



## **PRESS RELEASE**

**LANDI RENZO S.p.A.: the Board of Directors Approves Results at 30 September 2008.**

- **In the first nine months of 2008 profitability and net profit rose sharply:**
  - Consolidated revenues amounted to € 161.7 million (+37.7% compared to the same period of 2007)
  - Gross Operating Margin (EBITDA) was € 37.6 million (+46.5% compared to the same period of 2007)
  - Operating Result (EBIT) was € 33.9 million (+47.5% compared to the same period of 2007)
  - Pre-tax income was € 33.5 million (+45.0% compared to the same period of 2007)
  - Net profit amounted to € 22.9 million (+61.5% compared to the same period of 2007)
- Net Financial Position was positive at € 57.3 million

**Cavriago, 12 November 2008** - The Board of Directors of Landi Renzo S.p.A. — a company listed in the STAR segment of the electronic share market organised and managed by Borsa Italiana — approved the Interim Report at 30 September 2008.

For the first nine months of 2008, consolidated revenues reached € 161.7 million, up 37.7% compared to the same period of 2007. With reference to profitability, EBITDA was € 37.6 million (+46.5%) and EBIT was € 33.9 million (+47.5%).

In the third quarter of 2008, Group revenues amounted to € 55.9 million (+30.8% compared to the third quarter of 2007), EBITDA was € 12.4 million (+44.1%), EBIT was € 10.9 million (+41.1%) and pre-tax net profit amounted to € 11.2 million (+35.4%).

"The last three months have confirmed that our business is performing well despite the deterioration of macroeconomic scenarios", said Stefano Landi, the Company's Chief Executive Officer. "Our international footprint and the business strategies we have implemented have allowed us to seize all of the opportunities presented by this juncture. In addition, we have closed the acquisition of Lovato Gas, using part of the proceeds of the IPO and the loans from Credem and Abaxbank, with the intention of further strengthening the Company in geographical areas in which we previously had a smaller profile and continuing to improve the technological excellence of the solutions we provide".



### **Performance of Revenues**

Overall, for the first nine months of 2008 Group's consolidated revenues reached € 161.7 million. In the period under review, 68.7% of Group revenues were generated abroad (25.1% in Europe, excluding Italy and 43.6% in non-European countries). The sharp growth is mainly attributable to the growth of the Italian market (+47.7%) and Western and Eastern European (+71.3%) markets, which more than offset the lower revenues recorded in South West Asia.

### **Performance of EBITDA**

In the first nine months of 2008, EBITDA amounted to € 37.6 million, up 46.5% compared to the same period of 2007. Profitability was 23.2%, mainly thanks to the improved product mix, which was marked by a preponderance of the much sought after products with higher technology-content.

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

EBIT was € 33.9 million, up 47.5% compared to the first nine months of 2007. Depreciation and amortisation increased by about € 1 million, as new manufacturing plants went into operation.

### **Pre-tax Profit and Net Profit**

Pre-tax profit was € 33.5 million, up 45.0% compared to € 23.1 million for the first nine months of 2007. Net profit rose by 61.5% to € 22.9 million, thanks to a lower tax liability of the Group's Italian operations.

### **Financial Position**

The Group's net financial position was positive at € 57.3 million compared to a positive net financial position of € 50.6 million at 30 June 2008 (positive at € 50.3 million at 30 September 2007). The increase was due to the expansion of the Group's business and the improvement in working capital.



*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 account for 70% 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 M&A and Investor Relations Officer  
Investorrelationslandi.it@landi.it  
+39 0522 94 33

