

L'ALLEGGEREZZA  
È IL FUTURO



**BREMBO**  
THIRD QUARTER  
REPORT  
**2014**

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### **STATEMENT PURSUANT TO ART. 154-*bis*, PARAGRAPH 2 – PART IV, TITLE III, CHAPTER II, SECTION V-*bis*, OF ITALIAN LEGISLATIVE DECREE No. 58/98**

## 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 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).

At 30 September 2014, Company Officers included:

### BOARD OF DIRECTORS

Chairman	Alberto Bombassei (1) (8)
Executive Deputy Chairman	Matteo Tiraboschi (2) (8)
Chief Executive Officer and General Manager	Andrea Abbati Marescotti (3) (8)
Directors	Cristina Bombassei (4) (8)
	Barbara Borra (5)
	Giovanni Cavallini (5)
	Giancarlo Dalleria (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	Sergio Pivato
	Milena T. Motta
Alternate Auditors	Marco Salvatore
	Myriam Amato (6)

**INDEPENDENT AUDITORS**

Reconta Ernst&amp;Young S.p.A. (11)

**MANAGER IN CHARGE OF  
THE COMPANY'S FINANCIAL REPORTS  
COMMITTEES**

Matteo Tiraboschi (12)

**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 (Acting Auditor)

Sergio Pivato (Acting Auditor)

Alessandra Ramorino (14)

Mario Bianchi (15)

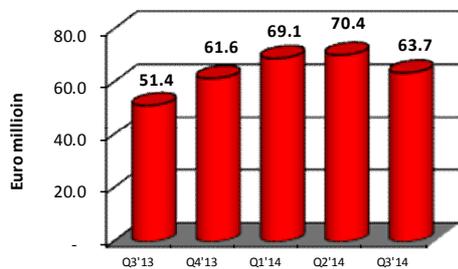
Mario Tagliaferri (16)

- (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 Article 3.C.1 of the Corporate Governance Code of Brembo S.p.A.
- (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 assigned the mandate for statutory auditing until approval of the 2021 Financial Statements.
- (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.

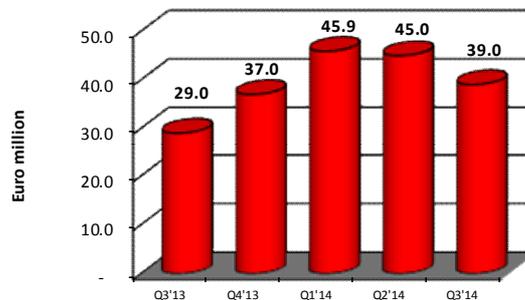
**Brembo S.p.A.** Registered offices: CURNO (Bergamo) – Via Brembo 25  
Share capital: €34,727,914.00 – Bergamo Register of Companies:  
Tax Code and VAT Code No. 00222620163

# Highlights

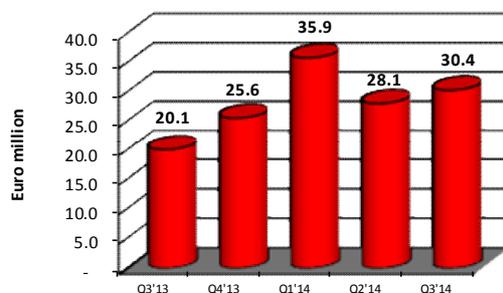
**Gross operating income**



**Net operating income**

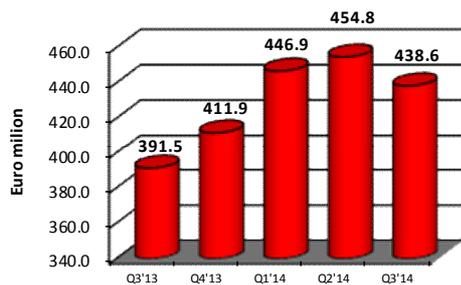


**Net result for the period**

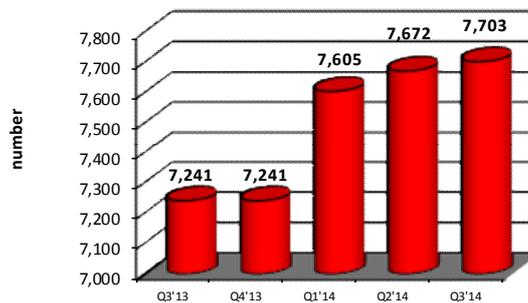


<b>ECONOMIC RESULTS (euro million)</b>	<b>A</b>				<b>B</b>	<b>% B/A</b>
	<b>Q3'13</b>	<b>Q4'13</b>	<b>Q1'14</b>	<b>Q2'14</b>	<b>Q3'14</b>	
Sales of goods and services	391.5	411.9	446.9	454.8	438.6	12.0%
Gross operating income	51.4	61.6	69.1	70.4	63.7	23.9%
<i>% of sales</i>	13.1%	15.0%	15.5%	15.5%	14.5%	
Net operating income	29.0	37.0	45.9	45.0	39.0	34.5%
<i>% of sales</i>	7.4%	9.0%	10.3%	9.9%	8.9%	
Result before taxes	23.8	33.6	43.3	43.7	37.3	56.6%
<i>% of sales</i>	6.1%	8.2%	9.7%	9.6%	8.5%	
Net result for the period	20.1	25.6	35.9	28.1	30.4	50.9%
<i>% of sales</i>	5.1%	6.2%	8.0%	6.2%	6.9%	

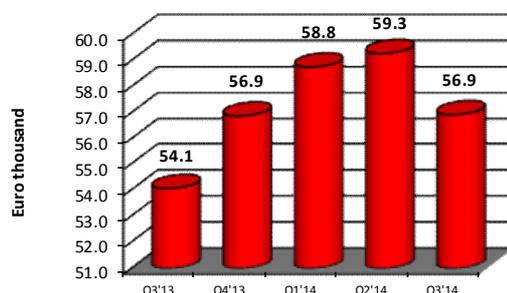
**Sales of goods and services**



**Personnel at end of period**

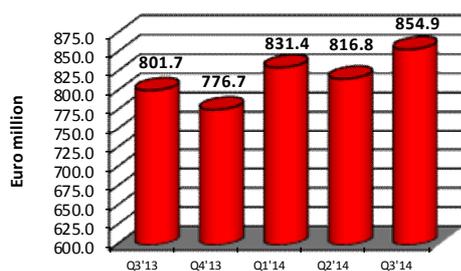


**Turnover per employee**

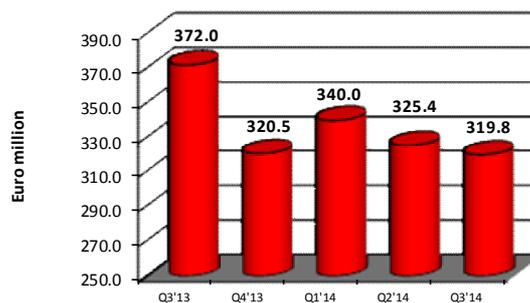


	A				B	% B/A
	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14	
<b>FINANCIAL RESULTS (euro million)</b>						
Net invested capital	801.7	776.7	831.4	816.8	854.9	6.6%
Shareholders' equity	402.0	429.2	464.7	462.2	505.6	25.8%
Net financial indebtedness	372.0	320.5	340.0	325.4	319.8	-14.0%
<b>PERSONNEL AND CAPITAL EXPENDITURE</b>						
Personnel at end of period (No.)	7,241	7,241	7,605	7,672	7,703	6.4%
Turnover per employee (euro thousand)	54.1	56.9	58.8	59.3	56.9	5.3%
Capital Expenditure (euro million)	30.1	30.5	23.1	37.9	29.7	-1.3%

