PERFORMANCE

BREMBO
SIX MONTHLY
REPORT
2015


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CONTENTS

COMPANY OFFICERS

The General Shareholders' Meeting held on 29 April 2014 confirmed the number of Board members at 11 and appointed the Board of Directors for the three-year period 2014–2016, i.e., until the General Shareholders' Meeting called to approve the Financial Statements for the year ending 31 December 2016. The election was 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)
Chief Executive Officer 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)
Acting Auditors	Sergio Pivato Milena T. Motta
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)

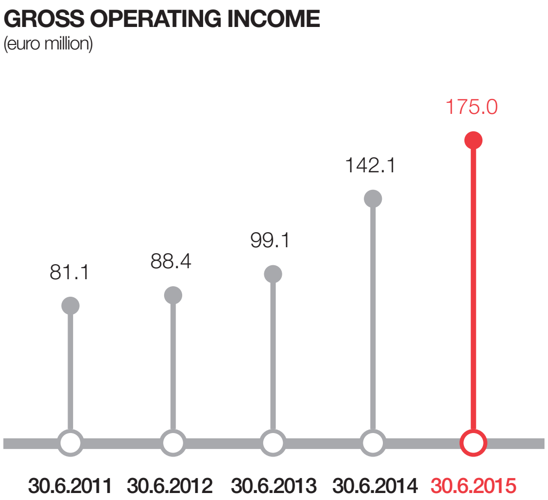
COMMITTEES

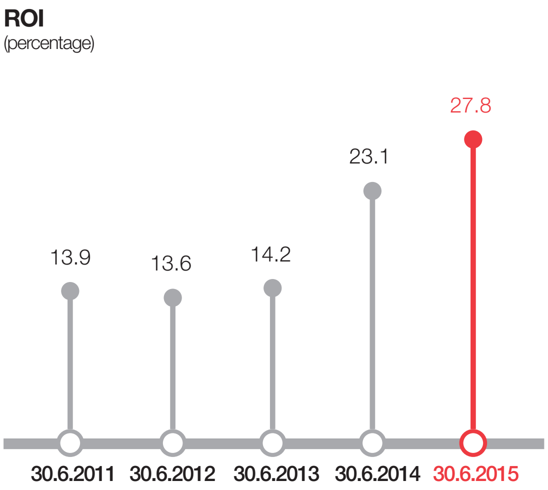
Audit & Risk Committee (13)	Giovanni Cavallini **(Chairman)** Giancarlo Dallera Bianca Maria Martinelli (6)
Remuneration & Appointments Committee	Barbara Borra **(Chairwoman)** Giovanni Cavallini Umberto Nicodano
Supervisory Committee	Raffaella Pagani **(Chairwoman of the Board of Statutory Auditors)**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

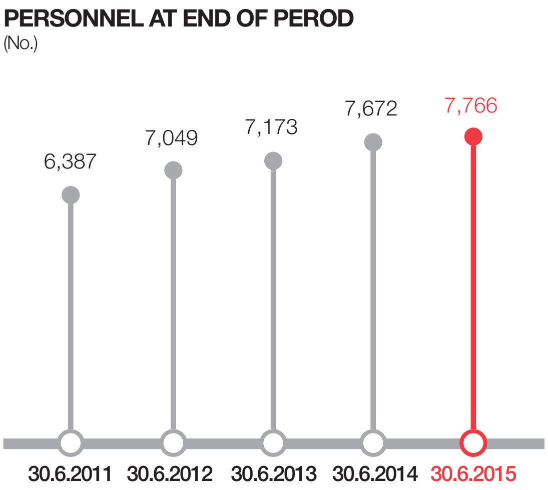
(1) The Chairman is the Company's legal representative and has powers of ordinary management, within the limits of the law.
(2) The Executive Deputy Chairman is the Company's legal representative; the Board of Directors granted him special powers to manage the Company.
(3) The Board of Directors granted 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 (as per 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 until the 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.
(15) Private practice lawyer - Studio Castaldi Mourre & Partners, Milan.
(16) Cerified Pubblic Accountant and Certified Auditor, Private practice, Studio Lexis – Dottori Commercialisti associati in Crema.

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

SUMMARY OF GROUP RESULTS







It should be noted that the income statement data for the previous reporting period have been revised following the inclusion in the Group's operating margin of the operating result of its main JV (BSCCB S.p.A. and BSCCB GmbH).

Economic results

(euro thousand)	30.06.2011	30.06.2012	30.06.2013	30.06.2014	30.06.2015	% 2015/2014
Sales of goods and services	632,694	702,598	762,791	901,697	1,038,902	*15.2%*
Gross operating income	81,060	88,376	99,146	142,118	174,951	*23.1%*
% on sales	*12.8%*	*12.6%*	*13.0%*	*15.8%*	*16.8%*	
Net operating income	42,880	49,274	55,448	93,495	121,311	*29.8%*
% on sales	*6.8%*	*7.0%*	*7.3%*	*10.4%*	*11.7%*	
Result before taxes	37,847	44,238	46,956	86,982	117,844	*35.5%*
% on sales	*6.0%*	*6.3%*	*6.2%*	*9.6%*	*11.3%*	
Net result for the period	24,735	35,572	43,236	64,004	88,969	*39.0%*
% on sales	*3.9%*	*5.1%*	*5.7%*	*7.1%*	*8.6%*	

Financial results

(euro thousand)	30.06.2011	30.06.2012	30.06.2013	30.06.2014	30.06.2015	% 2015/2014
Net invested capital (1)	624,034	731,142	789,881	816,837	879,969	*7.7%*
Equity	323,407	354,175	392,993	462,218	596,609	*29.1%*
Net financial debt (1)	280,919	351,459	369,234	325,358	249,784	-23.2%

Personnel and investments

	30.06.2011	30.06.2012	30.06.2013	30.06.2014	30.06.2015	% 2015/2014
Personnel at end of perod (No.)	6,387	7,049	7,173	7,672	7,766	*1.2%*
Turnover per employee	99.1	99.7	106.3	117.5	133.8	*13.8%*
Investments	77,249	68,969	72,429	61,068	64,051	*4.9%*

Main ratios

	30.06.2011	30.06.2012	30.06.2013	30.06.2014	30.06.2015
Net operating income/Sales	*6.8%*	*7.0%*	*7.3%*	*10.4%*	*11.7%*
Income before taxes/Sales	*6.0%*	*6.3%*	*6.2%*	*9.6%*	*11.3%*
Investments/Sales	*12.2%*	*9.8%*	*9.5%*	*6.8%*	*6.2%*
Net financial debt/Equity	*86.9%*	*99.2%*	*94.0%*	*70.4%*	*41.9%*
Net interest expense(*)/Sales	*0.7%*	*0.8%*	*0.9%*	*0.6%*	*0.7%*
Net interest expense (*)/Net operating income	*10.2%*	*11.5%*	*12.5%*	*6.2%*	*5.7%*
ROI (2)	*13.9%*	*13.6%*	*14.2%*	*23.1%*	*27.8%*
ROE (3)	*15.7%*	*20.2%*	*21.9%*	*27.9%*	*30.6%*

Notes:
(1) A breakdown of these items is provided in the reclassified Statement of Financial Position on page 22.
(2) Net operating income / Net invested capital x annualisation factor (days in the year/days in the reporting period).
(3) Net income (loss) before minority interests / Equity x annualisation factor (days in the year/days in the reporting period).
(*) This item does not include exchange gains and losses.

Directors' Report on Operations

DIRECTORS' REPORT ON OPERATIONS

BREMBO AND THE MARKET

Macroeconomic Context

In order to assess Brembo's performance for the first half of 2015 against a wider background, the world macroeconomic scenario should be taken into consideration, specifically for the markets where the Group operates.

According to the figures published in July 2015 by the International Monetary Fund (IMF), this year the global gross domestic product (GDP) is expected to grow by 3.3%. Estimates were revised slightly downwards compared to those published in April, mainly due to the unexpected 0.2% reduction in the U.S. GDP for the first quarter of the year.

The **Eurozone** economic scenario continues to be under close scrutiny, due to the longer-than-expected period of crisis. The main cause of concern is the uncertainty relating to the situation in Greece and the conflicts in Ukraine. However, Italy has shown the first positive signals. The growth projections set out in the Bank of Italy's Economic Bulletin indicate a 0.7 point GDP increase for 2015 and 1.5 point increase for 2016, mainly thanks to the gradual strengthening of domestic demand. The new estimate for 2015 (+0.7%) is in line with that made in April by the Italian Government upon approval of the 2015 Economic and Financial Document (DEF). According to ISTAT (Italian National Institute for Statistics), in May 2015 the seasonally-adjusted industrial production index rose by 0.9% compared to April, whereas average figures for March-May 2015 showed a 1.0% increase compared to the previous quarter.

According to the IMF's latest July estimates, the Eurozone is expected to rise by 1.5% in 2015, after closing 2014 with a 0.8% increase. It should be noted that IMF revised its estimates for Italy and Spain upwards by 0.2% and 0.6%, respectively. Russia is expected to start growing again next year, with an expected increase of 0.2%, whereas the latest GDP estimates for 2015, though improving by 0.4% compared to the previous ones, indicate a 3.4% reduction.

The Eurozone PMI slightly rose from 52 in April to 52.2 in May. This uptrend was driven by the performances of Italy, Spain and the Netherlands, while Germany showed a slowdown going from 52.1 in April to 51.1 in May.

According to the latest Eurostat data, in May industrial production dropped by 0.4% in the Eurozone and by 0.3% in the EU28 compared to the previous month. On an annual basis, compared to May 2014, the index rose by 1.6% in the Eurozone and 2.0% in the EU28 area. Excluding Germany, which remained essentially flat, all the main Western Europe countries grew compared to January: France +0.3%, the UK +0.4%, Italy +0.9% and Spain +0.4%.

Eurostat announced that in May 2015 in the euro area (EU19) the seasonally-adjusted unemployment rate was 11.1%, stable compared to April 2015 and down from 11.6% in May 2014. This is the lowest unemployment rate recorded in the Euro area since March 2012. In the first quarter of 2015, the Italian unemployment rate decreased to 12.4% from 12.7% for the previous quarter. Though improving, this figure is still higher than the European average and very different from the German 4.8% rate. However, according to OECD's June estimates Italy's employment rate is expected to grow, although the unemployment rate will "remain high".

In the **United States**, after a 2.4% growth reported in 2014, the IMF's July 2015 estimates projected GDP to grow by a further 2.5%. However, this figure was revised downwards as, unexpectedly GDP dropped by 0.2% for the first quarter of 2015 on an annual basis. According to analysts, the decline in the first quarter was largely due to temporary factors that have slowed investments and exports. By contrast, economic activity appeared to have strengthened in the second quarter, with employment starting to grow significantly and the unemployment rate reaching pre-crisis levels. According to Federal Reserve analysts, U.S. industrial production grew 0.3% in June over the previous month and 1.5% compared to the same month of 2014. Positive signals are also coming from the employment sector where the unemployment rate dropped to 5.3% in June, which is the lowest value since 2009 and less than two percentage points from the previous month.

In **Japan**, after the recession that characterised the second and third quarters of 2014, the latest World Bank estimates indicate GDP growth of 1.1% for the current year, which is slightly lower than the 1.2% figure published in January. The modest recovery in Japan is supported by increased consumption and exports, which partly reflect improved competitiveness resulting from the yen depreciation. Following the fiscal stimulus measures promoted by the government and the loose policies implemented by the Bank of Japan, analysts expect the Japanese economy to pick-up and confidence to grow throughout 2015. Inflation is likely to remain below the 2% target until 2017.

China's growth surprisingly hiked: in the second quarter of 2015 China's GDP grew 7.0% year on year, as it had done in the first quarter, and above expectations (+6.8%). The economy accelerated to +1.7% over the first quarter, after growing +1.4% in the first three months of the year compared to the previous quarter. Two factors enabled the Chinese government to stick to its goal of 7% annual GDP growth, despite the continued slowdown in the industry and construction sectors. On the one hand, the authorities implemented significant expansionary monetary and policy measures. On the other, growth in the service sector accounted for 57% of GDP growth, but, as in the first quarter, this was largely due to the stock market rally that continued until the bubble burst in mid-June. The performance of the Chinese economy in the second half of the year and its ability to meet the growth target set by the government are, therefore, linked to continued expansionary policies capable of offsetting the missing contribution of the financial sector, after the recent fall of equity prices (the Shanghai Composite has been -26.3% since 12 June).

In its July estimates, the IMF forecasts a real recession in **Brazil** in 2015, with GDP declining by 1.5%, which is 0.5% below the estimates published in April. According to data distributed in July by the National Institute of Geography and Statistics (IBGE), the Brazilian inflation rate rose again in the quarter ended May 2015, reaching 8.1% after 7.4% recorded in the previous quarter and 7.0% for the same period of the previous year. This is the highest level in a decade and far above the government's target range (+6.5%).

Turning to commodities trends, in the second quarter of the year the average price of oil increased compared to the first quarter, as a result of higher demand. According to data published by the IMF, the arithmetic average of the prices of the three blends, West Texas Intermediate (WTI), Dubai and UK Brent rose to USD 60.4 per barrel, up 16.8% from the previous quarter. Overall, the average oil price continues to be low, over 40% lower than that for the same period of 2014.

Currency Markets

During the first half of 2015 the **U.S. dollar** gained ground against the euro, climbing from an initial value of 1.2043 (2 January) to 1.0552 on 13 April. A depreciation phase followed which, despite the turnaround in the second half of May, brought the currency to 1.1189 at the end of the period, in line with the six monthly average of 1.115846.

As for the currencies of the other main markets in which Brembo carries out industrial and commercial operations, the **British pound**, which stood at 0.7842 on 6 January, recovered against the euro up to 0.70355 on 11 March. In April, May and June, the currency fluctuated to reach 0.7114 at period-end, below the average for the period of 0.732345.

After initially losing value to reach a low of 4.3275 on 20 January, the **Polish zloty** then gradually appreciated against the euro to 3.9683 (21 April), to then depreciate again in May and June. At period-end the currency stood at 4.1911, above the six monthly average of 4.139666.

After depreciating to 28.405 (13 January), the **Czech koruna** gradually recovered against the euro, climbing to 27.183 (17 March); it then depreciated and fluctuated sideways in a very close range during April and May. At the end of the period it stood at 27.253, below the average for the period of 27.504127.

After appreciating in January, the **Swedish krona** lost value down to 9.6298 on 12 February; it subsequently recovered against the euro until 12 March, reaching 9.1141. In April, May and June, the currency fluctuated sideways and at the end of the reporting period it appreciated again, reaching 9.215, below the six monthly average (9.342156).

In the eastern regions, the **Japanese yen** stood at 145.21 at the beginning of the first half of the year (2 January) to then abruptly reversing the trend of steady depreciation, fluctuating sideways in February and March and appreciating again in April to reach 126.52 (15 April). In the second half of the month and until the end of the period, the currency lost ground against the euro and closed at 137.01, above the average for the period of 134.164682.

The **Chinese yuan/renminbi** opened the first half of the year at 7.4759 (2 January) and then appreciated against the euro overall until April, when it reached 6.5552 (13 April). In the second half of the month the currency began to loose ground and, between May and June, it fluctuated sideways, ending the six-month period at 6.9366, in line with the average for the period (6.9411).

After opening the period at 76.3 (2 January), the **Indian rupee** gradually recovered against the euro, climbing to 65.8671 (13 April); it then depreciated and fluctuated sideways in a very close range during May and June. At the end of the period it stood at 71.1873, above the six monthly average of 70.122366.

In the Americas, after an initial appreciation culminated on 23 January at 2.9057, the **Brazilian real** depreciated to reach 3.5616 on 30 March; as from April, it regained ground against the euro but depreciated again in May. At the end of the period it stood at 3.4699, above the average for the period of 3.307643.

After opening on 2 January at 17.8537, the **Mexican peso** recovered against the euro in the following months, to reach 16.0487 on 10 April. Since then, the currency followed a trend of steady depreciation, which was only interrupted by a significant recovery in the second half of May. At the end of the period it stood at 17.5332, above the average for the period of 16.8861.

The **Argentine peso** showed a trend of overall appreciation against the euro in the first few months of the period, when it reached 9.2778 (16 March). Between the second half of March and the end of the reporting period the currency steadily lost ground against the euro and, except for two upswings in the first half of April and the second half of May, it dropped to reach 10.3468 on 18 June. At the end of the period it stood at 10.1653, above the average for the period of 9.838874.

Finally, the **Russian rouble** initially depreciated, bottoming at 79.925 (30 January) and then steadily appreciated to reach 53.4111 on 16 April. Towards the end of the reporting period the currency fluctuated sideways, except for a drop in the second half of May, but remained below the six monthly average of 64.602375. At the end of the period it stood at 62.355.

Group Activities and Reference Market

Brembo is the world leader and acknowledged innovator of the brake disc technology for automotive vehicles. It currently operates in 15 countries on 3 continents, through its production and business sites, and employs over 7,700 people worldwide. Manufacturing plants are located in Italy, Poland (Czestochowa, Dabrowa Górnicza and Niepolomice), the United Kingdom (Coventry), the Czech Republic (Ostrava-Hrabová), Germany (Meitingen), Mexico (Apodaca), Brazil (Betim and Santo Antônio de Posse), Argentina (Buenos Aires), China (Nanjing), India (Pune) and the United States (Homer). Other companies located in Spain (Zaragoza), Sweden (Göteborg), Germany (Leinfelden-Echterdingen), China (Qingdao), Japan (Tokyo) and Russia (Moscow) carry out distribution and sales activities.

Brembo’s reference market is represented by the most important manufacturers of cars, motorbikes, commercial vehicles and racing cars and motorbikes. Constant focus on innovation, as well as technological and process development, factors that have always been fundamental to Brembo’s philosophy, have earned the Group a strong international leadership position in the research, design and production of high-performance braking systems for a wide range of road and racing vehicles. Brembo operates in both the original equipment market and the aftermarket. Brembo’s range of products for the car application and the commercial vehicle application includes brake discs, brake calipers, the side-wheel module and increasingly often the complete braking system, including integrated engineering services. All of these back the development of new models produced by vehicle manufacturers. Manufacturers of motorbikes are also offered brake discs, brake calipers, brake master cylinders, light-alloy wheels and complete braking systems. In the aftermarket, Brembo offers in particular brake discs, in addition to pads, drums, brake shoes, drum-brake kits and hydraulic components: a vast and safe range of products allows the company to meet the needs of nearly all European vehicles.

In the first half of 2015, Brembo’s consolidated net sales amounted to €1,038,902 thousand, up by 15.2% compared to the same period of 2014 (€901,697 thousand).

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

Cars

During the first half of 2015, the global light vehicles market showed a 1.1% increase in sales, due primarily to the Chinese and American markets and the Western European countries.

The latter market (EU15+EFTA) continued to show signs of recovery and closed the first six months of 2015 with a 6.8% increase in registrations compared to the same period of 2014. All the main markets contributed to the sales increase: Germany +3.6%, the United Kingdom +5.7%, France +3.8%, Italy +15.2%, Spain +21.7%. The trend was also positive in Eastern Europe (EU12), with an increase in car registrations of 6.2%.

In Russia, registrations of light vehicles continued to show the downtrend that started in 2013, closing the first half of 2015 with a 37.7% decrease in sales compared to the same period of the previous year, which also confirms the serious economic crisis currently experienced by this country.

In the United States, the first six months of 2015 showed positive results. Sales of light vehicles increased overall by 4.5% compared to the same period of 2014. By contrast, the downtrend that began last year for Brazil and Argentina continued, with the two markets showing an overall decrease in sales by 20.2% for the reporting period.

With reference to Asian markets, China witnessed a positive trend, with a +3.8% increase in sales of light vehicles compared to the first half of 2014, once again confirming its position as the world's top market. By contrast, the Japanese market showed a negative trend with a 7.8% sales decrease for the six-month period, partly due to the 50% rise in sale taxes for the segment of minicars, which was introduced in April.

Within this scenario, Brembo reported €748,504 thousand in net sales of car applications in the first half of 2015, accounting for 72.1% of the Group's turnover, up by 18.4% compared to the same period of 2014 (€632,083 thousand).

Motorbikes

In Europe, motorbike registrations grew by 4.7% in the first half of 2015 compared to the same period of 2014. Sales increased in Spain (+18.2%), United Kingdom (+13.6%), Germany (+2.2%), Italy (+2.9%), whereas they decreased in France (-3.4%). In Europe, motorbikes with displacements over 500cc, which are Brembo's target market, overperformed the market growing by 5%. In terms of segments, naked motorbikes recorded particularly strong performances (+16.6%), and the downtrend shown over the past few years by hypersports bikes stopped as this segment showed a progress compared to the first half of the previous year (+12.3%).

In the United States, registrations of motorbikes, scooters and ATVs (all-terrain vehicles, four-wheel vehicles for recreation and business) showed growth of 5.8% in 2014. ATVs increased by 0.9%, whereas motorbikes and scooters together rose by 8.2% despite the decrease of scooters alone by 2.2%.

The Japanese market, considering displacements over 50cc collectively, shrank by 12.8%, with a higher decline for displacements between 125cc and 250cc (-20.9%) and over 250cc (-15.9%).

The Indian market (motorbikes + scooters) remained overall flat in the first half of 2015, with a 12% growth in scooter registrations and a 5% decline in motorbike registrations. Considering only vehicles with displacements over 125cc, registrations grew by 4.6%.

The Brazilian market showed a 11.9% decrease in registrations in the first six months of 2015.

Brembo's net sales of motorbike applications in the first half of 2015 amounted to €105,784 thousand, increasing by 11.2% compared to €95,131 thousand for the same period of 2014.

Commercial and Industrial Vehicles

In the first six months of 2015, the global European commercial vehicles market (EU28+EFTA), Brembo's reference market, showed a 11.2% increase in registrations compared to the same period of 2014.

In detail, sales of light commercial vehicles (up to 3.5 tonnes) rose by 11.4% overall compared to the same period of 2014. Amongst the first five European markets in terms of sales volume, only the French market decreased slightly (-1.5%), whereas all the other countries showed an increase: +6.1% in Germany, +20.7% in the UK, and as high as +33.5% in Spain. In Italy, registrations for the first six months of the year increased by over 7% compared to the same period of the previous year. In Eastern European countries this segment grew by 15.1% compared to the same period of 2014.

Similarly, the segment of medium and heavy commercial vehicles (over 3.5 tonnes) improved in Europe in the first half of 2015, closing at +11.9% compared to the same period of the previous year. The German market continued to decline, showing the highest volume decline as registrations decreased by 2.9%. The other main Western European countries showed a positive performance: +34% in Spain, +44.5% in the UK, +10.7% in Italy. Sales of commercial vehicles with displacements over 3.5 tonnes increased significantly also in Eastern European countries: +19.6% compared to the same period of the previous year.

In the first half of 2015, Brembo’s net sales of applications in this segment amounted to €103,180 thousand, up 4.0% compared to €99,239 thousand for the same period of 2014.

Racing

In the racing sector, where Brembo has maintained undisputed supremacy for years, the Group operates through three 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 racing motorbikes.

In the first half of 2015, Brembo reported a 8.4% increase in net sales, which amounted to €78,205 thousand compared to €72,154 thousand for the same period of 2014.

