BREMBO
FIRST QUARTER
REPORT
2014

LA LEGGEREZZA
È IL FUTURO

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Company Officers

The General Shareholders' Meeting of the Parent Company Brembo S.p.A., held on 29 April 2014, appointed the Board of Directors for the three-year period 2013 – 2016, i.e., until the General Shareholders' Meeting to be called to approve the Financial Statements for the year ending 31 December 2016, based on the two lists submitted respectively by the majority shareholder Nuova FourB S.r.l. and a group of Asset Management Companies and other institutional investors (holding 2.11% of the share capital, overall).

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)
	Barbara Borra (5)
	Giovanni Cavallini (5)
	Giancarlo Dallera (5)
	Bianca Maria Martinelli (5) (6)
	Umberto Nicodano (7)
	Pasquale Pistorio (5) (9)
	Gianfelice Rocca (5)

BOARD OF STATUTORY AUDITORS (10)

Chairwoman	Raffaella Pagani (6)
Auditors	Milena T. Motta
	Sergio Pivato
Alternate Auditors	Marco Salvatore
	Myriam Amato (6)

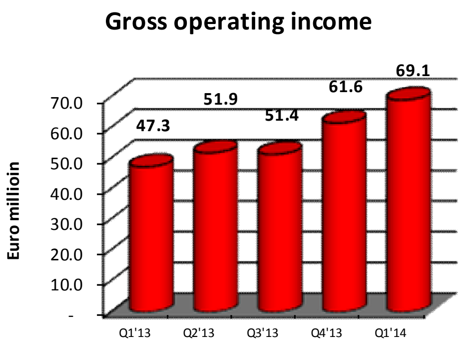
INDEPENDENT AUDITORS	Reconta Ernst & Young S.p.A. (11)
MANAGER IN CHARGE OF THE COMPANY'S FINANCIAL REPORTS	Matteo Tiraboschi (12)

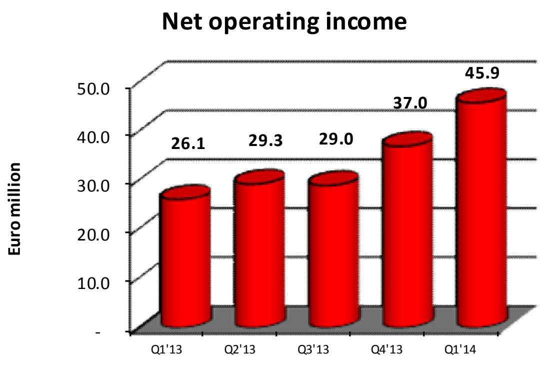
COMMITTEES

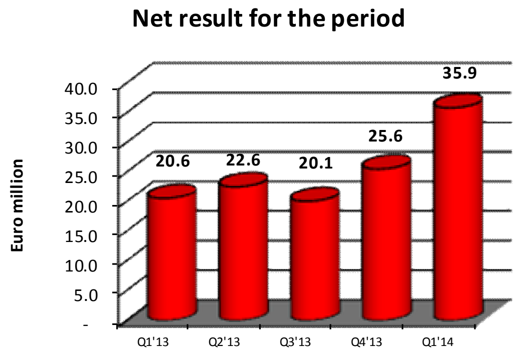
Audit & Risk Committee (13)	Giovanni Cavallini (Chairman)
	Giancarlo Dallera
	Bianca Maria Martinelli (6)
Remuneration & Appointments Committee	Barbara Borra (Chairwoman)
	Giovanni Cavallini
	Umberto Nicodano
Supervisory Committee	Raffaella Pagani (Chairwoman of the Board of Statutory Auditors) (6)
	Milena T. Motta (Auditor)
	Sergio Pivato (Auditor)
	Alessandra Ramorino (14)
	Mario Bianchi (15)
	Mario Tagliaferri (16)

(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 Chief Executive Officer 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) Director/Auditor elected from the list submitted by a group of Asset Management Companies and other institutional investors (holding 2.11% of share capital, overall).
(7) Non-executive Director.
(8) Executive Directors.
(9) This Director also holds the position of Lead Independent Director.
(10) This Board holds the role of Audit Committee and Accounting Audit pursuant to Article 19 of Legislative Decree No. 39/2010.
(11) The Shareholders' Meeting held on 23 April 2013 gave the mandate until the approval of the Financial Statements for financial year 2021.
(12) Appointed by the Board of Directors on 29 April 2014. He also holds the position of Investor Relator.
(13) This Committee also acts as the Related Party Transactions Committee.
(14) Internal Audit Director of the Brembo Group and Person in charge of Internal Control.
(15) Private practice lawyer - Studio Castaldi Mourre & Partners, Milan.
(16) Certified Public Accountant and Certified Auditor, Private practice, Studio Lexis – Dottori Commercialisti associati in Crema.

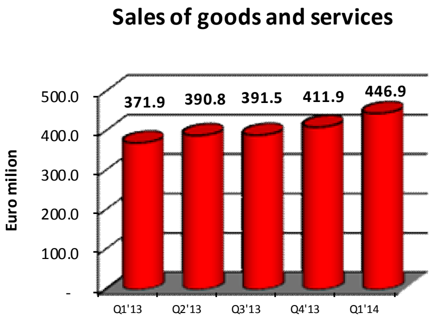
Highlights

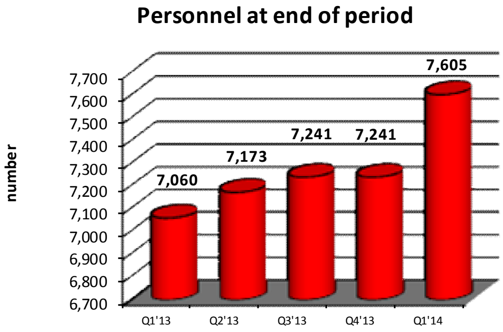


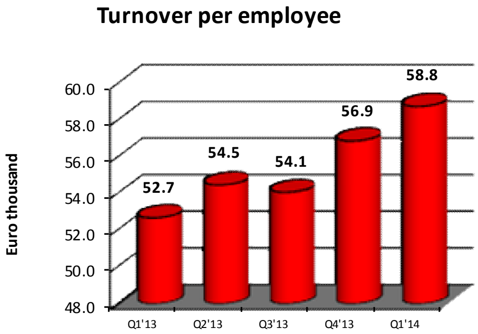




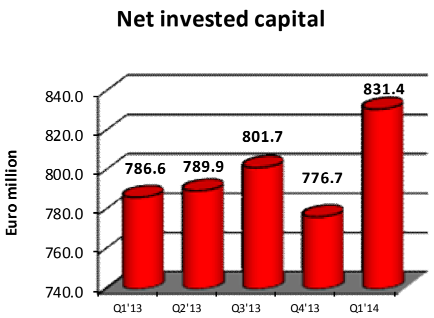
	A				B	
ECONOMIC RESULTS (euro million)	**Q1'13**	**Q2'13**	**Q3'13**	**Q4'13**	**Q1'14**	**% B/A**
Sales of goods and services	371.9	390.8	391.5	411.9	446.9	*20.2%*
Gross operating income	47.3	51.9	51.4	61.6	69.1	*46.1%*
% of sales	*12.7%*	*13.3%*	*13.1%*	*15.0%*	*15.5%*	
Net operating income	26.1	29.3	29.0	37.0	45.9	*75.6%*
% of sales	*7.0%*	*7.5%*	*7.4%*	*9.0%*	*10.3%*	
Result before taxes	22.0	25.0	23.8	33.6	43.3	*97.1%*
% of sales	*5.9%*	*6.4%*	*6.1%*	*8.2%*	*9.7%*	
Net result for the period	20.6	22.6	20.1	25.6	35.9	*74.3%*
% of sales	*5.5%*	*5.8%*	*5.1%*	*6.2%*	*8.0%*	

