

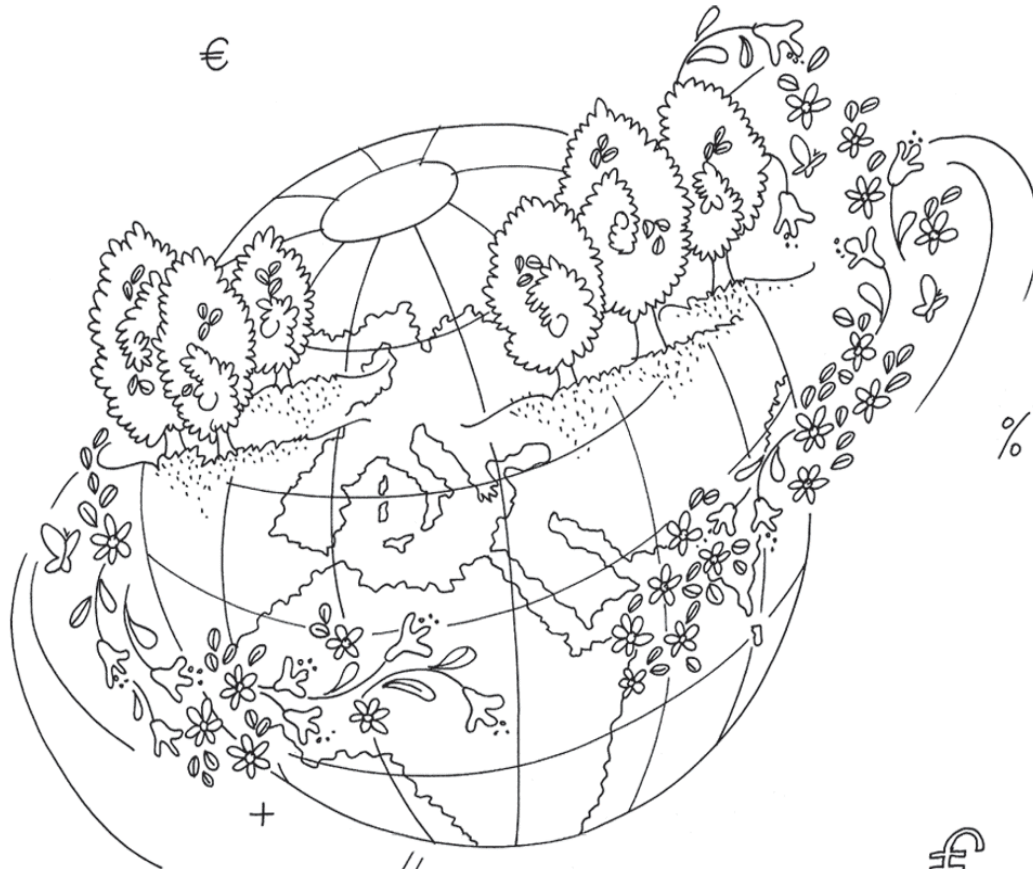


LANDIRENZO®

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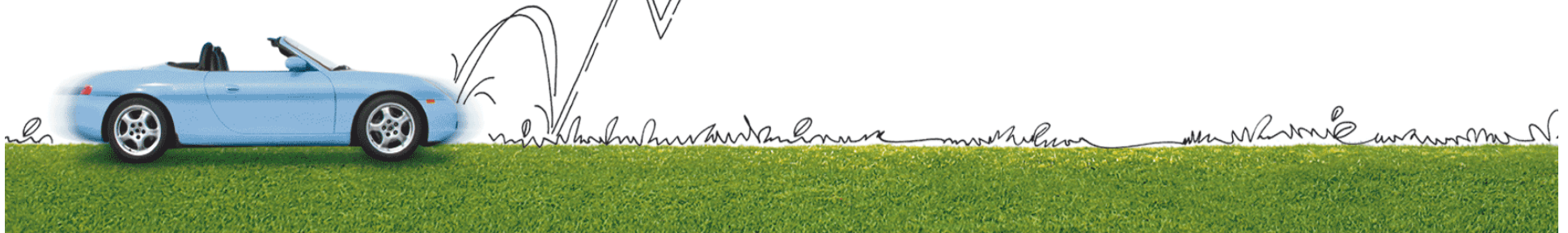
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CONSOLIDATING OUR GLOBAL LEADERSHIP



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24th July 2008



Transaction Overview

Structure

- Landi Renzo S.p.A. (“Landi”) has signed an agreement to acquire 100% shares of Lovato Gas S.p.A. (“Lovato”)

