Regulated information embargoed until 7am CET on Wednesday 6, March 2019

Latécoère 2018 results
Strong progress towards Transformation 2020

- **+3.1% revenue growth at constant exchange rates to € 659.2 million, driven by important new clients gains in Interconnection Systems**
- **c.65% of investments completed for Transformation 2020**
- **Recurring EBITDA margin recovered in H2 to 9.9%**
- **2018 operating income and net income reflect the impact of the termination of the A380 program**
- **2019 outlook confirmed**

Toulouse, March 6, 2019 – Latécoère, a tier 1 partner to major international aircraft manufacturers, announces the publication of its H2 and FY results for the year ended December 31, 2018. These results were reviewed by the Company's Board of Directors on March 5, 2019. The Company adopted IFRS 15 as of January 1, 2018 and all the figures in this press release are expressed in IFRS data unless otherwise indicated. Comparisons are based on restated figures for financial year 2017 for IFRS 15.

(Audited – € million)	2017*	H1	H2	2018
Revenue	**657.4**	**320.8**	**338.5**	**659.2**
Reported growth	*-*	*(8.5%)*	*10.3%*	*0.3%*
Growth at constant exchange rates	*-*	*(2.9%)*	*9.6%*	*3.1%*
Recurring EBITDA **	**78.4**	**20.9**	**33.7**	**54.5**
*Recurring EBITDA ** Margin on Revenue*	*11.9%*	*6.5%*	*9.9%*	*8.3%*
Recurring Operating Income	**51.9**	**7.1**	**20.9**	**28.0**
Recurring Operating Margin on Revenue	*7.9%*	*2.2%*	*6.2%*	*4.2%*
Non-recurring items	**(10.0)**	**0.8**	**(23.9)**	**(23.1)**
o/w Sale of Toulouse-Périole	*-*	*9.5*	*(0.3)*	*9.2*
o/w A380 end of program impact	*-*	*-*	*(12.6)*	*(12.6)*
Operating Income	**41.9**	**8.0**	**(3.0)**	**4.9**
Net Cost of debt	(8.0)	(1.7)	(2.8)	(4.5)
Other financial income/(expense)	16.4	(3.3)	12.7	9.4
o/w Change in fair value of financial derivative instruments	*31.3*	*(4.4)*	*(1.9)*	*(6.3)*
o/w A380 end of program impact	*-*	*-*	*16.7*	*16.7*
Financial result	**8.5**	**(5.0)**	**9.9**	**4.9**
Income tax	(16.6)	(0.2)	(3.6)	(3.8)
Net Income	**33.8**	**2.8**	**3.3**	**6.0**
Operating free cash flow	29.4	(28.3)	(6.9)	(35.2)

* Restated for the application of IFRS 15, effective as of January 1, 2018
** Recurring EBITDA corresponds to recurring operating income before recurring amortization, depreciation and impairment losses. Details of non-recurring items are presented in the Group's accounting principles from consolidation financial statements

Yannick Assouad, Group Chief Executive Officer, commented:
"*In 2018, Latécoère's profound industrial and commercial transformation delivered its first benefits. The Group's 3.1% organic growth in 2018 reflects our capacity to better serve our customers with the right technology, to invest in the right solutions and to produce at*

competitive costs. We are gaining new business in Interconnection Systems with world leading clients, and the division's positive momentum will require new start-up costs in 2019. The upgrade of our Aerostructures industrial facilities is ongoing. This made it possible to cope with the defection of a major supplier, insourcing the vast majority of its work in 2018. We are now focusing on ramping-up production of our new facilities in France and Bulgaria, as well as expanding both of them.

Latécoère's significant investments in its operations will continue in 2019 to position the Group as a tier-one aerostructure supplier supporting aircraft manufacturers in the deployment of their programs of the future. Our objectives remain unchanged and we will continue reducing our cost base as we progress towards the completion of Transformation 2020, by internalising the manufacturing of critical parts, making best use of our international footprint, so that we can gain positions in new market segments."