### Net invested capital



### Net financial indebtedness



### MAIN RATIOS

	Q3'13	Q4'13	Q1'14	Q2'14	Q3'14
Net operating income/Sales of goods and services	7.4%	9.0%	10.3%	9.9%	8.9%
Result before taxes/Sales of goods and services	6.1%	8.2%	9.7%	9.6%	8.5%
Capital Expenditure/Sales of goods and services	7.7%	7.4%	5.2%	8.3%	6.8%
Net Financial indebtedness/Shareholders' equity	92.5%	74.7%	73.2%	70.4%	63.3%
Net financial charges(*)/Sales of goods and services	0.9%	0.1%	0.7%	0.6%	0.8%
Net financial charges(*)/Net Operating Income	12.8%	1.5%	6.9%	5.9%	9.3%
ROI	14.4%	18.9%	22.4%	22.1%	18.1%
ROE	20.4%	23.7%	31.4%	24.2%	23.8%

#### 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 (Third Quarter 2014)

<i>(euro thousand)</i>	Q3'14	Q3'13	Change	%
<b>Sales of goods and services</b>	<b>438,561</b>	<b>391,484</b>	<b>47,077</b>	<b>12.0%</b>
Other revenues and income	3,440	3,328	112	3.4%
Costs for capitalised internal works	2,360	2,147	213	9.9%
Raw materials, consumables and goods	(230,799)	(205,913)	(24,886)	12.1%
Other operating costs	(73,041)	(69,608)	(3,433)	4.9%
Personnel expenses	(76,841)	(70,046)	(6,795)	9.7%
<b>GROSS OPERATING INCOME</b>	<b>63,680</b>	<b>51,392</b>	<b>12,288</b>	<b>23.9%</b>
<i>% of sales of goods and services</i>	<i>14.5%</i>	<i>13.1%</i>		
Depreciation, amortisation and impairment losses	(24,643)	(22,362)	(2,281)	10.2%
<b>NET OPERATING INCOME</b>	<b>39,037</b>	<b>29,030</b>	<b>10,007</b>	<b>34.5%</b>
<i>% of sales of goods and services</i>	<i>8.9%</i>	<i>7.4%</i>		
Net interest income (expense)	(3,650)	(5,746)	2,096	-36.5%
Interest income (expense) from investments	1,937	555	1,382	249.0%
<b>RESULT BEFORE TAXES</b>	<b>37,324</b>	<b>23,839</b>	<b>13,485</b>	<b>56.6%</b>
<i>% of sales of goods and services</i>	<i>8.5%</i>	<i>6.1%</i>		
Taxes	(6,937)	(3,152)	(3,785)	120.1%
<b>RESULT BEFORE MINORITY INTERESTS</b>	<b>30,387</b>	<b>20,687</b>	<b>9,700</b>	<b>46.9%</b>
<i>% of sales of goods and services</i>	<i>6.9%</i>	<i>5.3%</i>		
Minority interests	(5)	(550)	545	-99.1%
<b>NET RESULT FOR THE PERIOD</b>	<b>30,382</b>	<b>20,137</b>	<b>10,245</b>	<b>50.9%</b>
<i>% of sales of goods and services</i>	<i>6.9%</i>	<i>5.1%</i>		
<b>BASIC/DILUTED EARNINGS PER SHARE (euro)</b>	<b>0.47</b>	<b>0.31</b>		

## Consolidated Statement of Income (30 September 2014)

<i>(euro thousand)</i>	30.09.2014	30.09.2013	Change	%
<b>Sales of goods and services</b>	<b>1,340,258</b>	<b>1,154,275</b>	<b>185,983</b>	<b>16.1%</b>
Other revenues and income	9,501	9,725	(224)	-2.3%
Costs for capitalised internal works	8,042	7,674	368	4.8%
Raw materials, consumables and goods	(695,622)	(592,180)	(103,442)	17.5%
Other operating costs	(216,149)	(208,205)	(7,944)	3.8%
Personnel expenses	(242,852)	(220,751)	(22,101)	10.0%
<b>GROSS OPERATING INCOME</b>	<b>203,178</b>	<b>150,538</b>	<b>52,640</b>	<b>35.0%</b>
<i>% of sales of goods and services</i>	<i>15.2%</i>	<i>13.0%</i>		
Depreciation, amortisation and impairment losses	(73,266)	(66,059)	(7,207)	10.9%
<b>NET OPERATING INCOME</b>	<b>129,912</b>	<b>84,479</b>	<b>45,433</b>	<b>53.8%</b>
<i>% of sales of goods and services</i>	<i>9.7%</i>	<i>7.3%</i>		
Net interest income (expense)	(10,137)	(13,498)	3,361	-24.9%
Interest income (expense) from investments	4,532	(186)	4,718	-2536.6%
<b>RESULT BEFORE TAXES</b>	<b>124,307</b>	<b>70,795</b>	<b>53,512</b>	<b>75.6%</b>
<i>% of sales of goods and services</i>	<i>9.3%</i>	<i>6.1%</i>		
Taxes	(30,024)	(7,359)	(22,665)	308.0%
<b>RESULT BEFORE MINORITY INTERESTS</b>	<b>94,283</b>	<b>63,436</b>	<b>30,847</b>	<b>48.6%</b>
<i>% of sales of goods and services</i>	<i>7.0%</i>	<i>5.5%</i>		
Minority interests	104	(63)	167	-265.1%
<b>NET RESULT FOR THE PERIOD</b>	<b>94,387</b>	<b>63,373</b>	<b>31,014</b>	<b>48.9%</b>
<i>% of sales of goods and services</i>	<i>7.0%</i>	<i>5.5%</i>		
<b>BASIC/DILUTED EARNINGS PER SHARE (euro)</b>	<b>1.45</b>	<b>0.97</b>		

## Consolidated Statement of Comprehensive Income (30 September 2014)

<i>(euro thousand)</i>	30.09.2014	30.09.2013	Change
<b>RESULT BEFORE MINORITY INTERESTS</b>	<b>94,283</b>	<b>63,436</b>	<b>30,847</b>
<b>Other comprehensive gains/(losses) not to be reclassified under income/(loss) for the period:</b>			
Effect (actuarial gain/loss) on defined-benefit plans	(2,814)	(1,026)	(1,788)
Fiscal effect	702	251	451
<b>Total other comprehensive gains/(losses) not to be reclassified under income/(loss) for the period</b>	<b>(2,112)</b>	<b>(775)</b>	<b>(1,337)</b>
<b>Other comprehensive gains/(losses) to be reclassified under income/(loss) for the period:</b>			
Effect of hedge accounting (cash flow hedge) of derivatives	58	356	(298)
Fiscal effect	(16)	(98)	82
Change in translation adjustment reserve	16,084	(17,072)	33,156
<b>Total other comprehensive gains/(losses) to be reclassified under income/(loss) for the period</b>	<b>16,126</b>	<b>(16,814)</b>	<b>32,940</b>
<b>COMPREHENSIVE RESULT FOR THE PERIOD</b>	<b>108,297</b>	<b>45,847</b>	<b>62,450</b>
<b>Of which attributable to:</b>			
– the Group	108,403	45,774	62,629
– Minority Interests	(106)	73	(179)

