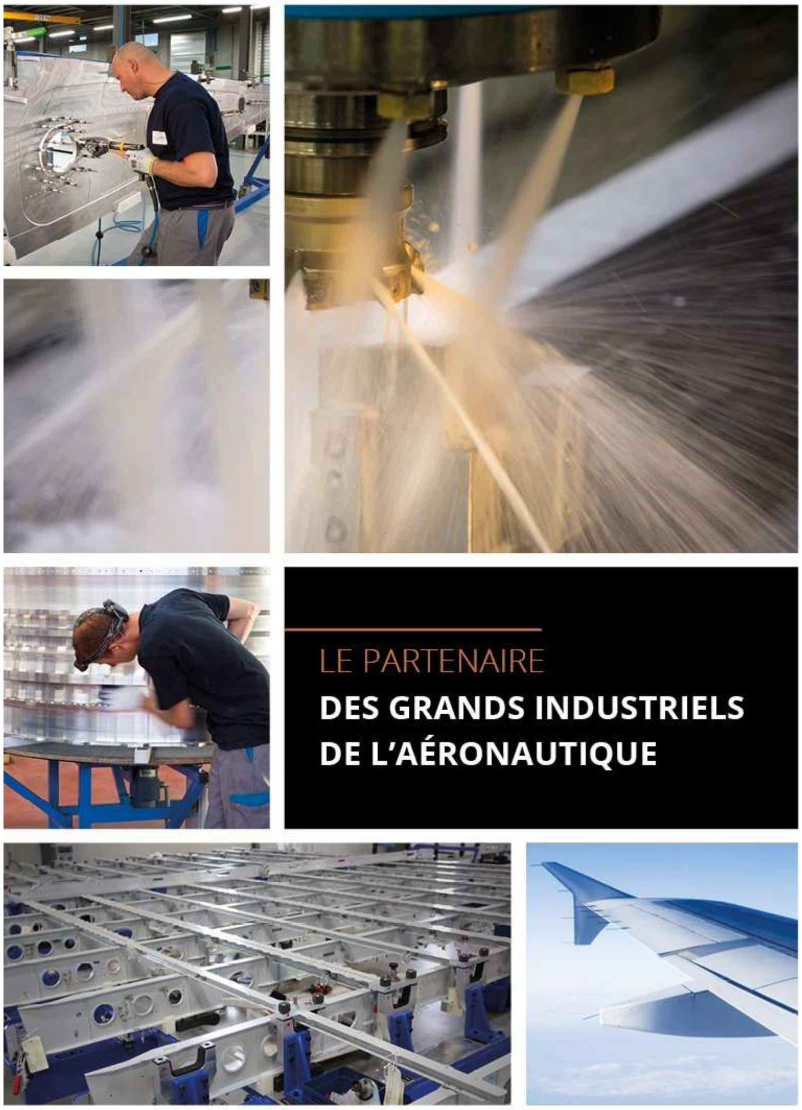
FIGEAC AERO GROUP



HALF-YEAR FINANCIAL REPORT
AT 30 SEPTEMBER 2018

Table of Contents

RESPONSIBILITY STATEMENT FOR THE HALF-YEAR FINANCIAL REPORT

I hereby confirm that to the best of my knowledge the condensed interim consolidated financial statements for the past half-year comply with the applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company and all its consolidated entities, and that the half-year business report provides a fair view of the significant events that occurred in the first six months of the financial year and their impact on the interim financial statements as well as a description of the main risks and uncertainties for the remaining six months of the financial year.

Figeac,
24 December 2018

Jean-Claude Maillard
Chairman of the Board of Directors

1. FINANCIAL INFORMATION ON THE ASSETS, FINANCIAL POSITION AND RESULTS OF THE ISSUER

1.1 Condensed interim consolidated financial statements

1.1.1 PREAMBLE

A. Entity presenting the financial statements

Figeac Aéro is registered in France. The Company's registered office is located at Zone Industrielle de l'Aiguille, 46100 FIGEAC. The Company's consolidated financial statements include the Company and its subsidiaries (together referred to as "the Group"). The Group's main activities are the production of structural parts for the aerospace industry, the assembly of sub-assemblies, general engineering and sheet metal fabrication, and surface treatment.

B. Statement of compliance

The consolidated financial statements were prepared in accordance with IFRS as issued by the IASB and as adopted by the European Union; this includes the definitions and the accounting and valuation methods recommended by IFRS as well as all the information mandated by the standards. In accordance with IAS 34, Interim Financial Reporting, they do not include all information required for the annual financial statements and must be read jointly with the Group's financial statements for the financial year ended 31 March 2018.

C. Basis of preparation of the financial statements

The accounting policies and calculation methods were applied in an identical manner for all periods presented except for the new IFRS 15 "Revenue from contracts with customers" and IFRS 9 "Financial instruments" standards applicable from 1 January 2018.

The amounts noted in these financial statements are expressed in thousands of euros (€ thousands).

D. Use of estimates and judgements

The preparation of the financial statements in accordance with IFRS requires that Management exercise its judgement and make estimates and assumptions that affect the application of accounting policies and the recognised amounts of assets and liabilities, income and expenses. The underlying estimates and assumptions are based on past experience and other factors considered reasonable given the circumstances. They also form a base for exercising the judgement required to determine the book values of certain assets and liabilities that cannot be directly obtained from other sources. Actual values can differ from estimated amounts.

The underlying estimates and assumptions are re-examined on an ongoing basis. The impact of changes in accounting estimates is recognised during the period in question, when only that period is affected, or during the period and any subsequent periods where the latter are also affected by the change.

The main balance sheet items affected by these estimates are capitalised development costs (see 1.2.3 "Intangible assets"), the fair value of derivative financial instruments (see 1.2.8 "Cash and cash equivalents and financial instruments at fair value through profit or loss"), deferred tax assets (see 1.2.9 "Deferred tax") and provisions (see 1.2.14 "Provisions").

1.1.2 CHANGES IN IFRS

The new IAS/IFRS texts and interpretations that became effective on 1 April 2018 and were applied by the Group in preparing its consolidated financial statements at 30 September 2018 are as follows:

- IFRS 9 "Financial instruments";
- IFRS 15 "Revenue from contracts with customers";
- Annual improvements to IFRS 2014-2016 Cycle;
- Amendment to IFRS 2 "Share-based payments" - Clarifications on the classification and assessment of share-based payments;
- IFRIC 22 "Foreign currency transactions and advance consideration";
- Amendments to IAS 40 "Investment property" - Transfer of investment property.

The impacts of the implementation of IFRS 15 and IFRS 9 are presented in Note 1.1.3 "Change in accounting policy".

New standards, interpretations and amendments to IFRS standards published and adopted early by the Group from 1 April 2018: N/A.

New standards, interpretations and amendments to IFRS standards published but not yet applicable and not adopted early by the Group:

- IFRS 16 "Leases";
- Amendments to IAS 28 "Investments in associates and joint ventures" and IFRS 10 "Consolidated financial statements" - Sale or contribution of assets between the Group and its entities accounted for by the equity method;
- Annual improvements to IFRS 2015-2017 Cycle;
- IFRIC 23 "Uncertainty over income tax treatments";
- Amendments to IAS 19 "Plan amendment, curtailment or settlement";
- Revision of the conceptual framework for financial reporting, amendment of references to the conceptual framework in IFRS.

With the exception of IFRS 16, these new texts have not yet been adopted by the European Union and cannot, therefore, be applied early, even though this is authorised by the standard.

The provisions of IFRS 16 (applicable by the Group on 1 April 2019) are currently being analysed and assessed at Group level.

1.1.3 CHANGE IN ACCOUNTING POLICY

- IFRS 15 " Revenue from contracts with customers"

The Group has chosen to apply IFRS 15 on revenue recognition retrospectively. The opening and closing balance sheets as at 31 March 2018 and the income statement as at 30 September 2017 and 31 March 2018 have been restated. The impacts are presented in the tables below.

The analysis of sales contract and transaction typologies has enable the modifications described below for the presentation of revenue and the way in which revenue is recognised to be identified.

1- Analysis and impact on the presentation of the financial statements:

The Group's revenue is mainly generated by three activities:

a. Pre-production activity - "Non recurring costs" as part of series production - "Design & Build" type contracts

The analysis carried by the Group has led it to consider that the pre-production activities implemented prior to series production do not represent a separate performance obligation, as control over these activities is not transferred to the final customers. Consequently:

The advances received in respect of these pre-production activity "non-recurring costs" are now recognised in the balance sheet under "Contract liabilities" then reclassified in revenue as and when the items produced are delivered.

The development costs previously presented in the "Inventories and work in progress" item are now presented in the "Contract assets" line as they are considered under the meaning of IFRS 15 as production contract fulfilment costs. These costs are amortised according to a method based on external benchmarks (aircraft deliveries) or on a straight-line basis over the duration of the contract.

b. Activity of development outside of series production

Revenue from development activities not related to series production is recognised at the date of transfer of control to the final customer.

c. Activity of series production of parts and sub-assemblies

This activity constitutes a distinct performance obligation. Revenue is recognised at the date of transfer of control corresponding generally to the delivery of the parts and sub-assemblies to the final customers.
The rhythm of revenue recognition from series-production parts, currently recorded on delivery, has not changed compared to previous financial years.

Moreover, IFRS 15 no longer enables the Group to recognise the production costs recorded during the first production years in respect of the learning curve in the balance sheet and recycle them in income in accordance with the decrease in costs actually observed.
These costs are now immediately recognised in income.

Consequently, the application of IFRS 15 has an impact on the rhythm of recognition of margins generated from the Group's different contracts.

In substance, the application of IFRS 15 has not had a significant impact on the Group's level of revenue and has not had an impact on the related cash flows.

- IFRS 9 - "Financial instruments"

The Group applies IFRS 9 according to the retrospective method. The first application of this standard has not had a significant impact on the Group's financial statements. The analysis of the standard enables the Group to continue to classify as hedging the tunnels and forward instruments used, with the time value of these instruments now impacting equity instead of the income statement.
After analysis of the customer portfolio (customer quality, history of payments and receivables maturity dates), no IFRS 9 impact has been identified on the depreciation of trade receivables.

1.1.4 SIGNIFICANT EVENTS

Another half-year of revenue growth

In the first half of its 2018/19 financial year, FIGEAC AÉRO posted revenue of €202 million, an increase of 18.8%. At constant scope and exchange rates, revenue grew by 20.0% in the six months to 30 September 2018.

This strong buoyant was accompanied by an increase in corrected EBITDA to [(1)] €36.7 million, which includes a dilutive effect resulting from the consolidation of the Tofer Group (-€0.8m) and an impact from the unfavourable change in the €/$ exchange rate (-€2.7m). At constant scope and exchange rates, corrected EBITDA amounted to €40.2 million up 23.1%, representing a margin of 19.9%, an improvement of 0.7 points.

At constant scope and exchange rates, current operating income was €20.5 million in the six months to 30 September 2018, a sharp increase of 30.0%, representing a current operating margin of 10.1%, an improvement of 0.4 points.

Operating income for H1 2018/19 improved by 15% to €17.2 million.

After taking into account net financial income and income tax, net profit for the six months to 30 September 2018, adjusted for unrealised currency impact and at constant scope and exchange rates, was €12.5 million, an increase of 71.4%.

Significant improvement to cash flow

Cash flows generated by activity for the period increased sharply to €33.1 million, almost equivalent to those posted over 12 months in the previous financial year (€35.3 million in the year ended 31 March 2018 and €4.5 million in the first half of 2017/18). This reflects a significant 49.4% improvement in cash flow (before cost of debt and taxes) to €36.2 million (€24.2 million in the previous year) and a sharp decline of more than €16.7 million in the WCR against a backdrop of business growth.

(1) Corrected EBITDA: recurring operating income + depreciation and amortisation + net provisions before the breakdown of R&D expenses capitalised by the Group by type.

