



PRESS RELEASE

LANDI RENZO S.p.A.: The Board of Directors Approves Results at 30 September 2010.

The main earnings and financial position indicators continued to grow in the first nine months of 2010, with a third quarter characterised by two important strategic acquisitions in the United States and Italy.

- Consolidated revenues amounted to € 230.4 million (+29.6% compared to the same period of 2009)
- Gross Operating Margin (EBITDA) was € 38.7 million (+69.3% compared to the first nine months of 2009)
- Operating Result (EBIT) was € 30 million (+85.7% compared to the first nine months of 2009)
- Pre-tax income was € 28.1 million (+112.6% compared to € 13.2 million for the first nine months of 2009)
- Group net income was € 18,5 million (+94.1% compared to € 9.5 million for the first nine months of 2009)
- Net debt, mainly used to finance the acquisitions carried out in the third quarter, was € 63.2 million (at 30 June 2010, cash amounted to € 32 million)

Cavriago, 11 November 2010 - The Board of Directors of Landi Renzo S.p.A. — a company listed in the STAR segment of the electronic share market (MTA) organised and managed by Borsa Italiana — approved the Interim Report at 30 September 2010.

Consolidated revenues amounted to € 230.4 million in the first nine months of 2010, marking an increase of 29.6% on the same period of 2009. EBITDA was € 38.7 million (+69.3 %) and EBIT was € 30 million (+85.7%).

"The results for these first nine months of 2010 confirm the Group's reactivity in creating and seizing market opportunities," commented Chief Executive Officer Claudio Carnevale. "The Group increased its market share in Asian markets, which are characterised by rapid growth and poised to realise their even greater potential in the near future. The two important strategic acquisitions of A.E.B. in Italy and Baytech in the U.S.A.," Carnevale continued, "are also aimed at increasing coverage of markets with high growth potential."



Pre-tax income amounted to € 28.1 million (+112.6%) and the Group's net income reached €18.5 million (+94.1%).

Revenue Performance

Consolidated revenues amounted to € 230.4 million in the first nine months of 2010 (€ 177.8 million at 30 September 2009), up 29.6% compared to the same period of 2009, primarily thanks to robust growth on the main markets of operation in Europe and Asia.

Revenues from the sale of LPG systems increased 14.7% compared to the same period of the previous year, reaching € 155 million. Even more rapid growth was reported in sales of CNG systems, which increased 73.8% compared to the first nine months of 2009, to reach € 70.6 million. The recovery of the CNG market is primarily attributable to Southeast Asia.

The Italian market, which represents 33.6% of global revenues, remained essentially stable, despite the discontinuation of government incentives for new environmentally friendly cars. This was primarily achieved due to the Group's market share, which is currently more than satisfactory and has increased compared to the previous two quarters.

All of Europe, Italy included, showed attractive growth of 9.5% compared to the same period of the previous year.

Margin Performance

In the first nine months of 2010, the Group's EBITDA was in line with the Company's current cost structure, reaching € 38.7 million (16.8% of revenues), up 69.3% compared to the same period of 2009, when it amounted to € 22.9 million.

EBIT was € 30 million (+85.7%) compared to the first nine months of 2009, when it amounted to € 16.1 million.

Pre-tax income was € 28.1 million (+112.6%). Group Net Result for the first nine months of 2010 totalled € 18.5 million (+94.1% on the same period of 2009).

Asian markets continued to show robust growth in the third quarter of 2010, offsetting some expected declines and cyclical aspects of the business. Accordingly, consolidated revenues for the quarter stood at € 58.3 million, down 16.3% compared to the third quarter of 2009 (A.E.B. revenues during first nine months of 2010 amounted to € 11.7 million and A.E.B. contribution to Group turnover amounted to € 8.9 million, net of intercompany). In the third quarter, EBITDA was € 6 million, down 49.6% compared to the third quarter of 2009, reflecting the operational leverage required to support the Group's considerable revenues. EBIT thus amounted to € 2.6 million, down 72.5% compared to the third quarter of 2009.



