

Toulouse, March 22, 2011.

2010: Turnaround Annual consolidated results

Audited figures

| In € millions | 2010 | 2009 |
|--|-----------------|----------------|
| Revenue | 464.4 | 449.5 |
| <i>Year-on-year change</i> | 3.3% | |
| Current operating result (COR) | 27.5 | 10.1 |
| <i>Current operating margin</i> | 5.9% | 2.2% |
| Non-current operating result* | 17.8 | (112.9) |
| EBIT | 45.3 | (102.8) |
| <i>EBIT margin</i> | 9.8% | -22.9% |
| <ul style="list-style-type: none"> Realized gains & losses Unrealized gains & losses * | (10.9) (7.3) | (21.3) 17.6 |
| Net financial result | (18.3) | (3.7) |
| Net income (loss) after minority interests | 29.9 | (91.2) |
| <i>Net margin</i> | 6.4% | -20.3% |
| Consolidated net debt | 350.7 | 359.2 |
| Shareholders' equity (Group share) | 170.9 | 143.3 |

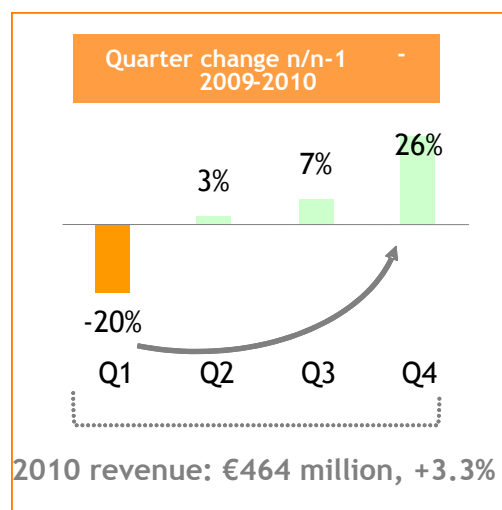
* Non cash items

Confirmed recovery in activity

The Group confirmed the rebound in activity starting in the second quarter, with an acceleration of growth in the second half of the year.

This strong growth reflects the increase deliveries to aircraft manufacturers and the billings on programs in development phases.

For the full 12 months ended December 31, 2010 Latécoère recorded a 3.3% increase in revenue (0.2% organic revenue decrease), higher than the last estimates released.



Current operating profitability significantly higher

In 2010, the Group recorded the first results of the adaptation and streamlining initiatives it has been undertaking for the past two years to restore profitability: current operating income was multiplied by 2.7 to 5.9% of revenue, and was up in all three business divisions. The primary driving forces behind this turnaround - based on a sustainable improvement of productivity and in which the entire company participated - included the rightsizing of the workforce; reduction and specialization of the industrial facilities; increasing reliance on low cost sites; lower fixed cost base; shortening of industrial cycles; sourcing initiatives; better integration of processes; and implementation of "lean" strategies.

Stronger partnerships

A tier 1 partner to the world's largest aircraft manufacturers, the Group drove its recovery whilst ensuring a high degree of quality and timeliness in the products and services it provides, thus creating a favorable environment to the conclusion of major agreements.

Latécoère Group awarded as Best Supplier of the Year in 2010 by Embraer in two categories: "Aerostructures" and "Technical Support to Operators"

During the year, the Group has closed its dispute with Dassault Aviation regarding a business jet contract. This agreement, which cements the partnership at its current scope, resulted in the recognition of a €17.8 million reversal in the 2010 non-current operating result.

In early 2011, Latécoère reached an agreement with Boeing regarding certain claims associated with the development and production of the 787 passenger doors. The agreement confirmed Latécoère as the supplier of passenger doors, and has been transposed into a contractual amendment; it will result, in particular, in the conversion of \$75 million of cash advances previously received in billings which will have a positive impact on H1 2011 revenue.

Net income after minority interests of €29.9 million

The Group posted net income after minority interests of €29.9 million for the period, illustrating the extent of the turnaround achieved during the year. Latécoère intends to ask its shareholders to allocate the net income generated to reserves, in order to shore up the Company's equity, which increased by 19% to €170.9 million during the year.

Actual net financial expenses of €10.9 million benefited from the favorable trend in interest rates during the year, with a cost of debt that came in at 4%; this figure included net foreign exchange gains of €4.3 million.

The unrealized net financial expense of €7.3 million was impacted primarily by changes in the fair value of the financial instruments used to hedge the Group's exposure to interest rate and currency risks. This unrealized charge had no cash impact, as it reflects merely the mark-to-market variation of hedging instruments intended to be held to maturity.

Latécoère's exposure to USD is managed through a 24 to 36 month rolling active hedging policy aiming at allowing the Group to partially benefit from any upside in the value of that currency while capping its risk: 90% of the Group's exposure is hedged in 2011, and 71% in 2012.