Pierre Gadonneix, Chairman of the Board of Directors, added:
"*2018 was an important year for Latécoère, with encouraging results and robust organic revenue growth. In 2019, we will engage the last significant capex of our Transformation 2020 plan that was launched in 2016. This plan is profoundly reshaping and modernizing our company, at every level. We are driving forward in both divisions. Reinvigorating Latécoère will allow the Group to reach its full potential and to sustain profitable growth."*

Second Half and Full Year 2018 Highlights and Financial Summary

Latécoère generated revenue of € 659.2 million in 2018, reflecting a growth of 3.1% at constant exchange rates. The positive 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.

Latécoère's FY 2018 recurring EBITDA amounted to € 54.5 million, representing an 8.3% margin. The year was marked by the roll-out of Transformation 2020, a less favourable €/$ exchange rate, pricing pressure in certain mature programs and unexpected costs related to the insourcing of primary aerostructure parts following the defection of a major supplier in H1 2018. As expected, the Group's recurring EBITDA recovered in H2 2018. Latécoère's 2018 recurring operating income amounted to € 28.0 million.

Following Airbus' announcement to discontinue A380 production in 2021, a € 12.6 million non-cash loss impacted the Group's 2018 operating income, while a € 16.7 million financial profit related to refundable advances was recognized. Other non-recurring items, mostly linked to the Transformation 2020 plan, accounted for € (10.5) million, net from the € 9.2 million capital gain generated in H1 by the sale of the first tranche of the Toulouse-Périole site.

The Group's cost of debt has been reduced in 2018 because of the refinancing from late 2017. Latécoère's 2018 net financial income totalled € 4.9 million, compared to € 8.5 million in 2017, which benefited from the large re-evaluation of hedge instruments. Therefore, the Group's net income declined to € 6.0 million.

Aerostructures

By division, Aerostructures revenue was stable in 2018 at constant exchange rates, at € 384.1 million ((3.2%) as reported), supported by significant A320 and B787 volumes 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.

Aerostructures (Audited – € million)	2017*	H1	**H2**	**2018**
Consolidated Revenue	**397.0**	**182.5**	**201.7**	**384.1**
Growth at constant exchange rates	-	*(8.3)%*	*8.3%*	*(0.2)%*
Inter-segment Revenue	17.4	7.1	7.8	14.9
Revenue	**414.4**	**189.6**	**209.5**	**399.1**
Recurring EBITDA**	**39.8**	**2.6**	**16.2**	**18.8**
*Recurring EBITDA** Margin on Revenue*	*9.6%*	*1.4%*	*7.7%*	*4.7%*
Recurring Operating Income	**26.8**	**(3.8)**	**10.4**	**6.6**
Recurring Operating Margin on Revenue	*6.5%*	*(2.0%)*	*5.0%*	*1.6%*

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The Aerostructures division's profitability recovered in the second half of 2018. Latécoère's Aerostructures division continues its transformation following the launch of state-of-the-art manufacturing facilities which will contribute to reduce its cost base and provide the industrial means to successfully compete for future platform tenders.

Interconnection Systems

Latécoère's Interconnection Systems division recorded strong growth of +7.9% in 2018 at constant exchange rates and +5.6% in published data. This performance confirms that new projects, such as the Mitsubishi MRJ90 and cabin activity, as well as increased A320 and A350 order volumes, more than offset declines related to the A380 and A330.

Interconnection Systems (Audited – € million)	2017*	H1	**H2**	**2018**
Consolidated Revenue	**260.4**	**138.2**	**136.8**	**275.0**
Growth at constant exchange rates	-	*5.2%*	*11.4%*	*7.9%*
Inter-segment Revenue	2.0	0.9	0.9	1.8
Revenue	**262.4**	**139.1**	**137.7**	**276.8**
Recurring EBITDA**	**38.4**	**18.2**	**17.4**	**35.6**
*Recurring EBITDA ** Margin on Revenue*	*14.6%*	*13.1%*	*12.6%*	*12.9%*
Recurring Operating Income	**24.8**	**10.9**	**10.4**	**21.2**
Recurring Operating Margin on Revenue	*9.4%*	*7.8%*	*7.5%*	*7.7%*

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Latécoère's Interconnection Systems 2018 Recurring Operating Income came to € 21.2 million compared to € 24.8 million in 2017. Throughout 2018, the division secured new customers long-term contracts which required additional start-up costs and temporarily impacted the division's margins. The start-up investments related to some of the new contracts are expected to continue in 2019.

