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1948 • 2018

Results at 30 September 2018

PRESS RELEASE

# Leonardo: Nine months New Order intake up 20%, in constant currency, thanks to NH90 Qatar contract
# FY 2018 Guidance, revised upwards in July, confirmed
# Fully focused on executing the Industrial Plan

**First nine months results in line with expectations**

- New order intake at € 9.4 billion (+20% in constant currency), thanks to NH90 Qatar contract
- Revenues at € 8.2 billion, +4%, in constant currency
- EBITA at € 632 million and Profitability (RoS) at 7.7%
- Group Net Debt at € 3.5 billion
- FOCF amounted to negative € 800 million (€ -972 million in first nine months 2017)

**2018 Guidance, as revised upwards in July, confirmed**

**Steps forward executing the Industrial Plan**

- Significant commercial achievements: NH90 Helicopter contract booked and MH-139 Helicopter selected by U.S. Air Force
- Group long-term sustainable growth supported by solid order portfolio balanced across all businesses, long-term programs and additional «soft backlog»
- *Helicopter* performance in line with expectations, with 113 deliveries at 30 September 2018, higher vs 99 deliveries at September 2017
- *Leonardo DRS* growth benefitting from U.S. market
- Focus on cost control
- Early retirement agreement signed, allowing a generational and competence mix change
- Leonardo joined the UN Global Compact and confirmed in the Dow Jones Sustainability Indices

**New Chairman of the Board of Statutory Auditors**

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**Rome, 8 November 2018** – The Board of Directors of Leonardo, convened today under the chairmanship of Gianni De Gennaro, has examined and unanimously approved the results at 30 September 2018 and the results of third quarter 2018.

Alessandro Profumo, CEO of Leonardo, commented: "*The first nine months 2018 results are in line with our expectations. We've delivered important commercial achievements in Qatar, U.S. and China. This positive commercial momentum, plus the performance of our core Group businesses, recovery in Helicopters, Leonardo DRS increase and strict cost control, all make us confident of Leonardo's long-term sustainable growth in line with all targets of the Industrial Plan".*

In more detail, the first 9 months 2018 results show:

- **New Orders:** amounting to **EUR 9,390 million**, showed an increase of 18.2% compared with the first nine months of 2017 (EUR 7,945 million) mainly thanks to the acquisition of the new NH90 order in Qatar worth EUR 3 billion.
- **Orders backlog:** amounted to **EUR 34,501 million,** an increase of 1.4% compared with the first nine months of 2017.
- **Revenues:** amounted to **EUR 8,240 million,** an increase of 2.4% over the same period of 2017 – and a higher increase in constant currency (+4%) -, chiefly attributable to the *Helicopters* sector and, to a lesser extent, to *Electronics*, *Defence & Security Systems*.
- **EBITA:** amounted to **EUR 632 million** (with a ROS of 7.7%), compared to the first nine months of 2017 (EUR 694 million – ROS of 8.6%). This decrease was mainly attributable to a lower contribution from the *GIE-ATR* Consortium (which was impacted by lower deliveries and a negative effect of the USD/€ exchange rate), and also to *Helicopters*; both these segments had seen in the previous year particularly positive quarters in terms of mix of operations.
- **EBIT:** amounted to **EUR 372 million**, showed a reduction, compared to the first nine months of the previous year, partly due to the performance of EBITA, and partly due to costs allocated in relation to the measures under Law 92/2012 (“Fornero Act”, EUR 170 million), partially offset by lower restructuring costs.
- **Net Result before extraordinary transactions:** amounted to **EUR 164 million**, benefitting from lower financial costs compared to the previous year, as a result of the buy-back operations and the redemption of bond issues that were mainly completed during the last quarter of 2017.
- **Net Result:** amounted to **EUR 263 million**, benefitted from the release of a part of the provision set aside against the guarantees given upon the disposal of the equity interest in Ansaldo Energia.
- **Group Net Debt:** amounted to **EUR 3,503 million** showed an improvement compared to 30 September 2017 (EUR 4,004 million), while the figure showed an increase compared to 31 December 2017, which was due to the seasonal trend in cash flows and to the payment of dividends (EUR 81 million).
- **Free Operating Cash Flow (FOCF):** amounted to negative **EUR 800 million,** compared to the first nine months of 2017 (EUR -972 million), benefitted from the net impact of the advances on the NH 90 Qatar contract, which more than compensated for the expected change in financial terms and conditions of the EFA Kuwait contract in the two comparative periods together with the start of production operations.

