

Landi Renzo's Board of Directors approves results at 30 September 2013

- o Revenues of 164.6 million Euro (203.4 million Euro as at 30 September 2012)
- o EBITDA of 8.1 million Euro (23.7 million Euro as at 30 September 2012)
- o EBIT negative to the tune of 20.6 million Euro (positive value of 9.9 million Euro as at 30 September 2012) due to a write-down of 15.2 million Euro in the goodwill of the subsidiary Lovato Gas occurred during first half 2013 (without this write-down, the EBIT loss would have been 5.4 million Euro)
- o Net loss of 23.4 million Euro (net profit of 3.5 million Euro as at 30 September 2012), of which 15.2 million Euro for non-recurring charges
- o Net debt: 62.2 million Euro, significantly improved compared to 77.0 million Euro as at 30 September 2012.

Cavriago (Reggio Emilia), 12 November 2013

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 2013.

"Third quarter - said the Chairman and CEO Stefano Landi - confirms difficulties the alternative fuels sector and our Group have experienced thus far in near terms. Nonetheless the sector's prospects continue to be attractive thanks to the economic advantages and the lower environmental impact of LPG and natural gas. For this reason - added Landi - the Group continues to invest in new high technological products in line with customers' needs and, at the same time to pursue a series of cost cutting initiatives"

New markets are opening up in the gas compressor sector where the subsidiary SAFE S.p.A. operates, thanks to the increasing demand for new CNG fueling stations in Italy and worldwide: according to the forecasts of the research institute *Navigant Research* and the analysis of *Osservatorio Federmetano*, CNG fueling stations for cars will number 30 thousand worldwide by 2020, compared to the current 21 thousand, an increase of 9 thousand units.

Consolidated results at 30 September 2013

Consolidated net revenues decreased by 19.1% to 164.6 million Euro compared to 203.4 million Euro as at 30 September 2012.

EBITDA totalled 8.1 million Euro, down by 66.1% compared to 23.7 million Euro in September 2012.

EBIT was negative to the tune of 20.6 million Euro, of which 15.2 million Euro was for non-recurring charges occurred in first half 2013, compared to positive EBIT of 9.9 million Euro in September 2012. EBIT,

without the impact of the aforementioned 15.2 million Euro write-down of the goodwill of the CGU Lovato Gas, would have been a loss of 5.4 million Euro.

The **pre-tax loss** was 24.3 million Euro, of which 15.2 million was for non-recurring charges, compared to a pre-tax profit of 6.8 million Euro at 30 September 2012.

The Group's **net loss** at 30 September 2013 was 23.4 million Euro, of which 15.2 million euro was for non-recurring charges, compared to the Group's net profit of 3.5 million Euro in the same period of 2012.

Revenue analysis

Revenues from sales of products and services in the gas sector in the first nine months of 2013 decreased from 192.7 million Euro as at 30 September 2012 to 143.2 million Euro, down by 25.7%. The fall in sales in the first nine months in the gas sector, LPG segment (-23%) occurred largely in Europe.

Sales also fell in the gas sector, CNG segment, by 31% compared to the same period of 2012, mainly due to the market contraction recorded in Asia. Revenues from the sales of products in the Alarm Systems, Sound, Compressors and Other Sectors rose from 10.7 million Euro to 21.3 million Euro, up by 100.1%. The increase was mainly due to the expansion of the sector's product range, which now includes the "Compressors" segment.

At 30 September 2013 sales of gas compressors totalled 13.1 million Euro.

The geographic breakdown of revenues shows that in the first nine months of 2013 the Landi Group realised 76.4% (71.3% as at 30 September 2012) of its consolidated revenues abroad (39.7% in Europe and 36.7% outside of Europe). Here below is a breakdown of the areas:

- the Italian market fell by 33.4% compared to the same period in 2012 and this was due to the decrease related to the reduction in market shares recorded by the main automotive clients and due to the particularly difficult macroeconomic situation which affected the sector in the After Market channel, despite the Landi Group's share of the national market in this channel being up by close to 36%;
- the trend in revenues in Europe fell by 9.3% compared to the same period in 2012, with some exceptions, such as that of Russia where there were encouraging signs of improvement;
- the American market fell by 1.6% compared to the prior-year period: while, on the one hand, there were increases in various countries, the fall in sales was mainly due to the performance of the Venezuelan market which, nonetheless, in the third quarter saw a reassuring recovery in sales;
- the markets of Asia and the Rest of the World saw a 27.4% fall compared to the same period in 2012 following the negative trend in demand in Pakistan, after the import-restricting measures which affected the Group's sales as from the second quarter of 2012. The decrease was due also to the performance of the sector in other areas of the Far East.

Equity and financial results at 30 September 2013

The **net financial position** at 30 September 2013 was negative for 62.2 million Euro, a significant improvement compared to 30 September 2012, when it was negative for about 77.0 million Euro and broadly unchanged on the 2012 year-end figure as well as compared to at 30 June 2013, which was above due to better working capital management.

Outlook for 2013

As for the outlook, for 2013 the Landi Group forecasts turnover of between 210 and 240 million Euro, and to consolidate an EBITDA margin of between 3% and 6%.

In compliance with the provisions of art. 2428 of the Italian Civil Code, it should be noted that during 2013 the Parent Company did not trade any treasury shares or shares of parent companies and currently does not hold any treasury shares or shares of parent companies. The subsidiaries do not hold shares in the Parent Company.

Paolo Cilloni, Manager in charge of preparing the financial reports, declares – pursuant to Article 154-bis, paragraph 2 of Legislative Decree no. 58 dated 24 February 1998 – that the accounting information provided herein is in line with the documented results and the accounting books and entries.

*This press release, together with a set of slides, is also available **on the company's website www.landi.it***

This press release is a translation. The Italian version prevails

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 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.

