SIX MONTHLY REPORT 2012

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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 Board of Directors, which will remain in office until the approval of the financial statements for the year ending 31 December 2013.

On 20 April 2012, the General Shareholders' Meeting of the parent company Brembo S.p.A. resolved to re-elect, and thus appoint, Andrea Abbati Marescotti as member of the Board of Directors until the end of the current term, namely until the General Shareholders' Meeting held to approve the financial statements for the year ending 31 December 2013.

At 30 June 2012, Company Officers included:

BOARD OF DIRECTORS	
Chairman	Alberto Bombassei [1] [8]
Executive Deputy Chairman	Matteo Tiraboschi [2] [8]
Managing Director and General Manager	Andrea Abbati Marescotti [3] [8]
Directors	Cristina Bombassei [4] [8] Giovanni Cavallini [5] Giancarlo Dallera [5] Giovanna Dossena [6] Umberto Nicodano [7] Pasquale Pistorio [5] [9] Gianfelice Rocca [5] Pierfrancesco Saviotti [5]
BOARD OF STATUTORY AUDITORS [10]	
Chairman	Sergio Pivato
Auditors	Enrico Colombo Mario Tagliaferri
Alternate Auditors	Gerardo Gibellini Marco Salvatore

INDEPENDENT AUDITORS	PricewaterhouseCoopers S.p.A. [11]
MANAGER IN CHARGE OF THE COMPANY'S FINANCIAL REPORTS	Matteo Tiraboschi [12]

COMMITTEES

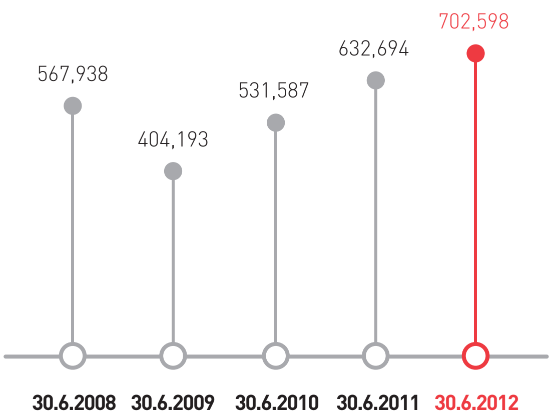
Audit Committee [13]	Giovanni Cavallini (Chairman) Giancarlo Dallera Pasquale Pistorio
Remuneration Committee	Umberto Nicodano (Chairman) Giovanni Cavallini Pierfrancesco Saviotti
Supervisory Committee	Marco Bianchi (Chairman) [14] Giancarlo Dallera Alessandra Ramorino [15]

(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) This Director also holds the position of Executive Director in charge of overseeing the functioning of the Internal Control System.
(5) 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).
(6) 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).
(7) Non-executive Director.
(8) Executive Directors.
(9) This Director also holds the position of Lead Independent Director.
(10) This Board holds the role of Audit Committee and Accounting Audit pursuant to Article 19 of Legislative Decree No. 39/2010.
(11) The Shareholders' Meeting held on 27 April 2007 extended the mandate until financial year 2012.
(12) Appointed by the Board of Directors on 29 April 2011. He also holds the position of Investor Relator.
(13) The Audit Committee also acts as the Related Party Transactions Committee.
(14) Private practice lawyer - Studio Castaldi Mourre & Partners, Milan.
(15) Person in charge of Internal Control and Internal Audit Director of the Brembo Group.

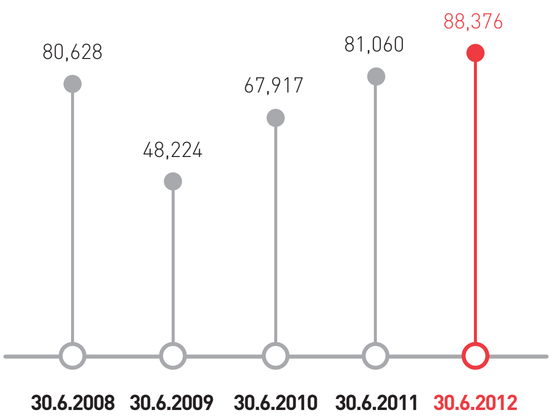
Brembo S.p.A. Registered offices: CURNO (BG) – Via Brembo 25
Share capital: €34,727,914.00 – Bergamo Register of Companies:
Tax Code (VAT Code) No. 00222620163

BREMBO: SUMMARY OF GROUP RESULTS

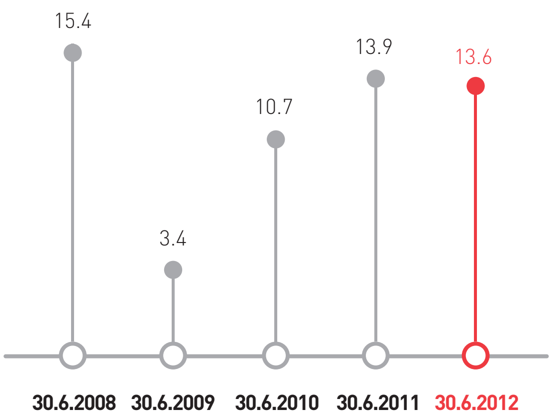
SALES OF GOODS AND SERVICES
(euro million)



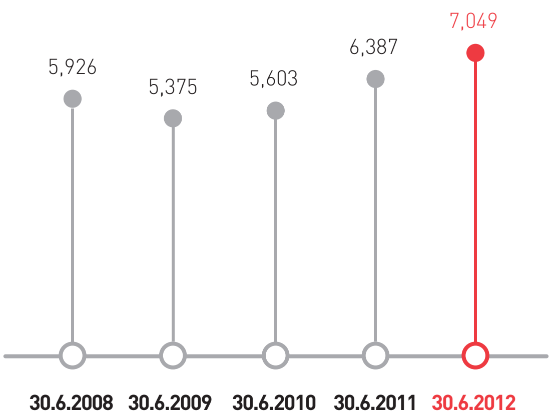
GROSS OPERATING INCOME
(euro million)



ROI
(percentage)



PERSONNEL AT END OF PERIOD
(No.)



ECONOMIC RESULTS

(euro thousand)	30.06.2008	30.06.2009	30.06.2010	30.06.2011	30.06.2012	% 2012/2011
Sales of goods and services	567,938	404,193	531,587	632,694	702,598	*11.0%*
Gross operating income	80,628	48,224	67,917	81,060	88,376	*9.0%*
% on sales	*14.2%*	*11.9%*	*12.8%*	*12.8%*	*12.6%*	
Net operating income	51,516	10,096	31,843	42,880	49,274	*14.9%*
% on sales	*9.1%*	*2.5%*	*6.0%*	*6.8%*	*7.0%*	
Income before taxes	43,624	3,221	26,612	37,847	44,248	*16.9%*
% on sales	*7.7%*	*0.8%*	*5.0%*	*6.0%*	*6.3%*	
Net result for the period	30,566	(481)	18,650	24,735	35,584	*43.9%*
% on sales	*5.4%*	*-0.1%*	*3.5%*	*3.9%*	*5.1%*	

FINANCIAL RESULTS

(euro thousand)	30.06.2008	30.06.2009	30.06.2010	30.06.2011	30.06.2012	% 2012/2011
Net invested capital [1]	674,442	600,814	601,915	624,034	729,715	*16.9%*
Equity	321,493	275,213	312,270	323,407	358,561	*10.9%*
Net financial debt [1]	330,206	303,401	268,782	280,919	351,459	*25.1%*

PERSONNEL AND INVESTMENTS

	30.06.2008	30.06.2009	30.06.2010	30.06.2011	30.06.2012	% 2012/2011
Personnel at end of period (No)	5,926	5,375	5,603	6,387	7,049	*10.4%*
Turnover per employee (euro thousand)	95.8	75.2	94.9	99.1	99.7	*0.6%*
Investments (euro thousand)	68,625	28,421	33,837	77,249	68,969	-10.7%

MAIN RATIOS

	30.06.2008	30.06.2009	30.06.2010	30.06.2011	30.06.2012
Net operating income/Sales	*9.1%*	*2.5%*	*6.0%*	*6.8%*	*7.0%*
Income before taxes/Sales	*7.7%*	*0.8%*	*5.0%*	*6.0%*	*6.3%*
Investments/Sales	*12.1%*	*7.0%*	*6.4%*	*12.2%*	*9.8%*
Net financial debt/Equity	*102.7%*	*110.2%*	*86.1%*	*86.9%*	*98.0%*
Interest expense/Sales	*1.1%*	*1.7%*	*0.8%*	*0.7%*	*0.6%*
Interest expense/Net operating income	*12.4%*	*68.0%*	*12.9%*	*10.6%*	*8.6%*
ROI [2]	*15.4%*	*3.4%*	*10.7%*	*13.9%*	*13.6%*
ROE [3]	*18.9%*	*-0.8%*	*11.9%*	*15.7%*	*20.0%*

(1) A breakdown of these items is provided in the consolidated Balance Sheet on page 40.
(2) ROI: Net operating income / Net invested capital x annualisation factor (days in the year/days in the reporting period).
(3) ROE: Net income (loss) before minority interests / Equity x annualisation factor (days in the year/days in the reporting period).

DIRECTORS' REPORT ON OPERATIONS

BREMBO AND THE MARKET

Macroeconomic Context

In the first six months of 2012, the slowdown in production reported in Europe, the United States and China fuelled concerns regarding growth prospects at the global level.

The greatest causes for concern are the Eurozone debt crisis, an issue at the focus of the most recent G20 held in Mexico on 18 and 19 June, and the slowdown of the Chinese economy, the true driver of the global economy in recent years. In the first quarter of 2012, Chinese GDP increased by 8.1%: a growth rate that, while still high, is nonetheless the lowest of the past three years; in the second quarter, it even fell below the threshold of 8%. The signs of a slowdown emerging from the Eurozone come in addition to the persistent volatility of financial markets and signs of moderation from the U.S. economy.

Considering the strong risks tied to these signals, the global economic forecasts published by the International Monetary Fund (IMF) in July were revised downwards from their April levels. According to the most recent estimates, in 2012 global GDP will increase by 3.5% (-0.1 compared to the previous estimates) and growth of 3.9% (-0.2 compared to the previous estimates) is now forecast for 2013.

In the Eurozone, the IMF projects that GDP will decline by 0.3% in 2012 compared to 2011. At the level of individual countries, forecasts call for very different performances, ranging from a severe contraction for Italy and Spain to virtual stagnation for France and slight growth for Germany. In general, in May industrial output in the Eurozone showed a reversal of course, increasing by 0.5% compared to the previous month, although the trend remains negative on an annual basis (-2.8% compared to the same month of 2011). In addition, in April there was a renewal of tensions on financial markets. The climate of uncertainty that is weighing on the area's major countries is also strongly conditioning the job market. The unemployment rate in the Eurozone increased once more, reaching an all-time high of 11.1% in May, up by 0.1 compared to the previous month.

In Italy, the unemployment rate remained below the European average, reaching 10.1% in May (-0.1 compared to the previous month). However, there cannot be said to be a positive trend, given that as a percentage of the total active population the unemployed increased to 10.2% from 9.3% at the end of 2011. The greatest cause for concern remains Spain, where the unemployment rate continued to rise, reaching 24.6% in May. According to the most recent data published by Eurostat, annual inflation in the Eurozone is expected to have remained stable in June at 2.4%.

The rather critical macroeconomic scenario prevailing in Europe, Brembo's primary market of operation, is reflected in the performance of the automotive sector. European motor vehicle registrations (EU 27 + EFTA) declined by more than 6% in the first half of 2012. In addition, the area's performance figures


brembo

indicate highly diverging trends: in the first six months of the year, the German market grew by 0.7%, whereas in Italy motor vehicle registrations decreased by 19.7% compared to the same period of 2011. Roberto Vavassori, the president of the Italian Association of the Automotive Industry (ANFIA), commented on the performance of the country's automotive market: "The seventh consecutive double-digit decline for the Italian car market, which stands at volumes similar to those last seen in 1980; it will take time to fill the demand vacuum created by the recession."

In the United States, according to the IMF's most recent estimates, GDP is expected to increase by 2.0% during the current year, i.e., 0.1 less than the previous estimates published in April. However, there are encouraging signs in terms of industrial output, which in June increased by 0.4% compared to the previous month, in line with analysts' projections. At the same time, the May figure was revised from -0.1% to +0.2%. On the job market, the unemployment rate remained stable at 8.2% in June. The number of workers who applied for weekly benefits for the first time declined significantly, positively exceeding projections and thus reaching the lowest level since 2008. This figure is juxtaposed with that concerning the number of new jobs, for which growth lagged behind the forecasts in.

Both in April and May, the retail sales figure showed a decline of 0.2%, which rose to 0.4% excluding the car segment. In the United States, the automotive market continues to show signs of growth. In the first six months of 2012, light vehicle sales increased by nearly 15 percentage points, owing in part to the increases of more than 20% reported in May and June.

In Japan, the most recent economic performance estimates have been revised upwards and call for an increase in GDP of 2.4% in 2012, following on the decline of 0.7% reported in the previous year. Nonetheless, the consumer confidence index fell further in June (-0.3 points compared to the previous month), bearing witness to pessimism towards the local economic situation and precariousness at the international level. In fact, citizens who are concerned that the economic situation will deteriorate currently outnumber those who believe that it will improve. The shut-off of Japan's 50 nuclear reactors following the Fukushima tragedy resulted in a 10% increase in electrical power rates, and the government therefore decided to return to nuclear power, fearing that the economy might shrink by as much as 5% if atomic energy were not to be re-activated. The car market, which showed positive signs, is among the most popular indicators to assess monthly trends in consumption. In the first half of 2012, car sales in Japan increased by more than 50% owing to the capacity of governmental incentives to foster a recovery of the industry, which was severely affected from a production standpoint following the Fukushima incident.

The rate of growth slowed further in the main emerging countries. China, India and Brazil once more proved the drivers of the international recovery, while also sustaining the severe impact of the decrease in exports as a result of spending cuts in the Eurozone. According to a study by HSBC, the emerging market index fell from 53.6 in the first quarter of 2012 to the current 53. The most severely affected are Brazil and China, which showed a more significant slowdown than India and Russia.

In China, gross domestic product performed as analysts expected in the second quarter of 2012, increasing by 7.6%. While this result averts fears of a more marked economic slowdown for the present, it nonetheless marked the sixth consecutive decline; in the previous quarter, Chinese GDP had grown by 8.1% on an annual basis. At the level of the first six months of the year, GDP growth amounted to 7.8% compared to the 9.6% reported in the first half of 2011. The International Monetary Fund's most recent July estimates call for GDP growth on the Chinese market of 8% in 2012 (-0.2 compared to the previous estimates). This trend continued to be driven by the severe instability of exports as a result of the debt crisis in Europe and the recovery in the United States, which is proving slower than expected. China thus finds itself forced to shift from exports to internal consumption to sustain growth. The growth rate was supported by industrial output that, while below analysts' expectations, nonetheless showed an increase of 9.5% in the final month of the first half of the year. During that same month, retail sales increased by more than 10% on an annual basis, exceeding analysts' estimates. Light vehicle sales registered an increase of approximately 6% in the first half of the year.

In India, the IMF's most recent July 2012 estimates call for GDP growth in the current year to reach 6.1% (-0.7 compared to the previous estimates): a growth rate that could prove too low to maintain social stability. In addition to slowing economic growth, the main challenges faced by India are its tax deficit and the depreciation of the local currency. These factors, combined with sky-high inflation, led the international agency Fitch to lower its rating outlook for India from stable to negative.

In Brazil, the IMF's most recent July forecasts for GDP in 2012 were revised sharply downwards (-0.6) to 2.5%, down from the 2.7% growth reported in the previous year. As mentioned above, the Brazilian economy registered an abrupt slowdown. The scenario is rendered even more fragile by the period of disturbance experienced by the entire global economy, in which China, Brazil's main economic partner, is slowing its progress. According to the most recent data published by Fenabrave, the Brazilian motor vehicle dealers' association, light vehicle sales also suffered in the first half of 2012, remaining essentially stable compared to the same period of the previous year.

In Russia, according to the IMF's July forecast, GDP is expected to increase by 4% in 2012, following on the 4.3% increase that took place in 2011. Figures for sales of cars and light commercial vehicles grew by over 14% in the first half of 2012.

On the commodities market, prices declined significantly, driven downwards by the weak international situation. The average price of oil (the arithmetic mean of the quotations of the three qualities, i.e., WTI, Dubai and Brent) stood at 102.9 dollars a barrel in the second quarter of 2012, down by 8.5 percentage points compared to the first quarter of the year and 6.6% compared to the same period of 2011. The price per barrel continued to rise in the first quarter of the year to then decline considerably in the second quarter, reaching a monthly average of 90.7 in June, down by 12.9% compared to the May quotation and as much as 14.3% compared to June 2011. The prices of non-energy commodities also declined, albeit to a more modest extent, in the second quarter of 2012.

Currency Markets

In the first six months of 2012, the dollar initially depreciated, bringing the exchange rate with the euro to 1.3454 (28 February); it then remained at a level around 1.32 until early March, when it began to appreciate considerably, reaching 1.2322 (1 June), to then correct towards 1.26 in late June. Closing rate: 1.259.

Turning to the currencies of Brembo's main markets of operation at an industrial and commercial level, the British pound sterling initially depreciated against the euro (reaching a low of 0.84815 on 24 February) to then reverse the trend and appreciate constantly in April and May to reach 0.79775 (on 30 May). In June, the currency showed sideways movement, remaining near the low for 2012. Closing rate: 0.8068.

The Polish zloty, which depreciated against the euro throughout 2011, finally reversed the trend, appreciating from 4.5054 (5 January) to 4.0992 (9 March). However, in the following three months it once more gave ground to the euro, depreciating to above 4.40 in late May and recovering in June, when it stabilised at the half-yearly average. Closing rate: 4.2488.

The Czech koruna presented a trend similar to that of the zloty, with an initial phase of appreciation against the euro to 24.464 (on 20 March) and depreciation in the second half of the six months, reaching a low against the euro of 25.963 on 26 June. Closing rate: 25.64.

The Swedish krona, after reaching an annual low against the euro of 8.7605 on 19 January, fluctuated around 8.5 in the first four months of the year (sideways movement). It then rapidly depreciated to reach 9.1356 on 17 May, after which it recovered equally rapidly in the rest of May and the following month. It closed near its annual low: 8.7728.

In the East, the Japanese yen put an end to the uptrend that had persisted for eight months, once more depreciating constantly against all major currencies to reach 111.11 to the euro on 20 March. In the next three months, the trend was once more towards appreciation against the euro, with a slight correction in the final 20 days of the half-year. Minimum: 96.25 (1 June). Closing rate: 100.13.

The Chinese yuan/renminbi, which had appreciated against the major currencies since May of the previous year, met with strong resistance at 8.00 in mid-January and then showed a reversal of the trend in the two following months, depreciating against the euro to 8.4766 (28 February). It then resumed appreciation in March, April and May, reaching its high against the European currency at 7.8486 on 1 June, to then depreciate slightly in the rest of the month. Closing rate: 8.0011.