SALES BREAKDOWN BY GEOGRAPHICAL AREA AND APPLICATION

Net sales breakdown by geographical area and application

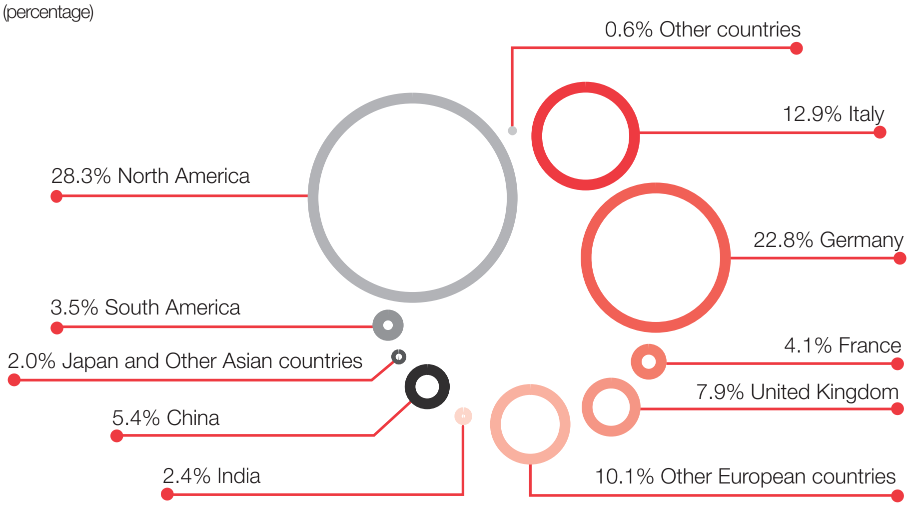
GEOGRAPHICAL AREA

(euro thousand)	30.06.2015	%	30.06.2014	%	Change	%
Italy	134,443	12.9%	129,975	14.4%	4,468	3.4%
Germany	237,162	22.8%	218,029	24.2%	19,133	8.8%
France	42,357	4.1%	44,718	5.0%	(2,361)	-5.3%
United Kingdom	81,699	7.9%	72,530	8.0%	9,169	12.6%
Other European countries	105,005	10.1%	96,134	10.7%	8,871	9.2%
India	24,591	2.4%	19,191	2.1%	5,400	28.1%
China	56,527	5.4%	42,098	4.7%	14,429	34.3%
Japan	15,343	1.5%	10,195	1.1%	5,148	50.5%
Other Asian countries	4,689	0.5%	4,519	0.5%	170	3.8%
South America (Argentina and Brazil)	36,571	3.5%	39,404	4.4%	(2,833)	-7.2%
North America (USA, Mexico and Canada)	294,361	28.3%	219,243	24.3%	75,118	34.3%
Other countries	6,154	0.6%	5,661	0.6%	493	8.7%
Total	**1,038,902**	**100.0%**	**901,697**	**100.0%**	**137,205**	**15.2%**

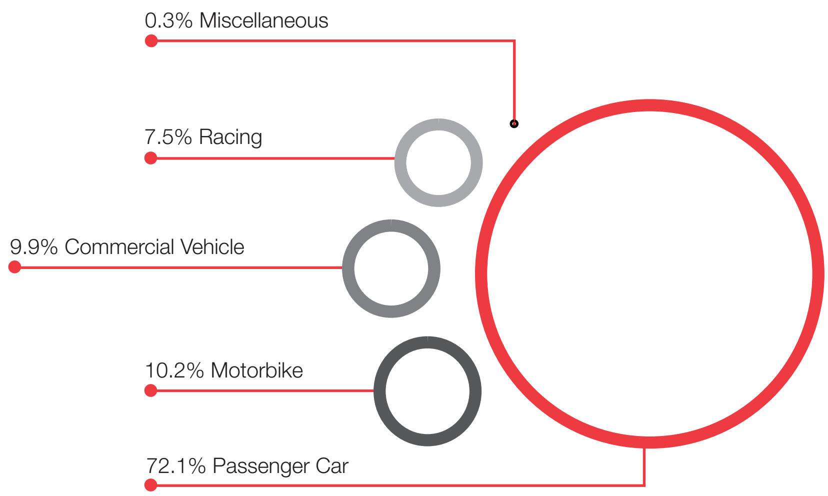
APPLICATION

(euro thousand)	30.06.2015	%	30.06.2014	%	Change	%
Passenger Car	748,504	72.1%	632,083	70.1%	116,421	18.4%
Motorbike	105,784	10.2%	95,131	10.6%	10,653	11.2%
Commercial Vehicle	103,180	9.9%	99,239	11.0%	3,941	4.0%
Racing	78,205	7.5%	72,154	8.0%	6,051	8.4%
Miscellaneous	3,229	0.3%	3,090	0.3%	139	4.5%
Total	**1,038,902**	**100.0%**	**901,697**	**100.0%**	**137,205**	**15.2%**

NET SALES BREAKDOWN BY GEOGRAPHICAL AREA
(percentage)



NET SALES BREAKDOWN BY APPLICATION
(percentage)



BREMBO'S CONSOLIDATED RESULTS

Consolidated Statement of Income

(euro thousand)	30.06.2015	30.06.2014 restated	Change	%
Sales of goods and services	**1,038,902**	**901,697**	**137,205**	***15.2%***
Cost of sales, operating costs and other net charges/income*	(686,302)	(596,189)	(90,113)	*15.1%*
Non-financial interest income (expense) from investments	3,887	2,621	1,266	*48.3%*
Personnel expenses	(181,536)	(166,011)	(15,525)	*9.4%*
GROSS OPERATING INCOME	**174,951**	**142,118**	**32,833**	***23.1%***
% on sales of goods and services	*16.8%*	*15.8%*		
Depreciation, amortisation and impairment losses	(53,640)	(48,623)	(5,017)	*10.3%*
NET OPERATING INCOME	**121,311**	**93,495**	**27,816**	***29.8%***
% on sales of goods and services	*11.7%*	*10.4%*		
Net interest income (expense) from investments	(3,467)	(6,513)	3,046	*-46.8%*
RESULT BEFORE TAXES	**117,844**	**86,982**	**30,862**	***35.5%***
% on sales of goods and services	*11.3%*	*9.6%*		
Taxes	(27,322)	(23,087)	(4,235)	*18.3%*
RESULT BEFORE MINORITY INTERESTS	**90,522**	**63,895**	**26,627**	***41.7%***
% on sales of goods and services	*8.7%*	*7.1%*		
Minority interests	(1,553)	109	(1,662)	*-1524.8%*
NET RESULT	**88,969**	**64,004**	**24,965**	***39.0%***
% on sales of goods and services	*8.6%*	*7.1%*		
Basic and diluted earnings per share (euro)	**1.37**	**0.98**		

*The item is obtained by adding the following items of the Consolidated Statement of Income: "Other revenues and income", "Costs for capitalised internal works", "Raw materials, consumables and goods" and "Other operating costs".

In the first half of 2015, the performance of sales was highly positive, confirming the trend of constant increase in Group's turnover. **Net sales** at 30 June 2015 amounted to €1,038,902 thousand, up by 15.2% compared to the same period of 2014.

All applications contributed to revenue growth. Car applications contributed most, closing the reporting period with a 18.4% increase compared to the same period of 2014, but significant increases were recorded also in motorbike applications (+11.2%), racing applications (+8.4%), and applications for commercial vehicles (+4.0%).

At geographical level, almost all the areas in which the Group operates reported growth. In Europe, Germany — Brembo's second reference market with 22.8% of sales — showed an increase by 8.8% compared to the first half of 2014; a good sales performance was also recorded in the U.K. market (+12.6%), whereas in Italy there was a more modest growth (+3.4%) and France showed a decrease (-5.3%). North America (USA, Canada and Mexico), Brembo's top market at 28.3% of sales, rose significantly by 34.3%, whereas South America showed a 7.2% decrease. In the Far East, a good performance was recorded in China (+34.3%) and Japan (+50.5%). Also India showed a strong performance (+28.1%).

The **cost of sales and other net operating costs** amounted to €686,302 thousand in the first half of 2015, with a ratio of 66.1% to sales, in line with the first half of 2014. Within this item, development costs capitalised as intangible assets amounted to €6,114 thousand compared to €5,682 thousand in the first half of 2014.

Non-financial interest income (expense) from investments amounted to €3,887 thousand, attributable for €3,337 thousand (€2,621 thousand for the first half of 2014) to the effects of valuing the investment in the BSCCB Group (whose operations are included in the Group's operating activities) using the equity method, for €3,122 thousand to the gain from the disposal of Belt & Buckle S.r.o. to third parties and €2,572 thousand to the loss from the disposal of Sabelt S.p.A. to minority shareholders.

Personnel expenses amounted to €181,536 thousand, with a ratio to revenues of 17.5%, decreasing compared to that of the first half of the previous year (18.4%). At 30 June 2015, the workforce numbered 7,766 (7,690 at 31 December 2014 and 7,672 at 30 June 2014).

Gross operating income for the first half of the year was €174,951 thousand compared to €142,118 thousand in the first half of 2014, with a ratio to sales of 16.8% (15.8% in 2014)

Net operating income amounted to €121,311 thousand (11.7% of sales), compared to €93,495 thousand (10.4% of sales) for the first half of 2014, after depreciation, amortisation and impairment losses of €53,640 thousand, compared to €48,623 thousand in the same period of 2014.

Net interest expense amounted to €3,472 thousand (€6,488 thousand in the first half 2014) and consisted of net exchange rate gains of €3,464 thousand (losses of €673 thousand in the first half of 2014) and interest expense of €6,936 thousand (€5,815 thousand for the first half of 2014).

Net interest income from investments, which amounted to €5 thousand (net interest expense of €25 thousand in the first half of 2014) were attributable to the effects of valuing investments in associate companies using the equity method.

Result before taxes was €117,844 thousand, compared to €86,982 thousand in the first half of 2014. Based on the tax rates applicable for the year under current tax regulations, estimated taxes amounted to €27,322 thousand, with a tax rate of 23.2% compared to 26.5% for the same period of the previous year.

Group net result was €88,969 thousand in the reporting period, up 39.0% compared to €64,004 thousand in the first half of 2014.

Consolidated Statement of Financial Position

(euro thousand)	30.06.2015	31.12.2014	Change
Property, plant and equipment	559,180	539,977	19,203
Intangible assets	99,050	99,158	(108)
Net financial assets	26,254	29,356	(3,102)
Other receivables and non-current liabilities	65,049	47,332	17,717
(a) Fixed capital	*749,533*	*715,823*	*33,710*
			4.7%
Inventories	256,685	230,655	26,030
Trade receivables	350,871	286,893	63,978
Other receivables and current assets	31,724	38,559	(6,835)
Current liabilities	(475,916)	(407,572)	(68,344)
Provisions / deferred taxes	(32,928)	(24,848)	(8,080)
(b) Net working capital	*130,436*	*123,687*	*6,749*
			5.5%
(c) NET INVESTED CAPITAL (a)+(b)	**879,969**	**839,510**	**40,459**
			4.8%
(d) Equity	*596,609*	*536,330*	*60,279*
(e) Employees' leaving entitlement and other personnel provisions	*33,576*	*32,793*	*783*
Medium/long-term financial debt	234,630	277,277	(42,647)
Short-term net financial debt	15,154	(6,890)	22,044
(f) Net financial debt	*249,784*	*270,387*	*(20,603)*
			(7.6%)
(g) COVERAGE (d)+(e)+(f)	**879,969**	**839,510**	**40,459**
			4.8%

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

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

Net invested capital at the end of the period amounted to €879,969 thousand, with an increase of €40,459 thousand compared to €839,510 thousand at 31 December 2014. Net financial debt at 30 June 2015 was €249,784 thousand compared to €270,387 thousand at 31 December 2014.

Net financial debt decreased by €20,603 thousand during the reporting period, mainly due to the following factors:

- the gross operating income of €174,951 thousand had a positive effect, with a €44,026 thousand decrease in working capital;
- net investments in property, plant, equipment and intangible assets totalled €63,398 thousand;
- the Parent Company paid the approved dividend in May, in the amount of €39,022 thousand;
- taxes paid amounted to €34,197 thousand.

The Explanatory Notes to the condensed Consolidated Six Monthly Report provide detailed information about the financial position and relevant assets and liabilities items.

Statement of Cash Flows

(euro thousand)	30.06.2015	30.06.2014
Net financial position at beginning of period (*)	**(270,387)**	**(320,489)**
Net operating income	**121,311**	**93,495**
Depreciation, amortisation and impairment losses	53,640	48,623
Gross operating income	**174,951**	**142,118**
Investments in property, plant and equipment	(54,309)	(52,038)
Investments in intangible assets	(9,742)	(9,030)
Investments in financial assets	20	0
Disposal of subsidiaries, net of net financial position	12,196	0
Disposals	653	627
Net investments	**(51,182)**	**(60,441)**
Change in inventories	(39,817)	(32,226)
Change in trade receivables	(77,484)	(52,591)
Change in trade payables	57,215	36,946
Change in other liabilities	2,158	7,156
Change in receivables from others and other assets	7,124	1,214
Translation reserve not allocated to specific items	6,778	2,452
Change in working capital	**(44,026)**	**(37,049)**
Change in provisions for employee benefits and other provisions	16,178	6,533
Operating cash flows	**95,921**	**51,161**
Interest income and expense	(3,073)	(5,981)
Current taxes paid	(34,197)	(14,998)
Capital contributions to consolidated companies by minority shareholders	0	376
Financial income (charges) net of dividends received	3,113	(2,621)
Dividends paid	(39,022)	(32,519)
Net cash flows	**22,742**	**(4,582)**
Effect of translation differences on net financial position	(2,139)	(287)
Net financial position at end of period (*)	**(249,784)**	**(325,358)**

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

GROUP'S STRUCTURE

BREMBO S.P.A.

- 100% **AP RACING LTD.** Coventry UK
- 100% **BREMBO CZECH S.R.O.** Ostrava-Hrabová Czech Republic
- 100% **BREMBO DEUTSCHLAND GMBH** Leinfelden-Echterdingen - Germany
- 100% **BREMBO POLAND SPOLKA ZO.O.** Dabrowa Gornicza - Poland
- 100% **BREMBO SCANDINAVIA A.B.** Göteborg Sweden
- 100% **BREMBO RUSSIA LLC.** Moscow Russia
- 100% **LA.CAM (LAVORAZIONI CAMUNE) S.R.L.** Stezzano - Italy
- 68% **CORPORACION UPWARDS 98 S.A.** Zaragoza - Spain
- 50% **BREMBO SGL CARBON CERAMIC BRAKES S.P.A.** Stezzano - Italy
  - 100% **BREMBO SGL CARBON CERAMIC BRAKES GMBH** Meitingen - Germany
- 30% **INNOVA TECNOLOGIE S.R.L.** Almenno San Bartolomeo Italy
- 20% **PETROCERAMICS S.P.A.** Milan Italy
- 10% **INTERNATIONAL SPORT AUTOMOBILE S.A.R.L.** Levallois Perret - France
- 2.92% **E-NOVIA S.R.L.** Milan Italy
- 100% **BREMBO JAPAN CO. LTD.** Tokyo Japan
- 100% **BREMBO NANJING FOUNDRY CO. LTD.** Nanjing - China
- 100% **QINGDAO BREMBO TRADING CO. LTD.** Qingdao - China
- 100% **BREMBO BEIJING BRAKE SYSTEMS CO. LTD.** Beijing - China
- 100% **BREMBO NANJING BRAKE SYSTEMS CO. LTD.** Nanjing - China
- 99.99% **BREMBO BRAKE INDIA PVT. LTD.** Pune - India
- 1.20% **FUJI CO.** Tokyo Japan
- 100% **BREMBO NORTH AMERICA INC.** Wilmington, Delaware - USA
  - 51% **BREMBO MEXICO S.A. DE C.V.**
- 49% **BREMBO MEXICO S.A. DE C.V.** Apodaca - Mexico
- 99.99% **BREMBO DO BRASIL LTDA.** Betim Brazil
  - 1.72% **BREMBO ARGENTINA S.A.**
- 98.28% **BREMBO ARGENTINA S.A.** Buenos Aires - Argentina

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

PERFORMANCE OF BREMBO COMPANIES

The following figures were taken from the accounting situations and/or draft financial statements prepared by the companies in accordance with IAS/IFRS and approved by the respective Boards of Directors.

BREMBO S.P.A.
CURNO (ITALY)

Activities: analysis, design, development, application, production, assembly and sale of braking systems, light alloy castings for various sectors, including the car and motorbike industries.

The first half of 2015 closed with sales of goods and services of €397,553 thousand compared to €368,529 thousand in the first half of 2014. The item "Other revenues and income" amounted to €15,651 thousand compared to €13,444 thousand for the same period of 2014, whereas capitalised development costs totalled €5,504 thousand for the first half of 2015, increasing compared to the same period of the previous year.

Gross operating income amounted to €57,558 thousand (14.5% of sales) compared to €49,798 thousand (13.5% of sales) in the first half of 2014, whereas net operating income, after depreciation, amortisation and impairment losses of property, plant, equipment and intangible assets amounting to €17,414 thousand, closed at €40,144 thousand compared to €30,451 thousand for the same period of the previous year.

Net interest expense from financing activities amounted to €1,640 thousand compared to €3,247 thousand in the first half of 2014. In addition, a provision for current taxes and deferred tax assets and liabilities was made in the amount of €12,733 thousand.

In the reporting period, net income amounted to €61,289 thousand, compared to €41,938 thousand for the first half of 2014.

The workforce numbered 2,955 at 30 June 2015, decreasing by 14 compared to 2,969 at the end of the first half of 2014.

Companies Consolidated on a Line-by-Line Basis

AP RACING LTD.
COVENTRY (UNITED KINGDOM)

Activities: production and sale of braking systems and clutches for road and racing vehicles.

AP Racing is the market leader in the production of brakes and clutches for racing cars and motorbikes.

The company designs, assembles and sells cutting-edge, high-tech products throughout the world for the main F1, GT, Touring and Rally teams. It also produces and sells original equipment brakes and clutches for prestige car manufacturers.

Net sales in the first half of 2015 amounted to GBP 20,839 thousand (€28,455 thousand), compared to GBP 19,606 thousand (€23,870 thousand) in the first half of 2014.

In the reporting period, net income amounted to GBP 2,665 thousand (€3,639 thousand) compared to GBP 2,720 thousand (€3,312 thousand) for the same period of 2014.

The workforce numbered 124 at 30 June 2015, six less than at the end of June 2014.

BREMBO ARGENTINA S.A.

BUENOS AIRES (ARGENTINA)

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

In 2011, Brembo S.p.A. acquired a 75% stake in the company based in Buenos Aires. Under the agreement, Brembo exercised an option right on the remaining 25% in 2013; therefore, the company is currently fully owned by the Brembo Group.

Net sales for the period amounted to ARS 98,746 thousand (€10,036 thousand), with a net loss of ARS 12,494 thousand (€1,270 thousand); in the first half of 2014, net sales totalled ARS 98,145 thousand (€9,138 thousand) and net loss was ARS 8,750 thousand (€815 thousand).

The workforce numbered 126 at 30 June 2015, four more than at 30 June 2014.

BREMBO BEIJING BRAKE SYSTEMS CO. LTD.

BEIJING (CHINA)

Activities: promotion and development of the Chinese market.

Fully owned by Brembo S.p.A., the company sold its 31.12% stake in Brembo Nanjing Brake Systems Co. Ltd. to its Parent Company in 2014. It subsequently changed its company name from Brembo China Brake Systems Co. Ltd. to the current Brembo Beijing Brake Systems Co. Ltd. The company only deals with promotion and development initiatives on the Chinese market.

At 30 June 2015, it did not record any sales. The net loss at 30 June 2015 was CNY 177 thousand (€26 thousand), compared to a net income of CNY 27,951 thousand (€3,307 thousand) for the first half of 2014 attributable to the gain from the sale of the stake in BNBS Co. Ltd. to Brembo S.p.A.

At 30 June 2015, the company had no employees.

BREMBO BRAKE INDIA PVT. LTD.

PUNE (INDIA)

Activities: production and sale of braking systems for motorbikes.

The company is based in Pune, India, and was originally set up in 2006 as a joint venture held in equal stakes by Brembo S.p.A. and the Indian company Bosch Chassis Systems India Ltd. Since 2008, the company has been wholly owned by Brembo S.p.A.

In the first half of 2015, net sales totalled INR 1,818,718 thousand (€25,936 thousand), with a net income of INR 131,462 thousand (€1,875 thousand). Net sales for the same period of 2014 were INR 1,735,022 thousand (€20,830 thousand), with a net income of INR 150,720 thousand (€1,810 thousand).

The workforce numbered 233 at 30 June 2015, compared to 219 at the end of the first half of 2014.

BREMBO CZECH S.R.O.

OSTRAVA-HRABOVÁ (CZECH REPUBLIC)

Activities: casting, production and sale of braking systems for cars.

The company was formed in 2009 and started its production activity in 2011. It carries out the casting, processing and assembly of brake calipers and other aluminium components.

In the first half of 2015, net sales amounted to CZK 3,100,939 thousand (€112,744 thousand) compared to CZK 2,468,401 thousand (€89,945 thousand) in the first half of 2014. Net income for the reporting period was CZK 185,187 thousand (€6,733 thousand) compared to a net income of CZK 77,430 thousand (€2,821 thousand) for the first half of 2014.

The workforce numbered 750 at 30 June 2015, increasing by 164 compared tot the end of 2014.

BREMBO DEUTSCHLAND GMBH

LEINFELDEN-ECHTERDINGEN (GERMANY)

Activities: purchase and resale of vehicles, technical and sales services.

The company, which is 100% owned by Brembo S.p.A., was formed in 2007. It specialises in buying cars for tests and encouraging and simplifying communication between Brembo and its German customers in the various phases of planning, purchase, development and project management.

At 30 June 2015, net sales amounted to €101 thousand (€99 thousand for the first half of 2014), with a net income of €16 thousand, compared to €15 thousand in the first half of 2014.

The company has no employees and uses outside consultants only.

BREMBO DO BRASIL LTDA.

BETIM (BRAZIL)

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

The company is headquartered in Betim, Minas Gerais, and promotes the presence of Brembo in the South American OEM for car brake discs. The company also produces flywheels for the car industry in the Santo Antônio de Posse plant.

Net sales for the first half of 2015 amounted to BRL 85,744 thousand (€25,923 thousand) and net loss to BRL 26,091 thousand (€7,888 thousand). In the same period of 2014, net sales amounted to BRL 91,876 thousand (€29,172 thousand), with a net loss of BRL 10,260 thousand (€3,258 thousand).

The workforce numbered 402 at 30 June 2015, compared to 472 at the same date of the previous year.

BREMBO JAPAN CO. LTD.

TOKYO (JAPAN)

Activities: sale of braking systems for the racing sector and original equipment for cars.

Brembo Japan Co. Ltd. is Brembo's commercial company that handles the Japanese racing market. Through the Tokyo office, it also provides primary technical support to the OEM customers in the area. It also renders services to the other Brembo Group companies operating in Japan.

Net sales for the first half of 2015 amounted to JPY 313,196 thousand (€2,334 thousand), up compared to JPY 307,206 thousand (€2,188 thousand) for the first half of 2014. Net income for the reporting period was JPY 31,383 thousand (€234 thousand), compared to JPY 30,247 thousand (€215 thousand) for the first half of 2014.