## Outlook

In consideration of the results achieved in the first nine months of 2018 and of the expectations for the final quarter, we confirm the Guidance for the full year that was made at the time of the preparation of the half-year financial report at 30 June 2018.

| | *Exchange rate assumptions €/USD 1,20 and €/GBP 0,90* |
|---|---|
| | ***Guidance*** |
| New Orders (€bn.) | 14,0 – 14,5 |
| Revenues (€bn) | 11,5 – 12,0 |
| EBITA (€mln) | 1.075 - 1.125 |
| FOCF (€mln) | 300 – 350 |
| Group Net Debt (€bn) | ca. 2,4 |

| Group *(Euro million)* | 9M 2018 | 9M 2017 restated | Chg. | Chg. % | FY 2017 restated |
|---|---|---|---|---|---|
| ***New orders*** | 9,390 | 7,945 | 1,445 | 18.2% | 11,595 |
| ***Order backlog*** | 34,501 | 34,032 | 469 | 1.4% | 33,507 |
| ***Revenues*** | 8,240 | 8,048 | 192 | 2.4% | 11,734 |
| ***EBITDA*** | 933 | 1,107 | (174) | (15.7%) | 1,602 |
| ***EBITA (*)*** | 632 | 694 | (62) | (8.9%) | 1,077 |
| ***ROS*** | 7.7% | 8.6% | (0.9) p.p. | | 9.2% |
| ***EBIT (**)*** | 372 | 562 | (190) | (33.8%) | 844 |
| ***EBIT Margin*** | 4.5% | 7.0% | (2.5) p.p. | | 7.2% |
| ***Net Result before extraordinary transactions*** | 164 | 265 | (101) | (38.1%) | 279 |
| ***Net result*** | 263 | 265 | (2) | (0.8%) | 279 |
| ***Group Net Debt*** | 3,503 | 4,004 | (501) | (12.5%) | 2,579 |
| ***FOCF*** | (800) | (972) | 172 | 17.7% | 537 |
| ***ROI*** | 11.5% | 12.0% | (0.5) p.p. | | 15.4% |
| ***ROE*** | 5.1% | 8.3% | (3.2) p.p. | | 6.5% |
| ***Workforce (no.)*** | 46,413 | 45,737 | 676 | 1.5% | 45,134 |

*(*) EBITA is obtained by eliminating from EBIT the following items: any impairment in goodwill; amortisation and impairment, if any, of the portion of the purchase price allocated to intangible assets as part of business combinations, restructuring costs that are a part of defined and significant plans; other exceptional costs or income, i.e. connected to particularly significant events that are not related to the ordinary performance of the business.*

*(**) EBIT is obtained by adding to earnings before financial income and expense and taxes the Group's share of profit in the results of its strategic Joint Ventures (ATR, MBDA, Thales Alenia Space and Telespazio).*

| **9M 2018** *(Euro million)* | **New orders** | **Order backlog** | **Revenues** | **EBITA** | **ROS** |
|---|---|---|---|---|---|
| Helicopters | 4,685 | 11,831 | 2,656 | 217 | 8.2% |
| Electronics, Defence and Security Systems | 3,569 | 11,507 | 3,855 | 288 | 7.5% |
| Aeronautics | 1,420 | 11,957 | 2,025 | 167 | 8.2% |
| Space | - | - | - | 31 | n.a. |
| Other activities | 75 | 164 | 256 | (71) | (27.7%) |
| Eliminations | *(359)* | *(958)* | *(552)* | - | *n.a.* |
| **Total** | **9,390** | **34,501** | **8,240** | **632** | **7.7%** |