The Indian rupee appreciated constantly against the euro to reach 63.978 in the first half of the first quarter; it then reversed the trend for the rest of the reporting period, depreciating sharply to above 71 (low of 71.663 on 22 June). Closing rate: 70.12.

In the Americas, the Brazilian real appreciated against the euro until mid-February (2.2475 on 15 February) to then undergo a correction, depreciating to reach 2.6447 on 23 May. Closing rate: 2.5788.

The Mexican peso continued to appreciate against the European currency during the first two and a half months of the year, reaching a high (16.4549) on 14 March. It then depreciated to 17.8 in April and May, to recover to 16.9 in June. Closing rate: 16.8755.

Lastly, the Argentine peso began to depreciate constantly against the euro in mid-January (after having appreciated to 5.462141), reaching a low on the final day of February (5.860673). After sideways movement until early May, it then appreciated once more to slightly above 5.50. Closing rate: 5.64320.

Group Activities and Reference Market

Brembo is the world leader and acknowledged innovator of the brake disc technology for automotive vehicles. It currently operates in 15 countries on 3 continents, through its industrial and commercial facilities, and employs over 7,000 people worldwide.
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 (Apodaca), Brazil (Betim and São Paulo), Argentina (Buenos Aires), 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.

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 mainly brake discs, but also 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 the passive safety segment (seats, seat belts and accessories).

In the first half of 2012, Brembo's consolidated net sales amounted to €702,598 thousand, up by 11% compared to the same period of 2011.

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

Cars

In the first half of 2012, the global light vehicle market registered a 6.6% increase in sales, owing primarily to growth in the United States, as well as in China, India and Russia, and to the recovery in Japan.

By contrast, the Western European car market continued to feel the effects of the difficult economic situation in Europe, declining by 6.9% overall, although with performances differing from country to country. In detail, sales were stable in Germany (+0.7%) and increased slightly in the United Kingdom (+2.7%), whereas they continued to decline sharply in Italy (-19.7%), France (-14.4%) and Spain (-8.2%). The uptrend continued in the markets of Eastern Europe, which closed the half-year with a 4.8% increase in car sales and with Russia registering an overall rise in light vehicle registrations of 14.3%.

The United States enjoyed a highly positive

Cars. Cadillac XTS front brake calliper.

first half of the year, with light vehicle sales up nearly 15% overall compared to the first half of 2011. By contrast, there were downtrends in Brazil and Argentina, which showed an overall decline in sales of 4%.

On Asian markets, China resumed growth, recovering from a negative first quarter and closing the half-year with light vehicle sales at +6.1% compared to the first half of 2011. Highly positive performances were reported by the Indian market, which grew by over 13%, and the Japanese market, which began to recover after the tragic earthquake that struck the country on 11 March 2011, closing the half-year up 50% and returning to sales levels last seen prior to the 2008 crisis.

Within this scenario, Brembo reported €447,983 thousand in net sales of car applications in the first half of 2012, accounting for 63.8% of the Group's turnover, up by 13.1% compared to the same period of 2011.

Motorbikes

Europe, the United States and Japan are Brembo's three most important markets in the motorbike sector. In Europe, motorbike registrations showed an overall decline of 12.5% in the first half of 2012 compared to the same period of 2011. Of the main markets of operation, the United Kingdom was the only market to show growth compared to the first half of the previous year (+1.8%). By contrast, sales continued to decline in Spain (-20.9%), France (-11.5%), Germany (-2.4%) and Italy, where the decrease in the first six months of the year exceeded 21% (scooters closed the half-year at -17.1% and motorbikes at -30%). In the United States, the motorbike, scooter and ATV (All Terrain Vehicles) market showed some slight signs of a recovery in the first half of the year compared to the same period of 2011. In the first six months of 2012, Japan reported 16% growth if all capacities above 50 cc are considered together; there was especially strong growth in capacities above 250 cc, which registered an increase of 32.7%. Positive signs were seen also in emerging markets, and especially the Indian market, which showed an increase of more than 10% in registrations of two-wheeled vehicles during the reporting period.

In the first half of 2012, Brembo's net sales of applications in this segment amounted to €79,616 thousand, increasing by 8.5% compared to the same period of 2011.

Commercial and Industrial Vehicles

In the first half of 2012, the European commercial vehicles market, Brembo's reference market, continued the negative trend recorded in the first quarter of the year, with an overall decrease of 10.3% compared to the same period of 2011.

Total registrations of light commercial vehicles (up to 3.5 tonnes) decreased by 11.6%, in the same period. Of the main markets of operation in Western Europe, Italy showed the most marked decline, with a decrease in registrations of over 35%, followed by Spain (-25.5%) and the United Kingdom (-10.1%). In Eastern European countries, the signs of a recovery witnessed in the first quarter of 2012 ceased in the latter part of the first half of the year, which closed with an overall increase in registrations of just 2% compared to the same period of 2011.

Commercial vehicles over 3.5 tonnes also continued to decline considerably during the entire first half of 2012, reporting an overall decrease in registrations of 5.2% compared to the same period of 2011. Of the main markets of operation in Western Europe, only the English market grew, registering +21.5% in the first half of the year, whereas all of the other markets declined compared to the same period of 2011: sales decreased by 3.2% in France, 4.7% in Germany and 22.4% in Spain. The situation in the Italian market was cause

for concern, with a decline of more than 30%. In Eastern European countries, sales of medium and heavy commercial vehicles contracted by 6.8% compared to the same period of 2011.
In the first half of 2012, Brembo's net sales of applications for this segment amounted to €102,328 thousand, up by 5.3% compared to €97,147 thousand in the same period of the previous year.

Racing

In the racing sector, where Brembo has maintained undisputed supremacy for years, with over 200 world championships currently won, the Group operates through four leading brands: Brembo Racing (braking systems for racing cars and motorbikes), AP Racing (braking systems and clutches for racing cars), Marchesini (magnesium and aluminium wheels for racing motorbikes) and Sabelt (seats and seat belts).

Brembo began operating in the passive safety segment with the acquisition of Sabelt S.p.A 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 2012, Brembo reported a 7.9% increase in net sales, which amounted to €68,162 thousand compared to €63,164 thousand in the same period of 2011.

Motorbikes. M50 monobloc brake calliper for the Ducati 1199 Panigale.

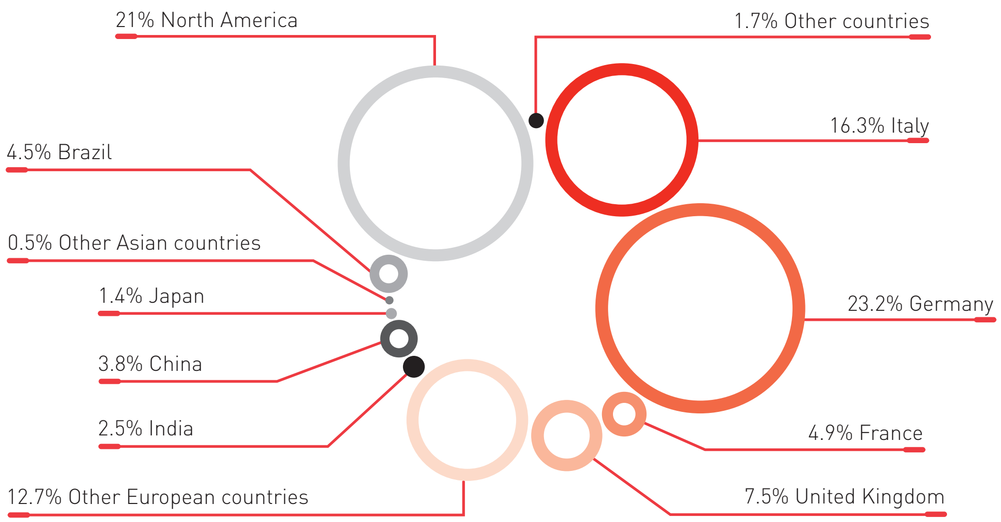
SALES BREAKDOWN BY GEOGRAPHICAL AREA AND APPLICATION

NET SALES BREAKDOWN BY AREA AND APPLICATION

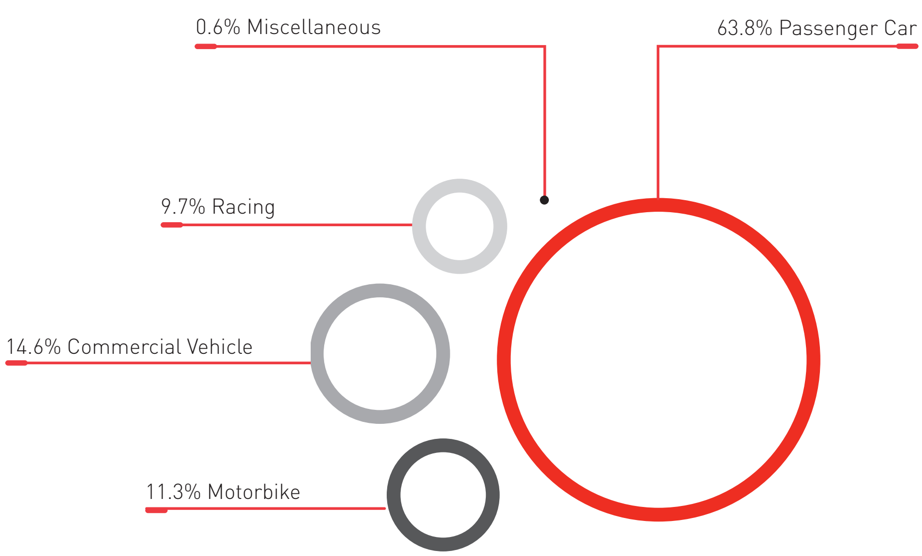
GEOGRAPHICAL AREA (euro thousand)	30.06.2012	%	30.06.2011	%	Change	%
Italy	114,485	*16.3%*	121,336	*19.2%*	(6,851)	*-5.6%*
Germany	162,945	*23.2%*	136,540	*21.6%*	26,405	*19.3%*
France	34,654	*4.9%*	32,371	*5.1%*	2,283	*7.1%*
United Kingdom	52,459	*7.5%*	38,718	*6.1%*	13,741	*35.5%*
Other European countries	89,196	*12.7%*	92,931	*14.7%*	(3,735)	*-4.0%*
India	17,463	*2.5%*	17,214	*2.7%*	249	*1.4%*
China	26,792	*3.8%*	28,251	*4.5%*	(1,459)	*-5.2%*
Japan	10,112	*1.4%*	8,910	*1.4%*	1,202	*13.5%*
Other Asian countries	3,762	*0.5%*	3,425	*0.5%*	337	*9.8%*
Brazil	31,749	*4.5%*	36,434	*5.8%*	(4,685)	*-12.9%*
North America (USA, Canada and Mexico)	147,752	*21.0%*	114,375	*18.1%*	33,377	*29.2%*
Other countries	11,229	*1.7%*	2,189	*0.3%*	9,040	*413.0%*
Total	**702,598**	***100.0%***	**632,694**	***100.0%***	**69,904**	***11.0%***

APPLICATION (euro thousand)	30.06.2012	%	30.06.2011	%	Change	%
Passenger Car	447,983	63.8%	396,227	*62.6%*	51,756	*13.1%*
Motorbike	79,616	11.3%	73,401	*11.6%*	6,215	*8.5%*
Commercial Vehicle	102,328	14.6%	97,147	*15.4%*	5,181	*5.3%*
Racing	68,162	9.7%	63,164	*10.0%*	4,998	*7.9%*
Miscellaneous	4,509	0.6%	2,755	*0.4%*	1,754	*63.7%*
Total	**702,598**	***100.0%***	**632,694**	***100.0%***	**69,904**	***11.0%***

NET SALES BREAKDOWN BY AREA
(percentage)



NET SALES BREAKDOWN BY APPLICATION
(percentage)



RESEARCH AND DEVELOPMENT

In accordance with the guidelines that characterised the past few years, all of Brembo's research and development activities may be attributed to the concept of the "friction system" while maintaining the specific qualities of the various Divisions and Business Units. According to this concept, each component (callipers, discs, pads, suspensions) is complementary to the others in optimising the braking function (the "friction system" as an element that integrates all of the components), which is thus constantly improved in all respects, not merely in terms of pure performance, but also of comfort, duration, aesthetics, etc.

In the field of cast-iron discs, work has continued successfully on optimising the parameters that influence a disc's vibration characteristics so that a disc's properties may be managed as early as the planning stage in order to improve the system's comfort performance. The development, in the design stage, of complex calculation and (fluid-dynamic and thermodynamic) simulation programs further improved our products' already high standards, allowing us to obtain important recognition from our clients.

Work on cast-iron discs used in heavy commercial vehicles involved optimising mass characteristics and cooling/ventilation capacities while maintaining the required performance. In addition, development work began for specific friction materials for these applications.

In car applications, in addition to normal application development with the world's foremost car manufacturers, work continued on developing new concepts for "light" discs, focusing attention on the study of shapes, materials and specific surface treatments capable of meeting the needs of next-generation vehicles (electrical and hybrid), including from the standpoint of a reduced environmental footprint (emission of CO_2 and fine particles). The joint development with innovative friction materials designed for this type of disc is extremely important and Brembo is the only manufacturer deemed to have the in-house expertise for this type of development. Work on carbon-ceramic discs continued in the form of study aimed at creating high-performance discs at more contained costs, thus fostering an increase in the use of this type of disc. Here as well, the joint development of special friction materials is one of Brembo's strengths.

The evaluation of the available technologies and market potential for carbon-ceramic discs also continued for motorbike applications. The feasibility study will be concluded in the second half of 2012. The resumption of the development of this application also calls for the parallel development of a specific friction material. In other work for motorbike applications, the polymer clutch master cylinder project has reached the prototyping stage according to schedule, with the definition of all key technical aspects: the quick connection with the brake hose, seals concept and piston retaining concept, body/clamp layout and microswitch position.

In the area of new patents, the procedure has been initiated for the filing of a patent concerning a pump concept that involves a reduction of the strain placed on the polymer components and a decrease in the number of threaded connections in the plastic material. In addition, a patent application for a second concept, defined during the design of the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polymer pump, which calls for a different positioning of the microswitch, is in the initial stages. There are no plans to develop a polymer lever for this application at this time. Finally, a partially sliding braking surface is under study with the aim of reducing cost and weight, thus decreasing the tendency towards NVH issues.

Brembo continues to develop a carbon-ceramic disc for racing applications designated CCM-R, which combines the technique used to make carbon-carbon discs for the most advanced applications (Formula One, MotoGP, etc.) with carbon-ceramic discs for road use. The first few months of the year saw the launch of a new project tied to the carbon-carbon racing disc, to which Brembo will dedicate considerable effort from a technical and industrial standpoint in the coming years. Work is also continuing on developing high-performance pads for application on racing systems in cast-iron and carbon-ceramic material and, in parallel, the first pads are being produced for application in the motorbike field. The first half of the year witnessed the first appearance on track of new solutions for applications on Formula One cars (new calliper family, new ventilations and drives for brake discs) and new solutions for motorbike systems (VRC brake–clutch cylinder, new calliper for MotoGP and Superbike systems). In the United States, Brembo is the only supplier of the brake system for Indy vehicles (IRL Championships) with a complete brake system (callipers, carbon-carbon discs and pumps).

In support of Sabelt, engineering work (calculation and testing) is fully underway for various strategic projects, and new simulation and calculation work is in the initial phase. This has allowed Brembo to draw confidence from certain materials and technologies not currently falling within the scope of brake system development, but which could provide for interesting developments in the future.

In its friction work, Brembo seeks to round out its expertise in brake systems (calliper, disc and pads) by focusing research on increasing its know-how in the area of friction materials, with the aim of delivering better service to its original equipment customers. This increased know-how translates into more effective service for the various pad suppliers, as well as into the production of small series of pads for brake callipers. In this regard, Brembo has completed the first stage of its industrial project by commencing production of its own high-performance friction materials for applications in both carbon-ceramic and cast-iron discs. Research and development work on developing friction materials for Brembo brake systems continues with a focus not only on car applications, but also heavy commercial vehicle and motorbike applications. In the latter field, Brembo has begun to study sintered friction materials, which are typical of this type of market with its decidedly high performance levels.

In all fields of study under development, a great deal of attention is devoted to issues relating to the environmental footprint of brake systems, privileging the use of environmentally friendly raw materials and seeking to minimise the levels of wear and tear of both the brake disc and pads in order to limit the production of particles during braking action. In order to meet the market's future needs as best as possible, Brembo also thoroughly considers the use of unconventional materials and brake types. From this standpoint, the use of aluminium alloys obtained by bringing the alloy into a thixotropic state – i.e., temperatures below the melting point — has reached the final validation stage for the production of car callipers.

This new technology yields considerable benefits in terms of reduced weight and increased performance.

In addition, solutions are being studied to help reduce, through the brake system, vehicle consumption and the resultant emissions of Co_2 and particulate matter. In parallel, Brembo is constantly committed to improve products and processes in order to supply cutting-edge products to emerging markets as well, such as India (for motorbike applications) and China (for light commercial vehicles). Fundamental in this regard are the role and growth planned by the Development Centers that Brembo has long established specifically for these markets (China and India), as well as for the U.S. market.

Advanced R&D activities are focused on mechatronic systems for the brake systems of tomorrow. The foundations are being laid for work over the next decade, which will see a strong development and an increasing diffusion of electrical vehicles (initially cars, and then other types of vehicles). Along these lines, 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 Brembo can maintain its lead in product innovation. In the future, this brake system concept will find application in all vehicles, and thus not just cars but also commercial vehicles and motorbikes, and will require a very high level of integration with other systems, such as electric engines and new suspension/steering concepts. Such integration will allow for increased active safety and the optimisation of specific functions, such as regenerative braking.

In the interim, standard production applications are being identified for the first mechatronic systems developed by Brembo, such as electric parking brakes. The first half of 2012 saw the entry to the market of the first application of an EPB Brembo component in the first electric sedan produced by a U.S. OEM. Brembo continues to conduct development activities in cooperation with Universities and Research Centres to seek out worldwide new solutions to apply to brake discs and callipers, both in terms of new materials and new technologies and/or mechanical components to be introduced to brake callipers.
These partnerships also extend to methodological activities relating to development, as they involve the creation and use of increasingly sophisticated simulation and calculation tools.

The Corvette of the Larbre Competition team, winner of the 2012 Le Mans 24 Hours, with Brembo RB 340 pads, GTE AM class.

INVESTMENTS

In the first half of 2012, the investment management policy developed in continuity with the two previous years, in which Brembo continued to invest both in Italy and various countries within the international scenario in order to strengthen its presence around the world.

In China, investments continued for the completion of the new integrated production hub in Nanjing, officially inaugurated in April 2012, including a foundry and a facility for processing brake callipers and discs for cars and commercial vehicles, as well as a research and development centre.

