



PRESS RELEASE

B&C Speakers S.p.A.

The Board of Directors approves the draft financial statements for the year 2015 - Record sales for the Group

- Consolidated revenues equal to Euro 36.59 million (an increase of 11.65% compared to Euro 32.77 million for the same period in 2014);
- Consolidated EBITDA equal to Euro 8.46 million (an increase of 12.57% compared to Euro 7.51 million for the same period in 2014);
- Group profit equal to Euro 5.02 million (an increase of 15.33% compared to Euro 4.36 million for the same period in 2014);
- Group net financial position positive and amounted to Euro 1.54 million (Euro 2.00 million as at 31 December 2014);
- Proposal to distribute a dividend to shareholders of Euro 0.35 per share owned with coupon detachment date on 2 May 2016, record date on 3 May and payment date on 4 May 2016.

Bagno a Ripoli (FI) 14 March 2016 – The **Board of Directors of B&C Speakers S.p.A.**, one of the leading international players in the field of design, production, distribution and marketing of professional electro-acoustic transducers approved the **Draft financial statements and draft consolidated financial statements** for the year **2015**, prepared in accordance with IFRS international accounting standards.

CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

REVENUES

The economic trend in the year 2015 was characterised by strong corporate growth that allowed us to achieve a new company record in terms of sales with a consolidated value amounting to Euro 36.59 million.

Consolidated revenues made during 2015 reached Euro 36.59 million, showing an increase of about 11.65% compared to 2014.

2015 exports remained at 2014 levels, continuing to account for 91% of the Group's turnover.

The result achieved in 2015 was driven primarily by the extremely important growth achieved in the Asian market, with an increase of 38% at Group level with annual sales of 9.25 million and an incidence of 25% over the total figure.



Performance in the European market, including Italy, was also positive and showed an increase of about 17%. This market, which achieved an overall value in 2015 of 18.16 million, provides 50% of the Group's total sales.

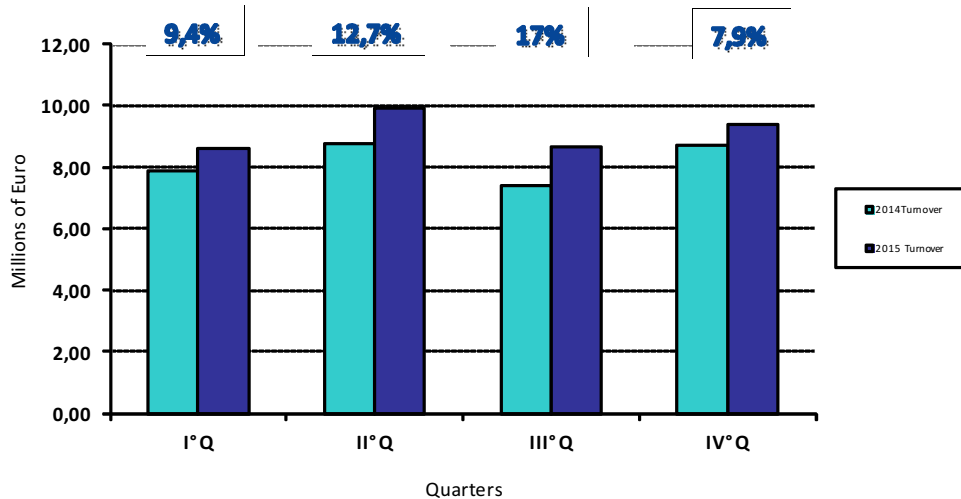
Results in the North American market were also very positive and showed a growth of 11% to reach an annual figure of 6 million. The Latin American market was stable with a result that should be considered as fairly good considering the economic difficulties seen at the country level in Brazil.

The very positive trend in orders from customers of the Parent company continued in 2015, with a calendar year total of Euro 35.63 million, up by 11% compared to the total figure in 2014. The order book value (of the Parent company) at the end of 2015 amounted to Euro 6.5 million, showing a slight decrease compared to the figure of 7.2 at the end of 2014.

Consolidated revenues in the four quarters (2015 and 2014) are summarised in the table below.

Trend of consolidated revenues (€ millions)	I° Quarter	II° Quarter	III° Quarter	IV° Quarter	Total
Net sales revenues 2015	8.62	9.90	8.68	9.39	36.59
Net sales revenues 2014	7.88	8.78	7.42	8.70	32.78
Change 2015 - 2014	9.4%	12.7%	17.0%	7.9%	11.6%

As can be seen from the graph below, the sales figures for 2015 showed growth throughout the year compared to the same periods in 2014.



Cost of Sales

This category includes raw materials (purchasing, processing by third parties and changes in inventories), the cost of personnel directly involved in the production process, transport costs and the costs for commissions payable, customs duties and other direct costs of lesser importance.

