



PRESS RELEASE

B&C Speakers S.p.A.

The Board of Directors approves the draft financial statements for the year 2016 – Sales growth for the Group and extraordinary dividend

- Consolidated revenues equal to Euro 38.43 million (an increase of +5.04% compared to Euro 36.59 million in 2015);
- Consolidated EBITDA equal to Euro 9.3 million (an increase of +10.57% compared to Euro 8.46 million in 2015);
- Overall Group result of Euro 6.31 million (+25.57% compared with Euro 5.02 million in 2015)
- Group net financial position positive at Euro 7.04 million (Euro 1.54 million as at 31 December 2015);
- Proposal to distribute a dividend to shareholders of Euro 0.40 per share + an extraordinary dividend of Euro 0.60 per share owned with ex-coupon date on 02 May 2017, record date on 03 May and payment date on 04 May 2017.

Bagno a Ripoli (FI) 20 March 2017 – 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 **2016**, prepared in accordance with IFRS international accounting standards.

CONSOLIDATED FINANCIAL STATEMENTS AT 31 December 2016

REVENUES

The income trend for the year 2016 was characterized by maintaining a trend of growing business that allowed the achievement, for the first time in the history of the company, of reaching Euro 38 million in consolidated sales.

Consolidated revenues during 2016 reached Euro 38.43 million, showing an increase of about 5% compared to 2015.

2016 exports remained at 2015 levels, representing 92% of the Group's sales.

The result achieved in 2016 was driven primarily by the very significant growth achieved in the European market (the most important for B&C), with an increase of +19% at Group level with annual sales of 17.4 million representing 45% of the total figure.



The North American market also performed well, continuing the growth trend (+13% compared to 2015) and achieving annual sales of Euro 6.8 million.

After strong growth over the past years and despite the sharp recovery in revenues achieved in the second half, there was a decline in sales in the Asian market (-12% with sales of Euro 8.1 million) which is however much more modest than the half-yearly figures. The decrease is mainly due to normal market fluctuations.

The Latin American market also recorded a decline (-9% compared with the previous year) due mainly to the crisis of the Brazilian market that produced a significant drop in sales.

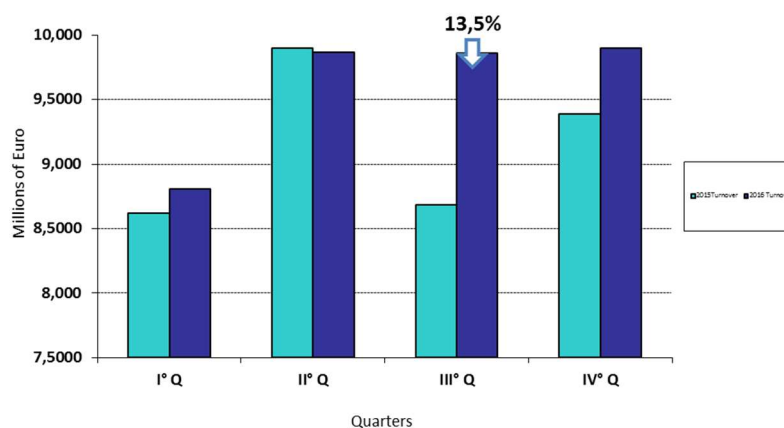
The very positive trend in orders from customers of the Parent company continued in 2016, with a calendar year total of Euro 37.88 million, up by 8% compared to the total figure in 2015. The order book value (of the Parent company) at the end of 2016 amounted to Euro 6.9 million, showing a slight increase compared to the figure of 6.5 at the end of 2015.

Consolidated revenues in the four quarters (2016 and 2015) are summarised in the table below:

Trend of consolidated revenues
(€ millions)

	I° Quarter	II° Quarter	III° Quarter	IV° Quarter	Total
Net sales revenues 2016	8.81	9.87	9.86	9.90	38.43
Net sales revenues 2015	8.62	9.90	8.68	9.39	36.59
Change 2016 - 2015	2.2%	-0.3%	13.5%	5.4%	5.0%

As can be seen from the graph below, revenue performance marked a decided tendency towards growth in the third and fourth quarters of the year. In particular, the third quarter marked an increase of 13.5%.





