first half of 2010, after depreciation, amortisation and impairment losses of €38,180 thousand, compared to €36,074 thousand in the same period of 2010. This increase was mainly attributable to the write-down of development costs, due to the discontinuation of several projects, and to goodwill, which was not offset by lower depreciation and impairment of plant.

Net interest expenses amounted to €4,534 thousand (€4,107 thousand in the first half of 2010) and consist of net exchange rate losses of €140 thousand (gains of €10 thousand in the first half of 2010) and interest expenses of €4,394 thousand (€4,117 thousand for the same period of the previous year).

Net interest expenses from investments amounted to €499 thousand and were attributable to the effects of valuing investments in joint ventures and associates using the equity method. The sale of the investment in Softia S.r.l., which took place on 24 May 2011, had no effects on the income statement.

Income before taxes was €37,847 thousand (6% of sales), compared to €26,612 (5% of sales) for the first half of 2010.

Estimated **taxation**, calculated based on the tax rates applicable for the year under current tax regulations, amounted to €12,639 thousand (€8,120 million in the first half of 2010), with a tax rate of 33.4% compared to 30.5% of the first half of 2010.

Net income for the half year was €24,735 thousand (+3.9% of sales), after minority interests of €473 thousand.

Consolidated Balance Sheet

(euro thousand)	30.06.2011	31.12.2010	Change
Property, plant and equipment	359,094	322,951	36,143
Intangible assets	99,913	104,192	(4,279)
Net financial assets	38,587	42,030	(3,443)
(a) Fixed capital	*497,594*	*469,173*	*28,421*
			6.1%
Inventories	206,982	181,650	25,332
Trade receivables	221,999	201,297	20,702
Other receivables and current assets	36,281	36,513	(232)
Current liabilities	(322,998)	(279,685)	(43,313)
Provisions/deferred taxes	(15,361)	(16,144)	783
(b) Net working capital	*126,903*	*123,631*	*3,272*
			2.6%
(c) NET INVESTED CAPITAL (a)+(b)	**624,497**	**592,804**	**31,693**
			5.3%
(d) Equity	*323,407*	*325,859*	*(2,452)*
(e) Employees' leaving entitlement and other funds for personnel	*19,709*	*20,210*	*(501)*
Medium/long-term net financial debt	256,248	225,461	30,787
Short-term net financial debt	25,133	21,274	3,859
(f) Net financial debt	*281,381*	*246,735*	*34,646*
			14.0%
(g) COVERAGE (d)+(e)+(f)	**624,497**	**592,804**	**31,693**
			5.3%

The Group's balance sheet reflects reclassifications of the accounting statements of the Condensed Consolidated Six Monthly Report, as described in the following pages. More specifically:

- property, plant and equipment also include "Non-current assets held for sale and discontinued operations";
- net financial assets include the following items: "Shareholdings valued using the equity method", "Other financial assets" (less derivatives, which were reclassified under medium/long-term financial debt), "Receivables and other non-current assets", "Deferred tax assets", "Current financial assets and derivatives" (less derivatives reclassified under short-term financial debt), and "Other non-current liabilities";
- current liabilities are comprised of: "Trade payables", "Tax payables" and "Other current liabilities";
- net financial debt includes current and non-current payables to banks and other financial liabilities, net of cash and cash equivalents and derivative assets and liabilities.

Net Invested Capital at the end of the period amounted to €624,497 thousand. At 31 December 2010, it was €592,804 thousand, with an increase of €31,693 thousand. Net debt at 30 June 2011 was €281,381 thousand, compared to €246,735 thousand at 31 December 2010.

Net financial debt increased to €34,646 thousand during the reporting period, mainly due to the following aspects:

- the upturn in the market allowed the company to achieve a gross operating income of €81,060 thousand, with a limited decrease in working capital;
- as previously mentioned, investments totalling €77,249 thousand were recovered;
- the Parent Company paid €19,603 thousand in dividends in May;
- the tax position absorbed €6,485 thousand.

Two medium/long-term loans in the total amount of €72 million were obtained during the reporting period. Specifically, the following loans were taken out by Group companies during the first half of 2011:

- Brembo Poland Spolka Zo.o. obtained €40 million from Bank Handlowy and €15 million as a European Investment Bank Loan to fund the construction of the new foundry;
- Brembo Nanjing Foundry Co. Ltd. obtained €7 million from Citi Bank Shanghai;
- Brembo S.p.A. received a new loan from UniCredit for €10 million with a 4-year term.

Detailed information about the financial position, in its assets and liabilities items, can be found in the Notes to the Condensed Consolidated Six Monthly Report.

Consolidated Cash Flow Statement

(euro thousand)	30.06.2011	30.06.2010
Net financial position at beginning of period (*)	**(246,735)**	**(254,990)**
Net operating income	**42,880**	**31,843**
Depreciation, amortisation and impairment losses	38,180	36,074
Gross operating income	**81,060**	**67,917**
Investments in property, plant and equipment	(67,198)	(15,876)
Investments in intangible assets	(10,051)	(9,537)
Investments in financial assets	(30)	(30)
Capital increase of consolidated companies by minority shareholders	152	0
Business combination in China: Acquisition of foundry from DAI Co Ltd. (**)	0	(10,000)
Disposals	692	1,163
Net investments	**(76,435)**	**(34,281)**
Change in inventories	(25,332)	(16,961)
Change in trade receivables and receivables from companies valued using the equity method	(20,702)	(64,971)
Change in trade payables and payables to companies valued using the equity method	34,356	48,452
Change in other liabilities	5,264	11,958
Change in receivables from others and other assets	(1,187)	(6,781)
Change in working capital	**(7,601)**	**(28,303)**
Change in provisions for employee benefits and other provisions	12	(416)
Operating free cash flow	**(2,964)**	**4,917**
Interest income and expense	(4,202)	(3,341)
Translation reserve not allocated to specific items	(1,392)	4,834
Taxes paid	(6,485)	(5,498)
Cash flows before dividends	**(15,043)**	911
Dividends paid	(19,603)	(14,703)
Net cash flows	**(34,646)**	**(13,792)**
Net financial position at end of period (*)	**(281,381)**	**(268,782)**

(*) See Note 13 of the Explanatory Notes of the Condensed Consolidated Six Monthly Report for a reconciliation with financial statement data.
(**) Translated using the exchange rate at 30 June 2010.

PERFORMANCE OF BREMBO COMPANIES

The following figures were taken from the six-monthly financial statements prepared by the companies in accordance with IAS/IFRS and approved by the respective Boards of Directors:

BREMBO S.P.A.

CURNO (ITALY)

Activities: analysis, design, development, application, production, assembly and sale of braking systems, light alloy castings for various sectors, including the car and motorbike industries.

The first half of 2011 closed with sales of goods and services of €329,660 thousand, up 18.9% compared to €277,297 thousand for the first half of 2010. It should be noted that the two periods do not offer a consistent basis of comparison since 2011 saw the mergers with Brembo Performance S.p.A. and Marchesini S.p.A. The growth in turnover can be related in general to all applications, although the most significant contribution came from sales of racing applications (also thanks to the mergers) and applications for commercial vehicles, which increased by 78.2% and 36.2% respectively. The contribution of foreign turnover is high (about 74%), albeit slightly lower than the first half of 2010, with sales still concentrated primarily in a mature market such as Europe, but is growing rapidly in the emerging markets.
The item "Other revenues and income", amounting to €10,417 thousand in the first half of 2011 against €8,528 thousand in 2010, benefited most of all from a rise in gains on the disposal of fixed assets.
Capitalised development costs during the year amounted to €5,860 thousand, in line with those same period of the previous year.
Gross operating income went from €22,858 thousand (8.2% on sales) for the first half of 2010 to €31,199 thousand (9.5% on sales) for the same period of 2011, whereas net operating income, after depreciation and amortisation amounting to €20,849 thousand, closed at €10,350 thousand compared to €2,518 thousand for the first half of 2010.
Financing activities recorded net interest expenses of €4,270 thousand, compared to €2,875 thousand in the first half of 2010, up due to the higher financial debt.
Provisions for taxes (IRES, corporate income tax and IRAP, regional business tax) amounted to €4,190 thousand.
At 30 June 2011, the workforce numbered 2,956, increasing by 220 compared to 2,736 at 30 June 2010; 35 new personnel resulted from the mergers.

Companies Consolidated on a Line-by-Line Basis

AP RACING LTD.

COVENTRY (UNITED KINGDOM)

Activities: production and sale of braking systems and clutches for road and racing vehicles.

AP Racing is the market leader in the production of brakes and clutches for racing cars and motorbikes.
The company designs, assembles and sells cutting-edge, high-tech products throughout the world for the main Formula 1, GT, Touring and Rally teams. It also produces and sells original equipment brakes and clutches for prestige car manufacturers.
Net sales for the first half of 2011 amounted to GBP 18,383 thousand (€21,177 thousand), compared to GBP 15,449 thousand (€17,757 thousand) for the first half of 2010. In the reporting period, net income amounted to GBP 2,707 thousand (€3,118 thousand), decreasing compared to the same period of 2010 which amounted to GBP 2,824 (€3,246 thousand), benefitting from the estimate revision of the company's pension plan liabilities.

At 30 June 2011, the workforce numbered 122, nine more than at 30 June 2010.

BELT & BUCKLE S.R.O.
ZILINA (SLOVAK REPUBLIC)

Activities: processing of seatbelts for children's seats and jumpsuits for the racing industry.

Fully owned by Sabelt S.p.A., this company joined the Brembo Group in 2008.
It engages in the sewing of seatbelts for children's car seats and jumpsuits for the racing industry manufactured on behalf of the direct parent company Sabelt.
At 30 June 2011, net sales – which consisted solely of intra-Group sales – amounted to €3,079 thousand, compared to €2,591 thousand in the same period of 2010, with net income for the period amounting to €9 thousand compared to €23 thousand for the first half of 2010.
At 30 June 2011, the workforce numbered 83, slightly down compared to 87 at 30 June 2010.

BREMBO BRAKE INDIA PVT. LTD.
PUNE (INDIA)

Activities: development, production and sale of braking systems for motorbikes.

The joint venture is based in Pune, India, and was originally held in equal stakes by Brembo S.p.A. and the Indian company Bosch Chassis Systems India Ltd. Since 2008, the company has been wholly owned by Brembo S.p.A.
The company's name, formerly KBX Motorbike Products Private Ltd., was changed in early 2009 to Brembo Brake India Private Ltd.
In the first half of 2011, net sales amounted to INR 1,121,931 thousand (€17,771 thousand), with net income of INR 95,027 thousand (€1,505 thousand); net sales for the same period of 2010 was INR 795,319 thousand (€13,081 thousand), with net income of INR 66,740 thousand (€1,098 thousand).
At 30 June 2011, the workforce numbered 388, 74 more than at the end of the first half of 2010.

BREMBO CHINA BRAKE SYSTEMS CO. LTD.
BEIJING (CHINA)

Activities: production and sale of brake discs for cars. Promotion and development of the Chinese market.

The company operates in the industrial area of Beijing. It was formed in 2005 and is owned 67.74% by Brembo S.p.A. and 32.26% by Simest, a public-private merchant bank that promotes the internationalisation of Italian companies. In 2008, Brembo China acquired a 42.25% stake in Nanjing Yuejing Automotive Brake System Co. (now Brembo Nanjing Brake Systems Co. Ltd.).
The company is running promotion and development initiatives in the Chinese market, following reorganisation of the Group's operations in China. At 30 June 2011, the company did not record any sales. Loss at 30 June 2011, amounted to CNY 3,357 thousand (€366 thousand), compared to a loss of CNY 13,774 thousand (€1,519 thousand) for the same period of 2010.
At 30 June 2010, the workforce numbered 1, four less than at the end of June 2010.

BREMBO CZECH S.R.O.
OSTRAVA-HRABOVÁ (CZECH REPUBLIC)

Activities: production and sale of braking systems for cars.

The company was formed in 2009 and started its production activity during the first half of 2011, on the new site, in an existing industrial building. Once the investment is completed, the site will carry out the casting, processing and assembly of brake callipers and other aluminium components, and will constitute an integrated industrial hub able to offer the European market high-tech quality braking systems, also applying to the mid-premium segment luxury and high-premium technologies, in which Brembo is the world leader.
In the first half of 2011, net sales amounted to CZK 5,800 thousand (€238 thousand) and closed the period with a loss of CZK 66,821 thousand (€2,744 thousand), against a loss of CZK 878 thousand (€34 thousand) for the first half of 2010. At 30 June 2011, the workforce numbered 105.

BREMBO DEUTSCHLAND GMBH
LEINFELDEN – ECHTERDINGEN (GERMANY)

Activities: purchase and resale of vehicles, technical and sales services.

The company, which is 100% owned by Brembo S.p.A., was formed in 2007 and specialises in buying cars for tests and encouraging and simplifying communication between Brembo and its German customers in the various phases of planning, purchase, development and project management.
At 30 June 2011, net sales amounted to €103 thousand (€37 thousand for the first half of 2010), with a net loss of €5 thousand (€42 thousand for the first half of 2010).
The company has no employees and uses outside consultants only.

BREMBO DO BRASIL LTDA.
BETIM (BRAZIL)

Activities: production and sale of brake discs and flywheels for original equipment and the aftermarket.

The company is headquartered in Betim, Minas Gerais, and promotes the presence of Brembo in the South American original-equipment market for car braking systems.
Since 2009, the company has been producing also flywheels for the car industry in São Paulo.
Net sales for the first half of 2011 amounted to BRL 82,780 thousand (€36,194 thousand) and net income to BRL 1,865 thousand (€816 thousand). In the first half of 2010, sales amounted to BRL 73,848 thousand (€30,940 thousand) and net income was BRL 3,776 thousand (€1,582 thousand).
At 30 June 2011, the workforce numbered 375, 16 more than at the same date of the previous year.

BREMBO INTERNATIONAL S.P.A. (FORMERLY BREMBO INTERNATIONAL S.A.)
STEZZANO (ITALY)

Activities: holding company.

The company operates as a development holding aimed at strengthening financial activity. It holds a majority stake in Brembo Group's foreign companies. Fully owned by Brembo S.p.A., the company closed the first half of 2011 with net income of €388 thousand, mainly as a result of dividends received from Brembo Scandinavia AB.
The company transferred its registered office from Luxembourg to Italy and changed its company name, effective as of 17 May 2011.
The process of merging the company into Brembo S.p.A., which started in June 2011, will be completed by 31 December 2011.

BREMBO JAPAN CO. LTD.
TOKYO (JAPAN)

Activities: sale of braking systems for the racing sector and original equipment for cars.

Brembo Japan Co. Ltd. is Brembo's commercial company that handles the Japanese racing market. Through the Tokyo office, it also provides primary technical support to the OEM customers in the area. It also renders services to the other companies in the Brembo Group operating in Japan.
As of 1 January 2011, Brembo Performance Japan Co. Ltd. was merged into the company.
Net sales for the first half of 2011 amounted to JPY 267,002 thousand (€2,321 thousand), up 54.3% compared to JPY 173,044 thousand for the first half of 2010 (€1,424 thousand). Net income for the reporting period was JPY 21,467 thousand (€187 thousand).
At 30 June 2011, the workforce numbered 16, three more than at the end of the first half of 2010.

BREMBO MÉXICO S.A. DE C.V. (FORMERLY BREMBO MÉXICO APODACA S.A. DE C.V.)
APODACA (MEXICO)

Activities: production and sale of brake discs for cars.

The company has been fully owned by Brembo since July 2009 and is headquartered in Apodaca.
On 3 August 2010, the merger with Brembo México Apodaca S.A. de C.V. became effective.
In the first half of 2011, net sales amounted to USD 30,125 thousand (€21,407 thousand), with net income for the period totalling USD 1,643 thousand (€1,171 thousand).
At 30 June 2011, the workforce numbered 160.

BREMBO NANJING BRAKE SYSTEMS CO. LTD.
NANJING (CHINA)

Activities: production and sale of braking systems for cars and commercial vehicles.

The company, a joint venture between Brembo S.p.A. and the Chinese group Nanjing Automobile Corp., was formed in 2001. The Brembo Group acquired control over the company in 2008. In 2009, the company changed its name from Nanjing Yuejin Automotive Brake System Co. Ltd. to Brembo Nanjing Brake Systems Co. Ltd.
At 30 June 2011, net sales amounted to CNY 185,186 thousand (€20,183 thousand) and net income was CNY 9,432 thousand (€1,028 thousand); in the first half of 2010, sales amounted to CNY 140,214 thousand (€15,463 thousand) and net income was CNY 5,368 thousand (€592 thousand).
At 30 June 2011, the workforce numbered 246, 15 more than at the end of the first half of 2010.

