



PRESS RELEASE

Toulouse, November 9, 2016

Growth of 8.6% for the first nine months of 2016 (+3.8% at constant exchange rates)

<i>(in € million)</i>	H1			Q3			As of September 30		
	2016	2015	Var.	2016	2015	Var.	2016	2015	Var.
Aerostructures Industrial	217.6	216.1	0.7%	105.6	98.0	7.7%	323.2	314.2	2.9%
Interconnexion Systems	124.9	98.0	27.5%	49.1	45.8	7.2%	174.0	143.8	21.0%
Total revenue for the ongoing operations ¹	342.5	314.1	9.0%	154.6	143.8	7.5%	497.2	457.9	8.6%
<i>Total revenue from discontinued activities</i>	<i>59.0</i>	<i>46.1</i>	<i>28.1%</i>	<i>26.5</i>	<i>18.1</i>	<i>46.4%</i>	<i>85.5</i>	<i>64.2</i>	<i>33.3%</i>

3.8% growth at constant exchange rates for the first nine months of 2016

As of September 30, 2016, the Group posted revenues of €497.2 million, up €39 million (+8.6%) compared to September 30, 2015. For the first nine months of 2016, the Group benefited from a positive exchange rate effect on the unwound €/€ currency hedges. At constant exchange rates, growth stood at 3.8%. This dynamic performance was driven by a strong growth for the Group's Interconnexion Systems, emphasised by a favorable base effect.

Activity for Latécoère's Aerostructures Industrial division dropped -1.1% at constant exchange rates over the first nine months of 2016 (€323.2 million, i.e. an increase of +2.9% in reported figures). This almost stable revenue mainly derives from the decrease in production rates of the A330 and the slowdown in deliveries of the B787 doors following Boeing's decision to reduce its inventories buffer now that the program has reached maturity. The good performance of Embraer and A320 programs activities nevertheless partially offset the effects of this slowdown.

Interconnexion Systems continued its dynamic growth, with revenues increasing to €174.0 million (+21%) from €143.8 million for the first nine months of 2015 (14.5% at constant exchange rates). The division benefited in full from the ramp-up in production of the A350 program on which it is strongly positioned. Such impact will ease gradually over Q4 2016 (ramp-up initiated during Q4 2015).

Besides, the commercial dynamics remained steady during Q3 with the earnings of the production of new generation electric harnesses for Meteosat (Airbus Defence & Space).

In addition, the Group has been particularly proactive on trade shows (NBAA Orlando, MRO Amsterdam, SINGAPORE APEX) to present its products and its know-how.

¹ As a reminder, in the context of the project for the sale of Latécoère Services and in accordance with IFRS 5, Latécoère Services activities have been restated in discontinued activities.



Transformation 2020 project

As announced on June 7th, 2016, the Group launched its strategic project *Transformation 2020*. Latécoère's project is to prepare the Group to fully benefit from the next cycle of new programs expected over the period between 2020 and 2025 based on renewed competitiveness and investment capacity. Such project is based on repositioning the Group on its core businesses and on a major transformation of its industrial model, a key condition for its strategic redeployment and development.

The implementation of this transformation plan requires measures to adapt the organization of the Group which includes a net reduction of 156 jobs for Tarbes plant (Interconnexion Systems division) and Toulouse plant (Aerostructure division). The dialog engaged with the employee representatives led to the signature of agreements with a unanimous vote on the site of Tarbes and a majority vote on the site of Toulouse relative to the job saving plan (Plan de Sauvegarde de l'Emploi).

Furthermore, these two agreements have been approved by the state regional labour directorate (DIRECCTE²) of Tarbes and Toulouse end of October 2016. The Group is now focused on the implementation of the voluntary redundancy plan (Plan de Départs Volontaires) including measures to provide quality individual support.

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-Industrial (58% of total revenue): fuselage sections and doors.*
- *Aerostructures-Services (14% of total revenue): design, stress analysis and definition of industrial products - design, manufacturing & maintenance of tooling and special assemblies*
- *Interconnexion Systems (30% of total revenue): onboard wiring, electrical harnesses and avionics bays.*

At 31 December 2015, Latécoère had total consolidated revenues of €712.4 million and its order book stood at €2.6 billion (based on a USD/EUR exchange rate of 1.35).

Latécoère, a French corporation (société anonyme) with capital of €186,694,330 divided into 93,347,165 shares with a par value of €2 per share, is listed on Euronext Paris - Compartment B. ISIN codes: FR0000032278 - Reuters: LAEP.PA - Bloomberg: LAT.FP

² Directions régionales des entreprises, de la concurrence, de la consommation, du travail et de l'emploi