## Consolidated Statement of Financial Position

<i>(euro thousand)</i>	<b>30.09.2014</b>	<b>31.12.2013</b>	<b>Change</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant, equipment and other equipment	531,734	503,142	28,592
Development costs	44,450	45,333	(883)
Goodwill and other indefinite useful life assets	42,532	39,556	2,976
Other intangible assets	14,128	15,508	(1,380)
Shareholdings valued using the equity method	26,532	21,926	4,606
Other financial assets (including investments in other companies and derivatives)	665	216	449
Receivables and other non-current assets	6,476	7,044	(568)
Deferred tax assets	50,833	46,923	3,910
<b>TOTAL NON-CURRENT ASSETS</b>	<b>717,350</b>	<b>679,648</b>	<b>37,702</b>
<b>CURRENT ASSETS</b>			
Inventories	241,793	208,963	32,830
Trade receivables	310,169	251,525	58,644
Other receivables and current assets	39,703	42,854	(3,151)
Current financial assets and derivatives	10,446	9,962	484
Cash and cash equivalents	177,223	106,092	71,131
<b>TOTAL CURRENT ASSETS</b>	<b>779,334</b>	<b>619,396</b>	<b>159,938</b>
<b>TOTAL ASSETS</b>	<b>1,496,684</b>	<b>1,299,044</b>	<b>197,640</b>
<b>EQUITY AND LIABILITIES</b>			
<b>GROUP EQUITY</b>			
Share capital	34,728	34,728	0
Other reserves	109,525	93,397	16,128
Retained earnings/(losses)	261,594	207,209	54,385
Net result for the period	94,387	89,016	5,371
<b>TOTAL GROUP EQUITY</b>	<b>500,234</b>	<b>424,350</b>	<b>75,884</b>
<b>TOTAL MINORITY INTERESTS</b>	<b>5,391</b>	<b>4,857</b>	<b>534</b>
<b>TOTAL EQUITY</b>	<b>505,625</b>	<b>429,207</b>	<b>76,418</b>
<b>NON-CURRENT LIABILITIES</b>			
Non-current payables to banks	292,596	250,328	42,268
Other non-current financial payables and derivatives	6,559	8,884	(2,325)
Other non-current liabilities	10,470	4,953	5,517
Provisions	8,818	6,194	2,624
Provisions for employee benefits	29,473	27,039	2,434
Deferred tax liabilities	12,878	12,540	338
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>360,794</b>	<b>309,938</b>	<b>50,856</b>
<b>CURRENT LIABILITIES</b>			
Current payables to banks	203,491	171,543	31,948
Other current financial payables and derivatives	4,830	5,788	(958)
Trade payables	319,868	301,585	18,283
Tax payables	18,167	4,122	14,045
Other current payables	83,909	76,861	7,048
<b>TOTAL CURRENT LIABILITIES</b>	<b>630,265</b>	<b>559,899</b>	<b>70,366</b>
<b>TOTAL LIABILITIES</b>	<b>991,059</b>	<b>869,837</b>	<b>121,222</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,496,684</b>	<b>1,299,044</b>	<b>197,640</b>

## Consolidated Statement of Cash Flows

<i>(euro thousand)</i>	30.09.2014	30.09.2013	Q3'14	Q3'13
<b>Cash and cash equivalents at beginning of period</b>	<b>42,511</b>	<b>41,145</b>	<b>89,691</b>	<b>25,366</b>
<b>Result for the period before taxes</b>	<b>124,307</b>	<b>70,795</b>	<b>37,325</b>	<b>23,839</b>
Depreciation, amortisation/Impairment losses	73,266	66,059	24,643	22,361
Capital gains/losses	(308)	(318)	(123)	(115)
Write-ups/Write-downs of shareholdings	(4,508)	208	(1,937)	(553)
Financial portion of defined funds and payables for personnel	724	689	242	222
Long-term provisions for employee benefits	644	1,736	133	405
Other provisions net of utilisations	10,423	7,012	2,668	3,174
<b>Net cash flow generated by operations</b>	<b>204,548</b>	<b>146,181</b>	<b>62,951</b>	<b>49,333</b>
Paid current taxes	(21,274)	(10,529)	(6,276)	(2,197)
Uses of long-term provisions for employee benefits	(2,172)	(2,201)	(439)	(561)
<i>(Increase) reduction in current assets:</i>				
inventories	(40,612)	(22,852)	(8,386)	(6,298)
financial assets	(449)	(40)	(453)	(8)
trade receivables	(59,164)	(68,977)	(6,573)	(9,610)
receivables from others and other assets	4,470	(800)	3,520	5,945
<i>Increase (reduction) in current liabilities:</i>				
trade payables	18,283	43,607	(18,663)	(2,214)
payables to others and other liabilities	13,258	8,012	6,778	7,855
Translation differences on current assets	10,242	(3,917)	7,410	(1,308)
<b>Net cash flows from/(for) operating activities</b>	<b>127,130</b>	<b>88,484</b>	<b>39,869</b>	<b>40,937</b>
<i>Investments in:</i>				
intangible assets	(11,823)	(12,009)	(2,793)	(2,597)
property, plant and equipment	(78,953)	(90,543)	(26,915)	(27,526)
Price for disposal, or reimbursement value of fixed assets	1,663	1,369	851	742
<b>Net cash flows from/(for) investing activities</b>	<b>(89,113)</b>	<b>(101,183)</b>	<b>(28,857)</b>	<b>(29,381)</b>
Dividends paid in the period	(32,519)	(26,015)	0	0
Acquisition of own shares	640	0	264	0
Acquisition of 100% of Brembo Argentina S.A. and BNBS Co. Ltd. from third shareholders	0	(11,674)	0	(11,674)
Change in fair value valuation	(236)	(209)	(588)	(167)
Loans and financing granted by banks and other financial institutions in the period	111,857	142,868	6,598	10,735
Repayment of long-term loans	(71,518)	(112,537)	(18,225)	(14,937)
<b>Net cash flows from/(for) financing activities</b>	<b>8,224</b>	<b>(7,567)</b>	<b>(11,951)</b>	<b>(16,043)</b>
<b>Total cash flow</b>	<b>46,241</b>	<b>(20,266)</b>	<b>(939)</b>	<b>(4,487)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>88,752</b>	<b>20,879</b>	<b>88,752</b>	<b>20,879</b>

