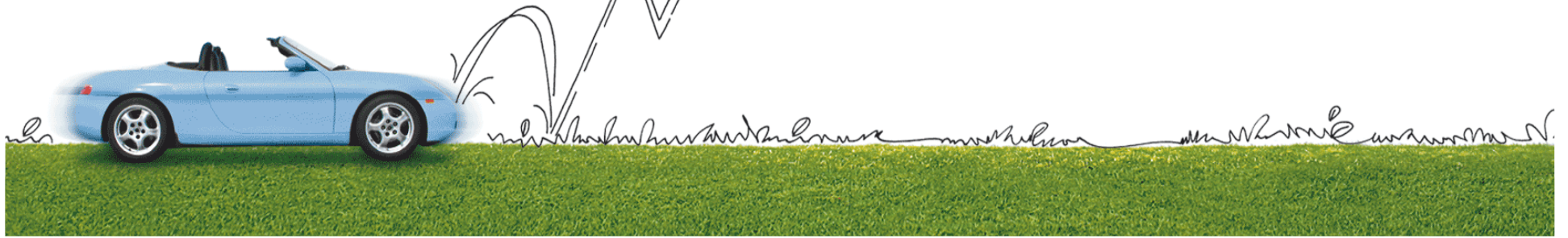


## Company Presentation



## *The product*

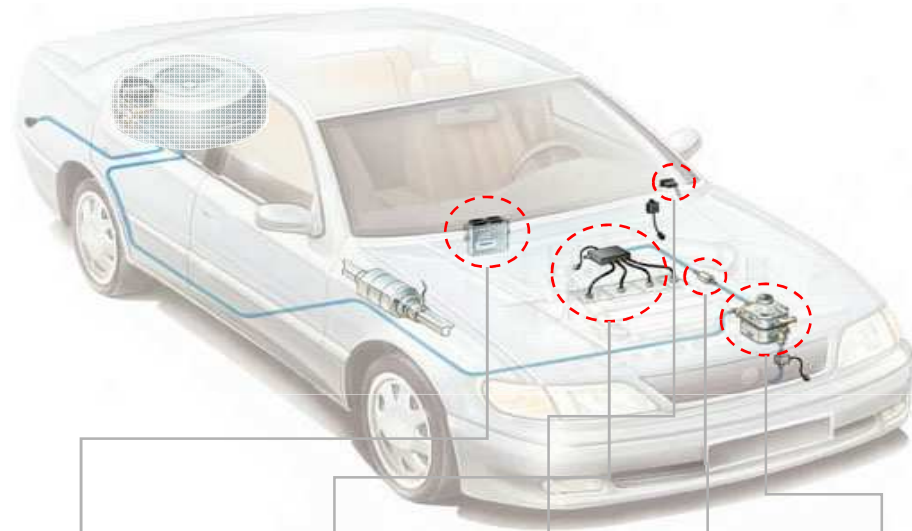


# Landi Renzo – World Leader in CNG and LPG Alternative Fuel Systems



## Integrated Systems Producer

## Company Main Products



- Electronic Control Unit
- Injector Rail
- Switch
- Filter
- Regulator

### Electronic Control Unit



### Switch



### Injector Rail



### Regulator



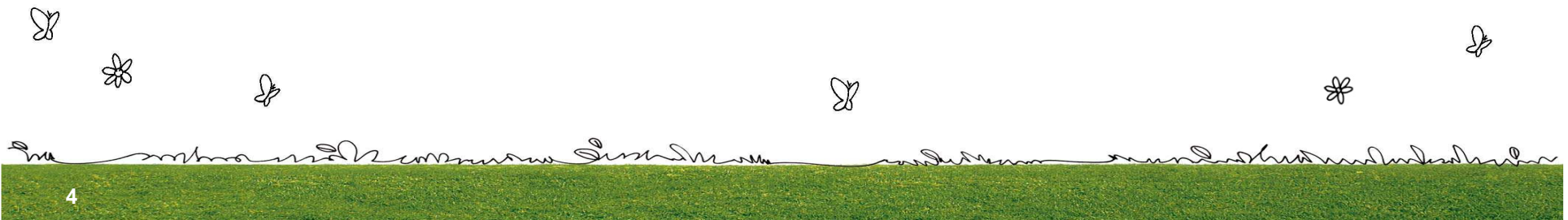
- “Ready-to-go” systems marketed through:



- Car manufacturers (OEMs) - ca. 50
- Aftermarket through distributors and installers - ca. 750



## *The Market*



# High Growth Market

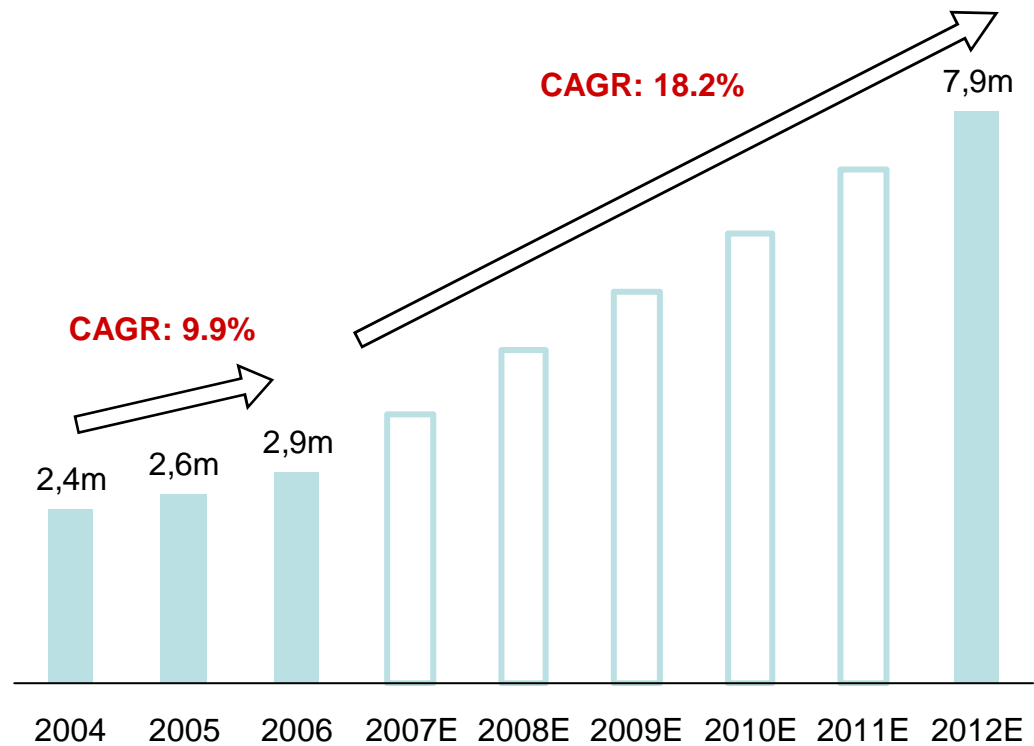
Increasing pressure to use alternative fuels

LPG and CNG are cleaner and cheaper

Proven technology broadly available today



Global LPG and CNG Unit Sales (2004 – 2012E)