BREMBO NANJING FOUNDRY CO. LTD.
NANJING (CHINA)

Activities: development, production and sale of foundry products for the automotive market, including the aftermarket.

The company, set up in 2009 and 100% held by Brembo S.p.A., acquired the foundry activities in 2010 from the Chinese company Donghua, belonging to the SAIC group, the leading Chinese car and commercial vehicle manufacturer. The project envisages the gradual development of an integrated industrial hub, including foundry and manufacture of brake callipers and discs for the car and commercial vehicle markets.
Net sales amounted to CNY 85,133 thousand at 30 June 2011

(€9,278 thousand), with a net loss of CNY 31,909 thousand (€3,478 thousand), compared to net sales of CNY 79,493 thousand (€8,767 thousand) and a net loss of CNY 28,067 thousand (€3,095 thousand) for the first half of 2010.
At 30 June 2011, the workforce numbered 146, four more than the figure at the end of June 2010.

BREMBO NORTH AMERICA INC.
WILMINGTON, DELAWARE (USA)

Activities: production and sale of brake discs for original equipment and the aftermarket and of braking systems for the racing sector.

Brembo North America Inc. operates in the United States (Plymouth, Michigan) producing and selling brake discs for the original equipment market and the aftermarket and, in its Moresville operational base (Moresville, North Carolina), high performance brake systems for racing cars and motorbikes.
The company is backed by technical staff from Brembo S.p.A. and the local offices, in the development and supply of new solutions in terms of materials and design for the US market.
The products are manufactured for the main carmakers and several component manufacturers operating in the United States.
Effective 1 January 2011, Brembo Performance North America Inc. was merged into the company, as mentioned above.
Net sales for the first half of 2011 amounted to USD 82,946 thousand (€59,116 thousand); in the same period of the previous year, the company reported net sales amounting to USD 58,832 thousand (€44,287 thousand).
The significant increase in turnover is linked to the recovery of the North American automotive market, as well as the results of the reorganisation measures within the Group and acquisition of new customers.
The company reported a net loss of USD 4,584 thousand at 30 June 2011 (€3,267 thousand), with net income of USD 5,013 thousand (€3,774 thousand) in the first half of 2010.
At period-end, the workforce numbered 259, an increase of 56 compared to the end of the first half of 2010.

BREMBO POLAND SPOLKA ZO.O.
DABROWA GÓRNICZA (POLAND)

Activities: production and sale of brake discs for cars and commercial vehicles.

The company has a foundry for the production of cast-iron discs destined for use in its own production plant or by other Group companies.
The company has provided for investment of €82 million to be made between 2010 and 2014 in order to increase the production capacity of the integrated industrial hub of Dabrowa Górnicza. The investment, which had already started in 2010 and was continued in the reporting period, 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.
Net sales amounted to PLN 316,944 thousand for the first half of 2011 (€80,203 thousand), up 35.6% compared to PLN 233,706 thousand (€58,388 thousand) in the first half of 2010.
Net income at 30 June 2011 was PLN 54,392 thousand (€13,764 thousand), compared to PLN 52,426 thousand (€13,098 thousand) for the same period of the previous year.
At period-end, the workforce numbered 780, an increase of 115 compared to 665 at the end of the first half of 2010.

BREMBO SCANDINAVIA A.B.
GÖTEBORG (SWEDEN)

Activities: promotion of the sale of car brake discs.

The company promotes the sale of brake discs for the car sector, destined exclusively for the aftermarket.
Net sales for the reporting period amounted to SEK 3,685 thousand (€412 thousand), with net income of SEK 906 thousand (€101 thousand), compared with SEK 4,033 thousand (€412 thousand) and SEK 1,246 thousand (€127 thousand), respectively, for the first half of 2010.
At 30 June 2011, the workforce numbered 1, unchanged compared to the same date of the previous year.

BREMBO SPOLKA ZO.O.
CZESTOCHOWA (POLAND)

Activities: production and sale of braking systems for commercial vehicles.

The plant located in Czestochowa produces brake discs and braking systems for the original equipment of commercial vehicles.
Net sales for the first half of 2011 amounted to PLN 215,396 thousand (€54,506 thousand) compared to PLN 180,172 thousand (€45,014 thousand) in the first half of 2010.
Net income at 30 June 2011 was PLN 19,602 thousand (€4,960 thousand), compared to PLN 22,724 thousand (€5,677 thousand) in the same period of the previous year.
At period-end, the workforce numbered 397, increasing compared to 375 at 30 June 2010.

BREMBO UK LTD.
LONDON (UNITED KINGDOM)

Activities: sale of brake discs for the aftermarket.

The company sells aftermarket discs in the UK.
Net sales went from GBP 547 thousand (€629 thousand) at 30 June 2010 to GBP 1,088 thousand (€1,253 thousand) at 30 June 2011. Net income was GBP 72 thousand (€83 thousand), compared to GBP 4 thousand (€5 thousand) for the same period of the previous year.
The workforce numbered 2 at 30 June 2011, unchanged compared to 30 June 2010.

CORPORACION UPWARDS '98 S.A.
ZARAGOZA (SPAIN)

Activities: production and sale of brake discs and drums for cars, distribution of the brake shoe kits and pads.

The company has phased out productive activities, to focus almost only on sales activities.
Net sales for the first half of 2011 amounted to €12,567 thousand, compared to €10,725 thousand for the same period of 2010. Net income was €143 thousand, compared to a net loss of €440 thousand for the first half of 2010.
The workforce numbered 89 at 30 June 2011, compared to 94 at 30 June 2010.

LA.CAM (LAVORAZIONI CAMUNE) S.R.L.

STEZZANO (ITALY)

Activities: precision mechanical processing, lathe work, mechanical component production and similar activities, on its own account or on behalf of third parties.

The company was founded by Brembo S.p.A. on 4 October 2010 and on 22 October leased two companies from an important Brembo Group's supplier that was experiencing financial difficulties. The goal was to safeguard the continuity of supply and the expertise and technological assets achieved by these companies in the course of their many years of collaboration with the Group.
The lease transaction involved Immc S.n.c. and Iral S.r.l., companies owned by an entrepreneurial family and both based in the upper region of the valley Val Camonica, province of Brescia, in the municipalities of Berzo Demo and Sellero.
The two companies specialise in mechanical component processing, largely on behalf of the Brembo Group. Iral specialises in processing aluminium, steel and cast-iron pistons for brake callipers intended for use in the car, motorbike and industrial vehicle sectors. Immc manufactures other types of components, including small high-precision metallic parts and bridges for car brake callipers, in addition to aluminium calliper supports for the motorbike sector.
In 2011, the company reported sales of €16,718 thousand, 92% of which was to Brembo Group companies. Net operating loss amounted to €119 thousand. The company closed the half year with a loss of €215 thousand.
At 30 June 2011, the workforce numbered 213.

QINGDAO BREMBO TRADING CO. LTD.

QINGDAO (CHINA)

Activities: logistics and sales activities in the economic and technological development hub of Qingdao.

Set up in 2009, Qingdao Brembo Trading Co. Ltd. is 100% held through Brembo International S.p.A. and carries out logistic activities within the Qingdao technological hub.
In the first half of 2011, net sales amounted to CNY 101,521 thousand (€11,064 thousand), compared to CNY 82,689 thousand (€9,119 thousand) for the same period of the previous year. Net income for the first half of 2011 was CNY 13,012 thousand (€1,418 thousand), with a sharp improvement compared to net income of CNY 724 thousand (€80 thousand) for the same period of 2010.
At 30 June 2011, the workforce numbered 14, five more than at the same date of the previous year.

SABELT S.P.A.

TURIN (ITALY)

Activities: design, manufacture, assembly and sale of accessories and components for the car industry, including footwear and articles of apparel in general for the racing market.

The company joined the Brembo Group in 2008. Its operating offices are located in Moncalieri (Turin), Italy.
As a result of the merger of Brembo Performance S.p.A. into Brembo S.p.A., effective 1 January 2011, the company is 65% held by Brembo S.p.A. At 30 June 2011, net sales amounted to €15,490 thousand and net loss was €119 thousand, compared to €13,084 thousand and €1,708 thousand, respectively, for the first half of 2010.
At 30 June 2011, the workforce numbered 74, compared to 76 in the first half of 2010.

Companies Valued Using the Equity Method

BREMBO SGL CARBON CERAMIC BRAKES GMBH
MEITINGEN (GERMANY)

Activities: design, development, production and sale of carbon ceramic brake discs.

The company was formed in 2001. In 2009, in executing the joint venture agreement between Brembo and SGL Group, Brembo SGL Carbon Ceramic Brakes S.p.A. acquired 100% of the company.
Net sales for the first six months of 2011 amounted to €19,950 thousand, down compared to €24,878 thousand for the same period of the previous year. At 30 June 2011, the company's net loss amounted to €1,594 thousand, compared to a net loss of €281 thousand for the same period of the previous year.
At 30 June 2011, workforce numbered 220.

BREMBO SGL CARBON CERAMIC BRAKES S.P.A.
STEZZANO (ITALY)

Activities: design, development, production and sale of carbon ceramic brake discs.

The company was formed in 2004, as a joint venture of Brembo S.p.A. and the German company Daimler AG. It designs, develops, manufactures and sells braking systems in general and, specifically, ceramic carbon brake discs for the original equipment of top-performance cars. The company carries out research and development of new materials and applications. Since 2009, following joint venture agreements between Brembo and SGL Group, Brembo holds a 50% stake in the company; BSCCB S.p.A. holds a 100% stake in Brembo SGL Carbon Ceramic Brakes GmbH, a SGL group company dedicated to the production of ceramic carbon discs.

At 30 June 2011, net sales amounted to €16,936 thousand, increasing compared to €14,494 thousand for the same period of 2010. Net income for the period amounted to €1,059 thousand compared to a net loss of €503 thousand for the first half of 2010.
At 30 June 2011, the workforce numbered 107, one less than at 30 June 2010.

INNOVA TECNOLOGIE S.R.L.
ALMENNO SAN BARTOLOMEO (ITALY)

Activities: development, promotion, construction, renovation, leasing and sub-leasing of real estate.

The company was formed in 2008, has its registered office in the province of Bergamo, and is 30% owned by Brembo S.p.A.
In the first half of 2011, net loss was €129 thousand, compared to a net loss of €61 thousand for the same period of the previous year.

PETROCERAMICS S.R.L.
MILAN (ITALY)

Activities: research and development of innovative technologies for the production of technical and advanced ceramic materials, geomaterial processing and rock mass characterisation.

Brembo S.p.A. acquired 20% of this company by subscribing a capital increase in 2006.
Net sales for the first half of 2011 amounted to €754 thousand, with a net income of €40 thousand. Net sales for the first half of 2010 were €698 thousand, with net income of €57 thousand.

Other Group Companies

INTERNATIONAL SPORT AUTOMOBILE S.A.R.L.
LEVALLOIS PERRET (FRANCE)

Activities: sale of products for racing cars and motorbikes.

International Sport Automobile S.a.r.l. is 10% held by Brembo International S.p.A. The company is engaged in the distribution of products for cars and motorbikes in the French racing sector.

TRANSACTIONS WITH RELATED PARTIES

Detailed information on relations with related parties is provided in a special section of the Explanatory Notes to the Consolidated Financial Statements (Note 31). During the reporting period no atypical or unusual transactions were carried out with related parties and the commercial transactions with related parties other than the Group companies were carried out at fair market conditions. The financing transactions undertaken during the period with related parties are also discussed in Note 31 to the Consolidated Financial Statements.

The Group procedure, which regulates transactions with related parties and is designed to ensure the full transparency and propriety of such transactions, was approved by the Board of Directors of Brembo S.p.A. on 12 November 2010 and is published on the company's website in the Corporate Governance section.
The Audit Committee has been identified as the body authorised to express its opinions on the matter.

FURTHER INFORMATION

Significant Events During the Six-month Period

Brembo's General Shareholders' Meeting, which was held on 29 April 2011, approved the separate Financial Statements for the year ended 31 December 2010 and the distribution of a gross dividend of €0.30 per share outstanding at ex-coupon date, with the exclusion of the Company's own shares. As described above, during the Shareholders' Meeting of 29 April 2011 the Board of Directors and the Board of Statutory Auditors were renewed. The Meeting also approved a new plan for the buy-back and sale of own shares.

In May 2011, Brembo S.p.A. signed an agreement to take over Perdriel S.A., an Argentine brake disc production company, which carries out its production activity in the Buenos Aires area, employing about 150 staff and with estimated sales for 2011 of about €20 million.
Based on the agreement, in 2011 Brembo will take over 75% of the share capital of the company, with option rights on the remaining 25% exercisable after three years of the signature of the agreement. Overall outlay for the acquisition of the 75% stake will amount to €3.3 million and will be paid upon execution of the agreement. The execution of the agreement is subject to both parties implementing a number of actions. Therefore, Brembo will take control on that date.

On 6 June 2011, the Board of Directors of Brembo S.p.A. approved the Brembo Group's new organisational structure with the aim of reinforcing the Company's governance model, strengthening the top management team and gradually initiating internal succession mechanisms. Effective from the same date, Matteo Tiraboschi took up the position of Executive Deputy Chairman, while Andrea Abbati Marescotti joined Brembo as Managing Director. Within the revamped management structure, Chairman Alberto Bombassei will gradually take on a more strategic and less operational role.
The strengthening of Brembo's management team is aimed at supporting the Group's rapid international growth also with the contribution of new skills. Matteo Tiraboschi, who reports to Chairman Alberto Bombassei, will set the guidelines concerning Group's financial reporting and finance, human resources management and organisational development while managing

and supervising business operations. Matteo Tiraboschi will continue to act as the Group's CFO, a position he has filled since May 2009, in the interim.
Managing Director Andrea Abbati Marescotti, who will report to Executive Deputy Chairman Matteo Tiraboschi, has been charged with the task of proposing the direction of the Company's future growth, taking direct responsibility for managing all the business lines, business support functions and the Group's international expansion.
Andrea Abbati Marescotti joined the Board to replace Bruno Saita, who resigned as (non-executive and non-independent) Director to devote himself to other professional commitments.

As part of the plan for the corporate streamlining and reorganisation of the Brembo Group, undertaken at the end of 2010 with the aim of achieving greater flexibility of internal processes and containing structural costs, with effect from January 2011 the mergers took place between Brembo S.p.A. and Marchesini S.p.A., Brembo S.p.A. and Brembo Performance S.p.A., Brembo Japan Co. Ltd. and Brembo Performance Japan Co. Ltd., as well as Brembo North America Inc. and Brembo Performance North America Inc.
These operations had no effect on the consolidation area and hence on the consolidated Financial Statements.
Again within the context of that plan, Brembo International S.p.A., formerly Brembo International S.A., a company under Luxembourg law, transferred its registered office to Italy, with effect from 17 May 2011. In addition, in the meeting of 21 June 2011, the Board of Directors approved the proposed merger of Brembo International S.p.A. into Brembo S.p.A. The merger is expected to be finalised by the end of 2011.
The proposed corporate reorganisation will lead to a streamlining of equity investments and will eliminate corporate and administrative overlappings, optimise the management of resources and economic and financial flows from the operations currently carried out by the two companies, thus generating efficiencies and cost savings.

On 7 April 2011, Brembo was awarded the Best Brand Award in the brake pad category, assigned by "Das Motorrad", the magazine most widely read by German motorbike users. This award was granted adopting a voting procedure in which the readers of a large number of European magazines also take part. More than 27,000 people (more than 75% of voters) indicated Brembo as the brand most representative of those marketing brake pads.

Plans for the Buy-back and Sale of Own Shares

The General Shareholders' Meeting held on 29 April 2011 passed a new plan for the buy-back and sale of own shares with the following objectives: carrying out any investments, also to sustain the stock's liquidity on the market; implementing any stock incentive plans reserved for directors, employees and collaborators of the company and/or its subsidiaries; pursuing any equity swap transactions, as part of industrial projects. The maximum number of shares that may be purchased is 2,680,000, representing 4.01% of the Company's share capital. The minimum purchase price is €0.52 (fifty-two euro cents) and the maximum purchase price is €12.00 (twelve euro), for a maximum expected outlay of €32,160,000. The authorisation to buy back own shares has a duration of 18 months from the date of the shareholders' resolution.

At today's date, the Company holds a total of 1,440,000 ordinary shares, representing 2.16% of share capital, purchased based on previous plans. Brembo neither bought nor sold own shares in 2011.

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

In accordance with the requirements of Articles 36 and 39 of the Market Regulations (adopted with CONSOB regulation No. 16191 of 29 October 2007 and amended with Resolution No. 16530 of 25 June 2008), the Brembo Group identified five subsidiaries based in four countries not belonging to the European Union that are of significant importance, as defined under Paragraph 2 of the same Article 36, and therefore fall within the scope of application of the Regulation.

