

Stezzano, 5 March 2018

**BREMBO: 2017 REVENUES GREW BY 8.1% TO €2,463.6 MILLION
EBITDA AT €480.0 MILLION (+8.2%), EBIT AT €346.3 MILLION (+5.7%),
NET PROFIT: €263.4 MILLION (+9.5%).
DIVIDEND OF €0.22 PER SHARE.**

Compared to 2016 results:

- **Revenues** grew by 8.1% to €2,463.6 million (+9.0% on a like-for-like exchange rate basis)
- Good growth of margins: **EBITDA** +8.2% to €480.0 million; **EBIT** +5.7% to €346.3 million
- **Net profit** grew by 9.5% to €263.4 million
- **Net investments** amounted to €356.2 million
- **Net financial debt** at €218.6 million
- Proposal to distribute an **ordinary dividend of €0.22** per share

Results at 31 December 2017:

(€ million)	2017	2016	Change
Revenues	2,463.6	2,279.1	+8.1%
EBITDA	480.0	443.7	+8.2%
% on revenues	19.5%	19.5%	
EBIT	346.3	327.5	+5.7%
% on revenues	14.1%	14.4%	
Pre-tax profit	335.5	312.2	+7.5%
% on revenues	13.6%	13.7%	
Net profit	263.4	240.6	+9.5%
% on revenues	10.7%	10.6%	
	31.12.17	30.9.17	Change
Net financial debt	218.6	250.4	€ -31.8 million

Q4 2017 results:

(€ million)	Q4 2017	Q4 2016	Change
Revenues	611.6	565.4	+8.2%
EBITDA	110.8	106.7	+3.9%
% on revenues	18.1%	18.9%	
EBIT	76.0	73.4	+3.5%
% on revenues	12.4%	13.0%	
Pre-tax profit	71.2	69.9	+1.8%
% on revenues	11.6%	12.4%	
Net profit	67.0	54.5	+23.0%
% on revenues	11.0%	9.6%	

Chairman **Alberto Bombassei** stated: “In 2017, Brembo clearly demonstrated its ability to swiftly exploit the new strategic investments in countries identified as priorities in pursuit of continuing growth and development of products in collaboration with our customers. At the same time, constant innovation of existing plants and processes continued and our product portfolio expanded further, driven by our constant focus on cutting-edge research and its actual application to materials and

braking systems capable of meeting — and often anticipating — the needs of an automotive market in the midst of a rapid transformation. I also believe that it is now finally possible — on the strength of the long series of positive signs that continued during the reporting year — to consider the resumption of growth in the South American markets on which Brembo operates to have gained greater stability.”

Executive Deputy Chairman **Matteo Tiraboschi** stated: *“I feel it is especially important to draw attention to Brembo’s very positive performances, also in light of its considerable investments, which in 2017 reached an all-time record level. The Group will see a new cycle of investments brought to conclusion in 2018, and in particular the completion of the plants announced in Mexico, Poland and China, which will gradually become operational over the course of the year. This is yet further proof of the solidity of our core business. We are also satisfied with the further reduction of our net financial position compared to the figure at 30 September 2017, despite significant investments. This is proof of the Group’s ability to self-finance.”*

Results at 31 December 2017

Brembo S.p.A.’s Board of Directors, chaired by Alberto Bombassei, met today and approved the Group’s annual results at 31 December 2017.

Brembo Group’s net consolidated revenues amounted to €2,463.6 million, up 8.1% compared to 2016 (+9.0% on a like-for-like exchange rate basis). On a like-for-like exchange rate and consolidation basis — excluding the contribution of Asimco Meilian Braking Systems (Langfang) Co. Ltd, consolidated as of 1 May 2016 — the Group’s revenues rose by 7.9%.

All the segments in which the Group operates grew in 2017: the car applications sector closed the year with an 8.9% increase compared to 2016. Growth was also reported by motorbike applications (+10.6%) and the racing sector (+6.2%). The commercial vehicles sector remained virtually stable at +0.7%.

At geographical level, Germany — Brembo’s second largest reference market with 23.0% of sales — showed a 7.1% increase compared to 2016; Italy grew by 12.7%, the United Kingdom by 2.1%, while France decreased by 11.6%.