Brembo's investments in Poland are still ongoing and will be carried on until 2014. These investments are aimed at increasing the production capacity of the integrated industrial hub of Dabrowa Górnicza dedicated to the production of brake discs for cars and commercial vehicles. The project is funded through Group cash generation and with recourse to the banking system; in addition, there will be access to tax concessions in place for the Katowice Special Economic Zone.

In the Czech Republic, investments continued for the completion of the new production facility, which became operational already in 2011 and which includes the casting, processing and assembly of brake callipers and other aluminium components.

The total investments undertaken across all operating units in the half-year amounted to €68,969 thousand, of which €57,583 thousand was invested in property, plant and equipment and €11,386 thousand in intangible assets. As already indicated, a high percentage of investments were concentrated in Poland (23%), China (18%) and the Czech Republic (14%).

Significant investments also continued to be undertaken in Italy (32%), of which €10,975 thousand was invested in property, plant and equipment, primarily represented by investments in plant and machinery for production, and €7,350 thousand in development costs.


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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 No. 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. with reference to specific risks connected with compliance with Legislative Decree No. 231/2001.

The types of risks whose profile has 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 & 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.

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 the 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 its 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 programme). The supplier selection process, including an assessment of suppliers' financial solidity — an aspect that has taken 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.

In relation to the current economic situation, also 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,

Finishing and testing of unfinished articles at the plant in Dabrowa Górnicza, Poland.

Preparation of equipment at the plant in Dabrowa Górnicza, Poland.

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.

2011 Daimler Supplier Award trophy, bestowed on Brembo for its strong ability to innovate, manage and develop production around the world.

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 therefore 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 which define the objectives to be achieved;
- "Supervisory Plans", which list 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.

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 Group's CFO, 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 partially reduce this risk, the Group has entered into several medium/long-term fixed-rate loan agreements, as well as specific hedging contracts (IRS), accounting for approximately 17% of its gross financial position.

The objective is to fix the borrowing costs associated with a portion of debt and benefit from sustainable fixed rates. Group Central Treasury constantly monitors rate performance in order to conduct advance assessments, where necessary, of measures aimed at modifying the Group's debt structure.

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; the Department:
  - 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 periodically monitors the progress of existing and potential litigations and determines the most appropriate steps to take in managing them. The Administration, Finance & Control Department is responsible for the recognition of the appropriate provisions or impairment losses in connection with such risks and their effects on the income statement.

The Group works with dedicated personnel within the Quality & Environment Department regarding risks arising on non-compliance with the law 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 potential 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 and licenses.

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 as a result of Brembo's listing within Borsa Italiana's Star Segment, see the Corporate Governance and Ownership Structure Report. 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 implementing a project aimed at deploying the same ERP *(Enterprise Resource Planning)* application across all Group companies.

As part of the activities aimed at improving its compliance system, the Board of Directors constantly adapted Brembo's 231 Model to legislative developments and the development of the Group's business mission and organisational structure.

By adopting and constantly updating the 231 Model, Brembo intends to:

- comply with legal requirements and adopt the principles that inspired the Legislative Decree No. 231/2001 by formalising a structured and organic system, which already exists within the company, of procedures and (preventive and *ex post facto*) control activities designed to prevent and monitor the risk that related offences will be committed, through the identification of Sensitive Activities;
- constitute an effective instrument of corporate management, also acknowledging the Model's function of creating and protecting the value of the company.

Risk Management: Insurance Coverage

Where available and financially feasible, the Group obtains insurance coverage to minimise financial impacts of any damage or liability. Insurance analysis and transfer of the risks to which the Group is exposed are conducted in collaboration with an insurance broker, which supports this process with its international organisation and is responsible for the compliance of insurance programmes and the management of any losses.

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 management, which, through risk mapping, has allowed critical areas to be identified and analysed, i.e., 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: property all risks, general liability, general product liability, product recall and Directors' liability.

Additional coverage has been arranged locally based on the requirements of local legislation or collective labour contracts and/or corporate agreements or regulations.

Alberto Bombassei receives the Daimler Supplier Award 2011.

HUMAN RESOURCES AND ORGANISATION

In the first half of 2012, organisational reflections involved business units, central functions and foreign companies, with the aim of proceeding on the path outlined in 2011 and reacting to the persistent scenario of global economic instability.

With reference to the Business Units — after the initiatives adopted in the previous year, aimed at achieving operational and functional synergies and a high level of internal inter-departmental integration — the new organisation for the Systems Division was fully implemented. This has required a transition from a business-unit based organisation to a functional one, eliminating the Car and Commercial Vehicles business unit dimension, whose functions and plants were integrated with the commercial, technical and industrial areas to form a single Car and Commercial Vehicle Systems Division. Furthermore, the new Manager of the Curno Car Plant has been appointed.

Brembo Performance revised its organisation with the aim of optimising its structure and increasing market synergies, in particular by integrating marketing areas into a structure focused on the channels Racing, Retail and Industrial. In the Brake Disc Division, within the Quality Assurance area, the company created the position of Know-How Leader and Disc International Technical Centres Manager, who reports to the Technical Director and is tasked with interfacing with the Development Centres of Brembo North America and Brembo China. Finally, within the Motorbike Business Unit, the Technical Department revised the internal structure of the Design area.

Turning to the subsidiaries, Brembo Czech defined its organisation with the aim of enhancing the industrial activities of the Systems Division. In addition, Sabelt and its subsidiary Belt & Buckle redesigned their structure to improve synergies between the marketing, product and operations areas. At Brembo Brake India, a new Country General Manager and Managing Director was appointed, both of which roles were assumed by the Motorbike Operations Director, with the aim of improving synergies with Italy and in view of the increasing importance of the Indian market. Finally, in Poland, with a view to the growth and development of internal resources and to foster a culture of merit, new Plant Managers were appointed for Dabrowa Discs and Czestochowa Callipers.

As far as the Central Functions are concerned, as announced during the previous year, effective 1 January 2012 the Advanced R&D Department was extended to include the testing areas of each Division/Business Unit (except Brembo Performance) and Friction technical development.

The Department began then to operate under this new form, after being removed from the Systems division and placed under the control of the Managing Director/General Manager to provide functional coordination for the Technical Departments of the various

Divisions/Business Units. The Purchasing Department strengthened its role of global guidance by developing the activities of Commodity Managers, who are responsible for setting the Global Commodity Strategy at an international level, as well as by creating the role of Strategic Sourcing Manager, aimed at seeking out and selecting new suppliers. In addition, the ICT Department has revised its organisation with the aim of ensuring better coverage of IT processes in all countries in which the Group operates. Finally, in June the role of the Risk Manager within the Administration, Finance & Control Department was redefined to include the task of identifying and supervising all possible threats to the achievement of company objectives.

Organisational reflections in the second half of 2012 will proceed in a manner essentially consistent with the guidelines for the first half of the year and will follow an approach transversal to the Group's various companies, with the aim of constantly pursuing the objectives of growth and market development.

Training and development opportunities within Brembo are organised into various levels: the "catalogue" of managerial training and development initiatives, founded on our HR management model, which is in turn aligned with Brembo's Business Model; strategic training and training in support of business development; and specific on-demand activities. These channels continued to serve and satisfy training demand also in the first half of 2012: the highest attendance was reported by the Interpersonal Effectiveness Development course and all levels of the economics and finance courses for non-specialists.

In training projects in support of the business strategy, the project known as Brembo Value Selling will constitute the main frame of reference, focused on promoting and broadly disseminating a culture of value, for a series of complementary initiatives that over the year will involve various professional families and divisions/business units. One of the five business units was already involved in the first half of 2012: at an initial phase, the business unit's strategic goals were shared and developed by strengthening the spirit of the "new" management team. The entire global structure then tried an innovative training process in the classroom that had been conceived to spread and standardise the aptitudes and skills required to face the challenges of business development.

A project of equal depth has been planned for an entire professional family of staff that in 2012 intends to complete its transformation to become, to an increasing extent, a central department capable of influencing, from its own perspective, the value chain from a broad, revamped strategic standpoint.

The innovation process involves not only strategy but also the ways in which a problem is approached. Two selected groups of resources from the Technical Development area (a total of 20 persons) participated in a training course on the TRIZ method (a Russian acronym referring to Inventive Problem Solving Theory), focusing on how to approach a problem of any kind in a creatively, structured manner. The result was the creation of task force capable of seeking and identifying novel solutions.

Workplace safety also remained a priority in 2012. In order to fulfil the legal obligations imposed by the agreement between Italy's central government and regions of 21 December 2011, the training campaign ABC Safety, launched for one facility in the final quarter of the previous year, continues with the involvement of a high percentage of personnel at the Italian production facilities, and in the coming months will also be provided to employees throughout the Italian section of the Group. In other work relating to compulsory training, a self-learning multimedia package on the subject of compliance in the internal control system was launched and will reach the entire employee population by year-end. Use of the Self-Development Media Library remained stable. The language school (English and German) remained always overbooked and had a total of 270 students in the classroom in the first half of the year.

Overall, 293 training initiatives were implemented in the first half of 2012 for a total of 156 courses, 24,230 training hours and 2,680 participants.

In development work, people management tools such as the Brembo Yearly Interview (for performance management), Development Centres (for groups or individuals) and Succession Planning tools were further disseminated. In parallel, various individual coaching programmes were launched for integrated role support. The feedback desk, which is constantly available upon request, was contacted by various resources who expressed a high level of satisfaction.

Industrial vehicles. The Star Pillar self-ventilated brake disc.

ENVIRONMENT, SAFETY AND HEALTH

In the area of health, workplace safety and environment issues, in 2012 Brembo decided to focus its attention on developing activities able to prevent the occurrence of accidents, under the conviction that working constantly on prevention allows for a structured reduction in workplace and environmental risks, thus ensuring the constant improvement of global performances.

The Management System applied by production facilities, based on international standards ISO 14001 (the environment) and OHSAS 18001 (safety), is by its nature structured in such a way that allows the identification of the most effective actions for reducing those risks and issues to a minimum, starting from an assessment of workplace risks and environmental issues. This method effectively privileges a *modus operandi* in which the identification of preventative measures is crucial. In addition, to provide greater emphasis for these aspects, it seemed important to structure ongoing activities at facilities in an even more detailed manner, among which two in particular deserve to be mentioned.

The first of these, known as the Ongoing Improvement Index, consists of monitoring the activities decided upon and implemented at each of the Group's facilities that entail a significant improvement with respect to the requirements of local laws and the Management System's standards defined at a corporate level. A score is associated with each activity implemented, and the total identifies the level of improvement achieved by a plant from one year to the next. The activities that may be carried out at plants include in particular: initiatives aimed at spreading a culture of safety and respect for the environment, structured periodic meetings in which workers participate, the implementation within departments of a system for collecting ideas for improvement and informational and promotional campaigns. The value of the Ongoing Improvement Index for each facility is disseminated within the Group, and through this indicator best practices can be identified and spread within the Group's various production facilities.

The second activity, known as the Manager's Test, is performed directly by the facility's employer, who usually also acts as Plant Manager.

The Test, on the basis of formal operational controls, shows, on at least a monthly basis, the level of compliance identified within departments with respect to the primary workplace safety and environmental issues. Although plant audit activity is already structured into various levels of control (e.g. a third party for legislative and certification audits and a second party, through Corporate, for audits relating to the application and maintenance of the Management System, or conducted directly by the Safety and Environment Supervisor for the facility's various departments), it was nonetheless attempted to provide a strong additional stimulus to the entire organisation in order to foster increasingly better application of company standards.

These and other measures of a preventative nature implemented by the facilities have been formalised with the 2012 Safety and Environment Plan, a document issued by Corporate that provides an annual account of the general objectives and programmes that the Brembo Group defines for issues relating to workplace safety and the environment.

The effectiveness of these new activities, the results of which will be subject to estimation with greater certainty in the medium term, also began to be monitored during the half-year. In the interim, the immediate results and facility best practices are published within the Group in the Safety and Environment Report, a document that outlines progress towards the identified objectives and programmes on a quarterly basis.

2012 MotoGP World Championship. Jorge Lorenzo of the Yamaha Factory Racing Team.

BREMBO STRUCTURE

The structure of the Brembo Group remained unaltered in the first half of 2012.

BREMBO S.P.A.

- 100% AP RACING LTD. Coventry UK
- 100% BREMBO CZECH S.R.O. Ostrava-Hrabová Czech Republic
- 100% BREMBO DEUTSCHLAND GMBH Leinfelden-Echterdingen Germany
- 100% BREMBO POLAND SPOLKA ZO.O. Dabrowa Gornicza Poland
- 100% BREMBO SCANDINAVIA A.B. Göteborg Sweden
- 100% BREMBO SPOLKA ZO.O. Czestochowa Poland
- 100% BREMBO UK LTD. London UK
- 100% LA.CAM (LAVORAZIONI CAMUNE) S.R.L. Stezzano - Italy
- 68% CORPORACION UPWARDS 98 S.A. Zaragoza Spain
- 65% SABELT S.P.A. Turin Italy
  - 100% BELT & BUCKLE S.R.O. Zilina Slovak Republic
- 50% BREMBO SGL CARBON CERAMIC BRAKES S.P.A. Stezzano - Italy
  - 100% BREMBO SGL CARBON CERAMIC BRAKES GMBH Meitingen - Germany
- 30% INNOVA TECNOLOGIE S.R.L. Almenno San Bartolomeo Italy
- 20% PETROCERAMICS S.R.L. Milan Italy
- 10% INTERNATIONAL SPORT AUTOMOBILE S.A.R.L. Levallois Perret - France
- 100% BREMBO JAPAN CO. LTD. Tokyo Japan
- 100% BREMBO NANJING FOUNDRY CO. LTD. Nanjing - China
- 100% QINGDAO BREMBO TRADING CO. LTD. Qingdao - China
- 99.99% BREMBO BRAKE INDIA PVT. LTD. Pune India
- 67.74% BREMBO CHINA BRAKE SYSTEMS CO. LTD. Beijing - Cina
  - 42.25% BREMBO NANJING BRAKE SYSTEMS CO. LTD.
- 27.75% BREMBO NANJING BRAKE SYSTEMS CO. LTD. Nanjing - China
- 1.20% FUJI CO. Tokyo Japan
- 100% BREMBO NORTH AMERICA INC. Wilmington, Delaware - USA
  - 51% BREMBO MEXICO S.A. DE C.V.
- 49% BREMBO MEXICO S.A. DE C.V. Apodaca - Mexico
- 99.99% BREMBO DO BRASIL LTDA. Betim Brazil
- 75% BREMBO ARGENTINA S.A. Buenos Aires Argentina

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

BREMBO'S CONSOLIDATED RESULTS

Income Statement results

(euro thousand)	30.06.2012	30.06.2011	Change	%
Sales of goods and services	**702,598**	**632,694**	**69,904**	***11.0%***
Cost of sales, operating costs and other net charges/income*	(473,431)	(425,360)	(48,071)	*11.3%*
Personnel expenses	(140,791)	(126,274)	(14,517)	*11.5%*
GROSS OPERATING INCOME	**88,376**	**81,060**	**7,316**	***9.0%***
% on sales	*12.6%*	*12.8%*		
Depreciation, amortisation and impairment losses	(39,102)	(38,180)	(922)	*2.4%*
NET OPERATING INCOME	**49,274**	**42,880**	**6,394**	***14.9%***
% on sales	*7.0%*	*6.8%*		
Net interest income (expense) from investments	(5,026)	(5,033)	7	*-0.1%*
RESULT BEFORE TAXES	**44,248**	**37,847**	**6,401**	***16.9%***
% on sales	*6.3%*	*6.0%*		
Taxes	(8,753)	(12,639)	3,886	*-30.7%*
RESULT BEFORE MINORITY INTERESTS	**35,495**	**25,208**	**10,287**	***40.8%***
% on sales	*5.1%*	*4.0%*		
Minority interests	89	(473)	562	*-118.8%*
GROUP NET RESULT	**35,584**	**24,735**	**10,849**	***43.9%***
% on sales	*5.1%*	*3.9%*		
Basic and diluted earnings per share (euro)	**0.55**	**0.38**		

* This 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 half of 2012 confirmed the Group's expectations, with a positive trend in sales. Net sales for the first six months of 2012 amounted to €702,598 thousand, up by 11% compared to the same period of 2011.

The two periods are not perfectly consistent in comparison due to the change in the consolidation area, and net sales would have increased by 9.7% on a like-for-like consolidation basis.

All sectors reported improved performance compared to the first half of 2011: the percentage growth was particularly high for the car applications sector (+13.1%), followed by motorbike applications (+8.5%), racing applications (+7.9%) and commercial vehicles applications (+5.3%).

At geographical level, Germany, which remained the Group's main reference market (23.2% of sales), reported an increase of 19.3%. Within the European market, the best growth result was registered by the United Kingdom (+35.5%), but France also closed the half-year on a positive note (+7.1%). By contrast, there was a slight decline in sales in Italy, which remained Brembo's third reference market (16.3% of sales), following Germany, as mentioned above, and North America (the UNITED STATES, Canada and Mexico), where there was marked growth (+29.2%). Emerging markets (Brazil, India, China and other Asian countries) collectively reported a 7.0% decrease in sales, whereas the Japanese market stood at +13.5% compared to the first half of 2011.

During the period under review, the cost of sales and other net operating costs amounted to €473,431 thousand, with a ratio of 67.4% to sales, in line with the 67.2% of the first half of 2011. Within this item, development costs capitalised as intangible assets amounted to €6,541 thousand, compared to €5,860 thousand in the first half of 2011.

Personnel costs amounted to €140,791 thousand, with a ratio to revenues (20.0%) equal to that of the first half of the previous year.

At 30 June 2012, the workforce numbered 7,049 (6,735 at 31 December 2011 and 6,387 at 30 June 2011). The increase was concentrated primarily in Italy, the United States and Poland and was tied to the increase in personnel required for the higher level of production associated with the increase in sales.

Gross operating income for the first half of the year was €88,376 thousand compared to €81,060 thousand in the same period of 2011, with a ratio to sales equal to 12.6%.

Net operating income amounted to €49,274 thousand (7.0% of revenues), compared to €42,880 thousand (6.8% of sales) in the first half of 2011, after depreciation, amortisation and impairment losses of €39,102 thousand, compared to €38,180 thousand in 2011.

Net interest expense amounted to €4,228 thousand (€4,534 thousand in the first half of 2011) and consisted of net exchange rate gains of €1,430 thousand (losses of €140 thousand in the first half of 2011) and interest expense of €5,658 thousand (€4,394 thousand for the same period of 2011).

Net interest expense from investments, which amounted to €798 thousand (€499 thousand in the first half of 2011), were attributable to the effects of valuing investments in associate companies using the equity method.

The result before taxes was a positive €44,248 thousand, compared to €37,847 thousand in the first half of 2011. Estimated taxation, calculated according to the tax rates provided for the year in current legislation, amounted to €8,753 thousand, yielding a tax rate of 19.8%, compared to 33.4% in the first half of the previous year.

Net income amounted to €35,584 thousand, after minority losses of €89 thousand, up by 43.9% compared to the €24,735 thousand of the first half of 2011.