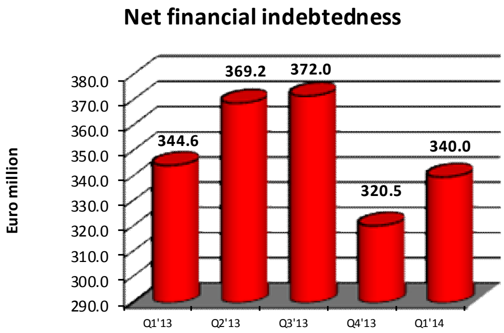






	A				B	
FINANCIAL RESULTS (euro million)	**Q1'13**	**Q2'13**	**Q3'13**	**Q4'13**	**Q1'14**	**% B/A**
Net invested capital	786.6	789.9	801.7	776.7	831.4	*5.7%*
Shareholders' equity	413.4	393.0	402.0	429.2	464.7	*12.4%*
Net financial indebtedness	344.6	369.2	372.0	320.5	340.0	*-1.3%*
PERSONNEL AND CAPITAL EXPENDITURE						
Personnel at end of period **(No.)**	7,060	7,173	7,241	7,241	7,605	*7.7%*
Turnover per employee **(euro thousand)**	52.7	54.5	54.1	56.9	58.8	*11.6%*
Capital Expenditure **(euro million)**	37.8	34.6	30.1	30.5	23.1	*-38.9%*





MAIN RATIOS	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14
Net operating income/Sales of goods and services	*7.0%*	*7.5%*	*7.4%*	*9.0%*	*10.3%*
Result before taxes/Sales of goods and services	*5.9%*	*6.4%*	*6.1%*	*8.2%*	*9.7%*
Capital Expenditure/Sales of goods and services	*10.2%*	*8.9%*	*7.7%*	*7.4%*	*5.2%*
Net Financial indebtedness/Shareholders' equity	*83.4%*	*93.9%*	*92.5%*	*74.7%*	*73.2%*
Net financial charges(*)/Sales of goods and services	*0.8%*	*1.0%*	*0.9%*	*0.1%*	*0.7%*
Net financial charges(*)/Net Operating Income	*11.4%*	*13.5%*	*12.8%*	*1.5%*	*6.9%*
ROI	*13.5%*	*14.9%*	*14.4%*	*18.9%*	*22.4%*
ROE	*20.1%*	*22.7%*	*20.4%*	*23.7%*	*31.4%*

Notes:
ROI: Net operating income/ Net invested capital multiply by year days/period days.
ROE: Result before minority interests/ Shareholders equity multiply by year days/period days.
(*) Net of exchange losses/gains

Consolidated Financial Statements

Consolidated Statement of Income (First Quarter 2014)

(euro thousand)	Q1'14	Q1'13	Change	%
Sales of goods and services	**446,939**	**371,946**	**74,993**	**20.2%**
Other revenues and income	2,839	3,557	(718)	-20.2%
Costs for capitalised internal works	3,063	2,874	189	6.6%
Raw materials, consumables and goods	(230,296)	(188,164)	(42,132)	22.4%
Other operating costs	(71,317)	(66,542)	(4,775)	7.2%
Personnel expenses	(82,149)	(76,400)	(5,749)	7.5%
GROSS OPERATING INCOME	**69,079**	**47,271**	**21,808**	**46.1%**
% of sales of goods and services	***15.5%***	***12.7%***		
Depreciation, amortisation and impairment losses	(23,162)	(21,129)	(2,033)	9.6%
NET OPERATING INCOME	**45,917**	**26,142**	**19,775**	**75.6%**
% of sales of goods and services	***10.3%***	***7.0%***		
Net interest income (expense)	(3,917)	(4,052)	135	-3.3%
Interest income (expense) from investments	1,312	(120)	1,432	-1193.3%
RESULT BEFORE TAXES	**43,312**	**21,970**	**21,342**	**97.1%**
% of sales of goods and services	***9.7%***	***5.9%***		
Taxes	(7,351)	(1,455)	(5,896)	405.2%
RESULT BEFORE MINORITY INTERESTS	**35,961**	**20,515**	**15,446**	**75.3%**
% of sales of goods and services	***8.0%***	***5.5%***		
Minority interests	(28)	98	(126)	-128.6%
NET RESULT FOR THE PERIOD	**35,933**	**20,613**	**15,320**	**74.3%**
% of sales of goods and services	***8.0%***	***5.5%***		
BASIC/DILUTED EARNINGS PER SHARE (euro)	**0.55**	**0.32**		

Consolidated Statement of Comprehensive Income (First Quarter 2014)

(euro thousand)	**Q1'14**	**Q1'13**	**Change**
RESULT BEFORE MINORITY INTERESTS	**35,961**	**20,515**	**15,446**
Other comprehensive gains/(losses) not to be reclassified under income/(loss) for the period:			
Effect (actuarial gain/loss) on defined-benefit plans	0	(608)	608
Fiscal effect	0	140	(140)
Effect (actuarial gain/loss) on defined-benefit plans regarding companies valued using the equity method	0	(6)	6
Total other comprehensive gains/(losses) not to be reclassified under income/(loss) for the period	**0**	**(474)**	**474**
Other comprehensive gains/(losses) to be reclassified under income/(loss) for the period:			
Effect of hedge accounting (cash flow hedge) of derivatives	27	97	(70)
Fiscal effect	(7)	(27)	20
Change in translation adjustment reserve	(465)	(572)	107
Total other comprehensive gains/(losses) to be reclassified under income/(loss) for the period	**(445)**	**(502)**	**57**
COMPREHENSIVE RESULT FOR THE PERIOD	**35,516**	**19,539**	**15,977**
Of which attributable to:			
– the Group	*35,110*	*19,481*	*15,629*
– Minority Interests	*406*	*58*	*348*

