

LUGANO SMALL & MID CAP INVESTOR DAY



III Edizione
Hotel Splendide Royal
28 settembre 2012



Company highlights



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



- **World leader** in Compressed Natural Gas (CNG) and Liquefied Petroleum Gas (LPG) with worldwide **market share > 30%**
- Full year **2011 consolidated revenues €253.5 m**
- Landi's **products** are **distributed worldwide** in more than **50 countries**
- Landi has **14 subsidiaries in 12 countries**
- Landi markets its systems through **two main channels**
 - **Aftermarket (installers and distributors)**
 - **Car manufacturers**

Landi's business model focuses on R&D and distribution with substantial outsourcing of production

Complete System and Installations



Components

CNG Reducers



Electronic Control Unit



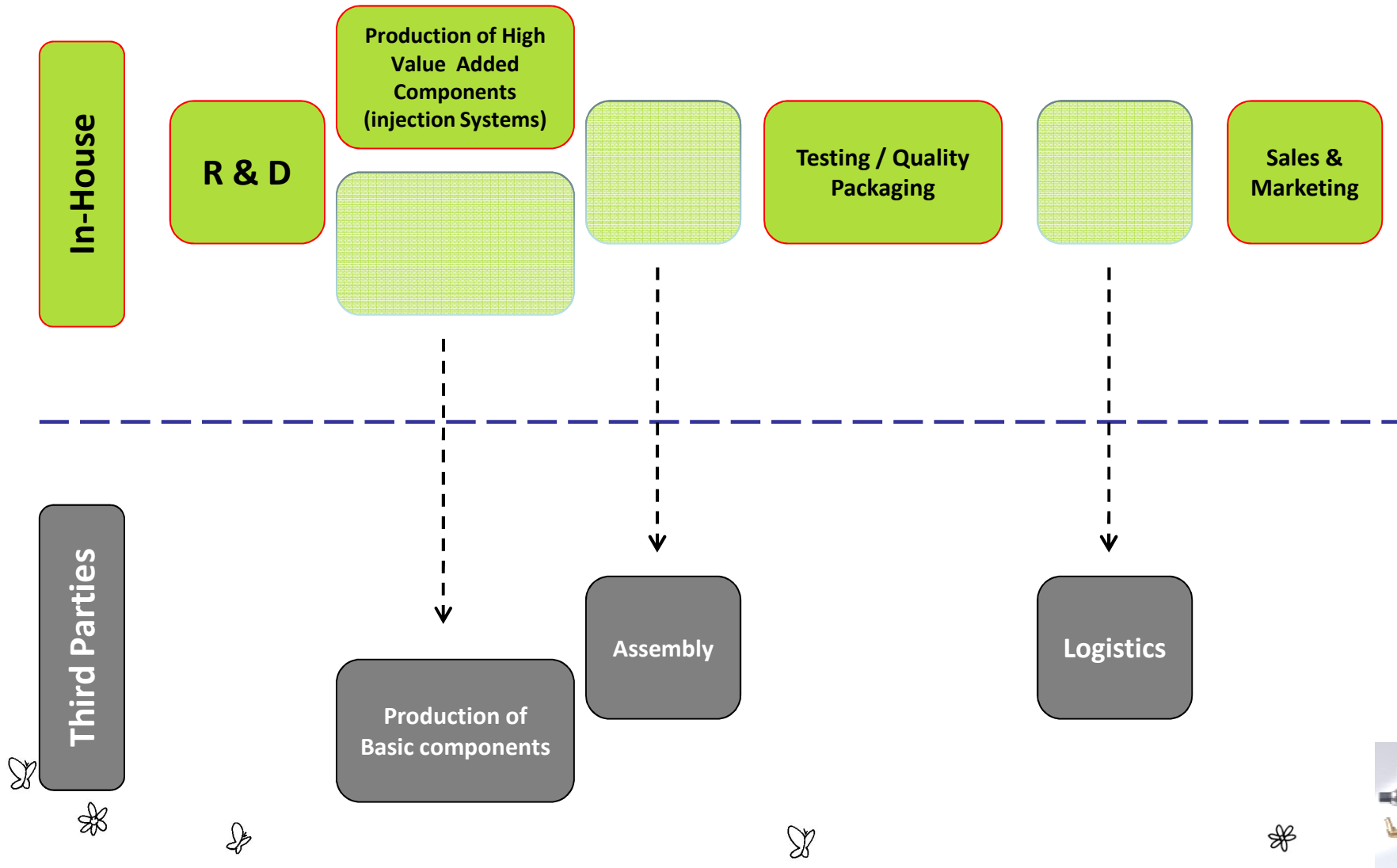
LPG Reducers



LPG / CNG Injectors