Net investments for the period were €36.4 million, 33.4% of which was devoted to R&D, 15.4% to the ERP project, 34.8% to production equipment, 9.6% to real estate investments and the balance for various other investments.

The actions implemented within the Group have started to show results. For the first half of 2018/19 (ended 30 September 2018), free cash flow improved by a significant 86.5% to -€3.3 million (compared with -€24.3 million in the six months to 30 September 2017).

Financial structure

FIGEAC AÉRO has obtained a €96 million loan granted by a pool of banks (CM-CIC, BNP, HSBC, ARKEA) and 50% guaranteed by Bpifrance, the French financing and development organisation for mid-size companies. This six-year loan, on favourable terms for the Group, will for the most part fund new investments allocated following the gain of the largest contract in FIGEAC AÉRO's history, announced in January 2017. Concluded with Spirit AeroSystems, this contract covers the production of aluminium and titanium mechanical parts, as well as sub-assemblies for the Airbus A350 XWB and Boeing B737, B747-8, B767 and B777 programs.

With shareholders' equity of €199.6 million as of 30 September 2018 and net financial debt of €278.2 million, the gearing ratio is under control at 1.39, compared with 1.32 as of 31 March 2018.

1.1.5 RESTATEMENT OF COMPARATIVE PERIODS

The consolidated financial statements as at 30 September 2017 and 31 March 2018 were restated for the impact of the retrospective application of IFRS 15 "Revenue from contracts with customers".

1.1.5.1 A -Consolidated income statement

The main items in the income statement restated for the application of IFRS 15 are as follows:

- Revenue: corresponds to the reclassification in revenue of the advances received in respect of development costs during the delivery of produced items;

- Change in inventories of finished products and work in progress: mainly corresponds to the cancellation of the change in "Construction contracts" in progress relating to the production costs incurred in respect of the learning curve and recognised in the balance sheet in previous financial years.

Income statement at 30 September 2017

(€ thousands)

Consolidated Statement of Comprehensive Income	30- Sept -17 Reported	Restatement IFRS 15	30- Sept -17 Restated
Revenue	170,430	-443	169,987
Other income from operations	2,560		2,560
Change in inventories of finished products and work in progress	17,186	-3,188	13,998
Raw materials and consumables	-91,332	300	-91,032
Personnel expenses	-46,597	101	-46,496
External expenses	-15,281	65	-15,216
Taxes	-2,196	8	-2,188
Depreciation and amortisation	-15,519	52	-15,467
Net provisions	-384		-384
Current operating income	18,868	**-3,106**	**15,761**
Other operating income	130		130
Other operating expenses	-936		-936
Operating income	18,062		**14,955**
Financial income	22		22
Financial expenses	-2,369		-2,369
Cost of debt	-2,347		**-2,347**
Foreign exchange gains and losses	-6,916		-6,916
Unrealised gains and losses on financial instruments	7,981		7,981
Other financial income and expenses	-29		-29
Share of profit of equity affiliates	0		0
Income tax	-1,023		-1,023
Net income (loss) for the period	***15,728***	***-3,106***	***12,621***

Income statement at 31 March 2018

(€ thousands)

Consolidated Statement of Comprehensive Income	31- March - 18 Reported	Restatement IFRS 15	31- March - 18 Restated
Revenue	372,014	-1,309	370,705
Other income from operations	3,214		3,214
Change in inventories of finished products and work in progress	16,687	-10,937	5,750
Raw materials and consumables	-188,697	1,169	-187,528
Personnel expenses	-94,507	194	-94,313
External expenses	-34,819	124	-34,695
Taxes	-6,352	15	-6,337
Depreciation and amortisation	-30,991	101	-30,890
Net provisions	227		227
Current operating income	36,776	**-10,642**	**26,134**
Other operating income	1,381		1,381
Other operating expenses	-4,111		-4,111
Operating income	34,046	**-10,642**	**23,404**
Financial income	99		99
Financial expenses	-6,231		-6,231
Cost of debt	-6,132		**-6,132**
Foreign exchange gains and losses	-6,085		-6,085
Unrealised gains and losses on financial instruments	16,668		16,668
Other financial income and expenses	-115		-115
Share of profit of equity affiliates	0		0
Income tax	-8,144	2,157	-5,987
Net income (loss) for the period	***30,237***	***-8,485***	***21,752***

1.1.5.2 B –Statement of consolidated financial position

Statement of consolidated financial position at 31 March 2017

(€ thousands)	March 2017 Reported			March 2017 restated
CONSOLIDATED ASSETS	**Closing**	**IFRS 15 impact**	**Reclassification**	**Closing**
Development costs	51,681			51,681
Other intangible assets	3,377			3,377
Total intangible assets	**55,057**			**55,057**
Land	4,181			4,181
Buildings	38,383			38,383
Plant machinery	135,169			135,169
Other property, plant and equipment	6,625			6,625
Total property, plant and equipment	**184,358**			**184,358**
Deferred tax	494	**2,576**	6,569	9,639
Other financial assets	2,325			2,325
Other non-current assets	0			0
Contract assets		19,948		19,948
Total non-current assets	**242,234**	**22,524**	**6,569**	**271,327**
Inventories and work in progress	238,119	-85,421		152,698
Customers and other receivables	90,708			90,708
Tax receivables	12,319			12,319
Other current assets	16,817			16,817
Cash and cash equivalents	30,543			30,543
Total current assets	**388,506**	**-85,421**	**6,569**	**303,085**
Total assets (€ thousands)	***630,739***	***-62,897***	***6,569***	***574,411***

(€ thousands)	March 2017 Reported			March 2017 restated
CONSOLIDATED LIABILITIES	**Closing**	**IFRS 15 impact**	**Reclassification**	**Closing**
Share capital	3,815			3,815
Premium	118,455			118,455
Reserves	56,651	-50,342		6,309
Foreign currency translation reserve	-360			-360
Net income for the year	32,545			32,545
Share capital issued and reserves attributable to owners of the parent company	**211,106**			**160,763**
Non-controlling interests	204			204
Non-controlling interests	**204**			**204**
Total consolidated shareholders' equity	**211,310**	**-50,342**		**160,968**
Loans from credit institutions	80,321			80,321
Repayable advances	26,380			26,380
Finance lease liabilities	36,722			36,722
Other financial liabilities	1,739			1,739
Total non-current financial liabilities	**145,162**			**145,162**
Other provision	6,351			6,351
Deferred tax liabilities	17,607	-21,757	6,569	2,419
Provision for pensions and other long-term employee benefits	3,095			3,095
Derivative financial instruments	28,582			28,582
Other non-current liabilities	2,807			2,807
Contract liabilities		9,202		9,202
Non-current portion of deferred income	8,111			8,111
Total non-current liabilities	**211,716**	**-12,555**	**6,569**	**205,730**
Short-term borrowings	53,611			53,611
Current portion of financial liabilities	36,012			36,012
Repayable advances	3,690			3,690
Total current financial liabilities	**93,313**			**93,313**
Trade payables	81,003			81,003
Fiscal liabilities	7,331			7,331
Other current liabilities	22,904			22,904
Deferred income	3,162			3,162
Total current liabilities	**207,714**	**-12,555**	**6,569**	**207,714**
Total equity and liabilities	***630,739***	***-12,555***	***6,569***	***574,411***

Statement of consolidated financial position at 31 March 2018

(€ thousands)	March 2018 Reported		March 2018 restated
CONSOLIDATED ASSETS	**Closing**	**IFRS 15 impact**	**Closing**
Development costs	80,491		80,491
Goodwill	2,397		2,397
Other intangible assets	3,074		3,074
Total intangible assets	**85,961**		**85,961**
Land	4,409		4,409
Buildings	58,091		58,091
Plant machinery	134,379		134,379
Other property, plant and equipment	7,664		7,664
Total property, plant and equipment	**204,543**		**204,543**
Deferred tax	3,784	**4,966**	8,750
Other financial assets	3,182		3,182
Other non-current assets	15,079		15,079
Contract assets		23,178	23,178
Total non-current assets	**312,550**	**28,144**	**340,694**
Inventories and work in progress	272,587	-97,984	174,603
Customers and other receivables	95,565		95,565
Tax receivables	14,180		14,180
Other current assets	26,666		26,666
Cash and cash equivalents	107,906		107,906
Total current assets	**516,904**	**-97,984**	**418,920**
Total assets (€ thousands)	***829,455***	***-69,840***	***759,615***

(€ thousands)	March 2018 Reported		March 2018 restated
CONSOLIDATED LIABILITIES	Closing	IFRS 15 impact	Closing
Share capital	3,821		3,821
Premium	118,455		118,455
Reserves	107,693	-50,342	57,351
Foreign currency translation reserve	-1,214		-1,214
Net income for the year	30,275	-8,485	21,790
Share capital issued and reserves attributable to owners of the parent company	**259,031**		**200,204**
Non-controlling interests	43		43
Non-controlling interests	**43**		**43**
Total consolidated shareholders' equity	**259,074**	**-58,827**	**200,247**
Loans from credit institutions	180,781		180,781
Repayable advances	21,855		21,855
Finance lease liabilities	47,062		47,062
Other financial liabilities	1,756		1,756
Total non-current financial liabilities	**251,454**		**251,454**
Other provisions	6,331		6,331
Deferred tax liabilities	36,173	-21,524	14,649
Provision for pensions and other long-term employee benefits	1,856		1,856
Derivative financial instruments	12,040		12,040
Other non-current liabilities	1,629		1,629
Contract liabilities		10,511	10,511
Non-current portion of deferred income	8,024		8,024
Total non-current liabilities	**317,507**	**-11,013**	**306,494**
Short-term borrowings	70,742		70,742
Current portion of financial liabilities	47,566		47,566
Repayable advances	5,211		5,211
Total current financial liabilities	**123,519**		**123,519**
Trade payables	81,165		81,165
Fiscal liabilities	14,161		14,161
Other current liabilities	26,390		26,390
Deferred income	7,640		7,640
Total current liabilities	**252,875**	**0**	**252,875**
Total equity and liabilities	***829,455***	***-69,840***	***759,615***

The main items in the balance sheet restated for the application of IFRS 15 are as follows:

Contract assets:
Reclassification of development costs (NRC "Non recurring") from the "Inventories and work in progress" item to the "Contract assets" item.
Recording of NRC development costs previously recognised in income.

Inventories and work in progress:
Cancellation through shareholders' equity of "Construction contracts" in progress relating to the learning curve for an amount of €85 million before taking into account deferred tax.

Reclassification in the Contract assets item of the "Non recurring costs" in progress for an amount of €13 million.

Contract liabilities:
Recording of advance payments received from customers in respect of development costs in the "Contract liabilities" item for €10.5 million.

