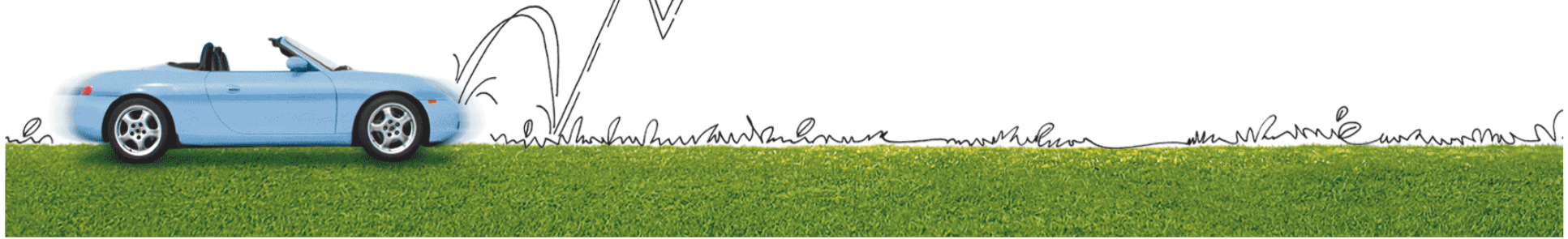


**AEB Acquisition
2010**



Operation snapshot



Structure

Landi Renzo SpA (“Landi”) has signed an agreement to purchase **100% of AEB SRL equity**

Price

The total **enterprise value** is **€ 34,5 million**

Financing

The operation will be **financed through internal funds**

Time and steps

Closing and payment completed on 1st July 2010
No antitrust approval required

The company at a glance



- Founded at the beginning of the **80's** and based near Reggio Emilia, Italy
- The company concentrate its business on **high technology applications** in the field of **lpg/cng cars**, with the division AEB Alternative fuel Electronics
- **World leader** on **electronics** for gas applications
- The Group **diversifies** also in other activities: robotics (through division AEB Robotics), sound systems (18 Sound Solutions) and aquarium (Aquatronica)



Brands and products

Electronic for Gas

Sound

Aquatronics & robotics

Italy and Europe



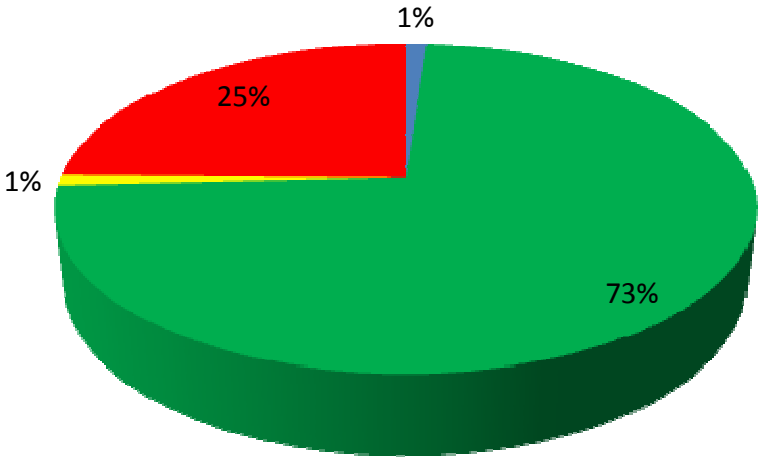
Rest of the world



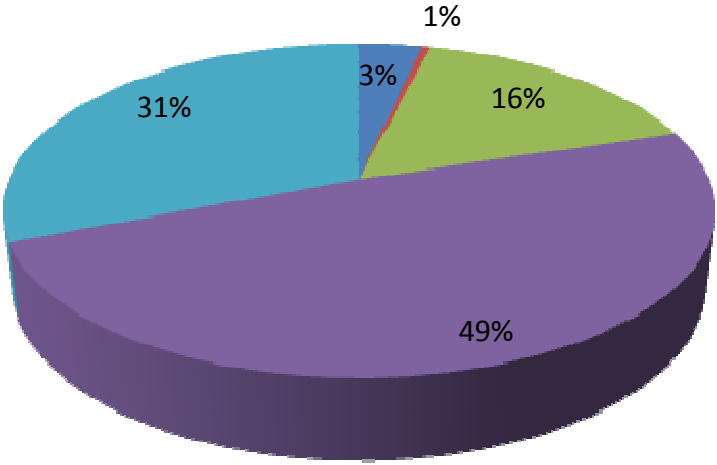
The company – sales breakdown 2009

Sales breakdown by business line

Sales breakdown by geographical area



■ acquatronic ■ gas ■ robotics ■ sound



■ America ■ SW Asia ■ Europe ■ Italy ■ Rest of the World

2009 consolidate data

Historically gas business represent 80%-90% of total revenues (87% in 2008)

Strategic rationales for the acquisition

Integration on a core electronic component

Strengthening on after market segment

Strengthening in South American market

Easy integration in term of business model and product mix

Technology synergies



Strategic rationales for the acquisition

Integration on a core electronic component



Landi Components

AEB Components

LPG / CNG Reducers



Electronic Control Unit



LPG / CNG Injectors



Switch



- **Vertical integration** on core electronics components

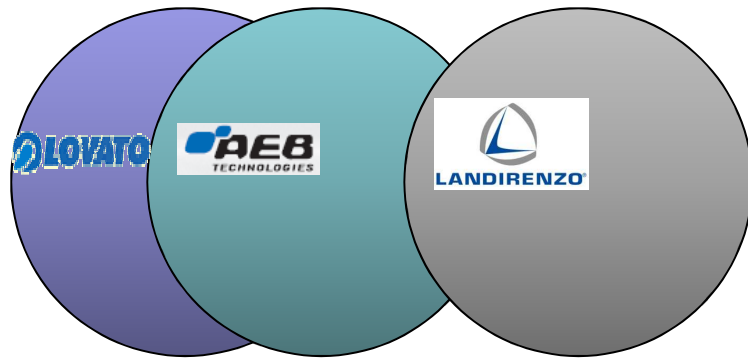
- AEB is **world leader on electronics** products for control of gaseous applications



