CONFIDENTIAL

INTERNATIONAL OFFERING MEMORANDUM DATED 7 MARCH 2016

Up to 4,638,552 Shares

This global offering is part of an offering of up to (i) 4,156,625 newly issued shares (if the Extension Provision, as such term is defined herebelow, is fully exercised) and (ii) 481,927 existing shares, with a par value of €0.12 each, of Figeac Aéro S.A., a French *société anonyme* ("**Figeac Aéro**" or the "**Company**"). The offering of up to 4,638,552 shares (the "**Offering**") includes a public offering in France (the "**French Public Offering**") and this global offering, which is a private placement mainly to certain institutional investors inside and outside France, with the exception of in the United States, Canada, Australia and Japan (the "**International Offering**").

The French Public Offering is being made pursuant to a separate offering document prepared in accordance with French regulations. This International Offering Memorandum (the "**International Offering Memorandum**") relates only to the International Offering.

It is currently proposed that the offering price will be between €20.75 and €26.00 per share. This price range is indicative only and is subject to change. The offering price for the shares sold in the French Public Offering and the International Offering will be identical.

Figeac Aéro and one of its shareholders are initially offering respectively (i) up to 3,614,457 newly issued shares and (ii) 481,927 existing shares to be sold in the Offering. The number of shares initially offered may be increased through an additional 542,168 newly issued shares offered by Figeac Aéro (the "**Extension Provison**"). If the Extension Provision is exercised, up to 4,638,552 shares will be offered.

Figeac Aéro has applied to have all its shares listed on the regulated market of Euronext in Paris (Compartment B), as of 23 March 2016 under the label "FGA", subject to the completion of this Offering. The shares will not be listed on any other stock exchange.

Investing in the shares involves risks. See "Risk factors" in Section 2 of the English translation of the first part of the French Prospectus (*Document de base*) and in Section 4 of the English translation of the second part of the French Prospectus (*Note d'opération*) included herein as Annex A, for a discussion of important factors to be considered in connection with an investment in the shares. Investors are advised to carefully read this International Offering Memorandum in its entirety, including Annex A hereto.

Offering price range: €20.75 to €26.00 per share

The information in this International Offering Memorandum is preliminary and will be supplemented by a pricing supplement which will contain additional information about the Offering, including, among other matters, the final price per share offered hereby and the number of shares to be sold in the French Public Offering and the International Offering.

Figeac Aéro's shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws. Accordingly, Figeac Aéro's shares may not be offered or sold absent registration under or an applicable exemption from the registration requirements of the Securities Act. Figeac Aéro's shares are being offered or sold only outside the United States, in accordance with Regulation S under the Securities Act. See "Important Information about Jurisdictional and Selling Restrictions" in this International Offering Memorandum and paragraph 5.2.1.2 of the English translation of the second part of the French Prospectus (*Note d'opération*) included herein as Annex A for additional information about eligible investors and transfer restrictions.

Oddo & Cie (acting as Lead Manager and Joint Bookrunner) and Midcap Partners (acting as Joint Bookrunner, together with the Lead Manager and Joint Bookrunner, the "**Managers**"), acting each on its own behalf, are acting as placing agents.

Delivery of the shares will be made to investors through the book-entry facilities of Euroclear France, Euroclear Bank S.A./N.V. and Clearstream Banking S.A., société anonyme (Luxembourg) and is expected to occur on or about 22 March 2016.

This International Offering Memorandum does not constitute an offer to sell or subscribe nor a solicitation to purchase or subscribe for securities in any countries where such offer or solicitation is not permitted.

Lead Manager and Joint Bookrunner

ODDO&CIE

Oddo & Cie

Joint Bookrunner

MIDCAP PARTNERS

Midcap Partners

IMPORTANT INFORMATION ABOUT THIS INTERNATIONAL OFFERING MEMORANDUM

This International Offering Memorandum is confidential and is being furnished solely for the purpose of enabling a prospective investor to consider whether to subscribe for shares or to purchase shares as described herein. Any reproduction or distribution of this International Offering Memorandum, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the shares is prohibited. Each person, by accepting delivery of this International Offering Memorandum, agrees to the foregoing.

In making your investment decision, you should rely only on the information contained in this International Offering Memorandum as supplemented by the pricing supplement or to which the Company has referred you. The Company has not authorized anyone to provide you with information other than what is contained in this International Offering Memorandum. You should not assume that the information in this International Offering Memorandum is accurate as of any date other than the date on the front cover of this International Offering Memorandum. The Group's business, financial condition, results of operations and prospects may have changed since such date.

Neither the Company nor the Managers are making any representation to you regarding the legality of an investment in the shares by you under appropriate legal investment or similar laws. You should not construe the contents of this International Offering Memorandum as investment, business, legal, tax or other advice. You should consult your own counsel, accountants and other advisors as to investment, business, legal, tax, financial and related aspects of a subscription of the shares. You are responsible for conducting your own investigation and analysis regarding the Group and assessment of the merits and risks of investing in the shares.

The Company's shares have not been and will not be registered under the Securities Act, or under the laws of any state or other jurisdiction within the United States. The Company's shares may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. Accordingly, no offer is being made in the United States and this document does not constitute an offer, or an invitation to apply for, or an offer or invitation to subscribe for the Company shares in the United States. The shares are only being offered outside the United States in offshore transactions (as defined in Regulation S) in accordance with Regulation S under the Securities Act, and are not being offered or sold, directly or indirectly, within the United States. See "Important Information about Jurisdictional and Selling Restrictions" below.

The information contained in this International Offering Memorandum has been furnished by the Company and other sources it believes to be reliable. This International Offering Memorandum is being furnished by the Company solely for the purpose of enabling a prospective institutional investor to consider the acquisition of the Company's shares in the International Offering described herein. No representation or warranty, express or implied, is made by the Managers or any of their affiliates or selling agents as to the accuracy or completeness of the information contained in this International Offering Memorandum, and nothing contained in this International Offering Memorandum is, or shall be relied upon as, a promise or representation, whether as to the past or the future.

No person has been authorized to give any information or to make any representations in connection with the offering or sale of the Company's shares other than those contained in this International Offering Memorandum, and, if given or made, such information or representations must not be relied upon as having been authorized by the Company, the Managers, any of their affiliates or any other person. The information contained in this International Offering Memorandum is provided as of the date hereof. Neither the delivery of this International Offering Memorandum at any time nor any subsequent commitment to subscribe or purchase the shares shall, under any circumstances, create any implication that there has been no change in the Group's business since the date of this International Offering Memorandum.

The distribution of this International Offering Memorandum and the offer of the shares in certain jurisdictions may be restricted by law. Persons receiving this International Offering Memorandum are required by the Company and the Managers to inform themselves about, and to observe, any such restrictions. This International Offering Memorandum constitutes neither an offer of, nor an invitation to subscribe or purchase the shares in any jurisdiction in which such an offer or invitation would be unlawful. No action has been taken in any jurisdiction other than France that could permit a public offering of the shares, or the circulation or distribution of this International Offering Memorandum or any other offering material, where action for such purpose is required.

This International Offering Memorandum contains a non-official English translation of portions of the French Prospectus (as defined under "Important Information about Jurisdictional and Selling Restrictions — Notice to Prospective Investors in France"). In the event of any inconsistencies between statements contained in the translation and the portions of the text that have been translated herein, the text of the French Prospectus shall be considered authoritative. Neither the Company, nor either of the Managers assume any liability with respect to the free translation of the portions of the French Prospectus included in this International Offering Memorandum.

The Company reserves the right to withdraw the Offering at any time and the Company and the Managers reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to issue less than all of the shares offered hereby.

IMPORTANT INFORMATION ABOUT JURISDICTIONAL AND SELLING RESTRICTIONS

General

The distribution of this International Offering Memorandum and the offer and sale of the shares in certain jurisdictions may be restricted by law. The Company and the Managers require that persons into whose possession this International Offering Memorandum comes inform themselves about and observe any such restrictions. No offer or sale of shares may be made in any jurisdiction except in compliance with the applicable laws thereof. The shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable securities laws. This International Offering Memorandum does not constitute an offer of, or an invitation to subscribe or purchase, shares in any jurisdiction in which such offer or invitation would be unlawful. You should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time.

No action has been taken in any jurisdiction by the Company or the Managers that would permit a public offering of the shares offered hereby, other than in France. The French Public Offering is being made pursuant to a separate offering document prepared in accordance with French regulations. See "Notice to Prospective Investors in France". This International Offering Memorandum relates only to the International Offering.

For additional information about the selling restrictions applicable to the Offering, see paragraph 5.2.1.2 of the English translation of the second part of the French Prospectus (*Note d'opération*) included herein as Annex A.

Notice to Prospective Investors in France

This International Offering Memorandum has not been and will not be submitted to the clearance procedures of the French *Autorité des marchés financiers* (the "AMF"), and accordingly may not be distributed to the public in France or used in connection with any offer to purchase or sell any of the shares to the public in France. For the purpose of the offering in France, a *prospectus*, which received visa no. 16-070 dated 7 March 2016 from the AMF (the "French Prospectus"), in the French language has been prepared (consisting of (i) a registration document (*Document de base*) and (ii) a securities note (*Note d'opération*), and includes sections describing certain risk factors relating to the Group and the International Offering, as well as a summary of the Group's business). Such *prospectus* is the only document by which offers to subscribe for shares or purchase shares may be made to the public in France.

Notice to Prospective Investors in the European Economic Area (other than France)

No action has been taken nor will be taken to allow the Company's shares to be offered to the public in any member state of the European Economic Area (the "**Member State**") that has implemented the Prospectus Directive (other than in France) where a prospectus may be required to be published in such Member State, except that the shares may be offered in such Member States:

(i) to qualified investors, as defined in the Prospectus Directive;

(ii) to fewer than 100, or if the Member State has implemented the relevant provision of the Amending Directive, 150 individuals or legal entities other than qualified investors (as defined in the Prospectus Directive) per Member State;

(iii) in any other circumstances falling under Article 3(2) of the Prospectus Directive.

For the purposes of this provision, (i) the expression an "offer of the shares to the public" in relation to any shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to subscribe for the shares, as such expression may be varied in the Member State, (ii) the expression "Prospectus Directive" means the Directive 2003/71/EC of 4 November 2003, as implemented in a member state (as modified including by the Amending Directive, insofar as it has been implemented by each Member State) and (iii) the expression "Amending Directive" means the Directive 2010/73/UE of the European Parliament and of the Council of 24 November 2010.

This selling restriction applies in addition to any other selling restrictions which may be applicable in the Member States that have implemented the Prospectus Directive.

Notice to Prospective Investors in the United Kingdom

This International Offering Memorandum and any other material in relation to the shares described herein is only addressed to and intended for persons who are (i) outside the United Kingdom, (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), (iii) high net worth entities and other such persons falling within Article 49(2)(a) to (d) of the Order ("high net worth companies", "unincorporated associations", etc.) or (iv) other persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Market Act 2000) may otherwise lawfully be communicated or caused to be communicated (all such persons in (i), (ii), (iii) and (iv) together being referred to as "Relevant Persons"). Any invitation, offer or agreement to subscribe, purchase or otherwise acquire such shares is only available to, and will only be engaged in with, Relevant Persons. The Company's shares referred to in this International Offering Memorandum may not be offered or issued to persons in the United Kingdom other than Relevant Persons. Any person who is not a Relevant Person should not act or rely on this document or any of its contents. The persons responsible for distributing the International Offering Memorandum shall comply with the legal provisions governing its distribution.

Notice to Prospective Investors in the United States

The shares offered hereby have not been and will not be registered under the Securities Act, or under the securities laws of any state or other jurisdiction within the United States, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. Accordingly, no offer is being made in the United States and this document does not constitute an offer, or an invitation to apply for, or an offer or invitation to purchase or subscribe for any Company's shares in the United States. The shares are only being offered outside the United States in offshore transactions (as defined in Regulation S under the Securities Act), in accordance with Regulation S under the Securities Act, and are not being offered or sold, directly or indirectly, within the United States.

Each person who subscribes or acquires shares will be deemed to have represented, warranted and agreed, by accepting delivery of the International Offering Memorandum and delivery of the shares, that it is (1) located outside of the United States (as defined in Regulation S); and (2) subscribing or acquiring the shares in an offshore transaction (as defined in Regulation S) in accordance with Regulation S.

Any person in the United States who obtains a copy of this International Offering Memorandum is required to disregard it.

In addition, until 40 days after the commencement of the offering of the shares, an offer or sale of shares within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act.

Notice to prospective investors in Canada, Australia and Japan

The shares may not be offered or sold directly or indirectly in Canada, Japan, or Australia.

INDUSTRY AND MARKET DATA

This International Offering Memorandum contains information about the markets in which the Company operates and their trends, the Company's competitors and its competitive positioning, particularly in Section 6.2 entitled "Main Markets" of the English translation of the first part of the French Prospectus (Document de base). This information has been obtained mainly from market research conducted by external sources and from the Company's own estimates. While the Company believes such information to be reliable, it has not been independently verified, and neither the Company nor the Managers, nor any of its or their respective representatives make any representation as to the accuracy of such information. It is also possible that the data and estimates may be inaccurate or out of date, or that the forecast trends do not occur for the same reasons as described above which could have a material adverse impact on the Company's operations, outlook, financial position, results, development or targets. Trends in the Group's business activities may differ from the market trends described in this International Offering Memorandum. The Company, the Managers, and any of its or their respective representatives undertake no obligation to update such information.

In addition, in many cases the Company has made statements in this International Offering Memorandum regarding its industry and position in the industry based on its estimates and experience and on its investigation of market conditions. The Company cannot assure the prospective investors that any of these assumptions are accurate or correctly reflects its position in the industry and none of its internal surveys or information has been verified by any independent sources.

DEFINITIONS

In this International Offering Memorandum:

"**€**" or "**euros**" refer to the single currency of the member states of the European Union participating in the third stage of the economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended and supplemented from time to time;

"**EU**" refers to the European Union;

"**IFRS**" refers to the International Financial Reporting Standards as adopted in the European Union; and

all references to "**Figeac Aéro**" and the "**Company**" are to Figeac Aéro S.A.

PRESENTATION OF FINANCIAL INFORMATION

This International Offering Memorandum includes:

(i). the consolidated financial statements of the Group prepared in accordance with IFRS for the years ended 31 March 2013, 31 March 2014 and 31 March 2015; and

(ii). the interim financial statements of the Group prepared in accordance with IFRS for the semester closed on 30 September 2015.

These financial statements have been provided in Section 20 of the English translation of the first part of the French Prospectus (*Document de base*).

Unless otherwise indicated, all financial information concerning the Group as of and for the years ended 31 March 2013, 2014 and 2015 referred to in this International Offering Memorandum has been derived from the financial statements mentioned in (i) above.

Some financial information in this International Offering Memorandum has been rounded and, as a result, the numerical figures shown as totals in this International Offering Memorandum may vary slightly from the exact arithmetic aggregation of the figures that precede them.

FORWARD-LOOKING STATEMENTS

This International Offering Memorandum contains forward-looking statements and information about the Company's targets and its ongoing projects. Sometimes these forward-looking statements are indicated by the use of the future or conditional tense accompanied by words such as "believe", "estimate", "consider", "aim", "intend", "envisage", "anticipate", "expect", "plan", "should", "wish", "may" and other similar expressions. These forward-looking statements and information about targets and ongoing projects are based on data, assumptions and estimates which the Company believes to be reasonable. They may be affected by known or unknown risks and uncertainties related to the regulatory, economic, financial and competitive environment, as well as other factors that could cause the Company's future results, performance and achievements to differ materially from the outcomes described or implied by members of the Board of Directors and senior executive management. These factors include changes in general economic and commercial conditions, regulatory changes and the risks described in Section 4 "Risk factors" of the English translation of the first part of the French Prospectus (*Document de base*) and in Section 2 "Risk factors" of the English translation of the second part of the French Prospectus (*Note d'opération*). In addition, other sections of this International Offering Memorandum describe additional factors that could adversely affect the Company's results of operations, financial condition, liquidity, dividend policy and the development of the industries in which it operates. New risks can emerge from time to time, and it is not possible for the Company to predict all such risks, nor can it assess the impact of all such risks on its business or the extent to which any risks, or combination of risks and other factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not rely on forward-looking statements as a prediction of actual results.

ABOUT THIS INTERNATIONAL OFFERING MEMORANDUM

This International Offering Memorandum includes as Annex A the non-certified English translation of the French Prospectus filed with the AMF on 7 March 2016 under no. 16-070, comprised of its first part (*Document de base* – registration document) and its second part (*Note d'opération* – securities note), except for:

(a) cover page: AMF visa together with related textbox and reference to copies available,

(b) summary of the Prospectus and indicative timetable: reference to the AMF visa,

(c) the reference to the completion letter (*lettre de fin de travaux*) of the Company's statutory auditors in section 1.3 of the first part of the French Prospectus (*Document de base*) entitled "Statement by the person responsible for the Prospectus",

(d) the report of the Company's statutory auditors on the profit forecasts provided in section 13.2 of the first part of the French Prospectus (*Document de base*), and

(e) section 5.1.1 of the second part of the French Prospectus (*Note d'opération*) - indicative timetable: reference to the AMF visa,

which do not constitute part of the non-certified English translation of the French Prospectus.

You should not make any investment decision based on the excluded sections referenced above, and any references to the first part of the French Prospectus (*Document de base*) and the second part of the French Prospectus (*Note d'opération*) in the International Offering Memorandum as supplemented by the pricing supplement are deemed to exclude such sections.

In the event of any ambiguity or conflict between corresponding statements or other items contained in these non-certified English translations and the original French versions, the relevant statements or items of the French versions shall prevail.

ANNEX A
ENGLISH TRANSLATION OF THE FRENCH PROSPECTUS

FIGEAC AERO
Public limited company (*société anonyme*) with capital of €3,332,101.56
Registered office: Z.I. de l'Aiguille
46100 FIGEAC
Cahors Trade and Companies Register: 349,357,343

PROSPECTUS

Made available to the public in conjunction with:

- the offer, as part of an Open Price Offer to the public in France and a Global Placement among institutional investors in France and outside France, in an amount of approximately €85 million corresponding to a total maximum number of 4,096,384 shares offered, comprising (based on a price at the lower end of the indicative range) (i) a maximum number of 3,614,457 shares issuable as part of a capital increase without preferential subscription rights by way of a public offering, which number may be increased to a maximum of 4,156,625 new shares in the event of the full exercise of the extension clause, and (ii) a maximum number of 481,927 shares sold by Jean-Claude Maillard;
- the admission to trading on the regulated market of Euronext Paris of all of the 27,767,513 common shares currently admitted to trading on Alternext Paris (private placement compartment);
- the admission to trading on the regulated market of Euronext Paris of all of the New Shares;
- the admission to trading on the regulated market of Euronext Paris of a maximum number of 60,240 shares issuable as part of a cash capital increase reserved for employees of the Group.

Duration of the public offering: from 8 to 17 March 2016.
Duration of the global placement: from 8 to 18 March 2016.
Indicative price range applicable to the open price offering and the global placement:
between 20.75 euros and 26.00 euros per share.
Indicative price range applicable to the offering reserved for employees:
between 16.60 euros and 20.80 euros per share.

The price may be set below 20.75 euros per share. In the event of the modification of the upper limit of the aforementioned range or the pricing of the offering above 26.00 per share, orders issued under the public offering may be revoked for at least two trading days.

[Intentionally omitted]

ODDO&CIE
Lead Manager and Joint Bookrunner

MIDCAP PARTNERS
Joint Bookrunner

[Intentionally omitted]

This English-language translation of the French-language original was prepared for your convenience. In the event of any inconsistencies between this document and the French-language original, the latter shall prevail.

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GENERAL COMMENTS

Definitions

In this Prospectus (the **"Prospectus"**), unless otherwise stated, the terms **"Company"** and **"Figeac Aéro"** refer to Figeac Aéro SA, and the term **"Group"** refers to Figeac Aéro SA and its consolidated subsidiaries taken as a whole, namely, Mécanique et Travaux Industriels (MTI) SAS, Mécabrive Industries SAS, FGA Tunisie SARL (Tunisian law), Figeac Aéro USA Inc. (US law), FGA Picardie SAS, Figeac Aéro North America Inc. (US law), FGA Saint-Nazaire SAS and Figeac Aéro Maroc SARL (Moroccan law).

Disclaimer

Information about the market and competition

This Prospectus contains, notably in Chapter 6 *"Business Overview"*, information about the market in which the Group operates and its competitive position, including information on market size and market share.

Unless otherwise stated, the information contained in this Prospectus relating to market share and the size of the Group's relevant markets is based on the Group's estimates. It is not official data, and is provided for information purposes only. It is based on data, assumptions and estimates deemed reasonable by the Group. Publicly available information, believed by the Group to be reliable, has not been verified by an independent expert. The Group cannot guarantee that a third party using different methods to gather, analyse or calculate market data would obtain the same results. In addition, the Group's competitors may define the market in a different way. In view of the uncertainties related to the regulatory, economic, financial and competitive environments, it is possible that such information may prove to be erroneous or out of date. The Group's activities may well perform differently from the manner described in the Prospectus. The Group does not undertake to publish updates of such information, except in connection with any legal or regulatory obligation applying to it, including obligations under the AMF General Regulation. The Group and its direct and indirect shareholders, investment service providers and their advisors participating in the Company's IPO make no undertaking or warranty as to the accuracy of such information.

Forward-looking information

This Prospectus contains information about the Group's prospects and sources of growth. These statements are sometimes identified by the use of the future or conditional tenses, or by forward-looking terms such as "believe", "be aimed at", "expect", "intend", "estimate", "consider", "should", "could", "wishes" or, as appropriate, the negative of such terms or other similar expressions or variants thereof. Such information is not historical data, and must not be interpreted as guaranteeing the realisation of the facts and data mentioned. It is based on data, assumptions and estimates deemed reasonable by the Group. It is liable to change or be modified in response to uncertainties related to the economic, financial, competitive and regulatory environments. Information of this type is given in various sections of the Prospectus, and contains data regarding the intent, estimates and objectives of the Group, notably in respect of its market, strategy, growth, results, financial position and cash flows. The forward-looking statements contained in this Prospectus are only valid as of the date of this Prospectus. The Group does not undertake to publish updates of the forward-looking information contained in this Prospectus, except in connection with any legal or regulatory obligation applying to it, including obligations under the AMF General Regulation. The Group operates in a rapidly changing competitive environment. It therefore may not be able to anticipate all risks, uncertainties or other factors liable to affect its business, their potential impact on its business, or the extent to which the materialisation of a risk or a combination of risks could result in significantly different results from those contained in any forward-looking information, bearing in mind that such forward-looking statements do not constitute a guarantee of actual results.

Risk factors

Investors should read carefully the risk factors described in Chapter 4 *"Risk Factors"* of Part I of this Prospectus (in particular the risk of dependency of key men (section 4.2.1)) and Chapter 2 *"Risk Factors Related to the Offering"* of Part II of this Prospectus (in particular the risk related to the control of the Company by a majority shareholder (section 2.3)) before making an investment decision. The occurrence of any or all of these risks may have an adverse effect on the business, image, results, financial position or prospects of the Group. In addition, other risks not yet identified or considered insignificant by the Group at the date of this Prospectus may have an adverse effect, potentially causing investors to lose all or part of their investment.

Glossary

A glossary defining certain technical terms and abbreviations used in this Prospectus is contained in Chapter 26 of Part I of this Prospectus.

SUMMARY OF THE PROSPECTUS

The summary consists of a series of key information designated by the term **"Elements"**, presented in five sections A to E, numbered A.1 to E.7. This summary contains all the Elements that must be included in the summary of a prospectus relating to this class of securities and this type of issuer. As all Elements are not relevant, the numbering of the Elements in this summary is not continuous. It may not be possible to provide relevant information about a particular Element required in this summary because of the class of securities or type of issuer. In this case, a brief description of the Element concerned is included in the summary, with the mention "Not applicable".

Section A – Introduction and disclaimers		
A.1	**Introduction and disclaimers**	Any decision to invest in the relevant securities should be based on a thorough review of the Prospectus by the investor. Where a claim relating to information contained in the Prospectus is brought before a court, the plaintiff investor may, under the national law of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches to those persons who have tabled the summary including any translation thereof, and applied for its notification, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or if it does not, when read together with the other parts of the Prospectus, provide key information aiding investors when considering whether to invest in such securities.
A.2	**Consent of the issuer on the use of the Prospectus**	Not applicable.
Section B – Issuer		
B.1	**Corporate name**	Figeac Aéro (the **"Company"** or the **"Issuer"**)
B.2	**Registered office/Legal form/Applicable law/Country of Origin**	- Registered office: Z.I. de l'Aiguille 46100 Figeac. - Legal form: public limited company with a board of directors. - Applicable law: French law. - Country of origin: France.
B.3	**Nature of operations and Principal activities**	Founded in 1989, the Company specialises in the manufacture of light alloy and hard metal structural parts, engine parts, landing gear parts and sub-assemblies, primarily for the aerospace industry. The Figeac Aéro group (the **"Group"**), formed in 1994 around the Company, is an international industrial group. It is a leading partner of major manufacturers in the sector, and has a workforce of over 1,800 employees and operations in France, the United States, Morocco, Mexico and Tunisia. In the year ended 31 March 2015, the Group reported revenue of €204 million. Its year-end order backlog was €3.7 billion. The Group has four distinct business lines: - structural parts for the aerospace industry; - precision machining and surface treatment (mainly for the aerospace industry); - on-site and workshop assembly of sub-assemblies for the aerospace industry; - general and industrial engineering (outside the aerospace industry). It is part of the category of sub-contractors in the field of aerospace, and works with three types of contractors: manufacturers (such as Airbus, Embraer and Bombardier), equipment manufacturers (such as Safran and Rolls-Royce) and sub-assemblers (such as Latécoère, Spirit Aerosystems, Stelia Aerospace and Zodiac Aerospace). By virtue of its role as sub-contractor and the variety of its contractors (manufacturers, equipment suppliers and sub-assemblers), the Group works on almost all of the civil aircraft programmes currently in force. Critical success factors are the Group's industrial excellence on its legacy site in

		Figeac, proximity with customers, competitiveness through production units located both in best-cost areas (Morocco, Tunisia, Mexico) and in the dollar zone, financial strength and a proven ability to obtain financing for its development and that of its customers. The Group has global market share of less than 5% in its areas of activity. Its corporate strategy is to maintain a strong pace of growth with a view to becoming the leading European aerospace sub-contractor and a world leader. In particular, the Group's aim is to: - become the European leader in aerospace sub-contracting, with target revenue of between €650 million and €750 million by 2020 (based on a euro/dollar exchange rate of 1.18); - continue its international expansion, particularly in North America, which is the world's largest market, by moving closer to the major players. The implementation of this strategy involves: - preserving the Group's financial strength so as to allow it sufficient flexibility for future investment, particularly in machining and production processes, which are the source of its industrial excellence; - making further gains in competitiveness, particularly through research and development, investment in best-cost areas and the dollar zone, and in increasingly efficient production equipment; - continue the upgrading of products and services offered to customers, allowing the Group's margins to remain stable in the period to 2020.
B.4a	**Recent trends affecting the Company**	Since the end of its last fiscal year on 31 March 2015, the Group has continued its development and confirmed its ambition to become the European leader and a global leader in aerospace subcontracting. The Group aims to continue its growth in the coming years. **For the year ending 31 March 2018:** The Group's aim is to achieve revenue of €500 million in the year ending 31 March 2018, with an EBITDA margin of between 23% and 25% (based on a euro/dollar exchange rate of 1.18). At the end of January 2016, almost 90% of this revenue target was contracted and/or identified on the basis of contracts signed (included in the Group's backlog) and/or ramp-up forecasts provided by Figeac Aéro customers. **For the year ending 31 March 2020:** The Group has set the ambitious target of achieving revenue of between €650 million and €750 million, with the EBITDA margin remaining stable at current levels (based on a euro/dollar exchange rate of 1.18). Nevertheless, this figure is subject to the realisation of the investment in the required machines and buildings. The revenue growth targeted between fiscal 2018 and fiscal 2020 breaks down as organic growth of between €125 million and €175 million, and external growth of between €25 million and €75 million. The Group believes that future growth will be derived from the following sources: - market share gains on new programmes not yet allocated (e.g. A330neo); - increasing reliance on sub-contracting by contractors; - reallocation of contracts to the financially strongest players, such as Figeac Aéro; - further expansion in best-cost areas, with productivity gains; - seizure of external growth opportunities without compromising strict financial discipline. For acquisitions, the Group intends to make compliance with strategic and industrial logic a key decision-making criterion. The goal will be to expand the business by strengthening its operations in new geographical areas (United Kingdom, United States, other areas) and/or through the acquisition of complementary expertise.

For each acquisition, the Group also intends to maintain strict financial discipline based on the following criteria:

- leverage to remain below 3x EBITDA;
- targets with acquisition prices of roughly 6x to 7x EBITDA;
- funding already secured prior to any transaction.

The objectives presented above do not constitute forecasts or estimates of the Group's earnings. They are based on its strategic goals and its action plan.

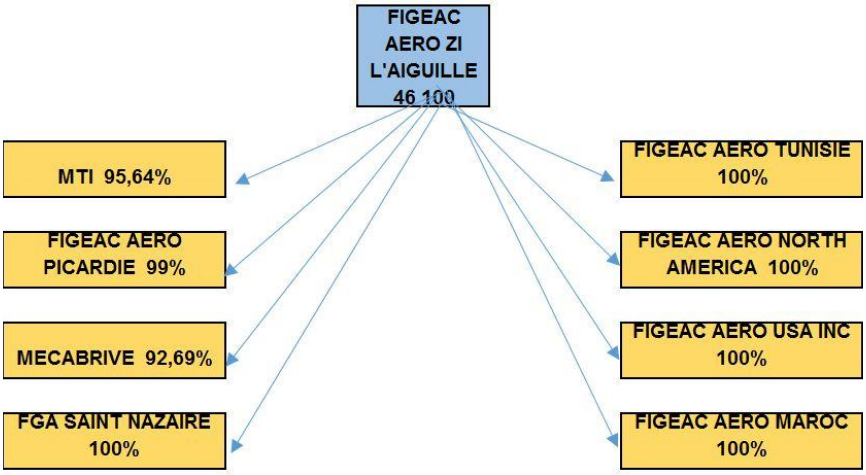
They are based on data, assumptions and estimates deemed reasonable by the Group. These data, assumptions and estimates are liable to change or be modified due to uncertainties related notably to the economic, financial, competitive, regulatory and tax environment.

These objectives are notably subject to the following:

- a euro/dollar exchange rate between 1 and 1.20;
- the absence of a major crisis in the aerospace sector;
- achievement of the ramp-up forecasts announced by manufacturers.

B.5 **Description of the Group**

At the date of this Prospectus, the Group's legal structure was as follows (the percentages represent ownership of capital and voting rights):



As from the date of admission to trading of the Company's shares on the Euronext Paris regulated market, the Company agreed to refer to the Middlenext Corporate Governance Code for small and mid-caps values of December 2009.

An audit committee will be created upon the appointment of Mrs. Marie-Line Malaterre as an independent director (during a general meeting of the Company that will be convened as soon as possible as of the transfer to the Euronext Paris regulated market). It is specified that the Maillard family has already undertaken to vote in favor of such an appointment. As a certified accountant, Mrs Marie-Line Malaterre will chair the audit committee.

The Company's Board of Directors has also adopted on 7 March 2016 internal regulations which will be available on the Company's website on 8 March 2016.

B.6 **Shareholders**

At the date of this Prospectus, the share capital of the Company amounted to €3,332,101.56, divided into 27,767,513 shares with a par value 0.12 euro each, fully paid up.
Shareholding structure as of 22 January 2016: :

Shareholders	Number of shares	% of capital	Theoretical number of voting rights	Theoretical percentage of voting rights	Number of exercisable voting rights	Percentage of exercisable voting rights
Jean-Claude Maillard	11,861,778	42.72	23,723,556	45.43	23,723,556	45.44

SC Maillard et Fils(1)	12,496,000	45.00	24,992,000	47.86	24,992,000	47.87
Total Maillard family	***24,357,778***	***87.72***	***48,715,556***	***93.30***	***48,715,556***	***93.31***
Isabelle Ricaud-Maillard	85,000	0.31	170,000	0.33	170,000	0.33
Employees	63,921	0.23	63,921	0.12	63,921	0.12
Other shareholders	3,253,462	11.72	3,258,462	6.24	3,258,462	6.24
Treasury shares	7,352	0.03	7,352	0.01	0	0.0
TOTAL	**27,767,513**	**100.0**	**52,215,291**	**100.0**	**52,207,939**	**100.0**

(1) SC Maillard et Fils is a family holding company established by Jean-Claude, Simon and Rémi Maillard. It is controlled by Jean-Claude Maillard.

As SC Maillard et Fils is controlled by Jean-Claude Maillard in his capacity as manager, it is presumed to act in concert with Jean-Claude Maillard. To the best of the Company's knowledge, no other action in concert has been established between shareholders.

To the best of the Company's knowledge, no other shareholder directly or indirectly holds more than 5% of capital and voting rights.

B.7 **Selected financial information**

Selected financial information taken from the Group's consolidated income statement

(in € thousands)	Six months to 30 September		Year ended 31 March		
	2015	2014*	2015	2014	2013
Revenue	**118,930**	**100,797**	**203,938**	**162,325**	**137,129**
Other activity products + change in inventories	22,004	21,263	44,621	33,813	25,182
Recurring operating income	**19,719**	**14,671**	**30,843**	**22,292**	**22,121**
Operating income	**19,003**	**14,321**	**27,250**	**21,377**	**21,095**
Net financial income (loss)	**12,115**	**-7,498**	**-62,952**	**818**	**-3,914**
Taxes	-10,069	-1,937	13,811	-6,231	-5,203
Net income attributable to owners of the parent	**20,971**	**4,890**	**-21,889**	**15,900**	**11,978**
Net income attributable to non-controlling interests	**77**	**-3**	**-3**	**-95**	**1**
EBITDA	**30,869**	**22,904**	**48,098**	**35,383**	**32,021**
EBITDA/REVENUE	26.0%	22.7%	23.6%	21.8%	23.4%

* Figures for the six months to 30 September 2014 have been adjusted:
- for the impact of the change of accounting method resulting from the retrospective application of IFRIC 21 "Levies";
- to modify the exchange rate of sales and purchases denominated in foreign currencies that were initially recognised on the basis of a budgeted rate and not on the basis of the exchange rate on the date of the transaction.

Selected financial information from the Group's balance sheet

(in € thousands)	Six months to 30 September		Year ended 31 March		
	2015	2014	2015	2014	2013
Consolidated assets					
Total intangible assets (1)	28,916	16,185	21,996	12,467	8,366

	Total property, plant and equipment (2)	98,596	77,482	87,129	66,040	54,489

Total property, plant and equipment (2)	98,596	77,482	87,129	66,040	54,489
Other non-current assets (3)	3,311	11,194	28,061	7,940	8,163
TOTAL NON-CURRENT ASSETS	**130,824**	**104,861**	**137,186**	**86,447**	**71,018**
TOTAL CURRENT ASSETS (4)	**243,096**	**193,438**	**236,647**	**179,571**	**126,733**
TOTAL ASSETS	**373,920**	**298,299**	**373,832**	**266,018**	**197,751**

(1) Intangible assets comprise the “Development costs” and “Other intangible assets” items. Readers should refer to Note 6.1 to the consolidated financial statements.
(2) Property, plant and equipment comprise the “Land”, “Buildings”, “Plant” and “Other tangible assets” items. Readers should refer to Note 6.2 to the consolidated financial statements.
(3) Other non-current assets comprise the “Deferred taxes”, “Other financial assets” and “Other non-current assets” items. Readers should refer to Notes 15.2 and 6.3 to the consolidated financial statements.
(4) Other current assets comprise the “Inventories and work in progress”, “Trade and other payables”, “Tax receivables”, “Other current assets” and “Cash and cash equivalents” items. Readers should refer to Notes 7., 8., 15.2 and 9 to the consolidated financial statements.

(in € thousands)	Six months to 30 September		Year ended 31 March		
	2015	2014	2015	2014	2013
Consolidated equity and liabilities					
Consolidated shareholders’ equity (1)	85,985	73,773	61,147	68,739	38,658
Total non-current financial liabilities (2)	115,029	87,107	98,350	79,043	61,891
Other non-current liabilities (3)	64,498	42,990	103,591	28,670	28,103
TOTAL NON-CURRENT LIABILITIES	**179,527**	**130,096**	**201,940**	**107,712**	**89,994**
Total current financial liabilities (4)	47,145	39,370	45,699	32,811	28,357
Other current liabilities (5)	61,264	55,060	65,047	56,756	40,743
TOTAL CURRENT LIABILITIES	**108,409**	**94,429**	**110,746**	**89,567**	**69,099**
TOTAL EQUITY AND LIABILITIES	**373,920**	**298,299**	**373,833**	**266,018**	**197,751**

(1) Equity comprises the “Capital”, “Premiums”, “Reserves”, “Translation reserve”, “Net income for the period” and “Non-controlling interests” items.
(2) Non-current financial liabilities comprise the “Loans from credit institutions”, “Refundable advances”, “Finance lease liabilities” and “Other financial liabilities” items. Readers should refer to Notes 14.1 and 14.2 to the consolidated financial statements.
(3) Other non-current liabilities comprise the “Other liabilities”, “Deferred taxes”, “Provision for retirement and other long-term benefits”, “Derivative financial instruments”, “Other non-current liabilities” and “Deferred income, non-current portion” items. Readers should refer to Notes 11. and 15.2 to the consolidated financial statements.
(4) Current financial liabilities comprise the “Current financial liabilities”, “Current portion of long-term financial liabilities” and “Refundable advances” items. Readers should refer to Notes 3.18 and 14.2 to the consolidated financial statements.
(5) Other current liabilities comprise the “Trade payables”, “Tax liabilities”, “Other current liabilities” and “Deferred income” items. Readers should refer to Notes 12. and 15. to the consolidated financial statements.

B.8	**Pro forma information**	Not applicable.
B.9	**Profit forecasts or estimates**	Based on the selected assumptions with respect to the revenue, EBITDA and the recurring operating income, the Group anticipates generating profitable growth reflected as follows: i. A consolidated revenue between €250 million and €260 million on 31 March 2016, i.e. a growth between +22.5% and +27.5% against the financial year ended 31 March 2015. This revenue includes a revenue portion denominated in US

		dollars amounting to approximately €180 million. ii. A consolidated revenue between €360 million and €380 million on 31 March 2017. This revenue includes a revenue portion denominated in US dollars amounting to approximately €280 million. iii. For both financial years (31 March 2016 and 31 March 2017), the Group anticipates an EBITDA in a range of 23% to 25% of its revenue. This EBITDA includes US dollars denominated purchases amounting to €72 million on 31 March 2016 and €112 million on 31 March 2017. iv. The recurring operating income for both financial years should be between 13% and 16% of its revenue.
B.10	**Any reserves contained in the audit reports on the historical financial data**	Not applicable.
B.11	**Net working capital**	On the date of this Prospectus, the Company certifies that, from its point of view, the Group's net working capital, before the Offer, is sufficient to meet its obligations over the next twelve months as from the date of the Prospectus.
	Section C – Securities	
C.1	**Nature, class and identification number of the new shares**	The shares of the Company for which admission to trading on the regulated market of Euronext Paris (compartment B) will be requested after the settlement-delivery of the Offering (as defined below) are as follows: - all common shares comprising share capital, i.e. 27,767,513 shares with a par value of 0.12 euros each (the **"Existing Shares"**); ») ; - the 3,614,457 new shares issuable as part of a capital increase without preferential subscription rights involving the cash subscription by way of a public offering, which number may be increased to a maximum of 4,156,625 new shares in the event of the full exercise of the extension clause (together, the **"New Shares"**); and - a maximum number of 60,240 new shares issuable as part of a cash capital increase reserved for employees of the Company and its subsidiaries belonging to the Figeac Aero company savings plan (the **"New Shares Reserved for Employees"**). The New Shares and the New Shares Reserved for Employees are common shares of the Company, and will be fungible with the Existing Shares upon issue. The shares offered are composed of New Shares offered by the Company and a maximum number of 481,927 Existing Shares offered by Jean-Claude Maillard in his capacity as selling shareholder (the **"Sold Shares"**). The New Shares and the Sold Shares are together referred to as the **"Offered Shares"**. ***Dividend entitlement date:*** the New Shares and the New Shares Reserved for Employees will carry dividend rights from their date of issue. ***Name of shares:*** Figeac Aéro ***ISIN code:*** FR0011665280 ***Ticker:*** FGA ***Compartment:*** Compartment B ***Business sector:*** - French classification of activities code: 2562B – Industrial machines - Industry Classification Benchmark: 2713 – Aerospace

C.2	**Currency of issue**	Euro.
C.3	**Number of shares issued and par value**	***Number of shares issued under the Offering:*** 3,614,457 New Shares (based on a price at the lower end of the indicative range), which number may be increased by 15% to a maximum of 4,156,625 New Shares (the **"Extension Clause"*).*** ***Par value of the shares:*** 0.12 euros.
C.4	**Rights attached to shares**	The shares will be subject to the provisions of the Articles of Association of the Company. In view of the prevailing provisions of French law and the Articles of Association of the Company, the main rights attached to shares are as follows: - dividend rights; - voting rights (it being specified (i) that double voting rights are granted for shares held in registered form for at least two years, and (ii) that the voting rights of a usufructuary are limited to decisions relating to the allocation of profits subject to approval by shareholders at Ordinary Shareholders' Meetings. - preferential subscription rights; - right to a share of the profits; - right to a share of any surplus in the event of liquidation.
C.5	**Restrictions on the trading of the shares**	No clause in the Articles of Association restricts the trading of the shares comprising the share capital of the Company.
C.6	**Existence of an application for admission to trading on a regulated market**	The shares of the Company are currently traded on Alternext Paris. The admission of all shares to trading on the regulated market of Euronext Paris (Compartment B) has been requested. Trading conditions for all shares will be set out in a Euronext notice published on 18 March 2016 Trading in the shares on the regulated market of Euronext Paris is scheduled to begin on 23 March 2016. From that date, all shares will be traded on a "Figeac Aero" trading line.
C.7	**Dividend policy**	The Company has not paid any dividends in the last three years. In view of its development strategy, the Company does not intend to adopt a policy of regular dividend payments. However, the Company's Board of Directors will regularly reassess its dividend policy, taking into account the general economic environment, the specific conditions prevailing in its business sector, the results of the Company, its financial position, the interests of its shareholders and any other factors it deems relevant.
Section D – Risks		
D.1	**Key risks specific to the Issuer and its sector**	Before making an investment decision, investors should consider the following risk factors: - ***Risks related to the Group's business and the market:*** risks related to changes in economic conditions, risks related to the cyclical nature of the aerospace market, risks related to programme and production delays, risks related to product quality control, risks related to raw materials, risks related to dependency with regard to certain customers, risks related to the competitive nature of the aerospace market, risks related to technological developments, environmental risks. - ***Risks related to the Group and its organisation:*** Risks related to dependency with regard to key people, risks related to the hiring of skilled staff, risks related to the Group's growth, risks related to changes in industrial organisation, risk related to dependency with regard to and failure of suppliers and sub-contractors, country risk. - ***Financial risks:*** liquidity risk, counterparty risk, risk related to the research tax credit. - ***Market risks:*** currency risk, interest rate risk, equity risk, dilution risk. - ***Legal risks:*** intellectual property risk, risks related to the protection of information,

		litigation – legal and arbitration proceedings, risks related to changes in legislation and tax policy. - ***Risks related to the level of insurance cover.***
D.3	**Key risks specific to the new shares**	The main risks related to the Offer are as follows: - the market price may vary significantly from the Offering Price after the admission of the shares of the Company to trading on the regulated market of Euronext Paris; - the market price of the shares of the Company may be subject to significant volatility; - the continued control of the Company by the controlling shareholder of the Company after the Offering may limit the possibility for other shareholders to influence certain decisions, leading to divergences of interests between shareholders, and change of control of the Company may be impeded; - the sale by the controlling shareholder of all or part of its stake after the expiry of the lock-up period to which it has consented could have a material adverse effect on the market price of the shares of the Company; - the Company may in the future have additional financing requirements that could result in a dilution of the holdings of existing shareholders not taking part in the transaction; - the Company's Board of Directors, acting under the authorisation granted by the Combined Shareholders' Meeting of 25 September 2015, decided that the capital increase envisaged in the context of the Offer will only be performed if the amount of subscriptions received is at least 75.5% of the total amount of the Offering, i.e. €64.2 million, of which at least €60.0 million under the Primary Offering (as defined below); if this amount is not reached, the Offer will be cancelled and subscription orders will lapse; - the Company does not intend to adopt a policy of regular dividend payments in view of its development strategy.
Section E – Offering		
E.1	**Total of proceeds from the Offering and estimate of total expenses related to the Offering**	***Gross proceeds from the issue of New Shares*** Approximately €75.0 million, which may be increased to approximately €86.2 million in the event of the full exercise of the Extension Clause. ***Net proceeds from the issue of New Shares*** Approximately €72.6 million, which may be increased to approximately €83.7 million in the event of the full exercise of the Extension Clause. For indicative purposes, if the total amount of subscriptions is only 75.5% of the total amount of the Offering, i.e. €64.2 million, the gross proceeds from the issue of the New Shares (Primary Offering) will be €60.0 million (minimum amount approved by the Board of Directors for the issue to be carried out), and the net proceeds will be €57.9 million. The total expenses related to the issuance of the New Shares (Primary Offering) are estimated at approximately €2,392,500.
E.2a	**Reasons for the Offering and use of the proceeds**	The purpose of the Offering is to finance, by order of priority and subject to the 75.5% threshold of the global amount (of which at least €60.0 million allocated under the Primary Offering, which corresponds to 80% of its amount) being reached: - the strengthening of organic growth, in the proportion of 80%, by the building of factories, by financing production means in France, in "best cost" areas and in the USA, as from the second half of 2016; - the financing of acquisitions, in the proportion of 20%. The Company is raising funds to provide the Group with sufficient financial means

		enabling it to achieve the investments necessary for the realisation of the activity beyond the year ended 31 March 2016. The investments required for the Company's activity must be incurred starting from the second half of 2016, in order for the machines to start production at the end of the first half of 2017 (first operated by one team, then two, until the machine is operated by five teams in April 2018). In addition, investments for the buildings intended to receive these machines are for some of them already engaged (future factory in particular for the LEAP market), and for the others will be engaged during the second half of 2016 for a series production entry by the end of 2017 (surface treatment building). Subsidiaries in "best cost" areas (Morocco and Mexico) have an investment program covering the next two coming years to reach full capacity as from the financial year 2018-2019. The current transaction is intended to finance this investments program of an amount between €100 and €150 million euros over 3 years, without any incentive from third parties, contractors or otherwise. A syndicated loan of an amount between €70 and €80 million (currently being negotiated between the Company and its banks) will complete this financing.
E.3	**Terms and conditions of the Offering**	***Structure of the Offering*** The Offering as a whole (the **"Offering"**) includes: - a public offering in France in the form of an Open Price Offer, primarily intended for individuals (the **"Open Price Offer"** or **"OPO"**); - a global placement for institutional investors (the **"Global Placement"**), comprising: • a placement in France; and • an international private placement in certain countries outside France, excluding, notably, the United States of America. If demand under the OPO permits, the number of shares allocated in response to orders placed under the OPO will be at least equal to 10% of the Offered Shares. If demand in the OPO is less than 10% of the Offered Shares, the balance of Offered Shares not allocated under the OPO will be offered under the Global Placement. The Offering covers both the New Shares issuable, offered by the Company as part of a primary offering (the "**Primary Offering"**), and the Existing Shares (the "Sold Shares") offered by Jean-Claude Maillard in his capacity as selling shareholder as part of a secondary offering (the "**Secondary Offering"**). The Offered Shares, namely the New Shares and the Sold Shares, will be offered as a single Offering on the same terms. The Secondary Offering is subordinated to the completion of the Primary Offering, meaning that New Shares (excluding the Extension Clause) will be allocated before Sold Shares in the event of insufficient demand and a reduction in the size of the Offering, bearing in mind that the Offering will be cancelled if (i) the total amount of subscriptions received is strictly less than 75.5% of the total amount of the Offering and if (ii) demand available for allocation to the Primary Offering is less than €60.0 million. ***Extension clause*** Depending on the volume of demand expressed under the Offering, the initial number of New Shares may be increased by 15% to a maximum of 4,156,625 New Shares. ***Indicative price range*** The price of the Shares Offered as part of the Open Price Offering will be equal to the price of the Shares Offered under the Global Placement (the **"Offering Price"**). The indicative price range was determined on the basis of a reference price (defined as the volume weighted average closing price per share over the past five trading days on 3 March 2016) of €22.35. For information purposes, the closing price on 4 March 2016 was €23.87.

The Offering Price may be set outside this range.

In the event of the modification of the upper limit of the price range or if the Offering Price is set above the upper limit of the price range (initial or amended as appropriate), the closing date of the OPO may be postponed to ensure that there are at least two trading days between the date of publication of the press release announcing the change and the new closing date of the OPO. Orders issued under the OPO before the release of the aforementioned press release will be maintained unless they are expressly revoked before the new closing date of the OPO, inclusive.

The Offering Price may be freely set below the lower limit of the indicative price range, or the range may be freely revised down (in the absence of a material impact on other characteristics of the Offer).

Method for setting the Offering Price

The Offering Price will be set on 18 March 2016. It will be determined by assessing investor demand in light of the number of shares available under the Global Placement, using the so-called "book-building" technique that is standard professional practice.

Dividend entitlement date

Dividend rights will apply from the date of issue.

Subscription intentions

None.

Underwriting

The Offering will not be underwritten.

Moreover, as the Company is seeking to raise funds with a view to financing the Group's growth beyond 2018, the Company's Board of Directors, acting under the authorisation granted by the Combined Shareholders' Meeting of 25 September 2015, has decided that the prospective capital increase planned in connection with the Offering will only go ahead if the amount of subscriptions received is equal to at least 75.5% of the total amount of the Offering, i.e. €64.2 million, of which at least €60.0 million under the Primary Offering. If this amount is not reached, the Offering will be cancelled and the subscription orders will lapse.

Stabilisation

None.

Indicative timetable

8 March 2016	Press release announcing the Offering Euronext notice announcing the opening of the OPO and the transfer to Euronext subject to the completion of the capital increase on Alternext Opening of the OPO and the Global Placement
No later than 15 March 2016 (Before opening of the market)	Suspension of the trading of the shares of the Company on Alternext Paris.
17 March 2016	Closing of the OPO at 5.00 p.m. (Paris time) for written subscriptions and 8.00 p.m. (Paris time) for online subscriptions
18 March 2016	Closing of the Global Placement at 12:00 noon (Paris time) Fixing of the Offering Price and possible exercise of the Extension Clause Press release indicating the Offering Price, the final number of New Shares and the results of the Offering Euronext notice announcing the results of the Offering and the transfer to Euronext Signing of the Placement Agreement

<table>
<tr><td></td><td></td><td>
<table>
<tr><td>22 March 2016</td><td>Settlement-delivery of the OPO and the Global Placement</td></tr>
<tr><td>23 March 2016</td><td>Delisting of the shares on Alternext Paris and admission of the new shares to trading on Euronext Paris – Start of trading</td></tr>
</table>
Terms of subscription
Persons wishing to participate in the OPO must place their orders through a financial intermediary authorised in France, no later than 17 March 2016 at 5.00 p.m. (Paris time) for written subscriptions and 8.00 p.m. (Paris time) for online subscriptions, for those investors whose financial intermediary provides that possibility, unless the Offering is closed early or extended.
To be taken into account, the orders placed under the Global Placement must be received by the Joint Bookrunners no later than 18 March 2016 at 12:00 noon (Paris time), unless the Offering is closed early.
Contact details of financial intermediaries
Global Coordinator and Joint Bookrunner
Oddo & Cie
12, boulevard de la Madeleine
75009 Paris
Joint Bookrunner
Midcap Partners
96, boulevard Haussmann
75008 Paris
</td></tr>
<tr><td>E.4</td><td>Interests liable to have a material impact on the Offering</td><td>
The Joint Bookrunners and/or certain of their affiliates have in the past provided and/or may in the future provide various banking, financial, investment, trade or other services to the Company, its affiliates, its shareholders or its officers, for which they have received or will receive payment. In particular, Louis Capital Markets, of which Midcap Partners (Joint Bookrunner) is a tied agent, has been mandated by the Company to implement a liquidity agreement covering its shares since 13 January 2014.
It is further noted that Jean-Claude Maillard, majority shareholder and Chairman and Chief Executive Officer of the Company, will sell some of the shares he holds as part of the Offering.
</td></tr>
<tr><td>E.5</td><td>Name of the issuer and lock-up agreement</td><td>
Issuer
Figeac Aéro SA
Quiet period undertaking by the Company
As of the Prospectus date and for 180 days after the date of settlement-delivery of the Offering, subject to customary exceptions.
Lock-up undertaking by Jean-Claude Maillard
As of the Prospectus date and for 180 days after the date of settlement-delivery of the Offering, subject to customary exceptions.
</td></tr>
<tr><td>E.6</td><td>Amount and percentage of immediate dilution resulting from the Offering</td><td>
Impact of the Offering and the Offering Reserved for Employees on the capital of the Company
Based on consolidated shareholders' equity at 30 September 2015 and the total number of shares of the Company outstanding at the Prospectus date, shareholders' equity per share, before and after completion of the Offering (at a price of 23.38 euros per share, the midpoint of the indicative price range) and the Offering Reserved for Employees (at a price of 18.70 euros per share, the midpoint of the indicative price range), would be:
</td></tr>
</table>

Based on the midpoint of the Offering Price range	Amount of shareholders' equity (in euros)(1)
Before issue of the New Shares	3.10
After issue of the New Shares in the gross amount of €60 million (scenario of the reduction of the Offering to 75.5%)	4.74
After issue of the New Shares (without the exercise of the Extension Clause)	5.12
After issue of the New Shares (full exercise of the Extension Clause)	5.39
After issue of the New Shares (full exercise of the Extension Clause) and New Shares Reserved for Employees	5.42

(1) The Company has no dilutive instruments outstanding.

Amount and percentage of dilution attributable to the Offering and the Offering Reserved for Employees

Based on the total number of shares comprising the capital of the Company at the Prospectus date, the impact of the Offering (for a price of €23.38 per share, i.e. midpoint of the indicative price range) and the Offering Reserved for Employees (at a price of 18.70 euros per share, the midpoint of the indicative price range) on the stake in the share capital of a shareholder holding 1% of the share capital at the date of this Prospectus and not subscribing to the Offering or the Offering Reserved for Employees would be:

Based on the midpoint of the Offering Price range	Stake of shareholders (in %)(1)
Before issue of the New Shares	1.00
After issue of the New Shares in the gross amount of €60 million (scenario of the reduction of the Offering to 75.5%)	0.91
After issue of the New Shares (without the exercise of the Extension Clause)	0.88
After issue of the New Shares (full exercise of the Extension Clause)	0.87
After issue of the New Shares (full exercise of the Extension Clause) and New Shares Reserved for Employees	0.87

(1) The Company has no dilutive instruments outstanding.

Breakdown of share capital and voting rights

The number of theoretical voting rights is calculated on the basis of all shares carrying voting rights and serves as the basis for calculating the crossing of thresholds, while the number of exercisable voting rights at Shareholders' Meetings is calculated without taking into account the shares deprived of voting rights, i.e. treasury shares held by the Company.

Taking as reference a price of the Offer of €23.38 per share (i.e. midpoint of the indicative price range) and a price of the Offer Reserved for Employees of 18.70 euros per share (the midpoint of the indicative price range).

Before the Offering

Shareholders	Number of shares	% of capital	Number of theoretical voting rights	Percentage of theoretical voting rights	Number of exercisable voting rights	Percentage of exercisable voting rights
Jean-Claude Maillard	11,861,778	42.72	23,723,556	45.43	23,723,556	45.44
SC Maillard et Fils(1)	12,496,000	45.00	24,992,000	47.86	24,992,000	47.87
Total Maillard family	***24,357,778***	***87.72***	***48,715,556***	***93.30***	***48,715,556***	***93.31***
Isabelle Ricaud-Maillard	85,000	0.31	170,000	0.33	170,000	0.33
Employees	63,921	0.23	63,921	0.12	63,921	0.12
Other shareholders	3,253,462	11.72	3,258,462	6.24	3,258,462	6.24

Treasury shares	7,352	0.03	7,352	0.01	0	0.0
TOTAL	**27,767,513**	**100.0**	**52,215,291**	**100.0**	**52,207,939**	**100.0**

(1) SC Maillard et Fils is a family holding company established by Jean-Claude, Simon and Rémi Maillard. It is controlled by Jean-Claude Maillard.

After the offer (completed in the proportion of 75.5% of the total amount, of which at least €60.0 million allocated under the Primary Offering)

Shareholders	Number of shares	% of capital	Number of theoretical voting rights	Percentage of theoretical voting rights	Number of exercisable voting rights	Percentage of exercisable voting rights
Jean-Claude Maillard	11,683,169	38.51	23,366,338	42.80	23,366,338	42.80
SC Maillard et Fils[(1)]	12,496,000	41.19	24,992,000	45.77	24,992,000	45.78
Total Maillard family	***24,179,169***	***79.71***	***48,358,338***	***88.57***	***48,358,338***	***88.58***
Isabelle Ricaud-Maillard	85,000	0.28	170,000	0.31	170,000	0.31
Employees	63,921	0.21	63,921	0.12	63,921	0.12
Other shareholders	5,998,915	19.78	5,998,915	10.99	5,998,915	10.99
Treasury shares	7,352	0.02	7,352	0.01	-	-
TOTAL	**30,334,357**	**100.0**	**54,598,526**	**100.0**	**54,591,174**	**100.0**

(1) SC Maillard et Fils is a family holding company established by Jean-Claude, Simon and Rémi Maillard. It is controlled by Jean-Claude Maillard.

After the Offering (completed in the proportion of 100%, without exercise of the Extension Clause)

Shareholders	Number of shares	% of capital	Number of theoretical voting rights	Percentage of theoretical voting rights	Number of exercisable voting rights	Percentage of exercisable voting rights
Jean-Claude Maillard	11,433,971	36.91	22,867,942	41.58	22,867,942	41.59
SC Maillard et Fils[(1)]	12,496,000	40.34	24,992,000	45.45	24,992,000	45.45
Total Maillard family	***23,929,971***	***77.25***	***47,859,942***	***87.03***	***47,859,942***	***87.04***
Isabelle Ricaud-Maillard	85,000	0.27	170,000	0.31	170,000	0.31
Employees	63,921	0.21	63,921	0.12	63,921	0.12
Other shareholders	6,889,825	22.24	6,889,825	12.53	6,889,825	12.53
Treasury shares	7,352	0.02	7,352	0.01	-	-
TOTAL	**30,976,069**	**100.0**	**54,991,040**	**100.0**	**54,983,688**	**100.0**

(1) SC Maillard et Fils is a family holding company established by Jean-Claude, Simon and Rémi Maillard. It is controlled by Jean-Claude Maillard.

After the Offering (with the full exercise of the Extension Clause)

Shareholders	Number of shares	% of capital	Number of theoretical voting rights	Percentage of theoretical voting rights	Number of exercisable voting rights	Percentage of exercisable voting rights
Jean-Claude Maillard	11,433,971	36.35	22,867,942	41.22	22,867,942	41.23
SC Maillard et Fils[(1)]	12,496,000	39.72	24,992,000	45.05	24,992,000	45.06
Total Maillard family	***23,929,971***	***76.07***	***47,859,942***	***86.28***	***47,859,942***	***86.29***
Isabelle Ricaud-Maillard	85,000	0.27	170,000	0.31	170,000	0.31
Employees	63,921	0.20	63,921	0.12	63,921	0.12
Other shareholders	7,371,108	23.43	7,371,108	13.29	7,371,108	13.29
Treasury shares	7,352	0.02	7,352	0.01	-	0.00
TOTAL	**31,457,352**	**100.0**	**55,472,323**	**100.0**	**55,464,971**	**100.0**

(1) SC Maillard et Fils is a family holding company established by Jean-Claude, Simon and Rémi Maillard. It is controlled by Jean-Claude Maillard.

		After the Offering (with the full exercise of the Extension Clause) and the Offering Reserved for Employees

Shareholders	Number of shares	% of capital	Number of theoretical voting rights	Percentage of theoretical voting rights	Number of exercisable voting rights	Percentage of exercisable voting rights
Jean-Claude Maillard	11.433.971	36,29	22.867.942	41,18	22.867.942	41,19
SC Maillard et Fils[(1)]	12.496.000	39,66	24.992.000	45,01	24.992.000	45,02
Total Maillard family	***23.929.971***	***75,94***	***47.859.942***	***86,19***	***47.859.942***	***86,21***
Isabelle Ricaud-Maillard	85.000	0,27	170.000	0,31	170.000	0,31
Employees	117.396	0,37	117.396	0,21	117.396	0,21
Other shareholders	7.371.108	23,39	7.371.108	13,28	7.371.108	13,28
Treasury shares	7.352	0,02	7.352	0,01	-	0,00
TOTAL	**31.510.827**	**100,0**	**55.525.798**	**100,0**	**55.518.446**	**100,0**

(1) SC Maillard et Fils is a family holding company established by Jean-Claude, Simon and Rémi Maillard. It is controlled by Jean-Claude Maillard.

E.7	**Expenses charged to investors by the issuer**	Not applicable.

PART ONE: BASE DOCUMENT

1. PERSONS RESPONSIBLE

1.1. PERSON RESPONSIBLE FOR THE PROSPECTUS

Jean-Claude Maillard, Chairman of the Board of Directors and CEO of Figeac Aéro.

1.2. PERSON RESPONSIBLE FOR THE FINANCIAL INFORMATION

Jean-Claude Maillard
Chairman and Chief Executive Officer
Z.I. de l'Aiguille
46100 FIGEAC
Phone: +33 (0)5 65 34 52 52
Email: questions@figeac-aero.com

1.3. DECLARATION OF THE PERSON RESPONSIBLE

"I hereby certify, having taken all reasonable measures to this effect, that the information contained in this Prospectus is, to the best of my knowledge, consistent with the facts and that it contains no omission liable to alter its scope.

[Intentionally omitted]

The historical financial information presented in the Prospectus have been subject to auditors' reports, the report relating to the Group's consolidated accounts for the year ended 31 March 2013 containing an observation on page 280 of the Prospectus relating to the adoption of IFRS norms.

The interim financial informations presented in the Prospectus have been subject to auditor's report, which contains observations on page 318 of the Prospectus relating to a change in accounting methods and restatements related to comparative information on 30 September 2014."

Figeac, 7 March 2016

Jean-Claude Maillard
Chairman and Chief Executive Officer

2. AUDITORS

2.1. STATUTORY AUDITORS

Fidaudit SA
Represented by Jean-Pierre Boutard
41 rue du Capitaine Guynemer
92400 Courbevoie

Appointed: reappointed on 30 September 2013
Appointment expires: at the end of the shareholders' meeting called to approve the financial statements for the year ending 31 March 2019

Fidaudit SA is a member of the Fiducial network and the Regional Company of Auditors of Versailles.

KPMG SA
Represented by Jean-Marc Laborie
Tour Eqho, 2 avenue Gambetta
92066 Paris La Défense Cedex

Appointed: 19 December 2013
Appointment expires: at the end of the shareholders' meeting called to approve the financial statements for the year ending 31 March 2019

KPMG SA is a member of the Regional Company of Auditors of Versailles.

2.2. ALTERNATE AUDITORS

Sarex SA
Represented by Nathalie Jarjaille
1 rue Montaigne
06400 Cannes

Appointed: 30 September 2013
Appointment expires: at the end of the shareholders' meeting called to approve the financial statements for the year ending 31 March 2019

Sarex SA is a member of the Regional Company of Auditors of Versailles.

KPMG Audit Sud-Ouest
Represented by Michel Dedieu
224 rue Carmin BP 17610
31676 Labège Cédex

Appointed: 19 December 2013
Appointment expires: at the end of the shareholders' meeting called to approve the financial statements for the year ending 31 March 2019

KPMG Audit Sud-Ouest is a member of the Regional Company of Auditors of Toulouse.

2.3. FEES PAID BY THE GROUP TO AUDITORS AND MEMBERS OF THEIR NETWORKS

Sodecal Audit, statutory auditor, and Jean-Marc Dauge, alternate auditor, who were initially appointed on 30 September 2003, were not reappointed during the period covered by the historical financial information. This was because the Company did not wish to have more auditors than required under its regulatory obligations, namely two.

	Fees paid to the Statutory Auditors and the members of their network															
FIGEAC AERO	FIDAUDIT				KPMG				SODECAL				Other auditors			
	Amount (excl. tax)		%		Amount (excl. tax)		%		Amount (excl. tax)		%		Amount (excl. tax)		%	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014
Audit																
Statutory audit, certification, review of individual and consolidated financial statements																
Transmitter	82,432	68,100	93%	91%	84,500	74,850	100%	100%	38,725	19,200	68%	63%			0%	0%
Consolidated subsidiaries	6,520	6,500	7%	9%			0%	0%	18,505	11,450	32%	37%	61,171	5,747	100%	100%
Other services directly related to the auditor's engagement																
Transmitter			0%	0%				0%			0%	0%				0%
Consolidated subsidiaries			0%	0%				0%			0%	0%				0%
Subtotal	88,952	74,600	100%	100%	84,500	74,850	100%	100%	57,230	30,650	100%	100%	61,171	5,747	100%	100%
Other services rendered by the networks to consolidated subsidiaries																
Legal, tax, social			0%	0%				0%			0%	0%				0%
Other			0%	0%				0%			0%	0%				0%
Subtotal		0	0%	0%				0%		0	0%	0%		0	0%	0%
Total	*88,952*	*74,600*	*100.00%*	*100.00%*	*84,500*	*74,850*	*100.00%*	*100.00%*	*57,230*	*30,650*	*100.00%*	*100.00%*	*61,171*	*5,747*	*100.00%*	*100.00%*

3. SELECTED FINANCIAL INFORMATION

The selected financial information presented below for the years ended 31 March 2013, 2014 and 2015 is derived from the consolidated financial statements contained in section 20.1 of Part I of this Prospectus.

These consolidated financial statements were prepared in accordance with IFRS as adopted by the European Union, and were audited by KPMG Audit Sud-Ouest, Fidaudit SA and Sodecal Audit (for the years ended 31 March 2014 and 2015), and by Fidaudit and Sodecal Audit (for the year ended 31 March 2013). The reports of the statutory auditors on the consolidated financial statements for the years ended 31 March 2013, 2014 and 2015 are contained in section 20.1 of Part I of this Prospectus.

Selected financial information for the six-month periods ended 30 September 2014 and 2015 were derived from the condensed interim consolidated financial statements of the Group for the six months to 30 September 2014 and 2015, prepared in accordance with IAS 34 "Interim Financial Reporting", the IFRS applicable to interim financial statements. The limited review report of the auditors on the condensed interim consolidated financial statements for the six months to 30 September 2015 is contained in section 20.5 of Part I of this Prospectus. The information for the six months to 30 September 2014 was derived from the comparative information contained in the condensed interim financial statements for the six months to 30 September 2015 and has been adjusted.

The information in this section should be read in conjunction with (i) the audited consolidated financial statements for the years ended 31 March 2013, 2014 and 2015 contained in section 20.1 of Part I of this Prospectus, (ii) the condensed interim consolidated financial statements for the six months to 30 September 2014 and 2015 contained in section 20.5 of part I of this Prospectus, (iii) the discussion of the financial position and results of operations, as presented in section 9 *"Review of the Group's results and financial position"* of Part I of this Prospectus and (iv) the discussion of the cash position and equity, as presented in section 10 *"Liquidity and capital resources"* of Part I of this Prospectus.

3.1. SELECTED FINANCIAL INFORMATION TAKEN FROM THE GROUP'S CONSOLIDATED INCOME STATEMENT

(in € thousands)	Six months to 30 September		Year ended 31 March		
	2015	**2014***	**2015**	**2014**	**2013**
Revenue	**118,930**	**100,797**	**203,938**	**162,325**	**137,129**
Other activity products + change in inventories	22,004	21,263	44,621	33,813	25,182
Recurring operating income	**19,719**	**14,671**	**30,843**	**22,292**	**22,121**
Operating income	**19,003**	**14,321**	**27,250**	**21,377**	**21,095**
Net financial income (loss)	**12,115**	**-7,498**	**-62,952**	**818**	**-3,914**
Taxes	-10,069	-1,937	13,811	-6,231	-5,203
Net income attributable to owners of the parent company	**20,971**	**4,890**	**-21,889**	**15,900**	**11,978**
Net income attributable to non-controlling interests	**77**	**-3**	**-3**	**-95**	**1**

* Figures for the six months to 30 September 2014 have been adjusted:

- for the impact of the change of accounting method resulting from the retrospective application of IFRIC 21 "Levies";
- to modify the exchange rate of sales and purchases denominated in foreign currencies that were initially recognised on the basis of a budgeted rate and not on the basis of the exchange rate on the date of transaction.

3.2. PERFORMANCE INDICATORS

(in € thousands)	Six months to 30 September		Year ended 31 March		
	2015	**2014***	**2015**	**2014**	**2013**
Revenue	**118,930**	**100,797**	**203,938**	**162,325**	**137,129**
EBITDA	**30,869**	**22,904**	**48,098**	**35,383**	**32,021**
Growth rate	34.77%	38.96%	35.93%	10.50%	29.77%
EBITDA/revenue	26.0%	22.7%	23.6%	21.8%	23.4%

* Figures for the six months to 30 September 2014 have been adjusted:

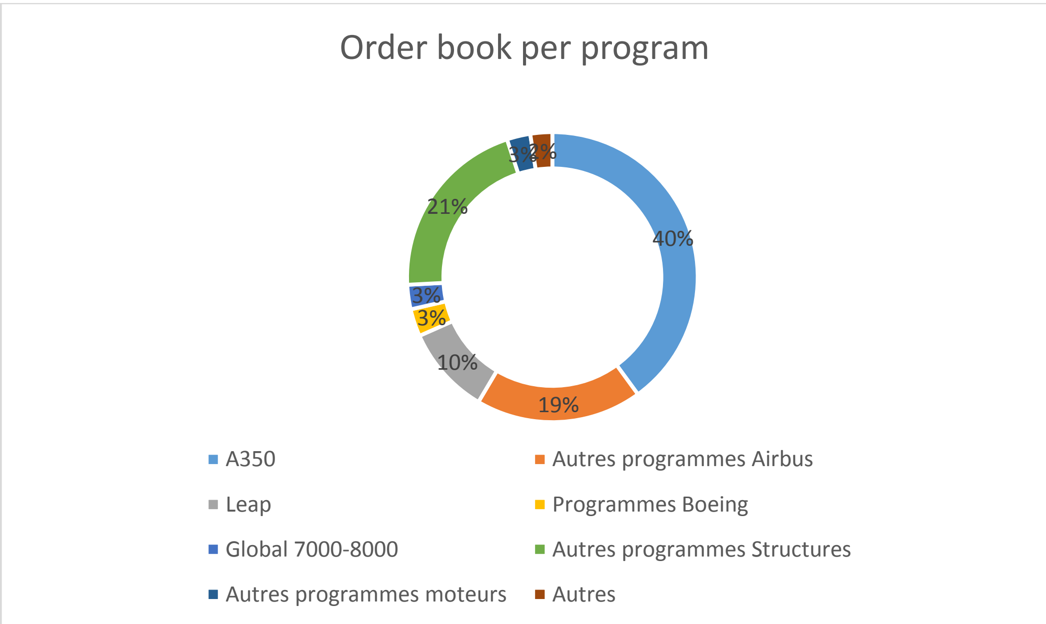
- for the impact of the change of accounting method resulting from the retrospective application of IFRIC 21 "Levies";
- to modify the exchange rate of sales and purchases denominated in foreign currencies that were initially recognised on the basis of a budgeted rate and not on the basis of the exchange rate on the date of transaction.

EBITDA (earnings before interest, tax, depreciation and amortisation) is one of the key indicators used by the Group to manage its operations and assess its performance. It consists of operating income before amortisation and net provisions and depreciation.

EBITDA is not defined under IFRS and the definition used by the Group may not be comparable with that used by other companies (see section 9.2 of Part I of this Prospectus).

The Group believes that this indicator is relevant for readers of the financial statements because it represents an indicator of operating income excluding non-cash items such as depreciation, amortisation and impairment, as well as factors that are beyond the Group's control, such as income taxes and non-recurring items.

Furthermore, the order book (corresponding to a forecast agreed revenue of €3.7 million as of today (being specified that this figure is calculated based on the rates announced by the contractors)), consists of revenues generated by the current contracts on the basis of a euro / US dollar parity of 1 euro = 1.18 US dollar, and breaks down as follows:



3.3. SELECTED FINANCIAL INFORMATION BROKEN DOWN BY BUSINESS SEGMENT

(in € thousands)	Six months to 30 September		Year ended 31 March		
	2015	2014*	2015	2014	2013
Revenue	**118,930**	**100,797**	**203,938**	**162,325**	**137,129**
Aerostructures	96,788	81,576	168,894	137,229	115,802
On-site assembly	2,518	2,139	3,815	4,443	3,105
Precision machining and surface treatment	12,263	8,124	19,014	9,786	7,887
General and industrial engineering	7,362	8,958	12,215	10,867	10,336
EBITDA	**30,869**	**22,904**	**48,098**	**35,383**	**32,021**
Aerostructures	28,418	20,617	45,815	33,032	30,280
On-site assembly	-155	-8	-567	213	392
Precision machining and surface treatment	2,103	1,390	1,979	1,233	675
General and industrial engineering	503	906	871	904	674

* Figures for the six months to 30 September 2014 have been adjusted:

- for the impact of the change of accounting method resulting from the retrospective application of IFRIC 21 “Levies”;
- to modify the exchange rate of sales and purchases denominated in foreign currencies that were initially recognised on the basis of a budgeted rate and not on the basis of the exchange rate on the date of transaction.

3.4. SELECTED FINANCIAL INFORMATION FROM THE GROUP’S BALANCE SHEET

(in € thousands)	Six months to 30 September		Year ended 31 March		
	2015	2014	2015	2014	2013
Consolidated assets					
Total intangible assets (1)	28,916	16,185	21,996	12,467	8,366
Total property, plant and equipment (2)	98,596	77,482	87,129	66,040	54,489
Other non-current assets (3)	3,311	11,194	28,061	7,940	8,163
TOTAL NON-CURRENT ASSETS	**130,824**	**104,861**	**137,186**	**86,447**	**71,018**
TOTAL CURRENT ASSETS (4)	**243,096**	**193,438**	**236,647**	**179,571**	**126,733**
TOTAL ASSETS	**373,920**	**298,299**	**373,832**	**266,018**	**197,751**

(1) Intangible assets comprise the “Development costs” and “Other intangible assets” items. Readers should refer to Note 6.1 to the consolidated financial statements.
(2) Property, plant and equipment comprises the “Land”, “Buildings”, “Plant” and “Other property, plant and equipment” items. Readers should refer to Note 6.2 to the consolidated financial statements.
(3) Other non-current assets comprise the “Deferred taxes”, “Other financial assets” and “Other non-current assets” items. Readers should refer to Notes 15.2 and 6.3 to the consolidated financial statements.
(4) Other current assets comprise the “Inventories and work in progress”, “Trade and other payables”, “Tax receivables”, “Other current assets” and “Cash and cash equivalents” items. Readers should refer to Notes 7, 8, 15.2 and 9 to the consolidated financial statements.

(in € thousands)	Six months to 30 September		Year ended 31 March		
	2015	2014	2015	2014	2013
Consolidated liabilities					
Consolidated shareholders' equity (1)	85,985	73,773	60,147	68,739	38,658
Total non-current financial liabilities (2)	115,029	87,107	98,350	79,043	61,891
Other non-current liabilities (3)	64,498	42,990	103,591	28,670	28,103
TOTAL NON-CURRENT LIABILITIES	**179,527**	**130,096**	**201,940**	**107,712**	**89,994**
Total current financial liabilities (4)	47,145	39,370	45,699	32,811	28,357
Other current liabilities (5)	61,264	55,060	65,047	56,756	40,743
TOTAL CURRENT LIABILITIES	**108,409**	**94,429**	**110,746**	**89,567**	**69,099**
TOTAL EQUITY AND LIABILITIES	**373,920**	**298,299**	**373,833**	**266,018**	**197,751**

(1) Equity comprises the "Capital", "Premiums", "Reserves", "Translation reserve", "Net income for the period" and "Non-controlling interests" items.
(2) Non-current financial liabilities comprise the "Loans from credit institutions", "Refundable advances", "Finance lease liabilities" and "Other financial liabilities" items. Readers should refer to Notes 14.1 and 14.2 to the consolidated financial statements.
(3) Other non-current liabilities comprise the "Other liabilities", "Deferred taxes", "Provision for retirement and other long-term benefits", "Derivative financial instruments", "Other non-current liabilities" and "Deferred income, non-current portion" items. Readers should refer to Notes 11 and 15.2 to the consolidated financial statements.
(4) Current financial liabilities comprise the "Current financial liabilities", "Current portion of long-term financial liabilities" and "Refundable advances" items. Readers should refer to Notes 3.18 and 14.2 to the consolidated financial statements.
(5) Other current liabilities comprise the "Trade payables", "Tax liabilities", "Other current liabilities" and "Deferred income" items. Readers should refer to Notes 12 and 15 to the consolidated financial statements.

3.5. SELECTED FINANCIAL INFORMATION TAKEN FROM THE GROUP'S CONSOLIDATED STATEMENT OF CASH FLOWS

(in € thousands)	Six months to 30 September		Year ended 31 March		
	2015	2014	2015	2014	2013
CASH FLOWS					
Net cash flows from operating activities	**-6,970**	**3,825**	**-485**	**11,227**	**2,725**
Net cash flows from investing activities	**-24,854**	**-21,896**	**-38,281**	**-30,100**	**-21,299**
Net cash flows from financing activities	**5,373**	**11,741**	**48,824**	**30,977**	**10.903**
CHANGE IN CASH	**-26,450**	**-6,330**	**8,515**	**12,103**	**-7,670**

Readers should refer to section 10 *"Liquidity and capital resources"* of Part I of this Prospectus.

4. RISK FACTORS

Investors should review all of the information contained in this Prospectus, including the risks described in this section, before deciding whether to purchase or subscribe to shares of the Company. In preparing this Prospectus, the Group conducted a review of the risks liable to have a material adverse impact on its business, financial position, results and prospects. It believes that there were no significant risks other than those disclosed herein at the date of this Prospectus.

Investors' attention is drawn to the fact that other risks not identified to date or not currently considered material for the Group could have an adverse impact on its business, financial position or results.

4.1. RISKS RELATED TO THE GROUP'S BUSINESS SECTOR

4.1.1. Risk related to changes in economic conditions

The macroeconomic assumptions and scenarios with regard to aircraft programmes used by the Group are based on the economic conditions prevailing at the date of this Prospectus and are used in framing the budget and multi-year projections.

If the situation were to deteriorate, assumptions and action plans would be adjusted in accordance with new anticipations as regards production rates. Adverse economic conditions could negatively impact the Group's business volumes. Trends in gross national product (GNP) have a direct impact on demand for air travel, which in turn determines demand in the commercial aircraft market. To satisfy change in airlines' demand for aircraft, manufacturers could modify their production rates, which could have a direct impact on the volume of original equipment activity among their equipment suppliers, including the Group.

4.1.2. Risk related to the cyclical nature of the aerospace market

The pace of orders is subject to cyclical trends stemming from change in passenger demand for air transport, load factors, airlines' pricing policies and the price of fuel. It is further dependent on the rate of ageing and renewal of aircraft fleets, equipment purchase decisions, airlines' financial health and, more broadly, trends in international trade. A cycle consists of a period of sharp growth in delivery rates followed by a period of stability or decline. As the Group's business volumes result directly from aircraft manufacturers' delivery rates, changes in the pace of deliveries could impact the Group's business volumes and affect its financial position.

Moreover, exceptional events (terrorism, pandemics, air disasters, weather conditions, rising energy costs, strikes, political unrest) can weigh heavily, albeit temporarily, on air traffic, and can in turn impact the aerospace equipment market.

However, some features of the market tend to mitigate excessively pronounced cyclical downturns, namely:

- the depth of order backlogs, which currently average approximately nine years for aircraft seating over 100 passengers, forces airlines to accept extremely long waiting times for delivery;

- each airline has its own specific approach to the characteristics of its fleet (fittings, dedicated cabling systems); accordingly, any change to aircraft production plans by manufacturers must be prepared several months in advance.

These characteristics guaranteeing the short- and medium-term sector visibility enjoyed by aircraft manufacturers in turn benefit their equipment suppliers, including the Group.

Furthermore, its production capacity, the technical skills of its staff and a commitment to rigorous production standards allow the Group to enjoy a measure of security in respect of its revenue, 65% of which is derived from long-term contracts. The Group is generally selected to provide a specific part or sub-assembly for the full duration of a programme (i.e. 30 to 40 years), provided that the quality of the parts it supplies remains consistent with the specifications.

4.1.3. Risk related to programme and production delays

Aircraft manufacturers may encounter difficulties in keeping up with the schedule set for their programmes. Delays in the new aircraft production schedule may require the Group to hold inventories of studies and work in progress for longer periods, with deferrals of deliveries impacting the pace of revenue recognition. In addition, the commercial and profitability assumptions used by the Group may not be achieved. Programme delays and deferrals would in such cases have a significant impact on the realisation of the margin projected at the time of initial analysis of production contracts.

In this regard, the Group's experience and expertise give it practical skills in anticipating programme delays. Moreover, refundable advances reduce this risk because their repayment is dependent on deliveries. The Group may also on occasion be able to open negotiations with its customers enabling it to reduce this risk. Such negotiations serve to support and secure the financing of the relevant programmes.

Furthermore, a delay in the manufacture of its products could also have an adverse impact on the Group's business, financial position, results and reputation, bearing in mind however that this risk is extremely small in practice in view of the Group's OTD (on-time delivery) ratio, which averaged 90% in 2015 and 95% in the final quarter of 2015.

4.1.4. Risks related to product quality control

The manufacturer guarantees the airworthiness of the aircraft it delivers. In the event of a fault, the Company, as a supplier, could be liable in respect of its products.

In addition, companies belonging to the Group are subject to periodical customer compliance audits on the products they deliver. Such audits cover the entire quality organisation (quality management system, compliance with Group quality standards, implementation of quality assurance plans, management of manufacturing processes and their compliance). Any deficiencies in the quality requirements demanded by customers could (i) result in unforeseen expenses if corrective action is required or (ii) adversely impact the Group's business, commercial development and reputation if such deficiencies are not addressed by appropriate corrective action.