Transformation 2020 update

In 2018, Latécoère made significant steps towards the fulfilment of its Transformation 2020 plan by finalising several key milestones in France, India and Bulgaria. So far, Latécoère has invested more than € 85 million in its transformation, which corresponds to c.65% of the Group's initial plans.

Following the inauguration of its digitised, connected and automated 4.0 production plant at Toulouse-Montredon, the Group also received the necessary authorisations to launch the second part of the work in the fourth quarter of 2018. This new phase involves a site expansion of 3,000 square meters to accommodate the surface treatment and painting activities that will start in 2020.

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

Solid Balance Sheet

As anticipated, the Group's 2018 operating free cash flow was € (35.2) million mainly due to non-recurring investments of € 41 million, which include the social plan in France (PSE) and the Transformation 2020 capex at the Toulouse-Montredon and Bulgaria sites. The 2018 recurring operating free cash flow amounted to € 5.8 million, mainly affected by the inventory build-up for the growing Interconnection Systems deliveries expected in 2019. Latécoère's operating free cash flow improved in the second half of 2018 to € (6.9) million.

Latécoère's balance sheet remains solid, with net debt representing 9% of equity and less than 50% of the Group's 2018 recurring EBITDA.

Outlook

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 needing to quickly replace a major supplier were overcome in the 4th quarter of 2018.

Latécoère confirms its outlook. In 2019, the Group is expected to deliver significant organic growth in sales, excluding currency effects, and to carry out significant investments to finalize the Transformation 2020 plan. Due to the start-up costs in 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 after capital expenditures.

Events occurring after the end of the 2018 financial year

Impact from the termination of the A380 program
The impact of the A380 program termination has been recognised in the 2018 financial results.

Share buyback program linked to stock allocation plans for employees
On January 18th, 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. It will be carried out, subject to market conditions, between February 1st, 2019 and December 31st, 2019. As of March 1st, the Group acquired 524,632 shares at an average price of € 3.18.

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

On January 18th, 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 Director.

Today's Webcast and Conference Call Information

Today, March 6th, 2019, Latécoère will first host a conference starting at 10.30am CET / 9.30am BST at Centre de Conférences Capital 8, 32 rue de Monceau, 75008 Paris.
The webcasted meeting will be available via the Internet by accessing https://edge.media-server.com/m6/p/dmsxy2tt. Please log in at least 15 minutes prior to the event to register, download and install any necessary software.

Additional investor information can be accessed by contacting latecoere@fticonsulting.com.

Additional note: The audit procedures have been completed. Auditors' report will be issued after the review of the "annual financial report".

Upcoming publications

- Q1 2019 Revenue: April 17, 2019
- 2018 AGM: May 13, 2019
- H1 2019 Revenue: July 24, 2019
- H1 2019 Results: September 4, 2019
- Q3 2019 Revenue: October 23, 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 (58% of total revenue): fuselage sections and doors.*
- *Interconnection systems (42% of total revenue): onboard wiring, electrical harnesses and avionics bays.*

At December 31, 2018, Latécoère employed 4,958 people in 13 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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Glossary

Growth at constant exchange rate
The Group measures the growth of its revenue exclusive of EUR/USD currency impacts to help understand revenue trends in its business.
The impact of exchange rate is offset by applying a constant EUR/USD exchange rate for the concerned periods.

Organic Growth
Organic growth excludes EUR/USD currency impacts (by applying a constant exchange rate for the periods considered) and by applying a constant Group structure. The constant Group structure is obtained by:

- Eliminating revenues of companies acquired during the period,
- Adding to the previous period full-year revenues of companies acquired in the previous period,
- Eliminating revenues of companies sold during the current or comparable periods.