| **9M 2017 restated** *(Euro million)* | **New orders** | **Order backlog at December 31 2017 restated** | **Revenues** | **EBITA** | **ROS** |
|---|---|---|---|---|---|
| Helicopters | 1,710 | 9,896 | 2,413 | 231 | 9.6% |
| Electronics, Defence and Security Systems | 4,400 | 11,780 | 3,679 | 282 | 7.7% |
| Aeronautics | 1,963 | 12,525 | 2,175 | 195 | 9.0% |
| Space | - | - | - | 33 | n.a. |
| Other activities | 197 | 199 | 283 | (47) | (16.6%) |
| Eliminations | *(325)* | *(893)* | *(502)* | - | *n.a.* |
| **Total** | **7,945** | **33,507** | **8,048** | **694** | **8.6%** |

| **Change %** | **New orders** | **Order backlog** | **Revenues** | **EBITA** | **ROS** |
|---|---|---|---|---|---|
| Helicopters | 174% | 19.6% | 10.1% | (6.1%) | (1.4) p.p. |
| Electronics, Defence and Security Systems | (18.8%) | (2.3%) | 4.8% | 2.1% | (0.2) p.p. |
| Aeronautics | (27.7%) | (4.5%) | (6.9%) | (14.4%) | (0.8) p.p. |
| Space | n.a. | n.a. | n.a. | (6.1%) | n.a. |
| Other activities | (61.9%) | (17.6%) | (9.5%) | (51.1%) | (11.1) p.p. |
| Eliminations | *n.a.* | *n.a.* | *n.a.* | *n.a.* | *n.a.* |
| **Total** | **18.2%** | **3.0%** | **2.4%** | **(8.9%)** | **(0.9) p.p.** |

| | **New Orders** | **Revenues** | **EBITA** | **ROS** |
|---|---|---|---|---|
| DRS ($ mil) 9M 2018 | 1,950 | 1,541 | 84 | 5.5% |
| DRS ($ mil) 9M 2017 restated | 1,541 | 1,318 | 85 | 6.4% |
| DRS (€ mil) 9M 2018 | 1,632 | 1,290 | 70 | 5.5% |
| DRS (€ mil) 9M 2017 restated | 1,384 | 1,184 | 77 | 6.4% |

## Analysis of the main figures of the first nine months of 2018

**New orders** showed a significant increase of 18.2% compared to the first nine months of 2017. A key driver of this was the above-mentioned major Qatari NH 90 order in *Helicopters*. The good performance of the Helicopters sector more than offset the reduction in the *Electronics, Defence & Security Systems* and *Aeronautics* segments, which had benefitted in the comparative period, respectively, from orders for naval units for the Qatari Navy and for the support services for the EFA aircraft fleet, in addition to higher B787 orders.

The book-to-bill ratio was more than 1. The order backlog ensures a coverage in terms of equivalent production equal to about three years.

**Revenues** showed an increase compared to the first nine months of 2017 (+2.4%). The increase is even more evident in constant currency terms excluding the negative exchange rate effect arising from the conversion of revenues in USD and, to a lesser extent, in GBP for about € 130 mln. A key driver of revenue growth was *Helicopters*¸ as a result of higher production volumes within certain projects. Another key driver was the higher deliveries by *DRS* which confirms the growth trend recorded in the previous period. **EBITA**, was € 632 mln. (with a ROS of 7.7%), compared to the first nine months of 2017 (€ 694 mln. – ROS of 8.6%). This decrease was mainly attributable to the lower contribution from the *GIE-ATR* Consortium, which was impacted by lower deliveries and the effect of the USD/€ exchange rate, and also to *Helicopters*; both segments, while recording results in line with forecasts, in the previous year had seen a particularly positive second quarter in terms of mix of operations.

The reduction recorded in **EBIT** compared to the first nine months of the previous year was due to the performance of EBITA, as well as to costs allocated in relation to the measures under Law 92/2012 ("Fornero Act", € 170 mln.), partially offset by lower restructuring costs.