Consolidated Statement of Financial Position

(euro thousand)	31.03.2014	31.12.2013	Change
ASSETS			
NON-CURRENT ASSETS			
Property, plant, equipment and other equipment	501,448	503,142	(1,694)
Development costs	45,816	45,333	483
Goodwill and other indefinite useful life assets	39,880	39,556	324
Other intangible assets	14,380	15,508	(1,128)
Shareholdings valued using the equity method	23,238	21,926	1,312
Other financial assets (including investments in other companies and derivatives)	210	216	(6)
Receivables and other non-current assets	6,557	7,044	(487)
Deferred tax assets	51,396	46,923	4,473
TOTAL NON-CURRENT ASSETS	**682,925**	**679,648**	**3,277**
CURRENT ASSETS			
Inventories	223,923	208,963	14,960
Trade receivables	323,727	251,525	72,202
Other receivables and current assets	55,513	42,854	12,659
Current financial assets and derivatives	9,800	9,962	(162)
Cash and cash equivalents	141,560	106,092	35,468
TOTAL CURRENT ASSETS	**754,523**	**619,396**	**135,127**
TOTAL ASSETS	**1,437,448**	**1,299,044**	**138,404**
EQUITY AND LIABILITIES			
GROUP EQUITY			
Share capital	34,728	34,728	0
Other reserves	92,574	93,397	(823)
Retained earnings/(losses)	296,225	207,209	89,016
Net result for the period	35,933	89,016	(53,083)
TOTAL GROUP EQUITY	**459,460**	**424,350**	**35,110**
TOTAL MINORITY INTERESTS	**5,263**	**4,857**	**406**
TOTAL EQUITY	**464,723**	**429,207**	**35,516**
NON-CURRENT LIABILITIES			
Non-current payables to banks	284,088	250,328	33,760
Other non-current financial payables and derivatives	9,145	8,884	261
Other non-current liabilities	6,107	4,953	1,154
Provisions	6,970	6,194	776
Provisions for employee benefits	26,680	27,039	(359)
Deferred tax liabilities	12,624	12,540	84
TOTAL NON -CURRENT LIABILITIES	**345,614**	**309,938**	**35,676**
CURRENT LIABILITIES			
Current payables to banks	193,063	171,543	21,520
Other current financial payables and derivatives	5,071	5,788	(717)
Trade payables	321,513	301,585	19,928
Tax payables	12,177	4,122	8,055
Other current payables	95,287	76,861	18,426
TOTAL CURRENT LIABILITIES	**627,111**	**559,899**	**67,212**
TOTAL LIABILITIES	**972,725**	**869,837**	**102,888**
TOTAL EQUITY AND LIABILITIES	**1,437,448**	**1,299,044**	**138,404**

Consolidated Statement of Cash Flows

(euro thousand)	31.03.2014	31.03.2013
Cash and cash equivalents at beginning of period	**42,511**	**41,145**
Result for the period before taxes	**43,312**	**21,970**
Depreciation, amortisation/Impairment losses	23,162	21,129
Capital gains/losses	(43)	(119)
Write-ups/Write-downs of shareholdings	(1,312)	120
Financial portion of defined funds and payables for personnel	247	254
Long-term provisions for employee benefits	295	2,554
Other provisions net of utilisations	5,871	5,084
Net cash flow generated by operations	**71,532**	**50,992**
Paid current taxes	(3,136)	(5,540)
Uses of long-term provisions for employee benefits	(917)	(1,361)
(Increase) reduction in current assets:		
inventories	(19,858)	(16,760)
financial assets	6	(30)
trade receivables	(72,169)	(59,501)
receivables from others and other assets	(13,075)	(5,537)
Increase (reduction) in current liabilities:		
trade payables	19,928	43,731
payables to others and other liabilities	20,774	6,870
Translation differences on current assets	1,255	2,089
Net cash flows from/(for) operating activities	**4,340**	**14,953**
Investments in:		
intangible assets	(3,783)	(3,489)
property, plant and equipment	(19,347)	(34,348)
Price for disposal, or reimbursement value of fixed assets	203	321
Net cash flows from/(for) investing activities	**(22,927)**	**(37,516)**
Change in fair value valuation	266	(194)
Loans and financing granted by banks and other financial institutions in the period	57,443	32,083
Repayment of long-term loans	(28,425)	(10,241)
Net cash flows from/(for) financing activities	**29,284**	**21,648**
Total cash flow	**10,697**	**(915)**
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**53,208**	**40,230**

Consolidated Net Financial Position

(euro thousand)	31.03.2014	31.12.2013
Cash	111	111
Other cash equivalents	141,449	105,981
Derivatives and securities held for trading	111	387
LIQUIDITY (A+B+C)	**141,671**	**106,479**
Current financial receivables	9,689	9,575
Current payables to banks	88,352	63,581
Current portion of non-current debt	104,711	107,962
Other current financial debts and derivatives	5,071	5,788
CURRENT FINANCIAL DEBT (F+G+H)	**198,134**	**177,331**
NET CURRENT FINANCIAL DEBT (I–E–D)	**46,774**	**61,277**
Non-current payables to banks	284,088	250,328
Bonds issued	0	0
Other non-current financial debts and derivatives	9,145	8,884
NON-CURRENT FINANCIAL DEBT (K+L+M)	**293,233**	**259,212**
NET FINANCIAL DEBT (J+N)	**340,007**	**320,489**

Consolidated Statement of Changes in Equity

(euro thousand)	Share Capital	Other Reserves	Hedging reserve (*)	Retained earnings (losses)	Net result for the period	Group Equity	Result of minority interest	Share Capital and reserves of Minority Interests	Equity of Minority Interests	Equity
Balance at 1 January 2012	**34,728**	**109,711**	**(274)**	**161,332**	**77,845**	**383,342**	**(80)**	**10,562**	**10,482**	**393,824**
Allocation of result for the previous year				77,845	(77,845)	**0**	80	(80)	**0**	**0**
Components of comprehensive income:										
Effect of hedge accounting (cash flow hedge) of derivatives (*)			70			**70**			**0**	**70**
Effect of transitional provisions set forth in the IAS 19 amendments				(468)		**(468)**			**0**	**(468)**
Valuation of shareholding using the equity method				(6)		**(6)**			**0**	**(6)**
Change in translation adjustment reserve		(728)				**(728)**		156	**156**	**(572)**
Net result for the period					20,613	**20,613**	(98)		**(98)**	**20,515**
Balance at 30 September 2012	**34,728**	**108,983**	**(204)**	**238,703**	**20,613**	**402,823**	**(98)**	**10,638**	**10,540**	**413,363**
Balance at 1 January 2013	**34,728**	**93,513**	**(116)**	**207,209**	**89,016**	**424,350**	**87**	**4,770**	**4,857**	**429,207**
Allocation of result for the previous year				89,016	(89,016)	**0**	(87)	87	**0**	**0**
Components of comprehensive income:										
Effect of hedge accounting (cash flow hedge) of derivatives (*)			20			**20**			**0**	**20**
Change in translation adjustment reserve		(843)				**(843)**		378	**378**	**(465)**
Net result for the period					35,933	**35,933**	28		**28**	**35,961**
Balance at 30 September 2013	**34,728**	**92,670**	**(96)**	**296,225**	**35,933**	**459,460**	**28**	**5,235**	**5,263**	**464,723**

(*) Hedging reserves are net of the related tax effect.

Explanatory Notes to the Financial Statements

Accounting Principles and Valuation Criteria

The interim report on operations for the first quarter of 2014 was prepared in accordance with paragraph 5 of Article 154-*ter* of Italy's Consolidated Law on Finance (TUF), regarding financial disclosures, and the guidelines provided in Communication No. DEM/8041082 issued by Consob on 30 April 2008. The interim report includes the Statement of Financial Position, Statement of Income, Statement of Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity and short Related Explanatory Notes.

Reference is made to the 2013 Financial Statements for the relevant international accounting standards and criteria adopted by the Group when preparing the above-mentioned financial statements. The preparation of the interim report on operations requires management to make estimates and assumptions that have an effect on the amounts of recognised revenues, costs, assets and liabilities and the disclosure of contingent assets and liabilities as of the reporting date. Should in the future such estimates and assumptions, which are based upon the management's best assessment, diverge from actual circumstances, they will be modified accordingly during the period in which such circumstances change.

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. It should also be pointed out that the value of inventories has been calculated for Brembo S.p.A. by applying the cost of inventories as at 30 November 2013 to the inventory accounting results as at 31 March 2014. Actuarial valuations necessary to determine employee benefits are also typically performed during preparation of the annual financial statements. This interim report has not been audited.

