

Landi Renzo: Board of Directors approves results at 30 June 2011 and appoints Paolo Cilloni as the Group's General Manager

- Revenues € 127.7 million (€ 172.1 million at 30 June 2010)
- EBITDA € 10.9 million (€ 32.6 million at 30 June 2010)
- EBIT € 1.8 million (€ 27.3 million at 30 June 2010)
- Consolidated net loss € 2.4 million (€ 18.5 million net income at 30 June 2010)
- Net debt € 80.4 million (€ 78.8 million at 31 March 2011) after the payment of € 6.2 million dividends

Cavriago (Reggio Emilia), 26 August 2011

The Board of Directors of Landi Renzo SpA met today under the chairmanship of Stefano Landi to approve the Interim Financial Report for the period ending at 30 June 2011 and appointed Paolo Cilloni, who was previously Chief Financial Officer, as the Group's General Manager.

"The results for the first half of 2011," said Claudio Carnevale, Landi Renzo Chief Executive Officer, "are characterized by a second quarter which saw a marked reversal in trend compared to the first three months of the year and show the Group's ability to take advantage of the opportunities that have arisen in the various countries which have chosen to make systematic use of alternative fuels since they are less polluting and cheaper for the community as a whole. Our strategic priority is to enhance the Group's flexibility in seizing the new global commercial opportunities. The appointment of Paolo Cilloni as the Group's General Manager is part of our plan to enhance the leading managerial team and to strengthen the Company's governance model. His professional skills will be instrumental in optimizing and improving the Group's organisational efficiency."

Consolidated income results at 30 June 2011

Consolidated net revenues total € 127.7 million, down by 25.8% compared to € 172.1 million at 30 June 2010.

EBITDA amounts to €10.9 million, a 66.7% loss compared to €32.6 million in 1H10.

EBIT totals € 1.8 million compared to € 27.3 million in 1H10.

The fall is also attributable to further € 1.4 million linked to the increase in amortisation and depreciation following the *Purchase Price Allocation* on Baytech Corporation, which was bought at the end of July 2010, and the consequent amortisation of the development and trademark costs of the US subsidiary. It should be noted that this amount is purely for accounting purposes and has no impact on company cash flow.

The net loss before taxes is €1.7 million compared to net profit before taxes of €28.2 million in 1H10.

The consolidated net loss amounts to € 2.4 Million, in 1H10 the net profit was €18.5 million.

Analysis of revenues

Methane gas returned to be the most important sector thanks to the recovery in the markets which normally use this resource as one of the main fuels for the transport sector. Compared to 1H10, revenues

from the sales of *Methane systems* (up by 30.8% at € 61.4 million) represented 48.1% of total revenues. Sales of *LPG systems* accounted for 46.7%, while the remaining 5.2% related to the sales in other businesses.

In terms of geographical distribution, the Group achieved 82.9% of its consolidated revenues abroad (25.9% in Europe and 57.0% outside of Europe). In particular, net sales on non-European markets rose by 37.8% to stand at € 72.8 million at 30 June 2011. The excellent result in these countries was achieved thanks to the company's ability to take effective advantage of the new commercial opportunities and to exploit the favourable market conditions. Compared to 1H10:

- Southwest Asia saw a rise of 43.4% continuing the trend which started in the second half of 2010;
- America grew 38.8%, driven by the pick-up in sales, especially in the South-American market where the Group has maintained a strong and constant presence;
- the Rest of the World saw a rise of 28.1% due to the solid demand for methane systems, especially in Asia;
- Italy and the Rest of Europe stood at € 55.0 million, down by over 50.0% due to the decrease in OEM sales.

Consolidated equity and financial results at 30 June 2011

Net debt stands at € 80.4 million; the figure is largely in line with that at 31 March 2011 (€ 78.8 million) despite the payment of dividends for € 6.2 million.

Shareholders' equity stands at € 142.2 million, compared to € 145.6 million at 31 March 2011 and € 152.7 million at 31 December 2010.