The workforce numbered 16 at 30 June 2015, down compared to 18 for the first half of 2014.

BREMBO MEXICO S.A. DE C.V.

APODACA (MEXICO)

Activities: production and sale of car brake discs for original equipment and the aftermarket and braking systems for cars and commercial vehicles.

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

In the first half of 2015, net sales amounted to USD 47,312 thousand (€42,400 thousand), with a net income for the period totalling USD 2,593 thousand (€2,324 thousand). In the first half of 2014, net sales amounted to USD 50,034 thousand (€36,509 thousand), with a net income for the period totalling USD 4,241 thousand (€3,095 thousand).

The workforce numbered 291 at 30 June 2015, increasing compared to 246 for the same period of the previous year.

BREMBO NANJING BRAKE SYSTEMS CO. LTD.

NANJING (CHINA)

Activities: development, production and sale of car brake discs for original equipment and braking systems for cars and commercial vehicles.

The company, a joint venture between Brembo S.p.A. and the Chinese group Nanjing Automobile Corp., was formed in 2001. Brembo Group acquired control over the company in 2008. In 2013, Brembo Group acquired full control from the Chinese partner Donghua Automotive Industrial Co. Ltd.

At 30 June 2015, net sales amounted to CNY 358,664 thousand (€51,673 thousand) and net loss was CNY 2,022 thousand (€291 thousand); in the first half of 2014 net sales amounted to CNY 299,612 thousand (€35,450 thousand) and net loss was CNY 16,503 thousand (€1,953 thousand).

The workforce numbered 294 at 30 June 2015, increasing by 76 compared to the end of the first half of 2014.

BREMBO NANJING FOUNDRY CO. LTD.

NANJING (CHINA)

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

The company, set up in 2009 and 100% held by Brembo S.p.A., acquired the foundry activities in 2010 from the Chinese company Donghua to develop together with the company Brembo Nanjing Brake Systems Co. Ltd. an integrated industrial hub, including foundry and manufacture of brake calipers and discs for the car and commercial vehicle markets.

Net sales amounted to CNY 184,117 thousand (€26,526 thousand) at 30 June 2015, with a net income of CNY 16,152 thousand (€2,327 thousand), compared to net sales of CNY 171,783 thousand (€20,325 thousand) and a net income of CNY 14,469 thousand (€1,712 thousand) for the first half of 2014.

The workforce numbered 200 at 30 June 2015, increasing by 26 compared to the end of June 2014.

BREMBO NORTH AMERICA INC.

WILMINGTON, DELAWARE (USA)

Activities: development, production and sale of brake discs for car original equipment and the aftermarket, and braking systems for cars, motorbikes and the racing sector.

Brembo North America Inc. is based in Homer, Michigan. It produces and sells OEM and aftermarket brake discs, as well as high-performance car braking systems. In 2010, a Research and Development Centre was opened at the facility in Plymouth (Michigan) to develop and market new solutions in terms of materials and designs for the U.S. market, backed by Brembo S.p.A. and local technical staff.

Net sales for the first half of 2015 amounted to

USD 230,984 thousand (€207,004 thousand); in the same period of the previous year, net sales amounted to USD 206,944 thousand (€151,002 thousand). Net income was USD 14,952 thousand at 30 June 2015 (€13,400 thousand), compared to net income of USD 7,983 thousand (€5,825 thousand) in the first half of 2014.

The workforce numbered 531 at period-end, increasing by 31 compared to the end of the first half of 2014.

BREMBO POLAND SPOLKA ZO.O.

DABROWA GÓRNICZA (POLAND)

Activities: development, casting, production and sale of brake discs and braking systems for cars and commercial vehicles.

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 transaction was aimed at corporate streamlining, better organisational flexibility and rationalisation of structural costs.
The company produces OEM braking systems for cars and commercial vehicles in the Czestochowa plant; in the Dabrowa-Górnicza plant, it has a foundry for the production of cast-iron discs destined for use in its own production plant or by other Group companies. The Niepolomice plant processes steel disc hats to be assembled onto the light discs manufactured at the Group's plants located in China, the United States, and in the Dabrowa-Górnicza plant as well.

In the first half of 2015, net sales amounted to PLN 757,391 thousand (€182,959 thousand), compared to PLN 725,053 thousand (€173,643 thousand) for the first half of 2014. At 30 June 2015, net income was PLN 149,061 thousand (€36,008 thousand), compared to PLN 128,655 thousand (€30,812 thousand) for the same period of the previous year.

The workforce numbered 1,554 at period-end, decreasing compared to 1,561 at the end of the first half of 2014.

The figures at 30 June 2014 combined the results of Brembo Poland Spolka Zo.o. and Brembo Spolka Zo.o.

BREMBO RUSSIA LLC.

MOSCOW (RUSSIA)

Activities: promotion of the sale of car brake discs.

Founded in July 2014, the Moscow-based company is wholly owned by Brembo S.p.A. It promotes the sale of car brake discs for the aftermarket.

Net sales for the first half of 2015 amounted to RUB 12,862 thousand (€199 thousand) and net income was RUB 4,701 thousand (€73 thousand).

The workforce numbered 2 at 30 June 2015.

BREMBO SCANDINAVIA A.B.

GÖTEBORG (SWEDEN)

Activities: promotion of the sale of car brake discs.

The company promotes the sale of brake discs for the car sector, destined exclusively for the aftermarket.

Net sales for the period amounted to SEK 3,504 thousand (€375 thousand), with a net income of SEK 686 thousand (€73 thousand), compared to net sales of SEK 4,053 thousand (€453 thousand) and net income of SEK 1,003 thousand (€112 thousand) for the first half of 2014.

The workforce numbered 1 at 30 June 2015, unchanged compared to the same date of the previous year.

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

Activities: sale of brake discs and drums for cars, distribution of the brake shoe kits and pads.

The company carries out sales activities only.

Net sales for the first half of 2015 amounted to €12,596 thousand, compared to €11,034 thousand for the first half of 2014. Net loss was €391 thousand, compared to a net income of €912 thousand for the first half of 2014.

The workforce numbered 65 at 30 June 2015, compared to 72 at the end of June 2014.

LA.CAM (LAVORAZIONI CAMUNE) S.R.L.
STEZZANO (ITALY)

Activities: precision mechanical processing, lathe work, mechanical component production and similar activities, on its own account or on behalf of third parties.

The company was incorporated by Brembo S.p.A. on 4 October 2010, and on 22 October of the same year it leased two companies from an important Brembo Group's supplier that was experiencing financial difficulties. The goal was to safeguard the continuity of supply, the expertise and technological assets obtained by these companies in their many years of collaboration with the Group. The lease transaction involved Immc S.n.c. and Iral S.r.l. These companies specialise in processing aluminium, steel and cast-iron pistons for brake calipers intended for use in the car, motorbike and industrial vehicle sectors, and in the production of other types of components, including small high-precision metallic parts and bridges for car brake calipers, as well as aluminium caliper supports for the motorbike sector, chiefly produced for the Brembo Group. In 2012 La.Cam. acquired the business units of both companies.

In the first half of 2015, net sales amounted to €18,141 thousand, almost all of which were to Brembo Group companies. Net income totalled €550 thousand. In the same period of the previous year, net sales were €17,241 thousand, with a net income of €259 thousand.

The workforce numbered 202 at 30 June 2015, compared to 205 at 30 June 2014.

QINGDAO BREMBO TRADING CO. LTD.
QINGDAO (CHINA)

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

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

In the first half of 2015, net sales amounted to CNY 55,053 thousand (€7,931 thousand), compared to CNY 74,958 thousand (€8,869 thousand) for the same period of the previous year. The company closed the first half of the year with a net income of CNY 1,328 thousand (€191 thousand), compared to a net income of CNY 2,661 thousand (€315 thousand) in the first half of 2014.

The workforce numbered 20 at 30 June 2015, four more than at the same date of 2014.

Companies Valued Using the Equity Method

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

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

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

At 30 June 2015, net sales amounted to €26,565 thousand, compared to €20,372 thousand for the same period of 2014. Net income for the period amounted to €3,453 thousand compared to €2,107 thousand for the first half of 2014.

The workforce numbered 120 at 30 June 2015, increasing by 8 at the same date of the previous year.

BREMBO SGL CARBON CERAMIC BRAKES GMBH
MEITINGEN (GERMANY)

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

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

Net sales for the first half of 2015 amounted to €44,550 thousand, compared to €38,911 thousand for the same period of the previous year. At 30 June 2015, net income amounted to €3,882 thousand, compared to €3,211 thousand for the same period of the previous year.

The workforce numbered 283 at 30 June 2015, increasing by 32 at the same date of the previous year.

PETROCERAMICS S.P.A.
MILAN (ITALY)

Activities: research and development of innovative technologies for the production of technical and advanced ceramic materials, geomaterial processing and rock mass characterisation.

Brembo S.p.A. acquired 20% of this company by subscribing a capital increase in 2006.

Net sales for the first half of 2015 totalled €814 thousand, compared to €870 thousand for the same period of the previous year. The company broke even for the first half of 2015, wherease in the first half of 2014 net income totalled €177 thousand.

RESEARCH AND DEVELOPMENT

All of Brembo's R&D activities can be related to a single "friction system" concept, which permeates the specific qualities of each Division and Business Unit. According to this concept, each component (calipers, discs, pads, suspensions) is complementary to the others in optimising the braking function (the "friction system" as an element that integrates all of the components), which is constantly improved in all respects, not merely in terms of pure performance, but also of comfort, duration, aesthetics, etc.

In many sectors, mechatronic products — an area to which Brembo may apply the expertise it has developed in its research activities since 2000 (electric parking brake and Brake By Wire system) — are becoming increasingly widespread.

The market is demanding increasingly tight new product development times. To meet these requirements, Brembo is committing significant resources to perfecting ever more sophisticated virtual simulation methodologies, alongside uniform development processes in Brembo's Technical Centres located in Italy, North America and China.

The following is an illustration of several activities in the various sectors.

New calculation and simulation methodologies continue to be developed for cast-iron discs, focused on identifying and optimising technical and process parameters.

The R&D departments (technical and foundry) have started the joint development of a simulation methodology which also includes process parameters that may influence the disc's vibratory capacities (own frequencies). In the future, this will allow Brembo to define with even greater accuracy, early in the design stage, the qualities that could improve the brake system's comfort characteristics.

A new technical solution also continued to be developed to significantly reduce problems related to vehicle comfort. This is expected to be finalised with an application development during 2015.

Work has also continued on improving the performance of cast-iron discs on heavy commercial vehicles. The study of new geometries has resulted in a significant reduction in mass and an improvement in the disc's cooling and ventilation capacity, with a consequent reduction in the braking system's operating temperatures. The new technical solutions have been patented and are in the application development stage with various customers.

Product and process improvement work is progressing for cast-iron discs for car applications. These will be subsequently introduced in normal application developments for the world's leading car manufacturers.

Particular attention is paid to reducing disc weight, which translates into a reduction in fuel consumption and the resultant environmental impact of the car (lower CO_2 emission), a factor that drives the automotive market and all of Brembo's development activities.

The new disc concept has to be seen in this light. Its production started in 2014 and is now extending to the entire range of the Mercedes MRA platform, which combines two different materials: cast iron for the braking ring and a thin steel plate for the disc hat resulting in a guaranteed weight reduction of up to 15%.

Moreover, the development continues of new “light” disc concepts, particularly through the study of forms, materials, technologies and surface treatments that could meet the requirements of new-generation vehicles (electric and hybrid), with particular attention to the environmental impact characteristics (CO_2 and particulate emission). Additional new solutions that may help to minimise wear are being developed by Brembo for cast-iron discs as well, also aimed at reducing particulates.

The development of innovative friction materials, complying with future legislative limits and designed for these types of disc, is also highly important. Brembo can be considered to be the only manufacturer with the in-house expertise for this type of development.

As far as motorbike ceramic carbon discs are concerned, the first benchmarking phase has been completed, and in the next few months the areas for improvement will be defined and the couplings with the friction materials evaluated.

The mid-range front cylinder project has almost completed the planning and layout testing phase on the reference vehicles, and has confirmed the possibilities for developing an innovative component, both in cost/technical content terms and from the design standpoint.

Tests on the new combined front disc and rear drum motorbike system (for which a patent has already been requested) have given positive outcomes; therefore, discussions have already commenced with customers and three applications activated, with the aim of starting production by 2016.

A combined disc/drum system configuration has also been defined for scooter applications, for which a patent application is currently being filed.

The motorbike dynamic calculation validation tests have concluded with positive results. The results are expected to be shared with all major customers in the second half of 2015.

Preparation of the Brake By Wire (BBW) demonstrators has instead been postponed to 2016, to allow time for safety evaluations and customer liaison regarding the risk/benefit ratio for motorbike BBW systems.

The acquisition of a new platform has opened up the possibility of developing the first ECS caliper for motorbikes: the main components will be taken from existing car EPB applications, whilst specific caliper bodies and supports will be designed for application.

The development phase of a new hydraulic clutch system for one of the major motorbike customers has ended positively: the introduction of the new Brembo component will coincide with the extension of the hydraulic clutch to 100% of the vehicles of the platforms involved.

Finally, evaluations have started on the possible technologies to be used for the future top-of-the-range motorbike caliper.

Within the racing applications field, the fine tuning of the new carbon material for F1 and GT applications has been completed and a material developed entirely by Brembo is being used on the track for the first time since 1999. This material has become a benchmark for performance in all the categories where use of carbon is permitted: F1, GT, IRL. The focus for 2015 is aimed at stabilising the production chain and improving the mechanical characteristics without reducing system performance.

Significantly, in the first half of 2015 a new disc drive concept, which has significantly improved the useful life of the disc, and new brake pads made entirely by Brembo were introduced on all cars with Brembo brakes.

This ran in parallel with the mechanical simulation phase for the composite disc for F1 applications and the commencement of initial studies on the thermoelastic behaviour of the disc and pad material. This is a new development frontier that is still highly embryonic, but has already revealed a number of specific phenomena of the carbon disc and pad system.

At system level, the new products developed and fine tuned in the latter part of 2014 continued to be used successfully by the various teams, particularly the new hydraulic systems that Brembo has proposed to meet customer brake-by-wire requirements, which are integrated with the new power units and with the energy recovery systems currently allowed by F1 regulations and Le Mans Prototype 1. In particular, work is continuing with three customers on developing Brake By Wire systems, with a view to further reducing their weight and improving performance.

In the motorbike field, in the GP motorbike class, and also as a result of specific development contracts, a team has exclusive use of a new brake caliper that contains two highly innovative concepts.

Development continues of a "instrumented wheel" system (front and rear) in collaboration with the Milan Polythechnic, and one of its spin offs. This is a system that allows engineers to obtain information on the torque and the force transmitted to the ground by the tyre. This has proved to be an excellent development tool for correlating telemetry measures, the driver's feel and the force actually transmitted.

In other projects with Milan Polytechnic, research is currently being conducted to improve the final performance of the rim-tyre system, through an analysis of the two components jointly rather than as two separate objects.

For the Aeronautic project, after the "APDOA" technical certification was obtained from EASA (European Aviation Safety Agency) in 2014, the early part of 2015 saw Brembo also starting the production certification process through ENAC, the Italian Civil Aviation Authority. Development of the design of the complete braking system (calipers, discs, wheels, parking brakes and pumps), officially assigned to Brembo in June 2014, is progressing according to the plan agreed with Agusta and passed the Preliminary Design Review (PDR) in early 2015.

Partnership contracts continued with several universities (including the above-mentioned Milan Polytechnic and the University of Padua) in pursuit of important goals in various areas of technical development: from electronic control systems to the development of new system concepts, simulations of carbon components, tests of aeronautic components and other subjects.

Brembo's market position continues to strengthen in the friction material sector as well. The growing number of car manufacturers choosing Brembo Friction for their premium cars is an implicit recognition of the high performance, great reliability and quality of Brembo's formulations.

New copper-free friction materials (as copper is now included on the list of pollutants) are being continually developed in this field, and are used in applications both in the European and American markets. The goal is to develop materials with an increasingly lower percentage of copper, without reducing their performance and quality. The same challenging goal has been pursued for the friction materials used with carbon-ceramic discs: thanks to the ongoing research and development work, Brembo Friction can now propose the application of copper-free hybrid materials combining the comfort of organic materials with the performances of ceramic materials.

Brembo's research is also engaged in identifying solutions for future market needs: motorbikes, heavy commercial vehicles and vehicles for special applications require discs with very high performances and, hence, increasingly intensive development of unconventional friction materials.

The goal of using the braking system to help reduce vehicle consumption and resultant CO_2 emissions and particulates is being pursued through the development of new solutions including, in particular: the use of methodologies to minimise caliper mass for the same performance, the improvement of caliper functionality by defining new characteristics for the pairing of seal and piston and optimisation of a new-concept pad sliding system.

The product and process improvement work is ongoing in the same way as the search for solutions to reduce mass, increase performance and improve styling. The first half of the year saw the conclusion of a study of a new type of caliper designed to win new market segments and the end of the concept approval stage. The application development is underway with a major European customer.

In addition, the Technical Development Centres continue to grow as planned in support of Brembo's expansion in China and the USA, in line with the acquisition of important businesses in these two markets.

Mechatronic products, namely various configurations of electric parking brakes, already approved in-house both for cars and commercial vehicles, are being promoted with Brembo's customers. In this area, Brembo has been selected by a major European customer to supply a caliper with integrated electric parking brake for commercial vehicles. Production is scheduled to start in 2018.

The ongoing evolution of simulation methodologies is focused on aspects linked to brake system comfort and caliper functionality. Brembo's current objective is to develop the simulation capacity for the latest brake system component not yet simulated: friction material. From this standpoint, the possibility of using the friction project, thus being able to produce in-house advanced friction materials, is one of the strenghts of Brembo which can position itself as a supplier of complete brake systems. On the other hand, the development of a methodology for simulating caliper functionality is aimed at establishing, during the design stage, the caliper characteristics that influence the car's pedal feel.

Advanced R&D activities focus on mechatronic systems for the brake systems of the future and on developing new structural materials. Through these activities, Brembo is preparing to face the next decade, when the strong drive towards vehicle electrification will result in a significant integration of the brake system with the rest of the vehicle and a constant search for weigth-reduction solutions.

The high level of integration will bring the brake system into dialogue with other vehicle systems, such as electric traction motors and new suspension/steering concepts.
Such integration will allow for increased active safety and the optimisation of functions, such as regenerative braking.

Within this context, Brembo is continuing to develop a Brake By Wire system with the aim of hastening the development of individual brake system components and holding on to its lead as a product innovator. This system concept will be able to be applied to all future vehicles: not only cars, but also commercial vehicles and motorbikes. Further system integration developments are currently being studied, in particular with electric drive trains and the associated next-generation architecture, as is an innovative vehicle wheel-side architecture with an electric drive motor and integrated, electronically controlled Brake By Wire systems.

At the same time, mass production applications are being identified for the first mechatronic systems developed by Brembo, such as, in particular, electric parking brakes (EPB) for which several projects were launched with integrated electronic control within the ABS control unit. In this case, Brembo is also developing the software part relating to the parking function, in addition to the calipers and discs.

The Advanced R&D projects focus not only on products but also on development methodologies. Therefore advanced simulation and testing methodologies are studied and implemented, so that design parameters can be defined effectively right from the initial planning stages.

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

In this context, the Rebrake project — funded by the European Union's Marie Curie programme and co-ordinated by Brembo, the Royal Institute of Technology of Stockholm (KTH) and the University of Trento — represents a significant step forward in understanding the phenomena behind tribology, i.e., the science which studies the behaviour and wear of friction materials, reducing it by 50%, with particular attention to PM10. The project, launched in March 2013, is set to last 48 months.

The logical continuation of the Rebrake project is represented by the LowBraSys project, which is also funded by the European Union as part of the Horizon 2020 programme. The project will start in the second half of 2015 and will last 36 months, involving a consortium of 10 partners with Brembo in the role of coordinator. The methodologies and products partly developed in the Rebrake project will be applied to certain vehicles in this programme, with the aim of proving their efficacy in terms of particulate emission reduction.

The COBRA project is also ongoing. This was launched in 2014 and funded under the "Life +" European programmes, in collaboration with the partners of Kilometro Rosso, Italcementi and Istituto Mario Negri, and with the consultancy firm PNO Italia. The aim of the project is to develop a technology having a low environmental impact (reduction in water and energy consumption in the life cycle of the pad component), replacing organic origin binders (phenol) with cement binders.

Finally, the early part of 2015 saw the funding of the "LiBra" project, which aims to develop brake pads that use composite material, rather than steel, plates (typically resin), with the ensuing advantage in terms of lightness.

INVESTMENTS

In the first half of 2015, Brembo's investment management policy continued to develop along the lines that have been followed for the past several years, aiming to strengthen the Group's presence both in Italy and, above all, internationally.
The most significant investments were concentrated in Italy (32%), North America (32%), Poland (10%) and the Czech Republic (9%).

Investments in Italy chiefly involved the purchase of production plants, machinery and equipment, in addition to €5,822 thousand for development costs.

As part of its strategy of consolidation and development at the global level, Brembo continued to invest in North America, its preferred industrial hub for expanding and internationalising the Group on the North American market. Several investment plans are currently being implemented in this area:

- a brake system production plant in Homer, Michigan, which, with a planned investment of €83 million in 2013-2015, will allow the Group to gain additional market shares, while also raising the level of service it provides to its major automotive clients in the North American market;
- a cast-iron foundry in Michigan, close to the new Homer facilites, which will allow Brembo to start a vertical integration process of its production capacity in the United States. Work will begin in the current year to be concluded in 2017. As a result all production phases will take place in a single site, thus guaranteeing a greater efficiency of the production process. The €74 million investment plan will be funded through the Group's cash generation and will benefit from the incentives provided by the State of Michigan;
- at the end of 2014, Brembo announced that the construction of an aluminium foundry and a caliper production plant had started near Monterey, Mexico. The investment will total €32 million in the three-year period 2015–2017 and the new site will have a production capacity of two million aluminium calipers per year, destined for the major European, Asian, and American OEM manufacturers in Mexico and the United States.

In Eastern Europe, investments aimed at increasing production capacity are still underway in the integrated industrial hubs in Dabrowa Górnicza (Poland) and Ostrava-Hrabová (Czech Republic), devoted respectively to the casting and processing of brake discs for cars and commercial vehicles, and the casting, processing and assembly of brake calipers and other alluminium components. A new investment plan was also launched simultaneously and is to be developed from 2014 to 2017, for a total expenditure of approximately €34 million, aimed at building and starting up a new plant in Niepolomice (Poland) specialising in the processing of steel disc hats to be assembled onto the light discs manufactured at the Group's plants located in Poland, China and the United States.

Group's total investments undertaken in the first half of 2015 at all operations amounted to €64,051 thousand, of which €54,309 thousand was invested in property, plant and equipment and €9,742 thousand in intangible assets.