Moreover, as the Group has only limited control over its partners, it cannot guarantee that its sub-contractors comply or will continue to comply with the quality requirements imposed by customers or applicable local regulations.

To reduce these risks, the Group has implemented strict quality standards (sourcing, internal quality control procedures) designed to ensure the unimpeachable reliability of the products it delivers. The quality system covering all companies within the Group has received ISO 9001/EN 9100 certification. The sole exception is MTI, whose system has only received ISO 9001 certification.

The Group has also taken out insurance on the risks associated with its products. The Company believes that its current insurance cover (which is consistent with its customers' demands) is sufficient to meet any liability claims that may be brought against it. Liability claims or the inability to maintain adequate insurance cover at a reasonable cost, or to protect itself in any way against liability claims in relation to its products, could significantly impact the marketing of the Group's products and more broadly, undermine its business, results, financial position, development and prospects.

However this risk is extremely small in practice in view of the rate of non-quality measured by the Company, which averaged 2,818 PPM in 2015 (PPM: part per million, unit of measurement of the number of detected defective parts per million) and 1,900 PPM in the final quarter of 2015.

4.1.5. Risks related to raw materials

The Group is exposed to risk regarding the following raw materials: aluminium, which represents 34% of the value of its raw material purchases (purchases in plate and forged formats), titanium, which represents 58% of the value of its raw material purchases (purchases in plate and forged formats) and other metals, which represent 8% of the value of raw material purchases. To limit this risk on raw materials, supplies are covered predominantly by contracts managed by the contractors (combids*,* enablement), which allow the Group to purchase the raw material from a supplier on logistical and financial terms negotiated in advance by the principal. In addition, these supplies are secure because they are managed by customers (reservation of production capacity directly with the suppliers).

On average, 79% of the value of raw material purchases fall under the combid regime and as such, carry no price risk for the Group; only 21% of the Group's raw material purchases are made directly in the market.

<u>Proportion of raw materials purchases made under the combid regime and directly in the market</u>

Raw materials	Purchases made in combids	Purchases made outside combids (market)
Aluminium	59%	41%
Titanium	89%	11%
Other metals	87%	13%
Total	**79%**	**21%**

The Group accordingly faces only limited risk of changes in raw material prices (covering only 21% of purchases), bearing in mind that the majority of its contracts are further covered by price revision clauses. In addition, to prevent rising raw material prices from having an adverse impact on its business or results, the Group informs customers of any increases and initiates negotiations aimed at ensuring that the increase has been taken into account before making the purchase of the raw material in question.

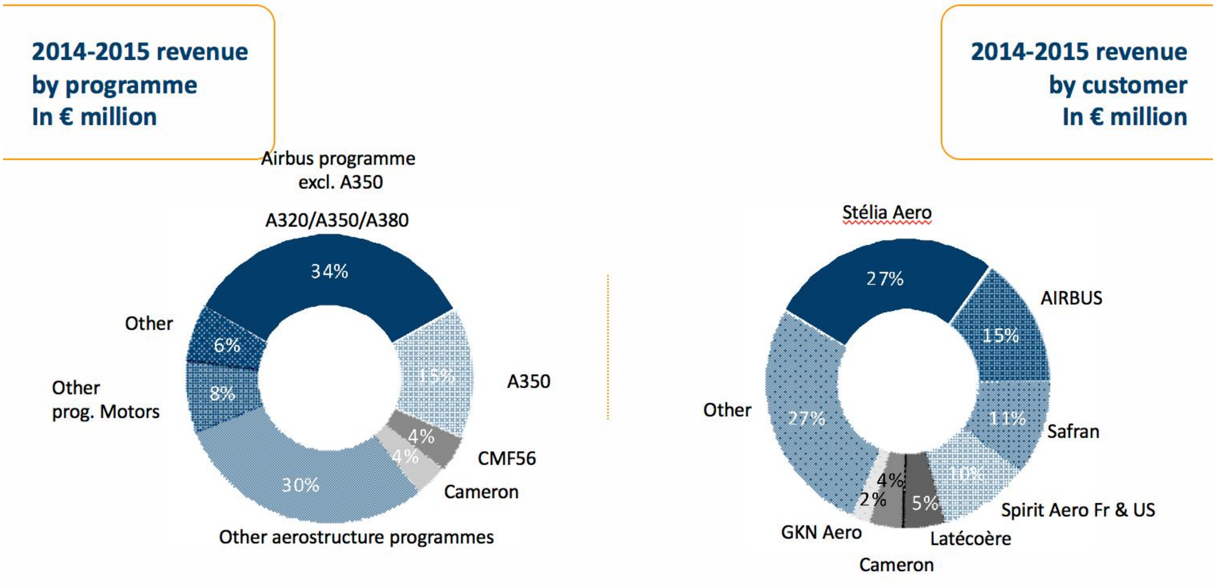
The Group is also exposed to raw material supply risk. As such, in addition to increasing the purchase price, a shortage could have an impact on the Group's ability to source such materials in sufficient quality and quantity. Delays in the delivery of purchases and quality defects could lead to manufacturing delays, thereby impacting the Group's business. It should be noted in this regard that the Group has implemented a policy of securing its critical supplies through a Quality department comprising 60 persons and a Supplier Quality Assurance (SQA) department staffed by 9 persons.

The Group cannot also exclude being left with inventories that do not correspond to requirements or that have become obsolete following the deferral of deliveries, or even changes to parts specifications, which could have an adverse impact on its business, bearing in mind however that risk of this nature is covered by provisions. To limit the financial burden represented by inventories of raw materials, the Group concluded a partnership with AMI Metals Inc. in June 2015, the purpose of which is to outsource the management of such inventories.

4.1.6. Risk related to dependency with regard to certain customers

The Group's customer base consists primarily of manufacturers. The contribution of the Company's five biggest customers to its revenue in the years ended 31 March 2013, 2014 and 2015 was 58%, 51% and 61% respectively, while in the same period the cumulative weight of the Company's ten biggest customers represented 74%, 65% and 74% of revenue respectively.

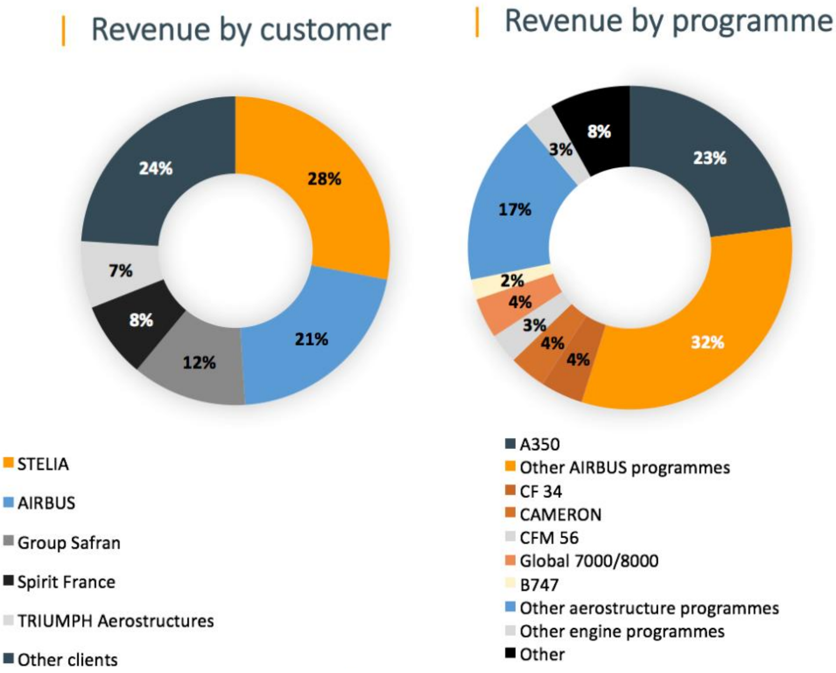
Moreover, the proportion the Group's revenue derived from the five largest aircraft programmes in the years ended 31 March 2013, 2014 and 2015 was 48%, 55% et 57% respectively, while in the same period the cumulative weight of the ten biggest programmes was 61%, 61% et 67% of revenue respectively.



(Source: Company, at 31 March 2015)

Main customers

Main programmes



(Source: Company, at 30 September 2015)

The Group's main end customers are:

- for aircraft seating over 100 passengers: Airbus and Boeing, which account for most of the global aerospace market, it being noted that 47% of the Group's revenue in the year ended 31 March 2015 was derived from its business with Airbus and 2.16% from its work on Boeing programmes;
- for regional jets: Bombardier, Embraer and ATR;
- for business jets: Dassault Aviation, Bombardier and Gulfstream;
- for aircraft engines: General Electric, Rolls-Royce and Snecma (Safran Group).

Figeac Aéro also works for the following leading equipment manufacturers: Stelia Aerospace, Aircelle (Safran), Latécoère, Sogerma, Daher Socata, Spirit, Fokker and GKN. The Group could fail to retain key customers or to expand its trade relations, especially since a significant portion of its revenue is derived from a limited number of customers.

Furthermore, insofar as each customer represents a significant percentage of its trade receivables, the Group is exposed to the risk of insolvency or late payment in respect of any of them. A problem collecting receivables due from any customer could impact the Group's financial position and operating results. However, in view of the profile of its customer base, comprising large global companies such as Airbus, Stelia Aerospace, Safran and Spirit Aerosystems, all of which enjoy robust financial positions, the Group considers the risk of the financial failure of a customer to be low. The Group has not therefore deemed it necessary to take out specific insurance to cover this risk.

The loss of a major customer or the non-renewal of contracts and the significant reduction of revenue resulting therefrom may impact the Group's financial position and operating results. The Group's customers may cancel their orders, change order quantities or defer production. The Group may be unable to accurately predict demand for its products, and as such may not be able to sell its inventories, or, by contrast, may not be able make deliveries to its customers.

4.1.7. Risk related to the competitive nature of the aerospace market

The aerospace market is highly competitive. Aircraft manufacturers select equipment suppliers by establishing supplier panels on the basis of the "key" skills required of them (qualified and efficient quality system, efficient logistics and industrial organisation, selection by price), which has the effect of significantly increasing competition between suppliers, many of whom are international players.

The supplier panels of the Group's customers are international, allowing them, in theory, to exert downward pressure on costs by giving work to entities located in best-cost areas. The Group has a best-cost structure for products containing the least technology, so as to reduce its selling prices without compromising its margins. However, under improvement plans, the Group's customers may also choose to reduce their supplier base, the effect of which can be inflationary.

Also, the policy of reducing the supplier base has increasingly forced the Group to provide services requiring control over the entire supply chain. Today, the Group sub-contracts most of its surface treatment and painting work. However, it has recently decided to gradually move this work in-house, the related skills for the moment being available solely at its sites in Mécabrive (for small parts) and Wichita. The Moroccan site also has scope for surface treatment capacity, which could generate a new competitive advantage the Group, allowing it to win new contracts.

More generally, as the aerospace market is global, the Group is facing heightened competition following the entry of new players from China and South Korea. However, new entrants invariably face a number of barriers to entry:

- technological barriers: the establishment of an industrial environment able to satisfy manufacturers' requirements takes time, and new entrants have to devote significant financial resources to acquire high-technology machinery and establish the industrial environment necessary to operate it;

- knowledge barriers: efficient machines require a level of knowledge that is difficult for operators, programmers and technical support personnel to acquire quickly;

- logistics barriers (transport costs): raw materials are produced in the West (Europe, United States), meaning that their shipment to the Far East entails substantial transport costs, as well as equally substantial transport costs for the return of manufactured parts or sub-assemblies to plants in Europe or the United States for assembly. Environmental constraints will cause these costs to grow inexorably in the future, at a time when unit prices of manufactured parts and sub-assemblies are expected to decline;

- the qualification of processes, quality, logistics and industrial organisation by manufacturers takes time and requires substantial financial and human resources.

In view of the density of competition, the Group believes it has the strengths needed to accelerate its growth and strengthen its existing position. As such, it continues tirelessly to maintain, or even extend its technological lead, through a sustained research and development policy. The Group's efforts have been acknowledged by Airbus, which has included Figeac Aéro on its detailed parts supplier panel, which comprises 20 companies deemed essential for Airbus in respect of these components.

However, the Group cannot rule out the possibility of new players entering its markets and adopting appropriate positioning, or of incumbent players changing their existing strategy and winning significant additional market share, which may in turn have the effect of reducing that of the Group.

4.1.8. Risk related to technological change

The aerospace market is subject to swift and significant technological change. The Group cannot rule out the emergence of new technologies resulting in the creation of new machining processes making its production facilities obsolete. The Group is also exposed to the risk that its competitors may develop innovative and more efficient products. The resulting technology gap may impact the Group's business and results.

Although there is a risk that composite structures will gradually replace metal parts, the share of machined mechanical parts remains significant, even on new aircraft, which generally contain a smaller proportion of metal parts. As such, while the Airbus A320 contains hardly any composite structures, such structures make up approximately half of the Boeing 787. The Airbus A350, which is the biggest programme for the Group in terms of revenue, also contains a higher proportion of composite materials than the Airbus A320.

However, aircraft containing a high proportion of metal parts will continue to be produced over the coming decades, since the specifications of each model is set for the entire life of the programme. The development of composite structures therefore represents a loss of opportunity for the Group, but will not affect its current order backlog. In any event, the Group cannot rule out taking positions in the composite segment in the future so as to eliminate its exposure to this risk. In any event, the emergence of new machining technologies (such as the development of composite structures or 3D printing) is only likely to have a relatively small impact due to the time necessary for such new technologies to take hold, enabling the Group to adapt to the change without compromising its economic health.

Moreover, to limit this risk, the Group has set up a Technical Division tasked with monitoring developments in technology and improvements in machining processes. The Group is also developing a policy of investing in research and development. However, as the development of new technologies and products is complex and requires significant investment over a long period, the Group may be late in completing these developments and reach the market with technology that is outdated or on which one of its competitors is already very well established. The Group may also develop products based on a standard that may ultimately not be that adopted by the industry. In addition, development costs may prove to be excessively high in relation to the price at which the Group can sell its products. These circumstances may have an adverse impact on the Group's business, financial position, results and reputation.

4.1.9. Environmental risks

The Company is subject to legislation on environmental protection and standards governing workplace health and safety.

The Company's site was granted an operating licence by prefectural order dated 26 October 2011, while the Mécabrive site was granted an operating licence on 28 October 1992 (its renewal was in progress as of 1 January 2016). The MTI site was declared as a classified facility pursuant to Book V – Title 1 of the French Environmental Code on 19 December 2008. The declaration was renewed on 31 July 2014.

The Group integrated a respect for the environment in the production of its products and considers that the negative impact of its activities is limited by virtue of its water, energy and waste management policies. The Group's industrial and environmental policy is aimed at controlling the following major risks:

- the risk of fire and its possible consequences on the affected site or its environment;
- the risk of pollution of soil or groundwater.

This risk management policy consists notably of the continuous improvement of fire protection systems at its various sites, which are subject to annual monitoring and visits. To this end, two employees of the Company are responsible for health and safety policy within the Company. Among other duties, they are tasked with:

- ensuring fire safety on the various sites;
- implementing appropriate preventive measures;
- implementing the Company's environmental policy and all preventive measures on noise and other sources of pollution.

Moreover, preventive actions related to soil pollution on former sites essentially involve surveillance activities performed in coordination with local authorities, followed by the execution of compliance work.

In this respect, the Group's chief source of water consumption is its use as a coolant in several industrial processes. However, the water used is recycled, which limits the actual amounts used and reduces the risks of groundwater pollution. The Company sorts waste by category (metal waste, non-hazardous waste, hazardous waste). Scrap metal is sold to an outside company. Other waste (oil, cardboard, paper, glass) is recycled. Hazardous waste is stored, identified as such and monitored by means of a waste tracking slip. The Company is reducing the volume of its waste, notably by limiting the consumption of oil in its machines (intervention of a specialised service provider) and the installation of chip compaction machines (for aluminium chips).

In addition, handling work related to its business may expose the Company to the consequences of a workplace accident and subsequent damages and compensation claims. To limit this risk, the Company implemented a 5S approach and Quick Response Quality Control (QRQC) methodology in 2013. The aim is to prevent accidents by improving workspace management (storage and sorting), workplace access and the resolution of difficulties. Since 2014, a prevention campaign has provided a focus on safety. The Continuous Improvement department plays a role in promoting safety.

When risks are identified, action plans are implemented to eliminate them or reduce their impact. Feedback is analysed following each action plan so as to verify that the initiative was effective enough to protect employees. Two nurses and employees with first-aid and rescue training also play a role in prevention, and are tasked with identifying workstations involving a risk for employees.

At its subsidiary MTI, the Group has also established specific storage or parts, cleaning areas in order to limit risks to safety (congestion, crossings, slips).

Despite precautions taken to prevent workplace accidents, the Company remains subject to the risk that such an accident could occur. Moreover, changes in regulations and tighter security and environmental standards could result in an increase in the cost of their implementation, which could have an impact on the Group's financial position. If the Company failed to comply with laws or regulations related to these risks, it may be liable, under both civil and criminal law, which could adversely impact its business, financial position and reputation.

4.2. RISKS INHERENT TO THE GROUP AND ITS ORGANISATION

4.2.1. Risk related to dependency with regard to key people

The Company owes a large part of its success to the actions and efforts of its CEO and founder, Jean-Claude Maillard, who is also the Company's main shareholder. The departure of Jean-Claude Maillard could have a material adverse impact on the Group's revenues and its ability to achieve its objectives.

However, this risk is limited in practice given the "key people" insurance purchased by the Company to cover the loss of Jean-Claude Maillard, or the position of Jean-Claude Maillard and more generally the Maillard family as the Company's majority shareholder and the presence of a full and experienced management team around the CEO, on which he relies daily. The Group's Management Committee consists of the Chief Executive Officer, the Chief Financial Officer, the Sales Director and the Chief Operating Officer, each of whom has more than 15 years' service.

The Company's Management Committee also consists of members of the Group Management Committee and the Head of Industrial Operations, the Head of Quality, the Head of Purchasing and the Head of Human Resources, each of whom has more than 10 years' service. The Company can further count on experienced middle management consisting of 101 persons, each with an average of 10 years' service.

The Group's future success will depend largely on its ability to retain and motivate its executives. The intense competition between companies in the sector, some of which are better known than the Group, may reduce the Group's ability to retain, attract and promote the loyalty of key employees, or retain its key personnel on terms that are acceptable from an economic perspective. This may potentially prevent the Group from meeting its objectives, which could have a material adverse impact on its development.

To limit this risk, the Group has established training programmes, in addition to implementing incentive programmes involving the issuance of shares/capital securities reserved for its employees. The Company has also established a free share plan to allow employees to benefit fully from the Group's results, and to promote their loyalty.

4.2.2. Risk related to the hiring of skilled staff

The Group's further development, particularly internationally, will require it to recruit new staff. Specific profiles are needed to drive the Group's growth in its various markets. The Group's future success will also depend in part on its ability to attract, retain and motivate highly qualified research and development and engineering staff. Persons working on the Group's research and development are particularly vital assets, as they drive innovation.

Competition to hire skilled personnel is intense, given the lack of qualified persons in the aerospace sector, and the Group may not be able to retain or attract sufficient technical and engineering staff to support its anticipated growth.

The departure of experienced employees, especially for a competitor, or their prolonged unavailability for any reason may lead to a deterioration in the quality of products and the need for additional sub-contracting. More generally, the inability to hire and train qualified personnel – or to retain such people – may have a material adverse impact on the Group's revenue, earnings and prospects.

To reduce this risk and overcome hiring difficulties, the Group has a school tasked with the in-house training of its future employees. Each year, it trains, on combined work-study programmes:

- 9 secondary students undergoing the vocational baccalaureate course in mechanical machining;
- 11 persons training for careers in mechanics (assemblers of airframes, fitters, etc.).

The Group is currently training 34 people in higher education degrees under apprenticeship contracts.

The Group has two full-time training staff with metalworking qualification certificates and also uses external training staff. The Company devotes approximately 3.5% of its payroll to training, which it finances in the proportion of 24% through continuing education, apprenticeships and professional training contracts for which it receives grants from the regional authority and the accredited joint body for the collection of training funds. Lastly, for engineers and managers, the Company has partnered with a number of engineering schools.

The Group has established incentive programmes involving the issuance of shares/capital securities reserved for its employees. The Company has also established a free share plan to allow employees to benefit fully from the Group's results and to promote their loyalty.

4.2.3. Risks related to the Group's growth

As part of its development strategy, the Group will have to hire additional employees and expand its operational capacities, which may represent a significant call on its internal resources. To this end, the Group will notably have to:

- train, manage, motivate and retain a growing number of employees;
- anticipate expenses related to this growth and the associated financing requirements;
- anticipate demand for its products and the income they are liable to generate;
- increase, as appropriate, its production capacity and its inventories of critical raw materials.

The Group also intends, as part of its development strategy, to establish or acquire new companies, businesses or plants so as to continue the development of its business and increase its competitiveness. The Group, which has been operating in Tunisia since 2012, acquired production capacity and a assembly and surface treatment site in the United States in 2014 (Figeac Aéro North America). It also entered Morocco, establishing a new subsidiary (Figeac Aéro Maroc) and Mexico in 2015. This exposes the Company to the risk that acquisitions or new entities will fail to contribute the anticipated results, or that difficulties will arise in their integration into the Group.

The Group's potential inability to manage its growth, or unexpected difficulties encountered during its expansion, may have a material adverse impact on its business, financial position and results, given that the Group has always been able to deal with this risk, as demonstrated by the significant growth in its revenue.

4.2.4. Risks related to changes in industrial organisation

The Group's industrial organisation is based on the manufacture and delivery of products that meet customer requirements while complying with production cost, safety and environmental friendliness criteria. This organisation, which is adapted to the Group's development and markets, has ensured the Group's sustainability for over 20 years.

Initially specialising in the machining of simple aluminium parts, the Company now delivers complex engineered and assembled products for the global aerospace industry. The Company (and more generally, the Group) should be able in the future, as it has in the past, to adapt its industrial organisation and manage prospective risks. In this respect, the Group's ability to maintain a steadily increasing installed base of machine tools is key to its future success.

The Group must ensure the proper functioning of the installed base of machine tools and meet uptime targets. To guard against this risk, the Group has taken wide-ranging action on several fronts: (i) it has developed in-house staffing and skills, so as to never lose its knowledge, (ii) it has implemented close monitoring of the condition of its machines by external companies, through contracts with manufacturers and experts and (iii) it capitalises on its experience of the reliability of the machines of various manufacturers to guide its selection of future investments.

The obsolescence of its machinery could also have an adverse impact on the Group's competitiveness. To limit this risk, the Group has implemented a robust investment policy designed to allow the regular replacement of machines. This resulted in the purchase of 14 new machines in 2015. For the machining of light alloys, the installed base consists exclusively of modern and efficient high-speed machining (HSM) equipment. The Group will continue to invest in the latest machinery using advanced technologies, notably for the machining of parts of very large dimensions, where the Company has a significant competitive edge. For the machining of hard metals, the Group invests in robust machines tailored to the markets it addresses and equipped with automatic palletising systems.

Furthermore, increased activity in the area of large structural parts may generate risks in respect of the management of surfaces and flows (slow flows, increased volume of work in progress, safety issues during handling). Similarly, the Group's competitiveness allows it to win new contracts in the machining of wing spars, which requires the use of workspace, handling areas and storage space in existing workshops. To address the risk of bottlenecks, the Group has expanded its workshops (engine shop and FGA Tunisie workshop) and launched the construction of new workshops adapted to large parts (workshop dedicated to the machining of large parts and workshop for the machining of LEAP engine casings).

The Company's geographical presence will in the future require the creation of separate workshops, by type of activity or by product. Most of its workshops will be kept at L'Aiguille (the Company's registered office), but others will be more distant (Tunisia, Morocco, United States, Mexico). This development, initiated by the establishment of a subsidiary in Tunisia in 2012, continued with the acquisition of the Wichita production and assembly site in the United States in May 2014 (Figeac Aéro North America) and the Group's move into Morocco in 2015 (Figeac Aéro Maroc), and more recently into Mexico (in the state of Sonara). The management of foreign workshops will require an adjustment of the industrial organisation. To this end, the Group will build on its previous experience of multi-site management, especially as regards FGA Tunisie, which was the Group's first international subsidiary.

The hierarchical organisation is gradually shifting towards one of autonomous production units. As such, organisation in autonomous units has been implemented under the supervision of the Group's teams, each unit being capable of managing human resources, accounting, production and relationships with customers and suppliers, with the exception of sites in Morocco and Mexico because of their present size. It is nevertheless intended that these two sites shall become self-sufficient, like all of the Group's other sites.

4.2.5. Risk related to dependency with regard to and failure of suppliers and sub-contractors

The group is used to working in partnerships with suppliers and sub-contractors that are selected carefully by Figeac Aéro and its customers. The Group's effectiveness is based partly on its ability to obtain from its partners products manufactured in the required quantities, on time and at optimal cost.

However, difficulties or failures among suppliers or sub-contractors may impact the supply chain, resulting in additional costs or production delays for the Group. Moreover, the use of suppliers and sub-contractors exposes the Group to additional risks that it would not face if it were fully in charge of the production phases of its products, namely:

- non-compliance by such third parties with the controls and quality standards to which they are subject;
- breaches by such third parties of their agreements with the Company or a Group company; and
- the termination or non-renewal of such agreements for reasons beyond the Company's control.

The Group cannot guarantee compliance by its suppliers and sub-contractors with the applicable local regulations, either now or at any time in the future. The body notified during a certification or monitoring audit, or regulatory authorities, during an inspection or during any other regulatory process, could identify breaches of regulations or standards and request that such breaches be remedied through corrective actions that may potentially halt the manufacture and delivery of the Group's products and generate unanticipated costs. The suspension, full discontinuation, or total or partial banning of the activities performed by its sub-contractors or suppliers may significantly impact the Group's business, financial position, results and reputation.

The risk of dependency in respect of one of the Group's sub-contractors is limited, because the use of sub-contracting mainly concerns the surface treatment of parts made by the Group, a process that the Group recently decided to gradually move in-house.

To guard against the risk of supplier failure, the Group has implemented a policy of securing its key supplies through a Quality department comprising 60 persons and a Supplier Quality Assurance (SQA) department staffed by 9 persons. The SQA department is tasked with monitoring the quality of the Group's suppliers, their accreditation and the treatment of any quality defect identified among them.

In addition, the Group has a logistics unit responsible for carrying out logistics audits based on a form referenced in the quality system. The Group has a three-person team tasked with performing the appropriate follow-up of 20 suppliers considered at risk (causes: deteriorating performance, complexity of resourcing in case of failure, etc.). The results of the assessments allow the classification of risk and the determination of areas of improvement for the supplier. Action plans are then requested and monitored by the Group's procurement team.

The Group is constantly looking for new partners for its entire production chain so as to mitigate the aforementioned risks, it cannot however guarantee that it will be able to maintain ongoing contracts or enter into new contracts on acceptable commercial terms.

4.2.6. Country risk

The Group operates in different countries, among various geographical regions (Europe, North Africa, North America, Central America). Due to its international presence, the Group may be exposed to political and social risks specific to the countries in which it operates (embargoes, general strikes, decisions of local authorities, restrictions on fund transfers). Moreover, the Group's international infrastructure may also be exposed to other risks such as natural disasters, pandemics, wars or terrorist attacks.

In particular, due to its presence in Tunisia, the Group is exposed to risks of major disruption, social movements and more recently, the risk of terrorism. However, the Tunisian subsidiary, which began operations during the Arab Spring, was not affected by the unrest during this period.

Furthermore, its presence in Mexico potentially exposes the Group to the risk of kidnappings of members of its staff or, more generally, increased crime. However, it should be borne in mind that the city of Hermosillo in the state of Sonora, where the Group operates its site, is located 300 kilometres from the United States, meaning that the site is not exposed to any particular local risk.

Such events may impact the Group's business in the region and, more generally, have an adverse impact on its results and financial position. However, the fact that the Group uses the same production tools in all countries means that it can offset the decline in activity at one site by transferring the production to another site, if necessary.

4.3. FINANCIAL RISKS

4.3.1. Liquidity risk

The Company has to finance a large production cycle to support its activity and its business development, which may require it to increase its capital or use additional funding to ensure its development. The production cycle is financed by assigning a portion of "Trade Receivables" assets to factoring companies. At 30 September 2015, the use of factoring amounted to €29.08 million. The quality of its customers (see section 4.3.2 below) means that the Group limits the risk on outstanding balances, as factoring companies contractually limit the level of outstanding trade receivables for certain customers.

The Group will continue to have significant financing requirements for the development of its technology and the marketing of its products. As such, the Group may find itself in the future unable to self-finance its growth, which may lead it to seek other sources of funding, notably through further capital increases.

The level of financing requirements and the allocation of funds over time depend on factors largely beyond the Group's control, namely:

- higher costs and slower progress than expected for its research and development programmes;
- costs of preparing, filing, defending and maintaining its patents and other intellectual property rights;
- costs to keep abreast of technological and market developments in the manufacture and marketing of its products;
- new opportunities for the development of new products or the acquisition of technologies, products or companies.

It is possible that the Company may be unable to raise additional capital when it needs to do so, or that capital may not be available on financial terms that are acceptable for the Company. Failure to raise the necessary funds may require the Company to:

- delay, reduce or cancel research and/or investment programmes;
- obtain funds through industrial partnership agreements that could force it to give up the rights to some of its technology or some of its products; or
- grant licences or conclude agreements on less favourable terms than it could have obtained in a different context.

Debt financing, insofar as it is available, may also contain restrictive conditions and be expensive. In this respect, the Group had long- and medium-term borrowings in the amount of €130.66 million at 30 September 2015, consisting of conventional loans, leases and unconditioned refundable advances. Short-term debt (factoring and overdrafts) amounted to €31.5 million at 30 September 2015.

The Company's borrowings were not subject to any covenants at 30 September 2015. Nevertheless, the Company's future ability to refinance or repay loans as planned will depend on its future operating performance. Non-compliance with contractual commitments (e.g. default on a repayment, request for a moratorium, irreparably compromised position) could bring forward the repayments of amounts due in respect of its borrowings, causing the opening with creditor banks of negotiations whose outcome cannot be guaranteed. However, the probability of such an occurrence is extremely low.

In this situation, the Company may have to reduce or postpone capital spending, seek additional capital or restructure its borrowings.

The occurrence of one or more of these risks could have a material adverse impact on the business, financial position, earnings, development or prospects of the Company and the Group.

The maturity of financial assets and liabilities at 30 September 2015 was as follows:

(in € thousands)	Total carrying amount at 30 September 2015	< 1 year	1-5 years	> 5 years
Non-current financial assets	1,814		1,814	
Other non-current assets	704		704	
Trade and other receivables	61,381	61,145	236	
Tax receivables	2,926	2,926		
Other current assets	11,207	11,207		
Cash and cash equivalents	9,357	9,357		
Total financial assets	***87,389***	***84,635***	***2,754***	

(in € thousands)	Total carrying amount at 30 September 2015	< 1 year	1-5 years	> 5 years
Factoring	29,081	29,081		
Bank overdrafts	2,430	2,430		
Trade payables	39,994	39,994		
Tax liabilities	5,560	5,560		
Other current liabilities	13,137	13,137		
Loans from credit institutions	67,072	5,290	45,296	16,486
Finance leases	38,609	8,848	25,729	4,032
Refundable advances	23,082	1,496	13,415	8,171
Total financial liabilities	***218,965***	***105,837***	***84,440***	***28,689***

The Company has conducted a specific review of its liquidity risk and considers that it will be able to honour future payments over the coming 12 months.

4.3.2. Counterpart risk

The Group is engaged in relationships with numerous third parties, including customers and suppliers. These third parties may each, in differing degrees, generate counterpart risk for the Group. However, the Group believes its counterpart risk to be very limited, for the following reasons:

- export customers are generally insured under factoring contracts, and the Group verifies each year the financial position of those not covered by such contracts;
- for domestic customers, the Group does not use credit insurance, but assesses their financial position each year;
- the Group monitors the financial position of a small number of sub-contractors and suppliers considered strategic for its business (see section 4.2.5 above);

- the Group's main customers are large global corporations such as Airbus, Stelia Aerospace, Safran and Spirit Aerosystems, which enjoy sound financial health.

The table below shows the breakdown of trade receivables by maturity at 30 September 2015:

Trade receivables by maturity	Closing	< 6 months	> 6 months < 12 months	> 12 months
Trade and other receivables	61,381	60,825	319	236
TOTAL	61,381	60,825	319	236

4.3.3. Risk related to the research tax credit

Since 2002, the Company has benefited from a research tax credit in its capacity as a company that invests heavily in research and development. Research expenditures eligible for this tax credit include salaries and wages, depreciation of research equipment, services outsourced to approved research bodies (public or private) and intellectual property expenses.

The Company complies with the documentation and eligibility requirements for expenditure in respect of the research tax credit. However, the possibility cannot be ruled out that the tax authorities may question the methods used by the Company to calculate research and development expenses, or that the research tax credit may be questioned by a change in regulations or disputed by the tax authorities, despite the Company being in compliance with the documentation and eligibility requirements. The occurrence of such a situation can have an adverse impact on the Company's results, financial position and prospects.

To reduce this risk, the Company uses a service provider (Alma Consulting) to assist it in the preparation of its files and to secure the calculation of the research tax credit. The Company also has a full-time employee whose sole responsibility is to prepare and monitor research tax credit documentation.

4.4. MARKET RISKS

4.4.1. Foreign exchange risk

The Company's operating and financial income and its liquidity are subject to fluctuations in foreign exchange rates, primarily between the euro and the US dollar. A significant portion of the Group's revenue and payments to suppliers is denominated in US dollars, which is the currency of the civil aerospace industry. The exchange rate for the US dollar and the currency risks relating thereto are among the assumptions estimated to determine the margin on completion of production contracts. The Group also has trade receivables and trade payables, inventories and cash balances denominated in US dollars.

The fluctuations of the euro (and more generally of other currencies in which the Group incurs its main manufacturing expenses) against the US dollar may weigh on the Group's ability to compete against its American rivals, since the prices of many products in the civil aerospace sector are set in US dollars.

The Group's consolidated revenue, expenses, assets and liabilities denominated in currencies other than the euro are translated into euros for the establishment of its financial statements. As such, fluctuations in the value of these currencies relative to the euro, and especially fluctuations in the euro/dollar exchange rate, can have a significant impact on the euro value of the Group's revenue and profits.

It is nevertheless stipulated that only two-thirds of the Group's revenue was denominated in US dollars in the first half of 2015. In the six months to 30 September 2015, the Company invoiced US$83.57 million to its customers at a rate of US$1.109 for €1.00, and made purchases totalling US$32.26 million from its suppliers.

Moreover, to mitigate its exposure to these fluctuations and, in particular, to guard against changes in the euro/dollar exchange rate, the Group implements hedges on a regular basis. It has accordingly established a foreign exchange hedging strategy with its banks so as to protect its profits and cash flows.

Figeac Aero is hedged via different types of derivative financial instruments:

- Vanilla forward foreign exchange agreements;
- Vanilla foreign exchange options and/or tunnels (combinations of call options and put options on an identical nominal amount);
- Foreign exchange barrier options;

- Accumulators which are derivative foreign exchange instruments enabling the accumulation of currency on each observation date based upon the exchange rate level compared to the guaranteed rate;
- “TRF”, which are combinations of call options and put options for a different nominal amount;
- “FADER”, which are foreign exchange derivatives barriers enabling the accumulation of currency on each observation date based upon the exchange rate level compared to the guaranteed rate and the barriers

The Company thus uses structured products based on uncertain options (accumulators, “TFR”, “FADER”) to obtain on a given maturity an improved course compared to a market price at a given time t.

The derivative foreign exchange instruments accounting principles under IFRS norms are the following:

The first two types of financial instruments (forward foreign exchange agreements and net foreign exchange positions) are documented in hedge accounting. The other various types of derivative instruments are not documented in coverage because they are short net options in accordance with IAS39 norm.

In the context of financial instruments classified as “cash flow hedge", the hedging instruments are evaluated in the balance sheet at their fair value in return:

- of the equity for the effective portion of the hedging relationship until the day when the hedged cash flows affect profit or loss;
- of the profit and loss account for the ineffective portion.

Amounts accumulated in equity relating to the effective portion of the variation in fair value of the hedging instrument remain in equity until the realisation of the underlying assets. They are then recycled to the profit and loss account on the same line as the underlying assets (revenues or consumed purchases).

In the context of financial instruments classified as "trading", the variation in fair value is accounted in the profit and loss account.

The table below sets out the Company’s hedges in place at 30 September 2015:

Position on 30 September 2015								
Financial Instruments	***Nominal***	***Deadlines***			***Fair value***	***Equity***	***P&L***
		<1 year	***1 to 5 years***	***> 5 years***			
- EUR/USD currency options / cash flow hedging	11,750,000		11,750,000		-846,935	-846,935	
- EUR/USD currency options / not for hedging	125,340,000	19,050,000	106,290,000		-13,755,643		-13,755,643
- Currency options with EUR / USD barrier	0				0		
- EUR/USD accumulators / cash flow hedging	0				0		
- EUR/USD accumulators / not for hedging	221,285,670	61,927,470	159,358,200		-15,685,046		-15,685,046
- USD/EUR accumulators (buyer) / cash flow hedging	405,747,500	47,840,000	357,907,500		2,329,012		2,329,012
- TRFE Seller EUR/USD / cash flow hedging	0				0		
- TRFE Seller EUR/USD / not for hedging	204,689,207	54,239,207	150,450,000		-15,751,930		-15,751,930
- TRFE Seller USD/EUR	0				0		
- FADER / cash flow hedging	0				0		
- FADER / not for hedging	3,035,000	1,250,000	1,785,000		-1,050,887		-1,050,887
- Futures contract - sales	43,589,846	9,322,400	34,267,446		-4,771,645	-4,771,645	
- Futures contract - purchases	49,702,500		49,702,500		1,094,180	1,094,180	
- Total foreign exchange risk - sales	609,689,723	145,789,077	463,900,646	0	-51,862,087	-5,618,581	-46,243,506
Total foreign exchange risk - purchases	455,450,000	47,840,000	407,610,000	0	3,423,193	1,094,180	2,329,012

For each type of financial instrument, this table shows the following:
- The nominal amount corresponds to hedged amounts (firm amounts for forward agreements and foreign exchange options without barrier, maximum amounts for other derivative instruments);
- The maturities correspond to the different contractual maturities;
- The fair value corresponds to an estimate of the position on 30 September 2015 which represents an unrealised loss or gain. This fair value is accounted in the financial statements directly either in equity or in the profit and loss accounts in accordance with accounting principles defined by IAS39 norm.
- The potential impact of these financial instruments on future cash flow will consist of the difference between the agreements rate and the spot rate on maturity of the agreements.

Taking the example of the "Accumulators EUR / USD / no coverage" line, it being recalled that an accumulator is a foreign exchange derivatives instrument for accumulating foreign currencies on each observation date (for the Group on a weekly basis) based upon the level of the exchange rate compared to the guaranteed rate[1]:

- The nominal amount represents the maximum amount that can be accumulated;
- The fair value is assessed using valorisation model based on standard techniques in place and using observable market data;
- The batteries amount of dollars sales set up by Figeac Aero represents a volume of $221,285,670 including $61,927,470 having a maturity date of less than 1 year and $159,358,200 between 1 and 5 years. This strategy is not qualified as coverage. The market value of these batteries is - €15,685,046 identified in the profit and loss account.

The accounting impacts of these hedging instruments are processed in the interim financial report on 30 September 2015. Readers should refer to section 20.5 of Part I of this Prospectus.

The Group's exposure to currency risk in respect of the year ended 31 March 2015 and the six months to 30 September 2015, sensitivity analysis and hedging instruments are disclosed in sections 20.1 and 20.5 of Part I of this Prospectus, in Note 3.18 to the consolidated financial statements.

Lastly, the Group now has an operational subsidiary in the dollar zone (Figeac Aéro North America, based in Wichita, in the United States), allowing it to benefit from greater competitiveness in US dollars and to further limit its exposure to changes in the euro/dollar exchange rate.

4.4.2. Interest rate risk

The Group's borrowings are disclosed in sections 20.1 and 20.5 of Part I of this Prospectus in Note 14 to the consolidated financial statements. The Group's existing borrowings broke down as follows at 30 September 2015:

Debt	Total	Fixed rate	Variable rate	SWAP
Lease financing	38,609	31,759	6,850	3,425
Bank loans	67,072	22,337	44,735	381
Short-term financing	31,511		31,511	
Total	***137,192***	***54,096***	***83,096***	***3,806***
%	***100.00%***	***39.43%***	***60.57%***	***2.77%***

At 31 March 2015:

(in € thousands)

Debt	Total	Fixed rate	Variable rate	SWAP
Lease financing	36,342	28,986	7,356	3,678
Bank loans	57,478	21,104	36,374	635
Short-term financing	25,934		25,934	
Total	***119,755***	***50,090***	***69,664***	***4,313***
%	***100.00%***	***41.83%***	***58.17%***	***3.60%***

Interest rate exposures relate to receivables financing and the financing of a portion of term debt. Interest is calculated based on Euribor. Only a portion of these positions, representing approximately €3.8 million, is hedged against a significant increase in this rate, by means of interest rate swaps.

The impact on the Group's net income of a €0.05 increase/decrease in average 3-month Euribor during the first half of fiscal 2015 would have been +/- €192 thousand.

[1] The accumulated amount by maturity date depends on the spot: the accumulators used by the Group comprise on the one hand a desactivation threshold which involves a non accumulation in case of reach and on the other hand a ratio effect activation threshold in case of reach. Within these two thresholds, the accumulation is carried out at ratio 1.

4.4.3. Equity risk

The Group's only equity holdings are shares in Figeac Aéro, under the liquidity contract implemented by the Company (8,661 treasury shares at 30 September 2015, with a value of €161,354). The impact of change in the share price is considered very small. Moreover, as the Group does not have any investment portfolios invested in shares or other financial instruments, it believes itself not to be exposed to the risk of share price fluctuations.

4.4.4. Dilution risk

In addition to the capital increase described in the second part of this Prospectus, the Company may issue new shares or new financial instruments giving access to capital in order to finance its development and such issues may potentially result in additional dilution to current and future shareholders of the Company.

It is noted that there are no dilutive instruments outstanding at the date of this Prospectus.

As part of the policy aimed at motivating its managers and employees, the Company may occasionally or regularly issue or grant options to subscribe for or purchase shares, or free shares. The Company also, whenever it raises funds, allows its employees belonging to the company saving plan to subscribe for new shares through a capital increase reserved for employees.

4.5. LEGAL RISKS

4.5.1. Intellectual property risk

Due to the competitiveness of the market, the Group's commercial success depends in part on its ability to maintain and protect its patents and other intellectual property, such as trade secrets and know-how.

Since its inception, the Group has conducted a strategy supported by research and development to expand, master and innovate in the field of "machining processes". In addition, the Group initiated several years ago an active policy of industrial property management, filing patents for certain manufacturing processes.

However, despite the precautions taken, the Group may not be able to maintain adequate protection of its patents and may accordingly lose its technological and competitive advantage. The Group cannot guarantee the outcome of the patent applications it has pending, which involve screening by industrial property offices before the patent can be granted. Moreover, once issued, patents may be invalidated either through previous patent applications not yet published or through the discovery of the earlier invention of the process in question.

The Group is therefore subject to the risk of litigation based on an earlier filing or the invalidation of its patents. In such circumstances, it may not be able to uphold its rights, which could have a significant impact on its business, financial position and development. Moreover, any violation of its intellectual property rights may result in expenses for the Group to stop unauthorised use by third parties. The Group also bears the risk that its rights may not be protected in some countries.

Furthermore, the Group may be subject to claims accusing it of violating intellectual property rights held by other parties. Such disputes, leading to unforeseen spending, may have adverse impacts on the Group's results, reputation and financial position, potentially forcing it to conclude licensing agreements on unfavourable terms or to halt the manufacture of the product in question.

4.5.2. Risks related to the protection of information

The Group's business involves the handling of sensitive information. It cannot guarantee the infallibility of its protection system, particularly when the leaking of sensitive data results from a cyber attack, theft or other intrusions. The leaking of sensitive information could have an adverse impact on the Group's reputation and financial position, especially if it resulted in legal action by the Company or against it.

To limit this risk, the Group has taken the necessary measures to ensure the security of its information system and infrastructure (controlled user access, audit of the security system). The management of the information system sets out the priorities and actions to be implemented to reduce exposure to external and internal threats.

Furthermore, any interruption or failure of the information system could have an adverse impact on the Group's production, its results and financial position. The Group has an integrated management system, provided through ERP (Enterprise Resource Planning) software. Means have been implemented to respond to the risk of system failure (backup and reboot procedures).

There are three levels of backup on the Figeac site: daily backup on magnetic terminals, weekly backup and a fully outsourced backup performed monthly. The data thus collected is stored in three different servers located off the plant. Each Group site has a stand-alone backup system modelled on that of the Figeac site.

In case of fire, the system allows the continuation of activity using data stored a few hours earlier.

4.5.3. Litigation – Legal and arbitration proceedings

At the date of this Prospectus, the Company was involved in four labour disputes, details of which are disclosed in section 20.7 of Part I of this Prospectus. Through its activity and the size of its workforce, employee-related disputes are part of the Group's everyday life. However, the Company believes that the provisions made for disputes known at the date of this Prospectus are sufficient to avoid the Group's consolidated financial position being significantly impacted in the event of unfavourable outcomes.

The Company was subject to a URSSAF (social security) audit in 2015, which resulted in the return of a sum of €97,459.

It was also subject to a tax audit in 2015. The adjustment notification issued by the tax authorities and received by the Company on 17 December 2015 includes a proposed adjustment in the amount of €1.7 million in respect of research tax credits in 2011 and 2012.

All the projects that generated a claim under the research tax credit in 2011 and 2012 have been declared eligible for the mechanism. The adjustment relates to the costs claimed by the Company in respect of the calculation of research tax credit. The Company is currently preparing its response to the tax authorities' comments and has set aside a provision covering 20% of the amount of the adjustment, i.e. €340,000.

No other litigation, or governmental, judicial or arbitration proceedings, including any proceedings of which the Group is aware or any that are pending or threatened, are liable to have or have had in the last 12 months a material impact on the Group's financial position or financial performance.

4.5.4. Risks associated with changes in legislation and tax policy

As the Group operates in various countries, it is subject to compliance with diverse national laws and regulations. The monitoring of compliance with various regulations or adapting products to new standards may impact the Group's results, financial position and growth prospects.

In tax matters, the Group takes care to apply the interpretation given by its advisors or the recommendations of the competent authorities. However, it cannot anticipate changes in interpretations.

Changes in legislation, tax policy and regulations, and non-compliance with these standards, could have a material adverse impact on the Group, its business, financial position, earnings, growth and prospects.

4.6. INSURANCE AND COVERAGE OF RISKS

4.6.1. Insurance policy

The Group has implemented a policy of obtaining insurance cover for its main insurable risks, with insured amounts and deductible portions it deems compatible with the nature of its activities. Accordingly, the Group notably seeks to take out insurance cover against the risk of civil and professional liability that it deems appropriate to the specific risks as part of its business.

The Group cannot however guarantee that it will always be able to maintain, and if necessary to obtain similar insurance cover at an acceptable cost, which could force it, especially as it grows, to accept more expensive insurance policies and/or to assume a higher level of risk.

Moreover, the occurrence of one or more large claims, even if they are covered by such insurance, may impact the Group's operations and financial position in view of the interruption of activity potentially resulting from such claims, delays in reimbursement by insurance companies in case of exceeding the limits set in the policies and an ensuing increase in premiums.

4.6.2. Disclosure of insurance policies

Companies belonging to the Group have concluded or renewed insurance policies with specific insurers. The biggest in value were taken out by the Company, and are intended to cover the following key risks:

Insurance policy	Risks covered	Ceiling per claim	Deductible portion	Expiry date
Civil operating liability				
Civil operating liability	All bodily damage, both material and immaterial	€8,000,000	€1,500	31/12/2016
Product liability	Inconsequential damage including disposal, and removal and refitting expense	€750,000	€25,000	31/12/2016
Criminal defence and appeals	-	€30,000	€1,500	31/12/2016
Liability for aerospace products				
Ensuing bodily damage, both material and immaterial	Basic guarantee	€100,000,000	-	06/03/2018
	Specific guarantees: Dassault Aviation Airbus Socata Latécoère Stelia	 €60,000,000 $150,000,000 $200,000,000 €100,000,000 €100,000,000	-	06/03/2018
	Snecma and Aircelle	$500,000,000	-	06/03/2018
	Messier Dowty	$400,000,000	-	06/03/2018
Grounding)	-	$100,000,000	-	06/03/2018
Activities in the USA		€100,000,000		
Criminal defence and appeals	-	€1,000,000	€10,000	06/03/2018
Multirisk – Property damage				
	Fire, lightning, explosions	LCI €170,000,000	€0	31/03/2016
	Smoke, aircraft crashes, water damage, natural disasters	LCI €170,000,000	€5,000	31/03/2016
	Storms, hurricanes	LCI €170,000,000	€5,000	31/03/2016
	Electrical damage	€308,940	€5,000	31/03/2016
	Third party	€1,544,704	€5,000	31/03/2016
	Costs and losses	€3,089,408	€5,000	31/03/2016
	Goods	€2,000,000	€5,000	31/03/2016
	Standard indirect losses	10% of buildings 10% of equipment 10% of goods	-	31/03/2016
	Theft of goods	€411,920	-	31/03/2016
	IT risk	€205,960	-	31/03/2016
	Unspecified events	€1,029,802	-	31/03/2016
	Operating losses (duration: 18 months) Additional operating expenses: Operating losses after electrical damage (duration: 3 months)	LCI €170,000,000 €2,000,000	5 days €50,000	31/03/2016
Machinery breakage				
	Guarantees	€36,678,199	€7,559	31/03/2016

5. INFORMATION ON THE COMPANY

5.1. HISTORY AND GROWTH OF THE COMPANY

5.1.1. Registered and trade name

The Company's registered name is "Figeac Aéro".

5.1.2. Registration venue and number

The Company is registered with the Cahors Trade and Companies Register under the single identification number 349 357 343.

The Company's activity code is 2562B, which corresponds to industrial machines.

5.1.3. Date of incorporation and term

The Company was initially formed as a limited liability company (*société à responsabilité limitée*) pursuant to a private agreement dated 23 January 1989.

The Company was incorporated for a period of 99 years from the date of registration or until 26 January 2088, except in the event of extension or early dissolution.

5.1.4. Registered office, legal form and applicable law

The Company's registered office is located at Z.I. de l'Aiguille, 46100 Figeac. Its telephone number is +33 (0)5.65.34.52.52.

Originally incorporated as a limited liability company (*société à responsabilité limitée*), the Company was transformed into a public limited company with Board of Directors (*société anonyme à conseil d'administration*) pursuant to a decision of the shareholders' meeting of 29 March 1997.

The Company is governed by prevailing and future laws and regulations, including the French Commercial Code and amendments thereto, its Articles of Incorporation and general legislation on the protection of the environment. It is not subject to specific regulatory or legal provisions applicable to its business.

5.1.5. History of the Company

1989 – Formation of the Company:

At the initiative of Jean-Claude Maillard, a mechanical engineer.

1994 – Formation of the Group:

- Acquisition of MTI (Decazeville), a company specialised in sheet metal work, mechanical welding and the machining of large parts.

- The aerospace business is growing; the Group focuses exclusively on the aerospace sector and takes a dynamic approach to positioning itself on its markets, particularly for export.

- The Group becomes the first aerospace sub-contractor to use high-speed machining.

1998-2002:

- In the space of four years, revenue doubles from €7.3 million to €15.4 million. Over the same period, operating income quadruples from €230 thousand to €871 thousand. Shareholders' equity doubles from €3.2 million to €6.6 million.

- The Group differentiates itself in its markets through the production of so-called large structural parts (greater than 1.500 mm) machined at high speeds.

2004:

- Integration of Mécabrive Industries, a company specialised in machining, surface treatment and parts assembly.

- First consolidated financial statements prepared by the Group for the year ended 31 March 2004, with revenue amounting to €29.2 million.

2006:

- ISO 9001 and EN 9100 certification.

- The Group reports consolidated revenue of €42.4 million for the year ended 31 March 2006.

2007:

Opening of a training centre for apprentices on the Figeac site, giving the Group access to human resources needed to support the growth of its business.

2010:

- The Group is selected by Airbus for its panel of 20 global suppliers in the detailed parts product family for the launch of the A350, manufacturing the floor of the nosecone under a global outsourcing contract and mechanical parts of the engine pylon. This allows the Group to gain skills in the machining of hard metal structural parts (steel, titanium and Inconel) in order to satisfy the order from Airbus. This A350 program is a significant growth engine for the Group as it represents revenue of €1.3 million per aircraft with an anticipated production rate of 150 aircrafts per year by March 2019.

- The Group is selected by Aerolia (renamed Aerospace Stelia since 1 January 2015) to support the Company for the start of its operations in Tunisia. The Company is to manufacture the detailed parts to be assembled by Aerolia.

- The Group reports consolidated revenue of €59.4 million for the year ended 31 March 2010.

2011:

The Group's development receives a boost from the transfer of know-how in the machining of hard metals between Airbus and Figeac Aéro for the production of Airbus parts. The transfer results in the creation of a centre of excellence with dedicated equipment in a dedicated shop on the Figeac site and marks the beginning of the expansion of the hard metal machining activity.

The Group reports consolidated revenue of €72.2 million for the year ended 31 March 2011.

2012:

- In the space of two years, revenue doubles, reaching €109.5 million in the year ended 31 March 2012.

- Creation of Figeac Aéro Picardie, located in Méaulte (Somme), a company specialised in mounting large aircraft sub-assemblies.

- Start of production by the first subsidiary in a best cost area, namely Figeac Aéro's operations in Tunisia: the Tunisian subsidiary records revenue of €1.3 million over the 2012/2013 fiscal year.

2013:

- IPO of the Company on Alternext Paris on 23 December 2013 at a price of €9.2 per share.

  The IPO is structured as a private placement, combining the issuance of new shares in the amount of €14.5 million and the sale of existing shares by the Maillard family in the amount of €3.1 million. The breakdown of share capital is subsequently 93% for the Maillard family and 7% for the free float.

- The Group reports consolidated revenue of €137.1 million for the year ended 31 March 2013.

2014:

The Company experiences significant growth in its industrial and commercial activity:

- Figeac Aéro shares become eligible for the *PEA-PME*.

- Figeac Aéro acquires the Sonaca production site in Wichita, in the state of Kansas in the United States. The new subsidiary, known as Figeac Aéro North America, specialises in special processes (surface treatment, microbead/shot-peen blasting, shot-peen forming) as well as the assembly of structures. On the industrial side, the acquisition allows the Group to acquire production capacity in the dollar zone and to offer comprehensive solutions for the production of sub-assemblies in the very heart of the US aircraft industry.

- Figeac Aéro signs a $60 million long-term agreement with American company Spirit Aerosystems and moves into France's third-largest aerospace basin in Saint-Nazaire.

- Figeac Aéro and VSMPO-AVISMA Corporation[2] sign a cooperation agreement in the Russian economic zone known as Titanium Valley.

- Figeac Aéro is selected by Snecma (Safran) to produce parts for LEAP engines. This milestone agreement for the Company is valued at $500 million over 10 years, and should result in the construction of a dedicated plant on the 7,500 square metre site in Figeac. The parts under the contract are intermediate casings for ferrules (LEAP-1A and -1B) and inter-vein shrouds (LEAP-1A/-1C and -1B). These engines are to equip the Airbus A320neo, Boeing 737 MAX and Comac C919.

- The Group reports consolidated revenue of €162.3 million for the year ended 31 March 2014.

<u>2015</u>:

- The Group's revenue exceeds the symbolic threshold of €200 million, reaching €203.9 million in the year ended 31 March 2015.

- Signature of a new $40 million long-term agreement with Snecma as part of the CFM LEAP programme for the production of titanium segments.

- Signature of a contract with Embraer for the production of parts for different versions of the E-Jets E2 programme, valued at $230 million over the entire programme life.

- Partnership announcement with key suppliers that have a strong positive impact on the Group's working capital:

    - industrial partnership for thermal treatment and welding operations with Bodycote Plc;

    - raw material inventory management outsourcing with Ami Metals Inc.

- Further penetration of best cost areas with the opening of:

    - a new subsidiary in Casablanca (Morocco);

    - a new site in Hermosillo in the state of Sonora (Mexico).

- Signing of a contract with Latécoère for the Boeing 787 Dreamliner.

- Opening in March 2015 of the Saint-Nazaire site dedicated to mounting sub-assemblies for the Airbus A350 for Spirit.

- The Company carries out a private placement combining the issuance of new shares in the amount of €20 million and the sale of existing shares by Jean-Claude Maillard in the amount of €4 million. The breakdown of share capital after the private placement is 88% for the Maillard family and 12% for the free float.

<u>2016:</u>

- Signature of a Long Term Agreement with Stelia amounting to approximately $400 million.

[2] VSMPO-AVISMA is the world leader in the production of titanium ("25% of the global market"). It also produces aluminium, magnesium and metallic structures. Its production is sold mainly for the aerospace industry. Approximately 80% of its production is exported.

5.2. INVESTMENTS

5.2.1. Main investments made over the last three years

The investments made by the Group over the past three years relate chiefly to acquisitions of production equipment, as well as property investments and intangible investments for the Group's research and development.

The table below lists acquisitions made by the Group, by type of asset, as per the financial statements prepared under IFRS:

Gross investment *(in € thousands)*	**03/31/2013 (12 months)**	**03/31/2014 (12 months)**	**31/03/2015 (12 months)**
Intangible assets	3,409	6,989	13,063
PP&E	19,775	29,029	31,666
Financial assets	726	258	439
Total	23,910	36,276	45,168

- In the year ended 31 March 2015, the application of a robust capital expenditure policy resulted in €45 million of investments, breaking down as follows:

  – Intangible assets:

  A major research and development effort (€12 million) focusing on new machining processes for complex products (aerostructures and engines), as well as on software (€1 million).

  – Property, plant and equipment:

  Investments were made in the amount of €8.5 million, breaking down as follows: two new workshops commissioned, extension of the engine shop, construction in progress for the Company of a shop dedicated to the machining of large parts and the shop dedicated to the machining of the LEAP engine casing, extension of the Figeac Aéro Tunisie workshop.

  Investment on production facilities was also made in the amount of €23.6 million, resulting in the allocation of 12 new machines to the Company, a new machine at Figeac Aéro Tunisie and a new machine at Figeac Aéro North America.

  – Financial assets:

  Acquisitions of financial assets consisted of the payment of employers' participation to housing grants in the form of loans and the withholding of guarantees on loans granted.

- In the year ended 31 March 2014, the pursuit of a robust capital spending policy resulted in €36 million of investments, breaking down as follows:

  – Intangible assets:

  Investment on research and development in the amount of €6.2 million, resulting in the development of new machining processes, the treatment of aircraft floor rails and three patent applications.

  – Property, plant and equipment:

  Investments were made in the amount of €7 million, reflected in more than 12,000 additional square metres for the Group (construction of the Figeac Aéro Picardie plant, construction of a new workshop and extension of the aircraft engine shop in Figeac).

  Investments on production facilities were made in the amount of €22 million, notably including 19 machines dedicated to increasing the Group's production capacity.

  – Financial assets:

  Acquisitions of financial assets consisted of the payment of employers' participation to housing grants in the form of loans.

- In the year ended 31 March 2013, the pursuit of a robust capital spending policy resulted in €24 million of investments, breaking down as follows:

  - Intangible assets:

  A major research and development effort (€2.9 million) focusing on new machining processes for complex products (aerostructures and engines), as well as on software (€0.5 million).

  - Property, plant and equipment:

  Investments were made in the amount of €3.4 million: extension of a workshop in Figeac, construction of the plant for Figeac Aéro Tunisie resulting in over 7,000 additional square metres for the Group.

  Investments on production facilities were made in the amount of €20 million, notably including 19 machines dedicated to increasing the Group's production capacity.

  - Financial assets:

  Acquisitions of financial assets consisted of the payment of employers' participation to housing grants in the form of loans.

5.2.2. Main investments made by the Group in the current fiscal year and funding method

- Intangible assets:

A major research and development effort has been made (€8 million over the period from April to September 2015), focusing on new machining processes for complex products (aerostructures and engines), as well as for software purchases (€1 million over the period from April to September 2015).

The research and development effort was financed by a five-year bank loan.

- Property, plant and equipment:

Investments included the construction of two buildings totalling 13,000 square metres on the Figeac site (building for the machining of large aluminium parts and construction of the "plant of the future"), the extension of the MTI plant in Decazeville, the acquisition of land in Figeac and Wichita, and the construction of a workshop dedicated to the machining of aerospace parts in Wichita.

Construction work (Figeac and Wichita) was financed by 12-year bank loans.

Investment on industrial resources has included new machining equipment and related production equipment for Figeac Aéro, new turning/milling machines and related production equipment for MTI, new machining equipment, a new surface treatment chain and related production equipment for Mécabrive, new machining equipment and related production equipment for Wichita, the first machining equipment and related production equipment on the planned site in Morocco, and the first machining equipment and related production equipment on the planned site in Mexico.

The Group's purchases of new machine tools and a surface treatment chain were financed by lease. Related production equipment was self-financed.

- Financial assets:

Acquisitions of financial assets consisted of the payment of employers' participation to housing grants in the form of loans and the withholding of guarantees on loans granted.

5.2.3. Main new investments pending

The Group invests to meet the demands of its customers and contracts within an 18- to 24-month timeframe. Each year, the Group sets out an investment programme enabling it to keep up with the ramp-up in aircraft deliveries, based on manufacturers' programmes less confirmed programme deferrals. The amount of the Group's investments for the 2016-2017 financial year, enabling to achieve the revenue as from the year beginning 1 April 2018, is in a range of 50 to 55 million euros.

The significant investments made over the past three years are largely warranted by the needs of the Airbus A350 and LEAP X programmes, as well as the increase in output on the aerospace programmes on which the Group operates.

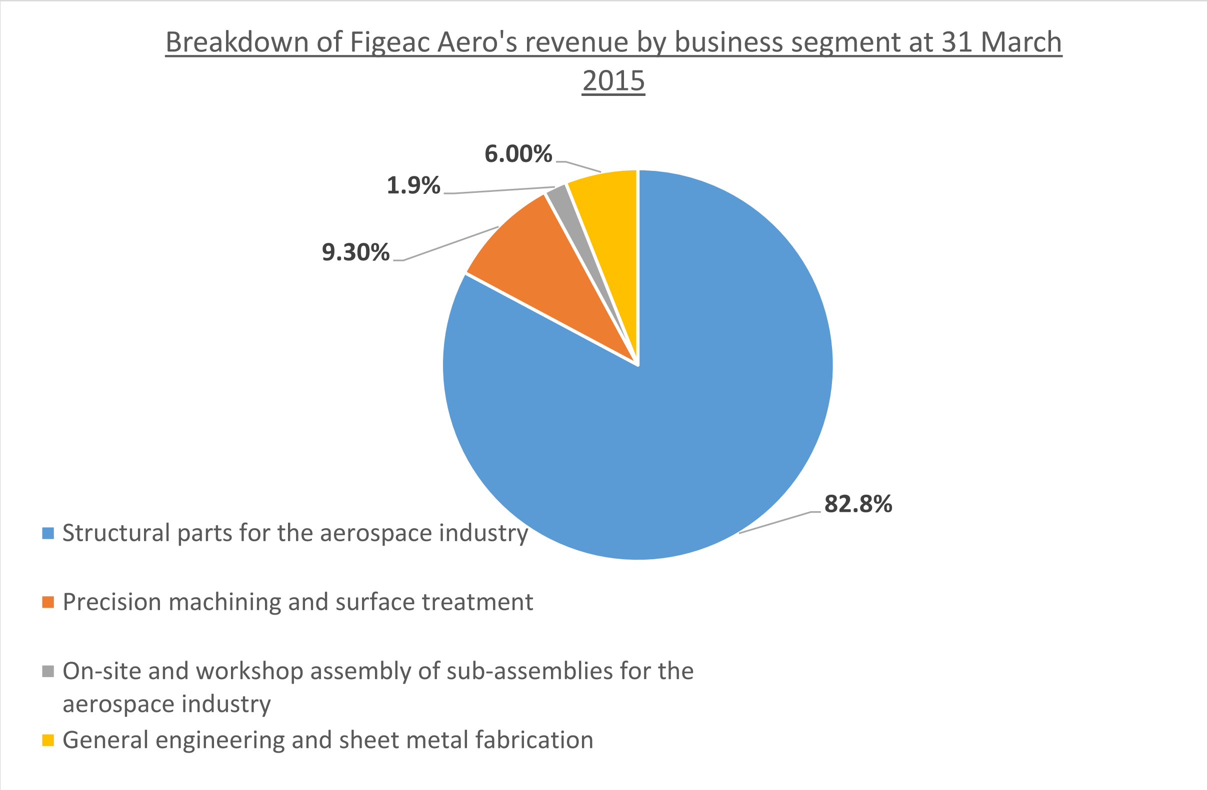
6. BUSINESS OVERVIEW

6.1. THE GROUP'S MAIN ACTIVITIES

6.1.1. The Group's main activities

The Figeac Aéro Group is an industrial group with a strong aerospace focus with four distinct business lines:

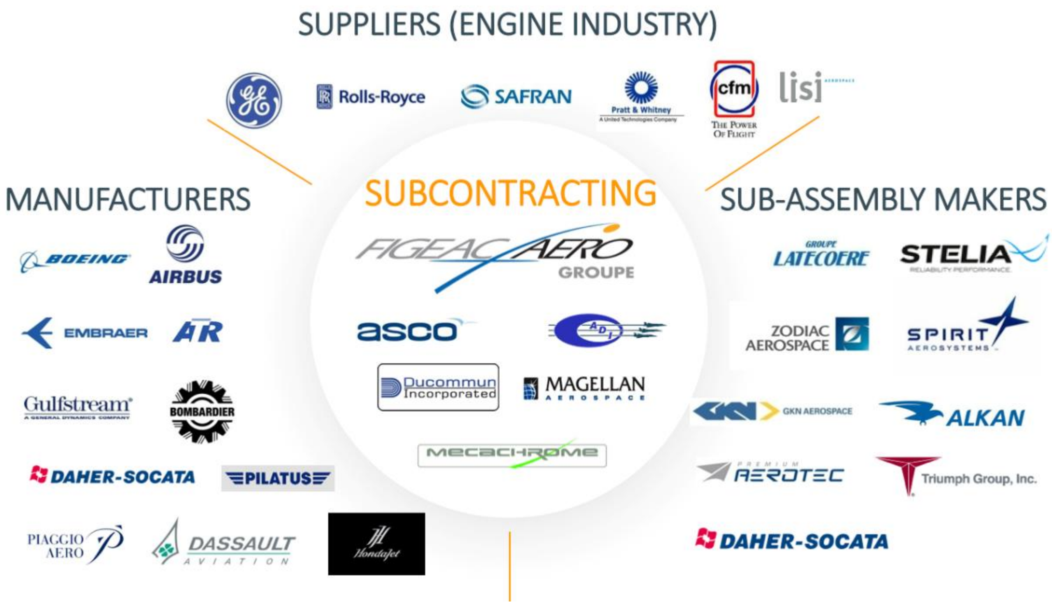
- structural parts for the aerospace industry;
- precision machining and surface treatment (mainly for the aerospace industry);
- on-site and workshop assembly of sub-assemblies for the aerospace industry;
- general and industrial engineering (outside the aerospace industry).



This breakdown on 31 March 2015 has not significantly evolved on 30 September 2015.

The Group is part of the category of sub-contractors in the field of aerospace and works with three types of contractors: manufacturers (such as Airbus, Embraer and Bombardier), equipment manufacturers (such as Safran and Rolls-Royce) and sub-assemblers (such as Latécoère Group, Spirit Aerosystems and Stelia Aerospace).

Mapping of Figeac Aéro's contractors in its aerospace markets



By virtue of its role as sub-contractor and the variety of its contractors (manufacturers, equipment suppliers and sub-assemblers), the Group works on almost all of the civil aircraft programmes currently in force.

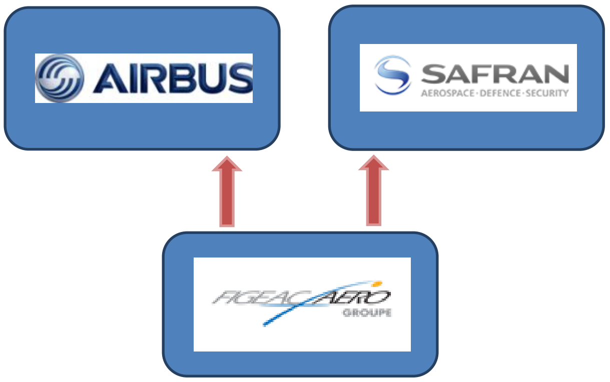
Presentation of aerospace programmes on which Figeac Aéro works

6.1.2. The Group's aerospace activities

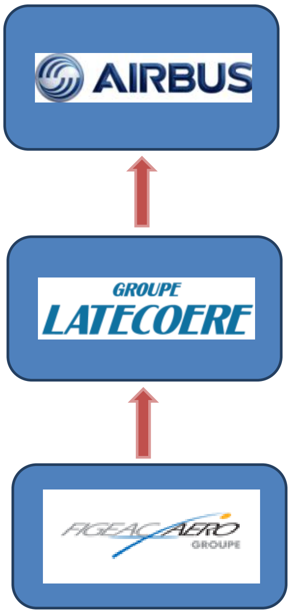
6.1.2.1. First business segment: the manufacture of structural and engine parts for the aerospace industry aerospace industry

The Group is a leading partner of major customers in the aerospace industry. It works almost exclusively as a tier 1 or tier 2 supplier for manufacturers and equipment suppliers. A tier 1 supplier delivers directly to the end customer, which may be the manufacturer or a supplier. One speaks of tier 2 relationships when there is an intermediary (sub-assembler) between the manufacturer or supplier and the Group.

Example of tier 1 relationships:

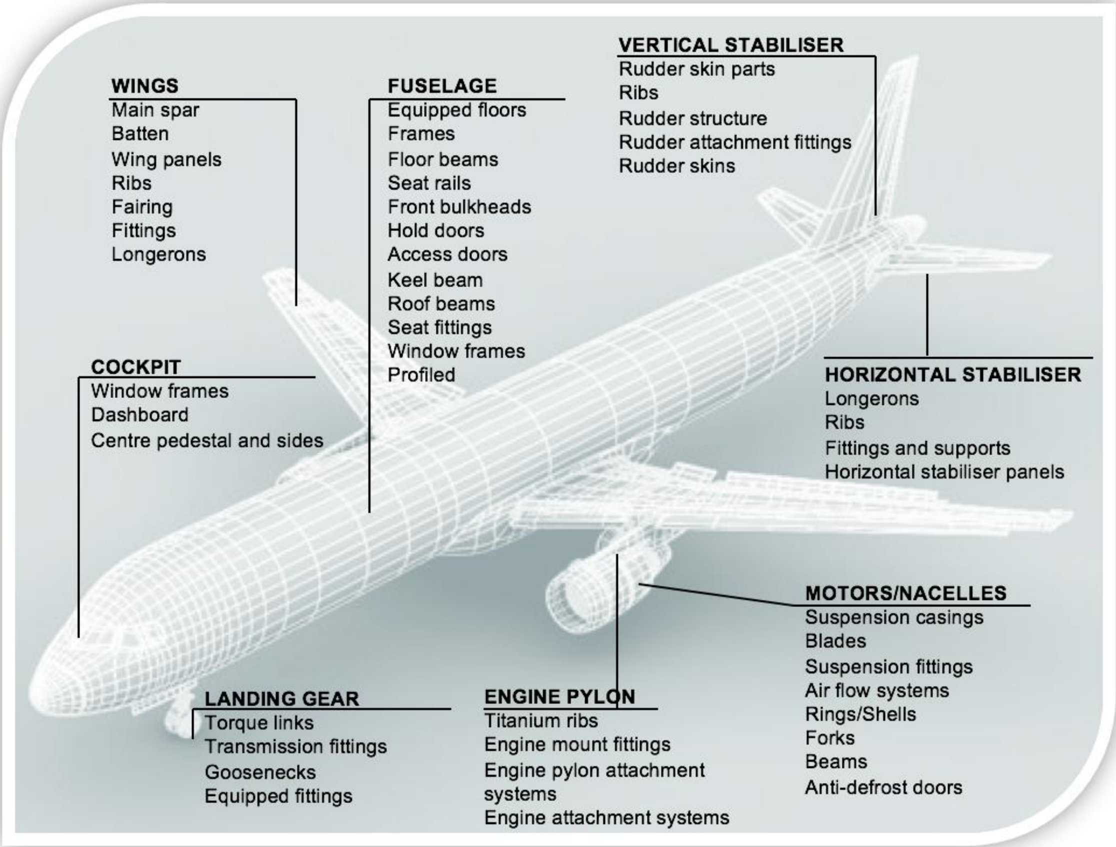


Example of tier 2 relationships:



In this activity, customers for which the Group works in tier 1 relationships are Airbus, Embraer, Bombardier, Daher-Socata, Pilatus, Dassault, HondaJet (for aerostructures) and Safran (for engines), while customers for which it works in tier 2 relationships in respect of the manufacturer include Stelia Aerospace, Carlton Forges, Aubert & Duval, Famat, Premium Aerotec, Fokker Aerospace, Latécoère, Zodiac Aerospace, Spirit Aerosystems, GKN, Alkan, Aerotec, Triumph Group, Aircelle and IAI. Its main competitors are Asco Industries, Mecachrome, Magellan Aerospace, Ducommun and Lisi Aerospace.

The flagship products in this segment are metallic parts in aluminium and hard metals used in the manufacture of aerostructures. These parts are positioned across the aircraft's skeleton (wings, fuselage, cockpit, engines, landing gear, empennage). The products are manufactured almost exclusively as original equipment. The Group operates in the manufacturing phases of such products, as either a tier 1 or tier 2 sub-contractor.

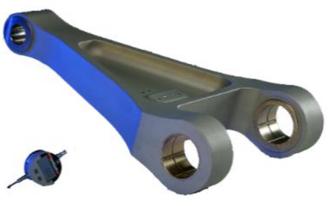


The main materials used for this activity are aluminium and very high-resistance superalloys (titanium, Inconel, etc.). The key technologies used are high-speed machining (HSM) in 3, 4, 5 and 9 axes for parts ranging from 26 millimetres to over 30 metres, as well as machining/turning for hard metals.

In the year ended 31 March 2015, this business, operated by Figeac Aéro S.A. and Figeac Aéro Tunisie, generated €168.8 million in revenue. It had 1,322 employees and represented a cumulative net investment of €96.1 million.

A380 frame

Tail assembly – Falcon 7FX forward stump



A380 landing-gear compass

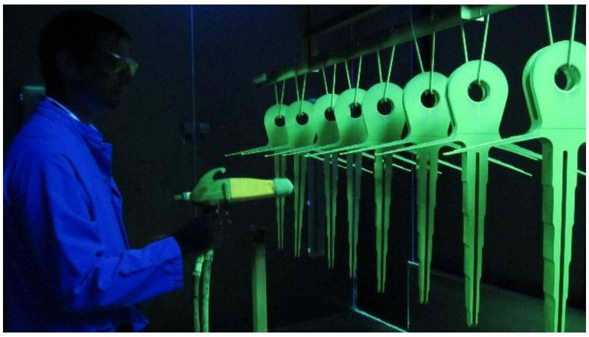
TP400 engine casing

Spirit G650 Spar wing structural part

The main competitors of the "structural parts" activity are Asco Industries, Mecachrome, Asquini MGP and ADI.

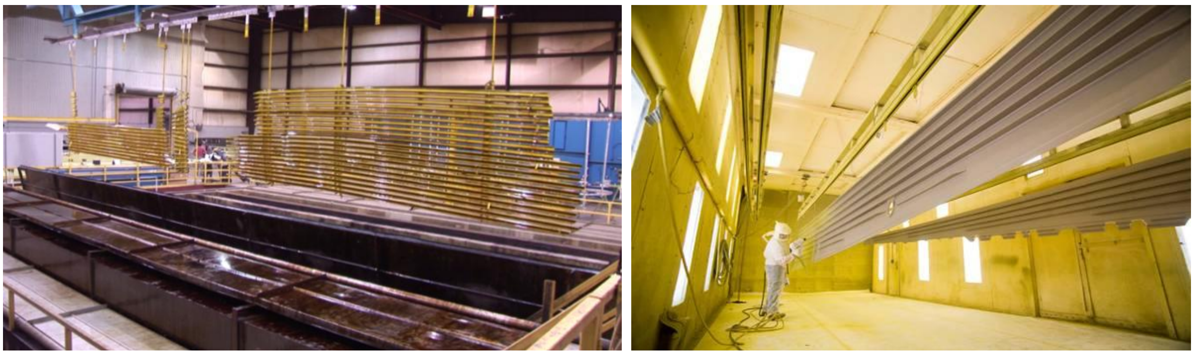
6.1.2.2. Second business segment: precision machining and surface treatment

Parts machining consists of the manufacture of all types of mechanical parts requiring high-precision machining and a high level of geometrical and positional tolerance. The Group machines all types of materials (aluminium alloys, cast iron, titanium and stainless steel) and masters the "penetrant fluorescence" process (approved by Airbus) for the control of high-performance parts.



Penetrant (Mécabrive Industries)

Surface treatment involves the application of various chemical processes on parts. For this purpose, the Group has automatic and semi-automatic chains built to the latest standards and certifications. It has mastery of non-destructive testing and more particularly, penetrant fluorescence inspection, anode oxidation (chromic, sulphuric acid, boric acid and sulphur-tartaric), chromate processes, auto-catalytic chemical nickel plating, passivation of stainless steels, liquid paint application with or without protective coatings, marking by ink jet or screen printing, sanding or blasting of prestressed parts. These special procedures are all subject to specific customer qualifications based on detailed specifications and/or Nadcap certifications issued by the Performance Review Institute (PRI)[3].



Surface treatment workshops (Figeac Aéro North America)

The flagship products in this segment are metallic structural parts and hard metal parts used in the manufacture of an aircraft, located throughout its skeleton (wings, fuselage, cockpit, engines, landing gear, empennage).

The Group's main customers in this segment are Airbus, Stelia Aerospace, Boeing, Embraer, Gulfstream, Bombardier, Safran, CFM, Zodiac Aerospace, Spirit Aerosystems, GKN, CPC, Triumph Group and IAI. Its main

[3] Nadcap is the leading global cooperation platform between large companies in the automotive and aerospace sectors.

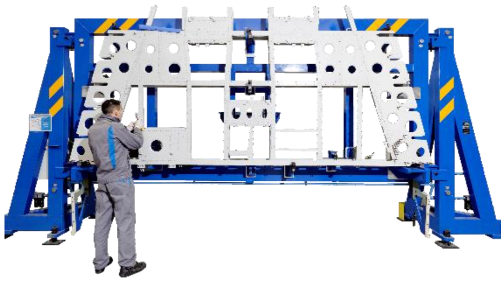
competitors are Asco Industries, Mecachrome, Magellan Aerospace, Ducommun, Prodem, PMA, SGI, and Mécaprotec.

In the year ended 31 March 2015, this business, operated by Mécabrive Industries and Figeac Aéro North America, generated €19 million in revenue (€6 million for non-aerospace markets). It had 177 employees and represented a cumulative net investment of €9.9 million.

6.1.2.3. Third business segment: on-site and workshop assembly of aerospace sub-assemblies

This activity is dedicated exclusively to the production of aircraft sub-assemblies, namely the assembly of smaller parts forming a module of the aircraft. Workshop assembly is performed in the Group's plants, using manufactured or purchased parts, while on-site assembly takes place on the customer's premises. In all cases, this activity is located in direct proximity to customers so as to facilitate the delivery of these large sub-assemblies.

The Group does not compete with its main sub-assembler customers in this segment, as it is positioned on the assembly of small subsets on which such customers do not work.



Example of assembly (Figeac Aéro Picardie)

This specialisation concerns (i) on-site assembly of large sub-assemblies of aircraft and (ii) industrial sub-contracting, including supply chain management for sub-assemblies.

A350 floor (FGA Saint-Nazaire)

The flagship products in this segment are aircraft floors. The main customers are Stelia Aerospace and Spirit Aerosystems. The Group's main competitors are Simra and Derichebourg Aéronautique.

In the year ended 31 March 2015, this business, operated by the Company (in Figeac and Saint-Nazaire), generated €3.8 million in revenue. It had 101 employees and represented a cumulative net investment of €3.4 million.

6.1.2.4. New activities and new products in the aerospace sector

To complement its high level of expertise, the Group has established a proactive research and development policy. Its purpose is not only to promote machining techniques and processes, thereby allowing the manufacture of ever more competitive parts, but also to develop new products and solutions for the Group's customers. The Group is currently working on several projects and regularly offers its customers better solutions and more innovative products, particularly in the surface coating techniques that allow existing metallic solutions to be superseded by solutions that increase the life cycle of structural parts and meet environmental standards.

6.1.3. The Group's non-aerospace activities: general and industrial engineering

The Group's fourth business segment consists of the following sub-contracting work in the field of sheet metal work and the precision machining of large parts:

- studies for mechanical and hydraulic sub-assemblies;
- manufacture of complex sheet metal assemblies using steel, stainless steel and aluminium;
- machining and turning of large parts (series or units);
- welded constructions weighing up to 30 tonnes.

In this segment, the Group manufactures on demand, in accordance with each customers' specifications.

Examples of a turbine and a surface BOP stack

The Group's main customers in this segment come from three sectors, namely oil (offshore oil extraction), energy (micro-plants) and automotive (tyre crowns and baking furnaces). They are Thales, LISI Aerospace, EDF, Technip, CEA, Michelin, Cameron, Aubert & Duval and DGA. Its main competitors are RBDH, Di Sante, Meunier, Pichon and Scapatichi.

In the year ended 31 March 2015, this business, operated by MTI, generated €12.2 million in revenue. It had 123 employees and represented a cumulative net investment of €1.6 million.

6.2. MAIN MARKETS

6.2.1. Description of the market

6.2.1.1. Main aggregates for the aerospace sector in France

The combined revenue of French aerospace industries was €50.8 billion in 2014, an increase of 5% at constant scope of consolidation compared with the previous year.