Appointment of the Group's new General Manager

The Board of Directors also appointed Paolo Cilloni as the Group's General Manager, to promote his professional skills - which he has already widely proven in twenty years working at the company - to make a significant and decisive contribution to the management and evolution of the business. In the carrying on of his activities, Paolo Cilloni will be focusing on the Group's structure optimization.

Paolo Cilloni's curriculum vitae is available at www.landi.it in the Investor Relations section.

Outlook for 2011

Considering the difficulties linked to the extreme uncertainty of the international macroeconomic scenario, the Group expected sales in the current year are expected to be between € 260.0 and 280.0 million with an EBITDA margin between 8% and 10%.

Declaration by 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.

Press release

26 August 2011



The Interim Financial Report at 30 June 2011 will be made available to the public at the company's registered office, at Borsa Italiana SpA and on the website www.landi.it according to time limits laid down by law.

This press release is also available on the company's website www.landi.it.

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-Jun-11	31-Dec-10 restated	31-Dec-10	30-Jun-10
Non-current assets				
Property, plant and equipment	37,156	38,551	38,551	30,228
Development expenditure	10,992	12,340	5,563	4,382
Goodwill	59,498	59,818	66,225	53,210
Other intangible assets with finite useful lives	30,328	31,333	29,270	16,547
Other non-current financial assets	259	288	288	228
Deferred tax assets	9,632	9,473	9,473	9,179
Total non-current assets	147,865	151,803	149,370	113,774
Current assets				
Trade receivables	79,837	80,185	80,185	79,951
Trade receivables - related parties	461	712	712	62
Inventories	74,079	66,980	66,980	65,492
Other receivables and current assets	30,389	21,348	21,348	11,694
Current financial assets	152	131	131	132
Cash and cash equivalents	24,557	26,297	26,297	70,796
Total current assets	209,475	195,653	195,653	224,127
TOTAL ASSETS	357,340	347,456	345,023	337,901
EQUITY AND LIABILITIES (thousands of Euros)	30-Jun-11	31-Dec-10 restated	31-Dec-10	30-Jun-10
Group shareholders' equity				
Share capital	11,250	11,250	11,250	11,250
Other reserves	132,951	122,807	121,807	122,590
Profit (loss) for the period	-2,397	18,635	19,459	18,461
Total equity attributable to the shareholders of the parent	144,804	151,943	152,516	152,301
Minority interests	447	759	759	539
TOTAL EQUITY	142,251	152,702	153,275	152,840
Non-current liabilities				
Bank loans	53,580	66,637	66,637	45,752
Other non-current financial liabilities	123	173	173	246
Provisions for risks and charges	4,240	4,753	4,753	3,539
Defined benefit plans	3,067	3,153	3,153	2,500
Deferred tax liabilities	13,013	14,136	11,310	7,132
Total non-current liabilities	74,113	89,032	86,026	59,169
Current liabilities				
Bank overdrafts and short-term loans	50,996	28,407	28,407	21,408
Other current financial liabilities	252	560	560	146
Trade payables	75,671	64,474	64,474	85,238
Trade payables - related parties	334	354	354	3,866
Tax liabilities	5,203	4,345	4,345	7,892
Other current liabilities	8,520	7,582	7,582	7,337
Other current liabilities – related parties	0	0	0	533

Total current liabilities	140,976	105,722	105,722	125,892
TOTAL LIABILITIES AND EQUITY	357,340	347,456	345,023	337,901