RISK MANAGEMENT POLICY

Effective risk management is a key factor in maintaining the Group’s value over time.
In order to optimise this value, as early as in 2012 Brembo fully and formally adopted the principles laid down in Article 7 of the Corporate Governance Code amended in July 2014, updating the Internal Control System and integrating it with risk management, formerly a part of the corporate governance system. The structure and role of the main functions involved have been better defined and include:

- the Audit & Risk Committee, tasked with supporting the Board of Directors on internal control and risk management issues;
- the Executive Director with responsibility for the Internal Control and Risk Management System, tasked with identifying the main corporate risks by executing risk management guidelines and verifying their adequacy;
- the Managerial Risk Committe, responsible for identifying and weighing the macro-risks and working with the system stakeholders to mitigate them;
- the Risk Manager, tasked with ensuring, together with the management, that the main risks relating to Brembo and its subsidiaries are correctly identified, adequately measured, managed, monitored, and integrated within a corporate governance system consistent with the strategic objectives.

Risks are monitored at meetings held on at least a monthly basis, where results, opportunities and risks are analysed for each business unit and geographical region in which Brembo operates. The meetings also focus on determining the actions required to mitigate any risks.

Brembo’s general risk-management policies and the bodies charged with risk evaluation and monitoring are included in the Corporate Governance Manual, in the Organisation, Management and Control Model (as per Italian Legislative Decree No. 231/2001) and in the reference layout for preparing accounting documents (as per Article 154-*bis* of TUF, to which the reader is referred).

The Executive Director with responsibility for the Internal Control and Risk Management System fully enforces the risk management guidelines based on principles of prevention, cost effectiveness and ongoing improvement, as approved by the Board of Directors. In order to provide the organisation with the instruments for identifying and classifying the risk categories to which attention should be drawn, Brembo has developed a model which groups risk classes by type, based on the managerial level or corporate function from which they originate or that is responsible for monitoring and managing them.

The Internal Audit function evaluates the effectiveness and efficiency of the overall Internal Control and Risk Management System on a regular basis and reports the results to the Chairman, the Executive Deputy Chairman, the Chief Executive Officer, the Board of Statutory Auditors, the Audit & Risk Committee and the Supervisory Committee of Brembo S.p.A. with reference to specific risks connected with compliance with Legislative Decree No. 231/2001.

The first-tier family risks based on the new risk management policy are:

a. external risks;
b. strategic risks;
c. operating risks;
d. financial risks.

Brembo's top risks for each of the above-mentioned risk families are discussed below. The order in which they are discussed does not imply classification in terms of probability of occurrence or possible impact.

External risks

Country risk

Based on its international footprint, Brembo is exposed to the country risk, which is however mitigated by the adoption of a policy of business diversification by product and geographical area so that the risk can be balanced at Group level.

Strategic Risks

Innovation

Brembo is exposed to risks associated with the evolution of technology, in other words, the risk that competing products will be developed that are technically superior because they are built based on innovative technologies. In order to maintain its competitive edge, Brembo invests sizeable resources in R&D, conducting applied and basic research on both existing and newly applied technologies, such as mechatronics. For additional information, see the "Research and Development" section in the Report on Operations. Product and process innovations — those currently being used, as well as those that may be used for production in the future — are patented to protect the Group's technological leadership.

Market

Brembo targets the Luxury and Premium segments of the automotive sector and, in terms of geography, generates most of its sales from mature markets (Europe, North America and Japan). In order to mitigate the risk of segment/market saturation, the Group has long ago implemented a strategy aimed at diversifying into the geographical areas where the highest growth rates are reported and anticipated (China, India, and Brazil) and is broadening its product range, also by focusing on the mid-premium segment.

Investments

Investments in certain countries may be influenced by major modifications of the local regulatory framework, which could result in changes in the economic conditions existing at the time of the investment. For this reason, before investing in foreign countries, Brembo assesses the country risk carefully in the short, medium and long term. In general, M&A activities are accurately coordinated in all their aspects in order to mitigate any investment risks.

Operating Risks

The main operating risks inherent in the nature of the business are associated with the supply chain, the unavailability of production facilities, product marketing, international economic conditions, issues involving health, job safety and the environment and, to a lesser extent, the regulatory framework of the countries in which the Group operates.

Supply Chain

Supply chain risk manifests as the volatility of raw material prices and dependence on strategic suppliers, who could jeopardise the company's production process and ability to fill orders from clients in a timely manner by suddenly suspending supply arrangements. To mitigate this risk, the Purchasing Department identifies alternate suppliers to ensure the availability of critical materials (supplier risk management programme). The supplier selection process, including an assessment of suppliers' financial solidity — an aspect that has taken on growing importance in the current scenario — has been reinforced. By diversifying its sources, Brembo can also reduce its risk exposure to price increases (a risk that is however partially offset by reflecting price increases in sales prices).

Business Interruption

With reference to the risk of operational downtime at production facilities and continuity of operation, the company reinforced its risk mitigation process, through the planning of loss prevention engineering on the basis of U.S. NFPA (National Fire Protection Association) standards. The aim of this process was to eliminate risk factors in terms of probability of occurrence and to implement protective measures aimed at limiting the impact of this risk, thereby constantly enhancing the current operating continuity levels of the Group's production facilities.

Product Quality

Brembo considers the risk relating to the marketing of its products, in terms of their quality and safety, to be of fundamental importance. The Group has always been committed to mitigating this risk through robust quality controls. As part of this process, it has instituted a worldwide Supplier Quality Assurance function, specifically dedicated to quality control of components that do not meet Brembo's quality standards, in addition to constantly optimising its Failure Mode & Effect Analysis (FMEA).

Environment, Health and Safety

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

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

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

Brembo therefore implements the activities necessary to allow it to effectively monitor and manage these aspects while scrupulously complying with applicable laws.

Some examples of activities that are currently underway include the definition and yearly review of:

- "Management Plans" for Safety and the Environment that define the objectives to be achieved;
- "Supervisory Plans", which list the activities to be carried out under the laws governing the sector or regulations imposed by the Group (e.g., authorisation renewals, periodic controls, reports to public entities, etc.);
- "Audit Plans", which monitor the extent to which the System is being applied and encourage continuous improvement.

In summary, although accidents and mistakes can happen, the Group has implemented systematic rules and management procedures that allow it to minimise the number of accidents, as well as the impact they may have. A clear-cut assignment of responsibility at all levels, the presence of independent internal control bodies that report to the company's highest officers and the application of the highest international management standards are the best way to guarantee the company's commitment to health, job safety and the environment.

The internationalisation strategies and, particularly, international industrial footprint development have also highlighted the need to strengthen operational management able to operate locally and communicate effectively with the functional departments of Business Units and Central Functions, in order to improve the efficiency and effectiveness of the quality system and the capacity of production processes.

Legal & Compliance

Brembo is exposed to risks arising from the failure to rapidly comply with changing laws and new regulations in the sectors and markets in which it operates. To mitigate this risk, each compliance function stays abreast of the relevant legal and regulatory developments, with the assistance of outside consultants, where necessary, through a constant process of legal and regulatory updates and research.

Due to the complexity, lack of clarity and uncertain timetable of the laws and regulations concerning Worker Safety and Environmental Protection, in managing compliance risk in this field, the Group relies on a specific Quality & Environment Department (see operational risks - Environment, Health and Safety section) to obtain permits and licences and ensure that the related complexities are handled properly.

For information concerning other compliance risks, including those arising as a result of Brembo's listing within Borsa Italiana's STAR Segment, see the Corporate Governance and Ownership Structure Report available on Brembo's website (www.brembo.com, section Investors/Corporate Governance/Corporate Governance Reports).

Compliance risk includes the risk that the company may incur administrative liability, which may be broken down into three levels:

1. risk arising from Legislative Decree No. 231/2001, applicable to Brembo S.p.A. and the Group's Italian companies, and the possible attribution of liability to the Parent Company for predicate offences committed outside Italy;
2. risk arising from local statutes concerning the liability of companies, as applicable to each subsidiary;
3. risk arising from extra-territorial statutes concerning the liability of companies (such as the FCPA and Bribery Act) applicable to both Brembo S.p.A. and its subsidiaries.

The risk deemed most significant for the Group at a theoretical level relates to the case indicated in point 2 above, for the following reasons:

- different regulations for each country, based on different legal systems, often presenting complexities and interpretative challenges;
- a lack of a system of exemption from liability similar to the Italian one in other legal orders;
- failure by subsidiaries to provide information to, and communicate with, the Parent Company in a consistently timely manner;
- the strategic importance of certain local markets;
- cultural diversity and possible critical issues in the management of local personnel.

The probability that liability for offences committed outside Italy may be ascribed to the Parent Company is regarded as remote in light of the connection criteria set forth in the Italian Penal Code. However, it is theoretically plausible that a top manager or employee of Brembo S.p.A. might take action outside Italy in the context of his or her duties to the Parent Company or an international subsidiary. In the matter of corruption involving public officials, given the nature of its business, the Brembo Group does not engage in dealings with government officials, except in managing permits (such as building permits). As a result, offence-risk opportunities are considered to be very limited.

The mitigating measures taken by the Group are regarded as sufficient to significantly reduce its exposure to cases of risk and are aimed at ensuring the global spread of a culture of compliance through the establishment of specific principles of ethics and conduct, in addition to constant monitoring of legal changes, through implementation of the following:

- mapping (and periodic updates) by the Legal & Corporate Department of statutes that provide for administrative liability for companies in effect in all foreign countries in which the Group operates;
- reporting to the Country Committees of subsidiaries through a specific monitoring system on the main issues of concern in the areas of compliance, governance, legal/contracts and litigation;
- adoption and implementation (through training sessions) of a multiple-tier compliance system;
- a Group Code of Ethics and Anti-Bribery Code approved by the Boards of Directors of the Parent Company and each of the subsidiaries, laying down ethical and behavioural guidelines for managing stakeholder relations, including in light of the extraterritorial application of certain statutes such as the FCPA (USA) and Bribery Act (UK);
- compliance programmes at the local level;
- the Brembo Compliance Guidelines and Group Policies and Procedures issued by the Parent Company and disseminated and applied worldwide;
- the 231 Model, prepared by the Parent Company pursuant to Legislative Decree No. 231/2001, from which the Brembo Compliance Guidelines disseminated throughout the Group have been drawn.

With reference to litigation, the Legal & Corporate Department periodically monitors the progress of existing and potential litigations and determines the strategy to be applied and the most appropriate steps to take in managing them, involving specific corporate functions when needed. The Administration and Finance Department is responsible for the recognition of the appropriate checks or impairment losses in connection with such risks and their effects on the Statement of Income.

Planning and Reporting

The same ERP (Enterprise Resource Planning) software has been implemented at nearly all Group companies in order to prepare accurate and reliable financial reporting for the Group, while also improving the Internal Control and Risk Management System and the quality, timeliness and comparability of the data provided by the various consolidated companies.

Financial Risks

In conducting its business, the Brembo Group is exposed to various financial risks, including, in particular, the main components of market risk: interest rate volatility and fluctuations in the foreign currencies in which the company operates. Financial risk management is the responsibility of the Parent Company's Central Treasury & Credit Department, which, together with the Group's CFO, evaluates all the company's main financial transactions and the related hedging policies.

Interest Rate Risk Management

Since most of the Group's financial debt is subject to variable interest rates, it is exposed to the risk of interest-rate fluctuations. To partially reduce this risk, the Group has entered into several medium/long-term fixed rate loan agreements, as well as specific hedging contracts (IRS), accounting for approximately 2.7% of gross financial position.

The objective is to eliminate the variability of the borrowing costs associated with a portion of debt and benefit from fixed rates. The Group's Central Treasury & Credit Department constantly monitors rate trends in order to evaluate in advance the need for any changes to the financial indebtedness structure.

Exchange Rate Risk Management

Since Brembo operates in international markets, it is exposed to exchange rate risks. To mitigate these risks, the Group uses natural hedging (offsetting receivables and payables) and hedges only net positions in foreign currency, using mostly short-term financing denominated in the currency to be hedged. Other hedging instruments used by the company, where advisable, include forward contracts, which are also used to offset differences between receivables and payables. This policy reduces exchange risk exposure.

Further information on other types of financial risks is reported below:

- **credit risk** is the probability that a customer or one of the parties to a financial instrument will cause a financial loss by failing to perform an obligation. Exposure to credit risk arises mainly in relation to trade receivables. Most parties with which Brembo does business are leading car and motorbike manufacturers with strong credit standing; the current macroeconomic situation requires that Brembo continuously monitor the credit worthiness of its customers in order to anticipate situations where customers are unable to pay or must pay late;
- **liquidity risk:** liquidity risk can arise from a company's inability to obtain the financial resources necessary to guarantee its operation. The Central Treasury & Credit Department implements the main measures indicated below in order to minimise such risk:
  - it constantly assesses financial requirements to ensure that appropriate measures are taken in a timely manner (obtaining additional credit lines, capital increases, etc.);
  - it obtains adequate credit lines;
  - it optimises liquidity, where feasible, through cash-pooling arrangements;
  - it ensures that the composition of net financial debt is adequate for the investments carried out;
  - it ensures a proper balance between short- and long-term debt.

Risk Management Process: Risk Financing

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

Brembo's changing needs through the years have been specifically reflected in its insurance coverage, which has been optimised to significantly decrease the company's exposure, especially to possible damages arising from the manufacturing and sale of its products. This has been achieved through risk management, aimed at identifying and analysing the most critical areas, such as the risks associated with countries whose laws are particularly detrimental for manufacturers of consumer goods.

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

Insurance analysis and transfer of the risks to which the Group is exposed are conducted in collaboration with an insurance broker, which supports this process with its international organisation and is responsible for the compliance and management of Group insurance programmes at global level.

HUMAN RESOURCES AND ORGANISATION

During the first half of 2015 measures were adopted to ensure that the organisational system was maintained and continually improved, as well as to assure a constant balance between the three main company dimensions (business, functions, geographical areas) and alignment of the whole organisation with the business.

Within the Central Departments, the Technical and Advanced R&D Department has redesigned the organisation of the Testing & Validation area to create a centre of expertise at corporate level for managing dynamic benches and ensure improved efficacy of the processes for approving applications and developing synergies and efficiencies between the different businesses. It has also reinforced the organisational structure of the Systems Testing & Validation area, with the creation of project management roles for improved coordination between the test areas and the Systems Technical Department. In parallel, the Mechatronics area has reviewed its structure in order to provide a specific focus on the development activities relating both to application and innovative projects. The Administration and Finance Department has continued the reorganisation process started at the end of 2014, reinforcing the structure of the Italian companies' accounting areas and the international oversight of the fiscal area. In the Quality & Environment Department, the Safety & Environment function has reviewed its own structure with a view to providing a greater focus on the specific environmental and safety issues, as well as improved management of the global coordination of the Plant Safety and Environment Managers.

For the business areas, the Systems Division has reviewed the structure of the Aluminium Foundries Technologies area with a view to optimising the processes for the international coordination of design, product development and foundry industrialisation activities, as well as a greater focus on divisional and inter-divisional projects. Again in the Systems Division, a position providing industrialisation know-how has been created for the processing, treatment and assembly activities, designed to assure synergies between the operations, commercial and technical areas and ensure effective alignment between the division's plants. A new Design Manager has been appointed in the Systems Division's Technical Department. Finally, the Discs Division has upgraded its support for German customers in the Industrial & Commercial Vehicles markets.

As far as the Group companies are concerned, Brembo China has seen a change in senior management with the appointment of the new CEO and has centralised quality management, whilst top management changed in Brembo Argentina with the entry of a new General Manager.

Since the start of the year, the main focus of the training function has been to identify new tools and methodologies, with the aim of providing the company's workforce with the essential skills to support and anticipate business requirements. The training offer has been further enhanced and renewed. Management training, for example, has introduced an innovative path for Multicultural Intelligence and Marketing for non-specialists, designed to give the main marketing skills to those working with customers and expand "know-how" even more across the board. This first half of the year has once again seen high demand for the path covering three "finance" levels for non-specialists and an intensive public speaking seminar, considered essential for anyone speaking in public in particularly challenging contexts.

The same goal was reflected in specialist-technical training which has expanded its own range of courses: first and foremost, courses dedicated to R&D resources (fatigue design, tribology and statistics are the innovations most appreciated by our engineers). Work has continued with the R&D Academy, which also involves plant resources, with a view to fully integrating the various processes. Running in parallel, the Training and University Relations functions have launched and developed together a course of lectures, run entirely by Brembo, for students at the Milan Polytechnic, with which the company has for decades enjoyed a partnership structured on several levels.

Returning to in-house provision, mention should be made of the new design training which has involved the Supply Chains of the Discs and Systems Divisions, through international training venues. Organised into five different steps, this project has worked on a very diverse range of skills: from warehouse management to cost control, involving large numbers of participants worldwide. Six Sigma training is also of great interest. Many specialists have been involved with this programme in recent months to enable them to offer the customer a product/service of constantly improving quality. Two teams have been launched in parallel. These will develop a number of business projects using Six Sigma methodology which will lead, by the end of the year, to a new wave of Green Belt certifications. Finally, demand continues to be high for courses at the in-house language school.

The beginning of the year saw the launch of the new training portal to increase the involvement of company resources within a self-development framework. As well as the constantly updated training offer, e-learning courses, the Mediateca Self-Development tool and various useful instruments for learning, this portal features planning for classroom training activities, with the relevant content, designed for self-enrolment. In short, 427 training initiatives were implemented in the first half of 2015 for a total of 206 courses, 29,700 training hours and 2,443 participants.

As far as development is concerned, worthy of mention are the renewal of the BYR (Brembo Yearly Review) performance management tool and process, and implementation of the related electronic format. These measures generated an immediate high level of interest, with a rise of 20% in total redemption, reaching very high levels. This is the basis for an increasingly rigorous global Talent Management and Succession Planning process based on objective performance appraisal factors.

Finally, the fifth Survey conducted at Group level and concentrated, in this edition, on defining specific Engagement Indices for each organisational unit gave positive results overall. The questionnaire, distributed in late 2014 but the results of which were processed and returned at the beginning of 2015, looked at job perception and general aspects of company life, revealing a very high motivation index (68.8%), about 5 percentage points above the global average for industrial companies.

ENVIRONMENT, SAFETY AND HEALTH

The strategy that Brembo has decided to follow in the health, environmental and workplace safety field is guided not only by the need to comply with laws and standards for the sector, but also and above all by a desire to optimise management of these issues with a socially responsible approach. This approach also responds in full to the increasing attention and pressure from customers, investors and Brembo's stakeholders in general.

The whole company's direct commitment to continually improving the environmental and social sustainability aspects of its own activities is reflected in its desire to raise efficiency levels at every phase of the value chain: from design to production, right through to the despatch of products to customers.

One example is the ongoing research and development effort to produce discs and calipers that use innovative processes and materials and hence reduce the environmental impact both during the production phase and in their use by end customers. The development of ever lighter and higher performance products allows Brembo to produce them using a reduced quantity of environmental materials and resources (such as energy, water, etc.) and motorists to reduce their vehicle fuel consumption, and hence also greenhouse gas emissions (CO_2), as well as particulate emission.

The efficiency of production processes is assured by the implementation of maintenance programmes, which allow production to take place seamlessly with the highest values of plant engineering efficiency. The potential environmental effects caused by the production process are mitigated by installing suitable treatment plants, which assure compliance with requirements even more severe than those imposed by local legislation in the various countries in which Brembo operates.

Both the Parent Company and the individual sites draw up annual improvement plans which consider both workplace and environmental safety aspects. In environmental terms, the objectives cover multiple factors including, for example, reduction in waste, energy consumption and water consumption.

In the first half of 2015, there was a particular focus on the energy issue. Energy diagnoses have been carried out on various sites and the introduction of special improvement projects has allowed energy use to be optimised. Site photographs processed to provide energy diagnoses have provided models for dividing consumption split into electrical and thermal sources, as well as defining a picture of possible energy saving measures. By raising process efficiency it has also been possible to optimise the use of electrical energy on a number of sites, both mechanical processing plants and foundries. For example, the projects have involved improving lighting in premises, recovering heat from production processes to heat buildings designated for civil use (offices) or installing new and more efficient compressors for compressed air generation.

Continuing work started in 2012, 2015 again saw Brembo taking part in the project promoted at global level by CDP (Carbon Disclosure Project) aimed at reporting and minimising greenhouse gases, such as carbon dioxide (CO_2).

The equivalent CO_2 production calculation has taken account of two different types of emissions:

- emissions caused directly by Brembo, such as those arising from facilities used to heat premises or process plant (e.g., furnaces used to melt the cast iron);
- indirect emissions, such as those arising from energy consumption not directly attributable to the various sites (e.g., transport for waste disposal and for moving employees between home and work, personnel air travel, etc.).

The calculation model used by Brembo to determine the CO_2 emitted, starting from the specific consumption of the various sources, follows the Greenhouse Gas (GHG) Protocol, recognised worldwide as one of the most complete and documented systems for reporting greenhouse gases.

RELATED PARTY TRANSACTIONS

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

In 2013, on the basis of a favourable opinion from the Audit & Risk Committee, the Board of Directors unanimously resolved not to proceed with amendments to the Related Party Procedure of Brembo S.p.A., partly in light of the efficacy shown in applied practice and partly because it had already been revised in previous years. The Board thus considers the contents of the Recommendation and the wishes expressed by Consob regarding the first revision of the procedure to have already been adopted.

Detailed information on the Company's Related Party Transactions is provided in the Explanatory Notes to the condensed Consolidated Six Monthly Financial Report (Note 32). During the reporting period, no atypical or unusual transactions were carried out with Related Parties. Furthermore, commercial transactions with Related Parties, also other than the Group companies, were carried out at fair market conditions. The financing transactions undertaken during the year with Related Parties are also discussed in Note 32 to the condensed Consolidated Six Monthly Financial Report.

FURTHER INFORMATION

Significant Events During the Six-month Period

The General Shareholders' Meeting of the parent company Brembo S.p.A. held on 23 April 2015 approved the Financial Statements for the financial year ended 31 December 2014, allocating the profit for the year amounting to €68,824 thousand as follows:

- to the Shareholders, a gross ordinary dividend of €0.6 for each of the outstanding ordinary share, excluding own shares (payment as of 20 May 2015, ex-coupon date 18 May 2015, and record date 19 May 2015);
- to the Shareholders, upon the 20th anniversary from the listing of the Company, an extraordinary gross dividend of €0.2 per each of the ordinary shares outstanding, excluding own shares (payment as of 8 July 2015, ex-coupon 6 July 2015, and record dare 7 July 2015);
- to the reserve pursuant to Article 6(2) of Italian Legislative Decree No. 38/2005, €357 thousand;
- the remaining amount carried forward.

On 30 April 2015, Sabelt S.p.A. sold to the minority shareholders its 70% stake in the company Belt & Buckle S.r.o. Therefore, as of 1 May 2015 the child safety business (0.1% of 2014 consolidated turnover) has been excluded from the Group's consolidation area.

On 12 June 2015, Brembo S.p.A. reached an agreement with the minority shareholders for the sale of its controlling interest (65%) in Sabelt S.p.A., a manufacturer of seat belts and seats for top-range and racing cars. As a result of the agreement, which became effective retroactively from 1 June 2015, Sabelt S.p.A.'s business (1.8% of 2014 consolidated turnover) was excluded from the Group's consolidation area.

Innova Tecnologie S.r.l., 30% held by Brembo S.p.A., began winding up procedures as decided unanimously by the shareholders. The company was thus excluded from the Group's consolidation area as of 1 January 2015, as its last available Financial Statements were those for the year ended 31 December 2014.