## Consolidated Net Financial Position

<i>(euro thousand)</i>	30.09.2014	31.12.2013
A Cash	98	111
B Other cash equivalents	177,125	105,981
C Derivatives and securities held for trading	571	387
<b>D LIQUIDITY (A+B+C)</b>	<b>177,794</b>	<b>106,479</b>
E Current financial receivables	9,875	9,575
F Current payables to banks	88,471	63,581
G Current portion of non-current debt	115,020	107,962
H Other current financial debts and derivatives	4,830	5,788
<b>I CURRENT FINANCIAL DEBT (F+G+H)</b>	<b>208,321</b>	<b>177,331</b>
<b>J NET CURRENT FINANCIAL DEBT (I-E-D)</b>	<b>20,652</b>	<b>61,277</b>
K Non-current payables to banks	292,596	250,328
L Bonds issued	0	0
M Other non-current financial debts and derivatives	6,559	8,884
<b>N NON-CURRENT FINANCIAL DEBT (K+L+M)</b>	<b>299,155</b>	<b>259,212</b>
<b>O NET FINANCIAL DEBT (J+N)</b>	<b>319,807</b>	<b>320,489</b>

## Consolidated Statement of Changes in Equity

	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
<i>(euro thousand)</i>										
<b>Balance at 1 January 2013</b>	<b>34,728</b>	<b>109,711</b>	<b>(274)</b>	<b>161,332</b>	<b>77,845</b>	<b>383,342</b>	<b>(80)</b>	<b>10,562</b>	<b>10,482</b>	<b>393,824</b>
Allocation of profit for the previous year				51,831	(51,831)	0	80	(80)	0	0
Payment of dividends					(26,015)	(26,015)			0	(26,015)
Acquisition of shares BNBS/Brembo Argentina from third shareholders				(5,954)		(5,954)		(5,720)	(5,720)	(11,674)
Reclassification				(1)	1	0			0	0
<i>Components of comprehensive income:</i>										
Effect of hedge accounting (cash flow hedge) of derivatives (*)			258			258			0	258
Effects arising from the application of IAS 19R				(775)		(775)			0	(775)
Change in translation adjustment reserve		(17,082)				(17,082)		10	10	(17,072)
Net result for the period					63,373	63,373	63		63	63,436
<b>Balance at 30 September 2013</b>	<b>34,728</b>	<b>92,629</b>	<b>(16)</b>	<b>206,433</b>	<b>63,373</b>	<b>397,147</b>	<b>63</b>	<b>4,772</b>	<b>4,835</b>	<b>401,982</b>
<b>Balance at 1 January 2014</b>	<b>34,728</b>	<b>93,513</b>	<b>(116)</b>	<b>207,209</b>	<b>89,016</b>	<b>424,350</b>	<b>87</b>	<b>4,770</b>	<b>4,857</b>	<b>429,207</b>
Allocation of profit for the previous year				56,497	(56,497)	0	(87)	87	0	0
Payment of dividends					(32,519)	(32,519)			0	(32,519)
Capital increase of consolidated companies by minority shareholders						0		640	640	640
<i>Components of comprehensive income:</i>										
Effect of hedge accounting (cash flow hedge) of derivatives (*)			42			42			0	42
Effects arising from the application of IAS 19R				(2,112)		(2,112)			0	(2,112)
Change in translation adjustment reserve		16,086				16,086		(2)	(2)	16,084
Net result for the period					94,387	94,387	(104)		(104)	94,283
<b>Balance at 30 September 2014</b>	<b>34,728</b>	<b>109,599</b>	<b>(74)</b>	<b>261,594</b>	<b>94,387</b>	<b>500,234</b>	<b>(104)</b>	<b>5,495</b>	<b>5,391</b>	<b>505,625</b>

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

# Explanatory Notes to the Financial Statements

## Accounting Principles and Valuation Criteria

The interim report for the third quarter of 2014 was prepared in accordance with paragraph 5 of Article 154-ter of Italy's Consolidated Finance Law (TUF), regarding financial disclosures, and the guidelines provided in Consob Communication No. DEM/8041082 issued 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 brief 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 at 31 May 2014 to the inventory accounting results at 30 September 2014. Actuarial valuations necessary to determine employee benefits are also typically performed during the preparation of the annual financial statements. This interim report has not been audited.

## Consolidation Area

The Financial Statements for the third 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 (IFRS 10). Compared to the third quarter of 2013, the following corporate transactions were carried out:

- on 11 March 2014, the voluntary winding up of Brembo UK Ltd. was completed and the company was excluded from the Group structure;
- on 14 July 2014, the company Brembo China Brake Systems Co. Ltd. changed its name to Brembo Beijing Brake Systems Co. Ltd.;
- on 21 July 2014, the company Brembo Russia LLC, a limited liability company based in Moscow and wholly owned by Brembo S.p.A., was established in order to promote the sale of brake discs for the aftermarket car sector.

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

The performance of the third quarter of 2014 confirmed the Group's expectations, with an upward trend in sales. Net sales for the third quarter of 2014 amounted to €438,561 thousand, with a 12% increase compared to the same period of 2013.

Nearly all applications contributed to revenue growth. The greatest contribution was provided by the motorbike applications sector, which closed the third quarter with an increase of 16.1% compared to the same period of 2013, but there were also significant improvements in car applications (+14.9%) and the racing sector (+6.9%), whereas the commercial vehicles sector shrank by 4.7% compared to the third quarter of 2013.

At geographical level, almost all the areas in which the Group operates reported growth. In Europe, Germany — Brembo's reference market accounting for 23.8% of sales — recorded an increase of 14.4% compared to the third quarter of 2013. Strong performances were reported in Italy (+14.2%), the United Kingdom (+19.4%) and France (+12.9%). North America, Brembo's top market accounting for 26.3% of sales, rose by 16%, whereas South America showed a 10.4% decrease. In the Far East, China and India showed an excellent performance (+28.5% and +24.9%, respectively), while Japan remained stable.

In the reporting quarter, the **cost of sales** and **other net operating costs** amounted to €298,040 thousand, with a ratio of 68% to sales, essentially in line with 69% for the same period of the previous year.

**Capitalised development costs**, recognised among intangible assets amounted to €2,360 thousand, compared to €2,147 thousand in the third quarter of 2013.

**Personnel expenses** in the third quarter of 2014 amounted to €76,841 thousand, with a 17.5% ratio to sales, decreasing compared to the same period of the previous year (17.9%). At 30 September 2014, Brembo's **workforce** numbered 7,703 (7,241 at 31 December 2013 and 7,241 at 30 September 2013).

**Gross operating income** for the quarter was €63,680 thousand (14.5% of sales) compared to €51,392 thousand for the third quarter of 2013 (13.1% of sales).

**Net operating income** amounted to €39,037 thousand (8.9% of sales), compared to €29,030 thousand (7.4% of sales) for the third quarter of 2013, after depreciation, amortisation and impairment losses of property, plant and equipment and intangible assets for €24,643 thousand, compared to depreciation, amortisation and impairment losses amounting to €22,362 thousand in the same period of 2013.

**Net interest expense**, which amounted to €3,650 thousand (€5,746 thousand for the third quarter of 2013), included net exchange losses of €36 thousand (€2,045 thousand in 2013) and interest expense of €3,613 thousand (€3,701 thousand for the same period of the previous year).

**Interest income from investments** amounted to €1,937 thousand (€555 thousand in the third quarter of 2013) and was attributable to the effects of the measurement of investments in associate companies using the equity method.