The **cost of sales** showed a fractional increase in its incidence over revenues moving from 58.35% in 2014 to 58.97% in 2015. This change was due essentially to (i) a slight increase in the costs of purchases of components made in the dollar area and (ii) direct labour costs which increased slightly more than the growth in revenues. The other components in cost of sales (transport costs, commissions payable and other costs) have substantially maintained the same proportion over revenues.

Indirect personnel

This category refers to costs of R&D staff, office personnel, top executives and workers not directly involved in the production process.

The cost of indirect staff in 2015 showed a lower growth compared to sales and its incidence actually dropped to 5.20% of sales compared to 5.32% at the end of 2014.

Commercial expenses

This category refers to costs for commercial consultancy, advertising and marketing, travel and subsistence and other minor charges relating to the commercial sector.

Commercial expenses showed no significant changes compared to 2014.

Administrative and General



This category refers to the costs for maintenance and utilities, provision of services not directly linked to the production process, purchases of goods not directly associated with the production process, remuneration for directors, professionals, consultants and supervisory bodies, property rent, hire costs and other indirect costs of lesser importance.

Given the close monitoring by top management, general and administrative costs showed no significant changes compared to the previous year. Therefore their impact over revenues made a positive fall from 11.2% in 2014 to 10.9% in 2015.

EBITDA and EBITDA margin

Due to the trends described above, the EBITDA in 2015 amounted to Euro 8.46 million, an increase of 12.57% compared to 2014.

The EBITDA margin for 2015 is therefore equal to 23.11% of revenues, compared to 22.93% recorded in the same period of 2014. This increase is mainly due to higher manufacturing volumes, associated with the changes commented above.

EBIT and EBIT margin

The EBIT at the end of 2015 totalled Euro 7.63 million up by 15.60% compared to 2014.

Group Net Result and Net Financial Position

Group Net Result at the end of 2015 amounted to Euro 5.02 million and represents a percentage of 14% of consolidated revenues.

The financial stability of the Group remains very good and despite the repayments on agreed loans, it is still positive at about Euro 1.54 million.



The Group's reclassified Income Statement for 2015 is shown in the table below

Economic trends - Group B&C Speakers				
(€ thousands)	2015 YTD	Incidence	2014 YTD	Incidence
Revenues	36,588	100.00%	32,771	100.0%
Cost of sales	(21,577)	-58.97%	(19,121)	-58.3%
Gross margin	15,011	41.03%	13,650	41.7%
Other revenues	148	0.40%	90	0.3%
Cost of indirect labour	(1,898)	-5.19%	(1,744)	-5.3%
Commercial expenses	(827)	-2.26%	(809)	-2.5%
General and administrative expenses	(3,977)	-10.87%	(3,674)	-11.2%
Ebitda	8,457	23.11%	7,513	22.9%
Depreciation of tangible assets	(732)	-2.00%	(734)	-2.2%
Amortization of intangible assets	(72)	-0.20%	(109)	-0.3%
Writedowns	(78)	-0.21%	(68)	-0.2%
Earning before interest and taxes (Ebit)	7,575	20.70%	6,601	20.1%
Financial costs	(680)	-1.86%	(405)	-1.2%
Financial income	522	1.43%	438	1.3%
Earning before taxes (Ebt)	7,416	20.27%	6,634	20.2%
Income taxes	(2,440)	-6.67%	(2,102)	-6.4%
Profit for the year	4,977	13.60%	4,533	13.8%
Minority interest	0	0.00%	0	0.0%
Group Net Result	4,977	13.60%	4,533	13.8%
Other comprehensive result	46	0.13%	(178)	-0.5%
Total Comprehensive result	5,023	13.73%	4,355	13.3%

It should be noted that, starting with the interim report as at 30 September 2015, the Group's management decided to adopt an arrangement for the Statement of Comprehensive Income with classification by destination rather than by nature. Therefore the statement of comprehensive income shows a different classification of costs together with the identification of intermediate results in terms of EBITDA, EBIT, EBT and net profit. This approach was adopted with the double aim of (i) aligning the periodic financial disclosure with management reporting used internally by management for decision-making and control purposes and (ii) improving the readability and effectiveness of information in annual and interim reporting towards third parties.

The statement of comprehensive income for 2014 was consequently also reclassified to allow a uniform comparison of magnitudes and economic results. It should be noted that, following the reclassification of costs by destination, the restated EBITDA and EBIT for 2014 increased by Euro 20 thousand, related to bank charge costs classified in financial charges rather than in general and administrative costs.