Cost of Sales

The cost of sales showed a fractional reduction in its impact on revenues moving from 58.97% in 2015 to 58.33% in 2016. This variation is mainly due to an increase in direct labour costs that was slightly less than the growth in revenues. The other components in cost of sales (transport costs, commissions payable and other costs) have generally maintained the same proportion with respect to revenues.

Indirect personnel

The cost for indirect personnel during 2016 was substantially consistent in the percentage of sales that totalled 5.49% (5.20% in 2015), despite the inclusion of a couple of commercial and research & development hires.

Commercial expenses

Commercial expenses showed no significant changes compared to 2015.

Administrative and General

Administrative and general costs showed a significant decrease over the previous year mainly due to the absence in 2016 of some projects that reached completion, through the use of external resources, in 2015. Therefore, as a percentage of revenues they made a positive fall from 10.87% in 2015 to 10.04% in 2016.

EBITDA and EBITDA Margin

As a result of the dynamics described above, the EBITDA for 2016 amounted to Euro 9.3 million, representing an increase (+10.6%) over that of 2015 (Euro 8.5 million); hence the EBITDA margin increased to 24.3% of revenues in the period, compared to 23.1% in 2015. This increase is mainly due to higher manufacturing volumes, associated with the variations mentioned above.

EBT and EBT margin

The **EBT** for 2016 amounted to Euro 8.88 million increasing by 19.75% compared to 2015, and the particularly positive result of the Group's financial management should be noted, as during 2016 it provided a positive net balance (between income and expenses) of Euro 391 thousand (at the end of the previous year the corresponding balance was negative at Euro 158 thousand). This excellent result was made possible by careful and effective monetary and exchange-rate management and good performance of investments in securities where available cash and cash equivalents were invested.



Group Net Result and Net Financial Position

Net profits for the Group at the end of 2016 amounted to Euro 6,3 millions and represented 16.4% of consolidated revenues; this result is 26% higher than that achieved during 2015 (Euro 5 million).

The financial stability of the Group remains excellent and, thanks to the significant cash flow generated by current management, positive at Euro 7.04 million.



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

Economic trends - Group B&C Speakers

(€ thousands)	2016	Incidence	2015	Incidence
Revenues	38,432	100.00%	36,588	100.0%
Cost of sales	(22,415)	-58.33%	(21,577)	-59.0%
Gross margin	16,016	41.67%	15,011	41.0%
Other revenues	124	0.32%	148	0.4%
Cost of indirect labour	(2,109)	-5.49%	(1,898)	-5.2%
Commercial expenses	(824)	-2.14%	(827)	-2.3%
General and administrative expenses	(3,857)	-10.04%	(3,977)	-10.9%
Ebitda	9,351	24.33%	8,457	23.1%
Depreciation of tangible assets	(761)	-1.98%	(732)	-2.0%
Amortization of intangible assets	(28)	-0.07%	(72)	-0.2%
Writedowns	(71)	-0.19%	(78)	-0.2%
Earning before interest and taxes (Ebit)	8,490	22.09%	7,575	20.7%
Financial costs	(342)	-0.89%	(680)	-1.9%
Financial income	733	1.91%	522	1.4%
Earning before taxes (Ebt)	8,881	23.11%	7,416	20.3%
Income taxes	(2,764)	-7.19%	(2,440)	-6.7%
Profit for the year	6,117	15.92%	4,977	13.6%
Minority interest	0	0.00%	0	0.0%
Group Net Result	6,117	15.92%	4,977	13.6%
Other comprehensive result	190	0.49%	46	0.1%
Total Comprehensive result	6,307	16.41%	5,023	13.7%

SIGNIFICANT EVENTS SUBSEQUENT to 31 December 2016

The flow of orders from customers showed a slight decline during the winter months, though still within the context of general optimism from customers of the company; the current data available to management suggests that 2017 will represent a year of consolidation compared to the previous one.