Consolidated Balance Sheet

(euro thousand)	30.06.2012	31.12.2011	Change
Property, plant and equipment	439,389	406,562	32,827
Intangible assets	106,185	102,801	3,384
Net financial assets	20,157	20,967	(810)
Other receivables and non-current liabilities	30,453	19,761	10,692
(a) Fixed capital	*596,184*	*550,091*	*46,093*
			8.4%
Inventories	237,345	225,028	12,317
Trade receivables	230,382	208,287	22,095
Other receivables and current assets	38,039	37,229	810
Current liabilities	(360,673)	(337,918)	(22,755)
Provisions / deferred taxes	(11,562)	(14,218)	2,656
(b) Net working capital	*133,531*	*118,408*	*15,123*
			12.8%
(c) NET INVESTED CAPITAL (a)+(b)	**729,715**	**668,499**	**61,216**
			9.2%
(d) Equity	*358,561*	*333,934*	*24,627*
(e) Employees' leaving entitlement and other funds for personnel	*19,695*	*19,562*	*133*
Medium/long-term financial debt	268,436	254,645	13,791
Short-term net financial debt	83,023	60,358	22,665
(f) Net financial debt	*351,459*	*315,003*	*36,456*
			11.6%
(g) COVERAGE (d)+(e)+(f)	**729,715**	**668,499**	**61,216**
			9.2%

The Group's balance sheet reflects reclassifications of consolidated accounting statements, as described in the following pages. More specifically:

- net financial assets include the following items: "Shareholdings" and "Other financial assets";
- the item "Receivables and non-current liabilities" is made up of the following items: "Receivables and other non-current liabilities", "Deferred tax assets", "Other non-current liabilities";
- net financial debt includes current and non-current payables to banks and other financial liabilities, net of cash and cash equivalents and current financial assets.

Net Invested Capital at the end of the period amounted to €729,715 thousand. At 31 December 2011, it was €668,499 thousand, with an increase of €61,216 thousand. At 30 June 2012, net debt was €351,459 thousand, compared to €315,003 thousand at 31 December 2011.

Net financial debt increased to €36,456 thousand during the reporting period, mainly due to the following aspects:

- investments were undertaken in property, plant and equipment and intangible assets for a total of €68,969 thousand;
- the gross operating income of €88,376 thousand had a positive effect, with a decrease in working capital of a total of €25,487 thousand;
- the Parent Company paid €19,511 thousand in dividends in May;
- payment of taxes absorbed €10,998 thousand.

Cash Flow Statement

(euro thousand)	30.06.2012	30.06.2011
Net financial position at beginning of period (*)	**(315,003)**	**(246,318)**
Net operating income	**49,274**	**42,880**
Depreciation, amortisation and impairment losses	39,102	38,180
Gross operating income	**88,376**	**81,060**
Investments in property, plant and equipment	(57,583)	(67,198)
Investments in intangible assets	(11,386)	(10,051)
Investments in financial assets	0	(30)
Capital increase of consolidated companies by minority shareholders	435	152
Disposals	2,350	692
Net investments	**(66,184)**	**(76,435)**
Change in inventories	(15,095)	(25,332)
Change in trade receivables and receivables from companies valued using the equity method	(22,597)	(20,702)
Change in trade payables and payables to companies valued using the equity method	14,595	34,356
Change in other liabilities	91	5,264
Change in receivables from others and other assets	(2,481)	(1,187)
Change in working capital	**(25,487)**	**(7,601)**
Change in provisions for employee benefits and other provisions	1,961	12
Operating cash flows	**(1,334)**	**(2,964)**
Interest income and expense	(3,721)	(4,202)
Translation reserve not allocated to specific items	(892)	(1,346)
Current taxes paid	(10,998)	(6,485)
Cash flows before dividends	**(16,945)**	**(14,997)**
Dividends paid	(19,511)	(19,603)
Net cash flows	**(36,456)**	**(34,600)**
Net financial position at end of period (*)	**(351,459)**	**(280,918)**

(*) See Note 13 of the Explanatory Notes of the Consolidated Financial Statements for a reconciliation with financial statement data.

PERFORMANCE OF BREMBO COMPANIES

The following figures were taken from the accounting situations and/or draft 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 2012 closed with sales of goods and services of €344,576 thousand compared to €329,660 thousand in the first half of 2011. The item "Other revenues and income" amounted to €12,037 thousand in the first half of 2012 compared to €10,417 thousand in the first half of 2011, whereas capitalised development costs for the half-year increased compared to the previous half-year and totalled €6,241 thousand.

Gross operating income amounted to €29,906 thousand (8.7% of sales) compared to €31,199 thousand (9.5% of sales) in the first half of 2011, whereas net operating income, after depreciation, amortisation and impairment losses of property, plant, equipment and intangible assets amounting to €19,514 thousand, closed at €10,392 thousand compared to €10,350 thousand for the previous year.

Financing activities yielded net interest expenses of €4,372 thousand compared to €4,270 thousand in the first half of 2011. In addition, a provision for current taxes and deferred tax assets and liabilities was made in the amount of €4,539 thousand.

During the reporting period, net income amounted to €1,674 thousand, compared to €1,738 thousand for the first half of 2011.

At 30 June 2012, the workforce numbered 3,046, increasing by 90 compared to 2,956 at the end of the first half of 2011.

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 One, GT, Touring and Rally teams. It also produces and sells original equipment brakes and clutches for prestige car manufacturers.

Net sales in the first half of 2012 amounted to GBP 19,598 thousand (€23,828 thousand), compared to GBP 18,383 thousand (€21,177 thousand) in the first half of 2011. In the reporting period, net income amounted to GBP 2,311 thousand (€2,810 thousand), while in the same period of 2011 it amounted to GBP 2,707 thousand (€3,118 thousand).

At 30 June 2012, the workforce numbered 124, two more than at 30 June 2011 (122).

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 engages in the sewing of seatbelts for children and jumpsuits for the racing industry.

At 30 June 2012, net sales amounted to €3,145 thousand compared to €3,079 thousand in the same period of 2011, with a net loss for the period of €33 thousand compared to a net income of €9 thousand in the first half of 2011.

At 30 June 2012, the workforce numbered 111, with a sharp increase compared to total workforce at 30 June 2011 (83).

BREMBO ARGENTINA S.A.

BUENOS AIRES (ARGENTINA)

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

Brembo Argentina S.A. (formerly Perdriel S.A.) is based in Buenos Aires (Argentina). Brembo acquired a 75% stake in the company in August 2011.

Under the agreement, Brembo has a call option on the remaining 25% interest, to be exercised after three years from the signature of the agreement.

Net sales amounted to ARS 47,564 thousand (€8,355 thousand), with a net loss of ARS 1,448 thousand (€254 thousand).

At 30 June 2012, the workforce numbered 130.

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 set up in 2006 and 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.

In the first half of 2012, net sales amounted to INR 1,286,558 thousand (€19,029 thousand), with net income of INR 94,267 thousand (€1,394 thousand); net sales for the same period of 2011 were INR 1,121,931 thousand (€17,771 thousand), with net icome of INR 95,027 thousand (€1,505 thousand).

At 30 June 2012, the workforce numbered 414, a total of 26 more than at the end of the first half of 2011.

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 67.74% owned 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 solely promotion

and development initiatives in the Chinese market, following reorganisation of the Group's operations in China. At 30 June 2012, the company did not record any net sales. Net loss at 30 June 2012 amounted to CNY 563 thousand (€69 thousand), compared to a net loss of CNY 3,357 thousand (€366 thousand) for the same period of 2011.

At 30 June 2012, the workforce numbered 1, unchanged compared to the end of June 2011.

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 in 2011 on the new site, in an existing industrial building. It carries out the casting, processing and assembly of brake calipers and other aluminium components and aims at becoming an integrated industrial hub able to offer high-tech, quality braking systems to the European market.

In the first half of 2012, it reported net sales of CZK 445,477 thousand (€17,700 thousand) compared to CZK 5,800 thousand (€238 thousand) in the first half of 2011 and it closed the period with a net loss of CZK 106,182 thousand (€4,219 thousand) compared to a net loss of CZK 66,821 thousand (€2,744 thousand) registered in the first half of 2011.

At 30 June 2012, the workforce numbered 229 (105 at 30 June 2011).

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.
It 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 2012, net sales amounted to €122 thousand (€103 thousand for the first half of 2011), with a net income of €3 thousand (compared to a net loss of €5 thousand in the first half of 2011).

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 2012 amounted to BRL 76,353 thousand (€31,615 thousand) and net income to BRL 6,677 thousand (€2,765 thousand). In the first half of 2011, net sales amounted to BRL 82,780 thousand (€36,194 thousand) and net income was BRL 1,865 thousand (€816 thousand).

The workforce at 30 June 2012 numbered 352, compared to 375 at the same date of the previous year.

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.

Net sales for the first half of 2012 amounted to JPY 365,221 thousand (€3,533 thousand), up compared to the same period of 2011, equivalent to JPY 267,002 thousand (€2,321 thousand).

Net income for the reporting period was JPY 47,700 thousand (€461 thousand), compared to JPY 21,467 thousand in the first half of 2011 (€187 thousand).

At 30 June 2012, the workforce numbered 16, unchanged compared to the end of the first half of 2011.

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

Activities: production and sale of brake discs for cars.

As a result of the merger with Brembo México Apodaca S.A. de C.V. in 2010, the company is now 51% owned by Brembo North America and 49% owned by Brembo S.p.A.

In the first half of 2012, net sales amounted to USD 32,839 thousand (€25,324 thousand), with net income for the period totalling USD 2,367 thousand (€1,825 thousand). In the first half of 2011, net sales amounted to USD 30,125 thousand (€21,470 thousand), with net income for the period totalling USD 1,643 thousand (€1,171 thousand).

At 30 June 2012, the workforce numbered 206.

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 2012, net sales amounted to CNY 195,929 thousand (€23,918 thousand) and net income was CNY 350 thousand (€43 thousand); in the first half of 2011, net sales amounted to CNY 185,186 thousand (€20,183 thousand) and net income was CNY 9,432 thousand (€1,028 thousand).

At 30 June 2012, the workforce numbered 235, 11 less than at the end of the first half of 2011.

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% owned 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 96,043 thousand at 30 June 2012 (€11,724 thousand), with a net loss of CNY 41,527 thousand (€5,069 thousand), compared to net sales of CNY 85,133 thousand (€9,278 thousand) and a net loss of CNY 31,909 thousand (€3,478 thousand) for the first half of 2011.

At 30 June 2012, the workforce numbered 131, 15 less than the figure at the end of June 2011.

BREMBO NORTH AMERICA INC.

WILMINGTON, DELAWARE (USA)

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

Brembo North America Inc. is based in Homer, Michigan. It produces and sells OEM and aftermarket brake discs, as well as high-performance car braking systems. At its facilities in Plymouth, Michigan, the company, backed by Brembo S.p.A. and local technical staff, develops and markets new solutions in terms of materials and design for the U.S. market. The products are manufactured for the main carmakers and several component manufacturers operating in the United States.

Net sales for the first half of 2012 amounted to USD 110,265 thousand (€85,030 thousand); in the same period of the previous year, the company reported net sales amounting to USD 82,946 thousand (€59,116 thousand). The company reported a net income of USD 6,439 thousand at 30 June 2012 (€4,965 thousand), compared to net income of USD 4,584 thousand (€3,267 thousand) in the first half of 2011.

At period-end, the workforce numbered 343, an increase of 84 compared to the end of the first half of 2011.

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.

In the first half of 2012, net sales amounted to PLN 394,007 thousand (€92,833 thousand), compared to PLN 316,944 thousand (€80,203 thousand) for the first half of 2011. At 30 June 2012, net income was PLN 107,929 thousand (€25,429 thousand), compared to PLN 54,392 thousand (€13,764 thousand) for the same period of the previous year.

At period-end, the workforce numbered 942, an increase of 162 compared to 780 at the end of the first half of 2011.

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 year amounted to SEK 4,364 thousand (€491 thousand), with a net income of SEK 1,508 thousand (€170 thousand), compared to net sales of SEK 3,685 thousand (€412 thousand) and net income of SEK 906 thousand (€101 thousand) for the first half of 2011.

At 30 June 2012, 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 amounted to PLN 214,138 thousand (€50,453 thousand) in the first half of 2012 compared to PLN 215,396 thousand (€54,506 thousand) in the first half of 2011. Net income at 30 June 2012 amounted to PLN 17,665 thousand (€4,162 thousand) compared to a net income of PLN 19,602 thousand (€4,960 thousand) in the same period of the previous year.

At period-end, the workforce numbered 421, increasing compared to 397 at 30 June 2011.

BREMBO UK LTD.
LONDON (UNITED KINGDOM)

Activities: sale of brake discs for the aftermarket.

The company sells aftermarket discs in the United Kingdom.

Net sales went from GBP 1,088 thousand (€1,253 thousand) at 30 June 2011 to GBP 1,066 thosuand (€1,296 thousand) at 30 June 2012. Net income was GBP 33 thousand (€40 thousand), compared to GBP 72 thousand (€83 thousand) for the same period of the previous year.

At 30 June 2012, the workforce numbered 2, unchanged compared to the end of the first half of 2011.

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

Activities: 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 2012 amounted to €10,431 thousand, compared to €12,567 thousand for the same period of 2011. Net loss was €150 thousand, compared to a net income of €143 thousand for the first half of 2011.

The workforce numbered 80 at 30 June 2012, compared to 89 at the end of June 2011.

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 incorporated 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 calipers 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 calipers, in addition to aluminium caliper supports for the motorbike sector.

In the first half of 2012, net sales amounted to €17,551 thousand, almost all of which were to Brembo Group companies, with a net loss of €100 thousand. In the same period of the previous year, net sales were €16,718 thousand, with a net loss of €215 thousand.

At 30 June 2012, the company's workforce numbered 211, down from 213 at 30 June 2011.

QINGDAO BREMBO TRADING CO. LTD.
QINGDAO (CHINA)

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

Formed in 2009, Qingdao Brembo Trading Co. Ltd., a wholly owned subsidiary, carries out logistics activities within the Qingdao technological hub.

In the first half of 2012, net sales amounted to CNY 55,174 thousand (€6,735 thousand), compared to CNY 101,521 thousand (€11,064 thousand) for the same period of the previous year. The company closed the first half of the year with a net loss of CNY 28 thousand (€3 thousand), compared to a net income of CNY 13,012 thousand (€1,418 thousand) in the first half of 2011.

At 30 June 2012, the workforce numbered 14, unchanged compared to 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, and is 65% owned by Brembo S.p.A.

At 30 June 2012, net sales amounted to €14,040 thousand and net income was €84 thousand, compared to net sales amounting to €15,490 thousand and a net loss of €179 thousand for the first half of 2011.

At 30 June 2012, the workforce numbered 78, compared to 74 in the first half of 2011.

Companies Valued Using the Equity Method

BREMBO SGL CARBON CERAMIC BRAKES GMBH
MEITINGEN (GERMANY)

Activities: design, development, production and sale of ceramic carbon 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 2012 amounted to €19,187 thousand, compared to €19,950 thousand for the same period of the previous year. At 30 June 2012, the company's net loss amounted to €2,042 thousand, compared to a net loss of €1,594 thousand for the same period of the previous year.

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

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

As a result of the joint venture agreements finalised in 2009 between Brembo and SGL Group, the company is 50% owned by Brembo S.p.A. and in turn controls 100% of the German company Brembo SGL Carbon Ceramic Brakes GmbH. Both companies carry out design, development, production and sale of braking systems in general and particularly of carbon ceramic brake discs for the original equipment of top-performance cars, as well as research and development activities concerning new materials and applications.

At 30 June 2012, net sales amounted to €14,836 thousand, compared to €16,936 thousand for the same period of 2011. Net income for the period amounted to €526 thousand compared to a net income of €1,059 thousand for the first half of 2011.

At 30 June 2012, the workforce numbered 108, one more than at the end of June 2011.

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 2012, net loss was €73 thousand, compared to a net loss of €129 thousand for the same period of the previous year.

At 30 June 2012, the workforce numbered 216.

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 2012 amounted to €739 thousand, with a net income of €10 thousand. Net sales for the first six months of 2011 were €754 thousand and net income amounted to €40 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 S.p.A. The company is engaged in the distribution of products for racing cars and motorbikes on the French market.

RELATED PARTY TRANSACTIONS

In compliance with CONSOB Regulation adopted with Resolution No. 17221 of 12 March 2010, as amended, Brembo S.p.A. adopted the Related Party Transactions procedure. The procedure was approved by the Board of Directors of Brembo S.p.A. during the meeting held on 12 November 2010, after receiving the favourable opinion of the Audit Committee, which has been identified as the Body authorised to express its opinions on the matter since it meets the requirements set out by the above-mentioned regulations. The procedure aims to ensure the full transparency and propriety of transactions with Related Parties and has been published in the Corporate Governance section of the Company's website.

Detailed information on the company's 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. Furthermore, the total amount of the commercial transactions with related parties other than the Group companies, which were carried out at fair market conditions was not material. The financing transactions undertaken during the period with related parties are also discussed in Note 31 to the Consolidated Financial Statements.

Brake disc quality control at the plant in Nanjing, China.

FURTHER INFORMATION

Significant Events During the Six-month Period

In January 2012, in a further sign of the commitment to the North American market that began with the inauguration in June 2010 of its new headquarters and research centre in Plymouth, Michigan, Brembo commenced production of its first brake discs in the United States at the Brembo North America Inc. plant in Homer, Michigan. The brake callipers for the Cadillac XTS and ATS were Brembo's very first brake callipers to have been produced in the United States, strengthening the partnership between Brembo and Cadillac formed in 2004.

In March 2012, Brembo received the Daimler Supplier Award 2011, the most prestigious recognition bestowed by the German group each year to a supplier of excellence, chosen from among the thousands that supply components on the five continents on which the Daimler group operates. The award, acknowledging the technological leadership and industrial capacity that Brembo provides the German group, reaffirms and strengthens the partnership between Brembo and Daimler that began in the early Nineties.

Brembo's General Shareholders' Meeting, which was held on 20 April 2012, approved the Financial Statements for the year ended 31 December 2011 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. Payment was made on 10 May 2012 with an ex-coupon date of 7 May 2012.

On 25 April the new production hub in Nanjing was officially inaugurated, with Chairman Alberto Bombassei and major representatives from Italian and Chinese authorities in attendance. After more than ten years of presence on the Chinese market, Brembo has concentrated all of the Group's production into a single area of 95,000 square metres outside the city of Nanjing. Within the new facility, the Group has integrated all phases of production in the value chain, from the arrival of raw materials to the shipping of finished products, for a planned total investment of €70 million. The facilities will employ a staff of 850 (approximately 1,000 when fully operational) and their 41 production lines and foundry will yield an output of approximately six million discs a year.

