



PRESS RELEASE

**B&C Speakers S.p.A.:**

**The Board of Directors approves the Interim Report on Operations for Q1 2014**

- Consolidated revenue of Euro 7.87 million (up 2.4% on the Euro 7.70 million of 2013);
- Consolidated EBITDA of Euro 1.99 million (+11.7% on the Euro 1.79 million of 2013);
- Consolidated net profit for the year attributable to the owners of the parent of Euro 1.17 million (+8.7% on the Euro 1.08 million of 2013)
- Consolidated net financial position of Euro 0.9 million (Euro 1.34 million at end 2013)
- Parent order book worth 7.8 million (+13.0% on the Euro 6.9 million as at 31 December 2013)

*Bagno a Ripoli (Florence), 14 May 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 Group Interim Report on Operations for the first quarter 2014, prepared in accordance with International Financial Reporting Standards (IFRS).

**Consolidated revenues** achieved during the first three months of 2014 came to Euro **7.87 million**, showing good growth (+2.4%) on the same period of 2013 (Euro **7.70** million), which had already booked record takings.

This result confirms the exceedingly positive trend enjoyed as from the second quarter of 2012.

During the period, the Group kept its presence on the most important reference market, namely the European market, basically stable. Europe therefore continues to account for 43% of total sales, whilst significant growth was once again seen on the Asian market (+29.5%, with sales of Euro 2.05 millions), taking it up to 26% of total sales. These significant grow has more than compensated the slightly reductions faced on other markets.

As at 31 March 2014, the Parent's order book remained solid, worth Euro 7.8 million, up on the figure recorded at the end of last year (Euro 6.9 million).



### ***Raw materials, supplies and goods***

The first three months of 2014 saw provisioning costs decrease in terms of their incidence on revenues as compared with the first quarter of 2013, going from 37.76% to 36.81%. This improvement is mainly due to a more efficient provisioning and use of production resources.

### ***Personnel expense***

As compared with the first three months of 2013, personnel expenses have reduced their incidence on revenues (16.4% in Q1 2014 as compared with 16.9% in the same period of the previous year).

### ***EBITDA and the EBITDA Margin***

**EBITDA** recorded for the first three months of 2014 was up on the first quarter of 2013, going from Euro 1.79 million to Euro 1.99 million (+11.7%); its incidence on revenues, however, the **EBITDA Margin**, was 25.4%, as compared with the 23.2% booked for the same period in 2013. This is mainly due to the smaller incidence during the quarter of the cost of raw materials, ancillary materials and goods for resale, along with costs for services and rental and leasing expenses, given that during the same period, personnel expenses showed a trend basically in line with that of the same quarter of 2013.

### ***EBIT and the EBIT Margin***

In a parallel fashion, EBIT is up by 11.1%, with a rise of 1.8 percentage points on the EBIT Margin, given that the growth of amortisation/depreciation was fundamentally proportional to the growth in turnover.

### ***Consolidated net profit and net financial position***

At the end of the first quarter 2014, consolidated net profits come to Euro 1.17 million, representing 14.9% of consolidated revenues; this therefore shows growth of 8.7% on the first quarter of 2013, when the figure recorded was Euro 1.08 million, representing 14.0% of consolidated revenues. This growth is less than proportional with respect to that seen by the EBITDA and is partially due to the lesser financial income achieved during the quarter.

The Group's financial stability is highly satisfactory, with a positive net financial position of Euro 0.97 million (positive for Euro 1.34 million as at 31 December 2013).

**Below is the reclassified Consolidated Income Statement for Q1 2014, compared with the same period of 2013:**



Economic trends - Group B&C Speakers				
(€ thousands)	I Q 2014	Incidence	I Q 2013	Incidence
Revenues	7,876	100.00%	7,694	100.00%
Other revenues	31	0.39%	43	0.56%
<b>Total revenues</b>	<b>7,907</b>	<b>100.39%</b>	<b>7,737</b>	<b>100.56%</b>
Change in inventory	(339)	-4.30%	257	3.34%
Purchases of raw materials and other	(2,560)	-32.50%	(3,162)	-41.10%
Labor cost	(1,289)	-16.37%	(1,305)	-16.96%
Services costs	(1,625)	-20.63%	(1,693)	-22.00%
Other costs	(95)	-1.21%	(45)	-0.58%
<b>Ebitda</b>	<b>1,999</b>	<b>25.38%</b>	<b>1,789</b>	<b>23.25%</b>
Depreciations of tangible assets	(186)	-2.36%	(158)	-2.05%
Amortizations of intangible assets	(28)	-0.36%	(28)	-0.36%
Writedowns	(5)	-0.06%	0	0.00%
<b>Ebit</b>	<b>1,780</b>	<b>22.60%</b>	<b>1,603</b>	<b>20.83%</b>
Interest income	30	0.38%	66	0.86%
Finance costs	(36)	-0.46%	(33)	-0.43%
<b>Ebt</b>	<b>1,774</b>	<b>22.52%</b>	<b>1,636</b>	<b>21.26%</b>
Income taxes	(601)	-7.63%	(557)	-7.24%
<b>Net Result</b>	<b>1,173</b>	<b>14.89%</b>	<b>1,079</b>	<b>14.02%</b>
Minority interesr	0	0.00%	0	0.00%
<b>Group Net Result</b>	<b>1,173</b>	<b>14.89%</b>	<b>1,079</b>	<b>14.02%</b>
Other comprehensive result	(128)	-1.62%	139	1.81%
<b>Total Comprehensive result</b>	<b>1,045</b>	<b>13.27%</b>	<b>1,218</b>	<b>15.84%</b>

### Subsequent events

On 18 April 2014, the shareholders' meeting resolved to distribute a dividend of Euro 0.32 per share in issue (up 14% on the 2013 dividend, which was for Euro 0.28), making for a total outlay of Euro 3.51 million.