The Brembo Group believes that its current administrative, accounting and reporting systems are adequate to ensure that the Parent Company's management and auditing firm receive any information regarding income statement, balance sheet and cash flow figures, as necessary for preparing the consolidated financial statements.

For all companies included in the consolidation area, the parent company Brembo S.p.A. already has a copy of the By-laws and the composition and powers of the corporate boards.

As regards the Parent Company's review of the flow of information to the Central Auditor for use in auditing its annual and interim accounts, Brembo deems that the current process of communicating with the audit firm, which involves the various levels of the company's chain of control and is carried out over the course of the year, operates efficiently.

SIGNIFICANT EVENTS AFTER 30 JUNE 2011

From early July 2011, Brembo has been official supplier of the Truck Sport team Lutz Bernau at the FIA European Truck Championship. The agreement marks Brembo's entrance in the segment of racing trucks and is an important step, which – after F1, MotoGP, Superbike, Nascar, among others – consolidates Brembo's International leadership in the production of braking systems for racing vehicles.

The Board of Directors of Brembo S.p.A. approved today the merger of the company Brembo International S.p.A. into Brembo S.p.A.

No other significant events occurred after the end of the first half of 2011 and up to 29 July 2011.

FORESEEABLE EVOLUTION

The order backlog forecasts confirm that sales will continue to grow in the rest of the year, across the various business areas in which the Group operates, although the extreme uncertainty of the international macroeconomic scenario continues to require great prudence.

The effort made to simultaneously start activities in the four new production investments and the utmost attention to the containment of start-up costs will continue over the coming months.

BREMBO S.P.A. STOCK PERFORMANCE

Brembo stock closed the first half of 2011 at €9.83, +25% compared to the start of year prices and +94% compared to 30 June 2010. The good performance has been constant and progressive throughout the six-month period and also continued throughout July, when the maximum price of the past three years was reached at €10.24 (7 July 2011).

Brembo has greatly outperformed the Italian FTSE MIB index which closed at 30 June at -1%. In 2011, the European automotive industry (DJ Stoxx600 Automobiles & Parts) attracted the interest of investors and recorded a positive performance of +6%, outperforming the Europe-wide index and numerous other industries. Within the automotive industry the components

Brembo performance relative to MIB general index

Source: Boomberg

sector performed particularly well, showing a very positive trend. In fact, the specific index for the automotive components sector (Bloomberg Auto Parts & Equipment Index) closed the half year at +26%, in line with Brembo stock.
Current evaluations show further capacity for expansion, also mirrored by the positive recommendations of the majority of market analysts.

An overview of stock performance of Brembo S.p.A. at 30 June 2011 is given below and compared with that at 31 December 2010.

	30.06.2011	31.12.2010
Share capital	34,727,914	34,727,914
No. of ordinary shares	66,784,450	66,784,450
Equity (excluding net income for the year) (euro)	170,108,861	176,004,505
Trading price (euro)		
Minimum	7.83	4.45
Maximum	*9.83*	*8.28*
Period end	*9.83*	*7.73*
Stock Exchange capitalisation (euro million)		
Minimum	523	297
Maximum	*656*	*553*
Period end	*656*	*516*
Gross dividend per share	NA	0.30

Based on the Shareholders' Register, available information and communications received pursuant to Article 120 of TUF, shareholders who hold shares with voting rights exceeding 2% of the share capital are:

Reporting holder	Direct shareholder	% ownership
A. Bombassei	Nuova FourB S.r.l.	56.52%
Goodman & Company Investment Counsel Ltd.	Dynamic Global Value Fund	2.08%
	Dynamic Global Value Class	0.40%
		2.48%
JP Morgan Asset Management Holding Inc.	JP Morgan Asset Management UK Ltd.	2.01%

Figures at 18 July 2011.

Further information and updates regarding stock performance and recent corporate information are provided on Brembo's website at: www.brembo.com, Investors.

Investor Relator: Matteo Tiraboschi.

On behalf of the Board of Directors
The Chairman
Alberto Bombassei

CONDENSED CONSOLIDATED SIX MONTHLY FINANCIAL REPORT AT 30 JUNE 2011

CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2011

Consolidated Balance Sheet at 30 June 2011

Assets

(euro thousand)	Notes	30.06.2011	*of which with related parties*	31.12.2010	*of which with related parties*	Change
NON-CURRENT ASSETS						
Property, plant, equipment and other equipment	1	359,094		322,951		36,143
Development costs	2	39,910		39,194		716
Goodwill and other indefinite useful life assets	2	40,401		44,751		(4,350)
Other intangible assets	2	19,602		20,248		(646)
Shareholdings	3	21,766		22,515		(749)
Other financial assets (including investments in other companies and derivatives)	4	149		150		(1)
Receivables and other non-current assets	5	402		548		(146)
Deferred tax assets	6	20,553		20,834		(281)
TOTAL NON-CURRENT ASSETS		**501,877**		**471,191**		**30,686**
CURRENT ASSETS						
Inventories	7	206,982		181,650		25,332
Trade receivables	8	221,999	*23,757*	201,297	*3,870*	20,702
Other receivables and current assets	9	36,281		36,513		(232)
Current financial assets and derivatives	10	463		449		14
Cash and cash equivalents	11	84,835	*25,000*	76,292		8,543
TOTAL CURRENT ASSETS		**550,560**		**496,201**		**54,359**
NON-CURRENT ASSETS HELD FOR SALE AND/OR DISPOSAL GROUPS AND/OR DISCONTINUED OPERATIONS		**0**		**0**		**0**
TOTAL ASSETS		**1,052,437**		**967,392**		**85,045**

Equity and Liabilities

(euro thousand)	Notes	30.06.2011	*of which with related parties*	31.12.2010	*of which with related parties*	Change
GROUP EQUITY						
Share capital	12	34,728		34,728		0
Other reserves	12	106,990		120,892		(13,902)
Retained earnings/(losses)	12	148,690		130,128		18,562
Profit/(loss) for the period	12	24,735		32,271		(7,536)
TOTAL GROUP EQUITY		**315,143**		**318,019**		**(2,876)**
MINORITY INTERESTS		**8,264**		**7,840**		**424**
TOTAL EQUITY		**323,407**		**325,859**		**(2,452)**
NON-CURRENT LIABILITIES						
Non-current payables to banks	13	232,862	*29,861*	199,732	*35,000*	33,130
Other non-current financial payables and derivatives	13	23,386		25,729		(2,343)
Other non-current liabilities	14	4,746	*713*	2,435	*410*	2,311
Provisions	15	5,778		4,977		801
Provisions for employee benefits	16	19,709	*777*	20,210	*879*	(501)
Deferred tax liabilities	6	9,583		11,167		(1,584)
TOTAL NON-CURRENT LIABILITIES		**296,064**		**264,250**		**31,814**
CURRENT LIABILITIES						
Current payables to banks	13	103,681	*12,765*	89,487	*9,861*	14,194
Other current financial payables and derivatives	13	6,287		8,110	*102*	(1,823)
Trade payables	17	258,366	*9,902*	224,010	*6,314*	34,356
Tax payables	18	8,573		2,538		6,035
Other current payables	19	56,059	*985*	53,138	*656*	2,921
TOTAL CURRENT LIABILITIES		**432,966**		**377,283**		**55,683**
NON-CURRENT LIABILITIES HELD FOR SALE AND/OR INCLUDED IN DISCONTINUED OPERATIONS		**0**		**0**		**0**
TOTAL LIABILITIES		**729,030**		**641,533**		**87,497**
TOTAL EQUITY AND LIABILITIES		**1,052,437**		**967,392**		**85,045**

Consolidated Income Statement at 30 June 2011

(euro thousand)	Notes	30.06.2011	*of which with related parties*	30.06.2010	*of which with related parties*	Change
Sales of goods and services	20	**632,694**	*26,777*	**531,587**	*2,287*	**101,107**
Other revenues and income	21	5,675	*1,942*	5,482	*1,870*	193
Costs for capitalised internal works	22	5,860		5,833		27
Raw materials, consumables and goods	23	(317,608)	*(25,042)*	(269,955)	*(24,643)*	(47,653)
Other operating costs	24	(119,287)	*(3,249)*	(97,466)	*(1,490)*	(21,821)
Personnel expenses	25	(126,274)	*(827)*	(107,564)	*(299)*	(18,710)
GROSS OPERATING INCOME		**81,060**		**67,917**		**13,143**
Depreciation, amortisation and impairment losses	26	(38,180)		(36,074)		(2,106)
NET OPERATING INCOME		**42,880**		**31,843**		**11,037**
Interest income	*27*	*5,127*		*10,481*		*(5,354)*
Interest expense	*27*	*(9,661)*		*(14,588)*		*4,927*
Net interest income (expense)	27	(4,534)	*(598)*	(4,107)	*(119)*	(427)
Interest income (expense) from investments	28	(499)		(1,124)		625
RESULT BEFORE TAXES		**37,847**		**26,612**		**11,235**
Taxes	29	(12,639)		(8,120)		(4,519)
RESULT BEFORE MINORITY INTERESTS		**25,208**		**18,492**		**6,716**
Minority interests		(473)		158		(631)
GROUP NET RESULT		**24,735**		**18,650**		**6,085**
BASIC/DILUTED EARNINGS PER SHARE	30	**0.38**		**0.29**		

Comprehensive Consolidated Income Statement

(euro thousand)	Notes	30.06.2011	*of which with related parties*	30.06.2010	*of which with related parties*	Change
RESULT BEFORE MINORITY INTERESTS		**25,208**		**18,492**		**6,716**
Effect of hedge accounting (cash flow hedge) of derivatives		0		332		(332)
Change in translation adjustment reserve		(8,209)		16,765		(24,974)
Tax effects on other components of comprehensive income		0		(81)		81
COMPREHENSIVE RESULT FOR THE PERIOD		**16,999**		**35,508**		**(18,509)**
Of which attributable to:						
– *the Group*		*16,727*		*35,133*		*(18,406)*
– *Minority Interests*		*272*		*375*		*(103)*

Consolidated Cash-Flow Statement at 30 June 2011

(euro thousand)	Notes	30.06.2011	*of which with related parties*	30.06.2010	*of which with related parties*
Cash and cash equivalents at beginning of period	11	**40,584**		**(34,376)**	
Consolidated result for the period before taxes		**37,847**		**26,612**	
Depreciation, amortisation/Impairment losses		38,180		36,074	
Capital gains/losses		(409)		(98)	
Write-ups/Write-downs of shareholdings		499		1,124	
Financial portion of defined benefit funds and payables for personnel		364	*(67)*	514	
Long-term provisions for employee benefits		779	*359*	(336)	*16*
Other provisions net of utilisations		794		1,503	
Net working capital generated by operations		**78,054**		**65,393**	
Paid current taxes		(6,485)		(5,498)	
Uses of long-term provisions for employee benefits		(1,561)	*(359)*	(1,580)	*(1)*
(Increase) reduction in current assets:					
inventories		(25,332)		(16,961)	
financial assets		(44)		(578)	
trade receivables and receivables from companies valued using the equity method		(20,702)	*(19,887)*	(64,971)	*19*
receivables from others and other assets		(1,143)		(6,477)	
Increase (reduction) in current liabilities:					
trade payables and payables to companies valued using the equity method		34,356	*3,588*	48,452	*(2,887)*
payables to others and other liabilities		5,264	*545*	10,269	*1,604*
Translation differences on current assets		(2,725)		7,333	
Net cash flows from / (for) operating activities		**59,682**		**35,382**	

(euro thousand)	Notes	30.06.2011	*of which with related parties*	30.06.2010	*of which with related parties*
Investments in:					
intangible assets		(10,051)		(9,537)	
property, plant and equipment		(67,198)		(15,876)	
financial assets (shareholdings)		(30)		(30)	
Business Combinations: acquisition of foundry in China from DAI Co. Ltd. (*)		0		(10,000)	
Capital increase in consolidated companies by minority shareholders		152		0	
Price for disposal, or reimbursement value of fixed assets		1,101		1,261	
Net cash flows from / (for) investing activities		**(76,026)**		**(34,182)**	
Dividends paid in the period		(19,603)	*(11,365)*	(14,703)	*(8,502)*
Change in fair value valuation of derivatives		31		0	
Loans and financing granted by banks and other lenders		71,746		85,788	*49,845*
Repayment of long-term loans		(30,555)	*(5,000)*	(22,624)	
Net cash flows from / (for) financing activities		**21,619**		**48,461**	
Total cash flows		**5,275**		**49,661**	
CASH AND CASH EQUIVALENTS AT END OF PERIOD	11	**45,859**	*22,250*	**15,285**	*2,758*

(*) Translated using the exchange rate at 30 June 2010.

Statement of Changes in Consolidated Equity at 30 June 2011

(euro thousand)	Share capital	Other reserves	Retained earnings (losses)	Hedging reserve (*)
Balance at 1 January 2010	**34,728**	**106,834**	**132,407**	**(490)**
Allocation of profit for the previous year		(6,442)	(10,617)	0
Payment of dividends				
Components of comprehensive income:				
Effect of hedge accounting (cash flow hedge) of financial instruments (*)		(1)	15	237
Change in translation adjustment reserve		16,232		
Net result for the period				
Balance at 30 June 2010	**34,728**	**129,507**	**121,805**	**(253)**
Balance at 1 January 2011	**34,728**	**120,892**	**130,128**	**0**
Allocation of result for the previous year		1,604	11,064	
Payment of dividends				
Capital increase of consolidated companies by minority shareholders				
Reclassification after merger		(7,499)	7,499	
Rounding off		1	(1)	
Components of comprehensive income:				
Change in translation adjustment reserve		(8,008)		
Net result for the period				
BALANCE AT 30 JUNE 2011	**34,728**	**106,990**	**148,690**	**0**

(*) Hedging reserve net of the related tax effect.

Result for the period	Group equity	Result of Minority Interests	Share capital and reserves of Minority Interests	Equity of Minority Interests	Equity
10,528	284,007	(1,006)	8,464	7,458	291,465
4,175	0	1,006	(1,006)	0	0
(14,703)	(14,703)			0	(14,703)
	251			0	251
	16,232		533	533	16,765
18,650	18,650	(158)		(158)	18,492
18,650	304,437	(158)	7,991	7,833	312,270
32,271	318,019	(458)	8,298	7,840	325,859
(12,668)	0	458	(458)	0	0
(19,603)	(19,603)			0	(19,603)
	0		152	152	152
	0			0	0
	0			0	0
	(8,008)		(201)	(201)	(8,209)
24,735	24,735	473		473	25,208
24,735	315,143	473	7,791	8,264	323,407

EXPLANATORY NOTES

Brembo's Activities

In the vehicle industry components sector, the Brembo Group is active in the research, design, production, assembly and sale of disc braking systems, wheels and light alloy and metal casting, in addition to mechanical processes in general.
The extensive product range consists of high-performance brake callipers, brake discs, wheel-side modules, complete braking systems and integrated engineering services, supporting the development of new models placed on the market by vehicle manufacturers. Brembo's products and services are used in the automotive industry, for light commercial and heavy industrial vehicles, motorbikes and racing competitions. The Group also operates in the passive safety industry.

Manufacturing plants are located in Italy, Spain (Zaragoza), Poland (Czestochowa and Dabrowa Górnicza), the United Kingdom (Coventry), the Czech Republic (Ostrava-Hrabova), 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), Germany (Leinfelden-Echterdingen), the United Kingdom (London), China (Beijing and Qingdao) and Japan (Tokyo) carry out distribution and sales activities.

Form and Content of the Condensed Consolidated Six Monthly Financial Statements at 30 June 2011

Introduction

The Condensed Consolidated Six Monthly Financial Statements at 30 June 2011 have been prepared in accordance with Article 154-*ter* of Legislative Decree 58/98 and applicable CONSOB provisions or the provisions of IAS 34 - Interim Financial Reporting, and have been subjected to a limited audit according to the criteria recommended by CONSOB. In further detail, the Financial Statements for the period ended 30 June 2011 have been drafted in condensed form and do not contain all the information and notes required for the consolidated annual financial statements. Consequently, they should be read in conjunction with the Consolidated Financial Statements for the year ended 31 December 2010.

The Condensed Consolidated Six Monthly Financial Statements comprise the Consolidated Balance Sheet, the Consolidated Income Statement, the Consolidated Comprehensive Income Statement, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement, and these Explanatory Notes, in

accordance with IFRS requirements; they include the situation of Brembo S.p.A., the Parent Company, and the companies controlled by Brembo S.p.A. pursuant to IFRS (IAS 27) at 30 June 2011.
The publication of this Six Monthly Report was approved on 29 July 2011.

