Press release
Toulouse, August 31, 2012 – 6.45 pm

H1 2012 results

In line with guidance

In € million	H1 2012	H1 2011	Change
Revenue excluding non-recurring items	**290.3**	**261.3**	11.1%
Non-recurring items – Aerostructure*	62.5	55.0	
Total revenue	**352.8**	**316.3**	11.6%
Current operating result (COR)	**24.7**	**23.8**	
Current operating margin	*7.0%*	*7.5%*	
Non-current operating result **	0.0	0.0	
EBIT	**24.7**	**23.8**	
EBIT margin	*7.0%*	*7.5%*	
- Realized gains & losses	-10.6	-9.4	
- Unrealized gains & losses **	-15.3	3.8	
Net financial result	**-25.9**	**-5.6**	
Net income (loss) after minority interests	**3.5**	**15.5**	
Net income (loss) after minority interests excl. unrealized gains & losses on non-settled financial hedging instruments	12.1	12.5	

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

In € million	06/30/2012	31/12/2011
Consolidated net debt	**331.2**	**368.8**
Shareholders' equity (Group share)	**177.3**	**169.4**
Shareholders' equity (Group share) adjusted for changes in the fair values of financial hedging instruments	201.5	182.7

H1 financial statements approved by the Board of Directors of the Supervisory Board on August 31, 2012.
The Company's statutory auditors have performed a limited audit of the accounts.

Sustained growth in activity

In H1 2012, the Group posted revenue, excluding non-recurring items, of €290.3 million, up 11.1% year on year. At a constant €/$ exchange rate, organic growth stood also at 10.5%.

The Group recorded on the period an additional non-recurring revenue of €62.5 million corresponding to billing of development costs (refer to press release dated February 2, 2012). As a result, total consolidated revenue reached €352.8 million.

Total H1 2012 consolidated revenue is consistent with the overall expected 10% growth over current fiscal year communicated by the Group on February 21, 2012.

A confirmed Current operating margin

The current operating result (COR) increased by €0.9 million up to €24.7 million, in line with the guidance communicated by the Group on February 21, 2012, despite social disturbances in Tunisia and difficulties encountered in supply chain.

The realized net financial result amounted to €-10.6 million versus €-9.4 million recorded in H1 2011. The cost of debt amounted to €-10.2 million, up 53 bp at 5.57%, of which 13 bp linked to changes in market rates.

As of June 20, 2012, 71% of net financial debt is hedged on an average duration of 2.7 years through financial instruments capping risk on underlying market interest rates at 3.32% while continuing to benefit from variable rates.

USD exposure hedged through the end of 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.

During H1 2012, the Group has unwound its hedging instruments at an average exchange rate of €1 = $1.321, capturing thus most of the favorable evolution of the US dollar against Euro over the period.

However and paradoxically, the revalorization of the US Dollar on June 30 (€1 = $1,259) in a volatile market negatively impacts option and time values of collars put in place. This amount weighs on the unrealized financial result; it has no cash incidence and is not predictive of the actual results which will be recorded when these instruments will be unwound.

Net income after minority interests amounted to €12.1 million and shareholders' equity (Group share) rising €+18.8 million (adjusted for changes in the fair values of ongoing financial hedging instruments)

Net income after minority interests amounted to €3.5 million; excluding unrealized financial result on ongoing financial hedging instruments, net income after minority interests would amount to €12.1 million. Shareholders' equity (Group share) rose by €7.9 million (including €6.9 million from conversion of Convertible Bonds) to €177.3 million; adjusted for changes in the fair values of ongoing financial hedging instruments, it increased by €+18.8 million to €201.5 million.

These results, in line with guidance, confirm the recovery engaged since 2010.

Net debt down €37.6 million over H1 2012

EBITDA[(1)] reached €26.8 million.

Operating working capital needs mobilized €19.5 million on H1 2012; this increase must be appreciated in the light of sharp increases in production rates and a supply chain under pressure.

Work-in-process driven by programs in development and accounted under construction contracts - net of movements on related refundable advances - have been reduced by €41.5 million.

Net capital expenditure has been kept to €5.8 million, and concerned primarily industrial plants and information systems.

Under these conditions, and after factoring realized financial expenses (€-10.6 million), other needs (€-1.7 million) and conversion of Convertible Bonds over the period (€+6.9 million), consolidated net financial debt stood at €331.2 million on June 30, 2012, decreasing of €37.6 compared to December 31, 2011.

(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*

Order book: 4 years of revenues

As of June 30, 2012 and on the basis of a €/$ exchange rate of 1.25, the order book – which includes only firm orders announced by aircraft manufacturers – amounts to €2.2 billion. It represents about 4 years of revenue, and demonstrates the relevance of the multi-client platform built by the Group, which is confirmed for all the major, determinant programs launched for commercial, regional and corporate aircraft in the medium and long term.

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 June 30, 2012 its order book stood at €2.2 billion (based on a USD/EUR exchange rate of 1.25).
Latécoère, a French corporation (société anonyme) with capital of €18,621,608 divided into 9,310,804 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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