BREMBO
SIX MONTHLY
REPORT
2013

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REPORT
2013


OFFICIAL SUPPLIER
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Santander

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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 for the three-year period 2011-2013. Director Andrea Abbati Marescotti, who was co-opted on 6 June 2011, was confirmed in his position by the General Shareholders' Meeting of 20 April 2012 until the expiry of the current term of the Board of Directors, i.e., until the General Shareholders' Meeting called to approve the Financial Statements for the year ending 31 December 2013.

Upon motivated proposal of the Board of Statutory Auditors, the Shareholders' Meeting of 23 April 2013 appointed Reconta Ernst & Young S.p.A. independent auditors for the period 2013-2021.

At 30 June 2013, 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	Reconta Ernst & Young S.p.A. [11]

MANAGER IN CHARGE OF THE COMPANY'S FINANCIAL REPORTS	Matteo Tiraboschi [12]

COMMITTEES

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

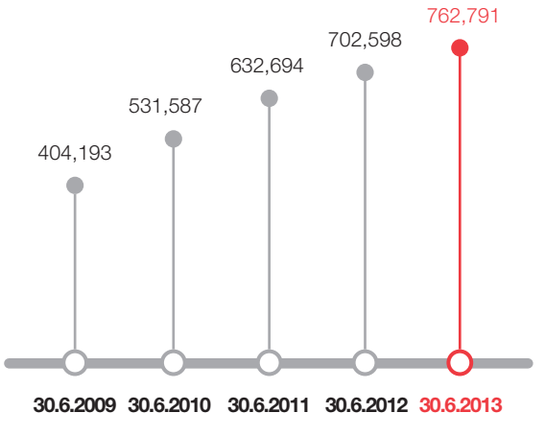
(1) The Chairman is the Company's legal representative and has powers of ordinary management, within the limits of the law.
(2) The Executive Deputy Chairman is the Company's legal representative; the Board of Directors granted him special powers to manage the Company.
(3) The Board of Directors granted the Managing Director and General Manager special powers to manage the Company, as well as powers, pursuant to Article 2381 of the Italian Civil Code, with reference to occupational health and safety (provisions of Legislative Decree No. 81/2008, as amended by Legislative Decree No. 106/2009), environmental protection and waste management.
(4) The Director also holds the position of Executive Director in charge of the Internal Control and Risk Management System.
(5) Independent and Non-executive Directors pursuant to Article 148, paragraph 3, of TUF (as required by Articles 147-*ter*, paragraph 4, and 147-*quater* of the TUF) and Article 2.2.3, paragraph 3, of the Rules of Borsa Italiana S.p.A. and the Corporate Governance Code of Brembo S.p.A. (Article 3.C.1).
(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 Committeee and Accounting Audit pursuant to Article 19 of Legislative Decree No. 39/2010.
(11) The Shareholders' Meeting held on 23 April 2013 extended the mandate until the approval of the Financial Statements for the financial year 2021.
(12) Appointed by the Board of Directors on 29 April 2011. He also holds the position of Investor Relator.
(13) This Committee also acts as the Related Party Transactions Committee.
(14) Private practice lawyer - Studio Castaldi Mourre & Partners, Milan.
(15) Internal Audit Director of the Brembo Group and Person in Charge of Internal Control.

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

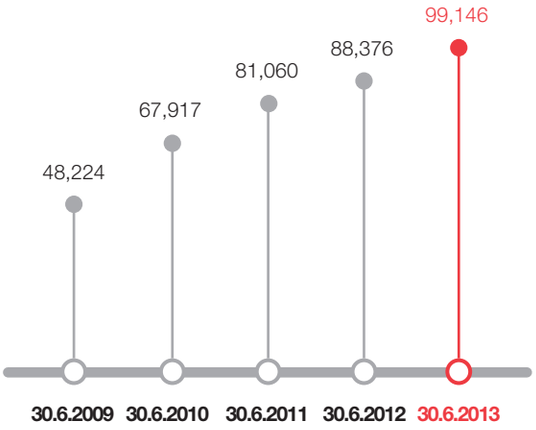
BREMBO: SUMMARY OF GROUP RESULTS

For comparative purposes, it should be noted that certain values of the 2011 and 2012 Consolidated Financial Statements have been restated in accordance with the transitional provisions set forth in the amendment to IAS 19. For further information, reference is made to the Explanatory Notes under section "Basis of Preparation and Presentation."

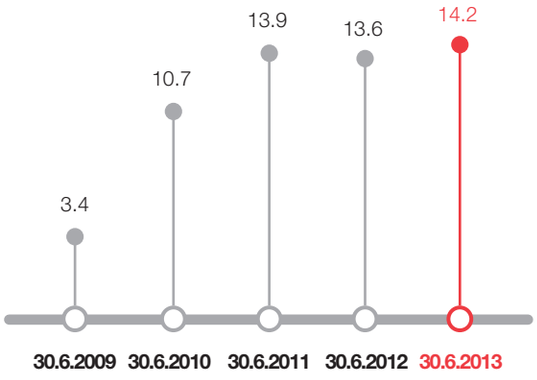
SALES OF GOODS AND SERVICES
(euro thousand)



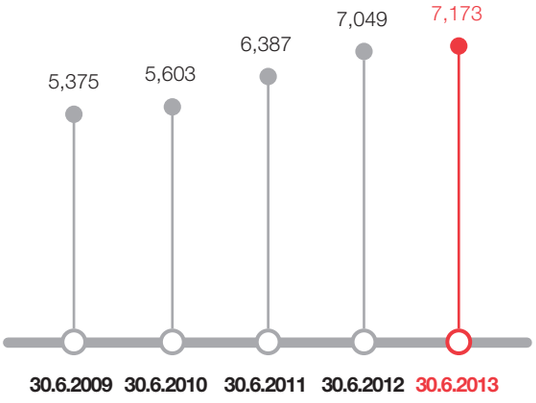
GROSS OPERATING INCOME
(euro thousand)



ROI
(Percentage)



PERSONNEL AT END OF PERIOD
(No.)



Economic results

(euro thousand)	30.06.2009	30.06.2010	30.06.2011	30.06.2012	30.06.2013	% 2013/2012
Sales of goods and services	404,193	531,587	632,694	702,598	762,791	*8.6%*
Gross operating income	48,224	67,917	81,060	88,376	99,146	*12.2%*
% on sales	*11.9%*	*12.8%*	*12.8%*	*12.6%*	*13.0%*	
Net operating income	10,096	31,843	42,880	49,274	55,448	*12.5%*
% on sales	*2.5%*	*6.0%*	*6.8%*	*7.0%*	*7.3%*	
Result before taxes	3,221	26,612	37,847	44,238	46,956	*6.1%*
% on sales	*0.8%*	*5.0%*	*6.0%*	*6.3%*	*6.2%*	
Net result for the period	(481)	18,650	24,735	35,572	43,236	*21.5%*
% on sales	*-0.1%*	*3.5%*	*3.9%*	*5.1%*	*5.7%*	

Financial results

(euro thousand)	30.06.2009	30.06.2010	30.06.2011	30.06.2012	30.06.2013	% 2013/2012
Net invested capital [1]	600,814	601,915	624,034	731,142	789,881	*8.0%*
Equity	275,213	312,270	323,407	354,175	392,993	*11.0%*
Net financial debt [1]	303,401	268,782	280,919	351,459	369,234	*5.1%*

Personnel and investments

(euro thousand)	30.06.2009	30.06.2010	30.06.2011	30.06.2012	30.06.2013	% 2013/2012
Personnel at end of period (No.)	5,375	5,603	6,387	7,049	7,173	*1.8%*
Turnover per employee (euro thousand)	75.2	94.9	99.1	99.7	106.3	*6.7%*
Investments (euro thousand)	28,421	33,837	77,249	68,969	72,429	*5.0%*

Main ratios

	30.06.2009	30.06.2010	30.06.2011	30.06.2012	30.06.2013
Net operating income/Sales	*2.5%*	*6.0%*	*6.8%*	*7.0%*	*7.3%*
Income before taxes/Sales	*0.8%*	*5.0%*	*6.0%*	*6.3%*	*6.2%*
Investments/Sales	*7.0%*	*6.4%*	*12.2%*	*9.8%*	*9.5%*
Net financial debt/Equity	*110.2%*	*86.1%*	*86.9%*	*99.2%*	*94.0%*
Net interest expense [*]/Sales	*1.5%*	*0.8%*	*0.7%*	*0.8%*	*0.9%*
Net interest expense [*]/Net operating income	*61.3%*	*12.9%*	*10.2%*	*11.5%*	*12.5%*
ROI [2]	*3.4%*	*10.7%*	*13.9%*	*13.6%*	*14.2%*
ROE [3]	-0.8%	*11.9%*	*15.7%*	*20.2%*	*21.9%*

Notes:
[1] A breakdown of these items is provided in the reclassified Balance Sheet on page 39.
[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).
[*] This item does not include exchange gains and losses.


SHARK
aprilia
RSV4
aprilia
PIRELLI
DELLORTO
eni
rizoma
BMC

DIRECTORS' REPORT ON OPERATIONS

BREMBO AND THE MARKET

Macroeconomic Context

According to the data published in July by the International Monetary Fund (IMF), global GDP is expected to rise by 3.1% in 2013, in line with the increase reported in 2012. This forecast has been revised downwards by 0.2 points compared to the April World Economic Outlook estimates, primarily due to the widespread weakening of domestic demand and lower-than-expected growth in many emerging countries. These factors are coupled with the persistent crisis in the Eurozone.

The continuing risk of recession in mature countries in the second quarter of 2013 and the emergence of new risks relating to the slowdown of developing economies led the IMF to apply a downwards revision to its growth estimates for 2014 as well, forecasting an increase of 3.8% at the global level (-0.2 points compared to the 4.0% estimated in April).

Global growth requires additional supporting measures that, for advanced economies, aim to achieve sustainable levels of debt in the medium/long term and, for emerging economies, choose between policies in support of the weakest activities and actions aimed at preventing capital outflows.

We are faced with a three-speed world, with Europe struggling to emerge from a period of recession, the United States and Japan capable of recovering and resuming growth, although they remain subject to the risk of a new decline in economic activity, and emerging countries, which are experiencing a phase of slowdown that exceeds analysts' expectations.

Owing to the different impetus provided by the economic policies implemented at the global level and the persistent debt crisis in Europe, the gap between Europe, where economic conditions will remain weak, and the rest of the world is expected to continue to widen in the second half of 2013.

Heightened concerns surround the economic scenario of the Eurozone. According to the IMF's latest estimates, the area's GDP is expected to contract by an additional 0.6% in 2013, equal to the decline reported in 2012. In fact, according to analysts, the current recession is likely to extend through 2013. Countries such as France, which had weathered the crisis better than others, at least in the first part of the previous year, saw their GDP decrease both in the fourth quarter of 2012 and the first quarter of 2013, thus marking their official entry into a period of recession, as had already occurred in the cases of the major countries of Mediterranean Europe. In further detail, for 2013 the IMF estimates a continued decline in GDP for Italy (-1.8%, following on -2.4% in 2012), Spain (-1.6%, following on -1.4% in 2012) and France (-0.2%). As has now become customary, one of the few positive notes regards Germany, although its GDP grew by only 0.1% in the first quarter of the year, which led the IMF to apply a severe downwards revision to growth estimates for 2013, lowering them from the +0.6% estimated in April to +0.3%. According to the latest projections by ISTAT-INSEE-IFO, the three main European economic institutions, the Eurozone's GDP is to accelerate in the coming quarters, compared to the previous three months, owing to the more dynamic performance of exports and a marginal recovery of domestic demand. In fact, the latest estimates indicate +0.1% in the second quarter, +0.2% in the third and +0.3% in the fourth. This would result in a percent shift, on an annual basis,

from -0.9% in the second quarter to +0.3% in the fourth. These data are in line with the estimates prepared by the IMF, which foresees that the Eurozone will effectively emerge from the recession only in the coming year, with 2014 GDP growth estimated at +0.9%, a projection that has nonetheless been revised downwards by 0.1 points from the April estimates. In short, in the Eurozone the recovery will require more time and could widen the gap between Germany and the remaining countries, where growth will be slower, or there will even be a decline in the near term. According to Eurostat data, industrial production in the Eurozone decreased by 0.3% in May (and 0.6% in the entire European Union), after it had shown its third consecutive increase on a monthly basis in April, with +0.4% compared to the previous month. On an annual basis, the decline was -1.3% compared to May 2012. 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 12.1% in May, up by 0.2 percentage points compared to April and 0.8 percentage points over the 12 months. Among Member States, the lowest unemployment rates were reported in Austria (4.7%), Germany (5.3%) and Luxembourg (5.7%), whereas the highest were seen in Spain (26.9%) and Greece (26.9% in April). In Italy, the unemployment rate reached 12.2%, above the Eurozone average. At the end of the first half of 2013, the PMI (Purchasing Managers Index) for the Eurozone's manufacturing sector, while remaining below the threshold of 50 points — which indicates a contraction of economic activity — showed a slight recovery to 48.8 points from 48.3 in the previous month. It was higher, although only slightly, than initially estimated by analysts. In Italy the PMI climbed to the highest levels of the past 23 months, reaching 49.1 points in June, up sharply from 47.3 points in May. According to the latest estimates by the European Union's statistics office (Eurostat), inflation is expected to reach 1.6% in the Eurozone in June 2013, compared to 1.4% in May.

The economic crisis characterising Europe, Brembo's main market of operation, has certainly influenced the performance of the automotive industry. Motor vehicle registrations in Europe (EU27) ended the first half of 2013 with a decline of 6.6%. In Italy, car registrations for the same period decreased by slightly more than 10%. In the first half of 2012, the decline in car registrations had been -6.8% in Europe (EU27) and -19.7% in Italy. Also in Germany, Europe's main market, the first half of the year ended with a decrease of nearly 8%. Among the main European markets, the only country to report growth was the United Kingdom, with a surprising +10% at the end of the half-year and nearly 1.2 million new registrations.

In the United States, according to the latest official estimates, GDP for 2013 is expected to grow by 1.7%. In this case as well, however, the IMF's estimates have been revised downwards by 0.2 points compared to its April forecasts. In May, industrial production remained at the same levels as in the previous month, as announced by the Federal Reserve. The figure at least indicated an end to the decline, which in April had reached 4%, but nonetheless fell short of the expectations of industry experts, who had forecast growth. In terms of production capacity, the utilisation rate declined to 77.6% from 77.7% in April. In May, inflation showed an increase of 0.1% on a monthly basis (a figure lower than the consensus set at +0.2%) and 1.4% on an annual basis. If energy and food products are excluded, the increase on a monthly basis rises to 0.2%. From the job market, some shadows are looming over the economic recovery of the United States. In May 175,000 jobs were created, a figure that exceeded the expectations of analysts, who had forecast 169,000. However, it conflicts with the increase in the unemployment rate, which rose by 0.1 percentage points in May from 7.5% in April, due to the 420,000 individuals who returned to the job-seeker market. The increase in new jobs

in excess of expectations is thus a false positive figure that bears witness to the slow, inconsistent progress of the recovery. The figure for retail sales, which increased by a scant 0.1% in April, rose by 0.6% in May compared to the previous month, above analysts' forecasts, which called for +0.4% and +4.3% on an annual basis. Net of the car component, the increase was just 0.3%. In fact, light vehicle sales closed the first half of 2013 with a growth rate of near 8%.

In Japan, following the 1.9% growth reported in 2012, the IMF's latest estimates for 2013 forecast a 2.0% increase in GDP in 2013. This latter figure is much higher (+0.5 points) than the projections published in April. For several months Japan has been drastically changing its economic policy with the aim of reviving its national economy and increasing the competitiveness of its currency on currency markets. The planned depreciation policy for the yen has yielded its first results. The stimulus plan implemented by Prime Minister Abe aims, on the one hand, to enhance exports by making Japanese products more affordable to the world and, on the other, to increase domestic demand by also making them more attractive than imported products. Thanks to the liquidity injection programme, deflation seems to have come to a halt for the first time in seven months. In fact, in May the consumer price index did not fall, rather remaining unchanged. However, analysts argue that the target of 2% inflation in two years is too ambitious. There was also good news in terms of the consumer confidence index, which in May reached 46 points, compared to 44.5 in the previous month. However, the figure remains below the threshold of 50 points, which divides a negative climate from a positive one. In the job market, the demand for labour reached the highest level of the past five years and the unemployment rate reached 4.1% in April and then remained unchanged in May. Industrial production increased by 2% in May on a monthly basis: a figure well above expectations that also marked the fourth consecutive increase. Despite this positive scenario, in the first five months of the year the car segment declined in terms of production volumes by more than ten percentage points on an annual basis. The greatest concern for Japan remains its public debt, the sustainability of which continues to be called into doubt.

In China, the economy seems to have slowed down in the first half of 2013. This situation is also borne out by the PMI (Purchasing Managers Index), which in June declined to 50.1 points from 50.8 in May. Although above the threshold of 50 points, the watershed between growing and declining economies, the figure is the lowest of the past four months and is in addition to the slowdown of industrial production, which in June increased by 8.9% on an annual basis, below analysts' expectations. In April and May, the increase in industrial production was 9.3% and 9.2%, respectively. According to the first official estimates, in the second quarter of 2013 GDP increased by 7.5%, lower than the 7.7% reported in the first three months of the year. In the first half of 2013, the Chinese economy grew by 7.6% overall. According to the IMF's latest estimates, GDP is expected to grow by 7.8% in 2013, whereas some international investment banks, such as Goldman Sachs, Barclays and HSBC, estimate more moderate growth of 7.4% for this year. There are renewed concerns that the acceleration witnessed in the second half of 2012 has already spent itself and that the Chinese economy could deviate from its route as it slows. A positive sign may be seen in retail sales, which in May increased by 12.9%, following +12.8% in April, in line with expectations. In fact, light vehicle sales closed the first half of the year with growth in excess of 10%, exceeding the threshold of ten million vehicles.

In India, the IMF's latest estimates have been revised downwards (-0.2) also forecasting a 5.6% GDP increase for 2013. This is a higher growth

rate than in the previous year, but also much lower than in the past and, most importantly, far from the Indian government's estimates. This sharp slowdown in growth is a source of great concern for the government, which is attempting to relaunch the recovery of economy by encouraging foreign investments. At the same time, Indian companies are key players in 20% of greenfield investments in less developed countries. In particular, the countries that have benefited the most from Indian investments are: Mozambique (45%), Bangladesh (37%) and Madagascar (8%). The situation in Indian territory remains cause for concern and highly unstable, with very widespread poverty affecting 70% of the population. In May, inflation registered an increase in excess of analysts' expectations, reaching 9.3% compared to 9.4% in April.

The IMF estimates that Brazil's GDP will increase by 2.5% in 2013, following the modest +0.9% reported in 2012. The economic recovery continues to appear weak, and this led the IMF to revise its April estimates, lowering them by as much as 0.5 points. The Brazilian economy is facing multiple problems: strong inflationary pressures and a sudden depreciation of its currency, in addition to severe social disorder aimed at seeking an abrupt end to the waste, corruption and superficiality with which public resources are managed. While government finances seem to be under control, the same cannot be said for the level of inflation, which is eroding the purchasing power of broad segments of consumers. In May, industrial production decreased by 2% on a monthly basis, a more marked decline than predicted by analysts (-1.1%) and a clear reversal compared to the +1.9% reported in the previous month. The government thus finds itself in a bind: on the one hand, inflation requires that measures be applied to halt price increases, while on the other the recession imposes the implementation of economic policies that stimulate growth. However, according to the most recent figures published by Anfavea, the association that represents the country's carmakers, in the first half of 2013 car registrations reported a positive performance, with an increase just under 4% compared to the same period of 2012.

In the case of Russia, the IMF has applied a considerable downwards revision of its 2013 GDP forecast of nearly one percentage point with respect to its April estimates, now calling for growth of +2.5%. The government is seeking to implement economic incentive policies, in part with the aim of decreasing the risks associated with a GDP that relies heavily on the oil and natural gas market, the performance of which is among the most volatile aspects of the global market. After closing the first quarter of 2013 at an essentially unchanged level compared to the same period of 2012, car and light commercial vehicle registrations declined sharply in the second quarter of 2013: -8% in April, -12% in May and -11% in June.