Sales in North America (USA, Canada and Mexico) — Brembo’s top market accounting for 25.3% of total sales — reported a 2.5% decrease, chiefly due to the depreciation of the dollar. Net of that effect, the year-on-year change was -0.8%.

South America (Argentina and Brazil) increased by 17.6%.

The main Asian markets performed very well, with China up 34.2% (on a like-for-like consolidation basis, following the acquisition with effect from 1 May 2016; revenues rose by 23.4%).

A good performance was also reported in India (+27.2%), whereas Japan decreased by 3.6%.

In 2017, the cost of sales and other net operating expenses amounted to €1,560.8 million, with a 63.4% ratio to sales, down in percentage terms compared to 64.0% for the previous year.

Personnel expenses amounted to €436.1 million with a 17.7% ratio to revenues, slightly increasing from the previous year’s figure (17.0% in 2016).

Workforce at 31 December 2017 numbered 9,837, an increase of 795 compared to the previous year (9,042). This increase reflects the expansion of the Group’s production capacity at the global level.

EBITDA for the year totalled €480.0 million (EBITDA margin: 19.5%), compared to €443.7 million (EBITDA margin: 19.5%) for 2016.

EBIT amounted to €346.3 million (EBIT margin: 14.1%) compared to €327.5 million (EBIT margin: 14.4%) for 2016. Amortisation, depreciation and impairment losses increased by 15.0% to €133.7 million and reflect the large investments made in the previous periods.

Net interest expense amounted to €10.9 million for the year ended 31 December 2017 (€15.4 million in 2016) and consisted of net exchange losses of €1.6 million (net exchange losses of €5.5 million in 2016) and net interest expense of €9.3 million (€9.9 million in the previous year).

Pre-tax profit was €335.5 million, compared to €312.2 million for the previous year. Based on tax rates applicable under current tax regulations, estimated taxes amounted to €67.6 million, with a tax rate of 20.2%, compared to €69.2 million in 2016 (tax rate of 22.2%). Said reduction is chiefly attributable to the lower US taxation.

Net profit for the year amounted to €263.4 million, up 9.5% compared to €240.6 million in 2016.

Net financial debt at 31 December 2017 was €218.6 million, increasing by €22.9 million compared to 31 December 2016 (€195.7 million) and with a €31.8 million reduction compared to 30 September 2017 (€250.4 million).

Results for the Fourth Quarter of 2017

In Q4 2017 alone, consolidated revenues amounted to €611.6 million, up by 8.2% compared to Q4 2016.

EBITDA amounted to €110.8 million (EBITDA margin: 18.1%), up 3.9% compared to Q4 2016. EBIT totalled €76.0 million (EBIT margin: 12.4%), up 3.5% compared to Q4 2016.

The tax rate for the fourth quarter was 3.8%, chiefly due to the adjustment of deferred tax liabilities to the new US federal income tax rate effective from 1 January 2018.

The period ended with a net profit of €67.0 million, up 23.0% compared to the same period of 2016.

Results of the Parent Company Brembo S.p.A.

Revenues of the Parent Company Brembo S.p.A. amounted to €899.1 million for 2017, up 6.6% compared to the previous year.

Net profit was €149.5 million, up 8.0% compared to the previous year.

Approval of Consolidated Statement on Non-Financial Information for 2017

Brembo's Board of Directors examined and approved the results of the Consolidated Statement on Non-Financial Information for 2017 pursuant to Legislative Decree No. 254/2016.

This Statement, drawn up in compliance with the Guidelines of the Global Reporting Initiative (GRI-G4), describes the Group's strategies, the actions implemented and the results achieved in pursuing its sustainable economic growth, while taking account of the expectations of the stakeholders involved and seeking constant improvement of the environmental and social impacts of its activities. The Consolidated Statement on Non-Financial Information for 2017 will be made available to the public on the Group's website within the terms established by law.

Appointment of the new Manager in charge of the Company's financial reports

At today's meeting the Board of Directors of Brembo S.p.A. passed a resolution appointing Andrea Pazzi, Chief Administration and Finance Officer of Brembo S.p.A., to the position of Manager in charge of the Company's financial reports (Article 154-*bis* of the Consolidated Law on Finance), formerly entrusted to Matteo Tiraboschi.

