



## **PRESS RELEASE**

**LANDI RENZO S.p.A.: The Board of Directors approves results at 30 June 2008.**

### **Highlights:**

1. In first half 2008 all economic indicators showed decided growth:
  - Consolidated sales: €105.8 million (+41.6% compared to the same period in 2007);
  - EBITDA: €25.2 million (+47.6% compared to the same period in 2007);
  - EBIT: €22.9 million (+50.8% compared to the same period in 2007);
  - Pre-tax profit: € 22.3 million (+50.5% compared to the same period in 2007);
  - Net profit: €15.3 million (+66.7% compared to the same period in 2007);
  - Net financial position: positive € 43.7 million.

**Caviago, 28 August 2008** – Today the Board of Directors of Landi Renzo S.p.A. – a company listed on the Italian Stock Exchange's Star Segment – approved the interim financial statements at 30 June 2008.

In first half 2008 consolidated sales reached €105.8 million (mn), an increase of 41.6% versus the same period in 2007. EBITDA totaled €25.2 mn (+47.6% compared to first half 2007) and EBIT €22.9 mn (+50.8% compared to 30 June 2007).

"The trend in the results for the first half of 2008 – stated the company's CEO Stefano Landi – confirms, on the one hand, that LPG and natural gas are extremely ecological and, on the other hand, the company's ability to respond to and even anticipate the needs of an evermore sophisticated and challenging market through the design of increasingly complex and reliable systems."

### **Performance of revenues**

Overall, the Group's consolidated sales reached €105.8 mn at 30 June 2008.

The breakdown by business line at 30 June 2008 shows that 50.7% of the total sales were generated by the LPG sector, an increase of 36.4% when compared to the same period in 2007, while the natural gas sector generated 46.4% of the total with an even more robust increase of 48.7%.



In terms of the geographical breakdown of revenues, the Landi Renzo Group confirms its international standing as 67.0% of its sales were generated outside of Italy (22.5% in the EU and 44.5% outside of the EU).

Sales in Italy grew significantly reaching a total of approximately €35.0 mn, an increase of 38.7% when compared to first half 2007.

Growth was also strong in the other European countries where sales increased by 47.2% semester on semester. The German and Dutch markets reported particularly stellar performances.

The exceptional growth in South America (+575.5% compared to first half 2007) is attributable to the willingness of these countries to use natural gas as a major source of engine fuel. The Group is the leading player in this area of important development thanks to the ability of its products to meet the market's needs.

In South-West Asia there was an overall recovery of the turnover slowdown reported in the first quarter (-21.3% 1H08 vs -30.1% 1Q08) attributable mainly to the temporary saturation of the natural gas distribution networks while waiting for completion of the new supply stations being built in that area.

There was also important growth in the rest of the world in which there was an overall increase of 59.0%.

#### **Performance of EBITDA**

EBITDA at 30 June 2008 amounted to €25.2 mn, an increase of 47.6% over the same period in 2007. Profitability improved 1% over the same period in the prior year to 23.8% (22.8% of revenues in the same period in 2007). The rise is due both to cost cutting and to the decided increase in the demand for highly technological products, a segment where the Group is a world leader.

#### **Performance of EBIT**

EBIT amounted to €22.9 mn, an increase of 50.8% when compared to same period in 2007. Depreciation and amortisation rose by approximately €0.4 mn, primarily on investments made in intangible assets and plants and machinery.

#### **Pre-tax profit and net profit**

Pre-tax profit rose 50.5% from the €14.8 mn reported in the same period 2007 to €22.3 mn. Net profit rose by 66.7% to €15.3 mn. The positive performance in net profit is also due to a drop in the tax rate of the Group's Italian companies.



## **Financial position**

The Group's net financial position at 30 June 2008 amounted to a positive €43.7 mn compared to the €50.6 mn reported at 31 December 2007. Cash was absorbed, among other things, by the payment of dividends for approximately €6.2 mn and investments made by the Group for an additional €6.2 mn. The 1H 2008 operating cash flow amounted at 5.3 mn with an important improvement with respect to the 1Q 2008 one (-1.5 mn).

