



PRESS RELEASE

B&C Speakers S.p.A.

The Board of Directors approves the Draft 2013 Financial statements.

Significant growth in Profit for the year and EBITDA.

- Consolidated revenue of Euro 32.29 million (+5.16% on the Euro 30.71 million of 2012)
 - Consolidated EBITDA of Euro 8.01 million (+11.00% on the Euro 7.22 million of 2012)
 - Consolidated profit for the year attributable to the owners of the Parent of Euro 4.72 million (+14.13% on the Euro 4.14 million of 2012)
 - Consolidated net financial position (positive) and of Euro 1.34 million (versus Euro 0.81 million at 31 December 2012)
 - Proposed distribution of a dividend of Euro 0.32 per share with coupon detachment on 28 April 2014 and pay-out on 1 May 2014.
- The Board also called the ordinary Shareholders' meeting for 18 April 2014 to approve the 2013 Financial statements, ratify the Remuneration Report and resolve on the proposed renewal of the Buy-back plan.

Bagno a Ripoli (Florence), 13 March 2014 – The **Board of Directors of B&C Speakers S.p.A.**, an international leader in the design, production, distribution and commercialisation of professional electro-acoustic transducers, approved the **Draft Separate and Consolidated financial statements** as at and for the year ended 31 December **2013**, prepared in accordance with International Financial Reporting Standards (IFRS).

CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

REVENUE

Consolidated revenue for 2013 amounts to Euro 32.29 million, showing additional growth of 5.16% on 2012, when consolidated revenue reached Euro 30.71 million.

This result is even more significant considering that the company reduced sales prices to customers by an average of 5% in early 2013 to reflect the decrease in the prices of



raw materials, and neodymium especially, that normalised in 2012. As it follows that in real terms, B&C produced and sold over 10% more finished products in 2013 than in 2012.

In addition to this quantitative growth, the quality of sales improved further, as high-end products account for a greater percentage of turnover, thereby generating higher unit prices. This had a positive effect on the Group's profit margins.

In 2013, exports continued to grow, accounting for 90% of Group turnover (compared to 88% in 2012).

The 2013 results were once again bolstered by growth on the Asian market (and China, in particular), where sales rose 30% on the previous year, now making up for roughly 25% of total turnover.

The performance of sales on the American market was also noteworthy, showing slight growth (+1%) and accounting for another 25% of Group turnover. In addition, the Brazilian subsidiary enjoyed considerable stand-alone growth, posting a 22.00% YoY increase in sales in 2013.

Sales in Europe grew less dramatically but still constitute an important share of the Group's sales, accounting for 49% of the 2013 total, compared to 52% in 2012.

The B&C Group has achieved a very positive definitive balance of business across its various markets and in different geographical areas, with a nearly ideal allocation of sales: 50% in Europe and 25% in the Americas and Asia, respectively.

In 2013, the Parent B&C Speakers S.p.A. continued to enjoy an extremely positive trend in orders from customers, with total orders reaching Euro 31.46 million for the entire calendar year (and practically matching the record level of orders achieved in 2012, Euro 31.53 million).

The order backlog at the end of 2013 amounted to Euro 7 million, down some 13% on the previous year end (31 December 2012: Euro 8.04 million).

RAW MATERIALS, SUPPLIES AND GOODS

The increase in **costs for raw materials, supplies and goods** in 2013 was lower than the rise in revenue in the same period due to the decreasing trend in many of these costs and the weak dollar, thereby reducing their impact on revenue to 37.73% from 39.28% in the previous year.

PERSONNEL EXPENSE

Due to new hires to strengthen the Research & Development Department and bonuses awarded to personnel on the basis of 2012 results, **personnel expense**



increased modestly as a percentage of revenue, coming to 16.75% in 2013 (2012: 15.03%).

EBITDA and the EBITDA Margin

As a result of the trends described above, 2013 **EBITDA** amounts to Euro 8.01 million, showing a significant growth (+11.00%) on 2012 (Euro 7.22 million). Consequently, the **EBITDA margin** increased to 24.80% from 23.51% in 2012.

