



PRESS RELEASE

B&C Speakers S.p.A.

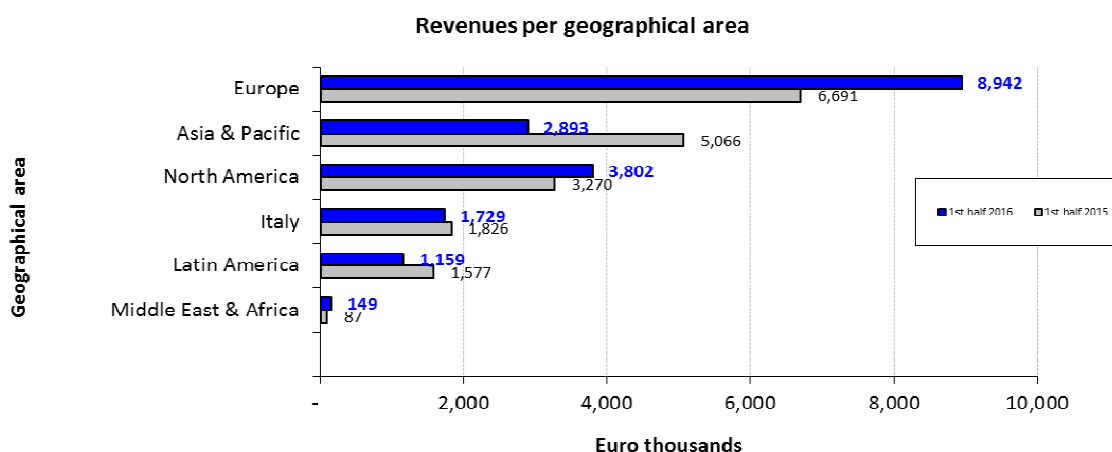
The Board of Directors approves the Consolidated Interim Financial Report for the first half of 2016.

- **Consolidated revenues of Euro 18.67 million (+0.9% compared with Euro 18.52 million for the corresponding period in 2015)**
- **Consolidated EBITDA of Euro 4.48 million (-0.3% compared with Euro 4.49 million for the first half of 2015)**
- **Group net result of Euro 2.74 million (+3.8% compared with Euro 2.64 million for the first half of 2014)**
- **Group net financial position of Euro 0.6 million (a positive Euro 1.5 million at year-end 2015)**
- **The Parent Company's order book was Euro 10.2 million at the end of the half-year period (at 30 June 2015 it was Euro 9.5 million).**

Bagno a Ripoli (Florence), 23 September 2016 – 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 2016**, drawn up in accordance with the IFRS international accounting standards.

Consolidated revenues achieved during the first half of 2016 amounted to Euro 18.67 million and were substantially in line, +0.9%, compared with the same period in 2015 when they amounted to Euro 18.52 million; the turnover achieved in the first half of the year was a record in the company's history.

In the table below we show the breakdown by geographical area of the turnover achieved by the Group during the period under review compared with the same period of the previous year:



During the period the Group increased significantly its presence on the European market (+34% with sales of Euro 8.9 million) and achieved an excellent performance on the North American market (+16% with sales of Euro 3.8 million).

After a strong growth achieved during the past years, Asian market turnover declined compared with the first half of 2015 (-43% with sales of Euro 2.9 million euro); the drop was due to recurrent market fluctuations as well as a shift of demand toward less expensive products. The Company is confident to be able to give proper industrial response on this matter.

At 30 June 2016, the order book of the parent company remains on a very steady course, at Euro 10.2 million, an increase of 7.4% compared to the first half of 2015 (when the figure was Euro 9.5 million) and also compared to the figure at the end of the previous year, when it amounted to Euro 6.5 million.

Cost of Sales

Cost of sales during the first three months of 2016 had a substantial persistent impact on revenues compared to the first six months of 2015, rising from 58.43% to 58.59%. The trend was due essentially to a slight increase in the incidence of the costs for raw materials (+1.5 percentage points) offset by an incidence of direct labour (-0.6 percentage points), of transport (-0.4 percentage points), customs duties and other minor components (-0.3 percentage points).

Indirect labour

Over the first six months of 2016 indirect labour costs increased slightly in comparison with the turnover trend, going from an incidence of revenues of 5.07% in the first six months of 2015 to an incidence of 5.59% in the same period last year. This trend is mainly due to the strengthening of the workforce with the introduction of two new roles, one dedicated to the development of the distribution sector and the other aimed at managing the strongly developing North American market.