Debt reduced and restructured, Group's financial position strengthened

EBITDA was multiplied by 5.8 to €50 million.

Operating working capital needs were significantly lowered in a context of activity upturn:

- Inventories and physical work-in-progress decreased by €21 million during the year, bringing to €52 million the total reduction achieved during the past two years through the initiatives undertaken to streamline industrial facilities and optimize production cycles;
- Trade accounts receivable increased by €45 million with no worsening of the ratio of number of days outstanding; this increase is related to the strong growth observed in the fourth quarter (+26% year-on-year) and the high level of invoices recorded in December.

Increases in work-in-process driven by programs in development and industrialization phases (€45 million) were financed by advances net of refunds received during the year (€47 million).

Capital expenditure was kept to €7 million, and concerned primarily industrial plant and information systems.

Under these conditions, and after factoring realized financial expenses (€11 million) and other needs (€2 million), consolidated net financial debt fell by €8 million year on year to €351 million at December 31, 2010, including the €67.3 million share of the convertible bonds issued by the Group that were stated in debt.

Hedging instruments are used to cap the interest rate risk on 67% of the debt over an average duration of 3.5 years, while allowing the Group to continue to benefit from variable rates.

Latécoère's financial debt was restructured under conditions that received the overwhelming support of the Group's shareholders. Under the terms of the conciliation protocol signed with its French bank creditors on May 18, 2010 and approved on May 19, 2010 by the Commercial Court of Toulouse:

- the short-term lines were confirmed until January 1, 2012,
- the installments falling due in 2010 and 2011 under the medium-term lines were frozen and rescheduled between 2012 and 2015 under a schedule that will be reviewed with the creditor banks during Q2 2011 to take account of any developments that have taken place in the meantime,
- 20% of all medium-term debt (€71.5 million) was converted into bonds convertible into Latécoère shares between August 2012 and July 2015, at a strike of €10, representing a 75% premium over the last share price preceding the opening of negotiations. These convertible bonds were issued on July 30, 2010 by Latécoère and LATElec.

The convertible bond issue by Latécoère and LATElec was preceded by a bonus issue of warrants to Latécoère's shareholders in the proportion of 1 warrant for 2 shares, giving them the right to exercise their warrants under identical conditions to those for the convertible bonds. On July 29, 2010 these warrants were admitted to trading on Euronext Paris. If these warrants were to be exercised, shareholders' equity would be increased by €43 million.

As of December 31, 2010, net bank debt excluding the convertible bonds represented 1.2x the sum of equity plus the convertible bonds and 5.7x EBITDA for the year. The Group is in compliance with all of its financial covenants.

Favorable outlook in a bull cycle

The Group has emerged from the crisis stronger: thanks to a multi-client platform developed from complementary activities with multiple synergies, it has restored its fundamentals and can draw on an order book that rose by 6.4% during the year, at a constant rate of exchange, to €2.3 billion, representing close to five years of revenue.

Based on the latest production rates announced by the aircraft manufacturers, the Group is expecting growth to be significantly higher in 2011 than in 2010:

- with revenue growth estimated around 20%, including billings of development costs. Excluding these billings, the growth revenue should stand between 5 to 10%,
- a current operating margin of more than 7%, with a target of 8% for 2012.

In a growth and investment context, net financial debt will remain tightly controlled in 2011t. It is expected to reduce significantly by c. €50 millions in 2012, thanks inter alia to scheduled payments of development costs.

Stronger governance

Corporate governance was enhanced by the election of Pierre Gadonneix as Chairman of the Supervisory Board, the appointment of Christian Duvillet, former CEO of LCL as a new member of the Supervisory Board, and the creation of a Strategy Committee within the Supervisory Board.

Group is well-positioned to contribute to the consolidation of the industry

In line with its communication of May 20, 2010, the Group having streamlined its industrial organization in 2009 and 2010, and finalized a first step of financial restructuring in 2010, has initiated a search for a partnership. The objectives of the process is to enhance its industrial contribution to the upcoming consolidation of the sector and strengthen its equity. After an initial exploratory phase, the Group received several expressions of interest that it intends to analyze further in the coming months. At this stage, the process does not call for any further comment.

About Latécoère

Latécoère is a tier 1 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 (56% of total revenue): fuselage sections and doors.*
- *Onboard Wiring and Systems (32% of total revenue): onboard wiring, electrical harnesses and avionics bays.*
- *Engineering and Services (12% of total revenue): research, design and manufacturing of equipment.*

The Group employs 3,700 people, in ten countries.

Latécoère had total consolidated revenues of €464 million in 2010 and as of December 31, 2010 its order book stood at €2.3 billion (based on a USD/EUR exchange rate of 1.35).

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.

ISIN code: FR0000032278 - Reuters code: LAEP.PA - Bloomberg code: LAT.FP



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