In commodities markets, in the second quarter of the year the average price of oil fell, driven down by uncertainty relating to global demand dynamics and increased production. In the second quarter of 2013 the arithmetic mean of the prices of the three qualities, WTI, Dubai and Brent, fell below the threshold of 100 dollars a barrel (to 99.3), down by as much as 5.5 percentage points compared to the first quarter and 3.6% compared to the same period of 2012. Non-energy commodities prices also declined in the second quarter of 2013.

Currency Markets

In the first half of 2013, the dollar appreciated against the euro overall, while alternating between periods of appreciation and depreciation. In the first few days of the year, the exchange rate presented starting values near the period average (1.3134), to then rise to reach a high of 1.3644 on 1 February. There followed a trend towards appreciation of the dollar, culminating at 1.2768 at the end of March. The euro then recovered, and the exchange rate neared the average, standing at 1.308 at the end of the period.

Various currencies from the European area depreciated against the euro: this was the case of the English pound, Swedish krona, Czech koruna and Polish zloty.

Compared to the English pound, the euro registered its lowest values at the beginning of the year, reaching a low of 0.81075, to then stabilise in late January at values fluctuating around 0.85083 (the average for the half-year). The euro reached its greatest appreciation near the end of February at 0.8789. Closing rate: 0.8572.

The Swedish krona showed a fluctuating performance. The exchange rate with the euro, which in early January started at 8.5704 (near the average for the period, 8.531), after an initial period of appreciation to a high in mid-March (8.2931) entered into a downtrend that culminated on 24 June at 8.8884, closing at 8.7773.

The exchange rate between the euro and Polish zloty showed a general uptrend during the half-year. After the first few days of the year at the low of 4.0727, it continued to rise (except for a slight reversal in April), reaching a high in late June, when it amounted to 4.35, closing at 4.3376.

The Czech koruna presented a fluctuating performance against the euro. After starting from a low of 25.218 in early January, it remained under the half-yearly average (25.699) for the first quarter of the year. In the second quarter, the exchange rate rose above the average, reaching the maximum depreciation of the koruna on 20 May (26.121) and stabilising at 25.949 at the end of the half-year.

In the Asian area, the Japanese yen and Indian rupee depreciated against the euro overall, contrary to the Chinese yuan/renminbi, which appreciated against the euro.

The Japanese yen continued to depreciate throughout the first half of 2013.

The euro reached a low against the yen in the first few days of the year, at 113.93, to then strengthen over the half-year, reaching a high of 133.26 on 22 May. The average for the period was 125.459. Closing rate: 129.39.

The Indian rupee showed a more characteristic performance against the euro than the other currencies. After starting the year near its average for the period (72.2776), it then remained consistently below the average from February to the end of May. The euro reached a low of 69.541 against the Indian currency at the end of March. At the end of the half-year, the Indian rupee depreciated very rapidly: the exchange rate rose from 72 (the value at the end of May) to a high of 79.11 in June to close at 77.721.

In contrast, the Chinese yuan/renminbi appreciated against the euro in the first half of the year. After starting at a value of 8.2663, it reached its greatest depreciation at 8.4965 on 1 February. It then entered into a recovery phase until the end of March, when it stabilised, fluctuating with lateral movement just below the half-yearly average value (8.12852). It reached its greatest appreciation in mid-May (7.8903) and closed the half-year at 8.028.

The exchange rate with the Mexican peso showed two different tendencies: in the first quarter, it stood well above the average for the period (16.4982), whereas from mid-March to the end of May it showed a constant decline, remaining below the average until the month of June, during which, on 21 June, it reached a

high of 17.5558. Closing rate: 17.0413.

The South American currencies, the Brazilian real and Argentine peso, both depreciated against the euro during the half-year.

The Brazilian real showed a generally linear performance around the half-yearly average of 2.668, with lateral movement in the first five months of the year. The exchange rate with the euro reached a low of 2.5883 in March. At the end of May there was a period of rapid depreciation of the real to a low of 2.9737 on 21 June, followed by a slight reversal to close at 2.8899.

The Argentine peso presented a trend towards constant depreciation against the euro. The exchange rate reached a low of 6.4108 at the beginning of the year to then begin to rise constantly (except for a slight reversal in February and March), reaching a high of 7.157 on 20 June. The average value for the period was 6.73098, with a closing rate of 7.04029.

Group Activities and Reference Market

Cars

In the first half of 2013, the global light vehicles market showed a slight rise in sales (2.2%), primarily due to the contribution of China and the United States.

In Western Europe, the car market continued to be affected by the difficult economic situation of most countries in the region and decreased by 6.6% overall. The sole exception among the first five markets is represented by the United Kingdom, which showed a 10% increase in car sales compared to the same period of 2012. By contrast, sales dropped sharply in France (-11.2%), Italy (-10.3%), Spain (-4.9%) and also in Germany (-8.1%), which however remained the main European market for car sales. There was a downtrend in car registrations in Eastern Europe as well (-7.2%), and even Russia, after several positive years, closed the first half of 2013 on a negative note with an overall decline in light vehicle registrations of 6%.

The United States closed a highly positive half-year, with light vehicle sales up 7.7% overall compared to the same period of 2012. The trend was also positive for Brazil and Argentina, which closed the reporting period with an overall increase in sales of 5%.

With reference to Asian markets, China witnessed a very positive trend, with a +12% increase in sales of light vehicles compared to the first half of 2012, once again confirming its position as the world's top market. By contrast, the Japanese market reported a negative performance for the first six months of the year, with a drop of 7.9% compared to the previous year.

Within this scenario, Brembo reported €517,268 thousand in net sales of car applications in the first half of 2013, accounting for 67.8% of the Group's turnover, up by 15.5% compared to the same period of 2012.

Motorbikes

In Europe, motorbike registrations showed an overall decline of 14.2% in the first half of 2013 compared to the same period of 2012. Sales decreased in all of the major markets of reference, and in particular in Italy (-26%), France (-21.2%), Spain (-11.8%), Germany (-4.5%) and the United Kingdom (-5.6%). Almost all displacements were penalised, and only registrations of motorbikes between 750 and 900cc showed growth of 4.3% in the first six months of 2013. All other displacement brackets presented declines in registrations: -16.3% from 50 to 125cc, -12.6% from 125 to 500cc and -12% for displacements over 900cc. Only the touring segment rose, owing in part to the strong results by BMW, which recently added the new R 1200 GS, its flagship model, to its line.

The Japanese market, considering displacements over 50cc collectively, was stable (-0.1%) due to the balance between the decline in displacements from 50 to 125cc (-10.2%) and growth over 125cc (+14.3%).

The Indian market showed an increase (+8%) in scooter registrations and a slight decrease in motorbike registrations (-2%). Overall (motorbikes and scooters), the market was stable compared to the same period of the previous year.

In Brazil, registrations decreased by 14%.

Brembo's net sales of motorbike applications in the first half of 2013 amounted to €81,463 thousand, thus increasing 2.3% over the same period of 2012.

Commercial and Industrial Vehicles

In the first six months of 2013, the global European commercial vehicles market (EU27+ EFTA), Brembo's reference market, showed a 7.3% decrease in registrations compared to the same period of 2012.

Total sales of light commercial vehicles (up to 3.5 tonnes) decreased overall by 6.2%. Among the first five European markets for sales volume, only the UK market grew (+13.0%) compared to the first six months of the previous year, whilst all the other countries showed a sharp decline: -9.2% in France, -9.6% in Germany and -9.0% in Spain, while in Italy registrations declined by more than 20 percentage points. Eastern Europe witnessed a more moderate decrease of 4.7% compared to the same period of 2012.

The segment of light commercial vehicles over 3.5 tonnes showed an even greater decline, closing the half-year down 12.5% compared to the same period of 2012. Registrations decreased by 14.4% in Germany; in France and Italy sales fell by 12.8% and 13.9%, respectively. In Eastern European countries, medium and heavy commercial vehicle sales closed down by just three percentage points compared to 2012, although there was a decline of 8.8% in the month of May alone.

In the first half of 2013, Brembo's net sales of applications in this segment amounted to €94,526 thousand, decreasing by 7.6% compared to the same period of 2012.

Racing

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

In the first half of 2013, Brembo reported a 2.8% decrease in net sales, which amounted to €66,282 thousand compared to €68,162 thousand in the first half of 2012.

SALES BREAKDOWN BY GEOGRAPHICAL AREA AND APPLICATION

Net sales breakdown by geographical area and application

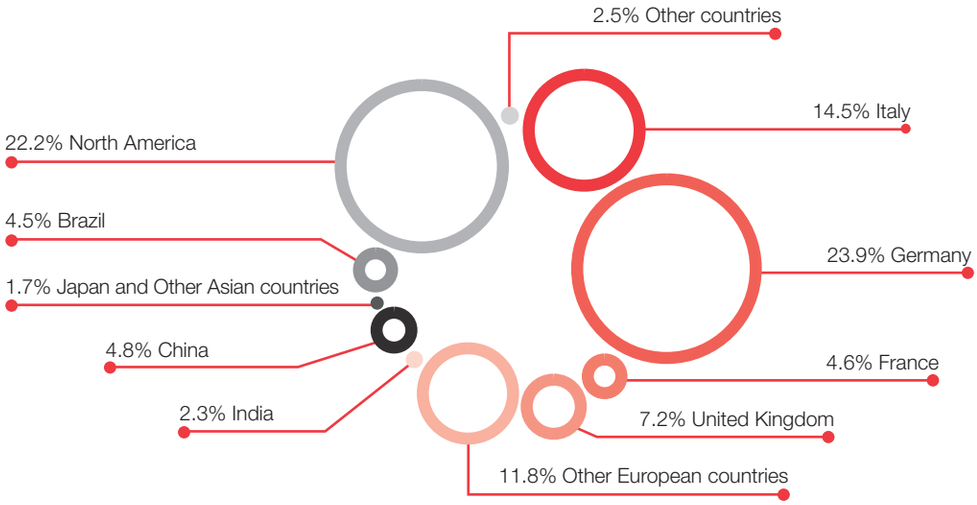
GEOGRAPHICAL AREA

(euro thousand)	30.06.2013	%	30.06.2012	%	Change	%
Italy	110,962	*14.5%*	114,485	*16.3%*	(3,523)	*-3.1%*
Germany	182,609	*23.9%*	162,945	*23.2%*	19,664	*12.1%*
France	35,408	*4.6%*	34,654	*4.9%*	754	*2.2%*
United Kingdom	55,289	*7.2%*	52,459	*7.5%*	2,830	*5.4%*
Other European countries	89,868	*11.8%*	89,196	*12.7%*	672	*0.8%*
India	17,583	*2.3%*	17,463	*2.5%*	120	*0.7%*
China	36,910	*4.8%*	26,792	*3.8%*	10,118	*37.8%*
Japan	9,523	*1.2%*	10,112	*1.4%*	(589)	*-5.8%*
Other Asian countries	4,160	*0.5%*	3,762	*0.5%*	398	*10.6%*
Brazil	34,594	*4.5%*	31,749	*4.5%*	2,845	*9.0%*
North America (USA, Canada and Mexico)	169,175	*22.2%*	147,752	*21.0%*	21,423	*14.5%*
Other countries	16,710	*2.5%*	11,229	*1.7%*	5,481	*48.8%*
Total	**762,791**	***100.0%***	**702,598**	***100.0%***	**60,193**	***8.6%***

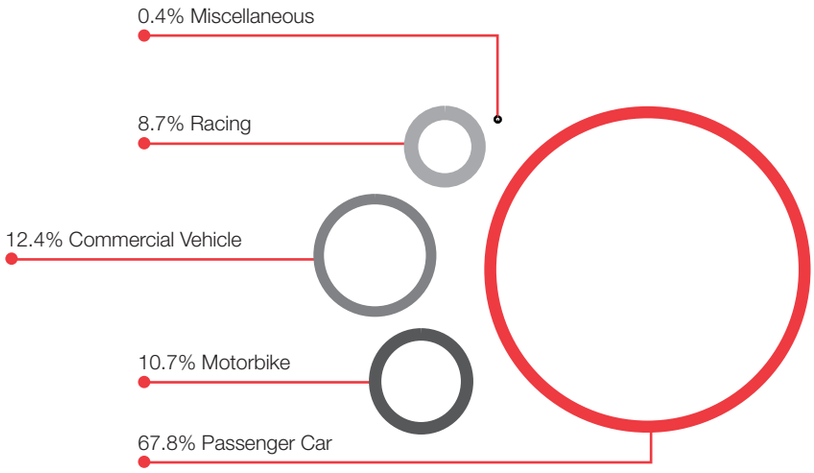
APPLICATION

(euro thousand)	30.06.2013	%	30.06.2012	%	Change	%
Passenger Car	517,268	*67.8%*	447,983	*63.8%*	69,285	*15.5%*
Motorbike	81,463	*10.7%*	79,616	*11.3%*	1,847	*2.3%*
Commercial Vehicle	94,526	*12.4%*	102,328	*14.6%*	(7,802)	*-7.6%*
Racing	66,282	*8.7%*	68,162	*9.7%*	(1,880)	*-2.8%*
Miscellaneous	3,252	*0.4%*	4,509	*0.6%*	(1,257)	*-27.9%*
Total	**762,791**	***100.0%***	**702,598**	***100.0%***	**60,193**	***8.6%***

NET SALES BREAKDOWN BY GEOGRAPHICAL AREA
(percentage)



NET SALES BREAKDOWN BY APPLICATION
(percentage)



RESEARCH AND DEVELOPMENT

All of Brembo's R&D activities can be related to a single "friction system" concept, which permeates the specific qualities of each Division and Business Unit. According to this concept, each component (calipers, 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 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 technical and technological parameters which determine the disc's vibration properties (own frequencies), so that the latter may be managed as early as the planning stage in order to improve the system's comfort performance. It is within this context that Brembo is developing a new technical solution designed to significantly reduce vehicle comfort issues.

Specifically regarding heavy commercial vehicle cast-iron discs, work has continued on optimising the materials, mass characteristics and cooling and ventilation capacity, without affecting performance levels. The new technical solutions developed allowed us to increase the number of series applications using these concepts and broaden the range of new customers potentially interested in adopting them. It is along these lines that work on developing specific friction materials for these applications continues to evolve.

The technical solutions successfully tested in heavy commercial applications are being implemented for car application cast-iron discs, in addition to normal application developments with the world's major car manufacturers.
These will allow Brembo to achieve a competitive edge in terms of weight reduction and increased performance. Moreover, the development continues of new "light" disc concepts, particularly through the study of forms, materials, technologies and surface treatments that could meet the requirements of new-generation vehicles (electric and hybrid), with particular attention to the environmental impact characteristics (CO_2 and particulate emission). The joint development with innovative friction materials, complying with future legislative limits and designed for these types of disc, is extremely important. Brembo can be considered to be the only manufacturer with the in-house expertise for this type of development.

On the motorbike market, following a review of market potential with our main clients, the development of Carbon-Ceramic discs was placed on stand-by.

By contrast, development of polymer clutch cylinders was brought to a positive conclusion, and in the second half of 2013 the concept will be presented to major clients in order to verify the possibility of launching application projects based on the patents and technology developed by Brembo.

The definition of new geometries for the spring for the partially sliding brake band, required beyond the limits identified in durability tests, has been postponed until the second half of 2013, whereas the adoption of the Ratio Click System (RCS) concept for 2014 road vehicles was confirmed.

In addition, several components (floating three-piston calipers and Delay-Proportioning Valve used in combined brake systems are in

the development phase. This type of system, obligatory for vehicles up to 125cc effective 2016, is meeting with strong interest from the market.

In the third quarter of 2013, important meetings will be held with the main motorbike clients regarding innovative components, and on these occasions functioning prototypes will be presented for the tangential master cylinder (improvement of the vehicle design), sliding system (reduction of costs, weight and bulk) and internal micro-switch for front and rear pumps.

With reference to racing applications, the development of the CCM-R carbon-ceramic disc continued; it combines the technique used to make carbon-carbon discs for the most advanced applications (F1, MotoGP, etc.) with carbon-ceramic discs for road use. An OEM manufacturer will use the carbon-ceramic racing disc for an extreme application on a road vehicle. Development and production of the carbon-carbon disc for top racing applications, especially in Formula One, are continuing: two teams are already using the new material, which nonetheless requires further development for use by top teams.

In contrast, the development of ceramic pads for cast-iron applications has been frozen, whereas work is continuing on the approval of the ceramic compound for motorbike applications in steel discs, scheduled for the second half of the year.

At the level of car brake systems, it is interesting to note that an F1 team is using a new brake caliper concept and a new drives for brake discs concept created by Brembo: the future development of systems featuring carbon discs and pads for all categories will be based on these products.

In the motorbike field, Brembo has reached another important milestone: all of the motorbikes competing in the Moto GP Championships use our brake systems. In fact, after several races the last team (unofficial Honda) also switched to the Brembo system.

In other motorbike developments, mention should be made of the massive introduction in the Superbike category of the new aluminium wheels under the Marchesini brand (a Brembo Group brand). These wheels yield considerable advantages in terms of weight over the competition, thanks to the complex simulation activities performed in late 2012.

In addition, in the superbike category development work also continues with a competitive team on the brake by-wire system, which is yielding excellent results and new inspiration for technical reflection.

The aeronautic project, which calls for the development of various new products (crashworthy seat, brake system complete with electro-hydraulic parking device, wheels and brake pumps) and new processes in order to comply with flight safety regulations, entered into the component procurement phase in order to permit testing of the new products in the second half of the year.

Engineering work (calculation and testing) in support of Sabelt is fully underway for various strategic projects, and new simulation and calculation work is in the initial phase.

In recent months, partnership contracts were also drawn up and formalised with several universities (including the Milan Polytechnic and the University of Padua) in pursuit of important goals in various areas of technical development: from electronic control systems to the development of new system concepts, simulations of carbon components, tests of aeronautic components and other subjects.

In the friction materials sector, Brembo continues to consolidate its market position by acquiring important new projects. An increasing number of automobile manufacturers are selecting Brembo Friction pads for their top-of-the-line vehicles, recognising that Brembo's formulations ensure high performance, reliability and quality.

In the first half of 2013, the new hybrid (organic-ceramic) material for vehicles with carbon-ceramic discs entered into production. The material, paired with a CCM disc, ensures the same level of comfort as organic materials, while adding the resistance and durability of ceramic materials for racing applications.

In the racing arena, a Brembo friction material made its debut in the Paris-Dakar competition, in the Truck category. The brake system, specifically developed by Brembo for the first Hino Dakar vehicle with a disc system, ensured the reliability and performance required during this competition, concluding the race without any change of discs or pads.

In R&D activity, research into new technical solutions continues with the ultimate aim of reducing the environmental footprint of the brake system to zero. In this area, following preliminary configuration work in 2012, in the first half of 2013 Brembo, among other measures, launched several projects at the European level in collaboration with international universities and research centres. Low-copper content materials, developed in 2012, have now become standard in the development of vehicles set for release in the coming years. Thanks to increasing technical expertise, new technologies, the development of laboratories and testing activities, Brembo's next challenge will be to offer clients fully copper-free materials starting in early 2014.

In other work aimed at increasing the presence of green components in its line of products, Brembo is in the process of developing new technical solutions for reducing the environmental impact of brake systems during braking, as well as carbon dioxide (CO_2) emissions during the pad manufacturing process. The development of sintered materials for motorbikes and friction materials for heavy commercial vehicles continues, with on-vehicle development scheduled to begin in the third quarter of 2013.

In addition, research on unconventional materials and brake types continues with the aim of meeting future market needs. The use of aluminium alloys for car calipers, obtained by bringing the alloy to a thixotropic state (in other words to temperatures lower than the casting process), was validated, leading to significant competitive advantages in terms of weight reduction and increased performance.

New solutions designed to use the brake system to help reduce vehicle consumption and consequent CO_2 and particulate emissions are in the final validation stage.

