

Brembo International S.A.

Annual accounts

For the year ended December 31, 2009

35, boulevard Prince Henri
L-1724 Luxembourg
R.C.S. Luxembourg : B 71 768

“Commissaire”'s report

To the Shareholders of
Brembo International S.A.

Report on the annual accounts

We have audited the accompanying annual accounts of Brembo International S.A. which comprise the balance sheet as at December 31, 2009, and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Responsibility of the Board of Directors for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

“Commissaire”'s responsibility

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the “Commissaire”'s judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the “Commissaire” considers internal control relevant to the entity’s preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these annual accounts give a true and fair view of the financial position of Brembo International S.A. as of December 31, 2009, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

PricewaterhouseCoopers S.à r.l.
Represented by

Luxembourg May 19, 2010



Philippe Duren

BREMBO INTERNATIONAL S.A.

Balance Sheet
as at December 31, 2009
(expressed in Euro)

	Note(s)	2009 EUR	2008 EUR
ASSETS			
Fixed assets			
- intangible assets		-	12 429.09
- tangible assets	3	3 317.56	-
- financial assets	4	95 436 999.65	94 026 423.87
Current assets			
- debtors (becoming due and payable within one year)	5	8 435 123.67	24 129 094.39
- cash at banks		43 136.19	21 440.06
Prepayments and accrued income		166.50	-
Total assets		103 918 743.57	118 189 387.41
LIABILITIES			
Capital and reserves	6		
- subscribed capital		49 872 000.00	49 872 000.00
- legal reserve		942 230.83	108 722.53
- loss brought forward		-	-
- interim dividend		(14 800 000.00)	-
- profit (loss) for the financial year		17 584 374.79	16 670 166.02
Total capital and reserves		53 598 605.62	66 650 888.55
Provisions for liabilities and charges	8	153 758.00	40 454.00
Creditors			
- becoming due and payable within one year	9	50 166 339.95	1 498 044.86
- becoming due and payable after more than one year	9	-	50 000 000.00
Prepayments and accrued expenses		40.00	-
Total liabilities		103 918 743.57	118 189 387.41

The accompanying notes form an integral part of the annual accounts

BREMBO INTERNATIONAL S.A.

Profit & Loss Account
as at December 31, 2009
(expressed in Euro)

	Note(s)	2009 EUR	2008 EUR
<u>CHARGES</u>			
Staff Costs			
- Wages and salaries		11 606.97	11 000.16
- Social security costs accruing to wages and salaries		1 400.56	1 255.08
- Other social security costs		896.67	874.76
Other operating charges			
- Rental offices		31 625.00	31 172.45
- Commissions paid		24 186.84	23 616.94
- Others		236 142.87	23 046.54
- Withholding Taxes		4 074.89	7 376.84
Value adjustments in respect of formation expenses and of tangible and intangible fixed assets		777.13	3 893.24
Value adjustments in respect of financial assets	4	-	1 882 938.00
Interest payable and similar charges			
- Other interest payable and charges		977 191.38	2 572 046.28
Extraordinary charges		3 277.50	9 942.66
Other taxes not shown under the above items		113 490.00	31 030.00
Profit for the financial year		17 584 374.79	16 670 166.02
Total charges		18 989 044.60	21 268 358.97
<u>INCOME</u>			
Income from participating interest			
- derived from affiliated undertakings		16 291 505.33	18 102 819.01
Income from other transferable securities and from loans forming part of the fixed assets			
- derived from affiliated undertakings		1 159 149.47	2 645 968.30
Other interests receivable and similar income		195 915.69	519 571.66
Extraordinary incomes	9	1 342 474.11	-
Total income		18 989 044.60	21 268 358.97

The accompanying notes form an integral part of the annual accounts.

BREMBO INTERNATIONAL S.A.

Note to annual accounts
as at December 31, 2009

1) General

BREMBO INTERNATIONAL S.A. ("the Company") is a Luxembourg public limited liability company (société anonyme) incorporated on September 10, 1999.

The Company is established for an unlimited period. The trade registration number is B 71.768.

The purpose of the Company is the acquisition, the management, the enhancement and the disposal of participations in whatever form in domestic and foreign companies. The Company may also contract loans and grant all kinds of support, loans, advances and guarantees to companies, in which it has a direct or indirect participation.

In general, the Company may carry out all commercial, industrial and financial operations (including the establishment of branches), whether in the area of securities or of real estate, likely to enhance or to supplement the above-mentioned purposes.

The Company's financial year runs from January 1 of each year to December 31 of the same year.

