

LANDI RENZO and AVL sign a preliminary agreement for the sales of a business branch related to powertrain development, calibration, validation and testing

Cavriago (Reggio Emilia), April 20, 2017

Landi Renzo and AVL signed today a preliminary agreement for the sale of a business branch related to part of the R&D center (including labs, equipment and other materials) to AVL Group, a worldwide leader in powertrain development.

The closing will take place within July 31, 2017 and is subject to the fulfilment of certain activities necessary for the transfer on the basis of the market practices.

Chairman Stefano Landi points out with satisfaction: *"It is an important agreement as it allows us to start a partnership with a leader of the automotive sector. I want to highlight that the Group continues to invest being focused on the R&D activities that are functional for the development of Landi Renzo core business and can continue to use the portion of the R&D center managed by AVL."*

Cristiano Musi GM and Group CEO Elect states: *"this agreement is very strategic and gives us the opportunity to start a partnership with the world's leading player of the sector through a close cooperation on LPG, CNG, LNG and Hydrogen powertrain solutions. It is also important to highlight" - continues Musi - "this deal is part of the reorganization of the Landi Renzo Group that we have commenced in order to reduce fixed costs and to focus the activities of the Group itself on the core business."*

Prof. List Chairman and CEO of AVL said: *"The deal with Landi Renzo opens up interesting possibilities of cooperation in CNG, LNG and other areas. The investment in the Italian motor valley is supported by a strong cooperation with Emilia Romagna Universities."*

With the new tech center, AVL Italy, 220 employees, develops its business around two locations, Turin and Reggio Emilia, focused mainly on Hybrid/Electric powertrains, Control and SW development, ADAS, Calibration powertrain vehicle integration, instrumentation and testing systems for R&D, End of line Testing systems.

AVL List world wide 8,600 employees, present in 48 Countries, is strong engaged in the development of the future automotive technologies in the area of advanced ICE and particularly Hybrid/Electric as well as fuel cells based powertrains. The new Italy tech center will serve the Italian customers as well support foreign projects.

Landi Renzo is a world leader in LPG, CNG, LNG fuel systems and components for motor vehicles with 781 persons. The Company, based in Cavriago (Reggio Emilia) with 60 years' experience in the field, stands out for its international scope, operating in more than 50 countries, with international sales accounting for around 80% of total sales and with 17 subsidiaries in 12 Countries.

This press release is a translation. The Italian version will prevail

For further information:

LANDI RENZO
Pierpaolo Marziali
M&A and Investor Relations Officer
ir@landi.it