Product/process improvement work to bring cutting-edge products to the emerging markets as well (e.g. China) is continuing in parallel, alongside the study of new types of fixed calipers aimed at winning new market segments (A, B and city car), the use of which is expected in the late 2014.

The planned growth of Technical Development Centres intended to support Brembo's expansion in China and the USA proceeds at a pace consistent with the acquisition of important orders on these two markets and full development is underway for the promotion with Brembo clients of mechatronic products, i.e. electric parking brakes in the various configurations, already subject to internal approval. The presentation of products with functioning cars is already underway in some of the most important European manufacturers.

The continual evolution of simulation methodologies is focused on aspects linked to brake system comfort. Brembo's current objective is to develop the simulation capacity for the latest brake system component not yet simulated: friction material. From this standpoint, the ability to rely on the friction project, and thus to draw on an internal friction materials manufacturer, represents a strength for Brembo, which can position itself as a supplier of complete brake systems.

Advanced R&D activities focus on mechatronic systems for the brake systems of the future

and on developing new structural materials. Through these activities, Brembo is preparing itself to face the next decade, when the strong drive towards vehicle electrification will result in a significant integration of the brake system with the rest of the vehicle and a constant search for decreased weight. The high level of integration will bring the brake system into dialogue with other vehicle systems, such as electric traction motors and new suspension/steering concepts. Such integration will allow for increased active safety and the optimisation of functions, such as regenerative braking.

Within this context, Brembo is continuing to develop a Brake-by-Wire system, with the aim of hastening the development of individual brake system components and holding on to its lead as a product innovator. This system concept will be able to be applied to all future vehicles: not only cars, but also commercial vehicles and motorbikes. Additional developments involving system integration are in the study phase, particularly with electric drive systems and the associated next-generation architecture.

At the same time, mass production applications are being identified for the first mechatronic systems developed by Brembo, such as, in particular, electric parking brakes (EPB). By the end of 2013, two EPB system applications featuring electronic control unit, with hardware and software developed by Brembo itself, will be completed. This electronic control system will represent the state of the art for these products, with full compliance with the new standard ISO 26262.

During the half-year, Brembo continued to conduct development activities in cooperation with Universities and Research Centres with the aim to seek out constantly new solutions to apply to brake discs and calipers, in terms of new materials, new technologies and mechanical components. The need to reduce product weight is leading the research function to evaluate the use of unconventional materials, such as technopolymers or reinforced light metal alloys, to produce structural components. These partnerships also extend to methodological activities relating to development, involving the creation and use of increasingly sophisticated simulation and calculation tools.

INVESTMENTS

In the first half of 2013, the investment management policy was developed in line with the previous year, when Brembo continued to invest both in Italy and various countries at international level.

The most significant investments were concentrated in Italy (26%), Eastern Europe (25%), China (15%) and, particularly in America (33%).

Investments in Italy chiefly referred to the purchase of production plant, machinery and equipment, in addition to €6,117 thousand for development costs.

In Eastern Europe, investments aimed at increasing production capacity are still underway in the integrated industrial hubs in Dabrowa Górnicza (Poland) and Ostrava-Hrabová (Czech Republic), devoted respectively to the casting and processing of brake discs for cars and commercial vehicles, and the casting, processing and assembly of brake calipers and other aluminium components.

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 calipers and discs for cars and commercial vehicles, as well as a Technical Development Centre (R&D).

In the three financial years between 2013 and 2015, Brembo's investments in the American region will amount to €115 million in the United States and Brazil. This is in accordance with the development strategy of the Group, which calls for the strengthening of production capacity in the areas where costumers demand a greater product volume and a higher service level.

In the United States, investments for the three-year period will total €83 million, leading to a significant increase in Brembo's production capacity at the Homer industrial hub, near Detroit (Michigan). The expansion of the plant has become necessary after the acquisition of new businesses and further market shares with Brembo's main North American customers, such as Chrysler, General Motors and Ford. In Brazil, €32 million will be invested to transfer the current plant in São Paulo to the new plant in Santo Antônio de Posse (northward from São Paulo), whose expansion will be completed in 2015.

Overall, Group's total investments undertaken in the first half of 2013 at all operations amounted to €72,429 thousand, of which €63,017 thousand was invested in property, plant and equipment and €9,412 thousand in intangible assets.

RISK MANAGEMENT POLICY

Effective risk management is a key factor in maintaining the Group's value over time. In order to optimise this value, in 2012 Brembo fully and formally adopted the principles laid down in Article 7 of the 2011 Corporate Governance Code, updating the Internal Control System and integrating it with risk management, formerly an integral part of the corporate governance system. The structure and role of the main functions involved have been better defined by:

- renaming the Audit Committee as the Audit & Risk Committee, with the task of supporting the Board of Directors on internal control and risk management issues;
- renaming the Executive Director charged with overseeing the Internal Control System as the Executive Director with responsibility for the Internal Control and Risk Management System, with the task of identifying the main corporate risks by executing risk management guidelines and verifying their adequacy;
- moving from an internal Risk Self-assessment and Prevention Committee (CAPRI) to a Risk Committee, tasked with identifying and assessing the macro-risks and working with the system stakeholders to mitigate them;
- assigning to the Risk Manager the task of ensuring, together with the management, that the main risks relating to Brembo and its subsidiaries are correctly identified, adequately measured, managed, monitored, and integrated with a corporate management consistent with the strategic objectives.

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 region 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 Executive Director with responsibility for the Internal Control and Risk Management System fully enforces the risk management guidelines based on principles of prevention, cost effectiveness and ongoing improvement, as approved by the Board of Directors. 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 & Risk 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 year are the following:
a. strategic risks;
b. operating risks;
c. financial and reporting risks;
d. 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 both to existing technologies, as well as new technologies such as 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 focusing 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 can be related to price volatility. Furthermore, Brembo is exposed to risks resulting from its reliance on strategic suppliers who, if they were to unexpectedly discontinue their supplier relationships, could create problems for the production process and Brembo's ability to process customer orders on schedule. To mitigate this risk, the Purchasing Department identifies alternate suppliers to ensure the availability of strategic 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: the Supplier Quality Assurance function, which operates worldwide.

In relation to the current economic situation, the management of trade union relations has become more critical, mainly in Italy and India, albeit for different reasons.

The Group's primary risks relating to health, job safety and the environment can be of the following types:

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

The occurrence of these facts could result in substantial criminal and/or administrative penalties or pecuniary fines against Brembo. Furthermore, in particularly serious cases, the actions of public entities in charge of assessing the situation could interfere with Brembo's normal production activities, even causing production lines to halt or forcing the production facility to close. Brembo manages this type of risk by carrying out ongoing and systematic evaluations of its exposure to specific risks and by reducing or eliminating those considered unacceptable. This procedure is organised within a Management System (which is compliant with international standards ISO 14001 and OHSAS 18001 and certified by an independent body) that covers job health and safety, as well as 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 that 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 and Central Functions functional departments, in order to improve the efficiency and effectiveness of the quality system and the capacity of production processes.

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 & Credit 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 11.5% of its gross financial position.

The objective is to eliminate the variability of the borrowing costs associated with a portion of debt and benefit from fixed rates.

The Group's Central Treasury & Credit Department constantly monitors rate trends in order to evaluate in advance the need for any changes to the financial indebtedness 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** 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** can arise from a company's inability to obtain the financial resources necessary to guarantee its operation. The Central Treasury & Credit Department implements the main measures indicated below in order to minimise such risk:
  - it constantly assesses financial requirements to ensure that appropriate measures are taken in a timely manner (obtaining additional credit lines, capital increases, etc.);
  - it obtains adequate credit lines;
  - it optimises liquidity, where feasible, through cash-pooling arrangements;
  - it ensures that the composition of net financial debt is adequate for the investments carried out;
  - it 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 Legal & Corporate 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 checks or impairment losses in connection with such risks and their effects on the income statement.

The Group works with dedicated personnel within the Quality Department regarding risks arising in relation to employee safety and environmental protection. These risks are often associated with factors that are external to the Group, making it only partially possible to organise or define activities that can minimise their 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 the 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 completing the deployment of 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 has 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 Process: Risk Financing

Following on from the above mitigation measures, and in order to minimise the volatility and financial impact of any detrimental event, under its risk management policy, Brembo has provided for the residual risks to be transferred to the insurance market, provided that they are insurable.

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, aimed at identifying and analysing the most critical areas, such as the risks associated with countries whose laws are particularly detrimental for manufacturers of consumer goods.

All Brembo Group companies are covered against the following strategic risks: property all risks, general liability, general product liability, product recall. Additional coverage has been arranged locally based on the requirements of local legislation or collective labour contracts and/or corporate agreements or regulations.

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 and management of Group insurance programmes at global level.

HUMAN RESOURCES AND ORGANISATION

In the first half of 2013, organisational reflections involved business units, Central Functions and foreign companies, with the aim of proceeding on the path outlined in 2012 and keeping the organisation in line with business requirements, in order to better exploit the opportunities the current global economic scenario offers.

In measures relating to Central Functions, with the aim of providing further impetus for R&D processes, spreading a culture of innovation even more thoroughly and optimising the technical development of products and system performance, the new position of Chief Technical Officer (CTO) was created. Reporting directly to the CEO, it is charged with providing guidance, direction and control of the areas Advanced R&D and Technical Development, with primary, exclusive responsibility for the former and shared responsibility with the Division/Business Unit Managers for the latter. In this new area, the Product Development Methodologies function was also established, with the aim of improving synergies between the business units through transversal methodologies, as well as of better supervising, promoting and disseminating innovation at the company level.

Within the Division/Business Unit organisations, the senior management of the Aftermarket Business Unit and Sales Department of the Brake Discs Division has been changed. In addition, in the Brake Discs Division, Disc Central Logistics changed its structure, reinforcing its supervision of planning, scheduling, distribution and reporting at global level. Within the Performance Group, the Market Department revised its structure in order to increase synergies between the racing and retail markets. Finally, within the Systems Division commercial coverage of the important German market was reinforced, in part through the identification of a new role, with the task of developing relations with the Group's German clients, interfacing with both the sales area and technical area.

Among the subsidiaries, within Sabelt, the Motorsport and Retail areas were merged into the Racing Market, which thus revised its structure, in order to improve the focus on the Racing area and ensure greater synergy on products in the Motorsport and Retail areas. The Purchasing areas of Brembo Poland and Brembo Czech were integrated into the Eastern Europe Purchasing function, which reports to both Country General Managers, with the aim of rationalising resources and optimising purchasing processes with an eye towards geographical proximity. Moreover, at Brembo Czech, in accordance with market developments and in order to ensure better coverage of clients, the Ostrava plant revised its structure, organising its production processes into two distinct, self-sufficient units (Foundry/Processing and Assembly), while also ensuring the centralisation of the transversal functions of Quality, Maintenance and Logistics. Finally, at Brembo China, in order to ensure that the Discs Division and Systems Division enjoyed consolidated commercial coverage providing direct contact and coordinating the entire Asia Pacific area, the management of the sales unit was redefined.

In the second half of the year, organisational reflections will be aimed at seeking a structure

that is most able to combine innovation and tradition, development and growth, in order to be always organised in a manner adequate to market challenges.

With the aim of providing always up-to-date levers capable of influencing individual and Group performance, in the first half of 2013 human resources organisation efforts continued in terms of training and development programmes.

From a general standpoint, the customary individual development tools (coaching, questionnaires, etc.) and processes aimed at measuring and improving performances were accompanied by other pre-existing, but further consolidated tools, focusing on identifying and maximising talent (including from the standpoint of succession planning) in the various business, functional and geographical areas.

Training offerings remained a source of profound enrichment for the entire Brembo company population, with various methods of access possible: on the basis of needs identified by one's hierarchical superiors or the Human Resources function, but also on the basis of one's own professional projects. The fundamental components fall into three categories: technical and specialist subjects, basic or advanced management, and strategy, more closely affecting business dynamics. In technical training, there continued to be strong interest in specific innovation techniques and methodologies. In 2013 a simplified version of the usual programmes was planned and held, involving, from the beginning of the year, several dozen individuals from a variety of Division or Business Unit functions, some of which are far removed from the Advanced R&D and Technical Development professional family. In transversal training courses, especially high attendance was recorded for the economics courses, developed for a variety of levels of depth, bearing witness to the attention dedicated to spreading and sharing an increasingly complete and integrated culture of financial information and the creation of value. This was accompanied and rounded out by another equally successful training process, aimed at developing international relationship skills, with a focus on applying negotiation techniques in a wide range of work situations, including situations of a more operational nature.

In addition to the strategic negotiation programme and the business partnership dedicated to all buyers, nearing its conclusion, other major projects in 2013 include the development process for new executives, whether recently appointed from internal positions or newly hired, which is set to conclude in September. Starting with development activities (development centre and assessment of resources through a 360-degree questionnaire), the 2013 programme is aimed at reinforcing skills and achieving consistent organisational language on the subjects of finance, marketing and leadership, of fundamental importance to the company's current and future management. Thanks to a balanced mix of classroom, self-development and group work situations for the development of three actual business projects of an international scope launched by the top management during the kick-off, participants in the blended process have the opportunity to put the skills they have acquired at the theoretical level immediately to work in the field.

All of the training activities illustrated above are in addition to the thorough workplace safety campaigns, language courses, compliance training, apprenticeship programmes, self-learning media library activities and participation by numerous specialists in important inter-company external training initiatives and events or conventions.

Overall, 296 training activities were implemented in the first half of 2013, for a total of 160 courses and 18,604 training hours and 1,805 participants.

ENVIRONMENT, SAFETY AND HEALTH

Brembo manages and governs the aspects of health, job safety and the environment within the Group according to a similar approach. In fact, all of these areas have in common the extreme importance of prevention, training and involvement of individuals in order to ensure that the best results are achieved. Within Brembo, cyclical activities are performed with the aim of monitoring and assessing significant environmental and safety aspects, in addition to mitigating these issues through the adoption of effective measures.

All of this is governed by an integrated management system compliant with the ISO 14001 and OHSAS 18001 standards. In order to be effective, this management system must always be kept up-to-date with the development of production processes underway at facilities, in addition to acting as a stimulus for those facilities so that the ongoing improvement process never ceases. Plans for 2013 call for a thorough revision of the procedural system currently existing at Brembo: three years from its most recent release and application, there is now a need to update and increase the rigour of the guidelines to which all of the Group's facilities are to refer in their operations. The management system will continue to be organised according to two levels: the first level of guidelines will have Group validity and will summarise the general principles that the facilities are to adopt in the areas of organisation, training, operational management, and so forth; the second level of procedures will be defined by each facility in accordance with the Group's guidelines and in compliance with applicable local legislation. Within the system, new elements will be introduced in order to enhance the ongoing improvement process, such as, for example, the management of preventative activities, which will be considerably reinforced from their current structure.

In addition, in order to achieve full application of the management system at the worldwide level, it is Brembo's goal to achieve certification of all production facilities during the current year. After having obtained both environmental and workplace safety certification for Brembo S.p.A., the goal is now to reach the same milestone for the remaining facilities, with the objective of obtaining 20 new certifications during the current year.

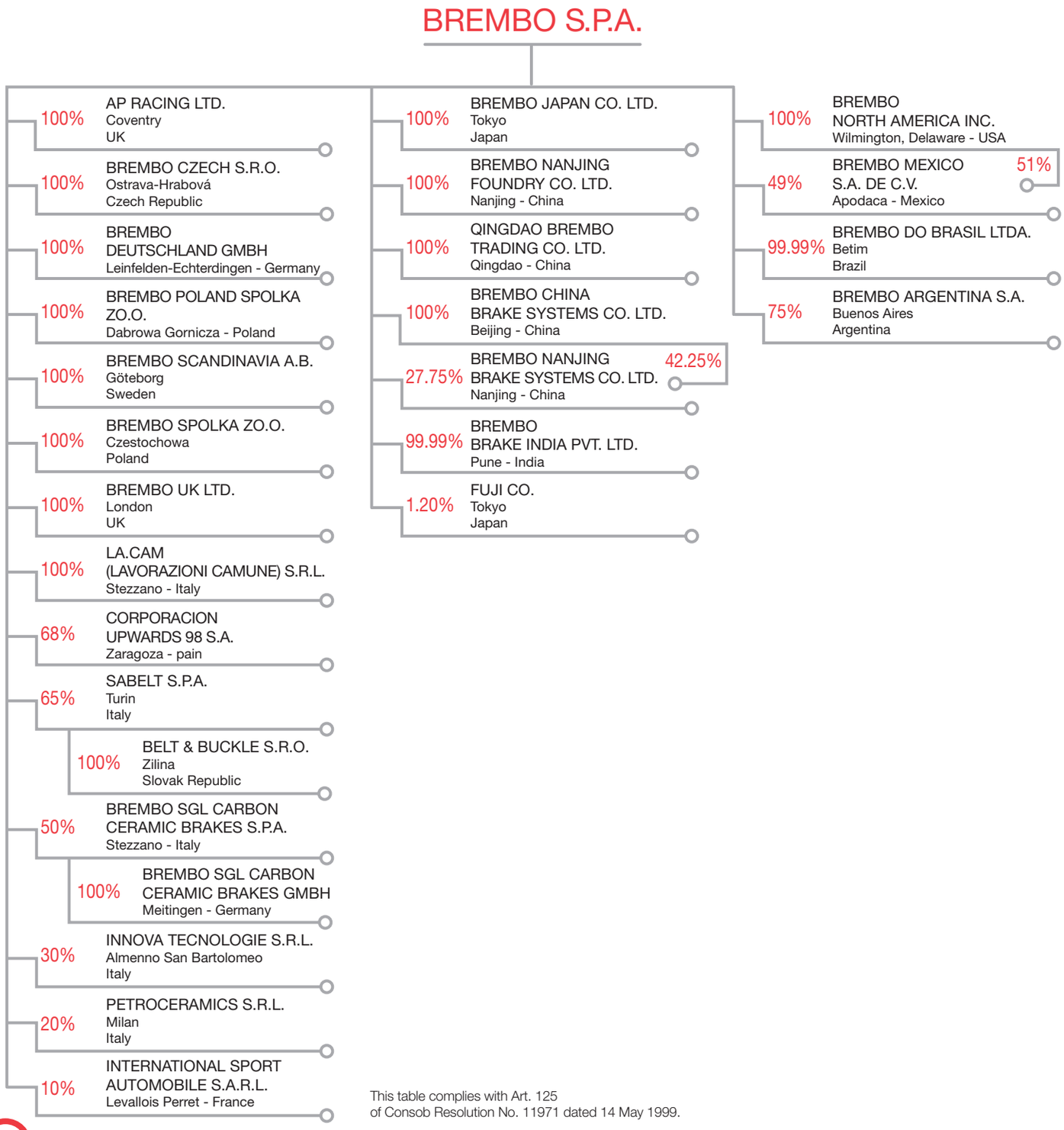
In 2013, for the third consecutive year, Brembo decided to continue to adhere voluntarily to the Carbon Disclosure Project (CDP), aimed at preventing global warming and protecting the planet's natural resources. The project, promoted by an independent, non-profit organisation, calls for the collection from all participating companies from Italy (and, at a later stage, the rest of the world) of data concerning greenhouse gas emissions (such as carbon dioxide or CO2), which are regarded as responsible for global warming. Participation in the project involves performing the following activities:

- identifying possible sources of emissions;
- determining the data collection and reporting model;
- calculating the amounts of greenhouse gases released into the atmosphere.

For Brembo, this activity represents a further important step towards increasingly more attentive management of its environment footprint, even beyond applicable legal obligations.

BREMBO STRUCTURE

The Group's structure has not changed during the first half of 2013.



