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Barabino & Partners
Consulenza di direzione
in Comunicazione d'Impresa

PRESS RELEASE

LANDI RENZO S.p.A. Board of Directors approve the results of the second quarter 2007.

In the first half 2007, consolidated revenue came to Euro 74.7 million (+4.4% vs. first half 2006), EBITDA came to Euro 17.0 million (+10.3% vs. the first half 2006) and pre-tax income came to Euro 14.8 million (+4.6%).

The Board of Directors of Landi Renzo S.p.A. – publicly-traded company listed in the high requisites securities segment (STAR) of the Italian Stock Exchange - approved its Quarterly Report at June 30th 2007.

In the first half 2007, consolidated revenue came to € 74.7 million, rising by 4.4% with respect to first half 2006, largely due to the positive performance of the liquefied petroleum gas sector.

EBITDA came to € 17.0 million (+10.3% vs. a year earlier); profit, computed as the percentage of EBITDA to revenue, was 22.8%. The first half 2007 ended with pre-tax profit of € 14.8 million, rising by 4.6% with respect to the € 14.2 million in the first half of 2006.

Consolidated revenue

In the first half 2007, consolidated revenue came to € 74.7 million, rising by 4.4% with respect to first half 2006.

Specifically, the breakdown of revenue by business area reported very positive performance in the liquefied petroleum gas sector, which posted revenue of € 39.3 million in the first half of 2007, rising by 17.4% with respect to the previous year. Natural gas sales posted revenue of € 33 million in the first half of 2007, down by 8.8%. At June 30th 2007, the breakdown of revenue by business area showed that the liquefied petroleum gas line accounted for 52.6% of total revenue, natural gas 44.2% and anti-theft 3.2%.

The breakdown of revenue by geographical area revealed the particularly positive performance of the Italian market, which ended the first half of 2007 with revenue of € 25.2 million, up by 26.2%. Substantially stable was another important market, Southwestern Asia, which ended the period posting a rise of 2.2%, featuring revenue of € 24.2 million. Decreased sales were posted by the Western Europe market (excluding Italy), bringing in € 9.3 million in revenue.



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Leading the other markets was Italy, where sales accounted for 33.7% of total revenue in the first half of 2007; Southwestern Asia took second place with 32.4% of sales; and Western Europe was ranked third with 12.5% of sales. These markets were followed by Eastern Europe (9.1%), the rest of Asia (5.5%), America (3.5%) and the rest of the world (3.2%).

Business results

As at June 30th 2007, EBITDA was € 17.0 million, up by 10.3% with respect to the first half of 2006. In particular, profit as a percentage of EBITDA on revenue came to 22.8%.

EBIT amounted to € 15.2 million (up 8.2% with respect to the same period in 2006) and the six-month period ended with pre-tax income of € 14.8 million, up by 4.6% on the € 14.2 million at June 30th 2006.

Second quarter 2007 results

With reference to the second quarter 2007 results, note that consolidated revenue was € 36.8 million (€ 38.4 million in the second quarter 2006), EBITDA was € 8.9 million, showing an improvement compared to the € 8.1 million in the same period a year earlier, and pre-tax profit amounted to € 7.6 million, essentially in line with the second quarter 2006.

Balance Sheet and Financial position

As at June 30th 2007, the Group generated free cash flow of € 2 million after making investments of € 3.3 million. Net working capital was € 30.3 million, accounting for 21.4% of revenue.

The net financial position of the Group, finally, improved from a negative balance of € 7.4 million at December 31st 2006 to a positive € 47.3 million at June 30th 2007; the improvement was mainly due to the liquidities generated by stock market listing.



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With a market share of approximately 23% by volume, Landi Renzo is a world leader in the sector of components and LPG and CNG fuel systems for motor vehicles.*

Based in Cavriago (Reggio Emilia) and with more than 50 years experience in the sector, the company is distinguished by the sustained growth of its revenue which has reached levels exceeding 40% over the past three years, its flexible and lean business model based on outsourcing production processes, the extent of its international operations, with a presence in over 50 countries and exports of 74.3%° in 2006, and its constant focus on quality certification and research and development.

Landi Renzo S.p.A. is listed in the Star segment of Borsa Italiana [LR].