Basis of Preparation and Presentation

Consolidation procedures, accounting standards and valuation criteria are the same as those adopted for the consolidated financial statements for the year ended 31 December 2010, to which explicit reference is made.

The valuation and measurement criteria used are based on IFRS effective at 30 June 2011 and endorsed by the European Union; IFRS effective at 31 December 2011 may differ from those used in preparing this document due to future endorsements of new standards, interpretations and guidelines.

Accounting Standards, Amendments and Interpretations Applied Starting 1 January 2011
The following standards, amendments and interpretations were applied by the Group for the first time from 1 January 2011:

- On 4 November 2009, the IASB issued a revised version of IAS 24 – *Related Party Disclosures*, which simplifies the disclosures required for transactions with government-controlled related parties and clarifies the definition of a related party. The adoption of the amendment has no effects, also in terms of disclosure, in the condensed consolidated six monthly financial statements at 30 June 2011.

The following amendments, improvements and interpretations, effective from 1 January 2011, regulate situations and circumstances not found within the Group on the date of this Six Monthly Report, but which could have accounting implications for future transactions or agreements:

- Amendment to IAS 32 – *Financial Instruments: Presentation: Classification of Rights Issues.*
- Amendment to IFRIC 14 – *Prepayments of a Minimum Funding Requirement.*
- IFRIC 19 – *Extinguishing Financial Liabilities with Equity Instruments*.
- Improvements to IAS/IFRS (2010).

Accounting Standards and Amendments Not Yet Effective and Not Early-adopted by the Group
On 12 November 2009, the IASB published the IFRS 9 – *Financial Instruments:* this standard was amended on 28 October 2010. The standard, applicable from 1 January 2013, represents the first part of a process by phases, aimed at fully replacing IAS 39. It introduces new criteria for the classification and measurement of financial assets and liabilities and the derecognition of financial assets.

On 7 October 2010, the IASB issued some amendments to IFRS 7 – *Financial Instruments: Disclosures*, applicable for accounting periods starting on or after 1 July 2011. The amendments have been issued with the aim of improving the understanding of financial asset transfer transactions, including an understanding of the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

On 20 December 2010, the IASB issued a minor amendment to IAS 12 – *Income Taxes,* requiring the entity to measure the deferred taxes relating to an asset depending on the way in which the carrying amount of the asset is expected to be recovered (through continuous use or sale). As a result SIC 21 – *Income Taxes – Recovery of Revalued Non-Depreciable Assets* will no longer be applicable. The amendment is applicable from 1 January 2012.

On 12 May 2011, the IASB published IFRS 10, 11 and 12 and updated IAS 27 and 28, with the aim of redrafting group reporting rules.

The new accounting standards will enter into force from 1 January 2013 with substantial changes for consolidated financial statements.

IFRS 13 – *Fair value measurement*, also issued on 12 May 2011, will further harmonise all rules regarding this aspect.

At the reporting date, the competent bodies of the European Union had not yet completed the endorsement process necessary for the application of the amendments and interpretations outlined above.

The Condensed Consolidated Six Monthly Financial Statements were prepared on the basis of six monthly financial statements at 30 June 2011, drawn up by the Boards of Directors of the relevant consolidated companies, appropriately adjusted to align them with Group classification criteria and accounting standards.

The Condensed Consolidated Six Monthly Financial Statements have been prepared in accordance with the general principle of providing a true and fair presentation of the Group's assets and liabilities, financial position, results and cash flow, based on the following general assumptions: going concern, accrual accounting, consistency of presentation, materiality and aggregation, prohibition of offsetting and comparative information.

The Condensed Consolidated Six Monthly Financial Statements are presented in euro, which is the functional currency of the parent company, Brembo S.p.A., and all amounts are rounded to the nearest thousand unless otherwise indicated.

Preparing financial statements in compliance with the applicable accounting standards requires management to make estimates that may have a significant effect on the items reported in the accounts. Estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the current circumstances and given the information available at the reporting date. Actual results may differ from these estimates. Estimates and associated assumptions are reviewed on an ongoing basis. Revisions of estimates are recognised in the period in which such estimates are revised. Decisions made by company management that have a significant impact on the financial statements and estimates, with a significant risk of material adjustments to the book value of assets and liabilities in the next accounting period, are discussed in the notes to the individual financial statement entries. Estimates have not changed in nature compared to those of the previous year and are mainly used in reporting provisions for contingencies, inventory obsolescence, depreciation and amortisation, write-downs of receivables, employee benefits, taxes and other provisions and in determining the fair value of financial instruments, particularly derivatives, and the useful life of certain fixed assets. The fair value of financial instruments traded in active markets is based on price quotations at the reporting date. It should also be noted that certain measurement processes, such as the determination of impairment for non-current assets, are typically carried out only during preparation of the annual financial statements when all necessary information is available, unless impairment indicators require immediate analysis. Actuarial valuations necessary to determine employee benefits are also typically performed during preparation of the annual financial statements.

Consolidation Area

The list of consolidated subsidiaries, associate companies and joint ventures that are accounted for using the equity method, along with information regarding their registered offices and the percentage of capital held, is included in Attachments 3 and 4 to these Explanatory Notes.
The consolidation area is virtually the same as at 31 December 2010. The only change regards the sale in May 2011 of the holding in Softia S.r.l.

Effective 1 January 2011, a corporate streamlining and reorganisation process of the Brembo Group was implemented, resulting in the mergers between Brembo S.p.A. and Marchesini S.p.A., Brembo S.p.A. and Brembo Performance S.p.A., Brembo Japan Co. Ltd. and Brembo Performance Japan Co. Ltd., as well as Brembo North America Inc. and Brembo Performance North America Inc.
These transactions have had no effect on the consolidated financial statements, as they have been accounted for in the individual financial statements prepared by the merging companies retaining the book values reflected in the consolidated financial statements. The consolidation area was hence only formally changed after these mergers.

The following table shows the exchange rates used in the translation of six monthly financial statements denominated in currencies other than the functional one (euro).

	30 June 2011	Average June 2011	30 June 2010	Average June 2010	31 December 2010
Euro against other currencies					
US Dollar	0.691898	0.712702	0.814930	0.752768	0.748391
Japanese Yen	0.008602	0.008693	0.009192	0.008231	0.009204
Swedish Krona	0.109005	0.111885	0.104977	0.102093	0.111539
Czech Koruna	0.041076	0.041072	0.038924	0.038859	0.039903
Polish Zloty	0.250608	0.253052	0.241138	0.249837	0.251572
Mexican Peso	0.058905	0.059938	0.063547	0.059422	0.060432
Pound Sterling	1.107972	1.152021	1.223316	1.149403	1.161778
Brazil Real	0.442458	0.437234	0.452858	0.418964	0.450918
Indian Rupee	0.015489	0.015840	0.017546	0.016448	0.016734
Chinese Renminbi	0.107048	0.108986	0.120171	0.110281	0.113353

ANALYSIS OF EACH ITEM

Balance Sheet

1. Property, Plant, Equipment and Other Equipment

The changes in property, plant and equipment are shown in the table below and described in this section.

(euro thousand)	Land	Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets in course of construction and payments on account	Total
Historical cost	23,340	116,562	437,654	122,450	24,141	8,486	**732,633**
Accumulated depreciation	0	(30,409)	(271,577)	(101,497)	(17,102)	0	**(420,585)**
Write-down provision	0	0	(145)	0	0	(65)	**(210)**
Balance at 1 January 2010	**23,340**	**86,153**	**165,932**	**20,953**	**7,039**	**8,421**	**311,838**
Changes:							
Translation differences	147	563	5,951	423	201	49	**7,334**
Reclassification of historical cost	0	327	4,685	859	(443)	(4,051)	**1,377**
Reclassification of accumulated depreciation	0	1	(1,999)	(182)	266	0	**(1,914)**
Acquisitions	0	132	15,109	2,857	399	5,729	**24,226**
Disposals – historical cost	0	(10)	(3,150)	(968)	(74)	0	**(4,202)**
Disposals – Accumulated depreciation	0	8	2,283	769	26	0	**3,086**
Depreciation	0	(2,142)	(19,269)	(4,646)	(1,050)	0	**(27,107)**
Impairment losses	0	0	(525)	(16)	0	12	**(529)**
Total changes	**147**	**(1,121)**	**3,085**	**(904)**	**(675)**	**1,739**	**2,271**
Historical cost	23,487	117,694	465,383	125,799	24,439	10,213	**767,015**
Accumulated depreciation	0	(32,662)	(293,868)	(105,734)	(18,075)	0	**(450,339)**
Write-down provision	0	0	(2,498)	(16)	0	(53)	**(2,567)**
Balance at 30 June 2010	**23,487**	**85,032**	**169,017**	**20,049**	**6,364**	**10,160**	**314,109**
Historical cost	23,538	120,729	473,457	132,098	25,413	28,942	**804,177**
Accumulated depreciation	0	(35,026)	(310,653)	(113,165)	(19,559)	0	**(478,403)**
Write-down provision	0	0	(2,714)	(14)	0	(95)	**(2,823)**
Balance at 1 January 2011	**23,538**	**85,703**	**160,090**	**18,919**	**5,854**	**28,847**	**322,951**
Changes:							
Translation differences	(56)	(562)	(2,705)	(158)	(66)	(326)	**(3,873)**
Reclassification – Historical cost	0	104	16,048	(409)	(247)	(13,630)	**1,866**
Reclassification – Accumulated depreciation	0	(1)	(3,201)	966	347	0	**(1,889)**
Acquisitions	0	144	11,552	2,309	419	52,774	**67,198**
Disposals – Historical cost	0	(109)	(3,321)	(390)	(305)	(15)	**(4,140)**
Disposals – Accumulated depreciation	0	24	3,177	250	292	0	**3,743**
Depreciation	0	(2,193)	(19,083)	(4,454)	(942)	0	**(26,672)**
Impairment losses	0	0	1	(91)	0	0	**(90)**
Total changes	**(56)**	**(2,593)**	**2,468**	**(1,977)**	**(502)**	**38,803**	**36,143**
Historical cost	23,482	120,170	492,008	133,050	25,051	67,745	**861,506**
Accumulated depreciation	0	(37,060)	(327,743)	(116,005)	(19,699)	0	**(500,507)**
Write-down provision	0	0	(1,707)	(103)	0	(95)	**(1,905)**
Balance at 30 June 2011	**23,482**	**83,110**	**162,558**	**16,942**	**5,352**	**67,650**	**359,094**

During the first half of 2011, investments in property, plant and equipment amounted to €67,198 thousand, including €52,774 thousand on assets in course of construction. As already mentioned in the interim report, in 2010 the Group launched an intensive international development programme after which significant investments were made in Poland, with the doubling in the foundry, in China and the Czech Republic.

Other investments in property, plant and equipment mainly concerned transactions completed in Italy and the United States for plant and machinery to be used to produce new platforms.

Net disposals amounted to €397 thousand refer to the normal cycle of machinery replacement, as it becomes unusable in production processes.

Total depreciation charges for the first half of 2011 amounted to €26,672 thousand.

Note 13 provides information on the Group's financial commitment with respect to assets purchased under finance leases.

2. Intangible Assets (Development Costs, Goodwill and Other Intangible Assets)

Movements in intangible assets are shown in the table below and described in this section.

(euro thousand)	Development costs	Goodwill A	Intangible assets with indefinite useful lives B	Sub-total A+B	Industrial patent, trademarks and similar rights C	Other intangible assets D	Total other intangible assets C+D	Total
Historical cost	65,004	56,418	0	56,418	31,775	51,201	82,976	**204,398**
Accumulated amortisation	(25,042)	0	0	0	(23,989)	(36,399)	(60,388)	**(85,430)**
Write-down provision	(176)	(15,471)	0	(15,471)	(27)	0	(27)	**(15,674)**
Balance at 1 January 2010	**39,786**	**40,947**	**0**	**40,947**	**7,759**	**14,802**	**22,561**	**103,294**
Changes:								
Translation differences	(3)	4,786	0	4,786	(3)	991	988	**5,771**
Reclassification – Historical cost	(409)	0	0	0	188	387	575	**166**
Reclassification – Accumulated amortisation	0	0	0	0	(162)	172	10	**10**
Acquisitions	5,998	0	0	0	406	3,207	3,613	**9,611**
Disposals – Historical cost	(47)	0	0	0	(1)	(133)	(134)	**(181)**
Disposals – Accumulated amortisation	0	0	0	0	0	133	133	**133**
Amortisation	(4,005)	0	0	0	(913)	(2,875)	(3,788)	**(7,793)**
Impairment losses	(645)	0	0	0	0	0	0	**(645)**
Total changes	**889**	**4,786**	**0**	**4,786**	**(485)**	**1,882**	**1,397**	**7,072**
Historical cost	69,939	62,213	0	62,213	33,574	56,175	89,749	**221,901**
Accumulated amortisation	(29,002)	0	0	0	(26,300)	(39,491)	(65,791)	**(94,793)**
Write-down provision	(262)	(16,480)	0	(16,480)	0	0	0	**(16,742)**
Balance at 30 June 2010	**40,675**	**45,733**	**0**	**45,733**	**7,274**	**16,684**	**23,958**	**110,366**
Historical cost	72,762	60,559	1,030	61,589	26,404	55,325	81,729	**216,080**
Accumulated amortisation	(33,271)	0	0	0	(19,509)	(41,965)	(61,474)	**(94,745)**
Write-down provision	(297)	16,838	0	16,838	(7)	0	(7)	**17,142**
Balance at 1 January 2011	**39,194**	**43,721**	**1,030**	**44,751**	**6,888**	**13,360**	**20,248**	**104,193**
Changes:								
Translation differences	(3)	(2,446)	0	(2,446)	(2)	(314)	(316)	**(2,765)**
Reclassification – Historical cost	39	0	0	0	(1)	(133)	(134)	**(95)**
Reclassification – Accumulated amortisation	(39)	0	0	0	1	(10)	(9)	**(48)**
Acquisitions	6,243	0	0	0	494	3,314	3,808	**10,051**
Disposals – Historical cost	0	0	0	0	(7)	0	(7)	**(7)**
Disposals – Accumulated amortisation	0	0	0	0	2	0	2	**2**
Amortisation	(4,139)	0	0	0	(1,034)	(2,956)	(3,990)	**(8,129)**
Impairment losses	(1,385)	(1,904)	0	(1,904)	0	0	0	**(3,289)**
Total changes	**716**	**(4,350)**	**0**	**(4,350)**	**(547)**	**(99)**	**(645)**	**(4,280)**
Historical cost	77,653	57,556	1,030	58,586	26,885	57,952	84,837	**221,076**
Accumulated amortisation	(37,407)	0	0	0	(20,537)	(44,691)	(65,228)	**(102,635)**
Write-down provision	(336)	(18,185)	0	(18,185)	(7)	0	(7)	**(18,528)**
Balance at 30 June 2011	**39,910**	**39,371**	**1,030**	**40,401**	**6,341**	**13,261**	**19,602**	**99,913**

Development costs

The item "Development costs" includes costs for development, internal and external, for a net amount of €39,910 thousand. During the period, this item changed due to higher costs incurred for jobs begun in the first half of 2011, for orders received both during the half-year period and in previous periods, for which additional development costs were incurred; amortisation was recognised for development costs associated with products that have already entered into mass production.

The net amount includes development activities for projects underway totalling €15,771 thousand. The total amount of costs for capitalised internal works charged to the Income Statement during the period was €5,860 thousand (first half 2010: €5,833 thousand).

Impairment losses totalled €1,385 thousand and were included in the Income Statement under "Amortisation, depreciation and impairment losses". Impairment losses refer to development costs incurred mainly by the Parent Company, Brembo S.p.A., in relation to projects that, consistent with the desire of the customer or Brembo, were not completed or underwent changes in terms of their end destination.

Goodwill

The item "Goodwill" arose from the following business combinations:

(euro thousand)

Brembo North America Inc. (Hayes Lemmerz)	11,810
Ap Racing Ltd.	11,501
Brembo Brake India Pvt. Ltd.	10,199
Sabelt Group	2,387
Corporacion Upwards 98 S.A. (Frenco S.A.)	2,006
Brembo México S.A. de C.V. (Hayes Lemmerz)	719
Brembo Nanjing Brake Systems Co.Ltd.	749
Total	**39,371**

Goodwill was tested for impairment whenever there were indications that impairment may exist. The main assumptions used to determine the value in use of the cash-generating unit relate to the discount rate and growth rate. Specifically, calculations used cash-flow projections for the 2012-2014 period covered by the corporate business plan. Cash flows beyond the five-year period were extrapolated using a prudential steady 1.5% medium- to long-term growth rate. The discount rate used was 8%, which reflected the current market assessments of the time value of money and the risks specific to the asset in question. CGUs are typically identified as the business being acquired and therefore tested for impairment. If the asset being tested for impairment refers to businesses operating in multiple business lines, it is attributed to all business lines in existence at the date of acquisition; this approach is consistent with valuations carried out at the acquisition date, which are typically based on the estimated recoverable amount of the entire investment.