Non-consolidated revenue for the French market (in € million)				
	2014		2013	
Total revenue	**50,793.9**		**48,368**	
Domestic	**17,638.1**	**35%**	**17,336**	**36%**
Export	**33,155.8**	**65%**	**31,032**	**64%**
Civil	**39,083.5**	**77%**	**35,868**	**74%**
Military	**11,710.5**	**23%**	**12,500**	**26%**

(Source: 2014-2015 Annual Report of the Association of French Aerospace Industries – GIFAS)

Revenue and order booking are derived mainly from international markets (65% of revenue comes from exports, which accounts for 77% of total orders booked).

Order intake in France (in € million)				
	2014		2013	
Total orders booked	75,390.4		74,521	
Domestic	17,310.6	23%	17,050	23%
Export	58,079.7	77%	57,471	77%
Civil	62,851.2	83%	62,390	84%
Military	12,539.2	17%	12,131	16%

(Source: 2014-2015 GIFAS Annual Report)

This commercial success in export markets is chiefly attributable to major programmes where France is prime contractor or a major partner in Europe, in which all suppliers and sub-contractors play a role. French manufacturers are renowned worldwide for the reliability and quality of their ranges of high-performance technology equipment, which they offer either directly or through transnational cooperation agreements. Partners in the key cooperation agreements that drive the French sector include Airbus, Dassault Aviation, Safran and ATR. The main programmes are Ariane, A380, A350, A320neo, Falcon 7X, ATR 72 and the CFM LEAP engines.

While Europe and the United States are the leading destinations of French exports, accounting for nearly 60% of order intake, the Middle East and Southeast Asia have experienced strong growth, together accounting for nearly 32% of aircraft orders over the last 10 years.

Breakdown of aerospace exports from France

Average orders by geographical region over a 10-year period

(Source: 2014-2015 GIFAS Annual Report)

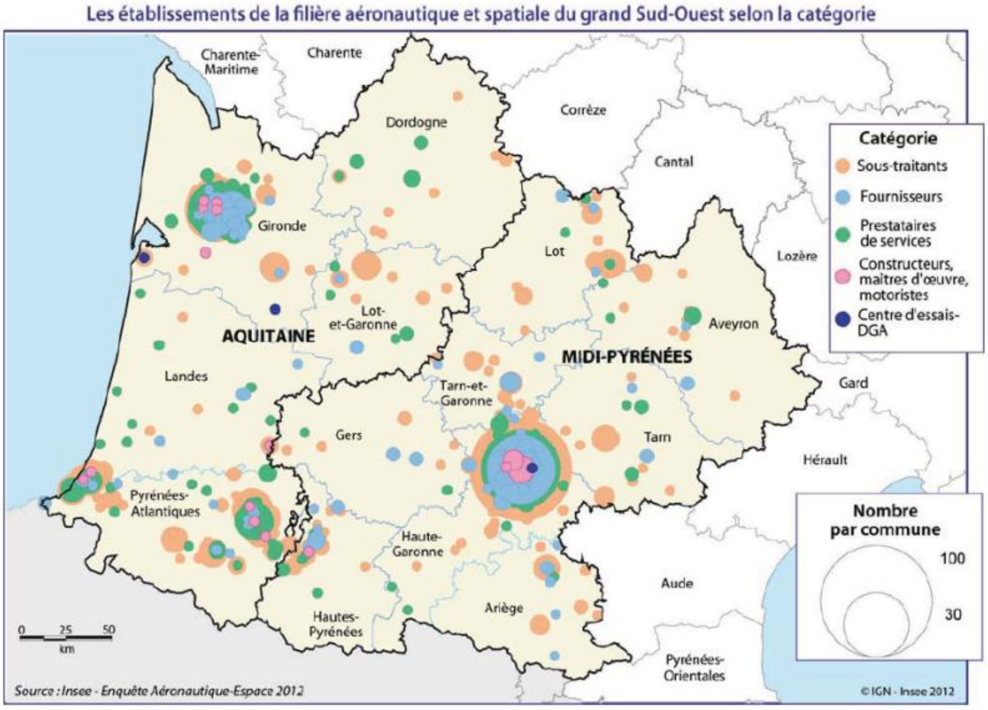
In the field of transport aircraft, 2014 was another reference year for Airbus, which set a new record for deliveries (breaking the 2013 record). With 629 aircraft delivered, including 30 A380s and the first A350, Airbus delivered more than 400 single-aisle aircraft for the sixth consecutive year. It also set a new record in terms of order intake, with 1,796 gross orders in 2014.

On the industrial side, the assembly of the first A320neo continued in 2014, and Airbus launched the A330neo. Meanwhile, CFM International's backlog stands at 13,000 engines, of which 8,500 LEAP.

6.2.1.2. Geographical location of the aerospace sector in France

Aerospace activity located in France's southwest accounts for nearly 40% of the sector's workforce due to proximity to major customers (source: GIFAS). This is the country's leading region in aerospace, particularly in respect of civil aircraft seating over a hundred passengers and landing gear.

The Group's ideal location, within an area known as Aerospace Valley, allows it to benefit from the resulting dynamism and to be close to the headquarters of four of its main customers in the region (Airbus, Stelia Aerospace, Latécoère and ATR).



Establishments in the aeronautics and space sector of the Grand Sud-Ouest by category
Category
Sub-contractors
Trade payables
Service providers
Manufacturers, prime contractors, engine manufacturers
DGA flight test centres
Number by municipality

This area is home to approximately 1,600 companies and agencies working directly in the aerospace industry. At the end of 2014, the sector provided jobs to approximately 68,000 residents of the Midi-Pyrénées and Aquitaine regions.

6.2.2. Players in the civil aviation market

6.2.2.1. Manufacturers

Airbus, a wholly owned subsidiary of Airbus Group, is the market's leading player, with revenue of €60.7 billion (€50 billion derived from commercial aircraft) in 2014[4]. It is a pure player in aerospace. Close on Airbus's heels is Boeing, which was long the market leader.

Boeing reported more than $90.7 billion in revenue in 2014, but civil aviation contributed only 66% of that figure, or $59.9 billion. Boeing's other activities are military aircraft, satellites and space launch and support vehicles[5].

Airbus and Boeing account for lion's share of the global market for aircraft seating more than 100 passengers. They are followed by:

- Bombardier, a Canadian manufacturer that reported $20.1 billion in revenue in 2014, half in aerospace and half in transport[6];

[4] 2014 Annual Report of Airbus Group.
[5] 2014 Annual Report of The Boeing Company.
[6] 2014 Annual Financial Report of Bombardier.

– Embraer, a Brazilian manufacturer of short- and medium-haul aircraft that reported $6.3 billion in revenue in 2014[7];

– Dassault, which reported €3.7 billion in revenue in 2014 in both business jets (Falcon) and fighter aircraft[8];

– Gulfstream, an American business jet manufacturer and subsidiary of General Dynamics, which reported $31.5 billion in revenue in 2013[9], including $6.9 billion for its aerospace division;

– ATR, a manufacturer of short- and medium-haul regional aircraft, co-owned equally by Airbus Group and Alenia Aermacchi (Finmeccanica Group).

Figeac Aéro is a tier 1 supplier for Airbus, Bombardier, Embraer and Dassault Aviation, a list that includes three of the world's four biggest contractors.

6.2.2.2. Equipment suppliers

Aircraft manufacturers generally do not produce their own engines, which are built by specialised companies (engine manufacturers). The main players in this market segment are:

– General Electric, a US conglomerate that reported $148.6 billion in revenue in 2014, although its Aviation division, despite being a leading global supplier, accounted for only a small part of its business[10];

– Rolls-Royce, a British group that is the second-largest aerospace supplier. It reported £13.73 billion in revenue in 2014, half in civil aviation and the remainder split chiefly between military aircraft engines, boat engines and energy[11];

– Safran, a French group resulting from the merger between Snecma and Sagem. It reported of €15.4 billion in revenue in 2014, mainly in engines for commercial aircraft, military helicopters and rockets[12];

– Pratt & Whitney, part of US conglomerate United Technologies ($65.1 billion in revenue in 2014), and a leading global equipment supplier for civil and military aircraft as well as spacecraft. It reported $14.5 billion in revenue in 2014[13].

Figeac Aéro is a tier 1 supplier of technical parts for Safran and a tier 2 supplier of parts for General Electric and Rolls-Royce.

6.2.2.3. Sub-assemblers

In aerospace, a sub-assembler is an industrial company specialised in assembling large parts of aircraft, namely sections, which are then delivered to the manufacturer for the final assembly.

The main sub-assemblers in the aerospace sector are:

– Spirit Aerosystems, a US sub-assembler that reported $6.8 billion in revenue in 2014, exclusively in aerospace (fuselages, wings, engine supports, etc.) and which is a key partner of Boeing[14];

– GKN Aerospace, a British sub-assembler that reported £7.5 billion in revenue in 2014, split between the automotive and aerospace sectors[15];

– Stelia Aerospace, a French sub-assembler and wholly owned subsidiary of Airbus Group, which reported $2.3 billion in revenue in 2014 (nosecones and fuselage sub-assemblies)[16];

– Latécoère, an independent French sub-assembler listed on Euronext Paris, which reported €664 million in revenue in 2014 (aerostructures and interconnection systems). It is a partner of Airbus, with which it generates nearly 60% of its revenue[17];

[7] Embraer website.
[8] Dassault Aviation website.
[9] 2014 information not available.
[10] 2014 Annual Report of General Electric.
[11] 2014 Annual Report of Rolls-Royce.
[12] Safran website.
[13] 2014 Annual Report of Pratt & Whitney.
[14] 2014 Annual Report of Spirit Aerosystems.
[15] 2014 Annual Report of GKN Aerospace.
[16] Stelia Aerospace website.
[17] 2014 Annual Report of Latécoère.

- Daher-Socata, a French manufacturer of small private aircraft (formerly Morane-Saulnier) and aerospace sub-assembler (landing gear doors for Airbus);
- Israel Aircraft Industries, an Israeli sub-assembler working on Boeing and Gulfstream programmes;
- Fokker Aerostructures, a Dutch sub-assembler working on Airbus, Gulfstream and Dassault programmes.

Figeac Aéro is a supplier of these various sub-assemblers and is therefore a tier 2 supplier (via the sub-assembler) for manufacturers, which are the end customers. This means that Figeac Aéro may be tier 1 and tier 2 supplier for the same manufacturer, depending on the nature of the part in question.

6.2.3. Major customers and breakdown of revenue

The Group favours large contracts and positions itself as a partner of choice for manufacturers of aircraft seating more than 50 passengers. These manufacturers enjoy fairly stable order books, unlike makers of business jets and regional jets, whose business can be vulnerable to turbulence during economic downturns.

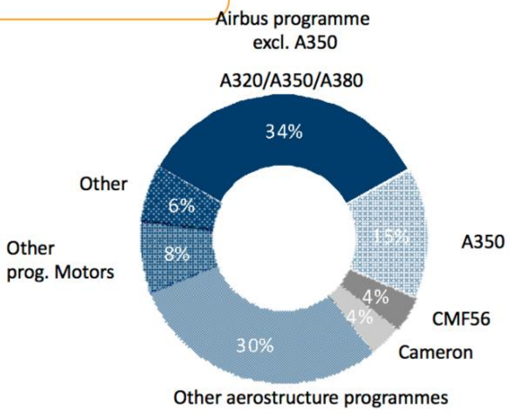
More than 60% of the Group's billings are now issued on series intended for aircraft seating more than 100 passengers. The Group is also one of the 20 strategic suppliers of Airbus, which is its biggest customer, for detailed parts. Airbus programmes, directly or through its subsidiary Stelia Aerospace and other sub-assemblers, represented over 54% of the Group's consolidated revenue in the six months to 30 September 2015. As such, only one of the Group's ten biggest customers is not part of the aerospace industry. It is one of MTI's oil sector customers (Cameron).

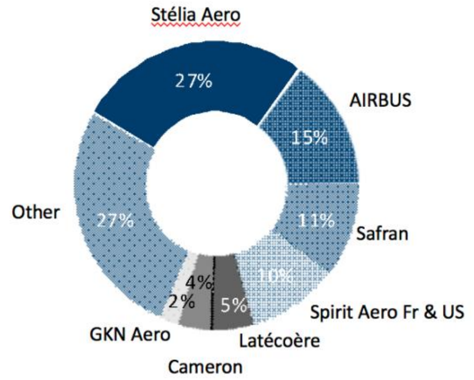
The last commercial agreements won are as follows:

- With Stelia Aerospace in 2016: Signature of a Memorandum of Understanding for the production of multiple elementary parts and sub-assemblies within the frame of different aircrafts programs (valued at $400 million in revenue) (please refer to Chapter 22 "Important Contracts"),
- With Messier-Bugatti-Dowty in February 2016, for the realisation of a kit of landing gear parts (€16 million in revenue),
- With Embraer in October 2015 on the E- Jets 2 program (€230 million in revenue), and
- With Latécoère in July 2015, on the Boeing B787 program.

2014-2015 revenue by programme In € million

2014-2015 revenue by customer In € million

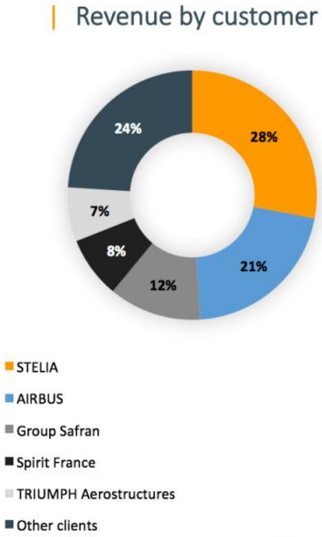


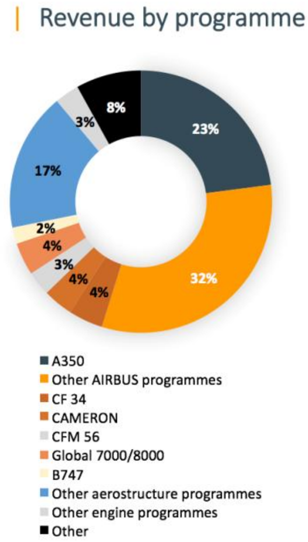


(Source: Company, at 31 March 2015)

Main customers:

Main programmes:





(Source: Company, at 30 September 2015)

The relationship between sub-contractors and major customers such as Airbus has been characterised by the following factors in recent years:

– Reduction in the number of sub-contractors:

Airbus, which had some 2,500 sub-contractors 20 years ago, today has no more than 20 in the field of detailed parts. The relationship with the sub-contractor is based on long-term contracts covering the full potential life cycle of the model in question, i.e. between 30 and 40 years. In exchange for this guarantee of long-term activity, manufacturers expect their sub-contractors to make the investment necessary to ensure that their products comply with quality standards.

– Reduction in direct manufacturing:

Major manufacturers produce less equipment themselves, and have become, in the proportion of nearly 80%[18], assemblers of parts, sub-assemblies and equipment manufactured by suppliers. This development has expanded and continues to expand the potential for growth in sub-contractors' revenue.

[18] Company source.

6.2.4. Development of risk-sharing

On major programmes, certain contractors have developed a risk-sharing model with their sub-contractors. Some of the risk, including that related to output rates, is outsourced by the contractor to his sub-contractor, who shares the burden of research and development costs relating to new aircraft. Sub-contractors accept this risk in exchange for long-term contracts. The duration of these contracts is expressed either by the number of aircraft to be delivered or by a period in years. The contract duration ensures good visibility over the Group's business, each order recorded by the aircraft manufacturer being reflected in the Group's order book, enabling it to plan its investments and prepare their funding.

The contractors retain for each program one or two sources in risk sharing for the manufacturing of parts or sub-assemblies.

The contractors affect significant agreements only within the frame of risk sharing agreements.

Selling prices per elements are generally fixed for the duration of the agreement; thus the Group sets up:

- a coverage policy for the fluctuations of the euro / US dollar parity (currency hedging, production in the dollar zone) ;
- An industrial policy aimed at optimising the cost price of the parts.

Generally, sub-contractors capitalise the development costs of new parts required by manufacturers these are subsequently desactivated with the delivery of the parts.

The main issues for the Group are to maintain the development and production budgets initially agreed in the agreement, notably the decrease of the unit cost prices.

The Group finances the phases of development of its new programs. Depending on the agreements, it may invoice contractually agreed amount of development costs to its customer in proportion to deliveries made. This is particularly the case for relations between the Group and both Airbus and Stelia Aerospace.

If the number of aircrafts initially planned is not reached, a part of the development costs incurred will not be recovered. Similarly, if the number of planned aircraft is reached, but with a time lag against the initial estimate, the return on the investment will be longer.

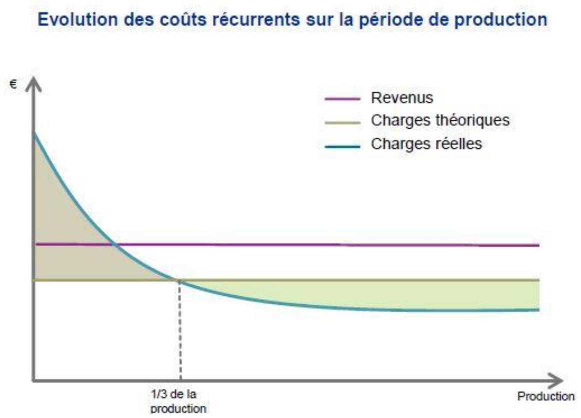
This risk is partially reduced to the extent that:

- It is shared by the diversity of programs on which the Group is committed;
- The funding of these programs is partly covered by refundable advances, which would not be repayable in the event of failure or which would suffer the same time lag in case of programs time lag.

In this respect, the Group's financial strength and its ability to obtain bank or market finance allow it to accept the risk-sharing system set up by its customers and even to stand out from some of its competitors.

More than two thirds of the revenue of the Group is achieved within the performance of risk sharing agreements, in the Aerostructure and On site Installation activities.

The table below illustrates the evolution of the recurrent costs in the production period:



6.2.5. The Group's main competitors

Figeac Aéro designs and manufactures parts and sub-assemblies for all major contractors in the aerospace sector. In this sector, the Group's main competitors are the following companies:

- Magellan Aerospace, a Canadian sub-contractor to the aerospace industry that reported $843 million in revenue in 2014[19];
- Asco, a Belgian sub-contractor that reported $412 million in revenue in 2014[20];
- Mecachrome, a French sub-contractor with Franco-Canadian capital that reported approximately €335 million in revenue in 2014, mainly in the aerospace and automotive sectors[21];
- Ducommun Incorporated, a US sub-contractor to the aerospace industry that reported $742 million in revenue in 2014, 37% of which in civil aerospace[22];
- Aircraft Designs Inc. (ADI), an American sub-contractor and subsidiary of PCC Aerostructures since March 2014. PCC reported revenue of $9.5 billion in 2014, of which 70% in the aerospace sector[23].

6.2.6. The Group's positioning in relation to its competitors

Europe's leading sub-contractor is the Belgian company Asco, which generates approximately €412 million in revenue. Its second-largest sub-contractor is the French company Mecachrome, which generates approximately €335 million in revenue.

Figeac Aéro is a tier 1 supplier to three of the top four global aircraft manufacturers (Airbus, Embraer and Bombardier). With €204 million in revenue in the year ended 31 March 2015, it is the second-biggest sub-contractor in France and the third-biggest in Europe[24].

6.2.7. Market indicators

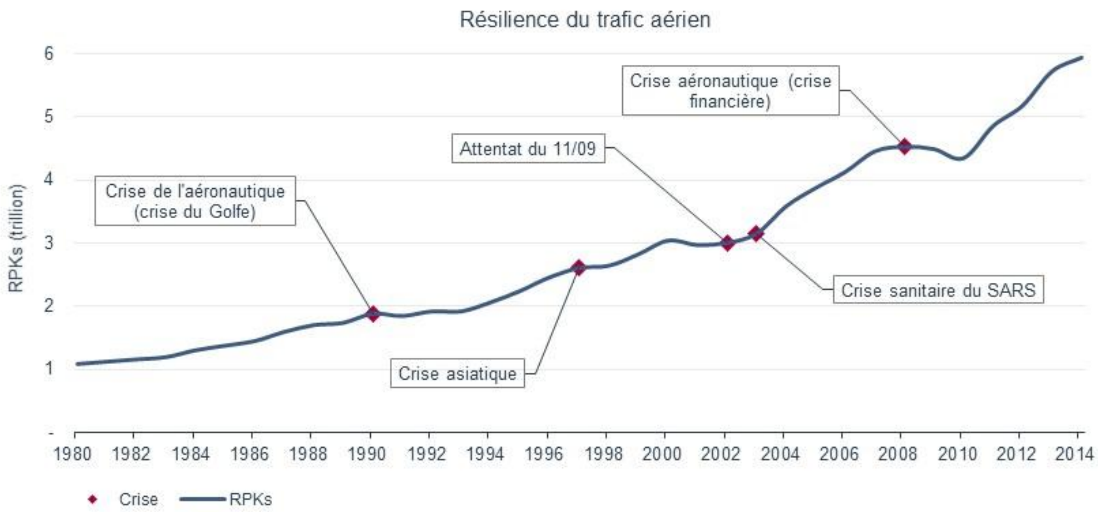
The Group primarily addresses the civil aerospace market (92% of revenue). Marginally, it also addresses the military aviation market (2% of revenue), where order intake is dependent on political decisions and vulnerable to the constraints weighing on national finances. Its business is exclusively devoted to the supply of original equipment. The rest of the Group's revenue (6%) is derived from industrial activities conducted by MTI and Mecabrive outside the aerospace sector.

The key indicators presented below are used to track the health of the commercial aviation market from a short-term perspective.

6.2.7.1. Strong demand for air transport: air traffic is expected to grow by 6.5% in 2016[25]

Air traffic has displayed great resilience to the various economic crises of the past 30 years, enjoying steady long-term growth.

[19] 2014 Annual Report of Magellan Aerospace.
[20] *Flight International, Top 100 Aerospace Companies,* 16-22 September 2014.
[21] Mecachrome website.
[22] Ducommun Incorporated website.
[23] PCC website.
[24] Company source.
[25] International Civil Aviation Organization (ICAO).



Key: Revenue passenger kilometres (RPK – trillion)

Resilience of air traffic
RPK (trillion)
Key: Revenue passenger kilometres
Crisis in the aeronautics sector (Gulf crisis)
Asian financial crisis
11/09 attacks
SARS health crisis
Crisis in the aeronautics sector (financial crisis)

(Source: Boeing Current Market Outlook 2015)

The short-term outlook is favourable, as the market is anticipating growth in air traffic above the historical average of 4.9% per annum in 2001-2014[26], with growth of 6.3% expected in 2015 and 6.5% in 2016[27], driven by the Middle East, Asia-Pacific (including India and China) and Latin America, despite persistent weakness in Brazil and Argentina.

In the medium term, growth in demand for air transport will be driven essentially by the emergence of a middle class representing 55% of the global population within 20 years, up from 37% today, especially in the so-called emerging countries, which are poised to experience a near doubling of their middle class according to Oxford Economics. By way of illustration, in 2014, only a quarter of the population of emerging countries took a flight in an aircraft, compared with an average of 1.6 flights per person in North America.

6.2.7.2. Favourable delivery forecasts (global market) by the major manufacturers (freight and passenger aircraft)

Airbus sees air traffic doubling over the next 15 years[28], while Boeing anticipates the need for 38,050 aircraft worth $5.6 trillion over the coming 20 years[29].

The table below shows the market projections published by Airbus, Boeing and Embraer for the 2015-2034 reference period:

[26] World Bank.
[27] ICAO.
[28] Airbus Global Market Forecast 2015 Book.
[29] Boeing Current Market Outlook 2015.

	Airbus	Boeing	Embraer
Période de ref.	*2015-2034*	*2015-2034*	2015-2034
Gros porteurs	1 550	540	-
Avions à deux couloirs	8 106	8 290	12 700
Avions monocouloirs	22 927	26 730	21 550
Jet d'affaires	-	-	-
Avions régionaux	-	2 490	2 050
Total	**32 583**	**38 050**	**36 300**

Sources : Airbus Global Market Forecast 2015
Boeing Current Market Outlook 2015
Embraer Market Outlook 2015 - 2034

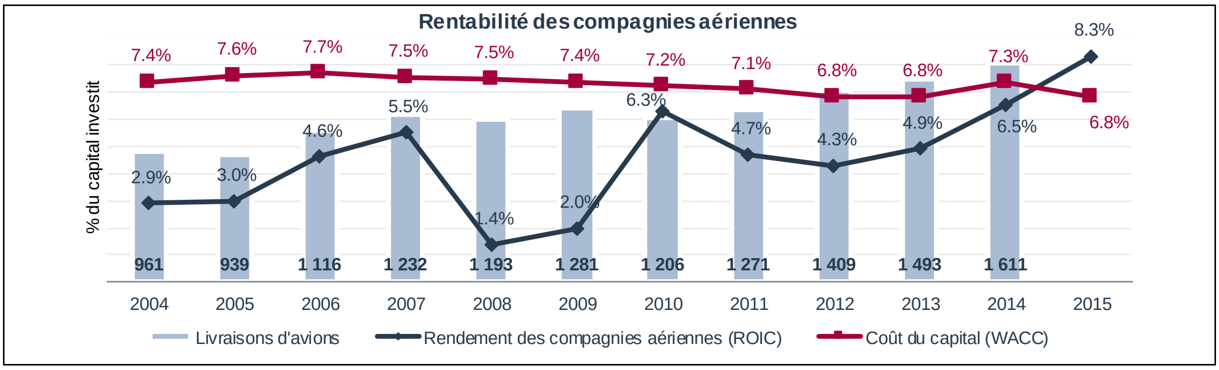
Ref. period
Jumbo jets
Twin-aisle aircraft
Single-aisle aircraft
Business jet
Regional aircraft
Total
Sources

These positive forecasts are based on solid arguments:

- First, the active fleet is ageing and the market is in the middle of an accelerated renewal phase. An average of more than 2% of the active fleet is set to be retired in each of the next three years, as opposed to averages of 1.8% in the 2000s and 1.3% in the 1990s. These retirements are expected to absorb more than one-third of projected deliveries, compared with an average of 26% since 1990. In detail, the situation is more comfortable for long-haul than for single-aisle aircraft, since more than 40% of deliveries of long-haul aircraft over the next four years will be used to replace retiring equipment, as opposed to less than 30% for single-aisle aircraft (Source: ACAS).

- Moreover, airlines are becoming more profitable, which should facilitate their capital spending, although the correlation between deliveries and airlines' results is quite tenuous. The International Air Transport Association (IATA) is forecasting a 77% increase in combined net profit to $29.1 billion in 2015, driven chiefly by North American companies ($15.7 billion), which benefit from sector consolidation, growth of ancillary revenue and improved load factors.

Strong improvement in airline profitability in number of aircraft



Airline profitability
% of invested capital
Aircraft deliveries
Airline performance (ROIC)
Cost of capital (WACC)

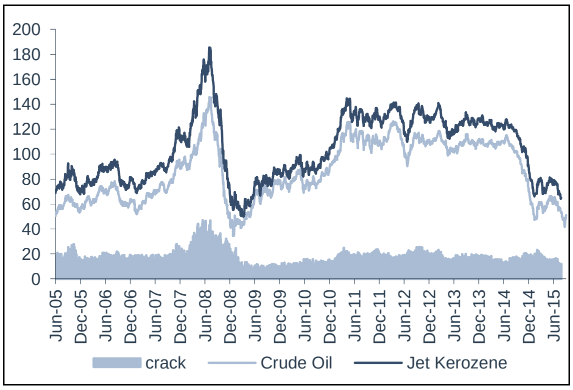
Key: Aircraft seating more than 30 passengers over the 2003-2007 period and global and total aircraft deliveries for the 2008-2014 period.

(Sources: IATA Data Sheet, December 2015, IATA Economics Briefing No. 10, IATA Industry Outlook, Presentation dated May 2014, Speed News Commercial Aircraft Program Status Reports)

– Airlines now operate with average load factors of 80% for passenger aircraft[30], an improvement of more than 500 basis points over the past 10 years. This is thought to be close to the optimum level. Higher load factors would inevitably result in operational disruptions. To continue to grow, airlines will have no choice but to order and take delivery of new aircraft.

– The high fuel prices that characterised the 2011-2014 period prompted some airlines to accelerate the renewal of their fleets and favoured the emergence of re-engined versions of existing models (A320neo, B737 MAX, A330neo, B777X). The fall in oil prices since two years has not had an impact on the market at this stage. The fall should nevertheless help improve airline profitability, giving airlines an opportunity to invest again in their fleets.

Change in fuel prices ($/b)



Crack: Difference between the price of crude oil and the price of product extracted from it
Crude oil: unrefined oil
Jet kerosene: aviation fuel

(Source: FactSet, IATA)

[30] IATA – H1 2015 Report.

6.3. THE GROUP'S CRITICAL SUCCESS FACTORS

6.3.1. Industrial excellence on its legacy Figeac site

The objective is to maintain and enhance a competitive market edge through:

- modern industrial facilities dedicated entirely to the aerospace sector. The site is one of the most comprehensive and efficient in Europe. It allows the Company to deploy industrial expertise acknowledged by the Group's customers and prospects;

- a culture of research and development and significant investment on manufacturing processes, enabling the Group to be efficient and to speed up its output continuously. The Company enjoys acknowledged leadership in certain technical areas. This is notably the case for machining large parts made of aluminium and titanium;

- manufacturing processes approved by its customers: all of Figeac Aéro's manufacturing processes have been subject to rigorous quality audits by key customers, with a view to achieving zero production defects;

- a high level of quality and service. The Group has obtained ISO 9001 and EN 9100 certification and has an efficient logistics service allowing it to achieve good performances on indicators monitored closely by manufacturers, including a very competitive on-time delivery (OTD) ratio of approximately 90% in 2015;

- an industrial organisation structured by business line and product families so as to optimise human and material resources and working capital (reduction of cycle and workflow times);

- a high level of industrial expertise enabling the Group to offer innovative solutions its customers and to improve existing products and technologies.

6.3.2. Proximity to customers

The aim is to forge close commercial relationships and increase the confidence of its customers in the Group's ability to meet their future needs. To this end, the Company relies on:

- long-term relationships with a prestigious customer base, since the Group is a tier 1 supplier to three of the top four global aircraft manufacturers (Airbus, Embraer and Bombardier). This is a strategic position that guarantees the Group a close relationship with its customers on a commercial and industrial level;

- the determination to locate its industrial facilities near the principals, such as the Méaulte site in Picardie or the Saint-Nazaire site in Loire Atlantique, so as to maintain and improve operational proximity, to be responsive, to be reassuring and to be first in line to meet its customers' future requirements (as the single source on many products);

- the provision of a comprehensive service to its customers: the Group's customers can opt for a service including studies, series production, supply chain management, machining and forming processes, dimensional inspection, surface treatment, assembly and delivery;

- commercial presence across all markets: the Group has sales forces in the two leading global markets, namely Europe and North America, as well as Brazil and has begun prospecting in Asia (Japan and South Korea). The Group had a global sales force of 30 persons at 31 March 2015.

6.3.3. Competitiveness through production units located both in best cost areas and in the dollar zone

The goal is to have a comprehensive group approach designed to increase the Company's competitiveness through:

- industrial presence in the dollar zone:

  The Group has started operating in Wichita, in the United States, bringing it closer both to its existing customers and to its North American prospects,(62% of the market "Aerospace and Defense" representing 429,2 G$ in 2014, according to PWC Aerospace and Defense 2014 Review), notably Boeing (12% of the "Aerospace and Defense" global revenue according to PWC Aerospace and Defense 2014 Review). The aim is to build up the Company's commercial presence in North America, where all principals are located (Boeing, Spirit Aerosytems, Bombardier, Triumph, Gulfstream, etc.). This gives the Wichita site strategic importance from an industrial and commercial perspective.

It is also a source of synergies, since it specialises in special processes (surface treatment, microbead/shot-peen blasting, shot-peen forming) as well as the assembly of structures and has the potential to enable the Group to achieve natural hedging of foreign exchange risk.

From an industrial perspective, the acquisition has allowed the Group to acquire production capacity in the dollar zone, as well as to develop comprehensive solutions for the production of sub-assemblies in the very heart of the US aircraft industry. At 31 March 2015, the site had 87 employees.

On 30 September 2015, the revenue denominated in US dollars represents 69.1% of the Group’s revenue and the purchases denominated in US dollars represent 49.7% of the Group's purchases.

- industrial positioning in a best cost area:

  The Tunisian production unit was started for Aerolia (Stelia Aerospace) needs and has increased the value added produced on the Group’s French sites. This is a centre of excellence for the Group for small and sheet metal parts.

  Building on this successful experience, Figeac Aéro is in the process of replicating this model in Morocco and Mexico. The Moroccan site will be able to machine aluminium and hard metal and manufacture sheet metal parts. It will also have surface treatment capacity. The Mexican site will focus on the machining of hard metals and aluminium and will have the capacity to produce small sub-assemblies.

  The Mexican site will also increase the value addition of the Wichita site in the United States, demonstrating the complementary nature of the Group’s two positions.

  Readers should refer to section 10.5 of the first part of this Prospectus.

6.3.4. Financial strength and a proven ability to obtain financing for its development and that of its customers

The Group’s financial strength and its ability to obtain bank or market financing is a critical factor in its success and its development:

- These strengths enable it not only to ensure its development, maintain its high level of expertise and equipment and finance its research and development policy, but also to keep up with the growth of its customers.

- The growing importance of the risk-sharing approach in the aerospace sector and the number of long-term contracts concluded for aircraft programmes mean that these two factors are increasingly critical for principals in the selection of sub-contractors. The Group’s financial strength is thus a differentiating factor, allowing it to stand out from its competitors on these two points.

6.4. THE GROUP’S STRATEGY

6.4.1. The Group’s objectives

The Group has global market share of less than 5% in its areas of activity. Its corporate strategy is to maintain a strong pace of growth with a view to becoming the leading European aerospace sub-contractor and a world leader.

In particular, the Group’s aim is to:

- become the European leader in aerospace sub-contracting, with target revenue between €650 million and €750 million by 2020 (based on a euro/dollar exchange rate of 1.18);

- continue its internationalisation, particularly in North America, which is the world’s largest market due to its proximity to the major players.

The implementation of this strategy involves:

- preserving the Group’s financial strength so as to allow it sufficient flexibility for future investment, particularly in machining and production processes, the source of its industrial excellence;

- making further gains in competitiveness, particularly through research and development, investment in best cost areas and the dollar zone, and the use of increasingly efficient production equipment;

- continue the upgrading of products and services offered to customers, allowing the Group's margins to remain stable in the period to 2020.

6.4.2. Financing of the Group's strategy

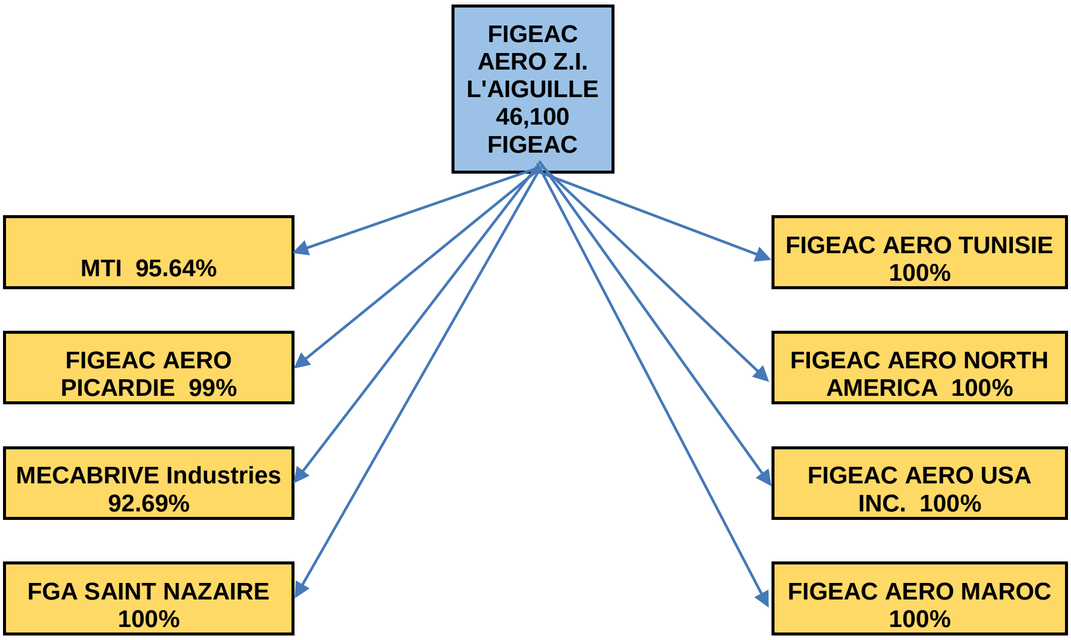
The Group plans to finance its development strategy in the traditional manner, as it has done to date, by the capitalisation of earnings, bank loans pledged on its equipment and also by calling on the market when its requirements are more significant. In particular, the capital increase described in Part II of this Prospectus, in an initial amount of approximately €75 million, aims to finance the investments required to achieve the Group's growth as from the financial year 2018.

7. ORGANISATIONAL CHART

7.1. DESCRIPTION OF THE GROUP

7.1.1. Legal organisation

At the date of this Prospectus, the Group's legal structure was as follows (the percentages represent ownership of capital and voting rights):



7.1.2. Organisational chart by business

✓ : Skill acquired
⚙ : Skill being acquired

	FIGEAC	TUNISIA	MOROCCO	PICARDIE ST-NAZAIRE	NORTH AMERICA	MEXICO	MECABRIVE	MTI
Soft Sheet Metal		✓	✓					
Profile Machining		✓						
Short and Medium-Bed machining	✓	✓	✓		✓	✓	✓	
Complex and Long-Bed Machining	✓				⚙			✓
Hard Metal Machining	✓		✓			✓		
Surface Treatment / Skin Peen-Forming	⚙		⚙		✓		✓	
Small Size Assembly	✓	✓			✓	✓	✓	
Medium Size Assembly				✓				
Large Size Assembly				✓				

7.1.3. Description of subsidiaries and affiliates

At the date of this Prospectus, the Group had nine subsidiaries, the main characteristics of which are described below:

MECANIQUE ET TRAVAUX INDUSTRIELS (MTI) is a simplified joint stock company (*société par actions simplifiée*) with capital of €152,449.02, registered on 11 March 1994 in Rodez under number 394 223 804 and whose registered office is located at Z.I. du Combal – 12300 Decazeville. It specialises in sheet metal work, mechanical welding and machining of large parts and is 95.64% owned by the Company.

MECABRIVE INDUSTRIES is a simplified joint stock company (*société par actions simplifiée*) with capital of €2,050,000, registered on 4 June 2004 in Brive under number 453 806 267 and whose registered office is located at 1, Impasse Langevin – 19100 Brive-la-Gaillarde. It specialises in the machining of complex parts, industrial machines, surface treatment and assembly and is 92.68% owned by the Company.

FGA TUNISIE is an offshore limited liability company (*société à responsabilité limitée*) under Tunisian law with capital of TND 4,000,000, registered on 10 December 2009 in Tunis under number 1125929Q and whose registered office is located at Z.I. M'Ghira III – Rue de Gafsa – 2082 Fouchana (Tunisia). It specialises in the machining and assembly of small aircraft sub-assemblies, and is wholly owned by the Company.

FIGEAC AERO USA Inc. is a US company with capital of $40,000, whose registered office is located at 2701 South Bayshore Drive – 33133 Miami (United States). This is a sales office. This company is wholly owned by the Company.

FGA PICARDIE is a simplified joint stock company (*société par actions simplifiée*) with capital of €500,000, registered on 10 August 2011 in Amiens under number 533 995 684 and whose registered office is located at Rue Maryse Bastie – 80300 Méaulte. It specialises in the assembly of aerostructures and the performance of all general precision mechanical work, and is 99.00% owned by the Company.

FIGEAC AERO NORTH AMERICA Inc. is a US company with capital of $370,838, registered on 21 September 1999 in Delaware under number 3085709 and whose registered office is located at 9313E 39th Street – Wichita – KS 67226 (United States). It specialises in precision machining and surface treatment and is wholly owned by the Company.

FGA SAINT-NAZAIRE is a simplified joint stock company (*société par actions simplifiée*) with capital of €100,000 whose registration is pending and whose registered office is located at Z.A.C. de Cadréan – 44550 Montoir de Bretagne. It specialises in the assembly of aircraft floors and is wholly owned by the Company.

FIGEAC AERO MAROC is a limited liability company (*société à responsabilité limitée*) with a sole shareholder under Moroccan law with capital of MAD 200,000, registered on 12 June 2015 in Casablanca under number 328973 and whose registered office is located at 49 rue Jean Jaurès – Gauthier – Casablanca (Morocco). It specialises in general precision mechanical work and professional training and is wholly owned by the Company.

7.2. INTRAGROUP FINANCIAL FLOWS

The main financial flows between Group companies are presented in the following tables (in euros).

Intragroup flows in the year ended 31 March 2015 (annual flows):

INTRAGROUP PURCHASES/SALES									
Seller	**FGA**	**MTI**	**MBI**	**FGAT**	**FGAP**	**FANA**	**FGAFGAUS**	**SCI REMSI**	**TOTAL**
Buyer:									
FGA	0	23,606	3,418,765	10,985,160	3,249,950	38,927	194,856	372,398	18,283,662
MTI	171,455	0	0	0	0	0	0	0	171,455
MBI	156,638	0	0	0	0	0	0	0	156,638
FGAT	2,228,197	106,821	0	0	5,889	0	0	0	2,340,907
FGAP	205,355	0	0	0	0	0	0	0	205,355
FANA	564,744	0	0	0	0	0	0	0	564,744
SCI REMSI		0	0	0	0	0	0	0	0
	3,326,389	130,427	3,418,765	10,985,160	3,255,839	38,927	194,856	372,398	21,722,761
	21,722,761								

Intragroup flows in the year six months to 30 September 2015 (semi-annual flows):

INTRAGROUP PURCHASES/SALES										
Seller	**FGA**	**MTI**	**MBI**	**FGAT**	**FGAP**	**FANA**	**FGAFGAUS**	**SCI REMSI**	**FGA MAROC**	**TOTAL**
Buyer:										
FGA		32,980	2,340,859	5,426,238	2,135,054	46,148	113,254	324,299	2,349	10,421,181
MTI	96,000									96,000
MBI	87,960									87,960
FGAT	891,724	53,410								945,134
FGAP	475,578									475,578
FANA	961,038									961,038
SCI REMSI										0
FGA MAROC	6,064									6,064
	2,518,364	86,390	2,340,859	5,426,238	2,135,054	46,148	113,254	324,299	2,349	12,992,955
	12,992,955									

The main intra-group relationships are trade relationships between the Company and:

- Mecabrive, which provides surface treatment and machining services for the Company;
- FGA Tunisie, which derives virtually all of its revenue (excluding the sale of chips and scrap materials) from the Company. Billing covers machining services;
- FGA Picardie, part of whose billings are made through the Company. This invoicing covers aircraft sub-assembly services.

In turn, the Company invoices its subsidiaries for the following amounts:

- FGA Tunisie: rebilling of lease payments on machines whose contract with the lessor is in the name of Figeac Aéro, rebilling of seconded personnel;
- FGA Picardie: rebilling of costs incurred on behalf of FGA Picardie;
- Figeac Aéro North America: parts machining services.

8. PROPERTY, PLANT AND EQUIPMENT

8.1. REAL ESTATE PROPERTY AND PLANT

The Company's registered office is located in Figeac (France), as are some of its plants. The Group's business is focused on France, United States, Tunisia, Morocco and Mexico, with 27 major sites, as listed below:

Item	Address	Area	Business	Type of ownership
Figeac Aéro				
Main part of the plant	Z.I. de l'Aiguille 46100 Figeac	23,000 sq.m.	Machine shops Administrative offices	Leasing
B6 hard metal building B6	Z.I. de l'Aiguille 46100 Figeac	8,500 sq.m. (with mezzanine)	Hard metal machine shop Assembly shop	Commercial lease
Capdenac building	Z.A. de la Retonde 12700 Capdenac	1,500 sq.m. on a plot of 3,700 sq.m.	Storage	Owner
Large B10 lard metal building	Z.I. de l'Aiguille 46100 Figeac	5,000 sq.m. on a plot of 9,077 sq.m.	Hard metal machine shop	Owner
B11 material storage building	Z.I. de l'Aiguille 46100 Figeac	5,500 sq.m.	Storage	Owner
Building for the machining of large aluminium parts B12	Z.I. de l'Aiguille 46100 Figeac	11,333 sq.m. on a plot of 16,036 sq.m.	Large aluminium parts machine shop	Owner
Owned by Latapie	Z.I. de l'Aiguille 46100 Figeac	House	Corporate premises	Owner
Land	Z.I. de Cambes 46100 Cambes	15,361 sq.m.	Land reserve	Owner
School and barn	Lieu-dit Etemps 46100 Figeac	500 sq.m. on a plot of 80,703 sq.m.	Training centre	Owner
Building	La Madeleine 46100 Faycelle	900 sq.m.	Storage	Commercial lease
Building and land	Herbemols 46100 Figeac	44,950 sq.m.	Land reserve	Owner
Office and car park	Z.I. de l'Aiguille 46100 Figeac (Maison Troiville)	1,559 sq.m.	Office and car park	Owner
Land	Owned by Sales 46100 Figeac	4,256 sq.m.	Land reserve	Owner
Land	Owned by Cayla 46100 Figeac	30,465 sq.m.	Land reserve	Owner
Land	Owned by Diez 46100 Figeac	7,050 sq.m.	Land reserve	Owner
MTI				
Main building	Z.I. du Combal 12300 Decazeville	4,920 sq.m.	Machine and sheet metal shop	Leasing
Annexe	Z.I. du Combal 12300 Decazeville	2,700 sq.m.	Machine and sheet metal shop	Leasing
2002 extension	Z.I. du Combal 12300 Decazeville	2,700 sq.m.	Machine and sheet metal shop	Leasing
Offices	Z.I. du Combal 12300 Decazeville	243 sq.m.	Offices	Owner
Mécabrive Industries				
Main building	Impasse Langevin 19100 Brive-la-Gaillarde	5,700 sq.m.	Machine shop Surface treatment shop Offices	Owner
FGA Picardie				
Main building	Z.A.C. du Coquelicot 80810 Méaulte	5,000 sq.m.	Assembly shops Offices	Leasing
FGA Saint-Nazaire				
Main building	Z.A.C. de Cadréan 44550 Montoir-de-Bretagne	1,800 sq.m.	Industrial building	Commercial lease
FGA Tunisie				
Main building	Z.I. de M'Ghira Tunis (Tunisia)	8,600 sq.m. (with mezzanine)	Machine shop Offices	Owner
Figeac Aéro Maroc				
Industrial building	E19 and E20 Sidi Bernoussi Casablanca (Morocco)	2,560 sq.m.	Machine shop	Commercial lease
Industrial building	A2 Sidi Bernoussi Casablanca (Morocco)	4,985 sq.m.	Machine shop Surface treatment shop	Commercial lease
Figeac Aéro North America				

Item	Address	Area	Business	Type of ownership
Main building	9313 E 39th St N. Wichita (United States)	11,000 sq.m.	Surface treatment shop Assembly shop	Owner
Land	9313 E 39th St N. Wichita (United States)	25,000 sq.m.	Land reserve	Owner

The table below shows the tools usage rate in the Group companies in relation to their production capacity (normal activity):

	Criterion	Activity	Normal activity	Usage rate
FIGEAC AERO	Machining hours	361,810	461,880	78%
FGA Tunisie	Machining hours	79,608	101,724	78%
Mécabrive	Machining hours	52,675	70,440	75%
MTI	Machining hours	62,152	88,451	70%
FGA Picardie	Building usage in sq.m.	1,900	5,500	35%
FGA North America	Building usage in sq.m.	4,000	5,000	80%
FGA St Nazaire	Building usage in sq.m.	1,350	1,800	75%

The Group has also launched:

- the creation of the "plant of the future", a dedicated 7,500 sq.m. workshop located on the Figeac site (delivery expected in June 2016);
- the construction of a 5,833 sq.m. machining building on the Wichita site (delivery expected in June 2016);
- the expansion of the MTI workshop in Decazeville (delivery expected in March 2016).

In 2016, the Group will also start the construction of a machine shop of approximately 3,500 sq.m. in Mexico with the delivery expected in November 2016.

8.2. ENVIRONMENTAL CONSTRAINTS RELATING TO THE USE OF PROPERTY, PLANT AND EQUIPMENT

To the best of the Company's knowledge, no environmental factor has had an influence in recent years or is liable in the future to influence its use of its property, plant and equipment.

The Company complies with applicable environmental regulations and is committed to protecting the environment, notably with regard to soil or groundwater pollution, and to waste treatment.

To this end, the Group has a waste prevention and recycling policy, and takes action to monitor soil pollution in consultation with local authorities.

9. REVIEW OF THE GROUP'S RESULTS AND FINANCIAL POSITION

Readers should read the following information on the Group's results and financial position together with the Group's consolidated financial statements for the years ended 31 March 2013, 2014 and 2015 contained in section 20.1 of Part I of this Prospectus and the condensed interim consolidated financial statements for the six months to 30 September 2015 contained in section 20.5 of this Prospectus.

The Group's consolidated financial statements were prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB) and adopted by the European Union. The Group's consolidated financial statements for the years ended 31 March 2013, 2014 and 2015 have been audited. The reports of the statutory auditors on these consolidated financial statements are contained in section 20.1 of Part I of this Prospectus. The condensed interim consolidated financial statements of the Group for the six months to 30 September 2014 and 2015 were prepared in accordance with IAS 34 "Interim Financial Reporting", the IFRS applicable to interim financial statements. The limited review report of the auditors on the condensed interim consolidated financial statements for the six months to 30 September 2015 is contained in section 20.5 of Part I of this Prospectus. The information for the six months to 30 September 2014 was derived from the comparative information contained in the condensed interim financial statements for the six months to 30 September 2015, and has been adjusted.

9.1. OVERVIEW OF THE FINANCIAL POSITION

Founded in 1989, the Company is an industrial group with four distinct business lines:

- structural parts for the aerospace industry;
- precision machining and surface treatment (mainly for the aerospace industry);
- on-site and workshop assembly of sub-assemblies for the aerospace industry;
- general and industrial engineering (outside the aerospace industry).

The Group is part of the category of sub-contractors in the field of aerospace and works with three types of contractors: manufacturers (such as Airbus, Embraer and Bombardier), equipment manufacturers (such as Safran and Rolls-Royce) and sub-assemblers (such as Latécoère, Spirit Aerosystems, Stelia Aerospace and Zodiac Aerospace).

By virtue of its role as sub-contractor and the variety of its contractors (manufacturers, equipment suppliers and sub-assemblers), the Group works on almost all of the civil aircraft programmes currently in force.

Driven by the sound economic health of the French and international aerospace market, the Group's revenue increased by 18.0% in the first half of the year ending 31 March 2016 (+6.0% at constant exchange rates). Revenue grew by 25.1%, 18.4% and 25.6% in the years ending 31 March 2013, 2014 and 2015 respectively (+20% at constant scope of consolidation and exchange rates).

(in € thousands)	Six months to 30 September		Year ended 31 March		
	2015	2014	2015	2014	2013
Revenue	**118,930**	**100,797**	**203,938**	**162,325**	**137,129**

The table below shows the increase in EBITDA generated by the Group, as well as change in the ratio of EBITDA to revenue:

(in € thousands)	Six months to 30 September		Year ended 31 March		
	2015	2014*	2015	2014	2013
EBITDA**	**30,869**	**22,904**	**48,098**	**35,383**	**32,021**
Growth rate	34.8%	39.0%	35.9%	10.5%	29.8%
EBITDA/revenue	26.0%	22.7%	23.6%	21.8%	23.4%

* Figures for the six months to 30 September 2014 have been adjusted:
- for the impact of the change of accounting method resulting from the retrospective application of IFRIC 21 "Levies";
- to modify the exchange rate of sales and purchases denominated in foreign currencies that were initially recognised on the basis of a budgeted rate and not on the basis of the exchange rate on the date of transaction.

** The method used to calculate EBITDA is disclosed in section 9.2 below.

The Group has defined the following business segments in accordance with IFRS 8:

- the Group’s operations are organised and managed separately in accordance with the nature of the products and services;
- each segment represents a strategic business offering different products in different markets;
- the segments correspond to the structure of internal reporting used by the management of the Group to monitor the Group's activities;
- the financial data presented for segment reporting follows the same accounting policies as those used for the Group's consolidated financial statements.

The group's activity revolves around four main areas:

1. Aerostructures: structural parts for the aerospace industry
   - production of aircraft sub-assemblies (machining and assembly)
   - structural aircraft parts Aerostructures
   - engine parts and precision components for aircraft

2. Precision machining and surface treatment
   - chemical treatment and painting of all types of mechanical parts
   - precision machining for civil and military aerospace industry

3. On-site and workshop assembly of aerospace sub-assemblies
   - mounting and assembly of sub-assemblies in the Group’s plants
   - mounting and assembly of sub-assemblies by Group employees on the production sites of the Group’s customers

4. General and industrial engineering (outside the aerospace industry)
   - traditional mechanical engineering of large sub-assemblies (turning, machining and milling)
   - production of complex sheet metal assemblies

It is specified that the Company experiences high growth involving the financing of the manufacturing cycle materialised by the need for working capital, as well as the realisation of many investments, necessarily resulting in a high consumption of cash flow.

The following table sets out revenue and EBITDA broken down by business segment for the six months to 30 September 2014 and 2015 and for the years ended 31 March 2013, 2014 and 2015.

(in € thousands)	Six months to 30 September				Year ended 31 March					
	2015	%	2014*	%	2015	%	2014	%	2013	%
Revenue	**118,930**	100.0%	**100,797**	100.0%	**203,938**	100.0%	**162,325**	100.0%	**137,129**	100.0%
Aerostructures	96,788	81.4%	81,576	80.9%	168,894	82.8%	137,229	84.5%	115,802	84.5%
Precision machining and surface treatment	12,263	10.3%	8,124	8.1%	19,014	9.3%	9,786	6.0%	7,887	5.8%
On-site assembly	2,518	2.1%	2,139	2.1%	3,815	1.9%	4,443	2.7%	3,105	2.3%
General and industrial engineering	7,362	6.2%	8,958	8.9%	12,215	6.0%	10,867	6.7%	10,336	7.5%
EBITDA	**30,869**	100.0%	**22,904**	100.0%	**48,098**	100.0%	**35,383**	100.0%	**32,021**	100.0%
Aerostructures	28,418	92.1%	20,617	90.0%	45,815	95.6%	33,032	93.4%	30,280	94.6%
Precision machining and surface treatment	2,103	6.8%	1,390	6.1%	1,979	4.1%	1,233	3.5%	675	2.1%
On-site assembly	-155	-0.5%	-8	-0.03%	-567	-1.2%	213	0.6%	392	1.2%
General and industrial engineering	503	1.6%	906	4.0%	871	1.8%	904	2.6%	674	2.1%

* Figures for the six months to 30 September 2014 have been adjusted:
- for the impact of the change of accounting method resulting from the retrospective application of IFRIC 21 “Levies”;
- to modify the exchange rate of sales and purchases denominated in foreign currencies that were initially recognised on the basis of a budgeted rate and not on the basis of the exchange rate on the date of transaction.

9.1.1. Main income statement items

Revenue

The Group derives the major part of its revenue from operations in the aerospace sector. The table below shows the breakdown between the aerospace and the non-aerospace segments (MTI and, in part, Mecabrive):

(in € thousands)	Six months to 30 September		Year ended 31 March		
	2015	2014*	2015	2014	2013
Revenue	**118,930**	**100,797**	**203,938**	**162,325**	**137,129**
Aerospace revenue	91.4%	86.7%	89.1%	87.0%	86.7%
Non-aerospace revenue	8.6%	13.3%	10.9%	13.0%	13.3%

* Figures for the six months to 30 September 2014 have been adjusted:

- for the impact of the change of accounting method resulting from the retrospective application of IFRIC 21 "Levies";
- to modify the exchange rate of sales and purchases denominated in foreign currencies that were initially recognised on the basis of a budgeted rate and not on the basis of the exchange rate on the date of transaction.

The revenue derived from work in the aerospace sector accounts for over 86.0% of consolidated revenue. This revenue is made on work with aircraft manufacturers, sub-contractors and suppliers. A small portion of this revenue is derived from sales of raw material scrap and waste.

(in € thousands)	Six months to 30 September		Year ended 31 March	
	2015	2014	2015	2014
Aerospace revenues broken down by:				
Manufacturers	22.6%	17.3%	19.8%	20.8%
Equipment suppliers	11.3%	11.9%	11.9%	10.7%
Sub-assemblers	60.2%	68.8%	64.5%	66.0%
Other (sales of raw material scrap and waste)	5.9%	2.0%	3.8%	2.5%

The 48.7% increase in the Group's revenue between 2013 and 2015 resulted chiefly from the growth of the aerospace market, and more specifically from the start of production of the Airbus A350 during the year ended 31 March 2014, as well as the ramp-up of Airbus A320 production and new contracts won between 2012 and 2014.

Other income from operations

This item includes capitalised production related to research and development expenses incurred by the Group, the research tax credit obtained by the Group in connection with its research and development expenditure and operating grants received by the Group.

The capitalised production corresponds to the evaluation of expenses incurred by the Group in research and development projects corresponding to the activation accounting criteria defined by the Group and presented in Section 3.11 of the financial report for the year ended 31 March 2015. These expenses are apprehended through the monitoring of associated manufacturing orders, this evaluation amounts to neutralise the costs incurred for the realisation of these projects (direct workforce, material consumption, workshop consumables, associated structure costs).

The research tax credit is generated by the evaluation of research and development expenses incurred in projects eligible for this measure.

Operating grants are generated by various aids received by the Group, in particular related to employees training and efforts related to the recycling of the Group's consumptions (water, cutting oils).

The table below shows the amount of these various positions in the interim report on 30 September 2015 and the annual reports on 31 March 2015, 2014 and 2013.

(In € thousands)	30-Sept-15	31-March-15	31-March-14	31-March-13
Duration in months	6	12	12	12
Research tax credit	848	1,775	1,995	1,743
Operating grants	95	654	373	534
Total	943	2,429	2,368	2,277

Change in inventories of finished products and work in progress

This item traces change in the value of the Group's inventories of work in progress and finished products. A positive variation states that inventories and work in progress have increased during the period, a negative variation states a decrease of these same inventories. The positive variation of these inventories neutralises expenses incurred for their realisation, the negative variation adds the costs of this destocking to the expenses related to the period.

During growth period, these inventories mechanically increase as they are incurred to deal with the rise of future shipments. The increase of these inventories generates a financing need that impacts cash flow related to the activity.

These inventories are valued using the full cost method (excluding expenses not related to manufacturing and potential sub-activity).

These inventories are comprised as follows:
- Parts and sub-assemblies work in progress;
- Costs related to agreements governed under IAS 11 norm,
- Finished and semi-finished goods.

Recurring operating expenses

The main expenses are as follows:

- purchases of raw materials (aluminium, titanium) consumed in the production of products sold;
- consumables used during the manufacturing process;
- sub-contracting operations: machining, surface treatment, thermal treatment;
- other purchases and external expenses, namely general contracting, maintenance, freight, travel, insurance and rental expenses and fees;
- personnel expenses cover expenses relating to employees hired by companies belonging to the Group, the employment of temporary staff, amounts allocated under profit-sharing and incentive plans and change in provisions set aside for the pensions and long-service awards for which the Group's employees are eligible;
- taxes and duties, such as the corporate land tax, property tax and the CVAE (corporate value added tax);
- depreciation and provisions cover depreciation resulting from investments made by the Group, less the reversal of a portion of the investment grants received by the Group and charges to/reversals of provisions, mainly on inventories and work in progress.

Recurring operating income

The Group's recurring operating income is calculated by deducting from revenue and other income from operations, change in inventories of finished products and work in progress, the recurring operating expenses.

Other operating income and expenses

These items mainly comprise the proceeds of asset disposals and the carrying amount of assets sold.

Operating income

Operating income is income from ordinary activities after other operating income and expenses.

Net financial income (loss)

Net financial income (loss) consists of:

- financial expense generated by external financial resources implemented to meet the Group's financing needs;
- financial income generated by the investment of the Group's cash;
- realised foreign exchange gains and losses;
- unrealised gains and losses on financial instruments generated by mark-to-market foreign exchange positions taken by the Group.

Income taxes

This item comprises:

- tax payable in respect of the operating activities of the Group's companies;
- change in the volume of deferred taxes.

Net income (loss)

Net income (loss) is operating income generated by the Group after taking into account net financial income or loss, current and deferred income taxes and payments to non-controlling interests in the Group's subsidiaries.

EBITDA

EBITDA (earnings before interest, tax, depreciation and amortisation) is one of the key indicators used by the Group to manage its operations and assess its performance. It consists of operating income before amortisation and net provisions and depreciation.

EBITDA is not defined under IFRS, and the definition used by the Group may not be comparable with that used by other companies.

The Group believes that this indicator is relevant for readers of the financial statements because it represents an indicator of operating income excluding non-cash items such as depreciation, amortisation and impairment, as well as factors that are beyond the Group's control, such as income taxes and non-recurring items.

9.1.2. Main factors affecting results

Some major factors and certain past events and transactions have had an impact on the Group's activities and the results of its operations, and may continue to do so.

These factors are described below:

- production volume of civil aircraft, more than 86.0% of the Group's revenue being derived from aircraft manufacturing, and the Group's ability to win market share;
- exchange rate between the euro and the US dollar, the majority of the Group's revenues being denominated in US dollars;
- the Group's industrial organisation;
- management of the growth of the business.

Readers should refer to section 4 of Part I of this Prospectus to obtain a more comprehensive view of the risks facing the Group.

9.2. COMPARISON OF THE GROUP'S INTERIM RESULTS FOR FISCAL 2015 AND 2016

The table below shows the consolidated income statement of the Group for the six months to 30 September 2014 and 2015, in thousands of euros.

(in € thousands)	Six months to 30 September		% change, 2015 vs 2014
	2015	2014*	
Revenue	118,930	100,797	18.0%
Other income from operations	10,675	6,392	67.0%
Change in inventories of finished products and work in progress	11,329	14,871	-23.8%
Raw materials and consumables	-64,706	-57,959	11.6%
Personnel expenses	-33,577	-30,499	10.1%
External expenses	-10,776	-9,543	12.9%
Taxes	-1,007	-1,155	-12.8%
EBITDA	**30,869**	**22,904**	**34.8%**
Depreciation and amortisation	-10,894	-8,079	34.8%
Net provisions	-256	-154	66.3%
Recurring operating income	**19,719**	**14,671**	**34.4%**
Other operating income	216	931	-94.3%
Other operating expenses	-932	-1,281	-40.0%
Operating income	**19,003**	**14,321**	**32.7%**
Financial income	8	948	-99.2%
Financial expenses	-1,675	-1,705	-1.8%
Cost of net financial debt	**-1,667**	**-757**	**120.2%**
Foreign exchange gains and losses	-8,462	2,163	-491.2%
Unrealised gains and losses on financial instruments	22,267	-8,712	-355.6%
Other financial income and expenses	-23	-191	-87.9%
Share of profit of equity affiliates	0		
Income Tax	-10,069	-1,937	419.9%
Net income (loss) for the period	**21,048**	**4,887**	**330.7%**

* Figures for the six months to 30 September 2014 have been adjusted:

- for the impact of the change of accounting method resulting from the retrospective application of IFRIC 21 "Levies";
- to modify the exchange rate of sales and purchases denominated in foreign currencies that were initially recognised on the basis of a budgeted rate and not on the basis of the exchange rate on the date of transaction.

The Group's revenue grew by 18.0% in the six months to 30 September 2015 compared with the six months to 30 September 2014 (+6.0% at constant exchange rates). All of the business segments defined by the Group reported double-digit growth, except for the "general and industrial engineering" segment, which recorded a decline of 17.8% over the period. This decline stemmed from a deterioration in the performance of MTI's oil sector operations following the drop in order intake experienced by the subsidiary's main customers in the wake of falling oil prices, despite an increase in MTI's market share with its main customer.

The 18.7% growth in "Aerostructures" revenue stemmed from the good performance of the aerospace market and the entry into the series delivery phase of the Airbus A350 programme.

The revenue growth of nearly 51.0% for the "precision machining and surface treatment" segment was attributable to the excellent industrial and commercial performance achieved on the Wichita site in the United States.

(in € thousands)	Six months to 30 September		% change, 2015 vs 2014
	2015	2014*	
Revenue	**118,930**	**100,797**	18.0%
Aerostructures	96,787	81,576	18.7%
On-site assembly	2,518	2,139	17.7%
Precision machining and surface treatment	12,263	8,124	51.0%
General and industrial engineering	7,362	8,958	-17.8%

* Figures for the six months to 30 September 2014 have been adjusted:
- for the impact of the change of accounting method resulting from the retrospective application of IFRIC 21 "Levies";
- to modify the exchange rate of sales and purchases denominated in foreign currencies that were initially recognised on the basis of a budgeted rate and not on the basis of the exchange rate on the date of transaction.

**11% at constant exchange rate

At the same time, the Group brought its operating expenses under control, with an increase averaging just 11.0%.

The increase in purchases consumed was 11.6%, less than the growth of the Group's revenue.

The increase in personnel expenses was 10.1%, less than the growth of the Group's revenue, which diluted overheads.

The increase in external expenses was 12.9%, less than the growth of the Group's revenue, which diluted overheads.

(in € thousands)	Six months to 30 September		% change, 2015 vs 2014
	2015	2014*	
Raw materials and consumables	-64,706	-57,959	11.6%
Personnel expenses	-33,577	-30,499	10.1%
External expenses	-10,776	-9,543	12.9%
Taxes	-1,007	-1,155	-12.8%

* Figures for the six months to 30 September 2014 have been adjusted:
- for the impact of the change of accounting method resulting from the retrospective application of IFRIC 21 "Levies";
- to modify the exchange rate of sales and purchases denominated in foreign currencies that were initially recognised on the basis of a budgeted rate and not on the basis of the exchange rate on the date of transaction.

The smaller increase in costs characterising a tight control of operating expenses, combined with the increase in revenue and other operating revenues explained the increase of almost 35% in the EBITDA generated by the Group in the six months to 30 September 2015.

The increase in consumed purchases is explained on the one hand by a currency impact amounting to 5.8% (purchases of raw materials being largely denominated in US dollars), and on the other hand by a change in purchases of raw materials from aluminium to titanium, the latter material being between 7.5 and 10 times more expensive per kilo according to the shades.

(in € thousands)	Six months to 30 September		% change, 2015 vs 2014
	2015	2014	
EBITDA	**30,869**	**22,904**	**34.8%**

Depreciation and amortisation expense grew in line with the Group's investments. The increase was less than the 34.4% increase in recurring operating income, but was nevertheless above the pace of revenue growth. The investments made by the Group have not yet been fully utilised.

After taking into account other operating income and expenses, operating income increased by 32.7% year on year in the six months to 30 September 2015.

(in € thousands)	Six months to 30 September		% change, 2015 vs 2014
	2015	2014	
Depreciation and amortisation	-10,894	-8,079	34.8%
Net provisions	-256	-154	66.3%
Recurring operating income	**19,719**	**14,671**	**34.4%**
Other operating income	216	931	-76.8%
Other operating expenses	-932	-1,281	-27.2%
Operating income	**19,003**	**14,321**	**32.7%**

Borrowing costs increased by 120.2%, although financial expense as a whole was stable over the period. The increase in borrowing costs stems from the decline in interest income resulting from the absence of financial advantage of interest-free advances obtained by the Group over the period.

The Group realised foreign exchange gains in the amount of €2.1 million in the six months to September 2014, as opposed to losses in the amount of €8.4 million in the six months to 30 September 2015 (see section 16.3 of the report on the condensed interim consolidated financial statements to the six months to 30 September 2015).

Unrealised (non-cash) gains or losses on financial instruments went from a loss of €8.7 million in the six months to 30 September 2014 to a gain of €22 million in the six months to 30 September 2015, reflecting the positive impact of marking to market the foreign currency positions taken by the Group.

Unrealised gains or losses vary in relation to the market value of foreign exchange positions taken by the Group as part of its foreign exchange hedging policy and were in line with change in the euro/US dollar exchange rate between 31 March and 30 September 2015.

Together, transactions made during the six months to 30 September 2015 generated a tax expense of €10 million, compared with €1.9 million in the six months to 30 September 2014.

Net income for the period, before taking into account non-controlling interests, was €21 million, compared with €4.8 million in the six months to 30 September 2014.

(in € thousands)	Six months to 30 September 2015	2014*	% change, 2015 vs 2014
Operating income	**19,003**	**14,321**	**32.7%**
Financial income	8	948	-99.6%
Financial expenses	-1,675	-1,705	-1.8%
Net cost of financial debt	**-1,667**	**-757**	**120.2%**
Foreign exchange gains and losses	-8,462	2,163	-491.2%
Unrealised gains and losses on financial instruments	22,267	-8,712	-355.6%
Other financial income and expenses	-23	-191	-87.9%
Share of profit of equity affiliates	0		
Income Tax	-10,069	-1,937	419.9%
Net income (loss) for the period	**21,048**	**4,887**	**330.7%**

* Figures for the six months to 30 September 2014 have been adjusted:

- for the impact of the change of accounting method resulting from the retrospective application of IFRIC 21 "Levies";
- to modify the exchange rate of sales and purchases denominated in foreign currencies that were initially recognised on the basis of a budgeted rate and not on the basis of the exchange rate on the date of transaction.

Selected financial information taken from the Group's consolidated income statement and expressed as a percentage of revenue:

(in € thousands)	Six months to 30 September	
	2015	**2014***
Revenue	100.0%	100.0%
Other income from operations	8.9%	6.3%
Change in inventories of finished products and work in progress	9.5%	14.8%
Raw materials and consumables	-54.4%	-57.5%
Personnel expenses	-28.2%	-30.3%
External expenses	-9.1%	-9.5%
Taxes	-0.9%	-1.2%
EBITDA	26.0%	22.7%
Depreciation and amortisation	-9.2%	-8.0%
Net provisions	-0.2%	-0.2%
Recurring operating income	16.6%	14.6%
Other operating income	0.04%	0.9%
Other operating expenses	-0.7%	-1.3%
Operating income	16.0%	14.2%

(in € thousands)	Six months to 30 September	
	2015	2014*
Operating income	16.0%	14.2%
Financial income	0.01%	0.9%
Financial expenses	-1.4%	-1.7%
Cost of net financial debt	-1.4%	-0.8%
Foreign exchange gains and losses	-7.1%	2.2%
Unrealised gains and losses on financial instruments	18.7%	-8.6%
Other financial income and expenses	-0.02%	-0.2%
Income Tax	-8.5%	-1.9%
Net income (loss) for the period	17.7%	4.9%

* Figures for the six months to 30 September 2014 have been adjusted:
- for the impact of the change of accounting method resulting from the retrospective application of IFRIC 21 “Levies”;
- to modify the exchange rate of sales and purchases denominated in foreign currencies that were initially recognised on the basis of a budgeted rate and not on the basis of the exchange rate on the date of transaction.

9.3. COMPARISON OF THE GROUP'S ANNUAL RESULTS FOR THE YEARS ENDED 31 MARCH 2013, 2014 AND 2015

The table below shows the consolidated income statement of the Group for the years ended 31 March 2013, 2014 and 2015.

(in € thousands)	Year ended 31 March			% change	
	2015	2014	2013	2015 vs 2014	2014 vs 2013
Revenue	203,938	162,325	137,129	25.6%	18.4%
Other income from operations	13,309	8,257	6,535	61.2%	26.4%
Change in inventories of finished products and work in progress	31,312	25,556	18,647	22.5%	37.1%
Raw materials and consumables	-117,083	-92,593	-70,018	26.6%	32.2%
Personnel expenses	-61,980	-51,765	-44,897	19.7%	15.3%
External expenses	-18,534	-14,155	-13,091	30.9%	8.1%
Taxes	-2,865	-2,242	-2,285	27.8%	-1.9%
EBITDA	**48,098**	**35,383**	**32,021**	**35.9%**	**10.5%**
Depreciation and amortisation	-17,154	-13,187	-10,179	30.1%	29.6%
Net provisions	-101	96	279	-205.2%	-65.6%
Recurring operating income	**30,843**	**22,292**	**22,121**	**38.4%**	**0.8%**
Other operating income	4,640	6,204	2,657	-25.2%	133.5%
Other operating expenses	-8,233	-7,119	-3,683	15.7%	93.3%
Operating income	**27,250**	**21,377**	**21,095**	**27.5%**	**1.3%**
Financial income	869	17	4	5011.8%	325.0%
Financial expenses	-3,036	-2,934	-2,702	3.5%	8.6%
Cost of net financial debt	-2,167	-2,917	-2,698	-25.7%	8.1%
Foreign exchange gains and losses	3,997	2,710	1,895	47.5%	43.0%
Unrealised gains and losses on financial instruments	-64,752	1,212	-2,942	-5442.6%	-141.2%
Other financial income and expenses	**-31**	**-187**	**-169**	-83.4%	10.7%
Share of profit of equity affiliates					
Income Tax	13,811	-6,231	-5,203	-321.7%	19.8%
Net income (loss) for the period	**-21,892**	**15,965**	**11,978**	**-237.1%**	**33.3%**

The Group's revenue increased by 25.6% in the year ended 31 March 2015 compared with the year ended 31 March 2014 (+20.0% at constant scope of consolidation and constant exchange rates; consolidation of Figeac Aéro North America). The increase is attributable chiefly to the good performance of the aerospace market, the start of the series production phase of new programmes (A350) during the year, the ramp-up of the A320 over the period and gains market share for Figeac Aéro between 2012 and 2014. Growth was 18.37% in 2014.

(in € thousands)	Year ended 31 March			% change	
	2015	2014	2013	2015 vs 2014	2014 vs 2013
Revenue	203,938	162,325	137,129	25.6%	18.4%
Aerostructures	168,894	137,229	115,802	23.1%	18.5%
On-site assembly	3,815	4,443	3,105	-14.1%	43.1%
Precision machining and surface treatment	19,014	9,786	7,887	94.3%	24.1%
General and industrial engineering	12,215	10,867	10,336	12.4%	5.1%

At the same time, operating expenses rose by averages of 23.4% in the year ended 31 March 2014 and 24.7% in year ended 31 March 2015. The year-on-year increase in purchases consumed was 32.2% in the year ended 31 March 2014 and 26.5% in the year ended 31 March 2015.

Purchases consumed accounted for 44.1% of total operating expenses in the year ended 31 March 2014 and 53.0% in the year ended 31 March 2015. The increase was attributable chiefly to the volume of purchases of raw materials (mainly titanium) for the manufacture of the Group's products, which rose from €34.2 million in 2013 to €40.8 million in 2014 and €62 million in 2015.

Personnel expenses increased by 15.3% in the year ended 31 March 2014 and 19.7% in the year ended 31 March 2015. The increase stemmed from personnel from Figeac Aéro North America, which were consolidated in 2015, and the Group's growth in 2014. Personnel expenses increased at a slower pace than the Group's revenue thanks to better coverage of fixed expenses.

External expenses increased by 30.9% in the year ended 31 March 2015, compared with 8.1% in the year ended 31 March 2014. The main reason for the increase in expenses in 2015 was the rise in maintenance expenditure, which increased by 45.7% from €3.2 million to €4.7 million.

(in € thousands)	Year ended 31 March			% change	
	2015	2014	2013	2015 vs 2014	2014 vs 2013
Raw materials and consumables	-117,083	-92,593	-70,018	26.5%	32.2%
Personnel expenses	-61,980	-51,765	-44,897	19.7%	15.3%
External expenses	-18,534	-14,155	-13,091	30.9%	8.1%
Taxes	-2,865	-2,242	-2,285	27.8%	-1.9%

Improved control of operating expenses allowed the Group's EBITDA to increase by 36.0% to €48.1 million in 2015.

In 2014, faster growth in operating expenses than revenue caused EBITDA to grow at a slower pace of 10.5% to €35.4 million.

(in € thousands)	Year ended 31 March			% change	
	2015	2014	2013	2015 vs 2014	2014 vs 2013
EBITDA	**48,098**	**35,383**	**32,021**	35.9%	10.5%

Depreciation and amortisation expense grew in line with the Group's investments, which rose from €10 million in fiscal 2013 to €13 million in 2014 and €17 million in 2015.

After taking these expenses into account, EBIT was €30.8 million in the year ended 31 March 2015 (an increase of 38.0% year on year) and €22.2 million in the year ended 31 March 2014 (stable compared with the €22.1 million reported in fiscal 2013).

After taking into account other operating income and expenses, operating income was €27.2 million in the year ended 31 March 2015 (+27.5%), €21.3 million in the year ended 31 March 2014 (+1.3%) and €21.1 million in the year ended 31 March 2013.

(in € thousands)	Year ended 31 March			% change	
	2015	2014	2013	2015 vs 2014	2014 vs 2013
Depreciation and amortisation	-17,154	-13,187	-10,179	30.1%	29.6%
Net provisions	-101	96	279	-205.2%	-65.6%
Recurring operating income	**30,843**	**22,292**	**22,121**	38.4%	0.8%
Other operating income	4,640	6,204	2,657	-25.2%	133.5%
Other operating expenses	-8,233	-7,119	-3,683	15.7%	93.3%
Operating income	**27,250**	**21,377**	**21,095**	27.5%	1.3%

Financial expense generated by the financing of the Group's investments and working capital amounted to €3.0 million in the year ended 31 March 2015 (+3.5%), €2.9 million in the year ended 31 March 2014 (+8.6%) and €2.7 million in the year ended 31 March 2013.

After taking into account financial income, net borrowing costs amounted to €2.1 million in the year ended 31 March 2015, €2.9 million in the year ended 31 March 2014 and €2.7 million in the year ended 31 March 2013.

The Group recorded foreign exchange gains of €4 million in the year ended 31 March 2015, €2.7 million in the year ended 31 March 2014 and €1.9 million in the year ended 31 March 2013.

Taking into account unrealised (non-cash) gains or losses, gains or losses on financial instruments represented a loss of €64.7 million in the year ended 31 March 2015, a gain of €1.2 million in the year ended 31 March 2014, and a loss of €2.9 million in the year ended 31 March 2013, reflecting the positive impact of marking to market the foreign currency positions taken by the Group. Unrealised gains or losses vary in relation to the market value of foreign exchange positions taken by the Group as part of its foreign exchange hedging policy and were in line with change in the euro/US dollar exchange rate between the different balance sheet dates.

Together, transactions made during the year ended 31 March 2015 generated a tax credit of €13.8 million, compared with a tax expense €6.2 million in the year ended 31 March 2014 and an expense €5.2 million in the year ended 31 March 2013.

Net income for the period, before taking into account minority interests, was a loss of €21.9 million euros in fiscal 2015, compared with profits of €15.9 million in fiscal 2014 and €11.9 million in 2013.

(in € thousands)	Year ended 31 March			% change	
	2015	**2014**	**2013**	**2015 vs 2014**	**2014 vs 2013**
Operating income	**27,250**	**21,377**	**21,095**	27.5%	1.3%
Financial income	869	17	4	5011.8%	325.0%
Financial expenses	-3,036	-2,934	-2,702	3.5%	8.6%
Cost of net financial debt	-2,167	-2,917	-2,698	-25.7%	8.1%
Foreign exchange gains and losses	3,997	2,710	1,895	47.5%	43.0%
Unrealised gains and losses on financial instruments	-64,752	1,212	-2,942	-5,442.6%	-141.2%
Other financial income and expenses	**-31**	**-187**	**-169**	-83.4%	10.7%
Share of profit of equity affiliates					
Income Tax	13,811	-6,231	-5,203	-321.7%	19.8%
Net income (loss) for the period	**-21,892**	**15,965**	**11,978**	-237.1%	33.3%

Selected financial information taken from the Group's consolidated income statement and expressed as a percentage of revenue:

In % of revenue	Year ended 31 March		
	2015	2014	2013
Revenue	100.0%	100.0%	100.0%
Other income from operations	6.5%	5.1%	4.8%
Change in inventories of finished products and work in progress	15.6%	15.7%	13.6%
Raw materials and consumables	-57.4%	-57.0%	-51.1%
Personnel expenses	-30.4%	-31.9%	-32.7%
External expenses	-9.1%	-8.7%	-9.6%
Taxes	-1.4%	-1.4%	-1.7%
EBITDA	23.6%	21.8%	23.4%
Depreciation and amortisation	-8.4%	-8.1%	-7.4%
Net provisions	-0.1%	0.1%	0.2%
Recurring operating income	15.1%	13.7%	16.1%
Other operating income	2.3%	3.8%	1.9%
Other operating expenses	-4.0%	-4.4%	-2.7%
Operating income	13.4%	13.2%	15.4%
Financial income	0.4%	0.01%	0.0%
Financial expenses	-1.5%	-1.8%	-2.0%
Cost of net financial debt	-1.1%	-1.8%	-2.0%
Foreign exchange gains and losses	2.0%	1.7%	1.4%
Unrealised gains and losses on financial instruments	-31.8%	0.8%	-2.2%
Other financial income and expenses	-0.02%	-0.1%	-0.1%
Income Tax	6.8%	-3.8%	-3.8%
Net income (loss) for the period	-10.73%	9.8%	8.7%

9.4. CONSOLIDATED STATEMENT OF FINANCIAL POSITION ANALYSIS

9.4.1. Non-current assets

(in € thousands)	Six months to 30 September		Year ended 31 March		
	2015	2014	2015	2014	2013
Consolidated assets					
Total intangible assets	28,916	16,185	21,996	12,467	8,366
Total property, plant and equipment	98,596	77,482	87,129	66,040	54,489
Other non-current assets	3,311	11,194	28,061	7,940	8,163
TOTAL NON-CURRENT ASSETS	**130,824**	**104,861**	**137,186**	**86,447**	**71,018**

The Group's investments on intangible assets consist primarily of:

- The development costs of new manufacturing processes for aircraft parts or sub-assemblies. Expenses of this nature incurred by the Group are capitalised when the six criteria defined by IAS 38 are met: technical feasibility, intention to complete, use or sell the asset arising from the project; possession of the means to use or sell the asset arising from the project; existence of future economic benefits; availability of resources; and

capacity to measure reliably the expenditure attributable to the project. Such expenses are amortised over 5 years.
- Software and other licences acquired by the Group. These costs are amortised over periods ranging from 1 to 3 years.

The increase of the carrying amounts of intangible assets results from the Group's efforts to develop and optimise manufacturing processes and to develop new and innovative parts manufacturing processes.