The appointment, which was made after receiving the mandatory opinion of the Board of Statutory Auditors and verifying that Andrea Pazzi meets the requirements set forth in Brembo S.p.A.'s By-laws, takes effect for purposes of certifying the financial results of Brembo S.p.A. and of the Group at 31 December 2017. Andrea Pazzi will remain in office until the expiry of the current Board of Directors' term of office, i.e., until the General Shareholders' Meeting approving the Financial Statements for the year ending 31 December 2019.

Calling of General Shareholders' Meeting – 20 April 2018

Today, the Board of Directors has called the General Shareholders' Meeting on 20 April at 10:30 a.m. (CET), at the Company's offices at Viale Europa 2, Stezzano (Bergamo).

Among the main items on the agenda, in addition to the approval of the Annual Financial Report, the Board of Directors has resolved to submit the following matters to the forthcoming session of the General Shareholders' Meeting.

1) Proposal for the distribution of profit of the Parent Company Brembo S.p.A.

- a gross ordinary dividend of €0.22 per ordinary share outstanding at ex-coupon date;
- the remaining amount carried forward.

It will also be proposed that dividends should be paid as of 23 May 2018, ex-coupon No. 1 (new ISIN code IT0005252728) on 21 May 2018 (*record date: 22 May 2018*).

2) Plan for the Buy-back and Sale of Own Shares

Today, the Board of Directors also approved the proposal for a new buy-back plan to be submitted to the forthcoming General Shareholders' Meeting, with the purpose of:

- undertaking any investments, directly or through intermediaries, 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 proposal envisages that the Board of Directors may purchase, in one or more tranches, up to a maximum of 8,000,000 ordinary shares, at a price of no more than 10% above or below the closing price of the shares during the trading session prior to each transaction, in accordance with applicable legislation.

With reference to the disposal of own shares, the Board of Directors will define, from time to time, the criteria to set the relevant consideration and/or methods, terms and conditions to use own shares in portfolio, taking due account of the realisation methods applied, the price trend of the stock in the period before the transaction and the best interest of the Company.

The authorisation is requested for a period of 18 months from the date of the resolution by the General Shareholders' Meeting and for a maximum amount of €144,000,000, which is adequately covered by the available net reserves recognised in the balance sheet. At present, the Company holds 8,735,000 own shares representing 2.616% of share capital.

Foreseeable Evolution

The data for the first few months of the year confirm a sustainable revenue growth trend.

The manager in charge of the Company's financial reports, Andrea Pazzi, declares, pursuant to paragraph 2 of Article 154-bis of Italy's Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the documented results, books and accounting records.

Annexed hereto are the Statement of Income, Statement of Financial Position and Statement of Cash Flows, which are currently being audited.

