



PRESS RELEASE

Subscribed and finalized, through its subsidiary Landi Renzo USA Corporation, the agreement to acquire 100% of the share capital of Baytech Corporation, the only company in the United States with CARB certified natural gas systems for General Motors (GM) vehicles.

- **Landi Renzo S.p.A. strengthens its presence in the United States, one of the most promising markets for the development of natural gas alternative vehicles.**
- **The consideration of the transaction is based on an equity value of \$ 15 million (net cash at December 31, 2009 is \$ 412,000).**
- **The acquisition is to be funded through the normal already granted bank credit lines.**

Cavriago (RE), July 29, 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 through its subsidiary Landi Renzo USA Corporation to acquire 100% of the share capital of Baytech Corporation.

Founded in 1991 and based in California, Baytech Corporation is an "Original Equipment Small Volume Manufacturer" and a leading developer of natural gas fuel injection systems, which are EPA and CARB certified.

Today Baytech develops, manufactures and sells systems for Chevrolet, GMC, Isuzu and Workhorse Custom Chassis vehicles and engines. The systems meet stringent emission standards and *On Board Diagnostics II*.

Baytech is the only company in the United States to own eleven CARB certifications and sixteen EPA certifications for natural gas and propane fuel injection systems for GM vehicles and heavy-duty engines.

EPA - Environmental Protection Agency - is the main environmental protection agency of the United States. To implement the laws enacted in favor of environmental protection is among its main tasks.

CARB - California Air Resources Board - is the "clean air agency" in the government of California. The stated goals of CARB include attaining and maintaining healthy air quality; protecting the public from exposure to toxic air contaminants; and providing innovative approaches for complying with air pollution rules and regulations.



Baytech's CARB certifications are considered particularly relevant, as they are only obtainable through a very long, complex and expensive process. Their achievement also requires considerable automotive engineering technical know-how, and extensive experience.

This acquisition allows the Group to accelerate entry into the U.S. market, characterized by a convergence of purpose and consensus in favor of natural gas as a transportation fuel for its environmental and economic benefits.

"We see the U.S. as a high potential market - says Group CEO Claudio Carnevale - The desire to reduce dependence on oil by using less polluting energy sources is pushing the U.S. towards the adoption of cleaner alternative fuels. The recent discoveries of large domestic natural gas deposits, and the availability of technology to use it, no doubt encourage the creation of all necessary conditions to complete a suitable context for the development of the sector. It should be said that under the current laws - Carnevale continues - Landi Group developments in this market are, now more than ever, already possible, thanks to its established know-how. The acquisition of Baytech speeds up the development process of the sector. "

"This acquisition - says Andrea Landi, President of Landi Renzo USA Corporation - allows us to quickly capture market opportunities through certified platforms already in Baytech's portfolio, allowing us to save the high costs associated with the actions and processes of obtaining certifications themselves. The Baytech know-how will also be very useful in developing and certifying gaseous fuel injection systems for platforms other than General Motors. Also - Landi continues - thanks to our experience we can widen the scope of Baytech's activities, giving it the capacity to provide the final customer, now mainly consisting of fleets, a turnkey project."

Upon signature of the contract has also been the closing of the transaction, under which Landi Renzo USA Corporation has paid to Baytech shareholders, compared to a price of equity value of \$ 15 million, the amount of \$ 12.3 million, with a commitment to pay the difference of \$ 2.7 million upon renewals of a group of expiring certifications.

At December 31, 2009 Baytech had a cash position of \$ 412,000.

On the basis of practice for such operations, the price paid will be subject to an adjustment mechanism based on the change, still to be determined, in Baytech net equity at the closing date.

The company's total assets at December 31, 2009 amounted to \$ 711,000. In 2009, Baytech generated revenues of \$ 2.5 million. During the same period the adjusted (to keep into account of the effects of the correction of some of the material remuneration items for the owners, historically included into operational cost) profit before tax amounted to \$ 928,000.

The acquisition is to be funded through the normal already granted bank credit lines.



Landi Renzo S.p.A. received assistance concerning the transaction from Bassi & Terzi e Marco Q. Rossi & Associati, which acted as legal counsel, and from Mediobanca - Banca di Credito Finanziario S.p.A., which acted as independent expert to support the evaluation.

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.

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

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