Investments of the Group on property, plant and equipment consist primarily of:

- Property investments: land, buildings (plants and workshops). Land is not subject to depreciation (with the exception of improvements), constructions and fittings are depreciated over periods ranging from 5 to 30 years.
- Plant and equipment investments: Plant, machinery and production equipment, fixtures and fittings, transport equipment and office equipment. Industrial equipment is depreciated over periods ranging from 3 to 10 years depending on the nature and use of the equipment; for transport equipment, the period ranges from 2 to 5 years depending on the use of the vehicle, while for office equipment the period ranges from 3 to 6 years depending on the equipment.

The increase in the carrying amounts of property, plant and equipment results from the Group's investment efforts in support of its growth.

Other non-current assets consist of:

- Deferred tax assets;
- Other financial assets (mainly deposits and guarantee holdbacks granted by the Group);
- Other non-current assets: portion of current assets in more than one year.

The increase in the carrying amounts of other non-current assets results primarily from the deferred tax assets generated by provisions covering financial instruments.

9.4.2. Current assets

(in € thousands)	Six months to 30 September		Year ended 31 March		
	2015	2014	2015	2014	2013
Inventories and work in progress	158,461	124,696	145,367	109,850	82,106
Trade and other receivables	61,389	44,554	52,509	41,809	36,807
Other current assets	13,889	11,362	8,511	8,871	5,909
Cash and cash equivalents	9,357	12,825	30,261	19,041	1,911
TOTAL CURRENT ASSETS	**243,096**	**193,438**	**236,647**	**179,571**	**126,733**

Inventories consist of the following:

- raw materials and other supplies;
- work in progress;
- construction contracts or partnerships;
- finished products.

Change in inventories is directly influenced by:

- the Group's business;
- industrial processes affecting the production cycle;
- the type of manufacturing work performed.

Conscious of the weight of inventories and work in progress in its working capital, the Group has taken corrective action on several fronts:

- outsourcing the management of raw materials;
- bringing the surface treatment function in-house;
- forging partnerships with certain key suppliers;
- organisation by business line.

The "Trade and other receivables" item consists chiefly of claims held by the Group on its customers.

The “Other current assets” item consists of:

- claims held by the Group on the state;
- claims held by the Group on other third parties;
- prepaid expenses.

The “Cash and cash equivalents” item consists of cash in hand, net of used bank overdrafts and short-term cash investments that are highly liquid and readily convertible to cash.

9.4.3. Shareholders’ equity

(in € thousands)	Six months to 30 September		Year ended 31 March		
	2015	2014	2015*	2014	2013
Consolidated equity and liabilities					
Share Capital	**3,332**	**3,195**	**3,328**	**3,195**	**3,000**
Premiums	**34,118**	**14,200**	**33,731**	**14,200**	**0**
Reserves	**26,872**	**51,004**	**45,104**	**3,201**	**23,508**
Foreign currency translation reserve	**42**	**0**	**204**	**0**	**0**
Net income (loss) for the period	**20,971**	**5,284**	**-21,889**	**16,060**	**11,980**
Issued capital and attributable reserves to owners of the parent	**85,335**	**73,683**	**60,479**	**68,656**	**38,488**
Non-controlling interests	**650**	**90**	**255**	**83**	**171**
Total consolidated shareholders’ equity	**85,985**	**73,773**	**60,734**	**68,739**	**38,658**

* Data for the year ended 31 March 2015 have been adjusted for the impact of the change of accounting method resulting from the retrospective application of IFRIC 21 “Levies”.

Share capital totals €3,332,101.56, divided into 27,767,513 shares with a par value of €0.12 each.

The share capital has undergone the following changes:

- December 2013: 1,000-for-1 share split.
- December 2013: capital increase in the amount of €189.600 via the issuance of 1,580,000 new shares through a private placement.
- February 2014: capital increase reserved for employees in the amount of €5.504.40 via the issuance of 45,845 new shares.
- March 2015: capital increase in the amount of €133,333.32 via the issuance of 1,111,111 new shares through a private placement.
- May 2015: capital increase reserved for employees in the amount of €3,666.84 via the issuance of 30,557 new shares.

Premiums are the results of capital increases. Reserves are the sum of accumulated retained earnings.

9.4.4. Non-current liabilities

(in € thousands)	Six months to 30 September		Year ended 31 March		
	2015	2014	2015	2014	2013
Total non-current financial liabilities	115,029	87,107	98,350	79,043	61,891
Other non-current liabilities	64,498	42,990	103,591	28,670	28,103
Total non-current liabilities	**179,527**	**130,096**	**201,940**	**107,712**	**89,994**

Total non-current liabilities consist of:

- non-current borrowings (portion due in more than one year): loans from credit institutions, financial liabilities, finance leases, refundable advances and the employee profit-sharing liability (financial liabilities are generated by investments made by the Group);
- other non-current assets consist of: provisions set aside by the Group (including pension provisions), deferred tax liabilities, commitments on financial instruments, for the portion of current liabilities due in more than one year.

9.4.5. Current liabilities

(in € thousands)	Six months to 30 September		Year ended 31 March		
	2015	2014	2015	2014	2013
Total current financial liabilities	47,145	39,370	45,699	32,811	28,357
Other current liabilities	61,264	55,060	65,460	56,756	40,743
Total current liabilities	108,409	94,430	111,159	89,567	69,100

Current financial liabilities consist of:

- short-term financial liabilities resulting from the assignment of outstanding receivables through the use of factoring;
- the current portion (less than one year) of term financial borrowings and refundable advances;
- liabilities related to the financing of the production cycle: trade payables, tax and social security payables, sundry liabilities.

9.4.6. Balance sheet structure expressed as a percentage of total assets

(in € thousands)	Six months to 30 September		Year ended 31 March		
	2015	2014	2015*	2014	2013
Consolidated assets					
Total intangible assets	7.7%	5.4%	5.9%	4.7%	4.2%
Total property, plant and equipment	26.4%	26.0%	23.3%	24.8%	27.6%
Other non-current assets	0.9%	3.8%	7.5%	3.0%	4.1%
TOTAL NON-CURRENT ASSETS	**35.0%**	**35.2%**	**36.0%**	**32.5%**	**35.9%**
TOTAL CURRENT ASSETS	**65.0%**	**64.9%**	**63.3%**	**67.5%**	**64.1%**
TOTAL ASSETS	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

(in € thousands)	Six months to 30 September		Year ended 31 March		
	2015	2014	2015*	2014	2013
Consolidated equity and liabilities					
Total consolidated shareholders' equity	23.0%	24.7%	16.2%	25.8%	19.6%
Total non-current liabilities	48.0%	43.6%	54.0%	40.5%	45.5%
Total current liabilities	29.0%	31.7%	30.0%	33.7%	34.9%
Total equity and liabilities	100.0%	100.0%	100.0%	100.0%	100.0%

* Data for the year ended 31 March 2015 have been adjusted for the impact of the change of accounting method resulting from the retrospective application of IFRIC 21 "Levies".

10. LIQUIDITY AND CAPITAL RESOURCES

10.1. OVERVIEW

The Group's main cash requirements have corresponded in the past to the cash used to cover its working capital requirements and capital expenditure: research and development, investment on fixed and movable assets.

The Group meets these needs primarily through available cash, cash flow from operating activities and the use of external financing:

- equity financing:
  - investment grants,
  - capital increases (on the market and/or reserved to employees);
- borrowings (bank loans, bonds and lease finance);
- refundable advances granted by the government, or by other public and semi-public agencies;
- employee profit-sharing;
- assignment of the trade receivables by the use of factoring;
- use of bank overdrafts.

Working capital requirements are largely funded through the use of factoring. As such, the use of factoring facilities amounted to €33.2 million at 31 December 2015.

Funding of the Group's research and development expenditure and its investment on fixed and movable assets is provided by medium and long-term financing granted by the Group's banks, leasing companies and through refundable advances granted by the government, or by other public and semi-public agencies.

The use of these funds amounted to €141.8 million at 31 December 2015, breaking down as follows:

(in € thousands)	Amount	%
Bank loans	74,358	52.5%
Bonds	2,000	1.4%
Finance leases	40,197	28.4%
Refundable advances	23,324	16.5%
Employee profit-sharing	1,874	1.3%
TOTAL	141,753	100.0%

The Group had €11.8 million in available cash at 31 December 2015.

The Group has not paid any dividends since its formation, preferring to focus on growth-enhancing investments and the preservation of a sound cash position, leaving it sufficient flexibility to be able to make strategic investments in the future.

As part of its pending market transactions, the Group intends to carry out a capital increase in an amount of between €75.0 million and €86.2 million.

10.2. SHAREHOLDERS' EQUITY AND LIABILITIES

10.2.1. Shareholders' equity

Shareholders' equity attributable to owners of the parent (issued capital and reserves attributable to owners of the parent) amounted to €85.3 million at 30 September 2015, compared with €60.4 million at 31 March 2015.

The bulk of shareholders' equity is comprised of the share capital of the parent company, premiums related to the various capital increases and the capitalisation of retained earnings.

Transactions performed on the Company's capital during the last three years are described in the table below:

Date	Transaction	Number of shares	Par value (euros)	Change in par value of equity (euros)	Par value of equity (euros)	Premium (euros)
January 2013	Position in January 2013	25,000	120		3,000,000.00	0.00
December 2013	Division of par by 1,000	25,000,000	0.12		3,000,000.00	0.00
December 2013	Capital increase through private placement	1,580,000	0.12	189,600.00	3,189,600.00	13,915,669.41
February 2014	Capital increase reserved for employees	45,845	0.12	5,501.40	3,195,101.40	284,744.31
March 2015	Capital increase through private placement	1,111,111	0.12	133,333.32	3,328,434.72	19,530,835.92
May 2015	Capital increase reserved for employees	30,557	0.12	3,666.84	3,332,101.56	386,922.69
January 2016	Position in January 2016	27,767,513	0.12		3,332,101.56	34,118,172.33

The capital increases carried out by the Group enabled it to finance its investments, to establish subsidiaries in best cost areas, to gain a foothold in the dollar zone and to finance working capital requirements generated by the growth of its business.

The Group benefits from investment grants in support of its investments.

The table below lists grants obtained by the Group over the last three years:

Financial year	Company	Amount	Body	Project
2012-2013	FGA Picardie	421,640	State	Incentives for local development, job creation and investments
2012-2013	Figeac Aéro	104,400	BPI/FUI	Grant for research and development projects
2012-2013	Figeac Aéro	360,000	Local authority + FEDER	Grant for property investments
TOTAL 2012-2013		**886,040**		
2013-2014	Figeac Aéro	47,094	Regional authority	Grant for research and development projects
2013-2014	MTI	233,600	Regional authority	Grant for investment projects
TOTAL 2013-2014		**280,694**		
2014-2015	FGA Picardie	166,000	Local authority of the Somme department	Grant for investment projects
2014-2015	Figeac Aéro	89,220	State	Grant for research and development projects
2014-2015	Figeac Aéro	100,000	Local authority	Grant for property investments
2014-2015	Figeac Aéro	800,000	State	Incentives for local development, job creation and investments
2014-2015	MBI	52,640	Water board	Grant for investment projects
2014-2015	MTI	88,400	Local authority	Grant for investment projects
2014-2015	MTI	266,000	State	Grant for investment projects
TOTAL 2014-2015		**1,562,260**		
2015-2016	FGA Picardie	166,000	Local authority of the Somme	Grant for property investments

			department	
2015-2016	FANA	920,938	City and County of Wichita	$1 million grant for investment projects in Wichita
TOTAL 2015-2016		**1,086,938**		
TOTAL		**3,815,932**		

10.2.2. Borrowings

10.2.2.1. Long- and medium-term borrowings

In addition to its own resources, the Group uses the following sources of debt to finance its development:

- long and medium-term bank loans in the amount of €74.4 million at 31 December 2015;
- bonds in the amount of €2.0 million at 31 December 2015;
- finance lease liabilities in the amount of €40.2 million at 31 December 2015;
- refundable advances granted by the government, or by other public and semi-public agencies, in the amount of €23.3 million at 31 December 2015;
- management by Figeac Aéro of employee entitlements in respect of the profit-sharing scheme, in the amount of €1.8 million at 31 December 2015.

The table below shows the breakdown of the Group's gross borrowings at the dates indicated (see section 13.2 of the report on the condensed interim consolidated financial statements for the six months to 30 September 2015):

Principal outstanding (in thousands)	31/12/2015	30/09/2015	31/03/2015	31/03/2014	31/03/2013
Bank loans	74,358	65,072	55,478	37,179	31,354
Bonds	2,000	2,000	2,000	2,000	0
Finance leases	40,197	38,609	36,342	35,808	28,527
Refundable advances	23,324	23,082	22,703	12,136	10,160
Employee profit-sharing	1,874	1,900	1,591	1,512	2,009
Total	141,753	130,663	118,114	88,635	72,050
Portion due in less than 1 year	20,775	15,634	19,764	9,587	10,158

The table below shows the net change in borrowings at the dates indicated:

Change (in € thousands)	31/12/2015	30/09/2015	31/03/2015	31/03/2014
Bank loans	9,286	9,594	18,299	5.825
Bonds	0	0	0	2,000
Finance leases	1,588	2,267	534	7,281
Refundable advances	242	379	10,567	1,976
Employee profit-sharing	-26	309	79	-497
Total change	11,090	12,549	29,479	16,585

The increase in borrowings resulted mainly from the following transactions:

a) September-December 2015:

- Establishment of new financing (€4.0 million).
- Property loan to finance a new workshop (€2.0 million).
- Increase in bank finance dedicated to customer contracts requirements (€5.8 million).

- Implementation of finance leases corresponding to investments made by the Group: 1 heating furnace and 7 new items of machining equipment in the amount of €3.3 million.

b) March-September 2015:
- Increase in bank finance dedicated to customer contracts requirements (€11.4 million).
- Property loan to finance a workshop extension (€1.2 million) and a new workshop (€2.2 million).
- Implementation of finance leases corresponding to investments made by the Group: 8 new items of machining equipment in the amount of €7.0 million.

c) March 2014-March 2015:
- Increase in bank finance dedicated to customer contracts (€13.9 million).
- Property loan to finance a new workshop (€1.8 million).
- Establishment of BPI France funding as a complement to bank finance (€4.0 million).
- Implementation of finance leases corresponding to investments made by the Group: 8 new items of machining equipment, a paint booth and production tooling in the amount of €8.6 million.
- Refundable advances on investment programmes (€12.0 million).

d) March 2013-March 2014:
- Bond issue to finance the Group's research and development investment (€2.0 million).
- Establishment of BPI France funding as a complement to bank finance (€3.5 million).
- Increase in bank finance dedicated to customer contracts (€10.9 million).
- Implementation of finance leases corresponding to investments made by the Group: 15 new items of machining equipment in the amount of €10.0 million.
- Establishment of finance leases corresponding to the FGA Picardie plant (property lease in the amount of €2.7 million).
- Coface refundable advance for prospecting efforts (€0.9 million), refundable advance on investment programme (€1.2 million).

10.2.2.2. Short-term borrowings

Among other purposes, the Group uses short-term borrowings to finance its working capital.
The table below shows the use of factoring and overdraft facilities at the dates indicated.

Type	31/12/2015	30/09/2015	31/03/2015	31/03/2014	31/03/2013
Factoring	32,146	29,081	25,934	23,224	18,197
Overdrafts	7,616	2,430	1,837	1,961	1,434
Short-term borrowings	39,762	31,511	27,771	25,185	19,631

The use of factoring accounts for between 47% to 55% of the Group's outstanding trade receivables. The Group's factoring agreements are with recourse.

Figeac Aéro and Mecabrive are the Group's two entities that use factoring to finance their production cycle.

Figeac Aéro and Mecabrive use the same factor for their French customers. Figeac Aéro uses a second factor for foreign customers. Neither company assigns all its trade receivables in their entirety.

Factoring contracts provide limits on claims for each customer. These limits are jointly managed by the factor and the Company. By virtue of the quality of the assigned customers, these limits have never capped actual funding.

10.3. CASH FLOWS

10.3.1. Net cash flows from operating activities

The table below sets out net cash flows from operating activities.

(in € thousands)	30 September 2015	Year ended 31 March 2015	2014	2013
CASH FLOWS				
Net cash flow from operating activities				
Cash flow before borrowings costs, net of tax	**21,345**	**42,676**	**34,892**	**26,313**
Change in working capital requirements for operations	-28,315	-43,161	-23,665	-23,589
Change in inventories and work in progress	-13,987	-34,876	-28,653	-23,219
Change in trade and other receivables	-9,953	-4,392	-8,187	-8,403
Change in trade and other payables	-4,375	-3,893	13,175	8,033
Net cash flow from operating activities	**-6,970**	**-485**	**11,227**	**2,725**

Cash flows from operating activities are heavily affected by negative trends in working capital. Due to its industrial nature, the Group's production generates significant working capital requirements.

The table below shows the changing requirements and resources in respect of working capital, expressed in days of sales outstanding.

WCR items expressed in days of sales outstanding	30 September 2015	Year ended 31 March 2015	2014	2013
Total requirements (1) in days of sales outstanding	360	371	363	333
Total resources (1) in days of sales outstanding	-103	-125	-136	-122
Working capital requirements in days of sales outstanding (3)	257	246	227	211

(1) Financing requirements: other non-current assets + inventories and work in progress + trade receivables + tax receivables + other current assets.
(2) Financing resources: other non-current liabilities + current and non-current deferred income + trade payables + tax liabilities + other current liabilities.
(3) The revenue used is, as appropriate, the Group's annual revenue excluding VAT, or the Group's interim revenue excluding VAT, annualised.

Change in financing requirements in the six months to September 30 is attributable to the contraction of resources equivalent to 22 days of sales outstanding. This resulted notably from the following items:

- the change of raw material suppliers to suppliers with faster settlement terms: -11 days;
- the fact that the Group did not benefit from customer deposits at 30 September: -3 days;
- the settlement of an outstanding liability over the period: -5 days.

10.3.2. Net cash flows from investing activities

(in € thousands)	30 September 2015	Year ended 31 March 2015	2014	2013
CASH FLOWS				
Net cash flows from investing activities				
Acquisition of assets	-30,243	-43,516	-36,276	-23,910
Disposal of assets	5,389	6,003	6,177	2,611
First-time consolidation		-768		
NET CASH FLOWS FROM INVESTING ACTIVITIES	**-24,854**	**-38,281**	**-30,100**	**-21,299**

During fiscal 2015, 2014 and 2013, and in the six months to 30 September 2015, cash flows from investing activities were used by the Group as part of investment on intangible assets and property, plant and equipment (property and moveable assets). Readers should refer to section 5.2.1 of this Prospectus.

10.3.3. Net cash flows from financing activities

(in € thousands)	30 September 2015	Year ended 31 March 2015	2014	2013
CASH FLOWS				
Net cash flows from financing activities				
Capital increases and grants received	1,280	20,772	14,396	
New debt and refundable advances	15,760	47,841	32,648	20,514
Repayment of debt and refundable advances	-11,667	-19,789	-16,067	-9,611
NET CASH FLOWS FROM FINANCING ACTIVITIES	**5,373**	**48,824**	**30,977**	**10,903**

Debt and refundable advances enabled the financing of the Group's investments as described in section 10.2.2 of this Prospectus.

The various capital increases and investment grants received similarly enabled the financing of the Group's investments.

10.3.4. Cash flows

The Group's growth generates needs for the financing need of working capital, real estate investments, movable investments and intangible investments and for the creation of new subsidiaries (Mexico, Morocco, Saint Nazaire). These elements are such that even with a significant EBITDA, the Group needs external funding to finance these entire needs.

The Group has experienced since the year ended March 2012 a significant growth in its revenue (between 18% and 26% per year between March 2012 and March 2016), will experience a significant growth within the coming years (between +17% and + 45% per year between March 2017 and March 2020). This significant development is produced by the production growth of the Airbus A350 and of the LEAP engine powering the Airbus A320 neo and the Boeing B737 Max. This growth will be absorbed from a working capital funding need point of view and related investments for the year ended March 2019. Thus, mechanically, if the Group's growth had to be slowed down, this would also entail a mechanical generation of positive cash flow.

(in € thousands)	30 September 2015	Year ended 31 March 2015	2014	2013
CASH FLOWS				
Net cash flow from operating activities				
Cash flow before borrowings costs, net of tax	**21,345**	42,676	34,892	26,313
Change in working capital requirements for operations	-28,315	-43,161	-23,665	-23,589
Changes in inventories	-13,987	-34,876	-28,653	-23,219
Change in trade and other receivables	-9,953	-4,392	-8,187	-8,403
Change in trade and other payables	-4,375	-3,893	13,175	8,033
Net cash flow from operating activities	**-6,970**	**-485**	**11,227**	**2,725**
Net cash flows from investing activities				
Acquisition of assets	-30,243	-43,516	-36,276	-23,910
Disposal of assets	5,389	6,003	6,177	2,611
First-time consolidation		-768		
NET CASH FLOWS FROM INVESTING ACTIVITIES	**-24,854**	**-38,281**	**-30,100**	**-21,299**
Cash flows from financing activities				
Capital increases and grants received	1,280	20,772	14,396	
New debt and refundable advances	15,760	47,841	32,648	20,514
Repayment of debt and refundable advances	-11,667	-19,789	-16,067	-9,611
NET CASH FLOWS FROM FINANCING ACTIVITIES	**5,373**	**48,824**	**30,977**	**10,903**
Other cash flows		-1,544		
CHANGE IN CASH FLOWS	***-26,450***	***8,515***	***12,103***	***-7,670***
Cash - Closing	***-22,153***	***4,327***	***-4,183***	***-16,286***

(in € thousands)	30 September 2015	Year ended 31 March 2015	2014	2013
Cash and cash equivalents				
Marketable securities	2,073	2,537	122	
Available cash	7,284	29,567	20,880	3,346
Bank overdrafts		-1,837	-1,961	-1,434
Cash and cash equivalents	9,357	30,267	19,041	1,912
Outstanding invoices	-29,081	-25,934	-23,224	-18,197
Bank overdrafts	-2,430			
Balance	***-22,153***	***4,327***	***-4,183***	***-16,286***

10.4. RESTRICTIONS ON USE OF CAPITAL

None.

10.5. SOURCES OF NECESSARY FUTURE FINANCING

To respond to the incurred financing needs on 2016/2017 to realise the Group's development as from the year 2018 (financing of investment in research and development, in property and production equipment, financing of working capital requirements), the Group will utilise, in addition to the anticipated capital increase and in traditional manner, the following means:

- bilateral or syndicated loan financing;
- financing through finance leases;

- refundable advances for research and development and investments;
- grants for research and development projects;
- self-financing through capitalisation of future income.

The Group notably obtained on 27 January 2016 a loan of €25 million from the European Investment Bank which is intended to finance research and development efforts.

The release of this loan is carried out in two instalments: the first one of €12 million released in January 2016, while the second one will be released in July 2016. Each release triggers the start of the depreciation period of 5 years.

This is the first loan including covenants subscribed by the Group:

- Gearing < 2
- Leverage < 3
- Service Ration debt / EBITDA < 0.5
- Refundable advances are excluded from the debt definition.

The Group obtained from BPI France the following financings:

- international growth loan of €5 million for a period of 7 years including a 2 years grace period ;
- industry growth loan of €1.5 million for a period of 7 years including a 2 years grace period ;
- refundable advance of €3.3 million as part of innovation projects related to the industrialisation of the LEAP engine crank cases ;
- Interest free loan for Innovation: €0.26 million.

Finally, the Group is negotiating with its banks the establishment of a syndicated loan for an amount between €70 million and €80 million.

11. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

11.1. RESEARCH AND DEVELOPMENT

11.1.1. Research policy

Since its inception, the Group has steadily followed a strategy on research and development to expand, master and innovate in the field of "machining *processes*". In addition, several years ago the Group initiated an active policy of industrial property management by filing patents for certain manufacturing processes.

The Group does not have a dedicated research and development department. Research and development activity is provided by technicians and engineers belonging to the methods, technical support and production management departments. On average, these individuals dedicate 30% of their working hours to research and development activity.

The number of persons who worked on research and development documentation within the Group during the last three fiscal years is presented below (as full-time equivalents):

	2013	2014	2015
Number of people	94	89	102

11.1.2. Research expenses

Development expenses are capitalised when the following criteria are met:

- demonstration of technical feasibility of the project and the availability of resources to complete its development;
- ability of the asset to generate probable future economic benefits;
- ability to reliably measure the cost of the asset.

The research and development costs are amortised by the Company over a maximum period of five years. A concomitant provision for impairment can be made when the actual value of the asset and its carrying amount leads to a decrease in the value of the asset as a result of causes, the effects of which are not deemed to be irreversible..

The table below sets out the research and development effort undertaken by the Group during the last three fiscal years:

(in € thousands)	March 2013	% of Revenue	March 2014	% of Revenue	March 2015	% of Revenue
Research and development expenditures	5,397	3.9%	8,625	5.3%	13,077	6.4%
Capitalised research and development expenditures	3,572	2.6%	5,455	3.4%	11,180	5.5%

11.2. INTELLECTUAL PROPERTY

Five years ago, the Company initiated an active policy of industrial property management.

11.2.1. Patents filed

At the date of this Prospectus, the Company holds two patents on technologies related to its activity:

- a patent filed in France on 30 July 2010 called *"Seat rail, its manufacturing process and floor obtained"* registered under No. 1056331;
- a patent filed in Spain on 13 January 2012 called "*Seat rail, its manufacturing process and floor obtained*" and registered under Patent No. 201230036.

In addition, the Company has filed the following five patent applications:

- on 18 January 2012, a patent application in Germany called *"Seat rail, its manufacturing process and floor obtained"*, registered under No. 10,2012,100,382.3;
- a patent request in France on 17 October 2012 called *"Fabrication process of structural aircraft parts and system for implementing it" registered* under No. 1259889;
- an international patent application called *"Fabrication process of structural aircraft parts and system for implementing it"*, filed on 15 April 2014 under the reference PCT/FR2014/050908;
- a patent application entitled *"Manufacturing process for seat rails and seat rails thus obtained"*, filed in France on 20 June 2014 under No. 1455733;
- a patent application entitled *"Manufacturing process for seat rails and seat rails thus obtained"*, filed on 11 July 2014 under the reference PCT/FR2014/050908.

11.2.2. Other intellectual property rights

None.

12. TRENDS

After the closing of the fiscal year ended 31 March 2015, the Group pursued its development and confirmed its ambition to become the European leader and a world leader in aeronautic sub-contracting. In addition, the Group intends to pursue its growth during the coming fiscal years.

For the fiscal year ending 31 March 2018:

The Group's goal is to obtain revenue of €500 million as at 31 March 2018, with an EBITDA margin[31] between 23% et 25% (with a euro/dollar exchange rate of 1.18).

At the end of January 2016, almost 90% of this revenue goal was contracted for or identified on the basis of contracts signed (integrated in the Group's order book) and/or by the rate provisions communicated by the clients of Figeac Aero.

For the fiscal year ending 31 March 2020:

The Group has set ambitious goals to achieve revenue between €650 and 750 million and with EBITDA margin stable at current levels (based on a euro/dollar parity of 1.18). Nevertheless, this figure is subject to the realisation of the investment in the required machines and buildings.

The target of revenue growth between 31 March 2018 and 31 March 2020 breaks down into (1) a goal of organic growth of between €125 and 175 million and (2) a goal of external growth of between €25 and 75 million.

The Group believes that its future growth will be based on the following axes:

- acquiring market share in new programmes not yet awarded (example: A330 neo);
- increasing reliance on sub-contracting by contractors;
- reallocating contracts to the most solid players such as Figeac Aero;
- pursuing development in "*best cost*" zones with productivity gains;
- seizing external growth opportunities with a strict financial discipline.

Within the context of external growth transactions, the Group intends to follow a strategic and industrial rationale as the key decision criterion. The goal will be to develop the business through a reinforcement of its presence in new geographic zones (United Kingdom, United States, other zones) and/or through the acquisition of complementary expertise.

For each external growth operation, the Group also intends to maintain strict financial discipline based on the following elements:

- leverage that is less than three times the EBITDA;
- targets with acquisition prices around six to seven times EBITDA;
- financing that is secured prior to any transaction.

The foregoing targets do not represent forecast data or Group profit estimates, but are based on the Group's strategic orientation and action plan.

The targets are based on data, assumptions and estimates that the Group considers to be reasonable. These data, assumptions and estimates are likely to change or be modified as a result of related uncertainties, in particular with respect to the economic, financial, competitive, regulatory and fiscal environment.

These goals are in particular dependent on the following:

- a euro/dollar parity between 1 and 1.20;
- absence of a major crisis in the aeronautic sector;
- compliance with the rates announced by manufacturers.

[31] EBITDA is calculated as follows: current operating income + depreciation and amortisation + plus net provisions.

13. FORECASTS OR PROFIT ESTIMATES

13.1. FORECASTS

The profit forecasts presented below and its underlying assumptions were established by applying the terms of the European Regulation No. 809/2004/EC of 29 April 2004 (as modified by the implementing resolution No.486/2012 of 30 March 2012) and the recommendations by the ESMA (European Securities and Markets Authority).

The profit forecasts presented below are based on data, assumptions and estimates that the Group considers to be reasonable as at the date of this Prospectus. These data, assumptions and estimates are likely to change or be modified as a result of uncertainties related, in particular, to the regulatory, economic, financial, competitive, accounting or fiscal environment or in relation to other factors unknown to the Group as of the date of this Prospectus.

Furthermore, the materialisation of one or more of the risks described in Chapter 4 "Risk factors" in the first part of this Prospectus may have an impact on the business, financial position, earnings or trends of the Group and thereby call into question the profit forecasts.

In addition, achievement of the targets requires success of the Group's strategy. The Group makes no commitment or guarantee with respect to the achievement of the forecasts provided in this chapter.

The Group’s annual accounts are closed on 31 March of each year. The Group presents financial forecasts for the financial years closed on 31 March 2016 and on 31 March 2017.

13.1.1. Assumptions

The Group has built the forecasts for the years ended 31 March 2016 and 31 March 2017 (i) based on the Group consolidated financial statements for the year ended 31 March 2015 and the Group interim consolidated financial statements for the six months ended 30 September 2015 and (ii) based on revenue increase prospects in France and abroad for the entire Group.

The accounting rules and methods applied for the forecasts of the years ended 31 March 2016 and 31 March 2017 are identical to those adopted within the consolidated interim financial statements ended 30 September 2015.

These forecasts are mainly based on the following assumptions:

<u>1- Revenue:</u>

i. Compared to the situation on 31 March 2015, the consolidation scope includes the new subsidiaries registered by the Group in Morocco and Mexico. Within a power increase phase, the contribution of these entities to the Group's revenue remains however limited to approximately 0.1% on 31 March 2016 and below 2% on 31 March 2017.

ii. An estimated average exchange rate euro / US dollar of 1.11 for the year ending March 2016 and of 1.15 for the year ending March 2017.

As a reminder, as mentioned in appendix note 16.2.2. to the interim consolidated financial statements on 30 September 2015, the Group almost exclusively uses financial instruments not eligible to hedge accounting, for which all flows are registered under financial result and therefore do not impact the revenue.

Exchange rates above stated, on the basis of which the entire projected revenue is converted in dollars, are therefore not impacted by any hedging transaction.

iii. The forecast revenue is essentially determined on the basis of ongoing agreements. The Group takes into account not only the orders already ordered by customers, but also future orders, determined from the production rates communicated by the aircraft manufacturers.

The forecast revenue also includes a section on "gestating" markets. The negotiations of these potential future agreements are at a sufficiently advanced stage to consider their signature as probable. The share of these "gestating" markets is inexistent in the forecast revenue on 31 March 2016 and approximately 14% of the forecast revenue on 31 March 2017.

iv. The commercial successes of recent years are materialised by a substantial improvement in revenue. This improvement is notably linked to the ramp-up of new A320 neo and A350 programs. The importance of these two programs would represent approximately 22% of the revenue on 31 March 2016 and approximately 29% of the revenue on 31 March 2017.

2- EBITDA:

i. The Group plans to maintain its efforts in research and development to a level comparable to that of 31 March 2015, i.e. similar amounts of €11 million for each of the years ended 31 March 2016 and 31 March 2017. This effort of research and development will be capitalised in accordance with accounting principles adopted by the Group.

ii. The share of purchases of raw materials in the production for the year should increase during the years ended 31 March 2016 and 31 March 2017. This tendency is mainly due to the ramp-up of programs for which the raw materials consumed are more significant, either in quantity or in value (more expensive materials such as titanium for example).

The exchange rate used for purchases of raw materials is identical to that presented above for the revenue. As stated above, these parities are not impacted by any hedging operation; the instruments subscribed by the Group being not eligible at hedge accounting under IFRS.

iii. As its level of activity increases, the Group plans to significantly reinforce its means of production, both in terms of equipment and in terms of human resources. Personnel costs are therefore expected to increase of approximately 10% on 31 March 2016, and 20% on 31 March 2017.

iv. The Group also plans to significantly increase the share of production entrusted to sub-contracting. Sub-contracting costs should increase between 10% and 15% on 31 March 2016 and then double on 31 March 2017.

3- Recurring operating income:

i. Provisions for depreciation and amortisation are expected to grow significantly, in relation with the investments mentioned above to deal with the increase of the Group's activity level. In relative value, these charges should remain at a level close to 8% to 9% of the Group's revenue.

13.1.2. Provisions of the Group

Based on the above assumptions, the Group anticipates generating profitable growth reflected as follows:

i. A consolidated revenue between €250 million and €260 million on 31 March 2016, i.e. a growth between +22.5% and +27.5 % against the financial year ended 31 March 2015. This revenue includes a revenue portion denominated in US dollars amounting to approximately €180 million.

ii. A consolidated revenue between €360 million and €380 million on 31 March 2017. This revenue includes a revenue portion denominated in US dollars amounting to approximately €280 million.

iii. For both financial years (31 March 2016 and 31 March 2017), the Group anticipates an EBITDA in a range of 23% to 25% of its revenue. This EBITDA includes US dollars denominated purchases amounting to €72 million on 31 March 2016 and €112 million on 31 March 2017.

iv. The recurring operating income for both financial years should be between 13% and 16% of its revenue.

13.2. [INTENTIONALLY OMITTED]

14. ADMINISTRATIVE, OVERSIGHT AND GENERAL MANAGEMENT BODIES

14.1. DIRECTORS AND MANAGERS

A summary of the principal terms in the by-laws concerning the members of the Board of Directors and management bodies appears in Chapter 16 and in Section 21.2 of the first part of this Prospectus.

14.1.1. Composition of the Board of Directors

The Company is managed by a Board of Directors. The Company is governed by the laws and regulations in force, the articles of association of the Company together with the internal regulations (*règlement intérieur*) of the Board of Directors adopted on 7 March 2016 which will be available on the Company's website on 8 March 2016 (recalling in particular the ethics of the stock exchange transactions to the directors).

Subject to any exemptions provided for by law, the Board of Directors is composed of a minimum of three members and a maximum of eighteen members, nominated by the Ordinary Shareholders' Meeting.

The term of office of the directors is six years, and expires at the end of the Ordinary Shareholders' Meeting to approve the financial accounts of the past fiscal year and held in the year during which the term of said director expires. The members may be re-elected.

The Board of Directors opted, since the time the Company was converted to a public limited stock company, to separate the functions of the President of the Board of Directors and the Chief Executive Director.

At the date of this Prospectus, the Company's Board of Directors consists of:

Last name, first name and business address	Position on the Board	Primary position within the Company	Primary position outside the Company	Date of first appointment	Expiration of term
Jean-Claude Maillard 4 Avenue Jean Jaurès 46100 Figeac	Chairman and	Chief Executive Officer	None	29/03/1997	At the close of the General Assembly meeting to approve the accounts for the year ended 31 March 2021
Rémi Maillard 39, rue de l'Espérance 31500 Toulouse	Director	None	Real estate agent	25/09/2015	At the close of the Shareholders' Meeting to approve the accounts for the year ended 31 March 2021
Simon Maillard 4 Avenue Jean Jaurès 46100 Figeac	Director	None	Student	25/09/2015	At the close of the Shareholders' Meeting to approve the accounts for the year ended 31 March 2021

In addition, the Board of Directors will propose the appointment of Mrs Marie-Line Malaterre as an independent female director, within the meaning of the Middlenext Code of corporate governance during a general meeting of the Company to be convened as soon as possible after the transfer on the Euronext Paris regulated market. The Maillard Family has already undertaken to vote in favour of such an appointment.

Mrs Marie- Line Malaterre meets the independence criteria provided for by the Middlenext Code:
- not be an employee or corporate officer of the company or its group company and such for in the last three years;
- not be a significant customer, supplier or banker of the company or its group or for which the company or its group represents a significant part of the activity;
- not be the company's reference shareholder;
- not have any close family ties with a corporate officer or reference shareholder;
- not have been an auditor of the company over the last three years.

14.1.2. General Management

As at the date of this Prospectus, General Management is composed of the Chairman and Chief Executive Officer, Mr Jean-Claude Maillard, as the other members of the Management Committee of the Group are not executive officers.

14.1.3. Other mandates of the directors and managers

Last name and first name of the officer	Mandates and positions held during the past five years	
	Within the Group	**Outside the Group**
Jean-Claude Maillard	President of FGA Picardie SAS President of MTI SAS President of Mécabrive Industries SAS Manager of FGA Tunisie SARL Manager of Figeac Aéro Maroc SARL President of Figeac Areo North America Inc.	Chairman of the Board of Directors of MP Usicap SA[32]
Rémi Maillard	-	-
Simon Maillard	-	-

14.1.4. Biographies of the directors and managers

Jean-Claude Maillard (58 years old)
Chairman and Chief Executive Officer
An engineer who received his degree from ENI in Tarbes (engineering school focused on mechanical engineering), Mr Jean Claude Maillard began his professional career in the 1980s, working two years as a sales engineer with Forest Line, a machine tool manufacturer in Capdenac (French Department 12). He was then a commercial engineer for five years with Ratier Figeac, an aeronautical subcontractor with about 1,000 employees. In 1989, he left Ratier Figeac to establish Figeac Aero, of which he has since served as Chief Executive Officer.

Rémi Maillard (29 years old)
Director
Mr Rémi Maillard studied real estate and received a BTS (vocational training certificate) in that field, following which he became a real estate agent. He has no operational function in the Company.

Simon Maillard (21 years old)
Director
Mr Simon Maillard holds a BTS in "Maintenance and after sales of construction and handling equipment" (MAVETPM) and is currently studying for a professional degree in "Marketing of industrial products and services" (LPCPSI). He has no operational function in the Company.

Furthermore, the biographies of the other members of the Group's Executive Committee are the following:

Joel MALLEVIALE (52 years old)
Group Chief Financial Officer
MrJoël Malleviale holds a DESCF (Diploma of Superior Studies Accounting and Finance). He was an associate and then responsible of the accounting office. He joined the Group in 1995.
He also worked as Director of Human Resources from 1995 to 2009.

Thomas GIRARD (35 years old)
Commercial and marketing director
Mr Thomas Girard holds a Master 1 in Industrial Engineering (Paul Sabatier University) and a Master in procurement (University of Bordeaux IV). He worked as Mechanical Purchasing Manager from 2005 to 2009 and Purchasing Manager from 2009 to 2013. He is VP Sales and Marketing from 2013 to 2015.

Didier Roux (40 years old)
Group Operations Director
Mr Didier Roux is a graduate engineer of the ENI of Tarbes. He joined the Company in 1999 as head of the machining department and became Head of Production in 2005. He held the position of Industrial Director of the Company until 2014.

[32] This mandate occupies a very marginal portion of the activity of Mr Jean Claude Maillard.

14.1.5. Family relationships

Rémi Maillard and Simon Maillard are the sons of Mr Jean Claude Maillard.

14.1.6. Legal information

At the date of this Prospectus, to the best of the Company's knowledge, no member of the Board of Directors and of management has been the subject, during the past five years, of

- a fraud conviction;
- bankruptcy, placement in receivership or liquidation;
- an incrimination or official public sanction by statutory or regulatory authorities.

To the best of the Company's knowledge, no director has been prevented by a court to act as a member of an administrative, directorial or oversight committee of an issuer or to intervene in the management or conduct of affairs of an issuer during the past five years.

14.2. CONFLICTS OF INTEREST AT THE LEVEL OF THE ADMINISTRATIVE BODIES, MANAGEMENT AND GENERAL MANAGEMENT

Three members of the current Board of Directors are from the Maillard family (majority family group) and are directly or indirectly shareholders of the Company.

With the exception of the foregoing, to the best of the Company's knowledge, there are no other issues likely to generate potential conflicts of interest between the duties with respect to the Company and any of the officers and their private rights and/or duties, or any restriction accepted by the officers regarding the transfer of their shares in the Company's share capital.

15. COMPENSATION AND BENEFITS

15.1. COMPENSATION AND BENEFITS PAID TO OFFICERS

15.1.1. Compensation and benefits paid to directors

15.1.1.1. Summary

Summary of remuneration and options and shares granted to each officer		
Jean-Claude Maillard Chairman and Chief Executive Officer	**31 March 2014**	**31 March 2015**
Compensation for the fiscal year	€ 99,602	€ 99,129
Value of options granted during the fiscal year	None	None
Value of preference shares granted during the fiscal year	None	None
Total	**€ 99,474**	**€ 99,474**

15.1.1.2. Compensation of the Chairman and Chief Executive Officer

Summary table of the remuneration of each executive director				
Jean-Claude Maillard Chairman and Chief Executive Officer	**31 March 2014**		**31 March 2015**	
	Amount due	**Amount paid**	**Amount due**	**Amount paid**
Fixed compensation	€ 96,000	€ 96,000	€ 96,000	€ 96,000
Variable compensation	None	None	None	None
Indirect compensation	None	None	None	None
Exceptional compensation	None	None	None	None
Directors' fees	None	None	None	None
Benefits in kind	€ 3,474 (use of a vehicle)	€ 3,474 (use of a vehicle)	€ 3,129 (use of a vehicle)	€ 3,129 (use of a vehicle)
Total	**€ 99,474**	**€ 99,474**	**€ 99,129**	**€ 99,129**

The Company's subsidiaries do not pay him any compensation of any type.

15.1.1.3. Employment agreement and other benefits granted

Directors **Executive officers**	**Employment agreement**		**Supplemental retirement scheme**		**Indemnities or benefits payable or likely to be payable as a result of the termination or change of office**		**Indemnity related to a non-compete clause**	
	Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Jean-Claude Maillard Chairman and Chief Executive Officer		X		X		X		X

15.1.1.4. Shares granted and stock options

The Chairman and Chief Executive Officer did not receive any grants or options to purchase shares or any allotment of bonus shares.

15.1.2. Compensation and benefits paid to non-executive directors

During the past two fiscal years, no directors' fees or benefits were paid to members of the Board of Directors of the Company.

15.2. AMOUNTS SET ASIDE BY THE COMPANY FOR PAYMENT OF PENSIONS, RETIREMENT AND OTHER BENEFITS FOR DIRECTORS AND MANAGERS

The Company did not set aside any amounts for pensions, retirement or other benefits for its officers. It also did not pay hiring bonuses or severance for these people.

16. OPERATION OF ADMINISTRATIVE AND MANAGEMENT BODIES

16.1. MANDATES OF THE MEMBERS OF ADMINISTRATIVE AND MANAGEMENT BODIES

The Company is a public limited company with a Board of Directors. The composition of the Board of Directors and the mandates held by each of its members are described in Section 14.1 of the first part of this Prospectus.

16.2. AGREEMENTS BETWEEN THE DIRECTORS AND THE COMPANY

To the best of the Company's knowledge and as at the date of this Prospectus, there are no service agreements between the members of the administrative bodies or management of the Company or any of its subsidiaries that provide benefits upon the termination of such an agreement.

16.3. AUDIT COMMITTEE AND COMPENSATION COMMITTEE

As at the date of this Prospectus, the Company has not created an Audit or Compensation Committee.

However, it is expected that an audit committee will be created upon the appointment of Mrs. Marie-Line Malaterre as an independent director who, as a certificated accountant, will chair the audit committee (which will also be comprised of Mr. Rémi Maillard and Mr. Simon Maillard).

With respect to the Compensation Committee, the Company believes that considering the remuneration policy of the corporate executive officers, its creation is not required at this stage.

16.4. DECLARATION REGARDING CORPORATE GOVERNANCE

In the interest of transparency and public information, the Company reviewed the corporate governance practices, in particular with a view to the entry of its shares for trading on the Euronext Paris regulated market.

Going forward, the Company undertakes to refer, as from the admission to trading of the Company's shares on the Euronext Paris regulated market to the Middlenext Code on Corporate Governance of December 2009, for small and medium capitalisation companies, to the extent that the principles contained therein appear compatible with the organisation, size, means and ownership structure of the Company.

In general, the recommendations of the Middlenext Code which the Company expects to adopt in the table below will be implemented at the latest within 12 months following the date of this Prospectus.

In this regard, the Company has already implemented certain measures aimed to conform with the aforementioned corporate governance recommendations:

Recommendation of Middlenext Code	Adopted	Will be adopted	Not applicable
I. EXECUTIVE POWER			
R1: Corporate officers and employment contracts	X (1)		
R2: Definition and transparency of the compensation of corporate officers	X		
R3: Golden handshakes			X (2)
R4: Supplementary retirement schemes			X (2)
R5: Stock options and bonus shares	X (3)		
II. "SUPERVISORY" POWER			
R6: Introduction of Board rules of procedure	X (4)		
R7: Director ethics	X		
R8: Composition of the Board Independent Members of the Board		X (5)	
R9: Choice of directors	X		
R10: Directors' term of office	X		
R11: Board member information	X		
R12: Creation of committees		X (6)	
R13: Board and committee meetings	X		
R14: Directors' compensation			X (7)
R15: Introduction evaluation of Board'work		X	

(1) The Chairman and Chief Executive Officer does not have an employment agreement.
(2) The company has not adopted a supplementary retirement scheme or severance pay for its directors.
(3) The Company does not grant bonus shares or stock options to the Chairman and Chief Executive Officer.
(4) The internal regulations (*règlement intérieur*) were adopted by the Board of Directors during its meeting on 7 March 2016.
(5) The appointment of an independent director will be proposed during a general meeting of the Company to be convened as soon as possible after the transfer on the Euronext Paris regulated market. The Maillard Family has already undertaken to vote in favour of such an appointment.
(6) It is expected that an audit committee will be created upon the appointment of Mrs. Marie-Line Malaterre as an independent director who, as a certificated accountant, will chair the committee.
(7) The Company's directors do not receive any Directors' fees.

With respect to the vigilance points contained in the Middlenext Code relating to executive functions:

- The competence of the director is adapted with regard to the engineering training of Mr Jean-Claude Maillard, who was a commercial engineer in the aeronautic sub-contractor Ratier Figeac for five years and who has then founded the Company in 1989 where he has been working continuously ever since;
- The decisions are not taken in isolation by Mr Jean-Claude Maillard. In addition to the Group Executive Committee (composed of the Chief Executive Officer, the Chief Financial Officer, the Sales Director and the Group Operations Director – please refer to biographies in section 14.1.4), the Company Management Committee (composed of members of the Group Management Committee and the Industrial Director, the Director for Quality, Purchasing Director and the Human Resources Director) meets on a weekly basis;
- Mr Jean-Claude Maillard receives no variable remuneration nor any other form of remuneration indexed on Company's performance targets inciting him to a short-term approach in the strategic decisions he makes or that are likely to affect his judgment;
- Profiles have been identified internally (within the Group Management Committee) as potential successors to the current Chief Executive Officer of the Company.

With respect to the vigilance points contained in the Middlenext Code relating to the power of "supervision":

- There is no improper intrusion of the Board of Directors in the executive management;
- The Chief Executive Officer has full capacity to lead the company in a sustainable manner, and the Board of directors' power of supervision will be strengthened with the appointment of an independent director during a general meeting of the Company to be convened as soon as possible as from the transfer on the Euronext Paris regulated market;
- Directors who are provided with informations before each meeting in accordance with the internal regulations of the Board of Directors, have the material means to fulfil their mission.
- The competence of the directors will be improved since an independent director with financial and accounting skills will be appointed during a general meeting of the Company to be convened as soon as possible after the transfer on the Euronext Paris regulated market;
- Directors serve for a term of 6 years and do not receive any attendance fees, which are relatively conventional working conditions in a family business that do not influence their involvement.

With respect to the vigilance points contained in the Middlenext Code relating to sovereign power:

- Shareholders are clearly informed of the significant foreseeable risks that could threaten the sustainability of the Company, by the annual and interim financial reports, the offering circular of 2013 and this Prospectus;
- Directors are actually chosen by the shareholders, it being reminded that the Maillard family owns 87.7% of the share capital and 93.3% of the voting rights;
- The shareholders fairly participate to the vote (mostly by correspondence), since 28.7% of the floating (excluding the Maillard Family) attended the annual general meeting held in September 2015, against 30.3% at the annual general meeting held in September 2014;
- There is no risk of damage to the interests of minority shareholders, regulated agreements approved in general meeting having essentially for counterpart Group companies, in the interest of the Group, and not in the interest of the Chief Executive Officer;
- The shareholding of the Company is well managed over time; the successive operations of share capital increase have resulted in a significant increase in the floating share. In this regard, a "TPI" (*titre au porteur identifiable)* will be requested by the Company when it deems necessary.

16.5. INTERNAL CONTROL

As at the date of this Prospectus, the Company's shares are not traded on a regulated market. In accordance with Article L. 225-37 of the French Commercial Code, the Chairman of the Board of Directors is not required to prepare a report on the conditions relating to the preparation and organisation of the Board's work and internal control and risk management procedures put in place by the Company.

However, upon admission of the Company's shares for trading on the Euronext Paris market, the Chairman of the Board of Directors will prepare an annual report on the conditions surrounding the work of the Board, as well as the internal control procedures, to be presented at the annual Shareholders' Meeting. The Statutory Auditors will prepare a report on the Chairman's report pursuant to Article L. 225-235, paragraph 5 of the French Commercial Code. The first report on internal control and governance will be submitted to the Shareholders' Meeting called to approve the accounts for the fiscal year ending 31 March 2016 and will be included in the Company's annual report or registration document.

16.5.1. Definition and scope

The internal control procedures will be implemented within the Company (Figeac Aéro S.A.); they will be partially extended to the Group's scope of consolidation. The Group thus has financial reporting and accounting procedures, and the accounting and financial providers for the subsiaries are supervised by the accounting and financial department of Figeac Aéro. A director of management control of the Group provides this reporting.

The procedures are based in particular on the recommendations by the *Autorité des Marchés Financiers* (French Financial Markets Authority) of 9 January 2008 as modified on 22 July 2010 ("*Internal control guidelines: Guide on implementation for small and midcap companies*") and its recommendation No. 2011-17 of December 2011.

The Group's internal control systems aims to ensure:

- compliance with laws and regulations;
- reliability of accounting, financial and management information provided to the Company's management;
- the effective operation of internal processes, in particular those concerning the protection of assets;
- application of the instructions and directions set by the Board of Directors through management actions, pursuit of transactions as well as the behaviour of people.

This system should also contribute to the control of Group activities, the effectiveness of transactions and the prevention of error or fraud risks, particularly in the accounting and financial areas. Such a system can nevertheless not furnish an absolute guarantee with respect to the achievement of targets and the global control or risks that the Group may face.

16.5.2. System elements

16.5.2.1. Internal control process

The Internal Control division of the Management Control department is responsible for the deployment and implementation of the global risk management process, such as it has been defined by the Group's operational management and pursuant to annual audit plan validated by the Management Committee. In this regard, the Management Committee is responsible for implementing a system, adapted to the size and specifics of the company, with an aim to identify, analyse, and handle primary risks.

The Management Committee is also responsible for evaluating the operation of the internal control system and to make any recommendations to improve the system (internal audits).

The reports prepared by the Internal Control department will be provided to the operational director of the Group as well as the heads of the audited departments in order to development an action plan aimed at handling all potential risk sources within a time frame specified by the management. This plan is then approved by the Management Committee.

16.5.2.2. Risk factors and management

In the pursuit of its activities, the Company is exposed to risks that can impact its performance and the realisation of strategic and financial goals. In order to implement the means to manage these risks, the Company has identified the risks through a dynamic approach by the operational and functional teams.

At management's request, the risks for which control is insufficient or could be improved may be the subject of deeper analysis by the players in the internal control system. The existing procedures are thus revised to improve effectiveness.

The procedures implemented represent an internal working framework for the Company and will continuously change in order to become efficient risk management tools that can be used at all levels of the organisation and throughout the Group.

16.5.2.3. Risk factors and management

Review of primary work conducted during the fiscal year

The Company's Internal Control department identified the *existing* processes within the Group in order to map the risks, the risks that could have a significant unfavourable effect on the Group's activity, financial situation, revenue or ability to achieve its targets.

An audit plan allowed establishment of the functional scope of the areas presenting the most significant risks. The primary *processes* identified to date as being potentially at risk are used within the procurement, human resources and client departments.

For each of these problems, a distinction was made between (1) identification of the risk through mapping, and (2) the method for managing the risk by establishing an action plan over three months.

These actions plans are being validated by the operational management of the Company because they occasionally anticipate complex modifications to the existing *processes*, such as the integration of new levels of validation and control of commitments made by the Company.

Work to be completed during the coming fiscal year

The Company anticipates an increase in the power of internal control via its extension to all of its risk mapping departments initiated this year. It will thus be possible to react to the identification of each risk and to improve the reliability and transparency of commitments supported by the Company. In addition, the Company plans to develop recurring control through the proper application of the steps taken.

Finally, in accordance with the planning that was decided upon, internal control should be rapidly extended throughout the Group. In general, the Group will pursue continuous improvement of its internal control, with the goal of permanently adapting its management and control tools to the ongoing growth of the Group and its challenges.

The General Management of the Group actively supports this process.

17. EMPLOYEES

17.1. HUMAN RESOURCES

The number of employees at the close of the last three fiscal years was as follows:

Companies	Employees at 31/03/2013	Employees at 31/03/2014	Employees at 31/03/2015
Figeac Aéro	776	889	1,019
Mécabrive Industries	103	114	117
Mécanique et Travaux Industriels (MTI)	83	107	123
Figeac Aéro Picardie	74	106	101
Figeac Aéro USA Inc.	2	1	1
FGA Tunisie	43	215	302
Figeac Aéro North America	-	N/A	60
FGA Saint-Nazaire	-	-	N/A
FigeacAéro Maroc	-	-	-
Total	**1,081**	**1,432**	**1,723**

The total number of salaried employees for the Group (CDI, CDD and temporary) for the current year was 1,829 peoplesas at 30 September 2015.

Furthermore, the Group anticipates 1,500 hires in the next 5 years, mostly in the « best cost » areas.

17.2. EMPLOYEE PROFIT SHARING AND STOCK OPTIONS OF THE OFFICERS

17.2.1. Direct and indirect ownership of the share capital

The direct ownership by Mr Jean-Claude Maillard, Chairman and Chief Executive Officer, in the Company's share capital is 42.72% as at 22 January 2016. Messrs Rémi and Simon Maillard do not have any direct ownership in the Company.

SC Maillard et Fils, controlled by Mr Jean-Claude Maillard, holds 45% of the Company's share capital as of 22 January 2016.

17.2.2. Options granted to officers

None of the officers was awarded stock options or stock purchase plans.

17.3. EMPLOYEE PROFIT SHARING AND BONUS SHARES

17.3.1. Direct and indirect ownership of the share capital

The group adopted an employee incentive and loyalty program. In this context, the Company has implemented several capital increases reserved to employees belonging to the Enterprise savings plan or the Group savings plan. As at 22 January 2016, the employee ownership in the Company's capital was 0.23%.

17.3.2. Bonus shares granted to Employees

Following the Board of Directors decision of principle dated 6 November 2015 to proceed with the implementation of a free share allocation plan, the Board of Directors has formally freely awarded on 29 February 2016, a maximum number of 53,551shares in the Company to all employees of the Company and of its French subsidiaries. The number of shares granted to each beneficiary depended on the seniority of each employee and was between 10 and 125 shares. It is specified, for the avoidance of doubt, that Mr Jean- Claude Maillard is not a beneficiary.

History of bonus shares granted	
Information on bonus shares granted	
Date of Shareholders' Meeting	25/09/2015
Date of the Board of Directors meeting	06/11/2015
Total number of shares granted	53,551
Date of share acquisition	06/11/2017

End date of holding period	N/A
Number of shares subscribed	-
Number of cancelled or expired shares	-
Outstanding bonus shares at the end of the fiscal year	-

17.4. EMPLOYEE PROFIT SHARING AND INTERESSEMENT AGREEMENTS

17.4.1. Company savings plan

A Company savings plan was established on 9 November 1999 by the Company. A second savings plan was adopted on 12 May 2000 by the MTI subsidiary. The management of these two plans is outsourced and provided by a service provider.

The employees of the Company and of MTI have the option to invest the total of their incentives in their Company savings plan. The employee profit-sharing for MTI employees is managed within the framework of the Company savings plan; voluntary employee contributions are also possible.

The company's contribution consists of assuming the cost of management fees.

17.4.2. Employee profit sharing agreement

An employee profit-sharing agreement in the income of the Company was concluded between the Company and its Works Council on 6 May 1998 for an indefinite term. The amount allocated during each fiscal year is called a special profit sharing reserve (the "**RSP**") and dependent on revenue. This amount, by its nature, is uncertain and therefore does not represent a benefit.

All the employees having at least three months of seniority with the Company benefit from the profit sharing distribution. The RSP is distributed among beneficiaries as follows:

- 50% uniformly, in proportion to the length of presence of each beneficiary during the fiscal year for which the profit sharing is granted; and
- 50% in proportion to the wages received by each participating employee during the reference fiscal year.
-

MTI has an Employee profit sharing agreement signed on 16 March 2000, which has the same terms as the Company's plan.

17.4.3. Incentive Plan

For the Company, an incentive plan was adopted on 20 September 2013 and applies to the fiscal years covered by the period from 1 April 2013 to 31 March 2016. It covers all personnel having an employment agreement with the company during all or part of the fiscal year and having at least three months of seniority with the company.

The incentive is distributed among employeesin proportion to the length of service expressed in hours (hours of absence/hours worked) of each beneficiary during the fiscal year covered by the incentive grant.

The total incentive amount distributed to employees may not exceed 20% of the annual gross salaries paid to the individuals concerned. In addition, the amount of incentive distributed to a single employee may not, during the same fiscal year, exceed a sum equal to half the annual average ceiling of social security for the fiscal year during which the incentive is granted.

For MTI, an incentive plan was adopted on 17 June 2014 and applies to the fiscal years 2014, 2015 et 2016 (from 1 January to 31 December). It covers all personnel having an employment agreement with the company during all or part of the fiscal year and having at least three months of seniority with the company.

The incentive is distributed among employeesin proportion to the length of service expressed in hours (hours of absence/hours worked) of each beneficiary during the fiscal year covered by the incentive grant.

18. MAIN SHAREHOLDERS

18.1. DISTRIBUTION OF SHARE CAPITAL AND VOTING RIGHTS

18.1.1. Ownership of the Compay

The following table presents the Company's share capital distribution and voting rights 22 January 2016:

Shareholders	Number of shares	% of stock	Theoretical number of voting rights	% of theoretical voting rights	Number of eligible voting rights	% of eligible voting rights
Jean-Claude Maillard	11,861,778	42.72	23,723,556	45.43	23,723,556	45.44
SC Maillard et Fils(1)	12,496,000	45.00	24,992,000	47.86	24,992,000	47.87
Maillard Family Total	***24,357,778***	***87.72***	***48,715,556***	***93.30***	***48,715,556***	***93.31***
Isabelle Ricaud-Maillard	85,000	0.31	170,000	0.33	170,000	0.33
Employees	63,921	0.23	63,921	0.12	63,921	0.12
Other Shareholders	3,253,462	11.72	3,258,462	6.24	3,258,462	6.24
Treasury shares	7,352	0.03	7,352	0.01	0	0.0
TOTAL	**27,767,513**	**100.0**	**52,215,291**	**100.0**	**52,207,939**	**100.0**

(2) SC Maillard et Fils is a family holding company composed of Messrs Jean-Claude, Rémi and Simon Maillard; Mr Jean Claude Maillard controls the company.

As SC Maillard et Fils is controlled by Mr Jean-Claude Maillard, who is the director, it is presumed to act in concert with Mr Jean-Claude Maillard. To the best of the Company's knowledge, there is no other concerted action between shareholders.

To the best of the Company's knowledge, no other shareholder holds, directly or indirectly, more than 5% of the share capital and the voting rights.

18.1.2. Change in ownership of the Company

During the past three fiscal years, the distribution of share capital and voting rights in the Company has changed as follows:

Shareholders	March 2012		31 March 2013		31 March 2014		31 March 2015	
	% of Share Capital	% of voting rights	% of Share Capital	% of voting rights	% of Share Capital	% of voting rights	% of Share Capital	% of voting rights
Jean-Claude Maillard	75.0	75.0	75.0	75.0	45.38	47.12	42.77	45.47
SC Maillard et Fils(1)	0.0	0.0	0.0	0.0	46.93	48.73	45.05	47.90
Maillard Family Total	***75.0***	***75.0***	***75.0***	***75.0***	***92.32***	***95.84***	***87.82***	***93.37***
Isabelle Ricaud-Maillard	24.98	24.98	24.98	24.98	0.32	0.33	0.31	0.33
Employees	0.0	0.0	0.0	0.0	0.17	0.09	0.12	0.06
Other shareholders	0.02	0.02	0.02	0.02	7.15	3.72	11.73	6.24
Treasury shares	0.0	0.0	0.0	0.0	0.04	0.0	0.03	0.0
TOTAL	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

(1) SC Maillard et Fils is a family holding company comprising Messrs Jean-Claude, Rémi and Simon Maillard; Mr Jean Claude Maillard controls the company.

18.2. VOTING RIGHTS OF MAIN SHAREHOLDERS

In accordance with the Company's By-laws, a double voting right is accorded to each shareholder who demonstrates having held shares in his name for a minimum of two years. The statutory clause conferring a double voting right will be maintained after the Company's shares are admitted to trade on the Paris Euronext regulated market; these terms are identical to those in Article L.225-123 last paragraph of the French Commercial Code du Code establishing an automatic double voting right for companies listed on a regulated market.

Mr Jean-Claude Maillard, SC Maillard et Fils and Mme Isabelle Ricaud-Maillard have double voting rights.

18.3. CONTROL OF THE COMPANY

The Company is controlled by Mr Jean-Claude Maillard, who is the founder and majority shareholder of the Company. He holds, directly and indirectly through SC Maillard et Fils (which he controls), a total of 87.72% of the share capital and 93.30% of the Company voting rights as at the date of this Prospectus.

The Company has not adopted a specific mechanism to counter exercise of abusive control by the majority shareholder. Nevertheless, in the event that the Company's shares are transferred from the Paris Alternext market to the Euronext Paris regulated market, the Company has decided to change its governance, referring to the Middlenext Code and in particular by providing for the appointment of an independent director during a general meeting of the Company to be convened as soon as possible as from the transfer on the Euronext Paris regulated market.

In addition, the Company's majority shareholder - Mr Jean-Claude Maillard - being both the Chairman and Chief Executive Officer and director of the Company, is required as a director to respect the obligations imposed on him by law, regulations and statutes and to act within the limits of power that were conferred upon him, and in particular to act in the interest of the company.

18.4. AGREEMENTS LIKELY TO RESULT IN A CHANGE OF CONTROL

To the best of the Company's knowledge, there are no agreements likely to result in a change of control of the Company; the transfer of existing shares by Mr Jean-Claude Maillard within the context of the public offer transaction covered by this Prospectus (described in the second part of the Prospectus) would not result in a change of control of the Company.

19. TRANSACTIONS WITH RELATED PARTIES

19.1. AGREEMENTS WITH RELATED PARTIES

Besides the following transactions, include:

- regulated agreements entered into between the Company and its Chairman and Chief Executive Officer, one of its directors or one of its shareholders holding more than 10% of the voting rights or between the Company and companies having directors, general directors, members of the Management or the Audit Committee in common with the Company which are presented in the Special Reports of the Statutory Auditors during the fiscal years ending 31 March 2013, 2014, and 2015 (see Section 19.2 above); and

- the intra-group transactions described in Section 7.3 of the first part of this Prospectus;

the Group companies carried out the following transactions with related parties during the fiscal year ending 31 March 2015, in the context of agreements concluded during the normal course of business:

- with MP Usicap: (i) the purchase of aeronautic machining services for a total of €3.6 million, and (ii) invoicing of aeronautic maching services for a total of €218,000;

- with Avantis Engineering: (i) the purchase of production programming as well as sub-assembly studies for a total of €2.2 million, (ii) invoicing of mechanical welding machining services for a total of € 350,000, and (iii) invoicing of services (for Avantis Manufacturing) for a total of €3,000.

19.2. STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS

The special reports of the Statutory Auditors on regulated agreements for the fiscal years ended 31 March 2013, 31 March 2014 and 31 March 2015 are described below.

19.2.1. Statutory Auditors' special report on regulated agreements for the fiscal year ended 31 March 2015

KPMG AUDIT
224, Rue Carmin
CS 17610
***31676* LABEGE CEDEX**

SODECAL AUDIT
449, Avenue du Danemark
82000 Montauban

FIDAUDIT
Member of the FIDUCIAL network
41, rue du Capitaine Guynemer
92925 LA DEFENSE CEDEX

F I G E A C A E R O

A limited company with capital of €3,328,434.72

Z.I. de l'Aiguille

46 100 FIGEAC

CAHORS TCR No. B 349 357 343

Financial year from 1 April 2014 to 31 March 2015

General Meeting of the Shareholders to approve the financial statements
for the financial year ended 31 March 2015

Dear Shareholders,

In our capacity as Statutory Auditors of your company, we hereby present our report on regulated agreements and commitments.

It is our responsibility to present to you, on the basis of the information provided to us, the main terms and conditions of agreements and commitments that have been disclosed to us, or that we discovered during our engagement, without commenting on their relevance and their substance, nor performing any specific procedures aimed at identifying other agreements or commitments which may exist. It is the responsibility of the shareholders, in accordance with Article R. 225-31 of the French Commercial Code (“Code de Commerce”), to assess the benefits arising from entering into such agreements and commitments in the view of approving them.

Furthermore, it is our duty, if need be, to provide you with the information referred to in Article R. 225-31 of the French Commercial Code on the performance, during the financial year ended on 31 March 2015, of the agreements and commitments already approved by the General Meeting.

We have carried out the procedures we deemed necessary in accordance with the guidance issued by the French Institute of statutory auditors (“Compagnie Nationale des Commissaires aux Comptes) applicable to this engagement. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

1. **AGREEMENTS AND COMMITMENTS SUBMITTED TO THE APPROVAL OF THE GENERAL MEETING OF SHAREHOLDERS**

We hereby inform you that we were not advised of any agreement or commitment authorised during the financial year ended 31 March 2015 to be submitted to the approval of the General Meeting pursuant to the provisions of Article L. 225-38 of the French Commercial Code (“Code de Commerce”).

2. AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING OF SHAREHOLDERS

Pursuant to Article R. 225-30 of the French Commercial Code (“Code de Commerce”), we were informed that the fulfilment of the following agreements, already approved by the General Meeting during previous financial years, continued during the financial year ended 31 March 2015.

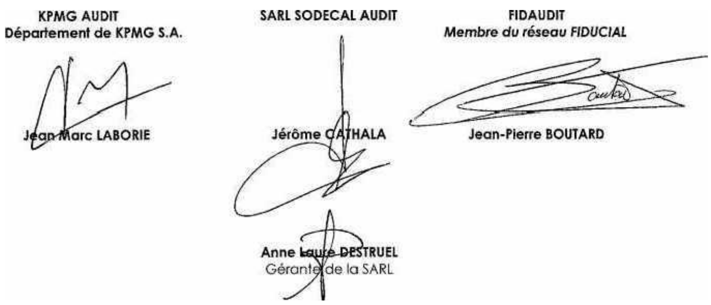
Cash advance with the company MECANIQUE ET TRAVAUX INDUSTRIELS - MTI

- Nature, purpose and terms:

  Your company has set up a cash agreement with the company MECANIQUE ET TRAVAUX INDUSTRIELS - MTI.
  The debit balance in your company's financial statements at 31 March 2015 was €403,223.50.
  For the financial year ended, this financial advance did not give rise to any remuneration.

Signed in Labège, Montauban and Paris-La Défense, on 11 September 2015

The Statutory Auditors,



19.2.2. Statutory Auditors' special report on regulated agreements for the fiscal year ended 31March 2014

KPMG AUDIT
224, Rue CArmin
CS 17610
***31676* LABEGE CEDEX**

SODECAL AUDIT
449, Avenue du Danemark
82000 Montauban

FIDAUDIT
Member of the FIDUCIAL network
41, rue du Capitaine Guynemer
92925 LA DEFENSE CEDEX

FIGEAC AERO

A limited company with capital of €3,195,101.40

Z.I. de l'Aiguille

46 100 FIGEAC

CAHORS TCR No. B 349 357 343

Financial year from 1 April 2013 to 31 March 2014

General Meeting of the Shareholders to approve the financial statements
for the financial year ended 31 March 2014

Dear Shareholders,

In our capacity as Statutory Auditors of your company, we hereby present our report on regulated agreements and commitments.

It is our responsibility to present to you, on the basis of the information provided to us, the main terms and conditions of agreements and commitments that have been disclosed to us, or that we discovered during our engagement, without commenting on their relevance and their substance, nor performing any specific procedures aimed at identifying other agreements or commitments which may exist. It is the responsibility of the shareholders, in accordance with Article R. 225-31 of the French Commercial Code ("Code de Commerce"), to assess the benefits arising from entering into such agreements and commitments in the view of approving them.

Furthermore, it is our duty, if need be, to provide you with the information referred to in Article R. 225-31 of the French Commercial Code on the performance, during the financial year ended on 31 March 2014, of the agreements and commitments already approved by the General Meeting.

We have carried out the procedures we deemed necessary in accordance with the guidance issued by the French Institute of statutory auditors ("Compagnie Nationale des Commissaires aux Comptes") applicable to this engagement. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

1. Agreements and commitments submitted to the approval of the General Meeting of Shareholders

We hereby inform you that we were not advised of any agreement or commitment authorised during the financial year ended 31 March 2014 to be submitted to the approval of the General Meeting pursuant to the provisions of Article L. 225-38 of the French Commercial Code ("Code de Commerce").

1.1 Surety on behalf of the company FGA PICARDIE with CRCA LEASING

- Person concerned:

  Mr Jean-Claude MAILLARD, corporate officer of FIGEAC AERO and FGA PICARDIE.

- Nature, purpose and terms:

  Your company stands joint and several surety for the company FGA PICARDIE with the financier, CRCA LEASING, for the property leasing contract on the Maule building in an initial amount of €2,800,000. The outstanding is €2,742,415.
  This surety does not give rise to any remuneration.

1.2 Agreement for technical support services with the company FGA PICARDIE

- Person concerned:

  Mr Jean-Claude MAILLARD, corporate officer of FIGEAC AERO and FGA PICARDIE.

- Nature, purpose and terms:

  Your company invoiced the company FGA PICARDIE for technical support services.
  Your company invoiced a sum of €75,454 for the financial year ended on 31 March 2014.

1.3 Substitution undertaking on behalf of the company MECABRIVE INDUSTRIES with CRCA LEASING

- Person concerned:

  Mr Jean-Claude MAILLARD, corporate officer of FIGEAC AERO and MECABRIVE INDUSTRIES.

- Nature, purpose and terms:

  Your company has undertaken to substitute for the company MECABRIVE INDUSTRIES with the financier, CRCA LEASING, in the leasing contract for a penetrant testing line. The outstanding at closing amounted to €116,893.
  This commitment does not give rise to any remuneration.

1.4 Substitution undertaking on behalf of the company MECABRIVE INDUSTRIES with CRCA LEASING

- Person concerned:

Mr Jean-Claude MAILLARD, corporate officer of FIGEAC AERO and MECABRIVE INDUSTRIES.

- Nature, purpose and terms:

Your company has undertaken to substitute for the company MECABRIVE INDUSTRIES with the financier, CRCA LEASING, in the leasing contract for a titanium surface treatment line. The outstanding at closing amounted to €357,009. This substitution undertaking does not give rise to any remuneration.

1.5 Co-rental agreement on behalf of the company MECABRIVE INDUSTRIES with LOREQUIP

- Person concerned:

Mr Jean-Claude MAILLARD, corporate officer of FIGEAC AERO and MECABRIVE INDUSTRIES.

- Nature, purpose and terms:

Your company has undertaken to substitute for the company MECABRIVE INDUSTRIES with the financier, LOREQUIP, in the leasing contract for MATSUURA machining units. The outstanding at amounted to €776,275.
This substitution undertaking does not give rise to any remuneration.

1.6 Invoicing agreement on behalf of the company FGA TUNISIE

- Person concerned:

Mr Jean-Claude MAILLARD, corporate officer of FIGEAC AERO and FGA TUNISIE.

- Nature, purpose and terms:

Your company invoiced the company FGA TUNISIE for the machine rental costs and the provision of personnel.

Your company invoiced a total amount of €1,527,350, excluding VAT, for the financial year ended 31 March 2014.

1.7 Commercial lease for the building B6 with the SCI REMSI

- Person concerned:

Mr Jean-Claude MAILLARD, corporate officer of FIGEAC AERO and majority partner of SCI REMSI.

- Nature, purpose and terms:

A commercial lease was signed by your company and SCI REMSI for the rental of a building for industrial use, called "Workshop No. 6", located at the Zone Industrielle de l'Aiguille, 46100 ETEMPES, for a period of nine years.

The amount of the rental charges invoiced to your company by SCI REMSI amounted to €326,613, excluding VAT, for the financial year ended on 31 March 2014.

2. Agreements and commitments already approved by the General Meeting of Shareholders

Pursuant to Article R. 225-30 of the French Commercial Code ("Code de Commerce"), we were informed that the fulfilment of the following agreements, already approved by the General Meeting during previous financial years, continued during the financial year ended 31 March 2014.

2.1 Cash pooling agreement

2.1.1 Cash advance with the other companies in the group

- Nature, purpose and terms:

Your company has set up a cash pooling agreement with the other companies in the group. The balances in your company's financial statements at 31 March 2014 are the following:

Counterpart company	Debt
MTI	€403,224
MECABRIVE INDUSTRIES	€656,779
FGA USA	€1,543
AVANTIS MANUFACTURING	€465,967
FGA TUNISIE	€3,116,770

The interest revenue amounted to €43,501 for the financial year ended.

- 2.1.2 Default interest on **outstanding** customer **receivables** with the company FGA PICARDIE

- Nature, purpose and terms:

The balance of the "FGA PICARDIE" account payable shows a credit balance of €923,74. On this basis, the company FGA PICARDIE invoiced your company for default interest at the rate of a 1% per annum. Accordingly, the company FGA PICARDIE invoiced a sum of €43,501.

2.2 Surety bonds

- 2.2.1. With the company MECABRIVE INDUSTRIES

- a - Nature, purpose and terms:

Your company stood surety on behalf of MECABRIVE INDUSTRIES with the Banque TARNEAUD for a cash deficit granted of €10,000. This surety does not give rise to any remuneration.

- b - Nature, purpose and terms:

Your company stood surety on behalf of MECABRIVE INDUSTRIES with the leasing financier NATIXIS LEASE for the MITSUI SEIKI machining unit and the BIGLIA and GOODWAY lathes leasing contract. The outstanding is €19,550. This surety does not give rise to any remuneration.

- c - Nature, purpose and terms:

Your company stood surety on behalf of MECABRIVE INDUSTRIES with the leasing financier LOREQUIP for a CINETIC MGP 150 profile machining unit leasing contract. The outstanding is €226,050. This surety does not give rise to any remuneration.

- d - Nature, purpose and terms:

Your company stood surety on behalf of MECABRIVE INDUSTRIES with the leasing financier SIEMENS FINANCIAL SERVICES for a CINETIC MGP 150 profile machining unit leasing contract. The outstanding is €141,066. This surety does not give rise to any remuneration.

- e - Nature, purpose and terms:

Your company stood surety on behalf of MECABRIVE INDUSTRIES with the BANQUE POPULAIRE CENTRE ATLANTIQUE for a cash overdraft facility in an amount of €250,000. This surety does not give rise to any remuneration.

- f - Nature, purpose and terms:

Your company stood surety on behalf of MECABRIVE INDUSTRIES with the Banque TARNEAUD after it had obtained a loan of €100,000 for a period of five years with a monthly payment of €1,840.30. As OSEO only guaranteed 50% of this loan and, after a payment-free period of nine months, the company FIGEAC AERO provided a 100% bank guarantee for nine months, then 50% up to the end of the loan. The outstanding is €50,808. This surety did not give rise to any remuneration.

- g - Nature, purpose and terms:

Your company stood surety on behalf of MECABRIVE INDUSTRIES in favour of OSEO INNOVATION to guarantee a loan of €190,000. No repayment has been made to date.

This surety does not give rise to any remuneration

- h - Nature, purpose and terms:

  Your company stood surety on behalf of MECABRIVE INDUSTRIES with the CREDIT AGRICOLE to guarantee a cash overdraft facility in an amount of €250,000.

  This surety does not give rise to any remuneration.

- 2.2.2 With the company MECANIQUE ET TRAVAUX INDUSTRIELS - MTI

  - Nature, purpose and terms:

    Your company stood surety on behalf of MTI with the Banque Populaire Occitane for a loan of €220,000. The outstanding at closure is €91,053. This surety does not give rise to any remuneration

- 2.2.3 With the company AVANTIS MANUFACTURING

  - Nature, purpose and terms:

    Your company stood surety on behalf of AVANTIS MANUFACTURING with the BANQUE POPULAIRE OCCITANE for the return of customer down payments up to a maximum of €500,000. This surety does not give rise to any remuneration.

- 2.2.4 With the company FGA PICARDIE

  - a - Nature, purpose and terms:

    Your company stood joint and several surety on behalf of FGA PICARDIE in favour of CREDIT AGRICOLE BRIE PICARDIE to guarantee a loan of €150,000. The outstanding at closure is €88,564. This surety does not give rise to any remuneration.

  - b - Nature, purpose and terms:

    Your company stood joint and several surety on behalf of FGA PICARDIE in favour of BCME-ARKEA to guarantee a loan of €150,000. The outstanding at closure is €88,700. This surety does not give rise to any remuneration.

2.3 Service provisions

- 2.3.1 With the company MECABRIVE INDUSTRIES

  - Nature, purpose and terms:

    During this financial year, your company invoiced MECABRIVE INDUSTRIES for management services for an amount of €12,000, excluding VAT.

- 2.3.2 With the company MECANIQUE ET TRAVAUX INDUSTRIELS - MTI

  - Nature, purpose and terms:

    During this financial year, your company invoiced MTI for miscellaneous management services in an amount of €36,000, excluding VAT, as well as various services in an amount of €23,000, excluding VAT.

- 2.3.3 With the company MP USICAP

  - Nature, purpose and terms:

    During this financial year, your company invoiced MP USICAP for management services in an amount of €5,400, excluding VAT.

- 2.3.4 With the company FGA PICARDIE

- Nature, purpose and terms:

  During this financial year, your company invoiced FGA PICARDIE the head office expenses including administrative, financial and industrial services in an amount of €120,000, excluding VAT.

Signed in Montauban, Labège and at La Défense, on 8 October 2014

The Statutory Auditors

sarl sodecal audit

Jérôme CATHALA
(signature)

Gérard CAZENEUVE
Manager of the SARL

(signature)

fidaudit
Member of the FIDUCIAL network
(Signature)

Jean-Pierre BOUTARD

KMPG AUDIT

KMPG S.A. Department

Jean-Marc LABORIE

(signature)

19.2.3. Statutory Auditors' special report on regulated agreements for the fiscal year ended 31 March 2013

SODECAL AUDIT
449, Avenue du Danemark
82000 MONTAUBAN

FIDAUDIT
Member of the FIDUCIAL network
41, rue du Capitaine Guynemer
92925 LA DEFENSE CEDEX

FIGEAC AERO

A limited company with capital of €3,000,000

Z.I. de l'Aiguille

46 100 FIGEAC

CAHORS TCR No. B 349 357 343

General Meeting of the Shareholders to approve the financial statements
for the financial year ended 31 March 2013

Dear Shareholders,

In our capacity as Statutory Auditors of your company, we hereby present our report on regulated agreements and commitments.

It is our responsibility to present to you, on the basis of the information provided to us, the main terms and conditions of agreements and commitments that have been disclosed to us, or that we discovered during our engagement, without commenting on their relevance and their substance, nor performing any specific procedures aimed at identifying other agreements or commitments which may exist. It is the responsibility of the shareholders, in accordance with Article R. 225-31 of the French Commercial Code (“Code de Commerce”), to assess the benefits arising from entering into such agreements and commitments in the view of approving them.

Furthermore, it is our duty, if need be, to provide you with the information referred to in Article R. 225-31 of the French Commercial Code on the performance, during the financial year ended on 31 March 2013, of the agreements and commitments already approved by the General Meeting.

We have carried out the procedures we deemed necessary in accordance with the guidance issued by the French Institute of statutory auditors (“Compagnie Nationale des Commissaires aux Comptes”) applicable to this engagement. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

1. Agreements and commitments submitted to the approval of the General Meeting of Shareholders

We hereby inform you that we were not advised of any agreement or commitment authorised during the financial year ended 31 March 2013 to be submitted to the approval of the General Meeting pursuant to the provisions of Article L. 225-38 of the French Commercial Code (“Code de Commerce”).

1.1 Surety on behalf of MECABRIVE INDUSTRIES

- Person concerned

  Mr Jean Claude MAILLARD, corporate officer of FIGEAC AERO and MECABRIVE INDUSTRIES.

- Nature, purpose and terms

  Your company stands joint and several surety for the company MECABRIVE INDUSTRIES in favour of in favour of OSEO INNOVATION to guarantee a loan in an amount of €190,000.
  This surety does not give rise to any remuneration.

1.2 Surety on behalf of MECABRIVE INDUSTRIES for an overdraft facility

- Person concerned

  Mr Jean Claude MAILLARD, corporate officer of FIGEAC AERO and MECABRIVE INDUSTRIES.

- Nature, purpose and terms

  Your company stands joint and several surety on behalf of MECABRIVE INDUSTRIES in favour of the Crédit Agricole to guarantee a cash overdraft in an amount of €250,000.

  This surety does not give rise to any remuneration.

1.3 Surety on behalf of FGA PICARDIE with the Crédit Agricole Brie Picardie

- Person concerned

  Mr Jean Claude MAILLARD, corporate officer de FIGEAC AERO and FGA PICARDIE.

- Nature, purpose and terms

  Your company stood joint and several surety on behalf of FGA PICARDIE in favour of the CREDIT AGRICOLE BRIE PICARDIE to guarantee a loan of €150,000.
  This surety does not give rise to any remuneration.

1.4 Surety on behalf of FGA PICARDIE with the BCME- ARKEA

- Person concerned

  Mr Jean Claude MAILLARD, corporate officer of FIGEAC AERO and FGA PICARDIE.