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

BREMBO'S CONSOLIDATED RESULTS

Income Statement Results

(euro thousand)	30.06.2013	30.06.2012 restated	Change	%
Sales of goods and services	**762,791**	**702,598**	**60,193**	***8.6%***
Cost of sales and other net operating costs*	(512,939)	(473,431)	(39,508)	*8.3%*
Personnel expenses	(150,706)	(140,791)	(9,915)	*7.0%*
GROSS OPERATING INCOME	**99,146**	**88,376**	**10,770**	***12.2%***
% on sales	*13.0%*	*12.6%*		
Depreciation, amortisation and impairment losses	(43,698)	(39,102)	(4,596)	*11.8%*
NET OPERATING INCOME	**55,448**	**49,274**	**6,174**	***12.5%***
% on sales	*7.3%*	*7.0%*		
Net interest income (expense) from investments	(8,492)	(5,036)	(3,456)	*68.6%*
RESULT BEFORE TAXES	**46,956**	**44,238**	**2,718**	***6.1%***
% on sales	*6.2%*	*6.3%*		
Taxes	(4,207)	(8,755)	4,548	*-51.9%*
RESULT BEFORE MINORITY INTERESTS	**42,749**	**35,483**	**7,266**	***20.5%***
% on sales	*5.6%*	*5.1%*		
Minority interests	487	89	398	*447.2%*
NET RESULT	**43,236**	**35,572**	**7,664**	***21.5%***
% on sales	*5.7%*	*5.1%*		
Basic and diluted earnings per share (euro)	**0.66**	**0.55**		

* 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 2013 confirmed the Group's expectations, with an upward trend in sales performance. Net sales at 30 June 2013 amounted to €762,791 thousand, up by 8.6% compared to the same period of 2012.

The car applications sector performed particularly well and closed the first half of 2013 with a growth of 15.5% compared to the first half of 2012. Motorbike applications reported a more modest increase (+2.3%), whereas the commercial vehicles and racing segments declined by 7.6% and 2.8%, respectively.

At geographical level, in the European Market, Germany, which continues to be the Group's main reference market (23.9% of sales), reported the best growth results, increasing by 12.1%, followed by the UK (+5.4%) and

France (+2.2%). By contrast, sales decreased in Italy (-3.1%), which however continues to be Brembo's third reference market (14.5% of sales). Significant +14.5% growth was recorded in North America (USA, Canada, Mexico), which is the Group's second reference market (22.2%), and Brazil (+9%). Compared to the first half of 2012, the Chinese market showed a sharp increase in turnover (37.8%), whereas the other Asian markets showed essentially flat (India +0.7%) or decreasing (Japan -5,8%) performances.

During the half-year, the cost of sales and other net operating costs amounted to €512,939 thousand, with a ratio of 67.2% to sales, as against 67.4% for the first half of 2012. Within this item, development costs capitalised as intangible assets amounted to €5,527 thousand compared to €6,541 thousand in the first half of 2012.

Personnel costs amounted to €150,706 thousand, with a ratio to revenues (19.8%) equal to that of the first half of the previous year (20.0%). At 30 June 2013, the workforce numbered 7,173 (6,937 at 31 December 2012 and 7,049 at 30 June 2012). The increase of 236 resources compared to the end of the previous year referred primarily to newly hired personnel in the Czech Republic and North America (USA and Mexico) in order to sustain the heightened level of production activities relating to the increase in turnover.

Gross operating income for the first half of the year was €99,146 thousand compared to €88,376 thousand in the first half of 2012, with a ratio to sales equal to 13%.

Net operating income amounted to €55,448 thousand (7.3% of sales), compared to €49,274 thousand (7.0% of sales) in the first half of 2012, after depreciation, amortisation and impairment losses of property, plant, equipment and intangible assets for €43,698 thousand, compared to €39,102 thousand in the same period of 2012.

Net interest expense amounted to €7,752 thousand (€4,238 thousand in the first half of 2012) and consist of net exchange losses of €823 thousand (net exchange gains of €1,430 thousand in the first half of 2012) and net interest expense of €6,929 thousand (€5,668 thousand for the first half of 2012). Net interest expense from investments, which amounted to €740 thousand (€798 thousand in the first half of 2012), were attributable to the effects of valuing investments in associate companies using the equity method.

Result before taxes was €46,956 thousand, compared to €44,238 thousand for the first half of 2012. Based on the tax rates applicable for the year under current tax regulations, estimated taxes amounted to €4,207 thousand, with a tax rate of 9% compared to 19.8% for the same period of the previous year.

Group net result amounted to €43,236 thousand, after minority losses of €487 thousand, up by 21.5% compared to the €35,572 thousand of the first half of 2012.

Consolidated Balance Sheet

(euro thousand)	30.06.2013	31.12.2012 restated	Change
Property, plant and equipment	491,055	475,390	15,665
Intangible assets	102,750	103,215	(465)
Net financial assets	19,978	20,677	(699)
Other receivables and non-current liabilities	44,940	40,699	4,241
(a) Fixed capital	*658,723*	*639,981*	*18,742*
			2.9%
Inventories	218,359	207,087	11,272
Trade receivables	262,137	202,315	59,822
Other receivables and current assets	45,474	44,461	1,013
Current liabilities	(378,608)	(336,238)	(42,370)
Provisions / deferred taxes	(16,204)	(16,385)	181
(b) Net working capital	*131,158*	*101,240*	*29,918*
			29.6%
(c) NET INVESTED CAPITAL (a)+(b)	**789,881**	**741,221**	**48,660**
			6.6%
(d) Equity	*392,993*	*393,824*	*(831)*
(e) Employees' leaving entitlement and other funds for personnel	*27,654*	*26,703*	*951*
Medium/long-term financial debt	304,629	270,479	34,150
Short-term net financial debt	64,605	50,215	14,390
(f) Net financial debt	*369,234*	*320,694*	*48,540*
			15.1%
(g) COVERAGE (d)+(e)+(f)	**789,881**	**741,221**	**48,660**
			6.6%

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 was €789,881 thousand, up €48,660 thousand compared to €741,221 thousand at 31 December 2012. Net financial debt at 30 June 2013 was €369,234 thousand, compared to €320,694 thousand at 31 December 2012.

Net financial debt increased by €48,540 thousand during the reporting period, mainly due to the following aspects:

- the gross operating income of €99,146 thousand had a positive effect, with a decrease in working capital of a total of €37,598 thousand;
- investments in property, plant and equipment and intangible assets totalled €72,429 thousand;
- the Parent Company paid the approved dividends in May, in the amount of €26,015 thousand;
- taxes paid amounted to €8,332 thousand.

The Explanatory Notes provide detailed information on the financial position and its assets and liabilities items.

Cash Flow Statement

(euro thousand)	30.06.2013	30.06.2012
Net financial position at beginning of period (*)	**(320,694)**	**(315,003)**
Net operating income	**55,448**	**49,274**
Depreciation, amortisation and impairment losses	43,698	39,102
Gross operating income	**99,146**	**88,376**
Investments in property, plant and equipment	(63,017)	(57,583)
Investments in intangible assets	(9,412)	(11,386)
Capital increase of consolidated companies by minority shareholders	0	435
Disposals	424	2,350
Net investments	**(72,005)**	**(66,184)**
Change in inventories	(16,554)	(15,095)
Change in trade receivables	(59,367)	(22,597)
Change in trade payables	45,821	14,595
Change in other liabilities	(1,112)	91
Change in receivables from others and other assets	(3,366)	(2,481)
Translation reserve not allocated to specific items	(3,020)	(892)
Change in working capital	**(37,598)**	**(26,379)**
Change in provisions for employee benefits and other provisions	3,529	1,961
Operating cash flows	**(6,928)**	**(2,226)**
Interest income and expense	(7,265)	(3,721)
Current taxes paid	(8,332)	(10,998)
Cash flows before dividends	**(22,525)**	**(16,945)**
Dividends paid	(26,015)	(19,511)
Net cash flows	**(48,540)**	**(36,456)**
Net financial position at end of period (*)	**(369,234)**	**(351,459)**

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

Sales of goods and services for the first half of 2013 amounted to €327,208 thousand compared to €344,576 thousand for the first half of 2012. The item "Other revenues and income" amounted to €13,620 thousand in 2013 compared to €12,037 thousand 2012, whereas capitalised development costs in the half-year decreased by €5,133 thousand compared to that for the same period of the previous year.

Gross operating income amounted to €35,615 thousand (10.9% of sales) compared to €29,906 thousand (8.7% of sales) in the first half of 2012. Net operating income, after depreciation, amortisation and impairment losses of property, plant, equipment and intangible assets amounting to €19,326 thousand, closed at €16,289 thousand compared to €10,392 thousand for the previous year.

Financing activities yielded net interest expenses of €3,538 thousand, compared to €4,372 thousand for the first half of 2012. Provisions for current taxes and deferred tax assets and liabilities amounted to €5,349 thousand.

During the reporting period, net income amounted to €7,423 thousand, compared to €1,674 thousand for the first half of 2012.

At 30 June 2013, the workforce numbered 2,935, decreasing by 111 compared to 3,046 at the end of the first half of 2012.

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 2013 amounted to GBP 18,812 thousand (€22,101 thousand), compared to GBP 19,598 thousand (€23,828 thousand) in the first half of 2012. In the reporting period, net income amounted to GBP

2,514 thousand (€2,953 thousand) compared to GBP 2,301 thousand (€2,798 thousand) for the same period of 2012.

At 30 June 2013, the workforce numbered 131, seven more compared to 124 at the end of June 2012.

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 2013, net sales amounted to €3,504 thousand compared to €3,145 thousand in the same period of 2012. Net income for the period was €125 thousand compared to a net loss of €33 thousand in the first half of 2012.

At 30 June 2013, the workforce numbered 100, down compared to 111 at 30 June 2012.

BREMBO ARGENTINA S.A.
BUENOS AIRES (ARGENTINA)

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

Brembo Argentina S.A. (formerly Perdriel S.A.) is based in Buenos Aires (Argentina) and Brembo acquired a 75% stake in the company in August 2011. Under the agreement, Brembo has an option right on the remaining 25%, exercisable after three years of the signature of the agreement.

Net sales for the period amounted to ARS 79,450 thousand (€11,801 thousand), with a net loss of ARS 3,880 thousand (€576 thousand). Net sales for the same period of 2012 amounted to ARS 47,564 thousand (€8,355 thousand), with a net loss of ARS 1,448 (€254 thousand).

The workforce numbered 126 at 30 June 2013, four less than at 30 June 2012.

BREMBO BRAKE INDIA PVT. LTD.
PUNE (INDIA)

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

The company is based in Pune, India, and was originally set up in 2006 as a joint venture 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 2013, net sales amounted to INR 1,371,437 thousand (€18,967 thousand), with net income of INR 107,678 thousand (€1,489 thousand). Net sales for the same period of 2012 were INR 1,286,558 thousand (€19,029 thousand), with net income of INR 94,267 thousand (€1,394 thousand).

The workforce numbered 210 at 30 June 2013.

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

Activities: promotion and development of the Chinese market.

The company is fully held by Brembo S.p.A. In 2008, Brembo China Brake Systems Co. Ltd. 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 2013, the company did not record any net sales. Net loss at 30 June 2013 amounted to CNY 475 thousand (€58 thousand), compared to a net loss of CNY 563 thousand (€69 thousand) for the same period of 2012.

At 30 June 2013, the company had no employees, compared to 1 employee at the end of June 2012.

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 2013, net sales amounted to CZK 1,387,367 thousand (€53,989 thousand) compared to CZK 445,477 thousand (€17,700 thousand) in the first half of 2012. Net loss for the period was CZK 113,808 thousand (€4,429 thousand) compared to a net loss of CZK 106,182 thousand (€4,219 thousand) for the first half of 2012.

At 30 June 2013, the workforce numbered 530 (229 at 30 June 2012).

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 2013, net sales amounted to €110 thousand (€122 thousand for the first half of 2012), with a net loss of €10 thousand (net income of €3 thousand for the first half of 2012).

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 the original equipment market.

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 2013 amounted to BRL 90,626 thousand (€33,958 thousand) and net loss to BRL 3,414 thousand (€1,279 thousand). In the first half of 2012, sales amounted to BRL 76,353 thousand (€31,615 thousand) and net income was BRL 6,677 thousand (€2,765 thousand).

The workforce at 30 June 2013 numbered 429, compared to 352 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 and renders services to the other companies in the Brembo Group operating in Japan.

Net sales for the first half of 2013 amounted to JPY 282,695 thousand (€2,253 thousand), down compared to JPY 365,221 thousand for the first half of 2012 (€3,533 thousand). Net income for the reporting period was JPY 21,599 thousand (€172 thousand), compared to JPY 47,700 thousand in the first half of 2012 (€461 thousand).

At 30 June 2013, the workforce numbered 16, unchanged compared to the end of the first half of 2012.

BREMBO MEXICO S.A. DE C.V.

APODACA (MEXICO)

Activities: production and sale of car brake discs for original equipment and the after-market.

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 2013, net sales amounted to USD 39,074 thousand (€29,749 thousand), with net income for the period totalling USD 1,085 thousand (€826 thousand). 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).

At 30 June 2013, the workforce numbered 260, with an increase compared to 206 for the same period of the previous year.

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 2013, net sales amounted to CNY 252,091 thousand (€31,010 thousand) and net loss was CNY 9,344 thousand (€1,149 thousand). In the first half of 2012, sales amounted to CNY 195,929 thousand (€23,918 thousand) and net income was CNY 350 thousand (€43 thousand).

At 30 June 2013, the workforce numbered 174, 61 less than at the end of the first half of 2012.

BREMBO NANJING FOUNDRY CO. LTD.

NANJING (CHINA)

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

The company, set up in 2009 and 100% held by Brembo S.p.A., in 2010 acquired the foundry activities 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 calipers and discs for the car and commercial vehicle markets.

Net sales amounted to Cny 147,493 thousand at 30 June 2013 (€18,143 thousand), with a net loss of Cny 954 thousand (€117 thousand), compared to net sales of Cny 96,043 thousand (€11,724 thousand) and a net loss of Cny 41,527 thousand (€5,069 thousand) for the first half of 2012.

At 30 June 2013, the workforce numbered 155, 24 more than 131 at the end of June 2012.

BREMBO NORTH AMERICA INC.
WILMINGTON, DELAWARE (USA)

Activities: production and sale of brake discs for original equipment and the aftermarket, as well as of braking systems for cars, motorbikes and 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, also 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 2013 amounted to USD 128,116 thousand (€97,541 thousand); in the same period of the previous year, net sales amounted to USD 110,265 thousand (€85,030 thousand). Net income was USD 6,922 thousand at 30 June 2013 (€5,270 thousand), compared to net income of USD 6,439 thousand (€4,965 thousand) in the first half of 2012.

At period-end, the workforce numbered 383, an increase of 40 compared to the end of the first half of 2012.

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.

Net sales for the first half of 2013 amounted to PLN 401,198 thousand (€96,025 thousand) compared to PLN 394,007 thousand (€92,833 thousand) for the first half of 2012. Net income at 30 June 2013 was PLN 125,621 thousand (€30,067 thousand), compared to PLN 107,929 thousand (€25,429 thousand) for the same period of the previous year. At the end of the period, the workforce numbered 987, increasing compared to 942 at the end of the first half of 2012.

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 period amounted to SEK 4,154 thousand (€487 thousand), with a net income of SEK 1,513 thousand (€177 thousand), compared to net sales of SEK 4,364 thousand (€491 thousand) and net income of SEK 1,508 thousand (€170 thousand) for the first half of 2012.

At 30 June 2013, 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 cars and commercial vehicles.

The plant located in Czestochowa produces brake discs and braking systems for the original equipment of cars and commercial vehicles.

Net sales for the first half of 2013 amounted to PLN 224,905 thousand (€53,830 thousand) compared to PLN 214,138 thousand (€50,453 thousand) for the first half of 2012. Net income at 30 June 2013 was PLN 18,109 thousand (€4,334 thousand), compared to PLN 17,665 thousand (€4,162 thousand) in the same period of the previous year.

At period-end, the workforce numbered 435,

with an increase compared to 421 at the end of the first half of 2012.

BREMBO UK LTD.
LONDON (UNITED KINGDOM)

Activities: sale of brake discs for the after-market.

As of 2013, Brembo UK's sales activities have been transferred to Brembo S.p.A., which thus continues to supply AM products to the UK market through local independent distributors.

The company's administrators have started a process of voluntary liquidation that will lead to the application for cancellation of the company by the end of 2013 and the completion of the entire process in 2014.

Therefore, the company has not recorded any sales in the first half of 2013; net sales at 30 June 2012 were GBP 1,066 thousand (€1,296 thousand). Net loss for the year was GBP 95 thousand (€111 thousand), compared to a net income of GBP 33 thousand (€40 thousand) for the same period of the previous year.

At the end of the half-year, the company had no employees, whereas the workforce numbered 2 at 30 June 2012.

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 2013 amounted to €10,485 thousand, compared to €10,431 thousand for the same period of 2012. Net income was €356 thousand, compared to a net loss of €150 thousand for the first half of 2012.

The workforce numbered 74 at 30 June 2013, compared to 80 at the end of June 2012.

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 of the same year it leased two companies from an important Brembo Group's supplier that was experiencing financial difficulties. The goal was to safeguard the continuity of supply, the expertise and technological assets that these companies had acquired during their multi-year collaboration with the Group. The lease transaction involved Immc S.n.c. and Iral S.r.l., two companies specialising 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 2013, net sales amounted to €15,528 thousand, almost all of which were to Brembo Group companies, with a net loss of €543 thousand. In the same period of the previous year, net sales were €17,551 thousand, with a net loss of €100 thousand.

At 30 June 2013, the company's workforce numbered 206, down from 211 at 30 June 2012.

QINGDAO BREMBO TRADING CO. LTD.
QINGDAO (CHINA)

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

Formed in 2009 and fully controlled by Brembo S.p.A., the company carries out logistics activities within the Qingdao technological hub.

In the first half of 2013, net sales amounted to CNY 85,054 thousand (€10,462 thousand), compared to CNY 55,174 thousand (€6,735 thousand) for the same period of the previous year. The company closed the first half of the year with a net income of CNY 4,996 thousand (€615 thousand), compared to a net loss of CNY 28 thousand (€3 thousand) in the first half of 2012.

At 30 June 2013, the workforce numbered 15, one more than at the same date of 2012.

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 and is 65% held by Brembo S.p.A. Its operating offices are located in Moncalieri, Turin.

At 30 June 2013, net sales amounted to €16,328 thousand and net loss was €510 thousand, compared to net sales of €14,040 thousand and net income of €84 thousand for the first half of 2012.

At 30 June 2013, the workforce numbered 76, compared to 78 at the end of June 2012.

Companies Valued Using the Equity Method

BREMBO SGL CARBON CERAMIC BRAKES GMBH
MEITINGEN (GERMANY)

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

The company was formed in 2001. In 2009, in executing the joint venture agreement between Brembo and SGL Group, Brembo SGL Carbon Ceramic Brakes S.p.A. acquired 100% of the company.

Net sales for the first six months of 2013 amounted to €20,898 thousand, compared to €19,187 thousand for the same period of the previous year. At 30 June 2013, net loss amounted to €1,935 thousand, compared to a net loss of €2,042 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 2013, net sales amounted to €12,702 thousand, compared to €14,836 thousand for the same period of 2012. Net

income for the period amounted to €388 thousand compared to a net income of €526 thousand for the first half of 2012.

At 30 June 2013, the workforce numbered 108, unchanged compared to the first half of 2012.

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 2013, net loss was €101 thousand, compared to a net loss of €73 thousand for the same period of the previous year.

PETROCERAMICS S.P.A.
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 2013 amounted to €935 thousand, with a net income of €276 thousand. Net sales for the first six months of 2012 were €739 thousand and net income amounted to €10 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 (now called Audit & Risk 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, commercial transactions with Related Parties other than the Group companies were carried out at fair market conditions. The financing transactions undertaken during the period with related parties are also discussed in Note 31 to the condensed consolidated six monthly financial statements.

FURTHER INFORMATION

Significant Events During the Six-month Period

In February 2013, Giorgio Ascanelli joined the Brembo Group as Chief Technical Officer (CTO) and head of the Advanced Research and Technical Development areas. Drawing on its many years of experience in four-wheel competitions, Brembo intends to bring new impetus and skills to an area that has always been one of the company's main drivers.