CONSOLIDATED STATEMENT OF INCOME

<i>(euro million)</i>	31.12.2017	31.12.2016	Change	%	Q4'17	Q4'16	Change	%
Sales of goods and services	2,463.6	2,279.1	184.5	8.1%	611.6	565.4	46.2	8.2%
Other revenues and income	24.2	28.1	(4.0)	-14.1%	9.1	8.1	1.1	13.5%
Costs for capitalised internal works	24.2	19.0	5.2	27.7%	6.1	7.1	(1.0)	-14.4%
Raw materials, consumables and goods	(1,177.3)	(1,126.0)	(51.3)	4.6%	(289.2)	(272.3)	(16.9)	6.2%
Non-financial interest income (expense) from investments	13.2	11.0	2.2	20.2%	4.3	2.3	2.0	85.2%
Other operating costs	(432.0)	(379.9)	(52.1)	13.7%	(116.7)	(104.9)	(11.8)	11.3%
Personnel expenses	(436.1)	(387.6)	(48.4)	12.5%	(114.4)	(99.1)	(15.3)	15.4%
GROSS OPERATING INCOME	480.0	443.7	36.2	8.2%	110.8	106.7	4.2	3.9%
<i>% of sales of goods and services</i>	19.5%	19.5%			18.1%	18.9%		
Depreciation, amortisation and impairment losses	(133.7)	(116.3)	(17.5)	15.0%	(34.9)	(33.3)	(1.6)	4.8%
NET OPERATING INCOME	346.3	327.5	18.8	5.7%	76.0	73.4	2.6	3.5%
<i>% of sales of goods and services</i>	14.1%	14.4%			12.4%	13.0%		
Net interest income (expense) and interest income (expense) from investments	(10.7)	(15.3)	4.5	-29.7%	(4.8)	(3.5)	(1.3)	38.5%
RESULT BEFORE TAXES	335.5	312.2	23.3	7.5%	71.2	69.9	1.2	1.8%
<i>% of sales of goods and services</i>	13.6%	13.7%			11.6%	12.4%		
Taxes	(67.6)	(69.2)	1.6	-2.3%	(2.7)	(14.5)	11.7	-81.1%
RESULT BEFORE MINORITY INTERESTS	267.9	243.0	24.9	10.2%	68.4	55.4	13.0	23.4%
<i>% of sales of goods and services</i>	10.9%	10.7%			11.2%	9.8%		
Minority interests	(4.5)	(2.4)	(2.1)	89.3%	(1.4)	(1.0)	(0.4)	44.8%
NET RESULT FOR THE PERIOD	263.4	240.6	22.8	9.5%	67.0	54.5	12.5	23.0%
<i>% of sales of goods and services</i>	10.7%	10.6%			11.0%	9.6%		
BASIC/DILUTED EARNINGS PER SHARE (euro)	0.81	0.74*			0.21	0.17*		

* Adjusted after the 5-for-1 stock split effective 29 May 2017.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(euro million)</i>	31.12.2017	31.12.2016	Change
ASSETS			
NON-CURRENT ASSETS			
Property, plant, equipment and other equipment	933.8	746.9	186.8
Development costs	61.3	49.3	12.0
Goodwill and other indefinite useful life assets	82.8	88.9	(6.0)
Other intangible assets	50.4	52.1	(1.6)
Shareholdings valued using the equity method	34.3	27.0	7.3
Other financial assets (including investments in other companies and derivatives)	6.8	6.9	(0.1)
Receivables and other non-current assets	3.8	4.8	(1.0)
Deferred tax assets	57.8	57.7	0.1
TOTAL NON-CURRENT ASSETS	1,231.1	1,033.5	197.5
CURRENT ASSETS			
Inventories	311.1	283.2	27.9
Trade receivables	375.7	357.4	18.3
Other receivables and current assets	80.5	43.8	36.6
Current financial assets and derivatives	0.3	0.9	(0.6)
Cash and cash equivalents	300.8	245.7	55.2
TOTAL CURRENT ASSETS	1,068.4	931.0	137.4
TOTAL ASSETS	2,299.5	1,964.5	335.0
EQUITY AND LIABILITIES			
GROUP EQUITY			
Share capital	34.7	34.7	0.0
Other reserves	112.8	135.7	(22.9)
Retained earnings/(losses)	625.8	446.8	179.0
Net result for the period	263.4	240.6	22.8
TOTAL GROUP EQUITY	1,036.8	857.9	178.9
TOTAL MINORITY INTERESTS	27.6	24.4	3.2
TOTAL EQUITY	1,064.4	882.3	182.1
NON-CURRENT LIABILITIES			
Non-current payables to banks	319.3	210.7	108.7
Other non-current financial payables and derivatives	2.3	5.2	(2.9)
Other non-current liabilities	19.9	8.7	11.3
Provisions	39.6	21.7	17.9
Provisions for employee benefits	27.8	32.7	(4.9)
Deferred tax liabilities	24.7	31.6	(6.9)
TOTAL NON -CURRENT LIABILITIES	433.7	310.6	123.1
CURRENT LIABILITIES			
Current payables to banks	194.2	225.6	(31.4)
Other current financial payables and derivatives	3.8	0.8	3.1
Trade payables	470.4	428.5	41.9
Tax payables	9.7	11.8	(2.1)
Short term provisions	2.2	2.5	(0.3)
Other current payables	120.9	102.4	18.5
TOTAL CURRENT LIABILITIES	801.4	771.7	29.7
TOTAL LIABILITIES	1,235.1	1,082.2	152.8
TOTAL EQUITY AND LIABILITIES	2,299.5	1,964.5	335.0