**The Net result before extraordinary transactions** (€ 164 mln.) benefitted from lower financial costs compared to the previous year, as a result of the buy-back operations and the redemption of bond issues that were mainly completed during the last quarter of 2017.

**The Net result** (€ 263 mln.), is positively affected by the release of a part of the provision set aside against the guarantees given upon the sale of the equity interest in Ansaldo Energia.

In the first nine months of 2018 the **Free Operating Cash Flow** showed a negative result of € 800 mln., in line with the Group's usual trend marked by significant outflows of cash in the first quarters of each year, even if with an improvement over the previous year figure, thanks to the net effect from the advances on the Qatari order and the different terms and conditions of the EFA Kuwait order in the two comparative periods associated with the beginning of the related production activity during 2018.

**Net invested capital** rose compared with the figure for 31 December 2017 due to the increase in net working capital, in line with the seasonal fluctuation in cash flows.

## Main figures of the third quarter of 2018

- **New Orders**: **EUR 4.786 million**, +66% compared to the third quarter of 2017.
- **Revenues: EUR 2.651 million**, +3.9% compared to the third quarter of 2017.
- **EBITA: EUR 162 million**, compared to the EUR 189 million in the third quarter of 2017.
- **EBIT: EUR 132 million**, compared to the EUR 139 million in the third quarter of 2017.
- **Net result before extraordinary transactions**: **EUR 58 million**, +11.5% compared to the third quarter of 2017.

- **Net result**: **EUR 157 million**, compared to EUR 52 million in the third quarter of 2017.
- **Free Operating Cash Flow (FOCF):** positive **EUR 9 million** compared to the negative 441 million in the third quarter of 2017.

## SECTOR PERFORMANCE

### Helicopters

The first nine months of 2018 confirm the positive signs of recovery in the division's business. Highlights in this period include a very high level of new orders thanks to the acquisition of the NH90 contract to Qatar, an increase in deliveries and in revenues compared to the previous year, with a profitability of 8.2%, in line with the targets for 2018.

### Electronics, Defence & Security Systems

The first nine months of 2018 confirm the positive trend recorded in the first part of the year, with revenues and profitability higher than the same period of 2017, even after an adverse USD/€ exchange rate effect.

The revenues increase compared to the first nine months of 2017 – despite the unfavourable USD/€ exchange rate – was mainly due to higher production volumes at *DRS* and in the A*irborne and Space Systems* division.

EBITA showed an increase compared to the first nine months of 2017 despite the abovementioned exchange rate effect. Higher revenues and cost containment actions more than offset the expected lower contribution from programmes with higher profitability, the greater contribution from the development projects with lower margins, in addition to the tendering costs for participation in the tender for the US trainer at *DRS.*

### Aeronautics

In the first nine months of 2018, new orders were acquired for an amount of € 1.4 billion evenly distributed between the *Aerostructures* division and the *Aircraft* division; major commercial negotiations continued within the latter division, both on domestic and export markets.

Furthermore, from a production point of view, deliveries were made for 105 fuselage sections and 63 stabilisers for the B787 programme (104 fuselage sections and 60 stabilisers delivered in the first nine months of 2017) and 64 ATR fuselages (40 delivered in the first nine months of 2017). As regards the special versions of the ATR 72 aircraft, work commenced for the supply of the first Maritime Patrol Aircraft to the Italian Financial Police and 20 wings were delivered for the F-35 aircraft.

### Space

The first nine months of 2018 recorded production volumes substantially in line with those recorded during the previous year. The slight decrease in revenues from satellite services was offset by an increase in the manufacturing segment.

### Industrial transactions

On 7 September 2018, the Board of Directors of Leonardo resolved to exercise pre-emption its rights on the acquisition of 98.54% in Vitrociset, in which Leonardo currently holds a stake of 1.46%. This transaction aims to strengthen Leonardo in the core business of services, especially Logistics, Simulation & Training and Space Operations, including in the Space Surveillance and Tracking segment. Additionally, this initiative enables the consolidation of the Italian allied businesses to the Aerospace, Defense and Security, increasing their competitive edge and significant market prospects.

