



Q1 2017 HIGHLIGHTS

REVENUES, ADJUSTED EBITDA AND ADJUSTED EBIT KEEP GROWING. NET FINANCIAL POSITION FURTHER IMPROVES.

Key Q1 Highlights:

- Revenues: Euro 59,9 Million (+32% compared to 2016 Q1)
- Adjusted EBITDA: Euro 5,4 Million (+5%)
- Adjusted EBIT: Euro 2,8 Million (+54%)
- Net Financial Position: Euro -11,5 Million (- 38%)

Colleferro (Rome), 11 May 2017 – The Board of Directors of Avio S.p.A. has today examined and approved Avio Q1 results as at 31 March 2017.

In the first quarter of 2017, revenues amounted at Euro 59,9 Million, +32% compared to 2016 Q1. Revenues growth was driven by the higher volumes of Vega production activities and by the significant increase in the Ariane 6 development activities (specifically for the new P120c engine that will be a common core propulsion technology of both Ariane 6 and Vega C launchers).

The Adjusted EBITDA improved by 5% compared to 2016 Q1, at Euro 5,4 Million, benefiting from the lower fixed costs impact on higher volumes of activity. The Adjusted EBIT amounted at Euro 2,8 Million, with a 54% improvement on the previous period, mainly driven by the completion in 2016 of certain R&D items.

The Net Financial Position improved to Euro -11,5 Million (-38% compared to 2016 Q1).

“In the first quarter of 2017, a double digit growth trend was confirmed, in line with what already achieved by the Group in 2016 – says Giulio Ranzo, Avio Chief Executive Officer.

We further consolidated our leadership in the space launcher sector with a significant growth of Vega and Ariane activities that continue to strengthen the reliability, flexibility and accuracy granted to our customers.

We are already working, together with other European industrial partners and ESA, on the development of new technologies and increasingly performing and competitive launchers such as Vega C and Ariane 6 (that will fly starting from respectively 2019 and 2020) that will represent the new frontier in terms of competitiveness and will consolidate the industrial activities in the next years – Mr. Ranzo added”.

Finally, the Board of Directors has also:

- 1) Approved Avio S.p.A. Corporate Governance report, updated as of today;

- 2) Informed about the fulfillment of the condition enabling the Sponsor Warrant holders the right to exercise. As of today, Avio informs that no exercise request has been received;
- 3) Agreed to announce the Shareholders' Meeting to be held on June 15, in compliance with the obligations and the applicable laws;
- 4) Approved the following changes to the Financial Calendar:
 - **15 June:** Shareholders' Meeting for the approval of the 2016 Financial Statements;
 - **13 September:** Board of Directors for the approval of the 2017 half year Financial Statements;
 - **9 November:** Board of Directors for the approval of the period additional information as at 30 September 2017;

The document summarizing the key 2017 Q1 highlights will be made available on the website www.avio.com at the page dedicated to the investor relations.

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Avio is an international group, leader in the design and production of space launchers and liquid and solid propulsion systems for space transport. The experience and know-how acquired over more than 50 years enable Avio to stand out in the field of space launchers, liquid, solid and cryogenic space propulsion systems and tactical propulsion. It has 5 sites in Italy, France and French Guiana, and employs around 760 highly-qualified people, about 30% of whom work in research and development.

Avio is a prime contractor for the Vega programme and a sub-contractor for the Ariane programme, both financed by the European Space Agency (ESA), making Italy one of the very few countries in the world able to produce a complete space launch vehicle.

For information

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AVIO Q1 ECONOMIC AND FINANCIAL HIGHLIGHTS

Q1 2016 ACTUAL	CAPTIONS	Q1 2017 ACTUAL	Delta	Delta
€ - M		€ - M	€ - M	%
45,3	NET REVENUES	59,9	14,6	32%
5,1 11,3%	EBITDA ADJUSTED <i>% on net revenues</i>	5,4 9,0%	0,3	5%
1,8 4,0%	EBIT ADJUSTED <i>% on net revenues</i>	2,8 4,7%	1,0	54%
31 DEC 2016 ACTUAL		31 MAR 2017 ACTUAL	Delta	Delta
€ - M		€ - M	€ - M	%
(18,6)	NET FINANCIAL POSITION	(11,5)	7,1	38%

«PRO-FORMA» AVIO GROUP + SPACE2 Q1 ECONOMIC AND FINANCIAL HIGHLIGHTS

CAPTIONS	AVIO GROUP	SPACE2 S.p.A. ("PRO-FORMA")	AVIO GROUP + S2 "PRO-FORMA"
	Q1 2017 ACTUAL	Q1 2017 ACTUAL	Q1 2017 ACTUAL
	€ - M	€ - M	€ - M
NET REVENUES	59.9	-	59.9
ADJUSTED EBITDA	5.4	-	5.4
<i>% on net revenues</i>	<i>9.0%</i>	<i>n.a.</i>	<i>9.0%</i>
ADJUSTED EBIT	2.8	-	2.8
<i>% on net revenues</i>	<i>4.7%</i>	<i>n.a.</i>	<i>4.7%</i>
	31 MAR 2017 ACTUAL	31 MAR 2017 ACTUAL	31 MAR 2017 ACTUAL
	€ - M	€ - M	€ - M
NET FINANCIAL POSITION	(11.5)	66.7	55.2