Plans for the Buy-back and Sale of Own Shares

The General Shareholders' Meeting held on 20 April 2012 passed a new plan for the buy-back and sale of own shares, aimed at: 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 Brembo S.p.A.'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 1,747,000 ordinary shares, representing 2.616% of share capital, purchased based on previous plans. Brembo neither bought nor sold own shares in 2012.

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 Bodies.

Chairman Alberto Bombassei inaugurates the plant in Nanjing, China (2012).

SIGNIFICANT EVENTS AFTER 30 JUNE 2012

On 13 July 2012, the company La.Cam S.p.A., in which Brembo S.p.A. holds a 100% stake, signed a contract to purchase the IMMC business unit, for an amount of €4.9 million. The La.Cam revenues have already been fully consolidated in the Brembo Group's financial statements since 22 October 2010, the date on which La.Cam had signed two lease contracts for the IRAL and IMMC companies, owned by one of Brembo's important suppliers of mechanical parts manufactured using high-tech processing techniques. The transaction was required in order to respond to the financial difficulties faced by the companies and safeguard their know-how.

The lease agreement for IRAL was concurrently extended until 31 March 2013. At 13 July 2012, the workforces of IMMC and IRAL numbered 107 and 106, respectively. The acquisition of IMMC will be treated as a business combination pursuant to the revised version of IFRS 3. The measurements of the assets acquired and liabilities assumed were still ongoing at the date of publication of this report.

On 20 July 2012, Simest exercised its put option on the 32.26% equity interest in Brembo China Brake Systems Co. Ltd. Incorporated in 2005, Brembo China Brake Systems Co. Ltd. is one of the four companies through which Brembo operates in China. Its business consists of promotion and development on the Chinese market.
The transaction will take place in August 2012 and, based on the contractual clauses set out in the agreement signed with Simest in July 2005, the consideration will be €4 million. As a result of this acquisition, Brembo S.p.A. will own 100% of the shares in Brembo China Brake Systems Co. Ltd.

Cars. Maserati GranTurismo Sport front brake calliper.

FORESEEABLE EVOLUTION

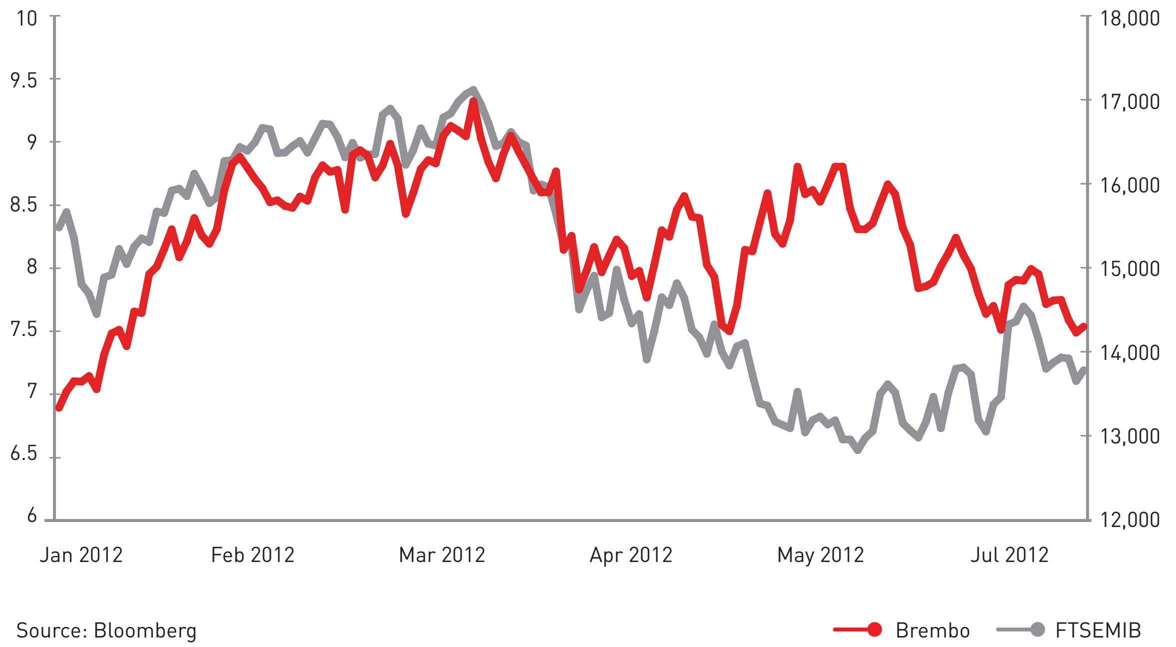
In the second half of 2012, the level of the portfolio visibility is overall positive, notwithstanding the ongoing difficult financial and macro-economic scenario.

Germany and North America confirm the good performance of sales trends, whereas Italy, France and Spain show signs of concern due to the severe situation of the local automotive markets.

The plant in Nanjing, China.


PETRONAS
PETRONAS

BREMBO S.P.A. STOCK PERFORMANCE



Source: Bloomberg

In the first half of 2012, equity markets continued to experience difficulties caused by the macro-economic conditions of Euro Area countries, which are playing a large part in the slowdown of global trade and the decline in the institutional investors' confidence. The situation in the Eurozone remains a cause for concern from a both real and financial standpoint. Global growth is being driven primarily by the economies of emerging nations.

Within this scenario, Brembo stock closed the first half of 2012 at €7.835, marking a 14.63% gain since the beginning of the year. In the first few months of the year, the stock performed very positively, reaching a high for the period of €9.33 on 19 March, following a low of €6.835 on 2 January.

During the half-year, Brembo markedly outperformed the FTSE MIB index, which fell by 7.64% during the period, the Italian STAR segment index (+4.33%) and the European Euro Stoxx Total Market Value Small Index (-2.65%). Brembo's stock performance essentially mirrored that of the BBG EMEA Auto Parts & Equipment Index, outperforming the index beginning in approximately mid-May and then returning to alignment in late June (the index closed the half-year up 11.91%).

An overview of stock performance of Brembo S.p.A. at 30 June 2012 is given below and compared with that at 31 December 2011.

	30.06.2012	31.12.2011
Share capital (euro)	34,727,914	34,727,914
No. of ordinary shares	66,784,450	66,784,450
Equity (excluding income for the year) (euro)	174,529,028	172,622,382
Trading price (euro)		
Minimum	6.835	6.075
Maximum	9.330	10.310
Period end	7.835	6.620
Market capitalisation (euro million)		
Minimum	456	406
Maximum	623	689
Period end	523	442
Gross dividend per share	NA	0.30

Further information and updates regarding stock performance and recent corporate information are provided on Brembo's website at: www.brembo.com – Investors section. Investor Relator: Matteo Tiraboschi.

On behalf of the Board of Directors
The Chairman
Alberto Bombassei

CONDENSED CONSOLIDATED SIX MONTHLY FINANCIAL REPORT AT 30 JUNE 2012

CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2012

Consolidated Balance Sheet at 30 June 2012

ASSETS

(euro thousand)	Notes	30.06.2012	*of which with related parties*	31.12.2011	*of which with related parties*	*Change*
NON-CURRENT ASSETS						
Property, plant, equipment and other equipment	1	439,389		406,562		32,827
Development costs	2	43,729		41,372		2,357
Goodwill and other indefinite useful life assets	2	42,938		42,285		653
Other intangible assets	2	19,518		19,144		374
Shareholdings valued using the equity method	3	20,004		20,813		(809)
Other financial assets (including investments in other companies and derivatives)	4	153		154		(1)
Receivables and other non-current assets	5	4,101		2,840		1,261
Deferred tax assets	6	26,948		23,474		3,474
TOTAL NON-CURRENT ASSETS		**596,780**		**556,644**		**40,136**
CURRENT ASSETS						
Inventories	7	237,345		225,028		12,317
Trade receivables	8	230,382	*22,307*	208,287	*24,039*	22,095
Other receivables and current assets	9	38,039	*45*	37,229		810
Current financial assets and derivatives	10	10,022	*9,140*	9,784	*9,000*	238
Cash and cash equivalents	11	142,489	*84,584*	95,749	*16,184*	46,740
TOTAL CURRENT ASSETS		**658,277**		**576,077**		**82,200**
TOTAL ASSETS		**1,255,057**		**1,132,721**		**122,336**

EQUITY AND LIABILITIES

(euro thousand)	Notes	30.06.2012	*of which with related parties*	31.12.2011	*of which with related parties*	*Change*
GROUP EQUITY						
Share capital	12	34,728		34,728		0
Other reserves	12	110,133		101,791		8,342
Retained earnings/(losses)	12	167,367		144,138		23,229
Profit/(loss) for the period	12	35,584		42,937		(7,353)
TOTAL GROUP EQUITY		**347,812**		**323,594**		**24,218**
TOTAL MINORITY INTERESTS		**10,749**		**10,340**		**409**
TOTAL EQUITY		**358,561**		**333,934**		**24,627**
NON-CURRENT LIABILITIES						
Non-current payables to banks	13	251,742	*37,337*	230,840	*10,062*	20,902
Other non-current financial payables and derivatives	13	16,694		23,805		(7,111)
Other non-current liabilities	14	596		6,553	*1,480*	(5,957)
Provisions	15	5,581		5,642		(61)
Provisions for employee benefits	16	19,695	*584*	19,562	*492*	133
Deferred tax liabilities	6	5,981		8,576		(2,595)
TOTAL NON-CURRENT LIABILITIES		**300,289**		**294,978**		**5,311**
CURRENT LIABILITIES						
Current payables to banks	13	226,538	*29,846*	158,810	*24,861*	67,728
Other current financial payables and derivatives	13	8,996		7,081		1,915
Trade payables	17	281,168	*9,452*	266,573	*9,087*	14,595
Tax payables	18	7,572		5,668		1,904
Other current payables	19	71,933	*1,663*	65,677	*1,223*	6,256
TOTAL CURRENT LIABILITIES		**596,207**		**503,809**		**92,398**
TOTAL LIABILITIES		**896,496**		**798,787**		**97,709**
TOTAL EQUITY AND LIABILITIES		**1,255,057**		**1,132,721**		**122,336**

Consolidated Income Statement at 30 June 2012

(euro thousand)	Notes	30.06.2012	*of which with related parties*	30.06.2011	*of which with related parties*	Change
Sales of goods and services	20	**702,598**	***25,462***	**632,694**	***26,777***	**69,904**
Other revenues and income	21	5,153	*1,802*	5,675	*1,942*	(522)
Costs for capitalised internal works	22	6,541		5,860		681
Raw materials, consumables and goods	23	(357,239)	*(18,771)*	(317,608)	*(25,042)*	(39,631)
Other operating costs	24	(127,886)	*(2,243)*	(119,287)	*(3,249)*	(8,599)
Personnel expenses	25	(140,791)	*(1,317)*	(126,274)	*(827)*	(14,517)
GROSS OPERATING INCOME		**88,376**		**81,060**		**7,316**
Depreciation, amortisation and impairment losses	26	(39,102)		(38,180)		(922)
NET OPERATING INCOME		**49,274**		**42,880**		**6,394**
Interest income	27	*19,862*		*5,127*		*14,735*
Interest expense	27	*(24,090)*		*(9,661)*		*(14,429)*
Net interest income (expense)	27	(4,228)	*(418)*	(4,534)	*(598)*	306
Interest income (expense) from investments	28	(798)		(499)		(299)
RESULT BEFORE TAXES		**44,248**		**37,847**		**6,401**
Taxes	29	(8,753)		(12,639)		3,886
RESULT BEFORE MINORITY INTERESTS		**35,495**		**25,208**		**10,287**
Minority interests		89		(473)		562
NET RESULT FOR THE PERIOD		**35,584**		**24,735**		**10,849**
BASIC/DILUTED EARNINGS PER SHARE	30	**0.55**		**0.38**		

Comprehensive Consolidated Income Statement at 30 June 2012

(euro thousand)	Notes	30.06.2012	*of which with related parties*	30.06.2011	*of which with related parties*	Change
RESULT BEFORE MINORITY INTERESTS		**35,495**		**25,208**		**10,287**
Effect of hedge accounting (cash flow hedge) of derivatives		(226)		0		(226)
Effect of valuation of shareholdings using the equity method	12	(33)		0		(33)
Change in translation adjustment reserve		8,405		(8,209)		16,614
Tax effects on other components of comprehensive income		62		0		62
COMPREHENSIVE RESULT FOR THE PERIOD		**43,703**		**16,999**		**26,704**
Of which attributable to:						
- the Group		*43,729*		*16,727*		*27,002*
- Minority Interests		*(26)*		*272*		*(298)*

Consolidated Cash-Flow Statement at 30 June 2012

(euro thousand)	Notes	30.06.2012	*of which with related parties*	30.06.2011	*of which with related parties*
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	11	**26,601**	*16,184*	**40,584**	
Result before taxes		**44,248**		**37,847**	
Depreciation, amortisation/impairment losses		39,102		38,180	
Capital gains/losses		(281)		(409)	
Write-ups/Write-downs of shareholdings		798		499	
Financial portion of provisions for defined benefits and payables for personnel		507		364	*(67)*
Long-term provisions for employee benefits		504	*92*	779	*359*
Other provisions net of utilisations		2,370		794	
Cash flows generated by operating activities		**87,248**		**78,054**	
Paid current taxes		(10,998)		(6,485)	
Uses of long-term provisions for employee benefits		(913)		(1,561)	*(359)*
(Increase) reduction in current assets:					
inventories		(15,095)		(25,332)	
financial assets		1		(44)	
trade receivables and receivables from companies valued using the equity method		(22,597)	*1,732*	(20,702)	*(19,887)*
receivables from others and other assets		(2,429)		(1,143)	
Increase (reduction) in current liabilities:					
trade payables and payables to companies valued using the equity method		14,595	*365*	34,356	*3,588*
payables to others and other liabilities		470	*(1,040)*	5,264	*545*
Translation differences on current assets		(1,360)		(2,725)	
Net cash flows from / (for) operating activities		**48,922**		**59,682**	

(euro thousand)	Notes	30.06.2012	*of which with related parties*	30.06.2011	*of which with related parties*
Investments in:					
intangible assets		(11,386)		(10,051)	
property, plant and equipment		(57,583)		(67,198)	
financial assets (shareholdings)		0		(30)	
Capital contributions to consolidated companies by minority shareholders		435		152	
Price for disposal or reimbursement value of fixed assets		2,631		1,101	
Net cash flows from / (for) investing activities		**(65,903)**		**(76,026)**	
Dividends paid in the period		(19,511)	*(11,335)*	(19,603)	*(11,365)*
Disbursal of loans		(140)	*(140)*	0	
Change in fair value of derivatives		66		31	
Loans and financing granted by banks and other financial institutions in the period		71,754		71,746	
Repayment of long-term loans		(46,187)	*(10,115)*	(30,555)	*(5,000)*
Net cash flows from / (for) financing activities		**5,982**		**21,619**	
Total cash flows		**(10,999)**		**5,275**	
CASH AND CASH EQUIVALENTS AT END OF PERIOD	11	**15,602**	*68,400*	**45,859**	*22,250*

Statement of Changes in Consolidated Equity at 30 June 2012

(euro thousand)	Share capital	Other reserves	Retained earnings (losses)	Hedging reserve (*)
Balance at 1 January 2011	**34,728**	**120,892**	**130,128**	**0**
Allocation of profit for the previous year		1,604	11,064	
Reclassification of merger surplus		(7,499)	7,499	
Payment of dividends				
Capital increase of consolidated companies by minority shareholders				
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**
Balance at 1 January 2012	**34,728**	**101,791**	**144,138**	**0**
Allocation of profit for the previous year			23,426	
Payment of dividends				
Capital increase of consolidated companies by minority shareholders				
Components of comprehensive income:				
Valuation of shareholding using the equity method			(33)	
Change in translation adjustment reserve		8,342		
Effect of hedge accounting (cash flow hedge) of derivatives (*)				(164)
Net result for the period				
Balance at 30 June 2012	**34,728**	**110,133**	**167,531**	**(164)**

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

Net result for the period	Group equity	Result of Minority Interests	Share capital and reserves of Minority Interests	Equity of Minority Interests	Equity
32,271	**318,019**	**(458)**	**8,298**	**7,840**	**325,859**
(12,668)	**0**	458	(458)	**0**	**0**
	0			**0**	**0**
(19,603)	**(19,603)**			**0**	**(19,603)**
	0		152	**152**	**152**
	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**
42,937	**323,594**	**406**	**9,934**	**10,340**	**333,934**
(23,426)	**0**	(406)	406	**0**	**0**
(19,511)	**(19,511)**			**0**	**(19,511)**
	0		435	**435**	**435**
	(33)			**0**	**(33)**
	8,342		63	**63**	**8,405**
	(164)			**0**	**(164)**
35,584	**35,584**	(89)		**(89)**	**35,495**
35,584	**347,812**	**(89)**	**10,838**	**10,749**	**358,561**

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-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), France (Levallois Perret), Germany (Leinfelden-Echterdingen), the United Kingdom (London), the United States (Plymouth, Michigan), 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 2012

Introduction

The Condensed Consolidated Six Monthly Financial Statements at 30 June 2012 have been prepared in accordance with Article 154-*ter* of Legislative Decree No. 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 2012 have been prepared 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 2011.

The Condensed Consolidated Six Monthly Financial Statements comprise the Consolidated Balance Sheet, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, 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 2012.

The publication of this Six Monthly Report was approved on 31 July 2012.

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 2011, to which explicit reference is made.

The valuation and measurement criteria used are based on IFRSs effective at 30 June 2012 and endorsed by the European Union; IFRSs effective at 31 December 2012 may differ from those used in preparing this document due to future endorsements of new standards, interpretations and guidelines.

Accounting Standards, Amendments and Interpretations Effective 1 January 2012

The following amendments, improvements and interpretations, effective 1 January 2012, regulate situations and circumstances not found within the Group on the date of this Condensed Consolidated Six Monthly Report, but which could have accounting implications for future transactions or agreements:

- Amendment to IFRS 7 – *Financial Instruments: Additional Disclosures*
- Amendment to IAS 12 – *Income taxes*

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 and 16 December 2011. The standard, applicable from 1 January 2015, 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 13 May 2011, the IASB published IFRSs 10, 11 and 12 and updated IASs 27 and 28, with the aim of redrafting group reporting rules. The new accounting standards will enter into force on 1 January 2013 with substantial changes for consolidated financial statements.

IFRS 13 – *Fair value measurement*, also issued on 13 May 2011, will further harmonise all rules regarding this aspect. The new accounting standard will become effective 1 January 2013.

On 16 June 2011, the IASB issued amendments to IAS 19 with the aim of improving requirements for the recognition and disclosure of defined-benefit plans. The new requirements will become effective 1 January 2013.

The amendments to IAS 1, also issued on 16 June 2011, will improve the presentation of components of the statement of comprehensive income. The new requirements are effective for annual periods starting from 1 July 2012.

The Condensed Consolidated Six Monthly Financial Statements were prepared on the basis of six monthly financial statements at 30 June 2012, 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.

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, and have 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 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. 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 Annexes 3 and 4 to these Explanatory Notes.