The recovery in profit margins compared to the same period of the previous year is the direct result of growth in turnover and the lower impact of overheads, following scrupulous cost control.

EBIT

EBIT for the year ended 31 December 2013 amounts to Euro 7.13 million, also up significantly (10.76%) compared to Euro 6.44 million in 2012.

Consolidated profit for the year

The consolidated profit for 2013 attributable to the owners of the Parent amounts to Euro 4.72 million (net of differences arising from the translation of the financial statements of foreign operations, which total Euro 207 thousand) and accounts for 14.62% of consolidated revenue. It shows a 14.12% improvement on the profit for 2012 (Euro 4.14 million).

A reclassified Statement of comprehensive income is provided below, compared with the previous year, in order to more clearly illustrate the notes on performance of the year.



Analisi andamenti economici del Gruppo				
<i>(€ thousands)</i>	2013	<i>Incidence</i>	2012	<i>Incidence</i>
Revenues	32,292	100.00%	30,708	100.00%
Other revenues	351	1.09%	229	0.75%
Total revenues	32,643	101.09%	30,937	100.75%
Change in inventory	65	0.20%	1,085	3.53%
Purchases of raw materials and other	(12,327)	-38.17%	(13,147)	-42.81%
Labor cost	(5,409)	-16.75%	(4,614)	-15.03%
Services costs	(6,695)	-20.73%	(6,619)	-21.55%
Other costs	(269)	-0.83%	(423)	-1.38%
Ebitda	8,008	24.80%	7,219	23.51%
Depreciations of tangible assets	(677)	-2.10%	(603)	-1.96%
Amortizations of intangible assets	(112)	-0.35%	(117)	-0.38%
Writedowns	(87)	-0.27%	(60)	-0.20%
Ebit	7,132	22.09%	6,439	20.97%
Interest income	279	0.86%	247	0.80%
Finance costs	(470)	-1.46%	(325)	-1.06%
Ebt	6,941	21.49%	6,361	20.71%
Income taxes	(2,427)	-7.52%	(1,973)	-6.43%
Net Result	4,514	13.98%	4,388	14.29%
Minority interesr	0	0.00%	0	0.00%
Group Net Result	4,514	13.98%	4,388	14.29%
Other comprehensive Income	207	0.64%	(252)	-0.82%
Total Comprehensive result	4,721	14.62%	4,136	13.47%

Net Financial Position

The **Net Financial Position** at 31 December 2013 shows an **improvement** on the previous year end and amounts to Euro 1.34 million, compared to Euro 0.81 million at 31 December 2012.

This improvement is even more significant considering the substantial expenditure to finance growth in working capital and given the expansion of production in the summer.

EVENTS AFTER THE REPORTING DATE

The order backlog remained at sound levels in the first few months of 2014. At the date of this press release, it amounts to Euro 7.9 million.

In February 2014, the company expanded and strengthened its commercial presence in the area that has shown the most growth in the past five years, hiring an area manager to closely and assiduously oversee the Asia Pacific region.

Other resolutions approved during the same Board meeting

The Board of Directors also called an ordinary Shareholders' meeting for 18 April 2014, with the following agenda:

- a) approval of the separate and consolidated financial statements as at and for the year ended 31 December 2013;



- b) resolutions concerning the allocation of the profit for the year, with the proposed distribution of a total dividend for 2013 of Euro 0.32 per share;
- c) resolutions concerning the Remuneration Report;
- d) renewal of the buy-back plan for the same period of time as that currently in place and at the same conditions.

The Manager responsible for preparing B&C Speakers S.p.A.'s financial reports, Mr. Francesco Spapperi, attests – pursuant to section 2, Article 154-bis of Italian Legislative Decree no. 58/1998 – that the accounting disclosures relating to data at 31 December 2013, as reported in this press release, are consistent with the documentation, books and accounting records.

The Consolidated Statement of Financial position and Consolidated Statement of Comprehensive income as at and for the year ended 31 December 2013 are provided below.

