



PRESS RELEASE

B&C Speakers S.p.A.

The Board of Directors approves the Consolidated Interim Financial Report for the first half of 2015.

- Consolidated revenues of Euro 18.52 million (+11.2% compared with Euro 16.65 million for the first half of 2014)
- Consolidated EBITDA of Euro 4.48 million (+6.6% compared with Euro 4.20 million for the first half of 2014)
- Group net result of Euro 2.64 million (+5.5% compared with Euro 2.50 million for the first half of 2014)
- Group net financial position of Euro 0.4 million (a positive Euro 2.0 million at year-end 2014)
- The Parent Company's order book was Euro 9.5 million at the end of the half-year period (at 30 June 2014 it was Euro 6.6 million).

Bagno a Ripoli (Florence), 28 August 2015 – The **Board of Directors** of **B&C Speakers S.p.A.**, one of the foremost international players in the design, production, distribution and marketing of professional electro-acoustic transducers (loudspeakers), approved the consolidated **Interim Financial Report** of the Group for **the first half of 2015**, drawn up in accordance with the IFRS international accounting standards.

Consolidated Revenues

Consolidated revenues achieved during the first half of 2015 amounted to 18.52 million euro and grew sharply, +11.2%, compared with the same period in 2014 when they stood at 16.56 million euro; the turnover achieved in the first half of the year was a record in the company's history.

This result confirms the considerable acceleration begun during the last quarter of 2014, reflected in the Parent Company's orders from customers during the first half of 2015.

Most of the geographical areas showed considerable dynamism, with very significant growth above all in Asian (+46% compared with 2014) and in North America (+24% compared with 2014); there was instead a slight contraction in the European market which, in any case, accounts for 47% of the Group's turnover (also including the domestic market equal to 9.9% of the Group's sales).

At 30 June 2015, the order book of the parent company was on a steady course, at Euro 9.5 million, an increase of 43.9% compared to the first half of 2014 (Euro 6.6 million at



30 June 2014) and also compared to the figure at the end of the previous year, when it amounted to Euro 7.3 million.

Procurement of raw and ancillary materials and goods

Costs for consumption of raw and ancillary materials and goods, together with the change in inventories, showed a decrease in their proportion of revenues compared with the first half of 2014 (going from 38.4% to 37.3% in the first half of 2015).

This positive evolution of the cost of purchases was due to a greater efficiency and to lower raw materials costs notwithstanding the sharp increase of the Dollar against the Euro.

Labour costs

Compared with the first half of 2014 *labour costs* showed a slight increase in their ratio to revenues, going up from 16.5% to 17%; this was the result of new recruitments made both to strengthen the production structure and the Research & Development department. The management foresees a realignment on the average figures for 2014 as a result of the significant increase in production volumes, especially as of June.

EBITDA and EBITDA Margin

As a result of the trends illustrated above, EBITDA in the first half of 2015 amounted to Euro 4.48 million, a considerable improvement, +6.6%, compared with the 4.21 million for the same period in 2014.

The EBITDA margin relating to the first half of 2015 was 24.21% of revenues, compared with 25.25% of revenues for the same period in 2014.

EBIT

EBIT at 30 June 2015 amounted to Euro 4.09 million, equal to 22.1% of revenues, compared with Euro 3.74 million at 30 June 2014, and so was up by 9.3% compared with the first half of 2014.

Group Net Result and Net Financial Position

The Group's net profit at the end of the first half of 2015 amounted to Euro 2.64 million and represents 14.2% of consolidated revenues (also up, by 5.5%, compared with the Euro 2.5 million of the first half of 2014).

The Group's financial stability remains strong, coming out at Euro 0.4 million after payment of the 2014 dividend and income tax.



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

Economic trends - Group B&C Speakers				
(€ thousands)	I half 2015 YTD	Incidence	I half 2014 YTD	Incidence
Revenues	18.516	100,00%	16.654	100,00%
Other revenues	131	0,71%	104	0,62%
Total revenues	18.647	100,71%	16.758	100,62%
Change in inventory	1.490	8,05%	(181)	-1,09%
Purchases of raw materials and other	(8.403)	-45,38%	(6.213)	-37,31%
Labor cost	(3.160)	-17,07%	(2.741)	-16,46%
Services costs	(3.919)	-21,17%	(3.220)	-19,33%
Other costs	(172)	-0,93%	(198)	-1,19%
Ebitda	4.483	24,21%	4.205	25,25%
Depreciations of tangible assets	(358)	-1,93%	(378)	-2,27%
Amortizations of intangible assets	(36)	-0,19%	(56)	-0,34%
Writedowns	0	0,00%	(29)	-0,17%
Ebit	4.089	22,08%	3.742	22,47%
Interest income	323	1,74%	136	0,82%
Finance costs	(324)	-1,75%	(81)	-0,49%
Ebt	4.088	22,08%	3.797	22,80%
Income taxes	(1.451)	-7,84%	(1.297)	-7,79%
Net Result	2.637	14,24%	2.500	15,01%
Minority interest	0	0,00%	0	0,00%
Group Net Result	2.637	14,24%	2.500	15,01%
Other comprehensive result	58	0,31%	(95)	-0,57%
Total Comprehensive result	2.695	14,55%	2.405	14,44%

Significant events during the first half of 2015

During the first half of 2015, the following significant events occurred:

- The collection of new orders again grew sharply. The order book when the present report was prepared amounted to Euro 9,5 million.