**Income before taxes** was €37,324 thousand (8.5% of sales), compared to €23,839 thousand (6.1% of sales) in the third quarter of 2013.

Based on tax rates applicable for the year under current tax regulations, estimated **taxes** amounted to €6,937 thousand (€3,152 thousand in the third quarter of 2013). The tax rate was 18.6%, compared to 13.2% for the third quarter of 2013.

**Group net result** amounted to €30,382 thousand during the quarter compared to €20,137 thousand in the same period of 2013.

**Net invested capital** at the end of the period amounted to €854,905 thousand. At 31 December 2013, it amounted to €776,735 thousand, with an increase of €78,170 thousand.

**Net debt** at 30 September 2014 was €319,807 thousand compared to €320,489 thousand at 31 December 2013. The decrease in debt compared to year-end 2013 totalled €682 thousand, mainly as a result of the following factors:

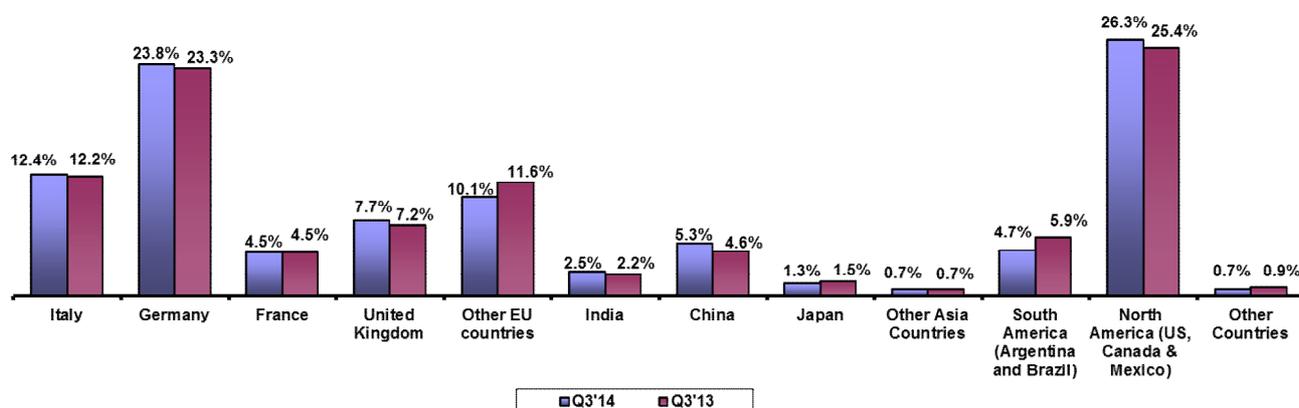
- net investments in property, plant, equipment and intangible assets for a total of €89,421 thousand, mainly in North America (15.3%), Czech Republic (22.9%) and Poland (23.5%); however, significant investments continued to be undertaken also in Italy (29.3%), with €7,922 thousand (8.9%) associated with development costs;
- a positive effect of the gross operating income amounting to €203,178 thousand;
- a negative change in working capital due to increased business for a total amount of €59,428 thousand;
- the Parent Company's payment of the approved dividends in May, in the amount of €32,519 thousand;
- payment of taxes totalling €21,274 thousand.

## Sales Breakdown by Geographical Area and Application

The following tables show net sales at 30 September 2014, broken down by geographical area and application.

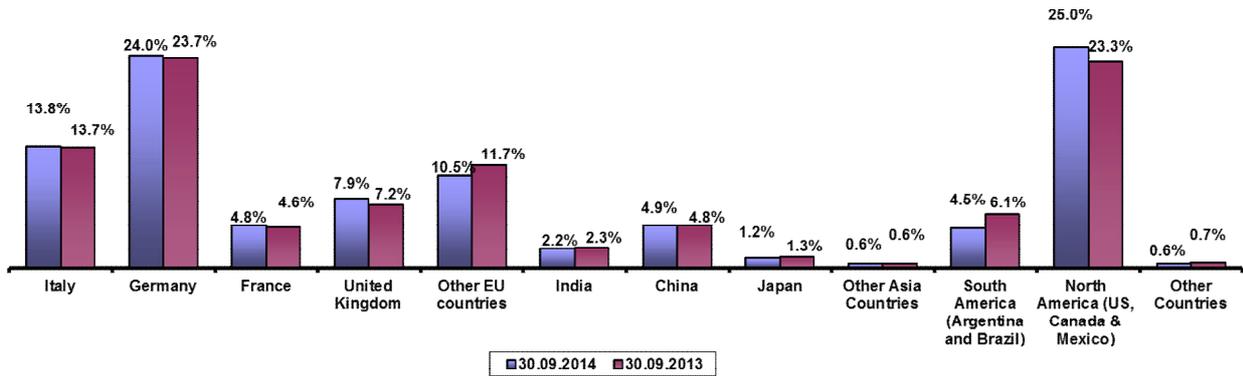
<i>(euro thousand)</i>	Q3'14	%	Q3'13	%	Change	%
<b>GEOGRAPHICAL AREA</b>						
Italy	54,510	12.4%	47,726	12.2%	6,784	14.2%
Germany	104,162	23.8%	91,056	23.3%	13,106	14.4%
France	19,783	4.5%	17,521	4.5%	2,262	12.9%
United Kingdom	33,731	7.7%	28,249	7.2%	5,482	19.4%
Other EU countries	44,077	10.1%	45,419	11.6%	(1,342)	-3.0%
India	10,854	2.5%	8,688	2.2%	2,166	24.9%
China	23,090	5.3%	17,974	4.6%	5,116	28.5%
Japan	5,890	1.3%	5,952	1.5%	(62)	-1.0%
Other Asia Countries	3,026	0.7%	2,809	0.7%	217	7.7%
South America (Argentina and Brazil)	20,816	4.7%	23,225	5.9%	(2,409)	-10.4%
North America (US, Canada & Mexico)	115,506	26.3%	99,547	25.4%	15,959	16.0%
Other Countries	3,116	0.7%	3,318	0.9%	(202)	-6.1%
<b>Total</b>	<b>438,561</b>	<b>100.0%</b>	<b>391,484</b>	<b>100.0%</b>	<b>47,077</b>	<b>12.0%</b>

The incidence of the overall turnover

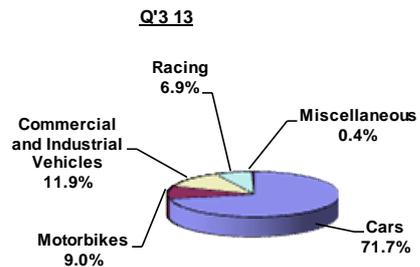
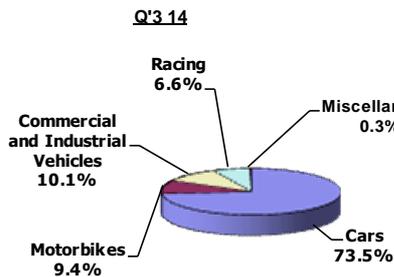