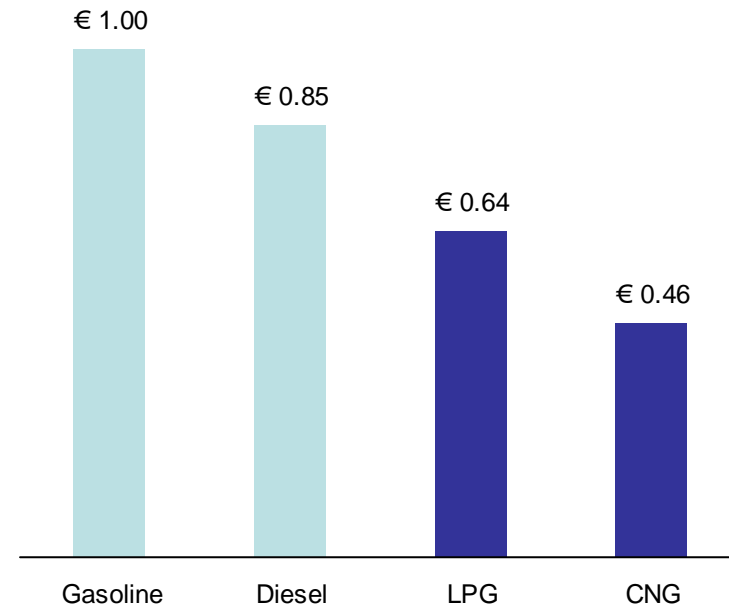
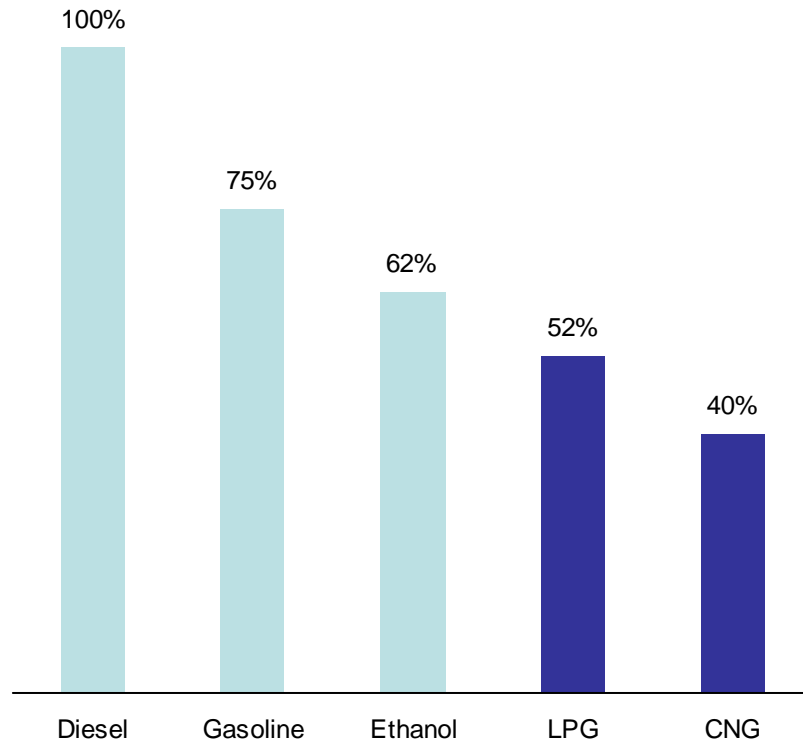


The gaseous fuel systems market has experienced strong tailwinds and its growth look set to improve in the years to 2012