CONSOLIDATED STATEMENT OF CASH-FLOW

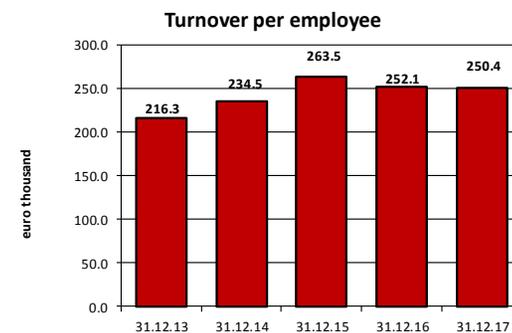
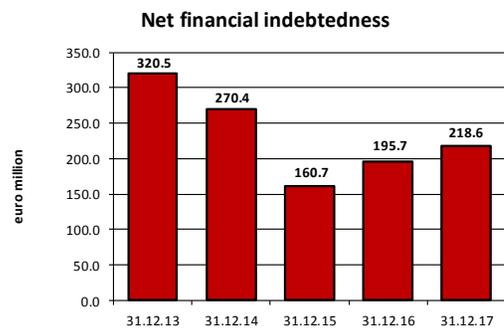
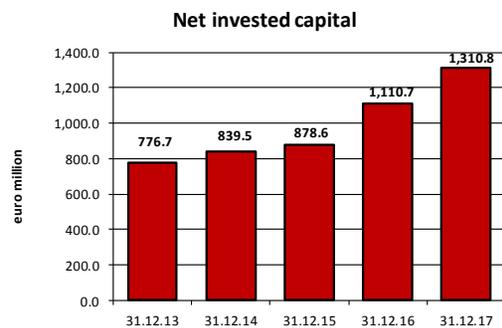
<i>(euro million)</i>	31.12.2017	31.12.2016
Cash and cash equivalents at beginning of period	63.9	111.8
Result before taxes	335.5	312.2
Depreciation, amortisation/Impairment losses	133.7	116.3
Capital gains/losses	(1.0)	(0.7)
Income/expense from investments, net of dividends received	(7.4)	(2.1)
Financial portion of provisions for defined benefits and payables for personnel	0.6	0.8
Long-term provisions for employee benefits	2.2	1.9
Other provisions net of utilisations	10.8	22.8
Cash flows generated by operating activities	474.5	451.2
Paid current taxes	(70.3)	(69.9)
Uses of long-term provisions for employee benefits	(4.2)	(3.5)
<i>(Increase) reduction in current assets:</i>		
inventories	(31.2)	(35.1)
financial assets	0.1	0.3
trade receivables	(16.7)	(26.6)
receivables from others and other assets	(15.7)	5.1
<i>Increase (reduction) in current liabilities:</i>		
trade payables	41.9	54.1
payables to others and other liabilities	17.1	(17.7)
Translation differences on current assets	(11.7)	3.1
Net cash flows from/(for) operating activities	383.8	360.9
<i>Investments in:</i>		
intangible assets	(34.0)	(32.1)
property, plant and equipment	(326.7)	(231.4)
Price for disposal or reimbursement value of fixed assets	5.4	3.5
Amounts (paid)/received for the acquisition/disposal of subsidiaries, net of the associated cash and cash equivalents	0.0	(69.5)
Net cash flows from/(for) investing activities	(355.3)	(329.6)
Dividends paid in the period	(65.0)	(52.0)
Dividends paid to minority interests in the period	0.0	(0.8)
Change in fair value of derivatives	0.6	0.3
Loans and financing granted by banks and other financial institutions in the period	210.3	50.0
Repayment of long-term loans	(93.6)	(69.6)
Net cash flows from/(for) financing activities	52.2	(72.2)
Total cash flows	80.7	(40.9)
Translation differences on cash and cash equivalents	11.3	(7.0)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	156.0	63.9