<i>(euro thousand)</i>	30.09.2014	%	30.09.2013	%	Change	%
<b>GEOGRAPHICAL AREA</b>						
Italy	184,485	13.8%	158,688	13.7%	25,797	16.3%
Germany	322,191	24.0%	273,665	23.7%	48,526	17.7%
France	64,501	4.8%	52,929	4.6%	11,572	21.9%
United Kingdom	106,261	7.9%	83,538	7.2%	22,723	27.2%
Other EU countries	140,211	10.5%	135,287	11.7%	4,924	3.6%
India	30,045	2.2%	26,271	2.3%	3,774	14.4%
China	65,188	4.9%	54,884	4.8%	10,304	18.8%
Japan	16,085	1.2%	15,475	1.3%	610	3.9%
Other Asia Countries	7,545	0.6%	6,969	0.6%	576	8.3%
South America (Argentina and Brazil)	60,220	4.5%	70,137	6.1%	(9,917)	-14.1%
North America (US, Canada & Mexico)	334,749	25.0%	268,722	23.3%	66,027	24.6%
Other Countries	8,777	0.6%	7,710	0.7%	1,067	13.8%
<b>Total</b>	<b>1,340,258</b>	<b>100.0%</b>	<b>1,154,275</b>	<b>100.0%</b>	<b>185,983</b>	<b>16.1%</b>

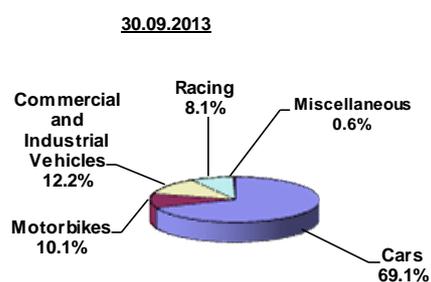
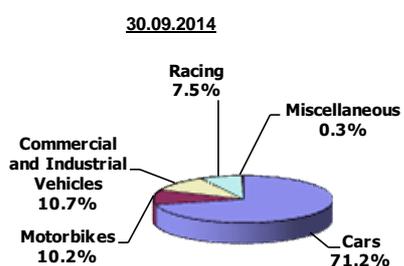
### The incidence of the overall turnover



<i>(euro thousand)</i>	Q3'14	%	Q3'13	%	Change	%
<b>APPLICATION</b>						
Cars	322,473	73.5%	280,750	71.7%	41,723	14.9%
Motorbikes	41,120	9.4%	35,404	9.0%	5,716	16.1%
Commercial and Industrial Vehicles	44,470	10.1%	46,661	11.9%	(2,191)	-4.7%
Racing	28,919	6.6%	27,048	6.9%	1,871	6.9%
Miscellaneous	1,579	0.4%	1,621	0.5%	(42)	-2.6%
<b>Total</b>	<b>438,561</b>	<b>100.0%</b>	<b>391,484</b>	<b>100.0%</b>	<b>47,077</b>	<b>12.0%</b>



<i>(euro thousand)</i>	<b>30.09.2014</b>	<b>%</b>	<b>30.09.2013</b>	<b>%</b>	<b>Change</b>	<b>%</b>
<b>APPLICATION</b>						
Cars	954,556	71.2%	798,018	69.1%	156,538	19.6%
Motorbikes	136,251	10.2%	116,867	10.1%	19,384	16.6%
Commercial and Industrial Vehicles	143,709	10.7%	141,187	12.2%	2,522	1.8%
Racing	101,073	7.5%	93,330	8.1%	7,743	8.3%
Miscellaneous	4,669	0.4%	4,873	0.5%	(204)	-4.2%
<b>Total</b>	<b>1,340,258</b>	<b>100.0%</b>	<b>1,154,275</b>	<b>100.0%</b>	<b>185,983</b>	<b>16.1%</b>



## Foreseeable Evolution

Order book projections confirm a good growth of revenues and margins also for the remainder of the year.

# Directors' Report on Operations and Significant Events

## Macroeconomic Context

To correctly assess Brembo's performance in the third quarter of 2014, it is essential to consider the world macroeconomic scenario, specifically for the markets in which the Group operates.

After a rather turbulent first half of the year, from the record cold U.S. winter to the financial uncertainties and the conflict in Ukraine, in the third quarter the economic situation in the United States improved, whereas the Eurozone continued to suffer. Global growth was therefore slower and, inevitably, more protracted, due above all to the recent activity weakness in Europe and South America. Compared to the past, the current situation is highly irregular and uneven. The United States, where the recovery has now been in progress for five years — a very long period compared to the past — well exemplifies this situation. In Europe, analysts predict that the recovery will remain slow and irregular, yet will continue. The main problems that keep on slowing growth in Western advanced economies include: unfavourable job market conditions and the excessive debt levels of mature countries, in addition to the slowdown showed by the so-called emerging countries.

According to the data published by the International Monetary Fund (IMF) in October, global GDP is expected to increase by 3.3% in 2014, in line with the figures recorded in the previous year. This value is lower than both the 3.4% estimated in July and the 3.6% estimated in April. Above all, it is too low, according to analysts, to guarantee the creation of jobs and improve the conditions of the poorest individuals.

The economic scenario in the Eurozone is struggling to return to pre-crisis levels and thus remains the cause for greatest concern. According to the latest IMF October estimates, in 2014, GDP should rise by 0.8%. It bears emphasising that the IMF has revised almost all of its estimates downwards from those published in July of this year. Macroeconomic data are contradictory: for example, in Italy on the one hand, the manufacturing PMI index, after halting at 49.8 points in August, made a surprise recovery in September to above 50 points — the threshold that separates growth from contraction — while, on the other, the Italian economy is going to close 2014 with an additional GDP contraction (-0.2%). In Germany, instead, the manufacturing sector was especially stagnant in September, declining below the threshold of 50 points, even if the October estimates nonetheless forecast GDP growth for the current year (1.4%), and although those estimates have been revised sharply downwards (-0.5%) compared to the figures published in July.

In short, in the Eurozone the recovery will take longer than previously predicted. According to the latest Eurostat data, the industrial production of the Eurozone decreased by 1.8% in August compared to the previous month. The EU28 performance was similar, with a reduction of 1.4%. Among the major Western European countries, there was a sharp decline in Germany (-4.3%), substantial stability in France (-0.1%) and Great Britain (no change from July), whereas Italy reported slight growth (+0.3%). In June and July performances were uneven, first with a contraction of 0.3% in the Eurozone and of 0.1% in the EU28 in June, followed by growth of 0.9% in the former and of 0.7% in the latter in July. The decline on an annual basis, compared to August 2013, amounted to 1.9% in the Eurozone and 0.8% in the EU28. Once more it is the climate of uncertainty pervading the job market that is weighing down recovery, with an unemployment rate in the Eurozone at 11.5% in August, stable compared to the previous two months. With regard to Italy, the unemployment rate slightly decreased in August, reaching 12.3%. This latter figure is clearly alarming compared to the 4.9% reported in Germany.

