

Landi Renzo: the Board of Directors has approved results at 31 March 2012

The first quarter is characterized by significant growth in most of the key markets and by a significant recovery in margins

- Consolidated revenues €59.6 million (€47.2 million at 31 March 2011)
- EBITDA € 5.6 million (€ 1.1 million loss at 31 March 2011)
- EBIT €1.1 million (€5.9 million loss at 31 March 2011)
- Consolidated net loss €0.8 million (€5.9 million loss at 31 March 2011)
- Net debt € 96.5 million compared to € 90.1 million at 31 December 2011

Cavriago (Reggio Emilia), 14 May 2012

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 2012.

Consolidated net revenues increased 26.4% from €47.2 million in 1Q11 to €59.6 million in 1Q12. After a €1.1 million loss in 1Q11, EBITDA showed a €5.6 million profit in 1Q12, and EBIT went from a €5.9 million loss in 1Q11 to a €1.1 million profit in 1Q12.

“The quarter showed a robust recovery in the European market - said the Group CEO Claudio Carnevale - that was possible thanks to the activities performed in the last years to develop the new Euro 5 vehicles. Sales of LPG- and CNG-fuelled vehicles, therefore, are very encouraging in this first part of the year, especially considering that this is taking place without Government incentives. Margins are also improving - according to Mr. Carnevale - thanks to cost curbing measures we began to implement last year that, essentially, enable us to profitably benefit from all the opportunities arising from an economic scenario in continuous and rapid change, as shown by trends in different geographical areas.”

Consolidated results at 31 March 2012

Consolidated net revenues increased 26.4% from €47.2 million in 1Q11 to €59.6 million in 1Q12.

In the first quarter, revenues from the sales of LPG systems increased 50.3% from €24.4 million to € 36.7 million. Revenues associated with sales of CNG fuel systems remained essentially stable at € 19.7 million.

In terms of geographical distribution, the Landi Renzo Group achieved 69.2% of its consolidated sales abroad (29.2% in Europe, 40% outside of Europe).

In Italy the market has more than doubled at €18,4 million compared with €7,8 million of the same quarter of 2011.

Revenues in Europe increased 41.2% compared with the same quarter of 2011; significant increases in sales are reported in the East-European countries.

In Non-European markets, the South-Western Asia market recorded a drop of 57.1% compared with 1Q11. The drop in sales is due to the sharp slowdown of the Iranian market, suffering from increasingly stringent

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embargo restrictions on the one hand, and to the contraction of the Pakistani market because of unfavourable regulatory measures on the other.

American markets grew by 149.1% compared with the previous financial year as a result of persistently high demand notably in Latin America markets where the Group maintained a robust and constant presence.

Markets in the Rest of the World recorded an increase of 12% compared with the same quarter of 2011 subsequent to the favourable trend in demand in certain Asian areas.

EBITDA amounted to € 5.6 million compared to a € 1.1 million loss at 31 March 2011.

EBIT amounted to € 1,1 million compared to a € 5.9 million loss in 1Q11.

Net loss before taxes totalled €0.7 million compared to € 7.3 million in the first quarter of 2011.

Net debt was € 96.5 million compared to €90.1 million at 31 December 2011. The slight increase is mainly due to marginal growth in working capital needed to increase the business.

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 and a relevant presentation are also available on the company's website www.landi.it

This press release is a translation. 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 about 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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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (thousands of Euros)	31/03/2012	31/03/2011
Revenues (goods and services)	59,596	46,545
Revenues (goods and services) - related parties	2	623
Other revenue and income	843	211
Cost of raw materials, consumables and goods and change in inventories	-25,638	-22,920
Costs for services and use of third party assets	-17,943	-14,486
Costs for services and use of third party assets – related parties	-390	-389
Personnel expenses	-10,251	-10,147
Accruals, impairment losses and other operating expenses	-601	-548
Gross Operating Profit	5,618	-1,111
Amortization, depreciation and impairment losses	-4,543	-4,772
Net Operating Profit	1,075	-5,883
Financial income	133	91
Financial expenses	-1,060	-744
Exchange rate gains and losses	-840	-737
Profit (Loss) before tax	-692	-7,273
Taxes	-130	1,284
Net profit (loss) for the Group and minority interests, including:	-822	-5,989
Minority interests	-30	-78
Net Profit (Loss) of the Group	-792	-5,911
Basic earnings (loss) per share (calculated on 112,500,000 shares)	-0.0070	-0.0525
Diluted earnings (loss) per share	-0.0070	-0.0525

