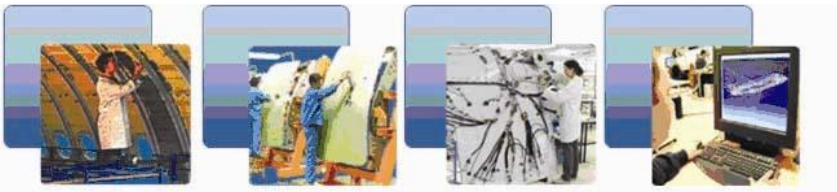

GROUPE LATECOERE

Toulouse, February 21, 2012 – 6.00 pm

Profitable growth, debt refinanced: a stronger Group

2011 annual consolidated results[1]

In € million	2011	2010	Change
Revenue excl. non-recurring items	**520.6**	**464.4**	12.1%
Non-recurring items Aerostructures*	55.0	-	
Total revenue	**575.6**	**464.4**	23.9%
Current Operating Result (COR)	**44.7**	**27.5**	
% of total revenue	*7.8%*	*5.9%*	
Non current operating result**	0.0	17.8	
EBIT	**44.7**	**45.3**	
% of total revenue	*7.8%*	*9.8%*	
• Realized gains and losses	-21.0	-10.9	
• Unrealized gains and losses**	-22.1	-7.3	
Net financial result	**-43.1**	**-18.3**	
Net income (loss) after minority interests	**6.6**	**29.9**	
Ner margin	*1.2%*	*6.4%*	

** Non recurring billings of development costs*
*** Non cash items*

In € million	Dec 31,2011	Dec 31,2010
Consolidated net financial debt	**368.8**	**350.7**
Shareholders'equity (Group share)	**169.4**	**170.9**

[1] Accounts reviewed by Latécoère's Supervisory Board during its meeting of February 17, 2012
Audit procedures have been applied and statutory auditors' certification report is under process

A year of strong growth

Revenue excluding non recurring items reached €520.6 million in 2011, up +12.1% versus 2010, in line with its stated objectives.

At a constant €/$ exchange rate, organic growth stood at 14.1%; the hedging instruments used limited the effect of a 4.7% decrease of the €/$ spot rate, which averaged 1.392 for 2011.

In Q1 2011, the Group also recorded additional non-recurring revenue of €55 million on the billing of development costs (refer to press release dated March, 22 2011). As a result, total FY 2011 consolidated revenue reached €575.6 million.

All divisions are benefiting from the upward cycle of the aeronautical industry, with a strong momentum of Engineering & Services (+35.5%) recorded both in tooling and services; Aerostructures, present on all segments of the market, is capturing the full effect of the recovery (+11.7% excluding non recurring billings of development costs).

Current operating margin up sharply

Adaptation and streamlining actions implemented since 2009 to restore profitability are paying off: current operating result (COR) was higher in all three divisions, rising 62.5% to €44.7 million; or 7.8% of total revenue, exceeding the previously announced forecast of “over 7%”.

The realized net financial result amounted to € -21,0 million versus € -10.9 million recorded in 2010 which benefited from an exchange gain of €4.3 million. The cost of debt amounted to €17.9 million, up 67 bp, of which 43 bp linked to changes in market rates.

As of December 31, 2011, 64% of net financial debt is hedged on an average duration of 2.5 years through financial instruments capping risk on underlying market interest rates at 3.80% while continuing to benefit from variable rates.

USD exposure hedged through the end of March 2014

The Group hedges its industrial exposure to fluctuations in the US dollar through a policy designed to maintain a long term €/$ budgeted exchange rate of 1.35 while partially benefiting from any rise in the American currency. Exposure to the USD risk is accordingly hedged up to respectively

- 93% for 2012, guaranteeing a €/$ rate of at worst 1.336,
- 95% for 2013, guaranteeing €/$ rate of at worst 1.366,
- and, to date, 27% for 2014, guaranteeing €/$ rate of at worst 1.330.

The year-end closing €/$ spot of 1.29 penalized the unrealized financial result, due to the time values of the tunnels put in place; this negative impact has no present or future cash incidence as these tunnels are intended to be held to maturity.

