



PRESS RELEASE

B&C Speakers S.p.A.

The Board of Directors approves the Consolidated Interim Financial Report for the first half of 2017.

- Consolidated revenues of Euro 20.12 million (+7.7% compared with Euro 18.67 million for the first half of 2016)
- Consolidated EBITDA of Euro 4.85 million (+8.3% compared with Euro 4.48 million for the first half of 2016)
- Group net result of Euro 3.15 million (+15.2% compared with Euro 2.74 million for the first half of 2016)
- Group net financial position of Euro 3.1 million (a positive Euro 7.1 million at year-end 2016)
- The Parent Company's order back-log was Euro 8.4 million at the end of the half-year period (at 30 June 2016 it was Euro 6.9 million).

Bagno a Ripoli (Florence), 18 September 2017 – 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 2017**, drawn up in accordance with the IFRS international accounting standards.

Revenues

Consolidated revenues during the first half of 2017 show a growth that is upwards higher than in the first quarter of the current year on all major markets. Revenues amounted to Euro 20.11 million (+ 7.72% compared to the first half of 2016 when they amounted to Euro 18.67 million)

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:



Geographical Area	1st half 2017	%	1st half 2016	%	Change	Change %
America Latina	1,338,680	6.7%	1,159,340	6.2%	179,340	15%
Europa	9,313,806	46.3%	8,941,745	47.9%	372,061	4%
Italia	1,274,300	6.3%	1,729,355	9.3%	(455,055)	-26%
Nord America	4,031,946	20.0%	3,802,354	20.4%	229,592	6%
Medio Oriente & Africa	236,580	1.2%	149,312	0.8%	87,268	58%
Asia & Pacifico	3,920,880	19.5%	2,893,188	15.5%	1,027,692	36%
Totale	20,116,191	100.0%	18,675,293	100.0%	1,440,899	7.72%

During the period, the Group has significantly increased its presence in the Asian market (+36% with sales of Euro 3.9 million) and has achieved very good performance in the South American market (a strong recovery of +15% with sales of Euro 1.3 million), in the North American market (a further growth of +6% with sales of Euro 4 million) and on the European market (+4% with sales of Euro 9.3 million) which remains the most important market for the Group. On the contrary the Italian market revenues decreased compared with the first half of 2016 (-26% with sales of 1.3 million Euro).

At 30 June 2017, the order back log of the parent company remains on a very steady course, at Euro 8.4 million, marking an increase compared to the first half of 2015 (when the figure was Euro 6.9 million).

Cost of sales

Cost of sales during the first three months of 2017 had a slightly lower impact on revenues compared to the first six months of 2016, rising from 58.59% to 58.10%. The trend was due essentially to a decrease in the impact of costs for raw materials (-0.8 percentage points) offset by an increase in transport, customs duties and other minor components (+0.4 percentage points). Direct labour costs increased proportionally to the increase in revenue and therefore the impact of this item on revenue remained constant compared to the first half of 2016.

Indirect personnel

Indirect personnel costs showed slightly higher growth over the first six months of 2017 compared to the trend in revenues, from a 5.59% incidence in the first half of 2016 to an incidence of 5 ,67% in the first half of 2017.

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 2.26% in the first six months of 2016 and 2.38% in the first six months of 2017.



Administrative and General.

Administrative and general expenses increased by around Euro 230 thousand compared to the first six months of the previous period, with a slightly increased impact on revenues which went from 9.75% in the first six months of 2016 to 10.20% of the first six months 2017. The increase is principally due to the use of technical consulting aimed at improving manufacturing and operational procedures.

EBITDA ed EBITDA Margin

Mainly as a result of the trends described above, EBITDA in the first six months of 2017 amounted to Euro 4.85 million, an increase of 8,28% compared to the first six months of 2016 which amounted to Euro 4.48 million.

The EBITDA margin for the first six months of 2017 was therefore equal to 24.12% of revenues, substantially in line with the first six months of 2016 (when it was 24.00% of revenues for the period).