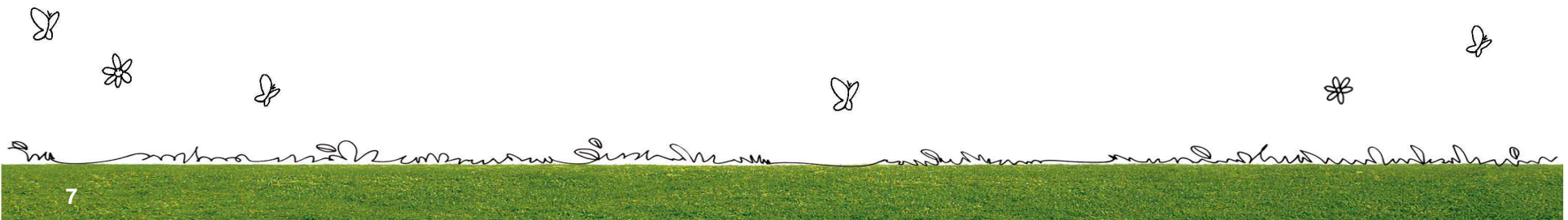
# Market Drivers: environment + saving

## Greenhouse Gas and Particulate Emissions

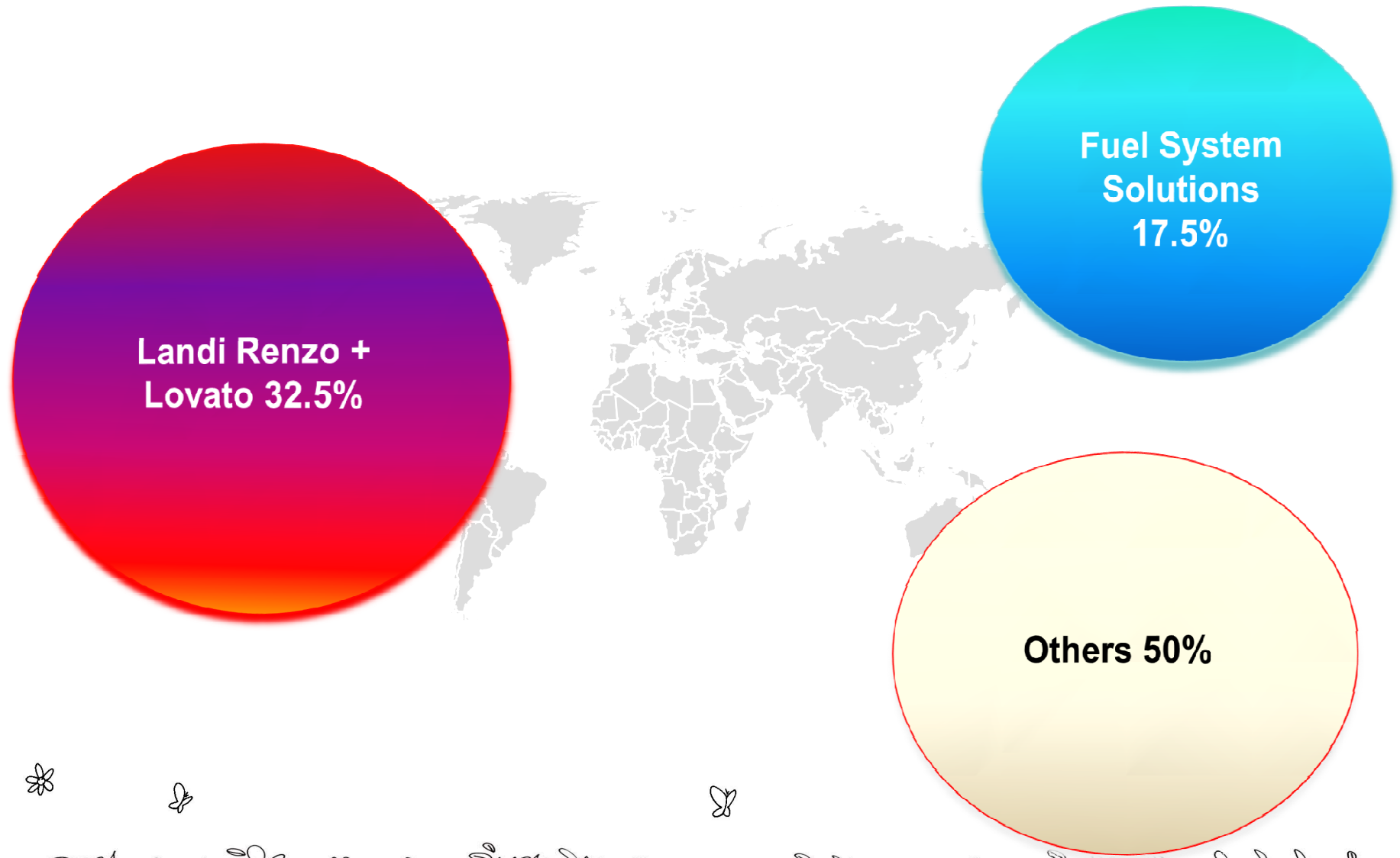
## Cost to Run 10km



## *Sector Competition*



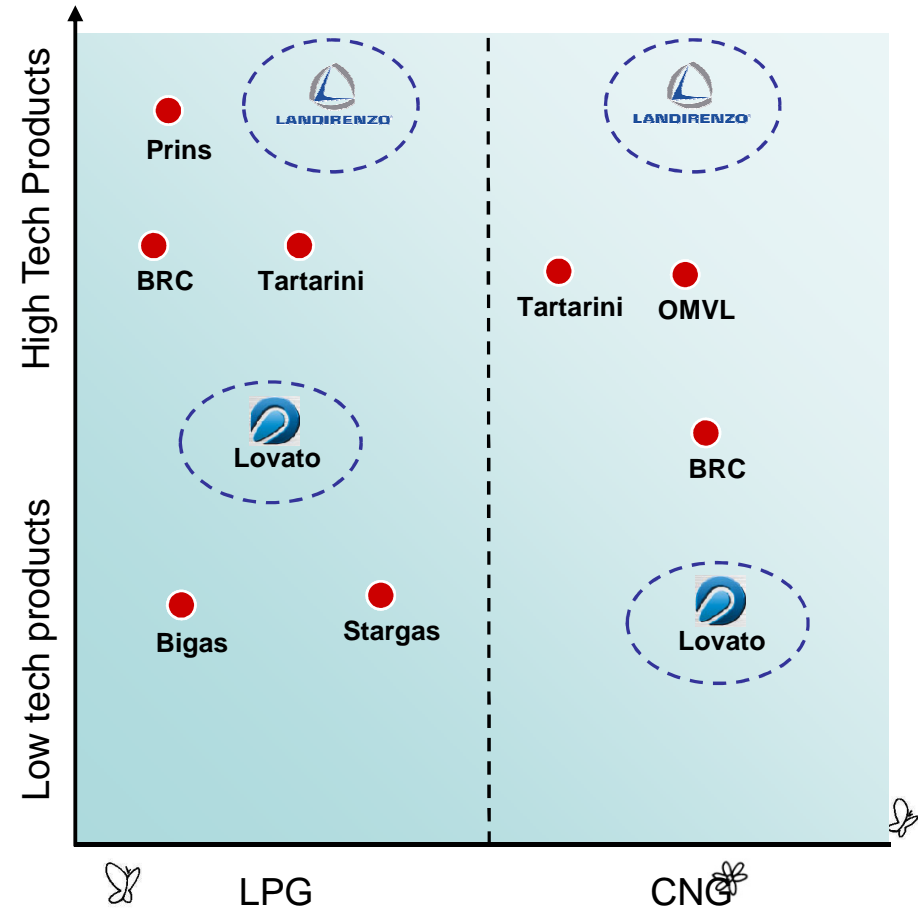
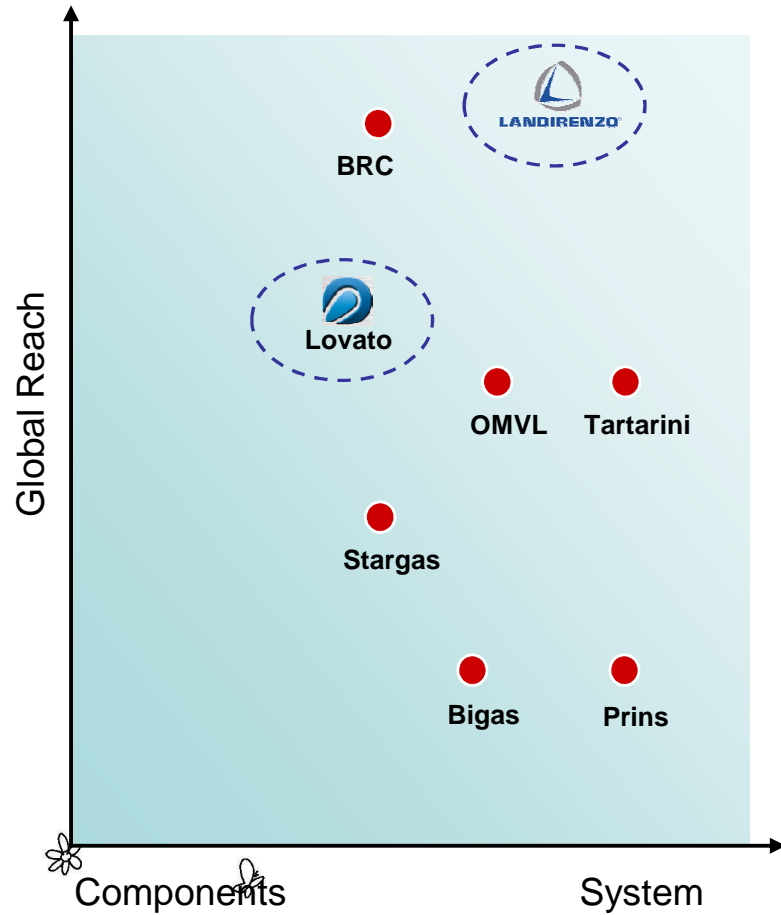
# Competitive environment: 2006 market share



