



Press release

Toulouse, August 31, 2010 - 6:00 p.m.

H1 2010 Results

(in € millions)	H1 2010	H1 2009	Change 2010/2009
Total revenue	217.0	238.6	-9.0%
EBIT	13.4	6.9	+92.9%
EBIT margin	6.2%	2.9%	
• Actual net financial result	-4.9	-6.0	
• Unrealized net financial result	-9.0	12.3	
Net financial income (expenses)	-13.9	6.3	
Net income after minority interests	0.4	9.7	
Net margin	0.2%	4.1%	

Audited accounts (limited review)

First signs of a recovery in activity

The Latécoère Group reports €217 million in revenue for the first half year of 2010, down 9% from the first half of 2009 (-12.1% at constant exchange rates).

After reporting a 19.7% revenue decline in Q1 2010, Latécoère posted revenue of €117 million in Q2 2010, a 2.6% increase over the same period last year. This encouraging trend, linked to the stepping up of aircraft manufacturers' production rates, reflects the first signs of a recovery in air traffic.

Latécoère expects revenue to increase during the second half of 2010, and confirms that its target revenue for the full year is similar to the actual 2009 figure. The gradual improvement in activity is expected to continue in 2011, allowing the Group to return to growth.

Operating profitability higher

EBIT is €6.5 million higher, at €13.4 million (6.2% of sales), reflecting the positive impacts of the measures undertaken by the Group in 2009 and 2010 to adapt and streamline its operations in the context of a steep decline in revenue.

Net income at breakeven

The realized net financial result (€4.9million) benefits from the favorable trend in interest rates, with a cost of debt decreasing €1.7 million to €6 million.

The unrealized net financial result is impacted primarily by changes in the fair value of the financial instruments used to hedge the Group's U.S. dollar exposure over the period 2009-2011. This strategy generated an unrealized loss of €8.2 million due to the appreciation of the dollar at June 30, compared with a €5.2 million gain during the first half of 2009; this unrealized loss will have no impact on cash flow, as it reflects merely the mark to market of hedging instruments intended to be held to maturity.

The Group took advantage of the US dollar's rise against the euro in June to cover about half of its exposure for 2012.

Debt reduced, financial position strengthened

The Group records a consolidated net debt of €351 million as of June 30, 2010, showing an €8 million decrease from December 31, 2009; €335.5 million of that debt is medium and long term.

The Group has restructured its debt. In accordance with the agreements with its French bank creditors under the terms of the conciliation protocol signed May 18, 2010 and approved May 19, 2010 by the Commercial Court of Toulouse, the bank creditors involved have converted a portion of their loans into medium-term bonds convertible into Latécoère shares, issued July 30, 2010 by Latécoère and LATElec. The terms and conditions of these convertible bonds were described in the prospectus approved by the French Financial Markets Authority (AMF) on June 11, 2010 under the no. 10-174.

The convertible bond issue by Latécoère and LATElec was preceded by a bonus issue of stock subscription warrants to Latécoère's shareholders (see press release dated July 20, 2010 and NYSE Euronext notice number PAR_20100719_03931_EUR dated July 19, 2010). On July 29, 2010 these share warrants were admitted to trading on Euronext Paris.

Order book represents four years of revenues

On June 30, 2010, and on the basis of a €/€ exchange rate of 1.30, the order book - which includes only firm orders announced by aircraft manufacturers - comes to €2.2 billion, of which Airbus 55.5%, Boeing 27.5%, Dassault 7%, Embraer 6% and other clients 4%. The order book represents the equivalent of four years of revenues, and demonstrates the relevance of the multi-client platform built by the Group, which is now positioned in the major, determinant programs launched for commercial, regional, and corporate aircraft in the medium and long term.

The will to contribute to industry consolidation

Building on its recognized position among global aircraft manufacturers and an order book that affords the Group high visibility, and after having adapted its industrial organization and completed a first step of debt restructuring, Latécoère plans to participate actively in the coming consolidation of the aerostructures sector.

About Latécoère

Latécoère is a premier international 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 revenue of €450 million in 2009, and as of June 30, 2010 its order book stood at €2.2 billion (€/€ exchange rate of 1.30).

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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