

Leonardo-Finmeccanica grows in the Space Sector increasing its stake in Avio

- **The transaction, in line with the strategic objectives of the Industrial Plan, is aimed at developing and strengthening the core business of Leonardo-Finmeccanica in the Space Sector**
- **Avio is leader in Space transportation technology, with system integration capabilities in propulsion for space launchers and complete launchers (Vega)**
- **Leonardo-Finmeccanica will increase its stake in Avio from ca. 14% to ca. 28%**
- **The closing of the transaction is expected in the first quarter of 2017**

Rome, 20 October 2016 – Leonardo-Finmeccanica announces the approval by the Board of Directors of transaction aimed to increase its stake in Avio from the current ca. 14% to ca. 28%.

The current majority shareholder, Cinven, will exit Avio shareholding.

This transaction will be implemented through a combination between Space2 – a special purpose acquisition company, currently listed on Italian Stock Exchange MIV/SIV segment – and Avio, to be executed through the merger of Avio into Space2 (the "Business Combination") and the subsequent listing of Avio. Avio will receive additional cash for ca. €66mIn to support its development plans.

Mauro Moretti, Leonardo-Finmeccanica Chief Executive Officer and General Manager, stated "This transaction is another step forward in the execution of the Industrial Plan, aimed at developing and strengthening the core Aerospace, Defense and Security business. Through the development of the Avio business and increasing the relative stake, Leonardo-Finmeccanica will strengthen its positioning in the space business, consolidating its role in the launchers segment, also for small satellites."

Avio is a company with advanced technologies, highly qualified competences, system integration capabilities in propulsion for space launchers and missiles, as well as in complete launchers (Vega, the new generation launcher).

This will also allow the development of possible industrial collaborations with the Space Alliance, made up of Telespazio and Thales Alenia Space JVs.

The total price to be paid by Leonardo-Finmeccanica is about € 43 mln. The completion of the Business Combination and the subsequent listing of Avio are expected by the first quarter of 2017 and are subject to standard conditions for this kind of transactions.

Advisors

For the transaction, Leonardo-Finmeccanica was assisted by BNP Paribas and Mediobanca as financial advisors and by Gianni, Orioni, Grippo, Cappelli & Partners as legal advisor.

Note

Following the process of the reorganisation of the **Leonardo-Finmeccanica** Group's companies, it should be noted that from January 1st 2016: the "Helicopters" division has absorbed the activities of AgustaWestland; the "Aircraft" division has absorbed part of the activities of Alenia Aermacchi; the "Aero-structures" division has absorbed part of the activities of Alenia Aermacchi; the "Airborne & Space Systems" division has absorbed part of the activities of Selex ES; the "Land & Naval Defence Electronics" division has absorbed part of the activities of Selex ES; the "Security & Information Systems" division has absorbed part of the activities of Selex ES; the "Defence Systems" division has absorbed the activities of OTO Melara and WASS.