Brembo's General Shareholders' Meeting, which was held on 23 April 2013, approved the Financial Statements for the year ended 31 December 2012 and the distribution of a gross dividend of €0.40 per share outstanding at ex-coupon date, with the exclusion of the Company's own shares. Payment was made on 16 May 2013 with an ex-coupon date of 13 May 2013.

Plans for the Buy-back and Sale of Own Shares

The General Shareholders' Meeting held on 23 April 2013 passed a new plan for the buy-back and sale of own shares, aimed at

- undertaking investments, also with the aim of supporting the liquidity of Company's stock, so as to foster the regular conduct of trading beyond normal fluctuations related to market performance;
- giving effect to any share-based incentive plans for the directors, employees and collaborators of the company and/or its subsidiaries; and
- pursuing any swap transactions with equity investments as part of industrial projects.

The maximum number of shares that may be purchased is 2,680,000 which, together with 1,747,000 own shares already in Brembo's portfolio (2.616% of share capital), represents 6.63% of the Brembo S.p.A.'s share capital. The minimum and maximum purchase prices have been set at €0.52 (fifty-two euro cents) and €14.00 (fourteen euro), respectively, for a maximum expected outlay of €37,520,000. The authorisation to buy back own shares has a duration of 18 months from the date of the shareholders' resolution.

Brembo has neither bought nor sold own shares in the first half of 2013.

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.

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.

Opt-out from the Obligations to Publish Disclosure Documents

On 17 December 2012, the Board of Directors resolved to adopt the opt-out system envisaged by Article 70, paragraph 8, and Article 71, paragraph 1-*bis*, of the Rules for Issuers, thus choosing to opt out from the obligation to publish the required disclosure documents in the case of significant mergers, de-mergers, capital increase by way of contributions in kind, acquisitions and disposals.

SIGNIFICANT EVENTS AFTER 30 JUNE 2013

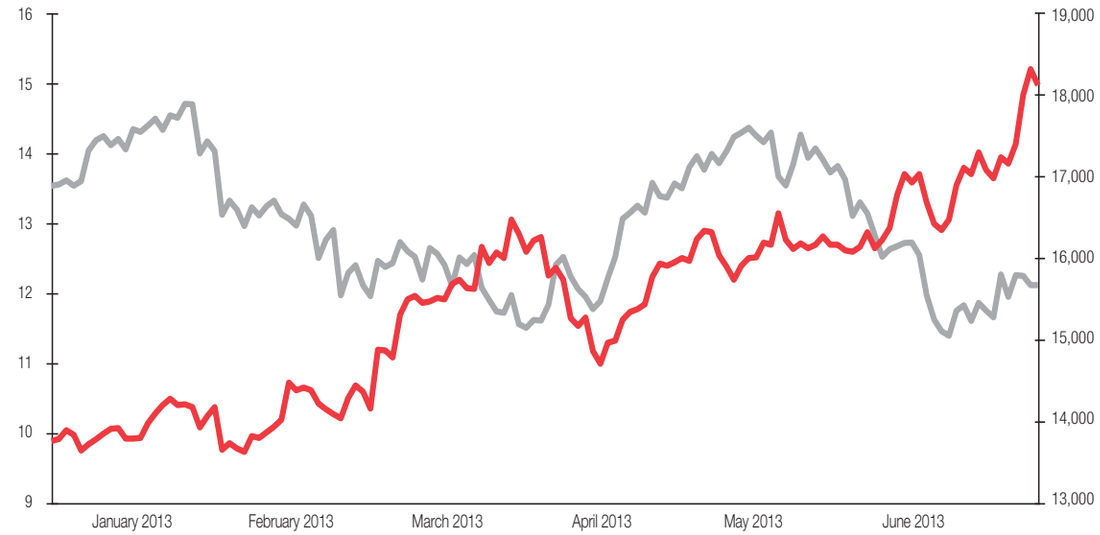
In July, all production activities of the São Paulo plant of the subsidiary Brembo do Brasil Ltda were transferred to the new one in Santo Antônio de Posse (northward from São Paulo), where a wider and more advanced plant is operational and suitable to meet the increasing production needs of local customers.

The new production plant will be completed thanks to new investments, which are expected to amount to €32 million for the 2013-2015 period, as illustrated in the section "Investments" of this Report on Operation.

FORESEEABLE EVOLUTION

Order book projections confirm that revenues and margins will rise also in the second half of the year, in line with the figures recorded in the first six months.

BREMBO S.P.A. STOCK PERFORMANCE



Source: Bloomberg

Brembo FTSEMIB

Early in the year Brembo stock continued to show the solid growth that had begun in late 2012. After the first two months of the year, in which the stock continued to fluctuate between €9.50 and €10.60, reaching a low of €9.47 on 7 February, in March shares entered an especially strong uptrend, reaching a high for the period of €13.80 on 27 June.

Brembo's stock closed the first half of 2013 at €13.71, up 38.56% compared to the beginning of the year.

During the half-year, Brembo outperformed the FTSE MIB index, which closed the period down by 9.79%, the Italian index for the STAR segment (+12.25%) and the European index Stoxx Total Market Value Small (+3.47%).

In the entire first half of 2013, Brembo also considerably outperformed the European automotive components index (BBG EMEA Automobiles Parts), which rose by 8.36%.

During the reporting period, the performance of the most representative European equity indices was rather conflicted, due to the persistence of the crisis in the Eurozone and the weakness of the global economic scenario.

From 1 to 11 July 2013 Brembo stock continued to rise in value, posting a further increase of 6.8 percentage points and reaching a new all-time high of €15.21 on 10 July.

An overview of stock performance of Brembo S.p.A. at 30 June 2013 is given in the following table, compared with that at 31 December 2012.

	30.06.2013	31.12.2012
Share capital (euro)	34,727,914	34,727,914
No. of ordinary shares	66,784,450	66,784,450
Equity (excluding net income for the year) (euro)	180,911,366	171,791,693
Trading price (euro)		
Minimum	9.740	6.565
Maximum	13.800	9.800
Period end	13.710	9.755
Market capitalisation (euro million)		
Minimum	650	438
Maximum	921	654
Year end	915	651
Dividend per share	NA	0.40

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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CONDENSED **CONSOLIDATED SIX MONTHLY** FINANCIAL REPORT AT 30 JUNE **2013**

CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2013

Consolidated Balance Sheet at 30 June 2013

ASSETS

(euro thousand)	Notes	30.06.2013	*of which with related parties*	31.12.2012 restated	*of which with related parties*	*Change*
NON-CURRENT ASSETS						
Property, plant, equipment and other equipment	1	491,055		475,390		15,665
Development costs	2	44,855		43,806		1,049
Goodwill and other indefinite useful life assets	2	40,721		41,793		(1,072)
Other intangible assets	2	17,174		17,616		(442)
Shareholdings valued using the equity method	3	19,769		20,500		(731)
Other financial assets (including investments in other companies and derivatives)	4	209		177		32
Receivables and other non-current assets	5	5,233		3,957		1,276
Deferred tax assets	6	43,258		37,333		5,925
TOTAL NON-CURRENT ASSETS		**662,274**		**640,572**		**21,702**
CURRENT ASSETS						
Inventories	7	218,359		207,087		11,272
Trade receivables	8	262,137	*22,724*	202,315	*18,059*	59,822
Other receivables and current assets	9	45,474		44,461	*101*	1,013
Current financial assets and derivatives	10	13,098	*9,120*	9,852	*9,252*	3,246
Cash and cash equivalents	11	114,213	*52,269*	115,602	*63,709*	(1,389)
TOTAL CURRENT ASSETS		**653,281**		**579,317**		**73,964**
TOTAL ASSETS		**1,315,555**		**1,219,889**		**95,666**

EQUITY AND LIABILITIES

(euro thousand)	Notes	30.06.2013	*of which with related parties*	31.12.2012 restated	*of which with related parties*	*Change*
GROUP EQUITY						
Share capital	12	34,728		34,728		0
Other reserves	12	92,552		109,437		(16,885)
Retained earnings/(losses)	12	212,400		161,331		51,069
Net result for the period	12	43,236		77,846		(34,610)
TOTAL GROUP EQUITY		**382,916**		**383,342**		**(426)**
TOTAL MINORITY INTERESTS		**10,077**		**10,482**		**(405)**
TOTAL EQUITY		**392,993**		**393,824**		**(831)**
NON-CURRENT LIABILITIES						
Non-current payables to banks	13	290,745	*43,030*	255,320	*29,837*	35,425
Other non-current financial payables and derivatives	13	13,884		15,159		(1,275)
Other non-current liabilities	14	3,551		591		2,960
Provisions	15	6,292		8,082		(1,790)
Provisions for employee benefits	16	27,654	*4,687*	26,703	*285*	951
Deferred tax liabilities	6	9,912		8,303		1,609
TOTAL NON-CURRENT LIABILITIES		**352,038**		**314,158**		**37,880**
CURRENT LIABILITIES						
Current payables to banks	13	187,468	*52,601*	170,771	*37,482*	16,697
Other current financial payables and derivatives	13	4,448		4,898		(450)
Trade payables	17	293,084	*6,259*	247,263	*6,221*	45,821
Tax payables	18	5,742		4,849		893
Other current payables	19	79,782	*2,477*	84,126	*7,253*	(4,344)
TOTAL CURRENT LIABILITIES		**570,524**		**511,907**		**58,617**
TOTAL LIABILITIES		**922,562**		**826,065**		**96,497**
TOTAL EQUITY AND LIABILITIES		**1,315,555**		**1,219,889**		**95,666**

Consolidated Income Statement at 30 June 2013

(euro thousand)	Notes	30.06.2013	*of which with related parties*	30.06.2012 restated	*of which with related parties*	*Change*
Sales of goods and services	20	**762,791**	***28,871***	**702,598**	***25,462***	**60,193**
Other revenues and income	21	6,397	*1,699*	5,153	*1,802*	1,244
Costs for capitalised internal works	22	5,527		6,541		(1,014)
Raw materials, consumables and goods	23	(386,265)	*(15,297)*	(357,239)	*(18,771)*	(29,026)
Other operating costs	24	(138,598)	*(2,791)*	(127,886)	*(2,243)*	(10,712)
Personnel expenses	25	(150,706)	*(2,090)*	(140,791)	*(1,317)*	(9,915)
GROSS OPERATING INCOME		**99,146**		**88,376**		**10,770**
Depreciation, amortisation and impairment losses	26	(43,698)		(39,102)		(4,596)
NET OPERATING INCOME		**55,448**		**49,274**		**6,174**
Interest income	27	*15,216*		*19,852*		*(4,636)*
Interest expense	27	*(22,968)*		*(24,090)*		*1,122*
Net interest income (expense)	27	(7,752)	*(848)*	(4,238)	*(418)*	(3,514)
Interest income (expense) from investments	28	(740)		(798)		58
RESULT BEFORE TAXES		**46,956**		**44,238**		**2,718**
Taxes	29	(4,207)		(8,755)		4,548
RESULT BEFORE MINORITY INTERESTS		**42,749**		**35,483**		**7,266**
Minority interests		487		89		398
NET RESULT FOR THE PERIOD		**43,236**		**35,572**		**7,664**
BASIC/DILUTED EARNINGS PER SHARE (euro)	30	**0.66**		**0.55**		

Comprehensive Consolidated Income Statement at 30 June 2013

(euro thousand)	Notes	30.06.2013	*of which with related parties*	30.06.2012 restated	*of which with related parties*	*Change*
RESULT BEFORE MINORITY INTERESTS		**42,749**		**35,483**		**7,266**
Other comprehensive income (losses) other than those that will be subsequently reclassified to income/(loss) for the period:						
Effect (actuarial income/loss) on defined-benefit plans		(1,011)		(1,543)		532
Income tax effect		249		421		(172)
Effect (actuarial income/loss) on defined-benefit plans, for companies valued using the equity method	12	0		(40)		40
Total other comprehensive income/(losses) other than those that will be subsequently reclassified to income/(loss) for the period		**(762)**		**(1,162)**		**400**
Other comprehensive income/(losses) that will be subsequently reclassified to income/(loss) for the period						
Effect of hedge accounting (cash flow hedge) of derivatives		177		(226)		403
Income tax effect		(49)		62		(111)
Change in translation adjustment reserve		(16,931)		8,405		(25,336)
Total other comprehensive income/(losses) that will be subsequently reclassified to income/(loss) for the period		**(16,803)**		**8,241**		**(25,044)**
COMPREHENSIVE RESULT FOR THE PERIOD		**25,184**		**42,562**		**(17,378)**
Of which attributable to:						
- the Group		*25,589*		*42,592*		*(17,003)*
- Minority Interests		*(405)*		*(30)*		*(375)*

Consolidated Cash Flow Statement at 30 June 2013

(euro thousand)	Notes	30.06.2013	*of which with related parties*	30.06.2012 restated	*of which with related parties*
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	11	**41,145**	***47,975***	**26,601**	***16,184***
Result before taxes		**46,956**		**44,238**	
Depreciation, amortisation/impairment losses		43,698		39,102	
Capital gains/losses		(203)		(281)	
Write-ups/Write-downs of shareholdings		761		798	
Financial portion of provisions for defined benefits and payables for personnel		467		517	
Long-term provisions for employee benefits		1,331	*4,402*	504	*92*
Other provisions net of utilisations		3,838		2,370	
Cash flows generated by operating activities		**96,848**		**87,248**	
Paid current taxes		(8,332)		(10,998)	
Uses of long-term provisions for employee benefits		(1,640)		(913)	
(Increase) reduction in current assets:					
inventories		(16,554)		(15,095)	
financial assets		(32)		1	
trade receivables		(59,367)	*(4,665)*	(22,597)	*1,732*
receivables from others and other assets		(6,745)	*233*	(2,429)	
Increase (reduction) in current liabilities:					
trade payables		45,821	*38*	14,595	*365*
payables to others and other liabilities		157	*(4,944)*	470	*(1,040)*
Translation differences on current assets		(2,609)		(1,360)	
NET CASH FLOWS FROM / (FOR) OPERATING ACTIVITIES		**47,547**		**48,922**	

(euro thousand)	Notes	30.06.2013	*of which with related parties*	30.06.2012 restated	*of which with related parties*
INVESTMENTS IN:					
intangible assets		(9,412)		(11,386)	
property, plant and equipment		(63,017)		(57,583)	
Capital contributions to consolidated companies by minority shareholders		0		435	
Price for disposal, or reimbursement value of fixed assets		627		2,631	
Net cash flows from / (for) investing activities		**(71,802)**		**(65,903)**	
Dividends paid in the period		(26,015)	*(15,113)*	(19,511)	*(11,335)*
Disbursal of loans		0		(140)	*(140)*
Change in fair value of derivatives		(42)		66	
Loans and financing granted by banks and other financial institutions in the period		132,133	*30,000*	71,754	
Repayment of long-term loans		(97,600)	*(12,158)*	(46,187)	*(10,115)*
Net cash flows from / (for) financing activities		**8,476**		**5,982**	
Total cash flows		**(15,779)**		**(10,999)**	
CASH AND CASH EQUIVALENTS AT END OF PERIOD	11	**25,366**	***48,838***	**15,602**	***68,400***

Statement of Changes in Consolidated Equity at 30 June 2013

(euro thousand)	Share capital	Other reserves	Hedging reserve (*)	Retained earnings (losses)
Balance at 1 January 2012 (published figures)	**34,728**	**101,791**	**0**	**144,138**
Effects arising from the application of IAS 19R				(3,231)
Valuation of shareholding using the equity method				(4)
Balance at 1 January 2012 (restated figures)	**34,728**	**101,791**	**0**	**140,903**
Allocation of profit for the previous year				23,426
Payment of dividends				
Capital increase of consolidated companies by minority shareholders				
Components of comprehensive income:				
Effect of hedge accounting (cash flow hedge) of derivatives (*)			**(164)**	
Effects arising from the application of IAS 19R				(1,118)
Valuation of shareholding using the equity method				(40)
Change in translation adjustment reserve		8,342		
Net result for the period				
Balance at 30 June 2012	**34,728**	**110,133**	**(164)**	**163,171**
Balance at 1 January 2013 (published figures)	**34,728**	**109,711**	**(274)**	**166,688**
Effects arising from the application of IAS 19R				(5,342)
Valuation of shareholding using the equity method				(15)
Balance at 1 January 2013 (restated figures)	**34,728**	**109,711**	**(274)**	**161,331**
Allocation of profit for the previous year				51,831
Payment of dividends				
Components of comprehensive income:				
Valuation of shareholding using the equity method				
Change in translation adjustment reserve		(17,013)		
Effects arising from the application of IAS 19R				(762)
Effect of hedge accounting (cash flow hedge) of derivatives (*)			128	
Net result for the period				
Balance at 30 June 2013	**34,728**	**92,698**	**(146)**	**212,400**

(*) 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
42,937	**323,594**	**406**	**9,934**	**10,340**	**333,934**
	(3,231)		(10)	**(10)**	**(3,241)**
	(4)			**0**	**(4)**
42,937	**320,359**	**406**	**9,924**	**10,330**	**330,689**
(23,426)	**0**	(406)	406	**0**	**0**
(19,511)	**(19,511)**			**0**	**(19,511)**
	0		435	**435**	**435**
	(164)			**0**	**(164)**
	(1,118)		(4)	**(4)**	**(1,122)**
	(40)			**0**	**(40)**
	8,342		63	**63**	**8,405**
35,572	**35,572**	(89)		**(89)**	**35,483**
35,572	**343,440**	**(89)**	**10,824**	**10,735**	**354,175**
77,770	**388,623**	**(80)**	**10,580**	**10,500**	**399,123**
76	**(5,266)**		(18)	**(18)**	**(5,284)**
	(15)			**0**	**(15)**
77,846	**383,342**	**(80)**	**10,562**	**10,482**	**393,824**
(51,831)	**0**	80	(80)	**0**	**0**
(26,015)	**(26,015)**			**0**	**(26,015)**
	0			**0**	**0**
	(17,013)		82	**82**	**(16,931)**
	(762)			**0**	**(762)**
	128			**0**	**128**
43,236	**43,236**	(487)		**(487)**	**42,749**
43,236	**382,916**	**(487)**	**10,564**	**10,077**	**392,993**

CONDENSED CONSOLIDATED SIX MONTHLY REPORT AT 30 JUNE 2013 – 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 calipers, 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 (Apodaca), Brazil (Betim and Santo Antônio de Posse), Argentina (Buenos Aires), China (Nanjing), India (Pune) and the United States (Homer). Other companies located in Sweden (Göteborg), France (Levallois Perret), Germany (Leinfelden-Echterdingen), 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 Report at 30 June 2013

Introduction

The Condensed Consolidated Six Monthly Report at 30 June 2013 has 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 2013 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 2012.

The Condensed Consolidated Six Monthly Report comprises the Consolidated Balance Sheet, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, and these Explanatory Notes, in accordance with IFRS requirements; it includes 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 2013.

The publication of this Six Monthly Report was approved on 31 July 2013.

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 2012, to which explicit reference is made, except as specified in the paragraph below.

Due to the type of business, data included in the Condensed Consolidated Six Monthly Report are not influenced by material seasonal or cyclical effects, compared to full year data.

The valuation and measurement criteria used are based on IFRSs effective at 30 June 2013 and endorsed by the European Union; IFRSs effective at 31 December 2013 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 2013

The following standards, amendments and interpretations were applied for the first time effective 1 January 2013:

- Amendments to IAS 1 – *Presentation of Items of Other Comprehensive Income;*
- Amendments to IAS 19 – *Accounting and Disclosure for Defined Benefit Plans.* As specified in the Notes to the Consolidated Financial Statements at 31 December 2012, following the application effective 1 January 2013, data from the Income Statement and Cash Flow Statement for the first half of 2012 and the Balance Sheet at 31 December 2012, which are presented for comparison purposes, have been restated as set forth by IAS 1. In detail, the Group highlighted the following retrospective effects, arising from the application of the IAS 19 amendments.