- Nature, purpose and terms

  Your company stands joint and several surety on behalf of FGA PICARDIE in favour of BCME-ARKEA to guarantee a loan of €150,000.

This surety does not give rise to any remuneration.

1.5 Agreement with the company FGA PICARDIE for head office expenses

- Person concerned

Mr Jean Claude MAILLARD, corporate officer de FIGEAC AERO and FGA PICARDIE.

- Nature, purpose and terms

Your company invoiced FGA PICARDIE the head office expenses including administrative, financial and industrial services.

Your company invoiced a sum of €120,000 for the financial year ended on 31 March 2013.

1.6 Default interest on **outstanding** customer **receivables** with the company FGA PICARDIE

- Person concerned

Mr Jean Claude MAILLARD, corporate officer of FIGEAC AERO and FGA PICARDIE.

- Nature, purpose and terms

The balance of the "FGA PICARDIE" account payable shows a credit balance of €1,754,934. On this basis, the company FGA PICARDIE invoiced your company for default interest at the rate of a 1% per annum.

Accordingly, the company FGA PICARDIE invoiced a sum of €38,000.

1.7 Sale of building B6 to the SCI REMSl

- Person concerned

Mr Jean Claude MAILLARD, corporate officer of FIGEAC AERO and majority shareholder of SCI REMSl.

- Nature, purpose and terms

Your company sold building B6 to SCI REMSl for an amount of €3,500,000 on 29 March 2013.

On 31 March 2013, your company had a claim of €4,186,000 on the SCI REMSl.

There is no record of rents invoiced for the financial year ended on 31 March 2013.

2. Agreements and commitments already approved by the General Meeting of Shareholders

Pursuant to Article R. 225-30 of the French Commercial Code ("Code de Commerce"), we were informed that the fulfilment of the following agreements, already approved by the General Meeting during previous financial years, continued during the financial year ended 31 March 2013.

2.1 Cash pooling agreement

- Nature, purpose and terms

Your company has set up a cash pooling agreement with the other companies in the group. The balances in your company's financial statements at 31 March 2013 are the following:

Counterpart company	Debt
MTI	€233,224
MECABRIVE INDUSTRIES	€904,071

FGA USA	€1,543
AVANTIS MANUFACTURING	€463,649
FGA TUNISIE	€4,412,086

For the financial year ended, the interest revenue comes to €35,132.

2.2 Surety bonds

- 2.2.1. With the company MECABRIVE INDUSTRIES

  - a - Nature, purpose and terms

  Your company stood surety on behalf of MECABRIVE INDUSTRIES with the Banque Tarneaud for a cash deficit granted of €10,000.

  - b - Nature, purpose and terms

  Your company stood surety on behalf of MECABRIVE INDUSTRIES with the leasing financier Natixis Lease for the Mitsui Seiki machining unit and the Biglia and Goodway lathes leasing contract. The outstanding at closure is €99,536. No commission was recorded for the financial year ended.

  - c - Nature, purpose and terms

  Your company stood surety on behalf of MECABRIVE INDUSTRIES with the Banque Populaires Rives de Paris for the MORI SEIKI NH 4000 machine unit leasing contract. The outstanding at closure is €99,688. No commission was recorded for the financial year ended.

  - d - Nature, purpose and terms

  Your company stood surety on behalf of MECABRIVE INDUSTRIES with the leasing financier Lorequip for a CINETIC MGP 150. The outstanding at closure stands at €390,450. No commission was recorded for the financial year ended.

  - e - Nature, purpose and terms

  Your company stood surety on behalf of MECABRIVE INDUSTRIES with the leasing financier Siemens Financial Services for the CINETIC MGP 150 profile machining unit leasing contract. The outstanding at closure is €329,154. No commission was recorded for the financial year ended.

  - f - Nature, purpose and terms:

  Your company stood surety on behalf of MECABRIVE INDUSTRIES with the Banque Populaire Centre Atlantique for a cash overdraft facility in an amount of €250,000. No commission was recorded for the financial year ended.

  - g - Nature, purpose and terms

  Your company stood surety on behalf of MECABRIVE INDUSTRIES with the Banque TARNEAUD after it had obtained a loan of €100,000 for a period of five years with a monthly payment of €1,840.30. As OSEO only guaranteed 50% of this loan and, after a payment-free period of 9 months, the company FIGEAC AERO provided a 100% bank guarantee for nine months, then 50% up to the end of the loan.

- 2.2.2 With the company MECANIQUE ET TRAVAUX INDUSTRIELS - MTI

  - Nature, purpose and terms

    Your company stood surety on behalf of MTI with the Banque Populaire Occitane for a loan of €220,000. The outstanding at closure is €145,916. No commission was recorded for the financial year ended.

- 2.2.3 With the company AVANTIS MANUFACTURING

- Nature, purpose and terms

Your company stood surety on behalf of AVANTIS MANUFACTURING with the BANQUE POPULAIRE OCCITANE for the return of customer down payments up to a maximum of €500,000. No commission was recorded for the financial year ended.

2.3 Service provisions

- 2.3.1 With the company MECABRIVE INDUSTRIES

  - Nature, purpose and terms:

    During this financial year, your company invoiced MECABRIVE INDUSTRIES for management services in an amount of €12,000, excluding VAT.

- 2.3.2 With the company MECANIQUE ET TRAVAUX INDUSTRIELS - MTI

  - Nature, purpose and terms:

    During this financial year, your company invoiced MTI for management services in an amount of €37,900, excluding VAT.

- 2-3.3 With the company MP U5ICAP

  - Nature, purpose and terms:

    During this financial year, your company invoiced MP USICAP for management services in an amount of €5,400, excluding VAT.

Signed in Montauban and at La Défense, on 13 September 2013

The Statutory Auditors

sarl sodecal audit

Jérôme CATHALA
(signature)

Gérard CAZENEUVE
Manager of the SARL
(signature)

fidaudit
Member of the FIDUCIAL network
(Signature)

Jean-Pierre BOUTARD

20. FINANCIAL INFORMATION ON THE ASSETS, FINANCIAL POSITION AND REVENUE OF THE ISSUER

20.1. CONSOLIDATED ACCOUNTS FOR THE ENDING 31 MARCH 2013, 2014 AND 2015

20.1.1. Group consolidated accounts for the year ended March 31, 2015

1 Consolidated Financial Statements

1.1 Consolidated statement of financial position

FIGEAC AERO

CONSOLIDATED BALANCE SHEET

(In € thousands)

CONSOLIDATED ASSETS	Notes	March 2015 Closing	March 2014 Closing	March 2013 Closing
Goodwill		0	0	0
Development costs		20,273	11,607	7,631
Other intangible assets		1,722	860	735
Total intangible assets	**6.1**	**21,996**	**12,467**	**8,366**
		0		
Land		2,232	1,053	759
Buildings		26,645	17,172	14,815
Technical installations		54,866	44,524	36,014
Other fixed assets		3,387	3,292	2,901
Total fixed assets	**6.2**	**87,129**	**66,040**	**54,489**
Equity method investments		0	0	0
Deferred taxes	**15.2**	**25,322**	**5,559**	**6,139**
Financial instruments		0	0	0
Other financial assets	**6.3**	2,034	1,662	1,552
Other non-current assets	**8.1**	705	719	472
		0		
Total non-current assets		**137,186**	**86,447**	**71,018**
		0		
Inventories & work in progress	**7.1**	145,367	109,850	82,106
Trade receivables	**8.1**	52,509	41,809	36,807
Tax receivables		0	0	0
Financial instruments		0	0	0
Other current assets	**8.1**	8,511	8,871	5,909
Cash and cash equivalents	**9**	30,261	19,041	1,911
Total current assets		**236,647**	**179,571**	**126,733**
Total assets		***373,833***	***266,018***	***197,751***

(In € thousands)

CONSOLIDATED LIABILITIES	Notes	March 2015 Closing	March 2014 Closing	March 2013 Closing
Share Capital		3,328	3,195	3,000
Premiums		33,731	14,200	0
Reserves		45,517	35,201	23,508
Foreign currency translation reserve		204		0
Net income (loss) for the year		-21,889	16,060	11,980
Equity attributable to shareholders of the parent company		**60,892**	**68,656**	**38,488**
Non-controlling interests		255	83	171
Non-controlling interests		**255**	**83**	**171**
Total consolidated shareholders' equity	***10***	**61,147**	**68,739**	**38,658**
Loans from credit institutions	**14.1**	45,827	36,669	28,083
Repayable advances	**14.2**	21,534	11,447	10,013
Finance Lease Liabilities	**14.1**	29,397	29,415	22,523
Other financial liabilities	**14.1**	1,591	1,512	1,272
Total non-current financial liabilities		**98,350**	**79,043**	**61,891**
Other provisions	**11**	5,328	6,394	7,460
Deferred tax liabilities	**15.2**	16,080	15,945	11,762
Provision for retirement and other employee long-term benefits	**11**	2,096	1,237	997
Financial instruments	**11**	75,548	1,515	2,727
Other non-current liabilities	**12**	2,022	251	1,962
Non-current portion of deferred income	**12**	2,517	3,328	3,195
Total non-current liabilities		**201,940**	**107,712**	**89,994**
Short term borrow ings	**9**	25,934	23,224	18,198
Current portion of financial liabilities	**14.1**	18,596	8,898	10,012
Repayable advances	**14.2**	1,169	689	147
Total current financial liabilities		**45,699**	**32,811**	**28,357**
Trade payables	**12**	40,401	31,778	23,155
Tax liabilities	**12**	4,055	3,956	4,163
Financial instruments		0	0	0
Other current liabilities	**12**	19,117	18,089	12,282
Deferred income	**12**	1,474	2,933	1,143
Total current liabilities		**110,746**	**89,567**	**69,099**
Total equity and liabilities		***373,833***	***266,018***	***197,751***

1.2 Consolidated Income Statement

CONSOLIDATED INCOME STATEMENT

(In € thousands)

Consolidated Statement of Comprehensive Income		March 2015 Closing	March 2014 Closing	March 2013 Closing
Revenue	16	203,938	162,325	137,129
Other income from operations	17	13,309	8,257	6,535
Changes in finished product inventories & work in progress		31,312	25,556	18,647
Raw materials and consumables	18	-117,083	-92,593	-70,018
Personnel expenses	19	-61,980	-51,765	-44,897
External expenses	18	-18,534	-14,155	-13,091
Taxes		-2,865	-2,242	-2,285
Depreciation and amortisation	20	-17,154	-13,187	-10,179
Net provisions	20	-101	96	279
Current operating income		**30,843**	**22,292**	**22,121**
Other operating income	21	4,640	6,204	2,657
Other operating expenses	21	-8,233	-7,119	-3,683
Operating income		**27,250**	**21,377**	**21,095**
Financial income		869	17	4
Financial expenses	22	-3,036	-2,934	-2,702
Cost of net financial debt		**-2,167**	**-2,917**	**-2,698**
Foreign exchange gains and losses		3,997	2,710	1,895
Unrealized gains and losses on financial instruments		-64,752	1,212	-2,942
Other financial income and expenses		-31	-187	-169
Share of profit of equity affiliates		0	0	0
Income tax	15.1	13,811	-6,231	-5,203
Net income (loss) for the year		***-21,892***	***15,965***	***11,978***
Net income (loss) - Group share		**-21,889**	**16,060**	**11,977**
Net income attributable to non-controlling interests		-3	-95	1
Number of shares		27,736,956	26,625,845	25,000,000
Earnings per share		-0.79	0.60	0.48

1.3 Consolidated Statement of Comprehensive Income

(In € thousands)

Statement of comprehensive income	Appendix Notes	Closing March 2015	Closing March 2014
Net income (loss) for the year		***-21,892***	***16,060***
Other comprehensive income items			
Changes in the fair value of financial assets available for sale		-9,281	
Deferred taxes - Change in the fair value of financial assets available for sale		3,182	
Post-employment liabilities - Actuarial differences		-730	
Deferred taxes - Post-employment liabilities - Actuarial differences		243	-65
Total Comprehensive income (loss) for the year		**-28,479**	**15,995**
* Attributable to the Group		-28,476	15,900
* Non-controlling interests		-3	-95
Number of shares		27,736,956	26,625,845
Earnings per share		-1.03	0.60
Diluted earnings per share		-1.03	0.60

1.4 Consolidated statement of cash flows

CONSOLIDATED CASH FLOW STATEMENT

(In € thousands)	March 2015	March 2014	March 2013
Net cash flow from operating activities			
Net income (loss) from consolidated companies	-21,892	15,965	11,978
Dep., amort., provisions and share of subsidies allocated to income	80,787	13,257	10,039
Change in deferred taxes	-16,218	4,819	3,455
Capital gains on disposals (Misc.)	-1	851	840
Operating income before changes in working capital requirement	**42,676**	**34,892**	**26,313**
Changes in working capital requirements for operations	-43,161	-23,666	-23,588
Changes in inventories	-34,876	-28,653	-23,219
Changes in trade and other receivables	-4,392	-8,187	-8,403
Changes in trade and other payables	-1,344	11,357	4,897
Changes in charges and prepaid income	-2,549	1,818	3,136
NET CASH FLOW FROM OPERATING ACTIVITIES	**-485**	**11,227**	**2,725**
Net cash flow from investment activities			
Acquisition of assets	-45,168	-36,276	-23,910
Disposal of assets	6,003	6,177	2,611
Impact of changes in scope	-768		
Change in cash position	1,652		
NET CASH FLOWS FROM FINANCING ACTIVITIES	**-38,281**	**-30,100**	**-21,299**
Cash flows from financing activities			
Capital increases and subsidies	20,772	14,396	
Bond issues and advances	47,841	32,648	20,514
Repayment of bonds and advances	-19,789	-16,067	-9,611
NET CASH FLOWS FROM FINANCING ACTIVITIES	**48,824**	**30,977**	**10,903**
Other cash flows	-1,544		
CHANGE IN CASH FLOWS	***8,515***	***12,103***	***-7,670***
Cash - Opening	-4,183	-16,286	-8,616
Cash - change in foreign exchange rates	-5		
Cash - other changes	0		
Cash - Closing	4,327	-4,183	-16,286
CHANGE IN CASH ACCOUNTS	***8,515***	***12,103***	***-7,670***

1.5 Consolidated Statement of Changes in Shareholders' Equity

Consolidated Statement of Changes in Shareholders' Equity

(In € thousands)

Consolidated Statement of Changes in Shareholders' Equity	Group share: Share Capital	Group share: Reserves related to capital	Group share: Consolidated reserves	Group share: Consolidated net income (loss)	Group share: Shareholders' equity - Group share	Non-controlling interests	Total Shareholders' equity
Financial year ended March 2013	***3,000***	***0***	***23,507***	***11,980***	***38,487***	***170***	***38,657***
Share capital transactions	195	14,200			14,395		14,395
Other changes			-221		-221	7	-213
Dividends paid							0
Appropriation of net income Y-1			11,980	-11,980			0
Net income (loss) recognized directly in shareholders' equity			-65		-65		-65
Net income (loss) for the year				16,060	16,060	-95	15,965
Changes in scope							
Financial year ended March 2014	***3,195***	***14,200***	***35,201***	***16,060***	***68,656***	***82***	***68,739***
Share capital transactions	133	19,531			19,664	0	19,664
Other changes			777		777	176	954
Dividends paid			0		0	0	0
Appropriation of net income Y-1			16,060	-16,060	0	1	1
Other comprehensive income items			-6,586		-6,586	-2	-6,588
Net income (loss) for the year				-21,889	-21,889	-3	-21,892
Changes in scope			269		269	0	269
Financial year ended March 2015	***3,328***	***33,731***	***45,722***	***-21,889***	***60,892***	***255***	***61,147***

2. Group Overview

The FIGEAC AERO Group is an industrial group with a strong aeronautical focus operating in four main areas:

- Structural parts for the aeronautical industry;
- Production of aircraft sub-assemblies (machining and assembly):
  - Structural aircraft parts,
  - Engine parts and precision components for aircraft;
- Workshop assembly and aircraft sub-assemblies;
- General engineering and sheet metal fabrication.

Precision machining and surface treatment.
These business activities were used to define the business segments.

The Group is a leading partner of major customers in the aeronautical industry. It intervenes as a Tier 1 and Tier 2 supplier for aircraft manufacturers, engine manufacturers and major OEMs.
The Group is specialised in the design and manufacture of:

- **Structural parts and sub-assemblies**
  (Manufactured parts assembled and ready to be integrated into the relevant section of the plane);

- **Engine parts and precision components**.

The Group also operates as a part manufacturer for many programs (see table below), mainly in the field of commercial aviation, and secondarily for the military sector.

Manufacturers	Programs in which the Group is involved
AIRBUS	A318/319/320/321 A320 NEO, A330-340 A350-900/1000 A380 A400M
ATR	ATR 42 ATR 72
BOEING	747-8,787
BOMBARDIER	CRJ 700/ 900/1000 Global Express CL300/CL605/DASH 8/ C SERIES
DASSAULT	FALCON 900/2000 FALCON 7X RAFALE
EMBRAER	ERJ 145/ERJ 170 ERJ190 LEGACY 450-500 E2
EUROCOPTER	NH90
GULFSTREAM	G150/G250/G550/G550/AAP2
HONDA JET	HA 420
Motors	CFM 56 / GP7200 / TRENT 500 et 700 / M88 / TP 400 / GE 90-115/ CF6/LEAP 1A 1B 1C/SILVERCREST

The Group maintains close relations with AIRBUS and since 2009 has been among its 20 global strategic partners for the supply of basic parts.

Through a strategic partnership in place with AIRBUS, the Group benefits from a transfer of technology and knowledge from the European aircraft manufacturer for the machining of hard metals.

Through the design and manufacture of basic parts (aluminium or titanium structural parts, engine parts, and precision parts made of steel, titanium or inconel), or of sub-assemblies, the Group works on different parts of the aircraft, namely:

- ***Cockpit:*** window frames, dashboards, centre and side control panels;
- ***Fuselage:*** floor assemblies, fuselage frames and panels, pressure bulkheads, various fittings and brackets;
- ***Doors:*** structures, mechanisms, door fittings;
- ***Wings:*** longerons, ribs, spars, spoiler fittings;
- ***Engines:*** pylon fittings, casings, aluminium and titanium shrouds, air inlet parts;
- ***Thrust reversers:*** beams, frames, doors;
- ***Landing gears:*** torque links.

Part of the production of structural parts is carried out by the Low Cost subsidiary FGA TUNISIE.

Since May 2014, a Dollar Zone subsidiary, FGA North America (Wichita, USA), joined the precision machining and surface treatment division of the Group. This addition is destined to boost competitiveness in USD in response to growing international pressure, and also to contribute to the Group's strategy to develop geographical bases near its customers. This strategy involves establishing close links between productivity and competitiveness.

The Group has developed an activity that specialises in aircraft sub-assemblies through FGA Picardie at the Méaulte site (80) in France.

Through its subsidiary MTI, the Group has operations in the sheet metal industry (mechanical welding and machining of large sized parts) for various sectors including the oil and automotive sectors (molds for tires).

Through its subsidiary, Mecabrive, the Group proposes machining for complex parts, surface treatment and assembly for the aeronautical and aerospace industries, but also for consumer goods and electronics.

The Group offers its customers comprehensive services including:

- *Studies and industrialisation:*

  Thanks to its production planning department composed of 45 engineers and technicians, the Group handles the computer-assisted design phase for parts and prepares the technical documentation for manufacturing;

- *Supply management;*
- *Machining and shaping processes;*
- *Dimensional control;*
- *Surface treatment;*
- *Assembly.*

3. Notes to the interim consolidated financial statements

Accounting policies, consolidation methods, and valuation rules

3.1 Basis of preparation of the consolidated financial statements

The consolidated financial statements of FIGEAC AERO Group ("the Group") were approved by the Board of Directors on 3 August 2015. The consolidated financial statements for the 2015 financial year were prepared in accordance with IFRS as issued by the IASB and adopted by the European Union on 31 March 2015.

International financial standards include IFRS (International Financial Reporting Standards), IAS (International Accounting Standards) as well as SIC (Standing Interpretations Committee) and IFRIC (International Financial Reporting Interpretations Committee) interpretations.

The consolidated financial statements are presented in € thousands, rounded to the nearest thousand. They have been prepared based on historical costs, except for the following assets and liabilities that are measured at fair value: derivative financial instruments, financial instruments held for trading, financial assets and liabilities measured at fair value through profit or loss.

The Group has chosen to present significant non-recurring items within its operating income. The non-recurring portion is presented after the subtotal "current operating income", the resulting subtotal being the "Operating income".

In the balance sheet, the assets/liabilities of the Group of less than one year are classified as current. All other assets/liabilities are classified as non-current;

The Group's accounting principles and policies are described below.

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

	31/03/2014		31/03/2015	
	Balance sheet	Net income	Balance sheet	Net income
US Dollar	1.3788	1.3444	1.0759	1.2636
Tunisian Dinar	2.1821	2.1906	2.1019	2.1064

3.2 Year-end closing dates of consolidated companies

The parent company Figeac Aero as well as Mecabrive Industries, FGA Tunisie, and FGA USA are consolidated according to their balance sheet entries for the 12-month period ended 31 March 2015.

MTI and SCI REMSI having ended their financial years on 31 December 2014, the separate financial statements are adjusted to reflect significant transactions or transactions that have an impact on the consolidated financial statements between 1 January 2014 and 31 March 2015.

Figeac Aero North America is consolidated according to its balance sheet entries as at 31 March 2015. Management operations were taken over by the Group for the period from 2 May 2014 (date of its first-time consolidation) to 31 March 2015.

3.3 Application of standards, amendments and interpretations applicable to the financial statements

The new IAS/IFRS terms and interpretations coming into effect as of 1 April 2014 and applied by the Group in preparing its consolidated financial statements on 31 March 2015 are as follows:

- IFRS 10, "Consolidated financial statements";
- IFRS 11, "Joint Arrangements";
- IFRS 12, "Disclosure of Interests in Other Entities";
- Amendment to IAS 27, "Separate Financial Statements";
- Amendment to IAS 28, "Investments in Associates and Joint-Ventures"
- Amendments to IAS 32, outlining principles for offsetting financial assets and liabilities;
- Amendment to IAS 36 - Impairment of Assets, "Recoverable Amount Disclosures for Non-Financial Assets";
- Amendments to IAS 39 - Financial Instruments: Recognition and Measurement, "Novation of Derivatives and Continuation of Hedge Accounting".

The first-time application of these texts is not expected to have a significant impact on the Group's consolidated financial statements.

The texts and amendments whose application became mandatory after 31 March 2015 for which no early adoption was decided by the Group for the consolidated financial statements at 31 March 2015 are as follows:

- IFRS annual improvement cycles (2010-2012 and 2011-2013);
- Amendments to IAS 19 "Defined benefit plans: employee contributions";
- IFRIC 21 "Levies".

The first-time application of these standards and amendments is not expected to have a material impact on the Group's consolidated financial statements.

3.4 Estimates and assumptions

The preparation of the financial statements requires the Board of Directors to 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 under the circumstances. They also form a base for exercising the judgement required to determine the carrying amounts of assets and liabilities that cannot be directly obtained from other sources. Actual values can differ from estimated amounts.

The Board of Directors reviews its estimates and assessments regularly on the basis of past experience and various other factors deemed reasonable which form the basis for its assessment of the carrying values of assets and liabilities. 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 use of estimates and assumptions is particularly important primarily for:

- The estimated margin with respect to construction contracts;
- Provisions for inventories;
- The recoverable value of intangible assets and property, plant and equipment and their useful lives;
- The fair value of financial instruments;
- Pension and other long-term employee benefits and post-employment benefits.

On 31 March 2015, estimates used to prepare the financial statements were produced in a context rendering the forecasting of economic trends difficult. The estimates and assumptions in the consolidated financial statements were determined from the evidence available to the Group at the end of the reporting period and in particular in relation to construction contracts, which are based on the order forecasts from aircraft manufacturers and the €/US$ exchange rate trends.

For the financial year ended 31 March 2015, the Group conducted a review of assumptions used to calculate margins on the completion of construction contracts.
This adjustment to assumptions concerned mainly the €/US$ exchange rate or the purpose of taking into account:

- the hedging strategy implemented by the Group for the 2015-2017 time period;
- estimated exchange rate trends over the residual contract periods with respect to actual exchange rate trends noted for the period (see the Note on construction contracts).

3.5 Translation method for foreign currency items

Foreign currency expenses and income are translated into euros at the exchange rate in effect on the transaction date.

Payables, receivables and cash in foreign currencies are translated into euros at the year-end exchange rate. All resulting exchange differences from the translation of receivables and payables denominated in foreign currency during the year are recognised in financial income.

For the financial year ended 31 March 2015, the Group entered into derivative contracts eligible for hedge accounting. On that basis the hedging relationship was formally documented and recognised in accordance with IAS 39 (see the Note on derivative instruments).

3.6 Subsidiaries

The companies directly or indirectly controlled by Figeac Aero are consolidated using the full consolidation method. The notion of control exists when the parent company directly or indirectly holds the power to govern the financial and operating policies of the company and use them to its advantage in its activities.

The full consolidation method consists in the integration of all the assets, liabilities, income and expenses. The share of assets and income attributable to minority shareholders is listed as non-controlling interests in the consolidated statement of financial position and the consolidated income statement. The subsidiaries are included in the scope of consolidation as from the date of takeover.

MTI, MECABRIVE INDUSTRIES, SCI REMSI, FGA TUNISIE, FGA PICARDIE and FGA USA, FIGEAC AERO NORTH AMERICA are exclusively and legally controlled by the parent company Figeac Aero and consolidated using the full consolidation method.

Because it is under the joint control of its nine associates each holding an equitable stake in the share capital, and given the marginal level of its activity, AEROTRADE is not consolidated (the list of consolidated companies is provided in Note 4).

Companies are consolidated on the basis of their financial statements restated to be brought into conformity with the accounting principles and policies adopted by the Group in accordance with IFRS.

After identification of intra-group transactions, all receivables and payables as well as income and expenses related to these transactions and internal profits have been eliminated from the consolidated financial statements.

The consolidated income statement includes the income statements of companies acquired as from their date of acquisition or creation.

3.7 Associates

An associate is an entity over which the Group has significant influence on financial and operating policies but without having exclusive or joint control. Significant influence is presumed to exist when the Group’s interest is greater than or equal to 20%.

The consolidation method used is the equity method which consists in recognising in the balance sheet an amount that reflects the Group's share in the net assets of the associate, and if needed, supplemented by goodwill generated by the original acquisition.

3.8 Elimination of internal Group transactions

Companies are consolidated on the basis of their financial statements restated to be brought into conformity with the accounting principles and policies adopted by the Group in accordance with IFRS.
Transactions between consolidated subsidiaries are fully eliminated along with resulting receivables and payables. It is the same for internal Group income (dividends and gains and losses on disposals) which are eliminated from the consolidated income. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that they are not representative of a loss of value.

After identification of intra-group transactions, all receivables and payables as well as income and expenses related to these transactions and internal profits have been eliminated from the consolidated financial statements.

3.9 Financial statements of foreign entities

The balances of the assets and liabilities of consolidated entities whose functional currency is not the euro are translated at the closing rate, with the exception of shareholders' equity of each entity which is measured at historical value. Income and expenses are translated at the exchange rate applicable on the transaction dates or, in practice, an approximate rate that in the absence of any major currency fluctuations corresponds to the average rate for the period ended. The resulting foreign currency translation differences are recognised in shareholders' equity (translation difference).

In accordance with IAS 21, exchange differences relating to permanent financing constituting part of the net investment in a consolidated subsidiary are recognised in shareholders' equity (foreign currency translation reserve). Upon the subsequent disposal of these investments, cumulative translation differences initially recognised in shareholders' equity will be recognised in income.

No foreign subsidiary has the currency of a hyperinflationary economy as functional currency.

3.10 Goodwill

Business combinations are accounted for using the revised IFRS 3 standard. Identifiable assets acquired and liabilities assumed are measured at fair value at the acquisition date and, if applicable, the non controlling interests in the acquiree are measured either at fair value or proportionate share of the acquiree's identifiable net assets (including fair value adjustments) of the acquiree. This option is available on a case by case basis for each business combination operation. Direct costs related to the acquisition (transaction costs) are recognised as expenses in the period in which they are incurred. Any share previously held in the acquiree prior to the acquisition is remeasured at fair value and the corresponding profit and loss recognised as income.

The identifiable assets acquired and liabilities assumed are measured at fair value at the acquisition date and changes in fair value will be recognised through profit orloss in the future beyond the appropriation period of a year. Any contingent consideration arising from the business combination is measured at fair value at the acquisition date.
After the acquisition date, the price adjustment is assessed at fair value each financial year. After the allocation period, any subsequent changes in fair value will be recognised as income The purchase price paid by the purchaser, which includes a contingent part, is measured and recognised at its fair value at the acquisition date and subsequent changes in fair value of the contingent share reported as liabilities having been recognised in accordance with IAS 39, IAS 37 or other applicable IFRS standard will be recognised either in net income or as gains or losses directly in shareholders' equity.

At the date of acquisition, goodwill determined at the time of each business combination may be measured either on the basis of the share of the acquired net asset (including fair value adjustments) or the overall value of the company.
When resulting from the acquisition of entities consolidated under full or proportional consolidation, positive goodwill is recognised as an asset in the balance sheet under "Goodwill" whilst negative goodwill is immediately expensed in the income statement. However, goodwill resulting from the acquisition of entities consolidated under the equity method is recorded under "equity accounted investments" according to IAS 28.

Goodwill can be adjusted for a period of one year after the acquisition date to take into account the final estimation of the fair value of assets acquired and liabilities assumed. Beyond that period, any adjustment is recognised in net income.
Goodwill is not amortised though it is tested for impairment at least once a year and whenever changes in events or circumstances indicate a loss in value.

The Group performs an measurement of their recoverable amounts at the end of each financial year. An individual amortisation is recorded when the recoverable amount is less than the book value.

3.11 Other intangible assets

Intangible assets are identifiable non-monetary assets (arising from legal rights, or which may be sold, transferred, rented or exchanged, either individually or together with a related contract, another asset or liability), without physical substance held for use in the production or supply of goods or services, for lease to third parties or administrative purposes.

Intangible assets must meet the following criteria:
- The future economic benefits attributable to the asset are likely to flow to the entity;
- The cost of the asset can be reliably measured.

The depreciation method used reflects the rate of consumption of the economic benefits of the fixed asset by the company.

Intangible assets held by the Group are mainly:

- *R&D costs for the improvement of industrial processes and are amortised over a period of 5 years;*

Development expenditures must be capitalised under IFRS if the following criteria are met:
  - The technical feasibility of completing the intangible asset so that it will be available for use or sale;
  - The intention to complete the intangible asset and use or sell it;

- The ability to use or sell the intangible asset;
  - How the intangible asset will generate probable future economic benefits;
  - The availability of technical, financial and other resources to complete the development and to use or sell the intangible asset:
  - The ability to measure reliably the expenditure.

- *software and other licenses (depreciation period of one to three years).*

Intangible assets are amortised over their useful lives. The Group holds no indefinite life fixed assets. Intangible assets acquired by the Group are recorded at their cost net of accumulated amortisation and impairment. If there is any indication of impairment, an impairment test is performed as described in Note 3.13. Any impairment is recorded in operating income under "depreciation and amortisation".

The amortisation methods and periods are as follows:

Intangible assets	***Method***	***Duration***
Software and software packages	Straight-line	1-3 years
Research and development expenditures	Straight-line	5 years

FIGEAC AERO and MECABRIVE INDUSTRIES have on-going R&D activities in particular within the framework of new aeronautical programs in which the companies operate with clearly distinguished research and development stages. In the case of risk sharing partnership agreements, capitalised development phases are distinct from expenses incurred.

3.12 Tangible assets

Property, plant and equipment are measured at acquisition cost which includes the purchase price and related expenses, or their production cost (capitalised production). Interest on specific loans for the production of fixed assets is not included in the cost of those assets.

Upon the acquisition of the assets, the total cost of an asset is split between the main asset and the different components separately accounted for, and for simplification incidental expenses are allocated to the main asset.

Given the fact that the assets acquired by the Group are not intended to be sold before the end of their economic life, no residual value has been applied to the different tangible fixed assets.

The depreciation mode reflects the rate of consumption of future economic benefits associated with the asset.

Ordinary depreciation of each main asset and component is calculated using the straight-line or diminishing balance method, according to the actual duration of intended use.
Any impairment is recorded in operating income under "depreciation and amortisation".

The selected durations of use are as follows:

- *For buildings and fixtures: 5 to 30 years depending on the nature of the construction and fixture;*
- *For industrial equipment: 3 to 10 years depending on the nature and use of the materials;*
- *For furniture and computer equipment: from 3 to 6 years depending on the use of such equipment;*
- *For transport equipment: 2 to 5 years depending on the use of the vehicles.*

3.13 Impairment of assets

The carrying amounts of the Group's assets (other than inventories and deferred tax assets) are reviewed upon each balance sheet date to determine whether there is any indication that an asset has suffered an impairment. If such an indication is identified (decline in value on the market or accelerated obsolescence, for example), an impairment test is performed.

Regarding intangible assets not yet available for use or those whose useful life is unlimited, as well as goodwill, the impairment test is performed at least once a year.

The impairment test consists in comparing the carrying value of the asset or group of assets concerned to its recoverable amount.

The recoverable amount of an asset is the highest of its net selling price and its value in use. Value in use is the present value of estimated future cash flows expected from the use of the asset and its disposal at the end of its useful life.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount shall be estimated for each individual asset. If not possible, IAS 36 requires an entity to determine the recoverable amount of the cash generating unit to which the asset belongs.

The assets are "attached" to Cash Generating Units (the smallest identifiable group of assets whose continued use generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets).

Given the fact that within each business sector of the Group, the fixed assets used are not specific to an activity or a branch, they can be used by the entire sector (no independence of cash inflows for any of them), the Cash Generating Units selected are the different business sectors of the Group considered separately.

An impairment loss recorded in respect of a Cash Generating Unit is first allocated to reduce the carrying amount of any goodwill allocated to the Cash Generating Unit and then to reduce the carrying amount of other assets of the Unit in proportion to the carrying amount of each asset of the unit.

Goodwill impairment cannot be reversed.

An impairment loss recorded for another asset is reversed if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of an asset that has been increased due to reversal of impairment, may not exceed the carrying amount that would have existed, net of depreciation or amortisation, if no impairment loss had been recognised.

3.14 Leases and finance leases

The operations carried out by means of a finance lease whose value at inception is greater than €75 thousand are restated according to terms identical to a credit acquisition for their original contract value.

The assets thus held are recorded at their fair value on the date the lease is concluded against a liability to the recognition of debts in borrowings equal to the input costs. These assets are then amortised in accordance with the group’s accounting policies described above. The tax effect of these adjustments is taken into account in deferred taxes.

Lease agreements where the lessor retains substantially all the risks and rewards incidental to ownership are accounted for as operating leases. Payments made under these contracts are recorded as expenses in the income statement.

3.15 Inventories and work in progress

Raw materials and other supplies

The gross value of raw materials and supplies includes the purchase price and associated costs (procurement coefficient). Depreciation is recognised on raw materials for the following amounts and for which no use is foreseen:

- no changes from +18 months and under 24 months 50%
- no changes from +24 months 75%

Work in progress (excluding construction contracts)

Work in progress is measured using the full cost method excluding non-production costs and any possible under-activity. A depreciation loss is recognised where the expected cost of the finished product exceeds its expected net realisable value less distribution costs.

Construction contracts/partnership

The Group has concluded with some of its customers, partnership contracts whose characteristics are those of construction contracts under IAS 11:

- a contract for the production of a group of interrelated assets or interdependent in terms of design, technology and function;
- which covers several years.

The accounting for these contracts meets the criteria below for income and costs relating to the implementation of construction contracts;

a) for income:

- The initial amount of income agreed in the contract,
- Alterations in the original contract work plus claims to the extent it is probable that they will result in income and where they can be measured reliably;

b) for costs:

- Costs directly related to the contract,
- Costs attributable to general contracting activity that can be allocated to the contract,
- Any other costs that can be specifically charged to the customer under the terms of the contract.

The margin is recognised to the advancement calculated in relation to the delivery of elements, ("milestones"). To this end, the Group invoices on delivery and all the invoicing is due regardless of the outcome of the program. It is also possible that additional invoicing be carried out subsequently (alterations or additional work). A review is conducted on a case by case basis to define the stage of completion.
The estimated margin is calculated on the basis of a forecast including the technical and budgetary items. This margin is revised periodically based on costs incurred and income received during the period and estimated costs and income to complete the contract. When the expected margin is negative, it is immediately expensed.

For construction contracts covering several years, the Group is required during the first years to carry the production costs on the balance sheet which will then be recognised as income based on the decline actually observed.

Finished goods

The finished products are measured using the full cost method excluding non-production costs and any possible under-activity.

Impairment is codified for obsolete finished products with very low sales prospects divided into two categories according to the following scale:
Article codified obsolete/maybe (can be resold): 25 %
Article codified obsolete/never (low resale probability): 90 %

Additionally, an impairment loss is recognised in cases where the cost price of the finished product exceeds its net realisable value less distribution costs.

3.16 Revenue recognition

Revenue is recognised using the following criteria:

- for construction contracts falling within the criteria of IAS 11, it is necessary to refer to Note 3.15;
- for other types of contracts (excluding for services), income is recognised upon transfer of substantially all the risks and rewards incident to ownership to the buyer, which generally occurs at the time of delivery;
- for services contracts, revenue is recognised on a percentage-of-completion basis for actual work completed based on cost incurred in relation to the total estimated costs.

Sales are presented net of all forms of discounts.

3.17 Trade and other receivables

Trade and other receivables are measured at fair value on initial recognition, and subsequently at amortised cost less impairment losses.

Where there are objective indications of impairment, the amount of the loss recognised is the difference between the carrying amount and the present value of estimated future cash flows.

3.18 Financial assets and liabilities

The Group applies IAS 32, IAS 39 and IFRS 7. These standards define four categories of financial assets and two categories of financial liabilities:

- financial assets and financial liabilities at fair value through profit or loss: These are derivative instruments not qualifying for hedge accounting framework as well as cash investments designated at fair value through profit or loss;

- financial assets available for sale at fair value with fair value adjustments recognised in shareholders' equity (the Group does not have such assets);

- financial assets held to maturity at amortised cost: no asset enters to date in this category;

- loans and receivables issued by the company measured at amortised cost;

- other financial liabilities measured at amortised cost using the method of effective interest rates.

These financial assets and liabilities are broken down in the balance sheet as current and non-current items following their expiry date of less than or greater than one year.

i) Derivatives instruments

The Group uses derivative financial instruments such as hedging contracts on foreign currencies and interest rates to cover its current positions against the foreign exchange and interest rate risks.

These derivatives are measured at fair value by an independent firm. This measurement takes into account the value of the derivative at the end of the reporting period (mark to market). Derivatives are recognised on the transaction date.

The derivative contracts entered into by the Group to hedge its foreign exchange exposure include instruments such as forward foreign exchange contracts, risk reversal (tunnel) vanilla options or collar options in addition other types of instruments like accumulators and target redemption forwards (TRF).

- The following derivative instruments meet IAS 39 criteria for hedge accounting:

✓ forward contracts

✓ vanilla binary options

✓ accumulators, solely for the portion of amounts accumulated at the and of the reporting period considered as forward instruments delivered by the contract as they are contractually fixed and independent from the accumulator contract

In accordance with IAS 39, eligible hedged items for hedge accounting are documented to establish the hedge relationship, particularly in the case of the Group, with respect to the cash flow hedges. Effectiveness tests are performed at the time hedging instruments are implemented and at the end of each reporting period.

Cash flow hedges hedging exposures to changes in expected future cash flows of existing or future assets and liabilities are recorded in the Group's consolidated financial statements:

✓ The effective portion of the gain or loss on the financial instrument is recognised directly in shareholders' equity (net of deferred tax) and the ineffective portion and the time value is immediately recognised under net financial income.
✓ Gains or losses recognised in shareholders' equity are recognised in the income statement of the period in which the underlying asset is recognised in the income statement, as for example, when expected revenue is generated.

- The following derivative instruments do not meet IAS 39 criteria for hedge accounting:

✓ target redemption forwards (TRF)
✓ accumulators
✓ binary collar options

The change in fair value of these instruments is recognised in profit or loss.

ii) Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits. Bank overdrafts repayable on demand and financing under discounted receivables (not meeting the criteria for de-recognition of assets) that are part of the Group's cash management are a component of cash and cash equivalents for the purposes of the cash flow statement.

The short-term cash investments, highly liquid and readily convertible to known amounts of cash and subject to insignificant risk of changes in value are considered as cash equivalents. These investments are measured at fair value.

iii) Borrowings

On initial recognition, borrowings are measured at fair value to which are added transaction costs directly attributable to the issuance of the liability.

At year-end, borrowings are measured at amortised cost, using the method of effective interest rates.

iv) Determining market value

Financial assets and liabilities at fair value through profit or loss and derivatives designated as hedging instruments are measured and recognised at their fair market value on the date of initial recognition, as well as for any subsequent measurement.
The market value is determined:

- either from quoted prices from an active market;
- or from a valuation technique involving:
  - mathematical calculation methods based on recognised financial theories,
  - parameters whose value are determined, for some, from the instrument prices traded in active markets and others from statistical estimates or other quantitative methods.

The distinction between the two valuation methods is made according to whether the market in which the instrument is considered as active or not.

For any given instrument, an active, and therefore liquid, market is any market in which transactions take place regularly or in which transactions involve instruments that are very similar to the instrument being measured.

The Group has identified three categories of financial instruments according to the consequences that their characteristics have on their valuation method and based on this classification present some of the information required by IFRS 7:

- level 1 category "Market Price": Financial instruments that are the subject to quotes 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 unobservable inputs": Financial instruments measured using valuation techniques based wholly or partly on unobservable inputs; an unobservable input is defined as an input whose value results from assumptions or correlations which are not based either on observable transaction prices in the markets, on the same instrument on the valuation date, nor on observable market data on the same date.

In the case of an inactive market, for example expressed by a scarcity of counterparties, the Group reserves the right to use mathematical models assessing risks based on assumptions that market participants would normally take, according to a horizon corresponding to the duration.

3.19 Provisions

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", the Group recognises a provision at balance sheet date for events that satisfy all of the following conditions:

- the existence of a legal or constructive obligation as a result of a past event at balance sheet date;
- probability or certainty that an outflow of resources to third parties will be required to settle the obligation without consideration after balance sheet date;
- the amount can be estimated reliably.

The estimate of the value of provisions is reviewed at each balance sheet date with an accounting adjustment if it appears necessary without discounting. Provisions are maintained as long as the company is not able to clearly determine and have certainty about their outcome.

Except in special cases that are duly justified, provisions are recognised in the balance sheet under current liabilities.

Provisions are discounted if the effect proves significant.

The impact of this standard for the Group relates only to provisions for employee benefits.

3.20 Trade and other payables

Trade and other payables are measured at fair value on initial recognition, and subsequently at amortised cost.

3.21. Employee benefits

The Group recognises some employee benefits in accordance with the revised IAS 19. After analysing the specific regulations of the countries in which the Group operates, it appears that these provisions relate mainly to French entities for retirement allowances and incidentally to long service awards.

Defined contribution plans

Contributions payable to a defined contribution plan are expensed as incurred.

Retirement severance benefits

The obligations of the Group as far as pensions are concerned consist of compensation paid upon departure of an employee. In accordance with IAS 19 revised, for defined benefit plans, pension obligations are calculated using the method of projected unit credit. Estimates of the Group's obligations under the French company employees are computed internally.

For this purpose, the projected unit credit method used takes into account estimated years of service at retirement, final salaries, life expectancy and staff turnover, based on actuarial assumptions. The obligation, including social security contributions, is discounted and is accounted for based on employees service years. Actuarial gains and losses resulting from these assumptions have been recognised in shareholders' equity since fiscal 2013.

The cost of current services (i.e.: of the period) is presented as a salary expenses.

Long service awards

The Figeac Aero Group recognises a provision on the basis of actuarial assumptions on the level of future remuneration, life expectancy and staff turnover (IAS 19 revised). Estimates of the Group's obligations regarding service awards (French companies only) are computed internally.

Individual right to training

The group does not recognise the application of the Individual Right to Training (DIF) because it does not fit the rules on liabilities in that the training does not relate to past services, that is, to the past financial years, but for services to be rendered in the future by the employee.

3.22 Public funding

The Group receives two types of funding:

Investment grants

They represent all of the grants granted to the group in the development of its business.

The group chose to remove them from shareholders' equity and reclassify them in accruals and other liabilities thus following the recommendation of the French Financial Markets Authority (AMF).

The grants related to depreciable assets are recognised in the consolidated and individual financial statements over the periods and in proportions in which the depreciation expense on those assets is recognised.

Refundable advances

These funds do not bear interest contractually (in terms of the management bodies).

Therefore, these types of funds are classified as government grants and fall within the scope of IAS 20.

Initially they are measured at the amount of cash received. At each balance sheet date, they are recognised according to the amortised cost method calculated on the basis of the effective interest rate.

3.23 Other operating income and expenses

The Group recognises in particular in "other operating income" the income from disposals of fixed assets.

The Group recognises in particular in "other operating expenses" the net value of fixed assets sold.

3.24 Income tax

The income tax expense includes the current tax expense (income) and the deferred tax expense (income).

The Group recognises deferred tax if:

- There are temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and values for tax purposes;
- There is an impact on the result after consolidation adjustments.

The Group recognises deferred tax assets relating to tax losses carried forward of group companies to the extent that it is sufficiently certain that they can be realised within a foreseeable future.

Deferred taxes are calculated using the liability method, applying the most recent applicable tax rate for each company based on the years in which the Group expects that the assets and liabilities will be settled. Deferred tax assets and liabilities are offset when they relate to the same taxable entity.

Deferred tax assets are only taken into account:

- If their recovery does not depend on future results;
- Or if their recovery is likely as a result of the existence of a taxable profit expected during their settlement period.

In accordance with IAS 12, deferred tax assets and liabilities are not discounted.

3.25 Earnings per share

Basic earnings per share represent the Group share of consolidated net income divided by the weighted average number of shares of the parent company outstanding during the financial year.

When no dilutive instruments have been issued, the dilutive earnings per share correspond to basic earnings per share.

4. Scope of consolidation

4.1 List of consolidated companies

Company and legal form	ID no.	Registered office	Consolidation method		% control		% interest	
			March 2014	March 2015	March 2014	March 2015	March 2014	March 2015
FIGEAC AERO SA	3.49E+08	Z.I. de l'Aiguille 46100 FIGEAC	Parent Company	Parent Company	Parent Company	Parent Company	Parent Company	Parent Company
M.T.I. SAS	3.94E+08	Z.I. du Combal 12300 DECAZEVILLE	Full consolidation	Full consolidation	95.64%	95.64%	95.64%	95.64%
MECABRIVE IND. SAS	4.54E+08	1, Imp. Langevin 19108 BRIVE	Full consolidation	Full consolidation	92.68%	92.68%	92.68%	92.68%
SARL FGA Tunisie	NONE	ZI M'Chira III, Rue de Gafsa 2082 FOUCHANA	Full consolidation	Full consolidation	100.00%	100.00%	100.00%	100.00%
FIGEAC AERO USA INC	NONE	2701 South Bayshore Drive 33133 MIAMI	Full consolidation	Full consolidation	100.00%	100.00%	100.00%	100.00%
FGA PICARDIE SAS	5.34E+08	Z.I. de l'Aiguille 46100 FIGEAC	Full consolidation	Full consolidation	99.00%	99.00%	99.00%	99.00%
FGA NORTH AMERICA INC	NONE	9313 E 39th St N Wichita, KS, 67226 USA	N/A	Full consolidation	N/A	100.00%	N/A	100.00%

4.2 Non-consolidated company

Company and legal form	ID no.	Registered office	Consolidation method		% control		% interest	
			March 2014	March 2015	March 2014	March 2015	March 2014	March 2015
SAS AEROTRADE	520459876	23 Av Edouard BELIN 31 400	Non-consolidated	Non-consolidated	11.11%	11.11%	11.11%	11.11%

4.3 Ad-hoc consolidated entities

Company and legal form	ID no.	Registered office	Consolidation method		% control		% interest	
			March 2014	March 2015	March 2014	March 2015	March 2014	March 2015
SCI REMSI		4 Avenue Jean Jaures 46100	Full consolidation	Full consolidation	100.00%	100.00%	0.00%	0.00%

5. Business segments

Segment information is presented in accordance with IFRS 8.

The Group's operations are organised and managed separately according to the nature of the products and services.

Each segment represents a strategic business offering different products in different markets.

These areas correspond to the division of internal reports used by the management of the Group to monitor the Group's activities.

The financial data presented for segment reporting follows the same accounting policies as those used for the Group's consolidated financial statements.

The group's activity revolves around four main areas:

1. ***<u>Aerostructure: structural parts for the aeronautical industry</u>***

    - *Production of aircraft sub-assemblies (machining and assembly);*
    - *Structural aircraft parts:*
    - *Production of engine parts and precision components for aircraft.*

2. ***<u>On-site and workshop assembly of aerospace sub-assemblies</u>***

3. ***<u>General engineering and sheet metal fabrication</u>***

4. ***<u>Precision machining and surface treatment.</u>***

Net income by business segment 2015

March 2015

(In € thousands)

BUSINESS SEGMENTS	TOTAL	Aerostructures	%	Assembly on site	%	Precision machining and surface treatment	%	General and industrial engineering	%
Revenue	203,938	168,894	82.82%	3,815	1.87%	19,014	9.32%	12,215	5.99%
Other income from operations	13,309	12,708	95.48%	132	1.00%	459	3.45%	10	0.07%
Changes in finished product inventories & w ork in pro	31,312	31,684	101.19%	635	2.03%	-218	-0.70%	-788	-2.52%
Raw materials and consumables	-117,083	-102,752	87.76%	-445	0.38%	-8,345	7.13%	-5,541	4.73%
Personnel expenses	-61,980	-46,576	75.15%	-4,014	6.48%	-7,252	11.70%	-4,138	6.68%
External expenses	-18,534	-15,972	86.18%	-566	3.06%	-1,358	7.33%	-638	3.44%
Taxes	-2,865	-2,171	75.76%	-125	4.35%	-322	11.22%	-249	8.67%
Depreciation and amortisation	-17,154	-15,189	88.54%	-258	1.50%	-1,412	8.23%	-296	1.72%
Net provisions	-101	157	-155.27%	31	-30.71%	-267	263.15%	-23	22.84%
Current operating income	***30,843***	***30,785***	***99.81%***	***-794***	***-2.58%***	***301***	***0.98%***	***552***	***1.79%***
Op income / Revenue	***15.12%***	***18.23%***		***-20.82%***		***1.58%***		***4.52%***	
Other operating income	4,640	4,503	97.05%	0	0.00%	96	2.07%	41	0.88%
Other operating expenses	-8,233	-8,140	98.87%	-35	0.43%	-31	0.37%	-26	0.32%
Operating income	***27,250***	***27,148***	***99.62%***	***-830***	***-3.04%***	***366***	***1.34%***	***566***	***2.08%***
Actual financial income	***1,799***	***2,097***	***99.53%***	***-128***	***0.20%***	***-132***	***0.21%***	***-38***	***0.06%***
Unrealised gains and losses	***-64,752***	***-64,752***	***100.00%***	***0***	***0.00%***	***0***	***0.00%***	***0***	***0.00%***
Net income (loss) for the year	***-21,892***	***-22,226***	***101.53%***	***-561***	***2.56%***	***341***	***-1.56%***	***554***	***-2.53%***
Net income (loss) / Revenue	***-10.73%***	***-12.65%***		***-100.09%***		***2.20%***		***4.54%***	
Total intangible assets	21,996	20,946	95.23%	0	0.00%	1,045	4.75%	5	0.02%
Total fixed assets	87,129	73,267	84.09%	3,440	3.95%	8,795	10.09%	1,627	1.87%
Financial assets	2,034	1,933	95.02%	2	0.09%	82	4.04%	17	0.85%
Total assets	***111,324***	***96,146***	***86.49%***	***3,441***	***3.10%***	***9,922***	***8.93%***	***1,650***	***1.48%***
Inventories & w ork in progress	145,367	139,782	96.16%	843	0.58%	3,566	2.45%	1,176	0.81%
Trade and other receivables	61,724	52,092	84.39%	1,015	1.64%	4,310	6.98%	4,307	6.98%
Trade and other payables	-65,531	-53,378	81.45%	-5,504	8.40%	-3,595	5.49%	-3,053	4.66%
Financial debt	-116,523	-109,536	94.00%	-3,107	2.67%	-3,152	2.70%	-728	0.62%

Net income by business segment 2014

March 2014

(In € thousands)

OPERATING SEGMENTS	TOTAL	Aerostructures	%	Assembly on site	%	Precision machining and surface treatment	%	General and industrial engineering	%
Consolidated Revenue	162,325	137,229	84.54%	4,443	2.74%	9,786	6.03%	10,867	6.69%
Other income from operations	8,257	7,074	85.68%	91	1.11%	960	11.63%	131	1.58%
Changes in finished product inventories & w ork in p	25,556	25,575	100.08%	96	0.37%	-947	-3.71%	832	3.26%
Raw materials and consumables	-92,593	-83,302	89.97%	-209	0.23%	-3,192	3.45%	-5,890	6.36%
Personnel expenses	-51,765	-38,935	75.22%	-3,925	7.58%	-4,573	8.83%	-4,331	8.37%
External expenses	-14,155	-12,953	91.51%	-153	1.08%	-584	4.12%	-466	3.29%
Taxes	-2,242	-1,657	73.89%	-129	5.77%	-217	9.70%	-239	10.64%
Depreciation and amortisation	-13,187	-11,763	89.21%	-58	0.44%	-1,044	7.92%	-321	2.43%
Net allocations to provisions	96	162	168.77%		-0.29%	-34	-35.83%	-31	-32.64%
Current operating income	***22,292***	***21,430***	***96.13%***	***155***	***0.70%***	***154***	***0.69%***	***552***	***2.48%***
Income op/ Revenue	***13.73%***	***15.62%***		***3.49%***		***1.58%***		***5.08%***	
Other operating income	6,204	6,177	99.56%		0.00%	27	0.44%		0.00%
Other operating expenses	-7,119	-6,949	97.61%	-1	0.01%	-147	2.07%	-22	0.31%
Operating income	***21,377***	***20,658***	***96.64%***	***155***	***0.72%***	***34***	***0.16%***	***530***	***2.48%***
Actual financial income	***-394***	***-131***	***33.20%***	***-77***	***19.66%***	***-130***	***33.07%***	***-55***	***14.07%***
Unrealised gains and losses	***1,212***	***1,212***	***100.00%***		***0.00%***		***0.00%***		***0.00%***
Net income (loss) for the year	***15,965***	***15,556***	***97.44%***	***125***	***0.78%***	***-109***	***-0.68%***	***393***	***2.46%***
Net income (loss) / Revenue	***9.84%***	***11.34%***		***2.82%***		***-1.12%***		***3.62%***	
Total intangible assets	12,467	11,346	91.01%	3	0.02%	1,116	8.95%	2	0.02%
Total of tangible capital assets	66,040	59,177	89.61%	3,029	4.59%	2,131	3.23%	1,703	2.58%
Total financial assets	1,662	1,555	93.55%	2	0.09%	89	5.33%	17	1.04%
Total assets	***80,169***	***72,078***	***89.91%***	***3,033***	***3.78%***	***3,335***	***4.16%***	***1,723***	***2.15%***
Inventories and Work in Progress	109,850	105,268	95.83%	202	0.18%	2,369	2.16%	2,011	1.83%
Trade and other receivables (1)	51,399	45,587	88.69%	373	0.73%	1,117	2.17%	4,321	8.41%
Trade and other payables	-54,074	-47,676	88.17%	-1,364	2.52%	-1,988	3.68%	-3,046	5.63%
Financial debt	-88,630	-81,558	92.02%	-3,052	3.44%	-3,033	3.42%	-987	1.11%

6. Capital assets

6.1 Intangible assets

Intangible assets

(In € thousands)

Intangible assets	March 2014 Opening	March 2015 Increase	Decrease	Disposals	Other movements	Translation adjustment	Changes in scope	Closing
Preliminary expenses and similar	0	0	0	0	-165	36	129	0
Development costs	17,634	3,700	-47	0	-1,113	0	0	20,173
Concessions, patents, licenses	1,606	349	0	0	0	0	0	1,954
Software	2,282	814	0	0	1	29	12	3,138
Goodwill	7	346	0	0	0	0	0	353
Other intangible assets	0	0	0	0	0	0	0	0
Intangible assets in progress	2,246	12,758	-4,903	0	1,113	2	0	11,216
Advances/intangible assets	0	0	0	0	0	0	0	0
Gross intangible assets	***23,774***	***17,966***	***-4,951***	***0***	***-163***	***67***	***141***	***36,835***
Depreciation								
Amort. Capitalise Prelim	0	0	0	0	0	0	0	0
Development costs - amort.	-8,273	-2,866	23	0	0	0	0	-11,117
Concessions, patents, licenses - amort.	-1,228	-268	0	0	0	0	0	-1,496
Software - amort.	-1,807	-413	0	0	0	-7	0	-2,227
Goodwill - amort	0	0	0	0	0	0	0	0
Other intangible assets - amort.	0	0	0	0	0	0	0	0
Intangible assets in progress - amort.	0	0	0	0	0	0	0	0
Advances/intangible assets - amortisation	0	0	0	0	0	0	0	0
Intangible assets - amort.	***-11,307***	***-3,547***	***23***	***0***	***0***	***-7***	***0***	***-14,839***
Net values								
Preliminary expenses and similar	0	0	0	0	-165	36	129	0
Development costs	9,361	833	-25	0	-1,113	0	0	9,057
Concessions, patents, licenses	378	80	0	0	0	0	0	459
Software	475	401	0	0	1	21	12	911
Goodwill	7	346	0	0	0	0	0	353
Other intangible assets	0	0	0	0	0	0	0	0
Intangible assets in progress	2,246	12,758	-4,903	0	1,113	2	0	11,216
Advances/intangible assets	0	0	0	0	0	0	0	0
Intangible assets	***12,467***	***14,419***	***-4,927***	***0***	***-163***	***60***	***141***	***21,996***

- **Breakdown of research and development expenditures:**
  - **FIGEAC AERO**

Developments	Gross value	Acquisition	Other changes	Year-end value	Prior amortisation	Amortisation during the year	Reversal	Total amortisation	Net value
Forged machining processes	532			532	532			532	0
Thin wall machining processes	1,733			1,733	1,733			1,733	0
Chemical machining substitution	310			310	310			310	0
Shell machining in one laydown	521			521	521			521	0
Machining Inconel fittings	130			130	130			130	0
Machining mass driven piping parts	186			186	186			186	0
Machining large hard metal structures	1,638			1,638	1,056	328		1,384	254
assemblies	1,064			1,064	691	213		904	160
Spar machining	559			559	224	112		336	223
Souces rail study	403			403	185	81		266	137
sheet / profile replacement	438			438	178	88		266	172
Works forming wing panels	549			549	247	110		357	192
Machining jobs reactors rings	539			539	270	108		378	161
Wheel machining development and rectifiers	423			423	85	85		170	253
FUI TIMAS	1,105			1,105	149	221		370	735
Forged deformations studies	663			663	133	133		266	397
Large parts deformations studies dimension	343			343	69	69		138	205
Crankcase engine machining	1,942			1,942	231	388		619	1,323
Machining frames and rings of reactors	692			692	12	138		150	542
Project NOMAD - coatings	1,136	25	-1,161	0	22		-22	0	0
Machining inverter parts	684			684	1	137		138	546
Motor blade machining process		1,209		1,209		182		182	1,027
Crankcase engine machining process		1,638		1,638		81		81	1,557
Forged machining process		559		559		84		84	475
Sheet metal work process		230		230		11		11	219
R&D projects in progress	2,188	11,084	3,635	9,637					9,637
TOTAL	17,778	14,744	2,475	27,726	6,965	2,566	-22	9,509	18,217

- **MECABRIVE INDUSTRIES**

Developments	Gross value	Acquisition		End-year value	Prior amortisation	Amortisation during the year	Reversal	Total amortisation	Net value
Assemblies	68			68	68	0		68	0
Surface treatment	396			396	247	22		268	128
Organisation	128			128	115	7		122	6
Machining	251			251	118	84		202	49
Profiled	586			586	380	117		497	89
Production optimization	376			376	358	18		376	0
Machining process optimization	196	40		236	20	43		63	173
Surface treatment	45			45	5	9		13	32
	2,046	40	0	2,086	1,310	300	0	1,610	476

6.2 Tangible Assets

FIGEAC AERO

Tangible assets

(In € thousands)

Tangible assets	Opening (March 2014)	Increase (March 2015)	Decrease	Disposals	Other movements	Translation adjustment	Changes in scope	Closing
Gross Value								
Land	1,445	561	0	0	0	165	585	2,755
Building	20,598	7,924	-23	0	5	816	2,504	31,825
Buildings - finance lease	3,811	0	0	0	0	0	0	3,811
Tech. facilities, plant and equipment	33,652	10,937	-989	0	-71	570	1,114	45,213
Tech. installations, machinery and equipment - finance	40,883	8,203	0	0	0	0	0	49,087
Fixtures & fittings	4,962	534	0	0	-15	7	0	5,487
Vehicles	243	22	-46	0	0	0	0	219
Office and IT equipment	1,815	484	0	0	-4	39	58	2,392
Office and IT equipment - finance lease	2	0	0	0	0	0	0	2
Other property, plant and equipment	553	0	0	0	0	0	0	553
Tangible assets in progress	4,443	13,231	-12,354	0	-67	1	0	5,253
Advances/tangible assets	540	1,094	-680	0	0	0	0	954
Property, plant and equipment - Gross	***112,947***	***42,989***	***-14,091***	***0***	***-152***	***1,597***	***4,262***	***147,552***
Depreciation								
Land - depreciation	-389	-134	0	0	0	0	0	-523
Buildings - deprec.	-6,406	-867	15	0	-5	-15	0	-7,279
Buildings - finance lease - deprec.	-842	-871	0	0	0	0	0	-1,713
Tech. facilities, plant and equipment - deprec.	-21,198	-4,925	573	0	-10	-46	0	-25,605
Tech. facilities, plant and equipment - finance lease - de	-13,797	-6,930	0	0	691	0	0	-20,036
Fixtures, fittings - deprec.	-2,997	-586	0	0	2	-1	0	-3,583
Vehicles - deprec.	-150	-41	33	0	0	0	0	-158
Office and IT equipment - deprec.	-1,130	-391	0	0	0	-6	0	-1,527
Office and IT equipment - finance lease - deprec.	0	0	0	0	0	0	0	0
Other property, plant and equipment - deprec.	0	0	0	0	0	0	0	0
Work in progress deprec.	0	0	0	0	0	0	0	0
Advances/property, plant and equipment - deprec.	0	0	0	0	0	0	0	0
Tangible assets - dep.	***-46,910***	***-14,744***	***622***	***0***	***678***	***-67***	***0***	***-60,422***
Net values								
Land	1,056	427	0	0	0	165	585	2,232
Building	14,192	7,057	-8	0	0	801	2,504	24,546
Buildings - finance lease	2,969	-871	0	0	0	0	0	2,098
Tech. facilities, plant and equipment	12,455	6,010	-416	0	-81	524	1,114	19,608
Tech. installations, machinery and equipment - finance	27,087	1,273	0	0	691	0	0	29,051
Fixtures & fittings	1,964	-52	0	0	-13	6	0	1,905
Vehicles	93	-18	-13	0	0	0	0	61
Office and IT equipment	685	93	0	0	-4	33	58	865
Office and IT equipment - finance lease	2	0	0	0	0	0	0	2
Other property, plant and equipment	553	0	0	0	0	0	0	553
Tangible assets in progress	4,443	13,231	-12,354	0	-67	1	0	5,253
Advances/tangible assets	540	1,094	-680	0	0	0	0	954
Tangible assets	***66,040***	***28,242***	***-13,470***	***0***	***525***	***1,530***	***4,262***	***87,129***

6.3 Financial assets

(In € thousands)

Financial assets	March 2014 Opening	March 2015 Increase	Decrease	Disposals	Other movements	Remeasurement at fair value	Translation adjustment	Changes in scope	Closing
Gross Value									
Consolidated securities	168	0	0	0	0	0	0	0	168
Loans to subsidiaries and affiliates	0	3,774	-685	0	-3,059	0	0	0	29
Unconsolidated securities	70	0	0	0	0	0	0	0	70
Loans	593	128	-9	0	0	0	0	0	712
Other financial assets	832	256	-141	0	176	0	13	0	1,136
Gross financial assets	*1,662*	*4,158*	*-836*	*0*	*-2,883*	*0*	*13*	*0*	*2,114*
Depreciation									
Consolidated securities - amortisation	0	-80	0	0	0	0	0	0	-80
Loans to subsidiaries and affiliates - amort.	0	0	0	0	0	0	0	0	0
Unconsolidated securities - amort.	0	0	0	0	0	0	0	0	0
Other financial assets - amort.	0	0	0	0	0	0	0	0	0
Financial assets - amort.	*0*	*-80*	*0*	*0*	*0*	*0*	*0*	*0*	*-80*
Net values									
Consolidated securities	168	-80	0	0	0	0	0	0	88
Loans to subsidiaries and affiliates	0	3,774	-685	0	-3,059	0	0	0	29
Unconsolidated securities	70	0	0	0	0	0	0	0	70
Loans	593	128	-9	0	0	0	0	0	712
Other financial assets	832	256	-141	0	176	0	13	0	1,136
Financial assets	*1,662*	*4,078*	*-836*	*0*	*-2,883*	*0*	*13*	*0*	*2,034*

7. Inventories, work in progress and construction contracts

7.1 Inventories and work in progress

Inventories and work in progress

(In € thousands)

Inventories and work in progress	Opening (March 2014)	Net change (March 2015)	Increase	Decrease	Other movements	Translation adjustment	Changes in scope	Closing
Gross Value								
Inventories of raw materials	11,014	1,375	0	0	0	206	572	13,168
Inventories other supplies	11,221	2,710	0	0	0	21	0	13,951
Work and services in progress	0	0	0	0	0	0	0	0
Work in progress and services	76,294	21,705	0	0	0	81	92	98,172
Inventories - finished goods	14,007	9,874	0	0	0	0	0	23,881
Inventories - goods	0	0	0	0	0	0	0	0
Inventories - gross value	*112,536*	*35,664*	*0*	*0*	*0*	*307*	*664*	*149,172*
Provisions								
Inventories of raw materials - deprec.	-456		-30	84	-50	-7	-76	-535
Inventories other supplies - depreciation	0		0	0	0	0	0	0
Work and services in progress - depreciation	0		0	0	0	0	0	0
Inventories and work and services in progress - deprec	-1,010		-457	1	0	0	0	-1,466
Inventories - finished goods - depreciation	-1,220		-557	0	-26	0	0	-1,803
Inventories - goods - depreciation	0		0	0	0	0	0	0
Inventories - depreciation	*-2,686*		*-1,045*	*86*	*-76*	*-7*	*-76*	*-3,805*
Net values								
Inventories of raw materials	10,558	1,375	-30	84	-50	199	496	12,632
Inventories other supplies	11,221	2,710	0	0	0	21	0	13,951
Work and services in progress	0	0	0	0	0	0	0	0
Work in Progress and services	75,284	21,705	-457	1	0	81	92	96,706
Inventories - finished goods	12,787	9,874	-557	0	-26	0	0	22,078
Inventories - goods	0	0	0	0	0	0	0	0
Inventories and work in progress	*109,850*	*35,664*	*-1,045*	*86*	*-76*	*301*	*587*	*145,367*

7.2 Construction contracts

Construction contracts

(In € thousands)

Construction contracts	Opening (March 2014)	Closing (March 2015)
Capitalised work in progress	43,409	60,001
Revenue recognized from the inception of the contracts	326,060	440,974
Charges incurred since inception of the contracts	337,054	449,103

Construction contracts are estimated on forecasts made by the Group in the light of commercial information (order book and production rates) released by the various manufacturers and information from the perspectives of customers of the aeronautical industry, including the Global Market Forecast for AIRBUS.

Contractual terms adopted take into account the average length of presence within the group of industrial equipment necessary to complete the this construction activity.

The term used for the analysis of contracts is 11 years.

Future costs are estimated on the basis of industrial organisations set up by the Group. Moreover, with US dollar flows (revenues and expenses) representing a significant portion of global flows, the Group has based its forecasts on the future development of hypotheses in the €/US$ exchange rate in relation with the duration of the contracts. This last assumption is reviewed in the period in order to take into account:

- the hedging strategy implemented by the Group for the 2015-2017 time period;
- estimated exchange rate trends for €/US$ exchange rates over the residual contract periods with respect to actual exchange rate trends noted for the period.

This change in assumption has an impact of +2.5 points on EBIT for the period including +1.9 points from the change in estimates for prior periods.

The impact on EBIT recognised in the period of a €0.05 increase in the €/US$ exchange rate budgeted by the Group would be -0.8 points.

The impact on EBIT recognised in the period of a €0.05 increase in the €/US$ exchange rate budgeted by the Group would be +1.6 points.

The main programs thus concerned are:

- AIRBUS A 350 (floor, engines pylons, and structural parts)
- AIRBUS A 380
- AIRBUS A 320
- EMBRAER LEGACY
- MOTEUR CFM 56
- MOTEUR LEAP X
- GULSTREAM

Detailed quantitative information by program (including revenue, margin at completion) cannot be disclosed for confidentiality reasons.

8. Trade and other receivables

8.1 Breakdown of receivables

Breakdown of receivables

(In € thousands)

Breakdown of receivables	Opening (March 2014)	Closing (March 2015)	< 1 year	> 1 year
Trade and other receivables	42,318	52,745	52,509	236
Tax receivables	5,226	5,286	4,818	468
Sundry debtors	3,417	2,658	2,658	
Prepaid expenses	695	1,035	1,035	
TOTAL	*51,655*	*61,724*	*61,020*	*705*

8.2 Impairment of current assets

Depreciation of circulating assets

(In € thousands)

Depreciation of circulating assets	Opening (March 2014)	Closing (March 2015)	Allocations	Reversals
Trade and other receivables	256	236	0	20
Sundry debtors	0	0	0	0
TOTAL	*256*	*236*	*0*	*20*

9. Cash and cash equivalents

(In € thousands)

Cash and cash equivalents	Opening (March 2014)	Closing (March 2015)	Change
Marketable securities	122	2,537	2,415
Available cash	20,880	29,567	8,687
Overdrafts	-1,961	-1,837	124
Cash and cash equivalents	19,041	30,267	11,226
Outstanding invoices	-23,224	-25,934	-2,711
TOTAL	*-4,183*	*4,327*	*8,515*

Current bank facilities are included under "short-term borrowings". 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 point 1.4 "Consolidated statement of cash flows".

10. Breakdown of share capital

	Number	Nominal value
Shares outstanding at the beginning of the year	26,625,845	0.12
Public offering on 12/03/2015	1,111,111	0.12
Shares outstanding at the end of the year	27,736,956	0.12

11. Provisions

Provisions for risks and charges break down as follows:

Provisions for risks and charges

(In € thousands)

Provisions for risks and charges	March 2014 Opening	March 2015 Allocations	Reversals used	Reversals not used	Other movements	Closing
Provision for litigation	1,011	211	-29	-92	0	1,101
Provision for contract loss	5,383	1,324	-35	-2,453	0	4,219
Other provisions	0	9	0	0	0	9
Provision for financial instruments	0	74,034	0	0	1,515	75,548
Total provisions for risks	***6,394***	***75,578***	***-64***	***-2,545***	***1,515***	***80,876***

Provisions for employee benefits:

Provisions for personnel benefits

(In € thousands)

Provisions for personnel benefits	March 2014 Opening	March 2015 Allocations	Impact on Shareholders' equity	Reversals	Impact on Shareholders' equity	Closing
Provision for retirement	1,171	173		-76	730	1,998
Provision for service aw ards	66	31				97
Total provisions for risks	***1,237***	***204***	***0***	***-76***	***730***	***2,096***

Procedures for calculating the provision for employee benefits are presented in Note 13 to the annual financial statements for 2014-2015.

12. Trade and other payables

(In € thousands)

Trade and other payables	Opening (March 2014)	Closing (March 2015)	< 1 year	1-5 years	> 5 years
Trade payables	29,920	36,884	36,884	0	0
Debt/fixed assets and related accounts	1,859	3,517	3,517	0	0
Advances and payments received on orders	5,775	1,869	1,869	0	0
Social security liabilities	11,482	13,910	13,910	0	0
Tax liabilities	3,956	4,055	4,055	0	0
Other liabilities	1,082	5,345	3,324	2,022	0
Deferred Revenue	6,261	3,991	1,474	2,517	0
TOTAL	*60,335*	*69,571*	*65,032*	*4,538*	*0*

Deferred income consists of:

- Investment grants granted to Group companies: €2,170 thousand;
- Prepaid income for work in progress: €596 thousand;
- Deferred recognition of research tax credits: €1,225 thousand.

13. Employee benefits

13.1 Pension liabilities

The methods for calculating the provision for employee benefits relate only to France and are calculated according to the method described in Note 3.21.

Assumptions used for the calculation are as follows:

- A discount rate of 1.14% compared to 3% at 31 March 2014, based on market yields of investment grade corporate bonds, and namely the IBOXX Corporates AA index
- Mortality table: INSEE 2014 table
- Retirement age: 67 years
- Average rate of social security contributions: 37% to 42.81 % according to the company
- Staff turnover by age bracket (management/non management) and by company
    - Non-management: 0% to 10.36%
    - Management: 0% to 12.53%
- Average annual salary escalation rate: 1.50% compared to 2% at 31 March 2014

Actuarial gains and losses are recognised in shareholders' equity.

The impact of a 0.64% change in the discount rate on the provision for retirement severance benefits would be an increase of €259 thousand.
The impact of a 1.64% change in the discount rate on the provision for retirement severance benefits would be a decrease of €223 thousand.

The commitment is recognised in the balance sheet as a non-current liability for the full amount.
Retirement severance payments paid in the period ended 31 March 2015 amounted to €82 thousand.

13.2 Individual right to training

Rights vested with respect to the Individual Right to Training at 31 December 2014 and not used: 81,296 hours (compared to 76,291 hours at 31 December 2013).

14.

14.1 Borrowings and financial liabilities

FIGEAC AERO

Financial liabilities

(In € thousands)

Financial liabilities	March 2014 Opening	March 2015 Increase	Decrease	Other movements	Closing	< 1 year	1-5 years	> 5 years
Borrowings and financial liabilities	39,179	26,759	-9,740	30	57,478	10,011	39,062	8,351
Lease financing	35,808	8,614	-8,232	-3	36,342	8,585	22,822	3,969
Repayable advances	12,136	12,035	-1,817	348	22,703	1,169	13,589	7,945
Total	*87,118*	*47,408*	*-19,789*	*376*	*116,523*	*19,764*	*75,474*	*20,265*

Other financial liabilities mainly comprise the profit sharing rights of FIGEAC employees.

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Other financial liabilities

(In € thousands)

Other financial liabilities	March 2014 Opening	March 2015 Increase	Decrease	Other movements	Closing	< 1 year	1-5 years	> 5 years
Other financial liabilities	1,512	79	0	0	1,591	**0**	**0**	**1,591**
Total	*1,512*	*79*	*0*		*1,591*	*0*	*0*	*1,591*

14.2 Refundable advances

Repayable advances

(In € thousands)	March 2014				March 2015			
Repayable advances	**Opening**	**Incr.**	**Decr.**	**Actu. change**	**Closing**	**< 1 year**	**> 1 year and < 5 years**	**> 5 years**
OSEO REFUNDABLE ADVANCE	288		-38		250	38	212	
WATER POLLUTION PREVENTION	127	174	-19		282	110	172	
COFACE ADVANCE	3,297	1,314	-881		3,730	516	3,214	
RISK SHARING ADVANCE	231		-49		182		182	
OSEO DPAC REFUNDABLE ADVANCE	2,960		0		2,960			2,960
GRAND EMPRUNT REFUNDABLE ADVANCE	3,386	5,581		428	9,395		6,500	2,895
Contribution from the Midi-Pyrénées region	1,247	695		8	1,950	400	1,550	
ARI2	0	3,111		344	3,455		1,365	2,090
Brive urban area community advance	88				88	30	58	
Limousin region	513		-100	-1	412	75	337	
Total	*12,136*	*10,875*	*-1,086*	*779*	*22,703*	*1,169*	*13,589*	*7,945*

- The OSEO refundable advance in the amount of €250 thousand regarding the development program of the profiles machining process by MECABRIVE.
- The COFACE refundable advance is destined to assist the Group in its sales efforts on exports, particularly to the USA. This refundable advance will be refunded in the event of commercial success.
- The refundable advance from the French water agency supports efforts by the Group to recover the water used during the machining operations.
- Refundable advances for RISK SHARING relate to expenditure incurred by FIGEAC AERO for the industrialisation of the A380 sub-assemblies and the F7X.
- The refundable advance from DPAC concerns the AIRBUS A 350.
- Grand Emprunt refundable advance and the refundable advance from the Midi Pyrenées Region are intended to support FIGEAC AERO in its investment efforts.
- The refundable advance from the Brive township community is intended to support MECABRIVE in its investment efforts.
- The refundable advance from the Limousin Regional Council is intended to support MECABRIVE in its investment efforts.

Such refundable advances when they do not bear interest for the benefit of the organisation providing the funds generate an advantage for the Group which recognised in accordance with IAS 20.

15. Income tax

15.1 Corporate tax

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

Corporation tax

(In € thousands)

Corporation tax	Opening (March 2014)	Closing (March 2015)
Tax due	1,457	2,410
Change in deferred tax expense	4,819	-16,218
Apprenticeship tax credit	-45	-3
Net tax expense	*6,231*	*-13,811*

15.2 Deferred taxes

Accounting for deferred taxes at 31 March 2015 in the consolidated financial statements had, item by item, the following impacts:

Deferred taxes

(In € thousands)

Deferred taxes	Opening (March 2014)	Net change (March 2015)	Other movements (March 2015)	Closing (March 2015)
Deferred tax assets	5,559	19,524	240	25,322
Deferred tax liabilities	-15,945	-19	-116	-16,080
Balance	*-10,386*	*19,505*	*124*	*9,243*

Deferred tax assets and liabilities, regardless of maturity, are offset when they relate to the same taxable entity.