The impairment tests for the Sabelt Group indicated the need to write-down the goodwill by €1,904 thousand, due to the After Market Performance Group segment.

Intangible assets with indefinite useful lives

The item consists of the Villar brand.
At 30 June 2011, no impairment indicators were identified.

Other intangible assets

Acquisitions of "Other intangible assets" totalled €3,808 thousand, mainly referring to the share of the investment for the period required to gradually implement the new ERP (Enterprise Resource Planning) system within the Group.

3. Shareholdings Valued Using the Equity Method (Associate Companies and Joint Ventures)

This item includes the Group's share of Equity in companies that are accounted for using the equity method. The following table summarises the relevant movements:

(euro thousand)	31.12.2010	Acquisitions and subscriptions	Disposals	Write-ups/ Write-downs	Reclassification	30.06.2011
Brembo SGL Carbon Ceramic Brakes S.p.A.	22,058			(468)		21,590
Innova Tecnologie S.r.l.	0	30		(40)	10	0
Petroceramics S.r.l.	167			9		176
Softia S.r.l.	290		(290)			0
Total	**22,515**	**30**	**(290)**	**(499)**	**10**	**21,766**

During the period, shareholders made two payments, each in the amount of €15 thousand, to replenish the losses of Innova Tecnologie S.r.l.

The shareholding in Softia S.r.l. was sold on 24 May 2011 without creating any gains/losses.

The above shareholdings were tested for impairment where impairment indicators were identified. The method used, the assumptions on which the tests were based and the identification of CGUs are consistent with the information previously provided concerning goodwill.

4. Other Financial Assets (Including Investments in Other Companies and Derivatives)

This item is broken down as follows:

(euro thousand)	30.06.2011	31.12.2010
Shareholdings in other companies	96	95
Other	53	55
Total	**149**	**150**

"Shareholdings in other companies" includes the 10% interest in International Sport Automobile S.a.r.l. and 1.20% interest in Fuji Co.

"Other" includes interest-free security deposits for utilities and car rental agreements.

5. Receivables and Other Non-current Assets

This item is broken down as follows:

(euro thousand)	30.06.2011	31.12.2010
Receivables from others	27	30
Income tax receivables	341	484
Non-income tax receivables	34	34
Total	**402**	**548**

Tax receivables mostly refer to applications for tax reimbursements.

6. Deferred Tax Assets and Liabilities

The net balance of deferred tax assets and liabilities at 30 June 2011 is broken down as follows:

(euro thousand)	30.06.2011	31.12.2010
Deferred tax assets	20,553	20,834
Deferred tax liabilities	(9,583)	(11,167)
Total	**10,970**	**9,667**

Deferred tax assets and liabilities were generated mainly due to temporary differences for capital gains with deferred taxation, other income items subject to future deductions or taxation and other consolidation adjustments. Movements for the period are reported in the following table:

(euro thousand)	30.06.2011	31.12.2010
Balance at beginning of period	**9,667**	**6,680**
Provisions for deferred tax liabilities	(197)	(2,012)
Provision for deferred tax assets	3,106	6,310
Use of deferred tax assets and liabilities	(1,096)	(1,890)
Exchange rate fluctuations	(454)	723
Other movements	(56)	(144)
Balance at end of period	**10,970**	**9,667**

Deferred tax assets are recognised by assessing whether the requirements for future recovery have been met according to updated strategic plans. In detail, it should be noted that the consolidated subsidiary Brembo Poland Spolka Zo.o. is located in a “special economic zone” and is entitled to deduct 50% of its investments from its current taxes owed through 2016. At period-end, the company revised its estimate of the recoverability of the tax benefits based on an estimate of the benefit that will be usable in three financial years (the reference period for its corporate plans). As a result of this revised estimate, total deferred tax assets recognised amounted to PLN 33.5 million (€8.4 million).

In this regard, the potential future benefit valued at 30 June 2011 and not recognised in the financial statements amounted to PLN 17 million (approximately €4.3 million).

It should be pointed out, as indicated previously, that the Polish company Brembo Poland Spolka Zo.o. is carrying out major investments on expanding the production plant. These investments could also enjoy the same tax benefit, if the specific conditions indicated are met.

7. Inventories

A breakdown of net inventories, which is stated net of the inventory write-down provision, is shown below:

(euro thousand)	30.06.2011	31.12.2010
Raw materials	68,197	65,521
Work in progress	48,096	34,793
Finished products	84,745	75,163
Goods in transit	5,944	6,173
Total	**206,982**	**181,650**

The increase in inventories is related to the growth in business volumes.

Movements in the inventory write-down provision are reported in the following table:

(euro thousand)	31.12.2010	Provisions	Use	Exchange rate fluctation	30.06.2011
Inventory write-down provision	16,275	4,042	(981)	(317)	19,019

8. Trade Receivables

At 30 June 2011, the balance of trade receivables compared to the end of the previous year was as follows:

(euro thousand)	30.06.2011	31.12.2010
Trade receivables	219,430	198,201
Receivables from associate companies and joint ventures	2,569	3,096
Total	**221,999**	**201,297**

The increase in trade receivables is related to the growth in business volumes.

The credit risk is not concentrated in any one area, as the company has a large number of customers spread across the various geographical areas in which it operates.
In this regard, the customer risk is substantially similar to that identified and valued in the past year.

Receivables from associate companies and joint ventures are broken down in Annex 2.

Trade receivables are recognised net of the provision for bad debts, which amounted to €4,066 thousand. The related movements are shown in the following table:

(euro thousand)	31.12.2010	Provisions	Exchange rate fluctations	Reclassification	Use	30.06.2011
Provision for bad debts	6,331	583	(97)	(1,038)	(1,713)	4,066

9. Other Receivables and Current Assets

This item is broken down as follows:

(euro thousand)	30.06.2011	31.12.2010
Income tax receivables	2,229	3,866
Non-income tax receivables	25,487	19,479
Other receivables	8,565	13,168
Total	**36,281**	**36,513**

Non-income tax receivables mainly included VAT receivables and are related to the growth in business activities.

Movements in the Provision for other bad debts at 30 June 2011 are reported in the following table:

(euro thousand)	31.12.2010	Provisions	Exchange rate fluctations	30.06.2011
Provision for other bad debts	227	112	(6)	333

10. Current Financial Assets and Derivatives

This item is broken down as follows:

(euro thousand)	30.06.2011	31.12.2010
Security deposits	462	417
Derivatives	0	31
Other receivables	1	1
Total	**463**	**449**

11. Cash and Cash Equivalents

Cash and cash equivalents include:

(euro thousand)	30.06.2011	31.12.2010
Bank and postal accounts	84,758	76,204
Cash-in-hand and cash equivalents	77	88
Total cash and cash equivalents	**84,835**	**76,292**
Payables to banks: ordinary current accounts and foreign currency advances	(38,976)	(35,708)
Cash and cash equivalents from Cash Flow Statement	**45,859**	**40,584**

The amounts shown can be readily converted into cash and the risk of change in value is not considered material. It is deemed that the book value of cash and cash equivalents approximates their fair value at the reporting date. **Note 13** provides further information on bank payables.

12. Equity

Group consolidated equity at 30 June 2011 decreased by €2,876 thousand compared to 31 December 2010. Movements are given in the relevant statement within the Condensed Consolidated Six Monthly Report.

Share capital

The subscribed share capital is fully paid up and amounted to €34,728 thousand at 30 June 2011. It is divided into 66,784,450 shares with a nominal value of €0.52 each.

The table below shows the composition of the share capital and a reconciliation of the number of shares outstanding at 31 December 2010 and at 30 June 2011:

(No. of shares)	30.06.2011	31.12.2010
Ordinary shares issued	66,784,450	66,784,450
Own shares	(1,440,000)	(1,440,000)
Total shares outstanding	**65,344,450**	**65,344,450**

As regards Brembo's buy-back plan, the company neither bought nor sold own shares in the first half of 2011.

Other reserves

In accordance with a resolution approved by the Shareholders' Meeting of 29 April 2011, the Parent Company Brembo S.p.A. allocated €1,604 thousand of its 2010 net income to reserves, and distributed €19,603 thousand as dividends (€0.30 per share).

Share capital and reserves of minority interests

The main changes in this item relate to the recapitalisation of the share capital of the consolidated company Sabelt S.p.A. by the minority shareholders and the change in the translation reserve.

13. Financial Debt and Derivatives

This item is broken down as follows:

	Balance at 30.06.2011			Balance at 31.12.2010		
(euro thousand)	Due within one year	Due after one year	Total	Due within one year	Due after one year	Total
Payables to banks:						
– ordinary current accounts and advances	38,976	0	38,976	35,708	0	35,708
– loans	64,705	232,862	297,567	53,779	199,732	253,511
Total	**103,681**	**232,862**	**336,543**	**89,487**	**199,732**	**289,219**
Payables to other financial institutions	6,160	23,386	29,546	7,986	25,729	33,715
Derivatives	127	0	127	124	0	124
Total	**6,287**	**23,386**	**29,673**	**8,110**	**25,729**	**33,839**

The following table provides details on loans and amounts due to other financial institutions:

(euro thousand)	Original amount	Amount at 31.12.2010	Amount at 30.06.2011	Portion due within 1 year	Portion due between 1 and 5 years	Portion due beyond 5 years
Payables to banks:						
San Paolo IMI loan Law 346/88 (reinforced aluminium project)	3,091	653	258	258	–	–
UBI loan (€25 million)	25,000	13,307	10,770	5,304	5,466	–
San Paolo IMI L100 loan (China project)	4,653	3,254	2,791	929	1,862	–
Centro Banca loan (€25 million)	25,000	13,716	11,222	3,756	7,466	–
Centro Banca loan (€25 million)	25,000	16,193	13,702	3,759	9,943	–
Centro Banca loan (€30 million)	30,000	29,852	29,868	4,302	25,566	–
Creberg loan (€50 million)	50,000	44,861	39,876	10,015	29,861	–
Unicredit loan (€50 million)	50,000	29,926	24,938	10,012	14,926	–
Unicredit loan (€10 million)	10,000	–	10,000	2,500	7,500	–
Intesa San Paolo NY credit line	4,298	2,996	2,770	2,770	–	–
Intesa San Paolo NY loan	16,982	10,709	8,665	2,487	6,178	–
EIB loan	20,000	7,476	5,837	3,337	2,500	–
Unicredit loan 4040175	300	33	–	–	–	–
Intesa San Paolo loan 592177	300	50	–	–	–	–
Intesa San Paolo loan 638133	300	50	–	–	–	–
807247788109 loan	1,500	1,200	830	765	65	–
Intesa San Paolo UK loan (€30 million)	30,000	29,718	29,755	(245)	30,000	–
Intesa San Paolo UK loan (€50 million)	50,000	49,517	44,565	9,565	35,000	–
Citibank Shanghai loan (RMB 200 million)	22,727	–	6,719	747	5,972	–
Bank Handlowy loan (€40 million)	40,000	–	40,000	4,444	35,556	–
EIB loan (€30 million, New Foundry Project)	30,000	–	15,001	–	4,688	10,313
Total payables to banks	**439,131**	**253,511**	**297,567**	**64,705**	**222,549**	**10,313**
Payables to other financial institutions:						
Production Activity Ministry Law 46/82 (CCM Project)	2,371	1,572	1,613	307	1,006	300
MICA Law 46 loan (electrical car)	221	52	52	26	26	–
Payable to Simest S.p.A.	–	102	27	27	–	–
Payable to Simest S.p.A.	4,062	4,693	4,432	–	4,432	–
Payables to factors	N/A	1,288	–	–	–	–
Sava loan	–	19	–	–	–	–
MCC Law 598 Isofix	120	124	124	–	124	–
MCC Law 598/94 Research	364	235	203	77	126	–
Ministerio Industria España	3,237	1,985	2,034	–	–	2,034
Payables to minority shareholders of Sabelt S.p.A.	2,386	2,863	2,714	–	2,714	–
Finance leases	52,705	20,782	18,347	5,723	11,478	1,146
Total payables to other financial institutions	**118,232**	**33,715**	**29,546**	**6,160**	**19,906**	**3,480**
TOTAL	**557,383**	**287,226**	**327,113**	**70,865**	**242,455**	**13,793**

Two medium-/long-term loans in the total amount of €103 million were obtained during the reporting period and €72 million were used. Specifically, the following loans were taken out by Group companies during the first half of 2011:

- Brembo Poland Spolka Zo.o, obtained €40 million from Bank Handlowy and €15 million (portion used of the loan of €30 million) as a EIB loan to finance the construction of the new foundry;
- Brembo Nanjing Foundry Co. Ltd. obtained €7 million from Citibank Shangai (portion used of the loan of RMN 200 million - €22.7 million);
- Brembo S.p.A. received a new 4-year-term loan from UniCredit for €10 million.

It should be noted that, at 30 June 2011, financial debts backed by collateral amounted to €258 thousand (€653 thousand at 31 December 2010).

For as long as the EIB loan (€20 million and €5,837 thousand at 30 June 2011) is outstanding, Brembo Poland Spolka Zo.o. is committed to not forming liens, mortgages, or privileges on assets and revenues in guarantee of other forms of debt.

At the end of the half-year period it was verified that the parameters for the covenants in place on the San Paolo IMI L100, Intesa San Paolo NY, Unicredit, Centrobanca and Intesa San Paolo UK loans were met, without exception.

It should be recalled that the agreement entered into in 2005 to incorporate the Chinese firm Brembo China Brake Systems Co. Ltd. includes an irrevocable commitment by Brembo to acquire the partner Simest's interest in 2013, with the possibility for Brembo S.p.A. to exercise the call option as early as 2011. The acquisition price has been irrevocably agreed as the greater of the total cost incurred by Simest to acquire the equity interest and the value of the Equity owned by Simest. Brembo currently has no plans for the purchase before 2013 nor Simest for the sale of its own stake before that date, according to the information available, and as a result the debt has been classified as long-term.

Also this year, the Parent Company Brembo S.p.A. has sold certain receivables to factoring companies under arrangements without recourse, whereby the amounts of the receivables are paid immediately by the factor and all substantial risks associated with the receivables are transferred to the factor.

The following table provides a breakdown of the Group's debt from finance leases. Instalments are given by principal and interest due.

(euro thousand)	30.06.2011 Instalment	30.06.2011 Interest	30.06.2011 Principal	31.12.2010 Instalment	31.12.2010 Interest	31.12.2010 Principal
Within one year	6,946	1,223	5,723	6,860	795	6,065
Between 1 and 5 years	12,567	1,089	11,478	14,928	1,430	13,498
After 5 years	1,315	169	1,146	1,421	202	1,219
Total	**20,828**	**2,481**	**18,347**	**23,209**	**2,427**	**20,782**

The following table provides a breakdown of operating lease instalments:

(euro thousand)	30.06.2011	31.12.2010
Within one year	12,764	13,552
Between 1 and 5 years	36,748	35,912
After 5 years	43,273	46,695
Total	**92,785**	**96,159**

The following table shows the structure of debt towards other lenders and loans, broken down by annual interest rate and currency at 30 June 2011:

(euro thousand)	Fixed rate	Variable rate	Total
Euro	62,942	244,620	307,562
US Dollar	–	11,435	11,435
Polish Zloty	1,397	–	1,397
Chinese Renminbi	–	6,719	6,719
Total	**64,339**	**262,774**	**327,113**

There was also an outstanding held-for-trading IRS at 30 June 2011. The contract was entered into by Sabelt S.p.A. and had a fair value negative at €88 thousand at 30 June 2011. As the instrument does not qualify for hedge accounting, changes in fair value are recognised in the income statement.
The notional amount of the financial instrument (IRS) held is €1,500 thousand.

Net Financial Position

The following table shows the reconciliation of the net financial position at 30 June 2011 (€281,381 thousand), and at 31 December 2010, amounting to €246,735 thousand based on the layout prescribed by CONSOB Communication No. 6064293 of 28 July 2006.

(euro thousand)		30.06.2011	31.12.2010
A	Cash	77	88
B	Other cash equivalents	84,758	76,204
C	Derivatives and securities held for trading	0	31
D	**LIQUIDITY (A+B+C)**	**84,835**	**76,323**
E	Current financial receivables	0	0
F	Current payables to banks	38,976	35,708
G	Current portion of non-current debt	64,705	53,779
H	Other current financial debts and derivatives	6,287	8,110
I	**CURRENT FINANCIAL DEBT (F+G+H)**	**109,968**	**97,597**
J	**NET CURRENT FINANCIAL DEBT (I–E–D)**	**25,133**	**21,274**
K	Non-current payables to banks	232,862	199,732
L	Bonds issued	0	0
M	Other non-current financial debts	23,386	25,729
N	**NON-CURRENT FINANCIAL INDEBTEDNESS (K+L+M)**	**256,248**	**225,461**
O	**NET FINANCIAL DEBT (J+N)**	**281,381**	**246,735**

For greater detail about the change in the net financial position reference is made to the Interim Report on Operations and consolidated Cash Flow Statement at 30 June 2011.