Consolidation Area

The financial statements for the first quarter of 2014 include the Financial Statements of Brembo S.p.A., the parent company, and the Financial Statements of the companies that Brembo S.p.A. directly or indirectly controls as per IFRS (IAS 27). Compared to the first quarter of 2013, the following corporate transactions were carried out:

- on 6 August 2013, Brembo S.p.A. acquired 30% of Brembo Nanjing Brake Systems Co. Ltd. from its Chinese partner Donghua Automotive Industrial Co. Ltd. for a total consideration of RMB 90 million (€11.2 million). Following that acquisition, Brembo Group achieved full control of BNBS Co. Ltd., including through the subsidiary Brembo China Brake Systems Co. Ltd.; Subsequently, on 25 February 2014, the Parent Company Brembo S.p.A. acquired full control of BNBS Co. Ltd from Brembo China Brake Systems Co. Ltd.;
- on 16 September 2013, the Group acquired full control of Brembo Argentina S.A. through the acquisition of the residual 25% stake by Brembo S.p.A. (currently holding 97.76%) and Brembo do Brasil Ltda (currently holding 2.24%).

  The transactions described above did not impact the consolidation area, as both companies had already been fully included in the consolidation area;
- on 11 March 2014, the voluntary winding up of Brembo UK Ltd was completed and the company is no longer part of the Group structure.

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

The performance of the first quarter of 2014 confirmed the Group's expectations, with a sharp upward trend in sales. Net sales for the first quarter of 2014 amounted to €446,939 thousand, with a 20.2% increase compared to the same period of 2013.

All the applications contributed to the increase in the Group's revenues, particularly the sector of car applications, which closed the first quarter of 2014 with a 25.1% increase compared to the same period of 2013, but also applications for motorbikes (+13.1%), commercial vehicles (+10.9%) and racing applications (+9.1%).

At geographical level, almost all the areas in which the Group operates reported growth. In Europe, Germany, the Group's main reference market (25.1% of sales), reported an increase by 23.3% compared to the first quarter of 2013, whereas the United Kingdom and France grew by 37.5% and 39.4%, respectively. A good, though more modest performance was achieved in Italy (+12.1%). North America, which continues to be the Group's second main reference market (23.8% of sales), reported a 27.7% increase, whereas South America showed a 10.0% decrease. In the Far East, China showed an excellent performance (+21.9%), while Japan grew by 13.0%. The Indian market shrank slightly by 2.9%.

In the reporting quarter, the **cost of sales** and **other net operating costs** amounted to €295,711 thousand, with a ratio of 66.2% to sales, essentially in line with 66.8% for the same period of the previous year.

Capitalised development costs, recognised among intangible assets, amounted to €3,063 thousand compared to €2,874 thousand in the first quarter of 2013.

Personnel expenses in the first quarter of 2014 amounted to €82,149 thousand, with a 18.4% ratio to sales, decreasing compared to the same period of the previous year (20.5%). At 31 March 2014, Brembo's **workforce** was 7,605 (7,241 at 31 December 2013 and 7,060 at 31 March 2013).

Gross operating income for the quarter was €69,079 thousand (15.5% of sales) compared to €47,271 thousand for the first quarter of 2013 (12.7% of sales).

Net operating income amounted to €45,917 thousand (10.3% of sales), compared to €26,142 thousand (7.0% of sales) for the first quarter of 2013, after depreciation, amortisation and impairment losses of property, plant and equipment and intangible assets for €23,162 thousand, compared to depreciation, amortisation and impairment losses amounting to €21,129 thousand in the same period of 2013.

Net interest expense, which amounted to €3,917 thousand (€4,052 for the first quarter of 2013), included net exchange losses of €771 thousand (net exchange losses of €1,075 thousand in 2013) and interest expense of €3,146 thousand (€2,977 thousand for the same period of the previous year).

Income before taxes was €43,312 thousand (9.7% of sales), compared to €21,970 thousand (5.9% of sales) in the first quarter of 2013.

Based on tax rates applicable for the year under current tax regulations, estimated **taxes** amounted to €7,351 thousand (€1,455 thousand for the first quarter of 2013). Tax rate was 17.0%, compared to 6.6% in the first quarter of 2013.

Group net result amounted to €35,933 thousand during the quarter compared to €20,613 thousand in the same period in 2013.

Net invested capital at the end of the period amounted to €831,410 thousand. At 31 December 2013, it amounted to €776,735 thousand, with an increase of €54,675 thousand.

Net debt at 31 March 2014 was €340,007 thousand, compared to €320,489 thousand at 31 December 2013. The increase in debt compared to 31 December 2013 totalled €19,518 thousand, due mainly to the following factors:

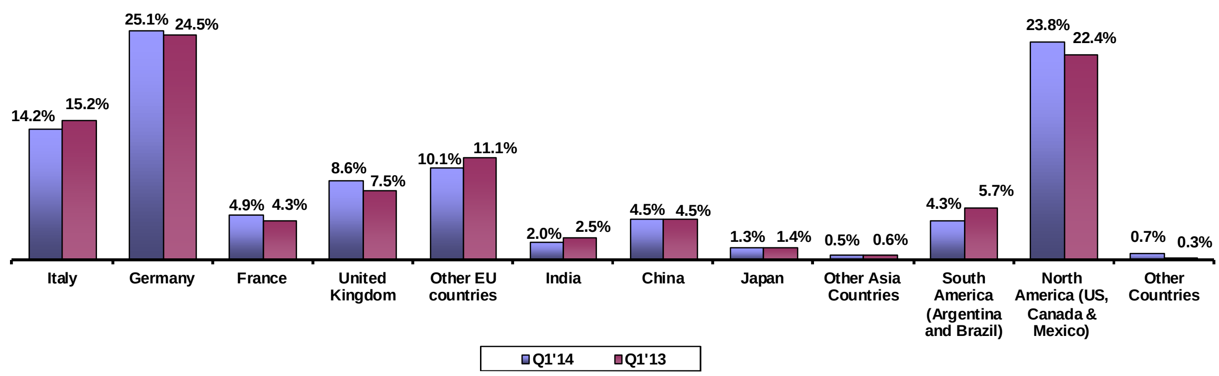
- investments in property, plant, equipment and intangible assets for a total of €23,130 thousand, mainly in North America (23.2%), Czech Republic (25.3%) and Poland (12.7%); however, significant investments continued to be undertaken also in Italy (31.7%), with €2,981 thousand (12.9%) associated with development costs;
- a positive effect of the gross operating income of €69,079 thousand;
- a reduction in working capital due to increased business for a total amount of €64,070 thousand;
- payment of taxes for a total of €3,136 thousand.

Sales Breakdown by Geographical Area and Application

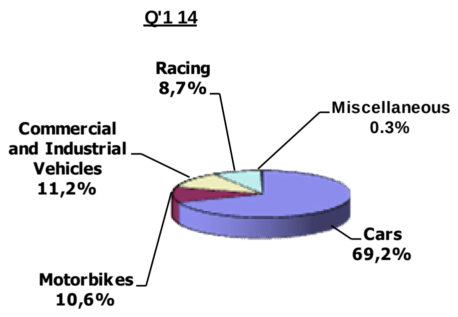
The following tables show net sales at 31 March 2014, broken down by geographical area and application.