Depreciation and amortisation

The depreciation and amortisation of tangible and intangible assets was in line with that of the corresponding period of the previous year as a result of net investment flows and assets which ended their useful life.

EBIT and EBIT Margin

EBIT of the first half of 2017 amounted to Euro 4.45 million; a, increase (9.33%) compared with the first half of 2016 (when the figure was Euro 4.07 million). The EBIT margin was 22.15% of revenues (21.82% in the first half of 2016).

Group Net Result and Net Financial Position

The net profit of the Group at the end of the first half of 2017 amounted to 3.15 million Euro and represents a percentage of 15.67% of consolidated revenues (up compared with the same period of the previous financial year, when it amounted to 2.74 million Euro, equivalent to 14.65% of the revenues of the period).

There is a reduction in the tax rate due to the reduction of the IRES rate; this improvement will be further confirmed by the results of the not yet concluded “*ruling*” with Italian tax authorities for Patent Box fiscal break. The conclusion of the process should take place by the end of 2017 and will also cover profits from 2016 and 2015.

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 2017 it was in fact a negative 3.01 million Euro while at 31 December 2016 it was a positive



7.07 million Euro. The difference is mainly due to the payment of the Euro 10.9 million dividend disbursed in May as well as payment of taxes for Euro 1.39 million.

The Group's reclassified Income Statement for the first half of 2017 is shown in the table below:

Economic trends - Group B&C Speakers

<i>(€ thousands)</i>	I half 2017	<i>Incidence</i>	I half 2016	<i>Incidence</i>
Revenues	20,116	100.00%	18,675	100.0%
Cost of sales	(11,688)	-58.10%	(10,941)	-58.6%
Gross margin	8,428	41.90%	7,734	41.4%
Other revenues	95	0.47%	35	0.2%
Cost of indirect labour	(1,140)	-5.67%	(1,043)	-5.6%
Commercial expenses	(478)	-2.38%	(422)	-2.3%
General and administrative expenses	(2,052)	-10.20%	(1,822)	-9.8%
Ebitda	4,852	24.12%	4,481	24.0%
Depreciation of tangible assets	(383)	-1.90%	(375)	-2.0%
Amortization of intangible assets	(14)	-0.07%	(13)	-0.1%
Writedowns	0	0.00%	(19)	-0.1%
Earning before interest and taxes (Ebit)	4,455	22.15%	4,075	21.8%
Financial costs	(253)	-1.26%	(152)	-0.8%
Financial income	284	1.41%	249	1.3%
Earning before taxes (Ebt)	4,486	22.30%	4,172	22.3%
Income taxes	(1,334)	-6.63%	(1,436)	-7.7%
Profit for the year	3,153	15.67%	2,736	14.7%
Minority interest	0	0.00%	0	0.0%
Group Net Result	3,153	15.67%	2,736	14.7%
Other comprehensive result	(87)	-0.43%	(97)	-0.5%
Total Comprehensive result	3,066	15.24%	2,639	14.1%

Significant events during the first half of 2017

During the first half of 2017, the following significant events occurred:

- The collection of new orders was again satisfactory. The order book on the date when the present report was prepared amounted to Euro 8.4 million and the total collection during the first half of the year was equal to the same period of 2016.
- The Shareholders' Meeting held on the 26 April 2017 defined the issue of an ordinary dividend of Euro 0.40 per ordinary share in circulation at the ex-coupon date. In addition to the ordinary dividend, and in order to reward shareholders of the Company during the tenth year since listing, the Shareholders' Meeting defined the distribution of an extraordinary dividend of Euro 0.6 for each ordinary share in circulation at the coupon detachment date. The total value of the dividend issued was therefore Euro 10.9 million.

Significant events occurring after 30 June 2017



After the reporting date of this 2017 interim report, and up to the date on which it was prepared, no significant events occurred.