The consolidation area changed with respect to the first half of 2011 as follows:

- on 17 May 2011, Brembo International S.p.A., formerly Brembo International S.A., a company under Luxembourg law, transferred its registered office to Italy; on 21 June 2011 the Board of Directors approved the plan for the merger of Brembo International S.p.A. into Brembo S.p.A. The merger was finalised on 10 October 2011, effective from January 2011;
- the agreement signed on 23 May 2011 by Brembo S.p.A. for the acquisition of the 75% of the share capital of Perdriel S.A. (now Brembo Argentina S.A.), an Argentine manufacturer of brake discs located in the Buenos Aires area, was executed on 1 August 2011.

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).

Euro against other currencies	30 June 2012	Average June 2012	30 June 2011	Average June 2011	31 December 2011
US Dollar	1.259000	1.296782	1.445300	1.403110	1.293900
Japanese Yen	100.130000	103.366896	116.250000	115.029889	100.200000
Swedish Krona	8.772800	8.881470	9.173900	8.937740	8.912000
Polish Zloty	4.248800	4.244277	3.990300	3.951753	4.458000
Czech Koruna	25.640000	25.168459	24.345000	24.347709	25.787000
Mexican Peso	16.875500	17.186735	16.976500	16.683922	18.051200
Pound Sterling	0.806800	0.822488	0.902550	0.868040	0.835300
Brazil Real	2.578800	2.415099	2.260100	2.287106	2.415900
Indian Rupee	70.120000	67.610143	64.562000	63.131535	68.713000
Argentine peso	5.643200	5.692948	5.931510	5.637833	5.567690
Chinese Renminbi	8.001100	8.191813	9.341600	9.175512	8.158800

ANALYSIS OF EACH ITEM

BALANCE SHEET

1. Property, Plant, Equipment and Other Equipment

Movements in property, plant, equipment and other 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	23,538	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**
Historical cost	23,396	123,889	519,678	140,089	27,426	101,188	**935,666**
Accumulated depreciation	0	(38,425)	(343,346)	(122,836)	(22,269)	0	**(526,876)**
Write-down provision	0	0	(2,046)	(92)	0	(90)	**(2,228)**
Balance at 1 January 2012	**23,396**	**85,464**	**174,286**	**17,161**	**5,157**	**101,098**	**406,562**
Changes:							
Translation differences	47	1,451	2,444	96	17	4,048	**8,103**
Reclassification - historical cost	0	25,654	38,308	2,138	388	(66,617)	**(129)**
Reclassification - accumulated depreciation	0	0	137	(40)	(88)	0	**9**
Acquisitions	87	3,847	20,458	2,360	416	30,415	**57,583**
Disposals - historical cost	0	0	(3,276)	(88)	(146)	0	**(3,510)**
Disposals - accumulated depreciation	0	0	1,001	37	139	0	**1,177**
Depreciation	0	(2,962)	(22,225)	(4,014)	(1,173)	0	**(30,374)**
Impairment losses	0	0	(25)	2	0	(9)	**(32)**
Total changes	**134**	**27,990**	**36,822**	**491**	**(447)**	**(32,163)**	**32,827**
Historical cost	23,530	155,234	580,481	145,075	28,124	69,039	**1,001,483**
Accumulated depreciation	0	(41,780)	(367,273)	(127,329)	(23,414)	0	**(559,796)**
Write-down provision	0	0	(2,100)	(94)	0	(104)	**(2,298)**
Balance at 30 June 2012	**23,530**	**113,454**	**211,108**	**17,652**	**4,710**	**68,935**	**439,389**

During the first half of 2012, investments in property, plant and equipment amounted to €57,583 thousand, including €30,415 thousand on assets in course of construction. As already mentioned in the interim report, the Group continued its international development programme after which significant investments were made in Poland, China, the Czech Republic, as well as in Italy and the United States, above all for plant and machinery to be used in the manufacturing of new products.

Total depreciation charges for the first half of 2012 amounted to €30,374 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	Intangibile assets with indefinite useful lives B	Sub-total A+B	Industrial patent, trademark and similar rights C	Other intangible assets D	Total other intangible assets C+D	Total
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)**	**(646)**	**(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**
Historical cost	**83,650**	60,365	1,033	**61,398**	27,556	61,107	**88,663**	**233,711**
Accumulated amortisation	**(41,654)**	0	0	**0**	(21,579)	(47,934)	**(69,513)**	**(111,167)**
Write-down provision	**(624)**	(19,110)	(3)	**(19,113)**	(7)	0	**(7)**	**(19,744)**
Balance at 1 January 2012	**41,372**	**41,255**	**1,030**	**42,285**	**5,970**	**13,173**	**19,143**	**102,800**
Changes:								
Translation differences	**7**	653	0	**653**	16	59	**75**	**735**
Reclassification - historical cost	**0**	0	0	**0**	113	(126)	**(13)**	**(13)**
Reclassification - accumulated amortisation	**0**	0	0	**0**	0	(10)	**(10)**	**(10)**
Acquisitions	**7,374**	0	0	**0**	372	3,640	**4,012**	**11,386**
Disposals - historical cost	**0**	0	0	**0**	0	(21)	**(21)**	**(21)**
Disposals - accumulated amortisation	**0**	0	0	**0**	0	4	**4**	**4**
Amortisation	**(3,971)**	0	0	**0**	(1,059)	(2,613)	**(3,672)**	**(7,643)**
Impairment losses	**(1,053)**	0	0	**0**	0	0	**0**	**(1,053)**
Total changes	**2,357**	**653**	**0**	**653**	**(558)**	**933**	**375**	**3,385**
Historical cost	**89,788**	61,456	1,033	**62,489**	28,103	64,746	**92,849**	**245,126**
Accumulated amortisation	**(45,382)**	0	0	**0**	(22,685)	(50,640)	**(73,325)**	**(118,707)**
Write-down provision	**(677)**	(19,548)	(3)	**(19,551)**	(6)	0	**(6)**	**(20,234)**
Balance at 30 June 2012	**43,729**	**41,908**	**1,030**	**42,938**	**5,412**	**14,106**	**19,518**	**106,185**

Development costs

The item "Development costs" includes costs for internal and external development for a gross historical cost of €89,788 thousand. During the period, this item changed due to higher costs incurred for jobs begun in the first half of 2012, for orders received both during the half-year period and in previous periods, for which additional development costs were incurred; amortisation of €3,971 thousand was recognised for development costs associated with products that have already entered into mass production.

The gross amount includes development activities for projects underway totalling €22,276 thousand. The total amount of costs for capitalised internal works charged to the Income Statement during the period was €6,541 thousand (first half of 2011: €5,860 thousand).

Impairment losses totalled €1,053 thousand and are recognised 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)

Corporación Upwards'98 (Frenco S.A.)	2,006
Ap Racing Ltd.	12,866
Brembo North America Inc. (Hayes Lemmerz)	13,558
Brembo México S.A. de C.V. (Hayes Lemmerz)	825
Brembo Nanjing Brake Systems Co. Ltd.	875
Brembo Brake India Pvt. Ltd.	9,391
Sabelt Group	2,387
Total	**41,908**

Goodwill was tested for impairment (Frenco SA, Brembo Nanjing Brake Systems Co. Ltd., Sabelt S.p.A.), 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 2013-2015 period covered by the corporate business plan. Cash flows beyond the five-year period were extrapolated using a prudential steady 1% medium- to long-term growth rate. The discount rate used was 8.45% (WACC), 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 at the date of the acquisition, it is attributed to all business lines in existence at that date; 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 previously mentioned impairment tests did not indicate the need to recognise an impairment of goodwill. In the event of a change in the WACC from 8.45% to 8.95% and the growth rate from 1% to 0.5% (or from 1.5% to 1%), no previously unimpaired goodwill would have become impaired.

Intangible assets with indefinite useful lives

The item consists of the Villar brand. For information concerning impairment-testing methods, the reader is referred to the above discussion relating to goodwill. The impairment tests did not detect any impairment losses.

Other intangible assets

Acquisitions of "Other intangible assets" totalled €3,640 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, as well as to the purchase by the Parent Company of a technology user license until 2017.

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)	31.12.2011	Write-ups/ Write-downs	Reclassification	Other Changes	30.06.2012
Brembo SGL Carbon Ceramic Brakes S.p.A.	20,638	(778)	0	(33)	19,827
Innova Tecnologie S.r.l.	0	(22)	22		0
Petroceramics S.r.l.	175	2	0	0	177
Total	**20,813**	**(798)**	**22**	**(33)**	**20,004**

The shareholding in Innova Tecnologie S.r.l. was reduced to zero at 31 December 2011 and further written down by an additional €22 thousand associated with the losses for the period, recognised in "Non-current provisions", for a total amount attributable to Brembo of €316 thousand.

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.

The impairment tests did not detect any impairment loss.

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

This item is broken down as follows:

(euro thousand)	30.06.2012	31.12.2011
Shareholdings in other companies	96	96
Other	57	58
Total	**153**	**154**

"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)	30.06.2012	31.12.2011
Receivables from others	3,779	2,513
Income tax receivables	289	294
Non-income tax receivables	33	33
Total	**4,101**	**2,840**

Tax receivables mostly refer to applications for tax reimbursements. The item "Receivables from others" includes the amount related to contributions towards a client for the acquisition of a ten-year exclusive supply arrangement to be released to the income statement in accordance with the supply schedule for the client, set to begin in 2014.

6. Deferred Tax Assets and Liabilities

The net balance of deferred tax assets and liabilities at 30 June 2012 is broken down as follows:

(euro thousand)	30.06.2012	31.12.2011
Deferred tax assets	26,948	23,474
Deferred tax liabilities	(5,981)	(8,576)
Total	**20,967**	**14,898**

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)	30.06.2012	31.12.2011
Balance at beginning of period	**14,898**	**9,667**
Deferred tax liabilities generated	(1,044)	(151)
Deferred tax assets generated	6,527	9,182
Use of deferred tax assets and liabilities	(202)	(1,732)
Exchange rate fluctuations	658	(1,411)
Tax rate changes	0	0
Reclassification	0	8
Other movements	130	(665)
Balance at end of period	**20,967**	**14,898**

Deferred tax assets were measured by assessing the existence of the prerequisites for their future recovery based on updated strategic plans; it should be noted in particular that the consolidated subsidiary Brembo Poland Spolka Zo.o. resides in a "special economic zone" and is entitled to deduct 50% of its investments from any current taxes due up to 2020. The estimate of benefit recovery for the year was calculated based on the new investments made in the period and an estimate of the benefit that can be used over a three-year timeframe, which is the reference period of the plans drawn up by the company. After this assessment, the company recognised deferred tax assets for €14,911 thousand (PLN 63,354 thousand) with a net increase of €2,753 thousand. In this regard, the potential future benefit valued at 30 June 2012 and not recognised in the financial statements amounted to PLN 37.4 million (approximately €8.8 million). It should also be noted that Brembo Czech S.r.o. did not recognise a potential future tax benefit for facilitated loans of CZK 368.2 million (approximately €14.4 million), valid until 2016.

On the basis of current projections, there is no certain evidence that the benefit concerned may be used before it expires for either company.

7. Inventories

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

(euro thousand)	30.06.2012	31.12.2011
Raw materials	82,914	71,023
Work in progress	48,387	49,304
Finished products	99,338	98,066
Goods in transit	6,706	6,635
Total	**237,345**	**225,028**

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

(euro thousand)	31.12.2011	Provisions	Use/Release	Exchange rate fluctuations	30.06.2012
Inventory write-down provision	18,266	5,204	(2,616)	190	21,044

8. Trade Receivables

At 30 June 2012, the balance of trade receivables compared to the previous year was as follows:

(euro thousand)	30.06.2012	31.12.2011
Trade receivables	228,487	205,662
Receivables from associate companies and joint ventures	1,895	2,625
Total	**230,382**	**208,287**

The increase in trade receivables is mainly 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 profile 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.

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.

Trade receivables are stated net of the provision for bad debts, which amounted to €5,230 thousand. Movements in the provision for bad debts are shown below:

(euro thousand)	31.12.2011	Provisions	Use/Release	Exchange rate fluctuations	Reclassification	30.06.2012
Provision for bad debts	4,728	659	(407)	45	205	5,230

9. Other Receivables and Current Assets

This item is broken down as follows:

(euro thousand)	30.06.2012	31.12.2011
Income tax receivables	1,454	1,865
Non-income tax receivables	26,079	27,897
Other receivables	10,506	7,467
Total	**38,039**	**37,229**

The item "Non-income tax receivables" primarily includes VAT receivables and a receivable for which a refund has been requested in connection with previous years.

10. Current Financial Assets and Derivatives

This item is broken down as follows:

(euro thousand)	30.06.2012	31.12.2011
Receivables from associate companies	9,140	9,000
Derivatives	442	291
Security deposits	440	477
Other receivables	0	16
Total	**10,022**	**9,784**

The item "Receivables from associate companies" refers to the rotating line of credit granted by the Parent Company to the associate Innova Tecnologie S.r.l.

11. Cash and Cash Equivalents

Cash and cash equivalents include:

(euro thousand)	30.06.2012	31.12.2011
Bank and postal accounts	142,396	95,632
Cash-in-hand and cash equivalents	93	117
Total cash and cash equivalents	**142,489**	**95,749**
Payables to banks: ordinary current accounts and foreign currency advances	(126,887)	(69,148)
Cash and cash equivalents from Cash Flow Statement	**15,602**	**26,601**

(*) **Note 13** provides a detailed description.

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.

12. Equity

Group consolidated equity at 30 June 2012 increased by €24,218 thousand compared to 31 December 2011. Movements are given in the relevant statement within the Condensed Consolidated Six Monthly Report.

Share capital

The subscribed and paid up share capital amounted to €34,728 thousand at 30 June 2012. It is divided into 66,784,450 ordinary 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 2011 and 30 June 2012:

(No. of shares)	30.06.2012	31.12.2011
Ordinary shares issued	66,784,450	66,784,450
Own shares	(1,747,000)	(1,747,000)
Total shares outstanding	**65,037,450**	**65,037,450**

As regards Brembo's buy-back plan, the company neither bought nor sold own shares in the first half of 2012.

Other reserves and retained earnings/(losses)

In accordance with a resolution approved by the Shareholders' Meeting of 20 April 2012, the parent company Brembo S.p.A. allocated €2,070 thousand of its 2011 net income to reserves, and distributed €19,511 thousand as dividends (€0.30 per share).

Share capital and reserves of minority interests

The main changes in this item refer to the share capital contribution and loss replenishment 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 30.06.2012			Balance at 31.12.2011		
(euro thousand)	Due within 1 year	Due after 1 year	Total	Due within 1 year	Due after 1 year	Total
Payables to banks:						
- ordinary current accounts and advances	126,887	0	126,887	69,148	0	69,148
- loans	99,651	251,742	351,393	89,663	230,840	320,503
Total	**226,538**	**251,742**	**478,280**	**158,811**	**230,840**	**389,651**
Payables to other financial institutions	8,761	16,608	25,369	6,977	23,805	30,782
Derivatives	235	86	321	104	0	104
Total	**8,996**	**16,694**	**25,690**	**7,081**	**23,805**	**30,886**

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

(euro thousand)	Original amount	Amount at 31.12.2011	Amount at 30.06.2012	Portion due within 1 year	Portion due between 1 and 5 years	Portion due after 5 years
Payables to banks						
San Paolo IMI loan Law 346/88 (reinforced aluminium project)	3,091	(104)	(104)	(104)	0	0
UBI loan (€25 million)	25,000	8,189	5,526	5,526	0	0
San Paolo IMI loan Law 100 (China project)	4,653	2,327	1,859	928	931	0
Centrobanca 1 loan (€25 million)	25,000	10,052	7,531	5,040	2,491	0
Centrobanca 2 loan (€25 million)	25,000	12,584	10,056	5,081	4,975	0
Centrobanca 3 loan (€30 million)	30,000	29,909	25,646	8,596	17,050	0
Creberg loan (€50 million)	50,000	34,922	29,940	10,017	19,923	0
Unicredit loan (€50 million)	50,000	19,978	14,983	10,005	4,978	0
Unicredit loan (€10 million)	10,000	8,731	7,486	2,505	4,981	0
UBI loan (€25 million)	25,000	25,096	22,566	5,152	17,414	0
Intesa San Paolo UK loan (€30 million)	30,000	29,804	29,854	10,074	19,780	0
Intesa San Paolo UK loan (€50 million)	50,000	39,672	34,743	10,074	24,669	0
Banca Popolare di Sondrio loan (€25 million)	25,000	0	24,927	(73)	25,000	0
Mediobanca loan (€35 million)	35,000	0	35,032	32	35,000	0
Intesa San Paolo NY credit line	4,298	0	7,943	7,943	0	0
Intesa San Paolo NY loan	16,982	8,296	7,112	2,857	4,255	0
EIB loan	20,000	4,170	2,501	2,501	0	0
807247788109 loan	1,500	453	65	65	0	0
Citibank Shanghai loan (RMB 200 million)	22,727	16,424	18,171	4,543	13,628	0
Bank Handlowy loan (€40 million)	40,000	40,000	35,556	8,889	26,667	0
EIB loan (€30 million, New Foundry Project)	30,000	30,000	30,000	0	12,853	17,147
Total payables to banks	**523,251**	**320,503**	**351,393**	**99,651**	**234,595**	**17,147**
Payables to other financial institutions						
Production Activity Ministry Law 46/82 (CCM Project)	2,371	1,344	1,377	309	1,068	0
MICA Law 46 loan (electrical car)	221	27	27	27	0	0
Payable to Simest S.p.A.	0	102	26	26	0	0
Payable to Simest S.p.A.	4,063	5,074	4,063	4,063	0	0
Payables to factors	N.A.	2,043	0	0	0	0
MCC Law 598 Isofix	120	124	222	49	173	0
MCC Law 598/94 Research	364	170	139	73	66	0
Ministerio Industria España	3,237	2,087	2,139	0	324	1,815
Payables to minority shareholders of Sabelt S.p.A.	0	3,878	3,429	0	3,429	0
Renault Argentina S.A. loan	797	938	1,056	309	747	0
Payables for leases	52,944	14,995	12,891	3,905	7,990	996
Total payables to other financial institutions	**64,117**	**30,782**	**25,369**	**8,761**	**13,797**	**2,811**
TOTAL	**587,368**	**351,285**	**376,762**	**108,412**	**248,392**	**19,958**

In the first half of 2012, the Company also recognised the account payable for the year associated with the put option on a 35% interest in Sabelt S.p.A. held by minority shareholders of Sabelt, amounting to €3,429 thousand at 30 June 2012, exercisable on or after 1 January 2015 and within a maximum period of five years. The price of the option is linked to financial and operating variables of Sabelt's business.