It should be noted that in April 2018, in implementation of a memorandum of intent signed with national trade unions relating to early retirements in accordance with Article 4 of Italian Employment Law 92/2012 (also known as the "Fornero Act") - an agreement was signed involving up to 1,100 employees who will be eligible for retirement in the four years following the scheduled 2018-2019 two-year period, while defining the specific eligibility requirements. A similar arrangement was subsequently signed with the trade unions of executives, up to 65 executives.

The costs to be incurred for these measures have been preliminarily estimated at € 170 mln.: this estimate will be confirmed at the time of the preparation of the consolidated financial statements at 31 December 2018, on the basis of the final results.

## Financial transactions

During the first nine months of 2018 and, more specifically, in February Leonardo entered into a new Revolving Credit Facility (RCF) with a pool of 26 Italian and foreign banks. The new RCF provides, if used, for the payment of 75 bps on the Euribor for the period (zero floor), lower by 25 bps than the 100 bp margin of the previous facility completed in July 2015, with consequent lower financial costs. The amount of the Revolving Credit Facility was also reduced down to € 1.8 bn, compared to the amount of € 2 bn. of the previous line, in line with the Group’s current cash requirements. The expiry date of the line was extended to February 2023, i.e. the year for which no other maturities of the Group’s medium/long-term debt are currently envisaged.

In February 2018 Leonardo repurchased a nominal amount of GBP 10 mln. on the market, out of the bond issue launched in 2009, due 2019 (coupon of 8%), thus reducing the residual nominal amount down to GBP 278 mln.

On 18 April 2018 Leonardo renewed its EMTN programme for 12 additional months, leaving the maximum available amount of € 4 bn. unchanged.

After the closing of the reporting period, in October, following Moody's downgrade of Italy's rating from Baa2 to Baa3, the same agency reviewed Leonardo's outlook changing it from positive to stable, however leaving the rating unchanged. Moody's stated that this review is not due to Leonardo's stand-alone credit rating but is the consequence of Italy's country downgrade.

With reference to the events occurred after the period-end, it should be noted that the Milan Court of Appeal handed down its final acquittal judgment in relation to Ansaldo Energia which had been previously sentenced for having committed the crime under Article 25 of Legislative Decree 231/01, to the administrative penalties of € 150,000 and to the confiscation of € 98.7 mln. Upon the sale of the equity interest in Ansaldo Energia, Leonardo set aside a risk provision to cover the amount of the guarantees given, equal to the sum liable to confiscation and related monetary penalties. Following the acquittal judgment established pursuant to final ruling, the Company released an amount of € 99 mln. of the risk provision, the impact of which is classified within Discontinued Operations in line with the presentation provided in previous years in connection with the recognition of the effects of the afore-said disposal transaction.

## NEW CHAIRMAN OF THE BOARD OF STATUTORY AUDITORS

We hereby also inform that Mr. Riccardo Raul Bauer resigned, for health reasons, from the position of Regular Auditor and Chairman of the Board of Statutory Auditors of Leonardo starting from the closing of the meeting of today's Board of Directors.

It is recalled that Mr. Bauer, Chairman of the Board of Statutory Auditors of the Company since 2012, was last appointed as effective member and Chairman of the control body (for the period 2018-2020) by the Shareholders' Meeting of May 15, 2018; his name was taken from the list submitted by a group of asset management and institutional investors (holding about 1.731% of the share capital) and voted by the minority of the capital represented at the Meeting.

It is specified that Mr. Bauer has not reported any shareholdings in the Company.

Pursuant to current provisions of law and Articles of Association, assumes the office of Regular Auditor as well as Chairman of the Board of Statutory Auditors – until the next Shareholders' Meeting – Mr. Luca Rossi, Alternate Auditor appointed by the Shareholders' Meeting of May 15, 2018, taken from the same minority list. Mr. Luca Rossi's curriculum vitae is available on the Company's website, www.leonardocompany.com, Corporate Governance/ Board of Statutory Auditors section.

The Board of Directors and the Board of Statutory Auditors verified, as per their competence, that the requirements for the office, including those of independence pursuant to law and to the Corporate Governance Code, are met by Mr. Rossi.

