

22 May 2018

**TOULOUSE-MONTREDON. LATECOERE INAUGURATES ITS NEW
AUTOMATED, DIGITALIZED AND CONNECTED SMART FACTORY**

The future of manufacturing in a smart factory financed by Europe within the Juncker Plan.

Tuesday 22 May, the top ranking aeronautics systems manufacturer, Latécoère, inaugurated its brand new manufacturing facility for basic metal parts located in Toulouse-Montredon. The fully digital, automated and connected facility is a strategic investment in its Transformation 2020 plan that takes Latécoère to a position to reclaim industrial manufacturing share at a time when the aeronautics sector faces profound changes.

Hundred-year old firms do not necessarily have the agility of new companies that are capable of making a strategic U-turn in a few months. Latécoère, which celebrated its centenary last year, is proving otherwise. 13 July 2017, the leading equipment manufacturer that is active in aerostructures and interconnected systems sectors laid the foundation stone of its Industry 4.0 plant in the Montredon enterprise zone near Toulouse.

The building was signed off in a record time: 10 months. Last February, the first aluminium parts were produced on the site equipped with automated units.

A PRODUCTION OF 500,000 PARTS A YEAR

The smart factory is an integral part of the reorganization plan named Transformation 2020, that was initiated in 2016 to get ahead of the major industrial, commercial and strategic challenges in the sector and to contribute to the digitalization of the company.

"In a world of sweeping organizational, energy-related, societal and environmental changes, Latécoère finds innovative solutions to meet the demands imposed by these challenges, explained Yannick Assouad, CEO of Latécoère group.. Thanks to a digital environment and cutting-edge facilities, this site, which has won the "Factory of the Future" label, confirms the strategic role R&T plays in the Latécoère industrial processes. Digitalization is at the heart of 4.0 reorganization and smart industrial schemes."

The 6,000-sq m new-generation facility combines automation and new processes that exploit the Internet of Things and RFID for a paperless production site. The aim is to reduce production cycle times from several months to a few weeks.

Once it is fully staffed, the facility will provide 150 jobs. The group is targeting the production of 600,000 parts a year by 2020.

Labelled the "showcase of tomorrow's industry" by the Alliance Industrie du Futur, partner of French Fab, the plant has just been fully commissioned. A 3,000-sq m extension on the site is planned for 2019 to accommodate surface finishing and painting activities, which are due to start in 2020.

In 2019, boiler making will also be transferred from Rue de Périole to the new plant.

LOCAL & GLOBAL COMMITMENT

The construction of this smart factory materialized through the joint ambition of Toulouse Métropole and Région Occitanie.

"I'm proud that the oldest aviation firm in Toulouse - which was behind the establishment of the aeronautics industry in our city back in 1917 – has remained loyal to its roots. In so doing, Latécoère has confirmed our strategy of developing the city's attractiveness and reinforces the status of Toulouse as the world capital of aeronautics and a Metropolis of all success stories ", said Jean-Luc Moudenc, chairman of Toulouse Métropole.

Carole Delga, president of the Occitanie region, hailed *"the challenge the Latécoère group has taken up by creating this 4.0 plant from beginning to end – a factory that prefigures tomorrow's production tools. By virtue of its exemplary nature and the innovative solutions it makes use of, this site is also a showcase for our industry as a whole."*

STRONG EUROPEAN BACKING WITH THE EIB

The construction of this new industrial site was only made possible by the backing of the European Investment Bank (EIB), which is the bank of the European Union and provided 55 million euros of funding. The credit was granted at attractive financing rates thanks to the triple-A rating of the EIB. The financing also benefited from a European guarantee within the framework of the European Commission's Investment Plan for Europe, more commonly referred to as the Juncker plan.

"This factory for the future is an ambitious industrial project, in a particularly dynamic region, which the European Investment Bank is proud to support," declared Ambroise Fayolle, Vice-President of the EIB. He added, "The Juncker plan's new financing provisions provide a clear sign that the EIB will willingly help innovative businesses in the industrial sector in France and Europe."

The EIB financing will also be used to back Research, Development and Innovation activities at Latécoère with the aim of moving into new markets by the development of very advanced new processes and technologies and thereby improve the competitiveness of Latécoère by targeting industrial excellence.



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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 two fields:

- *Aerostructures (61% of total revenue): fuselage sections and doors.*
- *Interconnexion systems (39% of total revenue): onboard wiring, electrical harnesses and avionics bays.*

At 31 December 2017, Latécoère employed 4,451 people in 10 different countries. Latécoère, a French corporation (société anonyme) with capital of €188 789 804 divided into 94,394,902 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