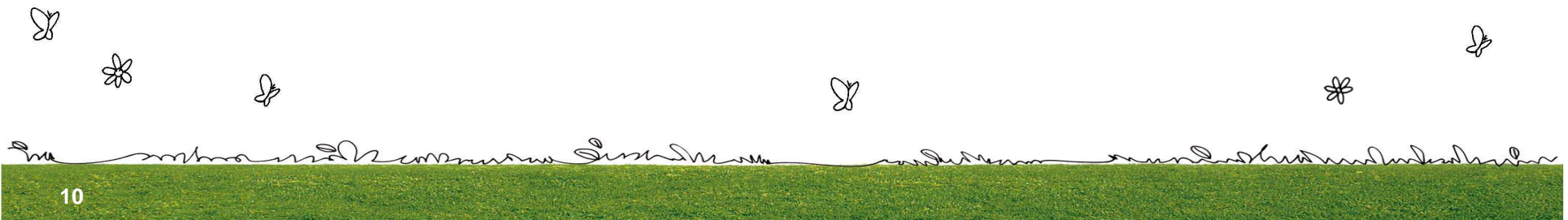


# Strong Positioning

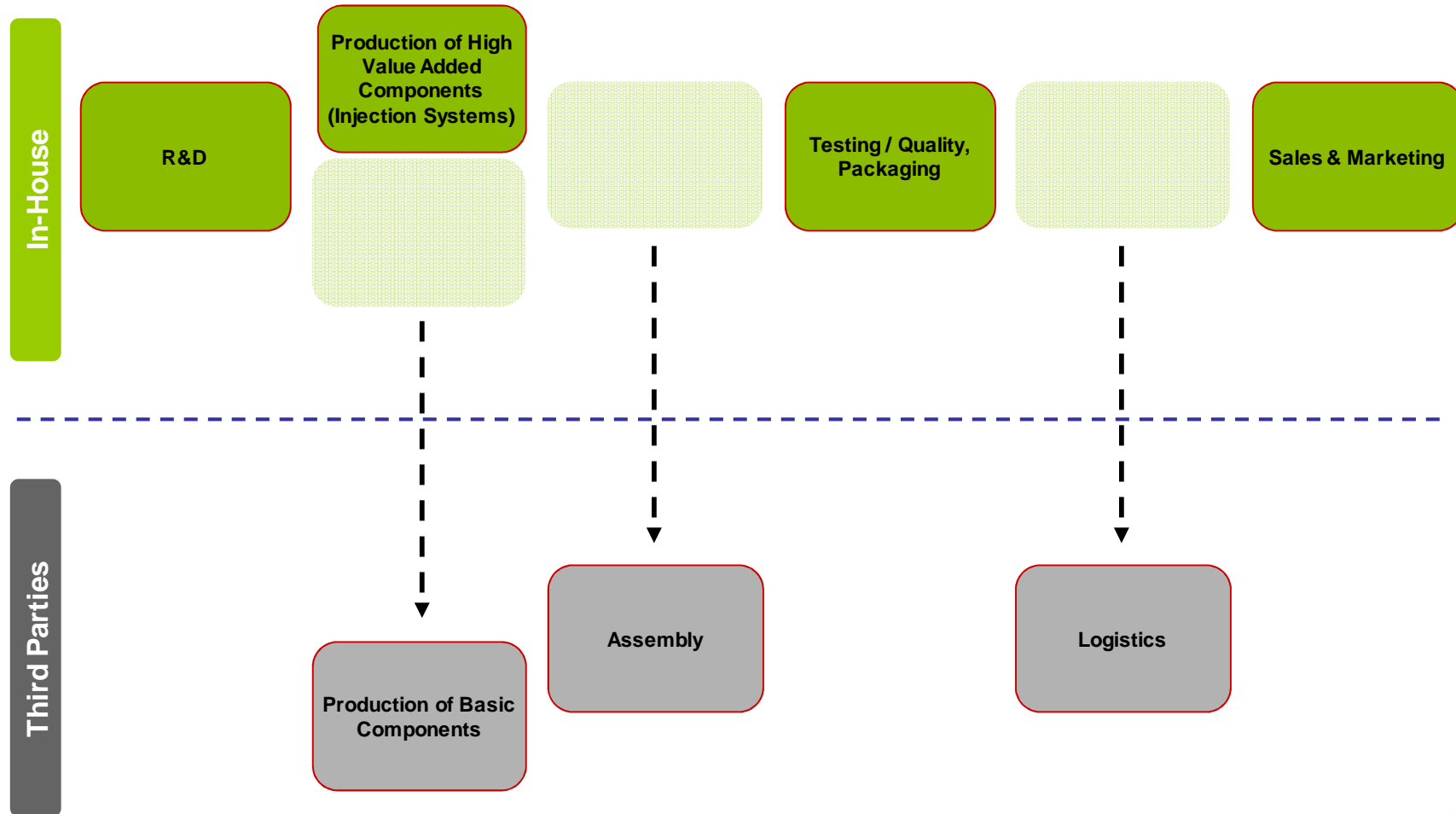
Landi and Lovato cover most of the segment of the market



