



PRESS RELEASE

LANDI RENZO S.p.A.: agreement signed and finalised to acquire 100% of the share capital of A.E.B. s.r.l., a world-leading supplier of components for LPG- and CNG-powered systems for motor vehicles whose primary focus and core skills lie in the field of electronic components.

- **Landi Renzo S.p.A. is further consolidating the Group's leadership of the global market by expanding into strategic components such as electronic parts, thus increasing its competitiveness on the aftermarket segment.**
- **The consideration for the transaction is based on an enterprise value of €34.5 million.**
- **The acquisition is to be funded through the use of the Group's own funds.**

Caviago (Reggio Emilia), 1 July 2010 – Landi Renzo S.p.A., a leading global supplier of CNG- and LPG-powered components and systems listed on the STAR segment of Borsa Italiana S.p.A. has signed an agreement to acquire 100% of the share capital of A.E.B. s.r.l. with the acquiree's owners, all of which hold equal one-third interests in A.E.B. s.r.l.

One of the main strategic reasons for the acquisition lies in allowing the Group to consolidate its technological leadership of the Italian and international markets, deriving significant benefits from the integration of technical departments and industrial know-how relating to electronic components design.

The transaction was closed concurrently with the signing of the contract. Accordingly, Landi Renzo S.p.A. paid the owners a provisional price equal to the enterprise value of € 34.5 million, plus the net cash held by the acquiree as at 31 December 2009, bringing the total consideration to approximately € 42 million.

As is standard practice for deals of this sort, the provisional price described above may be subject to modification according to an adjustment mechanism based on the value of A.E.B. s.r.l.'s net financial position as at 30 June 2010.

"This acquisition," explained Claudio Carnevale, Landi Renzo S.p.A.'s CEO, "is a great industrial success and will allow the Group to expand its portfolio of products and technologies in the aftermarket segment. A.E.B. s.r.l. is a leading supplier of electronics to that channel owing to its technologies, specific expertise and human resources. The deal represents a further milestone on the strategic journey that began with the acquisition of Lovato Gas in 2008 and that aims to concentrate specific energy on the global retrofit market, thereby further reinforcing the Group's leadership".



“The transaction,” Carnevale continued, “is specifically justified not only in terms of the business opportunities, but also from a financial perspective: the company has a solid balance sheet and an excellent capacity to generate cash and profit”.

Founded in 1984, A.E.B. s.r.l. is a world leader in the design and manufacture of a full range of electronic devices for the conversion of vehicles to LPG or CNG.

In 1999, the company also branched into the fields of professional speakers, robotics and aquarium control technology.

A.E.B. s.r.l. Alternative Fuel Electronics' products are now distributed, directly or indirectly, in over 40 countries on the five continents.

As at 31 December 2009, the total assets on the company's balance sheet amounted to € 37.1 million and its equity to € 31.1 million. A.E.B. s.r.l. generated € 27.6 million in revenue in 2009. During the same period, EBITDA amounted to € 0.4 million and the company reported a net loss of € 1.2 million.

Landi Renzo S.p.A. will be drawing on its own funds to finance the deal.

One of the sellers, Girefin S.p.A., through a trust administered by Fiduciaria Emiliana S.p.A., may be considered a related party inasmuch as Girefin S.p.A. holds a 54.67% interest in Landi Renzo S.p.A. and a 33.3% interest in A.E.B. s.r.l.

The acquisition is considered a “non-material transaction” within the meaning of Article 70 of the Rules for Issuers. Accordingly, preparation of a prospectus is not required. In addition, the transaction is also considered “non-material” within the meaning of Article 71-*bis* of the Rules for Issuers, inasmuch as the requirements of that Article have not been met.

However, since the deal does represent a related-party transaction, Landi Renzo S.p.A. has taken some precautionary measures. Specifically, it has requested and obtained a prior opinion from its Internal Control Committee. In addition, the independent directors indicated that it would be appropriate for Landi Renzo S.p.A. and its board of directors to draw upon the contribution of an independent expert in preparing a technical estimate of the enterprise value of A.E.B. s.r.l. in support of the determination of consideration for the transaction. Furthermore, technical due diligence was conducted regarding A.E.B. s.r.l., as also indicated by the independent directors. In this respect, in assessing the transaction, the board of directors of Landi Renzo S.p.A. employed the conclusions prepared by a leading financial institution, Mediobanca - Banca di Credito Finanziario S.p.A., in determining the enterprise value of A.E.B. s.r.l. and also secured the services of a qualified university professor, Stefano Carabelli, who conducted technical due diligence



regarding the acquiree. After these assessments had been completed, the board of directors of Landi Renzo S.p.A. approved the transaction unanimously.

Landi Renzo S.p.A. received assistance concerning the transaction from Clifford Chance, which acted as legal counsel, and from Mediobanca - Banca di Credito Finanziario S.p.A., which acted as independent expert in preparing a technical estimate of the enterprise value of A.E.B. s.r.l.

Landi Renzo S.p.A. 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 more than 50% of the Company's sales.

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

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This press release is a translation. The Italian version will prevail.