Breakdown of deferred taxes

(In € thousands)

Breakdown of deferred taxes	March 2014 Opening	March 2015 Change during the financial year	March 2015 Closing
Deferred tax assets			
Accelerated depreciation	0	37	37
Leasing	167	-551	-384
Employee profit sharing	67	144	211
Personnel benefits	412	294	706
Valuation of tax losses carried forward	35	716	751
Tax timing differences		0	0
Prov depre MP	3		0
Subsidies		-162	-162
Construction contracts	4,345	-5,472	-1,127
Financial instruments	505	24,678	25,183
Finance leases	13		13
Provisions for exchange rate losses	12		15
Other	1	80	81
Subtotal - Deferred tax assets	***5,559***	***19,763***	***25,322***
Deferred tax liabilities			
Accelerated depreciation	-455		-455
Leasing	-808	-19	-827
Employee profit sharing			0
Personnel benefits			0
Tax timing differences	36		36
Subsidies	-308		-308
Construction contracts	-14,468		-14,468
Financial instruments			0
Finance leases	-22		-22
Provisions for exchange rate losses	80		80
Other	0	-116	-116
Subtotal deferred tax liabilities	***-15,945***	***-135***	***-16,080***
TOTAL DEFERRED TAX	***-10,386***	***19,629***	***9,243***

15.3 Tax reconciliation

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Tax reconciliation

In € thousands	March 2015 Closing	March 2014 Opening
Net income of consolidated companies before income tax and amortisation of goodwill	-35,703	22,196
Income tax rate applicable to the parent company	33.33%	33.33%
Theoretical tax expense	-11,900	7,398
Effective income tax expense	-13,811	6,231
TAX DIFFERENCE ON THEORETICAL / ACTUAL RESULTS	*1,911*	*1,167*
Impact of the tax rates applicable to foreign subsidiaries which are different than the French tax rate.	407	
Non-activated tax losses		-52
Share of expenses and charges on Group dividends		
Impact of permanent differences	-6	-9
Impact of reduced tax rate and tax credit	1,351	1,174
Other non-deductible items / not taxable locally	159	55
TOTAL	*1,911*	*1,168*

16. Revenue

The breakdown of revenue by business segment is as follows:

By business activities	March 2014 Closing	March 2015 Closing	Change
Structural parts for the aeronautical industry	137,229	168,894	23.04%
General and industrial engineering	10,867	12,215	13.43%
Assembly on site	4,443	3,815	-14.12%
Machining and surface treatment	9,786	19,014	93.61%
TOTAL	*162,325*	*203,938*	*26%*

The breakdown of revenue by business segment and region is as follows:

By geographical region	March 2014 Closing	March 2015 Closing	Change
France	133,465	155,481	16.50%
Export	28,860	48,457	67.90%
TOTAL GEOGRAPHIC REGIONS	*162,325*	*203,938*	*26%*

	March 2014	March 2015	
By geographical region	**Closing**	**Closing**	**Change**
EUROPE	156,155	182,938	17.15%
NORTH AMERICA	0	9,352	
NORTH AFRICA	6,169	11,648	88.80%
TOTAL GEOGRAPHIC REGIONS	***162,325***	***203,938***	***26%***

17. Breakdown of other income from operations

FIGEAC AERO

Breakdown of other income from operations

(In € thousands)

	March 2014	March 2015	
Other income from operations	**Opening**	**Closing**	**Change**
Other income from operations	**8,257**	**13,309**	**61.19%**
Capitalized production	5,455	11,180	105.35%
Research Tax Credit	1,995	1,775	-11.02%
Operating subsidies	373	354	-5.08%
Other income from operations	435	0	-104.84%
Total	***8,257***	***13,309***	***61.19%***

18. Purchases consumed and external charges

(In € thousands)	March 2014	March 2015	
Raw materials and consumables	**Opening**	**Closing**	**Change**
Raw materials and consumables	**92,593**	**117,083**	
Raw materials and consumables	40,834	62,151	52.20%
Production consumable	7,453	8,169	9.61%
Subcontracting	40,182	43,181	7.46%
Other purchases	4,124	3,582	-13.15%
Total	***92,593***	***117,083***	***26.45%***

(In € thousands)	March 2014	March 2015	
External expenses	**Opening**	**Closing**	**Change**
External expenses	**14,155**	**18,534**	
General subcontracting	411	433	5.25%
Operating leases and rentals	1,820	2,211	21.50%
Maintenance	3,251	4,735	45.65%
Insurance premiums	553	676	22.38%
Fees	1,307	1,881	43.93%
Transports	3,909	4,412	12.87%
Travel and entertainment	1,005	1,474	46.73%
Post and telecommunications	265	384	44.85%
Banking and insurance services	572	625	9.34%
Other external expenses	1,063	1,702	60.08%
Total	***14,155***	***18,534***	***30.93%***

19. Personnel expenses

Personnel expenses

(In € thousands)

Personnel expenses	March 2014 Opening	March 2015 Closing	Change
Personnel expenses	**51,765**	**61,980**	**19.73%**
Other external services - Personnel	2,088	2,557	22.46%
Gross remuneration	35,419	42,323	19.49%
Profit sharing	1,519	2,021	33.05%
Social security contributions	12,385	14,986	21.00%
Change in IFC provision	354	93	-73.81%
Total	***51,765***	***61,980***	***19.73%***

20. Net depreciation and amortisation expense and provisions

Depreciation, amortisation and provisions

(In € thousands)

Depreciation and amortisation	March 2014 Opening	March 2015 Closing	Change
Depreciation and amortisation	**13,187**	**17,154**	
Depreciation and amortisation	13,717	17,606	28.36%
Share of investment grant allocated to income	-530	-452	-14.78%
Total	***13,187***	***17,154***	***30.09%***

Net allocations to provisions

(In € thousands)	March 2014	March 2015	
Net provisions	**Opening**	**Closing**	**Change**
Net provisions	**-96**	**101**	
Doubtful debt provision	35	254	618.89%
Reversal on doubtful debt provision	-11	-75	578.74%
Provisions for inventories	2,654	5,048	90.22%
Reversal on provisions for inventories	-2,971	-5,080	70.97%
Provision for operational risks and charges	70	302	330.74%
Reversal on provision for operational risks and charges	-37	-35	-4.29%
Other provisions	270	80	-70.46%
Other reversals	-106	-392	270.05%
Total	***-96***	***101***	***-205.61%***

21. Other operating income and expenses

Other operating income and expenses

(In € thousands)	March 2014	March 2015	
Other operating income	**Opening**	**Closing**	**Change**
Other operating income	**6,204**	**4,640**	
Assets disposals	6,177	4,609	-25.38%
Other income	27	31	12.52%
Total	***6,204***	***4,640***	***-25.21%***

Other operating expenses	Opening	Closing	Change
Other operating expenses	**7,119**	**8,233**	
Net book value of items sold	6,840	4,608	-32.63%
Other expenses	279	3,624	1199.07%
Total	***7,119***	***8,233***	***15.64%***

22. Net financial income (loss)

Net financial income (loss)

	March 2014	March 2015	
(In € thousands)			
Net financial income (loss)	**Opening**	**Closing**	**Change**
Financial income	17	869	4948.34%
Financial expenses	-2,934	-3,036	3.49%
Cost of net financial debt	***-2,917***	***-2,167***	***-25.70%***
Foreign exchange gains and losses	2,709	3,997	47.54%
Unrealized gains and losses on financial instruments	1,213	-64,752	-5431.16%
Other financial income and expenses	-187	-31	84%
Total	***818***	***-62,952***	***-7779.60%***

Position on 31 March 2015

Financial Instruments	*Nominal*	*Deadlines*			*Fair value*	*Current*	*Non-current*	*Equity*	*P&L*
		<1 year	*1 to 5 years*	*> 5 years*					
- Currency options EUR / USD	159,820,000	60,780,000	99,040,000		-18,657,743		-18,657,743	-5,425,269	-13,232,474
- Currency options with EUR / USD barrier	0						0		
- EUR / USD Accumulators	201,780,670	25,801,680	175,978,990		-20,638,153		-20,638,153	-1,493,998	-19,144,155
- Accumulators buying USD / EUR	549,890,180	37,723,240	512,166,940		3,639,717		3,639,717		3,639,717
- TRFE Seller EUR/USD	354,427,000	222,237,000	132,190,000		-37,838,186		-37,838,186	-1,282,226	-36,555,960
- TRFE Buyer USD/EUR	0		0				0		
- FADER	3,035,000	340,000	2,695,000		-906,444		-906,444	-41,041	-865,403
- Futures contract - sales	25,439,350	1,622,400	23,816,950		-1,606,532		-1,606,532	-1,606,532	
- Futures contract - purchases	6,787,500	5,100,000	1,687,500		567,621		567,621	567,621	
- Total foreign exchange risk - sales	744,502,019	310,781,079	433,720,940	0	-79,647,058	0	-79,647,058	-9,849,066	-69,797,992
Total foreign exchange risk - purchases	556,677,680	42,823,240	513,854,440	0	4,207,337	0	4,207,337	567,621	3,639,717
Interest rate swap	4,313,000		4,313,000		-108,527		-108,527		-108,527
Total financial instruments	**1,305,492,699**	**353,604,319**	**951,888,380**	**0**	**-75,548,247**	**0**	**-75,548,247**	**-9,281,445**	**-66,266,802**

23. Earnings per share

Earnings per share

Earnings per share	Opening (March 2014)	Closing (March 2015)	Change
Number of shares	26,625,845	27,736,956	4.17%
Net income (loss) - Group share	15,964,774	-21,888,936	-236.34%
Net earnings per share	***0.60***	***-0.79***	***-230.88%***

	March 2014	March 2015
Diluted net earnings per share	***0.60***	***-0.79***

24.

24.1 Liquidity risk

To support its business development and growth, the Company must finance a large production cycle which may require it to strengthen its capital or to use additional funding to ensure its development.

The financing of the production cycle is carried out by assigning a portion of "Trade Receivables" assets to factoring companies. On 31 March 2015, the amount of trade receivables assigned amounted to €25.93 million. Historically, the Company has financed its development through the collateralisation of trade receivables in particular via factoring companies. The Company is exposed to a risk of limits on outstanding balances, as factoring companies contractually limit the level of outstanding trade receivables for certain customers.

The Company performed specific reviews of its liquidity risk and considers that it is able to honour the terms for future payments.

24.2 Foreign exchange risk

A significant part of the the Company's revenue and payments to suppliers is denominated in US dollars. The Company has trade receivables and trade payables, inventories and cash balances in US dollars.

At 31 March 2015, the Company's trade receivable balance amounted to US$152.68 million invoiced at an average rate of US$1.2923 for €1. Furthermore, the Company translated US$162.78 million into euros at an average exchange rate of US$1.2701 for €1.

The Company's operating profit and cash positions are subject to fluctuations in foreign exchange rates, primarily for the euro and the US dollar.

The impact of a €0.05 change in the €/US$ exchange rate on the Group's EBITDA is presented below:

Sensitivity € vs. US$ (in millions)	
Invoiced amount $	152,682
Purchased amount $	69,919
Balance Financial year $	82,763
Average €/$ rate during the financial year	1.2924
Impact EBITDA variation:	
+5 points	-2,385
-5 points	2,577

The exchange rate for the US dollar is among the assumptions estimated to determine the margin on completion of construction contracts.

To reduce this risk, the Company has put into place a foreign exchange hedging strategy with its banks to protect its profits and cash flows.

However, the Company cannot guarantee that this hedging strategy will provide effective protection against fluctuations in exchange rates.

The following table presents the Group's hedging positions at 31 March 2015:

Position on 31 March 2015				
Financial Instruments	***Nominal***	***Deadlines***		
		<1 year	***1 to 5 years***	***> 5 years***
- Currency options EUR / USD	159,820,000	60,780,000	99,040,000	
- Currency options with EUR / USD barrier	0			
- EUR / USD Accumulators	201,780,670	25,801,680	175,978,990	
- Accumulators buying USD / EUR	549,890,180	37,723,240	512,166,940	
- TRFE Seller EUR/USD	354,427,000	222,237,000	132,190,000	
- TRFE Buyer USD/EUR	0		0	
- FADER	3,035,000	340,000	2,695,000	
- Futures contract - sales	25,439,350	1,622,400	23,816,950	
- Futures contract - purchases	6,787,500	5,100,000	1,687,500	
- Total foreign exchange risk - sales	744,502,019	310,781,079	433,720,940	0
Total foreign exchange risk - purchases	556,677,680	42,823,240	513,854,440	0
Total financial instruments	**1,301,179,699**	**353,604,319**	**947,575,380**	**0**

24.3 Interest rate risk

Borrowings at 31 March 2015 break down as follows:

(in € thousands)

Debt	Total	Fixed rate	Variable rate	SWAP
Lease financing	36,342	28,986	7,356	3,678
Bank loan	57,478	21,104	36,374	635
Short-term financing	25,934		25,934	
Total	***119,755***	***50,090***	***69,664***	***4,313***
%	***100.00%***	***41.83%***	***58.17%***	***3.60%***

Interest rate exposures relate to receivables financing and the financing of a portion of term debt. Interest is calculated based on Euribor rates

Only a portion of these positions, representing approximately €4.3 million (see above table) is hedged in the event of a significant increase in this index by means of interest rate swaps.

The impact of a €0.05 increase or decrease in the average 3-month Euribor rate on the Group's net income would be +/- €326 thousand.

25. Workforce

Breakdown of the workforce

	March 2014	March 2015	
By category	**Opening**	**Closing**	**Change**
Executives/managers and equivalent	209	210	0.48%
Non-manager	1,162	1,434	23.46%
External staff	62	79	28.35%
Total	***1,432***	***1,723***	***20.32%***

By business activities	Opening	Closing	Change
Aerostructures	1,105	1,322	19.64%
Assembly on site	106	101	-4.72%
Machining and surface treatment	115	177	53.91%
General and industrial engineering	107	123	14.95%
Total	***1,432***	***1,723***	***20.32%***

By geographical region	Opening	Closing	Change
Workforce - France	1,216	1,391	14.39%
Workforce - outside France	216	332	53.70%
Total	***1,432***	***1,723***	***20.32%***

26. Financial commitments

Commitments received:

- COFACE guarantee: €34,361,518;
- OSEO UIMM guarantee: €616,993;
- OSEO guarantee on the property leaseback transaction for 90% of the balance of €7,383,020 at 31 March 2015.

Commitments given – equipment finance lease:

(In € thousands)

Leasing		Lease payments made		Lease payments due			
Balance sheet item	Entry cost	for the fiscal year	total since the beginning of the contract	up to 1 year	from 1 to 5 years	+ 5 years	total due
B5 BPRP rolling bridge	58,250	11,251	67,478	953	453		953
Lorequip adjustable	61,900	13,848	63,550	5,745	0	0	5,745
dog jaw	60,000	12,857	35,620	13,176	16,789	0	29,965
Condura mbi	62,000	11,578	11,578	13,131	40,945	0	54,075
TOTAL	*242,150*	*49,534*	*178,226*	*33,005*	*58,187*	*0*	*90,738*

Commitments given - operating lease:

For certain equipment used in its operations, the Group has recourse to operating leases. At 31 March 2015, these operating leases totalled commitments of €1,689 thousand compared to €2,538 thousand at 31 March 2014.

Total rent in K€	Share < 1 year	Part to + 1 year - 5 years	Share > 5 years
1,689	828	855	7

27. Related parties

Related parties are defined in accordance with IAS 24 and are presented below with details of transactions carried out during the year 2015.

(In € thousands)

	Purchases excl.tax	Trade payables	Sales excl. tax	Trade receivables
Transactions with related companies	5,770	1,297	571	46

With MP USICAP

MP USICAP is a sub-contractor of the Group which buys machining services for aerospace parts. Purchases amounted to €3,602 thousand excluding tax. At 31 March 2015, the outstanding balance of trade payables was €850 thousand.

The Group invoiced €218 thousand to MP USICAP for management services. At 31 March 2015, the outstanding balance of trade receivables was €2 thousand.

With the Avantis Engineering Group

Avantis Engineering Group sells the Group programming means for production schedules and sub-assembly study services.

At 31 March 2015 purchases amounted to €2,168 thousand, and outstanding trade payables stood at €447 thousand.

The Group, through MTI, invoiced €350 thousand to Avantis Engineering Group for machining and mechanical welding services. At 31 March 2015, trade receivables amounted to €44 thousand.

FIGEAC AERO invoiced €3 thousand to Avantis Manufacturing at March 31, 2015 with no trade receivables outstanding.

28. Compensation of Executive Committee members

FIGEAC AERO

Compensation of Executive Committee members

Financial year	Average headcount	Remuneration
2013-2014	8	680,811
2014-2015	10	743,203

29. Statutory Auditors' fees

	Fees paid to the Statutory Auditors and the members of their network															
	FIDAUDIT				KPMG				SODECAL				Other auditors			
	Amount (excl. tax)		%		Amount (excl. tax)		%		Amount (excl. tax)		%		Amount (excl. tax)		%	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014
Audit																
Statutory audit, certification, review of individual and consolidated financial statements																
Transmitter	82,432	68,100	93%	91%	84,500	74,850	100%	100%	38,725	19,200	68%	63%			0%	0%
Consolidated subsidiaries	6,520	6,500	7%	9%			0%	0%	18,505	11,450	32%	37%	61,171	5,747	100%	100%
Other services directly related to the auditor's engagement																
Transmitter			0%	0%				0%			0%	0%				0%
Consolidated subsidiaries			0%	0%				0%			0%	0%				0%
Subtotal	88,952	74,600	100%	100%	84,500	74,850	100%	100%	57,230	30,650	100%	100%	61,171	5,747	100%	100%
Other services rendered by the networks to consolidated subsidiaries																
Legal, tax, social			0%	0%				0%			0%	0%				0%
Other			0%	0%				0%			0%	0%				0%
Subtotal		0	0%	0%				0%		0	0%	0%		0	0%	0%
Total	*88,952*	*74,600*	*100.00%*	*100.00%*	*84,500*	*74,850*	*100.00%*	*100.00%*	*57,230*	*30,650*	*100.00%*	*100.00%*	*61,171*	*5,747*	*100.00%*	*100.00%*

30. Events subsequent to closure

<u>June 2015:</u>

Announcement of industrial partnerships with key suppliers:

- industrial partnership for thermal treatment and welding operations with BODYCOTE PLC;
- inventory management outsourcing for raw materials with AMI METALS INC;

These two partnerships will have a very positive impact on the Group's working capital.

Announcement of the establishment of a new subsidiary in Casablanca, Morocco with the creation of FIGEAC AERO MAROC.

July 2015:

Announcement of the signature of a contract with Latecoere Group to supply basic parts for Boeing 787 Dreamliner doors.

On this occasion, the Group announced a new site to be opened in MEXICO in the state of SONARA.

20.1.2. Group consolidated accounts for the year ended March 31, 2014

1. Consolidated financial statements

1.1 Consolidated statement of financial position

Figeac Aéro Group

Consolidated Assets in k€	Appendix Notes	31/03/2014	31/03/2013	31/03/2012
Goodwill				
Development costs		11,607	7,631	5,574
Other intangible assets		860	735	1,476
Total intangible assets	**6.1**	**12,467**	**8,366**	**7,051**
Land		1,053	759	695
Buildings		17,172	14,815	12,469
Plant and equipments		44,524	36,014	30,552
Other fixed assets		3,292	2,901	2,337
Total fixed assets	**6.2**	**650**	**54,488**	**46,053**
Equity method investments				
Deferred taxes	**15.2**	**5,559**	**6,139**	**5,291**
Financial Instruments				
Other financial assets	**6.3**	**1,662**	**1,552**	**833**
Other non-current assets	**8.1**	**719**	**472**	**7**
TOTAL NON-CURRENT ASSETS		**86,447**	**71,018**	**59,235**
Inventories & work in progress	**7.1**	**109,850**	**82,106**	**59,268**
Trade receivables	**8.1**	**41,809**	**36,807**	**29,144**
Tax receivables				
Financial Instruments				**215**
Other current assets	**8.1**	**8,871**	**5,909**	**5,470**
Cash and cash equivalents	**9**	**19,041**	**1,911**	**4,022**
TOTAL CURRENT ASSETS		**179,571**	**126,733**	**98,119**
TOTAL ASSETS		**266,018**	**197,751**	**157,354**

Figeac Aéro Group

Consolidated Equity and Liabilities in k€	Appendix Notes	31/03/2014	31/03/2013	31/03/2012
Share capital	**10.1**	3,195	3,000	3,000
Premiums		14,200		
Reserves		35,201	23,508	11,798
Carry forward account				
Conversion reserve				
Net income (loss) for the year		16,060	11,980	11,627
Equity attributable to shareholders of the parent company	**10.2**	**68,656**	**38,487**	**26,425**
Non-controlling interests		**83**	**171**	**252**
Non-controlling interests	**10.3**	**83**	**171**	**252**
EQUITY OF THE CONSOLIDATED ENTITY		**68,739**	**38,658**	**26,677**
Loans from credit institutions	**14.1**	36,669	28,083	19,082
Refundable advances	**14.2**	11,447	10,013	8,917
Finance lease liabilities	**14.1**	29,415	22,523	22,259
Other financial liabilities	**14.1**	1,512	1,272	1,758
Total non-current financial liabilities		**79,043**	**61,891**	**52,016**
Other provisions	**11**	6,394	7,460	8,009
Deferred tax liabilities	**15.2**	15,945	11,762	7,457
Provision for pension and other employee long-term benefits	**11**	1,237	997	737
Financial Instruments	**22**	1,515	2,727	
Other non-current liabilities	**12**	251	1,962	1,620
Non-current portion of deferred income	**12**	3,328	3,195	2,705
TOTAL NON-CURRENT LIABILITIES		**107,712**	**89,994**	**72,543**
Short term borrowings	**9**	23,224	18,198	12,638
Current portion of financial liabilities	**14.1**	8,898	10,012	8,926
Refundable advances	**14.2**	689	147	204
Total current financial liabilities		**32,811**	**28,356**	**21,769**
Trade payables	**12**	31,778	23,155	21,894
Tax liabilities	**12**	3,956	4,163	3,188
Financial Instruments				
Other current liabilities	**12**	18,089	12,282	9,958
Deferred income	**12**	2,933	1,143	1,325
TOTAL CURRENT LIABILITIES		**89,567**	**69,099**	**58,133**
TOTAL EQUITY AND LIABILITIES		**266,018**	**197,751**	**157,354**

1.2 Consolidated income statement

Figeac Aéro Group

Consolidated Income Statement in k€	Appendix Notes	31/03/2014	31/03/2013	31/03/2012
Revenue	**16**	162,325	137,129	109,585
Other income from operations	**17**	8,257	6,535	4,983
Variation of inventories of work in progress and finished products		25,556	18,647	18,922
Raw materials and consumables	**18**	-92,593	-70,018	-59,594
Personnel expenses	**19**	-51,765	-44,897	-36,416
External expenses	**18**	-14,155	-13,091	-11,283
Taxes		-2,242	-2,285	-1,521
Depreciation and amortisation	**20**	-13,187	-10,179	-7,333
Net provisions	**20**	96	279	356
Current operating income		**22,292**	**22,121**	**17,698**
Other operating income	**21**	6,204	2,657	5,682
Other operating expenses	**21**	-7,119	-3,683	-5,321
Operating income		**21,377**	**21,095**	**18,059**
Income from cash and cash equivalents		17	4	20
Financial interest	**22**	-2,934	-2,702	-2,233
Cost of net financial debt	**22**	**-2,917**	**-2,698**	**-2,213**
Foreign exchange gains and losses		2,710	1,895	599
Unrealised gains and losses on financial instruments		1,212	-2,942	286
Other financial income and expenses		-187	-169	464
Share of profit of equity affiliates				
Income tax	**15.1**	-6,231	-5,203	-5,652
Net income (loss) for the year		**15,965**	**11,978**	**11,544**
* attributable to Group				
* Non-controlling interests		-95	1	83

1.3 Consolidated statement of comprehensive income

Figeac Aéro Group				
Global income statement in k€	**Appendix Notes**	**31/03/2014**	**31/03/2013**	**31/03/2012**
Net income (loss) for the year		**16,060**	**11,980**	**11,627**
Post-employment Liabilities - Actuarial differences Deferred taxes - Post-employment liabilities - Actuarial differences		**-65**	-81	
Total comprehensive income (loss) for the year		**15,995**	**11,899**	**11,627**
* attributable to Group		15,900	11,898	11,544
* non-controlling interests		-95	1	83

Number of shares	**23**	26,625,845	25,000	25,000
Earnings per share		0.60	479.14	461.75

Diluted earnings per share	**23**	0.60	479.14	461.75

1.4 Consolidated statement of cash flows

Figeac Aéro Group

Consolidated Cash Flow Statement in k€	31/03/2014	31/03/2013	31/03/2012
Net income for the period	**15,965**	11,978	11,544
Adjustment for:	-		
Amortisation and provisions	13,257	10,039	5,446
Income from disposal of fixed assets	851	840	-261
Financial interest			
Current tax liabilities			
Change in deferred taxes	4,819	3,455	3,329
Other income and expenses			
Proportionate share of results of associated companies			
Operating profit before changes in working capital requirement	34,892	*26,313*	*20,058*
Inventories	28,653	23,219	21,955
Trade and other receivables	8,187	8,403	7,354
Trade and other payables	-11,357	-4,897	-10,855
Charges and prepaid income	-1,818	-3,136	747
Working capital related to activity	23,666	23,588	19,201
Cash from operating activities	*11,227*	*2,725*	*857*
Outgoing corporation tax payments			
Incoming tax credit payments			
Net cash flow from operating activities	**11,227**	**2,725**	**857**
Net cash flow from investment activities	-		
Acquisition of assets	-36,276	-23,910	-25,500
Disposal of assets, net of taxes	6,177	2,611	5,480
Non-controlling interests redeemed during the period			
Dividends received from equity affiliates			
Net cash flow used in investing activities	**-30,100**	**-21,299**	**-20,020**
Net cash flow from financing activities	-		
Dividends paid to shareholders of the parent company			
Dividends paid to non-controlling interests			
Proceeds from capital increase of the parent company	14,396		
Cash capital increase in subsidiaries (share paid by the minority holders)			
Financial interest			
Increase in financial debt	32,648	20,514	28,307
Repayment of financial debt	-16,067	-9,611	-9,906
Net cash flow from financing activities	**30,976**	**10,903**	**18,401**
Effect of exchange rate fluctuations on cash			
Cash and cash equivalents at beginning of period	-16,286	-8,616	-7,854
Cash and cash equivalents at end of period	-4,183	-16,286	-8,616
Variation of cash and cash equivalents	**12,103**	**-7,670**	**-762**

1.5 Statement of Changes in Shareholders' Equity

(in € thousands)	Share Capital	Reserves related to capital	Reserves consolidated	Income consolidated	Equity attributable to owners of the Group	Interests Non controlling interests
Year ended 31/03/12	**3,000**		**11,798**	**11,627**	**26,425**	**252**
Dividend policy 2011-2012			11,627	-11,627		
Other changes			162		162	-80
Dividends paid						
Net income recognised directly in equity			-80		-80	
Net income (loss) for the year				11,980	11,980	-1
Net Income for the period ended 31/03/13	**3,000**		**23,507**	**11,980**	**38,487**	**171**
Dividend policy 2012-2013			11,980	-11,980		
Share capital transactions	195	14,200			14,395	
Other changes			-221		-221	7
Dividends paid						
Net income recognised directly in equity			-65		-65	
Net income (loss) for the year				16,060	16,060	-95
Net Income for the period ended 31/03/14	**3,195**	**14,200**	**35,201**	**16,060**	**68,656**	**83**

Minority interests	
At Year N-1	171
Net income (loss) for the year. 2014	-95
Other variations (1)	7
At Year N	83

(1) Including €5 thousand integration SCI REMSI

2. General

2.1 Group overview

The FIGEAC AERO Group is an industrial group with a strong aeronautical focus operating in four main areas:

- structural parts for the aeronautical industry:
  - production of aircraft sub-assemblies (machining and assembly),
  - structural aircraft parts,
  - production of engine parts and precision components for aircraft,
- on-site and workshop assembly of aerospace sub-assemblies;
- general engineering and sheet metal fabrication;
- precision machining and surface treatment.

These business activities were used to define the business segments

The Group is a leading partner of major customers in the aeronautical industry. It intervenes as a Tier 1 and Tier 2 supplier for aircraft manufacturers, engine manufacturers and major OEMs.

The Group is specialised in the design and manufacture of:

- **structural parts and sub-assemblies** (manufactured parts assembled and ready to be integrated into the relevant section of the plane);
- **engine parts and precision components**.

The Group also operates as a part manufacturer for many programs (see table below), mainly in the field of commercial aviation, and secondarily for the military sector.

Manufacturers	Programs in which the Group is involved
AIRBUS	A318/319/320/321 A330-340 A350 A380 A400M
ATR	ATR 42 ATR 72
BOEING	747-8,787
BOMBARDIER	CRJ 700/ 900/1000 Global Express CL300 / CL605 / DASH 8
DAHER SOCATA	TBM 850
DASSAULT	FALCON 900 / 2000 FALCON 7X RAFALE
EMBRAER	ERJ 145 / ERJ 170 ERJ190 LEGACY 450-500
EUROCOPTER	NH90
GULFSTREAM	G150/ G280/ G550 / G650
Motors	CFM 56 / GP7200 / TRENT 500 et 700 / M88 / TP 400 / GE 90-115 / LEAP X

The Group maintains close relations with Airbus and since 2009 has been among its 20 global strategic partners for the supply of basic parts.

Through a strategic partnership in place with Airbus, the Group benefits from a transfer of technology and knowledge from the European aircraft manufacturer for the machining of hard metals.

Through the design and manufacture of basic parts (aluminium or titanium structural parts, engine parts, and precision parts made of steel, titanium or inconel), or of sub-assemblies, the Group works on different parts of the aircraft, namely:

- ***cockpit:*** window frames, dashboards, centre and side control panels;
- ***fuselage:*** floor assemblies, fuselage frames and panels, pressure bulkheads, various fittings and brackets;
- ***doors:*** structures, mechanisms, door fittings;
- ***wings:*** longerons, ribs, spars, spoiler fittings;
- ***engines:*** pylon fittings, casings, aluminium and titanium shrouds, air inlet parts;

- ***thrust reversers:*** beams, frames, doors; and
- ***landing gears:*** torque links.

Part of the production of structural parts is carried out by the low cost subsidiary FGA TUNISIE.

The Group offers its customers comprehensive services including:

- *With the help of its production planning*: department composed of 47 engineers and technicians, the Group handles the computer-assisted design phase for parts and prepares the technical documentation for manufacturing;
- *supply management;*
- *machining and shaping processes;*
- *dimensional control;*
- *surface treatment;*
- *assembly.*

Through its subsidiary MTI, the Group has operations in the sheet metal industry (mechanical welding and machining of large sized parts) for various sectors including the oil and automotive sectors (molds for tires).

Through its subsidiary, MECABRIVE, the Group proposes machining for complex parts, surface treatment and assembly for the aeronautical and aerospace industries, but also for consumer goods and electronics.

The Group has developed an activity that specialises in aircraft sub-assemblies through FGA PICARDIE at the Méaulte site (80) in France.

The Group has **skills and a state of the art industrial tool** that allow it to maintain **its technological advance** over its competitors **in the matter of machining** (large, hard metals, high speed machining, etc.).

2.2 Major events during the fiscal year

- Stock split of 1 to 1,000 per share, capital increase of €14.5 million in December 2013 through the issuance of 1,625,845 new shares and listing on the Alternext; the Company's share capital was €68.6 million, compared with €38.5 million in March 2013.
- Promotion of annual growth:
  - growth in revenue: +18.37%;
  - growth of the business: +20.60%;
- Cash flows from operating activities positive -€11.2 million compared to €2.7 million in 2013.
- Income of € 16 million, an increase of 33% compared to March 2013.
- Strategy of sustained capital expenditures: €36 million:
  - investment in R&D of € 6.2 million: development of new machining processes, treatment of aircraft floors and rails; 3 patent applications in process;
  - property investments:€7 million, more than 12,000 m² additional: construction of the Figeac Aero Picardie factory, construction a new machine shop and enlargement of the aircraft motors shop in Figeac;
  - capital expenditures for plant and machinery: €20 million; including 19 machines dedicated to building the production capacity of the Group.

3. Accounting policies, consolidation methods, and valuation rules

3.1 Basis of preparation of the consolidated financial statements

The consolidated financial statements of Figeac Aero Group ("the Group") were approved by the Board of Directors on 26 July 2014.
The consolidated financial statements for the 2014 financial year were prepared in accordance with IFRS as issued by the IASB and adopted by the European Union on 31 March 2014.

International financial standards include IFRS (International Financial Reporting Standards), IAS (International Accounting Standards) as well as SIC (Standing Interpretations Committee) and IFRIC (International Financial Reporting Interpretations Committee) interpretations.

The consolidated financial statements are presented in € thousands, rounded to the nearest thousand.
They have been prepared based on historical costs, except for the following assets and liabilities that are measured at fair value: derivative financial instruments, financial instruments held for trading, financial assets and liabilities measured at fair value through profit or loss

The Group has chosen to present significant non-recurring items within its operating income. The non-recurring portion is presented after the subtotal "current operating income", the resulting subtotal being the "Operating income".

In the balance sheet, the assets/liabilities of the Group of less than one year are classified as current. All other assets/liabilities are classified as non-current

The Group's accounting principles and policies are described below.

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

	31/03/2013		**31/03/2014**	
	Balance sheet	***Income***	***Balance sheet***	***Income***
US Dollar	1.2805	1.2928	1.3788	1.3444
Tunisian Dinar	2.0447	2.0286	2.1821	2.1906

3.2 Year-end closing dates of consolidated companies

The parent company FIGEAC AERO as well as MECABRIVE INDUSTRIES, FGA TUNISIE, and FGA USA are consolidated according to their balance sheet entries for the 12-month period ended 31 March 2014.

MTI and SCI REMSI having ended their financial years on 31 December 2013, the separate financial statements are adjusted to reflect significant transactions or transactions that have an impact on the consolidated financial statements between 1 January 2014 and 31 March 2014.

3.3 Application of standards, amendments and interpretations applicable to the financial statements

The new IAS/IFRS terms and interpretations coming into effect as of 1 April 2013 and applied by the Group in preparing its consolidated financial statements on 31 March 2014 are as follows:

- amendment to IFRS 7 - Financial Instruments: Disclosures;
- the application of this new standard did not have an effect on the consolidated financial statements.

The new IAS/IFRS texts and interpretations adopted by the European Union but with an effectie date for fiscal years beginning after 1 April 2013 are the following:

- IFRS 13 – Fair value valuation;
- IFRS 10 – Consolidation;
- IFRS 11 – Partnerships;
- IFRS 12 – Disclosure of interest in other entities;
- consecutive amendments to IFRS 10, 11, 12 on IAS 27 and IAS 28;
- transition amendments to IFRS 10, 11 et 12;

- ❖ amendment to IAS 1 – Presentation of other comprehensive income items;
- ❖ amendments to IAS 19 – Post-employment benefits;
- ❖ Amendments to IFRS 1 – Severe hyperinflation and elimination of fixed dates;
- ❖ amendments to IAS 12 –Deferred taxes – Recovery of underlying assets;
- ❖ amendments to IFRS 7 – Information to provide regarding offset of financial assets and financial liabilities;
- ❖ amendments to IAS 32 – Offsetting Financial Assets and Financial Liabilities;
- ❖ IFRIC 20 – Development costs;
- ❖ annual improvements 2009-2011.

In addition, the Group elected not to pursue early adoption of the other standards, interpretations and amendments adopted by the European Union regarding the 2014 preparation of consolidated accounts. Their application should not have an impact on the Group's consolidated financial statements.

The IAS/IFRS standares, interpretations and amendments published after 1 April 2013 and not applicable to the 2014 fiscal year are the following:

- ❖ IFRS 9 – Financial Instruments – Classification and valuation of financial assets and liabilities;
- ❖ amendments to IFRS 10, 12 and IAS 27 - investment vehicles;
- ❖ amendments to IFRS 1 – Government loans;
- ❖ IFRS 1 - First time adoption of the international financial reporting standards (repeated application of IFRS 1: cost of borrowing);
- ❖ presentation of financial statements (clarification of obligations with respect to comparative information);
- ❖ IAS 16 – Tangible assets (classification of spare parts);
- ❖ IAS 32 – Financial Instruments: Presentation (fiscal effect of distribution to holders of equity instruments);
- ❖ IAS 34 – Interim financial reporting (on assets and liabilities).

These new standards, interpretations and amendments will not have an impact on the Group's consolidated accounts.

3.4 Estimates and assumptions

The preparation of the financial statements requires the Board of Directors to 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 under the circumstances. They also form a base for exercising the judgement required to determine the carrying amounts of assets and liabilities that cannot be directly obtained from other sources. Actual values can differ from estimated amounts.

The Board of Directors reviews its estimates and assessments regularly on the basis of past experience and various other factors deemed reasonable which form the basis for its assessment of the carrying values of assets and liabilities. 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 use of estimates and assumptions is particularly important primarily for:

- the estimated margin with respect to construction contracts (Note 3.15);
- provisions for inventories (Note 3.15);
- the recoverable value of intangible assets and property, plant and equipment and their useful lives (Note 3,11);
- the fair value of financial instruments (Note 3.18);
- pension and other long-term employee benefits and post-employment benefits (Note 3.19).

On 31 March 2014, estimates used to prepare the financial statements were produced in a context rendering the forecasting of economic trends difficult. The estimates and assumptions included in the consolidated accounts were determined based on information in the Group's possession at the closing date and in particular, concerning manufacturing contracts, based on provisional orders by aircraft manufacturers.

3.5 Translation method for foreign currency items

Foreign currency expenses and income are translated into euros at the exchange rate in effect on the transaction date.

Payables, receivables and cash in foreign currencies are translated into euros at the year-end exchange rate. All resulting exchange differences from the translation of receivables and payables denominated in foreign currency during the year are recognised in financial income.

3.6 Subsidiaries

The companies directly or indirectly controlled by Figeac Aero are consolidated using the full consolidation method. The notion of control exists when the parent company directly or indirectly holds the power to govern the financial and operating policies of the company and use them to its advantage in its activities.
The full consolidation method consists in the integration of all the assets, liabilities, income and expenses. The share of assets and income attributable to minority shareholders is listed as non-controlling interests in the consolidated statement of financial position and the consolidated income statement. The subsidiaries are included in the scope of consolidation as from the date of takeover.

MTI, MECABRIVE INDUSTRIES, SCI REMSI, FGA TUNISIE, FGA PICARDIE and FGA USA are exclusively and legally controlled by the parent company Figeac Aero and consolidated using the full consolidation method.

Because it is under the joint control of its nine associates each holding an equitable stake in the share capital and given that its activity had not started, AEROTRADE is not consolidated (*the list of consolidated companies is provided in Note 4*).

Companies are consolidated on the basis of their financial statements restated to be brought into conformity with the accounting principles and policies adopted by the Group in accordance with IFRS.

After identification of intra-group transactions, all receivables and payables as well as income and expenses related to these transactions and internal profits have been eliminated from the consolidated financial statements.

The consolidated income statement includes the income statements of companies acquired as from their date of acquisition or creation.

3.7 Associates

An associate is an entity over which the Group has significant influence on financial and operating policies but without having exclusive or joint control. Significant influence is presumed to exist when the Group's interest is greater than or equal to 20%.

The consolidation method used is the equity method which consists in recognising in the balance sheet an amount that reflects the Group's share in the net assets of the associate, and if needed, supplemented by goodwill generated by the original acquisition.

3.8 Elimination of internal Group transactions

Companies are consolidated on the basis of their financial statements restated to be brought into conformity with the accounting principles and policies adopted by the Group in accordance with IFRS.

Transactions between consolidated subsidiaries are fully eliminated along with resulting receivables and payables. It is the same for internal Group income (dividends and gains and losses on disposals) which are eliminated from the consolidated income. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that they are not representative of a loss of value.

After identification of intra-group transactions, all receivables and payables as well as income and expenses related to these transactions and internal profits have been eliminated from the consolidated financial statements.

3.9 Financial statements of foreign entities

The balances of the assets and liabilities of consolidated entities whose functional currency is not the euro are translated at the closing rate, with the exception of shareholders' equity of each entity which is measured at historical value. Income and expenses are translated at the exchange rate applicable on the transaction dates or, in practice, an approximate rate that in the absence of any major currency fluctuations corresponds to the average rate for the period ended. The resulting foreign currency translation differences are recognised in shareholders' equity (translation difference).

In accordance with IAS 21, exchange differences relating to permanent financing constituting part of the net investment in a consolidated subsidiary are recognised in shareholders' equity (foreign currency translation reserve). Upon the subsequent disposal of these investments, cumulative translation differences initially recognised in shareholders' equity will be recognised in income.

No foreign subsidiary has the currency of a hyperinflationary economy as functional currency.

3.10 Goodwill

Business combinations are accounted for using the revised IFRS 3 standard. Identifiable assets acquired and liabilities assumed are measured at fair value at the acquisition date and, if applicable, the non controlling interests in the acquiree are measured either at fair value or proportionate share of the acquiree's identifiable net assets (including fair value adjustments) of the acquiree. This option is available on a case by case basis for each business combination operation. Direct costs related to the acquisition (transaction costs) are recognised as expenses in the period in which they are incurred. Any share previously held in the acquiree prior to the acquisition is remeasured at fair value and the corresponding profit and loss recognised as income.

The identifiable assets acquired and liabilities assumed are measured at fair value at the acquisition date and changes in fair value will be recognised through profit or loss in the future beyond the appropriation period of a year. Any contingent consideration arising from the business combination is measured at fair value at the acquisition date.
After the acquisition date, the price adjustment is assessed at fair value each financial year. After the allocation period, any subsequent changes in fair value will be recognised as income. The purchase price paid by the purchaser, which includes a contingent part, is measured and recognised at its fair value at the acquisition date and subsequent changes in fair value of the contingent share reported as liabilities having been recognised in accordance with IAS 39, IAS 37 or other applicable IFRS standard will be recognised either in net income or as gains or losses directly in shareholders' equity.

At the date of acquisition, goodwill determined at the time of each business combination may be measured either on the basis of the share of the acquired net asset (including fair value adjustments) or the overall value of the company.
When generated by the acquisition of companies that are globally or proportionally integrated, positive Goodwill is stated on the balance sheet under "Goodwill" and negative goodwill is immediately reported in revenue. However, goodwill resulting from the acquisition of entities consolidated under the equity method is recorded under "equity accounted investments" according to IAS28.

Goodwill can be adjusted for a period of one year after the acquisition date to take into account the final estimation of the fair value of assets acquired and liabilities assumed. Beyond that period, any adjustment is recognised in net income.
Goodwill is not amortised though it is tested for impairment at least once a year and whenever changes in events or circumstances indicate a loss in value.

The Group performs an measurement of their recoverable amounts at the end of each financial year. An individual amortisation is recorded when the recoverable amount is less than the book value.

3.11 Other intangible assets

Intangible assets are identifiable non-monetary assets (arising from legal rights, or which may be sold, transferred, rented or exchanged, either individually or together with a related contract, another asset or liability), without physical substance held for use in the production or supply of goods or services, for lease to third parties or administrative purposes.

Intangible assets must meet the following criteria:
- the future economic benefits attributable to the asset are likely to flow to the entity; and
- the cost of the asset can be reliably measured.

The depreciation method used reflects the rate of consumption of the economic benefits of the fixed asset by the company.

Intangible assets held by the Group are mainly:

- *R&D costs for the improvement of industrial processes and are amortised over a period of 5 years;*

Development expenditures must be capitalised under IFRS if the following criteria are met:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of technical, financial and other resources to complete the development and to use or sell the intangible asset;
- the ability to measure reliably the expenditure.

- *software and other licenses (depreciation period of one to three years).*

Intangible assets are amortised over their useful lives. The Group holds no indefinite life fixed assets. Intangible assets acquired by the Group are recorded at their cost net of accumulated amortisation and impairment. If there is any indication of impairment, an impairment test is performed as described in Note 3.13. Any impairment is recorded in operating income under "depreciation and amortisation".

The amortisation methods and periods are as follows:

Intangible assets	***Method***	***Duration***
Software and software packages	Straight-line	1-3 years
Research and development expenditures	Straight-line	5 years

FIGEAC AERO and MECABRIVE INDUSTRIES have on-going R&D activities in particular within the framework of new aeronautical programs in which the companies operate with clearly distinguished research and development stages. In the case of risk sharing partnership agreements, capitalised development phases are distinct from expenses incurred.

3.12 Tangible assets

Property, plant and equipment are measured at acquisition cost which includes the purchase price and related expenses, or their production cost (capitalised production). Interest on specific loans for the production of fixed assets is not included in the cost of those assets.

Upon the acquisition of the assets, the total cost of an asset is split between the main asset and the different components separately accounted for, and for simplification incidental expenses are allocated to the main asset.

Given the fact that the assets acquired by the Group are not intended to be sold before the end of their economic life, no residual value has been applied to the different tangible fixed assets.

The depreciation mode reflects the rate of consumption of future economic benefits associated with the asset.

Ordinary depreciation of each main asset and component is calculated using the straight-line or diminishing balance method, according to the actual duration of intended use.
Any impairment is recorded in operating income under "depreciation and amortisation".

The selected durations of use are as follows:
- for buildings and fixtures: 5 to 30 years depending on the nature of the construction and fixture
- for industrial equipment: 3 to 10 years depending on the nature and use of the materials
- for furniture and computer equipment: from 3 to 6 years depending on the use of such equipment
- for transport equipment: 2 to 5 years depending on the use of the vehicles.

Impairment of assets

The carrying amounts of the Group's assets (other than inventories and deferred tax assets) are reviewed upon each balance sheet date to determine whether there is any indication that an asset has suffered an impairment. If such an indication is identified (decline in value on the market or accelerated obsolescence, for example), an impairment test is performed.
Regarding intangible assets not yet available for use or those whose useful life is unlimited, as well as goodwill, the impairment test is performed at least once a year.

The impairment test consists in comparing the carrying value of the asset or group of assets concerned to its recoverable amount.
The recoverable amount of an asset is the highest of its net selling price and its value in use. Value in use is the present value of estimated future cash flows expected from the use of the asset and its disposal at the end of its useful life.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount shall be estimated for each individual asset. If not possible, IAS 36 requires an entity to determine the recoverable amount of the cash generating unit to which the asset belongs.
The assets are "attached" to Cash Generating Units (the smallest identifiable group of assets whose continued use generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets).

Given the fact that within each business sector of the Group, the fixed assets used are not specific to an activity or a branch, they can be used by the entire sector (no independence of cash inflows for any of them), the Cash Generating Units selected are the different business sectors of the Group considered separately.
An impairment loss recorded in respect of a Cash Generating Unit is first allocated to reduce the carrying amount of any goodwill allocated to the Cash Generating Unit and then to reduce the carrying amount of other assets of the Unit in proportion to the carrying amount of each asset of the unit.
Goodwill impairment cannot be reversed.

An impairment loss recorded for another asset is reversed if there has been a change in the estimates used to determine the recoverable amount.
The carrying amount of an asset that has been increased due to reversal of impairment, may not exceed the carrying amount that would have existed, net of depreciation or amortisation, if no impairment loss had been recognised.

3.14 Lease agreements and finance leases

The operations carried out by means of a finance lease whose value at inception is greater than €75 thousand are restated according to terms identical to a credit acquisition for their original contract value.

The assets thus held are recorded at their fair value on the date the lease is concluded against a liability to the recognition of debts in borrowings equal to the input costs. These assets are then amortised in accordance with the group's accounting policies described above. The tax effect of these adjustments is taken into account in deferred taxes.

Lease agreements where the lessor retains substantially all the risks and rewards incidental to ownership are accounted for as operating leases. Payments made under these contracts are recorded as expenses in the income statement.

3.15 Inventories and work in progress

Raw materials and other supplies

The gross value of raw materials and supplies includes the purchase price and associated costs (procurement coefficient). Depreciation is recognised on raw materials for the following amounts and for which no use is foreseen:

- no changes from +18 months and under 24 months 50%
- no changes from +24 months 75%

Work in progress (excluding construction contracts)

Work in progress is measured using the full cost method excluding non-production costs and any possible under-activity. A depreciation loss is recognised where the expected cost of the finished product exceeds its expected net realisable value less distribution costs.

Construction contracts/partnership

The Group has concluded with some of its customers, partnership contracts whose characteristics are those of construction contracts under IAS 11:
- a contract for the production of a group of interrelated assets or interdependent in terms of design, technology and function;
- which covers several years.

The accounting for these contracts meets the criteria below for income and costs relating to the implementation of construction contracts:

a) for income:
- the initial amount of income agreed in the contract,
- alterations in the original contract work plus claims to the extent it is probable that they will result in income and where they can be measured reliably;

b) for costs:
- costs directly related to the contract,
- costs attributable to general contracting activity that can be allocated to the contract,
- any other costs that can be specifically charged to the customer under the terms of the contract.

The margin is recognised to the advancement calculated in relation to the delivery of elements, ("milestones").
To this end, the Group invoices on delivery and all the invoicing is due regardless of the outcome of the program.
It is also possible that additional invoicing be carried out subsequently (alterations or additional work). A review is conducted on a case by case basis to define the stage of completion.
The estimated margin is calculated on the basis of a forecast including the technical and budgetary items. This margin is revised periodically based on costs incurred and income received during the period and estimated costs and income to complete the contract. When the expected margin is negative, it is immediately expensed.

For construction contracts covering several years, the Group is required during the first years to carry the production costs on the balance sheet which will then be recognised as income based on the decline actually observed.

Finished goods

The finished products are measured using the full cost method excluding non-production costs and any possible under-activity.

Impairment is codified for obsolete finished products with very low sales prospects divided into two categories according to the following scale:
- article codified obsolete / maybe (can be resold): 25%
- article codified obsolete / never (low resale probability): 90%

Additionally, an impairment loss is recognised in cases where the cost price of the finished product exceeds its net realisable value less distribution costs.

3.16 Revenue recognition

Revenue is recognised using the following criteria:
- for construction contracts falling within the criteria of IAS 11, it is necessary to refer to Note 3.15;
- for other types of contracts (excluding for services), income is recognised upon transfer of substantially all the risks and rewards incident to ownership to the buyer, which generally occurs at the time of delivery;
- for services contracts, revenue is recognised on a percentage-of-completion basis for actual work completed based on cost incurred in relation to the total estimated costs.

Sales are presented net of all forms of discounts.

3.17 Trade and other receivables

Trade and other receivables are valued at their nominal value with a deduction for impairment provisions for unrecoverable amounts.

A provision for impairment of trade receivables is made when the value of inventory is less than book value and if applicable, to take into account the risk of non-recovery to which they are susceptible.

Irrecoverable trade receivables are recorded as a loss when they are identified as such.

3.18 Financial assets and liabilities

The Group applies IAS 32, IAS 39 and IFRS 7. These standards define four categories of financial assets and two categories of financial liabilities:

- financial assets and financial liabilities at fair value through profit or loss: These are derivative instruments not qualifying for hedge accounting framework as well as cash investments designated at fair value through profit or loss;

- financial assets available for sale at fair value with fair value adjustments recognised in shareholders' equity (the Group does not have such assets);

- financial assets held to maturity at amortised cost: no asset enters to date in this category;

- loans and receivables issued by the company measured at amortised cost;

- other financial liabilities measured at amortised cost using the method of effective interest rates.

These financial assets and liabilities are broken down in the balance sheet as current and non-current items following their expiry date of less than or greater than one year.

i) Derivatives instruments

The Group uses derivative financial instruments such as hedging contracts on foreign currencies and interest rates to cover its current positions against the foreign exchange and interest rate risks.
The hedging instruments used allow the Group to buy or sell, within fixed deadlines, a nominal amount of currency at a fixed exercise level.

Income 1

The level of the exercise may depend on the maturity dates. If the exchange rate is favourable to the Group, the Group will use a number of positions equal to the difference between the exercise price and the Fixing. If the exchange rate is not favourable to the Group, the Group will buy or sell the nominal multiplied by the ratio.

Loss of income may take place without any fluctuation (the unused positions are thus lost) or with a fluctuation in which the quantity is proportional to the number of outstanding positions.

Currency fluctuations may take place immediately or at the maturity, in which case early use is possible.

Income 2:

- The Group sells (or buys) at maturity at an exercise level. The amount sold (or purchased) is a weekly accumulation.

- At each weekly deadline, if the fixing is favourable to the Group, it accumulates an amount equal to the nominal divided by the number of fixings. If the fixing is unfavourable to the client, the client accumulates an amount equal to the nominal divided by the number of fixing multiplied by the leverage (or ratio).

- Depending on the type of instrument, the accumulation can either be stopped when the fixing reaches a threshold or only suspended on the date of recognition.

Derivative instruments are valued at fair value and variations are recognised as income. Fair value of derivative instruments is evaluated by the financial establishments.

This measurement takes into account the value of the derivative at the end of the reporting period (mark to market). Derivatives are recognised on the transaction date.

ii) Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits. Bank overdrafts repayable on demand and financing under discounted receivables (not meeting the criteria for de-recognition of assets) that are part of the Group's cash management are a component of cash and cash equivalents for the purposes of the cash flow statement

The short-term cash investments, highly liquid and readily convertible to known amounts of cash and subject to insignificant risk of changes in value are considered as cash equivalents. These investments are measured at fair value.

iii) Borrowings

On initial recognition, borrowings are measured at fair value to which are added transaction costs directly attributable to the issuance of the liability.

At year-end, borrowings are measured at amortised cost, using the method of effective interest rates.

iv) Determining market value

Financial assets and liabilities at fair value through profit or loss and derivatives designated as hedging instruments are measured and recognised at their fair market value on the date of initial recognition, as well as for any subsequent measurement.

The market value is determined:

- either from quoted prices from an active market;

- or from a valuation technique involving:
  - Mathematical calculation methods based on recognised financial theories,
  - Parameters whose value are determined, for some, from the instrument prices traded in active markets and others from statistical estimates or other quantitative methods.

The distinction between the two valuation methods is made according to whether the market in which the instrument is considered as active or not.

For any given instrument, an active, and therefore liquid, market is any market in which transactions take place regularly or in which transactions involve instruments that are very similar to the instrument being measured.

The Group has identified three categories of financial instruments according to the consequences that their characteristics have on their valuation method and based on this classification present some of the information required by IFRS 7:

- level 1 category "Market Price": financial instruments that are the subject to quotes 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 unobservable inputs": financial instruments measured using valuation techniques based wholly or partly on unobservable inputs; an unobservable input is defined as an input whose value results from assumptions or correlations which are not based either on observable transaction prices in the markets, on the same instrument on the valuation date, nor on observable market data on the same date.

In the case of an inactive market, for example expressed by a scarcity of counterparties, the Group reserves the right to use mathematical models assessing risks based on assumptions that market participants would normally take, according to a horizon corresponding to the duration.

3.19 Provisions

In accordance with IAS 37 "Provisions, contingent liabilities and contingent assets", the Group recognises a provision at balance sheet date for events that satisfy all of the following conditions:
- the existence of a legal or constructive obligation as a result of a past event at balance sheet date;
- probability or certainty that an outflow of resources to third parties will be required to settle the obligation without consideration after balance sheet date;
- the amount can be estimated reliably.

The estimate of the value of provisions is reviewed at each balance sheet date with an accounting adjustment if it appears necessary without discounting. Provisions are maintained as long as the company is not able to clearly determine and have certainty about their outcome.

Except in special cases that are duly justified, provisions are recognised in the balance sheet under current liabilities.

Provisions are discounted if the effect proves significant.

The impact of this standard for the Group relates only to provisions for employee benefits.

3.20 Trade and other payables

Trade and other payables are measured at fair value on initial recognition, and subsequently at amortised cost.

3.21. Employee benefits

The Group recognises some employee benefits in accordance with the revised IAS 19. After analysing the specific regulations of the countries in which the Group operates, it appears that these provisions relate mainly to French entities for retirement allowances and incidentally to long service awards.
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Defined contribution plans

Contributions payable to a defined contribution plan are expensed as incurred.

Retirement severance benefits

The obligations of the Group as far as pensions are concerned consist of compensation paid upon departure of an employee. In accordance with IAS 19 revised, for defined benefit plans, pension obligations are calculated using the method of projected unit credit. Estimates of the Group's obligations under the French company employees are computed internally.

For this purpose, the projected unit credit method used takes into account estimated years of service at retirement, final salaries, life expectancy and staff turnover, based on actuarial assumptions. The obligation, including social security contributions, is discounted and is accounted for based on employees service years. Actuarial gains and losses resulting from these assumptions have been recognised in shareholders' equity since fiscal 2013.

The cost of current services (i.e.: of the period) is presented as a salary expenses.

Long service awards

The Figeac Aero Group recognises a provision on the basis of actuarial assumptions on the level of future remuneration, life expectancy and staff turnover (IAS 19 revised). Estimates of the Group's obligations regarding service awards (French companies only) are computed internally.

Individual right to training

The group does not recognise the application of the Individual Right to Training (DIF) because it does not fit the rules on liabilities in that the training does not relate to past services, that is, to the past financial years, but for services to be rendered in the future by the employee.

3.22 Public funding

The Group receives two types of funding:

Investment grants

They represent all of the grants granted to the group in the development of its business.

The group chose to remove them from shareholders' equity and reclassify them in accruals and other liabilities thus following the recommendation of the French Financial Markets Authority (AMF).

The grants related to depreciable assets are recognised in the consolidated and individual financial statements over the periods and in proportions in which the depreciation expense on those assets is recognised.

Refundable advances

These funds do not bear interest contractually (in terms of the management bodies).

Therefore, these types of funds are classified as government grants and fall within the scope of IAS 20.

Initially they are measured at the amount of cash received. At each balance sheet date, they are recognised according to the amortised cost method calculated on the basis of the effective interest rate.

3.23 Other operating income and expenses

The Group recognises in particular in "other operating income" the income from disposals of fixed assets.

The Group recognises in particular in "other operating expenses" the net value of fixed assets sold.

3.24 Income tax

The income tax expense includes the current tax expense (income) and the deferred tax expense (income).

The Group recognises deferred tax if:

- there are temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and values for tax purposes;
- there is an impact on the result after consolidation adjustments.

The Group recognises deferred tax assets relating to tax losses carried forward of group companies to the extent that it is sufficiently certain that they can be realised within a foreseeable future.

Deferred taxes are calculated using the liability method, applying the most recent applicable tax rate for each company based on the years in which the Group expects that the assets and liabilities will be settled. Deferred tax assets and liabilities are offset when they relate to the same taxable entity.

Deferred tax assets are only taken into account:
- if their recovery does not depend on future results;
- or if their recovery is likely as a result of the existence of a taxable profit expected during their settlement period.

In accordance with IAS 12, deferred tax assets and liabilities are not discounted.

3.25 Earnings per share

Basic earnings per share represent the Group share of consolidated net income divided by the weighted average number of shares of the parent company outstanding during the financial year.
When no dilutive instruments have been issued, the dilutive earnings per share correspond to basic earnings per share.

4. Scope of consolidation

4.1. List of consolidated companies

Companies included in the scope of consolidation are presented below:

Company and legal form	ID no.	Registered office	Consolidation method		% control		% interest	
			2014	2013	2014	2013	2014	2013
Figeac Aéro 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	Full consolidation	95.64%	95.64%	95.64%	95.64%
MECABRIVE IND. SAS	**453806267**	1, Imp. Langevin 19108 BRIVE	Full consolidation	Full consolidation	92.68%	92.68%	92.68%	92.68%
SARL FGA TUNISIE	**NONE**	Rue du Niger Hanen Tunisia	Full consolidation	Full consolidation	100%	100%	100%	100%
FIGEAC AERO USA INC	**NONE**	2701 South Bayshore drive 33133 MIAMI	Full consolidation	Full consolidation	100%	100%	100%	100%
FGA PICARDIE SAS	**533995684**	Z.I. de l'Aiguille 46100 FIGEAC	Full consolidation	Full consolidation	99%	99%	99%	99%

FIGEAC HERS was liquidated on 31 March 2014.

4.2 Non-consolidated company

Company and legal form	ID no.	Registered office	Consolidation method		% control		% interest	
			2014	2013	2014	2013	2014	2013
SAS AERO TRADE	**520459876**	23 Av Edouard Belin 31400 Toulouse	No consolidated	No consolidated	11.11%	11.11%	11.11%	11.11%

4.3 Ad-hoc consolidated entities

Company and legal form	ID no.	Registered office	Consolidation method		% control		% interest	
			2014	2013	2014	2013	2014	2013
SCI REMSI		4 Avenue Jean Jaures 46100 FIGEAC	Full consolidation	Full consolidation	100.00%	100.00%	0.00%	0.00%

5. Business segments

Segment information is presented in accordance with IFRS 8.

The Group's operations are organised and managed separately according to the nature of the products and services.

Each segment represents a strategic business offering different products in different markets.

These areas correspond to the division of internal reports used by the management of the Group to monitor the Group's activities.

The financial data presented for segment reporting follows the same accounting policies as those used for the Group's consolidated financial statements.

The group's activity revolves around four main areas:

Aerostructure: structural parts for the aeronautical industry

- Production of aircraft sub-assemblies (machining and assembly)
- Structural aircraft parts
- Production of engine parts and precision components for aircraft

On-site and workshop assembly of aerospace sub-assemblies

General engineering and sheet metal fabrication

Precision machining and surface treatment

On 31 March 2014

BUSINESS SEGMENTS In K€	Aerostructures	%	Assembly on site	%	Precision machining and surface treatment	%	General and industrial engineering	%	TOTAL
Consolidated Revenue	137,229	84.54%	4,443	2.74%	9,786	6.03%	10,867	6.69%	162,325
Other income from operations	7,074	85.68%	91	1.11%	960	11.63%	131	1.58%	8,257
Variation of inventories of work in progress and finished products and finished products	25,575	100.08%	96	0.37%	-947	-3.71%	832	3.26%	25,556
Raw materials and consumables	-83,302	89.97%	-209	0.23%	-3,192	3.45%	-5,890	6.36%	-92,593
Personnel expenses	-38,935	75.22%	-3,925	7.58%	-4,573	8.83%	-4331	8.37%	-51,765
External expenses	-12,953	91.51%	-153	1.08%	-584	4.12%	-466	3.29%	-14,155
Taxes	-1,657	73.89%	-129	5.77%	-217	9.70%	-239	10.64%	-2,242
Depreciation and amortisation	-11,763	89.21%	-58	0.44%	-1,044	7.92%	-321	2.43%	-13,187
Net allocations to provisions	162	168.77%		-0.29%	-34	-35.83%	-31	-32.64%	96
Current operating income	**21,430**	**96.13%**	**155**	**0.70%**	**154**	**0.69%**	**552**	**2.48%**	**22,292**
	15.62%		3.49%		1.58%		5.08%		13.73%
Other operating income	6,177	99.56%		0.00%	27	0.44%		0.00%	6,204
Other operating expenses	-6,949	97.61%	-1	0.01%	-147	2.07%	-22	0.31%	-7,119
Operating income	**20,658**	**96.64%**	**155**	**0.72%**	**34**	**0.16%**	**530**	**2.48%**	**21,377**
Actual financial income	**-131**	**33.20%**	**-77**	**19.66%**	**-130**	**33.07%**	**-55**	**14.07%**	**-394**
Unrealised gains and losses	**1,212**	**100.00%**		**0.00%**		**0.00%**		**0.00%**	**1,212**
Net income (loss) for the year	**15,556**	**97.44%**	**125**	**0.78%**	**-109**	**-0.68%**	**393**	**2.46%**	**15,965**
Net income (loss) / Revenue	**11.34%**		**2.82%**		**-1.12%**		**3.62%**		**9.84%**
Total intangible assets	11,346	91.01%	3	0.02%	1,116	8.95%	2	0.02%	12,467
Total of tangible capital assets	59,177	89.61%	3,029	4.59%	2,131	3.23%	1,703	2.58%	66,040
Total financial assets	1,555	93.55%	2	0.09%	89	5.33%	17	1.04%	1,662
Total assets	**72,078**	**89.91%**	**3,033**	**3.78%**	**3,335**	**4.16%**	**1,723**	**2.15%**	**80,169**
Inventories and work in progress	105,268	95.83%	202	0.18%	2,369	2.16%	2011	1.83%	109,850
Trade and other receivables (1)	45,587	88.69%	373	0.73%	1,117	2.17%	4,321	8.41%	51,399
Trade and other payables	-47,676	88.17%	-1,364	2.52%	-1,988	3.68%	-3,046	5.63%	-54,074
Financial debt	-81,558	92.02%	-3,052	3.44%	-3,033	3.42%	-987	1.11%	-88,630

(1) See note 8.1

On 31 March 2013

BUSINESS SEGMENTS In K€	Aerostructures	%	Assembly on site	%	Precision machining and surface treatment	%	General and industrial engineering	%	TOTAL
Consolidated Revenue	115,802	84.45%	3,105	2.26%	7,887	5.75%	10,336	7.54%	137,129
Other income from operations	5,865	89.74%	133	2.04%	511	7.82%	26	0.40%	6,535
Variation of inventories of work in progress and finished products and finished products	17,304	92.80%	11	0.06%	1,396	7.49%	-64	-0.35%	18,647
Raw materials and consumables	-61,414	87.71%	-52	0.07%	-3,428	4.90%	-5123	7.32%	-70,018

Personnel expenses	-34,181	76.13%	-2,527	5.63%	-4,365	9.72%	-3,824	8.52%	-44,897
External expenses	-11,340	86.63%	-217	1.66%	-1,090	8.32%	-444	3.39%	-13,091
Taxes	-1,755	76.81%	-62	2.69%	-237	10.37%	-231	10.13%	-2,285
Depreciation and amortisation	-8,828	86.72%	30	-0.30%	-1,109	10.89%	-273	2.68%	-10,179
Net allocations to provisions	276	98.92%	-31	-11.15%	-38	-13.44%	72	25.67%	279
Current operating income	**21,729**	**98.23%**	**391**	**1.77%**	**-472**	**-2.13%**	**473**	**2.14%**	**22,121**
	18.76%		12.61%		-5.99%		4.58%		16.13%
Other operating income	2,530	95.22%	1	0.05%	117	4.40%	9	0.34%	2,657
Other operating expenses	-3,672	99.68%		0.00%	-2	0.06%	-9	0.25%	-3,683
Operating income	**20,587**	**97.59%**	**393**	**1.86%**	**-358**	**-1.70%**	**473**	**2.24%**	**21,095**
Actual financial income	**-815**	**83.91%**	**-1**	**0.15%**	**-100**	**10.30%**	**-55**	**5.64%**	**-972**
Unrealised gains and losses	**-2,942**	**100.00%**		**0.00%**		**0.00%**		**0.00%**	**-2,942**
Net income (loss) for the year	**11,607**	**96.89%**	**344**	**2.87%**	**-440**	**-3.67%**	**468**	**3.90%**	**11,980**
Net income (loss) / Revenue	**10.02%**		**11.09%**		**-5.58%**		**4.52%**		**8.74%**
Total intangible assets	7,101	84.88%	8	0.10%	1,248	14.92%	8	0.10%	8,366
Total of tangible capital assets	51,170	93.91%	184	0.34%	1,422	2.61%	1,712	3.14%	54,488
Total financial assets	1,448	93.30%		0.00%	92	5.92%	12	0.79%	1,552
Total assets	**59,719**	**92.72%**	**193**	**0.30%**	**2,762**	**4.29%**	**1732**	**2.69%**	**64,406**
Inventories and Work in Progress	77,667	94.59%	11	0.01%	3,205	3.90%	1,222	1.49%	82,106
Trade and other receivables (1)	38,404	88.92%	12	0.03%	1,225	2.84%	3,547	8.21%	43,188
Trade and other payables	-34,592	83.23%	-1,124	2.70%	-3,007	7.24%	-2,838	6.83%	-41,561
Financial debt	-68,395	94.93%	-426	0.59%	-2,098	2.91%	-1,131	1.57%	-72,050

(1) See note 8.1

OTHER APPENDIX NOTES

6. Capital assets

6.1 Intangible assets

	31/03/2013	Incr.	Decr.	Change in scope	Other changes	31/03/2014
Gross value						
Research and development expenses	13,653	3,981				17,634
Concessions, patents, licenses	3,179	762	53			3,888
Goodwill	7					7
Other intangible assets		2,246				2,246
Total	**16,838**	**6,989**	**53**			**23,775**
Depreciation						
Research and development expenses	6,022	2,288	37			8,273
Concessions, patents, licenses	2,450	637	53			3,035
Goodwill						
Total	**8,472**	**2,926**	**90**			**11,308**
Net values						
Research and development expenses	7,631	1,693	-37			9,361
Concessions, patents, licenses	728	125				853
Goodwill	7					7
Other intangible assets		2,246				2,246
Total	**8,366**	**4,063**	**-37**			**12,467**

- **Breakdown of research and development expenditures:**
  - **FIGEAC AERO**

Developments In K€	Gross value	Acquisition	End-year value	Prior amortisation	Amortisation during the year	Reversal	Total amortisation	Net valu
Forged machining processes	532		532	532			532	0
Thin wall machining processes	1,733		1,733	1,733			1,733	0
Chemical machining substitution	310		310	310			310	0
Shell machining in one laydown	521		521	417	104		521	0
Machining inconel fittings	130		130	104	26		130	0
Machining mass driven piping parts	186		186	186	37	37	186	0
Machining large hard metal structures	1,638		1,638	728	328		1,056	582
New techniques for aircraft floor assemblies	1,064		1,064	478	213		691	373
Spar machining	559		559	112	112		224	335

Souces rail study	403		403	104	81		185	218
Sheet / profile replacement	438		438	91	87		178	260
Works forming wing panels	549		549	138	109		247	302
Machining jobs reactors rings	539		539	162	108		270	269
Vheel machining development and rectifiers	423		423	0	85		85	338
FUI TIMAS	672	433	1,105	0	149		149	956
Forged deformations studies	663		663	0	133		133	530
arge parts deformations studies dimension	343		343	0	69		69	274
Crankcase engine machining	1,146	796	1,942	0	231		231	1,71
Machining frames and rings of reactors		692	692		12		12	680
Project NOMAD coatings		1,136	1,136		22		22	1,11
Machining inverter parts		684	684		1		1	683
	11,849	3,741	15,590	5,095	1,907	37	6,965	8,62

- **MECABRIVE INDUSTRIES**

Developments In K€	Gross value	Acquisition	End-year value	Prior amortisation	Amortisation during the year	Reversal	Total amortisation	v
Assemblies	68		68	55	13		68	
Surface treatment	396		396	168	79		247	
Organisation	128		128	89	26		115	
Machining	251		251	68	50		118	
Profiled	586		586	263	117		380	
Production optimisation	376		376	283	75		358	
Machining process optimisation		196	196		20		20	
Surface treatment		45	45		5		5	
	1,805	241	2,046	926	385	0	1,310	

6.2 Tangible Assets

(in € thousands)	31/03/2013	Incr.	Decr.	Change in scope	Other changes	31/03/2014
Gross Value						
Land	1,107	337				1,444
Buildings	19,627	971				20,598
Leased buildings	1,252	2,559				3,811
Plant machinery, equipment and tools.	26,986	8,821	2,291		135	33,652
Plant machinery, equipment and tools leased	31,529	11,193	1,558		-281	40,883
Other tangible assets	6,377	1,250	52			7,576
Tangible assets in progress	6,344	7,674	9,575			4,443
Refundable advance and Progress Payments	323	528	311			540
Total	**93,545**	**33,333**	**13,786**		**-146**	**112,947**
Depreciation						
Land	349	40				389
Buildings	5,311	1,095				6,406
Leased buildings	753	89				842
Plant machinery and equipment.	18,404	4,311	1,653		135	21,198
Plant machinery, equipment and tools leased	10,762	4,408	1,125		-249	13,797
Other tangible assets assets	3,476	852	52			4,277
Total	**39,056**	**10,796**	**2,829**		**-114**	**46,909**
Net values						
Land	758	297				1,055
Buildings	14,316	-124				14,192
Leased Buildings	499	2,471				2,969
Plant machinery and equipment	8,582	4,510	638			12,453
Plant machinery, equipment and tools leased.	20,767	6,784	433		-32	27,087
Other tangible assets	2,901	398				3,299
Intangible assets in progress	6,344	7,674	9,575			4,443
Refundable advance and Progress Payments	323	528	311			540
Total	**54,488**	**22,538**	**10,956**		**-32**	**66,040**

6.3 Financial assets

(in € thousands)	31/03/2013	Incr.	Decr.	Change in scope	Other changes	31/03/2014

Gross value						
Investments in equity						
Investments in associates	168					168
Other Securities Holdings	45	25				70
Loans	487	113	7			593
Other financial assets	860	165	193			832
Total	**1,559**	**302**	**200**			**1,662**
Depreciation						
Investments in equity						
Other Securities Holdings						
Loans						
Other financial assets	7				7	
Total					**7**	
Net values						
Investments in equity						
Investments in associates	168					168
Other Securities Holdings	45	25				70
Loans	487	113	7			593
Other financial assets	853	165	193		7	832
Total	**1,552**	**302**	**200**		**7**	**1,662**

7. Inventories, work in progress and construction contracts

7.1 Inventories and work in progress

(in € thousands)	31/03/2013	Change of financial year	Other Changes	31/03/2014
Gross value				
Raw materials	18,861	3,374		22,235
Work in progress and services	52,149	24,145		76,294
Finished goods	12,873	1,134		14,007
Total	**83,883**	**28,653**		**112,536**
Provisions				
Raw materials	347	109		456
Work in progress and services	746	264		1,010
Finished goods	684	535		1,220
Total	**1,777**	**909**		**2,686**
Net values				

Raw materials	18,514	3,265		21,779
Work in Progress and services	51,403	23,881		75,284
Finished goods	12,188	599		12,787
Total	**82,106**	**27,745**		**109,850**

7.2 Construction contracts

(in € thousands)	31/03/2014	31/03/2013
Capitalised work in progress	43,409	30,557
Revenue recognised from the inception of the contracts	326,060	213,125
Charges incurred since inception of the contracts	337,054	222,705

Construction contracts are estimated on forecasts made by the Group in the light of commercial information (order book and production rates) released by the various manufacturers and information from the perspectives of customers of the aeronautical industry, including the Global Market Forecast for AIRBUS.

Contractual terms adopted take into account the average length of presence within the group of industrial equipment necessary to complete this construction activity.

The term used for the analysis of contracts is 11 years.

Future costs are estimated on the basis of industrial organisations set up by the Group. Moreover, with US dollar flows (revenues and expenses) representing a significant portion of global flows, the Group has based its forecasts on the future development of hypotheses in the €/US$ exchange rate in relation with the duration of the contracts. This last assumption may be revised based on the currency's potential fluctuations and their impact on forecasts.

The main programs thus concerned are:
- AIRBUS A 350 (floor and engine pylons)
- AIRBUS A 380
- AIRBUS A 320
- EMBRAER LEGACY
- MOTEUR CFM 56
- MOTEUR LEAP X
- GULSTREAM

Detailed quantitative information by program (including revenue, margin at completion) cannot be disclosed for confidentiality reasons.

A €0.05 change in the EUR/USD exchange rate assumption over the 2014-2024 period would have a negative impact of €840 thousand and represent a loss of 1.70 points on the margin at completion.

Any further weakening of the EUR/USD exchange rate would negatively impact the Group’s industrial organisation.

8. Trade and other receivables

8.1 Breakdown of trade and other receivables

Gross Value (in € thousands)	*31/03/2013*	*31/03/2014*	*<1 year*	*>1 year*
Refundable advances and payments made	24			
Trade and other receivables	37,058	42,318	42,065	253
Tax receivables	4,266	5,226	4,760	466
Sundry debtors	1,492	3,417	3,417	
Prepaid expenses	579	695	695	
Deferred expenses				
Total	**43,420**	**51,655**	**50,936**	**719**

8.2 Impairment of current assets

(in € thousands)	*31/03/2013*	*Allocations*	*Reversals*	*31/03/2014*
Trade and other receivables	232	35	11	256
Sundry debtors				
Total	**232**	**35**	**11**	**256**

9. Cash and cash equivalents

Changes in cash and cash equivalents as follows:

(in € thousands)	*31/03/2013*	*31/03/2014*	*Change*
Marketable securities		122	122
Available cash	3,346	20,880	17,534
Overdrafts	-1,434	-1,961	-527
Cash and cash equivalents	1,911	19,041	17,129
Bank lending	-18,197	-23,224	-5,027
Total	**-16,286**	**-4,183**	**12,103**

Current bank facilities are included under "short-term borrowings".

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 point 1.4 "Consolidated statement of cash flows".

10. Shareholders' equity

10.1 Breakdown of share capital

As at 31 March 2014, share capital consisted of 26,625,845 shares of €0.12 par value stock.
Transactions performed on the Company's capital are presented in the table below:

	Number	Nominal value
Shares outstanding at the beginning of the year	25,000	120
Stock split by 1,000 AGE 19/12/2013	25,000,000	0.12
Shares issued during the year	1,580,000	0.12
Opening of the capital to employees	45,845	0.12
Shares outstanding at the end of the year	26,625,845	0.12

10.2 Change in Shareholders' equity - Group share

(in € thousands)	Share Capital	Reserves related to capital	Reserves consolidated	Income consolidated	Equity attributable to owners of the Group	Non-controlling interests
Year ended 31/03/12	**3,000**		**11,798**	**11,627**	**26,425**	**252**
Dividend policy 2011-2012			11,627	-11,627		
Other changes			162		162	-80
Dividends paid						
Net income recognised directly in equity			-80		-80	
Net income (loss) for the year				11,980	11,980	-1
Net income for the period ended 31/03/13	**3,000**		**23,507**	**11,980**	**38,487**	**171**
Dividend policy 2012-2013			11,980	-11,980		
Share capital transactions	195	14,200			14,395	
Other changes			-221		-221	7
Dividends paid						
Net income recognised directly in equity			-65		-65	
Net income (loss) for the year				16,060	16,060	-95
Net income for the period ended 31/03/14	**3,195**	**14,200**	**35,201**	**16,060**	**68,656**	**83**

10.3 Change in minority interests

Minority interests	
At Year N-1	171
Profit for the year 2014	-95
Other variations (1)	7
At Year N	83

(1) Including €5 thousand integration SCI REMSI

11. Provisions

Provisions for risks and charges break down as follows:

(in € thousands)	31/03/2013	Allocations	Reversals Used	Reversals Not used	31/03/2014
Provision for litigation	842	237	5	65	1,010
Construction Contracts Provision	6,616	35	1,269		5,383
TOTAL PROVISIONS FOR RISKS	**7,459**	**272**	**1,273**	**65**	**6,394**

Provisions for employee benefits:

(in € thousands)	31/03/2013	Allocations	Impact Shareholders' equity	Reversals	Impact Shareholders' equity	31/03/2014
Provision for retirement	948	134	116		27	1,171
Provision for service awards	49	12	8	3		66
TOTAL PROVISIONS	**997**	**146**	**124**	**3**	**27**	**1,237**

The method used to calculate the provision for employee benefits is detailed in Note 13.

12. Trade and other payables

	31/03/2013	31/03/2014	<1 year	1-5 years	> 5 years
Trade payables	21,760	29,920	29,920		
Debt/fixed assets and related accounts	1,395	1,859	1,859		
Refundable advances and payments received on orders	3,956	5,775	5,775		
Social security liabilities	9,778	11,482	11,482		
Tax liabilities	4,163	3,956	3,956		
Other liabilities	509	1,082	831	251	
Prepaid income	4,338	6,261	2,933	3,328	
Total	**45,899**	**60,335**	**56,756**	**3,579**	

Deferred income consists of:

- investment grants granted to Group companies: €3,135 thousand;
- prepaid income for work in progress: €1,788 thousand;
- deferred recognition of research tax credits: €1,338 thousand;

13. Employee benefits

13.1 Pension liabilities

At 31 March 2014, the methods for calculating the provision for employee benefits relate only to France and are calculated according to the method described in Note 3.21.

Assumptions used for the calculation are as follows:

- a discount rate of 3%, the same as the rate at 31 March 2013, based on average market yields as at 31 March 2014 of investment grade corporate bonds, and namely the IBOXX Corporates AA index;
- mortality table: INSEE 2013 table;
- retirement age: 67 years;
- average rate of social security contributions: 37% to 42.81 % according to the company;
- staff turnover by age bracket (management/non management) and by company:
    - non-management: 1.09% to 9.27%,
    - management: 0% to 12.50%,
- average annual salary escalation rate: 2%.

Actuarial gains and losses are recognised in shareholders' equity.

The impact of a 0.5% change in the discount rate on the provision for retirement severance benefits would be a decrease of €133 thousand.

The commitment is recognised in the balance sheet as a non-current liability for the full amount.
Retirement severance payments paid in the period ended 31 March 2014 amounted to €73 thousand.

13.2 Long-service awards

At 31 March 2013, the methods for calculating the provision for long-service awards (seniority bonuses) relate only to France and are calculated according to the method described in Note 3.21.

Assumptions used for the calculation are as follows:

- a discount rate of 3%, the same as the rate at 31 March 2013, based on average market yields as at 31 March 2014 of investment grade corporate bonds, and namely the IBOXX Corporates AA index;
- mortality table: INSEE 2013 table;
- retirement age: 67 years;
- average rate of social security contributions: 37% to 42.81 % according to the company;
- staff turnover by age bracket (management/non management) and by company;
    - non-management: 1.09% to 9.27%,
    - management: 0% to 12.50%;
- average annual salary escalation rate: 2%.

Actuarial gains and losses are recognised in shareholders' equity.

The impact of a 0.5% change in the discount rate on the provision for long-service awards would represent a decrease of €4 thousand.

The commitment is recognised in the balance sheet as a non-current liability for the full amount.

The long-service awards paid in the 2013-2014 period amounted to €5 thousand.

(in € thousands)	31/03/2013	Allocations	Impact Shareholders' equity equity	Reversals	Impact Shareholders' equity equity	31/03/2014
Provision for retirement	948	134	116		27	1,171
Provision for service awards	49	12	8	3		66
TOTAL PROVISIONS	**997**	**146**	**124**	**3**	**27**	**1,237**

13.3 Individual right to training

Rights vested with respect to the Individual Right to Training at 31 December 2013 and not used: 76,291 hours.

14. Financial liabilities

14.1 Borrowings and financial liabilities

Financial debt	31/03/2013	Incr.	Decr.	Variation discount	31/03/2014	<1 year	1-5 years	+5 years
Loans from credit institutions Credit institutions	31,354	16,449	8,602	-26	39,174	2,505	34,094	2,575
Lease financing	28,527	13,993	6,712		35,808	6,393	16,880	12,535
Refundable advances	10,160	2,263	257	-30	12,136	689	10,947	500
Total	**70,041**	**32,704**	**15,571**	**-56**	**87,118**	**9,587**	**61,921**	**15,609**

Other financial liabilities	31/03/2013	Incr.	Decr.	31/03/2014	<1 year	1-5 years	+5 years
Other financial liabilities	2,009		496	1,512		1,512	
Total	**2,009**		**496**	**1,512**		**1,512**	

Other financial liabilities mainly comprise the profit sharing rights of FIGEAC employees.

14.2 Refundable advances

Refundable advances (in € thousands)	31/03/2013	Incr.	Decr.	Variation discount	31/03/2014	<1 year	1-5 years	+5 years
OSEO REFUNDABLE ADVANCE	340		53		288	39	249	
COFACE REFUNDABLE ADVANCE	2,382	941	27		3,297	516	2,781	
WATER POLLUTION PREVENTION	174		47		127	47	-80	
REGIONAL RESEARCH ADVANCE	100		100					
RISK SHARING ADVANCE	210	22			231		231	
OSEO DPAC REFUNDABLE ADVANCE	2,960				2,960		2,960	
GRAND EMPRUNT REFUNDABLE ADVANCE	3,289			97	3,386		3,200	186
REFUNDABLE ADVANCE	606	700		-59	1,247		1,120	127
COMMUNITY ADVANCE	100		13		88	13	75	
LIMOUSIN REGION ADVANCE		600	18	-69	513	75	251	188
Total	**10,160**	**2,263**	**257**	**-30**	**12,136**	**689**	**10,947**	**500**

- The OSEO refundable advance in the amount of €288 thousand regarding the development program of the profiles machining process by MECABRIVE.
- The COFACE refundable advance is destined to assist the Group in its sales efforts on exports, particularly to the USA. This refundable advance will be refunded in the event of commercial success.
- The refundable advance from the French water agency supports efforts by the Group to recover the water used during the machining operations.
- Refundable advances for RISK SHARING relate to expenditure incurred by FIGEAC AERO for the industrialisation of the A380 and the F7x sub-assemblies.

- The refundable advance from DPAC concerns the AIRBUS A 350.
- Grand Emprunt refundable advance and the refundable advance from the Midi Pyrenées Region are intended to support FIGEAC AERO in its investment efforts.
- The refundable advance from the Brive township community is intended to support MECABRIVE in its investment efforts.
- The refundable advance from the Limousin Regional Council is intended to support MECABRIVE in its investment efforts.

Such refundable advances when they do not bear interest for the benefit of the organisation providing the funds generate an advantage for the Group which recognised in accordance with IAS 20.

15. Income tax

15.1 Corporate tax

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

(in € thousands)	31/03/2013	31/03/2014
Company taxes payable	1,747	1,412
Deferred expense tax	3,455	4,819
Change in net tax expense	5,203	6,231

15.2 Deferred taxes

Accounting for deferred taxes at 31 March 2014 in the consolidated financial statements had, item by item, the following impacts:

(in € thousands)	31/03/2013	Changes Financial year	Other Change	31/03/2014
Deferred tax assets	6,138	-485	-88	5,566
Deferred tax liabilities	11,762	4,273	-89	15,946
Balance	-5,624	-4,758	1	-10,381

Deferred tax assets and liabilities, regardless of maturity, are offset when they relate to the same taxable entity.

Deferred taxes break down by type is as follows:

(in K€)	Opening	Var fiscal	Closing
Deferred Tax Assets			
Retirement	308	74	390
Service A	17	6	22
Leasing	13	-4	10
Construction effort			
Employee profit sharing	189	-122	67
Organic	7	1	8
Valuation of tax losses carried forward		35	35
Leaseback	96	61	157
Provision depre R & D	15	-15	
Prov depre MP	5	-2	3
Prov market loss	5	7	12
Construction contracts	4,466	-121	4,345
Finance leases	13		13
Financial instruments (1)	909	-404	505
Various			-7
subtotal IDA	**6,043**	**-485**	**5,559**
Deferred Tax Liabilities			
Amort derog	-512	57	-455
Leasing	-648	-134	-808
Prov exchange	37	43	-80
Grant of eq	-2		-2
Tax timing differences	-7	43	36
Construction contracts	-10,205	-4,284	-14,468
Refundable advances	-308	2	-306
Finance leases	-22		-22
Financial Instruments			
Subtotal IDP	**-11,667**	**-4,273**	**-15,945**
Total Deferred taxation	**-5,624**	**-4,758**	**-10,387**

(1) Surplus or shortfall on financial instruments more than € 95 thousand on new A.