Production Process - Landi Business Model



Landi's subsidiaries

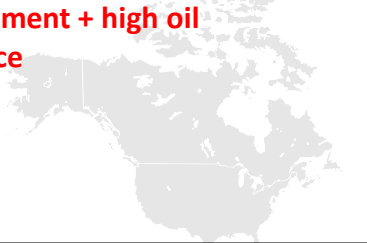


The sector



Drivers of sector growth

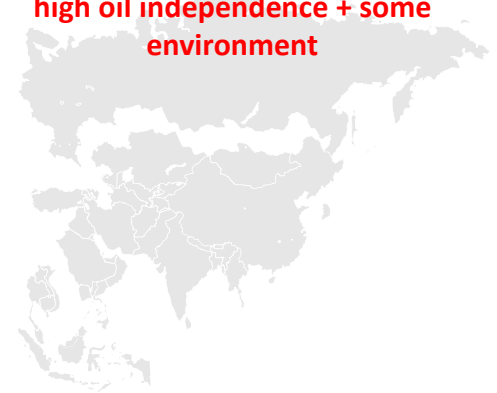
high environment + high oil independence



high environment



high oil independence + some environment



high oil independence:

- Venezuela
- Brasil
- Colombia, Perù
- Argentina



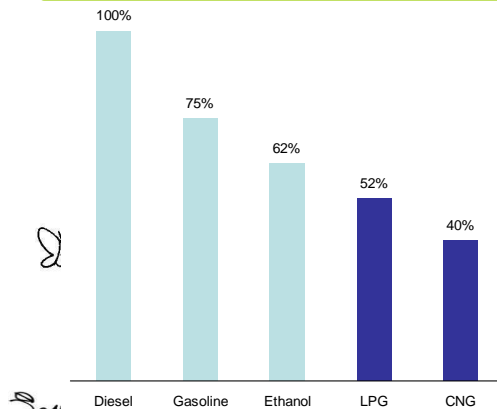
Oil independence



high environment



Greenhouse Gas and Particulate Emissions Reduction



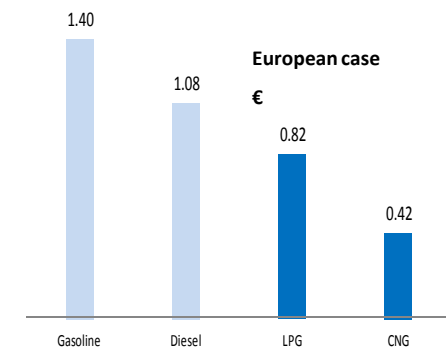
+ or

Indepence from Oil



=

Customer cost to run 10 Km



New opportunities rise in new countries – some cases



"Gazprom is going to do its utmost for the future of NGV vehicles."

Miller – Gazprom CEO, 3-06-2011

Reserves
for 70
years

"Uzbekistan to convert 29% of total vehicle population in the country by 2015."

