



LANDIRENZO®

3Q 2014 Financial Results


A photograph of a modern building facade featuring large glass windows and horizontal metal slats. A blue vertical bar with a grid pattern is overlaid on the left side of the image. The text 'Financial Results' is centered within this bar.


Financial Results


9M14 Profit&Loss Highlights

(Eur million)

	Sep 14	%	Sep 13	%	Changes	%
Revenues (goods and services)	173.9		164.6		9.4	5.7%
Ebitda	14.1	8.1%	8.1	4.9%	6.1	75.3%
Ebit	2.9	1.7%	-20.6	-12.5%	23.5	n.a.
<i>of which non-recurring expenses</i>	<i>0.0</i>		<i>-15.2</i>		<i>15.2</i>	
Normalized Ebit	2.9	1.7%	-5.4	-3.3%	8.3	n.a.
Net Profit (Loss)	-0.2	-0.1%	-23.7	-14.4%	23.5	n.a.

 Revenues have good increase

 EBITDA improves thanks to turnover increase and operating/structure costs reduction

 EBIT improves even for a reduction in depreciation

Last quarters trend

(Eur Millions)

Consolidated Profit&Loss	IIIQ14	%	IIQ14	%	IQ14	%	IVQ13	%	IIIQ13	%
Revenues (goods and services)	61.6		64.2		48.1		58.2		52.6	
EBITDA	6.5	10.5%	6.1	9.5%	1.5	3.2%	3.0	5.1%	3.0	5.7%
EBIT	2.7	4.4%	2.4	3.7%	-2.2	-4.6%	-1.6	-2.8%	-1.4	-2.8%
Net Profit (Loss) of the Group	1.6	2.6%	0.6	1.0%	-2.4	-5.1%	-2.3	-3.9%	-2.8	-5.3%



Revenues – Revenues in IIIQ14 is up about 17% when compared to same period 2013 and it is almost in line with the IIQ14 which, usually, is the strongest quarter of the year



EBITDA – in IIIQ14 margin is more than 10%: the highest level in 5 quarters



NET PROFIT – costs reduction activities have been so effective that the Company is back delivering sound profits

Revenues breakdown

(Millions of Eur)

Geographical distribution of revenues	Sep-14	%	Sep-13	%	Delta	%
Italy	30.8	17.7%	38.8	23.6%	-8.0	-20.6%
Europa (ex Italy)	80.3	46.2%	65.3	39.7%	15.0	23.0%
America	27.6	15.9%	28.0	17.0%	-0.3	-1.2%
Asia and rest of the world	35.2	20.2%	32.5	19.7%	2.7	8.3%
Total	173.9	100.0%	164.6	100.0%	9.4	5.7%

(Million of Eur)

Distribution of revenues per area of activity	Sep-14	%	Sep-13	%	Delta	%
Gas sector - systems for cars	136.4	78.5%	143.2	87.0%	-6.8	-4.7%
Gas sector - distribution systems	21.8	12.5%	13.1	8.0%	8.7	65.9%
Total revenues - GAS sector	158.2	91.0%	156.3	95.0%	1.9	1.2%
Other (Alarm systems, Audio, Aquatronics (1), Robotics, Oil and Gas and other)	15.7	9.0%	8.2	5.0%	7.5	91.2%
Total revenues	173.9	100.0%	164.6	100.0%	9.4	5.7%

A new criterion for classification of revenues by segment was followed starting from the first half: this is in line with the logic of the management approach. The current composition shows the LPG and CNG lines in the segment "systems for cars" and includes revenues from sales of compressors for fuelling stations, made by the company Safe SpA in the sector "distribution system".

The segment "Other - (Alarms, Sound, Aquatronics (sold on April 2014), Robotics, Oil&Gas and other)," compared to previous results, does not include the sale of compressors for fuelling stations, by virtue of the above mentioned reclassification.

GEOGRAPHIC BREAKDOWN

Italy – turnover has decreased mainly due to the change in the way of delivery and the destination of the sale, moved on some European sites, of a primary OEM customer. The After Market channel remains in a challenging situation. In this context, the Group keeps a leadership market share.

Europe – the increase is due to the positive trend in Eastern countries as well as to the changes referred to in the previous paragraph.

America – the decrease is mainly due to Venezuela market not offset by good performances of other markets, among which USA.

Asia and rest of the world – the increase is primarily due to sales of gas stations. There are encouraging signs in both Iran and Pakistan as well.