Commercial expenses



Commercial expenses showed no significant changes compared to the first six months of the previous year. Their impact on revenues remained largely unchanged, representing 2.25% in the first six months of 2015 and 2.26% in the first six months of 2016.

General and Administrative Expenses

General and administrative expenses decreased by around Euro 91 thousand compared to the first six months of the previous year, largely due to lower costs for consulting for the previous year. Therefore, their impact on revenue was down by half a percentage point compared to the first six months of the previous year.

EBITDA and EBITDA Margin

Mainly as a result of the trends described above, EBITDA in the first six months of 2016 amounted to Euro 4.48 million, substantially in line with the same period of 2015 (which amounted to Euro 4.49 million).

The EBITDA margin for the first six months of 2016 was therefore equal to 24.00% of revenues, substantially in line with the first six months of 2015 (when it was 24.27% of revenues for the period).

Depreciation and amortisation

The depreciation and amortisation of tangible and intangible assets are in line with the corresponding period of the previous year as a result of the net effect of investment flows and of assets that have finished their useful life.

EBIT

EBIT of the first half of 2016 amounted to Euro 4.08 million, a slight decrease (-0.6%) compared with the first half of 2015 (when the figure was Euro 4.10 million). The EBIT margin was 21.82% of revenues (22.14% in the first half of 2015).

Group Net Result and Net Financial Position

The Group net result at the end of the first half of 2016 amounted to 2.74 million euro and represents a percentage of 14.65% of consolidated revenues (a slight increase compared with the same period of the previous financial year, when it amounted to 2.64 million euro, equivalent to 14.24% of the revenues of the period).

The Group's financial stability remains on adequate levels although the Net Financial Position declined compared with the end of the previous financial year; at 30 June 2016 it was in fact a negative 618 thousand euro while at 31 December 2015 it was a positive 1.5 million euro. This difference was due mainly to payment of the dividend of Euro 3.75 million disbursed during the month of May and to the payment of taxes.



The Group's reclassified Income Statement for the first half of 2016 is shown in the table below

Economic trends - Group B&C Speakers

<i>(€ thousands)</i>	I half 2016 YTD	<i>Incidence</i>	I half 2015 YTD	<i>Incidence</i>
Revenues	18,675	100.00%	18,516	100.0%
Cost of sales	(10,941)	-58.59%	(10,818)	-58.4%
Gross margin	7,734	41.41%	7,698	41.6%
Other revenues	35	0.19%	63	0.3%
Cost of indirect labour	(1,043)	-5.59%	(939)	-5.1%
Commercial expenses	(422)	-2.26%	(416)	-2.2%
General and administrative expenses	(1,822)	-9.75%	(1,913)	-10.3%
Ebitda	4,481	24.00%	4,493	24.3%
Depreciation of tangible assets	(375)	-2.01%	(359)	-1.9%
Amortization of intangible assets	(13)	-0.07%	(35)	-0.2%
Writedowns	(19)	-0.10%	0	0.0%
Earning before interest and taxes (Ebit)	4,075	21.82%	4,100	22.1%
Financial costs	(152)	-0.81%	(335)	-1.8%
Financial income	249	1.33%	323	1.7%
Earning before taxes (Ebt)	4,172	22.34%	4,088	22.1%
Income taxes	(1,436)	-7.69%	(1,451)	-7.8%
Profit for the year	2,736	14.65%	2,637	14.2%
Minority interest	0	0.00%	0	0.0%
Group Net Result	2,736	14.65%	2,637	14.2%
Other comprehensive result	(97)	-0.52%	58	0.3%
Total Comprehensive result	2,639	14.13%	2,694	14.6%

Significant events during the first half of 2016

During the first half of 2016, the following significant events occurred:

- The collection of new orders again is going well. The order book on the date when the present report was prepared amounted to Euro 8.2 million;
- The Shareholders' Meeting, held on 26 April 2016, resolved to distribute a dividend of Euro 0.35 for each of the outstanding shares (net of treasury shares held), for a total expense of Euro 3.75 million. The dividend was paid during the month of May;
- The Group, in order to increase its presence on the market has strengthened its marketing structure with introduction of two new roles, one dedicated to the development of the distribution sector and the other aimed at managing the strongly developing North American market.