NGV Journal 18-01-2011

Reserves
for 26
years

Reserves
for 25
years

"Brazil: rise of conversions in Rio de Janeiro"

NGV News 12-04-2011

Kazakhstan: "KazTransGas and BG to convert motor vehicles to CNG. The program, which aims to reduce pollution in the city, will run to 2018"

NGV global news 27-05-2011

Reserves
for 60
years

"Bolivia switched 3,000 vehicles to compressed natural gas in April"

NGV Journal 4-11-2011

Reserves
for 50
years

Venezuela to Carry Out "Natural Gas Revolution"

Reserves
for 155
years



Market positioning



Fuel Systems Solutions

> 27%



> 30%

Others < 43%



Source: Company estimates 2010

New Products&Sectors



New products

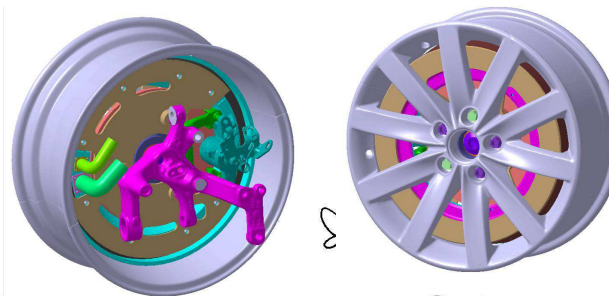
Dual Fuel

- **Dual fuel Diesel/CNG combustion**
- Pollution reduction: Particulate Matter (PM)
- Economically viable for high mileage
- CO2 saving
- Saving of petrol-based fuel
- Noise reduction



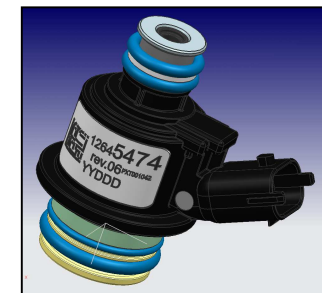
Hybrid

- **Retrofit Hybrid System**
- Parallel Hybrid structure Through the Road, very suitable for retrofit application
 - Front axle: Internal Combustion Engine
 - Rear axle: Electrical Motors in Wheels
- Hybrid Supervisor manages the Internal Combustion Engine
- **Proprietary solution for integration of electrical motor in a standard vehicle wheel**



Hydrogen

- **H2 Injector for Fuel Cell application**
 - By regulating the hydrogen amount in the stack it is possible to regulate the electrical power, following the demand of the user.
- LR has been awarded for **development of an injector for high pressure Hydrogen** in fuel cell for an important car manufacturer
- Know-how on future technologies and materials



SAFE products and applications



UPSTREAM

- Gas gathering
- Gas reinjection
- CO2 and N2 reinjection



MIDSTREAM

- Stocking Gas
- Gas transportation (pipeline)



DISTRIBUTION

- CNG refueling
- Gas distribution and measurement
- Transportation and gas stock



FUEL GAS

- Turbine gas generation

Applications

Product lines

- High speed mechanic compressor
- Gas treating systems

- High speed mechanic compressors
- Turbo expander

- Dispenser
- Methane, hydrogen, blend compressors
- Dryers
- Underneath injections

- Fuel gas compressors

Financial Results



1H12 Profit&Loss Highlights – back to profit

	Profit&Loss					
<i>Eur m</i>	1H12		1H11		Delta	
Revenues	139.2	100.0%	127.7	100.0%	11.4	8.9%
EBITDA	15.9	11.4%	10.9	8.5%	5.0	45.9%
EBIT	6.7	4.8%	1.8	1.4%	4.9	274.8%
Net Profit	2.6	1.9%	2.4	-1.9%	5.0	n.m.

First half results are characterized by

- **Growth in revenues**
 - both in **OEM** and **After Market** channels
 - in almost all **main countries** offsetting the important decrease in Iran and Pakistan
- **Good recovery in margins**



Revenues Breakdown

Revenues Breakdown by Region

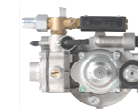
Eur m		1H12		1H11		Delta	
Region	Italy	43.0	30.9%	21.8	17.1%	21.1	96.7%
	Europe (ex Italy)	44.9	32.3%	33.1	25.9%	11.8	35.8%
	SWAsia	12.4	8.9%	35.2	27.5%	- 22.8	-64.8%
	America	17.2	12.3%	18.2	14.3%	- 1.1	-5.8%
	RoW	21.7	15.6%	19.4	15.2%	2.3	11.8%
	Total	139.2	100.0%	127.7	100.0%	11.4	8.9%