1.1.5. C –Consolidated statement of cash flows

(In € thousands)	30- Sept - 17 Reported	Restatement IFRS 15	30- Sept - 17 Restated
Cash flow from operating activities			
Net income (loss) from consolidated companies	15,728	-3,106	12,622
Dep., amort., provisions and share of subsidies allocated to income	16,189	-52	16,137
Elimination of revaluation gains (losses) (fair value)	-7,959		-7,959
Other items not affecting cash	629		629
Cash flow after borrowing costs and tax	**24,587**	**-3,159**	**21,428**
Tax expense	1,023		1,023
Cost of debt	1,769		1,769
Cash flow before borrowing costs and taxes	**27,379**	**-3,159**	**24,220**
Change in working capital requirements for operations	-22,932	3,158	-19,774
Change in inventories	-26,975	3,106	-23,869
Change in trade and other receivables	12,761	52	12,813
Change in trade and other payables	-8,719		-8,719
Tax paid	0		0
NET CASH FLOW FROM OPERATING ACTIVITES	**4,447**		**4,446**
Cash flow from investing activities			
Acquisition of assets	-38,867		-38,867
Impact of changes in scope	10,106		10,106
NET CASH FLOW FROM INVESTING ACTIVITIES	**-28,761**		**-28,761**
Cash flow from financing activities			
Capital increases	0		0
Increases in subsidies	0		0
Bond issues and advances	28,836		28,836
Repayment of bonds and advances	-23,961		-23,961
Other financial liabilities	0		0
Interest paid	-1,769		-1,769
NET CASH FLOW FROM FINANCING ACTIVITIES	**3,106**		**3,106**
CHANGE IN CASH	***-21,207***		***-21,207***
Cash - opening	-23,068		-23,068
Cash - change in foreign exchange rates	-143		-143
Cash - closing	-44,419		-44,419
CHANGE IN CASH	***-21,207***		***-21,207***

1.1.6 CONSOLIDATED BALANCE SHEET

(€ thousands)		septembre-18	mars-18 restated*
CONSOLIDATED ASSETS	Notes	Closing	Closing
Development costs	1.2.3	96,831	80,491
Goodwill	1.2.3	2,397	2,397
Other intangible assets	1.2.3	2,840	3,074
Total intangible assets		**102,068**	**85,961**
Land	1.2.4	5,162	4,409
Buildings	1.2.4	59,610	58,091
Plant machinery	1.2.4	139,837	134,379
Other property, plant and equipment	1.2.4	8,357	7,664
Total property, plant and equipment	1.2.4	**212,966**	**204,543**
Deferred tax	1.2.9	11,730	8,750
Other financial assets	1.2.5	2,968	3,182
Other non-current assets	1.2.7	0	15,079
Contract assets		24,913	23,178
Total non-current assets		**354,644**	**340,694**
Inventories and work in progress	1.2.6	176,738	174,603
Customers and other receivables	1.2.7	94,662	95,565
Tax receivables	1.2.7	15,030	14,180
Other current assets	1.2.7	27,358	26,666
Cash and cash equivalents	1.2.8	158,792	107,906
Total current assets		**472,580**	**418,920**
Total assets (€ thousands)		***827,224***	***759,615***

(€ thousands)		septembre-18	mars-18 restated*
CONSLOLIDATED LIABILITIES	**Notes**	**Closing**	**Closing**
Share capital	1.2.12	3,821	3,821
Premium	1.2.12	118,455	118,455
Reserves	1.2.12	70,340	57,351
Foreign currency translation reserve	1.2.12	-2,036	-1,214
Net income for the year	1.2.12	9,168	21,790
Share capital issued and reserves attributable to owners of the parent company	1.2.12	**199,748**	**200,204**
Non-controlling interests	1.2.12	-131	43
Non-controlling interests		**-131**	**43**
Total consolidated shareholders' equity	*1.2.12*	**199,617**	**200,247**
Loans from credit institutions	1.2.11	258,118	180,781
Repayable advances	1.2.11	20,827	21,855
Finance lease liabilities	1.2.11	45,107	47,062
Other financial liabilities	1.2.11	2,665	1,756
Total non-current financial liabilities	*1.2.11*	**326,717**	**251,454**
Other provision	1.2.14	6,648	6,331
Deferred tax liabilities	1.2.9	14,535	14,649
Provision for pensions and other long-term employee benefits	1.2.14	2,025	1,856
Derivative financial instruments	1.2.8.2	9,821	12,040
Other non-current liabilities		2,361	1,629
Contract liabilities		11,632	10,511
Non-current portion of deferred income		8,061	8,024
Total non-current liabilities		**381,799**	**306,494**
Short-term borrowings	1.2.11	64,656	70,742
Current portion of financial liabilities		43,037	47,566
Repayable advances		5,211	5,211
Total current financial liabilities		**112,905**	**123,519**
Trade payables	1.2.15	88,548	81,165
Fiscal liabilities	1.2.15	10,983	14,161
Other current liabilities	1.2.15	25,184	26,390
Deferred income		8,188	7,640
Total current liabilities		**245,807**	**252,875**
Total equity and liabilities		***827,224***	***759,615***

1.1.7 INCOME STATEMENT

(€ thousands)

Consolidated Statement of Comprehensive Income		Sept.-18 Closing	Sept.-17 restated* Closing
Revenue	1.2.16	202,018	169,987
Other income from operations	1.2.20	1,819	2,560
Change in inventories of finished products and work in progress		8,427	13,998
Raw materials and consumables		-113,001	-91,032
Personnel expenses		-48,472	-46,496
External expenses		-14,501	-15,216
Taxes		-2,256	-2,188
Depreciation and amortisation		-17,025	-15,467
Net provisions		-20	-384
Current operating income		**16,990**	**15,761**
Other operating income	1.2.21	511	130
Other operating expenses	1.2.21	-322	-936
Operating income	1.2.21	**17,179**	**14,955**
Financial income		73	22
Financial expenses		-4,709	-2,369
Cost of debt	1.2.22	**-4,636**	**-2,347**
Foreign exchange gains and losses		-289	-6,916
Unrealised gains and losses on financial instruments		-387	7,981
Other financial income and expenses		-198	-29
Share of profit of equity affiliates		0	0
Income tax	1.2.19	-2,673	-1,023
Net income (loss) for the period		***8,996***	***12,621***
Net income (loss) attributable to owners of the parent company		**9,168**	**12,620**
Net income attributable to non-controlling interests		-172	1

1.1.8 STATEMENT OF COMPREHENSIVE INCOME

(€ thousands)

Statement of comprehensive income	Appendix Notes	septembre-18 Closing	septembre-17 restated* Closing
Net income (loss) for the period		***8,996***	***12,621***
Other comprehensive income items			
Cash flow hedges - portion of change in fair value deemed effective		12,485	21,229
Deferred tax - Change in the fair value of hedging instruments		-3,870	-5,944
Postemployment liabilities - actuarial differences		-78	-27
Deferred tax - postemployment liabilities - actuarial differences		27	9
Translation adjustment		-822	-756

Total comprehensive income (loss) for the year		**16,738**	**27,132**
* Attributable to owners of the parent company		16,910	30,238
* Non-controlling interests		-172	1

1.1.9 CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(€ thousands)

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Group share: Share capital	Group share: Treasury share	Group share: Premium	Group share: Consolidated reserves	Group share: Foreign currency translation reserve	Group share: Income	Group share: Total attributable to Group shareholders	Non-controlling interests	Total shareholders' Group
Financial year ended March 2017 reported	***3,815***	***-222***	***118,455***	***56,873***	***-360***	***32,545***	***211,105***	***204***	***211,310***
IFRS 15 Impact				-50,342			-50,342		
Financial year ended March 2017 restated*	***3,815***	***-222***	***118,455***	***6,531***	***-360***	***32,545***	***160,763***	***204***	***160,967***
Change in method				0			0		0
Retrospective restatement				0			0		0
Share capital transactions		-9					-9		-9
Change in translation differences					-756		-756		-756
Impact of the application of IFRS 2				296			296		296
Impact of the application of IRS 19				-18			-18		-18
Fair value of financial assets				15,285			15,285		15,285
Others				284			284	-42	242
Dividends paid				0			0		0
Appropriation of net income Y-1				32,545		-32,545			0
Other comprehensive income items									
Net income (loss) for the period						12,621	12,621	1	12,622
Changes in scope									
Financial year ended September 2017 restated	***3,815***	***-231***	***118,455***	***54,920***	***-1,116***	***12,621***	***188,463***	***162***	***188,625***
Financial year ended March 2018 restated*	***3,821***	***-1,285***	***118,455***	***58,674***	***-1,214***	***21,753***	***200,204***	***43***	***200,247***
Financial year ended March 2018 not restated*	***3,821***	***-1,285***	***118,455***	***108,978***	***-1,214***	***30,275***	***259,031***	***43***	***259,074***
Share capital transactions		-110	0				-110	0	-110
Change in translation differences					-822		-822		-822
Impact of the application of IFRS 2							0		0
Impact of the application of IRS 19				-51			-51		-51
Fair value of financial assets				-8,615			-8,615		-8,615
Others				-26			-26	-2	-28
Dividends paid									0
Appropriation of net income Y-1				30,275		-30,275			0
Other comprehensive income items									
Net income (loss) for the period						9,168	9,168	-172	8,996
Changes in scope							0		
									0
Financial year September 2018	***3,821***	***-1,395***	***118,455***	***71,735***	***-2,036***	***9,168***	***199,748***	***-131***	***199,617***

Note: *For the periods ended 31 March 2017, 30 September 2017 and 31 March 2018, the consolidated statement of changes in shareholders' equity has been modified compared to that presented in the consolidated financial statements as at 31 March 2017, 30 September 2017 and 31 March 2018 to take into account the impact of the retrospective application of IFRS 15 from 1 April 2018, with a restatement of the comparative periods. (see Note 1.1.5)*

The change from IAS 11 to IFRS 15 impacted shareholders' equity by – €50,342 thousand as at 31 March 2017 broken down into the cancellation of the learning curve for €85,421 thousand, the recognition of contract assets and liabilities for €19,948 thousand and €9,202 thousand respectively and the reversal of deferred tax for €24,333 thousand.

1.1.10 CONSOLIDATED STATEMENT OF CASH FLOWS

(€ thousands)	sept.-18	mars-18 restated*	sept-17 restated*
Cash flow from operating activities			
Net income (loss) from consolidated companies	8,996	21,752	12,622
Dep., amort., provisions and share of subsidies allocated to income	21,861	35,502	16,137
Elimination of revaluation gains (losses) (fair value)	1,799	-11,868	-7,959
Other items not affecting cash	143	2,742	629
Cash flow after cost of debt, net of tax	**32,799**	**48,128**	**21,428**
Tax expense	784	4,962	1,023
Cost of net financial debt	2,605	4,257	1,769
Cash flow before cost of debt, net of tax	**36,188**	**57,347**	**24,220**
Change in working capital requirements for operations	-3,090	-22,031	-19,774
Changes in inventories	-594	-23,086	-23,869
Change in trade and other receivables	-3,917	-7,393	12,813
Change in trade and other payables	1,311	8,448	-8,719
Tax paid	110	0	0
NET CASH FLOW FROM OPERATING ACTIVITES	**33,098**	**35,316**	**4,446**
Cash flows from investing activities			
Acquisition of assets	-38,403	-75,137	-38,867
Disposal of assets	2,020	5,895	10,106
Impact of changes in scope	0	-15	0
NET CASH FLOW FROM INVESTING ACTIVITIES	**-36,383**	**-69,257**	**-28,761**
Cash flows from financing activities			
Capital increases	0	6	0
Increases in subsidies	0	0	0
Bond issues and advances	96,609	132,305	28,836
Repayment of bonds and advances	-22,502	-45,044	-23,961
Other financial liabilities	-11,435	11,435	0
Interest paid	-2,605	-4,257	-1,769
NET CASH FLOW FROM FINANCING ACTIVITIES	**60,067**	**94,445**	**3,106**
CHANGE IN CASH	***56,782***	***60,504***	***-21,207***
Cash - opening	37,165	-23,068	-23,068
Cash - change in foreign exchange rates	-188	-272	-143
Cash - other changes	0	0	0
Cash - closing	94,135	37,165	-44,419
CHANGE IN CASH FLOWS	***56,782***	***60,504***	***-21,207***

1.2 Notes to the consolidated financial statements

1.2.1 ACCOUNTING POLICIES

The accounting policies applied by the Group to establish the interim financial statements are identical to those applied by the Group at 31 March 2018 for the annual financial statements (see Notes to the financial statements for the financial year ended 31 March 2018), with the exception of the application of IFRS 15 and IFRS 9.

A. Translation of the financial statements of subsidiaries denominated in foreign currencies

The financial statements of foreign companies (outside the euro zone) are translated in the following manner:

- assets and liabilities, including fair value adjustments derived from the consolidation are translated at the closing rate;
- income statement items are translated at the exchange rate applicable on the transaction dates or, in practice, at an approximately close rate that corresponds, except in the event of significant fluctuations in the rate, to the average rate for the financial year. For business activities in countries with strong inflation, income statement items for the concerned subsidiary would be translated at the closing rate in application of IAS 29 and interpretation IFRIC 7;
- the translation difference is recorded in a separate item under shareholders' equity and does not impact income.