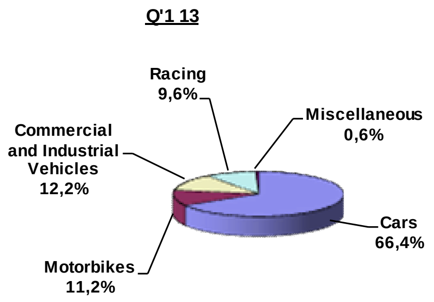
(euro thousand)	Q1'14	%	Q1'13	%	Change	%
GEOGRAPHICAL AREA						
Italy	63,363	14.2%	56,518	15.2%	6,845	12.1%
Germany	112,273	25.1%	91,072	24.5%	21,201	23.3%
France	22,039	4.9%	15,811	4.3%	6,228	39.4%
United Kingdom	38,475	8.6%	27,976	7.5%	10,499	37.5%
Other EU countries	45,183	10.1%	41,172	11.1%	4,011	9.7%
India	8,855	2.0%	9,121	2.5%	(266)	-2.9%
China	20,286	4.5%	16,636	4.5%	3,650	21.9%
Japan	5,682	1.3%	5,028	1.4%	654	13.0%
Other Asia Countries	2,263	0.5%	2,070	0.6%	193	9.3%
South America (Argentina and Brazil)	19,052	4.3%	21,159	5.7%	(2,107)	-10.0%
North America (US, Canada & Mexico)	106,167	23.8%	83,159	22.4%	23,008	27.7%
Other Countries	3,301	0.7%	2,224	0.3%	1,077	48.4%
Total	**446,939**	**100.0%**	**371,946**	**100.0%**	**74,993**	**20.2%**

The incidence of the overall turnover



(euro thousand)	Q1'14	%	Q1'13	%	Change	%
APPLICATION						
Cars	309,187	69.2%	247,065	66.4%	62,122	25.1%
Motorbikes	47,174	10.6%	41,698	11.2%	5,476	13.1%
Commercial and Industrial Vehicles	50,243	11.2%	45,325	12.2%	4,918	10.9%
Racing	38,886	8.7%	35,633	9.6%	3,253	9.1%
Miscellaneous	1,449	0.3%	2,225	0.6%	(776)	-34.9%
Total	**446,939**	**100.0%**	**371,946**	**100.0%**	**74,993**	**20.2%**





Foreseeable Evolution

Order book projections confirm that revenues and margins will show a good growth also in the remainder of the year.

It should be noted that the first quarter of 2014 benefitted from an extremely positive product mix.

Directors' Report on Operations and Significant Events

Macroeconomic Context

According to the Eurozone Economic Outlook report drawn up by the German IFO, French INSEE and Italian ISTAT, the first quarter of 2014 showed encouraging signs, with the Eurozone's GDP, according to analysts' estimates, recording additional growth, increasing by 0.4% compared to the previous quarter and as much as 1.1% compared to the same period last year. The global economic-financial scenario is benefiting from this favourable start, although analysts remain cautious about the international economy's future prospects, given that the forecasts for future quarters in 2014 are for a slight slowdown to 0.3%.

The global economic scenario became more robust during the first part of the year, due to the recovery in the mature economies sustained by a gradual improvement in domestic demand in conjunction with the continuing healthy contribution of net exports, thus providing an improving outlook for the near short-term future.

One of the main concerns facing the advanced Western economies, and which is putting a brake on global economic growth, is the unfavourable condition of the labour market and fiscal policies that continue to be restrictive. In certain countries these are a barrier to growth in disposable income, thus resulting in a modest increase in consumption. Another problem is the excessive debt level of some of the mature economies. In Japan the level is so high that it has forced the government to raise VAT from 5% to 8% which will be followed, at the end of 2015, by a further hike to 10%. The last time the Japanese government had increased VAT was 1997, which was followed a year later by the deflationary spiral from which Japan is still today trying to emerge and it is for this reason that Japanese firms are very worried. One of the main reasons for the highest debt level in the world is the high social spending caused by an aging population as Japan is one of the countries with the lowest birth rate. The same applies to the United States debt level, which is also rising constantly. On 17 March, United States public borrowing reached its highest peak ever. Similarly, the Eurozone finds itself in the position of having to reduce both public and private borrowing, but it is certainly difficult to move in this direction, with low inflation, since real interest is rising, further increasing the burden of debt, in a worsening spiral that risks running out of control.

According to figures published in the World Economic Outlook (WEO) April 2014 Update by the International Monetary Fund (IMF), worldwide GDP is expected to rise by 3.6% during 2014. The rate of growth is higher than the 3.0% recorded during 2013, which indicates a new surge forward in the global economy. Although certain mature countries are witnessing a recovery in domestic demand, the analysts have slightly revised their forecast downwards by 0.1 points compared to the projections published by the IMF in January, primarily due to the growth below expectations in many of the emerging countries, combined with the forecasts of a slight deceleration in the Eurozone for the remaining quarters of the year.

The extremely fragile situation has led the IMF to also slightly reduce the growth estimates for 2015, predicting, at global level, growth of 3.9% (-0.1 points down on the January estimate).

In order to enable the economic recovery to continue in the short-term as well, the advanced economies must be in a position to tackle their debt crisis through measures aimed at achieving sustainable debt levels. At the same time, the emerging economies will have to take steps to support the weaker activities and implement measures to prevent capital outflow.

In brief, given the slow and weak progress being made by the Eurozone in overcoming its own period of crisis, combined with the slowdown in the emerging countries, the risks of a downward trend weighing down on the global economy's growth prospects remained unchanged in the first quarter of 2014, despite a number of indicators suggesting an upturn in the United States, United Kingdom and Germany.

It is the Eurozone's economic scenario that analysts are watching with the utmost attention and concern. One of the main risks of a downward trend associated with this area is the fall in overseas demand from Asia together with a worsening in international tensions in Eastern Europe. This latter aspect could, in fact, result in a rise in the price of gas. According to the latest IMF estimates, in 2014, GDP should rise initially by 1.2% after the fall of 0.5% recorded last year. The recessionary phase continued throughout 2013, but the first signs of a possible end to the crisis, recorded in the last quarter of the previous year, were also confirmed in the first part of 2014 and give hope of a recovery, albeit slow and weak, in the European economy. More specifically, regarding 2014, the IMF estimates a slight recovery in GDP for Italy (+0.6%), slight growth for Spain (+0.9%) and France (+1.0%) and sharper growth for Germany (+1.7%). Outside the Eurozone, a positive note relates to the United Kingdom, for which the IMF revised its latest GDP growth estimates for 2014 sharply upwards (+0.4 points compared to January), raising them to +2.9%. Moreover, the IMF forecasts for the Eurozone a slightly higher GDP growth for 2015, estimated to be in the region of +1.5%. In brief, the Eurozone can claim to have come out of the crisis, but the recovery will take longer than predicted. According to Eurostat data, in February industrial production in the Eurozone (EA18) grew by 0.2% compared to January, a month when it had stayed the same. In EU28 the same figure rose by +0.4%. On the economic front, growth is comforting with a rise of +1.7% in the Eurozone and +2.1% in EU28. As indicated by the President of the ECB Mario Draghi in the Eurotower annual report: "the recession is over, but unemployment is putting a brake on recovery"; in fact, once more it is the climate of uncertainty pervading the labour market that is weighing down recovery in the main countries of the area. In February, the unemployment rate in the Eurozone reached 11.9% whilst the European Union (EU28) recorded a slight fall to 10.6%. The dynamics recorded in the member states are extremely diverse. The lowest unemployment rates were reported in Austria (4.8%) and Germany (5.1%), whereas the highest were seen in Spain (25.6%) and Greece (16.7%). In Italy, in February the unemployment rate was 13.0%, well above the Eurozone average. Again in February, youth unemployment in the Eurozone fell to 23.5%, whilst in Italy it rose once again reaching 42.3%. In March, the Eurozone's PMI index fell to 53.1 points, down compared to February's figure of 53.3. This is, however, a figure above 50 points and so indicative of expansion. As far as inflation in the Eurozone is concerned, March saw a price increase of 0.5%. This is the sixth month below the 1% threshold indicated by the experts as the "danger zone", since it is a long way off the European Central Bank's target of 2%. This aspect also reveals very sharp contrasts from country to country: Greece and Cyprus are in full technical deflation with -1.5% and -0.9%, respectively, and others, such as Austria and Germany, have values closer to the ECB target (+1.4% and +0.9%).