Revenues Breakdown by Segment

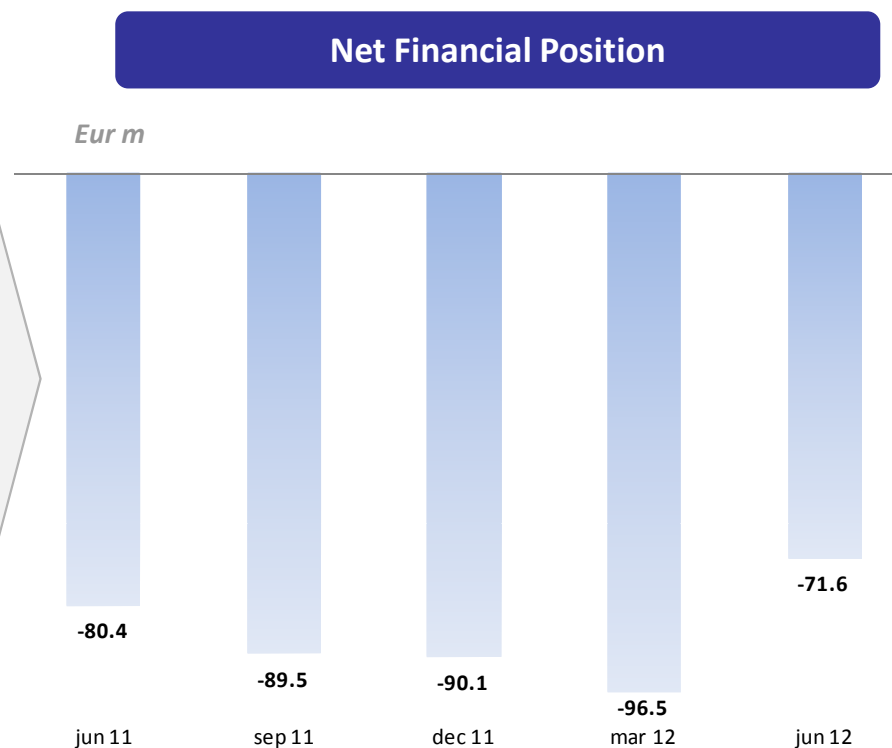
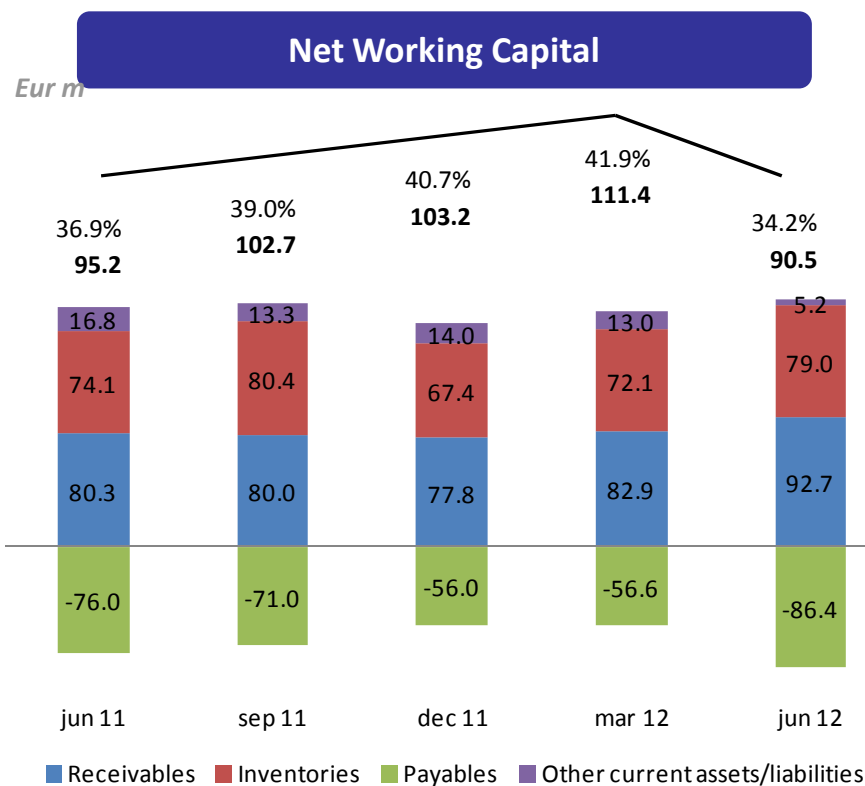
Eur m		1H12		1H11		Delta	
Segment	lpg	92.5	66.4%	59.7	46.7%	32.8	54.9%
	cng	39.6	28.5%	61.4	48.1%	- 21.8	-35.5%
	Other	7.1	5.1%	6.6	5.2%	0.4	6.6%
	Total	139.2	100.0%	127.7	100.0%	11.4	8.9%