The Board of Directors and the Board of Statutory Auditors has given its sincere thanks to Mr. Bauer for his valuable contribution and for his constant commitment during his term of office.

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The officer in charge of the company's financial reporting, Alessandra Genco, hereby declares, in accordance with the provisions of Article 154-bis, paragraph 2, of the Consolidated Law on Finance, that the accounting information included in this press release corresponds to the accounting records, books and supporting documentation.

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The interim results, approved today by the Board of Directors, are made available to the public at the Company's registered office, at Borsa Italiana S.p.A., on the Company's website (www.leonardocompany.com, section Investors/Financial Reports), as well as on the website of the authorised storage mechanism eMarket Storage (www.emarketstorage.com).

| RECLASSIFIED INCOME STATE | | | | | | |
|---|---|---|---|---|---|---|
| *€mil.* | **9M 2018 *(unaudited)*** | **9M 2017 restated *(unaudited)*** | ***Var. YoY*** | ***3Q 2018 (unaudited)*** | ***3Q 2017 restated (unaudited)*** | ***Var. YoY*** |
| **Revenues** | 8,240 | 8,048 | 192 | 2,651 | 2,552 | 99 |
| Purchases and personnel expense | (7,407) | (7,048) | (359) | (2,404) | (2,258) | (146) |
| Other net operating income/(expense) | 20 | (26) | 46 | (6) | (5) | (1) |
| Equity-accounted strategic JVs | 80 | 133 | (53) | 21 | 38 | (17) |
| Amortisation and depreciation | (301) | (413) | 112 | (100) | (138) | 38 |
| **EBITA** | **632** | **694** | **(62)** | **162** | **189** | **(27)** |
| *ROS* | *7.7%* | *8.6%* | *(0.9) p.p.* | *6.1%* | *7.4%* | *(1.3) p.p.* |
| Goodwill Impairment | - | - | - | - | - | - |
| Non-recurring income/(expenses) | - | (14) | 14 | - | (14) | 14 |
| Restructuring costs | (187) | (46) | (141) | (5) | (14) | 9 |
| Amortisation of intangible assets acquired as part of business combinations | (73) | (72) | (1) | (25) | (22) | (3) |
| **EBIT** | **372** | **562** | **(190)** | **132** | **139** | **(7)** |
| *EBIT Margin* | *4.5%* | *7.0%* | *(2.5) p.p.* | *5.0%* | *5.4%* | *(0.4) p.p.* |
| Net financial income/ (expense) | (177) | (237) | 60 | (59) | (82) | 23 |
| Income taxes | (31) | (60) | 29 | (15) | (5) | (10) |
| **Net result before extraordinary transaction** | **164** | **265** | **(101)** | **58** | **52** | **6** |
| Net result related to discontinued operation and non-ordinary transaction | 99 | - | 99 | 99 | - | 99 |
| **Net result** | **263** | **265** | **(2)** | **157** | **52** | **105** |
| *attributable to the owners of the parent* | *262* | *264* | *(2)* | *156* | *51* | *105* |
| *attributable to non-controlling interests* | *1* | *1* | - | *1* | *1* | - |
| **Earning per share (Euro)** | | | | | | |
| *Basic and diluted* | *0.456* | *0.460* | *(0.004)* | *0.271* | *0.089* | *0.182* |
| **Earning per share of continuing operation (Euro)** | | | | | | |
| *Basic and diluted* | *0.456* | *0.460* | *(0.004)* | *0.271* | *0.089* | *0.182* |