14. Other Non-current Liabilities

This item is broken down as follows:

(euro thousand)	30.06.2011	31.12.2010
Social security payables	925	465
Payables to employees	3,087	1,624
Other payables	734	346
Total	**4,746**	**2,435**

At 30 June 2011, payables to employees, social security payables and other payables primarily consisted of the liability associated with the 2010-2012 three-year incentive plan, to be settled at the end of the plan period.

15. Provisions

This item is broken down as follows:

(euro thousand)	31.12.2010	Provisions	Use	Exchange rate fluctation	Reclassification	30.06.2011
Provisions for contingencies and charges	3,941	1,194	(399)	(15)	(241)	4,480
Provision for tax litigation	1,036	11	0	0	0	1,047
Provision for loss replenishment in associate companies	0	0	0	0	251	251
Total	**4,977**	**1,205**	**(399)**	**(15)**	**10**	**5,778**

The amount allocated to the item "Provision for tax litigation" is an estimate of liabilities that could arise as a result of tax litigation underway. Provisions for contingencies and charges totalled €4,480 thousand, including product guarantees, supplemental customer indemnities – in connection with the Italian agency contract – and the valuation of risks related to litigation underway. The Provision for loss replenishment in associate companies includes the provision linked to the valuation of the investment in Innova Tecnologie S.r.l., using the equity method, as previously mentioned in Note 3.

16. Provisions for Employee Benefits

Group companies provide post-employment benefits through defined-contribution plans or defined-benefit plans. In the case of defined-contribution plans, the Group companies pay contributions to public or private insurance institutes based on legal or contractual obligations or on a voluntary basis. Once such contributions have been paid, the companies have no further payment obligations.

The employees of the UK subsidiary AP Racing Ltd. have the benefit of a corporate pension plan (AP Racing Pension Scheme), which is made up of two sections: the first is a defined contribution plan for employees hired after 1 April 2001 and the second is a defined benefit plan for those already in service at 1 April 2001 (and previously covered by the AP Group Pension Fund). The defined-benefit plan is funded by employer and employee contributions made to a trustee that is legally separate from the enterprise providing benefits to its employees.

The companies Brembo México S.A. de C.V., Brembo Nanjing Brake Systems Co. Ltd., Brembo Japan Co. Ltd. and Brembo Brake India Pvt. Ltd. also have defined-benefits pensions plans in place for their employees.

Unfunded defined-benefit plans include also the "Employees' leaving entitlement" provided by the Group's Italian companies, in accordance with current applicable regulations. These funds are calculated on an actuarial basis using the "Projected Unit Credit Method".

The balances at 30 June 2011 are shown below:

(euro thousand)	31.12.2010	Provisions	Use	Interest expense	Exchange rate fluctations	Reclassifications	30.06.2011
Defined-benefit plans and other long-term benefits	2,123	474	(472)	(67)	(121)	3	1,940
Defined-contribution plans	64	269	(249)	0	0	0	84
Employees' leaving indemnity and other long-term benefits	18,023	36	(840)	431	0	35	17,685
Total	**20,210**	**779**	**(1,561)**	**364**	**(121)**	**38**	**19,709**

17. Trade Payables

At 30 June 2011, trade payables were as follows:

(euro thousand)	30.06.2011	31.12.2010
Trade payables	250,807	218,411
Payables to associates and joint ventures	7,559	5,599
Total	**258,366**	**224,010**

The increase in this item is related to the growth in business.

Annex 2 provides a breakdown of payables to associates and joint ventures.

18. Tax Payables

This item reflects the net amount due for the current taxes of the consolidated Group's companies.

(euro thousand)	30.06.2011	31.12.2010
Tax payables	8,573	2,538

19. Other Current Payables

Other current payables at 30 June 2011 are shown below:

(euro thousand)	30.06.2011	31.12.2010
Tax payables other than current taxes	4,676	4,944
Social security payables	9,496	11,139
Payables to employees	25,379	22,267
Other payables	16,508	14,788
Total	**56,059**	**53,138**

Consolidated Income Statement

20. Sales of Goods and Services

Breakdown of sales of goods and services was as follows:

(euro thousand)	30.06.2011	30.06.2010
Italy	121,336	95,833
Abroad	511,358	435,754
Total	**632,694**	**531,587**

The breakdown of Group sales by geographic area of destination and by application is provided in the Interim Director's Report on Operations together with comments on the performance of such items.

21. Other Revenues and Income

This item is broken down as follows:

(euro thousand)	30.06.2011	30.06.2010
Miscellaneous recharges	2,001	1,713
Gains on disposal of assets	458	109
Miscellaneous grants	1,177	247
Other revenues	2,039	3,413
Total	**5,675**	**5,482**

The item "Miscellaneous grants" includes the amount pertaining to the first half of 2011 of the grant received in the form of a preferential-terms loan for a development project relating to the Spanish subsidiary. In detail, the amount of €892 thousand has been released, in relation to a total grant of €1.3 million, for costs incurred at 30 June 2011.

22. Costs for Capitalised Internal Works

This item refers to the capitalisation of development costs incurred during the first half of 2011, amounting to €5,860 thousand (30 June 2010: €5,833 thousand).

23. Cost of Raw Materials, Consumables and Goods

This item is broken down as follows:

(euro thousand)	30.06.2011	30.06.2010
Change in inventories and inventory write-downs	(27,990)	(17,565)
Purchase of raw materials	323,636	279,524
Purchase of consumables	21,962	8,356
Allowances	0	(360)
Total	**317,608**	**269,955**

24. Other Operating Costs

This item is broken down as follows:

(euro thousand)	30.06.2011	30.06.2010
Transports	17,999	12,917
Maintenance, repairs and utilities	30,673	28,248
Contracted work	31,037	22,204
Rent	9,944	7,346
Other operating costs	29,634	26,751
Total	**119,287**	**97,466**

25. Personnel Expenses

This item is broken down as follows:

(euro thousand)	30.06.2011	30.06.2010
Wages and salaries	89,684	77,159
Social security contributions	23,385	20,356
Employees' leaving entitlement and other personnel provisions	4,358	2,744
Other costs	8,847	7,305
Total	**126,274**	**107,564**

The average number and the period-end (30 June 2011) number of Group employees by category compared to the first half of the previous year were as follows:

	Executives	White-collars	Blue-collars	Total
H1 2011 average	202	1,835	4,129	6,166
H1 2010 average	183	1,795	3,611	5,589
Changes	**19**	**40**	**518**	**577**
Total at 30 June 2011	207	1,872	4,308	6,387
Total at 30 June 2010	176	1,751	3,676	5,603
Changes	**31**	**121**	**632**	**784**

26. Depreciation, Amortisation and Impairment Losses

This item is broken down as follows:

(euro thousand)	30.06.2011	30.06.2010
Amortisation of intangible assets:		
Development costs	4,139	4,005
Industrial patents and similar rights for original work	720	638
Licences, trademarks and similar rights	314	275
Other intangible assets	2,956	2,875
Total	**8,129**	**7,793**
Depreciation of property, plant and equipment:		
Buildings	1,692	1,639
Leased buildings	501	503
Plant and machinery	18,190	18,408
Leased plant and machinery	893	861
Industrial and commercial equipment	4,454	4,646
Other property, plant and equipment	924	1,033
Other leased property, plant and equipment	18	17
Total	**26,672**	**27,107**
Impairment losses:		
Property, plant and equipment	90	529
Intangible assets	3,289	645
Total	**3,379**	**1,174**
TOTAL AMORTISATION, DEPRECIATION AND IMPAIRMENT LOSSES	**38,180**	**36,074**

Comments on impairment losses are provided in the Notes 1 and 2 above.

27. Net Interest Income (Expense)

This item is broken down as follows:

(euro thousand)	30.06.2011	30.06.2010
Exchange rate gains	3,600	9,430
Interest income from employee's leaving entitlement and other personnel provisions	626	579
Interest income	901	472
Total interest income	**5,127**	**10,481**
Exchange rate losses	(3,740)	(9,420)
Interest expense from employees' leaving entitlement and other personnel provisions	(990)	(1,093)
Interest expense	(4,931)	(4,075)
Total interest expense	**(9,661)**	**(14,588)**
TOTAL NET INTEREST INCOME (EXPENSE)	**(4,534)**	**(4,107)**

"Interest income" includes the adjustment to the estimate of the value of the put option for 35% of Sabelt S.p.A. which can be exercised under the agreements of 3 August 2010 by Sabelt S.p.A. minority shareholders. This revision generated income of €201 thousand.

The increase in "Interest expense" relates both to the increased level of medium-term borrowing, required to fund the international investment plan described above, and to the increase in average interest rates which occurred during the period.

28. Interest Income (Expense) from Investments

This item is broken down as follows:

(euro thousand)	30.06.2011	30.06.2010
Write-ups of shareholdings valued using the equity method	9	30
Write-downs of shareholdings valued using the equity method	(508)	(1,154)
Total	**(499)**	**(1,124)**

An analysis of the item is provided in the comment on the item of the balance sheet presented in **Note 3** above.

29. Taxes

This item is broken down as follows:

(euro thousand)	30.06.2011	30.06.2010
Current taxes	14,441	8,579
Deferred tax assets and liabilities	(1,813)	(477)
Estimated tax payables	11	18
Total	**12,639**	**8,120**

30. Earnings per Share

Basic earnings per share were €0.38 at 30 June 2011 (June 2010: €-0.29), and were calculated by dividing the net income or losses for the period attributable to holders of ordinary equity instruments of the Parent Company and by the weighted average number of ordinary shares outstanding during the first six months of 2011, amounting to 65,344,450 (First half 2010: 65,344,450).

Diluted earnings per share are identical to basic earnings per share inasmuch as no diluting transactions were undertaken.

31. Related Parties

The Group carries out transactions with parent companies, subsidiaries, associate companies, joint ventures (for a list, see Attachments 1 and 2), directors and key management personnel and other related parties. The Parent Company, Brembo S.p.A. is controlled by Nuova FourB S.p.A., which holds 56.52% of its share capital.

Brembo did not engage in dealings with its parent in the first half of 2011.

The table in Annex 5 below summarises the impact of transactions with related parties on the Condensed Consolidated Six Monthly Financial Statements.

The table below provides information on the fees paid to Directors, Statutory Auditors and General Manager of Brembo S.p.A. and additional information required:

(euro thousand)	Emoluments for the office held	Non-monetary benefits	Bonuses and other incentives	Other compensation	Total
Directors	751	0	831	185	**1,767**
Board of Statutory Auditors	102	0	0	5	**107**

Sales of products, supply of services and transfers of fixed assets among related parties were carried out at prices reflecting fair market conditions.

The trading volumes reflect the internationalisation process aimed at constantly improving both operating and organisational standards and optimising synergies within the company.

From a financial standpoint, the company's subsidiaries operate independently, although some benefit from various forms of centralised financing.

Since 2008 a zero-balance cash-pooling system has been effective, with Brembo S.p.A. as the pool leader.

32. Segment Report

The Group identified the following reportable operating segments based on the qualitative and quantitative criteria specified in the related standard:

- Discs – Systems and Motorbikes;
- After Market and Performance Group.

Transfer prices applied to transactions between segments for the exchange of goods and services are settled according to usual market conditions.

In light of the requirements of IFRS 8 in terms of revenues earned from major customers, where a single customer is defined as all companies that belong to a given Group, Brembo had two customers in the first half of 2011 who accounted for over 10% of consolidated net revenues. None of the single carmakers comprising such groups exceeded this limit.

The following table shows segment information on sales of goods and services and results at 30 June 2011 and 30 June 2010:

	Total		Discs/ Systens/Motorbikes		After Market/ Performance Group		Interdivision		Non-segment data	
(euro thousand)	30.06.2011	30.06.2010	30.06.2011	30.06.2010	30.06.2011	30.06.2010	30.06.2011	30.06.2010	30.06.2011	30.06.2010
Sales	641,773	538,077	518,119	427,768	133,692	116,984	(1,504)	(596)	(8,534)	(6,079)
Allowances and discounts	(9,815)	(8,308)	(2,414)	(2,188)	(7,401)	(6,119)	0	0	0	0
Net sales	**631,958**	**529,769**	**515,704**	**425,580**	**126,291**	**110,864**	**(1,504)**	**(596)**	**(8,533)**	**(6,079)**
Transport costs	8,624	5,835	6,523	4,029	2,101	1,807	0	0	0	0
Variable production costs	*422,092*	*347,684*	*352,423*	*287,376*	*79,887*	*67,123*	*(1,504)*	*(596)*	*(8,713)*	*(6,219)*
Contribution margin	**201,242**	**176,250**	**156,758**	**134,176**	**44,304**	**41,935**	**0**	**0**	**180**	**139**
Fixed production costs	*91,114*	*80,183*	*79,210*	*67,991*	*11,952*	*12,007*	*(3)*	*0*	*(46)*	*185*
Production gross operating income	**110,128**	**96,067**	**77,548**	**66,185**	**32,352**	**29,928**	**3**	**0**	**226**	**(46)**
Costs to sell	*15,164*	*12,648*	*7,132*	*6,251*	*8,033*	*6,398*	*0*	*0*	*(1)*	*0*
BU personnel costs	*46,894*	*43,361*	*28,518*	*26,398*	*17,710*	*16,228*	*0*	*0*	*665*	*736*
BU gross operating income	**63,234**	**52,706**	**49,029**	**39,787**	**14,642**	**13,700**	**3**	**0**	**(439)**	**(782)**
Costs of Central Staff personnel	26,022	25,561	17,679	15,743	5,426	6,511	0	0	2,917	3,307
Operating income (loss)	**37,212**	**27,145**	**31,351**	**24,044**	**9,216**	**7,189**	**3**	**0**	**(3,356)**	**(4,088)**
Extraordinary costs and revenues	2,603	1,540	2	0	0	(2)	0	0	2,601	1,542
Financial costs and revenues	(4,892)	(4,271)	0	0	0	0	0	0	(4,892)	(4,271)
Income and charges from shareholdings	(499)	(1,124)	0	0	0	0	(181)	(407)	(317)	(717)
Net operating income (loss)	**34,424**	**23,290**	**31,352**	**24,044**	**9,215**	**7,188**	**(179)**	**(407)**	**(5,964)**	**(7,534)**
Non-operating costs and revenues	3,424	3,297	0	0	0	0	0	0	3,424	3,297
Result before taxes	**37,848**	**26,588**	**31,352**	**24,044**	**9,215**	**7,188**	**(179)**	**(407)**	**(2,540)**	**(4,237)**
Current taxes	(14,448)	(8,015)	0	0	0	0	0	0	(14,448)	(8,015)
Deferred taxes	1,810	(83)	0	0	0	0	0	0	1,810	(83)
Total taxes	*(12,638)*	*(8,097)*	*0*	*0*	*0*	*0*	*0*	*0*	*(12,638)*	*(8,097)*
Result before minority interests	**25,210**	**18,490**	**31,352**	**24,044**	**9,215**	**7,188**	**(179)**	**(407)**	**(15,178)**	**(12,334)**
Minority interests	(474)	158	(527)	(71)	304	575	0	0	(252)	(346)
Net result	**24,736**	**18,648**	**30,825**	**23,972**	**9,520**	**7,763**	**(179)**	**(407)**	**(15,430)**	**(12,680)**

A reconciliation between the Condensed Consolidated Six Monthly Financial Statements and the above information is provided below:

(euro thousand)	30.06.2011	30.06.2010
SALES OF GOODS AND SERVICES	**632,694**	**531,587**
Scrap sales (in the segment report they are subtracted from “Variable production costs”)	(1,933)	(609)
Write-downs of receivables for the period (in the condensed consolidated six monthly financial statements it is included in “Other operating costs”)	0	(240)
Capital gains on sale of equipment (in the condensed consolidated six monthly financial statements they are included in “Other revenues and income”)	284	24
Effect of adjustment of transactions among consolidated companies	533	(1,222)
Miscellaneous recharges (in the condensed consolidated six monthly financial statements they are included in “Other revenues and income”)	1,248	1,575
Other	(868)	(1,346)
NET SALES	**631,958**	**529,769**

(euro thousand)	30.06.2011	30.06.2010
NET OPERATING INCOME	**42,880**	**31,843**
Differences in preparation criteria of internal and statutory reports	(3,929)	(4,291)
Claim compensation and subsidies	(1,885)	0
Capital gains/losses on disposal of assets (in the segment report they are included in “Non-operating costs and revenues”)	(351)	(164)
Different classification of the provision for receivable write-downs (in the segment report it is included in “Non-operating costs and revenues”)	(13)	(17)
Different classification of the provision for risks (in the segment report it is included in “Non-operating costs and revenues”)	3	(194)
Different classification of the provision for inventory write-downs (in the segment report it is included in “Non-operating costs and revenues”)	16	0
Different classification of banking expenses (in the segment report it is included in “Financial costs and revenues”)	370	0
Other	121	(33)
OPERATING RESULT	**37,212**	**27,144**

The breakdown of Group sales by geographic area of destination and by application is provided in the Interim Report on Operations.