### Outlook for FY 2014

As concerns the outlook for the whole of FY 2014, the Parent's management believe that the dynamic demand and production capacity suggest a foreseeable close to the year with increased revenues on last year.

The Manager in charge of the preparation of the accounting documents of B&C Speakers S.p.A., Francesco Spapperi, hereby certified – pursuant to Art. 154-bis, paragraph 2 of Italian Legislative Decree no. 58/1998 – that the accounting disclosure relating to the Interim Report on Operations for Q1 2014, as given in this press release, is consistent with the accounting documents, books and records.



Please note that Art. 154-ter “Financial Reports” of the Consolidated Law on Finance, represents the transposition by the Italian legislator of Directive 2004/109/EC (the “Transparency” Directive) on regular disclosures. In this regard, we would point out that the reporting period relevant in terms of IAS/IFRS for B&C Speakers S.p.A. is six-monthly and annually. To ensure complete transparency and allow for due comparison, we have chosen to supply the quantitative data on the company’s financial and equity trends, in compliance with the layout of the annual report, despite any consolidated interpretation guidelines in this respect, and in consideration of Consob communication ref. no. 8041082. The economic items listed below have not been audited.

**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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**Consolidated Balance Sheet as at 31 March 2014**



(Values in Euro)	31 March 2014	31 December 2013
<b>ASSETS</b>		
<b>Fixed assets</b>		
Tangible assets	3,541,659	3,620,503
Goodwill	1,393,789	1,393,789
Other intangible assets	169,162	189,481
Deferred tax assets	292,158	270,823
Other non current assets	218,614	218,613
	<i>related parties</i>	<i>88,950</i>
Other assets (TFM insurance)	617,890	617,890
<b>Total non current assets</b>	<b>6,233,272</b>	<b>6,311,099</b>
<b>Currents assets</b>		
Inventory	6,029,169	6,356,429
Trade receivables	6,998,013	5,947,160
Tax assets	974,951	890,022
Other current assets	2,536,578	926,864
Cash and cash equivalents	1,610,140	2,640,271
<b>Total current assets</b>	<b>18,148,851</b>	<b>16,760,746</b>
<b>Total assets</b>	<b>24,382,123</b>	<b>23,071,845</b>
	<b>31 March 2014</b>	<b>31 December 2013</b>
<b>Liabilities</b>		
<b>Equity</b>		
Share capital	1,098,728	1,097,616
Other reserves	4,809,925	4,710,964
Retained Earnings	11,362,165	6,481,719
Fair value reserve	(136,836)	(144,680)
Profit/(loss) for the year	1,045,487	4,720,019
<b>Total equity attributable to shareholders of the parent</b>	<b>18,179,469</b>	<b>16,865,638</b>
Minority interest	-	0
<b>Total equity</b>	<b>18,179,469</b>	<b>16,865,638</b>
<b>Non current equity</b>		
Long-term borrowings	479,358	486,435
Severance Indemnities	1,010,274	986,659
Provisions for risk and charges	57,596	52,596
Deferred tax liabilities	26,935	26,933
<b>Total non current liabilities</b>	<b>1,574,163</b>	<b>1,552,623</b>
<b>Current liabilities</b>		
Short-term borrowings	162,556	816,237
Trade liabilities	2,403,204	2,338,064
	<i>related parties</i>	<i>1,235</i>
Tax liabilities	1,306,392	748,965
Other current liabilities	756,339	750,318
<b>Total current liabilities</b>	<b>4,628,491</b>	<b>4,653,584</b>



## Consolidated Income Statement for Q1 2014

(Values in Euro)	I Q 2014	I Q 2013
Revenues	7,875,764	7,693,661
Other revenues	31,490	42,633
Change in inventory of finished goods and work in progress	(338,877)	256,501
Cost of raw material and others	2,560,441	3,161,773
Cost of labour	1,289,484	1,304,756
Cost of services	1,625,461	1,692,511
<i>related parties</i>	230,507	228,336
Depreciation of tangible assets	184,360	158,308
Amortization of intangible assets	27,959	27,668
Writedowns	5,000	0
Other costs	94,933	46,113
<b>Earning before taxes and interests</b>	<b>1,780,739</b>	<b>1,601,666</b>
Financial income	29,697	66,074
Financial costs	36,464	33,147
<b>Earning before taxes</b>	<b>1,773,972</b>	<b>1,634,593</b>
Income taxes	600,559	556,859
<b>Profit for the year (A)</b>	<b>1,173,412</b>	<b>1,077,734</b>
<b>Other comprehensive income/(losses) for the year that will not be reclassified in income statement:</b>		
Exchange differences on translating foreign operations	(120,383)	138,529
Actuarial gain/(losses) on DBO (net of tax)	(7,542)	1,961
<b>Total other comprehensive income/(losses) for the year (B)</b>	<b>(127,925)</b>	<b>140,490</b>
<b>Total comprehensive income (A) + (B)</b>	<b>1,045,487</b>	<b>1,218,224</b>
<b>Profit attributable to:</b>		
Owners of the parent	1,173,412	1,077,734
Minority interest	-	-
<b>Total comprehensive income attributable to:</b>		
Owners of the parent	1,045,487	1,218,224
Minority interest	0	0