The main exchange rates used are as follows (value for €1):

	31/03/2018		30/09/2018	
	Balance sheet	Income	Balance sheet	Income
US dollar	1.2321	1.1703	1.1576	1.1733
Tunisian dinar	2.9883	2.8744	3.2478	3.1326
Moroccan dirham	11.3378	11.1356	10.9414	11.0636
Mexican peso	22.5249	21.8711	21.7800	22.4417
Romanian Leu	4.6565	4.6565	4.6638	4.6513

B. Closing dates

FIGEAC AERO (parent company) and FIGEAC AERO PICARDIE, FGA NORTH AMERICA, MECABRIVE INDUSTRIES, FGA Saint Nazaire, FGA TUNISIE, FGA MAROC, Casablanca Aéronautique, FIGEAC AERO AUXERRE, Société Nouvelle Auvergne Aéronautique, SCI Mexique, FGA USA, FGA TUNISIA PROCESS, TOFER HOLDING, ATELIER TOFER, TSI and TES are consolidated on the basis of their balance sheet entries for the six-month period ended 30 September 2018.

MTI, SCI REMSI and EGIMA are consolidated on the basis of their balance sheet entries for the nine-month restated period ended 30 September 2018 to reflect significant transactions or transactions with an impact on the consolidated financial statements between 1 January and 31 March 2018.

C. Seasonal effects

The Group experienced no significant seasonal effects that could impede understanding of its business during the first half-year. However, the number of working days and the amount of leave taken (higher in the first half of the year) may have had an impact on the Group's business.

1.2.2 SCOPE OF CONSOLIDATION

Consolidated entities

Entity and legal form	ID no.	Registered office	Consolidation method		% control		% interest	
			March 2018	Sept 2018	March 2018	Sept 2018	March 2018	Sept 2018
FIGEAC AERO SA	349357343	Z.I. de l'Aiguille 46100 FIGEAC	Parent Company	Parent Company	Parent Company	Parent Company	Parent Company	Parent Company
M.T.I. SAS	394223804	Z.I. du Combal 12300 DECAZEVILLE	Full Consolidation	95.64%	95.64%	95.64%	95.64%	95.64%
MECABRIVE IND. SAS	453806267	1, Imp. Langevin 19108 BRIVE	Ful Consolidation	100.00%	100.00%	100.00%	100.00%	100.00%
SARL FGA TUNISIE	NONE	ZI M'Ghira III, Rue de Gafsa 2082 FOUCHANA	Full Consolidation	100.00%	100.00%	100.00%	100.00%	100.00%
FIGEAC AERO USA INC	NONE	2701 South Bayshore Drive 33133 MIAMI	Full Consolidation	100.00%	100.00%	100.00%	100.00%	100.00%
FGA PICARDIE SAS	533995684	Z.I. de l'Aiguille 46100 FIGEAC	Full Consolidation	100.00%	100.00%	100.00%	100.00%	100.00%
FGA NORTH AMERICA INC	NONE	9313 E 39th St N Wichita, KS, 67226 USA	Full Consolidation	100.00%	100.00%	100.00%	100.00%	100.00%
FIGEAC AERO MAROC	328973	49 Rue Jean Jaures CASABLANCA MAROC	Full Consolidation	100.00%	100.00%	100.00%	100.00%	100.00%
SCI REMSI	791581994	Z.I. de l'Aiguille 46100 FIGEAC	Full Consolidation	100.00%	100.00%	100.00%	0.00%	100.00%
SCI MEXIQUE	NONE	Guillermo Prieto N°6 Hermosillo Sonara Mexico	Full Consolidation	100.00%	100.00%	100.00%	100.00%	100.00%
FIGEAC AERO SAINT NAZAIRE	818093577	ZI de Cadréan 44550 MONTOIR DE BRETAGNE	Full Consolidation	100.00%	100.00%	100.00%	100.00%	100.00%
FIGEAC AERO AUXERRE	824264030	Z.I. Plaine des Isles 89000 AUXERRE	Full Consolidation	100.00%	100.00%	100.00%	100.00%	100.00%
SN AUVERGNE AERONAUTIQUE	824245104	1 Rue Touira Chaoui 63510 AULNAT	Full Consolidation	100.00%	100.00%	100.00%	100.00%	100.00%
CASABLANCA AERONAUTIQUE	3304831	aéropole de l'aéroport Mohammed V CASABLANCA Morocco	Full Consolidation	100.00%	100.00%	100.00%	100.00%	100.00%
FIGEAC TUNISIA PROCESS	1358165	122 Avenue du Koweit 8050 HAMMAMET	Full Consolidation	90.00%	90.00%	90.00%	90.00%	90.00%
EGIMA	1087305	aéropole de l'aéroport Mohammed V CASABLANCA Morocco	Full Consolidation	100.00%	100.00%	100.00%	100.00%	100.00%
FGA GROUP SERVICES	832847248	Z.I. de l'Aiguille 46100 FIGEAC	Full Consolidation	100.00%	100.00%	100.00%	100.00%	100.00%
ATELIERS TOFER	700802135	Z.A. de Bogues 31750 ESCALQUENS	Full Consolidation	75.50%	75.50%	75.50%	75.50%	75.50%
TOFER HOLDING	442692406	Z.A. de Bogues 31750 ESCALQUENS	Full Consolidation	100.00%	100.00%	100.00%	100.00%	100.00%
TOFER SERVICE INDUSTRIES	797707593	135 Avenue de Toulouse 31750 ESCALQUENS	Full Consolidation	100.00%	100.00%	100.00%	100.00%	100.00%
TOFER EUROPE SERVICE	NONE	ZI Dibo Hala10 PRAHOVA ROUMANIE	Full Consolidation	86.00%	86.00%	86.00%	86.00%	86.00%
TOFER IMMOBILIER	841174873	Z.I. de l'Aiguille 46100 FIGEAC	NONE	Full Consolidation	NONE	100.00%	NONE	100.00%
NANSHAN FIGEAC AERO INDUSTRY	NONE	QUTAN VILLAGE YANTAI SHANDONG CHINE	NONE	NONE	NONE	50.00%	NONE	50.00%

SCI REMSI, owned by Jean-Claude Maillard, Chairman and CEO of FIGEAC AERO GROUP, is consolidated because it is considered a special purpose entity. It owns a specific asset (an industrial building) rented by the parent company (Figeac Aéro). This SCI (non-trading property company) was created as part of the Group's investment initiative (creation of a workshop separate from the rest of the factory).

Under IFRS 10, the parent company is deemed to control this entity because:

- it has power over the entity through its power to govern its financial and operating policies;
- it is exposed or has rights to the entity's variable returns from its involvement with it;
- it can use its power over the entity to affect the amount of these returns.

1.2.2.1 UNCONSOLIDATED ENTITIES

Entity and legal form	ID no.	Registered office	Consolidation method		% control		% interest	
			March 2017	March 2018	March 2017	March 2018	March 2017	March 2018
SAS AEROTRADE	**520459876**	23 Av Edouard BELIN 31400 TOULOUSE	Not consolidated	Not consolidated	1.00%	1.00%	1.00%	1.00%

1.2.3 INTANGIBLE ASSETS

(€ thousands)

Intangible assets	Opening mars-18	Increase	Decrease	Transfer from item to item	Translation adjustment	Changes in scope	Closing septembre-18
Startup costs and similar costs	0	0	0	0	0	0	0
Development costs	45,594	871	-143	5,272	14	0	51,608
Goodwill	2,397	0	0	0	0	0	2,397
Concessions, patents, licenses	1,868	148	-4	18	8	0	2,037
Software	7,707	325	0	5	3	0	8,040
Goodwill	509	0	0	0	0	0	509
Other intangible assets	4	0	0	0	0	0	4
Intangible assets in progress	56,719	18,654	-1,291	-5,295	0	0	68,787
Intangible assets in progress - finance lease	2,420	1,670	0	0	0	0	4,090
Advances/intangible assets	0	0	0	0	0	0	0
Gross intangible assets	***117,218***	***21,668***	***-1,438***	***0***	***25***	***0***	***137,472***
Depreciation							
Deprec. Start-up costs	0	0	0	0	0	0	0
Development costs - amort.	-24,242	-3,412	0	0	0	0	-27,654
Concessions, patents, licenses - amort.	-1,620	-83	4	0	-10	0	-1,710
Software - amort.	-5,385	-649	0	0	5	0	-6,028
Goodwill - amort.	-5	-3	0	0	0	0	-8
Other intangible assets - deprec.	-4	0	0	0	0	0	-4
Intangible assets in progress - amort.	0	0	0	0	0	0	0
Advances/intangible assets - amort.	0	0	0	0	0	0	0
Intangible assets amort. and imp.	***-31,256***	***-4,146***	***4***	***0***	***-5***	***0***	***-35,404***
Net values							
Startup costs and similar costs	0	0	0	0	0	0	0
Development costs	21,352	-2,541	-143	5,272	14	0	23,954
Goodwill	2,397	0	0	0	0	0	2,397
Concessions, patents, licenses	248	65	0	0	-2	0	327
Software	2,322	-323	0	5	8	0	2,012
Goodwill	504	-3	0	0	0	0	501
Other intangible assets	0	0	0	0	0	0	0
Intangible assets in progress	56,719	18,654	-1,291	-5,295	0	0	68,787
Intangible assets in progress - finance lease	2,420	1,670	0	0	0	0	4,090
Advances/intangible assets	0	0	0	0	0	0	0
Intangible assets	***85,961***	***17,522***	***-1,434***	***0***	***20***	***0***	***102,068***

At 30 September 2018, there was no depreciation due to impairment.

New intangible assets:

- were generated internally (capitalised development costs) for +€17 million (+€13.9 million in September 2017);
- were acquired externally for +€2.6 million (+€1.8 million in September 2017).

These include:

- the acquisition of software programmes: €1,344 thousand;
- expenses incurred as part of installing the Group's new ERP amount to €18,420 thousand as at 30 September 2018, an increase over the half year of €5,288 thousand;
- the valuation of recognised R&D expenses: €13,215 thousand.

The Group's R&D investment policy focuses on new machining systems (aerostructures and engines), material coatings, sheet metal procedures and welding procedures for aerospace parts.

In this area, the Figeac Aero Group must anticipate the advent of new products and make use of the most cutting-edge technologies.

The Group has significant R&D expenses. Over the last three years, these expenses averaged 7.29% of consolidated revenue. The result of this proactive policy in France is a Research Tax Credit (CIR) and large subsidies (CIR of €2.2 million in 2017).