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 2017, to issue an ordinary dividend of Euro 0.40 for each ordinary share held; the ex-coupon date will be 02 May 2017, the record date 03 May and the payment date 04 May 2016. Based on the significant results achieved by the Group and thanks to the relevant cash flow generated by ordinary management of the Group (capable of generating cash flow of Euro 8.5 million in 2016), the Board proposed, on the occasion of the 10th anniversary of listing to propose to the Shareholders' Meeting the issue of an extraordinary dividend of Euro 0.6 per ordinary share with the same payment procedures applied for the ordinary dividend.



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 2016, 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 2016

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	31 December	31 December
<i>(Values in Euro)</i>	2016	2015
ASSETS		
Fixed assets		
Tangible assets	2,709,902	3,145,378
Goodwill	1,393,789	1,393,789
Other intangible assets	97,355	92,329
Investments in non controlled associates	50,000	50,000
Deferred tax assets	296,702	273,887
Other non current assets	509,749	456,171
	<i>related parties</i>	<i>88,950</i>
Total non current assets	5,057,498	5,411,554
Currents assets		
Inventory	8,181,834	8,812,521
Trade receivables	7,773,575	7,084,609
Tax assets	225,624	357,913
Other current assets	6,421,637	4,339,376
Cash and cash equivalents	3,731,312	1,495,913
Total current assets	26,333,982	22,090,332
Total assets	31,391,480	27,501,886



31 December 2016 **31 December 2015**

LIABILITIES

Equity

Share capital	1,087,340	1,072,541
Other reserves	4,494,290	3,283,847
Foreign exchange reserve	559,170	363,970
Retained earnings	15,737,242	13,378,781
Total equity attributable to shareholders of the parent	21,878,042	18,099,139

Minority interest	-	0
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Total equity	21,878,042	18,099,139
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Non current equity

Long-term borrowings	1,692,635	2,821,554
Severance Indemnities	710,137	660,765
Provisions for risk and charges	82,596	82,596
Deferred tax liabilities	0	0
Total non current liabilities	2,485,368	3,564,915

Current liabilities

Short-term borrowings	1,128,918	1,133,516
Trade liabilities	3,948,795	3,180,375
	<i>related parties</i> 340	89,655
Tax liabilities	712,098	557,040
Other current liabilities	1,238,259	966,901
Total current liabilities	7,028,070	5,837,832

Total Liabilities	31,391,480	27,501,886
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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Values in Euro)

2016

2015

Revenues	38,431,521	36,588,399
Cost of sales	(22,415,395)	(21,577,174)
Gross Margin	16,016,125	15,011,226
Other revenues	124,366	148,023
Cost of indirect labour	(2,109,407)	(1,897,617)
Commercial expenses	(823,590)	(827,163)
General and administrative expenses	(3,856,739)	(3,977,351)
	<i>related parties</i>	<i>(927,249)</i>
Ebitda	9,350,754	8,457,118
Depreciation of tangible assets	(761,490)	(732,007)
Amortization of intangible assets	(27,500)	(72,475)
Writedowns	(71,499)	(77,940)
Earning before interest and taxes	8,490,265	7,574,696
Financial costs	(341,734)	(680,225)
Financial income	732,702	521,962
Earning before taxes	8,881,233	7,416,433
Income taxes	(2,764,052)	(2,439,881)
Profit for the year (A)	6,117,181	4,976,552
Other comprehensive income/(losses) for the year that will not be reclassified in income statement:		
Actuarial gain/(losses) on DBO (net of tax)	(5,335)	10,049
Other comprehensive income/(losses) for the year that will be reclassified in income statement:		
Exchange differences on translating foreign operations	195,200	36,199
Total other comprehensive income/(losses) for the year (B)	189,865	46,248
Total comprehensive income (A) + (B)	6,307,046	5,022,800
Profit attributable to:		
Owners of the parent	6,117,181	4,976,552
Minority interest	-	-
Total comprehensive income attributable to:		
Owners of the parent	6,307,046	5,022,800
Minority interest	-	-
Basic earning per share	0.58	0.46
Diluted earning per share	0.58	0.46



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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