



PRESS RELEASE

LANDI RENZO S.p.A.: The Board of Directors Approves Results at 31 December 2009.

Sales exceeded expectations and margins improved strongly. The Company reported rapid growth in the fourth quarter compared to earlier in the year, when it incurred the one-off costs required to expand its annual production capacity for LPG and CNG vehicles.

These results are proof of the efficacy of the steps now being taken to improve the current business model's profitability and seize all of the new opportunities offered by the market. During 2009, the Group continued to pursue its revenue growth strategy, which has led it to increase its sales by more than 25% per year (% CAGR) over the past three years and achieve annual EBITDA growth of more than 11% (% CAGR).

- Consolidated revenues amounted to € 270.8 million (+25.2% compared to 2008)
- Gross Operating Margin (EBITDA) was € 41.6 million (-11.1% compared to 2008)
- Operating Result (EBIT) amounted to € 32.2 million (-20.9% compared to 2008)
- Pre-tax income reached € 29.2 million (-26.3% compared to 2008)
- Group net income amounted to € 22.2 million (-16.7% compared to 2008)

Dividend of € 0.062 per share, gross of withholding taxes

Cavriago, 12 March 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 — today approved the draft financial statements for 2009.

In 2009, consolidated revenues reached € 270.8 million, up 25.2% compared to 2008. With reference to profitability, EBITDA was € 41.6 million (-11.1%) and EBIT was € 32.2 million (-20.9%).

“During 2009, despite a decidedly negative international macroeconomic scenario, we succeeded in seizing and creating development opportunities through our flexible business model,” commented Claudio Carnevale, the Company's Chief Executive Officer. “Our installation capacity now exceeds 1,500 systems per day, allowing us to meet the rapidly increasing demand for ecological vehicles. Landi Renzo has achieved considerable growth compared to early 2009, yet it remains focused on market response time while maintaining economic indicators: following on the first part of the year, when the Company needed to focus more on change than efficiency, growth rates and margins returned to the Group's usual levels in the second half of the year”.

Revenue Performance

Total Group's consolidated revenues reached € 270.8 million for 2009.

Revenues earned abroad accounted for 49.6% of the total (27.2% in Europe, excluding Italy, and 22.4% outside of Europe).

Revenue growth was driven chiefly by the rise in sales volumes, especially in Italy, and the expansion of the range of products and services provided: in 2009, the Group also provided installation services in order to meet the needs of car makers.



Revenues from sales of LPG systems went from € 122.6 million to € 210.7 million, up 71.8%, boosted, especially in Italy and Europe, by new supply contracts entered into with OEM clients regarding the introduction of new LPG-powered bifuel car models. Sales of CNG systems, however, decreased by 35.5% compared to 2008, largely due to the fall in demand from several markets in Asia and Latin America as a result of the economic crisis that predominantly affected these regions early in the year. Accordingly, there was an improvement in the second half of 2009.

Performance of EBITDA

In 2009, Group EBITDA was € 41.6 million, down by 11.1% compared to 2008. The contraction of margins is chiefly attributable to the **one-off** costs incurred by the Company in connection with the start-up of production sites, as well as the increase in revenues on system installation services, which yielded lower average margins, especially in the first half of the year. Nonetheless, the Group managed to return to its typical margin levels thanks to the efficiency-raising measures taken during the year.

Performance of Operating Result (EBIT)

EBIT was € 32.2 million, down 20.9% compared to 2008, as it was impacted by higher amortisation and the same trends as EBITDA.

Pre-tax Income and Net Income

Pre-tax income was € 29.2 million, down by 26.3% compared to € 39.7 million for 2008. Group net income decreased by 16.7%, to € 22.2 million. These results were severely affected by the one-off costs of services rendered to car makers.

Financial Position

The Group's net financial position was negative at € 41.1 million compared to a negative net financial position of € 6.5 million at 31 December 2008. This situation was necessary to support the launch of new projects for car makers, which only began to yield benefits in the second half of the year, as witnessed by the improvement in net debt in the fourth quarter, largely a result of the working capital measures taken, despite a significant increase in revenue.

Corporate Governance Report

The Board has examined and approved the Annual Report on Corporate Governance and Compliance With the Governance Code for Listed Companies in 2009.

Ordinary General Shareholders' Meeting Called

The Board of Directors of Landi Renzo S.p.A. has called an Ordinary Shareholders' Meeting for 22 and 23 April 2009 (first and second call, respectively) at 9:00am, at the company's office in Cavriago (Reggio Emilia), Località Corte Tegge, Via Nobel 2/4.