Outlook for the entire year 2017

With regard to the full-year forecast for 2017, 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 2017, 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.

Simone Pratesi (Investor Relator), Tel.: +39 055/65721

Email: spratesi@bcspeakers.com



CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 June 2017 PREPARED IN CONFORMITY WITH THE IFRSs ADOPTED BY THE EUROPEAN UNION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION <i>(Values in Euro)</i>	June 30, 2017	December 31, 2016
ASSETS		
Fixed assets		
Tangible assets	2,610,377	2,709,902
Goodwill	1,393,789	1,393,789
Other intangible assets	82,953	97,355
Investments in non controlled associates	50,000	50,000
Deferred tax assets	253,363	296,702
Other non current assets	509,219	509,749
	<i>related parties</i>	88,950
Total non current assets	4,899,702	5,057,498
Currents assets		
Inventory	9,229,445	8,181,834
Trade receivables	9,348,129	7,773,575
Tax assets	146,608	225,624
Other current assets	3,651,173	6,421,637
Cash and cash equivalents	1,711,879	3,731,312
Total current assets	24,087,234	26,333,982
Total assets	28,986,936	31,391,480
	June 30, 2017	December 31, 2016
LIABILITIES		
Equity		
Share capital	1,086,444	1,087,340
Other reserves	4,450,540	4,494,290
Foreign exchange reserve	469,517	559,170
Retained earnings	7,943,879	15,737,242
Total equity attributable to shareholders of the parent	13,950,380	21,878,042
Minority interest	-	0
Total equity	13,950,380	21,878,042
Non current equity		
Long-term borrowings	4,665,547	1,692,635
Severance Indemnities	670,272	710,137
Provisions for risk and charges	38,540	82,596
Deferred tax liabilities	0	0
Total non current liabilities	5,374,359	2,485,368
Current liabilities		
Short-term borrowings	3,515,275	1,128,918
Trade liabilities	4,393,853	3,948,795
	<i>related parties</i>	80
Tax liabilities	422,830	712,098
Other current liabilities	1,330,239	1,238,259
Total current liabilities	9,662,197	7,028,070
Total Liabilities	28,986,936	31,391,480



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF THE FIRST HALF OF 2017 PREPARED IN CONFORMITY WITH THE IFRSs ADOPTED BY THE EUROPEAN UNION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Values in Euro)	I half 2017	I half 2016
Revenues	20,116,191	18,675,293
Cost of sales	(11,688,231)	(10,941,499)
Other revenues	94,662	34,614
Cost of indirect labour	(1,140,490)	(1,043,483)
Commercial expenses	(477,891)	(421,814)
General and administrative expenses	(2,051,832)	(1,821,627)
<i>related parties</i>	(461,941)	(461,941)
Depreciation of tangible assets	(382,686)	(374,546)
Amortization of intangible assets	(14,242)	(13,028)
Writedowns	0	(18,646)
Earning before interest and taxes	4,455,481	4,075,264
Financial costs	(252,679)	(151,724)
Financial income	283,646	248,570
Earning before taxes	4,486,448	4,172,110
Income taxes	(1,333,895)	(1,436,091)
Profit for the year (A)	3,152,553	2,736,019
Other comprehensive income/(losses) for the year that will not be reclassified in income statement:		
Actuarial gain/(losses) on DBO (net of tax)	2,635	(13,135)
Other comprehensive income/(losses) for the year that will be reclassified in income statement:		
Exchange differences on translating foreign operations	(89,653)	(83,947)
Total other comprehensive income/(losses) for the year (B)	(87,018)	(97,082)
Total comprehensive income (A) + (B)	3,065,535	2,638,937
Profit attributable to:		
Owners of the parent	3,152,553	2,736,019
Minority interest	-	-
Total comprehensive income attributable to:		
Owners of the parent	3,065,535	2,638,937
Minority interest	-	-
Basic earning per share	0.29	0.25
Diluted earning per share	0.29	0.25