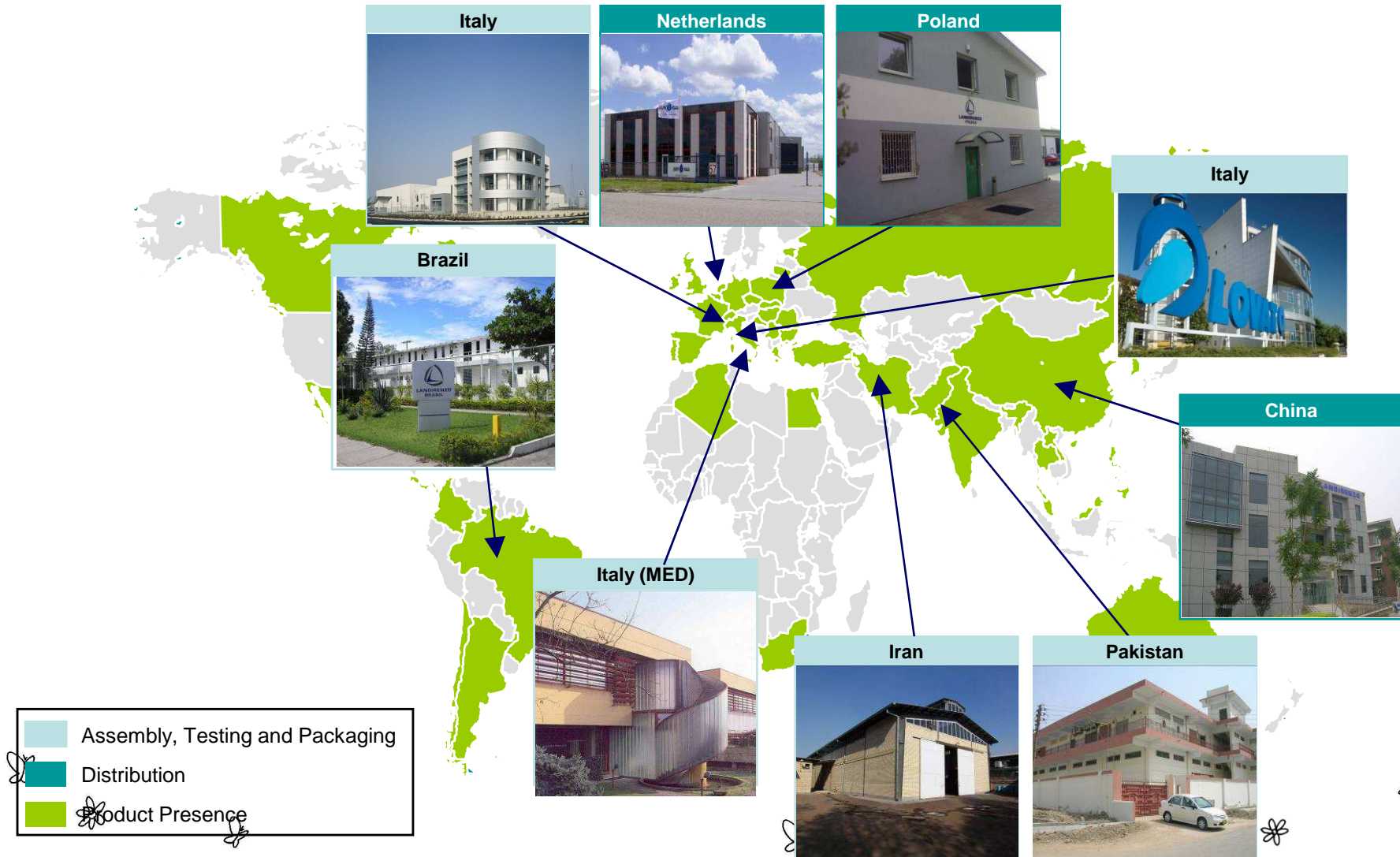
## *Business Model*



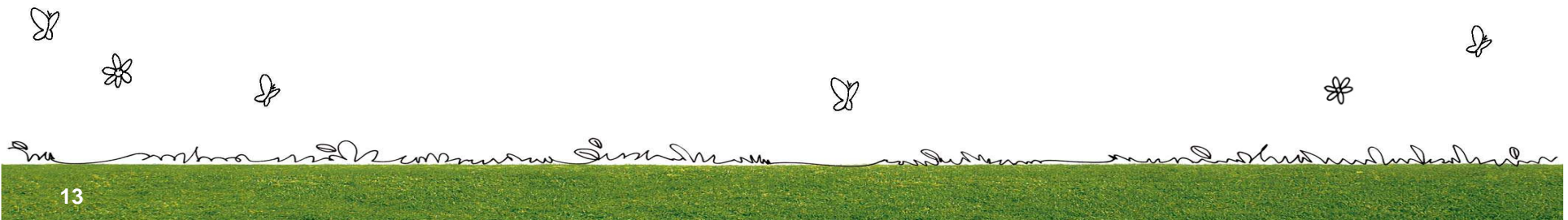
# How Landi produces - Lean Business Model



# Landi's subsidiaries



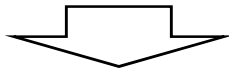
*Selling process and  
market visibility*



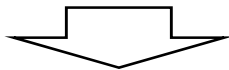
# Sales - Landi Channels and Visibility

## OEM

**3 Years OEM Production Plan**



**6 Months OEM Forecast (Rolling)**



**2 Months Landi Binding Order**

**50% of 2007 turnover**

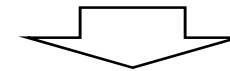
## After Market

### Impacting variables

- Government energy policy
- Gasoline/CNG-LPG Cost Ratio
- New CNG-LPG/New Vehicle Ratio
- CNG-LPG Cars/Total Cars Ratio
- Refueling Stations
- .....



**3 Years After Market Demand**



**3 Years Landi Demand**

**50% of 2007 turnover**

# OEMs Channel

## Developed Markets

## Emerging Markets

Cars

Logos for major car OEMs in Developed Markets: FIAT GROUP, TOYOTA, RENAULT, OPEL, CHEVROLET, VW Group, DAIHATSU, GM, TATA, and PSA PEUGEOT CITROËN.

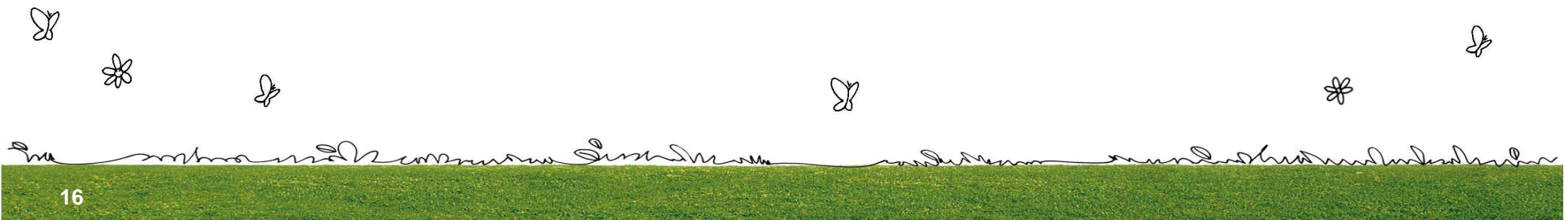
Logos for major car OEMs in Emerging Markets: Brilliance China Automotive Holdings Limited, SAIC, SUZUKI, RENAULT, MARUTI SUZUKI, SAIPA, IRAN KHUDRO INDUSTRIAL GROUP, NEXUS, NISSAN, INDUS, TATA, and ADAM.

LCVs

Logos for major LCV OEMs in Developed Markets: PIAGGIO Group, irisbus, DAIMLERCHRYSLER, and TOYOTA.

Logos for major LCV OEMs in Emerging Markets: DAIMLERCHRYSLER, Mercedes-Benz, Mahindra & Mahindra, and Ashok Leyland.

## *External growth: Lovato Acquisition*





# 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



# Lovato Financial and Transaction Highlights



## Consideration

- € 63 million on a debt free basis

## Financing

- € 33m through cash available
- € 30m through a 5-year corporate loan-Euribor + 70 bps

## FY 2008 Growth

- Revenues grew + 21.5% from 39.3€ mln to 47.8€ mln



## *FY08 Financial Results*



# FY08 Profit&Loss Highlights

These results include the consolidation of some Lovato numbers

<i>Eur m</i>	FY08		FY07		12Mo12M Growth
<b>REVENUES</b>	<b>216.2</b>	<b>100.0%</b>	<b>163.9</b>	<b>100.0%</b>	<b>31.9%</b>
<b>EBITDA</b>	<b>46.8</b>	<b>21.6%</b>	<b>35.1</b>	<b>21.4%</b>	<b>33.3%</b>
<b>EBIT</b>	<b>40.7</b>	<b>18.8%</b>	<b>31.2</b>	<b>19.0%</b>	<b>30.5%</b>
<b>Net Profit</b>	<b>26.7</b>	<b>12.4%</b>	<b>19.7</b>	<b>12.0%</b>	<b>35.8%</b>



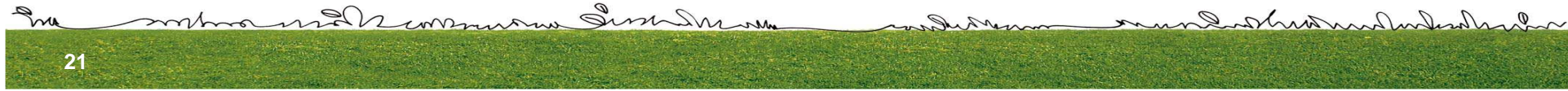
# Revenues Breakdown – includes Lovato cons

## Revenues Breakdown by Segment and Region (EUR m)

<i>Eur m</i>		FY08		FY07		Growth
<b>Segment</b>	LPG	122.6	56.7%	73.3	44.7%	67.3%
	CNG	88.5	40.9%	85.7	52.3%	3.2%
	Other	5.1	2.3%	4.9	3.0%	3.6%
	<b>Revenues</b>	<b>216.2</b>	<b>100.0%</b>	<b>163.9</b>	<b>100.0%</b>	<b>31.9%</b>
<b>Region</b>	Italy	68.3	31.6%	43.8	26.7%	55.7%
	Europe (ex Italy)	58.5	27.0%	32.9	20.0%	78.0%
	SW Asia	35.7	16.5%	60.3	36.8%	-40.9%
	America	23.4	10.8%	10.6	6.5%	120.2%
	Other	30.4	14.1%	16.3	9.9%	87.2%
	<b>Revenues</b>	<b>216.2</b>	<b>100.0%</b>	<b>163.9</b>	<b>100.0%</b>	<b>31.9%</b>

