

### Landi Renzo: Board of Directors approves results at 31 March 2011

*Thanks to the consolidation of international presence, the Group partially counterbalances the relevant business decrease registered in Europe during the first three months of 2011, however in line with Group expectations*

- Consolidated revenues €47.2 million (€93.9 million at 31 March 2010)
- EBITDA loss €1.1 million (€18.4 million gain at 31 March 2010)
- EBIT loss €5.0 million (€15.8 million gain at 31 March 2010)
- Consolidated net loss €5.3 million (€11.3 million net income at 31 March 2010)

Cavriago (Reggio Emilia), 13 May 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 31 March 2011.

Consolidated net revenues decreased 49.8% from €93.9 million in 1Q10 to €47.2 million in 1Q11. After a €18.4 million gain in 1Q10, EBITDA showed a €1.1 million loss in 1Q11, and EBIT went from a €15.8 million gain in 1Q10 to a €5.0 million loss in 1Q11.

**Claudio Carnevale**, Landi Renzo Chief Executive Officer, states, "The first quarter ended with an acceleration in March *after a slow start in the first two months confirming in many regions of the world that natural gas, along with LPG, is the top choice among alternative and green fuels. Moreover, in many countries, Governments are assessing major methanisation programs that could turn into important development in the near future.*

*In Italy, vehicles fuelled by LPG and natural gas accounted for 4.8% of new registrations in the first three months of the year: this is a significant result taking into account that the supply of LPG/natural gas-fuelled Euro5 models was not immediate but rolled out, and in any case lower than in 1Q10, just before new car purchase incentives phased out.*

*We are supporting car makers in the introduction of their new LPG-fuelled Euro5 models: in the coming months customers should be able to choose in a much wider range.*

*In addition, we believe that the aftermarket channel is still a major alternative to offer to customers on both the Italian and international markets: we believe that our assessment will be borne out during the course of the year."*

#### Consolidated results at 31 March 2011

Consolidated net revenues decreased 49.8% from €93.9 million in 1Q10 to €47.2 million in 1Q11.

Compared to 1Q10, the breakdown of net revenues by sector is much more balanced. Revenues from natural fuel system sales increased 13.1% to €19.7 million, accounting for 41.7% of total net revenues, LPG system sales amounted to 51.8%, and anti-theft and sound system sales accounted for the remaining 6.5%.

The geographical breakdown shows that Landi Group generated 83.4% of its consolidated revenues abroad of which 26.2% in Europe, and 57.2% outside of Europe where net sales increased 48.0% to €27.0 million in

1Q11. The excellent performance outside of Europe is due to the fact that the Company was able to effectively seize new sales opportunities and take advantage of favourable market conditions. Compared to 1Q10:

- the Southwest Asian market grew 74.3%, consistent with high growth rates in the natural gas segment;
- the American market grew 45.8%, driven by the pick-up in sales, especially in Brazil and Argentina, where the Group has maintained a strong and constant presence;
- markets in the Rest of the World increased 13.7%, driven by the high demand for natural gas systems in Thailand, China, and India.

EBITDA showed a €1.1 million loss compared to a €18.4 million gain in 1Q10.

The EBIT loss was €5.0 million in 1Q11 compared to a €15.8 million gain in the year-before period.

The net loss before taxes was €6.4 million compared to net income before taxes of €16.4 million in 1Q10. The consolidated net result was a €5.3 million loss compared to net income of €11.3 million in 1Q10.

The Net Financial Position totalled a debt of €78.8 million. At 31 December 2010, the company reported €69.5 million in net debt, mainly due to use of cash for operations.

*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.*

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

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

Landi Renzo is a world leader in the sector of LPG and CNG fuel systems and components 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 70% 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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## Landi Renzo S.p.A. consolidated balance sheet

