

Landi Renzo: 2012 closes with a profit of 2.9€ million, an EBITDA of 28.3€ million and a net debt improvement of 28.2€ million.

- Revenues of 275.2 million Euro (an increase of 8.5% compared to 253.5 million Euro at 31 December 2011)
- EBITDA of 28.3 million Euro (an increase of 45.3% compared to 19.5 million Euro at 31 December 2011)
- EBIT profit of 9.8 million Euro (compared to loss of 3.3 million Euro at 31 December 2011)
- Consolidated net profit of 2.9 million Euro (compared to net loss of 9.1 million Euro at 31 December 2011)
- Net debt of 61.9 million Euro (compared to 90.1 million Euro at 31 December 2011)

Cavriago (Reggio Emilia), 14.03.13

The Board of Directors of Landi Renzo SpA met today under the chairmanship of Stefano Landi to approve the Company's annual draft financial statements for the year ending 31.12.12.

Overall, 2012 saw high demand for LPG and CNG systems for motor vehicles, through both the purchase of new cars and the retrofitting of existing ones, despite a very challenging macroeconomic environment and, above all, automotive market.

Moreover, the rise of LPG and CNG fuel systems occurred in a global context which, unlike in the past, did not benefit from particular government subsidies.

"2012 was a year of very significant results for the Group - says CEO Claudio Carnevale. "The ability and willingness to innovate and improve our products allowed us to gain market share in important areas, as well as to provide LPG and CNG systems for new car models. All this, together with the rationalisation of the manufacturing process, caused a recover of profitability in a challenging and changing market environment.

Furthermore, over the past year - continues Carnevale - we have integrated our product portfolio with the new business of building CNG fueling stations through the SAFE operation."

Consolidated results at 31.12.12

Revenues from sales and services of the Group amounted to 275.2 million Euro, up 8.5% over the previous year. Consolidated revenues for 2012 consisted, for a total of 7.5 million Euro, of sales of the new company SAFE S.p.A.; net of this contribution, the increase in sales revenue was 5.6%.

EBITDA was 28.3 million Euro, up 45.3% compared to 19.5 million in 2011. This increase is due to: growing sales volumes; manufacturing optimisation aimed at reducing the cost of materials through supplies rationalising; improved product industrialisation and, finally, the reduction and rationalisation of overheads already put in place during the previous year.

EBIT was positive to the tune of 9.8 million Euro, compared to a negative 3.3 million Euro in the previous year.

The consolidated pre-tax profit for 2012 was 5.6 million Euro, compared to a pre-tax loss of 8.2 million Euro in 2011.

Revenue analysis

Revenues from sales of LPG systems stood at 171.5 million Euro, while those related to sales of CNG systems amounted to 82.2 million Euro. Revenues from sales of products of the Other sectors (Alarm Systems, Sound, Aquatronics and Robotics, Compressors) amounted to 21.6 million Euro.

With regard to the geographical distribution of revenues, in 2012 71.7% of the Group's sales were made abroad (compared to 82.3% in 2011), with 30.9% coming from Europe and 40.8 % outside Europe, confirming the Group's historically strong international presence.

The Italian market is up 74.1% compared to the prior-year period, and sales amounted to approximately 78.0 million Euro; this increase is due to higher demand for cleaner and cheaper fuels (LPG and CNG) and the renewed product range for the car manufacturing market, with Euro V-compliant systems.

Revenues in other European countries grew by 28.5% compared to last year: the Group's sales benefited from the growth in the region's main markets and the positive effect generated by the launch of a completely renewed range of products for the After Market segment.

The market in South West Asia saw sales drop by 70.0% compared to last year, mainly due to geopolitical factors that caused the Iranian and Pakistani markets to slow down sharply.

The American market grew by 16.5% over 2011, while the Rest of the World saw a 25.9% increase due to sustained demand in the Far East Asian markets.

Consolidated financial results at 31 December 2012

The Net financial position at 31 December 2012 was negative at 61.9 million Euro, compared to a negative 90.1 million Euro at 31 December 2011. The significant 28.2 million Euro fall in debt is attributable to higher profits as well as very favourable changes in Net Working Capital.