(euro thousand)	31.12.2011 restated	31.12.2011 published	Effects arising from the application of amended IAS 19
EFFECTS ON BALANCE SHEET AT 31 DECEMBER 2011			
Shareholdings valued using the equity method	20,809	20,813	(4)
Deferred tax assets	24,495	23,474	1,021
Provisions for employee benefits	23,824	19,562	4,262
Total equity	**330,689**	**333,934**	**(3,245)**
Group equity	320,359	323,594	(3,235)
Minority interests	10,330	10,340	(10)

(euro thousand)	30.06.2012 restated	30.06.2012 published	Effects arising from the application of amended IAS 19
EFFECTS ON BALANCE SHEET AT 30 JUNE 2012			
Shareholdings valued using the equity method	19,994	20,004	(10)
Deferred tax assets	28,386	26,948	1,438
Provisions for employee benefits	25,509	19,695	5,814
Total equity	**354,175**	**358,561**	**(4,386)**
Group equity	343,440	347,812	(4,372)
Minority interests	10,735	10,749	(14)

(euro thousand)	31.12.2012 restated	31.12.2012 published	Effects arising from the application of amended IAS 19
EFFECTS ON BALANCE SHEET AT 31 DECEMBER 2012			
Shareholdings valued using the equity method	20,500	20,515	(15)
Deferred tax assets	37,333	35,533	1,800
Provisions for employee benefits	26,703	19,619	7,084
Total equity	**393,824**	**399,123**	**(5,299)**
Group equity	383,342	388,623	(5,281)
Minority interests	10,482	10,500	(18)

(euro thousand)	30.06.2012 restated	30.06.2012 published	Effects arising from the application of amended IAS 19
EFFECTS ON INCOME STATEMENT AT 30 JUNE 2012			
Net interest income (expense)	(4,238)	(4,228)	(10)
RESULT BEFORE TAXES	**44,238**	**44,248**	**(10)**
Taxes	(8,755)	(8,753)	(2)
RESULT BEFORE MINORITY INTERESTS	**35,483**	**35,495**	**(12)**
NET RESULT FOR THE PERIOD	**35,572**	**35,584**	**(12)**

The following amendments, improvements and interpretations, effective 1 January 2013, regulate situations and circumstances not found within the Group at 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:* Disclosures
- Amendment to IAS 12 – *Income taxes*
- IFRS 13 – *Fair Value Measurement*

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 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. This standard will become effective 1 January 2015.

On 28 June 2012, the IASB published IFRSs 10, 11 and 12 and updated IAS 27 and 28, with the aim of redrafting group reporting rules. The IASB had indicated that the above standards would come into force on 1 January 2013, but the European Commission, in its endorsement of 11 December 2012, postponed the date until 1 January 2014.

On 11 December 2012, the IASB endorsed the amendment to IAS 32, which will be effective 1 January 2014.

The Condensed Consolidated Six Monthly Report was prepared on the basis of the six monthly financial statements at 30 June 2013, 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 Report has 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 Report is 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 for contingencies, inventory obsolescence, depreciation and amortisation, write-downs of receivables, employee benefits, taxes and other provisions and in determining the fair value of financial instruments, particularly derivatives, and the useful life of certain fixed assets. 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 provisions for employee benefits are conducted in complete form when preparing the annual financial statements and in simplified form when preparing this Six Monthly Report.

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.

After the end of the first half of 2012 the following corporate transactions were carried out:

- in 2012, the company La.Cam S.r.l. acquired two business units (more precisely, IMMC on 13 July 2012 and IRAL on 28 December 2012) previously managed under a business lease agreement. The transaction did not change the consolidation area, as La.Cam was already fully consolidated;
- on 2 August 2012, Simest sold to Brembo S.p.A. its 32.26% equity investment in Brembo China Brake Systems Co. Ltd., a company incorporated in 2005, whose activities relate to the promotion and development of the Chinese market. Under the contractual clauses set forth in the agreement entered into with Simest in July 2005, the transfer price was €4.1 million. Following that acquisition, Brembo S.p.A. now holds 100% of the shares in Brembo China Brake System Co. Ltd. The above transaction did not impact the consolidation area, as the company had already been fully consolidated.

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	30.06.2013	Average June 2013	30.06.2012	Average June 2012	31.12.2012
US Dollar	1.308000	1.313458	1.259000	1.296782	1.319400
Japanese Yen	129.390000	125.465889	100.130000	103.366896	113.610000
Swedish Krona	8.777300	8.529668	8.772800	8.881470	8.582000
Polish Zloty	4.337600	4.178082	4.248800	4.244277	4.074000
Czech Koruna	25.949000	25.697403	25.640000	25.168459	25.151000
Mexican Peso	17.041300	16.505704	16.875500	17.186735	17.184500
Pound Sterling	0.857200	0.851162	0.806800	0.822488	0.816100
Brazil Real	2.889900	2.668794	2.578800	2.415099	2.703600
Indian Rupee	77.721000	72.306971	70.120000	67.610143	72.560000
Argentine Peso	7.040290	6.732594	5.643200	5.692948	6.486410
Chinese Renminbi	8.028000	8.129384	8.001100	8.191813	8.220700

ANALYSIS OF EACH ITEM

CONSOLIDATED 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	23,396	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**
Historical cost	23,989	174,377	656,404	150,352	28,906	27,854	**1,061,882**
Accumulated depreciation	0	(45,554)	(385,129)	(129,652)	(24,124)	0	**(584,459)**
Write-down provision	0	0	(1,918)	(4)	0	(111)	**(2,033)**
Balance at 1 January 2013	**23,989**	**128,823**	**269,357**	**20,696**	**4,782**	**27,743**	**475,390**
Changes:							
Translation differences	(171)	(4,126)	(5,881)	(386)	(22)	(938)	**(11,524)**
Reclassification - historical cost	0	548	9,908	475	68	(11,456)	**(457)**
Reclassification - accumulated depreciation	0	11	(33)	(6)	4	0	**(24)**
Acquisitions	46	1,604	29,485	4,566	731	26,585	**63,017**
Disposals - historical cost	0	(15)	(2,685)	(264)	(71)	0	**(3,035)**
Disposals - accumulated depreciation	0	6	2,372	169	69	0	**2,616**
Depreciation	0	(3,688)	(25,937)	(4,085)	(1,211)	0	**(34,921)**
Impairment losses	0	0	(2)	(5)	0	0	**(7)**
Total changes	**(125)**	**(5,660)**	**7,227**	**464**	**(432)**	**14,191**	**15,665**
Historical cost	23,864	171,566	680,579	153,985	29,353	42,038	**1,101,385**
Accumulated depreciation	0	(48,403)	(402,506)	(132,816)	(25,003)	0	**(608,728)**
Write-down provision	0	0	(1,489)	(9)	0	(104)	**(1,602)**
Balance at 30 June 2013	**23,864**	**123,163**	**276,584**	**21,160**	**4,350**	**41,934**	**491,055**

During the first half of 2013, investments in property, plant and equipment amounted to €63,017 thousand, including €26,585 thousand on fixed assets in progress. As already mentioned in the interim report, the Group continued its international development programme which resulted in significant investments in production plant, machinery and equipment in Poland, the Czech Republic, China, as well as in Italy, the United States, and Brazil.

Total depreciation for the first half of 2013 amounted to €34,921 thousand (€30,374 thousand at 30 June 2012).

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

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

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

(euro thousand)	Development costs	Goodwill A	Intangible assets with indefinite useful lives B	Sub-total A+B	Industrial patent and similar rights C	Other intangible assets D	Total other intangible assets C+D	Total
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**
Historical cost	**94,224**	60,165	1,033	**61,198**	29,251	65,656	**94,907**	**250,329**
Accumulated amortisation	**(49,699)**	0	0	**0**	(23,775)	(53,010)	**(76,785)**	**(126,484)**
Write-down provision	**(719)**	(19,402)	(3)	**(19,405)**	(506)	0	**(506)**	**(20,630)**
Balance at 1 January 2013	**43,806**	**40,763**	**1,030**	**41,793**	**4,970**	**12,646**	**17,616**	**103,215**
Changes:								
Translation differences	**(1)**	(1,072)	0	**(1,072)**	(7)	(39)	**(46)**	**(1,119)**
Reclassification - historical cost	**6**	0	0	**0**	9	14	**23**	**29**
Reclassification - accumulated amortisation	**0**	0	0	**0**	0	(12)	**(12)**	**(12)**
Acquisitions	**6,141**	0	0	**0**	415	2,856	**3,271**	**9,412**
Disposals - historical cost	**0**	0	0	**0**	(7)	(6)	**(13)**	**(13)**
Disposals - accumulated amortisation	**0**	0	0	**0**	2	6	**8**	**8**
Amortisation	**(4,763)**	0	0	**0**	(930)	(2,743)	**(3,673)**	**(8,436)**
Impairment losses	**(334)**	0	0	**0**	0	0	**0**	**(334)**
Total changes	**1,049**	**(1,072)**	**0**	**(1,072)**	**(518)**	**76**	**(442)**	**(465)**
Historical cost	**100,040**	58,484	1,033	**59,517**	29,564	68,496	**98,060**	**257,617**
Accumulated amortisation	**(54,455)**	0	0	**0**	(24,607)	(55,774)	**(80,381)**	**(134,836)**
Write-down provision	**(730)**	(18,793)	(3)	**(18,796)**	(505)	0	**(505)**	**(20,031)**
Balance at 30 June 2013	**44,855**	**39,691**	**1,030**	**40,721**	**4,452**	**12,722**	**17,174**	**102,750**

Development costs

The item "Development costs" includes costs for internal and external development for a gross historical cost of €100,040 thousand. During the period, this item changed due to higher costs incurred for jobs begun in the first half of 2013, for orders received both during the half-year period and in previous periods, for which additional development costs were incurred; amortisation of €4,763 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 €17,625 thousand. The total amount of costs for capitalised internal works charged to the Income Statement during the period was €5,527 thousand (first half of 2012: €6,541 thousand).

Impairment losses totalled €334 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, consistently 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)	30.06.2013	31.12.2012
Corporación Upwards '98 (Frenco S.A.)	2,006	2,006
Ap Racing Ltd.	12,109	12,719
Brembo North America Inc. (Hayes Lemmerz)	13,050	12,937
Brembo México S.A. de C.V. (Hayes Lemmerz)	794	787
Brembo Nanjing Brake Systems Co. Ltd.	872	851
Brembo Brake India Pvt. Ltd.	8,473	9,076
Sabelt Group	2,387	2,387
	39,691	**40,763**

CGUs are typically identified as the business being acquired and therefore tested for impairment. If the asset being tested for impairment refers to businesses operating in multiple business lines, it is attributed to all business lines in existence at the date of acquisition; this approach is consistent with valuations carried out at the acquisition date, which are typically based on the estimated recoverable amount of the entire investment.

Goodwill was tested for impairment whenever there were indications that impairment may exist. The main assumptions used to determine the value in use of the cash-generating unit related 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 for subsequent years were extrapolated using a prudential steady 1-1.5% medium- to long-term growth rate, on a case by case basis. The discount rate used was 7.57% (WACC), which reflected the current market assessments of the time value of money and the risks specific to the asset in question.

The impairment test performed on Sabelt Group goodwill did not indicate the need to recognise any impairment loss. In the event of a change in the WACC from 7.57% to 8.07% and the growth rate from 1% to 0.5% (or from 1.5% to 1%), no previously unimpaired goodwill would have become impaired. The changes in the WACC and growth rate described above are deemed reasonable. In this respect, only changes beyond reasonable levels in the WACC and the use of growth rates near zero would have resulted in impairment.

Intangible assets with indefinite useful lives
This item amounted to € 1,030 thousand and refers to the trademark Villar. For information concerning impairment-testing methods, the reader is referred to the above discussion relating to goodwill.

Other intangible assets
Acquisitions of "Other intangible assets" totalled €3,271 thousand and refer for €415 thousand to the purchase of specific patents and trademarks and for the remaining amount mainly to the share of the investment for the reporting period associated with the gradual implementation of the new ERP (Enterprise Resource Planning) system within the Group.

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

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

(euro thousand)	31.12.2012	Write-ups/ Write-downs	Reclassification	30.06.2013
Brembo SGL Carbon Ceramic Brakes S.p.A.	20,334	(731)	0	19,603
Innova Tecnologie S.r.l.	0	(30)	30	0
Petroceramics S.p.A.	166	0	0	166
Total	**20,500**	**(761)**	**30**	**19,769**

The shareholding in Innova Tecnologie S.r.l. was reduced to zero at 31 December 2012 and further written down by an additional €30 thousand associated with the losses for the period, recognised in "Non-current provisions", for a total amount attributable to Brembo of €380 thousand.

The shareholding in Brembo SGL Carbon Ceramic Brakes S.p.A. was written down by €731 thousand, mainly in relation with losses for the period.

The highlights and stake held by Group companies valued using the equity method are listed in Annex 4.

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

This item is broken down as follows:

(euro thousand)	30.06.2013	31.12.2012
Shareholdings in other companies	99	99
Other	110	78
Total	**209**	**177**

"Shareholdings in other companies" mainly 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)	30.06.2013	31.12.2012
Receivables from others	5,018	3,743
Income tax receivables	181	180
Non-income tax receivables	34	34
Total	**5,233**	**3,957**

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 2013 is broken down as follows:

(euro thousand)	30.06.2013	31.12.2012
Deferred tax assets	43,258	37,333
Deferred tax liabilities	(9,912)	(8,303)
Total	**33,346**	**29,030**

Deferred tax assets and liabilities were generated mainly by 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)	30.06.2013	31.12.2012
Balance at beginning of period	**29,030**	**14,898**
Deferred tax liabilities generated	(2,939)	(2,956)
Deferred tax assets generated	12,116	14,750
Use of deferred tax assets and liabilities	(2,939)	(1,271)
Exchange rate fluctuations	(2,125)	1,630
Other movements	203	1,979
Balance at end of period	**33,346**	**29,030**

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 was calculated based on the estimate of the benefit that can be used over a three-year timeframe, the reference period of the plans drawn up by the company. After the above measurement, the company recognised deferred tax assets amounting to PLN 82,454 thousand (€19,009 thousand) at 30 June 2013. In this regard, the potential future benefit valued at 30 June 2013 and not recognised in the financial statements amounted to PLN 10.6 million (approximately €2.6 million). It should also be noted that Brembo Czech Sro. did not recognise a potential future tax benefit of CZK 368.2 million, equivalent to approximately €14.2 million, valid through 2018. In the cases of both companies, there is no certain evidence that the aforementioned benefits may be used before they expire on the basis of current forecasts.

7. Inventories

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

(euro thousand)	30.06.2013	31.12.2012
Raw materials	81,552	74,522
Work in progress	45,399	42,990
Finished products	81,868	79,033
Goods in transit	9,540	10,542
Total	**218,359**	**207,087**

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

(euro thousand)	31.12.2012	Provisions	Use/ Release	Exchange rate fluctuations	30.06.2013
Inventory write-down provision	19,447	7,107	(1,525)	(300)	24,729

8. Trade Receivables

At 30 June 2013, the balance of trade receivables compared to the previous year was as follows:

(euro thousand)	30.06.2013	31.12.2012
Trade receivables	260,640	200,336
Receivables from associate companies and joint ventures	1,497	1,979
Total	**262,137**	**202,315**

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 recognised net of the provision for bad debts, which amounted to €4,633 thousand. Movements in the provision for bad debts are shown below:

(euro thousand)	31.12.2012	Provisions	Use/Release	Exchange rate fluctiations	30.06.2013
Provision for bad debts	5,088	445	(871)	(29)	4,633

9. Other Receivables and Current Assets

This item is broken down as follows:

(euro thousand)	30.06.2013	31.12.2012
Income tax receivables	8,570	9,792
Non-income tax receivables	25,031	24,862
Other receivables	11,873	9,807
Total	**45,474**	**44,461**

The item "Income tax receivables" includes the credit recognised by the Parent Company in relation to the application made in March for an IRES refund concerning the non-deductibility for IRAP purposes of personnel costs from 2007 to 2011 (Article 2 of Legislative Decree No. 201/2011) amounting to €4,437 thousand.

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)	30.06.2013	31.12.2012
Receivables from associate companies	9,120	9,252
Derivatives	144	132
Security deposits	3,831	467
Other receivables	3	1
Total	**13,098**	**9,852**

The item "Receivables from associate companies" relates to the revolving line of credit granted by the Parent Company to the associate Innova Tecnologie S.r.l. The item "Security deposits" primarily relates to the payment of a security deposit of RMB 27 million (€3,358 thousand) by the Parent Company to Shanghai United Assets and Equity for participation in the public auction called by the Chinese authorities for the award of a 30% interest in BNBS Co. Ltd.

11. Cash and Cash Equivalents

Cash and cash equivalents include:

(euro thousand)	30.06.2013	31.12.2012
Bank and postal accounts	113,737	115,475
Cash-in-hand and cash equivalents	476	127
Total cash and cash equivalents	**114,213**	**115,602**
Payables to banks: ordinary current accounts and foreign currency advances	(88,847)	(74,457)
Cash and cash equivalents from Cash Flow Statement	**25,366**	**41,145**

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 2013 decreased by €426 thousand compared to 31 December 2012. Movements are given in the relevant statement within the Condensed Consolidated Six Monthly Report.

Share Capital

The subscribed share capital is fully paid up and amounted to €34,728 thousand at 30 June 2013. It is divided into 66,784,450 shares with a nominal value of €0.52 each.

The table below shows the composition of the share capital and a reconciliation of the number of shares outstanding at 31 December 2012 and 30 June 2013:

(No. of shares)	30.06.2013	31.12.2012
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 2013.

Other Reserves and Retained Earnings/(Losses)

The resolution by the General Shareholders' Meeting of the Parent Company, Brembo S.p.A., of 23 April 2013, allocating the net profit for 2012 of €35,269 thousand as follows, has been executed:

- a gross dividend for shareholders of €0.4 per ordinary share outstanding, for a total of €26,015 thousand, paid on 16 May 2013;
- the remaining amount carried forward.

Share Capital and Reserves of Minority Interests

The main changes in this item relate to the change in the translation reserve.

13. Financial Debt and Derivatives

This item is broken down as follows:

	Balance at 30.06.2013			Balance at 31.12.2012		
(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	88,847	0	88,847	74,457	0	74,457
- loans	98,621	290,745	389,366	96,314	255,320	351,634
Total	**187,468**	**290,745**	**478,213**	**170,771**	**255,320**	**426,091**
Payables to other financial institutions	4,253	13,833	18,086	4,604	15,000	19,604
Derivatives	195	51	246	294	159	453
Total	**4,448**	**13,884**	**18,332**	**4,898**	**15,159**	**20,057**

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

(euro thousand)	Original amount*	Amount at 31.12.2012	Amount at 30.06.2013	Portion due within one 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	2,797	0	0	0	0
San Paolo IMI loan Law 100 (China project)	4,653	1,391	925	925	0	0
Centrobanca 1 loan (€25 million)	25,000	3,748	2,506	2,506	0	0
Centrobanca 2 loan (€25 million)	25,000	6,242	5,022	5,022	0	0
Centrobanca 3 loan (€30 million)	30,000	21,379	17,107	8,585	8,522	0
Creberg loan (€50 million)	50,000	24,961	19,971	10,010	9,961	0
Unicredit loan (€50 million)	50,000	9,994	4,998	4,998	0	0
Unicredit loan (€10 million)	10,000	6,240	4,993	2,503	2,490	0
UBI loan (€25 million)	25,000	20,044	17,541	5,097	12,444	0
Intesa San Paolo UK loan (€30 million)	30,000	24,896	19,933	10,067	9,866	0
Intesa San Paolo UK loan (€50 million)	50,000	29,805	24,863	10,058	14,805	0
Banca Popolare di Sondrio loan (€25 million)	25,000	24,938	24,949	6,261	18,688	0
Mediobanca loan (€35 million)	35,000	34,838	35,091	255	34,836	0
Intesa San Paolo loan (€50 million)	50,000	50,040	0	0	0	0
UBI loan (€30 million)	30,000	0	27,963	7,338	20,625	0
Intesa San Paolo loan (€50 million)	50,000	0	50,000	0	50,000	0
Mediobanca loan (€50 million)	50,000	0	49,875	(125)	50,000	0
Intesa San Paolo NY credit line	7,029	7,586	7,651	7,651	0	0
Intesa San Paolo NY loan	16,982	5,421	4,103	2,737	1,366	0
E.I.B. loan (€20 million)	20,000	833	0	0	0	0
Citibank Shanghai loan (RMB 200 million)	22,727	15,474	13,582	4,527	9,055	0
Bank Handlowy loan (€40 million)	40,000	31,111	26,667	8,889	17,778	0
EIB loan (€30 million, New Foundry Project)	30,000	30,000	30,000	1,421	15,242	13,337
Citibank Brazil loan (BRL 5 million)	1,946	0	1,730	0	1,730	0
Total payables to banks	**706,428**	**351,634**	**389,366**	**98,621**	**277,408**	**13,337**
Payables to other financial institutions:						
Production Activity Ministry Law 46/82 (CCM Project)	2,371	1,100	1,129	300	829	0
MCC Law 598 Isofix	120	196	173	43	130	0
MCC Law 598/94 Research	364	105	71	71	0	0
Ministerio Industria España	3,237	2,193	2,248	0	1,942	306
Payables to minority shareholders of Sabelt S.p.A.	3,087	3,582	3,925	0	3,925	0
Renault Argentina S.A. loan	797	832	691	252	439	0
FINAME Brembo Do Brasil loan	433	0	379	123	256	0
Payables for leases	30,738	11,596	9,470	3,464	5,174	832
Total payables to other financial institutions	**41,147**	**19,604**	**18,086**	**4,253**	**12,695**	**1,138**
Total	**747,575**	**371,238**	**407,452**	**102,874**	**290,103**	**14,475**

The amounts are translated based on the original exchange rate.