It should be recalled that the agreement entered into in 2005 to incorporate the Chinese company Brembo China Brake Systems Co. Ltd. includes an irrevocable obligation for Brembo to purchase the interest held by the shareholder Simest by 30 June 2013, with the possibility for Brembo S.p.A. and Simest to exercise the call option beginning in 2011. The purchase price is irrevocably agreed to be the greater of the total cost incurred by Simest to purchase the equity interest and the share of equity attributable to the interest held by Simest. In accordance with the irrevocable obligation, that debt is currently fully recognised as short-term debt. As the paragraph "Significant Events After 30 June 2012" in the Directors' Report on Operations already illustrated, Simest exercised its right to sell in July. This transaction will be completed in August 2012.

It should also be noted that, with reference to the EIB loan, which was obtained in 2004 for an original amount of €20 million (€2,501 thousand at 30 June 2012), the consolidated subsidiary 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. Moreover, in 2011 Brembo Poland Spolka Zo.o. also contracted a second EIB loan of €30 million subject to the same types of clauses as its predecessor. Similar clauses apply to the Centrobanca loans, the Intesa Sanpaolo loans of €30 million and €50 million and the Unicredit loan of €50 million.

The Group's compliance with the covenants to which it is subject was assessed at the balance sheet date, without exception.

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

(euro thousand)		30.06.2012			31.12.2011	
	Instalment	Interest	Principal	Instalment	Interest	Principal
Within 1 year	4,407	502	3,905	4,905	632	4,273
Between 1 and 5 years	8,693	703	7,990	10,635	984	9,651
Beyond 5 years	1,105	109	996	1,209	138	1,071
Total	**14,205**	**1,314**	**12,891**	**16,749**	**1,754**	**14,995**

The following table provides a breakdown of operating lease instalments:

(euro thousand)	30.06.2012	31.12.2011
Within 1 year	20,617	14,245
Between 1 and 5 years	65,836	37,755
Beyond 5 years	59,030	39,230
Total	**145,483**	**91,230**

The following table shows the structure of debt towards other lenders and loans, broken down by annual interest rate and currency at 30 June 2012:

	Fixed rate	Variable rate	Total
Euro	81,596	259,950	341,546
US Dollar	0	15,055	15,055
Polish Zloty	718	0	718
Chinese Renmimbi	0	18,171	18,171
Argentine peso	1,065	188	1,253
Japanese Yen	19	0	19
Total	**83,398**	**293,364**	**376,762**

The average variable rate applicable to the Group's debt is 2.57% and the average fixed rate is 3.15%.

It should be noted that, at 30 June 2012, financial debts backed by collateral were repaid. From 2010 there was an outstanding held-for-trading IRS (notional value €1,500 thousand). The contract was entered into by the consolidated company Sabelt S.p.A. and had a fair value negative at €95 thousand at 30 June 2012. As the instrument does not qualify for hedge accounting, changes in fair value are recognised in the income statement.

In 2012 the Brembo Group entered into a second IRS directly with the parent company Brembo S.p.A., for a notional amount of €40 million, hedging the interest rate risk associated with a specific outstanding loan. This IRS is subject to hedge accounting treatment (cash flow hedge). The change in fair value at 30 June 2012, €226 thousand, was recognised directly in a specific reserve, net of the tax effect, given that the hedge is fully effective.

Net Financial Position

The following table shows the reconciliation of the net financial position at 30 June 2012 (€351,459 thousand), and at 31 December 2011 (€315,003 thousand) based on the layout prescribed by CONSOB Communication No. 6064293 of 28 July 2006.

(euro thousand)		30.06.2012	31.12.2011
A	Cash	93	117
B	Other cash equivalents	142,396	95,632
C	Derivatives and securities held for trading	442	291
D	**LIQUIDITY (A+B+C)**	**142,931**	**96,040**
E	Current financial receivables	9,580	9,494
F	Current payables to banks	126,887	69,148
G	Current portion of non-current debt	99,651	89,663
H	Other current financial debts and derivatives	8,996	7,081
I	**CURRENT FINANCIAL DEBT (F+G+H)**	**235,534**	**165,892**
J	**NET CURRENT FINANCIAL DEBT (I–E–D)**	**83,023**	**60,358**
K	Non-current payables to banks	251,742	230,840
L	Bonds issued	0	0
M	Other non-current financial debts and derivatives	16,694	23,805
N	**NON-CURRENT FINANCIAL DEBT (K+L+M)**	**268,436**	**254,645**
O	**NET FINANCIAL DEBT (J+N)**	**351,459**	**315,003**

The various components that gave rise to the change in net financial position during the current period are presented in the Cash Flow Statement in the Report on Operations.

14. Other Non-current Liabilities

This item is broken down as follows:

(euro thousand)	30.06.2012	31.12.2011
Social security payables	16	1,019
Payables to employees	475	4,513
Other payables	105	1,021
Total	**596**	**6,553**

The change in the items "Payables to employees", "Social security payables" and "Other payables" relates primarily to the reclassification to "Other current liabilities" of the liability associated with the 2010-2012 three-year incentive plan, to be settled in June 2013.

15. Provisions

This item is broken down as follows:

(euro thousand)	31.12.2011	Provisions	Use/Release	Exchange rate fluctuations	Reclassification	30.06.2012
Provisions for contingencies and charges	5,348	1,270	(1,426)	8	65	5,265
Provision for loss replenishment in associate companies	294	22	0	0	0	316
Total	**5,642**	**1,292**	**(1,426)**	**8**	**65**	**5,581**

Provisions for contingencies and charges totalled €5,265 thousand, mainly including product guarantees, supplemental customer indemnities — in connection with the Italian agency contract — and the valuation of risks related to litigation underway, as well as an estimate of liabilities that could arise as a result of tax litigation underway. The item "Provision for loss replenishment in associate companies" includes the provision linked to the valuation of the interest 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 United Kingdom 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 and provides benefits to its employees.

Brembo México S.A. de C.V., Brembo Nanjing Brake Systems Co. Ltd. and Brembo Brake India Pvt. Ltd. offer pension plans to their employees that qualify as a defined-benefit plan.

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 item "Other employee provisions" refers to other employee benefits.

The balances at 30 June 2012 are shown below:

(euro thousand)	31.12.2011	Provisions	Use/ Release	Financial charges	Exchange rate fluctuation	Reclassification	30.06.2012
Employees' leaving entitlement	17,739	0	(714)	415	0	0	17,440
Defined-benefit plans and other long-term benefits	1,733	72	(32)	92	32	(209)	1,688
Defined-contribution plans	90	432	(492)	0	3	534	567
Total	**19,562**	**504**	**(1,238)**	**507**	**35**	**325**	**19,695**

17. Trade Payables

At 30 June 2012, trade payables were as follows:

(euro thousand)	30.06.2012	31.12.2011
Trade payables	274,562	261,182
Payables to associates and joint ventures	6,606	5,391
Total	**281,168**	**266,573**

The rise in this item is related to the increase in the normal operating activities in the period. 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 Group's companies.

(euro thousand)	30.06.2012	31.12.2011
Tax payables	7,572	5,668

19. Other Current Payables

Other current payables at 30 June 2012 are shown below:

(euro thousand)	30.06.2012	31.12.2011
Tax payables other than current taxes	3,308	6,640
Social security payables	13,001	13,374
Payables to employees	34,528	25,545
Other payables	21,096	20,118
Total	**71,933**	**65,677**

CONSOLIDATED INCOME STATEMENT

20. Sales of Goods and Services

Breakdown of sales of goods and services was as follows:

(euro thousand)	30.06.2012	30.06.2011
Italy	114,485	121,336
Abroad	588,113	511,358
Total	**702,598**	**632,694**

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

21. Other Revenues and Income

These are made up of:

(euro thousand)	30.06.2012	30.06.2011
Miscellaneous recharges	2,675	2,001
Gains on disposal of assets	439	458
Miscellaneous grants	408	1,177
Other revenues	1,631	2,039
Total	**5,153**	**5,675**

22. Costs for Capitalised Internal Works

This item refers to the capitalisation of development costs incurred during the period, amounting to €6,541 thousand (first half of 2011: €5,860 thousand).

23. Raw Materials, Consumables and Goods

The item is broken down as follows:

(euro thousand)	30.06.2012	30.06.2011
Purchase of raw materials, semi-finished and finished products	327,719	294,262
Purchase of consumables	29,520	23,346
Total	**357,239**	**317,608**

24. Other Operating Costs

These costs are broken down as follows:

(euro thousand)	30.06.2012	30.06.2011
Transports	18,849	17,999
Maintenance, repairs and utilities	36,481	30,673
Contracted work	28,459	31,037
Rent	11,764	9,944
Other operating costs	32,333	29,634
Total	**127,886**	**119,287**

25. Personnel Expenses

Breakdown of personnel expenses is as follows:

(euro thousand)	30.06.2012	30.06.2011
Wages and salaries	100,576	89,684
Social security contributions	26,354	23,385
Employees' leaving entitlement and other personnel provisions	4,921	4,358
Other costs	8,940	8,847
Total	**140,791**	**126,274**

The average number and the period-end number of Group employees by category were as follows:

	Executives	White-collars	Blue-collars	Total
First half of 2012: average	212	2,014	4,762	6,988
First half of 2011: average	202	1,835	4,129	6,166
Changes	**10**	**179**	**633**	**822**
Total at 30 June 2012	211	2,018	4,820	7,049
Total at 30 June 2011	207	1,872	4,308	6,387
Changes	**4**	**146**	**512**	**662**

26. Depreciation, Amortisation and Impairment Losses

The item is broken down as follows:

(euro thousand)	30.06.2012	30.06.2011
Amortisation of intangible assets:		
Development costs	3,971	4,139
Industrial patents and similar rights for original work	734	720
Licences, trademarks and similar rights	325	314
Other intangible assets	2,613	2,956
Total	**7,643**	**8,129**
Depreciation of property, plant and equipment:		
Buildings	2,676	1,692
Leased buildings	286	501
Plant and machinery	21,521	18,190
Leased plant and machinery	704	893
Industrial and commercial equipment	4,012	4,454
Leased industrial and commercial equipment	2	0
Other property, plant and equipment	1,156	924
Other leased property, plant and equipment	17	18
Total	**30,374**	**26,672**
Impairment losses:		
Property, plant and equipment	32	90
Intangible assets	1,053	3,289
Total	**1,085**	**3,379**
TOTAL AMORTISATION, DEPRECIATION AND IMPAIRMENT LOSSES	**39,102**	**38,180**

Comments on impairment losses are provided in the notes to the Balance Sheet items.

27. Net Interest Income (Expense)

This item is broken down as follows:

(euro thousand)	30.06.2012	30.06.2011
Exchange rate gains	16,711	3,600
Interest income from employee's leaving entitlement and other personnel provisions	480	626
Interest income	2,671	901
Total interest income	**19,862**	**5,127**
Exchange rate losses	(15,281)	(3,740)
Interest expense from employees' leaving entitlement and other personnel provisions	(987)	(990)
Interest expense	(7,822)	(4,931)
Total interest expense	**(24,090)**	**(9,661)**
TOTAL NET INTEREST INCOME (EXPENSE)	**(4,228)**	**(4,534)**

Compared to the first half of 2011, the increase in the item "Exchange rate gains and losses" is mainly due to the appreciation of Polish zloty against the euro occurred in 2012 in trade and financial items of Brembo Poland Spolka Zo.o. and Brembo Spolka Zo.o.

"Interest income (expense)" also includes the effect of an adjustment to the estimated amount due in relation to the put option on 35% of Brembo Sabelt S.p.A., granted to the minority shareholders under the agreements in force. The adjustment generated a gain amounting to €449 thousand (€148 thousand in the first half of 2011).

28. Interest Income (Expense) from Investments

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)	30.06.2012	30.06.2011
Current taxes	13,426	14,441
Deferred tax assets and liabilities	(5,281)	(1,813)
Other tax liabilities	608	11
Total	**8,753**	**12,639**

Further information on tax reduction compared to the previous period is provided in Note 6, which analyses the fiscal benefits arising from new investments.

30. Earnings per Share

Basic earnings per share were €0.55 at 30 June 2012 (June 2011: €0.38), and were calculated by dividing the net income or losses for the period attributable to holders of ordinary equity instruments of the Parent Company by the weighted average number of ordinary shares outstanding during the first six months of 2012, amounting to 65,231,002 (First half of 2011: 65,231,002). Diluted earnings per share are identical to base 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 Annexes 1 and 2), directors, key management personnel and other related parties. The Parent Company Brembo S.p.A. is a subsidiary of 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 2012, except for the dividend distribution.

The table below provides information on the fees paid to Directors and Statutory Auditors, and additional information required:

(euro thousand)	Emoluments for the office held	Non-monetary benefits	Bonuses and other incentives	Other compensation	Total
Directors	867	0	705	457	2,029
Board of Statutory Auditors	102	0	0	0	102

Annex 5 contains a summary of related party transactions as they relate to balances of the Balance Sheet and Income Statement.

Sales of products, supply of services and transfers of fixed assets between Group companies were carried out at prices reflecting fair market conditions, as is customary. 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 2012 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 2012 and 30 June 2011:

	Total		Discs/Systems/Motorbikes		After Market / Performance Group		Interdivision		Non-segment data	
(euro thousand)	30.06.2012	30.06.2011	30.06.2012	30.06.2011	30.06.2012	30.06.2011	30.06.2012	30.06.2011	30.06.2012	30.06.2011
Sales	708,112	641,773	586,744	518,119	134,880	133,692	(4,321)	(1,504)	(9,191)	(8,534)
Allowances and discounts	(9,563)	(9,815)	(3,332)	(2,414)	(6,233)	(7,401)	0	0	2	0
Net sales	**698,549**	**631,958**	**583,412**	**515,705**	**128,647**	**126,291**	**(4,321)**	**(1,504)**	**(9,189)**	**(8,534)**
Transport costs	7,757	8,624	5,607	6,523	2,150	2,101	0	0	0	0
Variable production costs	470,690	422,092	402,079	352,423	81,664	79,887	(4,321)	(1,504)	(8,732)	(8,714)
Contribution margin	**220,102**	**201,242**	**175,726**	**156,759**	**44,833**	**44,303**	**0**	**0**	**(457)**	**180**
Fixed production costs	97,438	91,114	86,814	79,210	10,424	11,952	(3)	(3)	203	(45)
Production gross operating income	**122,664**	**110,128**	**88,912**	**77,549**	**34,409**	**32,351**	**3**	**3**	**(660)**	**225**
BU personnel costs	50,448	46,895	31,529	28,518	17,503	17,710	0	0	1,416	667
BU gross operating income	**72,216**	**63,233**	**57,383**	**49,031**	**16,906**	**14,641**	**3**	**3**	**(2,076)**	**(442)**
Costs for Central Functions	27,169	26,022	19,275	17,679	5,944	5,426	0	0	1,950	2,917
Operating income (loss)	**45,047**	**37,211**	**38,108**	**31,352**	**10,962**	**9,215**	**3**	**3**	**(4,026)**	**(3,359)**
Extraordinary costs and revenues	1,576	2,603	0	0	0	0	0	0	1,576	2,603
Financial costs and revenues	(4,551)	(4,892)	0	0	0	0	0	0	(4,551)	(4,892)
Income and charges from shareholdings	(798)	(499)	0	0	0	0	0	0	(798)	(499)
Non-operating costs and revenues	2,974	3,424	0	0	0	0	0	0	2,974	3,424
Result before taxes	**44,248**	**37,847**	**38,108**	**31,352**	**10,962**	**9,215**	**3**	**3**	**(4,825)**	**(2,723)**
Taxes	(8,753)	(12,639)	0	0	0	0	0	0	(8,753)	(12,639)
Result before minority interests	**35,495**	**25,208**	**38,108**	**31,352**	**10,962**	**9,215**	**3**	**3**	**(13,578)**	**(15,362)**
Minority interests	89	(473)	0	0	0	0	0	0	89	(473)
Net result	**35,584**	**24,735**	**38,108**	**31,352**	**10,962**	**9,215**	**3**	**3**	**(13,489)**	**(15,835)**

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

(euro thousand)	30.06.2012	30.06.2011
SALES OF GOODS AND SERVICES	**702,598**	**632,694**
Scrap sales (in the segment report they are subtracted from "Variable production costs")	(4,637)	(1,933)
Capital gains on sale of equipment (in the Consolidated Financial Statements they are included in "Other revenues and income")	120	284
Effect of adjustment of transactions among consolidated companies	(618)	0
Miscellaneous recharges (in the Consolidated Financial Statements they are included in "Other revenues and income")	1,018	1,248
Other	68	(335)
NET SALES	**698,549**	**631,958**

(euro thousand)	30.06.2012	30.06.2011
NET OPERATING INCOME	**49,274**	**42,880**
Differences in preparation criteria of internal and statutory reports	(3,890)	(3,929)
Claim compensation and subsidies	(292)	(1,885)
Capital gains/losses on disposal of assets (in the segment report they are included in "Non-operating costs and revenues")	(112)	(351)
Different classification of the provision for receivable write-downs (in the segment report it is included in "Non-operating costs and revenues")	16	(13)
Different classification of the provision for risks (in the segment report it is included in "Non-operating costs and revenues")	(107)	3
Different classification of the provision for inventory write-downs (in the segment report it is included in "Non-operating costs and revenues")	16	16
Different classification of banking expenses (in the segment report it is included in "Financial costs and revenues")	324	370
Other	(182)	121
OPERATING RESULT	**45,047**	**37,212**

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

Balance sheet data at 30 June 2012 and 31 December 2011 are provided in the table below:

	Total		Discs/Systems/Motorbikes		After Market / Performance Group		Interdivision		Non-segment data	
(euro thousand)	30.06.2012	31.12.2011	30.06.2012	31.12.2011	30.06.2012	31.12.2011	30.06.2012	31.12.2011	30.06.2012	31.12.2011
Property, plant and equipment	439,390	403,972	392,878	357,967	42,632	43,681	9	6	3,871	2,318
Intangible assets	62,455	61,430	39,247	39,506	14,149	14,160	(1,372)	(1,210)	10,431	8,974
Financial assets and other non-current assets/liabilities	50,112	38,838	365	0	0	0	(951)	42	50,698	38,796
(a) Total fixed assets	**551,957**	**504,240**	**432,490**	**397,473**	**56,781**	**57,841**	**(2,314)**	**(1,162)**	**65,000**	**50,088**
Inventories	236,177	225,012	148,962	130,368	87,807	92,163	(101)	(101)	(491)	2,582
Current assets	258,731	245,220	195,987	189,359	55,393	47,355	(27,647)	(24,066)	34,998	32,572
Current liabilities	(349,816)	(333,140)	(276,276)	(257,409)	(51,567)	(57,024)	27,647	24,066	(49,620)	(42,773)
Provisions for contingencies and charges and other provisions	1,433	(2,118)	0	0	0	0	0	0	1,433	(2,118)
(b) Net working capital	**146,525**	**134,974**	**68,673**	**62,318**	**91,633**	**82,494**	**(101)**	**(101)**	**(13,680)**	**(9,737)**
NET INVESTED WORKING CAPITAL (a+b)	**698,482**	**639,214**	**501,163**	**459,791**	**148,414**	**140,335**	**(2,415)**	**(1,263)**	**51,320**	**40,351**
IAS adjustments	31,233	29,285	25	169	1,764	776	0	0	29,444	28,340
NET INVESTED CAPITAL	**729,715**	**668,499**	**501,188**	**459,960**	**150,178**	**141,111**	**(2,415)**	**(1,263)**	**80,764**	**68,691**
Group equity	347,812	323,594	0	0	0	0	0	0	347,812	323,594
Minority interests	10,749	10,340	0	0	0	0	0	0	10,749	10,340
(d) Equity	**358,561**	**333,934**	**0**	**0**	**0**	**0**	**0**	**0**	**358,561**	**333,934**
(e) Provisions for employee benefits	**19,695**	**19,562**	**0**	**0**	**0**	**0**	**0**	**0**	**19,695**	**19,562**
Medium/long-term financial debt	268,436	254,645	0	0	0	0	0	0	268,436	254,645
Short-term financial debt	83,023	60,358	0	0	0	0	0	0	83,023	60,358
(f) Net financial debt	**351,459**	**315,003**	**0**	**0**	**0**	**0**	**0**	**0**	**351,459**	**315,003**
(g) COVERAGE (d+e+f)	**729,715**	**668,499**	**0**	**0**	**0**	**0**	**0**	**0**	**729,715**	**668,499**

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

- intangible assets mainly consist of development costs;
- financial assets mainly consist of the value of shareholdings;
- current assets and liabilities mainly consist of trade receivables and payables;
- provisions for contingencies and charges and other provisions are not allocated.