The registered office of the Company is established in Luxembourg at 35, boulevard Prince Henri.

The annual accounts of the Company are included in the consolidated financial statements of Brembo S.p.A., CURNO (BG), Via Brembo 25, Italy.

2) Summary of significant accounting policies

2.1 General principles

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements. Accounting policies and valuation rules are, besides the ones laid down by the Law, determined and applied by the Board of Directors.

2.2 Significant accounting policies

The main valuation rules applied by the Company are the following:

2.2.1 Tangible assets

Tangible assets are valued at purchase price including the expenses incidental thereto or at production cost, less cumulated amounts written off and value adjustments. Tangible assets are amortized over their estimated useful economic lives. Where the Company considers that a tangible asset has suffered a durable depreciation in value, an additional write-down is recorded in order to reflect this loss. These value adjustments are not continued if the reason for which the value adjustments were made have ceased to apply.

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2.2.2 Financial assets

Shares in affiliated undertaking held as fixed assets are valued at purchase price including the expenses incidental thereto.

In case of a durable depreciation in value according to the opinion of the Board of Directors, value adjustments are made in respect of fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.2.3 Current debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reason for which the value adjustments were made have ceased to apply.

2.2.4 Foreign currencies

The Company maintains its books of accounts in euro (EUR). Assets and liabilities denominated in other currencies are translated into EUR at the rates prevailing at the balance sheet date with exception of financial assets, which are stated at historic cost. Income and expense transactions are recorded at the rates prevailing on the dates of transactions. Realised gains and losses as well as unrealised losses are reflected in the profit and loss account.

2.2.5 Provisions for liabilities and charges

Provisions for liabilities and charges are intended to cover losses or debts the nature of which is clearly defined and which, at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

2.2.6. Prepayment and accrued income

This asset item includes expenditure incurring during the financial year but relating to a subsequent financial year.

2.2.7 Creditors

Creditors are valued at their nominal value.

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3) Tangible assets

	2009
	EUR
Gross book value - opening balance	0.00
Additions for the year	3 431.96
Disposals for the year	-
Transfers for the year	-
Gross book value - closing balance	3 431.96
Amortisation - opening balance	(0.00)
Amortisation for the year	(114.40)
Reversals for the year	-
Transfers for the year	-
Amortisation - closing balance	(114.40)
Net book value - closing balance	3 317.56

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4) Financial assets

The movements of the year are as follows:

FINANCIAL FIXED ASSETS							
Undertaking's Name	OPENING BALANCE			CLOSING BALANCE			
	Historic cost	Write-down	Net Accounting value as at 31.12.2008	Increase/Transfers	Decrease	Write-down	Net accounting value as at 31.12.2009
Brembo North America	2 253 904.80	(901 296.00)	1 352 608.80				1 352 608.80
Brembo UK	877 323.51		877 323.51				877 323.51
Brembo Poland Sp Zoo	13 431 583.17		13 431 583.17				13 431 583.17
Brembo Mexico Puebla de CV (ex-Rassini)	11 303 468.91		11 303 468.91	1 275 510.60	(18.26)		12 578 961.25
Brembo do Brasil Ltda	7 217 186.07		7 217 186.07				7 217 186.07
Brembo Scandinavia AB	557 400.00		557 400.00				557 400.00
Brembo Spolka SP Z.o.o.	4 471 000.00		4 471 000.00				4 471 000.00
Corporacio Upwards 98 Spain S.A.	4 647 800.00		4 647 800.00				4 647 800.00
Brembo Japan co, Ltd	78 953.41		78 953.41				78 953.41
Fundimak SA de CV	7 113 900.00	(7 113 900.00)	0.00		(7 113 900.00)	7 113 900.00	0.00
Fuji Manufacturing Ltd Japan	86 100.00		86 100.00				86 100.00
International Sport Automobile	3 000.00		3 000.00				3 000.00
Brembo Mexico Apodaca S.A. de CV	0.00		0.00	85.13			85.13
Qingdao Brembo Trading Co. Ltd	0.00		0.00	134 998.31			134 998.31
Total	52 041 619.87		44 026 423.87				45 436 999.65

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On August 19th, 2009, the Company sold its participation in Fundimak SA de CV for a total price of USD 400 000.00 corresponding to an extraordinary income of EUR 283 446.80.