Consideration

- € 63 million (on a debt free basis) to be paid at Closing

Financing

- Minimum of € 33m through cash available
- Up to € 30m through a 5-year corporate loan

Timetable

- Closing will be executed within 120 days from Signing
- A series of formal aspects need to be implemented by the Seller before Closing
- No Antitrust approval required

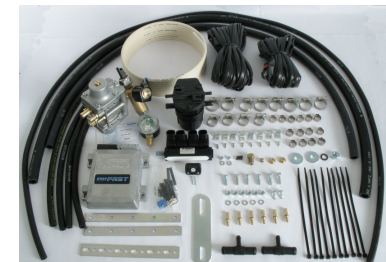
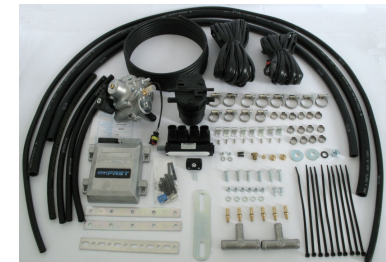
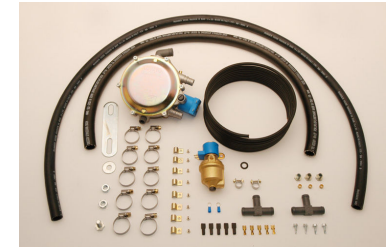
The Target

- Third largest player in the world in designing, assembling, testing and distributing LPG and CNG conversion kits for vehicles
- Founded by the Lovato family in 1958 and headquartered in Vicenza (Italy)
- Flexible business model, with low capex requirements
- Currently employs 121 people, 23 in R&D and product development
- Generated € 39.3 million in sales in 2007, with an adjusted EBITDA of € 8.5 million (21.5% margin)



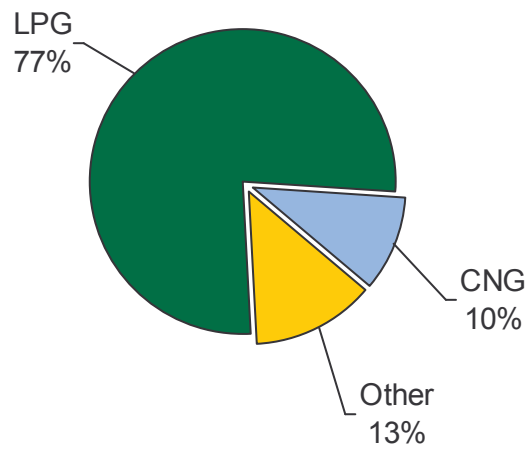
Commercial Positioning

- Strong positioning in the traditional LPG reducers segment (key component of low cost systems in a large number of price sensitive countries)
- Increasingly aggressive in the sequential segment and in the OEM channel
- Extensive distribution network (sales in over 70 countries) and strong customer relationships
- No single country contributing for more than 20%, with Italy accounting for approx. 5% of total
- No single customer accounting for more than 8% of sales