Significant events occurring after 30 June 2016

After the reporting date of this 2016 interim report, and up to the date on which it was prepared, no significant events occurred.



Outlook for the entire year 2016

With regard to the full-year forecast for 2016, the parent company management believes that, given trends in demand and production capacity, it can expect the year to end with increased revenue volumes compared to the previous one.

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 accordance with the regulation approved with CONSOB resolution 11971/1999, as subsequently amended, we can note that Consolidated Interim Financial Report at 30 June 2016, is available to anyone who requests it at the company's Registered Office and at the "BIT MARKET di Borsa Italiana S.p.A." storage site. The said documentation can also be consulted on the company's website <http://www.bcspeakers.com/investors/it/dati-finanziari/> in the Investor Center section.

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 2016


CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Values in Euro)
30 June 31 December
2016 2015
ASSETS
Fixed assets

Tangible assets	2,967,106	3,145,378
Goodwill	1,393,789	1,393,789
Other intangible assets	103,455	92,329
Investments in non controlled associates	50,000	50,000
Deferred tax assets	224,387	273,887
Other non current assets	455,791	456,171
	<i>related parties</i>	<i>88,950</i>
	<i>88,950</i>	<i>88,950</i>
Total non current assets	5,194,528	5,411,554

Currents assets

Inventory	8,557,107	8,812,521
Trade receivables	8,431,531	7,084,609
Tax assets	253,269	357,913
Other current assets	4,458,415	4,339,376
Cash and cash equivalents	1,608,294	1,495,913
Total current assets	23,308,616	22,090,332

Total assets	28,503,144	27,501,886
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30 June 31 December
2016 2015
LIABILITIES
Equity

Share capital	1,068,851	1,072,541
Other reserves	3,020,669	3,283,847
Retained Earnings	10,281,084	8,879,546
Fair value reserve	(149,547)	(159,596)
Profit/(loss) for the year	2,638,936	5,022,801
Total equity attributable to shareholders of the parent	16,859,993	18,099,139

Minority interest	-	0
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Total equity	16,859,993	18,099,139
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Non current equity

Long-term borrowings	2,257,527	2,821,554
Severance Indemnities	707,732	660,765
Provisions for risk and charges	82,596	82,596
Total non current liabilities	3,047,855	3,564,915

Current liabilities

Short-term borrowings	4,037,042	1,133,516
Trade liabilities	2,818,588	3,180,375
Tax liabilities	646,182	557,040
Other current liabilities	1,093,484	966,901
Total current liabilities	8,595,296	5,837,832

Total Liabilities	28,503,144	27,501,886
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Consolidated Statement of Comprehensive Income for the first half of 2016



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1st half 2016 **1st half 2015**

(Values in Euro)

YTD

YTD

Revenues	18,675,293	18,516,361
Cost of sales	(10,941,499)	(10,818,377)
Gross Margin	7,733,794	7,697,983
Other revenues	34,614	62,951
Cost of indirect labour	(1,043,483)	(939,058)
Commercial expenses	(421,814)	(416,021)
General and administrative expenses	(1,821,627)	(1,912,642)
	<i>related parties</i>	<i>(461,436)</i>
Ebitda	4,481,484	4,493,214
Depreciation of tangible assets	(374,546)	(358,894)
Amortization of intangible assets	(13,028)	(34,751)
Writedowns	(18,646)	0
Earning before interest and taxes	4,075,263	4,099,569
Financial costs	(151,724)	(334,569)
Financial income	248,570	322,884
Earning before taxes	4,172,109	4,087,884
Income taxes	(1,436,091)	(1,451,359)
Profit for the year (A)	2,736,018	2,636,525
Other comprehensive income/(losses) for the year that will not be reclassified in income statement:		
Actuarial gain/(losses) on DBO (net of tax)	(13,135)	9,412
Other comprehensive income/(losses) for the year that will be reclassified in income statement:		
Exchange differences on translating foreign operations	(83,947)	48,244
Total other comprehensive income/(losses) for the year (B)	(97,081)	57,656
Total comprehensive income (A) + (B)	2,638,936	2,694,181
Profit attributable to:		
Owners of the parent	2,736,018	2,636,525
Minority interest	-	-
Total comprehensive income attributable to:		
Owners of the parent	2,638,936	2,694,181
Minority interest	-	-
Basic earning per share	0.25	0.25
Diluted earning per share	0.25	0.25