1.2.4 PROPERTY, PLANT AND EQUIPMENT

(€ thousands)

Property, plant and equipment	Opening (mars-18)	Increase	Decrease	Transfer from item to item	Translation adjustment	Changes in scope	Closing (sept.-18)
Gross value							
Land	5,174	658	0	0	121	0	5,952
Building	71,308	1,946	-5	1,299	385	0	74,933
Buildings - finance lease	5,011	0	0	0	0	0	5,011
Plant machinery, eq. and tools	106,205	6,676	-727	4,860	1,341	0	118,356
Plant machinery, eq. and tools - finance lease	94,292	4,572	-1,767	0	8	0	97,105
Fixtures & fittings	11,157	1,349	0	284	-14	0	12,775
Transport equipment	409	22	0	0	2	0	434
Office and IT eq.	5,153	380	-380	20	-7	0	5,167
Office and IT eq. - finance lease	2	0	0	0	0	0	2
Other property, plant and equipment	673	15	0	0	4	0	692
Property, plant and equipment in progress	18,604	9,728	-36	-7,920	-279	0	20,097
Advances/tangible assets	1,555	516	0	0	-1	0	2,070
Property, plant and equipment - gross	***319,544***	***25,862***	***-2,915***	***-1,457***	***1,560***	***0***	***342,595***
Depreciation							
Land - depreciation	-764	-25	0	0	0	0	-789
Buildings - deprec.	-14,663	-1,813	0	0	-57	0	-16,533
Buildings - finance lease - deprec.	-3,565	-237	0	0	0	0	-3,802
Plant machinery, eq. and tools - deprec.	-53,140	-7,276	228	-4	-90	0	-60,282
Plant machinery, eq. and tools - finance lease - deprec.	-33,137	-5,821	0	1,449	-2	0	-37,509
Fixtures, fittings - deprec.	-6,120	-690	5	13	-1	0	-6,793
Transport equipment - deprec.	-282	-29	0	0	-1	0	-312
Office and IT eq. - deprec.	-3,311	-376	99	0	5	0	-3,583
Office and IT eq. - finance lease - deprec.	0	0	0	0	0	0	0
Other property, plant and equipment - deprec.	-17	-7	0	0	-1	0	-25
Property, plant and equipment in progress - deprec.	0	0	0	0	0	0	0
Advances/property, plant and equipment - deprec.	0	0	0	0	0	0	0
Property, plant and equipment - deprec. and imp.	***-115,000***	***-16,273***	***332***	***1,458***	***-145***	***0***	***-129,629***
Net values							
Land	4,409	632	0	0	121	0	5,162
Building	56,646	134	-5	1,298	328	0	58,401
Buildings - finance lease	1,446	-237	0	0	0	0	1,209
Plant machinery, eq. and tools	53,065	-600	-499	4,856	1,251	0	58,074
Plant machinery, eq. and tools - finance lease	61,155	-1,248	-1,767	1,449	6	0	59,595
Fixtures & fittings	5,037	659	5	296	-15	0	5,982
Transport equipment	127	-7	0	0	2	0	122
Office and IT eq.	1,842	4	-281	20	-2	0	1,584
Office and IT eq. - finance lease	2	0	0	0	0	0	2
Other property, plant and equipment	655	8	0	0	4	0	667
Property, plant and equipment in progress	18,604	9,728	-36	-7,920	-279	0	20,097
Advances/tangible assets	1,555	516	0	0	-1	0	2,070
Property, plant and equipment	***204,544***	***9,589***	***-2,583***	***0***	***1,415***	***0***	***212,966***

Property, plant and equipment given as guarantees are detailed in section 1.2.24: "Off-balance sheet commitments" of the Notes to the consolidated financial statements.

The largest acquisitions were:

- Real estate investments: acquisition of TOFER's workshop for €1.8 million, FGA Tunisia plant expansion for €0.96 million;
- Investments in the production equipment of various Group entities amounting to €18.9 million.

1.2.5 NON-CURRENT FINANCIAL ASSETS

(€ thousands)

	mars-18	sept.-18				
#REF!	Opening	Increase	Decrease	Translation adjustment	Changes in scope	Closing
Gross value						
Unconsolidated investments	153	0	-29	0	0	124
Loans	1,153	3	0	0	0	1,156
Other financial assets	1,876	0	-197	9	0	1,688
Gross financial assets	***3,182***	***3***	***-226***	***9***	***0***	***2,968***
Amortisation						
Unconsolidated investments - amort.	0	0	0	0	0	0
Other financial assets - amort.	0	0	0	0	0	0
Financial assets - amort.	***0***	***0***	***0***	***0***	***0***	***0***
Net values		0				
Unconsolidated investments	153	0	-29	0	0	124
Loans	1,153	3	0	0	0	1,156
Other financial assets	1,876	0	-197	9	0	1,688
Financial assets	***3,182***	***3***	***-226***	***9***	***0***	***2,968***

1.2.6 INVENTORIES AND WORK IN PROGRESS

(€ thousands)

Inventories and work in progress	Opening mars-18 *	Net change sept.-18	IFRS 15	Translation adjustment	Changes in scope	Closing
Gross value						
Inventories of raw materials	41,030	-3,636	0	313	0	37,707
Inventories of other supplies	31,023	-5,502	0	-242	0	25,278
Work and services in progress	0	0	0	0	0	0
Work in progress and services	60,595	7,246	0	149	0	67,990
Construction contracts	0	0	0	0	0	0
Inventories of finished goods	47,727	4,095	0	124	0	51,947
Inventories - gross value	***180,375***	***2,203***	***0***	***344***	***0***	***182,922***
Provisions						
Inventories of raw materials - depreciation	-309	-170	0	-3	0	-482
Inventories of other supplies - amortisation	-29	-3	0	0	0	-31
Work and services in progress - depreciation	-7	38	0	0	0	31
Inventories of work and services in progress - amortisation	-1,812	9	0	-4	0	-1,807
Inventories of finished goods - depreciation	-3,616	-274	0	-5	0	-3,895
Inventories - depreciation	***-5,773***	***-400***	***0***	***-12***	***0***	***-6,185***
Net values						
Inventories of raw materials	40,722	-3,806	0	310	0	37,225
Inventories of other supplies	30,994	-5,505	0	-242	0	25,247
Work and services in progress	-7	38	0	0	0	31
Work in progress and services	58,783	7,255	0	145	0	66,183
Inventories of finished goods	44,111	3,821	0	119	0	48,052
Inventories and work in progress	***174,603***	***1,803***	***0***	***332***	***0***	***176,738***

**For the periods ended 31 March 2017, 30 September 2017 and 31 March 2018, the balance sheet has been modified compared to that presented in the consolidated financial statements as at 31 March 2017, 30 September 2017 and 31 March 2018 to take into account the impact of the retrospective application of IFRS 15 from 1 April 2018, with a restatement of the comparative periods. (see Note 1.1.5)*

The gross value of inventories increased by €2.2 million for 2018-2019 H1 compared with €21.17 million for the period from 1 April 2017 to 30 September 2017.

Pledged inventories appear in section 1.2.24 "Guarantees on assets" in the Notes to the consolidated financial statements.

1.2.7 TRADE AND OTHER RECEIVABLES

Details on trade and **other current receivables are** provided in the table below:

(€ thousands)

Breakdown of receivables	Opening (mars-18)	Closing (sept.-18)	< 1 year	> 1 year
Advances & down payments paid on orders	288	328	328	0
Trade and other receivables	95,565	94,662	94,662	0
Sundry debtors	17,641	16,040	16,040	0
Tax receivables	5,904	7,529	7,529	0
TOTAL	*119,398*	*118,559*	*118,559*	*0*

At 30 September 2018, accounts receivable factoring amounted to €62.8 million compared with €67 million at 31 March 2018. As the Group carries the risk of trade receivables factoring, these receivables remain on the balance sheet as an asset.

At 30 September 2018, the payment schedule for net trade receivables was as follows:

(€ thousands) **sept.-18**

Trade receivables by maturity	Closing	< 6 months	> 6 months < 12 months	> 12 months
Trade and other receivables	94,662	94,662	0	0
TOTAL	*94,662*	*94,662*	*0*	*0*

No **significant loss on bad** debt was recognised during this or the previous financial year.

(€ thousands) **mars-18**

Trade receivables by maturity	Closing	< 6 months	> 6 months < 12 months	> 12 months
Trade and other receivables	95 565	95 565	0	0
TOTAL	*95 565*	*95 565*	*0*	*0*

1.2.8 CASH AND CASH EQUIVALENTS AND FINANCIAL INSTRUMENTS AT FAIR VALUE

1.2.8.1 CASH AND CASH EQUIVALENTS

Changes were as follows:

(in € thousands)

Cash and cash equivalents	Opening March-2018	Closing September-2018	Change
Marketable securities	18,023	13,965	-4,058
Available cash	89,883	144,827	54,944
Bank overdrafts			0
Cash and cash equivalents	107,906	158,792	50,886
Outstanding invoices	-67,003	-62,822	4,181
Bank overdrafts	-3,739	-1,834	1,905
Change in currency prices	-272	-188	-84
TOTAL	*37,165*	*94,135*	*56,782*

Bank facilities are included in "Debt < 1 year" in Current Liabilities. Current bank facilities consist exclusively of the collateralisation of a portion of the trade receivable portfolio through factoring.
The change in cash and cash equivalents in the year is explained in 1.1.10 "Consolidated statement of cash flows".

1.2.8.2 FINANCIAL INSTRUMENTS

Financial instruments mainly comprised the hedging instruments described in the following table:

In € thousands (excluding tax effect) - accumulated impacts	*September-2018*		*March-18*		*change*
	Fair Value recognised in OCI	*Fair Value recognised in profit or loss*	*Fair Value recognised in OCI*	*Fair Value recognised in profit or loss*	*OCI*
FX forward contract and swaps	-1,131	0	4,673	-2,687	-5 804
Options	3,784	-96	10,465	1,059	-6,681
Accumulators		-2,367	0	-5,514	0
TRF		-6,491	0	-26	0
FADER					0
Total	*2,653*	*-8,954*	*15,138*	*-7,168*	*-12,485*

In € thousands	
Interest rate swap	13

In € thousands (excluding tax effect)	*Sept.-18*	*March-18*
Impact on net income (loss) for the year	-1,786	11,558

Most of the hedging instruments subscribed by the Group are "trading" instruments not eligible for hedge accounting. Their fair value is thus recorded directly in the income statement.

For financial instruments classified as cash flow hedges (forward and certain options), the hedging instruments are measured at fair value in the balance sheet in:

- shareholders' equity for the effective portion of the hedge until the hedged cash flows affect profit or loss;
- the income statement for the ineffective portion.

In € thousands	Sept.-18	March-18
Shareholders' Equity - hedging instruments at the opening (1)	***10,267***	***-6,957***
Change in fair value of the effective portion	-12,593	26,451
Reclassified to the income statement (1)	108	-1,488
Declassification of held-for-trading contracts - reversed into income (3)		
Tax effect on changes during the year	3,870	-7,739
Shareholders' equity - hedging instruments at the close	***1,652***	***10,267***

(1) When hedged items have an impact on the income for the periods, the deferred amounts in shareholders' equity are subject to reclassification.

1.2.9 DEFERRED TAX

(€ thousands) Deferred tax	mars-18 restated* Opening	sept.-18 Closing
Deferred tax assets	494	8,750
Deferred tax liabilities	-17,607	-14,649
Deferred tax at opening	***-17,113***	***-5,899***
Deferred tax income (expense) over the period	-7,119	-784
Change in deferred tax recognised in shareholders' equity	18,292	3,897
Others	41	-17
Deferred tax at close	***-5,899***	***-2,804***
of which deferred tax assets	8,750	11,730
Of which deferred tax liabilities	-14,649	-14,534

Deferred tax assets are recognised when their recovery is likely. Tax losses or timing differences must be attributable to future taxable profits. Deferred tax assets are reduced when it is no longer likely that a sufficient tax benefit is available.

(€ thousands) Deferred tax analysis	Mar-18 Opening	Sept.-18 Closing
Accelerated depreciation	-198	-31
Leasing	-2,757	-3,495
Employee profit sharing	0	0
Personnel benefits	554	610
Valuation of tax losses carried forward	702	702
Tax timing differences	36	36
IFRIC 21	0	0
Subsidies	-254	-186
Construction contracts	1,690	1,393
Financial instruments	-2,461	1,963
Finance leases	0	0
Provisions for foreign exchange losses	0	-517
Ornane	-1,206	-1,356
Group revaluation Auvergne	-1,906	-1,807
Others	-99	-116
Net deferred tax liabilities	***-5,899***	***-2,804***

1.2.10 FINANCIAL ASSETS AND LIABILITIES

The Group distinguishes three categories of financial instruments according to the effects their characteristics have on their valuation method and on which it bases its presentation of some of the information required by IFRS 13:

- Level 1 category, "market price": financial instruments that are subject to being listed on an active market;
- Level 2 category, "model with observable inputs": financial instruments measured using valuation techniques based on observable inputs;
- Level 3 category "model with non-observable inputs": financial instruments measured using valuation techniques based for all or part on non-observable inputs; a non-observable input being defined as an input whose value is the result of assumptions or correlations that are not based on transaction prices observable in the markets, on the same instrument at the valuation date, or on observable market data available at the same date.

1.2.10.1 FINANCIAL ASSETS

The table below shows the book value of financial assets by category:

The fair value is identical to the value recognised in the consolidated financial statements with respect to all the financial assets.