ASSETS (thousands of Euros)	31-mar-11	31-Dec-10	31-mar-10
<b>Non-current assets</b>			
Property, plant and equipment	37.613	38.551	29.573
Development expenditure	5.763	5.563	4.381
Goodwill	66.225	66.225	51.961
Other intangible assets with finite useful lives	28.988	29.270	16.895
Other non-current financial assets	281	288	195
Deferred tax assets	11.366	9.473	9.679
<b>Total non-current assets</b>	<b>150.236</b>	<b>149.370</b>	<b>112.684</b>
<b>Current assets</b>			
Trade receivables	65.653	80.185	119.302
Trade receivables - related parties	902	712	58
Inventories	71.212	66.980	64.195
Other receivables and current assets	25.120	21.348	11.344
Current financial assets	149	131	137
Cash and cash equivalents	22.757	26.297	46.499
<b>Total current assets</b>	<b>185.793</b>	<b>195.653</b>	<b>241.535</b>
<b>TOTAL ASSETS</b>	<b>336.029</b>	<b>345.023</b>	<b>354.219</b>

<b>EQUITY AND LIABILITIES (thousands of Euros)</b>	<b>31-mar-11</b>	<b>31-Dec-10</b>	<b>31-mar-10</b>
<b>Group shareholders' equity</b>			
Share capital	11.250	11.250	11.250
Other reserves	140.635	121.807	128.850
Profit (loss) for the period	-5.323	19.459	11.299
<b>Total equity attributable to the shareholders of the parent</b>	<b>146.562</b>	<b>152.516</b>	<b>151.399</b>
<b>Minority interests</b>	<b>643</b>	<b>759</b>	<b>606</b>
<b>TOTAL EQUITY</b>	<b>147.205</b>	<b>153.275</b>	<b>152.005</b>
<b>Non-current liabilities</b>			
Bank loans	64.016	66.637	50.834
Other non-current financial liabilities	72	173	295
Provisions for risks and charges	4.987	4.753	3.424
Defined benefit plans	3.139	3.153	2.588
Deferred tax liabilities	11.473	11.310	6.551
<b>Total non-current liabilities</b>	<b>83.687</b>	<b>86.026</b>	<b>63.692</b>
<b>Current liabilities</b>			
Bank overdrafts and short-term loans	36.920	28.407	19.889
Other current financial liabilities	508	560	170
Trade payables	55.097	64.474	102.292
Trade payables - related parties	154	354	3.232
Tax liabilities	4.495	4.345	7.132
Other current liabilities	7.963	7.582	5.807
<b>Total current liabilities</b>	<b>105.137</b>	<b>105.722</b>	<b>138.522</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>336.029</b>	<b>345.023</b>	<b>354.219</b>

<b>INCOME STATEMENT (thousands of Euros)</b>	<b>31-mar-11</b>	<b>31-mar-10</b>
<b>Revenues (goods and services)</b>	46.545	93.797
Revenues (goods and services) - related parties	623	89
Other revenue and income	211	85
Cost of raw materials, consumables and goods and change in inventories	-22.920	-34.216
Cost of raw materials - related parties	0	-1.868
Costs for services and use of third party assets	-14.486	-28.573
Cost for services and use of third party assets - related parties	-389	-220
Personnel expenses	-10.147	-9.390
Accruals, impairment losses and other operating expenses	-548	-1.277
<b>Gross Operating Profit</b>	<b>-1.111</b>	<b>18.427</b>
Amortization, depreciation and impairment losses	-3.881	-2.644
<b>Operating Profit</b>	<b>-4.992</b>	<b>15.783</b>
Financial income	91	44
Financial expenses	-744	-551
Exchange rate gains and losses	-737	1.105
<b>Profit (Loss) before tax</b>	<b>-6.382</b>	<b>16.381</b>
Taxes	981	-4.759
<b>Net profit (loss) for the Group and minority interests, including:</b>	<b>-5.401</b>	<b>11.622</b>
Minority interests	-78	323
Net Profit (Loss) of the Group	-5.323	11.299
Basic earnings (loss) per share (calculated on 112,500,000 shares)	-0,0473	0,1004
Diluted earnings (loss) per share	-0,0473	0,1004

<b>OVERALL INCOME STATEMENT (thousands of Euros)</b>	<b>31-mar-11</b>	<b>31-mar-10</b>
<b>Net profit for the Group and minority interests</b>	<b>-5.401</b>	<b>11.622</b>
Exchange rate differences from conversion of foreign operations	-668	482
Other Equity movements from foreign operations	0	153
<i>Profits/Losses recorded directly to Equity net of tax effects</i>	-668	635
<b>Total overall result for the period</b>	<b>-6.069</b>	<b>12.257</b>
Profit for Shareholders of the Parent Company	-5.953	11.763
Minority interests	-116	494