Unrealized net financial result amounted consequently to € -22.1 million weighing upon both net income after minority interests and shareholder’s equity (Group share) which came in respectively at €6.6 million and €169.4 million.

Adjusted for changes in the fair values of financial hedging instruments, net income after minority interests would amount to €20.3 million and shareholder’s equity (Group share) to €182.7 million.

A controlled evolution of debt

EBITDA[1] amounted to €46.9 million in 2011.

Operating working capital needs rose by €12.4 million: inventories and physical work-in-process were up €18.0 million, of which €7.0 million resulted from aircraft manufacturers' postponements of deliveries to H1 2012.

Work-in-process driven by programs in development and accounted under construction contracts - net of movements on related refundable advances - mobilized €23.4 million notably on the B787 and A350 programs.

Net capital expenditure was kept to €7.7 million, and concerned primarily industrial plants and information systems.

Under these conditions, and after factoring realized financial expenses (€21.0 million) and other needs (€0.5 million), consolidated net financial debt stood at €368.8 million on December 31, 2011, up €18.1 million year on year.

This limited increase must be appreciated in the light of sharp increases in delivery rates and pressured on the supply chain.

(1) *EBITDA refers in the consolidated accounts to EBIT increased of (i) provisions net of reversals on working capital and for risks and expenses, (ii) depreciation and amortization on intangible and tangible assets*

Debt refinanced, potential dilution of shareholders significantly reduced

At the end of the year, Latécoère reached an agreement with its banks (refer to press release dated December 22, 2011) for the refinancing of 96% of the Group's bank debt (excluding leasing) and 60% of the Convertible Bonds.

This agreement, which provides the Group with durable refinancing through syndications, significantly reduces the potential maximum dilution of shareholders from 36% to 18%; it is structured into four pillars:

1. Arrangement of a €319.8 million syndicated loan with three Tranches:
    - Tranche A: €64.5 million, one-year amortizing loan,
    - Tranche B: €225.6 million, seven-year amortizing loan, and
    - Tranche C: four-year revolver for an initial principal amount of €29.7 million;
2. Arrangement of a €76.0 million, four-year factoring agreement, syndicated between four factoring companies;
3. Early redemption of 60% (4,290,000) of the Convertible Bonds, refinanced by the 2018 final payment on Tranche B of the syndicated loan and obtention of issuer calls on a total of 2,860,000 residual Convertible Bonds, exercisable at par, when the Latécoère share exceeds €13.0 in average over a period of three consecutive days;
4. Extension of existing currency hedging lines enabling the Group to hedge progressively its exposure to $ risk through the end of 2014.

The agreement reached puts an end to the period of uncertainty that began after Latécoère encountered financial difficulties at the end of 2009, and demonstrates the Company's financial partners' commitment to standing by Latécoère over the long term.

Press release
Toulouse, February 21, 2012 – 6.00 pm

Favorable outlook in a bull cycle

The Group enters 2012 strengthened: thanks to its multi-client platform developed from complementary activities with multiple synergies, it has restored its fundamentals and can draw on an order book that represents more than four years of revenue at €2.2 billion, assuming a €/$ exchange rate of 1.35.

Based on the latest delivery rates announced by the aircraft manufacturers, the Group anticipates a further growth of its activities with

- revenue up by about 10%, excluding non-recurring billings of development costs. As the latter should reach €60 million in 2012, the overall increase in revenue is also expected to be 10%;
- current operating profitability in the continuity of 2011.

Net financial debt is expected to decrease by nearly €50 million in 2012.

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 (59% of total revenue): fuselage sections and doors.*
- *Interconnexion systems (27% of total revenue): onboard wiring, electrical harnesses and avionics bays.*
- *Engineering and Services (14% of total revenue): design, stress analysis and definition of industrial products - design, manufacturing & maintenance of tooling and special assemblies.*

The Group employs 4,175 people, in 9 countries.
Latécoère had total consolidated revenues of €575.6 million in 2011 and as of December 31, 2011 its order book stood at €2.2 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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