SIGNIFICANT EVENTS SUBSEQUENT to 31 December 2015

Orders received from customers showed a very positive trend during the first two months of 2016; in fact, the Parent company received orders for Euro 8.5 million compared to 7.2 million in the first two months of 2015.

Other resolutions passed by the same Board of Directors

The Board has also made a proposal to the Shareholders' Meeting, already called for 26 April 2016, to provide a dividend of Euro 0.35 for each ordinary share held; the coupon detachment date will be on 2 May 2016, the record date on 3 May and payment on 4 May 2016.

The Financial Reporting Manager of B&C Speakers S.p.A., Francesco Spapperi, hereby certifies, pursuant to Art. 154-*bis*, paragraph 2 of Italian Legislative Decree No. 58/1998, that the accounting disclosures relating to the figures for the year ended 31 December 2015, as presented in this press release, are consistent with the company's accounting documents, books and records.

The table below shows the Consolidated Income Statement and Balance Sheet for the year 2015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION <i>(Values in Euro)</i>	31 December 2015	31 December 2014
ASSETS		
Fixed assets		
Tangible assets	3,145,378	3,402,208
Goodwill	1,393,789	1,393,789
Other intangible assets	92,329	136,249
Investments in non controlled associates	50,000	-
Deferred tax assets	307,014	325,052
Other non current assets	152,766	219,334
<i>related parties</i>	88,950	88,950
Other assets (TFM insurance)	303,405	254,012
Total non current assets	5,444,681	5,730,644
Currents assets		
Inventory	8,812,521	8,018,696
Trade receivables	7,084,609	6,828,276
Tax assets	737,790	1,069,532
Other current assets	4,339,376	5,265,368
Cash and cash equivalents	1,495,913	4,082,370
Total current assets	22,470,209	25,264,242
Total assets	27,914,890	30,994,886



	31 December 2015	31 December 2014
LIABILITIES		
Equity		
Share capital	1,072,541	1,086,030
Other reserves	3,283,847	4,201,715
Retained Earnings	8,879,546	7,926,561
Fair value reserve	(159,596)	(136,836)
Profit/(loss) for the year	5,022,801	4,355,103
Total equity attributable to shareholders of the parent	18,099,139	17,432,573
Minority interest	-	0
Total equity	18,099,139	17,432,573
Non current equity		
Long-term borrowings	2,821,554	358,331
Severance Indemnities	660,765	641,535
Provisions for risk and charges	82,596	82,596
Deferred tax liabilities	33,127	43,533
Total non current liabilities	3,598,042	1,125,995
Current liabilities		
Short-term borrowings	1,133,516	6,686,669
Trade liabilities	3,180,375	4,391,910
	<i>related parties</i>	0
		13,896
Tax liabilities	936,917	548,453
Other current liabilities	966,901	809,286
Total current liabilities	6,217,709	12,436,318
Total Liabilities	27,914,890	30,994,886



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		
(Values in Euro)	2015 YTD	2014 YTD
Revenues	36,588,399	32,771,310
Cost of sales	(21,577,174)	(19,121,125)
Gross Margin	15,011,226	13,650,185
Other revenues	148,023	90,031
Cost of indirect labour	(1,897,617)	(1,744,391)
Commercial expenses	(827,163)	(809,015)
General and administrative expenses	(3,977,351)	(3,673,760)
	<i>related parties</i>	<i>927,249</i>
Ebitda	8,457,118	7,513,050
Depreciation of tangible assets	(732,007)	(734,303)
Amortization of intangible assets	(72,475)	(109,373)
Writedowns	(77,940)	(68,325)
Earning before interest and taxes	7,574,696	6,601,050
Financial costs	(680,225)	(404,593)
Financial income	521,962	437,899
Earning before taxes	7,416,433	6,634,355
Income taxes	(2,439,881)	(2,101,733)
Profit for the year (A)	4,976,552	4,532,623
Other comprehensive income/(losses) for the year that will not be reclassified in income statement:		
Exchange differences on translating foreign operations	36,199	(154,759)
Actuarial gain/(losses) on DBO (net of tax)	10,049	(22,760)
Total other comprehensive income/(losses) for the year (B)	46,249	(177,520)
Total comprehensive income (A) + (B)	5,022,801	4,355,103
Profit attributable to:		
Owners of the parent	4,976,552	4,532,623
Minority interest	-	-
Total comprehensive income attributable to:		
Owners of the parent	5,022,801	4,355,103
Minority interest	-	-

B&C Speakers S.p.A.

B&C Speakers S.p.A. is an international leader in the design, production, distribution and marketing 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). With 120 employees and approximately 10% of staff assigned to its Research and Development Department, B&C Speakers carries out all design, production, marketing and control activities at its



headquarters in Florence. 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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