In the first half of 2013, 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 €3,925 thousand at 30 June 2013, 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 also be noted that, with reference to the EIB loan, which was obtained in 2011 for an original amount of €30 million, 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. Similar clauses apply to the Centrobanca loans, the Intesa Sanpaolo loans of €30 million and €50 million, the Unicredit loan of €50 million and the Mediobanca loans of €35 million and €50 million.

It should be noted that there are several other loans which require the compliance with certain financial covenants. At the end of the half-year, all financial covenants had been observed. At 30 June 2013, there was no financial debt secured by collateral.

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

(euro thousand)	30.06.2013			31.12.2012		
	Instalment	Interest	Principal	Instalment	Interest	Principal
Within 1 year	3,839	375	3,464	4,382	473	3,909
Between 1 and 5 years	5,599	425	5,174	7,338	565	6,773
Beyond 5 years	890	58	832	997	83	914
Total	**10,328**	**858**	**9,470**	**12,717**	**1,121**	**11,596**

The following table provides a breakdown of operating lease instalments:

(euro thousand)	30.06.2013	31.12.2012
Within 1 year	14,371	15,195
Between 1 and 5 years	48,845	49,271
Beyond 5 years	19,382	41,160
Total	**82,598**	**105,626**

The following table shows the structure of debt towards other lenders and loans, broken down by annual interest rate and currency at 30 June 2013:

	Fixed rate	Variable rate	Total
Euro	52,766	326,328	379,094
US Dollar	-	11,754	11,754
Polish Zloty	64	-	64
Chinese Renmimbi	-	13,582	13,582
Argentine Peso	800	12	812
Japanese Yen	12	-	12
Brazil Real	2,134	-	2,134
Total	**55,776**	**351,676**	**407,452**

The average variable rate applicable to the Group's debt is 2.34% and the average fixed rate is 2.68%.

It should be noted that 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 negative fair value at €45 thousand at 30 June 2013. 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 remaining notional amount of €25 million at 30 June 2013, hedging the interest rate risk associated with a specific outstanding loan. This IRS falls within the requirements set forth in the accounting standards relating to hedge accounting (cash flow hedge). The €177 thousand change in fair value at 30 June 2013 was recognised as a component of comprehensive income, net of the tax effect, given that the hedge is fully effective.

Changes in the cash flow hedge reserve are shown below, gross of tax effects:

(euro thousand)	30.06.2013
Balance at beginning of period	**(377)**
Movements from fair value reserve	63
Movements from reserve for the payment/collection of differentials	114
Balance at end of period	**(200)**

Net Financial Position

The following table shows the reconciliation of the net financial position at 30 June 2013 (€369,234 thousand), and at 31 December 2012 (€320,694 thousand) based on the layout prescribed by Consob Communication No. 6064293 of 28 July 2006:

(euro thousand)		30.06.2013	31.12.2012
A	Cash	476	127
B	Other cash equivalents	113,737	115,475
C	Derivatives and securities held for trading	144	132
D	**LIQUIDITY (A+B+C)**	**114,357**	**115,734**
E	Current financial receivables	12,954	9,720
F	Current payables to banks	88,847	74,457
G	Current portion of non-current debt	98,621	96,314
H	Other current financial debts and derivatives	4,448	4,898
I	**CURRENT FINANCIAL DEBT (F+G+H)**	**191,916**	**175,669**
J	**NET CURRENT FINANCIAL DEBT (I–E–D)**	**64,605**	**50,215**
K	Non-current payables to banks	290,745	255,320
L	Bonds issued	0	0
M	Other non-current financial debts and derivatives	13,884	15,159
N	**NON-CURRENT FINANCIAL DEBT (K+L+M)**	**304,629**	**270,479**
O	**NET FINANCIAL DEBT (J+N**	**369,234**	**320,694**

The various components that gave rise to the change in net financial position during the reporting 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)	30.06.2013	31.12.2012
Social security payables	353	18
Payables to employees	2,787	564
Other payables	411	9
Total	**3,551**	**591**

The items “Payables to employees”, “Social security payables” and “Other payables” also include the estimated cost of the 2013-2015 three-year incentive plan accrued during the half-year.

15. Provisions

This item is broken down as follows:

(euro thousand)	31.12.2012	Provisions	Use/Release	Exchange rate fluctuations	Reclassification	30.06.2013
Provisions for contingencies and charges	7,732	2,211	(3,993)	(114)	76	5,912
Provision for loss replenishment in associate companies	350	30	0	0	0	380
Total	**8,082**	**2,241**	**(3,993)**	**(114)**	**76**	**6,292**

Provisions for contingencies and charges totalled €5,912 thousand, including primarily product guarantees, supplemental customer indemnities — in connection with the Italian agency contract — and the valuation of risks related to litigation underway. The item "Provision for loss replenishment in associate companies", amounting to €380 thousand, 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 that 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 2013 are shown below:

(euro thousand)	31.12.2012	Provisions	Use/ Release	Financial charges	Exchange rate fluctuations	Actuarial (gains)/losses	30.06.2013
Employees' leaving entitlement	21,389	0	(570)	344	0	362	21,525
Defined benefit plans and other long-term benefits	4,727	884	(349)	123	(217)	649	5,817
Defined contribution plans	587	447	(721)	0	(1)	0	312
Total	**26,703**	**1,331**	**(1,640)**	**467**	**(218)**	**1,011**	**27,654**

17. Trade Payables

At 30 June 2013, trade payables were as follows:

(euro thousand)	30.06.2013	31.12.2012
Trade payables	288,596	243,252
Payables to associates and joint ventures	4,488	4,011
Total	**293,084**	**247,263**

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)	30.06.2013	31.12.2012
Tax payables	5,742	4,849

19. Other Current Payables

Other current payables at 30 June 2013 are shown below:

(euro thousand)	30.06.2013	31.12.2012
Tax payables other than current taxes	3,931	6,888
Social security payables	11,998	14,650
Payables to employees	31,285	34,877
Other payables	32,568	27,711
Total	**79,782**	**84,126**

The item "Other payables" also includes deferred income relating to a public grant received by Brembo Poland Spolka Zo.o. for the construction of the new foundry.

CONSOLIDATED INCOME STATEMENT

20. Sales of Goods and Services

Breakdown of sales of goods and services was as follows:

(euro thousand)	30.06.2013	30.06.2012
Italy	110,962	114,485
Abroad	651,829	588,113
Total	**762,791**	**702,598**

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)	30.06.2013	30.06.2012
Miscellaneous recharges	3,298	2,675
Gains on disposal of assets	378	439
Miscellaneous grants	875	408
Other revenues	1,846	1,631
Total	**6,397**	**5,153**

22. Costs for Capitalised Internal Works

This item refers to the capitalisation of development costs incurred during the period, amounting to €5,527 thousand (first half of 2012: €6,541 thousand).

23. Cost of Raw Materials, Consumables and Goods

The item is broken down as follows:

(euro thousand)	30.06.2013	30.06.2012
Purchase of raw materials, semi-finished and finished products	352,430	327,719
Purchase of consumables	33,835	29,520
Total	**386,265**	**357,239**

24. Other Operating Costs

These costs are broken down as follows:

(euro thousand)	30.06.2013	30.06.2012
Transports	20,918	18,849
Maintenance, repairs and utilities	38,252	36,481
Contracted work	29,420	28,459
Rent	12,737	11,764
Other operating costs	37,271	32,333
Total	**138,598**	**127,886**

This item mainly includes the costs of travels, quality-related costs, insurance costs, as well as fees for legal, technical and commercial consulting.

25. Personnel Expenses

Breakdown of personnel expenses is as follows:

(euro thousand)	30.06.2013	30.06.2012
Wages and salaries	105,053	100,576
Social security contributions	26,414	26,354
Employees' leaving entitlement and other personnel provisions	5,918	4,921
Other costs	13,321	8,940
Total	**150,706**	**140,791**

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 2013: average	113	2,135	4,695	6,943
First half of 2012: average	114	2,112	4,762	**6,988**
Change	**-1**	**23**	**-67**	**-45**
Total at 30 June 2013	113	2,192	4,868	7,173
Total at 30 June 2012	115	2,114	4,820	**7,049**
Change	**-2**	**78**	**48**	**124**

26. Depreciation, Amortisation and Impairment Losses

The item is broken down as follows:

(euro thousand)	30.06.2013	30.06.2012
Amortisation of intangible assets:		
Development costs	4,763	3,971
Industrial patents and similar rights for original work	754	734
Licences, trademarks and similar rights	176	325
Other intangible assets	2,743	2,613
Total	**8,436**	**7,643**
Depreciation of property, plant and equipment:		
Buildings	3,402	2,676
Leased buildings	286	286
Plant and machinery	25,152	21,521
Leased plant and machinery	785	704
Industrial and commercial equipment	4,083	4,012
Leased industrial and commercial equipment	2	2
Other property, plant and equipment	1,199	1,156
Other leased property, plant and equipment	12	17
Total	**34,921**	**30,374**
Impairment losses:		
Property, plant and equipment	7	32
Intangible assets	334	1,053
Total	**341**	**1,085**
TOTAL AMORTISATION, DEPRECIATION AND IMPAIRMENT LOSSES	**43,698**	**39,102**

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)	30.06.2013	30.06.2012
Exchange rate gains	13,578	16,711
Interest income from employee's leaving entitlement and other personnel provisions	450	470
Interest income	1,188	2,671
Total interest income	**15,216**	**19,852**
Exchange rate losses	(14,401)	(15,281)
Interest expense from employees' leaving entitlement and other personnel provisions	(917)	(987)
Interest expense	(7,650)	(7,822)
Total interest expense	**(22,968)**	**(24,090)**
TOTAL NET INTEREST INCOME (EXPENSE)	**(7,752)**	**(4,238)**

"Net 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 amount totalled €343 thousand (in the first half of 2012 interest income amounted to €449 thousand) and is recognised under "Interest expense".

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)	30.06.2013	30.06.2012
Current taxes	11,034	13,426
Deferred tax assets and liabilities	(6,238)	(5,279)
Estimated tax payables and taxes from previous years	(589)	608
Total	**4,207**	**8,755**

30. Earnings per Share

Basic earnings per share were €0.66 at 30 June 2013 (June 2012: €0.55) and were calculated by dividing the net income or loss 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 2013, amounting to 65,231,002 (first half of 2012: 65,231,002). The weighted average did not change since no share capital transactions took place during the reporting period. 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.r.l., which holds 56.52% of its share capital.

Brembo did not engage in dealings with its parent in the first half of 2013, except for the dividend distribution.

The table below provides information pertaining to the fees paid to Directors, Statutory Auditors and General Manager (position held by the Managing Director) of Brembo S.p.A. and of other Group companies and additional information required:

	30.06.2013		30.06.2012	
(euro thousand)	Directors	Statutory Auditors	Directors	Statutory Auditors
Emoluments for the office held	965	98	867	102
Participation in committees and specific tasks	50	0	0	0
Salaries and other incentives	1,811	0	1,162	0

The item "Salaries and other incentives" includes the estimate of the cost of the 2013-2015 plan accrued in 2013, compensation paid as salaries for the function of employee and provisions for bonuses still to be paid.

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 — 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, in the first half of 2013 Brembo had three customers who accounted for over 10% of consolidated net revenues. None of the single car makers comprising such groups exceeded this limit.

The following table shows segment information on sales of goods and services and results at 30 June 2013 and 30 June 2012:

	Total		Discs/Systems/ Motorbikes		After Market / Performance Group		Interdivision		Non-segment data	
(euro thousand)	30.06.2013	30.06.2012	30.06.2013	30.06.2012	30.06.2013	30.06.2012	30.06.2013	30.06.2012	30.06.2013	30.06.2012
Sales	768,760	708,112	647,438	586,744	137,235	134,880	(3,532)	(4,321)	(12,381)	(9,191)
Allowances and discounts	(8,291)	(9,563)	(1,886)	(3,332)	(6,404)	(6,233)	0	0	(1)	2
Net sales	**760,469**	**698,549**	**645,552**	**583,412**	**130,831**	**128,647**	**(3,532)**	**(4,321)**	**(12,382)**	**(9,189)**
Transport costs	9,622	7,757	7,450	5,607	2,172	2,150	0	0	0	0
Variable production costs	503,995	470,690	436,888	402,079	83,058	81,664	(3,532)	(4,321)	(12,419)	(8,732)
Contribution margin	**246,852**	**220,102**	**201,214**	**175,726**	**45,601**	**44,833**	**0**	**0**	**37**	**(457)**
Fixed production costs	108,092	97,438	97,504	86,814	10,347	10,424	(3)	(3)	244	203
Production gross operating income	**138,760**	**122,664**	**103,710**	**88,912**	**35,254**	**34,409**	**3**	**3**	**(207)**	**(660)**
BU personnel costs	52,640	50,448	32,441	31,529	17,578	17,503	0	0	2,621	1,416
BU gross operating income	**86,120**	**72,216**	**71,269**	**57,383**	**17,676**	**16,906**	**3**	**3**	**(2,828)**	**(2,076)**
Costs for Central Functions	32,697	27,169	22,068	19,275	5,797	5,944	0	0	4,832	1,950
Operating income (loss)	**53,423**	**45,047**	**49,201**	**38,108**	**11,879**	**10,962**	**3**	**3**	**(7,660)**	**(4,026)**
Extraordinary costs and revenues	222	1,576	0	0	0	0	0	0	222	1,576
Financial costs and revenues	(8,664)	(4,561)	0	0	0	0	0	0	(8,664)	(4,561)
Income and charges from shareholdings	(761)	(798)	0	0	0	0	0	0	(761)	(798)
Non-operating costs and revenues	2,736	2,974	0	0	0	0	0	0	2,736	2,974
Result before taxes	**46,956**	**44,238**	**49,201**	**38,108**	**11,879**	**10,962**	**3**	**3**	**(14,127)**	**(4,835)**
Taxes	(4,207)	(8,755)	0	0	0	0	0	0	(4,207)	(8,755)
Result before minority interests	**42,749**	**35,483**	**49,201**	**38,108**	**11,879**	**10,962**	**3**	**3**	**(18,334)**	**(13,590)**
Minority interests	487	89	0	0	0	0	0	0	487	89
Net result	**43,236**	**35,572**	**49,201**	**38,108**	**11,879**	**10,962**	**3**	**3**	**(17,847)**	**(13,501)**

A reconciliation between the Consolidated Six Monthly Report and the above information is provided below:

(euro thousand)	30.06.2013	30.06.2012
SALES OF GOODS AND SERVICES	**762,791**	**702,598**
Scrap sales (in the segment report they are subtracted from "Variable production costs")	(6,900)	(4,637)
Capital gains on sale of equipment (in the Consolidated Financial Statements they are included in "Other revenues and income")	100	120
Effect of adjustment of transactions among consolidated companies	1,763	(618)
Miscellaneous recharges (in the Consolidated Financial Statements they are included in "Other revenues and income")	2,346	1,018
Other	369	68
NET SALES	**760,469**	**698,549**

(euro thousand)	30.06.2013	30.06.2012
NET OPERATING INCOME	**55,448**	**49,274**
Differences in preparation criteria of internal and statutory reports	(2,823)	(3,890)
Claim compensation and subsidies	(143)	(292)
Capital gains/losses on disposal of assets (in the segment report they are included in "Non-operating costs and revenues")	(138)	(112)
Different classification of the provision for receivable write-downs (in the segment report it is included in "Non-operating costs and revenues")	16	16
Different classification of the provision for risks (in the segment report it is included in "Non-operating costs and revenues")	0	(107)
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 they are included in "Financial costs and revenues")	933	324
Other	114	(182)
OPERATING RESULT	**53,423**	**45,047**

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

Balance sheet data at 30 June 2013 and 31 December 2012 are provided in the tables below:

	Total		Discs/Systems/ Motorbikes		After Market / Performance Group		Interdivision		Non-segment data	
(euro thousand)	30.06.2013	31.12.2012	30.06.2013	31.12.2012	30.06.2013	31.12.2012	30.06.2013	31.12.2012	30.06.2013	31.12.2012
Property, plant and equipment	491,056	475,390	446,760	428,401	41,051	42,339	14	11	3,231	4,639
Intangible assets	57,895	59,409	34,263	37,880	16,984	13,821	0	(1,638)	6,648	9,346
Financial assets and other non-current assets/liabilities	64,040	60,918	476	354	0	0	(933)	(399)	64,497	60,963
(a) Total fixed assets	**612,991**	**595,717**	**481,499**	**466,635**	**58,035**	**56,160**	**(919)**	**(2,026)**	**74,376**	**74,948**
Inventories	217,335	206,976	142,287	130,704	74,264	75,276	(101)	(101)	885	1,097
Current assets	296,977	238,032	222,323	180,690	58,068	40,015	(22,796)	(20,905)	39,382	38,232
Current liabilities	(368,594)	(327,384)	(292,431)	(253,392)	(48,662)	(44,631)	22,796	20,905	(50,297)	(50,266)
Provisions for contingencies and charges and other provisions	(1,310)	(3,620)	0	0	0	0	0	0	(1,310)	(3,620)
(b) Net working capital	**144,408**	**114,004**	**72,179**	**58,002**	**83,670**	**70,660**	**(101)**	**(101)**	**(11,340)**	**(14,557)**
NET INVESTED WORKING CAPITAL (a+b)	**757,399**	**709,721**	**553,678**	**524,637**	**141,705**	**126,820**	**(1,020)**	**(2,127)**	**63,036**	**60,391**
IAS adjustments	32,482	31,500	32	43	3,070	2,238	0	0	29,380	29,219
NET INVESTED CAPITAL	**789,881**	**741,221**	**553,710**	**524,680**	**144,775**	**129,058**	**(1,020)**	**(2,127)**	**92,416**	**89,610**
Group equity	382,916	383,342	0	0	0	0	0	0	382,916	383,342
Minority interests	10,077	10,482	0	0	0	0	0	0	10,077	10,482
(d) Equity	**392,993**	**393,824**	**0**	**0**	**0**	**0**	**0**	**0**	**392,993**	**393,824**
(e) Provisions for employee benefits	**27,654**	**26,703**	**0**	**0**	**0**	**0**	**0**	**0**	**27,654**	**26,703**
Medium/long-term financial debt	304,629	270,479	0	0	0	0	0	0	304,629	270,479
Short-term financial debt	64,605	50,215	0	0	0	0	0	0	64,605	50,215
(f) Net financial debt	**369,234**	**320,694**	**0**	**0**	**0**	**0**	**0**	**0**	**369,234**	**320,694**
(g) COVERAGE (d+e+f)	**789,881**	**741,221**	**0**	**0**	**0**	**0**	**0**	**0**	**789,881**	**741,221**

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. Commitments

The Group had no commitments at the closing date of the first half of 2013.