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Cavriago (RE), August 9th, 2007

Consolidated balance sheet

	IFRS Thousands of Euros	IFRS Thousands of Euros	IFRS Thousands of Euros
	1H 2007	2006	1H 2006
ASSETS			
Non-current assets			
Property, plant and equipment	13.715	24.581	21.674
Investment property		879	865
Development expenditure	1.293	1.095	807
Goodwill	2.988	2.988	2.988
Other intangible assets with finite useful lives	1.338	637	616
Other non-current financial assets	103	102	73
Deferred tax assets	2.157	1.193	1.394
Total non-current assets	21.593	31.475	28.417
Current assets			
Trade receivables	31.313	21.371	22.432
Inventories	35.215	32.161	33.809
Other receivables and current assets	7.202	7.368	6.794
Other receivables and current assets - related parties	2.361		
Current financial assets	186	188	191
Cash and cash equivalents	56.511	9.771	16.665
Total current assets	132.788	70.858	79.891
TOTAL ASSETS	154.381	102.333	108.307
EQUITY AND LIABILITIES			
	1H 2007	2006	1H 2006
Equity attributable to the shareholders of the parent			
Share capital	11.250	2.500	2.500
Other reserves	74.587	24.214	25.068
Profit for the year	9.233	16.680	9.193
Total equity attributable to the shareholders of the parent	95.070	43.394	36.761
Minority interests	208	160	162
TOTAL EQUITY	95.277	43.555	36.923
Non-current liabilities			
Bank loans	3.843	5.673	3.500
Other non-current financial liabilities	724	7.083	7.709
Provisions for risks and charges	134	611	394
Defined benefit plans	2.045	2.419	2.273
Deferred tax liabilities	1.724	3.318	2.797
Total non-current liabilities	8.470	19.105	16.674
Current liabilities			
Bank overdrafts and short-term loans	4.496	3.207	415
Other current financial liabilities	161	1.212	1.210
Trade payables	34.340	24.447	32.429
Trade payables - related parties	4.009	3.178	5.555
Tax liabilities	3.118	2.690	1.858
Other current liabilities	2.794	2.352	2.731
Other current liabilities - related parties	1.717	2.588	10.513
Total current liabilities	50.635	39.674	54.710
TOTAL LIABILITIES AND EQUITY	154.381	102.333	108.307

	IFRS Ths of Euros	IFRS Ths of Euros	IFRS Ths of Euros	IFRS Ths of Euros
CONSOLIDATED INCOME STATEMENT	2Q 2007	2Q 2006	1H 2007	1H 2006
Revenue (goods and services)	36.795	38.442	74.697	33.110
Other revenue and income	414	77	422	236
Cost for raw materials, consumables and goods and change in inventories	-12.031	-13.611	-27.095	-8.269
Cost for raw materials - related parties	-4.069	-5.411	-7.088	-6.227
Cost for services and use of third party assets	-8.871	-7.943	-16.557	-7.571
Cost for services and use of third party assets - related parties	-116	0	-116	0
Personnel expenses	-2.998	-3.056	-6.765	-3.354
Accruals, impairment losses and other operating expenses	-163	-368	-445	-595
Gross operating profit	8.961	8.130	17.055	7.329
Amortisation, depreciation and impairment losses	-1.054	-732	-1.836	-659
Operating profit	7.907	7.398	15.219	6.670
Financial income	60	64	152	40
Financial expenses	-206	-251	-444	-170
Exchange rate gains (losses)	-174	250	-99	178
Profit before tax	7.587	7.460	14.828	6.719
Income tax expense	-3.031	-2.161	-5.626	-2.793
Profit for the year, of which attributable to:	4.555	5.300	9.202	3.925
Minority interests	-36	109	-31	33
Shareholders of the parent	4.592	5.191	9.233	9.193
Basic earnings per share (in Euros)	0,04	0,05	0,08	0,08
Diluted earnings per share (in Euros)	0,04	0,05	0,08	0,08

" For illustrative purposes, we have adjusted earnings per Share as calculated to show what the amount would have been if the number of issued & outstanding Shares had been constant (and equal to 112.500.000 Shares) during period under review."

Net Financial Indebtedness (thousands of €)	2H 2007	1Q 2007	FY 2006
Cash and cash equivalents	56.511	12.878	9.771
Bank overdrafts	-4.496	-5.087	-3.207
Short-term loans	-161	-160	-1.212
<i>Net short term indebtedness</i>	<i>51.854</i>	<i>7.631</i>	<i>5.352</i>
Long term indebtedness	-4.567	-9.851	-10.756
Outstandings Bonds	0	-2.000	-2.000
<i>Net long term indebtedness</i>	<i>-4.567</i>	<i>-11.851</i>	<i>-12.756</i>
Net Financial Indebtedness	47.288	-4.220	-7.405