(in € thousands)

Financial assets	Loans and receivables at amortised cost	Financial assets at fair value through profit or loss	Derivated as hedging instruments	Total 30/09/2018	of which assets measured at fair value
Non-current financial assets	2,968			2,968	
Financial instruments		3,168		3,168	
Customers and other receivables	94,662			94,662	
Other current assets	27,358			27,358	
Cash and cash equivalents	144,827	13,965		158,792	
Total financial assets	***266,647***	***17,133***	***0***	***283,780***	***0***

(€ thousands)

Financial assets	Level 1	Level 2	Level 3	Fair value
Cash and cash equivalents	13,965			13,965
Derivative financial instruments		3,168		3,168

At 31 March 2018, financial assets at fair value were classified as follows:

(€ thousands)

Financial assets	Loans and receivables at amortised cost	Financial assets at fair value through profit or loss	Derivated as hedging instruments	Total 31/03/2018	of which assets measured at fair value
Non-current financial assets	3,182			3,182	
Financial instruments	0	15,079		15,079	
Customers and other receivables	95,565			95,565	
Other current assets	26,666			26,666	
Cash and cash equivalents	89,883	18,023		107,906	18,023
Total financial assets	*215,296*	*33,102*	*0*	*248,398*	*18,023*

(€ thousands)

Financial assets	Level 1	Level 2	Level 3	Fair value
Cash and cash equivalents	18,023			18,023
Derivative financial instruments		15,079		15,079

1.2.10.2 FINANCIAL LIABILITIES

The table below shows the book value for the financial instrument liability categories:

September-2018

(€ thousands)

Financial liabilities	Financial liabilities at fair value through profit or loss	Derivatives designated as hedging instruments	Other financial liabilities	30-Sep-18	Fair value
Loans from credit institutions			284,537	284,537	284,537
Borrowings - Finance leases			61,022	61,022	61,022
Repayable advances			26,038	26,038	26,038
Other financial liabilities			3,369	3,369	3,369
Factoring			62,822	62,822	62,822
Derivative financial instruments	9,821			9,821	9,821
Trade and other payables			124,714	124,714	124,714
TOTAL FINANCIAL LIABILITIES	*9,821*		*562,502*	*572,323*	*572,323*

		level 1	*level 2*	*level 3*	*Fair value*
Derivative financial instruments			9,821		

(*) The fair value is close to the value recognised in the consolidated financial statements for financial liabilities

At 31 March 2018, financial liabilities at fair value were classified as follows:

Financial liabilities	Financial liabilities at fair value through profit or loss	Derivatives designated as hedging instruments	Other financial liabilities	31-mars-18	Fair value
Loans from credit institutions			200,751	200,751	200,751
Borrowings - Finance leases			63,224	63,224	63,224
Repayable advances			27,066	27,066	27,066
Other financial liabilities			16,930	16,930	16,930
Factoring			67,003	67,003	67,003
Derivative financial instruments	7,140		4,900	12,040	12,040
Trade and other payables			121,716	121,716	121,716
TOTAL FINANCIAL LIABILITIES	*7,140*	*0*	*501,590*	*508,730*	*508,730*

		level 1	level 2	level 3	Fair value
Derivative financial instruments			12,040		

1.2.11 DEBT

Financial debt by type of credit and by maturity breaks down as follows:

(€ thousands)

Debt	Opening (Mar-18)	Increase (Sept.-18)	Decrease	First time consolidation	Other movements	Closing	< 1 year	1-5 years	> 5 years
Loans from credit institutions	200,751	94,631	-11,058	0	213	284,537	27,123	234,978	22,436
Borrowings - Finance leases	63,224	6,243	-8,465	0	20	61,022	15,915	34,853	10,254
Repayable advances	27,066	1,939	-2,967	0	0	26,038	5,211	17,665	3,162
Total	*291,040*	*102,813*	*-22,489*	*0*	*233*	*371,597*	*48,249*	*287,496*	*35,852*

(€ thousands)

Other financial liabilities	Opening (Mar-18)	Increase (Septembre-18)	Decrease	First time consolidation	Other movements	Closing	< 1 year	1-5 years	> 5 years
Other financial liabilities	16,930	38	-11,447	0	-2,152	3,369	1,601	1,768	0
Total	*16,930*	*38*	*-11,447*	*0*	*-2,152*	*3,369*	*1,601*	*1,768*	*0*

Bank **lending and overdrafts are** generally granted for a term of one year and are renewable in the middle of a financial year. At 30 September 2018 they were impacted by the weighting of the customer financing item (Dailly Assignments, Discounted notes not yet due and Factoring) for €63 million versus €67 million at 31 March 2018.

Net debt/shareholders' equity is calculated as follows:

(€ thousands)

	30-sept.-18	31 March 2018 restated*
Loans from credit institutions	285,240	201,470
Borrowings - Finance leases	61,022	63,224
Repayable advances	26,038	27,066
Factoring	62,822	67,003
Bank overdrafts	1,834	3,739
subtotal A	436,956	362,502
Other securities	13,965	18,023
Available cash	144,827	89,883
subtotal B	158,792	107,906
TOTAL net debt = A-B	***278,164***	***254,596***
Total equity	***199,617***	***200,204***
Net debts/shareholder's equity	***1.39***	***1.27***

The breakdown of debt between fixed rate and variable rate is as follows:

	30/09/18			31/03/18		
In € thousands	**Fixed rate**	**Variable rate**	**Total**	**Fixed rate**	**Variable rate**	**Total**
Loans from credit institutions	129,848	154,689	284,537	140,308	60,443	200,751
Other debt	3,369		3,369	13,191	0	13,191
Finance lease liabilities	58,637	2,385	61,022	60,069	3,155	63,224
Bank lending and overdrafts		1,834	1,834	0	3,739	3,739
Factoring	0	62,822	62,822	0	67,002	67,002
TOTAL	***191,854***	***221,730***	***411,750***	***213,568***	***134,339***	***347,907***
Distribution by percentage	***47%***	***54%***		***61%***	***39%***	

All covenants on loans and bank overdrafts must be audited annually at each end of period. They are applicable to 30.38% of borrowings, i.e. €106 million.

Covenants at 30 September 2018 are detailed in the following table:

Loans subject to a covenant				Covenant		Compliance (3)
Category (1)	Year of subscription	Balance at 30/09/2018 in € thousands	Final maturity	Ratios	Calculation basis (2)	Sep 2018
Loans						
L	2,015	15,750	Jan 2021	Gross debt/equity < 2.2	CFS	C
				Net Debt/EBITDA < 3.25	CFS	NC
				EBITDA/debt servicing > 1.6	CFS	NC
				Free cash flow < €30 million	CFS	C
				cash > €50 million	CFS	C
L	2,018	90,261	July 2024	Net Debt/EBITDA < 4	CFS	C
Total		*106,011*				

L = Loans
CFS = Consolidated financial statements
C = Compliant
NC = Noncompliant

Due notably to the negative impact of the change in euro/US dollar parity on EBITDA, the EBITDA/debt service and net debt/EBITDA ratios, calculated based on the riders in force on 30 September 2018 were not met for one loan. The breach of covenant noted on 30 September 2018 triggered the contractual repayment of the loan and its accounting reclassification from long-term debt to short-term debt under the liabilities side of the balance sheet for an amount of €15.7 million. The Group has formulated a waiver request with the organisation to regularise this situation.

The covenant ratios were met at 31 March 2018.

The guarantees given on loans and financial debt are listed in section 1.2.25 "Guarantees on assets" in the Notes to the consolidated financial statements.

1.2.12 SHAREHOLDERS' EQUITY

The Group's primary objective in terms of managing its share capital is to maintain a balance between shareholders' equity and debt in order to facilitate its business activities and increase shareholder value.

To maintain or adjust the structure of its shareholders' equity, the Group may propose paying shareholder dividends or increasing share capital.

The main ratio monitored by the Group for managing its shareholders' equity is the debt/equity ratio.

The objectives, policies and procedures of managing share capital remain unchanged.

In the previous financial year, Figeac Aéro set up a free share allocation plan (new shares to be issued). This is a Group plan since it involves the employees not only of the issuing entity (Figeac Aéro) but also of MTI, Mécabrive and FGA Picardie. Under the plan, 54,888 new shares may be awarded to employees.
Pursuant to IFRS 2 "Share based payments", an expense must be recorded when a transaction allocates equity instruments to members of personnel in accordance with service conditions. This expense is calculated based on the fair value of the equity allocated (market price of these shares) on the date of their allocation (price of 29 February 2016) and must be spread out over the vesting period (two years).

In total, an expense of €296 thousand was recorded as an offset to reserves. This amount is also shown in the consolidated statement of changes in shareholders' equity.

Details of changes **in the number of shares** during the financial year are as follows:

	Number	Nominal value
Shares outstanding at the beginning of the year	31,839,473	0.12
	0	0.12
Shares outstanding at the end of the year	31,839,473	0.12

At 30 September 2018, the share capital consisted of 31,839,473 shares of which 24,042,172 had double voting rights.
The par value of one share stood at €0.12.

1.2.13 EARNINGS PER SHARE

1.2.13.1 BASIC EARNINGS PER SHARE

At 30 September 2018, basic earnings per share was calculated on the basis of the consolidated income for the period attributable to Group shareholders, the details of which are as follows:

(In €)	March 2018 restated*	September 2018 6 months
	Opening	Closing
Consolidated income attributable to Group shareholders	***21,753,000***	***9,168,283***
Weighted average number of shares	31,809,177	31,839,473
Treasury shares held at end of period	78,367	94,803
Weighted average number of shares	***31,730,810***	***31,744,670***
Basic earnings per share	***0.69***	***0.29***

Number of treasury shares:	September 2018
liquidity contract	34,983
treasury share buyback plan	59,820
Total number of shares owned	***94,803***

1.2.13.2 DILUTED EARNINGS PER SHARE

At 30 September 2018, diluted earnings per share was calculated on the basis of the consolidated income for the period attributable to Group shareholders adjusted to reflect the impact of the stock option plans. The weighted average number of potential ordinary shares for the period was 31,744,670 shares.

(In €)

	March 2018	September 2018
	Opening	Closing
Weighted average number of potential shares		
Weighted average number of ordinary shares	31,730,810	31,744,670
Impact of stock option plans	0	0
TOTAL	31,730,810	31,744,670
Diluted earnings per share	***0.69***	***0.29***

1.2.14 PROVISIONS

The change in provisions was as follows:

(in € thousands)

	March-18	Sept.-18					
Provisions	Opening	Allocations	Reversals used	Reversals not used	Translation adjustment	Changes in scope	Closing
Provision for litigation	1,548	0	-187	0	12	0	1,373
Provisions for loss-making contracts	4,429	63	-445	0	0	0	4,047
Other provisions	354	881	-15	0	8	0	1,228
Total provisions	***6,331***	***944***	***-647***	***0***	***20***	***0***	***6,648***

Other non-current provisions mainly consisted of:

- Provisions for social litigation: €1,055 thousand;
- Provisions for customer litigation: €417 thousand;
- Provision for tax litigation: €880 thousand;
- Other provisions: €249 thousand.

FIGEAC AERO was subject to a tax audit from March to November 2018, and the adjustment notification was received on 6 December 2018. The Company has 30 days, that can be extended by a new 30-day period, to answer the adjustment proposals issued by the authorities. Whilst the answer period has not been exceeded, the entire adjustment risk was provisioned for €880 thousand.

- Provisions for loss-making contracts: €4,047 thousand

With the disappearance of the provisions for construction contract losses in IAS 11 and in the absence of specific provisions in IFRS 15, the Group has chosen to provision loss-making customer contracts according to the general model stipulated in IAS 37 applicable to onerous contracts. The provisioned amount corresponds to the excess of unavoidable costs over the expected economic benefits of the contract.