33. Significant Events After 30 June 2012

There are no other significant events to report from the end of the first half of 2012 until 31 July 2012 beyond those already disclosed in the Report on Operations.

Stezzano, 31 July 2012

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)

PURCHASING COMPANY / SELLING COMPANY	BREMBO SPA	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 MEXICO S.A. DE C.V.	BREMBO DO BRASIL LTDA.	BREMBO JAPAN CO. LTD.	BREMBO SCANDINAVIA A.B.	BREMBO CHINA BRAKE SYSTEMS CO. LTD.
BREMBO SPA		169	4,972	3,724		38	2,583	12		511	491	
CORPORACION UPWARDS 98 S.A.	1,481											
BREMBO POLAND SPOLKA ZO.O.	9,335			1,056						1		
BREMBO SPOLKA ZO.O.	2,399		5									
AP RACING LTD.	246											
BREMBO UK LTD.	826											
BREMBO NORTH AMERICA INC.	7,482		15					193				
BREMBO MEXICO S.A. DE C.V.	766						1,170					
BREMBO DO BRASIL LTDA.	538		9									
BREMBO JAPAN CO. LTD.	1,549 [a]						3					
BREMBO SCANDINAVIA A.B.												
BREMBO CHINA BRAKE SYSTEMS CO. LTD.												
BREMBO NANJING BRAKE SYSTEMS CO. LTD.	90		965	504			21			2		
BREMBO BRAKE INDIA LTD.	1,012											
SABELT SPA	417						68					
BELT & BUCKLE S.R.O.	5											
BREMBO DEUTSCHLAND GMBH	31											
BREMBO CZECH S.R.O.	11,908 [b]			57			26					
BREMBO NANJING FOUNDRY CO. LTD	1,070											
QINGDAO BREMBO TRADING CO. LTD.	171											
LA.CAM (LAVORAZIONI CAMUNE) SRL	324			2								
BREMBO ARGENTINA S.A.	232								1,151			
Total consolidated companies	**39,882**	**169**	**5,966**	**5,343**	**0**	**38**	**3,871**	**205**	**1,151**	**514**	**491**	**0**
PETROCERAMICS SRL	80 [c]											
BREMBO SGL CARBON CERAMIC BRAKES SPA	1,784											
BREMBO SGL CARBON CERAMIC BRAKES GMBH	99											
INNOVA TECNOLOGIE SRL	140											
Total associate companies	**2,103**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL	**41,985**	**169**	**5,966**	**5,343**	**0**	**38**	**3,871**	**205**	**1,151**	**514**	**491**	**0**

a) Of which €7 thousand for sales of property, plant and equipment.
b) Of which €1,711 thousand for sales of property, plant and equipment.
c) Of which €8 thousand for sales of property, plant and equipment.
d) Of which €9 thousand for sales of property, plant and equipment.

BREMBO NANJING BRAKE SYSTEMS CO. LTD.	BREMBO BRAKE INDIA LTD.	SABELT SPA	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) SRL	BREMBO ARGENTINA S.A.	Total consolidated companies	PETROCERAMICS SRL	BREMBO SGL CARBON CERAMIC BRAKES SPA	BREMBO SGL CARBON CERAMIC BRAKES GMBH	INNOVA TECNOLOGIE SRL	Total associate companies	TOTAL
3	448	1		122	5,044	3,747	5,431	10,558		**37,854**	440	14,776	3,827		**19,043**	**56,897**
										1,481					**0**	**1,481**
79										**10,471**					**0**	**10,471**
								5,230		**7,634**					**0**	**7,634**
								138		**384**					**0**	**384**
										826					**0**	**826**
					1,952		580			**10,222**					**0**	**10,222**
							139			**2,075**					**0**	**2,075**
										547					**0**	**547**
										1,552					**0**	**1,552**
										0					**0**	**0**
						2				**2**					**0**	**2**
						5,689				**7,271**					**0**	**7,271**
										1,012					**0**	**1,012**
			3,112							**3,597**					**0**	**3,597**
		802								**807**					**0**	**807**
										31					**0**	**31**
								39		**12,030**					**0**	**12,030**
1,019							8			**2,097**					**0**	**2,097**
						27				**198**					**0**	**198**
										326					**0**	**326**
										1,383					**0**	**1,383**
1,101	**448**	**803**	**3,112**	**122**	**6,996**	**9,465**	**6,158**	**15,965**	**0**	**101,800**	**440**	**14,776**	**3,827**	**0**	**19,043**	**120,843**
										80		16 d)			**16**	**96**
								262		**2,046**	120		39		**159**	**2,205**
										99		346			**346**	**445**
										140					**0**	**140**
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**262**	**0**	**2,365**	**120**	**362**	**39**	**0**	**521**	**2,886**
1,101	**448**	**803**	**3,112**	**122**	**6,996**	**9,465**	**6,158**	**16,227**	**0**	**104,165**	**560**	**15,138**	**3,866**	**0**	**19,564**	**123,729**

Annex 2

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

(euro thousand)

PURCHASING COMPANY / SELLING COMPANY	BREMBO SPA	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 MEXICO S.A. DE C.V.	BREMBO DO BRASIL LTDA.	BREMBO JAPAN CO. LTD.	BREMBO SCANDINAVIA A.B.	BREMBO CHINA BRAKE SYSTEMS CO. LTD.
BREMBO SPA		229	43,486 [k]	7,807 [l]		201	1,412	10,277 [m]	192	292	263	
CORPORACION UPWARDS 98 S.A.	1,501 [a]											
BREMBO POLAND SPOLKA ZO.O.	5,961			621						28		
BREMBO SPOLKA ZO.O.	2,215		2									
AP RACING LTD.	181											
BREMBO UK LTD.	1,170											
BREMBO NORTH AMERICA INC.	12,530 [b]							199				
BREMBO MEXICO S.A. DE C.V.	766						480		490			
BREMBO DO BRASIL LTDA.	2,389 [c]		9					1,194 [n]				
BREMBO JAPAN CO. LTD.	1,124											
BREMBO SCANDINAVIA A.B.												
BREMBO CHINA BRAKE SYSTEMS CO. LTD.	397											
BREMBO NANJING BRAKE SYSTEMS CO. LTD.	1,076		1,081	802						4		694
BREMBO BRAKE INDIA LTD.	1,144											
SABELT SPA	2,318 [d]						35					
BELT & BUCKLE S.R.O.	949 [e]											
BREMBO DEUTSCHLAND GMBH	100 [f]											
BREMBO CZECH S.R.O.	34,073 [g]			53			237					
BREMBO NANJING FOUNDRY CO. LTD	4,359 [h]		17	12								
QINGDAO BREMBO TRADING CO. LTD.	290											1,367
LA.CAM (LAVORAZIONI CAMUNE) SRL	3,000 [i]			2								
BREMBO ARGENTINA S.A.	443								1,602			
Total consolidated companies	**75,986**	**229**	**44,595**	**9,297**	**0**	**201**	**2,164**	**11,670**	**2,284**	**324**	**263**	**2,061**
PETROCERAMICS SRL	40											
BREMBO SGL CARBON CERAMIC BRAKES SPA	1,679											
BREMBO SGL CARBON CERAMIC BRAKES GMBH	2											
INNOVA TECNOLOGIE SRL	9,140 [j]											
Total associate companies	**10,861**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL	**86,847**	**229**	**44,595**	**9,297**	**0**	**201**	**2,164**	**11,670**	**2,284**	**324**	**263**	**2,061**

a) Of which €286 thousand cash pooling.
b) Of which €7,078 thousand cash pooling.
c) Of which €646 thousand finance lease.
d) Of which €1,928 thousand cash pooling.
e) Of which €949 thousand cash pooling.
f) Of which €69 thousand cash pooling.
g) Of which €11,931 thousand cash pooling and €12,103 intercompany loan.
h) Of which €65 thousand intercompany loan.
i) Of which €2,694 thousand cash pooling.
j) Of which €9,140 thousand intercompany loan.

BREMBO NANJING BRAKE SYSTEMS CO. LTD.	BREMBO BRAKE INDIA LTD.	SABELT SPA	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) SRL	BREMBO ARGENTINA S.A.	Total consolidated companies	PETROCERAMICS SRL	BREMBO SGL CARBON CERAMIC BRAKES SPA	BREMBO SGL CARBON CERAMIC BRAKES GMBH	INNOVA TECNOLOGIE SRL	Total associate companies	TOTAL
61	157	1		94	4,341	1,360	1,992	4,930		**77,095**	228	5,699 o)	806		**6,733**	**83,828**
										1,501					**0**	**1,501**
81										**6,691**					**0**	**6,691**
								2,733		**4,950**					**0**	**4,950**
								17		**198**					**0**	**198**
										1,170					**0**	**1,170**
		1			1,467		357			**14,552**					**0**	**14,552**
										1,736					**0**	**1,736**
										3,592					**0**	**3,592**
										1,124					**0**	**1,124**
										0					**0**	**0**
						2				**399**					**0**	**399**
						2,543				**6,200**					**0**	**6,200**
										1,144					**0**	**1,144**
			1,725							**4,078**					**0**	**4,078**
		224								**1,173**					**0**	**1,173**
										100					**0**	**100**
										34,363					**0**	**34,363**
							9			**4,397**					**0**	**4,397**
						27				**1,684**					**0**	**1,684**
										3,002					**0**	**3,002**
										2,045					**0**	**2,045**
142	**157**	**224**	**1,725**	**94**	**5,808**	**3,932**	**2,358**	**7,680**	**0**	**171,194**	**228**	**5,699**	**806**	**0**	**6,733**	**177,927**
										40					**0**	**40**
								174		**1,853**	62				**62**	**1,915**
										2		443 p)			**443**	**445**
										9,140					**0**	**9,140**
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**174**	**0**	**11,035**	**62**	**443**	**0**	**0**	**505**	**11,540**
142	**157**	**224**	**1,725**	**94**	**5,808**	**3,932**	**2,358**	**7,854**	**0**	**182,229**	**290**	**6,142**	**806**	**0**	**7,238**	**189,467**

k) Of which €42,231 thousand cash pooling.
l) Of which €7,749 thousand cash pooling.
m) Of which €10,275 thousand cash pooling.
n) of which €1,164 thousand finance lease.
o) Of which €127 thousand security deposit.
p) Of which €99 thousand cash pooling.

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 North America Inc.	Wilmington, Delaware	USA
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
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 Górnizca	Poland
Brembo Scandinavia A.B.	Göteborg	Sweden
Brembo UK Ltd.	London	United Kingdom
Brembo do Brasil Ltda.	Betim	Brazil
Brembo Brake India Pvt. Ltd.	Pune	India
Brembo Argentina S.A.	Buenos Aires	Argentina
Corporación Upwards 98 S.A.	Zaragoza	Spain
Brembo China Brake Systems Co. Ltd.	Beijing	China
Sabelt S.p.A.	Turin	Italy
Brembo México S.A. de C.V.	Apodaca	Mexico
Brembo Nanjing Brake Systems Co. Ltd.	Nanjing	China
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
Eur	34,727,914		
Gbp	135,935	100%	Brembo S.p.A.
Eur	25,000	100%	Brembo S.p.A.
Usd	33,798,805	100%	Brembo S.p.A.
Cny	271,687,510	100%	Brembo S.p.A.
Czk	365,850,000	100%	Brembo S.p.A.
Eur	100,000	100%	Brembo S.p.A.
Cny	1,365,700	100%	Brembo S.p.A.
Pln	15,279,546	100%	Brembo S.p.A.
Jpy	11,000,000	100%	Brembo S.p.A.
Pln	129,600,000	100%	Brembo S.p.A.
Sek	4,500,000	100%	Brembo S.p.A.
Gbp	600,000	100%	Brembo S.p.A.
Brl	17,803,201	99.99%	Brembo S.p.A.
Inr	140,000,000	99.99%	Brembo S.p.A.
Ars	15,654,600	75%	Brembo S.p.A.
Eur	498,043	68%	Brembo S.p.A.
Cny	125,333,701	67.74%	Brembo S.p.A.
Eur	1,000,000	65%	Brembo S.p.A.
Usd	20,428,836	49%	Brembo S.p.A.
Cny	115,768,679	27.75%	Brembo 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

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	
	Eur	4,000,000	50%	Brembo S.p.A.
	Eur	405,333	30%	Brembo S.p.A.
	Eur	123,750	20%	Brembo S.p.A.
	Eur	25,000	100%	Brembo SGL Carbon Ceramic Brakes S.p.A.

Annex 5

Impact of Related Party Transactions

(euro thousand)

a) Weight of transactions or positions with related parties on items of the Balance Sheet	30.06.2012 Carrying value	RELATED PARTIES Total	Minority interests	Joint ventures	Unconsolidated investee companies	%
Trade receivables	230,382	22,307	20,412	1,855	40	*9.7%*
Other receivables and current assets	38,039	45	45	0	0	*0.1%*
Current financial assets and derivatives	10,022	9,140	0	0	9,140	*91.2%*
Cash and cash equivalents	142,489	84,584	84,584	0	0	*59.4%*
Non-current payables to banks	(251,742)	(37,337)	(37,337)	0	0	*14.8%*
Other non-current liabilities	(596)	0	0	0	0	*0.0%*
Provisions for employee benefits	(19,695)	(584)	(584)	0	0	*3.0%*
Current payables to banks	(226,538)	(29,846)	(29,846)	0	0	*13.2%*
Trade payables	(281,168)	(9,452)	(2,846)	(6,378)	(228)	*3.4%*
Other current payables	(71,933)	(1,663)	(1,536)	(127)	0	*2.3%*

b) Weight of transactions or positions with related parties on items of the Income Statement	30.06.2012 Carrying value	RELATED PARTIES Total	Minority interests	Joint ventures	Unconsolidated investee companies	%
Sales of goods and services	702,598	25,462	25,043	413	6	*3.6%*
Other revenues and income	5,153	1,802	4	1,732	66	*35.0%*
Raw materials, consumables and goods	(357,239)	(18,771)	(22)	(18,577)	(172)	*5.3%*
Other operating costs	(127,886)	(2,243)	(1,953)	(23)	(267)	*1.8%*
Personnel expenses	(140,791)	(1,317)	(1,314)	(3)	0	*0.9%*
Net interest income (expense)	(4,228)	(418)	(557)	(1)	140	*9.9%*

31.12.2011					
	RELATED PARTIES				
Carrying value	Total	Minority interests	Joint ventures	Unconsolidated investee companies	%
208,287	24,039	21,414	2,569	56	*11.5%*
37,229	0	0	0	0	*0.0%*
9,784	9,000	0	0	9,000	*92.0%*
95,749	16,184	16,184	0	0	*16.9%*
(230,840)	(10,062)	(10,062)	0	0	*4.4%*
(6,553)	(1,480)	(1,480)	0	0	*22.6%*
(19,562)	(492)	(492)	0	0	*2.5%*
(158,810)	(24,861)	(24,861)	0	0	*15.7%*
(266,573)	(9,087)	(3,696)	(5,132)	(259)	*3.4%*
(65,677)	(1,223)	(1,094)	(129)	0	*1.9%*

Change					
	RELATED PARTIES				
Carrying value	Total	Minority interests	Joint ventures	Unconsolidated investee companies	%
22,095	(1,732)	(1,002)	(714)	(16)	*-7.8%*
810	45	45	0	0	*5.6%*
238	140	0	0	140	*58.8%*
46,740	68,400	68,400	0	0	*146.3%*
(20,902)	(27,275)	(27,275)	0	0	*130.5%*
5,957	1,480	1,480	0	0	*24.8%*
(133)	(92)	(92)	0	0	*69.2%*
(67,728)	(4,985)	(4,985)	0	0	*7.4%*
(14,595)	(365)	850	(1,246)	31	*2.5%*
(6,256)	(440)	(442)	2	0	*7.0%*

30.06.2011					
	RELATED PARTIES				
Carrying value	Total	Minority interests	Joint ventures	Unconsolidated investee companies	%
632,694	26,777	25,955	818	4	*4.2%*
5,675	1,942	3	1,872	67	*34.2%*
(317,608)	(25,042)	(32)	(24,878)	(132)	*7.9%*
(119,287)	(3,249)	(2,878)	(95)	(276)	*2.7%*
(126,274)	(827)	(825)	(2)	0	*0.7%*
(4,534)	(598)	(597)	(1)	0	*13.2%*

Change					
	RELATED PARTIES				
Carrying value	Total	Minority interests	Joint ventures	Unconsolidated investee companies	%
69,904	(1,315)	(912)	(405)	2	*-1.9%*
(522)	(140)	1	(140)	(1)	*26.8%*
(39,631)	6,271	10	6,301	(40)	*-15.8%*
(8,599)	1,006	925	72	9	*-11.7%*
(14,517)	(490)	(489)	(1)	0	*3.4%*
306	180	40	0	140	*58.8%*

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AUDITORS' REPORT ON THE REVIEW OF CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

To the Shareholders of
Brembo SpA

1 We have reviewed the consolidated condensed interim financial statements of Brembo SpA and its subsidiaries (Brembo Group) as of 30 June 2012, 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 We conducted our review in accordance with the criteria for a review recommended by CONSOB, the national stock exchange commission, 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 period presented for comparative purposes, reference should be made to our reports dated 19 March 2012 and dated 29 July 2011, 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 of 30 June 2012 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, 31 July 2012

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.

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 2012.

2. The appropriateness of administrative and accounting procedures for preparing the Condensed Financial Statements at 30 June 2012 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, 31 July 2012

Alberto Bombassei
The Chairman

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

BREMBO S.p.A. | Sede legale | Sede amministrativa e uffici

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