

## Landi Renzo: approved results at 30 September 2011

- Consolidated revenues €190.1 million (€230.4 million at 30 September 2010)
- EBITDA positive for €16.0 million (€38.7 million gain at 30 September 2010)
- Negative operating result (EBIT) loss of €2.0 million (€ 29.4 million gain at 30 September 2010); normalised by write-off adjustment would have been positive for €2.3 million
- Consolidated net loss €7.8 million (€18.1 million net income at 30 September 2010)
- Net Financial Position stands at €89.5 million (€80.4 million at 30 June 2010)

Cavriago (Reggio Emilia), 11 November 2011

*The Board of Directors of Landi Renzo SpA met today under the chairmanship of Stefano Landi to approve the Company's quarterly financial statements for the period ending 30 September 2011.*

*In the first nine months of 2011, Net Revenues for the Group amounted to €190.1 million (€230.4 million at 30 September 2010), a decrease of 17.5%. EBITDA amounted to € 16.0 million, compared to €38.7 million in September 2010, a decrease of 58.6%. EBIT was negative and amounted to €2.0 million, compared to a positive net operating margin totalling €29.4 million in September 2010. Net of the non-recurring items - relative to depreciation/amortization and impairment of goodwill - it would be positive and equal to €2.3 million.*

*"The results of the first 9 months of this year, despite the decrease over the same period last year - says CEO Claudio Carnevale - highlight the business recovery in the aftermarket business line, particularly in high potential regions, which only partially compensates a significant drop in car makers business line in European countries. Moreover - Carnevale continues - new countries are entering the use of LPG and CNG for transport, taking advantage from the availability of those environmentally friendly fuels "*

### Consolidated financial results at 30 September 2011

**Consolidated net revenues** totalled €190.1 million, (compared to €230.4 million at 30 September 2010), down by 17.5% .

**EBITDA** totalled €16.0 million, down by 58.6% compared to € 38.7 million in the first nine months of 2010.

**EBIT** showed a €2.0 million loss compared to a positive €29.4 million in the first nine months of 2010.

The decrease in the net operating margin was due to additional depreciation/amortization due both to the consolidation of the companies acquired during the last year and the re-alignment of the value of goodwill relative to the company Baytech for an additional €4 million. Both items did not have any effects on cash flow.

The **Result before taxes** was negative for €6.0 million, compared with a profit before taxes of €27.6 million in the first nine months of 2010.

The **Net result** was negative for €7.8 million (profit of €18.1 million at 30 September 2010).

### Analysis of revenues

Revenues deriving from the sale of natural gas systems are an increasingly important driving force for the core business (growth of 25.8% and equal to €88.7 million), reaching 46.7% of total net revenues. Sales of LPG systems amounted to 47.5% while the remaining 5.8% refers to minor businesses.

The geographical breakdown shows that Landi Group generated 81.9% of its consolidated revenues abroad of which 25.4% in Europe, and 56.5% outside of Europe where net sales increased 31.3% (€107.4 million at September 2011). With respect to the first nine months of 2010:

- Italy, which shows a recover in 3Q11, is decreasing about 55.6% during the first 9 months;
- European countries envisaged a decrease of 32.1%, due mainly to western area;
- South-western asian markets reported an overall increase of 23.9%;
- South America countries were responsible for the growth of 50.3% in american area, where the Group has established a leadership position in the Natural Gas sector;
- The markets of the Rest of the World (+ 30.7%) were positively affected by the confirmation of the excellent performance levels achieved in Far East Regions;

### Consolidated financial results at 30 September 2011

The **Net Financial Position** at 30 September was negative for €89.5 million. At 30 June 2011 the net financial position was negative for 80.4 million Euro. This increase was primarily due to the effect of use of liquid assets for the implementation of operational activities which typically are affected by a certain level of cyclicity in this period.

**Outlook 2011.** Following recent business performances, particularly in some american and asian areas, the last one impacted even by the recent climatic events, it is believed that the current year should close with revenues of approximately €250 million and an EBITDA of approximately 7%, below forecasts reported during the presentation of the 2011 half-year data.

### Declaration of the manager in charge of preparing the financial reports

The Manager in charge of preparing the financial reports, Paolo Cilloni, declares pursuant to article 154 - bis, par. 2 of Legislative Decree no. 58 of 24 February 1998 that the accounting information provided herein corresponds to the documented results and to the accounting books and entries.

*The Financial Report at 30 September 2011 will be made available to the public at the registered office of the Company as well as at Borsa Italiana SpA and at the website [www.landi.it](http://www.landi.it) within the legally required deadlines.*

This press release is also available on the company's website [www.landi.it](http://www.landi.it) together with a presentation.

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

**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 and exports accounting for more than 80% of the Company's sales. Landi Renzo S.p.A. has been listed in the STAR segment of Borsa Italiana MTA market since June 2007.