*Landi Renzo is a world leader in the sector of LPG and CNG engine fuel systems. The company, based in Cavriago (Reggio Emilia), has over fifty years of sector experience and is known for the robust growth rate of its revenues as well as its international presence as it is active in over fifty countries and approximately 70% of its sales are generated abroad. Landi Renzo S.p.A. is listed on the Italian Stock Exchange's Star Segment as of June 2007.*

*Paolo Cilloni, the company's Chief Financial Officer, declares, pursuant to para. 2, article 154-bis of the Uniform Finance Act 8/1998, that the accounting information as reported in this press release, corresponds to the underlying documentary records, books of account and accounting entries.*

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

### **Contacts - Investor Relations:**

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

### **Contacts – Media Relations:**

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

Cavriago (RE), 28 August 2008



ASSETS (thousands of Euros)	30 June 2008	31 December 2007
<b>Non-current assets</b>		
Property, plant and equipment	18,624	14,926
Development expenditure	2,044	1,844
Goodwill	2,988	2,988
Other intangible assets with finite useful lives	1,362	1,290
Other non-current financial assets	75	80
Deferred tax assets	2,829	1,841
<b>Total non-current assets</b>	<b>27,921</b>	<b>22,970</b>
<b>Current assets</b>		
Trade receivables	62,476	41,856
Inventories	44,314	33,091
Other receivables and current assets	7,851	8,870
Other receivables and current assets - related parties	0	88
Current financial assets	143	205
Cash and cash equivalents	49,285	58,055
<b>Total current assets</b>	<b>164,069</b>	<b>142,164</b>
<b>TOTAL ASSETS</b>	<b>191,990</b>	<b>165,134</b>
EQUITY AND LIABILITIES (thousands of Euros)	30 June 2008	31 December 2007
<b>Equity attributable to the shareholders of the parent</b>		
Share capital	11,250	11,250
Other reserves	87,839	74,356
Profit for the period/year	15,337	19,661
<b>Total equity attributable to the shareholders of the parent</b>	<b>114,427</b>	<b>105,266</b>
<b>Minority interests</b>	<b>227</b>	<b>134</b>
<b>TOTAL EQUITY</b>	<b>114,654</b>	<b>105,401</b>
<b>Non-current liabilities</b>		
Bank loans	1,437	1,971
Other non-current financial liabilities	560	632
Provisions for risks and charges	284	246
Defined benefit plans	1,953	1,948
Deferred tax liabilities	2,010	1,675
<b>Total non-current liabilities</b>	<b>6,244</b>	<b>6,473</b>
<b>Current liabilities</b>		
Bank overdraft and short-term loans	3,458	4,687
Other current financial liabilities	164	163
Trade payables	48,324	39,655
Trade payables - related parties	6,155	2,780
Tax liabilities	8,827	2,467
Other current liabilities	4,083	3,198
Other current liabilities - related parties	79	312
<b>Total current liabilities</b>	<b>71,091</b>	<b>53,261</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>191,990</b>	<b>165,134</b>



INCOME STATEMENT (thousands of Euros)	30 June 2008	30 June 2007
<b>Revenues (goods and services)</b>	105,796	74,697
Other revenue and income	147	422
Cost of raw materials, consumables and goods and change in inventories	-38,132	-27,095
Cost of raw materials - related parties	-7,941	-7,088
Cost for services and use of third party assets	-23,821	-16,557
Cost for services and use of third party assets - related parties	-419	-116
Personnel expenses	-9,639	-6,765
Accruals, impairment losses and other operating expenses	-812	-445
<b>Gross Operating Profit</b>	<b>25,179</b>	<b>17,055</b>
Amortisation, depreciation and impairment losses	-2,230	-1,836
<b>Operating Profit</b>	<b>22,948</b>	<b>15,219</b>
Financial income	944	152
Financial expenses	-441	-444
Exchange rate gains (losses)	-1,143	-99
<b>Profit Before Tax</b>	<b>22,309</b>	<b>14,828</b>
Income tax expense	-6,970	-2,595
<b>Profit for the period/year, of which attributable to:</b>	<b>15,339</b>	<b>12,233</b>
Minority interests	1	-31
Shareholders of the parent	15,337	9,233
Basic earnings per share (in Euros) - calculated on 112.500.000 ordinary shares	0.14	0.08
Diluted earnings per share (in Euros)	0.14	0.08