NET SALES BREAKDOWN BY GEOGRAPHICAL AREA AND BY APPLICATION

<i>(euro million)</i>	31.12.2017	%	31.12.2016	%	Change	%	Q4'17	%	Q4'16	%	Change	%
GEOGRAPHICAL AREA												
Italy	289.2	11.7%	256.6	11.3%	32.5	12.7%	67.0	10.9%	62.4	11.0%	4.6	7.3%
Germany	565.6	23.0%	528.3	23.2%	37.3	7.1%	146.2	23.9%	127.1	22.5%	19.1	15.0%
France	73.7	3.0%	83.4	3.7%	(9.7)	-11.6%	15.8	2.6%	17.9	3.2%	(2.1)	-11.7%
United Kingdom	192.2	7.8%	188.3	8.3%	3.9	2.1%	46.2	7.6%	44.7	7.9%	1.5	3.4%
Other European countries	232.6	9.4%	205.9	9.0%	26.8	13.0%	56.4	9.2%	43.5	7.7%	12.9	29.7%
India	71.0	2.9%	55.8	2.4%	15.2	27.2%	17.3	2.8%	14.2	2.5%	3.2	22.3%
China	271.2	11.0%	202.1	8.9%	69.1	34.2%	76.0	12.4%	67.3	11.9%	8.7	12.9%
Japan	35.0	1.4%	36.3	1.6%	(1.3)	-3.6%	9.9	1.6%	9.2	1.6%	0.7	7.7%
Other Asian Countries	27.0	1.1%	12.5	0.5%	14.5	115.9%	12.6	2.1%	3.4	0.6%	9.2	268.0%
South America (Argentina and Brazil)	65.9	2.7%	56.0	2.5%	9.9	17.6%	15.8	2.6%	14.0	2.5%	1.9	13.5%
North America (USA, Mexico & Canada)	621.3	25.3%	637.5	28.0%	(16.1)	-2.5%	144.7	23.7%	158.0	28.0%	(13.3)	-8.4%
Other Countries	19.0	0.7%	16.5	0.6%	2.5	15.0%	3.8	0.6%	3.9	0.6%	(0.1)	-2.9%
Total	2,463.6	100.0%	2,279.1	100.0%	184.5	8.1%	611.6	100.0%	565.4	100.0%	46.2	8.2%

<i>(euro million)</i>	31.12.2017	%	31.12.2016	%	Change	%	Q4'17	%	Q4'16	%	Change	%
APPLICATION												
Passenger Cars	1,891.0	76.8%	1,736.2	76.2%	154.8	8.9%	477.9	78.1%	441.3	78.0%	36.6	8.3%
Motorbike	226.9	9.2%	205.1	9.0%	21.8	10.6%	49.1	8.0%	45.2	8.0%	3.8	8.4%
Commercial Vehicle	226.1	9.2%	224.5	9.8%	1.7	0.7%	58.4	9.5%	55.0	9.7%	3.3	6.1%
Racing	119.3	4.8%	112.3	5.0%	7.0	6.2%	26.4	4.4%	23.3	4.1%	3.1	13.3%
Miscellaneous	0.4	0.0%	1.1	0.0%	(0.7)	-64.4%	(0.1)	0.0%	0.6	0.2%	(0.7)	-117.2%
Total	2,463.6	100.0%	2,279.1	100.0%	184.5	8.1%	611.6	100.0%	565.4	100.0%	46.2	8.2%

MAIN RATIOS



	31.12.2013	31.12.2014	31.12.2015	31.12.2016	31.12.2017
Net operating income/Sales of goods and services	7.8%	9.9%	12.1%	14.4%	14.1%
Result before taxes/Sales of goods and services	6.7%	9.1%	11.7%	13.7%	13.6%
Investments/Sales of goods and services	8.5%	7.0%	7.5%	11.6%	14.6%
Net Financial indebtedness/Equity	74.7%	50.4%	23.4%	22.2%	20.5%
Net interest expense(*)/Sales of goods and services	0.7%	0.7%	0.6%	0.4%	0.4%
Net interest expense(*)/Net operating income	9.1%	7.1%	4.9%	3.0%	2.7%
ROI	15.8%	21.3%	28.6%	29.5%	26.4%
ROE	20.8%	24.0%	27.0%	27.5%	25.2%

Notes:

ROI: Net operating income/ Net invested capital multiply by year days/period days.

ROE: Result before minority interests/ Shareholders equity multiply by year days/period days.

(*) This item does not include exchange gains and losses.