ASSETS (thousands of Euros)	31/03/2012	31/12/2011	31/03/2011
Non-current assets			
Property, plant and equipment	32,994	35,096	37,613
Development expenditure	9,579	10,346	11,528
Goodwill	55,582	55,582	59,566
Other intangible assets with finite useful lives	28,825	29,506	30,681
Other non-current financial assets	171	170	281
Deferred tax assets	13,723	13,274	11,366
Total non-current assets	140,874	143,974	151,035
Current assets			
Trade receivables	82,559	77,429	65,653
Trade receivables - related parties	296	361	902
Inventories	72,052	67,408	71,212
Other receivables and current assets	27,466	27,452	25,120
Current financial assets	176	176	149
Cash and cash equivalents	23,568	20,059	22,757
Total current assets	206,117	192,885	185,793
TOTAL ASSETS	346,991	336,859	336,828
EQUITY AND LIABILITIES (thousands of Euros)	31/12/2011	31/12/2011	31/03/2011
Group shareholders' equity			
Share capital	11,250	11,250	11,250
Other reserves	124,886	134,154	139,486
Profit (loss) for the period	-792	-9,138	-5,911
Total equity attributable to the shareholders of the parent	135,344	136,266	144,825
Minority interests	628	738	643
TOTAL EQUITY	135,972	137,004	145,468
Non-current liabilities			
Non-current bank loans	38,052	40,119	64,016
Other non-current financial liabilities	49	49	72
Provisions for risks and charges	5,066	4,860	4,987
Defined benefit plans	2,877	2,835	3,139
Deferred tax liabilities	11,780	12,351	14,009
Total non-current liabilities	57,824	60,214	86,223
Current liabilities			
Bank overdrafts and short-term loans	81,891	69,878	36,920
Other current financial liabilities	125	125	508
Trade payables	56,267	55,903	55,097
Trade payables - related parties	300	61	154
Tax liabilities	6,784	6,458	4,495
Other current liabilities	7,828	7,216	7,963
Total current liabilities	153,195	139,641	105,137
TOTAL LIABILITIES AND EQUITY	346,991	336,859	336,828

CONSOLIDATED CASH FLOW STATEMENT (thousands of Euros)	31/03/2012	31/12/2011	31/03/2011
Opening cash and cash equivalents	-49,819	-2,110	-2,110
Profit (Loss) before tax (less minority interests)	-662	-8,212	-5,788
<i>Adjustments:</i>			
Financial net expenses / (income), including exchange differences	1,418	4,737	1,407
Amortization, depreciation	4,543	18,421	4,772
Impairment of intangible and tangible assets	0	4,316	0
Changes in provisions and employee benefits	486	343	8
Changes in other provisions	874	107	234
Net change in deferred taxes	-1,020	-2,567	0
<i>(Increase) decrease in current assets:</i>			
Inventories	-4,644	-428	-4,232
trade receivables	-5,130	2,757	14,153
trade receivables - related parties	65	351	190
receivables from others and other assets	-261	-6,149	-3,790
<i>Increase (decrease) in current liabilities:</i>			
trade payables	364	-4,285	-9,377
trade payables - related parties	239	-293	-200
payables to others and other liabilities	612	1,747	531
Cash flow from (for) operating activities	-3,116	10,845	-2,092
Net interest paid (including realized exchange rate differences)	-378	-4,737	-1,407
Income taxes paid	-163	-5,833	-272
Free Cash flow from (for) operating activities	-3,657	275	-3,771
Investments in intangible assets	-211	-1,307	-581
Development expenditure	-767	-3,089	-844
Investments in property, plant and equipment	-1,979	-10,495	-3,975
Disposals of intangible and tangible assets	177	569	52
Investments in other non-current financial assets	-2	52	0
Cash flow from (for) investing activities	-2,782	-14,270	-5,348
Dividends paid in the period	0	-6,188	0
Change in equity attributable to the shareholders of the parent and minority interests	0	0	0
Loans obtained/repaid to/from banks and other financial backers during the period	-2,067	-27,079	-2,775
Payments for reduction of payables for financial leasing	0	-447	-159
Cash flow from (used in) financing activities	-2,067	-33,714	-2,934
Total cash flow	-8,505	-47,709	-12,053
Closing cash and cash equivalents	-58,325	-49,819	-14,163