Balance sheet data at 30 June 2011 and 31 December 2010 are provided in the tables below:

	Total		Discs/ Systems/Motorbikes		After Market/ Performance Group		Interdivision		Non segment data	
(euro thousand)	30.06.2011	31.12.2010	30.06.2011	31.12.2010	30.06.2011	31.12.2010	30.06.2011	31.12.2010	30.06.2011	31.12.2010
Property, plant and equipment	359,102	322,925	316,698	278,939	39,917	43,311	2	0	2,485	676
Intangible assets	60,003	64,999	36,782	40,209	13,457	15,713	0	0	9,764	9,077
Financial assets	37,538	40,583	0	0	0	0	1,048	229	36,490	40,354
(a) Total fixed assets	**456,643**	**428,508**	**353,480**	**319,147**	**53,374**	**59,024**	**1,051**	**229**	**48,738**	**50,107**
Inventories	206,458	180,271	126,831	109,788	79,554	67,347	(101)	(101)	175	3,237
Current assets	247,077	216,875	183,090	161,884	57,404	43,721	(12,318)	0	18,900	11,270
Current liabilities	(311,712)	(255,803)	(230,884)	(179,587)	(54,414)	(40,910)	12,318	0	(38,732)	(35,306)
Provisions for contingencies and charges and other provisions	(2,972)	(5,179)	0	0	0	0	0	0	(2,972)	(5,179)
(b) Net working capital	**138,851**	**136,163**	**79,036**	**92,085**	**82,544**	**70,157**	**(101)**	**(101)**	**(22,628)**	**(25,978)**
NET WORKING CAPITAL INVESTED CAPITAL (a+b)	**595,494**	**564,671**	**432,517**	**411,232**	**135,917**	**129,181**	**950**	**128**	**26,110**	**24,129**
IAS adjustments	28,499	27,675	170	0	417	421	0	0	27,912	27,254
NET INVESTED CAPITAL	**623,993**	**592,346**	**432,686**	**411,232**	**136,335**	**129,602**	**950**	**128**	**54,022**	**51,383**
Group equity	315,144	318,017	27,017	50,337	12,701	12,189	944	(353)	274,482	255,843
Minority interests	8,264	7,839	447	465	(304)	(1,547)	0	0	8,120	8,921
(d) Equity	**323,408**	**325,856**	**27,464**	**50,802**	**12,397**	**10,642**	**944**	**(353)**	**282,602**	**264,764**
(e) Provisions for employee benefits	**19,709**	**20,217**	**0**	**0**	**0**	**0**	**0**	**0**	**19,709**	**20,217**
Medium/long-term financial debt	256,112	225,411	0	0	0	0	0	0	256,112	225,411
Short-term financial debt	24,765	20,863	0	0	0	0	0	0	24,765	20,863
(f) Short-term financial debt Net financial debt	**280,877**	**246,274**	**0**	**0**	**0**	**0**	**0**	**0**	**280,877**	**246,274**
(g) COVERAGE (d+e+f)	**623,993**	**592,346**	**27,464**	**50,802**	**12,397**	**10,642**	**944**	**(353)**	**583,188**	**531,255**

The following should be noted in regard to the non-segment data:

- IAS adjustments are mainly comprised of "Development costs" net of the relevant tax effect;
- Financial assets mainly consist of the value of shareholdings;
- Current assets and liabilities mainly consist of segment trade receivables and payables;
- Provisions for contingencies and charges and other provisions are not allocated.

33. Commitments

In 2010, Brembo entered into a lease agreement for two companies owned by an important supplier of mechanical parts requiring a high-tech manufacturing process. The deal was a necessary response to the financial difficulties in which IMMC and IRAL found themselves, given the need to safeguard the know-how and important technological expertise transferred by Brembo to the above-mentioned companies over their many years of collaboration, as well as to ensure the continuity of supply to the Brembo Group. The lease agreement, originally with a term up to 31 December 2011, has been extended up to the end of 2012. Within the end of the lease period and based on the results of the procedure of composition with creditors, Brembo might be involved in any subsequent process of acquisition of the business unit.

In May 2011, Brembo S.p.A. signed an agreement to take over Perdriel S.A., an Argentine brake disc production company, which carries out its production activity in the Buenos Aires area, employing about 150 staff and with estimated revenues for 2011 of about €20 million.
Based on the agreement, in 2011 Brembo will take over 75% of the share capital of the company, with option rights on the remaining 25% exercisable after three years of the signature of the agreement. Overall outlay for the acquisition of the 75% stake will amount to €3.3 million and will be paid upon execution of the agreement. The execution of the agreement is subject to both parties implementing a number of actions. Therefore, Brembo will take control on that date.

34. Significant Events After 30 June 2011

The Board of Directors of Brembo S.p.A. approved today the merger of the company Brembo International S.p.A. into Brembo S.p.A.

No other significant events occurred after the end of the first half of 2011 and up to 29 July 2011.

Stezzano, 29 July 2011

On behalf of the Board of Directors
The Chairman
Alberto Bombassei

ANNEXES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Annex 1

Transactions with Subsidiaries, Associates and Parent Companies (Sales/Purchases)

(euro thousand)

SELLING COMPANY	Brembo S.p.A.	Corporacion Upwards 98 S.A.	Brembo Poland Spolka Zo.o.	Brembo Spolka Zo.o.	Ap Racing Ltd.	Brembo Uk Ltd.	Brembo North America Inc.	Brembo México S.A. de C.V.	Brembo do Brasil Ltda.	Brembo Japan Co. Ltd.	Brembo Scandinavia A.B.	Brembo International S.p.A.	Brembo China Brake Systems Co. Ltd.
PURCHASING COMPANY													
Brembo S.p.A.	–	(79)	3,502	9,657	–	88	1,653	10	6	472	412	1,775	–
Corporacion Upwards 98 S.A.	1,747	–	17	–	–	–	–	–	–	–	–	–	–
Brembo Poland Spolka Zo.o.	16,207	120	–	851	–	–	4	–	–	–	–	–	–
Brembo Spolka Zo.o.	2,185	–	2	–	–	–	–	–	–	–	–	98	–
Ap Racing Ltd.	338	–	–	–	–	–	–	–	–	–	–	–	–
Brembo Uk Ltd.	909	–	–	–	–	–	–	–	–	–	–	–	–
Brembo North America Inc.	3,904	–	–	–	–	–	–	29	–	–	–	–	–
Brembo México S.A. de C.V.	476	–	–	–	–	–	939	–	103	–	–	–	–
Brembo do Brasil Ltda.	342	–	71	640	–	–	57	–	–	–	–	–	–
Brembo Japan Co. Ltd.	1,017	–	–	–	–	–	4	–	–	–	–	–	–
Brembo Scandinavia A.B.	–	–	–	–	–	–	–	–	–	–	–	–	–
Brembo International S.p.A.	344	–	–	–	–	–	–	–	–	–	–	–	–
Brembo China Brake Systems Co. Ltd.	–	–	–	–	–	–	–	–	–	–	–	–	–
Brembo Nanjing Brake Systems Co. Ltd.	36	–	1,545	819	–	–	–	–	–	–	–	–	–
Brembo Brake India Ltd.	885	–	–	–	–	–	–	–	–	–	–	–	–
Sabelt S.p.A.	416	–	–	–	–	–	18	–	–	10	–	–	–
Belt & Buckle S.r.o.	–	–	–	–	–	–	–	–	–	–	–	–	–
Brembo Deutschland GmbH	22	–	–	–	–	–	–	–	–	–	–	–	–
Brembo Czech S.r.o.	3,807 [(a)]	–	–	53	–	–	–	–	–	–	–	–	–
Brembo Nanjing Foundry Co. Ltd	1,043	–	–	–	–	–	–	–	–	–	–	–	–
Qingdao Brembo Trading Co. Ltd.	133	(4)	–	–	–	–	–	–	–	–	–	–	–
La.Cam (Lavorazioni Camune) S.r.l.	593	–	–	–	–	–	–	–	–	–	–	–	–
Total Consolidated Companies	**34,404**	**37**	**5,137**	**12,020**	**–**	**88**	**2,675**	**39**	**109**	**482**	**412**	**1,873**	**–**
Petroceramics S.r.l.	71	–	–	–	–	–	–	–	–	–	–	–	–
Brembo Sgl Carbon Ceramic Brakes S.p.A.	2,102	–	–	–	–	–	–	–	–	–	–	–	–
Brembo Sgl Carbon Ceramic Brakes GmbH	9	–	–	–	–	–	–	–	–	–	–	–	–
Innova Tecnologie S.r.l.	–	–	–	–	–	–	–	–	–	–	–	–	–
TOTAL	**36,586**	**37**	**5,137**	**12,020**	**–**	**88**	**2,675**	**39**	**109**	**482**	**412**	**1,873**	**–**

[(a)] Of which €118 thousand for sales of property, plant and equipment

Brembo Nanjing Brake Systems Co. Ltd.	Brembo Brake India Ltd.	Sabelt S.p.A.	Belt & Buckle S.r.o.	Brembo Deutschland GmbH	Brembo Czech S.r.o.	Brembo Nanjing Foundry Co. Ltd	Qingdao Brembo Trading Co. Ltd.	La.Cam (Lavorazioni Camune) S.r.l.	Consolidated Companies	Petroceramics S.r.l.	Brembo Sgl Carbon Ceramic Brakes S.p.A.	Brembo Sgl Carbon Ceramic Brakes GmbH	Innova Tecnologie S.r.l	Total
(4)	476	5	–	103	48	719	9,394	8,963	**37,200**	408	16,865	8,080	–	**62,553**
–	–	–	–	–	–	–	364	–	**2,128**	–	–	–	–	**2,128**
–	–	–	–	–	–	–	21	–	**17,203**	–	–	–	–	**17,203**
–	–	–	–	–	–	–	–	5,722	**8,007**	–	–	–	–	**8,007**
–	–	–	–	–	–	–	–	204	**542**	–	9	–	–	**551**
–	–	–	–	–	–	–	–	–	**909**	–	–	–	–	**909**
–	–	–	–	–	–	–	540	–	**4,473**	–	–	–	–	**4,473**
–	–	–	–	–	–	–	131	–	**1,649**	–	–	–	–	**1,649**
–	–	–	–	–	–	–	–	–	**1,110**	–	–	–	–	**1,110**
–	–	–	–	–	–	–	–	–	**1,021**	–	–	–	–	**1,021**
–	–	–	–	–	–	–	–	–	**–**	–	–	–	–	**–**
–	–	–	–	–	–	–	–	–	**344**	–	–	–	–	**344**
–	–	–	–	–	–	–	–	–	**–**	–	–	–	–	**–**
–	–	–	–	–	–	165	–	–	**2,565**	–	–	–	–	**2,565**
–	–	–	–	–	–	–	–	–	**885**	–	–	–	–	**885**
–	–	–	3,068	–	–	–	–	–	**3,512**	–	–	–	–	**3,512**
–	–	2,172	–	–	–	–	–	–	**2,172**	–	–	–	–	**2,172**
–	–	–	–	–	–	–	–	–	**22**	–	–	–	–	**22**
–	–	–	–	–	–	–	–	–	**3,860**	–	–	–	–	**3,860**
–	–	–	–	–	–	–	–	–	**1,043**	–	–	–	–	**1,043**
–	–	–	–	–	–	595	–	–	**724**	–	–	–	–	**724**
–	–	–	–	–	–	–	–	–	**593**	–	–	–	–	**593**
(4)	**476**	**2,177**	**3,068**	**103**	**48**	**1,479**	**10,450**	**14,889**	**89,962**	**408**	**16,874**	**8,080**	**–**	**115,324**
–	–	–	–	–	–	–	–	–	**71**	–	–	–	–	**71**
–	–	–	–	–	–	–	–	557	**2,659**	129	–	47	–	**2,835**
–	–	–	–	–	–	–	–	–	**9**	–	357	–	–	**366**
–	–	–	–	–	–	–	–	–	**–**	–	–	–	–	**–**
(4)	**476**	**2,177**	**3,068**	**103**	**48**	**1,479**	**10,450**	**15,446**	**92,701**	**537**	**17,231**	**8,127**	**–**	**118,596**

Annex 2

Transactions with Subsidiaries, Associates and Parent Companies (Receivables/Payables)

(euro thousand)

SELLING COMPANY	Brembo S.p.A.	Corporacion Upwards 98 S.A.	Brembo Poland Spolka Zo.o.	Brembo Spolka Zo.o.	Ap Racing Ltd.	Brembo Uk Ltd.	Brembo North America Inc.	Brembo México S.A. de C.V.	Brembo do Brasil Ltda.	Brembo Japan Co. Ltd.	Brembo Scandinavia A.B.	Brembo International S.p.A.	Brembo China Brake Systems Co. Ltd.
PURCHASING COMPANY													
Brembo S.p.A.	–	79[h]	44,203[i]	3,407	–	153	835	6,349[l]	144	491	236	81,770[n]	–
Corporacion Upwards 98 S.A.	2,369	–	97	–	–	–	–	–	–	–	–	–	–
Brembo Poland Spolka Zo.o.	8,592	197	–	503	–	–	4	–	–	1	–	–	–
Brembo Spolka Zo.o.	2,290	–	–	–	–	–	–	–	–	–	–	7,098[o]	–
Ap Racing Ltd.	241	–	–	–	–	–	–	–	–	–	–	–	–
Brembo Uk Ltd.	1,193	–	–	–	–	–	–	–	–	–	–	–	–
Brembo North America Inc.	15,584[a]	–	–	–	–	–	–	180	–	–	–	–	–
Brembo México S.A. de C.V.	446	–	–	–	–	–	338	–	278	–	–	–	–
Brembo do Brasil Ltda.	3,608[b]	–	36	406	–	–	9	610[m]	–	–	–	–	–
Brembo Japan Co. Ltd.	775	–	–	–	–	–	2	–	–	–	–	–	–
Brembo Scandinavia A.B.	–	–	–	–	–	–	–	–	–	–	–	–	–
Brembo International S.p.A.	3,651[c]	–	–	–	–	–	–	–	–	–	–	–	–
Brembo China Brake Systems Co. Ltd.	2,205	–	–	–	–	–	–	–	–	–	–	–	–
Brembo Nanjing Brake Systems Co. Ltd.	473	–	1,276	861	–	–	–	–	–	–	–	–	701
Brembo Brake India Ltd.	766	–	–	–	–	–	–	–	–	–	–	–	–
Sabelt S.p.A.	8,016[d]	–	–	–	–	–	7	–	–	10	–	–	–
Belt & Buckle S.r.o.	–	–	–	–	–	–	–	–	–	–	–	–	–
Brembo Deutschland GmbH	230[e]	–	–	–	–	–	–	–	–	–	–	–	–
Brembo Czech S.r.o.	9,465[f]	–	–	46	–	–	–	–	–	–	–	–	–
Brembo Nanjing Foundry Co. Ltd	2,681	–	–	–	–	–	–	–	–	–	–	–	197
Qingdao Brembo Trading Co. Ltd.	193	–	–	–	–	–	–	–	–	–	–	–	2,472
La.Cam (Lavorazioni Camune) S.r.l.	7,334[g]	–	–	–	–	–	–	–	–	–	–	–	–
Total Consolidated Companies	**70,112**	**276**	**45,612**	**5,223**	**–**	**153**	**1,195**	**7,139**	**422**	**502**	**236**	**88,868**	**3,370**
Petroceramics S.r.l.	83	–	–	–	–	–	–	–	–	–	–	–	–
Brembo Sgl Carbon Ceramic Brakes S.p.A.	2,074	–	–	–	–	–	–	–	–	–	–	–	–
Brembo Sgl Carbon Ceramic Brakes GmbH	2	–	–	–	–	–	–	–	–	–	–	–	–
Innova Tecnologie S.r.l.	–	–	–	–	–	–	–	–	–	–	–	–	–
TOTAL	**72,271**	**276**	**45,612**	**5,223**	**–**	**153**	**1,195**	**7,139**	**422**	**502**	**236**	**88,868**	**3,370**