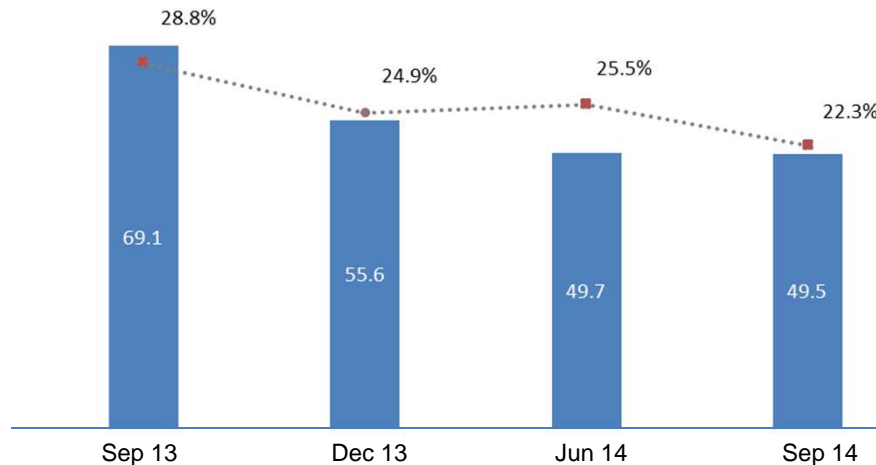
SECTOR BREAKDOWN

Systems for cars – the decrease is attributable to the decline in LPG segment in Italy and Western Europe.

Distribution systems – results are attributable to the good performance in Eastern Europe and Asia

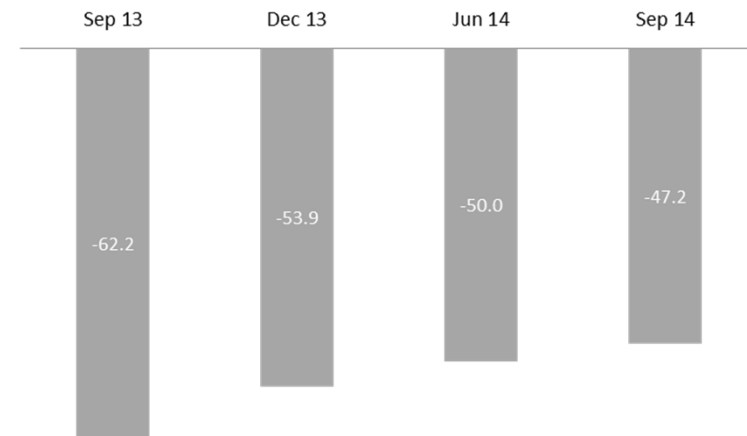
Other – the increase in this segment is due to the Oil&Gas sector and that one of loudspeakers

Working capital and Net Debt



(Eur mln)

	Sep 13	Dec 13	Jun 14	Sep 14
Receivable	52.4	38.5	41.9	42.7
Inventories	70.5	64.6	72.8	72.3
Payables	-57.6	-52.1	-68.3	-64.9
Other current assets/liabilities	3.8	4.6	3.3	-0.6
Net working capital	69.1	55.6	49.7	49.5



Working Capital – improvement occurs both in terms of percentage of sales, over the last twelve months, and in absolute value with a decrease of about 20€ mln.

The improvement is due mainly to the lower level of receivables.

Inventories are in line with the level of expected activity.

Net financial position – improvement in net financial position, compared to that one of September 2013, is the result of the improved working capital and the operating cash flow.

A photograph of a modern office hallway with glass-walled rooms and a blue overlay on the right side. The hallway features a light-colored tiled floor, a white reception desk in the distance, and recessed ceiling lights. The blue overlay is a semi-transparent rectangle with a fine grid pattern, containing the word "Annexes" in white text.