Recurring operating income
In order to better reflect the current economic performance, the Group uses a sub-total named “recurring operating income” which excludes from operating income, non-recurring items (income or expenses) which are inherently difficult to predict due to their unusual, irregular or non-recurring nature. Details of non-recurring items are presented in the Group's accounting principles from consolidation financial statements.

EBITDA
EBITDA corresponds to operating income before depreciation, amortization, and impairment losses.

Recurring EBITDA
Recurring EBITDA corresponds to recurring operating income before recurring amortization, depreciation and impairment losses. Details of non-recurring items are presented in the Group's accounting principles from consolidation financial statements.

Operating free cash flow
Operating free cash flow corresponds to cash-flow from operating activities and from investing activities excluding income tax paid.

Recurring Operating free cash flow
Recurring Operating free cash flow corresponds to operating cash-flow excluding non-recurring items from operating activities and investing activities. Details of non-recurring items are presented in the Group's accounting principles from consolidation financial statements.

Net debt
Net debt corresponds to loans and bank borrowings (over one year) and loans and bank borrowings (less than one year) which include factoring and bank overdrafts less cash and cash equivalents. Net debt also includes financial debt from finance lease contracts.

Backlog
The backlog corresponds to firm orders published by OEMs (Original Equipment Manufacturers) and not yet recognized in revenue.

Summary P&L

(Audited – € million)	FY2017*	H1 2018	H2 2018	FY2018
Revenue	**657.4**	**320.8**	**338.5**	**659.2**
o/w Aerostructures	*414.4*	*189.6*	*209.5*	*399.1*
o/w Interconnection Systems	*262.4*	*139.1*	*137.7*	*276.8*
o/w Elimination inter-sector	*(19.4)*	*(8.0)*	*(8.6)*	*(16.6)*
Recurring EBITDA **	**78.4**	**20.9**	**33.7**	**54.5**
o/w Aerostructures	*39.8*	*2.6*	*16.2*	*18.8*
o/w Interconnection Systems	*38.4*	*18.2*	*17.4*	*35.6*
Recurring operating income	**51.9**	**7.1**	**20.9**	**28.0**
o/w Aerostructures	*26.8*	*(3.8)*	*10.4*	*6.6*
o/w Interconnection Systems	*24.8*	*10.9*	*10.4*	*21.2*
Non-recurring items	**(10.0)**	**0.8**	**(23.9)**	**(23.1)**
o/w A380 End of program impact	-	-	*(12.6)*	*(12.6)*
o/w Sale of first tranche of Toulouse-Périole	-	*9.5*	*(0.3)*	*9.2*
o/w Other non-recurring items	*(10.0)*	*0.8*	*(11.3)*	*(10.5)*
Operating income	**41.9**	**8.0**	**(3.0)**	**4.9**
Net Cost of debt	(8.0)	(1.7)	(2.8)	(4.5)
Other financial income/(expense)	16.4	(3.3)	12.7	9.4
o/w Change in fair value of financial derivative instruments	*31.3*	*(4.4)*	*(1.9)*	*(6.3)*
o/w A380 End of program impact	-	-	*16.7*	*16.7*
Financial result	**8.5**	**(5.0)**	**9.9**	**4.9**
Income tax	(16.6)	(0.2)	(3.6)	(3.8)
Net result	**33.8**	**2.8**	**3.3**	**6.0**

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

** Recurring EBITDA corresponds to recurring operating income before recurring amortization, depreciation and impairment losses. Details of non-recurring items are presented in the Group's accounting principles from consolidation financial statements

Summary Balance Sheet

ASSETS

(Audited – € thousand)	Dec 31, 2018	Dec 31, 2017 restated (*)
Goodwill	0	0
Intangible assets	91,525	130,581
Tangible assets	100,610	86,819
Other financial assets	3,695	3,415
Deferred tax assets	20,433	967
Financial derivative instruments	3,332	23,993
Other non-current assets	157	147
TOTAL NON-CURRENT ASSETS	**219,752**	**245,922**
Inventories	180,142	162,125
Accounts receivable	193,308	152,861
Tax receivable	19,659	19,378
Financial derivative instruments	5,261	17,002
Other current assets	1,550	1,309
Cash & Cash Equivalents	112,216	141,992
Assets held for sale	0	2,331
TOTAL CURRENT ASSETS	**512,136**	**496,998**
TOTAL ASSETS	**731,889**	**742,920**