Strategic rationales for the acquisition

Strengthening on after market segment

- with AEB the Landi group can improve his product mix on **after market segment**
- **perfect fit and complement** for Lovato kits for AM
- electronics products for a **wide range of applications**



After Market → OEM

Strategic rationales for the acquisition

Strengthening in South American market

- Commercial combined presence of Landi and AEB
- AEB America headquarter
- Landi's subsidiaries



- Synergies with **Landi's subsidiaries** in South America located in **Brasil and Venezuela**
- **Latin America** is a market with large potential in particular for **After Market segment**
- **AEB America** is based in **Argentina**, the 2nd largest market in the world for CNG

Strategic rationales for the acquisition

Easy integration in term of business model and product mix

- The **same business model** based on production of **value added components in house**
 - Landi produces internally hi tech injectors and ECUs and outsources less value added components
 - AEB produces internally most value added ECUs
- AEB is historically one of the most **important and strategic supplier** of Landi and Lovato
- synergies in **South America** thanks to the AEB local branch

Technology synergies

- Landi acquires high profile **technicians**
- AEB **knowhow**; Landi acquires knowhow, patents and technologies **for actual and future development**

Financial highlights

	2006	2007	2008	2009	2010
Sales	60,1	50,1	77,1	27,6	↑
Ebitda	21,5	14,4	26,6	0,4	↑
<i>% of sales</i>	36%	29%	35%	1%	
Ebit	20,2	13	25,1	-0,7	↑
<i>% of sales</i>	34%	26%	33%	-3%	
Net profit	11,8	7,3	16,4	-1,2	
<i>% of sales</i>	20%	15%	21%	-4%	



- **High profitable company** besides 2009 highly affected by economic slump

	2006	2007	2008	2009
Total fixed asset	1,8	2,5	3,6	4,6
Net working capital	17,1	19,4	27,5	19,5
<i>% of sales</i>	28%	39%	36%	71%
Other liabilities	1,1	1,1	0,9	0,8
Total invested capital	17,8	20,8	30,2	23,3
Shareholder's equity	23,6	23,4	35,6	31,1
Net cash	5,8	3,2	5,4	7,8
Total sources	17,8	20,2	30,2	23,3

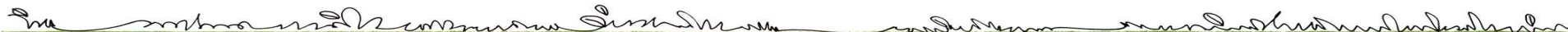
- **Very flexible cost structure**

- **High cash generation**

- **high liquid capital invested** mainly represented by **NWC very easy to sell**

- **Very strong financial structure**

Annexes



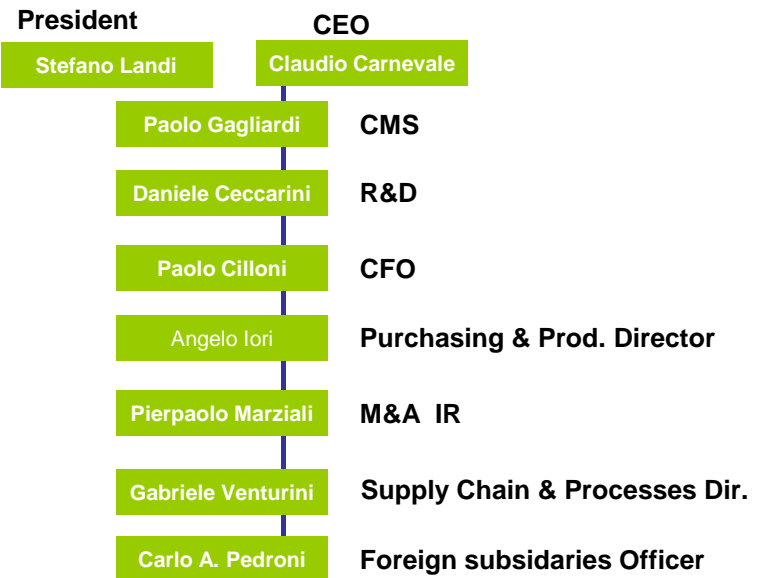
Landi Renzo Company Profile



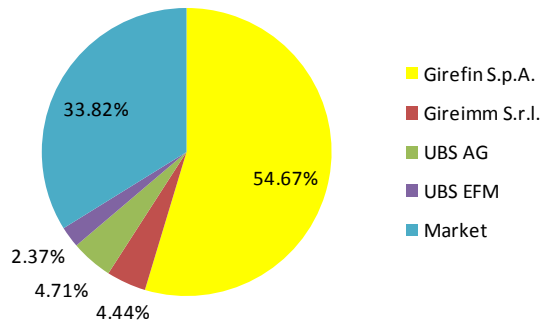
Board of Directors

- Stefano Landi –President
- Giovannina Domenichini – Honorary President
- Claudio Carnevale - Executive Director
- Carlo Alberto Pedroni – Executive Director
- Carlo Coluccio - Director
- Alessandro Ovi - Indip. Director
- Tomaso Tommasi di Vignano – Indip. Director

Top Managers



Shareholding



Share Informations

N. of shares outstanding: 112.500.000
 Price as of 1/07/10: € 3,00
 Market Cap: € 337,5 m
 FTSE Italia STAR

Investor Relations

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