CONSOLIDATED INCOME STATEMENT

INCOME STATEMENT (thousands of Euros)	30-Jun-11	31-Jun-10
Revenues (goods and services)	126,844	172,019
Revenues (goods and services) - related parties	899	91
Other revenue and income	678	237
Cost of raw materials, consumables and goods and change in inventories	-61,296	-67,613
Cost of raw materials - related parties	0	-4,112
Costs for services and use of third party assets	-32,976	-46,993
Cost for services and use of third party assets - related parties	-762	-442
Personnel expenses	-21,161	-18,065
Accruals, impairment losses and other operating expenses	-1,341	-2,473
Gross Operating Profit	10,885	32,649
Amortization, depreciation and impairment losses	-9,088	-5,339
Operating Profit	1,797	27,310
Financial income	271	91
Financial expenses	-1,600	-1,028
Exchange rate gains and losses	-2,216	1,806
Profit (Loss) before tax	-1,748	28,179
Taxes	-907	-9,237
Net profit (loss) for the Group and minority interests, including:	-2,655	18,942
Minority interests	-258	481
Net Profit (Loss) of the Group	-2,397	18,461
Basic earnings (loss) per share (calculated on 112,500,000 shares)	-0,0213	0,1641
Diluted earnings (loss) per share	-0,0213	0,1641

OVERALL INCOME STATEMENT (thousands of Euros)	30-Jun-11	30-Jun-10
Net profit for the Group and minority interests	-2,655	18,492
Exchange rate differences from conversion of foreign operations	-1,609	973
Other Equity movements from foreign operations	-	-
<i>Profits/Losses recorded directly to Equity net of tax effects</i>	<i>-1,609</i>	<i>973</i>
Total overall result for the period	-4,264	19,915

Profit for Shareholders of the Parent Company	-3,952	19,393
Minority interests	-312	522

CONSOLIDATED CASH FLOW STATEMENT

CASH FLOW STATEMENT (thousands of Euros)	30-Jun-11	31-Dec-10 Restated	31-Dec-10	30-Jun-10
Opening cash and cash equivalents	-2,110	12,493	12,943	12,943
Opening cash and cash equivalents AEB S.p.A., Baytech Corporation and AEB America		10,264	10,264	0
Profit (Loss) before tax (less minority interests)	-1,489	29,112	30,360	27,968
Amortization, depreciation and impairment losses	9,088	13,705	12,458	5,339
Impairment of intangible assets related to Lovato development costs	0	263	263	0
Net financial income and charges including exchange rate differences	3,544	2,147	2,147	869
Accruals to provisions for employee benefits	778	1,335	1,335	561
Utilization of provisions for employee benefits	-756	-896	-896	-155
Other accruals less utilization	-513	2,575	2,575	416
Net change in deferred taxes		4,005	4,004	
Current taxes	-2,946	-10,453	-10,453	-8,778
<i>(Increase) decrease in current assets:</i>				
Inventories	-7,099	-4,496	-4,496	-6,656
trade receivables	348	29,228	29,228	40,853
trade receivables - related parties	251	-520	-520	131
receivables due from others and other assets	-9,062	-11,555	-11,555	-2,022
<i>(Increase) decrease in current liabilities:</i>				
trade payables	11,198	-27,361	-27,361	-8,078
trade payables - related parties	-20	-3,597	-3,597	623
payables to others and other liabilities	1,796	4,012	4,012	6,830
payables to others and other liabilities – related parties	0	0	0	0
Cash flow from (for) operating activities	5,118	27,504	27,504	57,629
<i>Changes in non-current assets:</i>				
Investments in intangible assets	-1,559	-4,379	-4,379	-2,443
Disposals of intangible assets				
Investments in property, plant and equipment	-7,964	-10,047	-10,047	-4,104
Disposals of property, plant and equipment		852	852	293
Investments in other non-current financial assets		-37	-37	-92
Cash flow from (used in) financing activities	-9,523	-13,611	-13,611	-6,347
Outlay for acquisition of AEB S.p.A. net of liquidity		-34,500	-34,500	
Outlay for acquisition of Baytech Corporation net of liquidity		-10,742	-10,742	
Cash flow for acquisition of equity investments		-45,242	-45,242	
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		153	153	153
Loans obtained/repaid to/from banks and other financial backers during the period	-13,417	13,157	13,157	-7,941
Payments for reduction of payables for financial leasing	-318	-303	-303	-73
Cash flow from (used in) financing activities	19,923	6,032	6,032	-14,836
Total cash flow	-24,328	-25,317	-25,317	36,446
Closing cash and cash equivalents	-26,438	-2,110	-2,110	49,388