34. Significant Events After 30 June 2013

There are no other significant events to report from the end of the first half of 2013 until 31 July 2013 beyond those already disclosed in the Report on Operations.

Stezzano, 31 July 2013

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 S.P.A.	CORPORACIÓN UPWARDS '98 S.A.	BREMBO POLAND SPOLKA ZO.O.	BREMBO SPOLKA ZO.O.	AP RACING LTD.	BREMBO UK LTD.	BREMBO NORTH AMERICA INC.	BREMBO MÉXICO S.A. DE C.V.	BREMBO DO BRASIL LTDA.	BREMBO JAPAN CO. LTD.	BREMBO SCANDINAVIA A.B.	BREMBO CHINA BRAKE SYSTEMS CO. LTD.
BREMBO S.P.A.		34	5,753	1,084			1,573	2		401	487	
CORPORACIÓN UPWARDS '98 S.A.	1,165		46									
BREMBO POLAND SPOLKA ZO.O.	5,661			1,218			9			5		
BREMBO SPOLKA ZO.O.	4,922 [a]											
AP RACING LTD.	254											
BREMBO UK LTD.												
BREMBO NORTH AMERICA INC.	10,753		13					2				
BREMBO MÉXICO S.A. DE C.V.	899						1,281					
BREMBO DO BRASIL LTDA.	516						14					
BREMBO JAPAN CO. LTD.	1,272						1					
BREMBO SCANDINAVIA A.B.												
BREMBO CHINA BRAKE SYSTEMS CO. LTD.												
BREMBO NANJING BRAKE SYSTEMS CO. LTD.	391		387	96			14			2		
BREMBO BRAKE INDIA LTD.	1,104											
SABELT S.P.A.	384						130					
BELT & BUCKLE S.R.O.	5											
BREMBO DEUTSCHLAND GMBH	33											
BREMBO CZECH S.R.O.	12,293 [b]			92			6					
BREMBO NANJING FOUNDRY CO. LTD	965											
QINGDAO BREMBO TRADING CO. LTD.	145											
LA.CAM (LAVORAZIONI CAMUNE) S.R.L.	287											
BREMBO ARGENTINA S.A.	265								637			
Total consolidated companies	**41,314**	**34**	**6,199**	**2,490**	**0**	**0**	**3,028**	**4**	**637**	**408**	**487**	**0**
PETROCERAMICS S.P.A.	113											
BREMBO SGL CARBON CERAMIC BRAKES S.P.A.	1,739											
BREMBO SGL CARBON CERAMIC BRAKES GMBH	3											
INNOVA TECNOLOGIE S.R.L.	120											
Total associate companies	**1,975**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL	**43,289**	**34**	**6,199**	**2,490**	**0**	**0**	**3,028**	**4**	**637**	**408**	**487**	**0**

a) Of which €800 thousand for sales of property, plant and equipment.
b) Of which €869 thousand for sales of property, plant and equipment.

BREMBO NANJING BRAKE SYSTEMS CO. LTD.	BREMBO BRAKE INDIA LTD.	SABELT S.P.A.	BELT & BUCKLE S.R.O.	BREMBO DEUTSCHLAND GMBH	BREMBO CZECH S.R.O.	BREMBO NANJING FOUNDRY CO. LTD	QINGDAO BREMBO TRADING CO. LTD.	LA.CAM (LAVORAZIONI CAMUNE) S.R.L.	BREMBO ARGENTINA S.A.	Total consolidated companies	PETROCERAMICS S.P.A.	BREMBO SGL CARBON CERAMIC BRAKES S.P.A.	BREMBO SGL CARBON CERAMIC BRAKES GMBH	INNOVA TECNOLOGIE S.R.L.	Total associate companies	TOTAL
	412			110	1,132	3,074	8,470	9,622	1	**32,155**	532	12,592	9		**13,133**	**45,288**
										1,211					**0**	**1,211**
						5				**6,898**					**0**	**6,898**
								3,844		**8,766**					**0**	**8,766**
								233		**487**					**0**	**487**
										0					**0**	**0**
					2,400		738			**13,906**					**0**	**13,906**
							291			**2,471**					**0**	**2,471**
										530					**0**	**530**
										1,273					**0**	**1,273**
										0					**0**	**0**
						2				**2**					**0**	**2**
					3	11,828	6			**12,727**					**0**	**12,727**
										1,104					**0**	**1,104**
			3,406							**3,920**					**0**	**3,920**
		196								**201**					**0**	**201**
										33					**0**	**33**
								498		**12,889**			2,501		**2,501**	**15,390**
1,102							4		2	**2,073**					**0**	**2,073**
						8				**153**					**0**	**153**
										287					**0**	**287**
										902					**0**	**902**
1,102	**412**	**196**	**3,406**	**110**	**3,535**	**14,917**	**9,509**	**14,197**	**3**	**101,988**	**532**	**12,592**	**2,510**	**0**	**15,634**	**117,622**
										113		1			**1**	**114**
								82		**1,821**	189		357		**546**	**2,367**
										3		413			**413**	**416**
										120					**0**	**120**
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**82**	**0**	**2,057**	**189**	**414**	**357**	**0**	**960**	**3,017**
1,102	**412**	**196**	**3,406**	**110**	**3,535**	**14,917**	**9,509**	**14,279**	**3**	**104,045**	**721**	**13,006**	**2,867**	**0**	**16,594**	**120,639**

Annex 2

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

(euro thousand)

PURCHASING COMPANY \ SELLING COMPANY	BREMBO S.P.A.	CORPORACIÓN UPWARDS '98 S.A.	BREMBO POLAND SPOLKA ZO.O.	BREMBO SPOLKA ZO.O.	AP RACING LTD.	BREMBO UK LTD.	BREMBO NORTH AMERICA INC.	BREMBO M É XICO S.A. DE C.V.	BREMBO DO BRASIL LTDA.	BREMBO JAPAN CO. LTD.	BREMBO SCANDINAVIA A.B.	BREMBO CHINA BRAKE SYSTEMS CO. LTD.
BREMBO S.P.A.		7	57,273 [k]	2,974 [l]			1,575	2,830 [m]	193	427	256	
CORPORACIÓN UPWARDS '98 S.A.	1,213 [j]		46									
BREMBO POLAND SPOLKA ZO.O.	5,877			467						46		
BREMBO SPOLKA ZO.O.	3,486		1									
AP RACING LTD.	217											
BREMBO UK LTD.												
BREMBO NORTH AMERICA INC.	24,394 [a]							2				
BREMBO MÉXICO S.A. DE C.V.	871						460		6			
BREMBO DO BRASIL LTDA.	2,118 [b]							775 [n]				
BREMBO JAPAN CO. LTD.	1,161											
BREMBO SCANDINAVIA A.B.												
BREMBO CHINA BRAKE SYSTEMS CO. LTD.												
BREMBO NANJING BRAKE SYSTEMS CO. LTD.	1,709		1,173	1,155			14			1		443
BREMBO BRAKE INDIA LTD.	923											
SABELT S.P.A.	3,114 [c]						131					
BELT & BUCKLE S.R.O.	990 [d]											
BREMBO DEUTSCHLAND GMBH	162 [e]											
BREMBO CZECH S.R.O.	20,330 [f]			80			6					
BREMBO NANJING FOUNDRY CO. LTD	11,219 [q]											
QINGDAO BREMBO TRADING CO. LTD.	145											1,004
LA.CAM (LAVORAZIONI CAMUNE) S.R.L.	3,620 [g]											
BREMBO ARGENTINA S.A.	986								1,917			
Total consolidated companies	**82,535**	**7**	**58,493**	**4,676**	**0**	**0**	**2,186**	**3,607**	**2,116**	**474**	**256**	**1,447**
PETROCERAMICS S.P.A.	47											
BREMBO SGL CARBON CERAMIC BRAKES S.P.A.	1,453											
BREMBO SGL CARBON CERAMIC BRAKES GMBH	(3)											
INNOVA TECNOLOGIE S.R.L.	9,120 [i]											
Total associate companies	**10,617**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL	**93,152**	**7**	**58,493**	**4,676**	**0**	**0**	**2,186**	**3,607**	**2,116**	**474**	**256**	**1,447**

a) Of which €4,210 thousand cash pooling and €11,500 thousand intercompany loan.
b) Of which €663 thousand finance lease and €6 thousand intercompany loan.
c) Of which €2,742 thousand cash pooling.
d) Of which €990 thousand cash pooling.
e) Of which €129 thousand cash pooling.
f) Of which €6,573 thousand cash pooling and €7,524 thousand intercompany loan.
g) Of which €846 thousand cash pooling and €2,508 thousand intercompany loans.
i) Of which €9,120 thousand intercompany loan.
j) Of which €254 thousand cash pooling.
k) Of which €54,582 thousand cash pooling.

BREMBO NANJING BRAKE SYSTEMS CO. LTD.	BREMBO BRAKE INDIA LTD.	SABELT S.P.A.	BELT & BUCKLE S.R.O.	BREMBO DEUTSCHLAND GMBH	BREMBO CZECH S.R.O.	BREMBO NANJING FOUNDRY CO. LTD	QINGDAO BREMBO TRADING CO. LTD.	LA.CAM (LAVORAZIONI CAMUNE) S.R.L.	BREMBO ARGENTINA S.A.	Total consolidated companies	PETROCERAMICS S.P.A.	BREMBO SGL CARBON CERAMIC BRAKES S.P.A.	BREMBO SGL CARBON CERAMIC BRAKES GMBH	INNOVA TECNOLOGIE S.R.L.	TTotal associate companies	TOTAL
	174			182	422	729	3,612	3,627		**74,281**	436	3,347 o)	8		**3,791**	**78,072**
										1,259					**0**	**1,259**
						1				**6,391**					**0**	**6,391**
								2,338		**5,825**					**0**	**5,825**
								123		**340**					**0**	**340**
										0					**0**	**0**
					1,425		330			**26,151**					**0**	**26,151**
							139			**1,476**					**0**	**1,476**
										2,893					**0**	**2,893**
										1,161					**0**	**1,161**
										0					**0**	**0**
						2				**2**					**0**	**2**
					3	14,909	6			**19,413**					**0**	**19,413**
										923					**0**	**923**
			1,932							**5,177**					**0**	**5,177**
		91								**1,081**					**0**	**1,081**
										162					**0**	**162**
								247		**20,663**			824		**824**	**21,487**
558							4		2	**11,783**					**0**	**11,783**
						8				**1,157**					**0**	**1,157**
										3,620					**0**	**3,620**
										2,903					**0**	**2,903**
558	**174**	**91**	**1,932**	**182**	**1,850**	**15,649**	**4,091**	**6,335**	**2**	**186,661**	**436**	**3,347**	**832**	**0**	**4,615**	**191,276**
										47					**0**	**47**
										1,453	185		316		**501**	**1,954**
										(3)		5,479 p)			**5,479**	**5,476**
										9,120					**0**	**9,120**
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**10,617**	**185**	**5,479**	**316**	**0**	**5,980**	**16,597**
558	**174**	**91**	**1,932**	**182**	**1,850**	**15,649**	**4,091**	**6,335**	**2**	**197,278**	**621**	**8,826**	**1,148**	**0**	**10,595**	**207,873**

l) Of which €2,501 thousand cash pooling.
m) Of which €2,830 thousand cash pooling.
n) Of which €745 thousand finance lease.
o) Of which €127 thousand security deposit.
p) Of which €5,090 thousand cash pooling.
q) Of which €8,779 thousand intercompany loan.

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 China Brake Systems Co. Ltd.	Beijing	China
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
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	315,007,990	100%	Brembo S.p.A.
	Czk	605,850,000	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.
	Cny	125,333,701	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.
	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.p.A.	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	100,000	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	30.06.2013					
		RELATED PARTIES				
	Carrying value	Total	Minority interests	Joint ventures	Unconsolidated investee companies	%
Trade receivables	262,137	22,724	21,228	1,450	46	*8.7%*
Other receivables and current assets	45,474	0	0	0	0	*0.0%*
Current financial assets and derivatives	13,098	9,120	0	0	9,120	*69.6%*
Cash and cash equivalents	114,213	52,269	52,269	0	0	*45.8%*
Non-current payables to banks	(290,745)	(43,030)	(43,030)	0	0	*14.8%*
Provisions for employee benefits	(27,654)	(4,687)	(4,687)	0	0	*16.9%*
Current payables to banks	(187,468)	(52,601)	(52,601)	0	0	*28.1%*
Trade payables	(293,084)	(6,259)	(1,771)	(4,052)	(436)	*2.1%*
Other current payables	(79,782)	(2,477)	(2,350)	(127)	0	*3.1%*

b) Weight of transactions or positions with related parties on items of the Income Statement	30.06.2013					
		RELATED PARTIES				
	Carrying value	Total	Minority interests	Joint ventures	Unconsolidated investee companies	%
Sales of goods and services	762,791	28,871	28,632	216	23	*3.8%*
Other revenues and income	6,397	1,699	2	1,607	90	*26.6%*
Raw materials, consumables and goods	(386,265)	(15,297)	(9)	(15,101)	(187)	*4.0%*
Other operating costs	(138,598)	(2,791)	(2,446)	0	(345)	*2.0%*
Personnel expenses	(150,706)	(2,090)	(2,090)	0	0	*1.4%*
Net interest income (expense)	(7,752)	(848)	(967)	(1)	120	*10.9%*

31.12.2012						Change					
	RELATED PARTIES						RELATED PARTIES				
Carrying value	Total	Minority interests	Joint ventures	Unconsolidated investee companies	%	Carrying value	Total	Minority interests	Joint ventures	Unconsolidated investee companies	%
202,315	18,059	16,080	1,938	41	*8.9%*	59,822	4,665	5,148	(488)	5	*7.8%*
44,461	101	101	0	0	*0.2%*	1,013	(101)	(101)	0	0	*-10.0%*
9,852	9,252	0	0	9,252	*93.9%*	3,246	(132)	0	0	(132)	*-4.1%*
115,602	63,709	63,709	0	0	*55.1%*	(1,389)	(11,440)	(11,440)	0	0	*823.6%*
(255,320)	(29,837)	(29,837)	0	0	*11.7%*	(35,425)	(13,193)	(13,193)	0	0	*37.2%*
(26,703)	(285)	(285)	0	0	*1.1%*	(951)	(4,402)	(4,402)	0	0	*462.9%*
(170,771)	(37,482)	(37,482)	0	0	*21.9%*	(16,697)	(15,119)	(15,119)	0	0	*90.5%*
(247,263)	(6,221)	(2,210)	(3,748)	(263)	*2.5%*	(45,821)	(38)	439	(304)	(173)	*0.1%*
(84,126)	(7,253)	(7,123)	(130)	0	*8.6%*	4,344	4,776	4,773	3	0	*109.9%*

30.06.2012						Change					
	RELATED PARTIES						RELATED PARTIES				
Carrying value	Total	Minority interests	Joint ventures	Unconsolidated investee companies	%	Carrying value	Total	Minority interests	Joint ventures	Unconsolidated investee companies	%
702,598	25,462	25,043	413	6	*3.6%*	60,193	3,409	3,589	(197)	17	*5.7%*
5,153	1,802	4	1,732	66	*35.0%*	1,244	(103)	(2)	(125)	24	*-8.3%*
(357,239)	(18,771)	(22)	(18,577)	(172)	*5.3%*	(29,026)	3,474	13	3,476	(15)	*-12.0%*
(127,886)	(2,243)	(1,953)	(23)	(267)	*1.8%*	(10,712)	(548)	(493)	23	(78)	*5.1%*
(140,791)	(1,317)	(1,314)	(3)	0	*0.9%*	(9,915)	(773)	(776)	3	0	*7.8%*
(4,238)	(418)	(557)	(1)	140	*9.9%*	(3,514)	(430)	(410)	0	(20)	*12.2%*

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Auditors' review report on the condensed consolidated six monthly financial report
(Translation from the original Italian text)

To the Shareholders of
Brembo S.p.A.

1. We have reviewed the condensed consolidated six monthly financial report, comprising the consolidated balance sheet, the consolidated income statement, the comprehensive consolidated income statement, the statement of changes in consolidated equity, the consolidated cash flows and the related explanatory notes of Brembo S.p.A. and its subsidiaries (the "Brembo Group") as of June 30, 2013. The Directors of Brembo S.p.A. are responsible for the preparation of the condensed consolidated six monthly financial report in conformity with the International Financial Reporting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to issue this review report based on our review.

2. We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of July 31, 1997. Our review consisted mainly of obtaining information on the accounts included in the condensed consolidated six monthly financial report and the consistency of the accounting principles applied, through discussions with management, and of applying analytical procedures to the financial data presented in these consolidated financial report. Our review did not include the application of audit procedures such as tests of compliance and substantive procedures on assets and liabilities and was substantially less in scope than an audit conducted in accordance with generally accepted auditing standards. Accordingly, we do not express an audit opinion on the condensed consolidated six monthly financial report as other auditor expressed on the annual consolidated financial statements.

   The condensed consolidated six monthly financial report presents for comparative purposes the consolidated financial statements of the prior year and the condensed consolidated six monthly financial report of the corresponding period of the prior year. As described in the explanatory notes, the Directors have restated certain comparative data related to the consolidated financial statements of the prior year and to the condensed consolidated six monthly financial report of the corresponding period of the prior year with respect to those previously presented and that have been audited and reviewed by other auditor, who issued its reports on March 20, 2013 and on July 31, 2012, respectively. We have examined the method used to restate the comparative consolidated financial statements of the prior year and the condensed consolidated six monthly financial report of the corresponding period of the prior year and the related disclosure included in the explanatory notes, for the purposes of issuing this review report.

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3. Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated six monthly financial report of Brembo Group as of June 30, 2013 is not prepared, in all material respects, in conformity with the International Financial Reporting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Bergamo, July 31, 2013

Reconta Ernst & Young S.p.A.
Signed by: Claudio Ferigo, Partner

This report has been translated into the English language solely for the convenience of international readers

Attestation of the Condensed Six Monthly Financial Statements Pursuant to Article 81-*ter* of Consob Regulation No. 11971 of 14 May 1999, as amended and extended

1. We the undersigned, Alberto Bombassei, in his capacity as Chairman, and Matteo Tiraboschi, in his capacity as Manager in Charge of the Financial Reports of Brembo S.p.A., hereby declare, pursuant to the provisions of Article 154-bis, paragraphs 3 and 4, of Italian Legislative Decree No. 58 of 24 February 1998, that the administrative and accounting procedures for preparing the Condensed Six Monthly Financial Statements for the period from 1 January 2013 to 30 June 2013:
   - are appropriate in relation to the company features; and
   - have been consistently applied.

2. The assessment of the adequacy of the administrative and accounting procedures used in preparing the Condensed Six Monthly Financial Statements at 30 June 2013 was based on a process defined by Brembo S.p.A. in accordance with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission, an internationally-accepted reference framework. Regarding this point there are no issues.

3. The undersigned further declare that:
   3.1 the Condensed Six Monthly Financial Statements:
      a) have been prepared in accordance with applicable International Accounting Standards, as adopted by the European Union through (EC) Regulation No. 1606/2002 of European Parliament and Council on 19 July 2002;
      b) reflect the accounting books and records; and
      c) provide a true and fair view of the assets, liabilities, profit or loss and financial position of the issuer and the companies included in the consolidation area.

   3.2 The interim Report on Operations includes a reliable analysis of the significant events that occurred during the first six months of the financial year and the impact of such events on the Company's Condensed Six Monthly Financial Statements, along with a description of the main risks and uncertainties for the remaining six months of the year.
   Furthermore, the interim Report on Operations contains a reliable analysis of significant related party transactions.

Stezzano, 31 July 2013

Alberto Bombassei
Chairman

Matteo Tiraboschi
Manager in Charge of the Company's Financial Reports

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