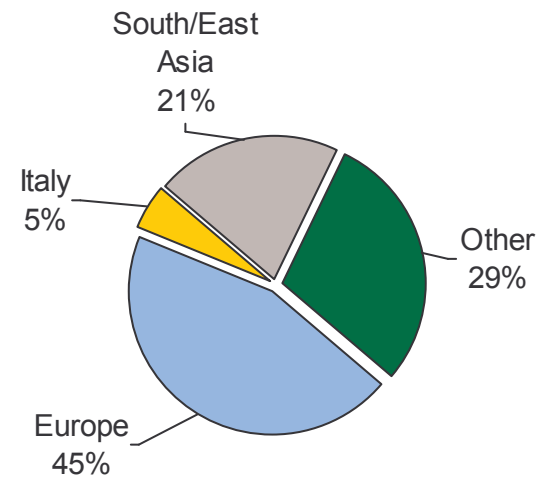


Sales Breakdown

2007 Sales breakdown by product



2007 Sales breakdown by geographical area



Strategic Rationale for Lovato Acquisition

Strengthening / expansion of positioning in certain geographical markets

Complementary product range and channel focus

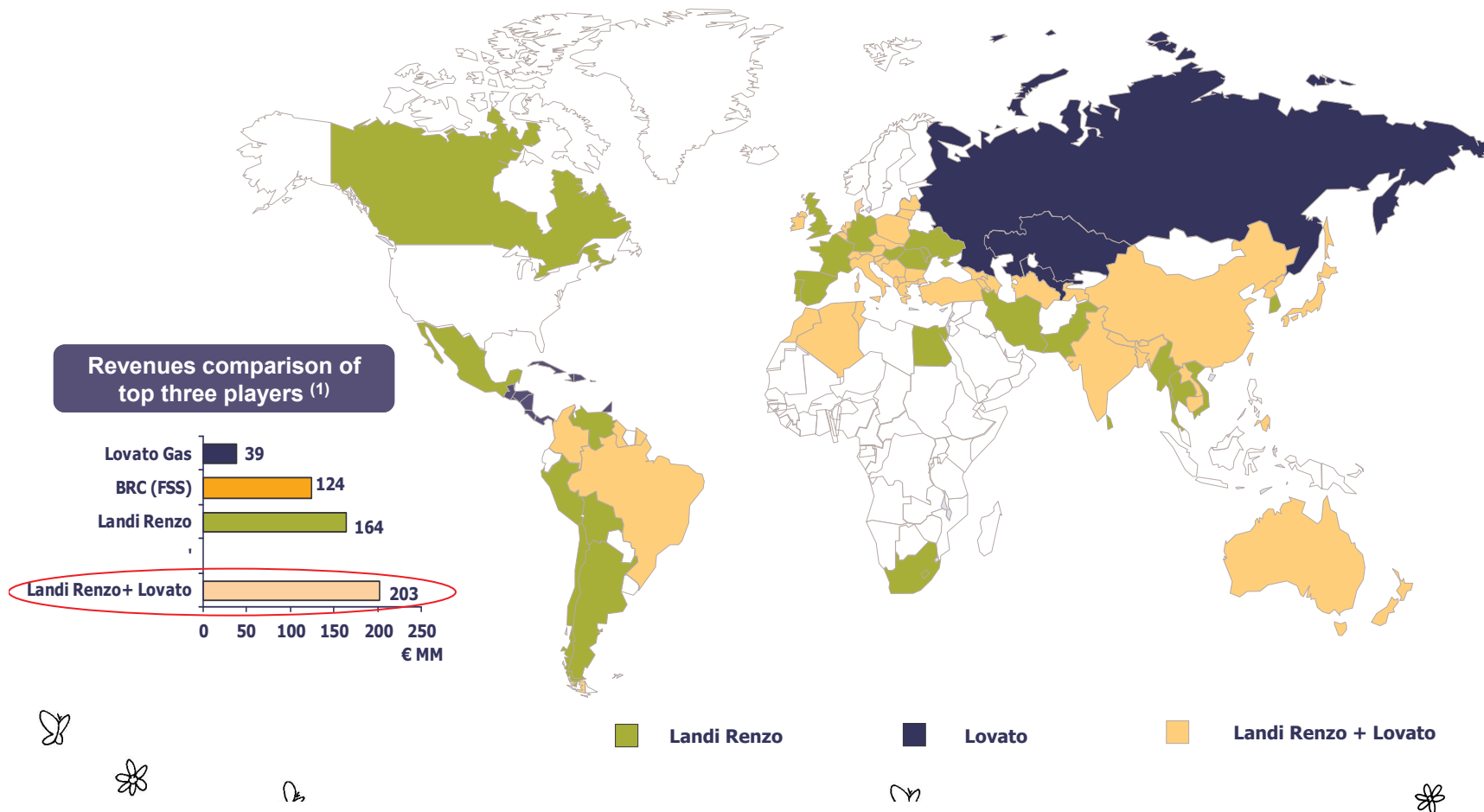
Perfect fit in terms of business model

Production efficiency synergies available



Geographical Fit & Market Share Consolidation

- Very few areas of overlapping resulting in an immediate impact on Landi's global market shares