EMPLOYEE BENEFITS: Pension obligations and Long Service Awards

Pursuant to IAS 19 Employee Benefits, the purpose of the provision for pensions recognised as a liability on the balance sheet is to record the pension benefits of employees vesting at the end of the period. A provision covering the full amount of pension liabilities is set aside and is not hedged by dedicated assets.

At 30 September 2018, provisions for pensions and other long-term employee benefits rose by €169 thousand to reach **€2,025 thousand** . This increase in provisions corresponds to:

- service cost: €80 thousand;
- financial cost: €12 thousand;
- actuarial gain or loss: €77 thousand.

The actuarial gain or loss recognised in OCI (Other comprehensive income items) is the result of a change in the:

- discount rate of 1.54% (1.37% at 31 March 2018)

The other calculation assumptions remained unchanged:

- retirement age: 67 years old;
- an average salary increase rate of 1.5%;
- mortality table: INSEE 2017 table:

Age	20 years old	30 years old	40 years old	50 years old	60 years old	65 years old
Men's mortality table	99,285	98,624	97,600	95,224	89,275	84,313
Women's mortality table	99,471	99,242	98,787	97,532	94,604	92,274

- a low or high turnover rate depending on the company and employee status (manager or non-manager):

Age	20 years old	30 years old	40 years old	50 years old	60 years old	65 years old
Low turnover rate	8.38%	7.70%	5.22%	5.43%	3.99%	0.00%
High turnover rate	22.33%	11.50%	6.38%	10.29%	5.44%	0.00%

A study of the sensitivity to a change in the discount rate shows that:

- A +0.5% change in the rate would have a positive impact of €184 thousand in provisions;
- A -0.5% change in the rate would have a negative impact of €165 thousand in provisions.

Provisions for pension liabilities stood at:	**30/09/2018**	**31/03/2018**
- For all the Group's French subsidiaries	€2,025 thousand	€1,856 thousand

€2,026 thousand Provisions for pension liabilities at the closing dates of previous financial years were as follows:

- at 31 March 2017 €3,095 thousand;
- at 31 March 2016 €2.026 thousand.

1.2.15 OTHER CURRENT LIABILITIES

Details regarding **other current** liabilities are provided in the table below:

(€ thousands)

	Mar-18	Sept.-18			
Other current debt	**Opening**	**Closing**	**< 1 year**	**1-5 years**	**> 5 years**
Trade payables	78,081	82,366	82,366	0	0
Debt on fixed assets and related accounts	3,085	6,181	6,181	0	0
Trade and other payables	**81,165**	**86,548**	**86,548**	0	0
Refundable advances and payments received in orders	1,154	1,986	1,986	0	0
Social security liabilities	22,278	19,739	19,739	0	0
Other current liabilities	2,958	3,459	3,459	0	0
Other current liabilities	**26,390**	**25,184**	**25,184**	0	0
Fiscal liabilities	14,161	10,983	10,983	0	0
TOTAL	*121,716*	*124,714*	*124,714*	*0*	*0*

1.2.16 REVENUE

	Sept-17 restated*	Sept-18	
By business activities	**Closing**	**Closing**	**Change**
Realisation of structural parts for aeronautics	147,157	174,731	18.74%
General engineering and heavy sheet metal fabrication	5,369	7,746	44.27%
On-site assembly	5,379	4,753	-11.64%
Machining and surface treatment	12,082	14,789	22.40%
TOTAL	*169,987*	*202,018*	*19%*

	sept-17 restated*	sept-18	
By region	**Closing**	**Closing**	**Change**
FRANCE	126,444	155,537	23.01%
EXPORT	43,543	46,481	6.75%
TOTAL REGIONS	*169,987*	*202,018*	*19%*

1.2.17 BUSINESS SEGMENTS

In accordance with IFRS 8, the information by business segment is based on Management's approach, meaning the manner in which Management allocates resources depending on the performance of the various segments. The Group has four segments to present, which offer distinct products and services and are managed separately insofar as they require different technological and commercial strategies. The operations performed in each of the segments presented are summarised as follows:

- the Aerostructure sector: structural parts for the aeronautical industry, including the Auvergne Aéronautique Group;
- the on-site and workshop assembly of aerospace sub-assemblies segment;
- the General Engineering and Sheet Metal fabrication segment including the TOFER workshop;
- the precision machining and surface treatment segment.

In September 2018, the key indicators by business segment were as follows:

September 2018

(€ thousands)

BUSINESS SEGMENTS	TOTAL	Aerostructures	%	On-site assembly	%	Precision machining and surface treatment	%	General engineering and forming activities	%
Revenue	202,018	174,732	86.50%	4,753	2.35%	14,788	7.32%	7,745	3.83%
Other income from operations	1,819	1,765	97.04%	24	1.33%	1	0.06%	29	1.57%
Change in inventories of finished products and work in progress	8,427	7,155	84.90%	-56	-0.66%	36	0.43%	1,292	15.33%
Raw materials and consumables	-113,001	-103,183	91.31%	-570	0.50%	-4,821	4.27%	-4,427	3.92%
Personnel expenses	-48,472	-35,185	72.58%	-3,217	6.64%	-6,693	13.81%	-3,377	6.97%
External expenses	-14,501	-11,539	79.58%	-488	3.36%	-1,513	10.43%	-961	6.63%
Taxes	-2,256	-1,743	77.26%	-107	4.75%	-163	7.24%	-243	10.75%
Depreciation and amortisation	-17,025	-15,399	90.45%	-229	1.34%	-1,022	6.00%	-375	2.21%
Net provisions	-20	32	-158.45%	0	0.00%	69	-345.89%	-121	604.34%
Current operating income	***16,990***	***16,636***	***97.91%***	***110***	***0.65%***	***684***	***4.03%***	***-440***	***-2.59%***
	8.41%	***9.52%***		***2.31%***		***4.63%***		***-5.68%***	
Other operating income	511	349	88.27%	104	7.53%	0	0.00%	58	4.20%
Other operating expenses	-322	-258	98.32%	0	0.00%	0	-2.80%	-65	4.48%
Operating income	***17,179***	***16,733***	***97.41%***	***213***	***1.24%***	***799***	***4.65%***	***-566***	***-3.30%***
Actual financial income	***-5,123***	***-4,824***	***95.69%***	***-55***	***0.79%***	***-174***	***2.51%***	***-70***	***1.01%***
Unrealised gains and losses	***-387***	***-387***	***100.00%***	***0***	***0.00%***	***0***	***0.00%***	***0***	***0.00%***
Net income (loss) for the period	***8,996***	***8,848***	***18.33%***	***148***	***1.03%***	***606***	***6.74%***	***-606***	***-6.73%***
	4.45%	***5.06%***		***3.11%***		***4.10%***		***-7.82%***	
Total intangible assets	102,068	95,389	93.46%	103	0.10%	2,697	2.64%	3,879	3.80%
Total property, plant and equipment	212,966	179,140	84.12%	4,367	2.05%	24,950	11.72%	4,509	2.11%
Financial assets	2,968	2,730	91.98%	2	0.07%	163	5.49%	73	2.46%
Total assets	***318,002***	***277,259***	***87.19%***	***4,472***	***1.41%***	***27,810***	***8.75%***	***8,461***	***2.65%***
Inventories and work in progress	176,738	160,201	90.64%	915	0.52%	10,476	5.93%	5,146	2.91%
Trade and other receivables	122,019	107,907	88.43%	2,745	2.25%	6,746	5.53%	4,621	3.79%
Trade and other payables	-132,342	-115,886	87.57%	-3,258	2.46%	-6,311	4.77%	-6,887	5.20%
Financial debt	-371,597	-361,343	97.24%	-2,422	0.65%	-4,094	1.10%	-3,738	1.01%

In September 2017, the key indicators by business segment were as follows:

(€ thousands) BUSINESS SEGMENTS	September 2017 restated* TOTAL	Aerostructures	%	On-site assembly	%	Precision machining and surface treatment	%	General engineering and forming activities	%
Revenue	169,987	147,157	86.57%	5,379	3.16%	12,082	7.11%	5,369	3.16%
Other income from operations	2,560	2,187	85.43%	44	1.70%	0	0.00%	329	12.87%
Change in inventories of finished products and work in progress	13,998	14,673	104.82%	-172	-1.23%	131	0.94%	-634	-4.53%
Raw materials and consumables	-91,032	-83,653	91.89%	-451	0.50%	-5,145	5.65%	-1,783	1.96%
Personnel expenses	-46,496	-35,766	76.92%	-3,465	7.45%	-4,947	10.64%	-2,318	4.99%
External expenses	-15,216	-11,804	77.58%	-585	3.84%	-2,292	15.06%	-535	3.52%
Taxes	-2,188	-1,747	79.84%	-88	4.02%	-263	12.02%	-90	4.12%
Depreciation and amortisation	-15,467	-14,045	90.81%	-155	1.00%	-896	5.79%	-371	2.40%
Net provisions	-384	-635	165.34%	0	0.00%	44	-11.43%	207	-53.91%
Current operating income	***15,761***	***16,367***	***103.85%***	***506***	***3.21%***	***-1,287***	***-8.17%***	***175***	***1.11%***
	9.27%	***11.12%***		***9.41%***		***-10.65%***		***3.26%***	
Other operating income	130	0	0.00%	0	0.00%	130	100.00%	0	0.00%
Other operating expenses	-936	-933	99.69%	-5	0.49%	-15	1.58%	16	-1.76%
Operating income	***14,955***	***18,540***	***102.65%***	***501***	***2.78%***	***-1,172***	***-6.49%***	***192***	***1.06%***
Actual financial income	***-9,292***	***-9,114***	***98.09%***	***-62***	***0.66%***	***-72***	***0.78%***	***-43***	***0.47%***
Unrealised gains and losses	***7,981***	***7,981***	***100.00%***	***0***	***0.00%***	***0***	***0.00%***	***0***	***0.00%***
Net income (loss) for the period	***12,621***	***13,371***	***105.94%***	***416***	***3.30%***	***-1,276***	***-10.11%***	***110***	***0.87%***
	7.42%	***9.09%***		***7.73%***		***-10.56%***		***2.05%***	
Total intangible assets	67,430	65,226	96.73%	145	0.22%	1,445	2.14%	614	0.91%
Total property, plant and equipment	192,976	166,581	86.32%	3,902	2.02%	17,704	9.17%	4,788	2.48%
Financial assets	2,904	2,740	94.37%	1	0.03%	145	5.01%	17	0.59%
Total assets	***263,310***	***234,547***	***89.08%***	***4,049***	***1.54%***	***19,295***	***7.33%***	***5,419***	***2.06%***
Inventories and work in progress	178,691	168,392	94.24%	1,212	0.68%	7,752	4.34%	1,335	0.75%
Trade and other receivables	97,967	87,711	89.53%	3,194	3.26%	5,077	5.18%	1,986	2.03%
Trade and other payables	-106,006	-95,708	90.29%	-2,718	2.56%	-5,532	5.22%	-2,048	1.93%
Financial debt	-202,369	-192,853	95.30%	-2,750	1.36%	-3,155	1.56%	-3,611	1.78%

1.2.18 INCOME TAX

Details regarding **the Group**'s income taxes are as follows:

(€ thousands)

Corporate tax	Opening March-18	Closing September-2018
Tax due	555	1,008
Change in deferred tax expense	4,963	784
Apprenticeship tax credit	0	0
Provisions for tax	469	881
Change in net tax expense	***5,987***	***2,673***

The parent company FIGEAC AERO has not established a tax sharing agreement.

The detailed table below explains the taxes in the consolidated financial statements.

Deferred tax is detailed in 1.2.9: "Deferred tax" of the Notes to the consolidated financial statements.