CONSOLIDATED BALANCE SHEET	31 December 2013	31 dicembre 2012
	riesposto (Nota 1)	
ASSETS		
Fixed assets		
Tangible assets	3,620,503	3,390,492
Goodwill	1,393,789	1,393,789
Other intangible assets	189,481	281,331
Deferred tax assets	270,823	209,104
Other non current assets	218,613	218,603
	<i>related parties</i>	<i>88,950</i>
Other assets (TFM insurance)	617,890	754,924
Total non current assets	6,311,099	6,248,243
Currents assets		
Inventory	6,356,429	6,574,889
Trade receivables	5,947,160	7,092,314
Tax assets	890,022	614,467
Other current assets	926,864	202,153
Cash and cash equivalents	2,640,271	2,222,476
Total current assets	16,760,746	16,706,299
Total assets	23,071,845	22,954,542



CONSOLIDATED BALANCE SHEET	31 December	31 dicembre 2012
	2013	riesposto (Nota 1)
Liabilities		
Equity		
Share capital	1,097,616	1,097,930
Other reserves	4,710,964	4,763,977
Retained Earnings	6,481,719	5,446,001
Profit/(loss) for the year	(144,680)	(103,019)
Profit/(loss) for the year	4,720,019	4,135,857
Total equity attributable to shareholders of the parent	16,865,638	15,340,746
Minority interest	-	-
Total equity	16,865,638	15,340,746
Non current equity		
Long-term borrowings	486,435	648,991
Provisions for risk and charges	986,659	1,187,283
Warranty Reserve	52,596	-
Deferred tax liabilities	26,933	17,363
Total non current liabilities	1,552,623	1,853,637
Current liabilities		
Short-term borrowings	816,237	761,486
Trade liabilities	2,338,064	3,149,423
<i>related parties</i>	35,402	2,114
Tax liabilities	748,965	681,322
Other current liabilities	750,318	1,167,928
Total current liabilities	4,653,584	5,760,159
Total Liabilities	23,071,845	22,954,542



CONSOLIDATED INCOME STATEMENT (€)	Esercizio 2013	Esercizio 2012 riesposto (Nota 1)
Revenues	32,292,140	30,708,276
Other revenues	350,744	229,303
Change in inventory of finished goods and work in progress	65,044	1,085,446
Cost of raw material and others	12,327,436	13,146,926
Cost of labour	5,408,847	4,614,204
Cost of services	6,694,714	6,619,026
<i>related parties</i>	<i>918,082</i>	<i>827,051</i>
Depreciation of tangible assets	677,327	603,089
Amortization of intangible assets	111,726	117,325
Allowances & Writedowns	86,743	60,452
Other costs	269,607	424,372
Earning before taxes and interests	7,131,528	6,437,631
Financial income	278,738	247,267
Financial costs	470,228	325,343
Earning before taxes	6,940,038	6,359,555
Income taxes	2,426,671	1,972,952
Profit for the year (A)	4,513,367	4,386,603
Other comprehensive income for the year		
Exchange differences on translating foreign operations	198,808	(209,084)
Actuarial Gain/(Losses) on TFR IFRS	7,844	(41,661)
Total other comprehensive income for the year (B)	206,653	(250,746)
Total comprehensive income (A) + (B)	4,720,019	4,135,858
Profit attributable to:		
Owners of the parent	4,513,367	4,386,603
Minority interest	-	-
Total comprehensive income attributable to:		
Owners of the parent	4,720,019	4,135,858
Minority interest	-	-

B&C Speakers S.p.A.

B&C Speakers S.p.A. is an international leader in the design, production, distribution and commercialisation of professional electro-acoustic transducers (the main components in acoustic speakers for music, commonly referred to as loudspeakers), supplied mainly to professional audio



system manufacturers (OEM). Counting roughly 100 employees, with approximately 10% of staff assigned to its Research and Development Department, B&C Speakers carries out all design, production, commercialisation and control activities at its facility in Florence, Italy. Most of its products are developed according to its key customers' specifications. B&C Speakers also operates in the US and Brazil through two subsidiaries carrying out commercial activities.

B&C Speakers S.p.A.

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