Equity amounted to 139.1 million Euro, compared to 137.0 million Euro at 31 December 2011.

Outlook 2013

As for the outlook, despite the continuation of the difficulties linked to the macroeconomic situation and the key market, the Group expects that turnover in 2013 will be more than 280 million Euro. It also expects that the EBITDA will be over 10% of revenues.

Results of the parent company

In 2012 Landi Renzo S.p.A. recorded revenues of 136.7 million Euro compared to 112.6 million Euro in 2011, up by 21.4%.

The 24.1 million Euro increase is mainly attributable to growing LPG sales, primarily in Italy and Europe, achieving significant volumes in the OEM segment, as well as the consolidation of the After Market.

EBITDA was positive to the tune of 8.9 million Euro, compared to the 3.3 million Euro loss in 2011.

EBIT amounted to 470 thousand Euro at 31 December 2012, and was influenced by amortisation and depreciation recognised in the year totalling 8.4 million Euro, of which 5.5 million Euro in amortisation of the tangible assets. Net profit for the year was 5.5 million Euro, compared to the 8.5 million Euro loss for 2011.

The net financial position at the end of 2012 was negative to the tune of 59.7 million Euro, of which 33.9 million Euro in medium-to-long term debt, compared to 87.3 million Euro in net debt at 31 December 2011.

Report on Corporate Governance and Ownership and Remuneration Policy

The Board of Directors examined and approved the Report on corporate governance and ownership structure as well as the Report on Remuneration for 2012.

Shareholders' meeting

The Board of Directors resolved to convene the ordinary and extraordinary Shareholders' Meeting on 24 April 2013 on first call and 26 April 2013 on second call, at 9:00 am, at the Company's registered office in Cavriago (Reggio Emilia), Località Corte Tegge, Via Nobel 2/4.

The ordinary Shareholders' Meeting will be asked to resolve upon the approval of the financial statements at 31 December 2012 and the declaration of the financial results, the first part of the Annual Report on Remuneration, the appointment of the new members of the corporate bodies, and the renewal of the authorization to purchase and dispose of treasury shares. The buyback programme will last 18 months from the resolution date.

The extraordinary Shareholders' Meeting will be asked to resolve upon the proposed amendments to Articles 10, 12, 14 and 22 of the company by-laws, mainly concerning the procedure for calling the Shareholders' Meeting.

During 2012, the Parent Company did not trade any treasury shares or shares of parent companies, and it currently does not hold 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, par. 2 of Legislative Decree no. 58 of 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.

Press release

14 March 2013



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Landi Renzo S.p.A. - Consolidated Financial statements

ASSETS (thousands of Euros)	31/12/2012	31/12/2011
Non-current assets		
Property, plant and equipment	32,972	35,096
Development expenditure	8,365	10,346
Goodwill	55,582	55,582
Other intangible assets with finite useful lives	27,169	29,506
Other non-current financial assets	203	170
Deferred tax assets	13,810	13,274
Total non-current assets	138,101	143,974
Current assets		
Trade receivables	69,010	77,429
Trade receivables - related parties	229	361
Inventories	65,928	67,408
Other receivables and current assets	14,213	27,452
Current financial assets	116	176
Cash and cash equivalents	38,629	20,059
Total current assets	188,125	192,885
TOTAL ASSETS	326,226	336,859

EQUITY AND LIABILITIES (thousands of Euros)	31/12/2012	31/12/2011
Group shareholders' equity		
Share capital	11,250	11,250
Other reserves	124,322	134,154
Profit (loss) for the period	2,863	-9,138
Total equity attributable to the shareholders of the parent	138,435	136,266
Minority interests	623	738
TOTAL EQUITY	139,058	137,004
Non-current liabilities		
Non-current bank loans	38,465	40,119
Other non-current financial liabilities	25	49
Provisions for risks and charges	5,077	4,860
Defined benefit plans	3,466	2,835
Deferred tax liabilities	10,583	12,351
Total non-current liabilities	57,616	60,214
Current liabilities		
Bank overdrafts and short-term loans	62,017	69,878
Other current financial liabilities	24	125
Trade payables	55,722	55,903
Trade payables - related parties	58	61
Tax liabilities	2,445	6,458
Other current liabilities	9,286	7,216
Total current liabilities	129,552	139,641
TOTAL LIABILITIES AND EQUITY	326,226	336,859