Undertaking in which the Company holds at least 20% in the share capital or in which it is a general partner are as follow:

Undertaking's Name	Registered Office	Ownership	Net Equity as of 31.12.2009 in EUR *	Profit or loss of the company in EUR *
Brembo UK	London, United Kingdom	100%	447 844.72	(21 764.82)
Brembo Poland Sp Zoo	Dabrowa Górnicza, Poland	100%	74 815 518.70	19 994 498.37
Brembo Mexico Puebla S.A. de CV	Puebla, Mexico	99.99%	12 852 045.56	(3 387 693.79)
Brembo do Brasil Ltda	Sao Joaquin, Brasil	99.99%	20 873 696.59	3 852 587.61
Brembo Scandinavia AB	Goteborg, Sweden	100%	803 897.33	200 954.73
Brembo Spolka SP. Z.o.o.	Czestochowa, Poland	100%	40 643 462.42	7 345 609.67
Corporacion Upwards 98 S.A.	Zaragoza, Spain	68%	14 940 161.00	(3 450 454.00)
Brembo Japan Co, Ltd	Tokyo, Japan	100%	1 202 083.36	54 457.16
Qingdao Brembo Trading Co, Ltd	Qingdao, China	100 %	137 706.19	(1 975.92)

* based on the draft of the consolidated financial accounts as of 31.12.2009 of Brembo Spa.

<i>Loans receivables</i>	OPENING BALANCE			Increase- Transfer (Decrease)	CLOSING BALANCE		
	Historic cost	Write - down	As of 31.12.2008		Historic cost	Write- down	As of 31.12.2009
Due from parent company	50 000 000	-	50 000 000	-	50 000 000	-	50 000 000
Total	50 000 000	-	50 000 000	-	50 000 000	-	50 000 000

On October 26th, 2005 the Company granted a remunerated loan for an amount of EUR 50 000 000.00 to its shareholder Brembo Spa. The rate of interest is the EURIBOR 3 Month rate + spread of 0.4% per annum and the duration of the loan is fixed to 5 years.

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5) Debtors

Amounts receivable included under “debtors” are as follows:

Amounts owed by affiliated undertakings	0.00 EUR
Amounts owed by the shareholder	253 445.66 EUR
Others debtors	60 799.65 EUR
Cash pooling (owed by affiliated undertakings)	8 120 878.36 EUR
TOTAL	8 435 123.67 EUR

On February 2008, the Company joined the Brembo Euro Cross Border Zero Balance Structure through which Brembo Group gathered its liquidity into one general account held at CITI bank London branch; the Pool Leader is Brembo SpA and the interests refer to the EONIA rate.

The interest receivable on the loan granted to Brembo S.p.A as at December 31st, 2009 amounts to EUR 103 858.33 and the total interest for the financial years equals to EUR 1 027 418.05

6) Capital and reserves

As of December 31, 2009 the subscribed capital is EUR 49.872.000 represented by 49.872 shares with a face value of EUR 1 000.00 each.

The Company has an authorised capital of EUR 50 000 000.

Movements in the equity (expressed in Euro):

	Share Capital	Legal reserve	Loss Brought Forward	Result for the period	Total
Balance as of previous year end	49 872 000,00	108 722,53	-	16 670 166,02	66 650 888,55
Allocation for net result for the year	-	833 508,30	-	- 833 508,30	-
Dividends paid	-	-	-	- 15 836 657,72	- 15 836 657,72
Result for the year	-	-	-	17 584 374,79	17 584 374,79
Interim Dividends				- 14 800 000,00	- 14 800 000,00
Balance as of current year end	49 872 000,00	942 230,83	-	2 784 374,79	53 598 605,62

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7) Legal reserve

Luxembourg companies are required to allocate to a legal reserve a minimum of 5% of the annual net income, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

8) Provisions for liabilities and charges

A provision for the net wealth tax has been booked for EUR 113 428.00

9) Creditors

As the liquidation of Brembo Participations B.V. has been finalized in 2009, the difference between the assets of Brembo Participations B.V. already distributed to the Company and the purchase price of Brembo Participations B.V. has been reversed for EUR 1 056 899.44 (recorded in extraordinary income).

On October 26th, 2005 the Company issued Guaranteed Floating Rate Note due 2010 for an amount of EUR 50.000.000. The rate of interest is the EURIBOR 3 Month rate + spread of 0.275% per annum. The interest payable for the abovementioned Guaranteed Floating Rate Note as at December 31st, 2009 amounts to EUR 92 400.00 and the total interest for the financial years equals to EUR 964 050.00

10) Taxes

The Company is subject in Luxembourg to the general tax regulations applicable to all companies

11) Off Balance sheet commitments and contingencies

The Company does not have any off balance sheet commitments or contingencies at year end.