(€ thousands)

In € thousands	Closing sept-18
-	
Net income of consolidated companies before income tax and depreciation of goodwill	11,669
Income tax rate applicable to the parent company	33.00%
Theoretical tax expense	3,851
Effective income tax expense	2,673
TAX DIFFERENCE ON THEORETICAL/ACTUAL RESULTS	***1,178***
Impact of the tax rates applicable to foreign subsidiaries which are different than the French tax rate	277
Unactivated tax losses	-766
Share of expenses and charges on Group dividends	
Impact of permanent differences	
Impact of reduced tax rate and tax credit	2,358
Other nondeductible items/not taxable locally	-137
Impact related to differences in tax rates	27
Others	-581
TOTAL	***1,178***

1.2.19 NOTE ON OTHER INCOME FROM OPERATIONS

Other income from operations is detailed in the following table:

(€ thousands)

Other income from operations	September 2018	September 2017	Change
Other income from operations	**1,819**	**2,560**	**-29%**
Capitalised production	0	0	
Research Tax Credit	1,692	2,142	-21.01%
Operating Grants	109	193	-43.52%
Other income from operations	18	224	-91.96%
Total	*1,819*	*2,560*	*-29.00%*

1.2.20 NOTE ON OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses are detailed in the following table:

(€ thousands)

Other operating income and expenses	September 2018	September 2017
Other operating income	**511**	**130**
Disposal of asset components	0	0
Other non-recurring income	511	130
Reversals of non-recurring risks and charges		0
Total	*511*	*130*
Other operating expenses	**-322**	**-936**
Allocations for non-recurring risks and charges	0	-126
NBV of asset sales	-143	-333
Other non-recurring expenses	-179	-477
Total	*-322*	*-936*

Details on 2018 operating expenses:
- Customer penalties: €111 thousand;
- Other operating items of €68 thousand.

1.2.21 NOTE ON THE COST OF DEBT

The cost of debt is detailed in the following table:

(€ thousands)

Cost of debt	30/09/18	30/09/17
Income from cash and cash equivalents	0	0
Interest and financial expenses	4,709	2,369
Of which interest on borrowings	2,605	1,769
Other financial income	-73	-22
Of which income on financial instruments	0	0
Of which expenses on financial instruments	0	0
Cost of net financial debt	***-4,636***	***-2,347***

ORNANE interest expenses (Bond redeemable in cash and/or new and/or existing shares) had an impact of €0.9 million on the financial statements at 30/09/2018.

1.2.22 TRANSACTIONS WITH RELATED PARTIES

Related parties of the FIGEAC AERO Group were defined in accordance with IAS 24 and are presented below with details of the transactions carried out during the 2018 financial year.

Related parties are defined as such due to the equity investment of Jean Claude Maillard in MP Usicap and Avantis Engineering.

1.2.22.1 WITH MP USICAP

Permanent services cover the following areas:
- Machining services for aerospace parts;
- Legal, accounting and administrative assistance.

The 30 September 2018 figures are as follows:

(€ thousands)

	Purchases excl. tax	Trade payables	Sales excl. tax	Trade receivables
Transactions with related parties	1,290	-782	42	17

No particular benefit was granted as part of this agreement.

1.2.22.2 WITH AVANTIS ENGINEERING

Permanent services cover the following areas:
- Programming services for production resources;
- Sub-assembly study services.

The 30 September 2018 **figures** are as follows:

(€ thousands)

	Purchases excl. tax	Trade payables	Sales excl. tax	Trade receivables
Transactions with related parties	1,396	-609	0	0

No particular benefit was granted as part of this agreement.

1.2.22.3 WITH THE SUBSIDIARIES

These are companies included in the Group's scope of consolidation.

Transactions with subsidiaries are entirely eliminated from the consolidated financial statements, as are all transactions between fully consolidated Group entities. These are of different types:

- purchase or sale of goods and services;
- leasing of premises;
- transfer of research and development;
- purchase or sale of noncurrent assets;
- management fees;
- current accounts;
- loans.

1.2.22.4 WITH SENIOR EXECUTIVES

These relate to compensation paid to **corporate officers of Figeac Aéro S.A.:**

By Figeac Aéro:

In €	September 2018	March 2018
Compensation of corporate officers		
Of which		
Fixed	48,000	96,000
Variable		
Exceptional		
Benefits in kind (company vehicle)	1,087	2,123
Other compensation of non-executive directors		
Directors' fees	50,000	50,000
Total	**99,087**	**148,123**

To date, there are no stock option plans in progress for Figeac Aéro S.A. or any other Group company.

1.2.23 WORKFORCE

By number of employees	March 2018 Opening	September 2018 Closing
Workforce - France	1,883	1,769
Workforce - outside France	1,246	1,358
TOTAL	*3,129*	*3,127*

The breakdown of the workforce by business segment at 30 September 2018 is as follows:

By number of employees	Managers	Non-managers	Total
Aerostructures	271	2,304	2,575
On-site assembly	7	128	135
Machining and surface treatment	33	263	296
General engineering and forming activities	16	105	121
TOTAL	*327*	*2,800*	*3,127*

1.2.24 OFF-BALANCE SHEET COMMITMENTS

Commitments received:

(in € thousands)

in € thousands	March-18 Opening	Sept-18 Closing
Commitments received		
BPI France guarantee	39,268	81,570
TOTAL	*39,268*	*81,570*

Guarantees on asset components:

(€ thousands)	Septembre-18					Mar-18				
In € thousands	**FIGEAC AERO**	**MECABRIVE**	**FIGEAC AERO PICARDIE**	**SCI REMSI**	**MTI**	**FIGEAC AERO**	**MECABRIVE**	**FIGEAC AERO PICARDIE**	**SCI REMSI**	**MTI**
Investments in consolidated companies	1,600	0	0	0	0	1,800	0	0	0	0
Pledged trade receivables	0	0	0	0	0	0	0	0	0	0
Pledged research tax credit (CIR) and tax credit for competitiveness and employment (CICE)	2,299	476	0	0	0	2,299	476	0	0	0
Pledged inventories	15,750	0	0	0	0	18,250	0	0	0	0
Pledged other receivables	0	0	0	0	1,038	0	0	0	0	1,038
Pledged equipment	0	0	0	0	0	0	0	0	0	0
Mortgages/Pledges (land/bldg)	18,359	0	0	2,457	0	18,993	0	0	2,598	0
TOTAL	*38,008*	*476*	*0*	*2,457*	*1,038*	*41,342*	*476*	*0*	*2,598*	*1,038*

Commitments for operating leases:
Operating leases mainly involve leases for industrial equipment.

At 30 September 2018, the future minimum payments for these operating leases were as follows:

Total rent in € thousands	Share < 1 year	Share > 1 year and < 5 years	Share > 5 years	Total
Industrial equipment	538	733	43	1,314

At 31 March 2018, the future minimum payments for these operating leases were as follows:

Total rent in € thousands	Share < 1 year	Share > 1 year and < 5 years	Share > 5 years	Total
Industrial equipment	698	852	24	1,574

The above information does not cover:
- outstanding finance leases, which are addressed in 1.2.11 "Financial debt" of the Notes to the consolidated financial statements;
- interest on loans is covered in 1.2.11 "Financial debt" of the Notes to the consolidated financial statements;
- the forward currency sale commitments and the interest rate swaps that are listed in 1.2.8 "Financial instruments at fair value through profit or loss" of the Notes to the consolidated financial statements.

1.2.25 RISK FACTORS

No new risks were identified in the half-year; all existing risks are detailed in the annual financial report at 31 March 2018 (see Note 1.2.26.4 "Operational risks").

1.2.26 SUBSEQUENT EVENTS

On 7 November, the Group announced the signature of a contract to supply parts and sub-assemblies with Mitsubishi Heavy Industries Canada Aerospace Inc. This contract concerns the Bombardier Global Express programme.
It is the first contract signed with this major aerospace industry player.

KPMG Audit
224 Rue Carmin
CS 17610
31676 Labège Cedex
France

Mazars
Green Park III
298, Allée du Lac
31670 Labège
France

FIDAUDIT

FIDAUDIT
Parc de la Plaine
2, Impasse Couzinet – BP 95818
31505 Toulouse Cedex
France

Figeac Aéro S.A.

Statutory Auditors' report on the interim financial information as at 30 September 2018

Period from 1 April 2018 to 30 September 2018
Figeac Aéro S.A.
Zone Industrielle de l'Aiguille - 46100 Figeac
This report contains 3 pages
Reference: PS - 191.005 RIFS

KPMG Audit
224 Rue Carmin
CS 17610
31676 Labège Cedex
France

Mazars
Green Park III
298, Allée du Lac
31670 Labège
France

FIDAUDIT
Parc de la Plaine
2, Impasse Couzinet – BP 95818
31505 Toulouse Cedex
France

Figeac Aéro S.A.

Registered office: Zone Industrielle de l'Aiguille - 46100 Figeac
Share capital: € 3,820,736.76

Statutory Auditors' report on the interim financial information as at 30 September 2018

Period from 1 April 2018 to 30 September 2018

To the shareholders,

Pursuant to the mission which was entrusted to us by your Shareholders' Meeting and in application of Article L. 451-1-2 III of the French Monetary and Financial Code, we have conducted:

- the limited review of the condensed interim consolidated financial statements for Figeac Aéro S.A., relating to the period from 1 April 2018 to 30 September 2018, as attached to this report;
- the verification of the information provided in the half-year business report.

These condensed interim consolidated financial statements were prepared under the Board of Director's responsibility. Our responsibility is to express our conclusion on these financial statements.

I – Conclusion on the financial statements

We conducted our limited review in accordance with the professional standards applicable in France. A limited review consists mainly of holding discussions with senior managers in charge of accounting and finance and carrying out analytical procedures. This work is less extensive than that required for an audit carried out according to the professional standards applicable in France. Consequently, the assurance that the financial statements taken as a whole do not include significant misstatements obtained as part of a limited review is a moderate assurance, lower than that obtained as part of an audit.

Based on our limited review, we did not identify any significant misstatements likely to call into question the compliance of the condensed interim consolidated financial statements with IAS 34 - the IFRS benchmark as adopted in the European Union on interim financial reporting.

Without calling into question the conclusion expressed above, we draw your attention to:

- note 1.1.3 in the notes to the condensed interim consolidated financial statements which describes the changes in accounting methods resulting from the first application of IFRS 15 and IFRS 9 relating respectively to the accounting of revenue and financial instruments;
- note 1.2.11 in the notes to the condensed interim consolidated financial statements that describes the impact on the presentation of the consolidated financial statements of the non-compliance at the closing date of a financial ratio associated with a loan contract.

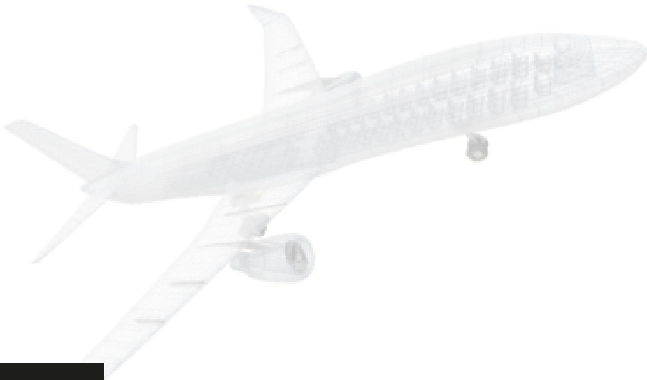
II – Specific verification

We also conducted a verification of the information provided in the half-year business report commenting on the condensed interim consolidated financial statements concerned by our limited review. We have no observations to make regarding the sincerity of the information and its consistency with the condensed interim consolidated financial statements.

Labège and Toulouse, 3 January 2019

The Statutory Auditors,

KPMG Audit	Cabinet Mazars	Fidaudit	
Department of KPMG SA		*Member of the Fiducial network*	
Pierre Subreville	**Hervé Kerneis**	**Stéphane Michel**	**Bruno Agez**
Partner	*Partner*	*Partner*	*Partner*



LE PARTENAIRE
DES GRANDS INDUSTRIELS DE L'AERONAUTIQUE

Zone industrielle de l'Aiguille
46100 FIGEAC
FRANCE

Téléphone : +33 (0)5 65 34 52 52
Fax : +33 (0)5 65 34 70 26

WWW.FIGEAC-AERO.COM