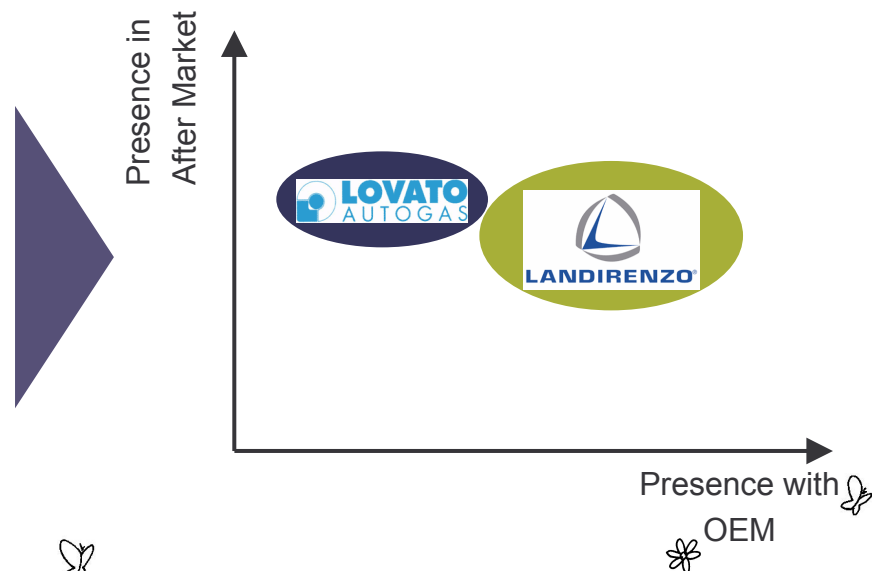
(1) Based on 2007 revenues generated in the Transportation segment (Source: Companies' annual report – Euro rebased)

Products / Channel Fit

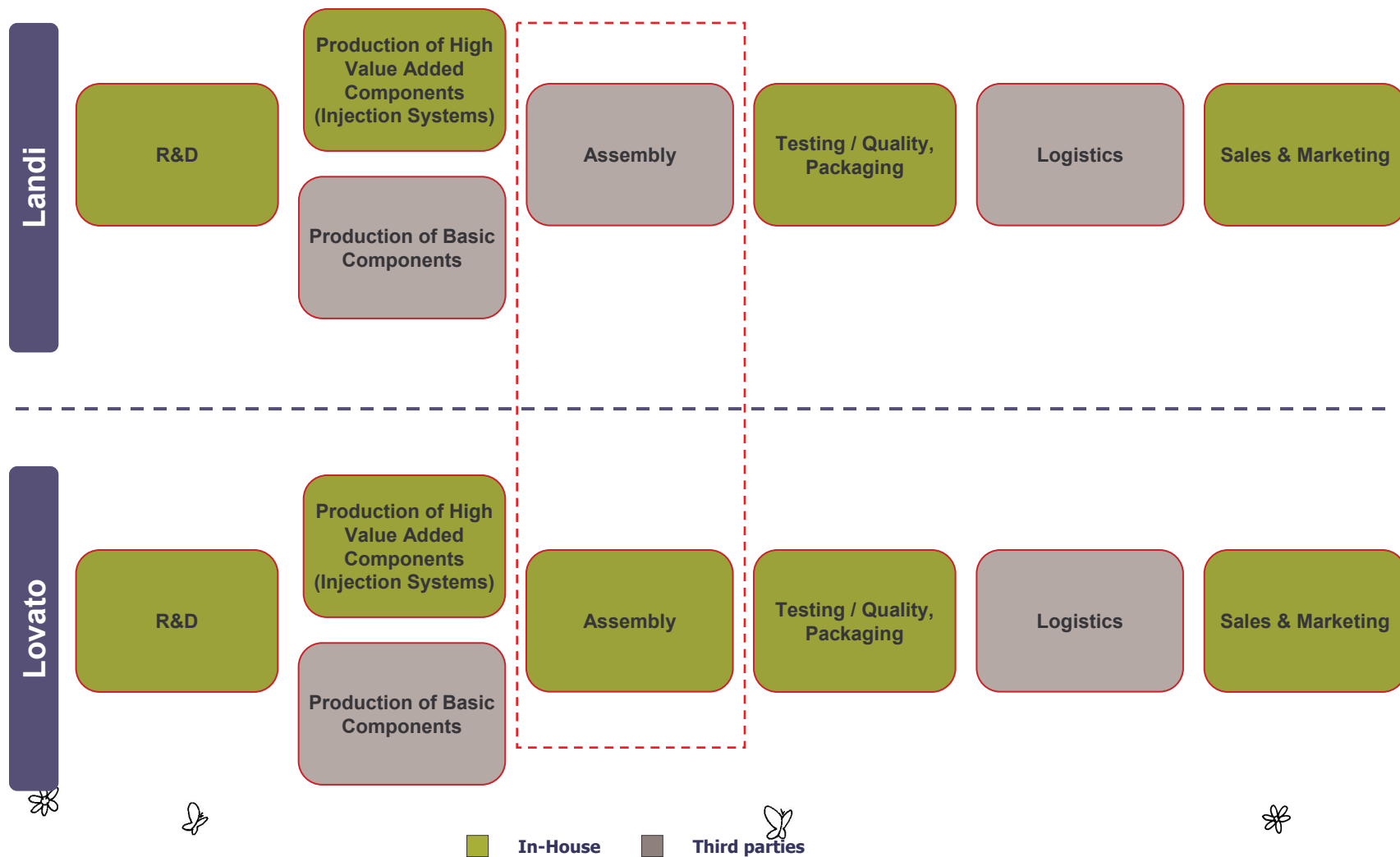
- Landi is focused on sequential systems while Lovato has a strong footprint in the traditional / ready-to-go systems