15.3 Tax reconciliation

(in € thousands)	2013	2014
Contribution of consolidated companies before income taxes and amortisation of Goodwill	17,181	22,196
Normal tax rate	33.33%	33.33%
Tax on theoretical results	5,726	7,398
Effective income tax expense	5,203	6,231
TAX GAP ON THE THEORETICAL/ACTUAL RESULTS	**524**	**1,167**
Income from sale of securities		
Imputation on the results of non-activated deficits		
Non-activated tax losses	-71	-52
Parent-subsidiary dividends outside regime		
Share of expenses and charges on parent-subsidiary		
Minority dividends interests in income of SCI		
Difference on permanent differences	-10	-9
Impact of reduced tax rate and tax credit	719	1,174
Various	-114	55
Total	**524**	**1,167**

16. Revenue

The breakdown of revenue by business segment is as follows:

Revenue breakdown (in € thousands)	31/03/2013	31/03/2014	Change
Structural parts for aerospace production	115,802	137,229	18.50%
General engineering and sheet metal fabrication	10,336	10,867	5.14%
Assembly on site	3,105	4,443	43.09%
Machining and surface treatment	7,887	9,786	24.08%
Total	**137,130**	**162,325**	18.37%

Revenue breakdown by geographical region:

Revenue by geographical region (in € thousands)	31/03/2013	31/03/2014	Change
France	109,428	133,465	21.97%
Export	27,702	28,860	4.18%
Total	**137,130**	**162,325**	18.37%

17. Breakdown of other income from operations

(in € thousands)	31/03/2013	31/03/2014	Change
Other income from operations			
Capitalised production	3,572	5,455	52.71%
Research Tax Credit	1,743	1,995	14.45%
Operating grant	534	373	-30.06%
Deferred charges	687	434	-36.73%
Total	**6,535**	**8,257**	26.35%

18. Purchases consumed and external charges

Raw materials and consumables (in € thousands)	2013	2014	Change
Raw materials and consumables	34,265	40,834	19%
Production consumable	5,237	7,453	42%
Outsourced Purchases	27,635	40,182	45%
Other purchases	2,881	4,124	43%
TOTAL	70,018	92,593	32%

External expenses (in € thousands)	2013	2014	Change
General subcontracting	299	411	37%
Operating leases and rentals	2,273	1,820	-20%
Maintenance	3,754	3,251	-13%
Insurance	506	553	9%
Fees	998	1,307	31%
Transports	2,724	3,909	44%
Travels and transportation	834	1,005	20%
Telecommunications costs	223	265	19%
Bank charges and factoring	469	572	22%
Other external expenses	1,011	1,063	5%
TOTAL	13,091	14,155	8%

19. Personnel expenses

Personnel expenses (in € thousands)	2013	2014	Change
Interim Staff	1,497	2,088	40%
Gross remuneration	30,070	35,419	18%
Profit sharing	1,751	1,519	-13%
Social security contributions	11,440	12,385	8%
IFC provision variation	139	354	155%
TOTAL	44,897	51,765	15%

20. Net depreciation and amortisation expense and provisions

Depreciation allocations (in € thousands)	2013	2014	Change
Depreciation and amortisation	10,852	13,717	26%
Write-Back of grants	-673	-530	-21%
TOTAL	10,179	13,187	30%

Net allocations to provisions (in € thousands)	2013	2014	Change
Doubtful debt provision	25	35	39%
Reversal of doubtful debt provision	-72	-11	-85%
Inventory provision	1,777	2,654	49%
Reversal on provisions for inventories	-2,444	-2,971	22%
Risks and charges provision	808	70	-91%
Reversal of risks and charges provision	-282	-37	-87%
Other provisions		270	
Other reversals	-92	-106	16%
TOTAL	-279	-96	-66%

21. Other operating income and expenses

Other operating income (in € thousands)	2013	2014	Change
Assets disposals	2,611	6,177	137%
Other income	46	27	-41%
TOTAL	2,657	6,204	133%

Other operating expenses (in € thousands)	2013	2014	Change
Net book value of items sold	3,451	6,840	98%
Other expenses	232	279	20%
TOTAL	3,683	7,119	93%

22. Net financial income (loss)

Financial income (loss) (in € thousands)	2013	2014	Change
Other financial income	4	17	344%
Interest on loans and borrowings	-2,702	-2,934	9%
Cost of net financial debt	-2,698	-2,917	8%
Foreign exchange gains and losses	1,895	2,710	43%
JV financial instruments	-2,942	1,212	-141%
Other financial income and expenses	-169	-187	11%
Net financial income (loss)	-3,914	819	-121%

Valuation detaills fair value of financial instruments.

Position on 31 March 2013							
Financial instruments	Nominal	Deadlines			Fair value	Current	Non-current
		<1 year	1 to 5 years	> 5 years			
- Currency options EUR/USD	124,200,000	25,200,000	99,000,000		-418,273	22,066	-440,339
- Currency options with EUR/USD barrier	7,800,000		7,800,000		-31,473		-31,473
- EUR/USD Accumulators	101,099,818	15,662,034	66,043,949		-299,581	380,539	-680,120
- Futures EUR/USD	150,000	150,000			7,200	7,200	
- TRFE Seller EUR/USD	292,600,000		292,600,000		-1,873,000		-1,873,000
- TRFE Buyer EUR/USD	10,200,000		10,200,000		-150,000		-150,000
Total foreign exchange risk	536,049,818	41,012,034	475,643,949	0	-2,765,127	409,805	-3,174,932
- Interest rate swap	4,052,887	2,528,887	1,524,000	2,528,887	-176,796		-176,796
Total interest rate risk	4,052,887	2,528,887	1,524,000	2,528,887	-176,796	0	-176,796
Total financial instruments	**540,102,705**	**43,540,921**	**477,167,949**	**2,528,887**	**-2,941,923**	**409,805**	**-3,351,728**

Position on 31 March 2014							
Financial instruments	Nominal	Deadlines			Fair value	Current	Non-current
		<1 year	1 to 5 years	> 5 years			
- Currency options EUR/USD	42,300,000	3,000,000	39,300,000		401,856	101,421	300,435
- Currency options with EUR/USD barrier	43,375,000	16,100,000	27,275,000		-10,931	128,824	-139,755
- EUR/USD Accumulators	167,031,625	2,060,000	164,971,625		658,604	12,707	645,897
- Accumulators buying USD/EUR	7,800,000		7,800,000		-121,000		-121,000
- Futures EUR/USD	7,030,000		7,030,000		140,798		140,798
- TRFE Seller EUR/USD	209,200,000		209,200,000		-614,000		-614,000
- TRFE Buyer USD/EUR	148,160,000		148,160,000		-1,709,000		-1,709,000
Total foreign exchange risk	624,896,625	21,160,000	603,736,625	0	-1,253,673	242,952	-1,496,625
- Interest rate swap	7,902,910		7,902,910		-261,014		-261,014
Total interest rate risk	7,902,910	0	7,902,910	0	-261,014	0	-261,014
Total financial instruments	**632,799,535**	**21,160,000**	**611,639,535**	**0**	**-1,514,687**	**242,952**	**-1,757,639**

For Accumulators and Target redemption forwards (TRF), the nominal represents maximum cumulative amount in the event of systematic application of the ratio.
None of the financial instruments meet the criteria for hedge accounting.

23. Earnings per share

Earnings per share	31/03/2013	31/03/2013 Adjusted	31/03/2014	Change
Number of shares	25,000	25,000,000	26,625,845	6.50%
Net income Group part	11,978,468	11,978,468	15,964,774	33.28%
Net earnings per share	**479**	**0.48**	**0.60**	25.14%

Diluted earnings per share	0.48	0.60

24. Risk management

24.1 Liquidity risk

To support its business development and growth, the Company must finance a large production cycle which may require it to strengthen its capital or to use additional funding to ensure its development.

The financing of the production cycle is carried out by assigning a portion of "Trade Receivables" assets to factoring companies. On 31 March 2014, the amount of trade receivables assigned amounted to €24.75 million.

Historically, the Company has financed its development through the collateralisation of trade receivables in particular via factoring companies. The Company is exposed to a risk of limits on outstanding balances, as factoring companies contractually limit the level of outstanding trade receivables for certain customers.

The Company performed specific reviews of its liquidity risk and considers that it is able to honour the terms for future payments.

24.2 Foreign exchange risk

A significant part of the the Company's revenue and payments to suppliers is denominated in US dollars.

The Company has trade receivables and trade payables, inventories and cash balances in US dollars.

Over the 2013-2014 financial year, the Company received $113.56 million in trade receivables and paid $42.14 million in trade payables. The Company also converted USD 71.81 million into euros.

The Company's operating profit and cash positions are subject to fluctuations in foreign exchange rates, primarily for the euro and the US dollar.

The impact of a €0.05 change in the €/US$ exchange rate on the Group's EBITDA is presented below:

Sensitivity € vs. US$ **In millions**	
Amount received	USD 113.56 million
Amount disbursed	USD 42.14 million
Amount converted	USD 71.81 million
Average €/$ rate during the financial year	1,2478
Impact EBITDA variation:	
+5 points	€1.9 million
-5 points	-€2.3 million

The exchange rate for the US dollar is among the assumptions estimated to determine the margin on completion of construction contracts.

To reduce this risk, the Company has put into place a foreign exchange hedging strategy with its banks to protect its profits and cash flows.

However, the Company cannot guarantee that this hedging strategy will provide effective protection against fluctuations in exchange rates.

The following table presents the Group's hedging positions at 31 March 2014.

Financial instruments	Nominal	Deadlines		
		<1 year	1 to 5 years	> 5 years
- Currency options EUR/USD	42,300,000	3,000,000	39,300,000	
- Currency options with EUR/USD barrier	43,375,000	16,100,000	27,275,000	
- EUR/USD Accumulators	167,031,625	2,060,000	164,971,625	
- Accumulators buying USD/EUR	7,800,000	0	7,800,000	
- Futures EUR/USD	7,030,000	0	7,030,000	
- TRFE Seller EUR/USD	209,200,000	0	209,200,000	
- TRFE Buyer USD/EUR	148,160,000	0	148,160,000	
Total foreign exchange risk	624,896,625	21,160,000	603,736,625	0

24.3 Interest rate risk

Borrowings at 31 March 2014 break down as follows:

Debt In K €	Total debt	Fixed rate	Rate Variable	SWAP
Lease financing	35,808	26,899	8,909	4,550
Bank loan	39,174	16,136	23,038	1,143
Short-term financing	24,657		24,657	
Total	99,639	43,035	56,604	5,693
	100%	43.19%	56.81%	10.06%

Interest rate exposures relate to receivables financing and the financing of a portion of term debt. Interest is calculated based on Euribor rates

Only a portion of these positions, representing approximately €5.69 million (see above table) is hedged in the event of a significant increase in this index by means of interest rate swaps.

The impact of a €0.05 increase or decrease in the average 3-month Euribor rate on the Group's net income would be +/- €225 thousand.

25. Workforce

	31/03/2013	31/03/2014	Change
Executives/managers and equivalent	182	209	15.10%
Non-manager	882	1,162	31.67%
External staff	17	62	267.24%
Total	**1,081**	**1,432**	32.54%

By business activities 31/03/2104		
Aerostructures	1,105	77.16%
Assembly on site	106	7.40%
Machining and surface treatment	115	8.00%
General and industrial engineering	107	7.44%
TOTAL	1,432	100.00%

26. Financial commitments

26.1 Commitments received

- COFACE guarantee: €22,942,918
- OSEO UIMM guarantee: €1,109,084
- OSEO guarantee: €96,625
- OSEO guarantee on the leaseback transaction for 90% of the balance

26.2 Commitments given

Leasing

(in € thousands)		lease payments made		lease payments due			
Balance sheet item	entry cost	for the fiscal year	accumulated since the beginning of the contract	up to 1 year	from 1 to 5 years	+ 5 years	total due
B5 BPRP rolling bridge	58	11	56	11			12
Lorequip adjustable bench	62	14	50	14	6		20
Dell equalogic		6	61				
ZEISS measuring machine	60	13	47	9			9
Faro arms	61	16	38	16	11		27
dog jaw	60	13	22	13	30		43
TOTAL	301	74	275	64	47		111

The leases described above have not been restated to reflect consolidation as their unit values are below the €75 thousand threshold required for restatement.

Operating leases

For certain equipment used in its operations, the Group has recourse to operating leases. At 31 March 2014, these operating leases totalled commitments of €2,538 thousand compared to €3,275 thousand at 31 March 2013.

Total rent in K€	Share < 1 year	Part to + 1 year - 5 years	Share > 5 years
2,538	1,030	1,401	107

Collateral guarantees in support of borrowings

Financial debts secured by collateral (pledges of goodwill and equipment pledges, mortgages on real property, COFACE or OSEO guarantees, pledged inventory) amount to €36,165 thousand.

27. Related parties

(in € thousands)	Purchases excl.tax	Debt providers	Sales excl. tax	Clients debt
Transaction with related companies	2,869	2,515	795	531

With MP USICAP

MP USICAP is a sub-contractor of the Group which buys machining services for aerospace parts. Purchases amounted to €1,365 thousand excluding tax. At 31 March 2014, the outstanding balance of trade payables was €1,819 thousand.

The Group invoiced MP USICAP €182 thousand for maching services and €5 thousand for management services. At 31 March 2014, trade receivables amounted to €211 thousand.

With the Avantis Engineering Group

Avantis Engineering Group sells the Group programming means for production schedules and sub-assembly study services.
At 31 March 2014 purchases amounted to €1,504 thousand, and outstanding trade payables stood at €695 thousand.
The Group, through MTI invoiced €613 thousand to Avantis Engineering Group for machining and mechanical welding services. Trade receivables amounted to €211 thousand.

28. Compensation of Executive Committee members

Financial year	Average headcount	Remuneration
2012-2013	7.6	556,896
2013-2014	8	680,811

29. Statutory Auditors' fees

Fees paid to the Statutory Auditors and the members of their network
paid by the Group

	FIDAUDIT				KPMG				SODECAL				Other auditors		
	Amount (excl. tax)		%		Amount (excl. tax)		%		Amount (excl. tax)		%		Amount (excl. tax)		%
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014
Audit															
Statutory audit, certification, review of individual and consolidated financial statements															
Transmitter	68,100	56,750	91.3%	88.3%	74,850		100.0%		19,200	19,200	62.6%	76.8%			0.0%
Consolidated subsidiaries	6,500	7,500	8.7%	11.7%					11,450	5,800	37.4%	23.2%	5,747		100.0%
Other services directly related to the auditor's engagement															
Transmitter			0.0%	0.0%							0.0%	0.0%			
Consolidated subsidiaries			0.0%	0.0%							0.0%	0.0%			
Subtotal	74,600	64,250	100.0%	100.0%	74,850		100.0%		30,650	25,000	100.0%	100.0%	5,747	0	100.0%
Other services rendered by the networks to consolidated subsidiaries															
Legal, tax, social			0.0%	0.0%							0.0%	0.0%			
Other			0.0%	0.0%							0.0%	0.0%			
Subtotal	0	0	0.0%	0.0%					0	0	0.0%	0.0%	0	0	0.0%
Total	**74,600**	**64,250**	**100%**	100%	**74,850**				**30,650**	**25,000**	**100%**	100%	**5,747**	**0**	**100%**

30. Subsequent events

On 2 May 2014, the Group acquired the U.S. subsidiary of SONOCA. This company, based in Wichita (Kansas), specialises in the assembly of aeronautic sub-assemblies and in the surface treatment of medium and large aeronautic parts.

Wichita is one of the primary world manufacturing centres for aeronautical structures for aircraft.
At 31 December 2013 this company had revenue of USD 7.9 million, for a net loss of USD 1.9 million. The company has 40 employees.

This company was not consolidated as at 31 March 2014.

20.1.3. Group consolidated accounts for the year ended March 31, 2013

1 Consolidated financial statements

1.1 Consolidated statement of financial position

FIGEAC AÉRO GROUP

Consolidated Assets in € thousands	Appendix Notes	31/03/2013	31/03/2012	31/03/2011
Goodwill				
Development costs		7,631	5,574	4,410
Other intangible assets		735	1,476	1,168
Total intangible assets	**6.1**	**8,366**	**7,051**	**5,578**
Land		759	695	610
Buildings		14,815	12,469	12,636
Plant and equipments		36,014	30,552	18,827
Other fixed assets		2,901	2,337	4,395
Total fixed assets	**6.2**	**54,488**	**46,053**	**36,468**
Equity method investments				
Deferred taxes	15.2	6,139	5,291	5,273
Financial Instruments				
Other financial assets	6.3	1,552	833	427
Other non-current assets	8.1	472	7	
TOTAL NON-CURRENT ASSETS		71,018	59,235	47,746
Inventories & work in progress	7.1	82,106	59,268	37,822
Trade receivables	8.1	36,807	29,144	20,987
Tax receivables				
Financial Instruments			215	
Other current assets	8.1	5,909	5,470	7,026
Cash and cash equivalents	9	**1,911**	**4,022**	**5,133**
TOTAL CURRENT ASSETS		126,733	98,119	70,968
TOTAL ASSETS		197,751	157,354	118,714

FIGEAC AÉRO GROUP

Consolidated Equity and Liabilities in € thousands	Appendix Notes	31/03/2013	31/03/2012	31/03/2011
Share Capital	10.1	3,000	3,000	3,000
Premiums				
Reserves		23,508	11,798	11,311
Carry Forward Account				
Conversion reserve				

Net income (loss) for the year		11,980	11,627	578
Equity attributable to shareholders of the parent company	**10.2**	**38,487**	**26,425**	**14,889**
Non-controlling interests		171	252	189
Non-controlling interests	**10.2**	**171**	**252**	**189**
EQUITY OF THE CONSOLIDATED ENTITY		**38,658**	**26,677**	**15,078**
Loans from credit institutions	14.1	28,083	19,082	11,079
Refundable advances	14.2	10,013	8,917	3,588
Finance Lease Liabilities	14.1	22,523	22,259	21,754
Other financial liabilities	14.1	1,272	1,758	652
Total non-current financial liabilities		**61,891**	**52,016**	**37,073**
Other provisions	11	7,460	8,009	8,924
Deferred tax liabilities	15.2	11,762	7,457	4,130
Provision for pension and other employee long-term benefits	11	997	737	1,744
Financial instruments	22	2,727		
Other non-current liabilities	12	1,962	1,620	60
Non-current portion of deferred income	12	3,195	2,705	3,354
TOTAL NON-CURRENT LIABILITIES		**89,994**	**72,543**	**55,285**
Other provisions				
Short term borrowings	9	18,198	12,638	12,988
Current portion of financial liabilities	14.1	10,012	8,926	6,894
Refundable advances	14.2	147	204	415
Total current financial liabilities		**28,356**	**21,769**	**20,296**
Trade payables	12	23,155	21,894	17,609
Tax liabilities	12	4,163	3,188	2,373
Financial Instruments				71
Other current liabilities	12	12,282	9,958	6,588
Deferred income	12	1,143	1,325	1,414
TOTAL CURRENT LIABILITIES		**69,099**	**58,133**	**48,351**
TOTAL EQUITY AND LIABILITIES		**197,751**	**157,354**	**118,714**

1.2 Consolidated income statement

FIGEAC AÉRO GROUP

Consolidated Income Statement in € thousands	Appendix Notes	31/03/2013	31/03/2012	31/03/2011
Revenue	**16**	**137,129**	**109,585**	**72,187**
Other income from operations	17	**6,535**	**4,983**	**4,219**
Variation of inventories of work in progress and finished products and finished products		18,647	189.22	9,054
Raw materials and consumables	18	-70,018	-59,594	-38,075
Personnel expenses	19	-44,897	-36,416	-27,247
External expenses	18	-13,091	-11,283	-7,681
Taxes		-2,285	-1,521	-1,526
Depreciation and amortisation	20	-10,179	-7,333	-5,916
Net allocations to provisions		279	356	-2,494
Current operating income		**22,121**	**17,698**	**2,521**
Other operating income	21	2,657	5,682	4,334
Other operating expenses	21	-3,683	-5,321	-4,832
Operating income		**21,095**	**18,059**	**2,022**
Income from cash and cash equivalents		4	20	23
Financial interest		-2,702	-2,233	-1,700
Cost of net financial debt	**22**	**-2,698**	**-2,213**	**-1,677**
Foreign exchange gains and losses	22	1,895	599	59
Unrealised gains and losses on financial instruments	22	-2,942	286	-71
Other financial income and expenses	22	-169	464	-76
Share of profit of equity affiliates				
Income Tax	15.1	-5,203	-5,652	-22
Net income (loss) for the year		**11,978**	**11,544**	**235**
* attributable to Group				
* non-Controlling Interests		1	83	342

1.3 Consolidated statement of comprehensive income

FIGEAC AÉRO GROUP				
Global income statement in k€	**Appendix Notes**	**31/03/2013**	**31/03/2012**	**31/03/2011**
Net income (loss) for the year		**11,980**	**11,627**	**578**
Post-employment Liabilities - Actuarial differences Deferred taxes - Post-employment liabilities - Actuarial differences		-81		
Translation adjustment				
Income and charges recorded directly in Shareholders' equity		**-81**		
Total Comprehensive income (loss) for the year		**11,899**	**11,627**	**578**
* attributable to Group		11,898	11,544	235
* non-Controlling Interests		1	83	342

Number of shares	23	25,000	25,000	25,000
Earnings per share		479.14	461.75	9.41

1.4 Consolidated statement of cash flows

Figeac Aéro Group

Consolidated Cash Flow Statement in k€	31/03/2013	31/03/2012	31/03/2011
Net income for the period	11,978	11,544	235
Adjustment for:			
Amortisation and provisions	10,039	5,446	8,672
Income from disposal of fixed assets	840	-261	80
Financial interest			
Current tax liabilities			
Change in deferred taxes	3,455	3,329	-243
Other income and expenses			
Proportionate share of results of associated companies			
Operating profit before changes in working capital requirement	*26,313*	*20,058*	*8,744*
Changes in inventories	23,219	21,955	10,988
Trade and other receivables	8,403	7,354	8,410
Trade and other payables	-4,897	-10,855	-7,848
Charges and prepaid income	-3,136	747	-1,649
Working capital related to activity	23,588	19,201	9,901
Cash from operating activities	*2,725*	*857*	*-1,158*
Outgoing corporation tax payments			
Incoming tax credit payments			
Net cash flow from operating activities	**2,725**	**857**	**-1,158**
Net cash flow from investment activities			
Acquisition of assets	-23,910	-25,500	-18,817
Disposal of assets, net of taxes	2,611	5,480	3,820
Non-controlling interests redeemed during the period			
Dividends received from equity affiliates			
Net cash flow used in investing activities	**-21,299**	**-20,020**	**-14,997**
Net cash flow from financing activities			
Dividends paid to shareholders of the parent company			
Dividends paid to non-controlling interests			
Proceeds from capital increase of the parent company			
Cash capital increase in subsidiaries (share paid by the minority holders)			
Financial interest			
Increase in financial debt	20,514	28,307	26,878
Repayment of financial debt	-9,611	-9,906	-10,550
Net cash flow from financing activities	**10,903**	**18,401**	**16,328**
Effect of exchange rate fluctuations on cash			
Cash and cash equivalents at beginning of period	-8,616	-7,854	-8,027
Cash and cash equivalents at end of period	-16,286	-8,616	-7,854
Variation of cash and cash equivalents	**-7,670**	**-762**	**173**

1.5 Statement of Changes in Shareholders' Equity

	Share Capital	Reserves consolidated	Income consolidated	Equity attributable to owners of the Group	Interests non-controlling interests
Net Income for the period ended 31/03/11	**3,000**	**11,311**	**577**	**14,888**	**189**
Dividend policy 2010-2011		577	-577		
Other changes		-90		251	147
Dividends paid					
Net income (loss) for the year			11,627	11,627	-83
Year ended 31/03/12	**3,000**	**11,798**	**11,627**	**26,425**	**252**
Dividend policy 2011-2012		11,627	-11,627		
Other changes		162		162	-80
Dividends paid					
Net income recognised directly in equity		-80		-80	
Net income (loss) for the year			11,980	11,980	-1
Net income for the period ended 31/03/13	**3,000**	**23,507**	**11,980**	**38,487**	**171**

Minority interests	
At Year N-1	252
Result for the period 2013	-1
Other variations (1)	-80
At Year N	171

(1) Adjustment for minority interests following purchases of MTI shares at par

2. General

2.1 Group overview

The FIGEAC AERO Group is an industrial group with a strong aeronautical focus operating in four main areas:

- structural parts for aerospace production:
  - production of aircraft sub-assemblies (machining and assembly),
  - structural aircraft parts,
  - production of engine parts and precision components for aircraft;
- on-site and workshop assembly of aerospace sub-assemblies;
- general engineering and sheet metal fabrication;
- precision machining and surface treatment.

These business activities were used to define the business segments.

The Group is a leading partner of major customers in the aeronautical industry. It intervenes as a Tier 1 and Tier 2 supplier for aircraft manufacturers, engine manufacturers and major OEMs.

The Group is specialised in the design and manufacture of:

- **structural parts and sub-assemblies** (manufactured parts assembled and ready to be integrated into the relevant section of the aircraft),
- **engine parts and precision components.**

The Group also operates as a part manufacturer for many programs (see table below), mainly in the field of commercial aviation, and secondarily for the military sector.

Manufacturers	Programs in which the Group is involved
AIRBUS	A318/319/320/321 A330-340 A350 A380 A400M
ATR	ATR 42 ATR 72
BOEING	747-8,787
BOMBARDIER	CRJ 700/ 900/1000 Global Express CL300 / CL605 / DASH 8
DAHER SOCATA	TBM 850
DASSAULT	FALCON 900 / 2000 FALCON 7X RAFALE
EMBRAER	ERJ 145 / ERJ 170 ERJ190 LEGACY 450-500
EUROCOPTER	NH90
GULFSTREAM	G150/ G280/ G550 / G650
Motors	CFM 56 / GP7200 / TRENT 500 et 700 / M88 / TP 400 / GE 90-115

The Group maintains close relations with AIRBUS and since 2009 has been among its 20 global strategic partners for the supply of basic parts.

Through a strategic partnership in place with AIRBUS, the Group benefits from a transfer of technology and knowledge from the European aircraft manufacturer for the machining of hard metals.

Through the design and manufacture of basic parts (aluminium or titanium structural parts, engine parts, and precision parts made of steel, titanium or inconel), or of sub-assemblies, the Group works on different parts of the aircraft, namely:

- ***cockpit:*** window frames, dashboards, centre and side control panels;
- ***fuselage:*** floor assemblies, fuselage frames and panels, pressure bulkheads, various fittings and brackets;
- ***doors:*** structures, mechanisms, door fittings;
- ***wings:*** longerons, ribs, spars, spoiler fittings;
- ***engines :*** pylon fittings, casings, aluminium and titanium shrouds, air inlet parts;
- ***thrust reversers:*** beams, frames, doors;
- ***landing gears:*** torque links.

Part of the production of structural parts is carried out by the low cost subsidiary FGA TUNISIE.

The Group offers its customers comprehensive services including:

- *thanks to its production planning*: department composed of 39 engineers and technicians, the Group handles the computer-assisted design phase for parts and prepares the technical documentation for manufacturing;
- *supply management;*
- *machining and shaping processes;*
- *dimensional control;*
- *surface treatment; and*
- *assembly.*

The Group has developed an activity that specialises in aircraft sub-assemblies through FGA PICARDIE at the Méaulte site (80) in France.

Through its subsidiary MTI, the Group has operations in the sheet metal industry (mechanical welding and machining of large sized parts) for various sectors including the oil and automotive sectors (molds for tires).

Through its subsidiary, MECABRIVE, the Group proposes machining for complex parts, surface treatment and assembly for the aeronautical and aerospace industries, but also for consumer goods and electronics.

The Group has developed an activity that specialises in aircraft sub-assemblies through FGA PICARDIE at the Méaulte site (80) in France.

The Group has **skills and a state of the art industrial tool** that allow it to maintain **its technological advance** over its competitors **in the matter of machining** (large, hard metals, high speed machining, etc.).

2.2 Major events during the fiscal year

Fiscal year 2012-2013 was eventful for the Group:

- start-up of "assembly line production" in Tunisia;
- start of assembly of aerospace sub-assemblies at the Meaulte site(80);
- first Airbus A 350 subsets delivered to AIRBUS, AEROLIA and SPIRIT.

3. Accounting policies, consolidation methods, and valuation rules

3.1 Basis of preparation of the consolidated financial statements

The consolidated financial statements of FIGEAC AERO Group ("the Group") were approved by the Board of Directors on 13 August 2013.
The consolidated financial statements for the 2013 financial year were prepared in accordance with IFRS as issued by the IASB and adopted by the European Union on 31 March 2013.
These consolidated financial statements are the first annual consolidated financial statements prepared using IFRS. The comparative data for fiscal year 2013 were prepared on the basis of the same reference standard.
The terms of IFRS 1 (first application of international standards) were applied to the Opening balance sheet of 1 April 2012. The impact of the change in reference is presented in Note 31.

International financial standards include IFRS (International Financial Reporting Standards), IAS (International Accounting Standards) as well as SIC (Standing Interpretations Committee) and IFRIC (International Financial Reporting Interpretations Committee) interpretations.

The consolidated financial statements are presented in € thousands, rounded to the nearest thousand.
They have been prepared based on historical costs, except for the following assets and liabilities that are measured at fair value: derivative financial instruments, financial instruments held for trading, financial assets and liabilities measured at fair value through profit or loss.

The Group has chosen to present significant non-recurring items within its operating income. The non-recurring portion is presented after the subtotal "current operating income", the resulting subtotal being the "Operating income".

In the balance sheet, the assets/liabilities of the Group of less than one year are classified as current. All other assets/liabilities are classified as non-current

The Group's accounting principles and policies are described below.

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

	31/03/2013		31/03/2012	
	Balance sheet	***Income***	***Balance sheet***	***Income***
US Dollar	1.2805	1.2928	1.3340	1.3822
Tunisian Dinar	2.0447	2.0286	2.00	1.970

3.2 Year-end closing dates of consolidated companies

The parent company FIGEAC AERO as well as MECABRIVE INDUSTRIES, FGA TUNISIE, and FGA USA are consolidated according to their balance sheet entries for the 12-month period ended 31 March 2013.

MTI and SCI REMSI having ended their financial years on 31 December 2012, the separate financial statements are adjusted to reflect significant transactions or transactions that have an impact on the consolidated financial statements between 1 January 2013 and 31 March 2013.

3.3 Application of standards, amendments and interpretations applicable to the financial statements

The new IAS / IFRS terms and interpretations coming into effect as of 1 April 2012 and applied by the Group in preparing its consolidated financial statements on 31 March 2013 are as follows:

- amendment to IFRS 7 - Financial Instruments: Disclosures;

- the application of this new standard did not have an effect on the Consolidated financial statements.

The new IAS/IFRS texts and interpretations adopted by the European Union but with an effective date for fiscal years beginning after 1 April 2012 are the following:

- ❖ IFRS 13 – Fair value valuation;
- ❖ IFRS 10 – Consolidation;
- ❖ IFRS 11 – Partnerships;
- ❖ IFRS 12 – Disclosure of interest in other entities;
- ❖ consecutive amendments to IFRS 10, 11, 12 on IAS 27 and IAS 28;
- ❖ transition amendments to IFRS 10, 11 et 12;
- ❖ amendment to IAS 1 – Presentation of Other comprehensive income items;
- ❖ amendments to IAS 19 – Post-employment benefits;
- ❖ amendments to IFRS 1 – Severe hyperinflation and elimination of fixed dates;
- ❖ amendments to IAS 12 –Deferred taxes – Recovery of underlying assets;
- ❖ amendments to IFRS 7 – Information to provide regarding offset of financial assets and financial liabilities;
- ❖ amendments à IAS 32 – Compensation des Financial assets and liabilities;
- ❖ IFRIC 20 – Development costs;
- ❖ annual improvements 2009-2011.

The Group elected for early application of the amendments to IAS 19 starting from January 2012. Thus, for preparation of the 2012 consolidated accounts, the accounting adjustments were reported in OCI (Other comprehensive income items) and directly impact shareholders' equity. On 31 March 2013, the impact of accounting adjustments to post employment benefits was €81 thousand.

In addition, the Group elected not to pursue early adoption of the other standards, interpretations and amendments adopted by the European Union regarding the 2013 preparation of consolidated accounts. The application of the standards should not have an impact on the Groups consolidated accounts.

The IAS/IFRS standards interpretations and amendments published after 1 April 2012 and not applicable to the 2013 fiscal year are the following:

- IFRS 9 – Financial Instruments – Classification and valuation of financial assets and liabilities;
- amendments to IFRS 10, 12 and IAS 27 - investment vehicles;
- amendments to IFRS 1 – Government loans;
- IFRS - first application of the IFRS (repeated application of IFRS 1; cost of loan);
- presentation of financial statements (clarification of obligations with respect to comparative information);
- IAS 16 – Tangible assets (classification of spare parts);
- IAS 32 – Financial Instruments: Presentation (fiscal effect of distribution to holders of equity instruments);
- IAS 34 – Interim financial statements (information on assets and liabilities).

These new standards, interpretations and amendments will not have an impact on the Group's consolidated financial statements.

3.4 Estimates and assumptions

The preparation of the financial statements requires the Board of Directors to 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 under the circumstances. They also form a base for exercising the judgement required to determine the carrying amounts of assets and liabilities that cannot be directly obtained from other sources. Actual values can differ from estimated amounts.

The Board of Directors reviews its estimates and assessments regularly on the basis of past experience and various other factors deemed reasonable which form the basis for its assessment of the carrying values of assets and liabilities. 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 use of estimates and assumptions is particularly important primarily for:

- the estimated margin with respect to construction contracts (Note 3.15);
- provisions for inventories (Note 3.15);
- The recoverable value of intangible assets and property, plant and equipment and their useful lives (Note 3.11);
- the fair value of financial instruments;
- pension and other long-term employee benefits and post-employment benefits (Note 3.19).

On 31 March 2013, estimates used to prepare the financial statements were produced in a context rendering the forecasting of economic trends difficult. The estimates and assumptions included in the consolidated accounts were determined based on information in the Group's possession at the closing date and in particular, concerning manufacturing contracts, based on provisional orders by aircraft manufacturers.

3.5 Translation method for foreign currency items

Foreign currency expenses and income are translated into euros at the exchange rate in effect on the transaction date.

Payables, receivables and cash in foreign currencies are translated into euros at the year-end exchange rate. All resulting exchange differences from the translation of receivables and payables denominated in foreign currency during the year are recognised in financial income.

3.6 Subsidiaries

The companies directly or indirectly controlled by Figeac Aero are consolidated using the full consolidation method. The notion of control exists when the parent company directly or indirectly holds the power to govern the financial and operating policies of the company and use them to its advantage in its activities.

The full consolidation method consists in the integration of all the assets, liabilities, income and expenses. The share of assets and income attributable to minority shareholders is listed as non-controlling interests in the consolidated statement of financial position and the consolidated income statement. The subsidiaries are included in the scope of consolidation as from the date of takeover.

MTI, MECABRIVE INDUSTRIES, FIGEAC HERS, FGA TUNISIE, FGA PICARDIE and FGA USA are exclusively and legally controlled by the parent company Figeac Aero and consolidated using the full consolidation method.

Because it is under the joint control of its nine associates each holding an equitable stake in the share capital and given that its activity had not started,AEROTRADE is not consolidated (*the list of consolidated companies is provided in Note 4*).).

Companies are consolidated on the basis of their financial statements restated to be brought into conformity with the accounting principles and policies adopted by the Group in accordance with IFRS.
After identification of intra-group transactions, all receivables and payables as well as income and expenses related to these transactions and internal profits have been eliminated from the consolidated financial statements.

The consolidated income statement includes the income statements of companies acquired as from their date of acquisition or creation.

3.7 Associates

An associate is an entity over which the Group has significant influence on financial and operating policies but without having exclusive or joint control. Significant influence is presumed to exist when the Group's interest is greater than or equal to 20%.

The consolidation method used is the equity method which consists in recognising in the balance sheet an amount that reflects the Group's share in the net assets of the associate, and if needed, supplemented by goodwill generated by the original acquisition.

3.8 Elimination of internal Group transactions

Companies are consolidated on the basis of their financial statements restated to be brought into conformity with the accounting principles and policies adopted by the Group in accordance with IFRS.

Transactions between consolidated subsidiaries are fully eliminated along with resulting receivables and payables. It is the same for internal Group income (dividends and gains and losses on disposals) which are eliminated from the consolidated income. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that they are not representative of a loss of value.

After identification of intra-group transactions, all receivables and payables as well as income and expenses related to these transactions and internal profits have been eliminated from the consolidated financial statements.

3.9 Financial statements of foreign entities

The balances of the assets and liabilities of consolidated entities whose functional currency is not the euro are translated at the closing rate, with the exception of shareholders' equity of each entity which is measured at historical value. Income and expenses are translated at the exchange rate applicable on the transaction dates or, in practice, an approximate rate that in the absence of any major currency fluctuations corresponds to the average rate for the period ended. The resulting foreign currency translation differences are recognised in shareholders' equity (translation difference).

In accordance with IAS 21, exchange differences relating to permanent financing constituting part of the net investment in a consolidated subsidiary are recognised in shareholders' equity (foreign currency translation reserve). Upon the subsequent disposal of these investments, cumulative translation differences initially recognised in shareholders' equity will be recognised in income.

No foreign subsidiary has the currency of a hyperinflationary economy as functional currency.

3.10 Goodwill

Business combinations are accounted for using the revised IFRS 3 standard. Identifiable assets acquired and liabilities assumed are measured at fair value at the acquisition date and, if applicable, the non controlling interests in the acquiree are measured either at fair value or proportionate share of the acquiree's identifiable net assets (including fair value adjustments) of the acquiree. This option is available on a case by case basis for each business combination operation. Direct costs related to the acquisition (transaction costs) are recognised as expenses in the period in which they are incurred. Any share previously held in the acquiree prior to the acquisition is remeasured at fair value and the corresponding profit and loss recognised as income.

The identifiable assets acquired and liabilities assumed are measured at fair value at the acquisition date and changes in fair value will be recognised through profit or loss in the future beyond the appropriation period of a year. Any contingent consideration arising from the business combination is measured at fair value at the acquisition date.

After the acquisition date, the price adjustment is assessed at fair value each financial year. After the allocation period, any subsequent changes in fair value will be recognised as income. The purchase price paid by the purchaser, which includes a contingent part, is measured and recognised at its fair value at the acquisition date and subsequent changes in fair value of the contingent share reported as liabilities having been recognised in accordance with IAS 39, IAS 37 or other applicable IFRS standard will be recognised either in net income or as gains or losses directly in shareholders' equity.

At the date of acquisition, goodwill determined at the time of each business combination may be measured either on the basis of the share of the acquired net asset (including fair value adjustments) or the overall value of the company.

When generated from the acquisition of companies that are globally or proportionally integrated, positive Goodwill is recorded in the Balance sheet under "Goodwill" and negative goodwill is immediately recorded in revenue. However, goodwill resulting from the acquisition of entities consolidated under the equity method is recorded under "equity accounted investments" according to IAS28.

Goodwill can be adjusted for a period of one year after the acquisition date to take into account the final estimation of the fair value of assets acquired and liabilities assumed. Beyond that period, any adjustment is recognised in net income.

Goodwill is not amortised though it is tested for impairment at least once a year and whenever changes in events or circumstances indicate a loss in value.

The Group performs an measurement of their recoverable amounts at the end of each financial year. An individual amortisation is recorded when the recoverable amount is less than the book value.

3.11 Other intangible assets

Intangible assets are identifiable non-monetary assets (arising from legal rights, or which may be sold, transferred, rented or exchanged, either individually or together with a related contract, another asset or liability), without physical substance held for use in the production or supply of goods or services, for lease to third parties or administrative purposes.

Intangible assets must meet the following criteria:
- the future economic benefits attributable to the asset are likely to flow to the entity; and
- the cost of the asset can be reliably measured.

The depreciation method used reflects the rate of consumption of the economic benefits of the fixed asset by the company.

Intangible assets held by the Group are mainly:
- *R&D costs for the improvement of industrial processes and are amortised over a period of 5 years;*

Development expenditures must be capitalised under IFRS if the following criteria are met:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of technical, financial and other resources to complete the development and to use or sell the intangible asset;
- the ability to measure reliably the expenditure.

- *software and other licenses (depreciation period of one to three years).*

Intangible assets are amortised over their useful lives. The Group holds no indefinite life fixed assets. Intangible assets acquired by the Group are recorded at their cost net of accumulated amortisation and impairment. If there is any indication of impairment, an impairment test is performed as described in Note 3.13. Any impairment is recorded in operating income under "depreciation and amortisation".

The amortisation methods and periods are as follows:

Intangible assets	***Method***	***Duration***
Software and software packages	Straight-line	1-3 years
Research and development expenditures	Straight-line	5 years

FIGEAC AERO and MECABRIVE INDUSTRIES have on-going R&D activities in particular within the framework of new aeronautical programs in which the companies operate with clearly distinguished research and development stages. In the case of risk sharing partnership agreements, capitalised development phases are distinct from expenses incurred.

3.12 Tangible assets

Property, plant and equipment are measured at acquisition cost which includes the purchase price and related expenses, or their production cost (capitalised production). Interest on specific loans for the production of fixed assets is not included in the cost of those assets.

Upon the acquisition of the assets, the total cost of an asset is split between the main asset and the different components separately accounted for, and for simplification incidental expenses are allocated to the main asset.

Given the fact that the assets acquired by the Group are not intended to be sold before the end of their economic life, no residual value has been applied to the different tangible fixed assets.

The depreciation mode reflects the rate of consumption of future economic benefits associated with the asset.

Ordinary depreciation of each main asset and component is calculated using the straight-line or diminishing balance method, according to the actual duration of intended use.
Any impairment is recorded in operating income under "depreciation and amortisation".

The selected durations of use are as follows:
- for buildings and fixtures: 5 to 30 years depending on the nature of the construction and fixture;
- for industrial equipment: 3 to 10 years depending on the nature and use of the materials;
- for furniture and computer equipment: from 3 to 6 years depending on the use of such equipment;
- for transport equipment: 2 to 5 years depending on the use of the vehicles.

3.13 Impairment of assets

The carrying amounts of the Group's assets (other than inventories and deferred tax assets) are reviewed upon each balance sheet date to determine whether there is any indication that an asset has suffered an impairment. If such an indication is identified (decline in value on the market or accelerated obsolescence, for example), an impairment test is performed.
Regarding intangible assets not yet available for use or those whose useful life is unlimited, as well as goodwill, the impairment test is performed at least once a year.
The impairment test consists in comparing the carrying value of the asset or group of assets concerned to its recoverable amount.
The recoverable amount of an asset is the highest of its net selling price and its value in use. Value in use is the present value of estimated future cash flows expected from the use of the asset and its disposal at the end of its useful life.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.
The recoverable amount shall be estimated for each individual asset. If not possible, IAS 36 requires an entity to determine the recoverable amount of the cash generating unit to which the asset belongs.
The assets are "attached" to Cash Generating Units (the smallest identifiable group of assets whose continued use generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets).

Given the fact that within each business sector of the Group, the fixed assets used are not specific to an activity or a branch, they can be used by the entire sector (no independence of cash inflows for any of them), the Cash Generating Units selected are the different business sectors of the Group considered separately.
An impairment loss recorded in respect of a Cash Generating Unit is first allocated to reduce the carrying amount of any goodwill allocated to the Cash Generating Unit and then to reduce the carrying amount of other assets of the Unit in proportion to the carrying amount of each asset of the unit.
Goodwill impairment cannot be reversed.

An impairment loss recorded for another asset is reversed if there has been a change in the estimates used to determine the recoverable amount.
The carrying amount of an asset that has been increased due to reversal of impairment, may not exceed the carrying amount that would have existed, net of depreciation or amortisation, if no impairment loss had been recognised.

3.14 Leases and finance leases

The operations carried out by means of a finance lease whose value at inception is greater than €75 thousand are restated according to terms identical to a credit acquisition for their original contract value.
The assets thus held are recorded at their fair value on the date the lease is concluded against a liability to the recognition of debts in borrowings equal to the input costs. These assets are then amortised in accordance with the group’s accounting policies described above. The tax effect of these adjustments is taken into account in deferred taxes.

Lease agreements where the lessor retains substantially all the risks and rewards incidental to ownership are accounted for as operating leases. Payments made under these contracts are recorded as expenses in the income statement.

3.15 Inventories and work in progress

Raw materials and other supplies

The gross value of raw materials and supplies includes the purchase price and associated costs (procurement coefficient). Depreciation is recognised on raw materials for the following amounts and for which no use is foreseen:

- no changes from +18 months and under 24 months 50%
- no changes from +24 months 75%

Work in progress (excluding construction contracts)

Work in progress is measured using the full cost method excluding non-production costs and any possible under-activity. A depreciation loss is recognised where the expected cost of the finished product exceeds its expected net realisable value less distribution costs.

Construction Contracts/Partnership
The Group has concluded with some of its customers, partnership contracts whose characteristics are those of construction contracts under IAS 11:

- a contract for the production of a group of interrelated assets or interdependent in terms of design, technology and function;
- which covers several years.

The accounting for these contracts meets the following criteria:
The revenue and principal accounts included in manufacturing contracts are:

a) for income:

- the initial amount of income agreed in the contract,
- alterations in the original contract work plus claims to the extent it is probable that they will result in income and where they can be measured reliably;

b) for costs:
- costs directly related to the contract,
- costs attributable to general contracting activity that can be allocated to the contract,
- any other costs that can be specifically charged to the customer under the terms of the contract.

The margin is recognised to the advancement calculated in relation to the delivery of elements, ("milestones"). To this end, the Group invoices on delivery and all the invoicing is due regardless of the outcome of the program. It is also possible that additional invoicing be carried out subsequently (alterations or additional work). A review is conducted on a case by case basis to define the stage of completion.
The estimated margin is calculated on the basis of a forecast including the technical and budgetary items. This margin is revised periodically based on costs incurred and income received during the period and estimated costs and income to complete the contract. When the expected margin is negative, it is immediately expensed.

For construction contracts covering several years, the Group is required during the first years to carry the production costs on the balance sheet which will then be recognised as income based on the decline actually observed.

Finished goods

The finished products are measured using the full cost method excluding non-production costs and any possible under-activity.

Impairment is codified for obsolete finished products with very low sales prospects divided into two categories according to the following scale:
- article codified obsolete / maybe (can be resold): 25%
- article codified obsolete / never (low resale probability): 90%

Additionally, an impairment loss is recognised in cases where the cost price of the finished product exceeds its net realisable value less distribution costs.

3.16 Revenue recognition

Revenue is recognised using the following criteria:
- for construction contracts falling within the criteria of IAS 11, it is necessary to refer to Note 3.15;
- for other types of contracts (excluding for services), income is recognised upon transfer of substantially all the risks and rewards incident to ownership to the buyer, which generally occurs at the time of delivery;
- for services contracts, revenue is recognised on a percentage-of-completion basis for actual work completed based on cost incurred in relation to the total estimated costs.

Sales are presented net of all forms of discounts

3.17 Trade and other receivables

Trade and other receivables are valued at their nominal value with a deduction for impairment provisions for unrecoverable amounts.

A provision for impairment of trade receivables is made when the value of inventory is less than book value and if applicable, to take into account the risk of non-recovery to which they are susceptible.

Unrecoverable trade receivables are recorded as loss when they are identified as such.

3.18 Financial assets and liabilities

The Group applies IAS 32, IAS 39 and IFRS 7. These standards define four categories of financial assets and two categories of financial liabilities:

- financial assets and financial liabilities at fair value through profit or loss: These are derivative instruments not qualifying for hedge accounting framework as well as cash investments designated at fair value through profit or loss;

- financial assets available for sale at fair value with fair value adjustments recognised in shareholders' equity (the Group does not have such assets);

- financial assets held to maturity at amortised cost: no asset enters to date in this category;

- loans and receivables issued by the company measured at amortised cost;

- Other financial liabilities measured at amortised cost using the method of effective interest rates.

These financial assets and liabilities are broken down in the balance sheet as current and non-current items following their expiry date of less than or greater than one year.

i) Derivatives instruments

The Group uses derivative financial instruments such as hedging contracts on foreign currencies and interest rates to cover its current positions against the foreign exchange and interest rate risks.
The hedging instruments used allow the group to buy or sell, within fixed deadlines, a nominal amount of currency at a fixed exercise level.

Income 1

The level of the exercise may depend on the deadlines. If the exchange rate is favourable for the Group, the Group will use a number of positions equal to the difference between the exercise price and the Fixing. . If the exchange rate is not favourable for the Group, the Group will buy or sell the nominal multiplied by the ratio.
Deactivation of income may take place without any fluctuation (the unused positions are thus lost) or with a fluctuation in which the quantity is proportional to the number of outstanding positions.
Currency fluctuations can take place immediately or on the maturity date, in which case an early use is possible.

Income 2:

- The Group sells (or buys) at maturity at the exercise level. The amount sold (or purchased) is a weekly accumulation.

- At each weekly deadline, if the fixing is favourable to the Group, it accumulates an amount equal to the nominal divided by the number of fixings. If the fixing is unfavourable to the client, the client accumulates an amount equal to the nominal divided by the number of fixing multiplied by the leverage (or ratio).

- Depending on the type of instrument, the accumulation can either be stopped when the fixing reaches a threshold or only suspended on the day requested.

Derivative instruments are valued at fair value and booked to income. Fair value of derivative instruments is evaluated by the financial establishments. This measurement takes into account the value of the derivative at the end of the reporting period (mark to market). Derivatives are recognised on the transaction date.

ii) Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits. Bank overdrafts repayable on demand and financing under discounted receivables (not meeting the criteria for de-recognition of assets) that are part of the Group's cash management are a component of cash and cash equivalents for the purposes of the cash flow statement. The short-term cash investments, highly liquid and readily convertible to known amounts of cash and subject to insignificant risk of changes in value are considered as cash equivalents. These investments are measured at fair value.

iii) Borrowings

On initial recognition, borrowings are measured at fair value to which are added transaction costs directly attributable to the issuance of the liability. At year-end, borrowings are measured at amortised cost, using the method of effective interest rates.

iv) Determining market value

Financial assets and liabilities at fair value through profit or loss and derivatives designated as hedging instruments are measured and recognised at their fair market value on the date of initial recognition, as well as for any subsequent measurement.

The market value is determined:

- either from quoted prices from an active market;

- or from a valuation technique involving:
  - mathematical calculation methods based on recognised financial theories,
  - parameters whose value are determined, for some, from the instrument prices traded in active markets and others from statistical estimates or other quantitative methods.

The distinction between the two valuation methods is made according to whether the market in which the instrument is considered as active or not.

For any given instrument, an active, and therefore liquid, market is any market in which transactions take place regularly or in which transactions involve instruments that are very similar to the instrument being measured.

The Group has identified three categories of financial instruments according to the consequences that their characteristics have on their valuation method and based on this classification present some of the information required by IFRS 7:

- level 1 category "Market price": Financial instruments that are the subject to quotes 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 unobservable inputs": financial instruments measured using valuation techniques based wholly or partly on unobservable inputs; an unobservable input is defined as an input whose value results from assumptions or correlations which are not based either on observable transaction prices in the markets, on the same instrument on the valuation date, nor on observable market data on the same date.

In the case of an inactive market, for example expressed by a scarcity of counterparties, the Group reserves the right to use mathematical models assessing risks based on assumptions that market participants would normally take, according to a horizon corresponding to the duration.

3.19 Provisions

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", the Group recognises a provision at balance sheet date for events that satisfy all of the following conditions:

- The existence of a legal or constructive obligation as a result of a past event at balance sheet date,
- Probability or certainty that an outflow of resources to third parties will be required to settle the obligation without consideration after balance sheet date,
- The amount can be estimated reliably.

The estimate of the value of provisions is reviewed at each balance sheet date with an accounting adjustment if it appears necessary without discounting. Provisions are maintained as long as the company is not able to clearly determine and have certainty about their outcome.

Except in special cases that are duly justified, provisions are recognised in the balance sheet under current liabilities.

Provisions are discounted if the effect proves significant.

The impact of this standard for the Group relates only to provisions for employee benefits.

3.20 Trade and other payables

Trade and other payables are measured at fair value on initial recognition, and subsequently at amortised cost.

3.21. Employee benefits

The Group recognises some employee benefits in accordance with the revised IAS 19. After analysing the specific regulations of the countries in which the Group operates, it appears that these provisions relate mainly to French entities for retirement allowances and incidentally to long service awards.

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Defined contribution plans

Contributions payable to a defined contribution plan are expensed as incurred.

Retirement severance benefits

The obligations of the Group as far as pensions are concerned consist of compensation paid upon departure of an employee. In accordance with IAS 19 revised, for defined benefit plans, pension obligations are calculated using the method of projected credit units. Estimates of the Group's obligations towards French company employees are computed by an independent third party. For this purpose, the projected unit credit method used takes into account estimated years of service at retirement, final salaries, life expectancy and staff turnover, based on actuarial assumptions. The obligation, including social security contributions, is discounted and is accounted for based on employees service years. Actuarial gains and losses resulting from these assumptions have been recognised in shareholders' equity since fiscal 2013.

The cost of current services (i.e.: of the period) is presented as a salary expenses.

Long service awards

The FIGEAC AERO Group recognises a provision on the basis of actuarial assumptions on the level of future remuneration, life expectancy and staff turnover (IAS 19 revised). Estimates of the Group's obligations for the long service awards (French company employees only) are computed by an independent third party.

Individual right to training

The group does not recognise the application of the Individual Right to Training (DIF) because it does not fit the rules on liabilities in that the training does not relate to past services, that is, to the past financial years, but for services to be rendered in the future by the employee.

3.22 Public funding

The Group receives two types of funding:

Investment grants

They represent all of the grants granted to the group in the development of its business.

The group chose to remove them from shareholders' equity and reclassify them in accruals and other liabilities thus following the recommendation of the French Financial Markets Authority (AMF).

The grants related to depreciable assets are recognised in the consolidated and individual financial statements over the periods and in proportions in which the depreciation expense on those assets is recognised.

Refundable advances

These funds do not bear interest contractually (in terms of the management bodies).
Therefore, these types of funds are classified as government grants and fall within the scope of IAS 20.
Initially they are measured at the amount of cash received. At each balance sheet date, they are recognised according to the amortised cost method calculated on the basis of the effective interest rate.

3.23 Other operating income and expenses

The Group recognises in particular in "other operating income" the income from disposals of fixed assets.

The Group recognises in particular in "other operating expenses" the net value of fixed assets sold.

3.24 Income tax

The income tax expense includes the current tax expense (income) and the deferred tax expense (income).

The Group recognises deferred tax if:

- there are temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and values for tax purposes;
- there is an impact on the result after consolidation adjustments.

The Group does not recognise deferred tax assets relating to tax losses of Group companies that are carried forward, where the timeframe for recovery is not reasonably foreseeable.

Deferred taxes are calculated using the liability method, applying the most recent applicable tax rate for each company based on the years in which the Group expects that the assets and liabilities will be settled. Deferred tax assets and liabilities are offset when they relate to the same taxable entity.

Deferred tax assets are only taken into account:
- if their recovery does not depend on future results;
- or if their recovery is likely as a result of the existence of a taxable profit expected during their settlement period.

In accordance with IAS 12, deferred tax assets and liabilities are not discounted.

3.25 Earnings per share

Basic earnings per share represent the Group share of consolidated net income divided by the weighted average number of shares of the parent company outstanding during the financial year.
When no dilutive instruments have been issued, the dilutive earnings per share correspond to basic earnings per share.

4 Scope of consolidation

4.1 List of consolidated companies

Companies included in the scope of consolidation are presented below:

Company and legal form	ID no.	Registered office	Consolidation method		% control		% interest	
			2012	2013	2012	2013	2012	2013
Figeac Aéro **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 **SAS**	**394223804**	Z.I. du Combal 12300 DECAZEVILLE	Full consolidation	Full consolidation	90.52%	95.64%	90.52%	95.64%
MECABRIVE IND. SAS **SAS**	**453806267**	1, Imp. Langevin 19108 BRIVE	Full consolidation	Full consolidation	88%	92.68%	66.66%	92.68%
SARL FGA TUNISIE	**NONE**	Rue du Niger Hanen Tunisia	Full consolidation	Full consolidation	100%	100%	100%	100%
FIGEAC AERO USA INC	**NONE**	2701 South Bayshore drive 33133 MIAMI	Full consolidation	Full consolidation	100%	100%	100%	100%
FIGEAC HERS SAS	**525012670**	Z.I. de l'Aiguille 46100 FIGEAC	Full consolidation	Full consolidation	75%	75%	65%	75%
FGA PICARDIE SAS	**533995684**	Z.I. de l'Aiguille 46100 FIGEAC	Full consolidation	Full consolidation	99%	99%	99%	99%

(1) : Purchases of MTI shares
(2) : MECABRIVE INDUSTRIES made a capital increase of €800,000 that was entirely subscribed by Figeac Aero. At 31 March 2013, the percentage ownership is 92.68% compared to 88% in March 2012.

4.2 Non-consolidated company

Company and legal form	ID no.	Registered office	Consolidation method		% control		% interest	
			2012	2013	2012	2013	2012	2013
SAS AERO TRADE	**520459876**	23 Av Edouard Belin 31400 Toulouse	Not consolidated	Not consolidated	11.11%	11.11%	11.11%	11.11%

4.3 Ad-hoc consolidated entities

Company and legal form	ID no.	Registered office	Consolidation method		% control		% interest	
			2012	2013	2012	2013	2012	2013
SCI REMSI		4 Avenue Jean Jaures 46100 FIGEAC	Not consolidated	Full consolidation	-	100.00%	-	0.00%

5. Business segments

Segment information is presented in accordance with IFRS 8.

The Group's operations are organised and managed separately according to the nature of the products and services.

Each segment represents a strategic business offering different products in different markets.

These areas correspond to the division of internal reports used by the management of the Group to monitor the Group's activities.

The financial data presented for segment reporting follows the same accounting policies as those used for the Group's consolidated financial statements.

The group's activity revolves around four main areas:

Aerostructure: structural parts for the aeronautical industry

- Production of aircraft sub-assemblies (machining and assembly)
- Structural aircraft parts
- Production of engine parts and precision components for aircraft

On-site and workshop assembly of aerospace sub-assemblies

General engineering and sheet metal fabrication

Precision machining and surface treatment

On 31 March 2013

BUSINESS SEGMENTS In K€	Aerostructures	%	Assembly on site	%	Precision machining and surface treatment	%	General and industrial engineering	%	TOTAL
Consolidated Revenue	115,802	84.45%	3,105	2.26%	7,887	5.75%	10,336	7.54%	137,129
Other income from operations	5,865	89.74%	133	2.04%	511	7.82%	26	0.40%	6535
Variation of inventories of work in progress and finished products and finished products	17,304	92.80%	11	0.06%	1,396	7.49%	-64	-0.35%	18,647
Raw materials and consumables	-61,414	87.71%	-52	0.07%	-3,428	4.90%	-5,123	7.32%	-70,018
Personnel expenses	-34,181	76.13%	-2,527	5.63%	-4,365	9.72%	-3,824	8.52%	-44,897
External expenses	-11,340	86.63%	-217	1.66%	-1,090	8.32%	-444	3.39%	-13,091
Taxes	-1,755	76.81%	-62	2.69%	-237	10.37%	-231	10.13%	-2,285
Depreciation and amortisation	-8,828	86.72%	30	-0.30%	-1,109	10.89%	-273	2.68%	-10,179
Net allocations to provisions	276	98.92%	-31	-11.15%	-38	-13.44%	72	25.67%	279
Current operating income	**21,729**	**98.23%**	**391**	**1.77%**	**-472**	**-2.13%**	**473**	**2.14%**	**22,121**
	18.76%		12.61%		-5.99%		4.58%		16.13%
Other operating income	2,530	95.22%	1	0.05%	117	4.40%	9	0.34%	2,657
Other operating expenses	-3,672	99.68%		0.00%	-2	0.06%	-9	0.25%	-3,683
Operating income	**20,587**	**97.59%**	**393**	**1.86%**	**-358**	**-1.70%**	**473**	**2.24%**	**21,095**
Actual financial income	**-815**	**83.91%**	**-1**	**0.15%**	**-100**	**10.30%**	**-55**	**5.64%**	**-972**
Unrealised gains and losses	**-2,942**	**100.00%**		**0.00%**		**0.00%**		**0.00%**	**-2942**
Net income (loss) for the year	**11,607**	**96.89%**	**344**	**2.87%**	**-440**	**-3.67%**	**468**	**3.90%**	**11,980**
Net income (loss) / Revenue	**10.02%**		**11.09%**		**-5.58%**		**4.52%**		**8.74%**
Total intangible assets	7,101	84.88%	8	0.10%	1,248	14.92%	8	0.10%	8,366
Total of tangible capital assets	51,170	93.91%	184	0.34%	1,422	2.61%	1,712	3.14%	54,488
Total financial assets	1,448	93.30%		0.00%	92	5.92%	12	0.79%	1,552
Total assets	**59,719**	**92.72%**	**193**	**0.30%**	**2,762**	**4.29%**	**1,732**	**2.69%**	**64,406**
Inventories and Work in Progress	77,667	94.59%	11	0.01%	3,205	3.90%	1,222	1.49%	82106
Trade and other receivables (1)	38,404	88.92%	12	0.03%	12,25	2.84%	3,547	8.21%	43,188
Trade and other payables	-34,592	83.23%	-1,124	2.70%	-3,007	7.24%	-2,838	6.83%	-41,561
Financial debt	-68,395	94.93%	-426	0.59%	-2,098	2.91%	-1,131	1.57%	-72050

(1) See note 8.1

On 31 March 2012

BUSINESS SEGMENTS In K€	Aerostructures	%	Precision machining and surface treatment	%	General and industrial engineering	%	TOTAL
Consolidated Revenue	93,947	85.73%	7,344	6.70%	8,294	7.57%	109,585
Other income from operations	4,542	91.15%	419	8.40%	22	0.45%	4,983
Variation of inventories of work in progress and finished products and finished products	19,190	101.42%	-214	-1.13%	-54	-0.28%	18,922
Raw materials and consumables	-53,843	90.35%	-2,134	3.58%	-3,617	6.07%	-59,594
Personnel expenses	-29,572	81.21%	-3,685	10.12%	-3,158	8.67%	-36,416
External expenses	-10,063	89.19%	-737	6.53%	-483	4.28%	-11,283
Taxes	-1,140	74.93%	-184	12.09%	-198	12.98%	-1,521
Depreciation and amortisation	-6,135	83.66%	-959	13.08%	-239	3.26%	-7,333
Net allocations to provisions	349	98.04%	47	13.29%	-40	-11.33%	356
Current operating income	**17,275**	**97.61%**	**-103**	**0.58%**	**527**	**2.98%**	**17,698**
	18.39%		-1.41%		6.35%		16.15%
Other operating income	5,588	98.34%	33	0.59%	61	1.08%	5,682
Other operating expenses	-5,189	97.52%	-51	0.96%	-81	1.53%	-5,321
Operating income	**17,673**	**97.86%**	**-121**	**-0.67%**	**507**	**2.81%**	**18,059**
Actual financial income	**-941**	**81.74%**	**-150**	**12.99%**	**-59**	**5.14%**	**-1,151**
Unrealised gains and losses	**286**	**100.00%**		**0.00%**		**0.00%**	**286**
Net income (loss) for the year	**11,532**	**99.18%**	**-272**	**-2.34%**	**367**	**3.16%**	**11,627**
Net income (loss) / Revenue	**12.27%**		**-3.70%**		**4.43%**		**10.61%**
Total intangible assets	5,558	78.82%	1,490	21.13%	3	0.05%	7,051
Total of tangible capital assets	42,903	93.16%	1,452	3.15%	1,698	3.69%	46,053
Total financial assets	742	89.00%	92	10.98%		0.02%	833
Total assets	**49,202**	**91.22%**	**3,033**	**5.62%**	**1,701**	**3.15%**	**53,937**
Inventories and Work in Progress	55,937	94.38%	2,107	3.55%	1,224	2.06%	59,268
Trade and other receivables	31,055	89.70%	595	1.72%	2,970	8.58%	34,621
Trade and other payables	32,665	89.10%	2,345	6.40%	1,650	4.50%	36,660
Financial debt	58,213	95.20%	1,615	2.64%	1,318	2.16%	61,146

OTHER APPENDIX NOTES

6. Capital assets

6.1 Intangible assets

	31/03/2012	Incr.	Decr.	Change in scope	Other changes	31/03/2013
Gross Value						
Research and development expenses	10,210	3,443				13,653
Concessions, patents, licenses	2,669	538	28			3,179
Goodwill	7					7
Other intangible assets	571		571			
Total	**13,456**	**3,981**	**599**			**16,838**
Depreciation						
Research and development expenses	4,520	1,538	37			6,022
Concessions, patents, licenses	1,885	572	7			2,450
Goodwill						
Total	**6,405**	**2,111**	**44**			**8,472**
Net values						
Research and development expenses	5,689	1,905	-37			7,631
Concessions, patents, licenses	784	-34	21			728
Goodwill	7					7
Other intangible assets	571					
Total	**7,051**	**1,870**	**-16**			**8,366**

- **Breakdown of research and development expenditures:**
  - **FIGEAC AERO**

Developments	Gross value	Acquisition	End-year value	Prior amortisation	Amortisation during the year	Reversal	Total amortisat
Forged machining processes	532		532	532			532
hin wall machining processes	1,733		1,733	1,733			1,733
hemical machining substitution	310		310	310			310
hell machining in one laydown	521		521	313	104		417
Machining Inconel fittings	130		130	78	26		104
chining mass driven piping parts	186		186	186			186
ining large hard metal structures	1,638		1,638	400	328		728
chniques for aircraft floor assemblies	1,064		1,064	265	213		478
Spar machining	559		559	0	112		112
Souces rail study	403		403	23	81		104
sheet / profile replacement	438		438	3	88		91
Works forming wing panels	549		549	28	110		138
Machining jobs reactors rings	539		539	54	108		162
achining development and rectifiers		423	423	0	0		0

FUI TIMAS		672	672	0	0		0
orged deformations studies (1)		663	663	0	0		0
arge parts deformations studies		343	343	0	0		0
Crankcase engine machining		1,146	1,146	0	0		0
	8,602	3,247	11,849	3,925	1,170	0	5,095

(1) Outstanding amount as at 31 March 2012 totalling €420 thousand
(2) Outstanding amount as at 31 March 2012 totalling €144 thousand

- **MECABRIVE INDUSTRIES**

Developments	Gross value	Acquisition	End-year value	Prior amortisation	Amortisation during the year	Reversal	Total amortisation	Ne valu
Assemblies	68		68	41	14		55	13
Surface treatment	200	196	396	118	50		168	228
Organisation	128		128	63	26		89	39
Machining	251		251	44	24		68	183
Profiled	586		586	146	117		263	323
Production optimisation	376		376	183	100		283	93
	1,609	196	1,805	595	331	0	926	879

6.2 Tangible Assets

(in € thousands)	31/03/2012	Incr.	Decr.	Change in scope	Other changes	31/03/2013
Gross Value						
Land	1,008	192	93			1,107
Buildings	16,361	3,278	12			19,627
Leased Buildings	1,252					1,252
Plant, machinery and equipment	22,580	5,519	1,113			26,986
Plant, on leasing	27,200	6,432	2,737		634	31,529
Other tangible assets	5,291	1,208	122			6,377
Intangible assets in progress	5,154	6,202	5012			6,344
Refundable advance and Progress Payments	76	323	76			323
Total	**78,922**	**23,154**	**9,165**		**634**	**93,545**
Depreciation						
Land	313	37	1			349
Buildings	4,438	911	37			5,311
Leased Buildings	706	47				753
Plant, machinery and equipment.	15,276	3,396	267			18,404
Plant, machinery and equipment on leasing	9,182	3,531	1,975		23	10,762
Other tangible assets assets	2,954	654	132			3,476
Total	**32,869**	**8,576**	**2,412**		**23**	**39,056**
Net values						
Land	695	155	93			758
Buildings	11,923	2,368	-26			14,316
Leased Buildings	546	-47				499
Plant, machinery and equipment	7,304	2,123	846			8,582
Plant, machinery and equipment on leasing	18,018	2,901	762		610	20,767
Other tangible assets	2,337	554	-10			2,901
Intangible assets in progress	5,154	6,202	5,012			6,344
Refundable advance and Progress Payments	76	323	76			323
Total	**46,053**	**14,578**	**6,753**		**610**	**54,488**

6.3 Financial assets

(in € thousands)	31/03/2012	Incr.	Decr.	Change in scope	Other changes	31/03/2013
Gross Value						
Investments in equity						
Investments in associates	168					168
Other Securities Holdings	49	6	10			45
Loans	399	88				487

Other financial assets	217	648	5			860
Total	**833**	**741**	**15**			**1,559**
Depreciation						
Investments in equity						
Other Securities Holdings						
Loans						
Other financial assets		7				7
Total		**7**				**7**
Net values						
Investments in equity						
Investments in associates	168					168
Other Securities Holdings	49	6	10			45
Loans	399	88				487
Other financial assets	217	641	5			853
Total	**833**	**734**	**15**			**1,552**

7. Inventories, work in progress and manufacturing contracts

7.1 Inventories and work in progress

(in € thousands)	31/03/2012	Change during the year financial year	Other Changes	31/03/2013
Gross Value				
Raw materials	14,306	4,556		18,861
Work in Progress and services	36,056	16,093		52,149
Finished goods	10,302	2,570		12,873
Total	**60,664**	**23,219**		**83,883**
Procurement				
Raw materials	309	38		347
Work in Progress and services	517	229		746
Finished goods	571	114		684
Total	**1,396**	**381**		**1,777**
Net values				
Raw materials	13,997	4,517		18,514
Work in Progress and services	35,539	15,864		51,403
Finished goods	9,732	2,457		12,188

Total	**59,268**	**22,838**		**82,106**

7.2 Construction contracts

(in € thousands)	31/03/2013	31/03/2012
Capitalised work in progress	30,557	17,002
Revenue recognised from the inception of the contracts	213,125	131,438
Charges incurred since inception of the contracts	222,705	135,763

Construction contracts are estimated on forecasts made by the Group in the light of commercial information (order book and production rates) released by the various manufacturers and information from the perspectives of customers of the aeronautical industry, including the Global Market Forecast for Airbus.
Contractual terms adopted take into account the average length of presence within the group of industrial equipment necessary to complete this manufacturing activity.

The period for analysing the contracts ends on 31 March 2024.

Future costs are estimated on the basis of industrial organisations set up by the Group. Moreover, with US dollar flows (revenues and expenses) representing a significant portion of global flows, the Group has based its forecasts on assumptions of future changes in the €/US$ exchange rate in relation to the duration of the contracts. This last assumption may be revised based on the currency's potential fluctuations and their impact on forecasts.

The main programs thus concerned are:
- AIRBUS A 350 (floor and engine pylons)
- AIRBUS A 380
- AIRBUS A 320
- EMBRAER LEGACY
- MOTEUR CFM 56
- GULSTREAM

Detailed quantitative information by program (including revenue, margin at completion) cannot be disclosed for confidentiality reasons.

A €0.05 change in the €/US$ exchange rate assumption over the 2014-2024 period would have a negative impact on the 2012-2013 margin and represent a loss of 1.13 points on the margin at completion.
Any further weakening of the EUR/USD exchange rate would negatively impact the Group's industrial organisation;

8. Trade and other receivables

8.1 Breakdown of trade and other receivables

Gross Value (in € thousands)	***31/03/2012***	***31/03/2013***	***<1 year***	***>1 year***
Refundable advances and payments made	65	24	24	
Trade and other receivables	29,429	37,058	36,806	252
Tax receivables	3,705	4,266	4,266	
Sundry debtors	1,224	1,492	1,040	452
Prepaid expenses	476	579	579	
Deferred expenses		0	0	
Total	**34,899**	**43,420**	**42,715**	**705**

8.2 Impairment of current assets

(in € thousands)	*31/03/2012*	*Allocations*	*Reversals*	*31/03/2013*
Trade and other receivables	278	25	72	232
Sundry debtors				
Total	**278**	**25**	**72**	**232**

9. Cash and cash equivalents

Changes in cash and cash equivalents as follows:

(in € thousands)	*31/03/2012*	*31/03/2013*	*Change*
Marketable securities	0	0	0
Available cash	4,861	3,346	-1,516
Overdrafts	-839	-1,434	-595
Cash and cash equivalents	4,022	1,911	-2,111
Bank lending	-12,638	-18,197	-5,559
Total	**-8,616**	**-16,286**	**-7,670**

Current bank facilities are included under "short-term borrowings".
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 point 1.4 "Consolidated statement of cash flows".

10. Shareholders' equity

10.1 Breakdown of share capital

As at 31 March 2013, share capital consisted of 25,000 shares of €120 par value stock.

10.2 Change in Shareholders' equity - Group share

	Share Capital	**Reserves consolidated**	**Income consolidated**	**Equity attributable to owners of the Group**
Year ended 31/03/2011	**3,000**	**11,311**	**577**	**14,888**
Dividend policy 2010-2011		577	-577	
Other changes		-90		251
Dividends paid				
Net income (loss) for the year			11,627	11,627
ended 31/03/12	**3,000**	**11,798**	**11,627**	**26,425**
Dividend policy 2010-2011		11,627	-11,627	
Other changes		162		162
Dividends paid				
Net income recognised directly in equity		-80		-80
Net income (loss) for the year			11,980	11,980
Year ended 31/03/13	**3,000**	**23,507**	**11,980**	**38,487**

10.3 Change in minority interests

Minority interests	
At Year N-1	252
Result for the period 2013	-1
Other variations (1)	-80
At Year N	171

(1) adjustment for minority interests following purchases of MTI shares at par

11. Provisions

Provisions for risks and charges break down as follows:

(in € thousands)	31/03/2012	Allocations	Reversals Used	Reversals Not used	31/03/2013
Provision for litigation	269	813	119	118	842
Construction Contracts Provision	7,740	16	1,139		6,616
TOTAL PROVISIONS FOR RISKS	**8,009**	**828**	**1,259**	**118**	**7,459**

Provisions for employee benefits:

(in € thousands)	31/03/2012	Allocations	Impact Capital equity	Reversals	Impact Capital equity	31/03/2013
Provision for retirement	699	120	154	0	25	948
Provision for service awards	39	20	0	1	9	49
TOTAL PROVISIONS	**737**	**140**	**154**	**1**	**33**	**997**

The method used to calculate the provision for employee benefits is detailed in Note 13

12. Trade and other payables

	31/03/2012	31/03/2013	<1 year	1-5 years	> 5 years
Trade payables	21,395	21,760	21,760		
Refundable advances and payments received on			0		
orders	2,721	3,956	2,251	1,704	
Social security liabilities	8,468	9,778	9,778		
Tax liabilities	3,188	4,163	4,163		
Trade accounts payable - fixed assets	500	1,395	1,395		
Other liabilities	389	509	252	257	
Prepaid income	4,030	4,338	1,143	3,195	
Total	**40,690**	**45,899**	**40,742**	**5,157**	**0**

Deferred income consists of:
- investment grants granted to Group companies: €3,173 thousand;
- prepaid income for work in progress: €88 thousand;
- deferred recognition of research tax credits: €1,077 thousand.

13. Employee benefits

13.1 Pension liabilities

The methods for calculating the provision for employee benefits as at 31 March 2013 relate only to France and are calculated according to the method described in Note 3.21.

Assumptions used for the calculation are as follows:

- a discount rate of 3% as compared to 3.5% at 31 March 2012, based on market yields at 31 March 2013 of investment grade corporate bonds, and namely the IBOXX Corporates AA index;
- mortality table: INSEE TH/TF 00-02;
- retirement age: 67 years;
- average rate of social security contributions: 37% to 42.81 % according to the company;
- staff turnover by age bracket:
    - Non-management: 2.03% to 5.68%,
    - Management: 1.94% to 5.21%,
- average annual salary escalation rate: 2%.

Actuarial gains and losses are recognised in shareholders' equity.
The commitment is recognised in the balance sheet as a non-current liability for the full amount.
Retirement severance payments paid in the period ended 31 March 2013 amounted to €5 thousand.

13.2 Long-service awards

The methods for calculating the provision for long-service awards (seniority bonuses) at 31 March 2013 relate only to France and are calculated according to the method described in Note 3.21.

Assumptions used for the calculation are as follows:

- a discount rate of 3% as compared to 3.5% as at 31 March 2012, based on market yields at 31 March 2013 of investment grade corporate bonds, and namely the IBOXX Corporates AA index;
- mortality table: INSEE TH/TF 00-02;
- retirement age: 67 years;
- average rate of social security contributions: 37% to 42.81 % according to the company;
- staff turnover by age bracket:
    - Non-management: 2.03% to 5.68%,
    - Management: 1.94% to 5.21%;
- average annual salary escalation rate: 2%.

  Actuarial gains and losses are recognised in shareholders' equity.

  The commitment is recognised in the balance sheet as a non-current liability for the full amount.

  The long-service awards paid in the 2012-2013 period amounted to €1 thousand.

(in € thousands)	31/03/2012	Allocations	Impact Capital equity	Reversals	Impact Capital equity	31/03/2013
Provision for retirement	699	120	154	0	25	948
Provision for service awards	39	20	0	1	9	49
TOTAL PROVISIONS	**737**	**140**	**154**	**1**	**33**	**997**

13.3 Individual right to training

Rights vested with respect to the Individual Right to Training at 31 December 2012 and not used: 52,432 hours

14. Financial liabilities

14.1 Borrowings and financial liabilities

Financial debt	31/03/2012	Incr.	Decr.	31/03/2013	<1 year	1-5 years	+5 years
Loans from credit institutions Credit institutions	22,850	12,159	3,655	31,354	3,271	25,893	2,190
Lease financing	27,028	7,066	5,567	28,527	6,004	19,285	3,238
Refundable advances	9,121	1,285	246	10,160	147	3,159	6,854
Total	**58,999**	**20,510**	**9,467**	**70,041**	**9,421**	**48,337**	**12,283**

Other financial liabilities	31/03/2012	Incr.	Decr.	31/03/2013	<1 year	1-5 years	+5 years
Other financial liabilities	2,147	5	144	2,009	737	1,271	0
Total	**2,147**	**5**	**144**	**2,009**	**737**	**1,271**	**0**

Other financial liabilities mainly comprise the profit sharing rights of FIGEAC employees.

14.2 Refundable advances

Refundable advances (in € thousands)	31/03/2012	Incr.	Decr.	Variation discount	31/03/2013	<1 year	1-5 years	+5 years
OSEO REFUNDABLE ADVANCE	340				340		340	
COFACE REFUNDABLE ADVANCE	1,926	457			2,382		2,382	
WATER POLLUTION PREVENTION	206	28	60		174	47	127	
ADVANCE ADVANCED RESEARCH	197		100	3	100	100		
RISK SHARING ADVANCE	298		89		210		210	
OSEO DPAC REFUNDABLE ADVANCE	2,960				2,960			2,960
GRAND EMPRUNT REFUNDABLE ADVANCE	3,194			94	3,289			3,289
REFUNDABLE ADVANCE		700		-94	606			606
COMMUNITY ADVANCE		100			100		100	
Total	**9,121**	**1,285**	**249**	**3**	**10,160**	**147**	**3,159**	**6,854**

- The OSEO refundable advance in the amount of €340 thousand regarding the development program of the profiles machining process by MECABRIVE.
- The COFACE refundable advance is intended to assist the Group in its sales efforts on exports, particularly to the USA. This refundableadvance will be refunded in the event of commercial success.
- The refundable advance from the French water agency supports efforts by the Group to recover the water used during the machining operations.
- The refundable advance from the Midi Pyrénées region relates to the work carried out by FIGEAC AERO in connection with innovative machining processes.
- Refundable advances for RISK SHARING relate to expenditure incurred by FIGEAC AERO for the industrialisation of the A380 sub-assemblies and the F7X.
- The refundable advance from DPAC concerns the AIRBUS A 350.
- Grand Emprunt refundable advance and the refundable advance from the Midi Pyrenées Region are intended to support FIGEAC AERO in its investment efforts.

- The refundable advance from the Brive township community is intended to support MECABRIVE in its investment efforts.

Such refundable advances when they do not bear interest for the benefit of the organisation providing the funds generate an advantage for the Group recognised in accordance with IAS 20.

15. Income tax

15.1 Corporate tax

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

In € thousands	31/03/2012	31/03/2013
Tax due	2323	1747
Deferred expense tax	3329	3455
Change in net tax expense	5652	5203

15.2 Deferred taxes

Accounting for deferred taxes at 31 March 2013 in the consolidated financial statements had, item by item, the following impacts:

	31/03/2012	Changes Financial year	Other Change	31/03/2013
Deferred tax assets	5291	855	-8	6138
Deferred tax liabilities	7457	4310	-5	11762
Balance	-2166	-3455	-4	-5624

Deferred tax assets and liabilities, regardless of maturity, are offset when they relate to the same taxable entity.