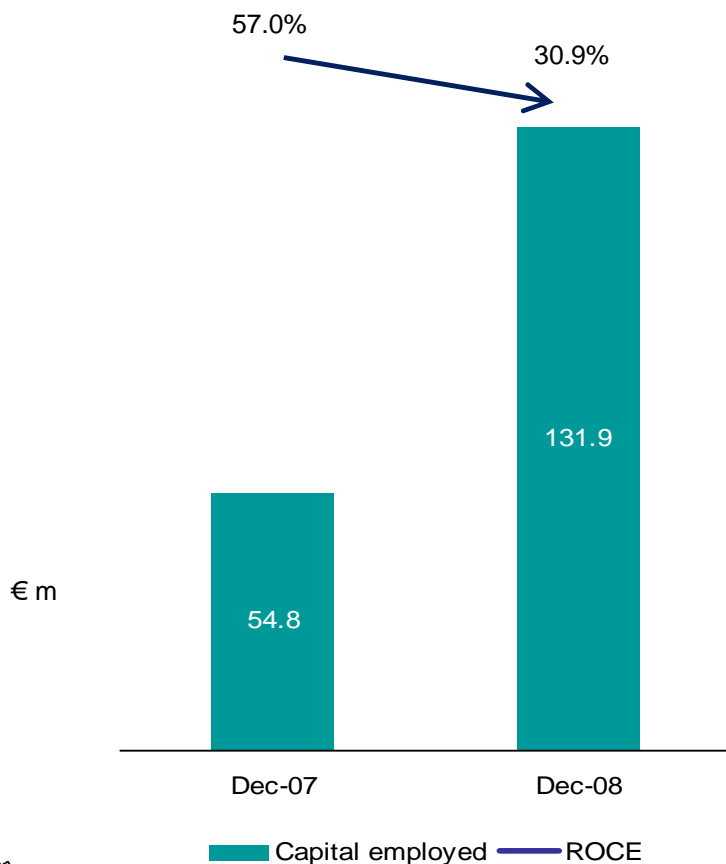
■ OEM Europe LPG boosting growth

■ Growth in all Areas but SW Asia



# Roce and working capital level

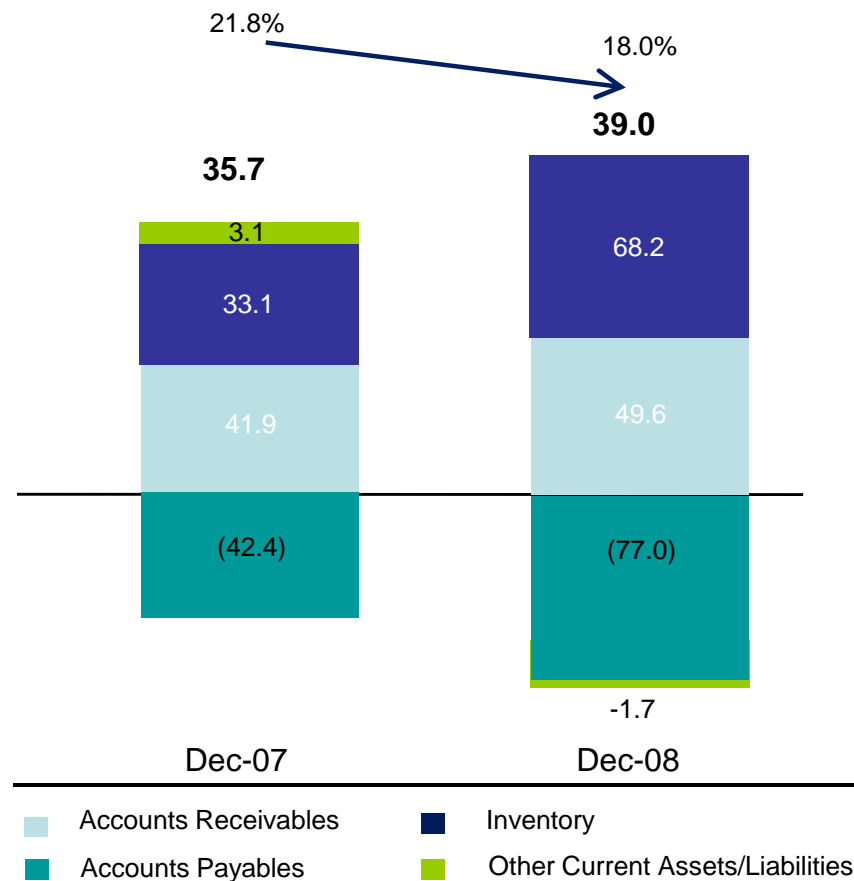
## Return on Capital Employed (ROCE)\*



Roce decreases as Lovato has been totally consolidated as assets but partially as margin

Note: ROCE = Ebit/Capital employed

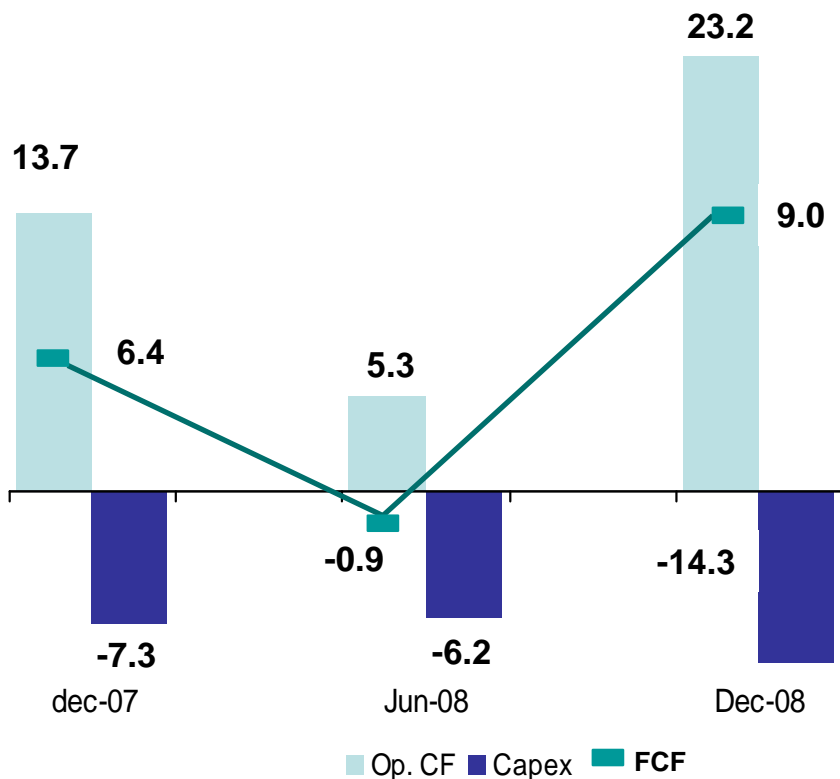
## Net Working Capital



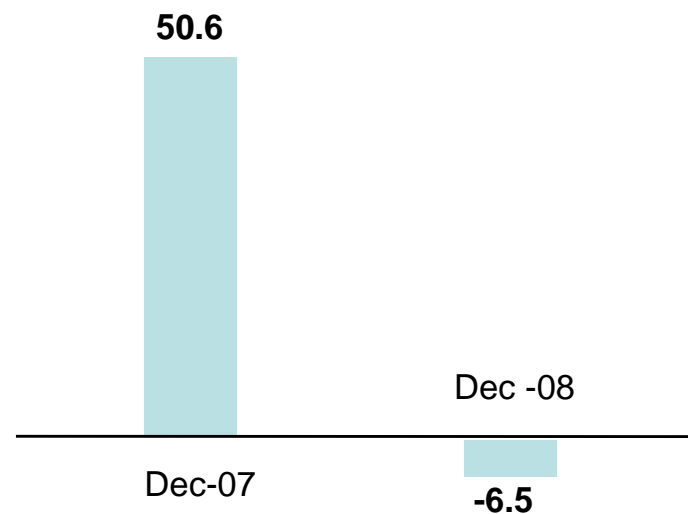
Improved Net Working Capital as a percentage on sales