(a) Of which €10,399 thousand intercompany loan and €2,498 thousand cash pooling
(b) of which €632 thousand finance lease
(c) Of which €3,311 thousand cash pooling
(d) Of which €7,637 thousand cash pooling
(e) Of which €208 thousand cash pooling
(f) Of which €6,426 thousand cash pooling
(g) Of which €6,907 thousand cash pooling
(h) Of which €10 thousand cash pooling
(i) Of which €42,747 thousand cash pooling
(l) Of which €6,344 thousand cash pooling
(m) Of which €583 thousand finance lease
(n) Of which €81,770 thousand intercompany loan
(o) Of which €7,098 thousand for financial loan
(p) Of which €46 thousand cash pooling
(q) Of which €3,198 thousand cash pooling
(r) Of which €127 thousand security deposit

Brembo Nanjing Brake Systems Co. Ltd.	Brembo Brake India Ltd.	Sabelt S.p.A.	Belt & Buckle S.r.o.	Brembo Deutschland GmbH	Brembo Czech S.r.o.	Brembo Nanjing Foundry Co. Ltd	Qingdao Brembo Trading Co. Ltd.	La.Cam (Lavorazioni Camune) S.r.l.	Consolidated Companies	Petroceramics S.r.l.	Brembo Sgl Carbon Ceramic Brakes S.p.A.	Brembo Sgl Carbon Ceramic Brakes GmbH	Innova Tecnologie S.r.l.	Total
8	158	257	46[p]	192	23	719	4,244	4,622	**147,936**	232	5,690[r]	1,754	–	**155,612**
–	–	–	–	–	–	–	135	–	**2,601**	–	–	–	–	**2,601**
–	–	–	–	–	–	–	–	–	**9,297**	–	–	–	–	**9,297**
–	–	–	–	–	–	–	–	4,353	**13,741**	–	–	–	–	**13,741**
–	–	–	–	–	–	–	–	120	**361**	–	9	–	–	**370**
–	–	–	–	–	–	–	–	–	**1,193**	–	–	–	–	**1,193**
–	–	–	–	–	–	–	286	–	**16,050**	–	–	–	–	**16,050**
–	–	–	–	–	–	–	15	–	**1,077**	–	–	–	–	**1,077**
–	–	–	–	–	–	–	–	–	**4,669**	–	–	–	–	**4,669**
–	–	–	–	–	–	–	–	–	**777**	–	–	–	–	**777**
–	–	–	–	–	–	–	–	–	**–**	–	–	–	–	**–**
–	–	–	–	–	–	–	–	–	**3,651**	–	–	–	–	**3,651**
–	–	–	–	–	–	–	–	–	**2,205**	–	–	–	–	**2,205**
–	–	–	–	–	–	506	–	–	**3,817**	–	–	–	–	**3,817**
–	–	–	–	–	–	–	–	–	**766**	–	–	–	–	**766**
–	–	–	1,468	–	–	–	–	–	**9,501**	–	–	–	–	**9,501**
–	–	1,855	–	–	–	–	–	–	**1,855**	–	–	–	–	**1,855**
–	–	–	–	–	–	–	–	–	**230**	–	–	–	–	**230**
–	–	–	–	–	–	–	–	–	**9,511**	–	–	–	–	**9,511**
–	–	–	–	–	–	–	–	–	**2,878**	–	–	–	–	**2,878**
–	–	–	–	–	–	159	–	–	**2,824**	–	–	–	–	**2,824**
–	–	–	–	–	–	–	–	–	**7,334**	–	–	–	–	**7,334**
8	**158**	**2,112**	**1,514**	**192**	**23**	**1,384**	**4,680**	**9,095**	**242,274**	**232**	**5,699**	**1,754**	**–**	**249,959**
–	–	–	–	–	–	–	–	–	**83**	–	–	–	–	**83**
–	–	–	–	–	–	–	–	410	**2,484**	77	–	3,198[q]	–	**5,759**
–	–	–	–	–	–	–	–	–	**2**	–	357	–	–	**359**
–	–	–	–	–	–	–	–	–	**–**	–	–	–	–	**–**
8	**158**	**2,112**	**1,514**	**192**	**23**	**1,384**	**4,680**	**9,505**	**244,843**	**309**	**6,056**	**4,952**	**–**	**256,160**

Annex 3

List of Companies Consolidated on a Line-by-line Basis

COMPANY	HEADQUARTERS	
Brembo S.p.A.	Curno (Bergamo)	Italy
AP Racing Ltd.	Coventry	United Kingdom
Brembo Deutschland GmbH	Leinfelden-Echterdingen	Germany
Brembo International S.p.A.	Stezzano (Bergamo)	Italy
Brembo Nanjing Foundry Co. Ltd.	Nanjing	China
Brembo Czech S.r.o.	Ostrava-Hrabová	Czech Republic
La.Cam (Lavorazioni Camune) S.r.l.	Stezzano (Bergamo)	Italy
Brembo Brake India Pvt. Ltd.	Pune	India
Brembo North America Inc.	Wilmington, Delaware	United States
Brembo China Brake Systems Co. Ltd.	Beijing	China
Sabelt S.p.A.	Turin	Italy
Brembo Nanjing Brake Systems Co. Ltd.	Nanjing	China
Brembo México S.A. de C.V.	Apodaca	Mexico
Qingdao Brembo Trading Co. Ltd.	Qingdao	China
Brembo Spolka Zo.o.	Czestochowa	Poland
Brembo Japan Co. Ltd.	Tokyo	Japan
Brembo Poland Spolka Zo.o.	Dabrowa Gornizca	Poland
Brembo Scandinavia A.B.	Göteborg	Sweden
Brembo UK Ltd.	London	United Kingdom
Brembo do Brasil Ltda.	Betim	Brazil
Corporacion Upwards 98 S.A.	Zaragoza	Spain
Brembo México S.A. de C.V.	Apodaca	Mexico
Brembo North America Inc.	Wilmington, Delaware	United States
Belt & Buckle S.r.o.	Zilina	Slovak Republic
Brembo México S.A. de C.V.	Apodaca	Mexico
Brembo Nanjing Brake Systems Co. Ltd.	Nanjing	China

SHARE CAPITAL		STAKE HELD BY GROUP COMPANIES Direct	Indirect	
Eur	34,727,914			
Gbp	135,935	100%		Brembo S.p.A.
Eur	25,000	100%		Brembo S.p.A.
Eur	49,872,000	100%		Brembo S.p.A.
Cny	158,210,920	100%		Brembo S.p.A.
Czk	123,150,000	100%		Brembo S.p.A.
Eur	100,000	100%		Brembo S.p.A.
Inr	140,000,000	99.99%		Brembo S.p.A.
Usd	33,798,805	94.68%		Brembo S.p.A.
Cny	125,333,701	67.74%		Brembo S.p.A.
Eur	458,520	65%		Brembo S.p.A.
Cny	115,768,679	27.75%		Brembo S.p.A.
Usd	20,428,836	0.01%		Brembo S.p.A.
Cny	1,365,700		100%	Brembo International S.p.A.
Pln	15,279,546		100%	Brembo International S.p.A.
Jpy	11,000,000		100%	Brembo International S.p.A.
Pln	129,600,000		100%	Brembo International S.p.A.
Sek	4,500,000		100%	Brembo International S.p.A.
Gbp	600,000		100%	Brembo International S.p.A.
Brl	17,803,201		99.99%	Brembo International S.p.A.
Eur	498,043		68%	Brembo International S.p.A.
Usd	20,428,836		48.99%	Brembo International S.p.A.
Usd	33,798,805		5.32%	Brembo International S.p.A.
Eur	265,551		100%	Sabelt S.p.A.
Usd	20,428,836		51%	Brembo North America Inc.
Cny	115,768,679		42.25%	Brembo China Brake Systems Co. Ltd.

Annex 4

List of Companies Valued Using the Equity Method and Their Subsidiaries

COMPANY	HEADQUARTERS	
Brembo SGL Carbon Ceramic Brakes S.p.A.	Stezzano (Bergamo)	Italy
Innova Tecnologie S.r.l.	Almenno S. Bartolomeo (Bergamo)	Italy
Petroceramics S.r.l.	Milan	Italy
Brembo SGL Carbon Ceramic Brakes GmbH	Meitingen	Germany

SHARE CAPITAL		STAKE HELD BY GROUP COMPANIES Direct	Indirect	
Eur	4,000,000	50%		Brembo S.p.A.
Eur	500,000	30%		Brembo S.p.A.
Eur	123,750	20%		Brembo S.p.A.
Eur	25,000		50%	Brembo SGL Carbon Ceramic Brakes S.p.A.

Annex 5

Weight of Related Party Transactions

(euro thousand)	30.06.2011					
		RELATED PARTIES				
a) Weight of transactions or positions with related parties, on Balance Sheet items	**Boook value**	**Total**	**Minority interests**	**Joint ventures**	**Unconsolidated investees**	**%**
Trade receivables	221,999	23,757	21,188	2,486	83	*10.7%*
Cash and cash equivalents	84,835	25,000	25,000	0	0	*29.5%*
Non-current payables to banks	(232,862)	(29,861)	(29,861)	0	0	*12.8%*
Other non-current liabilities	(4,746)	(713)	(713)	0	0	*15.0%*
Provisions for employee benefits	(19,709)	(777)	(777)	0	0	*3.9%*
Current payables to banks	(103,681)	(12,765)	(12,765)	0	0	*12.3%*
Other current financial payables and financial instruments	(6,287)	0	0	0	0	*0.0%*
Trade payables	(258,366)	(9,902)	(2,343)	(7,327)	(232)	*3.8%*
Other current liabilities	(56,059)	(985)	(858)	(127)	0	*1.8%*

(euro thousand)	30.06.2011					
		RELATED PARTIES				
b) Weight of transactions or positions with related parties, on Income Statement items	**Boook value**	**Total**	**Minority interests**	**Joint ventures**	**Unconsolidated investees**	**%**
Sales of goods and services	632,694	26,777	25,955	818	4	*4.2%*
Other revenues and income	5,675	1,942	3	1,872	67	*34.2%*
Raw materials, consumables and goods	(317,608)	(25,042)	(32)	(24,878)	(132)	*7.9%*
Other operating costs	(119,287)	(3,249)	(2,878)	(95)	(276)	*2.7%*
Personnel expenses	(126,274)	(827)	(825)	(2)	0	*0.7%*
Net interest income (expense)	(4,534)	(598)	(597)	(1)	0	*13.2%*

31.12.2010						Change					
	RELATED PARTIES						RELATED PARTIES				
Boook value	Total	Minority interests	Joint ventures	Unconsolidated investees	%	Boook value	Total	Minority interests	Joint ventures	Unconsolidated investees	%
201,297	3,870	774	3,033	63	*1.9%*	20,702	19,887	20,414	(547)	20	*96.1%*
76,292	0	0	0	0	*0.0%*	8,543	25,000	25,000	0	0	*292.6%*
(199,732)	(35,000)	(35,000)	0	0	*17.5%*	(33,130)	5,139	5,139	0	0	*-15.5%*
(2,435)	(410)	(410)	0	0	*16.8%*	(2,311)	(303)	(303)	0	0	*13.1%*
(20,210)	(879)	(879)	0	0	*4.3%*	501	102	102	0	0	*20.4%*
(89,487)	(9,861)	(9,861)	0	0	*11.0%*	(14,194)	(2,904)	(2,904)	0	0	*20.5%*
(8,110)	(102)	(102)	0	0	*1.3%*	1,823	102	102	0	0	*5.6%*
(224,010)	(6,314)	(715)	(5,325)	(274)	*2.8%*	(34,356)	(3,588)	(1,628)	(2,002)	42	*10.4%*
(53,138)	(656)	(528)	(128)	0	*1.2%*	(2,921)	(329)	(330)	1	0	*11.3%*

30.06.2010						Change					
	RELATED PARTIES						RELATED PARTIES				
Boook value	Total	Minority interests	Joint ventures	Unconsolidated investees	%	Boook value	Total	Minority interests	Joint ventures	Unconsolidated investees	%
531,587	2,287	2,071	216	0	*0.4%*	101,107	24,490	23,884	602	4	*24.2%*
5,482	1,870	8	1,797	65	*34.1%*	193	72	(5)	74	3	*37.3%*
(269,955)	(24,643)	(34)	(24,581)	(28)	*9.1%*	(47,653)	(399)	2	(297)	(104)	*0.8%*
(97,466)	(1,490)	(1,188)	(45)	(257)	*1.5%*	(21,821)	(1,759)	(1,690)	(50)	(19)	*8.1%*
(107,564)	(299)	(299)	0	0	*0.3%*	(18,710)	(528)	(526)	(2)	0	*2.8%*
(4,107)	(119)	(117)	(2)	0	*2.9%*	(427)	(479)	(480)	1	0	*112.2%*

AUDITORS' REPORT ON THE REVIEW OF CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2011

To the Shareholders of
Brembo SpA

1 We have reviewed the consolidated condensed interim financial statements of Brembo SpA and subsidiaries (Brembo Group) as at 30 June 2011, which comprise the statement of consolidated financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flow and related illustrative notes. Brembo SpA's Directors are responsible for the preparation of the consolidated condensed interim financial statements in accordance with the international accounting standard (IAS 34), applicable to interim financial reporting, as adopted by the European Union. Our responsibility is to issue this report based on our review.

2 Our work was conducted in accordance with the criteria for a review recommended by the National Commission for Companies and the Stock Exchange (CONSOB) with Resolution n° 10867 of 31 July 1997. The review consisted principally of inquiries of company personnel about the information reported in the consolidated condensed interim financial statements and about the consistency of the accounting principles utilised therein as well as the application of analytical review procedures on the data contained in the above mentioned consolidated financial statements. The review excluded certain auditing procedures such as compliance testing and verification and validation tests of the assets and liabilities and was therefore substantially less in scope than an audit performed in accordance with generally accepted auditing standards. Accordingly, unlike an audit on the annual consolidated financial statements, we do not express a professional audit opinion on the consolidated condensed interim financial statements.

Regarding the amounts of the consolidated financial statements of the prior year and the consolidated condensed interim financial statements of the prior year presented for comparative purposes, reference should be made to our reports dated 18 March 2011 and dated 4 August 2010, respectively.

PricewaterhouseCoopers SpA

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3 Based on our review, nothing has come to our attention that causes us to believe that the consolidated condensed interim financial statements of Brembo Group as at 30 June 2011 have not been prepared, in all material respects, in accordance with the international accounting standard (IAS 34), applicable to interim financial reporting, as adopted by the European Union.

Milan, 29 July 2011

PricewaterhouseCoopers SpA

Signed by
Giorgio Greco
(Partner)

This report has been translated into the English language from the original which was issued in Italian, solely for the convenience of international readers.
We have not examined the translation of the consolidated condensed interim financial statements referred to in this report.

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Attestation of the Half-year condensed financial statements according to art. 81-*ter* of Consob Resolution No. 11971 of 14 May 1999 with amendments and additions

1. We undersigned, Alberto Bombassei, in his capacity as the Chairman of the Board of Directors, and Matteo Tiraboschi, as the executive officer in charge for the preparation of the Company's Financial Statements of Brembo S.p.A., certify, pursuant to the provisions of art. 154-*bis*, clauses 3 and 4, of Italian Legislative Decree No. 58 of 24 February 1998:

- the adequacy with respect to the company structure and
- the effective application,

of the administrative and accounting procedures used for the preparation of the half year Condensed Financial Statements for the period from 1 January to 30 June 2011.

2. The appropriateness of administrative and accounting procedures for preparing the Condensed Financial Statements at 30 June 2011 was assessed using a process establish by Brembo S.p.A. based on the Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, with is generally accepted as a reference worldwide. No significant aspects have been detected in this regards.

3. The undersigned further declare that:

3.1 The Condensed Financial Statements:

a) have been prepared in accordance with applicable International Accounting Standards, as endorsed by the European Community pursuant to Regulation (EC) 1606/2002 of European Parliament and of the Council of 19 July 2002;

b) reflect the accounting books and records;

c) provide a true and fair view of the assets, liabilities, profit or loss and financial position of the issuer and its consolidated companies.

3.2 The related interim management report includes a reliable analysis of the significant events affecting the Company during the first six months of the current fiscal year and the impact of such events on the Company's Condensed Financial Statements as well as a description of the main risks and uncertainties for the remaining six months of the year. Furthermore the related interim management report contains a reliable analysis of the significant related party transactions.

Stezzano, 29 July 2011

Alberto Bombassei
The Chairman
....

Matteo Tiraboschi
Executive officer in charge for the preparation of the Company's Financial Statements
....

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