In the United States, according to the IMF's latest official estimates, GDP for 2014 is expected to grow by 2.2%. The previous July estimates had been revised sharply downwards to +1.7%, compared to those published in April, due to the severe cold spells that struck the United States in the early months of the year. In fact, in the

first quarter of 2014 the U.S. economy had contracted sharply for the first time since 2011, after the region's GDP had grown for 14 consecutive quarters. By contrast, in the second quarter, the United States' gross domestic product resumed growth at +4.6%. The most recent estimates, up compared to the previous figures, bode well for the rest of the year and once more cast the U.S. economy as the only mature market capable of contributing actively to global growth. After growing in July, industrial production contracted slightly by 0.1% in August, bringing year-on-year growth to +4.1%.

In the case of Japan, the IMF's most recent estimates have been revised strongly downwards and call for GDP growth of 0.9% compared to the 1.6% estimated in July. In fact, in the second quarter of 2014 Japanese year-on-year gross domestic product declined by 6.8%, equal to a reduction of 1.7% compared to the previous quarter. However, this performance was in keeping with expectations, following the increase in VAT effective 1 April, which led consumers to move up many of their purchases, especially with regard to durable goods. Indeed, this swift decline was underpinned by a 5% real drop in consumption compared to the previous quarter, after the 2% growth in the first three months of 2014. In August, the industrial output index declined by 1.9%, contrary to the predictions of analysts, who had even foreseen an increase. Similarly, the figure for household expenditure levels decreased sharply compared to July. The only contrasting figure was the unemployment rate, which decreased to 3.5% in August from 3.8% in July.

In China, GDP, following the year-on-year increase of 7.4% in the first quarter of 2014 and of 7.5% in the second quarter (figures highlighting a slowdown compared to the year-on-year 7.7% recorded in the fourth quarter of 2013), during the third quarter of 2014 also showed a slowdown with a growth of 7.3%, according to the first estimates. This figure confirms the Chinese economy's patent loss of vivacity. According to its October estimates, the IMF foresees that China will achieve GDP growth of 7.4% in 2014 and of 7.1% in 2015. These data should be compared to the 7.7% GDP growth in each of the past two years, as well as the 9.3% reported in 2011 and, above all, the 10.5% reported in 2010. According to the document published by HSBC, China's struggle to regain its past dynamism is also witnessed by the manufacturing PMI index, a composite indicator designed to provide a single snapshot of the manufacturing economy's operating conditions, which remained unchanged in September compared to the previous month, when a marked slowdown was recorded. The index reached 50.2 points and, although it disappointed analysts, nonetheless remained over 50 points, the threshold that separates growth from contraction. The general trend towards growth continued, but at a much slower pace than in the past. In August, industrial output shrank by 2.1%, following the 0.2% reduction in July. Analysts had predicted a slowdown, but not to this extent. Year-on-year, industrial output grew by 6.9%, the lowest rate since December 2008. Retail sales rose by 11.9% in August, compared to the +12.1% expected by economists, and +12.2% in July.

In Brazil, the situation is beginning to become truly worrisome, after two consecutive quarters in which the region's gross domestic product had declined. GDP growth estimates for the current year have been revised constantly downwards in recent months. In its most recent October estimates, the IMF predicted virtual GDP stagnation in 2014, with a mere +0.3%. The estimates have even been lowered by a percentage point compared to the July estimates. The decline in the second quarter of the year was among the most evident of G20 countries with -0.6% compared to the previous quarter, when it had declined by 0.2%. Brazil has thus recently gone from being an emerging country capable of overcoming the recent global financial crisis without difficulty to an economy in severe recession. Above all, this is due to the inflationary pressures that have held down the country's growth rates. All that remains to do is to hope that, after the October elections, the country's GDP resumes growth at the customary rates to which we had become accustomed, i.e., with an average slightly above 4%.

As far as commodity trends are concerned, according to the figures published by the IMF, the average price of oil fell during the third quarter of 2014. The arithmetic mean of the prices of the three West Texas Intermediate (WTI), Dubai and U.K. Brent qualities decreased to 100.4 dollars a barrel, down by 5.6% on the previous quarter and by 6.5% compared to the same period of the previous year.

## Currency Markets

In the third quarter of 2014, the dollar showed a trend of gradual appreciation, from a low of 1.3688 (1 July), to a high of 1.2583 (30 September), and closed below the quarterly average rate (1.32522).

Regarding the currencies of the other markets in which Brembo operates on an industrial and commercial level, the pound sterling, following an initial appreciation, depreciated to a low of 0.80265 (19 August), then recovered and again depreciated. The quarter closed with constant appreciation, peaking at 0.7773 on 30 September.

The Polish zloty opened with appreciation to 4.1284 (9 July), followed by depreciation in July and August, a month in which the currency lost value against the euro, reaching 4.2171 (29 August). The currency began to appreciate at the end of the reporting period, stabilising around the quarterly average of 4.175404.

The Czech koruna, which began the quarter at a high of 27.431 (15 July), then depreciated overall against the euro, reaching a low 28.004 on 19 August. The currency then only began to appreciate once more at the end of the third quarter, closing in line with the average for the period of 27.624313.

After initially losing value to 9.3286 (3 July), the Swedish krona appreciated overall, peaking at 9.1465 on 30 September.

In the East, the Japanese yen regained value against the euro until early September, a month in which it reached the level of 136.27 (5 September). The currency then depreciated to 140.11 (18 September), after which it appreciated once more, closing in line with the quarterly average of 137.7401.

The Chinese yuan/renminbi showed a trend towards constant appreciation, opening at a low of 8.4883 (1 July), peaking at 7.7262 on 30 September and then ending the reporting quarter at a rate below the average for the period of 8.170431.

The Indian rupee appreciated overall, opening at a low of 82.2307 (1 July), peaking at 77.8564 on 30 September, and then ending the reporting quarter at a rate below the quarterly average of 80.314766.

In the Americas, the Brazilian real moved laterally until mid-August, after which it appreciated to reach 2.9041 on 8 September. The currency then began to lose value, reaching a low of 3.1431 on 29 September. The reporting quarter closed at above the average rate for the period of 3.013885.

The Mexican peso showed a trend towards constant appreciation, opening at a low of 17.7759 (1 July), peaking at 16.912 on 8 September and then stabilising below the average quarterly rate of 17.386739 near the end of the reporting period.

The Argentine peso followed an almost constant trend until the end of August, a period in which it reached a low of 11.134927 (22 August), after which it regained value against the euro in September, when it peaked at 10.650566 (30 September), a rate below the average for the quarter (10.984161).

Finally, the Russian rouble depreciated constantly, opening at 46.3325 (10 July), peaking at 50.1927 on 29 September, and then ending the reporting period at a rate above quarterly average of 48.076152.

## Operating Structure and Reference Markets

### Cars

During the first quarter of 2014, the global light vehicles market showed a 1.9% increase in sales, due primarily to the Chinese and U.S. market and the recovery of Western European countries.

In fact, on the whole the Western European (EU15) car market showed an increase in registrations of 4.7% compared to the third quarter of 2013. The growth was slightly higher than that recorded in the previous quarter, but lower by nearly 3pps than the gains posted in the first three months of the year, closing overall the first nine months at +5.4% on an annual basis. Among the top five markets, only France suffered a substantial stagnation in car sales during the third quarter (+0.1%) compared to the same period of 2013, whereas all the remaining countries showed an increase: +4.1% in Germany, which remains the number-one country in Europe by sales volumes, +6.3% in Great Britain, +4.1% in Italy and +16.0% in Spain. Eastern Europe (EU13) showed a marked uptrend in car registrations in the third quarter, with growth of 12.7% compared to the previous year. In this case as well, the growth exceeded the previous quarter, but fell short of the gains early in the year, bringing the figure for the first nine months of 2014 to 15.9% compared to the same period of 2013.