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (thousands of Euros)	31/12/2012	31/12/2011
Revenues (goods and services)	274,695	252,312
Revenues (goods and services)- related parties	507	1,217
Other revenue and income	1,525	1,646
Cost of raw materials, consumables and goods and change in inventories	-129,839	-124,018
Costs for services and use of third party assets	-71,406	-66,693
Costs for services and use of third party assets – related parties	-1,552	-1,528
Personnel expenses	-41,928	-39,896
Accruals, impairment losses and other operating expenses	-3,701	-3,563
Gross Operating Profit	28,301	19,477
Amortization, depreciation and impairment losses	-18,492	-22,737
<i>of which: non recurring losses</i>	0	-4,316
Net Operating Profit	9,809	-3,260
Financial income	693	482
Financial expenses	-4,105	-3,610
Exchange rate gains and losses	-825	-1,825
Profit (Loss) before tax	5,572	-8,213
Taxes	-2,974	-926
Net profit (loss) for the Group and minority interests, including:	2,598	-9,139
Minority interests	-265	-1
Net Profit (Loss) of the Group	2,863	-9,138

CONSOLIDATED CASH FLOW STATEMENT (amount in thousands of euro)	31/12/2012	31/12/2011
Cash flow from operating activities		
Profit (Loss) for the year	2,598	-9,139
<i>Adjustments for:</i>		
Depreciation	9,896	10,181
Amortization of intangible assets	8,570	8,240
(Reversal of) impairment losses on property, plant and equipment	25	4,316
impairment loss on trade receivables	1,021	533
Net finance costs	4,237	4,737
Gain on sale of property, plant and equipment	-89	-33
Gain on curtailment	-54	7
Tax expense	2,973	926
	29,177	19,768
<i>Changes in:</i>		
inventories	1,480	-428
trade and other receivables	20,795	-3,377
trade and other paybles	-2,253	-5,398
provisions and employee benefits - excluding gain on curtailment	902	450
Cash generated from operating activities	50,101	11,015
Interest paid	-2,613	-4,737
income taxes paid	-7,898	-5,833
Net cash flow from (for) operating activities	39,590	445
Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	2,686	569
Acquisition of property, plant and equipment	-9,862	-10,495
Acquisition of intangible assets	-845	-1,307
Acquisition of other investments	0	52
Development expenditure	-3,273	-3,089
Net cash used in investing activities	-11,294	-14,270
Cash flow from financing activities		
Net repayments and financings	-9,515	14,392
payment of finance lease liabilities		-447
Dividends paid		-6,188
Net cash from (used in) financing activities	-9,515	7,757
Net increase (decrease) in cash and cash equivalents	18,781	-6,068
Cash and cash equivalents at 1 January	20,059	26,297
Effect of exchange rate fluctuations on cash held	-211	-170
Cash and cash equivalents at 31 December	38,629	20,059

Landi Renzo S.p.A. - Parent Company Financial statements

ASSETS (in Euros)	31/12/2012	31/12/2011
Non-current assets		
Property, plant and equipment	17,326,221	19,773,270
Development expenditure	5,643,221	4,990,547
Goodwill and other intangible assets with finite useful lives	3,469,276	4,079,283
Investments in subsidiaries	121,656,312	118,263,787
Other non-current financial assets	890,977	722,382
Other non-current assets	93,693	69,867
Deferred tax assets	7,171,461	6,871,832
Total non-current assets	156,251,161	154,770,968
Current assets		
Trade receivables	24,854,908	32,304,547
Trade receivables to subsidiaries	18,587,958	24,243,496
Inventories	28,662,302	28,566,101
Other receivables and current assets	3,791,162	12,798,635
Current financial assets	7,769,001	3,997,053
Cash and cash equivalents	19,108,428	2,122,670
Total current assets	102,773,759	104,032,502
TOTAL ASSETS	259,024,920	258,803,470