- The combination could leverage on a strong fit between Landi's sound relation with fast growing OEMs and Lovato's deep presence in the mass oriented AM channel



Perfect Fit in Terms of Business Model



Preliminary Synergies Identified

- Preliminary synergies have been identified primarily within the following areas:

Revenues – Commercial leverage due to different product positioning and geographical coverage

COGS - savings on certain components due to leverage on better production capabilities and economies of scale

Saving on previously planned fixed cost



Total impact of synergies have been identified on approximately in the range of € 2 million (over EBITDA) to be achieved within 12-24 months from closing date (approx. 5% as a percentage of 2007 Lovato turnover)

Lovato Financial Highlights

<u>Euro in million</u>	<u>2007</u>	<u>2008</u>
Sales	39.320	↑
EBITDA Adj. ⁽¹⁾	8.454	↑
<i>% on sales</i>	21.5%	
EBIT ⁽²⁾	7.224	
<i>% on sales</i>	18.4%	
Net income ⁽²⁾	3.806	
<i>% on sales</i>	9.7%	

(1) Before non-recurring items

(2) Does not include goodwill amortisation (consistent with IFRS)

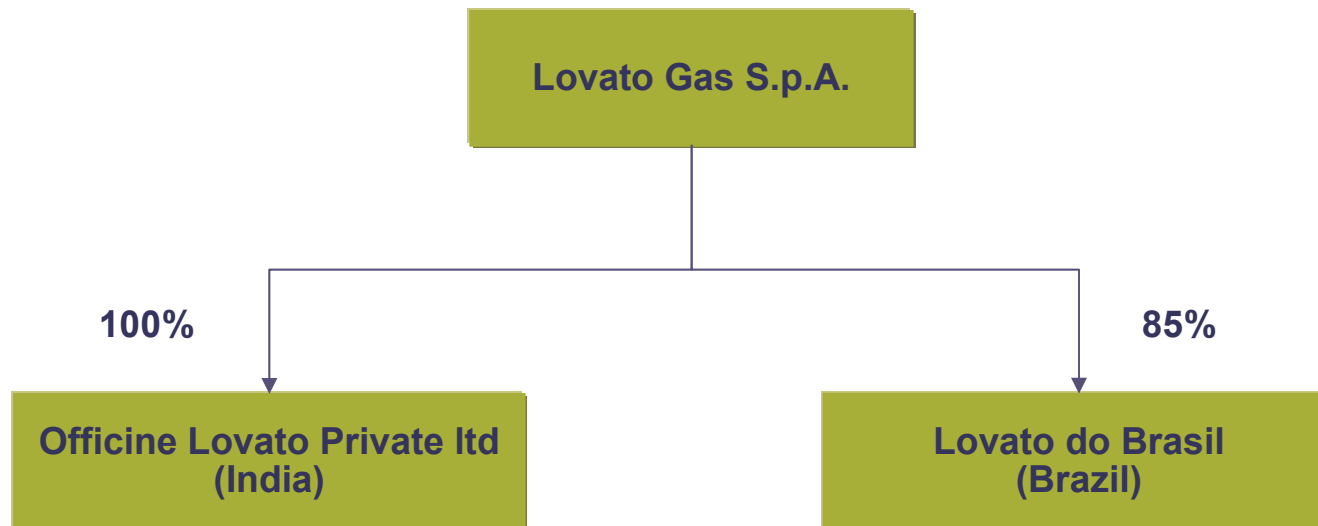
<u>Euro in million</u>	<u>2007</u>
Total fixed assets	19.116
Net working capital	3.059
<i>% on sales</i>	7.8%
Other net assets	-2.254
Severance & other liabilities	-0.945
Net invested capital	18.975
Net financial position	7.964
Shareholders' equity	11.011
Total sources	18.975

High EBITDA Margin
 Cash conversion rate > 60% in 2007
 Immediately accretive

Appendix



Lovato Structure



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.
- For further details on the Landi Renzo Group, reference should be made to publicly available information, including the Quarterly Reports and the Annual Reports.
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