As a result, the third quarter net income was € 10 thousand, penalised primarily by valuations that resulted in foreign exchange losses during the quarter itself. However, in the first nine months of the year, the exchange rate management reported a loss of € 357 thousand, compared to a loss of € 1.248 thousand at 30 September 2009).

Financial Position

A.E.B. and Baytech were acquired in July. Primarily for this reason, net financial debt was € 63.2 million at 30 September. On 30 June 2010, the Group had net cash of € 3.2 million.

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.

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 Finance Act, that the accounting information contained in this press release corresponds to documented results, and to accounting records and books.

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

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Landi Renzo S.p.A. consolidated balance sheet

ASSETS (thousands of Euros)	30 September 2010	31 December 2009	30 September 2009
Non-current assets			
Property, plant and equipment	37,388	28,206	27,687
Development expenditure	5,503	4,427	4,318
Goodwill	66,262	51,961	51,961
Other intangible assets with finite useful lives	28,674	17,156	17,481
Other non-current financial assets	225	137	73
Deferred tax assets	9,611	9,775	7,226
Total non-current assets	147,663	111,662	108,746
Current assets			
Trade receivables	68,814	116,804	110,625
Trade receivables - related parties	187	192	467
Inventories	80,744	58,835	59,687
Other receivables and current assets	15,766	9,665	4,526
Current financial assets	289	140	124
Cash and cash equivalents	37,051	33,611	27,833
Total current assets	202,851	219,247	203,262
TOTAL ASSETS	350,514	330,909	312,008



EQUITY AND LIABILITIES (thousands of Euros)	30 September 2010	31 December 2009	30 September 2009
Equity attributable to the shareholders of the parent			
Share capital	11,250	11,250	11,250
Other reserves	121,413	106,149	105,932
Profit(Loss) for the period/year	18,471	22,238	9,517
Total equity attributable to the shareholders of the parent	151,134	139,637	126,699
Minority interests	554	110	13
TOTAL EQUITY	151,688	139,747	126,712
Non-current liabilities			
Bank loans	73,000	53,620	58,804
Other non-current financial liabilities	246	295	392
Provisions for risks and charges	4,355	2,178	1,355
Defined benefit plans	3,310	2,549	2,559
Deferred tax liabilities	11,108	6,716	6,703
Total non-current liabilities	92,019	65,358	69,813
Current liabilities			
Bank overdraft and short-term loans	26,287	20,668	29,743
Other current financial liabilities	737	170	168
Trade payables	66,668	93,316	72,853
Trade payables - related parties	0	3,243	2,605
Tax liabilities	5,462	2,680	4,281
Other current liabilities	7,653	5,722	5,829
Other current liabilities - related parties	0	5	4
Total current liabilities	106,807	125,804	115,483
TOTAL LIABILITIES AND EQUITY	350,514	330,909	312,008



Landi Renzo S.p.A. consolidated income statement

INCOME STATEMENT (thousands of Euros)	30 September 2010	30 September 2009
Revenues (goods and services)	229,729	177,605
Revenues (goods and services) - related parties	639	196
Other revenue and income	483	566
Cost of raw materials, consumables and goods and change in inventories	-92,523	-74,996
Cost of raw materials - related parties	-4,112	-4,600
Cost for services and use of third party assets	-64,659	-53,562
Cost for services and use of third party assets - related parties	-666	-658
Personnel expenses	-26,868	-19,310
Accruals, impairment losses and other operating expenses	-3,323	-2,383
Gross Operating Profit	38,700	22,858
Amortisation, depreciation and impairment losses	-8,740	-6,724
Operating Profit	29,960	16,134
Financial income	195	270
Financial expenses	-1,661	-1,924
Exchange rate gains (losses)	-357	-1,248
Profit (Loss) Before Tax	28,137	13,232
Income tax expense	-9,141	-4,026
Profit (Loss) for the period/year, of which attributable to:	18,996	9,206
Minority interests	525	-311
Shareholders of the parent	18,471	9,517
Basic earnings (losses) per share (in Euros) - calculated on 112.500.000 ordinary shares	0.1642	0.0846
Diluted earnings (losses) per share (in Euros)	0.1642	0.0846