EQUITY AND LIABILITIES (in Euros)	31/12/2012	31/12/2011
Equity		
Share capital	11,250,000	11,250,000
Other reserves	109,495,495	118,025,250
Profit (loss) for the period	5,531,905	-8,529,753
TOTAL EQUITY	126,277,400	120,745,497
Non-current liabilities		
Non-current bank loans	34,799,095	38,087,264
Other non-current financial liabilities	24,812	48,883
Provisions for risks and charges	2,403,444	3,038,309
Defined benefit plans	1,618,990	1,679,707
Deferred tax liabilities	974,659	1,200,527
Total non-current liabilities	39,821,000	44,054,690
Current liabilities		
Bank overdrafts and short-term loans	52,558,891	55,788,687
Other current financial liabilities	24,072	124,545
Trade payables	28,284,168	27,279,875
Trade payables - related parties	0	4,981
Liabilities to subsidiaries	7,275,782	5,978,508
Tax liabilities	815,424	811,580
Other current liabilities	3,968,183	4,015,107
Total current liabilities	92,926,520	94,003,283
TOTAL LIABILITIES AND EQUITY	259,024,920	258,803,470

LANDI RENZO S.p.A. STATEMENT OF COMPREHENSIVE INCOME (in Euros)	31/12/2012	31/12/2011
Revenues (goods and services)	136,703,141	112,591,892
Other revenue and income	580,944	799,123
Cost of raw materials, consumables and goods and change in inventories	-70,471,878	-58,871,929
Costs for services and use of third party assets	-39,156,606	-37,572,954
Personnel expenses	-17,890,200	-19,082,324
Accruals, impairment losses and other operating expenses	-913,837	-1,209,711
Gross Operating Profit	8,851,564	-3,345,903
Amortization, depreciation and impairment losses	-8,381,251	-9,086,137
Operating Profit	470,313	-12,432,040
Financial income	217,684	218,432
Income from investments	8,535,186	7,600,299
Financial expenses	-3,100,727	-2,829,527
Expenses from investments	-479,260	-4,551,000
Exchange rate gains and losses	-185,088	-233,216
Profit (Loss) before tax	5,458,108	-12,227,052
Taxes	73,797	3,697,299
Profit (loss) for the period	5,531,905	-8,529,753

CASH FLOW STATEMENT (amount in thousands of euros)	2012	2011
Cash flow from operating activities		
Profit (Loss) for the year	5,532	-8,529
<i>Adjustments for:</i>		
Depreciation	5,504	6,230
Amortization of intangible assets	2,877	2,814
(Reversal of) impairment losses on property, plant and equipment		43
Impairment losses on intangible assets	479	4,551
impairment loss on trade receivables	197	291
Net finance costs	3,068	2,844
Gain from investments	-8,535	-7,600
Gain on sale of property, plant and equipment	-61	-15
Gain on curtailment	-61	-186
Tax expense	74	-3,698
	9,074	-3,255
<i>Changes in:</i>		
inventories	-96	3,611
trade and other receivables	20,363	5,955
trade and other payables	2,128	-4,401
provisions and employee benefits - excluding gain on curtailment	-696	-1,307
Cash generated from operating activities	30,773	603
Interest paid	-2,351	-2,499
Net cash flow from (for) operating activities	28,422	-1,896
Cash flow from investing activities		
Dividends received	8,211	7,600
Proceeds from sale of property, plant and equipment	2,022	514
Acquisition of subsidiary, net of cash acquired	-2,500	
Acquisition of property, plant and equipment	-5,331	-3,342
Acquisition of intangible assets	-310	-719
Development expenditure	-3,065	-2,513
Net cash used in investing activities	-973	1,540
Cash flow from financing activities		
Repayment of borrowings	-6,519	9,380
Net granted and repaid loans to subsidiaries	-3,945	-3,943
Dividends paid		-6,188
Net cash from (used in) financing activities	-10,464	-751
Net increase (decrease) in cash and cash equivalents	16,985	-1,107
Cash and cash equivalents at 1 January	2,123	3,230
Cash and cash equivalents at 31 December	19,108	2,123