Plans for the Buy-back and Sale of Own Shares

The General Shareholders' Meeting held on 23 April 2015 passed a new plan for the buy-back and sale of own shares with the following objectives:

- undertaking, directly or through intermediaries, any investments, including aimed at containing abnormal movements in stock prices, stabilising stock trading and prices, supporting the liquidity of Company's stock on the market, so as to foster the regular conduct of trading beyond normal fluctuations related to market performance, without prejudice in any case to compliance with applicable statutory provisions;
- carrying out, in accordance with the Company's strategic guidelines, share capital transactions or other transactions which make it necessary or appropriate to swap or transfer share packages through exchange, contribution, or any other available methods;

- buying back own shares as a medium-/long-term investment.

The maximum number of shares that may be purchased is 1,600,000, that with the 1,747,000 own shares already held representing 2.616% of Brembo S.p.A.'s share capital, represents 5.01% of Brembo S.p.A.'s share capital. The minimum purchase price is €0.52 (fifty-two euro cents) and the maximum purchase price is €40.00 (forty euro), for a maximum expected outlay of €64,000,000. 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 first half of the year.

Subsidiaries Formed Under and Governed by the Law of Countries Not Belonging to the European Union – Obligations Under Articles 36 and 39 of Market Regulations

In accordance with the requirements of Articles 36 and 39 of the Market Regulations (adopted with Consob Regulation No. 16191 of 29 October 2007 and amended with Resolution No. 16530 of 25 June 2008), the Brembo Group identified six subsidiaries based in five countries not belonging to the European Union that are of significant importance, as defined under Paragraph 2 of the said Article 36, and therefore fall within the scope of application of the Regulations.

Brembo Group believes that its current administrative, accounting and reporting systems are adequate to ensure that the Parent Company's management and auditing firm receive any information regarding Statement of Income, Statement of Financial Position and Cash Flow figures, as necessary for preparing the consolidated financial statements.

For all companies included in the consolidation area, the parent company Brembo S.p.A. already has a copy of the By-laws and the composition and powers of the Corporate Bodies.

Opt-out from the Obligations to Publish Disclosure Documents

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.

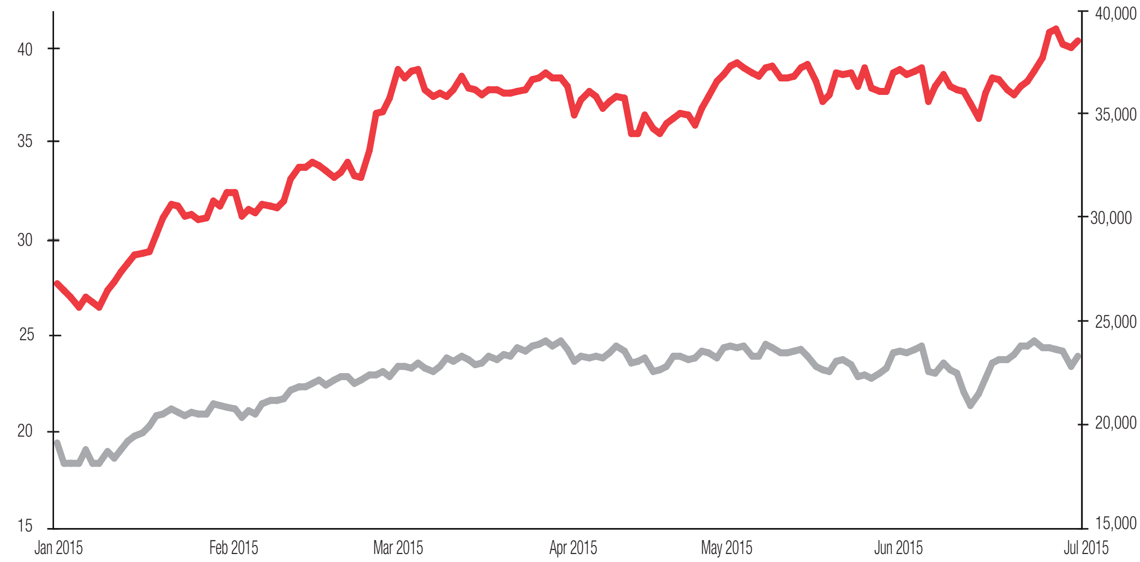
SIGNIFICANT EVENTS AFTER 30 JUNE 2015

No significant events occurred after the end of the first half of the year and until 30 July 2015.

FORESEEABLE EVOLUTION

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

BREMBO S.P.A. STOCK PERFORMANCE



Source: Bloomberg Finance LP

Brembo stock closed the first half of 2015 at €38.06, with an increase of 37.48% compared to the beginning of the year. The stock performed extremely well with a low for the period of €26.51 on 12 January and a high of €39.29 on 21 May.

During the first half of the year, Brembo's stock outperformed all the main reference indexes: the FTSE MIB closed the period up by 17.41%, the Italian index for the STAR segment up by 28.64% and the Euro Stoxx Total Market Value Small up by 8.59%. Moreover, Brembo's stock also significantly outperformed the BBG EMEA Automobiles Parts, which closed the period up by 13.96%.

In the first half of 2015, stock markets were highly volatile due to the news on the Greek crisis, which led many investors to adopt a very cautious approach.

After 30 June, Brembo's stock recorded further increases and on 29 July it reached its new historic record at €41.20.

An overview of stock performance of Brembo S.p.A. at 30 June 2015 is given in the following table, compared with that at 31 December 2014.

	30.06.2015	31.12.2014
Share capital (euro)	34,727,914	34,727,914
No. of ordinary shares	66,784,450	66,784,450
Equity (excluding income for the period) (euro)	206,109,720	188,652,168
Net income for the period (euro)	61,288,814	68,824,318
Trading price (euro)		
Minimum	26.51	18.88
Maximum	39.29	29.66
Period end	38.06	27.70
Market capitalisation (euro million)		
Minimum	1,770	1,261
Maximum	2,624	1,981
Period end	2,542	1,850
Gross dividend per share	N/A	0.8

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

On behalf of the Board of Directors
The Chairman
Alberto Bombassei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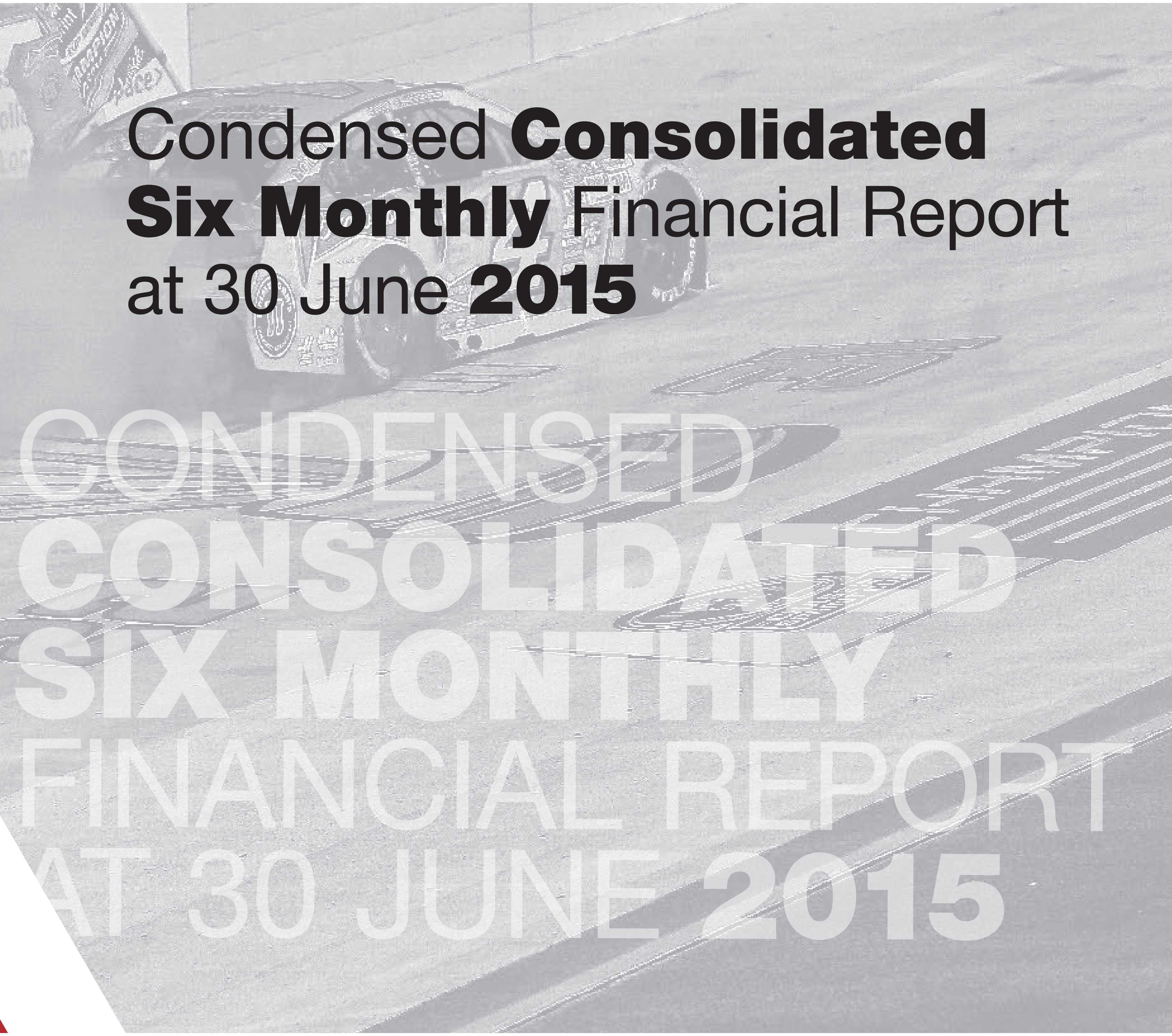
Condensed **Consolidated** **Six Monthly** Financial Report at 30 June **2015**



CONDENSED CONSOLIDATED SIX MONTHLY FINANCIAL REPORT AT 30 JUNE 2015

CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2015

Consolidated Statement of Financial Position

ASSETS

(euro thousand)	Notes	30.06.2015	*of which with related parties*	31.12.2014	*of which with related parties*	Change
NON-CURRENT ASSETS						
Property, plant, equipment and other equipment	1	559,180		539,977		19,203
Development costs	2	40,221		43,705		(3,484)
Goodwill and other indefinite useful life assets	2	44,070		40,789		3,281
Other intangible assets	2	14,759		14,664		95
Shareholdings valued using the equity method	3	24,459		28,176		(3,717)
Other financial assets (including investments in other companies and derivatives)	4	1,795		1,180		615
Receivables and other non-current assets	5	5,810		6,123		(313)
Deferred tax assets	6	60,122		55,591		4,531
TOTAL NON-CURRENT ASSETS		**750,416**		**730,205**		**20,211**
CURRENT ASSETS						
Inventories	7	256,685		230,655		26,030
Trade receivables	8	350,871	*3,896*	286,893	*3,353*	63,978
Other receivables and current assets	9	31,724	*25*	38,559		(6,835)
Current financial assets and derivatives	10	10,379	*9,599*	10,146	*9,484*	233
Cash and cash equivalents	11	166,475	*25,157*	206,024	*19,904*	(39,549)
TOTAL CURRENT ASSETS		**816,134**		**772,277**		**43,857**
TOTAL ASSETS		**1,566,550**		**1,502,482**		**64,068**

EQUITY AND LIABILITIES

(euro thousand)	Notes	30.06.2015	*of which with related parties*	31.12.2014	*of which with related parties*	Change
GROUP EQUITY						
Share capital	12	34,728		34,728		0
Other reserves	12	143,537		109,269		34,268
Retained earnings/(losses)	12	323,975		257,922		66,053
Net result for the period	12	88,969		129,054		(40,085)
TOTAL GROUP EQUITY		**591,209**		**530,973**		**60,236**
TOTAL MINORITY INTERESTS		**5,400**		**5,357**		**43**
TOTAL EQUITY		**596,609**		**536,330**		**60,279**
NON-CURRENT LIABILITIES						
Non-current payables to banks	13	230,802	*8,046*	271,079	*14,212*	(40,277)
Other non-current financial payables and derivatives	13	3,828		6,198		(2,370)
Other non-current liabilities	14	883		14,382	*4,945*	(13,499)
Provisions	15	15,556		9,640		5,916
Provisions for employee benefits	16	33,576	*10,477*	32,793	*8,136*	783
Deferred tax liabilities	6	14,542		14,563		(21)
TOTAL NON-CURRENT LIABILITIES		**299,187**		**348,655**		**(49,468)**
CURRENT LIABILITIES						
Current payables to banks	13	190,487	*18,021*	202,605	*33,363*	(12,118)
Other current financial payables and derivatives	13	1,521		6,675		(5,154)
Trade payables	17	352,949	*15,271*	308,977	*14,491*	43,972
Tax payables	18	13,277		14,385		(1,108)
Provisions	15	2,830		645		2,185
Other current payables	19	109,690	*9,428*	84,210	*2,064*	25,480
TOTAL CURRENT LIABILITIES		**670,754**		**617,497**		**53,257**
TOTAL LIABILITIES		**969,941**		**966,152**		**3,789**
TOTAL EQUITY AND LIABILITIES		**1,566,550**		**1,502,482**		**64,068**

Consolidated Statement of Income

(euro thousand)	Notes	30.06.2015	*of which with related parties*	30.06.2014 restated	*of which with related parties*	Change
Sales of goods and services	20	**1,038,902**	*3,078*	**901,697**	*2,703*	**137,205**
Other revenues and income	21	5,552	*1,698*	6,060	*1,617*	(508)
Costs for capitalised internal works	22	6,114		5,682		432
Raw materials, consumables and goods	23	(530,382)	*(34,961)*	(464,823)	*(32,662)*	(65,559)
Non-financial interest income (expense) from investments	24	3,887		2,621		1,266
Other operating costs	25	(167,586)	*(3,054)*	(143,108)	*(3,279)*	(24,478)
Personnel expenses	26	(181,536)	*(2,548)*	(166,011)	*(2,584)*	(15,525)
GROSS OPERATING INCOME		**174,951**		**142,118**		**32,833**
Depreciation, amortisation and impairment losses	27	(53,640)		(48,623)		(5,017)
NET OPERATING INCOME		**121,311**		**93,495**		**27,816**
Interest income	28	*44,455*		*19,382*		*25,073*
Interest expense	28	*(47,927)*		*(25,870)*		*(22,057)*
Net interest income (expense)	28	(3,472)	*(290)*	(6,488)	*(418)*	3,016
Interest income (expense) from investments	29	5		(25)		30
RESULT BEFORE TAXES		**117,844**		**86,982**		**30,862**
Taxes	30	(27,322)		(23,087)		(4,235)
RESULT BEFORE MINORITY INTERESTS		**90,522**		**63,895**		**26,627**
Minority interests		(1,553)		109		(1,662)
NET RESULT FOR THE PERIOD		**88,969**		**64,004**		**24,965**
BASIC/DILUTED EARNINGS PER SHARE (euro)	31	**1.37**		**0.98**		

Consolidated Statement of Comprehensive Income

(euro thousand)	30.06.2015	30.06.2014	Change
RESULT BEFORE MINORITY INTERESTS	**90,522**	**63,895**	**26,627**
Other comprehensive income/(losses) that will not be subsequently reclassified to income/(loss) for the period:			
Effect (actuarial income/loss) on defined benefit plans	(808)	(2,786)	1,978
Tax effect	96	698	(602)
Effect (actuarial income/loss) on defined benefit plans, for companies valued using the equity method	(4)	0	(4)
Total other comprehensive income/(losses) that will not be subsequently reclassified to income/(loss) for the period	**(716)**	**(2,088)**	**1,372**
Other comprehensive income/(losses) that will be subsequently reclassified to income/(loss) for the period:			
Effect of hedge accounting (cash flow hedge) of derivatives	43	40	3
Tax effect	(12)	(11)	(1)
Change in translation adjustment reserve	22,876	3,318	19,558
Total other comprehensive income/(losses) that will be subsequently reclassified to income/(loss) for the period	**22,907**	**3,347**	**19,560**
COMPREHENSIVE RESULT FOR THE PERIOD	**112,713**	**65,154**	**47,559**
Of which attributable to:			
- the Group	*111,167*	*65,262*	*45,905*
- Minority Interests	*1,546*	*(108)*	*1,654*

Consolidated Statement of Cash Flows

(euro thousand)	30.06.2015	30.06.2014
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**99,347**	**42,511**
Result before taxes	**117,844**	**86,982**
Depreciation, amortisation/impairment losses	53,640	48,623
Capital gains/losses	(347)	(185)
Interest income (expense) from investments, net of dividends received	3,113	(2,571)
Financial portion of provisions for defined benefits and payables for personnel	394	482
Long-term provisions for employee benefits	448	511
Other provisions net of utilisations	17,260	7,755
Cash flows generated by operating activities	**192,352**	**141,597**
Paid current taxes	(34,197)	(14,998)
Uses of long-term provisions for employee benefits	(1,530)	(1,733)
(Increase) reduction in current assets:		
inventories	(39,817)	(32,226)
financial assets	(479)	4
trade receivables	(77,484)	(52,591)
receivables from others and other assets	7,546	950
Increase (reduction) in current liabilities:		
trade payables	57,215	36,946
payables to others and other liabilities	3,906	6,480
Translation differences on current assets	6,149	2,483
Net cash flows from/(for) operating activities	**113,661**	**86,912**

(euro thousand)	30.06.2015	30.06.2014
Investments in:		
intangible assets	(9,742)	(9,030)
property, plant and equipment	(54,309)	(52,038)
financial assets (shareholdings)	20	0
Disposal of subsidiaries, net of cash disposed of	9,080	0
Price for disposal or reimbursement value of fixed assets	1,000	812
Net cash flows from/(for) investing activities	**(53,951)**	**(60,256)**
Dividends paid in the period	(39,022)	(32,519)
Capital contributions to consolidated companies by minority shareholders	0	376
Change in fair value of derivatives	(708)	352
Loans and financing granted by banks and other financial institutions in the period	4,843	105,259
Repayment of long-term loans	(69,258)	(53,293)
Net cash flows from/(for) financing activities	**(104,145)**	**20,175**
Total cash flows	**(44,435)**	**46,831**
Translation differences on cash and cash equivalents	1,003	349
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**55,915**	**89,691**

Consolidated Statement of Changes in Equity

(euro thousand)	Share Capital	Other reserves	Hedging reserve (*)	Retained earnings (losses)
Balance at 1 January 2014	**34,728**	**93,513**	**(116)**	**207,209**
Allocation of profit for the previous year				56,497
Payment of dividends				
Capital increase of consolidated companies by minority shareholders				
Components of comprehensive income:				
Effect of hedge accounting (cash flow hedge) of derivatives (*)			29	
Effects arising from the application of IAS 19R				(2,088)
Change in translation adjustment reserve		3,317		
Net result for the period				
Balance at 30 June 2014	**34,728**	**96,830**	**(87)**	**261,618**
Balance at 1 January 2015	**34,728**	**109,319**	**(50)**	**257,922**
Allocation of profit for the previous year		357		76,667
Dividends approved				
Disposal of Belt & Buckle S.r.o. and Sabelt S.p.A.				1,129
Buy-back of own shares for companies valued using the equity method				(30)
Reclassification		10,997		(10,997)
Components of comprehensive income:				
Effect (actuarial income/loss) on defined benefit plans				(712)
Effect (actuarial income/loss) on defined benefit plans, for companies valued using the equity method				(4)
Effect of hedge accounting (cash flow hedge) of derivatives (*)			31	
Change in translation adjustment reserve		22,883		
Net result for the period				
Balance at 30 June 2015	**34,728**	**143,556**	**(19)**	**323,975**

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

Net result for the period	Group equity	Result of Minority Interests	Share capital and reserves of Minority Interests	Equity of Minority Interests	Equity
89,016	**424,350**	**87**	**4,770**	**4,857**	**429,207**
(56,497)	**0**	(87)	87	**0**	**0**
(32,519)	**(32,519)**			**0**	**(32,519)**
	0		376	**376**	**376**
	29			**0**	**29**
	(2,088)			**0**	**(2,088)**
	3,317		1	**1**	**3,318**
64,004	**64,004**	(109)		**(109)**	**63,895**
64,004	**457,093**	**(109)**	**5,234**	**5,125**	**462,218**
129,054	**530,973**	**(370)**	**5,727**	**5,357**	**536,330**
(77,024)	**0**	370	(370)	**0**	**0**
(52,030)	**(52,030)**			**0**	**(52,030)**
	1,129		(1,503)	**(1,503)**	**(374)**
	(30)			**0**	**(30)**
	0			**0**	**0**
	(712)			**0**	**(712)**
	(4)			**0**	**(4)**
	31			**0**	**31**
	22,883		(7)	**(7)**	**22,876**
88,969	**88,969**	1,553		**1,553**	**90,522**
88,969	**591,209**	**1,553**	**3,847**	**5,400**	**596,609**

CONDENSED CONSOLIDATED SIX MONTHLY FINANCIAL REPORT AT 30 JUNE 2015 – EXPLANATORY NOTES

Brembo's Activities

In the vehicle industry components sector, the Brembo Group is active in the research, design, production, assembly and sale of disc braking systems, wheels and light alloy and metal casting, in addition to mechanical processes in general.

The extensive product range consists of high-performance brake calipers, brake discs, wheel-side modules, complete braking systems and integrated engineering services, supporting the development of new models placed on the market by vehicle manufacturers. Brembo's products and services are used in the automotive industry, for light commercial and heavy industrial vehicles, motorbikes and racing competitions.

Manufacturing plants are located in Italy, Poland (Czestochowa and Dabrowa Górnicza, Niepolomice), the United Kingdom (Coventry), the Czech Republic (Ostrava-Hrabová), Germany (Meitingen), Mexico (Apodaca), Brazil (Betim and Santo Antônio de Posse), Argentina (Buenos Aires), China (Nanjing), India (Pune) and the United States (Homer). Other companies located in Spain (Zaragoza), Sweden (Göteborg), Germany (Leinfelden-Echterdingen), China (Qingdao), Japan (Tokyo) and Russia (Moscow) carry out distribution and sales activities.

Form and Content of the Condensed Consolidated Six Monthly Financial Report at 30 June 2015

Introduction

The Condensed Consolidated Six Monthly Report at 30 June 2015 has been prepared in accordance with Article 154-*ter* of Legislative Decree No. 58/98 and applicable Consob provisions or the provisions of IAS 34 - *Interim Financial Reporting*, and has been subjected to a review according to the criteria recommended by Consob. In further detail, the Financial Report for the period ended 30 June 2015 has been prepared in condensed form and does not contain all the information and notes required for the consolidated annual financial statements. Consequently, the Report should be read in conjunction with the Consolidated Financial Statements for the year ended 31 December 2014.

The Condensed Consolidated Six Monthly Report comprises the Statement of Financial Position, the Statement of Income, the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Equity, and these Explanatory Notes, in accordance with IFRS requirements; it includes the situation of Brembo S.p.A., the Parent Company, and the companies controlled by Brembo S.p.A. pursuant to IFRS 10 at 30 June 2015.

On 30 July 2015, the Board of Directors approved the Condensed Consolidated Six Monthly Report and requested that it be made available to the public and Consob, within the terms and according to the procedures provided for by applicable laws and regulations.