The economic trend in Europe — Brembo's main market of operation — has certainly influenced the performance of the automotive industry. Vehicle registrations in Europe (EU28) continued to recover in the first quarter of 2014 as well, after showing an initial sign of recovery in the second half of last year. In EU28 car registrations rose by 8.4% during the first quarter of 2014. However, it should be borne in mind that the fall, during the first quarter of 2013, had been close to 10%, compared to the same period in the previous year. The Italian market's recovery seems to be strengthening, with car registrations during the first quarter of 2014 up by 5.8% (-13% at the end of the first quarter of 2013). In Germany, the main European market, registrations in the first quarter recovered by 5.6% (-12.9% in the same period of 2013). Very positive signals are being received from the United Kingdom, where registrations in the first three months rose by +13.7%, a figure that is even more encouraging if one considers that growth had already been 7.4% in the first quarter of last year.

In the United States, according to the IMF's latest official estimates, GDP for 2014 is expected to grow by 2.8%. In this case, the April 2014 estimates were the same as those published in January. After a fourth quarter in which +2.6% growth was recorded, in the first quarter of the year, the American economy proved to be the only one of the so-called mature economies able to contribute actively to international growth. The Federal Reserve announced that in March industrial production grew by 0.7% month-on-month, exceeding the expectations of analysts who had forecasted a rise by 0.5%, following the 1.2% increase in February and the 0.2% decrease in January. In terms of production capacity, in March the facility utilisation rate rose by further 0.4 points to 79.2%, following the 0.3 point increase in February. In March, inflation grew by 0.2% compared to the previous month, in line with forecasts. Year-on-year, the index rose by 1.5% from 1.1% in February and from 1.6% in January. Further proof that much remains to be done and that the risk of a new economic slowdown in the United States is still present is represented by the serious problem of public borrowing and the unemployment rate. In March, this figure remained unchanged at 6.7%, the same as February, whereas analysts had expected it to decrease to 6.6%. Behind this apparently negative sign, there lies what may be seen as a clear sign of optimism in every sense: half a million Americans who were not even looking for work before, because they despaired of finding it, have started to look again. In March alone 192 thousand new jobs were created, a figure slightly below the expectations of analysts, who had predicted growth of 200 thousand. The figure for retail sales in March rose above expectations, recording +1.1% month-on-month after February's figure of +0.7%. This is the most sizeable increase since September 2012, which raises real hopes for an acceleration in the United States economy for the second quarter and confirms that the country is exiting the weak phase caused by this winter's poor atmospheric conditions. Sales of light vehicles closed the first quarter of 2014 with a rate of growth a little over 1%, due primarily to the result recorded in the last month of the period, since in the early part of the quarter the adverse weather conditions at the start of the year reduced the flow of consumers to car dealers and affected sales.

According to the latest IMF's forecasts announced in January, Japan's GDP will grow by 1.4% in 2014. The January forecasts have been revised further downwards (-0.3 points). Whilst Japanese GDP reported a result well below expectations in the last quarter of 2013, robust expansion is expected in the first quarter of 2014 linked primarily to the flurry of buying before the increase in fiscal pressure linked to the rise in consumer tax from 5% to 8% planned for the first of April. It is for this very reason that the year's remaining quarters could suffer a significant contraction. The fiscal and monetary stimuli applied by the government and central bank appear to be slow in yielding the hoped-for results and the public debt-GDP ratio reached almost 230%, a level actually unsustainable for any country. A seemingly positive sign concerns deflation which finally appears to have come to a halt. This is in addition to other positive aspects, such as the unemployment rate which decreased to 3.6% from 3.7% in January. After recording growth of 3.8% on a monthly basis and of 10.3% on an annual basis in the first month of the year, monthly industrial production fell by 2.3% in February, the heaviest reduction of the last eight months, the equivalent of an annual rise of 6.9%. The light vehicle sector grew at a very fast pace in the first quarter of 2014 due to consumers buying before the rise in consumer tax.

In brief, according to the IMF's latest estimates in April, the GDP of the mature economies will close 2014 with growth of +2.2%, a similar estimate to the figure published in January. By contrast, growth estimates for the so-called emerging economies were revised downwards by 0.2 points and are now at +4.9% for the current year, due primarily to the slowdown in Brazil and Russia. The current year could mark a huge change: in fact economic policies stem directly from political contexts and 2014 is one of the busiest electoral years for the emerging markets. After Turkey, where voting took place in March, the next quarters will see more than 40 countries, representing 20% of global worldwide production, go to the polls. The key markets on which attention should be focused include South Africa, India, Indonesia and Brazil.

In China, GDP in the first quarter of 2014 grew by 7.4% compared to the same period in 2013, down compared to the year-on-year +7.7% recorded in the first quarter of 2013. According to the figures published in April, the IMF has not altered its own estimates, predicting 7.5% growth in 2014 GDP. The figure forecast for 2015, fixed at +7.3%, has also remained the same as the estimates at the start of the year. The government has fixed a 7.5% target for 2014, whilst economists are expecting a slowdown in growth for the entire year at 7.3%. This figure must be compared to the 7.7% growth in GDP in each of the last two years, 9.3% in 2011 and 10.5% in 2010. Although this slowdown has an impact in terms of global growth, it may not be bad news since currently the growth in the Chinese economy is clearly neither homogeneous nor sustainable. In fact, it is very precise zones and cities which are driving growth, and not the whole country. The Foreign Policy magazine has illustrated the metropolitan areas in China that are growing most rapidly and the degree to which they are contributing to national GDP: Shanghai, Beijing and Guangzhou alone represent almost 10% of national GDP. It is therefore important to understand the reason why it is slowing down. This seems to be linked mainly to the reforms introduced by the government which values the quality of the growth more than its quantity and whose aim appears to be efficiency. Achieving GDP growth alone is no longer a priority for the Chinese government. It is other aspects that count, such as for example growth in jobs, as well as the income of the urban population and agricultural workers. In fact, the old growth model, based on exports and domestic investment, is inefficient and, above all, unsustainable. The good news is that the new model wanted by President Xi should also lead, amongst other things, to an increase in wages. This is very encouraging if one thinks that it is precisely low purchasing power that has led consumer spending to represent only 36% of Chinese GDP, almost half the level of the United States and Western Europe. Industrial production grew by 8.8% in March, a figure below analysts' expectations of 9%. Industrial production had grown by 8.6% in the first two months of the year. Retail sales, following the +11.8% increase in January and February, rose by 12.2% in March. Light vehicle sales continued to grow at a fast pace also during the first quarter of the current year, recording an overall growth close to 10% at the end of the period. The local CAAM Association forecasts an increase in sales between 8% and 10% for the entire year.

