



## **PRESS RELEASE**

### **LANDI RENZO S.p.A.: The Board of Directors Approves Q1 2008 Results.**

#### **Summary information:**

#### **1. Sharp improvement in all operating and financial indicators in the first quarter of 2008:**

- **Consolidated revenues amounted to € 45.5 million (+20.1% compared to the same period of 2007);**
- **Gross Operating Margin (EBITDA) was € 10.0 million (+23.7% compared to the same period of 2007)**
- **Operating Result (EBIT) was € 8.9 million (+21.6% compared to the same period of 2007)**
- **Pre-tax income was € 8.4 million (+16.6% compared to the same period of 2007)**
- **Net income amounted to € 5.6 million (+24.2% compared to the same period of 2007);**
- **Net financial position was positive at € 46.9 million.**

**Caviago, 13 May 2008** - The Board of Directors of Landi Renzo S.p.A. — a company listed in the STAR segment of Borsa Italiana — approved the Quarterly Report at 31 March 2008.

In Q1 2008, consolidated revenues reached € 45.5 million, up 20.1% compared to the same period of 2007. With reference to profitability, EBITDA was € 10.0 million (+23.7% compared to Q1 2007) and EBIT was € 8.9 million (+21.6% compared to 31 March 2007).

"The first quarter 2008 results confirm the growth trend in our business," stated Chief Executive Officer Stefano Landi, who also added: "This growth likewise reflects Landi Renzo's ability to create value by implementing growth strategies through its flexible business model that ensures profitability. Having chosen to sell high technology products, developed through an important R&D activity, allowed us to shoot market opportunities and, above all, allowed us to supply OEM with a product suitable to satisfy efficiently the market demand"

#### **Performance of Revenues**

Overall, at 31 March 2008 Group's consolidated revenues reached € 45.5 million.



The breakdown by business line shows that first quarter revenues from the LPG business line accounted for 50.5% of the total, increasing 18.1% compared to the same period in 2007. The CNG business line, which accounted for 46.6% of total turnover, increased at an even faster 22.9% pace.

As for the geographical breakdown of revenues, Landi Renzo confirmed its international standing, with 67.5% of turnover generated outside of Italy, including 22.7% in the EU and 44.8% outside of Europe. Turnover growth was partially attributable to the European market, increasing 37.5% in the first quarter year-on-year, driven by the good performance on the German and Netherlands markets.

The Italian market increased 16.9% quarter on quarter and, according to data provided by the Italian Motor Vehicles Department, in Italy the Group's market share (after market channel) in the LPG segment was 35.7%, in the natural gas segment 50%.

The good growth trend in South America, India, and China continued in the first quarter. In detail, in South America growth more than tripled compared to the first quarter 2007, driven by the willingness of the region's countries to use methane as a major source of engine fuel. In this major growth context, the Group is the leading player by virtue of its products which satisfy market demand.

In southwest Asia, the Turkish market jumped a lot in the first quarter, partially offsetting the decline in Iran and Pakistan attributable to the momentary saturation of their respective methane distribution networks in expectation of implementing plans for the construction of new supply stations in both countries.

#### **Performance of EBITDA**

At 31 March 2008, EBITDA was € 10.0 million, up 23.7% compared to the same period of 2007. Profitability was 22.0% (21.4% of revenues in the same period of 2007). The increase is attributable to the faster growth in that share of demand oriented towards higher technology-content products, a segment where the Group is world leader.

#### **Performance of Operating Result (EBIT)**

EBIT amounted to € 8.9 million, a 21.6% increase over the same period in 2007. Depreciation and amortisation increased around € 0.4 million, mainly on immaterial and plant and machinery investments.

#### **Pre-tax Income and Net Income**

Pre-tax income was € 8.4 million, up 16.6% compared to € 7.2 million in the same period of 2007. Net income increased 24.2% to € 5.6 million.



## Financial Position

The Group's net financial position at 31 March 2008 was positive at € 46.9 million compared to a net financial position of € 50.6 million at 31 December 2007. Among the main factors behind this increase, the noticeable increase in receivables was due on sales growth at the end of the quarter. The increase in inventory is to prepare for future growth.

*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, Landi Renzo is distinguished by the sustained growth of its revenues and the extent of its international operations, with a presence in over 50 countries. Exports accounted for 73.3% of the Company's sales.*

*Landi Renzo S.p.A. has been listed in the STAR segment of Borsa Italiana since June 2007.*

*The officer responsible for the preparation of the Company's financial reports, Paolo Cilloni, declares pursuant to article 154 bis, paragraph 2 of the Consolidated Financial Act that financial information contained in this press release corresponds to documented results, and to accounting records and books.*

Investor Relations  
Pierpaolo Marziali  
Landi Renzo Investor Relator  
Investorrelationslandi.it@landi.it  
+39 0522 94 33

Barabino & Partners  
Marco Lastrico  
m.lastrico@barabino.it  
+39.02.72.02.35.35

Press contacts:  
Barabino & Partners  
Federico Vercellino  
f.vercellino@barabino.it  
+39.02.72.02.35.35

Cavriago (RE), 13 May 2008

This press release is a translation, the Italian version will prevail.



