



9M 2017 RESULTS¹

GROWTH OF REVENUES AND MARGINS CONTINUES

- Revenues²: Euro 228.4 million (+20% on the first nine months of 2016).
- Adjusted EBITDA³: Euro 23.5 million (+9%)
- Adjusted EBIT³: Euro 15.7 million (+27%)
- Net Financial Position: cash position of Euro 34.3 million (Euro 48.3 million at December 31, 2016⁴).

Milan, November 9, 2017 – The Board of Directors of Avio S.p.A. today reviewed and approved the 9M 2017 Group consolidated results.

Avio, a leading aerospace enterprise listed on the STAR segment of the Italian Stock Exchange, reports revenues of Euro 228.4 million for the first nine months of 2017 - up 20% on the same period of the previous year. The increase is primarily due to production on the Vega launcher and progress on the development of the new P120C motor, for the next generation launchers Ariane 6 and Vega C.

Adjusted EBITDA reached Euro 23.5 million (up 9% on 9M 2016), while Adjusted EBIT grew to Euro 15.7 million (up 26% on 9M 2016), also as a result of the completion of amortisation on a number of Vega programme research and development items.

The Net Cash Position at September 30 was Euro 34.3 million (compared to Euro 48.3 million at December 31, 2016⁴) due to the expected absorption of cash on the progress of the various programmes. Subsequent to period-end, Avio received cash inflows of approx. Euro 15 million.

In addition, on October 5, the early and voluntary repayment of the previous bank loan (“Senior Term and Revolving Facilities”) was completed and therefore fully settled. On October 6, a fixed rate Euro 40 million loan was finalised with the European Investment Bank (EIB). Avio S.p.A. will develop with this loan new space propulsion systems products and technologies through Research and Development, while also significantly reducing the company’s financial charges.

¹ In consideration of the merger with Space2 S.p.A. which led to the company’s stock market listing, for comparability of the results for the first nine months of 2017 with the first nine months of 2016, the pro-forma figures are reported. The figures related to the first nine months of 2016 include Space2 S.p.A.’s results in order to make them comparable with the first nine months of 2017.

² Net of “pass-through” revenues.

³ The Adjusted indicators exclude non-recurring or unusual items.

⁴ Includes contribution from merger with Space2 S.p.A. on April 10, 2017.

In line with that announced with the half-year results, we highlight the acquisition (as expected) of additional production and development orders, principally for the Vega launcher for a total of over Euro 300 million.

In terms of production and flight activity, Avio delivered two further major results: the fifth successful Ariane 5 launch, bringing the number of issue-free successful flights in a row to 81, in addition to the eleventh successful Vega launch (since the inaugural 2012 flight), adding to Avio's world record for successful space launches.

"Our double-digit growth continued in the third quarter of 2017, building on the Group's 2017 half-year results - stated Giulio Ranzo, Chief Executive Officer of Avio. The first nine months of 2017 saw intense flight activity with five Ariane launches and two Vega launches (the third Vega flight of the year took place on November 7).

We then pursued the development of the new Ariane 6 and Vega C launchers - concluded Ranzo - completing the first 2 P120C booster cases and the integration of the new Zefiro 40 motor. In parallel, works on the new Colleferro (RM) facility have nearly concluded. Finally, again underscoring the commercial viability of the Vega C project, in September Arianespace signed a contract for the launch of the COSMO-SkyMed constellation second generation satellites, following on from the agreement in June for two additional Airbus Defense & Space flights from 2020".

The 9M key financial highlights will be available in the Investor Relations section of www.avio.com to assist the call with financial analysts and investors scheduled for Friday, November 10 at 11 AM.

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Avio is a leading international group engaged in the construction and development of space launchers and solid and liquid propulsion systems for space travel. The experience and know-how built up over more than 50 years puts Avio at the cutting-edge of the space launcher sector, solid, liquid and cryogenic propulsion and tactical propulsion. Avio operates in Italy, France and France Guyana with 5 facilities, employing approx. 850 highly-qualified personnel, of which approx. 30% involved 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"), placing Italy among the limited number of countries capable of producing a complete spacecraft.

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AVIO 9 MONTHS 2017 HIGHLIGHTS

9M 2016 "PRO-FORMA" ACTUAL	HIGHLIGHTS	9M 2017 "PRO-FORMA" ACTUAL	DELTA	DELTA
€ - M		€ - M	€ - M	%
190.5	NET REVENUES	228.4	37.8	20%
21.5	EBITDA ADJUSTED	23.5	2.0	9%
11.3%	% on net revenues	10.3%		
12.4	EBIT ADJUSTED	15.7	3.3	27%
6.5%	% on net revenues	6.9%		
DEC 2016 "PRO-FORMA" ACTUAL		30 SEP 2017 ACTUAL	Delta	Delta
€ - M		€ - M	€ - M	%
48.3	NET FINANCIAL POSITION	34.3	(14.0)	-29%