



2013 annual results

Growth in revenue by 6.9%

Current operating profit up 20%
€72 million writeoff without cash effect linked to
two programmes nearing development end

Net debt under control

<i>In € million</i>	2013	2012	Change
Revenue excluding non-recurring items	621.1	581.1	6.9%
Non-recurring items - Aerostructure *	-	62.5	
Total revenue	621.1	643.6	
Current operating result (COR)	32.2	26.8	20.0%
<i>COR margin</i>	<i>5.2%</i>	<i>4.2%</i>	
Non current operating result**	-72.2	-	
Operating result (EBIT)	-40.1	26.8	
<i>EBIT margin</i>	<i>-</i>	<i>4.2%</i>	
● Realized gains & losses	-22.9	-22.2	
● Unrealized gains & losses**	-2.3	4.3	
Net financial results	-25.2	-18.0	
Group net result	-80.0	3.1	

* Non recurring billing of development costs

** Non cash items

<i>In € million</i>	12/31/2013	12/31/2012
Consolidated net debt	316.9	322.6
Shareholders' Equity (Group share)	130.5	185.0
Shareholders' Equity (group share) adjusted for changes in the fair value of financial hedging instruments	123.7	190.4

⁽¹⁾ Accounts reviewed by Latécoère's Supervisory Board during its meeting of February 26, 2014. Audit procedures have been applied and statutory auditors' certification report is under process



Sustained activity

The Group ended 2013 fiscal year with a €621.1 million consolidated revenue, an increase of 6.9% over 2012, excluding non-recurring items. At a constant €/€ exchange rate, organic growth stood at +8.7%.

The Group recalls that during Q1 2012, a €62.5 million non-recurring revenue corresponding to billing of development costs was recorded.

Service activities significantly contributed to this growth, both in Aerostructure (+13.9%) and within Interconnexion Systems.

Order book equals more than 4 years of revenue

Based on a €/€ exchange rate of \$1.35 and firm orders, the order book amounts to €2.58 billion as of December 31, 2013, an increase of +22% from December 31, 2012. It represents over 4 years of revenue.

Current operating result (COR) up +20% (to €32.2 million) from 2012

The current operating result (COR) increased by +20% from the 2012 figure to reach €32.2 million. The growth reflects key programmes launched since 2000 reaching maturity, as well as the Group's success in dealing with the severe impact of the Tunisian crisis on 2012 operational and financial performance.

Significant impact on net result related to a €72 million write-off without cash effect linked to two programmes nearing development end

In a context of sustained production rates, especially during the second half of the year, the supply chain came under pressure (quality and deadlines issues). This prevented the Group from meeting the expected cost-cutting targets on the two aforementioned programmes.

As a result, a €72 million write-off has been recorded, with no cash effect.

Following this non-recurring depreciation, the Group breached a debt covenant and consequently reclassified all its syndicated credit as short-term debt. The banks participating in the syndicated credit have renounced the early repayment requirement for the debt.

Realized financial results came to -€22.9 million compared with -€22.2 million in 2012. The cost of bank debt remained stable (4%) versus the prior year.

Group net result was -€80.0 million.

Net debt down slightly to €317 million

Working capital requirements decreased by €19.7 million. However, a significant part of the improvement was due to non-recurring factors.

Capital expenditures amounted to €17.4 million, and were mainly linked to finalising the new industrial site in Mexico.

In fiscal year 2012, 2,164,004 convertible bonds have been converted, contributing to a €21.7 million increase in shareholders' equity. As of December 31, 2013, all convertible bonds had been converted.



Outlook 2014-2016

The company's new management has just launched "Boost 2014-2016" a plan to cope with the operational challenges tied to a major increase of production rates.

This plan has two sections. The first one, a "Performance Plan", aims to put the Group back on a sound operational and financial footing. Objectives are clearly defined:

- average annual revenue growth during 2014-2016 of about 4%
- free cash flow from operations around 7% of revenue in 2016.

However, 2014 will also include development costs for some recently awarded contracts. This factor will temporarily reduce the initial positive effects of Plan Boost in free cash flow generation from operations.

These goals will be strengthened by the contributions of the second section of the Plan, which aims to make Latécoère more manoeuvrable, with strengthened positions and an appropriate financial structure.

"Latécoère operates on a buoyant market. Our Group has a significant order book, strong positions, and know-how which is recognised by all aircraft manufacturers, aircraft manufacturers. It is up to us to make the most of our great potential. We are eager to do so. We have created an ambitious road map to meet the challenges, and we have shared it throughout our organisation. We consider 2014 a key year for setting our course on the new trajectory", said Frédéric Michelland, Chairman of the Management Board.

"I am confident that the new management team will set high standards for both the pace and the intensity of our operations. This will be important for the Group's ongoing recovery", stated Pierre Gadonneix, Chairman of the Supervisory Board.

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 (55% of total revenue): fuselage sections and doors.*
- *Aerostructures services (15% 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.*

As of December 31, 2013, the Group employed 4,616 people in 10 countries.

Latécoère had total consolidated revenues of €621.1 million in 2013 and as of December 31, 2013 its order book stood at €2.58 billion (based on a USD/EUR exchange rate of 1.35).

Latécoère, a French corporation (société anonyme) with capital of €23,017,186 divided into 11,508,593 shares with a par value of €2 per share is listed on Euronext Paris - Compartment C.

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