Basis of Preparation and Presentation

Consolidation procedures, accounting standards and valuation criteria are the same as those adopted for the Consolidated Financial Statements for the year ended 31 December 2014, to which explicit reference is made, except as specified in the paragraph below.

The valuation and measurement criteria used are based on IFRS in force as of 30 June 2015 and endorsed by the European Union.

The following standards, amendments and interpretations were applied for the first time from 1 January 2015:

IFRIC 21 — Levies

IFRIC 21 identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. If an obligation is triggered on reaching a minimum threshold, the liability is recognised when that minimum threshold is reached. IFRIC 21 has to be applied retrospectively. This interpretation had no impact on the Group's financial statements.

Amendments to IAS — 19 Defined Benefit Plans: Employee Contributions

The amendment to IAS 19 clarifies that, if the amount of the employee contributions to defined benefit plans is independent of the number of years of employee service, the entity may recognise such contributions as a reduction of the service cost in the accounting period in which service is rendered rather than allocating contributions to service periods. The application of the new standard had no impact on the Group's consolidated financial statements.

Annual improvement plan 2010 – 2012

These improvements have been effective as of 1 February 2015 and include:

- IFRS 2 — Share-based Payment
- IFRS 3 — Business Combinations
- IFRS 8 — Operating Segments
- IAS 16 — Property, Plant and Equipment and IAS 38 — Intangible Assets
- IAS 24 — Related Party Disclosures

Amendments to IFRS 2, IFRS 3, IAS 16, IAS 38 and IAS 24 are not applicable to the Group. With reference to the amendments to IFRS 8, disclosures on the valuations made by the management for applying aggregation criteria as per paragraph 12 of IFRS 8 are given in Note 33.

Annual improvement plan 2011– 2013

These improvements are effective for financial statements after 1 January 2015 and include:

- IFRS 3 — Business Combinations
- IFRS 13 — Fair Value Measurement
- IAS 40 — Investment Property

Amendments to IFRS 3, IFRS 13 and IAS 40 are not applicable to the Group.

The following table shows the other amendments to current accounting standards and interpretations, or specific provisions set forth in the standards and interpretations approved by the IASB, with an indication of which of these had or had not been endorsed by the European Union at the date of preparation of these Financial Statements:

Description	**Endorsed at the reporting date**	**Expected date of entry into force**
IFRS 9 Financial Instruments	NO	1 January 2018
IFRS 14 Regulatory Deferral Accounts	NO	1 January 2016
IFRS 15 Revenue from Contracts with Customers	NO	1 January 2017
Amendments to IFRS 10, IFRS 12 and IAS 28: Applying the Consolidation Exception (issued on December 2014)	NO	1 January 2016
Amendments to IAS 1: Disclosure Initiative (issued on 18 December 2014)	NO	1 January 2016
Annual Improvements to IFRSs 2012–2014 Cycle (issued on September 2014)	NO	1 January 2016
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (issued September 2014)	NO	1 January 2016
Amendments to IAS 27: Equity Method in Separate Financial Statements (issued on August 2014)	NO	1 January 2016
Amendments to IAS 16 and IAS 41: Bearer Plants (issued on June 2014)	NO	1 January 2016
Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation (issued on May 2014)	NO	1 January 2016
Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations (issued on May 2014)	NO	1 January 2016

The Group did not opt for early adoption of new standards, interpretations or amendments that have been issued but have not entered into force yet.

The Condensed Consolidated Six Monthly Report has been prepared on the basis of the half-yearly situations at 30 June 2015 prepared by the Boards of Directors of the respective consolidated subsidiaries.

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

The Condensed Consolidated Six Monthly Report has been prepared in accordance with the general principle of providing a true and fair presentation of the Group's assets and liabilities, financial position, results and cash flows, based on the following general assumptions: going concern, accrual accounting, consistency of presentation, materiality and aggregation, prohibition of offsetting, and comparative information.

The Condensed Consolidated Six Monthly Report is presented in euro, which is the functional currency of the Parent Company, Brembo S.p.A., and all amounts are rounded to the nearest thousand unless otherwise indicated.

Discretionary Valuations and Significant Accounting Estimates

Preparing financial statements in compliance with the applicable accounting standards requires management to make estimates that may have a significant effect on the items reported in the accounts. Estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the current circumstances and given the information available at the reporting date. Actual results may differ from these estimates. Estimates and associated assumptions are reviewed on an ongoing basis. Revisions of estimates are recognised in the period in which such estimates are revised. Company management's decisions that have a significant impact on the financial statements and estimates, and have a significant risk of material adjustments to the book value of assets and liabilities in the next accounting period, are discussed in the notes to the individual financial statement entries. Estimates are mainly used in reporting provisions for contingencies, inventory obsolescence, depreciation and amortisation, useful lives of certain assets, write-downs of assets, employee benefits, taxes and other provisions and in determining the fair value of financial instruments, including derivatives, and for evaluating the probability of realisation and the amount of any contingent assets.

It should also be noted that certain measurement processes, such as the determination of impairment for non-current assets, are typically carried out completely only during preparation of the annual financial statements when all necessary information is available, unless impairment indicators require immediate analysis. Actuarial valuations necessary to determine provisions for employee benefits are conducted in complete form when preparing the annual financial statements and in simplified form when preparing this six monthly report.

Consolidation Area

The list of consolidated subsidiaries, associate companies and joint ventures that are accounted for using the equity method, along with information regarding their registered offices and the percentage of capital held, is included in Note 34 hereof.

Compared to the first half of 2014, the following corporate transactions were carried out:

- on 21 July 2014, the company Brembo Russia LLC., a Moscow-based limited liability company (wholly owned by Brembo S.p.A.), was established in order to promote the sale of brake discs for the aftermarket car sector;
- 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 transaction was aimed at achieving greater corporate streamlining to ensure a better organisational flexibility and structural costs rationalisation;
- on 30 April 2015, Sabelt S.p.A. sold to the minority shareholders its 70% stake in the company Belt & Buckle S.r.o. Therefore, as of 1 May 2015 the child safety business (0.1% of 2014 consolidated turnover) was excluded from the Group's consolidation area;
- on 12 June 2015, Brembo S.p.A. reached an agreement with the minority shareholders for the sale of its controlling interest (65%) in Sabelt S.p.A., a manufacturer of seat belts and seats for top-range and racing cars. As a result of the agreement, which became effective retroactively from 1

June 2015, Sabelt S.p.A.'s business (1.8% of 2014 consolidated turnover) was excluded from the Group's consolidation area;

- Innova Tecnologie S.r.l., 30% held by Brembo S.p.A., began winding up procedures as decided unanimously by the shareholders. The company was thus excluded from the Group's consolidation area as of 1 January 2015, as its last available financial statements were those for the year ended 31 December 2014.

The following table shows the exchange rates used in the translation of six monthly financial statements denominated in currencies other than the functional one (euro).

Euro against other currencies	30.06.2015	Average at June 2015	30.06.2014	Average at June 2014
U.S. Dollar	1.118900	1.115846	1.365800	1.370471
Japanese Yen	137.010000	134.164682	138.440000	140.395605
Swedish Krona	9.215000	9.342156	9.176200	8.954455
Polish Zloty	4.191100	4.139666	4.156800	4.175528
Czech Koruna	27.253000	27.504127	27.453000	27.443577
Mexican Peso	17.533200	16.886100	17.712400	17.976568
Pound Sterling	0.711400	0.732345	0.801500	0.821362
Brazil Real	3.469900	3.307643	3.000200	3.149482
Indian Rupee	71.187300	70.122366	82.202300	83.293002
Argentine Peso	10.165300	9.838874	11.106800	10.740727
Chinese Renminbi	6.936600	6.941100	8.472200	8.451694
Russian Rouble	62.355000	64.602375	45.324600	42.324825

Financial Risk Management

The Brembo Group is exposed to risks tied to the use of financial instruments: market, commodities, liquidity and credit risks. For a description of each type of risk the reader is referred to the Consolidated Financial Statements for the year ended 31 December 2014, as no significant changes have occurred in the reporting period.

Financial risk management is the responsibility of the central Treasury and Credit Department of Brembo S.p.A., which, together with the Finance Department, evaluates the main financial transactions and related hedging policies.

Fair Value Measurement

To complete the disclosure of financial risks, the following is provided:

– the fair value hierarchy for the Group's assets and liabilities:

	30.06.2015			31.12.2014		
(euro thousand)	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets (liabilities) measured at fair value:						
Forward contracts denominated in foreign currency	0	257	0	0	314	0
Interest rate swaps	0	(25)	0	0	(68)	0
Embedded derivative	0	0	630	0	0	(135)
Belt & Buckle S.r.o. option	0	0	0	0	0	(1,700)
Total financial assets (liabilities) measured at fair value	**0**	**232**	**630**	**0**	**246**	**(1,835)**
Assets (liabilities) for which fair value is indicated:						
Current and non-current payables to banks	0	(315,068)	0	0	(324,730)	0
Other current and non-current financial liabilities	0	(5,180)	0	0	(5,502)	0
Total assets (liabilities) for which fair value is indicated	**0**	**(320,248)**	**0**	**0**	**(330,232)**	**0**

– a reconciliation between the classes of financial assets and liabilities identified in the Group's Statement of Financial Position and the types of financial assets and liabilities identified based on the requirements of IFRS 7:

	Carrying value		Fair value	
(euro thousand)	30.06.2015	31.12.2014	30.06.2015	31.12.2014
Loans, receivables and financial liabilities valued at amortised costs				
Current and non-current financial assets (excluding derivatives)	11,196	10,567	11,196	10,567
Trade receivables	350,871	286,893	350,871	286,893
Loans and receivables	29,476	38,200	29,476	38,200
Cash and cash equivalents	166,475	206,024	166,475	206,024
Current and non-current payables to banks	(421,289)	(473,684)	(432,788)	(489,457)
Other current and non-current financial liabilities	(5,233)	(12,225)	(5,259)	(12,266)
Trade payables	(352,949)	(308,977)	(352,949)	(308,977)
Other current payables	(109,690)	(84,210)	(109,690)	(84,210)
Other non-current liabilities	(883)	(14,382)	(883)	(14,382)
Derivatives	**862**	**111**	**862**	**111**
Total	**(331,164)**	**(351,683)**	**(342,689)**	**(367,497)**

The approach used to calculate fair value is the present value of the future cash flows expected to derive from the instrument being measured, determined by discounting the scheduled instalments at a rate equal to the forward rate curve applicable to each account payable. In detail:

– loans, payables to other lenders and intercompany loans with a duration of more than 12 months were measured at fair value determined by applying the forward rates curve to the residual duration of the loan;
– receivables, trade payables, held-to-maturity financial assets, payables and receivables to and from banks due within 12 months were measured at their carrying amounts, inasmuch as this is believed to approximate fair values;
– finance leases were valued at cost, as they are outside the scope of IAS 39;
– the fair value of derivatives was determined on the basis of valuation techniques that take into account market parameters other than the prices of the financial instrument.

ANALYSIS OF EACH ITEM

STATEMENT OF FINANCIAL POSITION

1. Property, Plant, Equipment and Other Equipment

The changes in property, plant and equipment are shown in the table below and described in this section.

(euro thousand)	Land	Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets in course of construction and payments on account	Total
Historical cost	23,833	186,470	721,461	157,592	30,220	20,699	**1,140,275**
Accumulated depreciation	0	(53,319)	(419,954)	(136,439)	(25,546)	0	**(635,258)**
Write-down provision	0	0	(1,430)	0	0	(445)	**(1,875)**
Balance at 1 January 2014	**23,833**	**133,151**	**300,077**	**21,153**	**4,674**	**20,254**	**503,142**
Changes:							
Translation differences	42	62	472	48	26	205	**855**
Reclassification	128	6,928	(6,476)	9,376	1,772	(11,976)	**(248)**
Acquisitions	0	2,165	23,337	4,733	1,041	20,762	**52,038**
Disposals	0	0	(208)	(328)	0	(91)	**(627)**
Depreciation	0	(4,150)	(29,020)	(4,416)	(1,163)	0	**(38,749)**
Impairment losses	0	0	0	(21)	0	(1)	**(22)**
Total changes	**170**	**5,005**	**(11,895)**	**9,392**	**1,676**	**8,899**	**13,247**
Historical cost	24,003	196,249	730,983	176,347	33,816	29,598	**1,190,996**
Accumulated depreciation	0	(58,093)	(441,364)	(145,780)	(27,466)	0	**(672,703)**
Write-down provision	0	0	(1,437)	(22)	0	(445)	**(1,904)**
Balance at 30 June 2014	**24,003**	**138,156**	**288,182**	**30,545**	**6,350**	**29,153**	**516,389**
Historical cost	24,538	203,315	776,023	186,126	36,019	28,270	**1,254,291**
Accumulated depreciation	0	(62,595)	(468,418)	(152,207)	(28,854)	0	**(712,074)**
Write-down provision	0	(155)	(1,594)	(8)	0	(483)	**(2,240)**
Balance at 1 January 2015	**24,538**	**140,565**	**306,011**	**33,911**	**7,165**	**27,787**	**539,977**
Changes:							
Translation differences	88	3,225	10,735	929	262	875	**16,114**
Change in consolidation area	(559)	(2,035)	(1,001)	(965)	(69)	(150)	**(4,779)**
Reclassification	0	1,431	12,763	1,011	(240)	(15,045)	**(80)**
Acquisitions	222	863	15,132	4,008	1,171	32,913	**54,309**
Disposals	0	0	(379)	(97)	0	0	**(476)**
Other	0	0	(655)	0	0	0	**(655)**
Depreciation	0	(4,952)	(33,393)	(5,572)	(1,174)	0	**(45,091)**
Impairment losses	0	0	(140)	1	0	0	**(139)**
Total changes	**(249)**	**(1,468)**	**3,062**	**(685)**	**(50)**	**18,593**	**19,203**
Historical cost	24,289	206,698	813,971	188,804	36,964	46,872	**1,317,598**
Accumulated depreciation	0	(67,443)	(503,029)	(155,578)	(29,849)	0	**(755,899)**
Write-down provision	0	(158)	(1,869)	0	0	(492)	**(2,519)**
Balance at 30 June 2015	**24.289**	**139.097**	**309.073**	**33.226**	**7.115**	**46.380**	**559.180**

During the first half of 2015 investments in property, plant and equipment amounted to €54,309 thousand, including €32,913 thousand on fixed assets in course of construction. As already noted in the Report on Operations, the Group continued its international development programme. This involved significant investments in production plants, machinery and equipment in North America, Poland, the Czech Republic, as well as in Italy.

Net disposals amounted to €476 thousand and refer to the normal cycle of machinery replacement, as it becomes unusable in production processes.

Total depreciation charges for the first half of 2015 amounted to €45,091 thousand (€38,749 thousand at 30 June 2014).

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

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

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

(euro thousand)	Development costs	Goodwill A	Intangible assets with indefinite useful lives B	Sub-total A+B	Industrial patents and similar rights C	Other intangible assets D	Total other intangible assets C+D	Total
Historical cost	**105,886**	57,660	1,033	**58,693**	30,080	69,506	**99,586**	**264,165**
Accumulated amortisation	**(59,832)**	0	0	**0**	(25,574)	(57,999)	**(83,573)**	**(143,405)**
Write-down provision	**(721)**	(19,134)	(3)	**(19,137)**	(505)	0	**(505)**	**(20,363)**
Balance at 1 January 2014	**45,333**	**38,526**	**1,030**	**39,556**	**4,001**	**11,507**	**15,508**	**100,397**
Changes:								
Translation differences	**8**	913	0	**913**	(2)	(40)	**(42)**	**879**
Reclassification	**0**	0	0	**0**	117	(250)	**(133)**	**(133)**
Acquisitions	**5,822**	0	0	**0**	360	2,848	**3,208**	**9,030**
Amortisation	**(5,413)**	0	0	**0**	(819)	(2,436)	**(3,255)**	**(8,668)**
Impairment losses	**(1,184)**	0	0	**0**	0	0	**0**	**(1,184)**
Total changes	**(767)**	**913**	**0**	**913**	**(344)**	**122**	**(222)**	**(76)**
Historical cost	**110,726**	59,072	1,033	**60,105**	30,539	70,500	**101,039**	**271,870**
Accumulated amortisation	**(65,254)**	0	0	**0**	(26,377)	(58,871)	**(85,248)**	**(150,502)**
Write-down provision	**(906)**	(19,633)	(3)	**(19,636)**	(505)	0	**(505)**	**(21,047)**
Balance at 30 June 2014	**44,566**	**39,439**	**1,030**	**40,469**	**3,657**	**11,629**	**15,286**	**100,321**
Historical cost	**115,238**	62,154	1,033	**63,187**	31,217	72,492	**103,709**	**282,134**
Accumulated amortisation	**(70,678)**	0	0	**0**	(27,076)	(61,465)	**(88,541)**	**(159,219)**
Write-down provision	**(855)**	(22,395)	(3)	**(22,398)**	(504)	0	**(504)**	**(23,757)**
Balance at 1 January 2015	**43,705**	**39,759**	**1,030**	**40,789**	**3,637**	**11,027**	**14,664**	**99,158**
Changes:								
Translation differences	**96**	3,281	0	**3,281**	6	191	**197**	**3,574**
Change in consolidation area	**(4,260)**	0	0	**0**	(531)	(2)	**(533)**	**(4,793)**
Reclassification	**0**	0	0	**0**	9	(53)	**(44)**	**(44)**
Acquisitions	**6,264**	0	0	**0**	275	3,203	**3,478**	**9,742**
Disposals	**(177)**	0	0	**0**	0	0	**0**	**(177)**
Amortisation	**(5,146)**	0	0	**0**	(678)	(2,325)	**(3,003)**	**(8,149)**
Impairment losses	**(261)**	0	0	**0**	0	0	**0**	**(261)**
Total changes	**(3,484)**	**3,281**	**0**	**3,281**	**(919)**	**1,014**	**95**	**(108)**
Historical cost	**114,236**	57,610	1,033	**58,643**	29,171	75,889	**105,060**	**277,939**
Accumulated amortisation	**(73,627)**	0	0	**0**	(25,949)	(63,848)	**(89,797)**	**(163,424)**
Write-down provision	**(388)**	(14,570)	(3)	**(14,573)**	(504)	0	**(504)**	**(15,465)**
Balance at 30 June 2015	**40,221**	**43,040**	**1,030**	**44,070**	**2,718**	**12,041**	**14,759**	**99,050**

Development costs

The item “Development costs” includes internal and external costs for development for a gross historical cost of €114,236 thousand. During the reporting period, this item changed due to higher costs incurred for works begun in the first half of 2015, for orders received both during the first half of the year and in previous periods, for which additional costs were incurred; amortisation amounting to €5,146 thousand was recognised for development costs associated with products that have already entered into mass production.

The gross amount includes development activities for projects underway totalling €16,486 thousand. The total amount of costs for capitalised internal works charged to the Statement of Income in the item “Costs for capitalised internal works” in the reporting period amounted to €6,114 thousand (€5,682 thousand in the first half of 2014).

Impairment losses totalled €261 thousand and are recognised in the Statement of Income under “Amortisation, depreciation and impairment losses.” Impairment losses refer to development costs incurred mainly by the Parent Company, Brembo S.p.A., in relation to projects that, consistently with the desire of the customer or Brembo, were not completed or underwent changes in terms of their end destination.

Goodwill

The item “Goodwill” arose from the following business combinations:

(euro thousand)	30.06.2015	31.12.2014
Discs – Systems and Motorbikes:		
Brembo North America Inc. (Hayes Lemmerz)	15,255	14,059
Brembo México S.A. de C.V. (Hayes Lemmerz)	929	856
Brembo Nanjing Brake Systems Co. Ltd.	1,009	929
Brembo Brake India Pvt. Ltd.	9,250	8,583
After Market — Performance Group:		
Corporación Upwards ’98 (Frenco S.A.)	2,006	2,006
Ap Racing Ltd.	14,591	13,326
Total	**43,040**	**39,759**

The change compared to 31 December 2014 was entirely attributable to the change in consolidation differences.

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

The main assumptions used to determine the value in use of the cash-generating unit relate to the discount rate and growth rate. Specifically, calculations used cash-flow projections for the 2016-2018 period covered by the corporate business plans. Cash flows for subsequent years were extrapolated using a prudential steady 1-1.5% medium- to long-term growth rate, on a case-by-case basis. The discount rate used was 6.4% (WACC), which reflected the current market assessments of the time value of money and the risks specific to the asset in question.

Impairment tests are conducted on the values of recognised goodwill in the presence of impairment indicators when preparing the condensed consolidated six monthly financial report.

The impairment test performed on Corporación Upwards '98 S.A. did not indicate the need to recognise any impairment loss.

In the event of a change in the WACC from 6.4% to 6.9% and the growth rate from 1% to 0.5% (or from 1.5% to 1%), no previously unimpaired goodwill would have become impaired. The changes in the WACC, growth rate and sales volumes described above are deemed reasonable. In this respect, only changes beyond reasonable levels in the WACC and the use of growth rates near zero would have resulted in impairment.

Intangible assets with indefinite useful lives

The item amounted to €1,030 thousand and consists of the trademark Villar, owned by the subsidiary Corporación Upwards '98 S.A. For information concerning impairment testing methods, the reader is referred to the above section relating to goodwill.

Other intangible assets

Acquisitions of "Other intangible assets" totalled €3,478 thousand and refer for €275 thousand to the purchase of specific patents and trademarks, and for the remaining amount mainly to the share of the investment for the reporting period associated with the gradual implementation and development of new features regarding the new ERP (Enterprise Resource Planning) system within the Group.

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

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

(euro thousand)	31.12.2014	Write-ups/ Write-downs	Dividends	Other changes	30.06.2015
Gruppo Brembo SGL Carbon Ceramic Brakes	27,789	3,337	(7,000)	(4)	24,122
Petroceramics S.r.l.	387	0	(20)	(30)	337
Total	**28,176**	**3,337**	**(7,020)**	**(34)**	**24,459**

It should be noted that the impact on the Statement of Income of shareholdings valued using the equity method regards two items: "Non-financial interest income (expense) from investments", attributable to the effect of the valuation using the equity method of the BSCCB Group, and "Interest income (expense) from investments", attributable to the valuation of associates using the equity method.

The investment in Brembo SGL Carbon Ceramic Brakes S.p.A. was written up by €3,337 thousand, mainly to account for net income for the period.

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

This item is broken down as follows:

(euro thousand)	30.06.2015	31.12.2014
Shareholdings in other companies	298	99
Derivatives	410	273
Other	1,087	808
Total	**1,795**	**1,180**

The item "Shareholdings in other companies" includes the 10% interest in International Sport Automobile S.a.r.l., the 1.20% interest in Fuji Co., and the 2.92% interest in E-novia S.r.l. (acquired in March 2015). "Other" includes interest-free security deposits for utilities and car rental agreements.

5. Receivables and Other Non-current Assets

This item is broken down as follows:

(euro thousand)	30.06.2015	31.12.2014
Receivables from others	5,511	5,713
Income tax receivables	265	376
Non-income tax receivables	34	34
Total	**5,810**	**6,123**

The item "Receivables from others" mainly includes the amount related to contributions towards a client for the acquisition of a ten-year exclusive supply arrangement released to the Statement of Income in accordance with the supply schedule for the client, which began in late 2014.

