



**Press release**

Toulouse, May 20, 2010 - 11:00 a.m.

**Signature of an agreement with the banks**

**Strengthening of the Group's  
short and medium term financial structure  
Extension of currency hedges**

Latécoère announced the signature of an agreement with its banks following its discussions which started last December. The objective was to renegotiate Latécoère's bank debt, based on the Group's capacity to repay its debt, which has been impacted by the combined effects of the cyclical downturn, the weakening of the U.S. dollar and the delays incurred by aircraft manufacturers in the major programs launched in recent years.

These negotiations were built:

- on the basis of the recognition of a mismatch between the Group's financial structure and the increasing capital intensity of the sector;
- after taking into account the measures taken by the Company to adapt to the cyclical downturn and to emerge from the crisis even stronger; and
- around a strategic vision of the Latécoère Group's strengths and key position in the upcoming consolidation of the sector.

Highlights of the agreement between the Company and the banks, which has been registered by the Commercial Court of Toulouse:

1. The Group obtained the banks' agreement to subscribe to €71.5 million of convertible bonds, thereby reducing its existing bank debt by 20%. These five-year bonds will be convertible after two years and during a period of three years on the basis of one share of Latécoère stock at a value of €10.
2. The Group also obtained the freezing of the remaining medium-term debt until December 31, 2011, inclusive. The Group also obtained the confirmation of the short-term lines of credit until the same date.
3. The Group obtained from its banks an additional capacity of US\$280 million hedges on the U.S. dollar, allowing the Group to extend the existing period of coverage by one year, i.e. through the end of 2012.
4. Latécoère reiterated its willingness to engage discussions with strategic partners to participate in the consolidation of the industry and its intention to strengthen its capital base as soon as market conditions permit.

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Moreover, in order to preserve the interests of the shareholders, the management board intends to allocate free share warrants (BSA) to shareholders, allowing them to subscribe to one new share at a price of €10 per share for each two existing shares they already own during the conversion period of the convertible bonds subscribed by the banks.

Latécoère and its banks have agreed to meet periodically to ensure that the financial initiatives taken are being implemented properly and to verify that they are adequate in light of the conditions observed.

At the shareholders meeting that will be held to approve the 2009 financial statements, the Group will hold an extraordinary session to ask its shareholders to approve the resolutions that will enable the implementation of this agreement, i.e.:

- the issuance of convertible bonds subscribed by the banks, of €71.5 million, giving access to new shares with a par value of €2 per share issued at a value of €10 per share, and leading to the possibility of creating 7.15 million new shares;
- authorization to be granted the management board to issue common stock and/or securities giving access to the capital of the Company, with preferential subscription rights. In this context, at the same time as the convertible bonds subscribed by the banks are issued, the management board intends to allocate free share warrants (BSA) to all shareholders, allowing them to subscribe to one new share at a price of €10 per share for each two existing shares they already own during the conversion period of the convertible bonds subscribed by the banks. This allocation of share warrants is unrelated to the management board's commitment to increase the equity of the Company.

François Bertrand, Chairman of the management board and CEO of Latécoère, stated: "This first step allows our Company to catch its breath. We will now be able to dedicate our time to the identification of industrial and financial partners to strengthen the Group's equity and consolidate our positions as a leading partner of aircraft manufacturers. Our Group may now contemplate its future with greater confidence and can count on motivated employees, who have demonstrated their commitment to Latécoère, their involvement and their solidarity throughout a difficult period."

Managing Director & CFO Bertrand Parmentier stated: "We would like to thank the banks for these five months of constructive discussions, during which we sought to reassure our supplier and customer partners. This agreement, which further clarifies the Group's financial structure in the short and medium terms, demonstrates the confidence of the banks in the Latécoère Group and their willingness to bring a continuous support."

**Trading resumption**

On December 10, 2009, the Group had requested that Latécoère stock be suspended from trading. The Group has asked NYSE Euronext to resume trading in Latécoère shares starting Friday, May 21, 2010.

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**About Latécoère**

Latécoère is a top tier partner to major international aircraft manufacturers (Airbus, Embraer, Dassault, Boeing and Bombardier), in all segments of the aeronautical market (commercial, regional, corporate and military aircraft), specializing in three fields:

- *Aerostructures (58% of total revenue): fuselage sections and doors.*
- *Onboard Wiring and Systems (33% of total revenue): onboard wiring, electrical harnesses and avionics bays.*
- *Engineering and Services (9% of total revenue): research, design, and manufacturing of equipment.*

The Group employs close to 3,650 people, in nine countries.

Latécoère had total consolidated revenues of €450 million in 2009, and as of December 31, 2009 its order book stood at €2.1 billion (based on a USD/EUR exchange rate of 1.40).

Latécoère, a French corporation (société anonyme) with capital of €17 219 994 divided into 8 609 997 shares with a par value of €2 per share is listed on Euronext Paris - Compartment C.

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