Landi Renzo
Pierpaolo Marziali
M&A and Investor Relations Officer
ir@landi.it
Corrado Storchi
Public Affairs Manager
cstorchi@landi.it
Tel. +39 0522.94.33

SEC Relazioni Pubbliche e Istituzionali
Marco Fraquelli
fraquelli@segrp.it
Daniele Pinosa
pinosa@segrp.it
Tel. +39 02.624999.1

IR Top Consulting
Maria Antonietta Pireddu
Tel. +39 02 45.47.38.84/3
ir@irtop.com

(thousands of Euros)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	30/09/2013	30/09/2012 restated *
Revenues (goods and services)	164,088	203,286
Revenues (goods and services)- related parties	476	131
Other revenue and income	1,541	1,490
Cost of raw materials, consumables and goods and change in inventories	-76,761	-92,838
Costs for services and use of third party assets	-46,012	-54,397
Costs for services and use of third party assets – related parties	-1,192	-1,189
Personnel expenses	-31,979	-30,830
Accruals, impairment losses and other operating expenses	-2,102	-1,905
Gross Operating Profit	8,059	23,748
Amortization, depreciation and impairment losses	-28,638	-13,798
<i>of witch non recurrent</i>	-15,200	-
Net Operating Profit	-20,579	9,950
Financial income	389	545
Financial expenses	-2,941	-3,167
Gains (losses) on exchange rate	-1,183	-567
Profit (Loss) before tax	-24,314	6,761
Current and deferred taxes	607	-3,269
Net profit (loss) for the Group and minority interests, including:	-23,707	3,492
Minority interests	-266	-33
Net Profit (Loss) of the Group	-23,441	3,525
Basic earnings (loss) per share (calculated on 112,500,000 shares)	-0.2084	0.0313
Diluted earnings (loss) per share	-0.2084	0.0313

(thousands of Euros)

ASSETS	30/09/2013	31/12/2012 restated *	30/09/2012 restated *
Non-current assets			
Property, plant and equipment	35,468	32,972	32,856
Development expenditure	6,402	8,365	8,071
Goodwill	40,382	55,582	55,582
Other intangible assets with finite useful lives	26,659	27,169	27,698
Other non-current financial assets	1,263	203	2,642
Deferred tax assets	15,318	13,810	13,927
Total non-current assets	125,492	138,101	140,776
Current assets			
Trade receivables	52,141	69,010	81,734
Trade receivables - related parties	216	229	268
Inventories	70,474	65,928	76,745
Other receivables and current assets	16,861	14,213	22,606
Current financial assets	0	116	187
Cash and cash equivalents	32,324	38,629	18,945
Total current assets	172,016	188,125	200,485
TOTAL ASSETS	297,508	326,226	341,261

(thousands of Euros)

EQUITY AND LIABILITIES	30/09/2013	31/12/2012 restated *	30/09/2012 restated *
Group shareholders' equity			
Share capital	11,250	11,250	11,250
Other reserves	126,368	124,234	124,756
Profit (loss) for the period	-23,441	2,951	3,525
Total equity attributable to the shareholders of the parent	114,177	138,435	139,531
Minority interests	310	623	848
TOTAL EQUITY	114,487	139,058	140,379
Non-current liabilities			
Non-current bank loans	20,539	38,465	27,861
Other non-current financial liabilities	686	25	49
Provisions for risks and charges	5,367	5,077	5,255
Defined benefit plans	3,587	3,466	2,986
Deferred tax liabilities	8,871	10,550	10,558
Total non-current liabilities	39,050	57,583	46,709
Current liabilities			
Bank overdrafts and short-term loans	73,309	62,017	67,925
Other current financial liabilities	24	24	74
Trade payables	57,170	55,722	71,682
Trade payables - related parties	440	58	75
Tax liabilities	2,260	2,478	6,063
Other current liabilities	10,768	9,286	8,354
Total current liabilities	143,971	129,585	154,173
TOTAL LIABILITIES AND EQUITY	297,508	326,226	341,261

(thousands of euro)

CONSOLIDATED CASH FLOW STATEMENT	30/09/2013	30/09/2012 restated *
Cash flow from operating activities		
Profit (Loss) for the year	-23,707	3,492
<i>Adjustments for:</i>		
Depreciation	7,193	7,258
Amortization of intangible assets	6,208	6,540
(Reversal of) impairment losses on property, plant and equipment	38	
impairment loss on intangible assets	15,200	
impairment loss on trade receivables	340	446
Net finance costs	3,735	3,190
Gain on sale of property, plant and equipment	-62	-88
Gain on curtailment	-118	427
Tax expense	-608	3,269
	8,219	24,534
<i>Changes in:</i>		
inventories	-4,547	-9,337
trade and other receivables	12,295	-3,927
trade and other payables	1,879	16,880
provisions and employee benefits	65	1,427
Cash generated from operating activities	17,911	29,577
Interest paid	-2,380	-2,538
income taxes paid	-2,121	-3,677
Net cash flow from (for) operating activities	13,410	23,362
Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	163	1,188
Acquisition of property, plant and equipment	-7,102	-5,353
Acquisition of intangible assets	-3,233	-1,534
Acquisition of other investments	-853	-2,537
Development expenditure	-2,403	-1,930
Net cash used in investing activities	-13,428	-10,166
Cash flow from financing activities		
Net repayments and financings	-5,973	-14,211
Net cash from (used in) financing activities	-5,973	-14,211
Net increase (decrease) in cash and cash equivalents	-5,991	-1,015
Cash and cash equivalents at 1 January	38,629	20,059
Effect of exchange rate fluctuations on cash held	-314	-99
Cash and cash equivalents at the end of period	32,324	18,945