

Regulated information, embargoed until 5.45pm CET on Wednesday 30th, January 2019

Latécoère announces 2018 revenues of € 659.2 million, up 3.1% like-for-like

- Dynamic sales momentum with new customers, who are world leaders in their field
- Confirmation of 2019 outlook
- Implementation of a share buyback program
- Governance's evolution

Toulouse, January 30, 2019 – Latécoère, a tier 1 partner to major international aircrafts manufacturers, announces the publication of its Q4 and FY revenues, for the year end December 31, 2018.

(in M€)	30 September YTD				Q4				Total Year			
	2018	2017 ¹	Change	Like-for-like	2018	2017 ¹	Change	Like-for-like	2018	2017 ¹	Change	Like-for-like
Aerostructures	270,1	304,2	-11,2%	-7,7%	114,1	92,8	23,0%	22,7%	384,2	397,0	-3,2%	-0,2%
Interconnection Systems	200,5	192,3	4,2%	7,8%	74,6	68,1	9,5%	8,7%	275,0	260,4	5,6%	7,9%
Total Revenue	470,6	496,5	-5,2%	-1,6%	188,7	160,9	17,3%	16,7%	659,2	657,4	0,3%	3,1%

(1) Restated for the application of IFRS 15, effective as of 1 January 2018

As of December 31, 2018, revenues of Latécoère amounted to € 659.2 million, up +0.3% compared to 2017 and +3.1% at constant exchange rates. In Q4, revenue grew by +17.3% to € 188.7 million. This solid performance confirms the good growth momentum of the Interconnection Systems division and reflects the expected catch-up effects of the Aerostructures division.

By division, Aerostructures revenues for 2018 were stable at constant exchange rates, with revenues of € 384.2 million (-3.2% as reported), supported by significant volumes of the A320, Boeing 787 and increased deliveries of the Falcon 7X / 8X. Throughout the year, these programs offset declines in the pace of the Embraer E1, A330 and A380 programs.

The Interconnection Systems division recorded strong growth of +7.9% in 2018 at constant exchange rates and +5.6% in published data. Q4 growth of +8.7% at constant exchange rates confirms that new projects, such as the Mitsubishi MRJ and cabin activity, as well as order volumes of Airbus A320 and A350, more than offset declines related to the A380 and A330.

2020 Transformation Plan

In 2018, Latécoère made significant steps towards the fulfilment of its Transformation 2020 plan by finalising several key milestones in France, India and Bulgaria. Following the inauguration of its digitised, connected and automated 4.0 production plant in Toulouse-Montredon, the Group also received in the fourth quarter of 2018 the necessary authorisations to launch the second part of the work. This new phase involves an extension of 3,000 m² of the site to accommodate the surface treatment and painting activities that will start in 2020.

In addition, manufacturing transfers are continuing between the Czech and Bulgarian sites. The extension of the Bulgarian site has been confirmed and will be completed in 2019.

Good business momentum and operational excellence

The sales momentum which started in 2017 has continued into 2018 and was recently recognised when Latécoère secured new Build-to-Print contracts with new customers, who are world leaders in their field. Given the level of sustained commercial activity, the Group is confident in its ability to win new markets in 2019.

In addition, the operational issues created by the necessity to quickly replace a major supplier were overcome in the 4th quarter.

Outlook

Latécoère confirms its outlook. In 2019, the Group is expected to deliver significant organic growth in sales, excluding currency effects, and implement significant investments to finalize the Transformation 2020 plan. Due to the start-up costs of the Interconnection Systems division and progress towards the Transformation 2020 plan in the Aerostructures division, the Group will generate a positive recurring operating margin and a negative operating free cash flow.

Events occurring after the end of the 2018 financial year

Share buyback program linked to stock allocation plans for employees

On January 18, 2019, Latécoère's Board of Directors made the decision to launch a share buyback program intended to cover the free employee share plan, and the long-term incentive plan for the Group's management team and thus avoid any dilution for shareholders. This program covers 1.4 million shares, under the framework of 7,5% of the company equity set out during the General Shareholders' Meeting on May 14, 2018 in its eleventh resolution. It will be carried out by an investment services provider, subject to market conditions, between February 1, 2019 and December 31, 2019.

Creation of an ad hoc committee to support the strategic advancement of the Group and appointment of a Lead Independent Director

On January 18, 2019, the Board of Directors also decided to create an ad hoc committee to support the strategic advancement of the Group and to appoint Claire Dreyfus-Cloarec as Lead Independent Director. This ad hoc committee will be responsible for evaluating all the opportunities for Latécoère in terms of external development strategy as well as any other type of operation or business opportunity. This committee may, if considered necessary, receive help in carrying out its duties by appropriate external advice.

The ad hoc committee is largely composed of independent directors, including:

- Claire Dreyfus-Cloarec, Independent Director, Chairman of the Audit and Risk Committee;
- Pierre Gadonneix, Independent Director, Chairman of the Board of Directors;
- Matthew Glowasky, Director representing Monarch;

- Nathalie Stubler, Independent Director;
- Christophe Villemin, Director representing Apollo.

Moreover, in their strive to continually improve its governance in accordance with best practices, the Board of Directors has decided to create the position of Lead Independent Director and has appointed Claire Dreyfus-Cloarec. Her mission will be to ensure the proper functioning of the Group's governance and to facilitate dialogue with shareholders.

As a Director of Latécoère's Board of Directors since 2011, former Air France CFO and General Manager of Servair, Claire Dreyfus-Cloarec has acquired a sound understanding of the aerospace industry. She has also managed the financial department of SNCF, where she joined the Executive Committee, before chairing SNCF Participations from 2004 to 2007, and is therefore familiar with the management of companies in transformation. Claire Dreyfus-Cloarec graduated from ENA and holds a DEA in Economics from Paris-I University.

Upcoming publication

2018 annual results, 6 March 2019.

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), specialising in two fields:

- *Aerostructures (61% of total revenue): fuselage sections and doors.*
- *Interconnection 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 €189,489,904 divided into 94,744,952 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

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