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CONSOLIDATED BALANCE SHEET

ASSETS (thousands of Euros)	30-Sep-11	31-Dec-10 <i>restated</i>	31-Dec-10	30-Sep-10 <i>Restated</i>	30-Sep-10
<b>Non-current assets</b>					
Property, plant and equipment	35,745	38,551	38,551	37,388	37,388
Development expenditure	10,811	12,340	5,563	12,774	5,503
Goodwill	55,582	59,818	66,225	59,873	66,262
Other intangible assets with finite useful lives	29,815	31,333	29,270	30,780	28,674
Other non-current financial assets	253	288	288	225	225
Deferred tax assets	12,104	9,473	9,473	9,611	9,611
<b>Total non-current assets</b>	<b>144,310</b>	<b>151,803</b>	<b>149,370</b>	<b>150,651</b>	<b>147,663</b>
<b>Current assets</b>					
Trade receivables	79,558	80,185	80,185	68,814	68,814
Trade receivables - related parties	453	712	712	187	187
Inventories	80,375	66,980	66,980	80,744	80,744
Other receivables and current assets	29,296	21,348	21,348	15,766	15,766
Current financial assets	120	131	131	289	289
Cash and cash equivalents	20,010	26,297	26,297	37,051	37,051
<b>Total current assets</b>	<b>209,812</b>	<b>195,653</b>	<b>195,653</b>	<b>202,851</b>	<b>202,851</b>
<b>TOTAL ASSETS</b>	<b>354,122</b>	<b>347,456</b>	<b>345,023</b>	<b>353,502</b>	<b>350,514</b>
EQUITY AND LIABILITIES (thousands of Euros)	30-Sep-11	31-Dec-10 <i>restated</i>	31-Dec-10	30-Sep-10 <i>Restated</i>	30-Sep-10
<b>Group shareholders' equity</b>					
Share capital	11,250	11,250	11,250	11,250	11,250
Other reserves	133,151	122,058	121,807	121,559	121,413
Profit (loss) for the period	-7,839	18,635	19,459	18,125	18,471
<b>Total equity attributable to the shareholders of the parent</b>	<b>136,562</b>	<b>151,943</b>	<b>152,516</b>	<b>150,934</b>	<b>151,134</b>
<b>Minority interests</b>	<b>693</b>	<b>759</b>	<b>759</b>	<b>554</b>	<b>554</b>
<b>TOTAL EQUITY</b>	<b>137,255</b>	<b>152,702</b>	<b>153,275</b>	<b>151,488</b>	<b>151,688</b>
<b>Non-current liabilities</b>					
Bank loans	54,810	66,637	66,637	73,000	73,000
Other non-current financial liabilities	123	173	173	246	246
Provisions for risks and charges	4,585	4,753	4,753	4,355	4,355
Defined benefit plans	2,849	3,153	3,153	3,310	3,310
Deferred tax liabilities	12,849	14,316	11,310	14,296	11,108
<b>Total non-current liabilities</b>	<b>75,216</b>	<b>89,032</b>	<b>86,026</b>	<b>95,207</b>	<b>92,019</b>
<b>Current liabilities</b>					
Bank overdrafts and short-term loans	54,441	28,407	28,407	26,287	26,287
Other current financial liabilities	123	560	560	737	737
Trade payables	70,961	64,474	64,474	66,668	66,668
Trade payables - related parties	64	354	354	0	0
Tax liabilities	7,425	4,345	4,345	5,462	5,462
Other current liabilities	8,637	7,582	7,582	7,653	7,653
<b>Total current liabilities</b>	<b>141,651</b>	<b>105,722</b>	<b>105,722</b>	<b>106,807</b>	<b>106,807</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>354,122</b>	<b>347,456</b>	<b>345,023</b>	<b>353,502</b>	<b>350,514</b>