Annexes

Landi Renzo company profile

Board of Directors

Stefano Landi –President & CEO
 Giovannina Domenichini – Honorary President
 Claudio Carnevale - Executive Director
 Herbert Paierl - Director
 Antonia Fiaccadori – Director
 Alessandro Ovi - Indip. Director
 Tomaso Tommasi di Vignano – Indip. Director

Top Managers

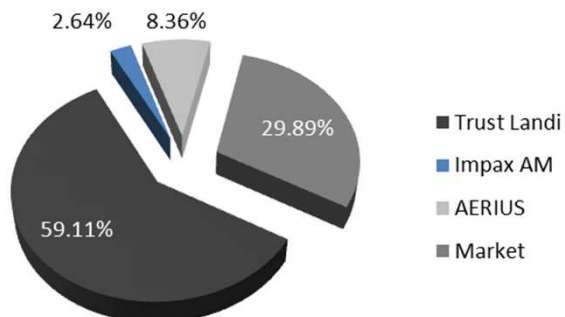


Investor Relations

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Shareholding



Share Information

N. of shares outstanding: 112.500.000

Price as of 10/11/14 1.011€

Capitalization: € 113.74 mln

FTSE Italia STAR

Stock vs Market



Consolidated Balance Sheet

(thousands of Euros)			
ASSETS	30/09/2014	31/12/2013	30/09/2013
Non-current assets			
Property, plant and equipment	34,974	36,164	35,468
Development expenditure	6,367	6,571	6,402
Goodwill	40,190	40,190	40,382
Other intangible assets with finite useful lives	25,068	26,546	26,659
Investments measured using the equity method	330	0	0
Other non-current financial assets	538	1,059	1,263
Deferred tax assets	17,201	16,407	15,318
Total non-current assets	124,668	126,937	125,492
Current assets			
Trade receivables	42,066	38,273	52,141
Trade receivables - related parties	601	189	216
Inventories	70,109	61,579	68,800
Contract works in progress	2,214	3,043	1,674
Other receivables and current assets	14,973	17,118	16,861
Cash and cash equivalents	31,533	32,953	32,324
Total current assets	161,496	153,155	172,016
TOTAL ASSETS	286,164	280,092	297,508

Consolidated Balance Sheet

(thousands of Euros)

EQUITY AND LIABILITIES	30/09/2014	31/12/2013	30/09/2013
Equity			
Share capital	11,250	11,250	11,250
Other reserves	97,847	123,714	126,368
Profit (loss) of the period	-330	-25,558	-23,441
Total equity attributable to the shareholders of the pa	108,767	109,406	114,177
Minority interests	637	407	310
TOTAL EQUITY	109,404	109,813	114,487
Non-current liabilities			
Non-current bank loans	28,834	12,096	20,539
Other non-current financial liabilities	661	661	686
Provisions for risks and charges	5,362	6,218	5,367
Defined benefit plans	3,706	3,739	3,587
Deferred tax liabilities	8,573	8,797	8,871
Total non-current liabilities	47,136	31,511	39,050
Current liabilities			
Bank overdrafts and short-term loans	49,186	74,099	73,309
Other current financial liabilities	31	25	24
Trade payables	63,526	51,681	57,170
Trade payables - related parties	1,327	434	440
Tax liabilities	2,576	3,876	2,260
Other current liabilities	12,978	8,653	10,768
Total current liabilities	129,624	138,768	143,971
TOTAL EQUITY AND LIABILITIES	286,164	280,092	297,508

Consolidated Profit&Loss

(thousands of Euros)

CONSOLIDATED INCOME STATEMENT	30/09/2014	30/09/2013
Revenues (goods and services)	172,824	164,088
Revenues (goods and services)- related parties	1,110	476
Other revenue and income	1,254	1,541
Cost of raw materials, consumables and goods and change in inventories	-79,724	-76,761
Costs for services and use of third party assets	-45,386	-46,012
Costs for services and use of third party assets – related parties	-1,870	-1,192
Personnel expenses	-31,760	-31,979
Accruals, doubtful debts and other operating expenses	-2,323	-2,102
Gross Operating Profit	14,125	8,059
Amortization, depreciation and impairment losses	-11,245	-28,638
<i>of which non recurring</i>		-15,200
Net Operating Profit	2,880	-20,579
Financial income	339	389
Financial expenses	-3,172	-2,941
Exchange rate gains (losses)	1,015	-1,183
Profit (loss) from investments measured using the equity method	-111	
Profit (Loss) before tax	951	-24,314
Current and deferred taxes	-1,172	607
Profit (loss) for the Group and minority interests, including:	-221	-23,707
Minority interests	109	-266
Profit (Loss) for the Group	-330	-23,441
Basic earnings (loss) per share (calculated on 112,500,000 shares)	-0.0029	-0.2084
Diluted earnings (loss) per share	-0.0029	-0.2084

Disclaimer

This presentation has been prepared by Landi Renzo S.p.A. for information purposes only and for use in presentations of the Group's results and strategies.

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