Tax receivables mostly refer to applications for tax refunds.

6. Deferred Tax Assets and Liabilities

The net balance of deferred tax assets and liabilities at 30 June 2015 is broken down as follows:

(euro thousand)	30.06.2015	31.12.2014
Deferred tax assets	60,122	55,591
Deferred tax liabilities	(14,542)	(14,563)
Total	**45,580**	**41,028**

Deferred tax assets and liabilities were generated mainly due to temporary differences for capital gains with deferred taxation, other income items subject to future deductions or taxation, tax loss carryforwards and other consolidation adjustments.

Movements for the period are reported in the following table:

(euro thousand)	30.06.2015	31.12.2014
Balance at beginning of period	**41,028**	**34,383**
Deferred tax liabilities generated	(67)	(1,807)
Deferred tax assets generated	12,055	26,169
Use of deferred tax assets and liabilities	(8,186)	(17,907)
Exchange rate fluctuations	374	(1,316)
Reclassification	0	(76)
Change in consolidation area	293	0
Other movements	83	1,582
Balance at end of period	**45,580**	**41,028**

The measurement of deferred tax assets was made by assessing the existence of the pre-requisites for their future recovery based on updated strategic plans. In particular, it should be noted that the consolidated subsidiary Brembo Poland Spolka Zo.o. resides in a "special economic zone" and is entitled to deduct 50% of its investments from its current taxes owed through 2026. Based on the new investments made during the reporting period, the company calculated the estimate of the benefit recovery for the period, also on the basis of the estimate of benefit that can be used over a three-year timeframe, which is the reference period of the plans drawn up by the company. Therefore, the company recognised deferred tax assets amounting to PLN 7,975 thousand at 30 June 2015 (€1,903 thousand).

Brembo Czech Sro. has two tax incentive plans, one of CZK 368 million (expiring in 2018) and another of CZK 133.7 million (expiring in 2021), on which the company recognised deferred tax assets of CZK 214.1 million. At 30 June 2015, the unrecognised potential future tax benefit amounted to CZK 287.6 million (approximately €10.6 million), inasmuch as there is no certain evidence, according to current forecasts, that such benefit may be used before it expires.

In addition, it should be noted that:

- unrecognised deferred tax assets of Brembo do Brasil Ltda., calculated on tax losses for the year (BRL 64.8 million), amounted to BRL 22.1 million;
- unrecognised deferred tax assets of Brembo do Brasil Ltda., calculated on tax losses for the period (ARS 12.5 million), amounted to ARS 4.4 million;
- at 30 June 2015, no deferred tax liabilities were recognised for taxes on undistributed profits of subsidiaries, associates or joint ventures, as currently the Group does not deem that such profits will be distributed in the foreseeable future.

7. Inventories

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

(euro thousand)	30.06.2015	31.12.2014
Raw materials	102,617	96,130
Work in progress	55,010	43,647
Finished products	86,649	77,004
Goods in transit	12,409	13,874
Total	**256,685**	**230,655**

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

(euro thousand)	31.12.2014	Provisions	Use/ Release	Exchange rate fluctuations	Change in consolidation area	30.06.2015
Inventory write-down provision	32,605	9,182	(1,857)	718	(1,742)	38,906

The inventory write-down provision is determined in order to align the cost of inventories to their estimated realisable value; the provision increased due to higher depreciation calculated on obsolete goods as a result of faster renewal of product ranges.

8. Trade Receivables

At 30 June 2015, the balance of trade receivables compared to the previous year was as follows:

(euro thousand)	30.06.2015	31.12.2014
Trade receivables	348,726	284,675
Receivables from associates and joint ventures	2,145	2,218
Total	**350,871**	**286,893**

The increase in trade receivables is mainly related to the growth in business volumes.

The bad debt risk is not concentrated in any one area, as the company has a large number of clients spread across the various geographical areas in which it operates. In this regard, the customer risk profile is substantially similar to that identified and valued in the past year.

Trade receivables are recognised net of the provision for bad debts, which amounted to €5,973 thousand. Movements in the provision are shown below:

(euro thousand)	31.12.2014	Provisions	Use/ Release	Exchange rate fluctuations	Change in consolidation area	30.06.2015
Provision for bad debts	5,808	1,602	(827)	118	(728)	5,973

9. Other Receivables and Current Assets

This item is broken down as follows:

(euro thousand)	30.06.2015	31.12.2014
Income tax receivables	7,793	6,106
Non-income tax receivables	13,889	23,034
Other receivables	10,042	9,419
Total	**31,724**	**38,559**

The item "Income tax receivables" includes the receivable recognised by the Parent Company in prior years in relation to the application of an IRES refund, concerning the non-deductibility for IRAP purposes of personnel expenses, and other applications for IRES and IRAP refund totalling €4,970 thousand.

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

10. Current Financial Assets and Derivatives

This item is broken down as follows:

(euro thousand)	30.06.2015	31.12.2014
Receivables from associates	9,599	9,485
Derivatives	568	486
Security deposits	211	175
Other receivables	1	0
Total	**10,379**	**10,146**

The item "Receivables from associates" includes the receivable associated with the loan granted by Brembo S.p.A. to Innova Tecnologie S.r.l., of a nominal amount of €9 million, guaranteed by the latter's Parent Company (Impresa Fratelli Rota Nodari S.p.A.) with a strong comfort letter, the provisions of which include an obligation to make direct payment to Brembo S.p.A. of up to 70% of the amount owed by Innova Tecnologie S.r.l. The loan has come due, and in order to avoid jeopardising the claims of Brembo S.p.A. pending the possible renewal of the loan, for which negotiations are still ongoing, Brembo S.p.A. has taken action through a summary procedure against Innova Tecnologie S.r.l. and the guarantor Impresa Fratelli Rota Nodari S.p.A.

It has been assessed to continue to carry the receivable at its nominal amount (in addition to interest), in that there are no impediments to its full recovery.

11. Cash and Cash Equivalents

Cash and cash equivalents include:

(euro thousand)	30.06.2015	31.12.2014
Bank and postal accounts	166,283	205,900
Cash-in-hand and cash equivalents	192	124
Total cash and cash equivalents	**166,475**	**206,024**
Payables to banks: ordinary current accounts and foreign currency advances	(110,560)	(106,677)
Cash and cash equivalents from the Statement of Cash Flows	**55,915**	**99,347**

The amounts shown can be readily converted into cash and the risk of change in value is not considered material. It is deemed that the book value of cash and cash equivalents approximates the fair value at the reporting date.

It should be noted that, with regard to the amount recognised in the Statement of Cash Flows, interest paid in the year totalled €6,005 thousand.

12. Equity

Group consolidated equity at 30 June 2015 increased by €60,236 thousand compared to 31 December 2014. Movements are given in the relevant statement within the Condensed Consolidated Six Monthly Report.

Share Capital

The subscribed share capital is fully paid up and amounted to €34,728 thousand at 30 June 2015. It is divided into 66,784,450 shares with a nominal value of €0.52 each.

The table below shows the composition of the share capital and the number of shares outstanding at 31 December 2014 and 30 June 2015:

(No. of shares)	30.06.2015	31.12.2014
Ordinary shares issued	66,784,450	66,784,450
Own shares	(1,747,000)	(1,747,000)
Total shares outstanding	**65,037,450**	**65,037,450**

As part of Brembo's buy-back plan, the company neither purchased nor sold own shares in the first half of 2015.

Other Reserves and Retained Earnings/(Losses)

The resolution by the General Shareholders' Meeting of the Parent Company, Brembo S.p.A., of 23 April 2015, allocating the net profit for 2014 of €68,824 thousand as follows, has been executed:

- to the Shareholders, a gross ordinary dividend of €0.6 per ordinary share outstanding, excluding own shares (payment as of 20 May 2015, ex-coupon date 18 May 2015, and record date 19 May 2015);

- to the Shareholders, upon the 20th anniversary from the listing of the Company, an extraordinary dividend of €0.2 per ordinary share outstanding, excluding own shares (payment as of 8 July 2015, ex-coupon 6 July 2015, and record dare 7 July 2015);
- to the reserve pursuant to Article 6(2) of Italian Legislative Decree No. 38/2005, €357 thousand;
- the remaining amount carried forward.

Share Capital and Reserves of Minority Interests
The main changes in this item are related to the sale of shares in Belt & Buckle S.r.o. and Sabelt S.p.A. to third-party shareholders.

13. Financial Debt and Derivatives

This item is broken down as follows:

	30.06.2015			31.12.2014		
(euro thousand)	Due within one year	Due after one year	Total	Due within one year	Due after one year	Total
Payables to banks:						
- ordinary current accounts and advances	110,560	0	110,560	106,677	0	106,677
- loans	79,927	230,802	310,729	95,928	271,079	367,007
Total	**190,487**	**230,802**	**421,289**	**202,605**	**271,079**	**473,684**
Payables to other financial institutions	1,455	3,778	5,233	6,405	5,820	12,225
Derivatives	66	50	116	270	378	648
Total	**1,521**	**3,828**	**5,349**	**6,675**	**6,198**	**12,873**

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

(euro thousand)	Original amount	Amount at 31.12.2014	Amount at 30.06.2015	Portion due within one year	Portion due between 1 and 5 years	Portion due after 5 years
Payables to banks:						
BNL loan (€50 million)	50,000	(150)	(150)	0	(150)	0
Centrobanca 3 loan (€30 million)	30,000	4,283	0	0	0	0
Creberg loan (€50 million)	50,000	4,998	0	0	0	0
Unicredit loan (€10 million)	10,000	1,249	0	0	0	0
UBI loan (€25 million)	25,000	10,034	7,527	5,040	2,487	0
Intesa San Paolo loan (€30 million)	30,000	4,982	0	0	0	0
Intesa San Paolo loan (€50 million)	50,000	9,972	4,990	4,990	0	0
Banca Popolare di Sondrio loan (€25 million)	25,000	15,602	12,486	6,257	6,229	0
Mediobanca loan (€35 million)	35,000	34,851	35,100	251	34,849	0
UBI loan (€30 million)	30,000	16,815	13,086	7,527	5,559	0
Mediobanca loan (€50 million)	50,000	49,698	50,049	5,355	44,694	0
EIB R&D loan (€55 million)	55,000	48,811	44,749	8,160	32,515	4,074
Mediobanca loan (€45 million)	45,000	44,827	45,101	277	44,824	0
Intesa San Paolo NY credit line	7,029	10,302	2,235	2,235	0	0
Unicredit NY loan (USD 25 million)	18,270	16,406	15,585	4,469	11,116	0
Unicredit NY loan (€40 million)	40,000	31,871	27,900	8,000	19,900	0
Citibank Shanghai loan (RMB 200 million)	22,727	7,234	5,240	5,240	0	0
Bank Handlowy loan (€40 million)	40,000	13,333	8,889	8,889	0	0
EIB loan (€30 million, New Foundry Project)	30,000	26,673	24,768	3,810	15,242	5,716
BNP CAPEX LINE (CNY 50 million)	5,902	4,697	5,001	5,001	0	0
Citibank Brazil loan (BRL 5 million)	1,946	1,555	1,443	1,443	0	0
Santander loan (BRL 15 million)	4,657	4,963	3,649	1,684	1,965	0
Bradesco loan (BRL 15 million)	5,006	4,001	3,081	1,299	1,782	0
Total payables to banks	**660,537**	**367,007**	**310,729**	**79,927**	**221,012**	**9,790**
Payables to other financial institutions:						
Production Activity Ministry Law 46/82 (CCM Project)	2,371	578	594	306	288	0
Finlombarda MIUR loan	272	253	257	72	185	0
MIUR BBW loan	2,443	1,875	1,912	409	1,312	191
Payables to factors	N.A.	568	0	0	0	0
MCC Law 598 Isofix	120	110	0	0	0	0
Ministerio de Industria España	3,237	2,269	2,019	263	938	818
Payables to minority shareholders of Belt & Buckle Sro.	1,700	1,700	0	0	0	0
Renault Argentina S.A. loan	797	377	271	229	42	0
FINAME Brembo Do Brasil Ltda. loan	433	157	78	78	0	0
Payables for leases	22,512	4,338	102	98	4	0
Total payables to other financial institutions	**33,885**	**12,225**	**5,233**	**1,455**	**2,769**	**1,009**
TOTAL	**694,422**	**379,232**	**315,962**	**81,382**	**223,781**	**10,799**

The main changes compared to 31 December 2014 are reported below.

At 30 June 2015, the payable relating to the put option reserved for minority shareholders of Belt & Buckle S.r.o., amounting to €1.7 million — equal to the amount paid by the same minority shareholders to acquire 30% of the company — was written off as a result of the exercise of the minority shareholders' right to acquire the remaining 70% of the company.

It should be noted that several other loans require compliance with certain financial covenants. At the end of the reporting period, all of these covenants had been met. At 30 June 2015, there was no financial debt secured by collateral.

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

(euro thousand)	30.06.2015			31.12.2014		
	Instalment	Interest	Principal	Instalment	Interest	Principal
Within 1 year	98	0	98	3,186	77	3,109
Between 1 and 5 years	4	0	4	859	202	657
Beyond 5 years	0	0	0	572	0	572
Total	**102**	**0**	**102**	**4,617**	**279**	**4,338**

The following table provides a breakdown of operating lease instalments:

(euro thousand)	30.06.2015	31.12.2014
Within 1 year	18,630	18,981
Between 1 and 5 years	57,793	58,120
Beyond 5 years	94,178	95,844
Total	**170,601**	**172,945**

The following table shows the structure of debt towards other lenders and loans, broken down by annual interest rate and currency at 30 June 2015:

	30.06.2015			31.12.2014		
	Fixed rate	Variable rate	Total	Fixed rate	Variable rate	Total
Euro	9,771	269,579	279,350	21,755	307,734	329,489
US Dollar	0	17,820	17,820	0	26,708	26,708
Chinese Renmimbi	0	10,241	10,241	0	11,931	11,931
Argentine Peso	271	18	289	377	35	412
Japanese Yen	7	0	7	8	0	8
Brazil Real	1,525	6,730	8,255	1,721	8,963	10,684
Total	**11,574**	**304,388**	**315,962**	**23,861**	**355,371**	**379,232**

The average variable rate applicable to the Group's debt is 2.48% and the average fixed rate is 3.55%.

In 2012, the Brembo Group entered into an IRS directly with the Parent Company, Brembo S.p.A., for a remaining notional amount of €5 million at 30 June 2015, hedging the interest rate risk associated with a specific outstanding loan. This IRS falls within the requirement set forth in the accounting standards relating to hedge accounting (cash flow hedge). The €43 thousand change in fair value at 30 June 2015 was recognised as a component of comprehensive income, net of the tax effect, given that the hedge is fully effective.

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

(euro thousand)	30.06.2015	31.12.2014
Balance at beginning of period	**(68)**	**(159)**
Movements from reserve for fair value	(3)	(38)
Movements from reserve for the payment/collection of differentials	46	129
Balance at end of period	**(25)**	**(68)**

Net Financial Position

The following table shows the reconciliation of the net financial position at 30 June 2015 (€249,784 thousand), and at 31 December 2014 (€270,387 thousand) based on the layout prescribed by Consob Communication No. 6064293 of 28 July 2006.

	(euro thousand)	30.06.2015	31.12.2014
A	Cash	192	124
B	Other cash equivalents	166,283	205,900
C	Derivatives and securities held for trading	568	486
D	**LIQUIDITY (A+B+C)**	**167,043**	**206,510**
E	Current financial receivables	9,811	9,660
F	Current payables to banks	110,560	106,677
G	Current portion of non-current debt	79,927	95,928
H	Other current financial debts and derivatives	1,521	6,675
I	**CURRENT FINANCIAL DEBT (F+G+H)**	**192,008**	**209,280**
J	**NET CURRENT FINANCIAL DEBT (I–E–D)**	**15,154**	**(6,890)**
K	Non-current payables to banks	230,802	271,079
L	Bonds issued	0	0
M	Other non-current financial debts and derivatives	3,828	6,198
N	**NON-CURRENT FINANCIAL DEBT (K+L+M)**	**234,630**	**277,277**
O	**NET FINANCIAL DEBT (J+N)**	**249,784**	**270,387**

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

14. Other Non-current Liabilities

This item is broken down as follows:

(euro thousand)	30.06.2015	31.12.2014
Social security payables	0	2,206
Payables to employees	867	9,651
Other payables	16	2,525
Total	**883**	**14,382**

The changes in the items “Payables to employees”, “Social security payables” and “Other payables” primarily consisted of the reclassification to “Other current liabilities” of the liability associated with the 2013-2015 three-year incentive plan, to be settled in May 2016.

15. Provisions

This item is broken down as follows:

(euro thousand)	31.12.2014	Provisions	Use/ Release	Exchange rate fluctuations	Change in consolidation area	30.06.2015
Provisions for contingencies and charges	10,285	10,041	(1,660)	(86)	(194)	18,386
of which short-term	***645***					***2,830***

Provisions totalled €18,386 thousand, mainly including product warranties amounting to €8,482 thousand, supplemental customer indemnities — in connection with the Italian agency contract — and the valuation of risks related to litigation underway, as well as an estimate of liabilities that could arise as a result of tax litigation underway. The item also includes the provision linked to the measurement of not fully consolidated shareholdings using the equity method.

In addition, at the end of June the Nanjing area was hit by a flood caused by the Yun Tai Shan river overflowing. Brembo has two production sites in Nanjing including a cast-iron foundry, mechanical processing and brake disc, drum and caliper assembly. Inevitably, these sites were partially hit by the flooding. However, the Brembo teams, supported by teams from the Nanjing Airport Zone, intervened very promptly and contained the damage caused by the water as much as possible. Resumption of production has been gradual and work is still in progress without causing service disruption or delays in deliveries to customers, thanks to the stock levels planned by Brembo on the Chinese site.

As a result, a dedicated provision of €2,150 thousand has been accrued.

16. Provisions for Employee Benefits

Group companies provide post-employment benefits through defined contribution plans or defined benefit plans.

In the case of defined contribution plans, the Group companies pay contributions to public or private insurance institutes based on legal or contractual obligations or on a voluntary basis. Once such contributions have been paid, the companies have no further payment obligations.

The employees of the UK subsidiary AP Racing Ltd. have the benefit of a corporate pension plan (AP Racing Pension Scheme), which is made up of two sections: the first is a defined contribution plan for employees hired after 1 April 2001, and the second is a defined benefit plan for those already in service at 1 April 2001 (and previously covered by the AP Group Pension Fund). The defined benefit plan is funded by employer and employee contributions made to a trustee that is legally separate from the enterprise providing benefits to its employees.

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

Unfunded defined benefit plans include also the "Employees' leaving entitlement" provided by the Group's Italian companies, in accordance with current applicable regulations.

The value of defined benefit plans is calculated on an actuarial basis using the "Projected Unit Credit Method".

Liabilities at 30 June 2015 are shown below:

(euro thousand)	31.12.2014	Provisions	Use/ Release	Interest expesne	Exchange rate fluctuations	Actuarial exchange (gains) losses	Change in consolidation area	30.06.2015
Employees' leaving entitlement	22,588	0	(861)	198	0	(872)	(229)	20,824
Defined-benefit plans and other long-term benefits	9,313	105	(281)	196	830	1,680	0	11,843
Defined contribution plans	892	343	(388)	0	67	0	(5)	909
Total	**32,793**	**448**	**(1,530)**	**394**	**897**	**808**	**(234)**	**33,576**

17. Trade Payables

At 30 June 2015, trade payables were as follows:

(euro thousand)	30.06.2015	31.12.2014
Trade payables	338,383	296,347
Payables to associates and joint ventures	14,566	12,630
Total	**352,949**	**308,977**

The increase in this item is related to the expansion of the normal operating activities in the period.

18. Tax Payables

This item reflects the net amount due for the current taxes of the Group's companies.

(euro thousand)	30.06.2015	31.12.2014
Tax payables	13,277	14,385

19. Other Current Payables

Other current payables at 30 June 2015 are shown below:

(euro thousand)	30.06.2015	31.12.2014
Tax payables other than current taxes	6,139	8,900
Social security payables	16,011	14,552
Payables to employees	48,615	37,674
Other payables	38,925	23,084
Total	**109,690**	**84,210**

"Payables to employees", "Social security payables" and "Other payables" primarily include the reclassification from "Other non-current liabilities" of the liability for the three-year incentive plan 2013-2015 to be settled on May 2016.

"Other payables" also include deferred income concerning the government grant received by Brembo Poland Spolka Zo.o. to build the new cast-iron foundry, which was released to the State of Income in accordance with the new amortisation plan, and the payable to shareholders for the gross extraordinary dividend of €0.2 per ordinary share outstanding (totalling €13,007 thousand), paid on 8 July 2015.

STATEMENT OF INCOME

20. Sales of Goods and Services

Breakdown of sales of goods and services was as follows:

(euro thousand)	30.06.2015	30.06.2014
Italy	134,443	129,975
Abroad	904,459	771,722
Total	**1,038,902**	**901,697**

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

21. Other Revenues and Income

These are made up of:

(euro thousand)	30.06.2015	30.06.2014
Miscellaneous recharges	2,463	2,495
Gains on disposal of assets	449	228
Miscellaneous grants	916	1,755
Other revenues	1,724	1,582
Total	**5,552**	**6,060**

22. Costs for Capitalised Internal Works

This item refers to the capitalisation of development costs incurred during the period, amounting to €6,114 thousand (first half of 2014: €5,682 thousand).

23. Cost of Raw Materials, Consumables and Goods

The item is broken down as follows:

(euro thousand)	30.06.2015	30.06.2014
Purchase of raw materials, semi-finished and finished products	485,736	426,096
Purchase of consumables	44,646	38,727
Total	**530,382**	**464,823**

24. Non-financial Interest Income (Expense) from Investments

Non-financial interest income (expense) from investments amounted to €3,887 thousand, attributable for €3,337 thousand (€2,621 thousand for the first half of 2014) to the effects of valuing the investment in the BSCCB Group (whose operations are included in the Group's operating activities) using the equity method, for €3,122 thousand to the gain from the sale of Belt & Buckle S.r.o. to third parties, and for €2,572 thousand to the loss from the sale of Sabelt S.p.A. to minority shareholders.