CONSOLIDATED INCOME STATEMENT

INCOME STATEMENT (thousands of Euros)	30-Sep-11	30-Sep-10 <i>restated</i>	III° Q11	III° Q10 <i>restated</i>
<b>Revenues (goods and services)</b>	188,966	229,729	62,122	57,710
Revenues (goods and services) - related parties	1,173	639	274	548
Other revenue and income	816	483	138	246
Cost of raw materials, consumables and goods and change in inventories	-91,039	-92,523	-29,743	-24,910
Cost of raw materials - related parties	0	-4,112	0	0
Costs for services and use of third party assets	-50,293	-64,659	-17,317	-17,666
Cost for services and use of third party assets - related parties	-1,146	-666	-384	-224
Personnel expenses	-30,479	-26,868	-9,318	-8,803
Accruals, impairment losses and other operating expenses	-1,994	-3,323	-653	-850
<b>Gross Operating Profit</b>	<b>16,004</b>	<b>38,700</b>	<b>5,119</b>	<b>6,051</b>
Amortization, depreciation and impairment losses	-17,999	-9,265	-8,911	-3,926
of which: <i>non recurring losses</i>	-4,316	-	-4,316	-
<b>Operating Profit</b>	<b>-1,995</b>	<b>29,435</b>	<b>-3,792</b>	<b>2,125</b>
Financial income	377	195	106	104
Financial expenses	-2,543	-1,661	-943	-633
Exchange rate gains and losses	-1,822	-357	394	-2,163
<b>Profit (Loss) before tax</b>	<b>-5,983</b>	<b>27,612</b>	<b>-4,235</b>	<b>-567</b>
Taxes	-1,885	-8,962	-978	275
<b>Net profit (loss) for the Group and minority interests, including:</b>	<b>-7,868</b>	<b>18,650</b>	<b>-5,213</b>	<b>-292</b>
Minority interests	-29	525	229	44
Net Profit (Loss) of the Group	-7,839	18,125	-5,442	-336
Basic earnings (loss) per share (calculated on 112,500,000 shares)	-0.0697	0.1611	-0.0484	-0.0030
Diluted earnings (loss) per share	-0.0697	0.1611	-0.0484	-0.0030

CONSOLIDATED CASH FLOW STATEMENT

CASH FLOW STATEMENT (thousands of Euros)	30-Sep-11	31-Dec-10 <i>restated</i>	31-Dec-10	30-Sep-10 <i>restated</i>
<b>Opening cash and cash equivalents</b>	<b>-2,110</b>	<b>12,943</b>	<b>12,943</b>	<b>12,943</b>
Opening cash and cash equivalents AEB S.p.A., Baytech Corporation and AEB America		10,264	10,264	10,264
<b>Profit (Loss) before tax (less minority interests)</b>	<b>-5,954</b>	<b>29,112</b>	<b>30,360</b>	<b>27,088</b>
Amortization, depreciation and impairment losses	13,683	13,705	12,458	9,265
<i>Impairment</i> of intangible and tangible assets	4,316	263	263	0
Net financial income and charges including exchange rate differences	3,989	2,147	2,147	-1,823
Accruals to provisions for employee benefits	932	1,335	1,335	1,002
Utilization of provisions for employee benefits	-898	-896	-896	-632
Other accruals less utilization	-168	2,575	2,575	2,177
Net change in deferred taxes	0	4,005	4,004	0
Current taxes	-5,399	-10,453	-10,453	-3,704
<i>(Increase) decrease in current assets:</i>				
Inventories	-13,395	-4,496	-4,496	-21,873
trade receivables	627	29,228	29,228	47,125
trade receivables - related parties	259	-520	-520	6
receivables due from others and other assets	-7,937	-11,555	-11,555	-5,757
<i>(Increase) decrease in current liabilities:</i>				
trade payables	6,487	-27,361	-27,361	-25,386
trade payables - related parties	-290	-3,597	-3,597	-3,243
payables to others and other liabilities	4,138	4,012	4,012	4,567
payables to others and other liabilities – related parties	0	0	0	-5
<b>Cash flow from (for) operating activities</b>	<b>390</b>	<b>27,504</b>	<b>27,504</b>	<b>28,807</b>
<i>Changes in non-current assets:</i>				
Investments in intangible assets	-3,005	-4,379	-4,379	-2,186
Disposals of intangible assets	0	0	0	0
Investments in property, plant and equipment	-10,754	-10,047	-10,047	-7,061
Disposals of property, plant and equipment	0	852	852	472
Investments in other non-current financial assets	0	-37	-37	0
<b>Cash flow from (used in) financing activities</b>	<b>-13,759</b>	<b>-13,611</b>	<b>-13,611</b>	<b>-8,775</b>
Outlay for acquisition of AEB S.p.A. net of liquidity	0	-34,500	-34,500	-34,500
Outlay for acquisition of Baytech Corporation net of liquidity	0	-10,742	-10,742	-10,742
<b>Cash flow for acquisition of equity investments</b>	<b>0</b>	<b>-45,242</b>	<b>-45,242</b>	<b>-45,242</b>
Dividends paid in the period	-6,188	-6,975	-6,975	-6,975
Change in equity attributable to the shareholders of the parent and minority interests	0	153	153	153
Loans obtained/repaid to/from banks and other financial backers during the period	-12,316	13,157	13,157	19,769
Payments for reduction of payables for financial leasing	-448	-303	-303	-180
<b>Cash flow from (used in) financing activities</b>	<b>-18,952</b>	<b>6,032</b>	<b>6,032</b>	<b>12,767</b>
<b>Total cash flow</b>	<b>-32,321</b>	<b>-25,317</b>	<b>-25,317</b>	<b>-12,443</b>
<b>Closing cash and cash equivalents</b>	<b>-34,431</b>	<b>-2,110</b>	<b>-2,110</b>	<b>10,764</b>