# Cash generation and Net Financial Position

Cash Flow (€m)

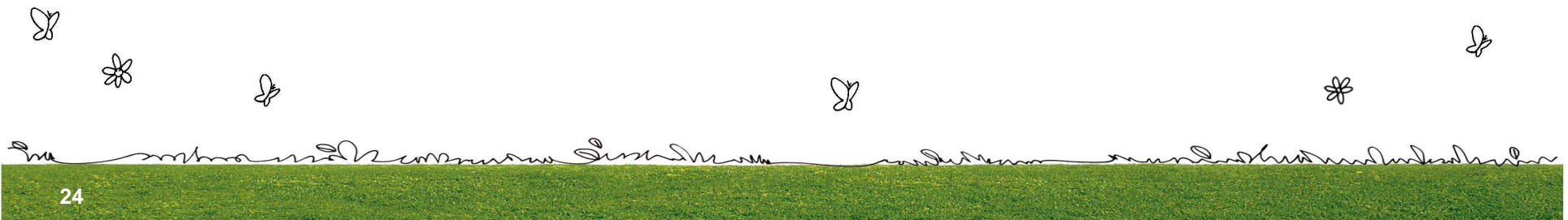


Net Financial Position (€m)



**Net debt is due to the cash-out for Lovato Acquisition**

## *Company Profile*





# Company Profile

## Board of Directors

Giovannina Domenichini - President  
 Stefano Landi - CEO  
 Carlo Alberto Pedroni – Executive Director  
 Paolo Gabbi - Director  
 Alessandro Ovi - Indip. Director  
 Tomaso Tommasi di Vignano – Indip. Director

## Top Managers

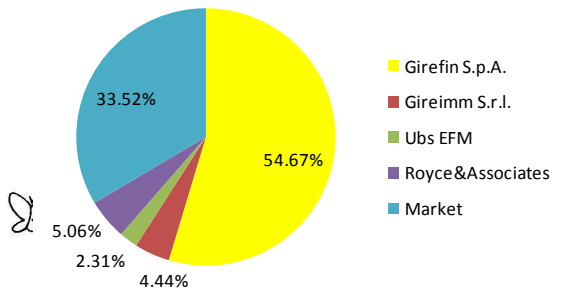


## Investor Relations

### Investor Relations Contacts:

**Pierpaolo Marziali**  
 Tel: +39 0522 9433  
 E-mail: [investorrelationslandi.it@landi.it](mailto:investorrelationslandi.it@landi.it)  
[www.landi.it](http://www.landi.it)

## Shareholding



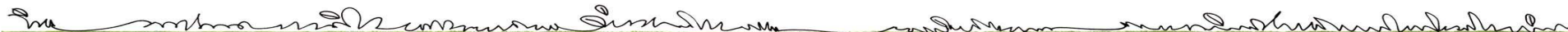
## Share Informations

**N. of shares outstanding: 112.500.000**  
**Price as of 16/03/09: € 2.32**  
**Capitalization: € 260.6m**  
**Italian Stock Exchange-segmento STAR**  
**Specialist: Mediobanca S.p.A.**

## Stock Chart



## *Annexes*



# Healthy Balance Sheet

ASSETS (thousands of Euros)	31 December 2008	31 December 2007
<b>Non-current assets</b>		
Property, plant and equipment	25,106	14,926
Development expenditure	3,661	1,844
Goodwill	51,961	2,988
Other intangible assets with finite useful lives	18,063	1,290
Other non-current financial assets	73	80
Deferred tax assets	4,059	1,841
<b>Total non-current assets</b>	<b>102,923</b>	<b>22,970</b>
<b>Current assets</b>		
Trade receivables	48,977	41,856
Trade receivables - related parties	586	0
Inventories	68,163	33,091
Other receivables and current assets	7,425	8,870
Other receivables and current assets - related parties	0	88
Current financial assets	156	205
Cash and cash equivalents	30,272	58,055
<b>Total current assets</b>	<b>155,579</b>	<b>142,164</b>
<b>TOTAL ASSETS</b>	<b>258,502</b>	<b>165,134</b>

# Healthy Balance Sheet

<b>EQUITY AND LIABILITIES (thousands of Euros)</b>	<b>31 December 2008</b>	<b>31 December 2007</b>
<b>Equity attributable to the shareholders of the parent</b>		
Share capital	11,250	11,250
Other reserves	87,154	74,356
Profit for the period/year	26,706	19,661
<b>Total equity attributable to the shareholders of the parent</b>	<b>125,110</b>	<b>105,266</b>
<b>Minority interests</b>	<b>290</b>	<b>134</b>
<b>TOTAL EQUITY</b>	<b>125,400</b>	<b>105,401</b>
<b>Non-current liabilities</b>		
Bank loans	27,679	1,971
Other non-current financial liabilities	465	632
Provisions for risks and charges	495	246
Defined benefit plans	2,579	1,948
Deferred tax liabilities	6,975	1,675
<b>Total non-current liabilities</b>	<b>38,193</b>	<b>6,473</b>
<b>Current liabilities</b>		
Bank overdraft and short-term loans	8,465	4,687
Other current financial liabilities	167	163
Trade payables	66,641	39,655
Trade payables - related parties	10,350	2,780
Tax liabilities	3,581	2,467
Other current liabilities	5,705	3,198
Other current liabilities - related parties	0	312
<b>Total current liabilities</b>	<b>94,909</b>	<b>53,261</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>258,502</b>	<b>165,134</b>

# Profit & Loss



INCOME STATEMENT (thousands of Euros)	31 December 2008	31 December 2007
<b>Revenues (goods and services)</b>	214,100	163,886
Revenues (goods and services) - related parties	2,098	0
Other revenue and income	652	1,046
Cost of raw materials, consumables and goods and change in inventories	-76,967	-66,011
Cost of raw materials - related parties	-18,907	-12,292
Cost for services and use of third party assets	-51,520	-35,956
Cost for services and use of third party assets - related parties	-853	-531
Personnel expenses	-20,279	-14,329
Accruals, impairment losses and other operating expenses	-1,564	-737
<b>Gross Operating Profit</b>	<b>46,760</b>	<b>35,076</b>
Amortisation, depreciation and impairment losses	-6,032	-3,866
<b>Operating Profit</b>	<b>40,728</b>	<b>31,210</b>
Financial income	1,907	1,406
Financial expenses	-1,425	-998
Exchange rate gains (losses)	-1,541	-111
<b>Profit Before Tax</b>	<b>39,669</b>	<b>31,508</b>
Income tax expense	-12,867	-12,010
<b>Profit for the period/year, of which attributable to:</b>	<b>26,802</b>	<b>19,497</b>
Minority interests	96	-163
Shareholders of the parent	26,706	19,662
Basic earnings per share (in Euros) - calculated on 112.500.000 ordinary shares	0.2374	0.1748
Diluted earnings per share (in Euros)	0.2374	0.1748