Russia closed the third quarter of 2014 with an overall decline in light vehicle registrations of as much as 23.1% compared to the third quarter of 2013.

The uptrend continued in the United States, with light vehicle sales increasing by 7.8% overall in the reporting quarter compared to the third quarter of 2013. By contrast, there were sharp downtrends in the South American markets of Brazil and Argentina, which closed the third quarter with an overall decline in sales of 15.3% in the quarter.

In Asian markets, sales of light vehicles increased by +4.9% in China in the third quarter of 2014 compared to the same period of the previous year, making China once more the unchallenged number-one market in absolute terms at the global level. The Japanese market declined, closing the third quarter of 2014 with a decrease in light vehicle registrations of 3.9% compared to the third quarter of 2013.

Within this scenario, Brembo reported €322,473 thousand in net sales of car applications in the third quarter of 2014, accounting for 73.5% of the Group's turnover, up by 14.9% compared to the same period of 2013.

### Commercial and Industrial Vehicles

In the third quarter of 2014, the European commercial vehicles market (EU28+EFTA), Brembo's reference market, showed an increase in registrations by 9.8%, though with differing performances in the various segments.

In the reporting period, sales of light commercial vehicles (up to 3.5 tonnes) increased by 13.1% overall compared to the same period of 2013. Among the first five European markets for sales volume, only the French market slightly increased compared to the first quarter of the previous year (+2.5%), whilst all the other countries showed double-digit growth: +20.5% in the UK, +10.3% in Germany and +23.9% in Spain. In Italy registrations grew by nearly 29pps. In the third quarter of 2014, Eastern Europe (EU13) alone witnessed an increase of 16.2% compared to the same period of 2013. Similarly, in the third quarter of 2014 the segment of medium and heavy vehicles (over 3.5 tonnes) in Europe (EU28+EFTA) decreased by 3.8% compared to the same period of the previous year. Registrations fell by 2.6% in the German market. Sales in France and the UK decreased by 12.5% and 14.0%, respectively. By contrast, the Italian market grew by 5.0%, though remaining outside the top five in terms of sales volumes. In the Eastern European countries (EU-13) only, sales of heavy

and medium commercial vehicles dropped by 1.9% compared to the same period of the previous year.

In the third quarter of 2014, Brembo's net sales of applications for this segment amounted to €44,470 thousand, decreasing by 4.7% 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.

Motorbike registrations slightly increased in Western Europe in the third quarter of 2014. Compared to the same period of 2013, the increase in sales during the period amounted to just 1.9%, a figure that marks a further slowdown, following on that witnessed in the second quarter, after the rapid growth early in the year. The major European markets of reference showed uneven performances: France and Italy declined by 1.4% and 4.0%, respectively, during the reporting period, due in part to a summer of unfavorable weather, Germany remained essentially stable at +0.5% and, finally, Spain and Great Britain showed an increase in registrations of 20.1% and 9.8%, respectively. If the first nine months of the year are considered together in comparison to the same period of the previous year, registrations increased by 5.7%, with all major markets showing a positive sign. The greatest growth was in displacements above 500cc, at +8.5% compared to the +2.1% for displacements between 50 and 500cc. The U.S. market for motorbikes with displacements in excess of 600cc grew by 2.5% in the third quarter of 2014 compared to the same period of 2013. In the first nine months of the year, the large-displacement motorbike market reported slight growth of nearly 2.1%, owing to the excellent results recorded in the last quarter. The Japanese market for motorbikes with displacements in excess of 50cc dropped by 9.5% in the third quarter of 2014 compared to the same period of 2013. The decline was chiefly due to the decrease (-21.2%) in small displacements (between 50 and 125cc), which was not offset by growth in larger displacements (+1.0% for displacements between 125 and 250cc, and +18.5% for displacements over 250cc). Overall, in the first nine months of the year, registrations rose by 5.3% compared to the same period of 2013. This result was due to robust overall growth (+34.6%) of displacements over 250cc. Intermediate displacements (between 125 and 250cc) increased by 17.5%, whereas small displacements (between 50 and 125cc) fell by as much as 9.7%.

Among emerging markets, the Indian market for two-wheeled vehicles (motorbikes and scooters) closed the first nine months of the current year with growth of 14.1% owing to an increase of +16.5% in the first two months of the third quarter compared to the same period of 2013. Considering only the results for vehicles with displacements equal to or greater than 125cc, it may be noted that sales and production rose by 15.4% and 18.2%, respectively, compared to the same period of 2013.

In the third quarter of 2014, Brembo's net sales of motorbike applications amounted to €41,120 thousand, increasing by 16.1% 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 third quarter of 2014, Brembo's net sales of racing applications amounted to €28,919, increasing by 6.9% compared to the third quarter of 2013.

## Significant Events During the Quarter

On 14 July 2014, the company Brembo China Brake Systems Co. Ltd changed its name to Brembo (Beijing) Brake Systems Co. Ltd. On 21 July 2014, the company Brembo Russia LLC, a limited liability company based in Moscow and wholly owned by Brembo S.p.A., was established in order to promote the sale of brake discs for the aftermarket car sector.

On 23 July 2014, Brembo announced the start of construction of a cast-iron foundry in Michigan, in an area adjacent to the new Homer plants, marking the launch of the vertical integration process for its production capacity in the United States as well. Works will begin in 2015 and are expected to be completed in 2017. As a result all production phases will take place in a single site, thus establishing a more efficient production process. The investment program, amounting to €74 million, will be funded through Group cash generation and will benefit from the incentives granted by the State of Michigan. The building of an integrated hub in Michigan confirms and strengthens the company's interest towards the North American market, which has recorded a very strong increase over the past five years becoming Brembo's main market of reference.

## 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 30 September 2014

On 1 October 2014, the merger of Brembo Spolka Zo.o. into Brembo Poland Spolka Zo.o., both wholly owned by Brembo S.p.A., became effective. The said transaction was aimed at achieving greater corporate streamlining in order to ensure a better organisational flexibility and structural cost rationalisation.

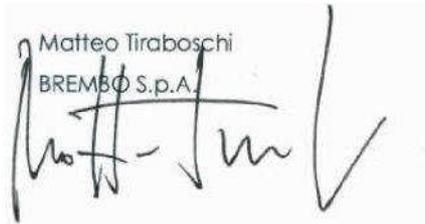
**Statement Pursuant to Article 154-bis, Paragraph 2, Part IV, Title III, Chapter II, Section V-bis, of Italian Legislative Decree No. 58 of 24 February 1998: “Consolidation Act on Financial Brokerage Pursuant to Articles 8 and 21 of Italian Law No. 52 of 6 February 1996”**

Re: Interim Report at 30 September 2014, approved on 13 November 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 30 September 2014 corresponds with the documented results, books and accounting records.



Matteo Tiraboschi  
BREMBO S.p.A.

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**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