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

LIABILITIES & EQUITY

(Audited – € thousand)	Dec 31, 2018	Dec 31, 2017 restated (*)
Share capital	189,490	188,790
Share premium	215,008	215,008
Treasury stock	1,587	1,632
Other reserves	(140,108)	(140,252)
Derivatives future cash flow hedges	(9,424)	26,591
Group net result	6,013	3,574
EQUITY ATTRIBUTABLE TO PARENT OWNERS	**262,565**	**295,342**
NON-CONTROLLING INTERESTS	0	(777)
TOTAL EQUITY	**262,565**	**294,565**
Loans and bank borrowings	55,510	45,060
Refundable Advances	24,332	42,831
Employee benefits	17,495	15,651
Non-current provisions	9,488	9,170
Deferred tax liabilities	30	154
Financial derivative instruments	21,035	26
Other non-current liabilities	4,602	19,721
TOTAL NON-CURRENT LIABILITIES	**132,492**	**132,614**
Loans and bank borrowings (less than 1 year)	81,153	77,126
Refundable Advances	2,575	2,357
Current provisions	3,267	17,089
Accounts payable	180,291	151,937
Income tax liabilities	3,132	2,998
Contracts liabilities	54,137	60,717
Other current liabilities	2,690	3,518
Financial derivative instruments	9,588	0
TOTAL CURRENT LIABILITIES	**336,832**	**315,742**
TOTAL LIABILITIES	**469,323**	**448,356**
TOTAL EQUITY & LIABILITIES	**731,889**	**742,920**

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

Summary Cash Flow Statement

(Audited – € thousand)	Dec 31, 2018	Dec 31, 2017 restated (*)
Net result for the period	6,013	33,768
Adjustments related to non-cash activities:		
Depreciation and provisions	42,022	19,350
Fair value gains/losses	6,349	(31,298)
Net (gains)/losses on disposal of assets	(9,943)	117
Charges et produits calculés liés aux paiements en actions	3,934	(358)
Other non-cash items	(33,791)	112
CASH FLOWS AFTER COST OF DEBT AND INCOME TAXES	**14,583**	**21,691**
Income taxes	3,798	16,578
Interest expenses	4,520	7,997
CASH FLOWS BEFORE COST OF DEBT AND INCOME TAXES	**22,900**	**46,266**
Changes in inventories net of provisions	(19,357)	(1,440)
Changes in client and other receivables net of provisions	(40,177)	21,238
Changes in suppliers and other payables	19,345	(3,986)
Income tax paid	(5,001)	(1,367)
CASH FLOWS FROM OPERATING ACTIVITIES	**(22,290)**	**60,711**
Purchase of tangible and intangible assets (including changes in payables to fixed asset suppliers)	(30,787)	(33,740)
Purchase of financial assets	(353)	(74)
Increase (decrease) in loans and advances made	248	316
Proceeds from sale of tangible and intangible assets	12,987	819
Dividends received	4	4
CASH FLOWS FROM INVESTING ACTIVITIES	**(17,901)**	**(32,675)**
Proceeds from issue of shares	30	1,405
Purchase or disposal of treasury shares	(45)	57
Proceeds from borrowings	12,674	45,000
Repayments of borrowings	(1,660)	(82,795)
Financial interest paid	(4,523)	(8,233)
Dividends paid	0	0
Flows from refundable advances	547	1,280
Other flows from financing operation	(519)	10,320
CASH FLOWS FROM FINANCING ACTIVITIES	**6,504**	**(32,967)**
Effects of exchange rate changes	(110)	(575)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(33,798)**	**(5,506)**
Opening cash and cash equivalents position	141,901	147,418
Closing cash and cash equivalents position	108,103	141,901

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