- The Shareholders' Meeting held on 24 April 2015 appointed the new Board of Directors and Board of Auditors following the expiry of the respective terms. The number of directors was raised from six to eight in consideration of the growth in size and of a long-term perspective directed towards greater specialisation of the Board members.

- In addition, in view of the expiry of the current auditing appointment held by Deloitte&Touche S.p.A., under the terms of Art. 12, Section 1 of Italian Legislative Decree 39 of 27 January 2010, the Shareholders' Meeting proceeded to assign the mandate, for the period 2016-2024, to the auditing firm PricewaterhouseCoopers S.p.A.



- Finally, again on the occasion of the same Shareholders' Meeting, it was resolved to distribute a dividend of Euro 0.32 for each of the outstanding shares (net of treasury shares held), for a total expense of Euro 3.5 million.

Significant events occurring after 30 June 2015

After the reporting date of this 2015 interim report, and up to the date on which it was prepared, no significant events occurred.

Outlook for the entire year 2015

As regards developments in the entire year 2015, the management of the Parent Company believes that, given the dynamic demand and the production capacity, it is possible to foresee a year-end with revenue volumes significantly up compared with the previous one.

Following the gradual rise of the Dollar against the Euro and to mitigate its negative effect on the company accounts, price increases were introduced, with effect from June, with the aim of countering the slight drop in margins already seen during the first half of 2015.

The Brazilian subsidiary achieved results well below expectations owing to the country's continually deteriorating political and economic situation. The Group's management is committed to careful monitoring of both Brazil's general economic situation and the specific situation of the subsidiary so as to identify signs of impairment in good time.

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 presented in this press release are consistent with company's accounting documents, books and records.

In compliance with the regulation approved by the resolution CONSOB 11971/1999, as later modified, we inform that the Consolidated Financial Report can be consulted by whoever requests it at our Head Office, on the "BIT MARKET di Borsa Italiana S.p.A" website, and on the Investor Center section of the Society's website <http://www.bcspeakers.com/investors/it/dati-finanziari/>.

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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Consolidated Statement of Financial Position at 30 June 2015



(Values in Euro)	30 June 2015	31 December 2014
ASSETS		
Fixed assets		
Tangible assets	3.219.019	3.402.208
Goodwill	1.393.789	1.393.789
Other intangible assets	105.571	136.249
Deferred tax assets	276.224	325.052
Other non current assets	219.847	219.334
	<i>related parties</i>	88.950
Other assets (TFM insurance)	303.405	254.012
Total non current assets	5.517.855	5.730.644
Currents assets		
Inventory	9.541.819	8.018.696
Trade receivables	7.907.520	6.828.276
Tax assets	611.483	1.069.532
Other current assets	4.920.468	5.265.368
Cash and cash equivalents	1.399.073	4.082.370
Total current assets	24.380.363	25.264.242
Total assets	29.898.218	30.994.886
	30 June 2015	31 December 2014
LIABILITIES		
Equity		
Share capital	1.083.247	1.086.030
Other reserves	4.053.079	4.201.715
Retained Earnings	8.876.356	7.926.561
Fair value reserve	(159.596)	(136.836)
Profit/(loss) for the year	2.694.181	4.355.103
Total equity attributable to shareholders of the parent	16.547.267	17.432.573
Minority interest	-	0
Total equity	16.547.267	17.432.573
Non current equity		
Long-term borrowings	293.948	358.331
Severance Indemnities	632.777	641.535
Provisions for risk and charges	82.596	82.596
Deferred tax liabilities	43.533	43.533
Total non current liabilities	1.052.854	1.125.995
Current liabilities		
Short-term borrowings	6.067.518	6.686.669
Trade liabilities	4.243.756	4.391.910
	<i>related parties</i>	89.655
Tax liabilities	1.011.735	548.453
Other current liabilities	975.088	809.286
Total current liabilities	12.298.097	12.436.318
Total Liabilities	29.898.218	30.994.886



Consolidated Statement of Comprehensive Income for the first half of 2015

(Values in Euro)	I half 2015 YTD	I half 2014 YTD
Revenues	18.516.361	16.653.656
Other revenues	130.818	104.196
Change in inventory of finished goods and work in progress	1.490.220	(180.608)
Cost of raw material and others	8.403.416	6.213.441
Cost of labour	3.160.226	2.740.703
Cost of services	3.919.279	3.220.059
<i>related parties</i>	461.436	461.051
Depreciation of tangible assets	357.628	377.960
Amortization of intangible assets	36.017	55.913
Writedowns	0	29.217
Other costs	172.147	197.880
Earning before taxes and interests	4.088.686	3.742.071
Financial income	322.884	135.730
Financial costs	323.686	80.932
Earning before taxes	4.087.884	3.796.869
Income taxes	1.451.359	1.296.545
Profit for the year (A)	2.636.525	2.500.324
Other comprehensive income/(losses) for the year that will not be reclassified in income statement:		
Exchange differences on translating foreign operations	48.244	(78.566)
Actuarial gain/(losses) on DBO (net of tax)	9.412	(16.826)
Total other comprehensive income/(losses) for the year (B)	57.656	(95.392)
Total comprehensive income (A) + (B)	2.694.181	2.404.932
Profit attributable to:		
Owners of the parent	2.636.525	2.500.324
Minority interest	-	-
Total comprehensive income attributable to:		
Owners of the parent	2.694.181	2.404.932
Minority interest	0	0