- **LPG** increased a lot as a consequence of Italy and Europe recovery
- **CNG** drop is a consequence of 1H12 decrease of Pakistan and Iran markets even if the 2Q12 is quite similar to the 1Q12 level as a consequence of a good trend of other cng markets

- **Italy** is growing thanks to new Euro5 lpg car models available and thanks to **Aftermarket** sales
- **Europe** is growing thanks even to the introduction of new products for the After Market channel
- **South West Asia** decreased as a consequence of Iranian embargo and Pakistan penalizing laws. Nonetheless 2Q12 is almost at the same level of 1Q12 for this area



Working capital and debt level



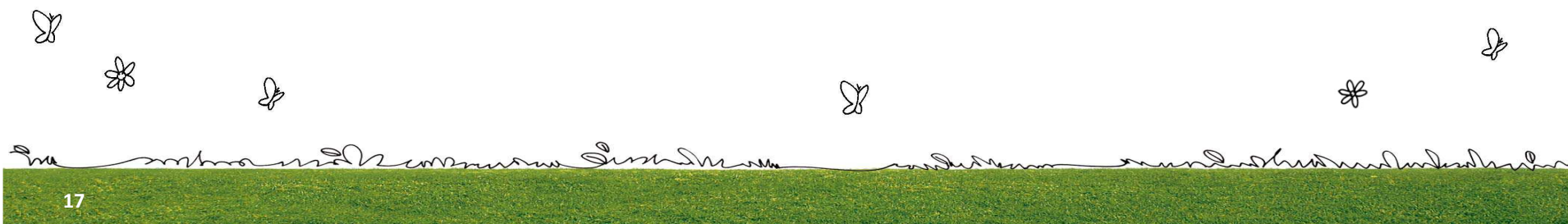
NWC goes back 21€ mln, **below 35%** (on revenues) vs **41.9%** of last quarter, thanks to a better management above all of payables

The decrease in **Net Financial Position** amounts to the important level of about 25€ mln, compared to March 2012, thanks to:

- improved margins
- decrease in NWC



Annexes



Landi Renzo Company Profile



Board of Directors

Stefano Landi –President
 Giovannina Domenichini – Honorary President
 Claudio Carnevale - Executive Director
 Carlo Alberto Pedroni – Executive Director
 Carlo Coluccio - Director
 Alessandro Ovi - Indip. Director
 Tomaso Tommasi di Vignano – Indip. Director

Top Managers



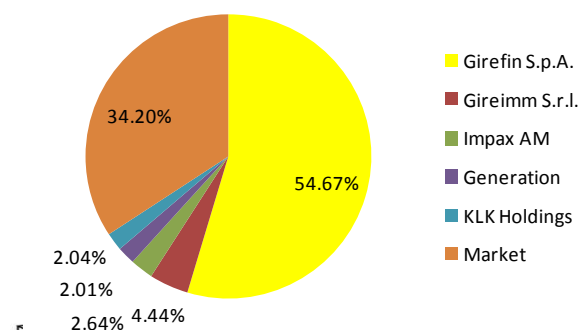
*Interim

Investor Relations

Investor Relations Contacts:

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 Tel: +39 0522 9433
 E-mail: ir@landi.it
www.landi.it

Shareholding



Share Information

N. of shares outstanding: 112.500.000

Price as of 25/09/12: 1.52€

Capitalization: € 174.5 mln

FTSE Italia STAR



Stock vs Market since Ipo



Healthy Balance Sheet

ASSETS (thousands of Euros)	31/03/2012	31/12/2011	31/03/2011
Non-current assets			
Property, plant and equipment	32,994	35,096	37,613
Development expenditure	9,579	10,346	11,528
Goodwill	55,582	55,582	59,566
Other intangible assets with finite useful lives	28,825	29,506	30,681
Other non-current financial assets	171	170	281
Deferred tax assets	13,723	13,274	11,366
Total non-current assets	140,874	143,974	151,035
Current assets			
Trade receivables	82,559	77,429	65,653
Trade receivables - related parties	296	361	902
Inventories	72,052	67,408	71,212
Other receivables and current assets	27,466	27,452	25,120
Current financial assets	176	176	149
Cash and cash equivalents	23,568	20,059	22,757
Total current assets	206,117	192,885	185,793
TOTAL ASSETS	346,991	336,859	336,828

Healthy Balance Sheet

EQUITY AND LIABILITIES (thousands of Euros)	31/03/2012	31/12/2011	31/03/2011
Group shareholders' equity			
Share capital	11,250	11,250	11,250
Other reserves	124,886	134,154	139,486
Profit (loss) for the period	-792	-9,138	-5,911
Total equity attributable to the shareholders of the parent	135,344	136,266	144,825
Minority interests	628	738	643
TOTAL EQUITY	135,972	137,004	145,468
Non-current liabilities			
Non-current bank loans	38,052	40,119	64,016
Other non-current financial liabilities	49	49	72
Provisions for risks and charges	5,066	4,860	4,987
Defined benefit plans	2,877	2,835	3,139
Deferred tax liabilities	11,780	12,351	14,009
Total non-current liabilities	57,824	60,214	86,223
Current liabilities			
Bank overdrafts and short-term loans	81,891	69,878	36,920
Other current financial liabilities	125	125	508
Trade payables	56,267	55,903	55,097
Trade payables - related parties	300	61	154
Tax liabilities	6,784	6,458	4,495
Other current liabilities	7,828	7,216	7,963
Total current liabilities	153,195	139,641	105,137
TOTAL LIABILITIES AND EQUITY	346,991	336,859	336,828

Profit&Loss

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (thousands of Euros)	31/03/2012	31/03/2011
Revenues (goods and services)	59,596	46,545
Revenues (goods and services) - related parties	2	623
Other revenue and income	843	211
Cost of raw materials, consumables and goods and change in inventories	-25,638	-22,920
Costs for services and use of third party assets	-17,943	-14,486
Costs for services and use of third party assets – related parties	-390	-389
Personnel expenses	-10,251	-10,147
Accruals, impairment losses and other operating expenses	-601	-548
Gross Operating Profit	5,618	-1,111
Amortization, depreciation and impairment losses	-4,543	-4,772
Net Operating Profit	1,075	-5,883
Financial income	133	91
Financial expenses	-1,060	-744
Exchange rate gains and losses	-840	-737
Profit (Loss) before tax	-692	-7,273
Taxes	-130	1,284
Net profit (loss) for the Group and minority interests, including:	-822	-5,989
Minority interests	-30	-78
Net Profit (Loss) of the Group	-792	-5,911
Basic earnings (loss) per share (calculated on 112,500,000 shares)	-0.0070	-0.0525
Diluted earnings (loss) per share	-0.0070	-0.0525

Disclaimer

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