In India, the IMF's latest estimates of April have remained unchanged and a 5.4% increase in GDP has been forecast for the current fiscal year. This is a higher growth rate than that recorded during 2013. The estimates for 2015 have also not been changed and forecast a further acceleration of +6.4%. Underlying the refound confidence in the Indian economy there are the government's efforts to reboost investment growth and increased exports, efforts reinforced after the rupee's recent depreciation and particularly in view of the imminent elections. In fact, during the second quarter of the year, India is preparing for parliamentary elections and, whatever the result, these elections should represent a turning point in the country's economic, political and social situation. In fact, India, the first of the emerging countries to experience a period of difficulty, has grown at too modest rates for a developing economy.

The economic trend in Brazil is not one of the best and the short-term outlook is not particularly positive, despite the unexpected performance of the economy in the last quarter of last year. The IMF estimates a 1.8% growth in 2014 GDP, a sharp reduction compared to the figure recorded at the end of 2013. The IMF has revised the January estimates sharply downwards by as much as 0.5 points. In addition, assuming that the country reacts positively to next October's elections, the growth in 2015 GDP has been estimated to be in the region of 2.7%. The country has thus changed from being a country of the future able to overcome without major problems the 2008 world financial crisis to an economy clearly struggling after the sudden slowdown experienced since 2011. The main threats that have kept the country's growth rates under 3% include strong inflationary pressures, the recent reduction of domestic demand and pressures on the labour market and transport sector. At the end of the first quarter 2014, the international agency Standard & Poor's lowered the country's sovereign rating from BBB to BBB-, the lowest investment grade level. Inflation has risen from 5.65% in February to 5.9% in March, a higher rate than that forecast by the analysts. The central institution has forecast an increase in inflation for this year to more than 6%, a figure that is even more worrying if compared with the December estimate of 5.6% and the government target of 4.5%. Industrial production grew by 6.9% in February, compared to the same month in 2013, a figure above expectations, but which also has to take account of the fact that this year has more working days in the calendar. It is widely believed that only a real and solid recovery in the United States and Europe can reinvigorate Brazil's exports and the entire national economy. However, according to the most recent figures published by Anfavea, the association that represents the country's carmakers, negative signs are emerging from the number of car registrations, which, in the first quarter of 2014, dropped by almost 5% compared to the same period of 2013.

As far as Russia is concerned, in April the IMF revised its growth estimates sharply downwards (-0.6 points) compared to the figures published in January. The 2014 GDP forecast is now set at +1.3%, a similar result to that recorded last year. The escalation in the political events in the Ukraine has had a major impact on the

Russian economy. At this point the hoped-for recovery is dependent on a speedy diplomatic solution to the conflict which at the moment is not only blocking new inflows of capital, but will also have an impact on the flight of capital. Whilst the economy is slowing down, inflation is rising and, according to Ministry of the Economy figures, could reach 6.9% in March compared to the figure of 6.2% recorded in February. Industrial production rose by 1.4% in March after recording +2.1% and -0.2% in February and January, respectively. During the first three months of the year, production increased 1.1% year-on-year but fell 12.4% compared to the fourth quarter of last year. In the automotive sector, according to the figures published by the local association of AEB (Association of European Businesses) Carmakers, car and light commercial vehicle registrations fell by 2.3% in the first quarter of 2014.

As far as new emerging countries are concerned, also considering the fact that some of the BRICS countries (Brazil, Russia, India, China and South Africa) partly failed to meet expectations, a new acronym has been coined to identify what it is widely believed to be the next group of countries where growth in the global economy will be concentrated: the new MINT group including Mexico, Indonesia, Nigeria and Turkey. Mexico is the only one of these countries to have currently achieved a high level of reforms in various areas ranging from training and energy to telecommunications and banking with the sole aim of improving growth and with positive effects for the country's standing at global level. Mexico is proving to be a fast growing market in the car sector as well. This is confirmed by the fact that almost all the major European, United States and Japanese car manufacturers are present in the country. Moreover, according to the Central American country's association of carmakers, in the first quarter of 2014, vehicles exported to its United States neighbour exceeded for the first time those imported from Japan.

As far as commodity trends are concerned, according to the IMF figures published in April, the average price of oil fell slightly during the first quarter of the year compared to the previous quarter, driven by the overabundant supply on the world market, linked to the gradual increase in production in the United States and reduced demand from the emerging economies. The arithmetic mean of the prices of the three West Texas Intermediate (WTI), Dubai and U.K. Brent qualities, during the first quarter of 2014 fell beneath the threshold of 104 dollars a barrel (to 103.7), down 0.8% on the previous quarter and 1.3% on the same period in the previous year. In the first three months of the year the price first fell by 3.1%, then rose by 2.5% and then fell again by 0.7%. The prices for non-energy commodities rose slightly in the first quarter of 2014 (+1.2%) compared to the previous quarter. The increase in the price of food products was offset by the decline in the prices of metals.

Currency Markets

In the first quarter of 2014, the dollar depreciated against the euro overall. After initially appreciating to 1.3495 (6 February), the U.S. currency lost value, reaching a low of 1.3942 (13 March) and then closing slightly above the quarterly average (1.3788).

Regarding the currencies of the main markets in which Brembo operates on a industrial and commercial level, the pound sterling fluctuated against the euro during the period; following an initial appreciation of the pound up to 0.81885 (17 February), the euro recovered in the second half of February reaching a peak of 0.8383 (18 March). At the end of the period there was a reversal in trend of the pound sterling which closed in line with the quarterly average (0.8282).

The Polish zloty showed a lateral movement during the period; the currency initially depreciated down to 4.2488 (31 January), followed by an appreciation in February when it reached a minimum value of 4.1471 (17 February). In March, it again reversed its trend first losing value and then recovering, closing a little below the average (4.1719).

In January, the Czech koruna depreciated against the euro down to 27.594 (30 January), and then gradually appreciated to 27.325 (26 February), closing the period in line with the quarterly average (27.442).

The Swedish krona fluctuated against the euro during the period; the currency's initial depreciation was followed by an appreciation up to 8.7661 (23 January) and then by a conspicuous reversal in trend in the second half of February reaching a peak of 8.9953 (21 February). In March, the Swedish krona stayed at around average values, depreciating significantly at the end of the period, and closing at 8.9483.

The Japanese yen appreciated constantly against the euro up to the first half of February (maximum appreciation at 136.78 on 5 February), then gradually lost value down to more than 143, closing the period at 142.42.

The Chinese yuan/renminbi showed an appreciating trend at the start of the period up to 8.177 (6 February), followed by a constant depreciation of the currency against the euro down to a maximum of 8.6212 (19 March), closing at a value well above the average (8.5754).

The Indian rupee exhibited a fluctuating trend in the first two months floating around the average with a maximum depreciation peak at 86.184 (27 January); the currency then appreciated conspicuously in the second half of March closing at a low for the period at 82.5784.

In the Americas, the Brazilian real showed a lateral movement for the first two and a half months of the quarter, first slightly appreciating and then moving inversely to reach a maximum depreciation of 3.3189 (13 February). After further fluctuations around the average in March, the currency appreciated significantly against the euro in the second half of the month, closing at a value close to the low for the period (3.1276).

The Mexican peso followed a gradually depreciating trend in January, starting from a low of 17.7055 (8 January) and reaching a peak of 18.4583 (24 January); this trend reversed toward the end of the month with significant appreciation, followed by a further loss in the value of the Mexican currency against the euro. Finally, the last twenty days of March saw an appreciation with a closing value below the average (18.0147).

The Argentine peso exhibited an overall depreciating trend against the euro. Having depreciated very rapidly toward the end of January, it peaked on 19 March at 11.049562 and kept this value almost constantly throughout the rest of the period, closing at 11.0347.