| RECLASSIFIED BALANCE SHEET | | | |
|---|---|---|---|
| *€mil.* | **30.09.2018** | **31.12.2017 restated** | **30.09.2017 restated** |
| Non-current assets | 11,714 | 11,724 | 11,713 |
| Non-current liabilities | (2,733) | (2,837) | (2,931) |
| **Capital assets** | **8,981** | **8,887** | **8,782** |
| Inventories | 90 | (535) | 191 |
| Trade receivables | 2,981 | 3,179 | 3,324 |
| Trade payables | (2,798) | (2,962) | (2,654) |
| **Working capital** | **273** | **(318)** | **861** |
| Provisions for short-term risks and charges | (604) | (783) | (726) |
| Other net current assets (liabilities) | (801) | (996) | (749) |
| **Net working capital** | **(1,132)** | **(2,097)** | **(614)** |
| **Net invested capital** | **7,849** | **6,790** | **8,168** |
| Equity attributable to the Owners of the Parent | 4,344 | 4,199 | 4,164 |
| Equity attributable to non-controlling interests | 10 | 14 | 14 |
| **Equity** | **4,354** | **4,213** | **4,178** |
| **Group Net Debt** | **3,503** | **2,579** | **4,004** |
| **Net (assets)/liabilities held for sale** | **(8)** | **(2)** | **(14)** |

| CASH FLOW STATEMENT | | |
|---|---|---|
| *€mil.* | **9M 2018** | **9M 2017 restated** |
| Cash flows used in operating activities | (537) | (850) |
| Dividends received | 182 | 267 |
| Cash flow from ordinary investing activities | (445) | (389) |
| **Free operating cash flow (FOCF)** | **(800)** | **(972)** |
| Strategic transactions | (10) | (168) |
| Change in other investing activities | (1) | 9 |
| Shares Buy-back | - | - |
| Net change in loans and borrowings | 5 | 659 |
| Dividends paid | (81) | (81) |
| **Net increase/(decrease) in cash and cash equivalents** | **(887)** | **(553)** |
| **Cash and cash equivalents at 1 January** | **1,893** | **2,167** |
| Exchange rate gain/losses and other movements | 1 | (40) |
| Cash and cash equivalents at 1 January of discontinued operations | - | - |
| Net increase/(decrease) in cash and cash equivalents of discontinued operations | - | - |
| **Cash and cash equivalents at 30 September** | **1,007** | **1,574** |

| FINANCIAL POSITION | | | |
|---|---|---|---|
| *€mil.* | **30.09.2018** | **31.12.2017 restated** | **30.09.2017 restated** |
| Bonds | 3,650 | 3,647 | 4,816 |
| Bank debt | 243 | 246 | 283 |
| Cash and cash equivalents | (1,007) | (1,893) | (1,574) |
| **Net bank debt and bonds** | **2,886** | **2,000** | **3,525** |
| Fair value of the residual portion in portfolio of Ansaldo Energia | - | - | - |
| Shares | - | (3) | - |
| Current loans and receivables from related parties | (142) | (110) | (86) |
| Other current loans and receivables | (32) | (47) | (48) |
| **Current loans and receivables and securities** | **(174)** | **(160)** | **(134)** |
| Non current financial receivables from Superjet | (37) | (48) | (58) |
| Hedging derivatives in respect of debt items | (1) | (2) | (10) |
| Related-party loans and borrowings | 753 | 701 | 579 |
| Other loans and borrowings | 76 | 88 | 102 |
| **Group net debt** | **3,503** | **2,579** | **4,004** |

| EARNINGS PER SHARE | | | |
|---|---|---|---|
| | **9M 2018** | **9M 2017 restated** | ***Var. YoY*** |
| Average shares outstanding during the reporting period (in thousands) | 574,441 | 574,419 | 22 |
| Earnings/(losses) for the period (excluding non-controlling interests) (€ million) | 262 | 264 | (2) |
| Earnings/(losses) - continuing operations (excluding non-controlling interests) (€ million) | 262 | 264 | (2) |
| Earnings/(losses) - discontinued operations (excluding non-controlling interests) (€ million) | - | - | - |
| **BASIC AND DILUTED EPS (EURO)** | **0.456** | **0.460** | **(0.004)** |
| **BASIC AND DILUTED EPS from continuing operations (EURO)** | **0.456** | **0.460** | **(0.004)** |