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

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



ASSETS (thousands of Euros)	30 September 2008	31 December 2007	30 September 2007
<b>Non-current assets</b>			
Property, plant and equipment	20,215	14,926	14,303
Development expenditure	2,143	1,844	1,398
Goodwill	2,988	2,988	2,988
Other intangible assets with finite useful lives	1,272	1,290	1,469
Other non-current financial assets	75	80	103
Deferred tax assets	3,054	1,841	2,029
<b>Total non-current assets</b>	<b>29,747</b>	<b>22,970</b>	<b>22,290</b>
<b>Current assets</b>			
Trade receivables	50,506	41,856	34,951
Inventories	47,670	33,091	32,822
Other receivables and current assets	7,802	8,870	8,526
Other receivables and current assets - related parties	0	88	0
Current financial assets	143	205	186
Cash and cash equivalents	65,608	58,055	58,716
<b>Total current assets</b>	<b>171,729</b>	<b>142,164</b>	<b>135,200</b>
<b>TOTAL ASSETS</b>	<b>201,476</b>	<b>165,134</b>	<b>157,490</b>
EQUITY AND LIABILITIES (thousands of Euros)	30 September 2008	31 December 2007	30 September 2007
<b>Equity attributable to the shareholders of the parent</b>			
Share capital	11,250	11,250	11,250
Other reserves	87,824	74,356	74,534
Profit for the period/year	22,819	19,661	14,196
<b>Total equity attributable to the shareholders of the parent</b>	<b>121,893</b>	<b>105,266</b>	<b>99,980</b>
<b>Minority interests</b>	<b>281</b>	<b>134</b>	<b>247</b>
<b>TOTAL EQUITY</b>	<b>122,174</b>	<b>105,401</b>	<b>100,228</b>
<b>Non-current liabilities</b>			
Bank loans	3,981	1,971	2,915
Other non-current financial liabilities	560	632	724
Provisions for risks and charges	503	246	223
Defined benefit plans	2,042	1,948	1,938
Deferred tax liabilities	2,068	1,675	1,685
<b>Total non-current liabilities</b>	<b>9,154</b>	<b>6,473</b>	<b>7,485</b>
<b>Current liabilities</b>			
Bank overdraft and short-term loans	3,607	4,687	4,653
Other current financial liabilities	164	163	161
Trade payables	49,030	39,655	33,663
Trade payables - related parties	5,965	2,780	2,371
Tax liabilities	7,428	2,467	3,534
Other current liabilities	3,954	3,198	3,092
Other current liabilities - related parties	0	312	2,302
<b>Total current liabilities</b>	<b>70,148</b>	<b>53,261</b>	<b>49,777</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>201,476</b>	<b>165,134</b>	<b>157,490</b>



	9 months	9 months	2008	2007
INCOME STATEMENT (thousands of Euros)	30 September 2008	30 September 2007	3rd QUARTER	3rd QUARTER
<b>Revenues (goods and services)</b>	161,698	117,438	55,902	42,741
Other revenue and income	404	512	257	90
Cost of raw materials, consumables and goods and change in inventories	-59,563	-46,547	-21,431	-19,453
Cost of raw materials - related parties	-12,600	-9,265	-4,659	-2,177
Cost for services and use of third party assets	-36,073	-25,293	-12,252	-8,736
Cost for services and use of third party assets - related parties	-632	-324	-213	-208
Personnel expenses	-14,505	-10,366	-4,866	-3,601
Accruals, impairment losses and other operating expenses	-1,171	-510	-359	-65
<b>Gross Operating Profit</b>	<b>37,558</b>	<b>25,644</b>	<b>12,379</b>	<b>8,590</b>
Amortisation, depreciation and impairment losses	-3,686	-2,682	-1,456	-846
<b>Operating Profit</b>	<b>33,872</b>	<b>22,962</b>	<b>10,924</b>	<b>7,744</b>
Financial income	1,514	767	570	615
Financial expenses	-738	-712	-297	-268
Exchange rate gains (losses)	-1,121	99	22	198
<b>Profit Before Tax</b>	<b>33,527</b>	<b>23,116</b>	<b>11,218</b>	<b>8,288</b>
Income tax expense	-10,635	-2,595	-3,665	-3,315
<b>Profit for the period/year, of which attributable to:</b>	<b>22,892</b>	<b>20,521</b>	<b>7,553</b>	<b>4,973</b>
Minority interests	73	-21	72	10
Shareholders of the parent	22,819	14,196	7,482	4,963
Basic earnings per share (in Euros) - calculated on 112.500.000 ordinary shares	0.2035	0.1260	0.0671	0.0442
Diluted earnings per share (in Euros)	0.2035	0.1260	0.0671	0.0442