# Government Regulation and Legislative Overview

## Key Regulatory and Legislative Mechanisms Driving Gas Vehicle Demand

- Lower taxation of gas vs. petrol and diesel
- Emission targets and caps (Kyoto Protocol and regional targets)
- Forced conversions, e.g. for fleets

## Summary of Key Regions and Countries



**European Union**

- Tightening emissions standards for all vehicles
- Proposed CO2 emissions target at 130 g/km starting from 2012 and getting at 95 g/km within 2020



**Italy**

- Government offers cash incentive of €1,500 for new vehicles and €500 (CNG) €350 (LPG) for aftermarket conversions
- Further regional incentives exist for LPG and CNG



**India**

- Mandatory conversion of all public vehicles in Delhi and Bombay already in force



**Pakistan**

- Mandatory conversion of local public transport and all taxis to CNG by 2008



**Iran**

- Government obliges OEMs to turn 60% of production into CNG ( starting from 2008/2009)
- Rationed petrol use



**Venezuela**

- Government wants to convert 1 mln cars within 2012



**Australia**

- Government offers grants of AUS\$ 2,000 for conversion and AUS\$1,000 for OE purchase



**Russia**

- Working in conjunction with Gazprom to develop program to use CNG in public transport
- CNG price is regulated by the government and can not be higher than 50% of petrol

# LPG and CNG are Broadly Available Today



## Service Stations Networks and Circulating LPG Vehicles (Top 10 by Number of Vehicles)

Country	Network	LPG vehicles
Poland	6,700	2,050,000
Turkey	4,500	1,500,000
Italy	2,378	1,100,000
Netherlands	2,000	225,000
Czech Rep.	400	170,000
Lithuania	830	170,000
France	1,830	160,000
UK	1,500	125,000
Belgium & Luxembourg	626	71,000
Germany	4,211	250,000

Source: Assogasliquidi

EGM Srl-EuroGeoGrafiche Mencattini  
BOVAG, UKLPG, Company sources

## Service Stations Networks and Circulating CNG Vehicles (Top 10 by Number of Vehicles)

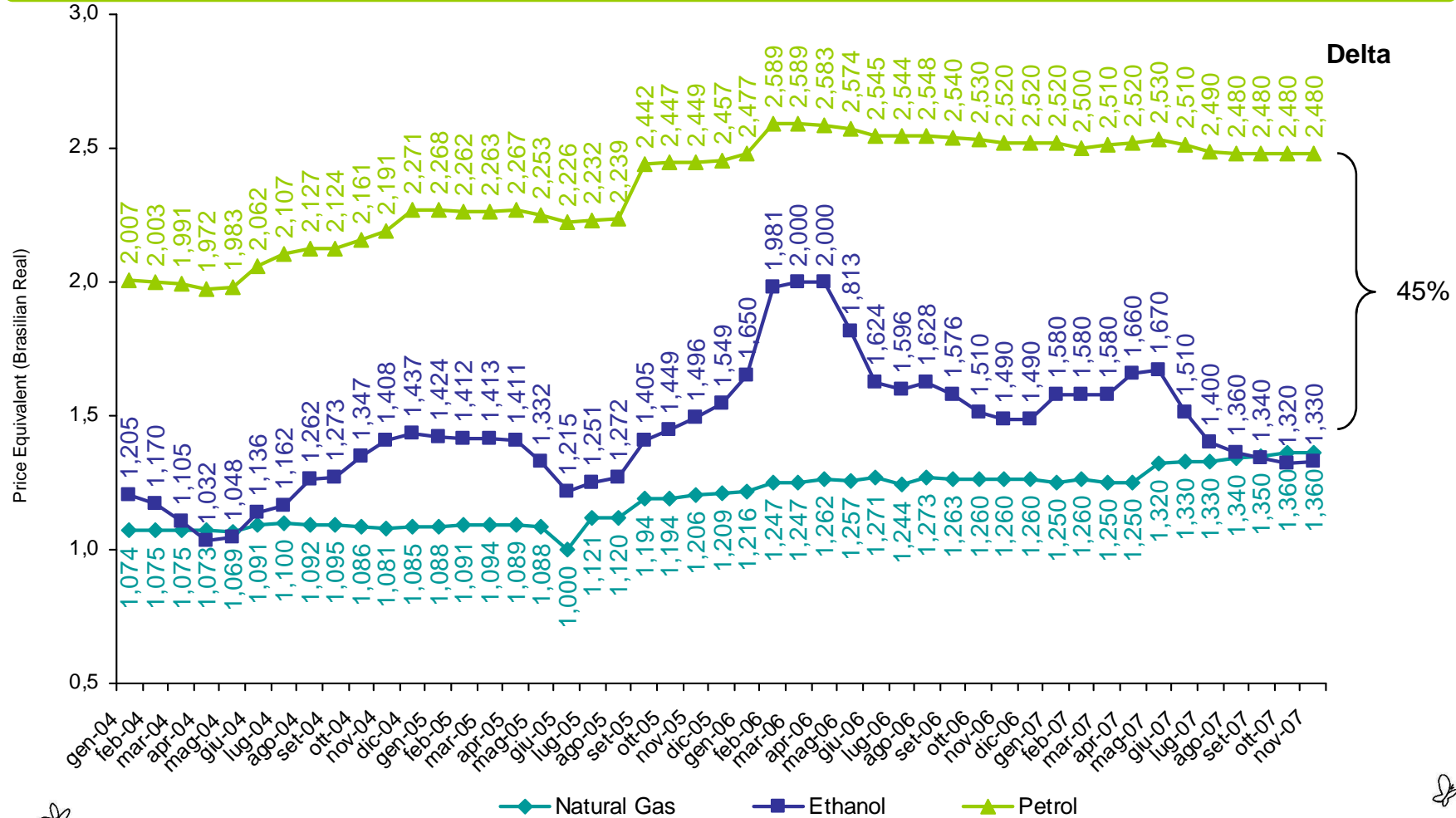
Country	Network	CNG vehicles
Argentina	1,782	1,714,901
Pakistan	1,923	1,650,000
Brazil	1,635	1,555,807
Italy	609	432,900
China	561	336,062
Iran	519	826,585
Colombia	377	257,510
Ukraine	224	120,000
India	402	523,074
Egypt	114	101,346

Source: NGV Communications Group , ANGVA, Company sources

# CNG Prices Proven to be Cheaper and less Volatile than Petrol and Ethanol: the Brazilian Case



Cost Per Unit in Brazilian Real



There are a greater number of variables that affect the price of ethanol compared to natural gas, which leads to higher underlying price volatility. Climatic fluctuations and supply / demand dynamics for crops are at the root of this volatility.



# Disclaimer



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