ASSETS (thousands of Euros)	31 March 2008	31 December 2007	31 March 2007
<b>Non-current assets</b>			
Property, plant and equipment	15.847	14.926	13.229
Development expenditure	1.898	1.844	1.175
Goodwill	2.988	2.988	2.988
Other intangible assets with finite useful lives	1.320	1.290	1.175
Other non-current financial assets	75	80	73
Deferred tax assets	2.732	1.841	1.160
<b>Total non-current assets</b>	<b>24.860</b>	<b>22.970</b>	<b>19.800</b>
<b>Current assets</b>			
Trade receivables	51.750	41.856	27.414
Inventories	43.760	33.091	31.693
Other receivables and current assets	8.448	8.870	7.921
Other receivables and current assets - related parties	91	88	
Current financial assets	143	205	188
Cash and cash equivalents	53.456	58.055	12.878
<b>Total current assets</b>	<b>157.647</b>	<b>142.164</b>	<b>80.094</b>
<b>Assets classified as held for sale</b>			
Property, plant and equipment			11.811
Investment property			870
<b>Total assets classified as held for sale</b>			<b>12.681</b>
<b>TOTAL ASSETS</b>	<b>182.508</b>	<b>165.134</b>	<b>112.576</b>
<b>EQUITY AND LIABILITIES (thousands of Euros)</b>	<b>31 March 2008</b>	<b>31 December 2007</b>	<b>31 March 2007</b>
<b>Equity attributable to the shareholders of the parent</b>			
Share capital	11.250	11.250	10.000
Other reserves	93.867	74.356	33.359
Profit for the period/year	5.660	19.661	4.528
<b>Total equity attributable to the shareholders of the parent</b>	<b>110.777</b>	<b>105.266</b>	<b>47.887</b>
<b>Minority interests</b>	<b>86</b>	<b>134</b>	<b>140</b>
<b>TOTAL EQUITY</b>	<b>110.862</b>	<b>105.400</b>	<b>48.026</b>
<b>Non-current liabilities</b>			
Bank loans	1.691	1.971	4.761
Other non-current financial liabilities	632	632	2.795
Provisions for risks and charges	284	246	631
Defined benefit plans	2.000	1.948	2.487
Deferred tax liabilities	2.310	1.675	1.206
<b>Total non-current liabilities</b>	<b>6.917</b>	<b>6.473</b>	<b>11.881</b>
<b>Current liabilities</b>			
Bank overdraft and short-term loans	4.095	4.687	4.304
Other current financial liabilities	163	163	160
Trade payables	46.336	39.655	28.605
Trade payables - related parties	5.213	2.780	3.000
Tax liabilities	3.780	2.467	3.300
Other current liabilities	3.351	3.198	2.296
Other current liabilities - related parties	1.790	312	3.836
<b>Total current liabilities</b>	<b>64.728</b>	<b>53.261</b>	<b>45.500</b>
<b>Liabilities classified as held for sale</b>			
Other non-current financial liabilities			4.295
Deferred tax liabilities			2.090
Other current financial liabilities			784
<b>Total liabilities classified as held for sale</b>			<b>7.169</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>182.508</b>	<b>165.134</b>	<b>112.576</b>



INCOME STATEMENT (thousands of Euros)	31 March 2008	31 March 2007
<b>Revenues (goods and services)</b>	45.515	37.903
Other revenue and income	42	8
Cost of raw materials, consumables and goods and change in inventories	-15.850	-15.063
Cost of raw materials - related parties	-3.554	-3.020
Cost for services and use of third party assets	-10.961	-7.685
Cost for services and use of third party assets - related parties	-207	0
Personnel expenses	-4.587	-3.767
Accruals, impairment losses and other operating expenses	-386	-282
<b>Gross Operating Profit</b>	<b>10.012</b>	<b>8.094</b>
Amortisation, depreciation and impairment losses	-1.125	-782
<b>Operating Profit</b>	<b>8.888</b>	<b>7.311</b>
Financial income	495	92
Financial expenses	-256	-237
Exchange rate gains (losses)	-682	75
<b>Profit Before Tax</b>	<b>8.444</b>	<b>7.241</b>
Income tax expense	-2.813	-2.595
<b>Profit for the period from continuing operations</b>	<b>5.631</b>	<b>4.647</b>
Profit from assets held for sale		-113
<b>Profit for the period/year, of which attributable to:</b>	<b>5.631</b>	<b>4.533</b>
Minority interests	-28	5
Shareholders of the parent	5.660	4.528
Basic earnings per share (in Euros) - calculated on 112.500.000 ordinary shares	0,05	0,04
Diluted earnings per share (in Euros)	0,05	0,04