25. Other Operating Costs

These costs are broken down as follows:

(euro thousand)	30.06.2015	30.06.2014
Transports	25,268	23,336
Maintenance, repairs and utilities	43,335	39,663
Contracted work	34,707	31,077
Rent	14,368	12,500
Other operating costs	49,908	36,532
Total	**167,586**	**143,108**

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

26. Personnel Expenses

Breakdown of personnel expenses is as follows:

(euro thousand)	30.06.2015	30.06.2014
Wages and salaries	129,922	116,818
Social security contributions	29,249	28,795
Employees' leaving entitlement and other personnel provisions	5,526	4,978
Other costs	16,839	15,420
Total	**181,536**	**166,011**

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

	Executives	White-collar	Blue-collar	Total
H1 2015: average	111	2,367	5,373	**7,851**
H1 2014: average	109	2,266	5,206	**7,581**
Changes	**2**	**101**	**167**	**270**
Total at 30 June 2015	108	2,355	5,303	**7,766**
Total at 30 June 2014	111	2,288	5,273	**7,672**
Changes	**(3)**	**67**	**30**	**94**

27. Depreciation, Amortisation and Impairment Losses

The item is broken down as follows:

(euro thousand)	30.06.2015	30.06.2014
Amortisation of intangible assets:		
Development costs	5,146	5,413
Industrial patents and similar rights for original work	489	627
Licences, trademarks and similar rights	189	192
Other intangible assets	2,325	2,436
Total	**8,149**	**8,668**
Depreciation of property, plant and equipment:		
Buildings	4,923	3,921
Leased buildings	29	229
Plant and machinery	33,362	28,592
Leased plant and machinery	31	428
Industrial and commercial equipment	5,571	4,414
Leased industrial and commercial equipment	1	2
Other property, plant and equipment	1,145	1,141
Other leased property, plant and equipment	29	22
Total	**45,091**	**38,749**
Impairment losses:		
Property, plant and equipment	139	22
Intangible assets	261	1,184
Total	**400**	**1,206**
TOTAL AMORTISATION, DEPRECIATION AND IMPAIRMENT LOSSES	**53,640**	**48,623**

Comments on impairment losses are provided in the notes to the Statement of Financial Position items.

28. Net Interest Income (Expense)

This item is broken down as follows:

(euro thousand)	30.06.2015	30.06.2014
Exchange rate gains	42,753	16,483
Interest income from employee's leaving entitlement and other personnel provisions	529	541
Interest income	1,173	2,358
Total interest income	**44,455**	**19,382**
Exchange rate losses	(39,289)	(17,156)
Interest expense from employees' leaving entitlement and other personnel provisions	(923)	(1,023)
Interest expense	(7,715)	(7,691)
Total interest expense	**(47,927)**	**(25,870)**
TOTAL NET INTEREST INCOME (EXPENSE)	**(3,472)**	**(6,488)**

29. Interest Income (Expense) from Investments

An analysis of the item is provided in the comment on the Statement of Financial Position item presented in **Note 3** above.

30. Taxes

This item is broken down as follows:

(euro thousand)	30.06.2015	30.06.2014
Current taxes	31,349	26,293
Deferred tax (assets) and liabilities	(3,802)	(3,470)
Estimated tax payables and taxes from previous years	(225)	264
Total	**27,322**	**23,087**

The Group's tax rate was 23.2% (30 June 2014: 26.5%).

31. Earnings per Share

Basic earnings per share were €1.37 at 30 June 2015 (June 2014: €0.98), and were calculated by dividing the net result for the period attributable to holders of ordinary equity instruments of the Parent Company by the weighted average number of ordinary shares outstanding during the first half of 2015, amounting to 65,037,450 (first half of 2014: 65,037,450). The weighted average did not change since no share capital transactions took place during the reporting period. Diluted earnings per share are identical to basic earnings per share inasmuch as no diluting transactions were undertaken.

32. Related Parties

The Group carries out transactions with parent companies, subsidiaries, associates, joint ventures, directors, key management personnel and other related parties. The Parent Company Brembo S.p.A. is a subsidiary of Nuova FourB S.r.l., which holds 53.522% of its share capital.

Brembo did not engage in dealings with its parent in the first half of 2015, except for the dividend distribution.

The table below provides information about the fees paid to Directors, Statutory Auditors and General Manager (position held by the Chief Executive Officer) of Brembo S.p.A. and of other Group companies, as well as additional information required:

	30.06.2015		30.06.2014	
(euro thousand)	Directors	Auditors	Directors	Auditors
Emoluments for the office held	1,005	112	1,013	101
Participation in committees and specific tasks	50	0	0	0
Salaries and other incentives	2,545	0	2,658	0

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

The following table provides a summary of related party transactions with reference to balances of the Statement of Financial Position and Statement of Income.

(euro thousand)	30.06.02015						31.12.2014					
		RELATED PARTIES						RELATED PARTIES				
a) Weight of transactions or positions with related parties on items of the Statement of Financial Position	Carrying value	Total	Other*	Joint ventures	Associates	%	Carrying value	Total	Other*	Joint ventures	Associates	%
Trade receivables	350,871	3,896	1,751	2,081	64	1.1%	286,893	3,353	1,135	2,155	63	1.2%
Other receivables and current assets	31,724	25	25	0	0	0.1%	38,559	0	0	0	0	0.0%
Current financial assets and derivatives	10,379	9,599	0	0	9,599	92.5%	10,146	9,484	0	0	9,484	93.5%
Cash and cash equivalents	166,475	25,157	25,157	0	0	15.1%	206,024	19,904	19,904	0	0	9.7%
Non-current payables to banks	(230,802)	(8,046)	(8,046)	0	0	3.5%	(271,079)	(14,212)	(14,212)	0	0	5.2%
Other non-current liabilities	(883)	0	0	0	0	0.0%	(14,382)	(4,945)	(4,945)	0	0	34.4%
Provisions for employee benefits	(33,576)	(10,477)	(10,477)	0	0	31.2%	(32,793)	(8,136)	(8,136)	0	0	24.8%
Current payables to banks	(190,487)	(18,021)	(18,021)	0	0	9.5%	(202,605)	(33,363)	(33,363)	0	0	16.5%
Trade payables	(352,949)	(15,271)	(705)	(14,287)	(279)	4.3%	(308,977)	(14,491)	(1,861)	(12,369)	(261)	4.7%
Other current payables	(109,690)	(9,428)	(9,301)	(127)	0	8.6%	(84,210)	(2,064)	(1,936)	(128)	0	2.5%

	30.06.2015						30.06.2014					
		RELATED PARTIES						RELATED PARTIES				
b) Weight of transactions or positions with related parties on items of the Statement of Income	Carrying value	Total	Other*	Joint ventures	Associates	%	Carrying value	Total	Other*	Joint ventures	Associates	%
Sales of goods and services	1,038,902	3,078	2,831	242	5	0.3%	901,697	2,703	2,533	164	6	0.3%
Other revenues and income	5,552	1,698	59	1,571	68	30.6%	6,060	1,617	2	1,547	68	26.7%
Raw materials, consumables and goods	(530,382)	(34,961)	(50)	(34,654)	(257)	6.6%	(464,823)	(32,662)	(22)	(32,440)	(200)	7.0%
Other operating costs	(167,586)	(3,054)	(2,804)	(24)	(226)	1.8%	(143,108)	(3,279)	(2,906)	(23)	(350)	2.3%
Personnel expenses	(181,536)	(2,548)	(2,548)	0	0	1.4%	(166,011)	(2,584)	(2,584)	0	0	1.6%
Net interest income (expense)	(3,472)	(290)	(404)	(1)	115	8.4%	(6,488)	(418)	(544)	(1)	127	6.4%

* Other related parties include key management personnel of the entity and other related parties.

Sales of products, services and the transfer of fixed assets between Brembo companies were carried out at prices reflecting fair market conditions. The trading volumes reflect the internationalisation process aimed at constantly improving both operating and organisational standards and optimising synergies within the company. From a financial standpoint, the company's subsidiaries operate independently, although some benefit from various forms of centralised financing. Since 2008, a zero-balance cash-pooling system has been effective, with Brembo S.p.A. as the pool leader. In

2013, an additional cash pooling arrangement was put in place, denominated in Chinese Renminbi, with Brembo Nanjing Foundry Co. Ltd. as pooler and Brembo Nanjing Brake Systems Co. Ltd. and Qingdao Brembo Trading Co. Ltd. as participants. The cash pooling is entirely based in China, and Citibank Nanjing is the service provider.

33. Segment Report

Based on the IFRS 8 definition, an operating segment is a component of an entity:
1. that engages in business activities from which it may earn revenues and incur expenses;
2. whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
3. for which discrete financial information is available.

In light of such definition, the Brembo Group's operating segments are five Divisions/Business Units: Discs, Systems, Motorbikes, Performance, After Market.

Each Division/Business Unit Director reports to the top management and periodically discusses with them operating activities, financial statements results, forecasts or plans.

The Group thus aggregated the operating segments as follows for the purposes of financial reporting:
1. Discs - Systems - Motorbikes
2. After Market - Performance Group.

The segments that are included in each aggregate are similar in terms of:
a) the nature of products (braking systems);
b) the nature of production processes (melting process, subsequent processing for finishing and assembly);
c) the type of customers (manufacturers for Group 1 and distributors for Group 2);
d) the methods used to distribute the products (targeted to manufacturers for Group 1 and through distribution chains for Group 2;
e) economic characteristics (average gross margins and long-term turnover) are similar.

Transfer prices applied to transactions between segments for the exchange of goods and services are settled according to usual market conditions.

In light of the requirements of IFRS 8 in terms of revenues earned from major customers, where a single customer is defined as all companies that belong to a given Group, Brembo had three customers in the first half of 2015 accounting for over 10% of consolidated net revenues. None of the individual car manufacturers comprising such groups exceeded this limit.

The following table shows segment information on sales of goods and services and results at 30 June 2015 and 30 June 2014:

	Total		Discs/Systems/Motorbikes		After Market/ Performance Group		Interdivision		Non-segment data	
(euro thousand)	30.06.2015	30.06.2014	30.06.2015	30.06.2014	30.06.2015	30.06.2014	30.06.2015	30.06.2014	30.06.2015	30.06.2014
Sales	1,047,232	907,740	898,356	764,903	155,766	147,813	(1,588)	(1,510)	(5,302)	(3,466)
Allowances and discounts	(13,830)	(10,623)	(5,853)	(3,037)	(7,978)	(7,554)	0	0	1	(32)
Net sales	**1,033,402**	**897,117**	**892,503**	**761,866**	**147,788**	**140,259**	**(1,588)**	**(1,510)**	**(5,301)**	**(3,498)**
Transport costs	7,882	9,054	6,027	7,136	1,855	1,918	0	0	0	0
Variable production costs	673,137	594,269	586,819	512,095	92,289	85,289	(1,588)	(1,510)	(4,383)	(1,605)
Contribution margin	**352,383**	**293,794**	**299,657**	**242,635**	**53,644**	**53,052**	**0**	**0**	**(918)**	**(1,893)**
Fixed production costs	135,968	117,303	124,173	105,927	9,700	10,502	(3)	(3)	2,098	877
Production gross operating income	**216,415**	**176,491**	**175,484**	**136,708**	**43,944**	**42,550**	**3**	**3**	**(3,016)**	**(2,770)**
BU personnel costs	61,047	54,818	37,977	33,073	19,529	18,959	0	0	3,541	2,786
BU gross operating income	**155,368**	**121,673**	**137,507**	**103,635**	**24,415**	**23,591**	**3**	**3**	**(6,557)**	**(5,556)**
Costs for Central Functions	37,279	35,189	27,147	24,076	5,580	5,683	0	0	4,552	5,430
Operating income (loss)	**118,089**	**86,484**	**110,360**	**79,559**	**18,835**	**17,908**	**3**	**3**	**(11,109)**	**(10,986)**
Extraordinary costs and revenues	(376)	509	0	0	0	0	0	0	(376)	509
Financial costs and revenues	(3,924)	(7,027)	0	0	0	0	0	0	(3,924)	(7,027)
Interest income (expense) from investments	884	2,571	0	0	0	0	0	0	884	2,571
Non-operating costs and revenues	3,171	4,445	0	0	0	0	0	0	3,171	4,445
Result before taxes	**117,844**	**86,982**	**110,360**	**79,559**	**18,835**	**17,908**	**3**	**3**	**(11,354)**	**(10,488)**
Taxes	(27,322)	(23,087)	0	0	0	0	0	0	(27,322)	(23,087)
Result before minority interests	**90,522**	**63,895**	**110,360**	**79,559**	**18,835**	**17,908**	**3**	**3**	**(38,676)**	**(33,575)**
Minority interests	(1,553)	109	0	0	0	0	0	0	(1,553)	109
Net result	**88,969**	**64,004**	**110,360**	**79,559**	**18,835**	**17,908**	**3**	**3**	**(40,229)**	**(33,466)**

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

(euro thousand)	30.06.2015	30.06.2014
SALES OF GOODS AND SERVICES	**1,038,902**	**901,697**
Scrap sales (in the segment report they are subtracted from "Variable production costs")	(7,136)	(7,217)
Capital gains on sale of equipment (in the Consolidated Financial Statements they are included in "Other revenues and income")	243	82
Effect of adjustment of transactions among consolidated companies	745	1,614
Miscellaneous recharges (in the Consolidated Financial Statements they are included in "Other revenues and income")	1,410	1,019
Other	(762)	(78)
NET SALES	**1,033,402**	**897,117**

(euro thousand)	30.06.2015	30.06.2014
NET OPERATING INCOME	**121,311**	**93,495**
Differences in preparation criteria of internal and statutory reports	339	(3,953)
Non-financial interest income (expense) from investments	(3,887)	(2,621)
Claim compensation and subsidies	(92)	(1,011)
Capital gains/losses on disposal of assets (in the segment report they are included in "Non-operating costs and revenues")	(187)	(102)
Different classification of the provision for receivable write-downs (in the segment report they are included in "Non-operating costs and revenues")	0	27
Different classification of the provision for inventory write-downs (in the segment report it is included in "Non-operating costs and revenues")	0	16
Different classification of banking expenses (in the segment report they are included in “Financial costs and revenues”)	457	562
Other	148	71
OPERATING RESULT	**118,089**	**86,484**

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

Statement of Financial Position data at 30 June 2015 and 31 December 2014 are provided in the tables below:

	Total		Discs/Systems/Motorbikes		After Market/ Performance Group		Interdivision		Non-segment data	
(euro thousand)	30.06.2015	31.12.2014	30.06.2015	31.12.2014	30.06.2015	31.12.2014	30.06.2015	31.12.2014	30.06.2015	31.12.2014
Property, plant and equipment	559,180	539,977	516,482	488,252	34,867	43,451	30	25	7,801	8,249
Intangible assets	58,829	55,684	35,500	33,044	16,244	15,784	0	0	7,085	6,856
Financial assets and other non-current assets/liabilities	90,002	76,116	385	556	0	0	5,168	3,600	84,449	71,960
(a) Total fixed assets	**708,011**	**671,777**	**552,367**	**521,852**	**51,111**	**59,235**	**5,198**	**3,625**	**99,335**	**87,065**
Inventories	256,190	230,594	183,646	159,427	74,749	74,282	(101)	(101)	(2,104)	(3,014)
Current assets	380,943	321,098	303,061	246,859	62,854	49,641	(24,326)	(20,903)	39,354	45,501
Current liabilities	(473,649)	(403,439)	(330,609)	(287,761)	(57,334)	(56,240)	24,326	20,903	(110,032)	(80,341)
Provisions for contingencies and charges and other provisions	(19,884)	(12,305)	0	0	0	0	0	0	(19,884)	(12,305)
(b) Net working capital	**143,600**	**135,948**	**156,098**	**118,525**	**80,269**	**67,683**	**(101)**	**(101)**	**(92,666)**	**(50,159)**
NET INVESTED OPERATING CAPITAL (a+b)	**851,611**	**807,725**	**708,465**	**640,377**	**131,380**	**126,918**	**5,097**	**3,524**	**6,669**	**36,906**
IAS adjustments	28,358	31,785	53	32	123	4,250	0	0	28,182	27,503
NET INVESTED CAPITAL	**879,969**	**839,510**	**708,518**	**640,409**	**131,503**	**131,168**	**5,097**	**3,524**	**34,851**	**64,409**
Group equity	591,209	530,973	0	0	0	0	0	0	591,209	530,973
Minority interests	5,400	5,357	0	0	0	0	0	0	5,400	5,357
(d) Equity	**596,609**	**536,330**	**0**	**0**	**0**	**0**	**0**	**0**	**596,609**	**536,330**
(e) Provisions for employee benefits	**33,576**	**32,793**	**0**	**0**	**0**	**0**	**0**	**0**	**33,576**	**32,793**
Medium/long-term financial debt	234,630	277,277	0	0	0	0	0	0	234,630	277,277
Short-term financial debt	15,154	(6,890)	0	0	0	0	0	0	15,154	(6,890)
(f) Net financial debt	**249,784**	**270,387**	**0**	**0**	**0**	**0**	**0**	**0**	**249,784**	**270,387**
(g) COVERAGE (d+e+f)	**879,969**	**839,510**	**0**	**0**	**0**	**0**	**0**	**0**	**879,969**	**839,510**

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

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

34. Information About the Group

The key figures of Group companies are commented upon in the section of the Directors' Report on Operations "Group Structure and Performance of Brembo companies".

COMPANY	HEADQUARTERS			SHARE CAPITAL	STAKE HELD BY GROUP COMPANIES	
Brembo S.p.A.	Curno (Bergamo)	Italy	Eur	34,727,914		
AP Racing Ltd.	Coventry	United Kingdom	Gbp	135,935	100%	Brembo S.p.A.
Brembo Deutschland GmbH	Leinfelden-Echterdingen	Germany	Eur	25,000	100%	Brembo S.p.A.
Brembo North America Inc.	Wilmington, Delaware	USA	Usd	33,798,805	100%	Brembo S.p.A.
Brembo Nanjing Foundry Co. Ltd.	Nanjing	China	Cny	315,007,990	100%	Brembo S.p.A.
Brembo Czech S.r.o.	Ostrava-Hrabová	Czech Republic	Czk	605,850,000	100%	Brembo S.p.A.
La.Cam (Lavorazioni Camune) S.r.l.	Stezzano (Bergamo)	Italy	Eur	100,000	100%	Brembo S.p.A.
Qingdao Brembo Trading Co. Ltd.	Qingdao	China	Cny	1,365,700	100%	Brembo S.p.A.
Brembo Japan Co. Ltd.	Tokyo	Japan	Jpy	11,000,000	100%	Brembo S.p.A.
Brembo Poland Spolka Zo.o.	Dabrowa Górnizca	Poland	Pln	144,879,500	100%	Brembo S.p.A.
Brembo Scandinavia A.B.	Göteborg	Sweden	Sek	4,500,000	100%	Brembo S.p.A.
Brembo Beijing Brake Systems Co. Ltd.	Beijing	China	Cny	125,333,701	100%	Brembo S.p.A.
Brembo Nanjing Brake Systems Co. Ltd.	Nanjing	China	Cny	146,446,679	100%	Brembo S.p.A.
Brembo Russia L.l.c.	Moscow	Russia	Rub	1,250,000	100%	Brembo S.p.A.
Brembo Argentina S.A.	Buenos Aires	Argentina	Ars	90,807,900	98.28%	Brembo S.p.A.
					1.72%	Brembo do Brasil Ltda.
Brembo México S.A. de C.V.	Apodaca	Mexico	Usd	20,428,836	49%	Brembo S.p.A.
					51%	Brembo North America Inc.
Brembo Brake India Pvt. Ltd.	Pune	India	Inr	140,000,000	99.99%	Brembo S.p.A.
Brembo do Brasil Ltda.	Betim	Brazil	Brl	37,803,201	99.99%	Brembo S.p.A.
Corporación Upwards '98 S.A.	Saragoza	Spain	Eur	498,043	68%	Brembo S.p.A.
Brembo Sgl Carbon Ceramic Brakes S.p.A.	Stezzano (Bergamo)	Italy	Eur	4,000,000	50%	Brembo S.p.A.
Petroceramics S.p.A.	Milan	Italy	Eur	123,750	20%	Brembo S.p.A.
Brembo SGL Carbon Ceramic Brakes Gmbh	Meitingen	Germany	Eur	25,000	100%	Brembo SGL Carbon Ceramic Brakes S.p.A.

35. Commitments

The Group had no commitments at the closing date of the first half of 2015.

36. Position or Transactions from Atypical and/or Unusual Operations

Pursuant to Consob Notice No. 6064293 dated 28 July 2006, it is hereby specified that during the first half of 2015 the company has not carried out any atypical and/or unusual transactions, as defined by the said Notice.

37. Disposal of Shareholdings Held Pursuant to IFRS 10

On 30 April 2015, Sabelt S.p.A. sold to the minority shareholders its 70% stake in Belt & Buckle S.r.o. which, as of 1 May 2015, was excluded from the Group's consolidation area;

On 12 June 2015, Brembo S.p.A. signed an agreement with the minority shareholders to sell its 65% controlling stake in Sabelt S.p.A. As a result of the agreement, which is effective retroactively from 1 June 2015, Sabelt S.p.A. was excluded from the Group's consolidation area.

The following table provides a breakdown of the assets and liabilities that have been disposed of:

(euro thousand)	BELT & BUCKLE S.R.O.	SABELT S.P.A.
Property, plant and equipment	354	4,425
Intangible assets	153	4,640
Net financial assets	0	1
Other receivables and non-current liabilities	(18)	0
Inventories	654	5,090
Trade receivables	2,650	9,963
Other receivables and current assets	94	1,244
Current liabilities	(2,071)	(14,006)
Provisions / deferred taxes	0	(720)
Minority interests	(419)	(1,654)
Employees' leaving entitlement and other personnel provisions	(5)	(229)
Medium/long-term financial debt	0	(1,416)
Cash and cash equivalents	(414)	(4,266)
TOTAL ASSETS/LIABILITIES DISPOSED OF	**978**	**3,072**
Consideration	4,100	500
Gains (losses) recognised in the item "Non-financial interest income (expense) from investments"	3,122	(2,572)
Disposal of subsidiaries, net of cash disposed of	4,514	4,566

The revenues of the two companies disposed of included in this Condensed Six Monthly Report until the date of disposal amounted to €17,571 thousand overall, accounting for 1.7% of the Group's turnover.

38. Significant Events After 30 June 2015

No other significant events occurred after the end of the first half of 2015 and up to 30 July 2015.

Stezzano, 30 July 2015

On behalf of the Board of Directors
The Chairman
Alberto Bombassei

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Review report on the condensed consolidated six monthly financial statements
(Translation from the original Italian text)

To the Shareholders of
Brembo S.p.A.

Introduction

We have reviewed the condensed consolidated six monthly financial statements, comprising the consolidated statement of financial position, the consolidated statements of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows and the related explanatory notes of Brembo S.p.A. and its subsidiaries (the "Brembo Group") as of 30 June 2015. The Directors of Brembo S.p.A. are responsible for the preparation of the condensed consolidated six monthly financial statements in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated six monthly financial statements based on our review.

Scope of Review

We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of 31 July 1997. A review of condensed consolidated six monthly financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed consolidated six monthly financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated six monthly financial statements of Brembo Group as of June 30, 2015 are not prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Bergamo, 30 July 2015

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

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

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

1. We the undersigned, Alberto Bombassei, in his capacity as Chairman, and Matteo Tiraboschi, in his capacity as Manager in Charge of the Financial Reports of Brembo S.p.A., hereby declare, pursuant to the provisions of Article 154-*bis*, paragraphs 3 and 4, of Italian Legislative Decree No. 58 of 24 February 1998, that the administrative and accounting procedures for preparing the Condensed Six Monthly Financial Statements for the period from 1 January 2015 to 30 June 2015:
   - are appropriate in relation to the company features; and
   - have been consistently applied.
2. The assessment of the adequacy of the administrative and accounting procedures used in preparing the Condensed Six Monthly Financial Statements at 30 June 2015 was based on a process defined by Brembo S.p.A. in accordance with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission, an internationally-accepted reference framework. Regarding this point there are no issues.
3. The undersigned further declare that:

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

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

Stezzano, 30 July 2015

Alberto Bombassei
Chairman

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

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