| **9M 2018** **(Euro million)** | **Helicopters** | **Electronics, Defence and Security Systems** | **Aeronautics** | **Space** | **Other activities** | **Eliminations** | **Total** |
|---|---|---|---|---|---|---|---|
| New orders | 4,685 | 3,569 | 1,420 | - | 75 | (359) | **9,390** |
| Order backlog | 11,831 | 11,507 | 11,957 | - | 164 | (958) | **34,501** |
| Revenues | 2,656 | 3,855 | 2,025 | - | 256 | (552) | **8,240** |
| **EBITA** | **217** | **288** | **167** | **31** | **(71)** | **-** | **632** |
| *ROS* | *8.2%* | *7.5%* | *8.2%* | *n.a.* | *(27.7%)* | *n.a.* | ***7.7%*** |
| **EBIT** | **209** | **212** | **167** | **31** | **(247)** | **-** | **372** |
| Amortisation and depreciation | 68 | 147 | 113 | - | 40 | - | **368** |
| Investments | 87 | 114 | 66 | - | 15 | - | **282** |
| Workforce | 11,655 | 22,765 | 10,671 | - | 1,322 | - | **46,413** |

| **9M 2017 restated** **(Euro million)** | **Helicopters** | **Electronics, Defence and Security Systems** | **Aeronautics** | **Space** | **Other activities** | **Eliminations** | **Total** |
|---|---|---|---|---|---|---|---|
| New orders | 1,710 | 4,400 | 1,963 | - | 197 | (325) | **7,945** |
| Order backlog (31.12.2017 restated) | 9,896 | 11,780 | 12,525 | - | 199 | (893) | **33,507** |
| Revenues | 2,413 | 3,679 | 2,175 | - | 283 | (502) | **8,048** |
| **EBITA** | **231** | **282** | **195** | **33** | **(47)** | **-** | **694** |
| *ROS* | *9.6%* | *7.7%* | *9.0%* | *n.a.* | *(16.6%)* | *n.a.* | ***8.6%*** |
| **EBIT** | **223** | **197** | **181** | **33** | **(72)** | **-** | **562** |
| Amortisation and depreciation | 68 | 163 | 199 | - | 40 | - | **470** |
| Investments | 90 | 122 | 86 | - | 11 | - | **309** |
| Workforce (31.12.2017) | 11,456 | 22,090 | 10,316 | - | 1,272 | - | **45,134** |

| **3Q 2018** **(Euro million)** | **Helicopters** | **Electronics, Defence and Security Systems** | **Aeronautics** | **Space** | **Other activities** | **Eliminations** | **Total** |
|---|---|---|---|---|---|---|---|
| New orders | 3,356 | 1,214 | 291 | - | 30 | (105) | **4,786** |
| Revenues | 826 | 1,334 | 599 | - | 80 | (188) | **2,651** |
| **EBITA** | **64** | **81** | **44** | **10** | **(37)** | **-** | **162** |
| *ROS* | *7.7%* | *6.1%* | *7.3%* | *n.a.* | *(46.3%)* | *n.a.* | ***6.1%*** |
| **EBIT** | **61** | **58** | **44** | **10** | **(41)** | **-** | **132** |
| Amortisation and depreciation | 24 | 50 | 36 | - | 13 | - | **123** |
| Investments | 28 | 39 | 15 | - | 7 | - | **89** |

| **3Q 2017 *restated*** **(Euro million)** | **Helicopters** | **Electronics, Defence and Security Systems** | **Aeronautics** | **Space** | **Other activities** | **Eliminations** | **Total** |
|---|---|---|---|---|---|---|---|
| New orders | 568 | 2,040 | 183 | - | 163 | (70) | **2,884** |
| Revenues | 659 | 1,205 | 731 | - | 124 | (167) | **2,552** |
| **EBITA** | **44** | **74** | **67** | **5** | **(1)** | **-** | **189** |
| *ROS* | *6.7%* | *6.1%* | *9.2%* | *n.a.* | *(0.8%)* | *n.a.* | ***7.4%*** |
| **EBIT** | **42** | **46** | **55** | **5** | **(9)** | **-** | **139** |
| Amortisation and depreciation | 25 | 60 | 59 | - | 14 | - | **158** |
| Investments | 26 | 43 | 30 | - | 5 | - | **104** |