Operating Structure and Reference Markets

Cars

During the first quarter of 2014, the global light vehicles market showed a 4.7% increase in sales, due primarily to the Chinese market and the recovery of Japan and Western European countries.

In fact, the Western Europe market (EU15+EFTA) continued to show signs of recovery, closing the first quarter of 2014 with car registrations at +7.2% compared to the first quarter of 2013. All five major markets reported increases in car sales in the first quarter of 2014 compared to the first quarter of 2013; Great Britain +13.7%, Germany +5.6%, Italy +5.8%, Spain +11.8%, France +2.9%. Eastern Europe (EU 13) also reported a positive trend in car registrations, up 22% compared to the first quarter of 2013. Light vehicle registrations in Russia, by contrast, closed the first quarter of 2014 with a 2.3% reduction in sales compared to the same period last year.

In the United States, despite the fact that the growth in light vehicle sales slowed down slightly due to the unfavourable weather conditions during the first two months of the year, the first quarter of 2014 closed positively with light vehicle sales increasing 1.3% compared to the first quarter of 2013. By contrast, Brazilian and Argentine markets recorded a negative trend, closing the first quarter with an overall drop in sales of 4.0%.

With reference to Asian markets, China closed the reporting quarter with an excellent performance and an over 9% increase in sales of light vehicles compared to first quarter of 2013, once again remaining the world's top market. The performance of the Japanese market was very positive, closing the first three months of the year with peak growth of 22.1%. This was definitely affected by the news that, for the first time in 17 years, there will be an increase in consumer tax from the second quarter of 2014 which is expected to result in a slowdown.

Within this scenario, Brembo reported €309,187 thousand in net sales of car applications in the first quarter of 2014, accounting for 69.2% of the Group's turnover, up by 25.1% compared to the same period of 2013.

Commercial and Industrial Vehicles

In the first quarter of 2014, the European commercial vehicles market (EU28+EFTA), Brembo's reference market, showed an increase in registrations by 9.3%.

In Europe, sales of light commercial vehicles (up to 3.5 tonnes) increased by 9.9% overall compared to the same period of 2013. Among the first five European markets for sales volume, only the French market slightly decreased compared to the first quarter of the previous year (-1.3%), whilst all the other countries showed an improvement: +16% in the UK, +8.5% in Germany and as much as +39.5% in Spain. In Italy, the increase of registrations exceeded 15 pps. In the first quarter of 2014, Eastern Europe (EU13) alone witnessed an increase of 15.2% compared to the same period of 2013.

Similarly, the segment of medium and heavy vehicles (over 3.5 tons) improved in Europe in the first quarter of 2014, closing at +7.1% compared to the same period of the previous year. Registrations increased by 15.5% in the German market. In France sales rose by 4.5%, whilst the Italian market, although still outside the top 5 in terms of sales volumes, shows an increase of more than 8%. Great Britain showed a notable -28.3% fall compared to the first quarter of 2013. It is only in the Eastern European countries that sales of heavy and medium commercial vehicles recorded much higher growth, closing the first quarter at +18.8% compared to the same period last year.

In the first quarter of 2014, Brembo's net sales of applications for this segment amounted to €50,243 thousand, increasing by 10.9% compared to the same period of 2013.

Motorbikes

Europe, the United States and Japan are Brembo's three most important markets in the motorbike sector.

In the first quarter of 2014, motorbike registrations in Europe increased by 16.6% compared to the same period of the previous year. Registrations rose in all the major markets of operation compared to the same period of the previous year: Germany + 24.3%, Spain +24.1%, UK +15.5%, Italy +12.6% and France +5.2%. In terms of segments, the only ones that continue to suffer are supersport bikes, which closed the quarter with a decrease of 21.8%, and ATVs/Quads, which fell by 16.3% compared to the first quarter of 2013. In displacement terms, the only declining segment is the 500 to 650cc range which fell by 11.1% compared to the same period last year.

In the United States registrations of motorbikes, scooters and ATVs (All Terrain Vehicles – quad cycles for recreation and work) were stable in the first quarter of 2014 compared to the same period in 2013. ATVs alone rose by 0.5%, whilst bikes and scooters, taken overall, recorded a loss of -0.2%, a decrease attributed to the more sizeable drop in scooters alone which fell by 10.7% in the reference period.

In the Japanese market, registrations of motorbikes with displacements of over 50cc increased by 34% in the first quarter of 2014 compared to the same period of the previous year. The "over 250cc" segment and the 125 to 250cc segment grew significantly, by +86.5% and +52.3%, respectively.

There are signs of recovery from Brazil which saw registrations of two-wheel vehicles rise by 3.75% during the reference period.

In the first quarter of 2014, Brembo's net sales of motorbike applications amounted to €47,174 thousand, increasing by 13.1% compared to the same period of 2013.

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 quarter of 2014, Brembo's net sales of racing applications amounted to €38,886 thousand, increasing by 9.1% compared to the first quarter of 2013.

Significant Events During the Quarter

On 25 February 2014, the Parent Company Brembo S.p.A. acquired full control of BNBS Co.Ltd. from Brembo China Brake Systems Co. Ltd. On 11 March 2014 the voluntary winding up of Brembo UK Ltd. was completed.

Opt-out from the Obligations to Publish Disclosure Documents

The Company has adopted the opt-out system envisaged by Article 70, paragraph 8, and Article 71, paragraph *1-bis*, of the Rules for Issuers (Board's resolution dated 17 December 2012), thus opting 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.

Buy-back and Sale of Own Shares

The General Shareholders' Meeting held on 29 April 2014 passed a new plan for the buy-back and sale of own shares with the following objectives:

- undertaking investments, with the possible 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 1,600,000 which, together with 1,747,000 own shares already in Brembo's portfolio (2.616% of share capital), represents 5.01% of the Company's share capital. The minimum purchase price is €0.52 (fifty-two euro cents) and the maximum purchase price is €30.00 (thirty euro), for a maximum expected outlay of €48,000,000. 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 during the quarter.

Significant Events After 31 March 2014

Brembo's General Shareholders' Meeting, which was held on 29 April 2014, approved the Financial Statements for the year ended 31 December 2013 and the distribution of a gross dividend of €0.50 per share outstanding at ex-coupon date, with the exclusion of the Company's own shares. The dividend will be paid as of 15 May 2014, ex-coupon on 12 May 2014 and record date on 14 May 2014.

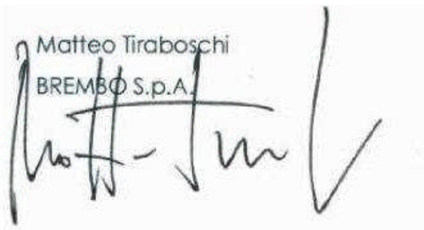
Statement Pursuant to Article 154-*bis*, Paragraph 2, Part IV, Title III, Chapter II, Section V-*bis*, of Italian Legislative Decree No. 58 of 24 February 1998: "Consolidation Act on Financial Brokerage Pursuant to Articles 8 and 21 of Italian Law No. 52 of 6 February 1996"

Re: Interim Report at 31 March 2014, approved on 14 May 2014.

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

DECLARE

in accordance with the second paragraph of Article 154-*bis*, Part IV, Title III, Chapter II, Section V-*bis* of Italian Legislative Decree No. 58 of 24 February 1998, that to the best of my knowledge, the Interim Report at 31 March 2014 corresponds with the documented results, books and accounting records.



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