Dividend Proposed

The Board of Directors of Landi Renzo S.p.A. has resolved to propose to the General Shareholders' Meeting that the net income for the year of € 10.2 million be allocated to € 6.975 million in dividends to be distributed in the amount of € 0.062, gross of withholding taxes, per each outstanding share (112.5 million), with ex-dividend date no. 3 on May 3, 2010, and payment as of May 6, 2010.

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 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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INCOME STATEMENT (thousands of Euros)	31 December 2009	31 December 2008	2009	2008
			4th Quarter	4th Quarter
Revenues (goods and services)	270.579	214.100	92.974	52.402
Revenues (goods and services) - related parties	196	2.098	0	2.098
Other revenue and income	1.238	652	672	248
Cost of raw materials, consumables and goods and change in inventories	-112.749	-76.967	-37.753	-17.404
Cost of raw materials - related parties	-6.882	-18.907	-2.282	-6.307
Cost for services and use of third party assets	-78.535	-51.520	-24.973	-15.447
Cost for services and use of third party assets - related parties	-878	-853	-220	-221
Personnel expenses	-27.427	-20.279	-8.117	-5.774
Accruals, impairment losses and other operating expenses	-3.959	-1.564	-1.576	-393
Gross Operating Profit	41.583	46.760	18.725	9.202
Amortisation, depreciation and impairment losses	-9.366	-6.032	-2.642	-2.346
Operating Profit	32.217	40.728	16.083	6.856
Financial income	218	1.907	-52	393
Financial expenses	-2.359	-1.425	-435	-687
Exchange rate gains (losses)	-843	-1.541	405	-420
Profit (Loss) Before Tax	29.233	39.669	16.001	6.142
Income tax expense	-7.190	-12.867	-3.164	-2.232
Profit (Loss) for the period/year, of which attributable to:	22.043	26.802	12.837	3.910
Minority interests	-195	96	116	23
Shareholders of the parent	22.238	26.706	12.721	3.888
Basic earnings (losses) per share (in Euros) - calculated on 112.500.000 ordinary shares	0,1977	0,2374	0,1131	0,0346
Diluted earnings (losses) per share (in Euros)	0,1977	0,2374	0,1131	0,0346

STATEMENT of COMPREHENSIVE INCOME (thousands of Euros)	31 December 2009	31 December 2008
Profit (Loss) for the period/year, of which attributable to:	22.043	26.802
Gains & Losses arising from translating financial statements of foreign operations	741	-628
Others movements on Equity arising from foreign operations	0	119
<i>Gains & Losses included in Equity, net of tax effects</i>	741	-509
Total comprehensive income for the period	22.784	26.293
Total profit for Group Shareholders	22.964	26.137
Minority Interests	-180	156



ASSETS (thousands of Euros)	31 December 2009	31 December 2008
Non-current assets		
Property, plant and equipment	28.206	25.106
Development expenditure	4.427	3.661
Goodwill	51.961	51.961
Other intangible assets with finite useful lives	17.156	18.063
Other non-current financial assets	137	73
Deferred tax assets	9.775	4.059
Total non-current assets	111.662	102.923
Current assets		
Trade receivables	116.804	48.977
Trade receivables - related parties	192	586
Inventories	58.835	68.163
Other receivables and current assets	9.665	7.425
Current financial assets	140	156
Cash and cash equivalents	33.611	30.272
Total current assets	219.247	155.579
TOTAL ASSETS	330.909	258.502
EQUITY AND LIABILITIES (thousands of Euros)	31 December 2009	31 December 2008
Equity attributable to the shareholders of the parent		
Share capital	11.250	11.250
Other reserves	106.149	87.154
Profit(Loss) for the period/year	22.238	26.706
Total equity attributable to the shareholders of the parent	139.637	125.110
Minority interests	110	290
TOTAL EQUITY	139.747	125.400
Non-current liabilities		
Bank loans	53.620	27.679
Other non-current financial liabilities	295	465
Provisions for risks and charges	2.178	495
Defined benefit plans	2.549	2.579
Deferred tax liabilities	6.716	6.975
Total non-current liabilities	65.358	38.193
Current liabilities		
Bank overdraft and short-term loans	20.668	8.465
Other current financial liabilities	170	167
Trade payables	93.316	66.641
Trade payables - related parties	3.243	10.350
Tax liabilities	2.680	3.581
Other current liabilities	5.722	5.705
Other current liabilities - related parties	5	0
Total current liabilities	125.804	94.909
TOTAL LIABILITIES AND EQUITY	330.909	258.502