Deferred taxes by type break down as follows:

Breakdown of deferred taxes at 31/03/2013			
	Consolidated total		
(in K€)	Opening	Var fiscal	Closing
Deferred tax assets			
Retirement	233	75	308
Long-service awards	14	3	17
Leasing	17	-3	13
Construction effort	3	-3	0
Employee profit sharing	393	-205	189
Organic	6	1	7
Prov exchange	23	-23	0
Leaseback	86	10	96
Provision depre R & D	26	-11	15
Prov depre MP	3	2	5
Prov loss market	11	-5	5
Construction contracts	4,441	26	4,466
Finance leases	13	0	13
Financial Instruments	24	981	1,004
subtotal IDA	**5,291**	**848**	**6,139**
Deferred tax liabilities			
Amort derog	-568	56	-512
Leasing	-743	95	-648
Prov exchange	-17	54	37
Grant of eq	-2	0	-2
Tax timing differences	-36	30	-7
Construction contracts	-5,652	-4,553	-10,205
Refundable advances	-321	13	-308
Finance leases	-22	0	-22
Financial Instruments	-95	0	-95
subtotal IDA	**-7,458**	**-4,306**	**-11,763**

15.3 Tax reconciliation

(in € thousands)	2013	2012
Contribution of consolidated companies before income taxes and amortisation of goodwill	17,181	17,196
Normal tax rate	33.33%	33.33%
Tax on theoretical results	5,726	5,731
Effective income tax expense	5,203	5,652
TAX GAP ON THE THEORETICAL / ACTUAL RESULTS	**524**	**79**
Income from sale of securities		
Imputation on the results of non-activated deficits		
Non-activated tax losses	-71	-325
Parent-subsidiary dividends outside regime		
Share of expenses and charges on parent-subsidiary		
Minority dividends interests in income of SCI		
Difference on permanent differences	-10	
Impact of reduced tax rate and tax credit	719	490

Various	-114	-86
Total	**524**	**79**

16. Revenue

The breakdown of revenue by business segment is as follows:

Revenue breakdown	31/03/2012 in € thousands	31/03/2013 in € thousands	Change
Structural parts for aerospace production	96,470	115,802	20.04%
General engineering and sheet metal fabrication	7,961	10,336	29.83%
Assembly on site	0	3,105	
Machining and surface treatment	5,153	7,887	53.05%
Total	**109,584**	**137,129**	**25.14%**

Revenue breakdown by geographical region:

Revenue by geographical region (K €)	31/03/2012 in € thousands	31/03/2013 in € thousands	Change
France	86,460	109,428	26.56%
Export	23,124	27,701	19.80%
Total	**109,584**	**137,129**	**25.14%**

17. Breakdown of other income from operations

(in € thousands)	**31/03/2012**	**31/03/2013**	Change
Other income from operations			
Capitalised production	2,850	3,572	25.35%
Research Tax Credit	1,165	1,743	49.55%
Operating Grant	674	534	-20.86%
Deferred Charges	294	687	133.52%
Total	**4,983**	**6,535**	

18. Purchases consumed and external charges

Consumed purchases in € thousands	2012	2013	Change
Raw materials and consumables	29,959	34,265	14%
Production consumable	4,967	5,237	5%
Outsourced Purchases	22,196	27,635	25%
Other purchases	2,473	2,881	17%
TOTAL	59,594	70,018	17%

External expenses in € thousands	2012	2013	Change
General subcontracting	219	299	37%
Operating leases and rentals	2,102	2,273	8%
Maintenance	2,829	3,754	33%
Insurance	491	506	3%
Fees	753	998	33%
Transports	2,314	2,724	18%
Travels and transportation	615	834	36%
Telecommunications costs	178	223	25%
Bank charges and factoring	566	469	-17%
Other external expenses	1,216	1,011	-17%
TOTAL	11,283	13,091	16%

19. Personnel expenses

Personnel expenses in € thousands	2012	2013	Change
Interim Staff	1,697	1,497	-12%
Gross remenuration	24,080	30,070	25%
Profit sharing	2,398	1,751	-27%
Social security contributions	9,248	11,440	24%
IFC provision variation	-1,007	139	-114%
TOTAL	36,416	44,897	23%

20. Net depreciation and amortisation expense and provisions

Depreciation allocations in € thousands	2012	2013	Change
Depreciation and amortisation	8,622	10,852	26%
Write-Back of grants	-1,289	-673	-48%
TOTAL	7,333	10,179	39%

Net allocations to provisions in € thousands	2012	2013	Change
Doubtful debt provision	202	25	-87%
Reversal of doubtful debt provision	-222	-72	-68%
Inventory provision	1,372	1,777	30%
Reversal on provisions for inventories	-1,836	-2,444	33%
Risks and charges provision	301	808	169%
Reversal of risks and charges provision	-206	-282	37%
Other provisions	60		-100%
Other reversals	-27	-92	243%
TOTAL	-356	-279	-22%

21. Other operating income and expenses

Other operating income in € thousands	2012	2013	Change
Assets disposals	5,609	2,611	-53%
Other income	73	46	-37%
TOTAL	5,682	2,657	-53%

Other operating expenses in € thousands	2012	2013	Change
Net book value of items sold	5,219	3,451	-34%
Other expenses	103	232	126%
TOTAL	5,322	3,683	-31%

22. Net financial income (loss)

Financial income (loss) in € thousands	2012	2013	Change
Other financial income	20	4	-81%
Interest on loans and borrowings	-2,233	-2,702	21%
Cost of net financial debt	-2,213	-2,698	22%
Foreign exchange gains and losses	599	1,895	217%
JV financial instruments	286	-2,942	-1129%
Other financial income and expenses	464	-169	-136%
Net financial income (loss)	-864	-3,914	353%

Measurement breakdown of the fair value of financial instruments.

POSITION ON 31 MARCH 2012							
Financial Instruments	Nominal	Deadlines			Fair value	Current	Non-current
		<1 year	1 to 5 years	> 5 years			

- Currency options EUR/USD	19,708,403	5,550,296	14,158,107		111,632		
- Currency options EUR/USD	1,693,587	1,693,587			50,688		
- EUR/USD Accumulators	29,720,642	11,336,658	18,383,984		278,744		
Total foreign exchange risk	51,122,632	18,580,541	32,542,091	0	441,064		
- Cap-Floor	480,000	480,000			-4,456		
- Interest rate swap	5,988,526	0	2,646,000	3,342,526	-150,613		
Total interest rate risk	6,468,526	480,000	2,646,000	3,342,526	-155,069		
Total financial instruments	**57,591,158**	**19,060,541**	**35,188,091**	**3,342,526**	**285,995**	**94,654**	**191,341**

POSITION ON 31 MARCH 2013

Financial Instruments	Nominal	Deadlines			Fair value	Current	Non-current
		<1 year	1 to 5 years	> 5 years			
- Currency options EUR/USD	36,450,664	20,239,407	16,211,257		-418,273	22,066	-440,339
- Currency options with EUR/USD barrier	6,174,750		6,174,750		-31,473		-31,473
- EUR/USD Accumulators	81,705,983	15,662,034	66,043,949		-299,581	380,539	-680,120
- Futures EUR/USD	124,018	124,018			7,200	7,200	
- TRFE seller EUR/USD	236,432,723		236,432,723		-1,873,000		-1,873,000
- TRFE Buyer EUR/USD	7,894,737		7,894,737		-150,000		-150,000
Total foreign exchange risk	368,782,874	36,025,459	332,757,415	0	-2,765,127	409,805	-3,174,932
- Interest rate swap	4,052,887	2,528,887	1,524,000	2,528,887	-176,796		-176,796
Total interest rate risk	4,052,887	2,528,887	1,524,000	2,528,887	-176,796	0	-176,796
Total financial instruments	**372,835,761**	**38,554,346**	**334,281,415**	**2,528,887**	**-2,941,923**	**409,805**	**-3,351,728**

Nominal in EUR from strike for each contract.
For accumulators, the nominal represents shares per day.
None of the instruments meet the criteria for hedge accounting.

23. Earnings per share

Earnings per share	31/03/2012	31/03/2013	Change
Number of shares	25,000	25,000	0.00%
Net income Group part	11,543,855	11,978,468	3.76%
Net earnings per share	**462**	**479**	3.76%

Diluted earnings per share	462	479

24. Risk management

24.1 Liquidity risk

To support its business development and growth, the Company must finance a large production cycle which may require it to strengthen its capital or to use additional funding to ensure its development.

The financing of the production cycle is carried out by assigning a portion of "Trade Receivables" assets to factoring companies. On 31 March 2013, the amount of trade receivables assigned amounted to €22.72 million.

Historically, the Company has financed its development through the collateralisation of trade receivables in particular via factoring companies. The Company is exposed to a risk of limits on outstanding balances, as factoring companies contractually limit the level of outstanding trade receivables for certain customers.

The Company performed specific reviews of its liquidity risk and considers that it is able to honour the terms for future payments.

24.2 Foreign exchange risk

A significant part of the the Company's revenue and payments to suppliers is denominated in US dollars.
The Company has trade receivables and trade payables, inventories and cash balances in US dollars.

Over the 2012-2013 financial year, the Company received $101.1 million in trade receivables and paid $39.5 million in trade payables. The Company also converted $61.8 million into euros.

The Company's operating profit and cash positions are subject to fluctuations in foreign exchange rates, primarily for the euro and the US dollar.

The impact of a €0.05 change in the €/US$ exchange rate on the Group's EBITDA is presented below:

In millions

Sensitivity € vs. US$ (**in millions**)	
Amount received	$101.1
Amount disbursed	$39.5
Amount converted	$61.8
Average €/$ rate during the financial year	$1.3
Impact EBITDA variation:	
+5 points	€1.93
-5 points	-€1.79

The exchange rate for the US dollar is among the assumptions estimated to determine the margin on completion of construction contracts.

To reduce this risk, the Company has put into place a foreign exchange hedging strategy with its banks to protect its profits and cash flows.

However, the Company cannot guarantee that this hedging strategy will provide effective protection against fluctuations in exchange rates.

The following table presents the Group's hedging positions at 31 March 2013.

Financial Instruments	Nominal	Deadlines		
		<1 year	1 to 5 years	> 5 years
- Currency options EUR/USD	36,450,664	20,239,407	16,211,257	
- Currency options with EUR/USD barrier	6,174,750	0	6,174,750	
- EUR/USD Accumulators	81,705,983	15,662,034	66,043,949	
- Futures EUR/USD	124,018	124,018	0	
- TRFE Seller EUR/USD	236,432,723	0	236,432,723	
Total Seller foreign exchange risk	360,888,137	36,025,459	324,862,678	0
- TRFE Buyer EUR/USD	4,052,887	2,528,887	1,524,000	
Total Buyer foreign exchange risk	4,052,887	2,528,887	1,524,000	0

24.3 Interest rate risk

Borrowings at 31 March 2013 break down as follows:

Debt (in € thousands)	Total debt	Fixed rate	Rate Variable	SWAP
Lease financing	28,527	18,286	10,241	5,120
Bank loan	31,354	16,526	14,828	1,651
Short-term financing	19,605		19,605	
Total	79,486	34,812	44,674	6,771

Interest rate exposures relate to receivables financing and the financing of a portion of term debt. Interest is calculated based on Euribor rates
Only a portion of these positions, representing approximately €6.7 million (see above table) is hedged in the event of a significant increase in this index by means of interest rate swaps.
The impact of a €0.05 increase or decrease in the average 3-month Euribor rate on the Group's net income would be +/- €168 thousand.

25. Workforce

	31/03/2012	31/03/2013	Change
Executives/managers and equivalent	97	182	87.20%
Non-manager	763	882	15.61%
External staff	44	17	-61.91%
Total	**904**	**1,081**	19.52%

26. Financial commitments

26.1 Commitments received

- COFACE guarantee: €19,059,031
- OSEO UIMM guarantee: €1,589,859
- OSEO guarantee: €151,349
- OSEO guarantee on the leaseback transaction for 90% of the balance

26.2 Commitments given

Leasing

(in € thousands)		lease payments made		lease payments due			
Balance sheet item	Entry cost	for the fiscal year	total since the beginning of the contract	up to 1 year	from 1 to 5 years	+ 5 years	total due
B5 BPRP rolling bridge	58	11	45	11	12		24
Lorequip adjustable bench	62	14	36	14	20		33
Dell Equalogic		29	55				
ZEISS measuring machine	60	14	34	14	6		20
Faro arms	61	16	22	16	27		44
dog jaw	60	10	10	13	43		56
TOTAL	301	94	201	69	108		177

The leases described above have not been restated to reflect consolidation as their unit values are below the €75 thousand threshold required for restatement.

Operating leases

For certain equipment used in its operations, the Group has recourse to operating leases. At 31 March 2013, these operating leases totalled commitments of €3,275.34 thousand compared to €6,432.11 thousand at 31 March 2012.

Total rent In K€	Share < 1 year	Share >1 year and less than 5 years	Share > 5 years
3,275.34	1,012.12	1,954.10	309.13

Collateral guarantees in support of borrowings

Financial debts secured by collateral (pledges of goodwill and equipment pledges, mortgages on real property, COFACE or OSEO guarantees, pledged inventory) amount to €32,460 thousand.

27. Related parties

(in € thousands)	Purchases	Sales
Transactions with related companies	2,178	175

28. Compensation of Executive Committee members

Financial year	Average headcount	Remuneration
2011-2012	7	493,672
2012-2013	7.6	556,896

29. Statutory Auditors' fees

Fees paid to the Statutory Auditors and the members of their network paid by the Group	FIDAUDIT				SODECAL			
	Amount (excl. tax)		%		Amount (excl. tax)		%	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
Audit								
Statutory audit, certification, review of individual and consolidated financial statements								
Transmitter	56,750	30,788	88.3%	79.3%	19,200	19,200	76.8%	82.8%
Consolidated subsidiaries	7,500	8,020	11.7%	20.7%	5800	4000	23.2%	17.2%
Other services directly related to the auditor's engagement								
Transmitter			0.0%	0.0%			0.0%	0.0%
Consolidated subsidiaries			0.0%	0.0%			0.0%	0.0%
Subtotal	64,250	38,808	100.0%	100.0%	25,000	23,200	100.0%	100.0%
Other services rendered by the networks to consolidated subsidiaries								
Legal, tax, social			0.0%	0.0%			0.0%	0.0%
Other			0.0%	0.0%			0.0%	0.0%
Subtotal	0	0	0.0%	0.0%	0	0	0.0%	0.0%
Total	**64,250**	**38,808**	**100%**	100%	**25,000**	**23,200**	**100%**	100%

30. Subsequent events

There have been no material events subsequent to 31 March 2013.

31. Adoption of IFRSs

The Group adopted IFRSs with application in its annual consolidated financial statements effective 1 April 2012. These consolidated financial statements are the first annual consolidated financial statements prepared using IFRSs. For all periods up to and including the year ended 31 March 2012, the Group prepared its consolidated financial statements under CRC Regulation 99.02.

This notes explains the impact of the transition to IFRSs from CRC 99.02 on the equity of the Group presented on 31 March 2011 and 31 March 2012, as well as on net income (loss) and cash flows for the year ended 31 March 2012.

In this note, mention of CRC 99-02 refers to CRC Regulation 99.02 applicable to the Group for reporting periods up to and including the year ended 31 March 2012.

31.1 Reconciliation of equity

Reconciliation of equity		
Items	Notes	01/04/2011
Equity under CRC 99-02 In K€		18,568
Measurement and recognition differences		
IAS 36 Goodwill	1	146
IAS 11 Construction contracts Stock learning curve	2	3,842
IAS 11 Provision for loss-making manufacturing contracts	3	-8,743
IAS 20 Repayable grants	4	156
IAS 20 - R&D tax credit	5	-469
IAS 17		65
IAS 39 - Financial instruments	6	-71
Tax effect of these adjustments	7	1,584
Equity under IFRS		**15,078**

The following items explain the most significant adjustments to equity attributable to changes un accounting policies through adopting IFRSs.

1 Goodwill

The negative goodwill appearing on the Group's balance sheet under CRC 99-02 related to the equity method negative goodwill of Mécabrive Industries realised in the 2009-2010 financial year.

Under CRC 99-02, negative goodwill is recognised under liabilities as a provision for risks and charges and is subject to impairment reversal over a period of four years.
IAS 36 disallowed this practice, the unreversed balance of negative goodwill included on the balance sheet under CR 99-02 is recognised in equity under IFRS.

2 Manufacturing contracts - Stock learning curve

As part of its transition to IFRSs from Regulation CRC 99-02, the Groupe has adopted IAS 11 relating to construction contracts for partnership agreements entered into with its customers.

Application of this Standard is described in paragraphs 3.15 and 7.2.
Manufacturing contracts commenced prior to adopting this Standard amounted to €3.84 million at 1 April 2011.

3 Provision for loss-making manufacturing contracts

Among the manufacturing contracts handled by the Group, 14 contracts representing €187 million in revenue show negative profit.
In this context, the Group has set up a provision for loss-making manufacturing contracts for the totality of losses arising from these contracts.
This provision is recognised in the Group's profit or loss as the sub-assemblies are delivered.
The provision amounted to €8.7 million at 1 April 2011.

4 Repayable grants

Certain repayable grants obtained by the Company are non-interest bearing.

Under IFRSs, the Group is allowed to recognise the benefit gained by the fact that they are non-interest bearing on the income statement.

This benefit represented €156 thousand at 1 April 2011.

5 Research Tax Credit

The Group is engaged in R&D projects.
Paragraph 3.11 describes how the Group's R&D costs are recognised.

In connection with its R&D activities, the Group has access to Research Tax Credits (CIR).
Under CRC 99-02, the portion of CIR relating to projects capitalised by the Group was not spread over the amortisation period of these same projects.
Under IFRSs, the portion of CIR relating to capitalised projects is amortised under the same conditions as the related capitalised R&D.
This adjustment had a negative impact of €469 thousand on the Group's equity.

6 Financial instruments

A significant portion of the Group's sales are denominated in US dollars. To protect itself from substantial fluctuations in the €/US$ exchange rate, the Group has developed a cash flow hedging strategy - Seller US$ (see 24.2 on currency risk).

The instruments used by the Group represent a monetary value recognised in the Group's financial statements under IFRSs.
The recognised value at 1 April 2011 amounted to -€71 thousand.

7 Tax effect of these adjustments

The adjustments at 1 April 2011 totalling - €5 million had an impact on the value of the Group's assets and liabilities. Applying the stautory 33.33% tax rate to these adjustments led to recognising a deferred tax asset of €1.58 million.

31.2 Reconciliation of net income

(in € thousands)	Net income Group part under CRC 99-02	IAS 36 Goodwill	IAS 11 Manufacturing contracts Stock learning curve	IAS 11 Provision for loss-making manufacturing contracts	IAS 20 Repayable grants	IAS 20 - R&D tax credit	IAS 17
Revenue	109,585						
Current operating income	8,376		7,544	1,035		-195	79
Net income (loss) for the year Group part	5,327	-56	7,544	1,035	807	-195	29

Continued (in € thousands)	IAS 39 - Financial instruments	Tax effect of these adjustments	Reclassification of personnel expenses	Reclassification of allocation/reversal provision	Other Reclassifications	**Net income (loss) Group part under IFRSs**
Revenue						109,585
Current operating income			1,007	-123	-27	17,698
Net income (loss) for the year Group part	286	-3,234				11,544

The following items explain the most significant adjustments to net income attributable to change in accounting policies through adopting IFRS.

Goodwill

The negative goodwill appearing on the Group's balance sheet under CRC 99-02 related to the equity method negative goodwill of Mécabrive Industries realised in the 2009-2010 financial year.
Under CRC 99-02, negative goodwill is recognised under liabilities as a provision for risks and charges and is subject to impairment reversal over a period of 4 years.
IAS 36 disallowed this accounting treatment.

Manufacturing contracts - Stock learning curve

As part of its transition to IFRSs from Regulation CRC 99-02, the Group has adopted IAS 11 relating to manufacturing contracts for partnership agreements entered into with its customers.
Application of this Standard is described in paragraphs 3.15 and 7.2.
Adopting this Standard has resulted in a profit generated by production transferred to inventory of the learning curve totalling €7.5 million.

Provision for loss-making manufacturing contracts

Among the manufacturing contracts handled by the Group, 14 contracts representing €187 million show negative profit.
In this context, the Group has set up a provision for loss-making manufacturing contracts for the totality of losses arising from these contracts.
This provision is recognised in the Group's profit or loss as the sub-assemblies are delivered.
The reversal of provision on the income statement amounted to €1 million for the 2011-2012 financial year.

Refundable advances

Certain repayable grants obtained by the Company are non-interest bearing.
Under IFRSs, the Group is allowed to recognise the benefit gained by the fact that they are non-interest bearing on the income statement.

This benefit represented €807 thousand at 1 April 2012.

Research Tax Credit

The Group is engaged in R&D projects.
Paragraph 3.11 describes how the Group's R&D costs are recognised.
In connection with its R&D activities, the Group has access to Research Tax Credits (CIR).
Under CRC 99-02, the portion of CIR relating to projects capitalised by the Group was not spread over the amortisation period of these same projects.

Under IFRSs, the portion of CIR relating to capitalised projects is amortised under the same conditions as the related capitalised R&D.
This adjustment had a negative impact of €195 thousand on net income for the 2011-2012 financial year.

Financial Instruments

A significant portion of the Group's sales are denominated in US dollars. To protect itself from substantial fluctuations in the €/US$ exchange rate, the Group has developed a cash flow hedging strategy - Seller US$ (see 24.2 on currency risk).
The instruments used by the Group represent a monetary value recognised in the Group's financial statements under IFRSs.
This adjustment had a positive impact of €286 thousand on net income for the 2011-2012 financial year.

Tax effect of these adjustments

The adjustments at April 2011, 2012 totalling €9.45 million had an impact on the value of the Group's assets and liabilities. Applying the stautory 33.33% tax rate to these adjustments led to recognising a deferred tax asset of €3.23 million.

Reclassification of personnel expenses

Reclassification of changes in allocations/reversals on provision for retirement severance benefits and long service awards to personnel expenses.

31.3 Reconciliation of balance sheet accounts

ASSETS									
(in € thousands)	Balance sheet under CRC 99-02	IAS 11 Construction contracts Stock learning curve	IAS 17	IAS 39 Factoring	Tax effect of these adjustments	Reclassification of assets in progress	Reclassification of deferred tax assets	Reclassifications of factoring accounts receivable	**Balance sheet under IFRS**
Intangible assets	4,934					644			5,578
Tangible assets	35,410		1,702			-644			36,468
Other non-current assets	427				4,485		788		5,699
Inventories and Work in Progress	33,980	3,842							37,822
Trade receivables	6,757			12,027				2,202	20,987
Other current assets	7,913						-788	-99	7,026
Cash and cash equivalents	7,237							-2,103	5,134
Total assets	96,658	3,842	1,702	12,027	4,485	0	0	0	118,715

LIABILITIES									
(in € thousands)	Balance sheet under CRC 99-02	IAS 36 Goodwill	IAS 11 Manufacturing contracts Stock learning curve	IAS 11 Manufacturing contracts Provision for loss on completion	IAS 20 Repayable grants	IAS 20 - R&D tax credit	IAS 17	IAS 39 - Financial instruments	IAS 39 Factoring
Shareholders' equity	18,569	146	3,842	-8,743	156	-469	65	-71	
Other equity	4,079								
Provisions for risks and charges	3,300	-146		8,743					
Non-current financial liabilities	38,899				-156		1,637		
Other non-current liabilities	961								
Current financial liabilities									
Other current liabilities	30,849					469		71	
Short term borrowings									12,027
Total equity and liabilities	96,658	0	3,842	0	0	0	1,702	0	12,027

LIABILITIES CONTINUED					
(in € thousands)	Tax effect of these adjustments	Reclassification Repayable grants	Reclassification Short term borrowings	Reclassifications Other non-current liabilities	**Balance sheet under IFRS**
Shareholders' equity	1,584				15,078
Other equity		-4,079			0
Provisions for risks and charges	2,901				14,799
Non-current financial liabilities		3,664	-960	882	43,966
Other non-current liabilities				-961	0
Current financial liabilities		415			415
Other current liabilities				79	31,469
Short term borrowings			960		12,988
Total equity and liabilities	4,485	0	0	0	118,715

20.2. PRO FORMA FINANCIAL INFORMATION

Not applicable.

20.3. AUDIT OF HISTORICAL FINANCIAL INFORMATION

20.3.1. Statutory Auditors' report on the Group's consolidated financial statements for the year ended 31 March 2015

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and is provided solely for the convenience of English-speaking users.
The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.
This report also includes information relating to the specific verification of information given in the Group's management report.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

KPMG Audit
224 rue Carmin
CS 17610
31676 Labège Cedex
France

S.A.R.L. SODECAL AUDIT
449, avenue du Danemark

82000 Montauban
France

FIDAUDIT - Member of the FIDUCIAL network
41 rue du Capitaine Guynemer

92925 La Défense Cedex
France

Figeac Aéro S.A.

Registered office: Z.I. de l'Aiguille 46100 FIGEAC
Share capital: €. 3,328,434.72

Statutory Auditors' report on the consolidated financial statements

Year ended 31 March 2015

Dear Sir or Madam,

Following our appointment as statutory auditors by your General Meeting, we hereby report to you, for the year ended 31 March 2015, on:

- the audit of the accompanying consolidated financial statements of Figeac Aéro S.A.;
- the justification of our assessments;
- the specific verifications required by law.

The consolidated financial statements have been approved by your Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1- Opinion on the consolidated financial statements

We conducted our audit in accordance with the professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, on a test basis or by other means of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also involves evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements, in accordance with IFRS as adopted in the European Union, give a true and fair view of the assets, financial position and earnings of the group consisting of individuals and entities included in the consolidation.

2- Justification of our assessments

In accordance with Article L. 823-9 of the French Commercial Code requiring statutory auditors to justify their assessment, we bring to your attention the following matters.

The notes to the consolidated financial statements explain the methods used to record hedging instruments (paragraphs 3.18 and 22) and development costs (paragraphs 3.11 and 6.1) As part of assessing the accounting rules and methods used by your Group, we have examined the appropriateness of these accounting methods and the information disclosed in the notes to the consolidated financial statements, and we are assured of their correct application.

The Group has also recognised net gains and losses on construction contracts using the percentage of completion method in accordance with the methods described in Note 3.15 to the consolidated financial statements. Net gains and losses on manufacturing contracts are determined based on estimates relating particularly to industrial assumptions and exchange rates, carried out under the supervision of the Board of Directors. Any projected negative earnings are immediately recognised in profit or loss.

These estimates are based on assumptions that are by nature uncertain, as explained in Note 7.2 in the consolidated financial statements, actual results may be materially different from the estimate data used.

Based on the information provided to us, we have assessed the data and assumptions used to evaluate the gains and losses at completion of these contracts, reviewed the calculations made by the Group, compared prior-period gains and losses at completion with related actual results and examined the Board of Directors' approval process for these estimates.

The assessments were made in the context of our audit of the consolidated financial statements, taken as a whole, and therefore contributed to the formation of the opinion expressed in the first part of this report.

3- Specific verifications

We have also performed, in accordance with the professional standards applicable in France, the specific verifications required by disclosure laws detailed in the Management Report. We have no matters to report regarding their sincerity and conformity with the consolidated financial statements.

Pursuant to the law, we inform you that your company did not appoint an independent third-party entity to attest whether the required social, environmental and societal information is present in the Management Report, as set out in Article L. 225-102-1 of the French Commercial Code.

Statutory Auditors

Labège, Montauban and La Défense, 11 September 2015

KPMG Audit	S.A.R.L. SODECAL AUDIT	FIDAUDIT
Department of KPMG S.A.		*Member of the FIDUCIAL network*
Jean-Marc Laborie	Jérôme Cathala Anne-Laure Destruel	Jean-Pierre Boutard
Associate	*Managing Director of the LLC (S.A.R.L.)*	

20.3.2. Statutory Auditors' report on the Group's consolidated financial statements for the year ended 31 March 2014

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and is provided solely for the convenience of English-speaking users.
The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.
This report also includes information relating to the specific verification of information given in the Group's management report.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

KPMG Audit
224 rue Carmin
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82000 Montauban
France

FIDAUDIT - Member of the FIDUCIAL network
41 rue du Capitaine Guynemer

92925 La Défense Cedex
France

Figeac Aéro S.A.

Registered office : Zone Industrielle de l'Aiguille - 46100 Figeac
Share capital: €. 3,195,101

Statutory Auditors' report on the consolidated financial statements

Year ended 31 March 2014

Dear Sir or Madam,

Following our appointment as statutory auditors by your General Meeting, we hereby report to you, for the year ended 31 March 2014, on:

- the audit of the accompanying consolidated financial statements of Figeac Aéro S.A.;
- the justification of our assessments;
- the specific verifications required by law.

The consolidated financial statements have been approved by your Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

1- Opinion on the consolidated financial statements

We conducted our audit in accordance with the professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, on a test basis or by other means of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also involves evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements, in accordance with IFRS as adopted in the European Union, give a true and fair view of the assets, financial position and earnings of the group consisting of individuals and entities included in the consolidation.

2- Justification of our assessments

In accordance with Article L. 823-9 of the French Commercial Code requiring statutory auditors to justify their assessment, we bring to your attention the following matters.

The Group has recognised net gains and losses on construction contracts using the percentage of completion method in accordance with the methods described in Note 3.15 to the consolidated financial statements. Net gains and losses on manufacturing contracts are determined based on estimates relating particularly to industrial assumptions and exchange rates, carried out under the supervision of the Board of Directors. Any projected negative earnings are immediately recognised in profit or loss.

These estimates are based on assumptions that are by nature uncertain, as explained in Note 7.2 in the consolidated financial statements, actual results may be materially different from the estimate data used.

Based on the information provided to us, we have assessed the data and assumptions used to evaluate the gains and losses at completion of these contracts, reviewed the calculations made by the Group, compared prior-period gains and losses at completion with related actual results and examined the Board of Directors' approval process for these estimates.

The assessments were made in the context of our audit of the consolidated financial statements, taken as a whole, and therefore contributed to the formation of the opinion expressed in the first part of this report.

3- Specific verifications

We have also performed, in accordance with the professional standards applicable in France, the specific verifications required by disclosure laws detailed in the Management Report.

We have no matters to report regarding their sincerity and conformity with the consolidated financial statements.

Statutory Auditors

Labège, Montauban and La Défense, 8 October 2014

KPMG Audit Department of KPMG S.A.	S.A.R.L. SODECAL AUDIT	FIDAUDIT *Member of the FIDUCIAL network*
Jean-Marc Laborie Associate	Jérôme Cathala Gérard Cazeneuve *Managing Director of the LLC (S.A.R.L.)*	Jean-Pierre Boutard

20.3.3. Statutory Auditors' report on the Group's consolidated financial statements for the year ended 31 March 2013

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and is provided solely for the convenience of English-speaking users.
The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.
This report also includes information relating to the specific verification of information given in the Group's management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

SARL SODECAL AUDIT
449, avenue du Danemark
82,000 Montauban
A limited liability company (S.A.R.L.) of Statutory Auditors' with share capital of €7,639 - 314,684,481 RCS (Commercial Register) Montauban
Member of the Compagnie Régionale de Toulouse (Regional Company of Toulouse)

FIDAUDIT
Member of the *FIDUCIAL network*
41 rue du Capitaine Guynemer
92925 La Défense Cedex
Public limited company (S.A.) of Statutory Auditors with share capital of €250,000 - 334,301,488 RCS (Commercial Register) Nanterre
Member of the Compagnie Régionale de Versailles (Regional Company of Versailles)

FIGEAC AERO
Public limited company (S.A.) with share capital of €3,000,000
Z.I. de l'Aiguille
46100 FIGEAC
RCS (Commercial Register) CAHORS B 349,357,343

Statutory Auditors' report on the consolidated financial statements

Year ended 31 March 2013

Dear Shareholders,

Following our appointment as statutory auditors by your General Meeting, we hereby report to you, for the year ended 31 March 2013, on:

- the audit of the accompanying consolidated financial statements of Figeac Aéro S.A.;
- the justification of our assessments;
- the specific verifications required by law.

The consolidated financial statements have been approved by your Board of Directors. Our role is to express an opinion on these financial statements based on our audit.
These financial statement have been prepared for the first time in accordance with IFRS as adopted in the European Union. They include data relative to year ended 31 March 2012 for comparative purposes..

1 - Opinion on the consolidated financial statements

We conducted our audit in accordance with the professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, on a test basis or by other means of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also involves evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements, in accordance with IFRS as adopted in the European Union, give a true and fair view of the assets, financial position and earnings of the group consisting of individuals and entities included in the consolidation.

Without calling into question the opinion expressed above, we would like to draw your attention to the point mentioned in Note 31 to the annual financial statements relating to adopting IFRSs.

2- Justification of our assessments

In accordance with Article L. 823-9 of the French Commercial Code requiring statutory auditors to justify their assessment, we bring to your attention the following matters:

- Note 31 explains the measures taken to transition to IFRS from CRC 99-02 accounting principles and the impact of this transition. We have examined the methods used and assessed that appropriate disclosures were made in the Appendix;
- Note 3.11 explains in particular the development cost recognition policy. As part of our assessing the accounting rules and standards used by your company, we examined the appropriateness of the aforementioned accounting policies and reviewed disclosures on the capitalisation and amortisation of development costs. We are assured of their correct application;
- Note 3.15 presents the recognition policy for manufacturing contracts. We assessed the valuation method used by your company and the data upon which it is based, and we are assured of the reasonableness of this approach and its correct application;
- Notes 3.21 and 13 detail the valuation methods for pension commitments and similar benefits. We examined the assumptions used, the method applied, and assessed whether the Appendix provides the appropriate financial reporting.

The assessments were made in the context of our audit of the consolidated financial statements, taken as a whole, and therefore contributed to the formation of the opinion expressed in the first part of this report.

3- Specific verifications

We have also performed, in accordance with the professional standards applicable in France, the specific verifications required by disclosure laws detailed in the Management Report.

We have no matters to report regarding their sincerity and conformity with the consolidated financial statements.

Done at Montauban and La Défense, 13 September 2013

Statutory Auditors

S.A.R.L. SODECAL AUDIT	FIDAUDIT *Member of the FIDUCIAL network*
Jérôme Cathala Gérard Cazeneuve *Managing Director of the LLC (S.A.R.L.)*	Jean-Pierre Boutard

20.4. DATE OF LAST FINANCIAL REPORTING

The last financial reporting took place on 30 September 2015 (half-yearly disclosures appear in section 20.5 below).

20.5. INTERIM FINANCIAL REPORTING

20.5.1 Interim consolidated income statement

Half-yearly report

Highlights of the first half of 2015-2016

Sustain profitable growth momentum

In the first half of the 2015/16 financial year (30/09/2015), Group Figeac Aéro realised consolidated revenues of €**118.9** million, up **18**% as compared to revenues at 30 September 2014 (restated). (+6% at constant exchange rates).

This first part of the 2015/16 financial year was marked by an acceleration in the rate of growth, mainly due to aerostructure activity (+**18.65%** to €96.7 million), in response to the ramp-up of major aeronautical programs.

Machining and surface treatment also played a key role in this growth jumping **+50.93%** to €12.2 million.

On-site assembly rose 17.72% to €2.5 million, while machining and sheet metal dropped 17.82% to €7.3 million.

The dynamic development of this activity, coupled with strong industrial productivity, makes it possible to report very high levels of operational profitability. EBITDA rose sharply by 34.78% to **%**€30.86 million, i.e. an EBITDA margin of **25.9%**, in line with our announced objectives.

In addition, current operating income jumped by 34.41% as compared to the first half of 2014/15, totalling €19.7 million at the end of the first half of the 2015/16 financial year. Current operating income amounts to 16.6% of revenue as compared to 14.55% one year earlier.

This profitable growth combined with the appreciation of the dollar and the positive impact of marking to market in the first half of the 2015/16 financial year greatly contributed to the sharp rise in net income Group share, amounting to €21 million as compared to a net income Group share of €4.9 million over the first half of 2014/15.

The Euro/US Dollar exchange rate stood at €1=$1.1203 at 30 September 2015 as compared to €1=$1.0759 at 31 March 2015. This change has strongly impacted the marking to market of the foreign currency positions taken by the Group.

Sustained promotion of investments to ensure future growth

Aimed at maintaining its leadership position in technology, the Group has also continued its industrial investment policy in the amount of €35.6 million over the period.

- Investments in machining processes R&D for complex products amounted to €8 million.

- Software: €1.3 million.

- Real estate investments: €4.2 million:

    - Construction of two buildings for a total of 13,000 sq.m. on the Figeac site, including the "plant of the future" dedicated to the LEAP engine.
    - Expansion of the MTI plant in Decazeville
    - Land acquisition in FIGEAC and WICHITA.

- Investment in production equipment for a total of €22.1 million, including 8 new machines.

- The formation of FIGEAC Aéro Maroc on 19 May 2015 to develop the spare parts manufacturing activity in a low cost zone.

Capital structure

The Group's shareholders' equity rose 40% to €85.4 million at 30 September 2015 as compared to 31 March 2015. Net financial debt amounted to €152.8 million at the end of the half-year, due to investments in production and the logical increase in working capital requirements during this very active growth phase. The net debt/EBITDA ratio remains under control at 2.28 (*) at 30 September 2015 as compared to 2.33 at 30 September 2014.

EBITDA: Current operating income + depreciation and amortisation +/- provisions
(*) Annualised EBITDA

I - Condensed consolidated financial statements at 30 September 2015

1.1 Consolidated statement of financial position at 30 September 2015

CONSOLIDATED BALANCE SHEET AT 30 SEPTEMBER 2015

(in € thousands)

CONSOLIDATED ASSETS	Notes	Closing sept.-15	Closing mars-15 *
Goodwill		0	0
Development costs		26,283	20,273
Other intangible assets		2,633	1,722
Total intangible assets	6.1	**28,916**	**21,996**
			0
Land		3,566	2,232
Buildings		26,848	26,645
Technical installations		64,619	54,866
Other fixed assets		3,564	3,387
Total fixed assets	6.2	**98,596**	**87,129**
Equity method investments		0	0
Deferred taxes	14	793	25,322
Derivative financial instruments		0	0
Other financial assets	6.3	1,814	2,034
Other non-current assets	8.1	704	705
			0
Total non-current assets		**130,824**	**137,186**
Inventories & work in progress	7.1	158,461	145,367
Trade and other receivables	8.1	61,145	52,508
Tax receivables	14	2,926	1,528
Financial Instruments		0	0
Other current assets	8.1	11,207	6,983
Cash and cash equivalents	9	9,357	30,261
Total current assets		**243,096**	**236,647**
TOTAL ASSETS		***373,920***	***373,832***

* Figures reported at 31 March 2015 have been restated to reflect:

- the impact of the change of accounting policy resulting from the retrospective application of IFRIC 21 "Levies"; (see Note 3.2 – change in accounting policy).

(In € thousands)

CONSOLIDATED LIABILITIES	Notes	Sept.-15 Closing	March-15 * Closing
Share Capital		3,332	3,328
Premiums		34,118	33,731
Reserves	20	26,872	45,104
Foreign currency translation reserve		42	204
Net income (loss) for the year	20	20,971	-21,889
Issued capital and reserves attributable to the owners of the parent		85,335	60,479
Non-controlling interests		650	255
Non-controlling interests		650	255
Total consolidated shareholders' equity	*10*	85,985	60,734
Loans from credit institutions	13	61,782	45,827
Repayable advances	13	21,586	21,534
Finance Lease Liabilities	13	29,761	29,397
Other financial liabilities	13	1,900	1,591
Total non-current financial liabilities		115,029	98,350
Other provisions	11	5,241	5,328
Deferred tax liabilities	14	3,103	16,080
Provision for retirement and other employee long-term benefits	12	1,791	2,096
Derivative financial instruments	13	48,525	75,548
Other non-current liabilities	13	2,024	2,022
Non-current portion of deferred income	13	3,814	2,517
Total non-current liabilities		179,527	201,940
Short term borrowings	9	31,511	25,934
Current portion of financial liabilities	13	14,138	18,596
Repayable advances	13	1,496	1,169
Total current financial liabilities		47,145	45,699
Trade payables	13	39,994	40,401
Tax liabilities	13	5,560	4,468
Tax liabilities		0	0
Derivative financial instruments		0	0
Other current liabilities	13	13,137	19,117
Deferred income	13	2,573	1,474
Total current liabilities		108,409	111,159
TOTAL EQUITY AND LIABILITIES		*373,920*	*373,832*

* Figures reported at 31 March 2015 have been restated to reflect:

- the impact of the change of accounting policy resulting from the retrospective application of IFRIC 21 "Levies"; (see Note 3.2 – change in accounting policy).

* Figures reported at 31 March 2015 have been restated to reflect:
- the impact of the change of accounting policy resulting from the retrospective application of IFRIC 21 "Levies"; (see Note 3.2 – change in accounting policy).

1.2 Consolidated Income Statement

CONSOLIDATED INCOME STATEMENT

(In € thousands)

Consolidated Statement of Comprehensive Income		Sept.-15 Closing	Sept.-14 * Closing
Revenue	15 and 3.2	118,930	100,797
Other income from operations		10,675	6,392
Changes in finished product inventories & work in progress		11,329	14,871
Raw materials and consumables	3.2	-64,706	-57,959
Personnel expenses		-33,577	-30,499
External expenses		-10,776	-9,543
Taxes		-1,007	-1,155
Depreciation and amortisation		-10,894	-8,079
Net provisions		-256	-154
Current operating income		**19,719**	**14,671**
Other operating income		216	931
Other operating expenses		-932	-1,281
Operating income		**19,003**	**14,321**
Financial income		8	948
Financial expenses		-1,675	-1,705
Cost of net financial debt		**-1,667**	**-757**
Foreign exchange gains and losses	3.2	-8,462	2,163
Unrealized gains and losses on financial instruments	13	22,267	-8,712
Other financial income and expenses		-23	-191
Share of profit of equity affiliates		0	0
Income Tax	14 and 3.2	-10,069	-1,937
Net income (loss) for the year		***21,048***	***4,887***
Net income attributable to owners of the parent company		**20,971**	**4,890**
Net income attributable to non-controlling interests		77	-3
Diluted net income	*10*	20,971	4,890
Number of shares		27,767,513	26,625,845
Earnings per share		0.75	0.18
Diluted earnings per share	*10*	0.75	0.18

* Figures reported at 30 September 2014 have been adjusted to reflect:

- the impact of the change of accounting policy resulting from the retrospective application of IFRIC 21 “Levies”; (see Note 3.2 – change in accounting policy);

- to modify the exchange rate of sales and purchases denominated in foreign currencies that were initially recognised on the basis of a budgeted rate and not on the basis of the exchange rate on the date of the transaction. (see Note 3.2 – change in accounting policy).

1.3 Consolidated Statement of Comprehensive Income

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in € thousands)

Statement of comprehensive income	Appendix Notes	sept.-15 Closing	sept.-14 * Closing
Net income (loss) for the year	**10**	**21,048**	**4,887**
Other comprehensive income items			
Elements that will not subsequently be reclassified to profit or loss			
Post-employment Liabilities - Actuarial differences		561	-52
Deferred taxes - Post-employment liabilities - Actuarial differences		-187	17
Elements that will subsequently be reclassified to profit or loss			
Cash flow hedges – portion of change in fair value deemed effective		4,757	0
Deferred taxes – Change in the fair value of hedging instruments		-1,585	0
Translation adjustment		-171	194
Total Comprehensive income (loss) for the year		**24,423**	**4,852**
* attributable to owners of the parent		24,346	4,855
* Non-controlling interests		77	-3

* Figures reported at 30 September 2014 have been adjusted to reflect:
  - the impact of the change of accounting policy resulting from the retrospective application of IFRIC 21 “Levies”; (see Note 3.2 – change in accounting policy).

  - to modify the exchange rate of sales and purchases denominated in foreign currencies that were initially recognised on the basis of a budgeted rate and not on the basis of the exchange rate on the date of the transaction. (see Note 3.2 – change in accounting policy).

1.4 Consolidated statement of cash flows

CONSOLIDATED CASH FLOW STATEMENT

(in € thousands)	Sept.-15	Sept.-14
Net cash flow from operating activities		
Net income (loss) from consolidated companies	21,048	4,887
Dep., amort., provisions and share of subsidies allocated to income	11,040	73,103
Elimination of revaluation gains (losses) (fair value)	-22,244	-64,787
Other items not affecting cash	319	91
Cash flow after net borrowings costs and tax	**10,163**	**13,294**
Tax expense	9,732	518
Borrowing costs	1,450	2,767
Cash flow before borrowings costs, net of tax	**21,345**	**16,579**
Changes in working capital requirements for operations	-28,315	-12,753
Change in inventories	-13,987	-14,865
Change in trade and other receivables	-9,953	-5,866
Change in trade and other payables	-4,375	7,978
Tax paid	0	0
Net cash flow from operating activities	**-6,970**	**3,826**
Net cash flow from investment activities		
Acquisition of assets	-30,243	-19,944
Disposal of assets	5,389	930
Impact of changes in scope	0	-2,882
NET CASH FLOWS FROM INVESTING ACTIVITIES	**-24,854**	**-21,896**
Net cash flow from financing activities		
Capital increases	391	0
Increase in subsidies	889	0
Bond issues and advances	15,760	21,873
Repayment of bonds and advances	-10,217	-7,365
Interest paid	-1,450	-2,767
NET CASH FLOWS FROM FINANCING ACTIVITIES	**5,373**	**11,741**
CHANGE IN CASH FLOWS	***-26,450***	***-6,330***
Cash - Opening	4,327	-4,183
Cash - change in foreign exchange rates	-30	
Cash - Closing	-22,153	-10,513
CHANGE IN CASH FLOWS	***-26,450***	***-6,330***

* Figures reported at 30 September 2014 have been adjusted to reflect:

- the impact of the change of accounting policy resulting from the retrospective application of IFRIC 21 "Levies"; (see Note 3.2 – change in accounting policy).

- to modify the exchange rate of sales and purchases denominated in foreign currencies that were initially recognised on the basis of a budgeted rate and not on the basis of the exchange rate on the date of the transaction. (see Note 3.2 – change in accounting policy).

1.5 Consolidated Statement of Changes in Shareholders' Equity

Consolidated Statement of Changes in Shareholders' Equity

(In € thousands)	Group share						
Consolidated Statement of Changes in Shareholders' Equity	**Share Capital**	**Reserves related to capital**	**Consolidated reserves**	**Consolidated net income (loss)**	**Issued capital and reserves attributable to the owners of the company**	**Non-controlling interests**	**Total Shareholders' equity**
Financial year ended March 2014	*3,195*	*14,200*	*35,201*	*16,060*	*68,656*	*82*	*68,738*
Share capital transactions	133	19,531			19,664		19,664
Change in translation differences			194		194		194
Other changes			583		583	176	759
Dividends paid							0
Appropriation of net income Y-1			16,060	-16,060		1	1
Other comprehensive income items			-6,586		-6,586	-2	-6,588
Net income (loss) for the year				-21,889	-21,889	-3	-21,892
Changes in scope			269		269		269
Financial year ended March 2015 as reported	*3,330*	*33,731*	*45,721*	*-21,889*	*60,892*	*254*	*61,147*
Impact of the application of IFRIC 21 at 31/03/2015			-413		-413		-413
Year ended March 2015 adjusted *	*3,330*	*33,731*	*45,308*	*-21,889*	*60,479*	*254*	*60,734*
Share capital transactions	4	387			391	0	391
Change in translation differences			-171		-171		-171
Impact of the application of IFRIC 2			144		144	0	144
Dividends paid			0		0	0	0
Appropriation of net income Y-1			-21,889	-21,889	0		
Other comprehensive income items			3,521		3,521	319	3,840
Net income (loss) for the year				20,971	20,971	77	21,048
Changes in scope							
							0
Period to September 2015	*3,334*	*34,118*	*29,289*	*-22,807*	*85,336*	*650*	*85,986*

* Figures reported at 31 March 2015 have been restated to reflect:
- the impact of the change of accounting policy resulting from the retrospective application of IFRIC 21 "Levies"; (see Note 3.2 – change in accounting policy).

II - OVERVIEW

2.1 OVERVIEW OF THE GROUP

The Figeac Aero Group is an industrial group with a strong aeronautical focus operating in four main areas:

- structural parts for the aeronautical industry:
    - production of aircraft sub-assemblies (machining and assembly),
    - structural aircraft parts,
    - engine parts and precision components for aircraft

- workshop assembly and aircraft sub-assemblies;
- general engineering and sheet metal fabrication;
- precision machining and surface treatment.

These business activities were used to define the business segments

The Group is a leading partner of major customers in the aeronautical industry. It intervenes as a Tier 1 and Tier 2 supplier for aircraft manufacturers, engine manufacturers and major OEMs.

By virtue of its role as sub-contractor and the variety of its principals (manufacturers, equipment suppliers and sub-assemblers), the Group works on almost all of the civil aircraft programmes currently in force.

The Group is specialised in the design and manufacture of:

- **structural parts and sub-assemblies** (manufactured parts assembled and ready to be integrated into the relevant section of the plane);
- **engine parts and precision components**.

The Group also operates as a part manufacturer for many programs (see table below), mainly in the field of commercial aviation, and secondarily for the military sector.

Manufacturers	Programs in which the Group is involved
AIRBUS	A318/319/320/321 A320 NEO, A330-340 A350-900/1000 A380 A400M
ATR	ATR 42 ATR 72
BOEING	747-8,787
BOMBARDIER	CRJ 700/ 900/1000 Global Express CL300/CL605/DASH 8/ C SERIES
DASSAULT	FALCON 900/2000 FALCON 7X RAFALE
EMBRAER	ERJ 145/ERJ 170 ERJ190 LEGACY 450-500 E2
EUROCOPTER	NH90
GULFSTREAM	G150/G250/G550/G550/AAP2
HONDA JET	HA 420
Motors	CFM 56 / GP7200 / TRENT 500 et 700 / M88 / TP 400 / GE 90-115/ CF6/LEAP 1A 1B 1C/SILVERCREST

The Group maintains close relations with Airbus and since 2009 has been among its 20 global strategic partners for the supply of basic parts.

Through a strategic partnership in place with Airbus, the Group benefits from a transfer of technology and knowledge from the European aircraft manufacturer for the machining of hard metals.

Through the design and manufacture of basic parts (aluminium or titanium structural parts, engine parts, and precision parts made of steel, titanium or inconel), or of sub-assemblies, the Group works on different parts of the aircraft, namely:

- ***cockpit:*** window frames, dashboards, centre and side control panels;
- ***fuselage:*** floor assemblies, fuselage frames and panels, pressure bulkheads, various fittings and brackets;
- ***doors:*** structures, mechanisms, door fittings;
- ***wings:*** longerons, ribs, spars, spoiler fittings;
- ***engines:*** pylon fittings, casings, aluminium and titanium shrouds, air inlet parts;
- ***thrust reversers:*** beams, frames, doors;
- ***landing gears:*** torque links.

Part of the production of structural parts is carried out by the low cost subsidiary FGA TUNISIE. The Group decided to increase low cost spare parts manufacturing by creating a subsidiary in Morocco.

Since May 2014, a Dollar Zone subsidiary, FGA North America (Wichita, USA), joined the precision machining and surface treatment division of the Group. This addition is destined to boost competitiveness in USD in response to growing international pressure, and also to contribute to the Group's strategy to develop geographical bases near its customers. This strategy involves establishing close links between productivity and competitiveness.

The Group has developed an activity that specialises in aircraft sub-assemblies through FGA Picardie at the Méaulte site (80) in France.

Through its subsidiary MTI, the Group has operations in the sheet metal industry (mechanical welding and machining of large sized parts) for various sectors including the oil and automotive sectors (molds for tires).

Through its subsidiary, MECABRIVE, the Group proposes machining for complex parts, surface treatment and assembly for the aeronautical and aerospace industries, but also for consumer goods and electronics.

The Group offers its customers comprehensive services including:

- *studies and industrialisation:*

  Thanks to its production planning department composed of 45 engineers and technicians, the Group handles the computer-assisted design phase for parts and prepares the technical documentation for manufacturing;

- *supply management;*
- *machining and shaping processes;*
- *dimensional control;*
- *surface treatment;*
- *assembly.*

III – NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

3.1 Accounting policies

3.1 Basis underlying the preparation of the consolidated financial statements

The interim consolidated financial statements have been prepared in accordance with the International Financial Reporting Standard IAS 34 ("Interim financial reporting"). The Group elected to not make early application of the new standards and interpretations that will come into effect after 30 September 2015.

The consolidated financial statements of the Group were approved by the Board of Directors on 26 January 2016.

The accounting regulations and policies applied to the condensed consolidated financial statements at 30 September 2015 are identical to those used to prepare the consolidated financial statements at 31 March 2015, except for the other standards and their subsequent amendments mandatory as of 31 March 2015 (particularly IFRIC 21), interpretations explained below and restatements detailed in 3.2.

The consolidated financial statements are presented in € thousands, rounded to the nearest thousand.

They have been prepared based on historical costs, except for the following assets and liabilities that are measured at fair value: derivative financial instruments, financial assets and liabilities measured at fair value through profit or loss.

The Group has chosen to present significant non-recurring items within its operating income. The non-recurring portion is presented after the subtotal "Current operating income", the resulting subtotal being the "Operating income".

In the balance sheet, the assets / liabilities of the Group of less than one year are classified as current. All other assets / liabilities are classified as non-current.

3.1.2. Application of standards, amendments and interpretations applicable to the financial statements

The following standards and amendments, published in the Official Journal of the European Union, were first applied on 30 September 2015, at the reporting date of the interim financial statements:

- Improvements to the IFRS published in December 2013 (2011-2013 Cycle);
- IFRIC 21 "Taxes".

The modifications and impacts related to the interpretation of IFRIC 21 are detailed in Note 3.2 "Change in accounting policy".

The other standards or amendments have not had material impact on the Group's condensed consolidated financial statements as at 30 September 2015.

3.1.3 Estimates and assumptions

The preparation of the financial statements requires the Board of Directors to 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 under the circumstances. They also form a base for exercising the judgement required to determine the carrying amounts of assets and liabilities that cannot be directly obtained from other sources. Actual values can differ from estimated amounts.

The Board of Directors reviews its estimates and assessments regularly on the basis of past experience and various other factors deemed reasonable which form the basis for its assessment of the carrying values of assets and liabilities. 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 use of estimates and assumptions is particularly important primarily for:

- the estimated margin with respect to construction contracts;
- the recoverable value of intangible assets and property, plant and equipment and their useful lives;
- the fair value of financial derivatives;
- the determination of provisions for risk.

3.2 Financial Statement Comparability / Change in Accounting Policy

Since April [1], 2015, the Group has applied the interpretation of IFRIC 21 "Levies" that defines the timing of recognition of a liability to pay a levy. Henceforth, the recognition date refers to the obligating event, as defined by applicable tax regulations.

Accordingly, a certain number of annual taxes that were previously recognised pro rata temporis over 12 months (property taxes) or progressively (C3S) will now be accounted for in their entirety on 1 January (thus in the second half of the year for the Group).

The Group applied this accounting policy change retrospectively by impacting opening equity by €413 thousand, i.e. the net amount of the deferred tax.

The impact on the consolidated income statement for the first half of 2014 amounted to +€201 thousand net of deferred tax.

In accordance with IAS 8, in matters involving a change in accounting policy, comparative information on the prior year related to retrospective application of interpreting IFRIC 21 is included in the 2015 financial statements.

3.3 Restatements related to comparative information published on 30 September 2014

Figures reported on 30 September 2014 were restated to modify the exchange rate of sales and purchases denominated in foreign currencies that were initially recognised on the basis of a budgeted rate and not on the basis of the exchange rate on the date of the transaction.

The impact of this restatement amounted to:

- €(-2.049) thousand on revenue;
- €293 thousand on raw materials and consumables;
- €1.158 thousand on financial income.

Or a negative impact of €598 thousand on net income at 30 September 2014.

3.4 Year-end closing dates of consolidated companies

The parent company Figeac Aero as well as Mecabrive Industries, FGA Tunisie, FGA Picardie and FGA USA are consolidated according to their balance sheet entries for the 6-month period ended 30 September 2015. MTI is consolidated according to its balance sheet entries for the 9-month restated period ended 30 September 2015 to reflect significant transactions that have had an impact on the consolidated financial statements between 1 January 2015 and 31 March 2015.
Figeac Aero North America is consolidated according to its balance sheet entries for the period 30 September 2015.
FIGEAC AERO MAROC is consolidated according to its balance sheet entries for the period ended 30 September 2015.

3.5 Translation method for foreign currency items

Foreign currency expenses and income are translated into euros at the exchange rate in effect on the transaction date.

Payables, receivables and cash in foreign currencies are translated into euros at the year-end exchange rate. All resulting exchange differences from the translation of receivables and payables denominated in foreign currency during the year are recognised in financial income.

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

	31/03/2015		31/09/2015	
	Balance sheet	Net income	Balance sheet	Net income
US Dollar	1,0759	1,2636	1,1203	1,1125
Tunisian Dinar	2,1019	2,1064	2,2016	2,1708
Moroccan Dinar			10,8540	10,8430

3.6 Seasonality

The Group experienced no significant seasonal effects that could impede understanding the activity over the first half.

IV - SCOPE OF CONSOLIDATION

4.1 List of consolidated companies

Company and legal form	ID no.	Registered office	Consolidation method		% control		% interest	
			March 2015	September 2015	March 2015	September 2015	March 2015	September 2015
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	Full consolidation	95.64%	95.64%	95.64%	95.64%
MECABRIVE IND. SAS	453806267	1, Imp. Langevin 19108 BRIVE	Full consolidation	Full consolidation	92.68%	92.68%	92.68%	92.68%
SARL FGA Tunisie	NONE	ZI M'Chira III, Rue de Gafsa 2082 FOUCHANA	Full consolidation	Full consolidation	100.00%	100.00%	100.00%	100.00%
FIGEAC AERO USA INC	NONE	2701 South Bayshore Drive 33133 MIAMI	Full consolidation	Full consolidation	100.00%	100.00%	100.00%	100.00%
FGA PICARDIE SAS	533995684	Z.I. de l'Aiguille 46100 FIGEAC	Full consolidation	Full consolidation	99.00%	99.00%	99.00%	99.00%
FGA NORTH AMERICA INC	NONE	9313 E 39th St N Wichita, KS, 67226 USA	Full consolidation	Full consolidation	100.00%	100.00%	100.00%	100.00%
FIGEACAERO MAROC	328973	49 Rue Jean Jaurés CASABLANCA MAROC	N/A	Full consolidation	N/A	100.00%	N/A	100.00%

4.2 Ad-hoc consolidated entities

Company and legal form	ID no.	Registered office	Consolidation method		% control		% interest	
			March 2015	September 2015	March 2015	September 2015	March 2015	September 2015
SCI REMSI	791581994	4 Avenue Jean Jaures 46100 FIGEAC	full consolidation	full consolidation	100.00%	100.00%	100.00%	100.00%

SCI REMSI, owned by Mr Jean Claude Maillard, Chairman and CEO of Figeac Aéro Group is considered a special purpose entity because 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 FIGEAC AERO was considered to control this entity as:

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

V - BUSINESS SEGMENTS

Segment information is presented in accordance with IFRS 8.

The Group's operations are organised and managed separately according to the nature of the products and services.

Each segment represents a strategic business offering different products in different markets.

These areas correspond to the division of internal reports used by the management of the Group to monitor the Group's activities.

The financial data presented for segment reporting follows the same accounting policies as those used for the Group's consolidated financial statements.

The group's activity revolves around four main areas:

1. **Aerostructure: structural parts for the aeronautical industry**

   - Production of aircraft sub-assemblies (machining and assembly)
   - Structural aircraft parts
   - Production of engine parts and precision components for aircraft

2. **On-site and workshop assembly of aerospace sub-assemblies**

3. **General engineering and sheet metal fabrication**

4. **Precision machining and surface treatment.**

Net income by business segment 2015

sept.-15

(in € thousands)

OPERATING SEGMENTS	TOTAL	Aerostructures	%	Assembly on site	%	Precision machining and surface treatment	%	General and industrial engineering	%
Consolidated Revenue	118,930	96,788	81.38%	2,518	2.12%	12,263	10.31%	7,362	6.19%
Other income from operations	10,675	10,348	96.93%	214	2.00%	110	1.03%	3	0.03%
Changes in finished product inventories & work in p	11,329	11,423	100.83%	93	0.82%	75	0.66%	-262	-2.31%
Raw materials and consumables	-64,706	-56,543	87.39%	-726	1.12%	-4,560	7.05%	-2,877	4.45%
Personnel expenses	-33,577	-24,010	71.51%	-2,011	5.99%	-4,859	14.47%	-2,697	8.03%
External expenses	-10,776	-8,976	83.29%	-207	1.92%	-772	7.16%	-822	7.62%
Taxes	-1,007	-614	61.02%	-35	3.51%	-153	15.24%	-204	20.22%
Depreciation and amortisation	-10,894	-9,628	88.29%	-183	1.68%	-805	7.48%	-277	2.54%
Net allocations to provisions	-256	-457	178.27%	0	0.00%	116	-45.11%	85	-33.16%
Current operating income	***19,719***	***18,332***	***92.96%***	***-338***	***-1.71%***	***1,414***	***7.17%***	***311***	***1.58%***
Income op/ Revenue	***16.58%***	***18.94%***		***-13.42%***		***11.53%***		***4.22%***	
Other operating income	216	92	42.62%		0.00%	85	39.33%	39	18.05%
Other operating expenses	-932	-860	92.24%	-64	6.86%	-8	0.85%	-1	0.13%
Operating income	***19,003***	***17,564***	***92.43%***	***-402***	***-2.12%***	***1,491***	***7.85%***	***349***	***1.84%***
Actual financial income	***-10,152***	***-10,017***	***98.67%***	***-66***	***0.65%***	***-44***	***0.43%***	***-25***	***0.25%***
Income Tax		-10,288		187		76		-44	
Unrealised gains and losses	***22,267***	***22,267***	***100.00%***		***0.00%***		***0.00%***		***0.00%***
Net income (loss) for the year	***21,048***	***19,526***	***92.77%***	***-281***	***-1.33%***	***1,523***	***7.24%***	***280***	***1.33%***
Net income (loss) / Revenue	***17.70%***	***20.17%***		***-11.16%***		***12.42%***		***3.80%***	
Total intangible assets	28,916	27,771	96.04%	212	0.73%	920	3.18%	13	0.05%
Total of tangible capital assets	98,597	80,416	81.07%	4,000	4.03%	9,645	10.32%	4,536	4.57%
Total financial assets	1,814	1,696	93.48%	2	0.10%	87	4.81%	29	1.61%
Total assets	***129,327***	***109,884***	***84.58%***	***4,213***	***3.24%***	***10,652***	***8.65%***	***4,579***	***3.52%***
Inventories and Work in Progress	158,461	151,615	95.68%	925	0.58%	5,050	3.33%	870	0.57%
Trade and other receivables	75,278	65,691	87.26%	1,174	1.56%	4,340	6.61%	4,073	6.20%
Trade and other payables	-61,264	-52,801	86.19%	-1,552	2.53%	-4,075	7.72%	-2,836	5.37%
Financial debt (1)	-162,174	-151,876	93.65%	-3,336	2.06%	-3,653	2.41%	-3,309	2.18%

(1) The debt position in the 2014 sector analysis did not take into account "Short-term financial liabilities" or "Other financial liabilities"

(in € thousands)

OPERATING SEGMENTS	TOTAL (sept.-14 *)	Aerostructures	%	Assembly on site	%	Precision machining and surface treatment	%	General and industrial engineering	%
Revenue	100,797	81,576	80.93%	2,139	2.12%	8,124	8.06%	8,958	8.89%
Other income from operations	6,392	5,856	91.62%	0	0.00%	418	6.53%	118	1.85%
Changes in finished product inventories & w ork in pro	14,871	14,833	99.74%	338	2.27%	-83	-0.56%	-217	-1.46%
Raw materials and consumables	-57,959	-51,158	88.27%	-201	0.35%	-2,498	4.31%	-4,102	7.08%
Personnel expenses	-30,499	-21,862	71.68%	-2,080	6.82%	-3,389	11.11%	-3,168	10.39%
External expenses	-9,543	-7,878	82.56%	-149	1.56%	-1,043	10.93%	-472	4.95%
Taxes	-1,155	-751	65.02%	-55	4.76%	-138	11.95%	-211	18.27%
Depreciation and amortisation	-8,079	-7,011	86.78%	-95	1.17%	-660	8.17%	-314	3.88%
Net provisions	-153	-234	152.85%	0	-0.08%	-2	1.35%	83	-54.12%
Current operating income	*14,671*	*13,371*	*91.94%*	*-103*	*-0.64%*	*728*	*4.51%*	*675*	*4.19%*
Income op/ Revenue	*14.55%*	*16.39%*		*-4.80%*		*8.96%*		*7.54%*	
Other operating income	931	903	96.94%	0	0.00%	27	2.89%	2	0.17%
Other operating expenses	-1,281	-1,264	98.68%	-1	0.07%	-15	1.17%	-1	0.09%
Operating income	*14,321*	*13,009*	*90.84%*	*-104*	*-0.73%*	*740*	*5.17%*	*676*	*4.72%*
Actual financial income	*-757*	*-590*	*77.94%*	*-65*	*8.59%*	*-75*	*9.91%*	*-27*	*3.57%*
Unrealised gains and losses	*-8,712*	*-8,712*	*100.00%*	*0*	*0.00%*	*0*	*0.00%*	*0*	*0.00%*
Net income (loss) for the year	*4,887*	*3,941*	*80.64%*	*-158*	*-3.23%*	*557*	*11.40%*	*547*	*11.20%*
Net income (loss) / Revenue	*4.85%*	*4.83%*		*-7.39%*		*6.85%*		*6.11%*	
Total intangible assets	16,185	15,121	93.43%	1	0.00%	1,060	6.55%	3	0.02%
Total fixed assets	77,482	65,451	84.47%	3,295	4.25%	7,064	9.12%	1,672	2.16%
Financial assets	1,766	1,673	94.72%	0	0.00%	76	4.30%	17	0.97%
Total assets	*95,433*	*82,245*	*86.18%*	*3,296*	*3.45%*	*8,200*	*8.59%*	*1,692*	*1.77%*
Inventories & w ork in progress	124,096	118,446	95.45%	570	0.46%	3,296	2.66%	1,784	1.44%
Trade and other receivables	44,812	37,818	84.39%	822	1.83%	3,107	6.93%	3,065	6.84%
Trade and other payables	-37,156	-33,220	89.41%	-264	0.71%	-2,335	6.29%	-1,336	3.60%
Financial debt	-103,138	-96,595	93.66%	-2,049	2.86%	-2,757	2.67%	-837	0.81%

* Figures reported at 30 September 2014 have been restated:

- the impact of the change of accounting policy resulting from the retrospective application of IFRIC 21 "Levies"; (see Note 3.2 – change in accounting policy);
- to modify the exchange rate of sales and purchases denominated in foreign currencies that were initially recognised on the basis of a budgeted rate and not on the basis of the exchange rate on the date of the transaction. (see Note 3.2 – change in accounting policy).

VI - FIXED ASSETS

Capital expenditure in the first half of 2015 amounted to €35.6 million including:

- ✓ €8 million in development cost investments related to new machining processes. The Group has recognised these costs in accordance with the recognition criteria as defined in IAS 38;
- ✓ €1.3 million in software;
- ✓ €4.2 million in real estate investments;
- ✓ €22.1 million in tooling and production equipment including €7.2 million through finance leases as define in IAS 17.

6.1 Intangible assets

Intangible assets

(in € thousands)

Intangible assets	Opening (mars-15)	Increase	Decrease	Transfert de poste à poste	Translation adjustment	Changes in scope	Closing (sept.-15)
Development costs	20,173	212	0	3,622	0	0	24,008
Concessions, patents, licenses	1,954	86	-672	0	0	0	1,369
Software	3,138	1,296	0	7	-17	0	4,424
Goodwill	353	0	0	0	0	0	353
Other intangible assets	0	0	0	0	0	0	0
Intangible assets in progress	11,216	4,110	0	14	-8	0	15,332
Advances/intangible assets	0	24	0	0	0	0	24
Gross intangible assets	***36,835***	***5,728***	***-672***	***3,643***	***-25***	***0***	***45,510***
Depreciation							
Development costs - amort.	-11,117	-1,940	0	0	0	0	-12,747
Concessions, patents, licenses - amort.	-1,496	-136	672	0	0	0	-960
Software - amort.	-2,227	-358	0	0	8	0	-2,577
Goodwill - amort	0	0	0	0	0	0	0
Other intangible assets - deprec.	0	0	0	0	0	0	0
Intangible assets in progress - amort.	0	0	0	0	0	0	-310
Advances/intangible assets - amortisation	0	0	0	0	0	0	0
Intangible assets - amort.	***-14,839***	***-2,434***	***672***	***0***	***8***	***0***	***-16,593***
Net values							
Development costs	9,057	-1,728	0	3,622	0	0	11,261
Concessions, patents, licenses	459	-50	0	0	0	0	409
Software	911	938	0	7	-8	0	1,847
Goodwill	353	0	0	0	0	0	353
Other intangible assets	0	0	0	0	0	0	0
Intangible assets in progress	11,216	4,110	0	14	-8	0	15,022
Advances/intangible assets	0	24	0	0	0	0	24
Intangible assets	***21,995***	***3,294***	***0***	***3,643***	***-16***	***0***	***28,916***

The accounting policy for recognising intangible assets is described in Note 3.11 of the 2014/15 annual financial statements. Intangible assets are recorded at their cost net of accumulated amortisation and impairment. Intangible assets are amortised over their useful lives.

The Group holds no indefinite life fixed assets (except for goodwill recorded for €353 thousand).
The Group identified no impairment of its intangible assets over the six month period.

6.2 Tangible Assets

Tangible assets

(in € thousands)	mars-15	sept.-15					
Tangible assets	**Opening**	**Increase**	**Decrease**	**Transfert de poste à poste**	**Translation adjustment**	**Changes in scope**	**Closing**
Gross Value							
Land	2,755	1,438	0	0	-34	0	4,159
Building	31,825	1,609	-5	0	-267	0	33,162
Buildings - finance lease	3,811	0	0	0	0	0	3,811
Tech. facilities, plant and equipment	45,213	6,143	-2,869	0	-245	0	48,242
Tech. installations, machinery and equipment - finance	49,087	7,226	-2,296	0	0	0	54,017
Fixtures & fittings	5,487	367	-1	0	-10	0	5,843
Vehicles	219	20	0	0	0	0	239
Office and IT equipment	2,392	343	-21	42	-25	0	2,730
Office and IT equipment - finance lease	2	0	0	0	0	0	2
Other property, plant and equipment	553	0	0	0	0	0	553
Tangible assets in progress	5,253	11,598	-4,755	-3,671	-4	0	8,420
Advances/tangible assets	954	1,879	-3	-14	0	0	2,816
Property, plant and equipment - Gross	***147,552***	***30,621***	***-9,950***	***-3,643***	***-585***	***0***	***163,995***
Depreciation							
Land - depreciation	-523	-70	0	0	0	0	-593
Buildings - deprec.	-7,279	-716	5	0	12	0	-7,977
Buildings - finance lease - deprec.	-1,713	-435	0	0	0	0	-2,148
Tech. facilities, plant and equipment - deprec.	-25,605	-3,342	1,658	0	38	0	-27,251
Tech. facilities, plant and equipment - finance lease - de	-20,036	-3,479	1,889	0	0	0	-21,625
Fixtures, fittings - deprec.	-3,583	-313	1	0	3	0	-3,892
Vehicles - deprec.	-158	-25	0	0	0	0	-183
Office and IT equipment - deprec.	-1,527	-211	0	0	8	0	-1,729
Office and IT equipment - finance lease - deprec.	0	0	0	0	0	0	0
Other property, plant and equipment - deprec.	0	0	0	0	0	0	0
Work in progress deprec.	0	0	0	0	0	0	0
Advances/property, plant and equipment - deprec.	0	0	0	0	0	0	0
Depreciation and impairment	***-60,422***	***-8,591***	***3,553***	***0***	***61***	***0***	***-65,399***
Net values							
Land	2,232	1,368	0	0	-34	0	3,566
Building	24,546	892	0	0	-255	0	25,185
Buildings - finance lease	2,098	-435	0	0	0	0	1,663
Tech. facilities, plant and equipment	19,608	2,801	-1,211	0	-206	0	20,991
Tech. installations, machinery and equipment - finance	29,051	3,747	-407	0	0	0	32,392
Fixtures & fittings	1,905	53	0	0	-8	0	1,950
Vehicles	61	-5	0	0	0	0	56
Office and IT equipment	865	132	-21	42	-17	0	1,001
Office and IT equipment - finance lease	2	0	0	0	0	0	2
Other property, plant and equipment	553	0	0	0	0	0	553
Tangible assets in progress	5,253	11,598	-4,755	-3,671	-4	0	8,420
Advances/tangible assets	954	1,879	-3	-14	0	0	2,816
Net property, plant and equipment	***87,129***	***22,030***	***-6,397***	***-3,643***	***-523***	***0***	***98,597***

The accounting policy for recognising tangible assets is described in note 3.12 of the 2014/15 annual financial statements. Tangible assets are recorded at their directly attributable costs (allocated based on their components, if applicable) net of accumulated amortisation and impairment.

Tangible assets are depreciated over their useful lives, reflecting the rate of consumption of the future economic benefits embodied in an asset.

The Group identified no impairment of its tangible assets over the six month period.

6.3 Financial assets

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Other financial assets

(in € thousands)

	mars-15	sept.-15				
Other financial assets	**Opening**	**Increase**	**Decrease**	**Translation adjustment**	**Changes in scope**	**Closing**
Gross Value						
Unconsolidated securities	70	0	0	0	0	70
Loans	712	20	0	0	0	732
Other financial assets	1,333	43	-267	-16	0	1,093
Gross financial assets	***2,114***	***63***	***-62***	***-16***	***0***	***1,894***
Depreciation						
Unconsolidated securities - amort.	0	0	0	0	0	0
Other financial assets – amortisation	-80	0	0	0	0	-80
Financial assets - amort.	***-80***	***0***	***0***	***0***	***0***	***-80***
Net values						
Unconsolidated securities	70	0	0	0	0	70
Loans	712	20	0	0	0	732
Other financial assets	1,253	43	-267	-16	0	1,013
Net financial assets	***2,034***	***63***	***-62***	***-16***	***0***	***1,814***

VII - INVENTORIES, WORK IN PROGRESS AND CONSTRUCTION CONTRACTS

7.1 Inventories and work in progress

Inventories and work in progress

(in € thousands)

Inventories and work in progress	Opening (mars-15)	Net change (sept.-15)	Impairment – allowances (sept.-15)	Impairment – reversals (sept.-15)	IAS 11 (sept.-15)	Translation adjustment (sept.-15)	Closing (sept.-15)
Gross Value							
Inventories of raw materials	13,168	-494	0	0		-49	12,625
Inventories other supplies	13,951	1,271	0	0	0	-34	15,188
Work and services in progress	0	0	0	0	0	0	0
Work in Progress and services	38,171	5,847	0	0		-58	43,960
Construction contracts	60,001				5,454		65,455
Inventories - finished goods	23,881	1,783	0	0	0	-2	25,662
Inventories - gross value	***149,172***	***8,407***	***0***	***0***	***5,454***	***-142***	***162,891***
Procurement							
Inventories of raw materials – impairment	-535		0	55	0	0	-480
Inventories other supplies - depreciation	0		0	0	0	0	0
Work and services in progress - depreciation	0		0	0	0	0	0
Inventories and work and services in progress -	-1,466		-846	4	0	0	-2,307
Inventories - finished goods - depreciation	-1,803		0	161	0	0	-1,642
Inventories - depreciation	***-3,805***		***-846***	***220***	***0***	***0***	***-4,430***
Net values							
Inventories of raw materials	12,632	-494	0	55		-49	12,145
Inventories other supplies	13,951	1,271	0	0	0	-34	15,188
Work and services in progress	0	0	0	0	0	0	0
Work in progress and services	96,706	5,847	-846	4	5,454	-58	107,108
Inventories - finished goods	22,078	1,783	0	161	0	-2	24,020
Net inventories and work in progress	***145,367***	***10,221***	***-846***	***220***	***5,454***	***-142***	***158,461***

Inventories and work in progress include:

- raw materials, parts and work in progress for a total of €93 million;
- costs relating to the contract's stage of completion under IAS 11 for a total of €65.5 million.

7.2 Construction contracts

Construction contracts

(in € thousands)

Construction contracts	Opening (31 March 2015)	Period	Closing (30 September 2015)
Capitalised w ork in progress	60,001	5,454	65,455
Amount due to customers	0	0	0
Revenue recognized from the inception of the contracts	440,974	78,770	519,744
Charges incurred since inception of the contracts	449,103	73,456	522,559

The recognition policy for manufacturing contracts complies with IAS 11, detailed in Note 3.15 in the 2014/15 annual financial statements.

The Group recognises contract revenue on delivery and the amounts billed are due regardless of the outcome of the contract. The profit margin is recognised on a percentage-of-completion basis in relation to delivery based on profit margin forecasts of the outcome of the contract.

The expected margin is based on forecasts made by the Group taking into account:

- marketing information (order book and purchase frequency) released by the various manufacturers;
- information from the perspective of the aeronautical industry, especially the Global Market Forecast from Airbus;
- future costs estimates on the basis of industrial organisations set up by the Group;
- anticipated changes in the €/US$ exchange rate, US dollar cash flows (revenue and charges) that represent a significant portion of aggregate cash flows. This last assumption may be revised based on the currency's potential fluctuations and their impact on forecasts.

The main programs thus concerned are:

- AIRBUS A 350 (floor, engines pylons, and structural parts)
- AIRBUS A 380/ A320
- EMBRAER LEGACY
- MOTEUR CFM 56
- MOTEUR LEAP X
- GULSTREAM

Detailed quantitative information by program (including revenue, margin at completion) cannot be disclosed for confidentiality reasons.

VII - FINANCIAL ASSETS

8.1 Determining market value of financial assets

Financial assets are recorded at amortised cost except for cash equivalents that are measured at fair value. The Group has identified three classes of financial instruments in order to comply with the disclosure requirements under IFRS 7

- Level 1 category: "Market Price" - Financial instruments that are subject to quotes on an active market;

- Level 2 category: "Model with observable inputs" - financial instruments whose measurement uses valuation techniques based on observable inputs;

- Level 3 category "Model with unobservable inputs".

In thousands of euros	Loans and receivables at amortised cost	Financial assets at fair value through profit or loss	Derivatives designated as hedging instruments	Total 30/09/2015	of which assets measured at fair value
Non-current financial assets	1,814			1,814	
Other non-current assets	704			704	
Trade and other receivables	61,145			61,145	
Financial Instruments			0	0	
Other current assets	11,207			11,207	
Cash and cash equivalents	7,284	2,073		9,357	2,073
Total financial assets	***82,154***	***2,073***	***0***	***84,228***	***2,073***

In thousands of euros	Niveau 1	Niveau 2	Niveau 3	Fair value
Cash and cash equivalents	2,073			2,073

In thousands of euros	Loans and receivables at amortised cost	Financial assets at fair value through profit or loss	Derivatives designated as hedging instruments	Total 31/03/2015	of which assets measured at fair value
Non-current financial assets	2,034			2,034	
Other non-current assets	705			705	
Trade and other receivables	52,508			52,508	
Financial Instruments			0	0	
Other current assets	6,983			6,983	
Cash and cash equivalents	27,730	2,537		30,267	2,537
Total financial assets	***89,959***	***2,537***	***0***	***92,496***	***2,537***

In thousands of euros	Niveau 1	Niveau 2	Niveau 3	Fair value
Cash and cash equivalents	2,537			2,537

The fair value of trade receivables is equated with their carrying value, based on their very short collection periods. The same will apply to other receivables.

8.2 Current assets

Current assets

(in € thousands)

Current assets	Opening 31 March 2015	Closing 30 September 2015	< 1 year	> 1 year
Advances & downpayments paid on orders	0	0	0	0
Trade and other receivables *	52,745	61,381	61,145	236
Sundry debtors	2,658	2,522	2,522	
Tax receivables	3,758	8,227	7,759	468
Prepaid expenses	1,035	927	927	
TOTAL	***61,724***	***75,983***	***75,279***	***704***

At 30 September 2015, accounts receivable factoring amounted to €29.1 million as compared to €25.9 million at 31 March 2015. As the Group remains responsible for collecting the factored trade receivables, these receivables remain on the balance sheet as an asset.

IX - CASH

Cash and cash equivalents

(In € thousands)

Cash and cash equivalents	Opening (mars-15)	Closing (sept.-15)	Change
Marketable securities	2,537	2,073	-463
Available cash	27,730	7,284	-22,283
Cash and cash equivalents	30,267	9,357	-20,910
Outstanding invoices	-25,934	-29,081	-3,147
Bank overdrafts		-2,430	-2,430
TOTAL	*4,327*	*-22,154*	*-26,450*

At 30 September 2015, bank overdrafts appear in short term borrowings. 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 point 1.4 "Consolidated statement of cash flows".

X - BREAKDOWN OF SHARE CAPITAL

	Number	Nominal value
Shares outstanding at the beginning of the year	27,736,956	0.12
Public offering on 15/05/2015	30,557	0.12
Shares outstanding at the end of the year	27,767,513	0.12

No dilutive securities were issued, the fully diluted earnings per share refer to the basic earnings per share.

Over the six month period, a capital increase reserved for employees of Figeac Aéro was realised at a preferential subscription price. In accordance with 1FRS 2, an expense of €144 thousand was recognised for awards granted to employees.

The subscription price proposed to employees reflects a 20% discount as compared to the issue price of the capital increased subscribed by the investors.

XI - Other non-recurring provisions

Other non-current provisions

(In € thousands)

Procurement	mars-15 Opening	sept.-15 Allocations	Reversals used	Reversals not used	Other movements	Closing
Provision for litigation	1,101	0	0	0	0	1,101
Provision for contract loss	4,219	0	-420	0	0	3,799
Other provisions	9	342	-9	0	0	342
Total other non-current provisions	*5,328*	*342*	*-429*	*0*	*0*	*5,241*

The breakdown of other non-recurring provisions accounted for on 30 September 2015 is as follows:

- ✓ provision for litigation (- €1.1 million). The Group is currently involved in labour disputes with its employees. The Group has set aside a provision of (- €0.8) million relating to a social risk with respect to the taking into account of the time for dressing and undressing of a certain category of employees;
- ✓ provision for contract losses (- €3.8) million. Expected losses on construction projects are subject to a provision for contract losses in accordance with IAS 11;
- ✓ other provisions for risk: (- €0.3) million.

  As a result of a tax audit in 2015, the parent company Figeac Aéro paid an additional tax assessment of €1.7 million for the 2011 and 2012 Research Tax Credit in connection with the valuation of expenses deducted by the company. The eligibility of projects declared under CIR 2011 and 2012 has not been called into question.

  The methods used to calculate the Research Tax Credit has been a recurring source of contention between tax authorities and businesses. The Group has challenged this additional tax assessment and has set aside a provision of €342 thousand at 30 September 2015, representing the possible outflow of resources as estimated by Management and their Boards.

XII - EMPLOYEE BENEFITS

Employee benefits

(In € thousands)

Employee benefits	mars-15 Opening	sept.-15 Allocations	Reversals	Other comprehensive income items	Closing
Provision for retirement	1,998	277	10	-561	1,704
Provision for service aw ards	97		11	0	86
Employee benefits	*2,096*	*277*	*21*	*-561*	*1,791*

12.1 Pension liabilities

The Group's pension obligations have been measured in accordance with the policy described in Note 3.21 of the 2014/15 annual financial statements. Pension obligations are calculated according to the Projected Unit Credit (PUC) Method.

The present value of the retirement benefit obligation is recognised based on the employees' number of years of service. In accordance with IAS 19, actuarial gains and losses are recognised in equity.

Assumptions used for calculation at 30 September 2015 are as follows:

- a discount rate of 2.08% compared to 1.14% at 31 March 2015, based on market yields of investment grade corporate bonds, and namely the IBOXX Corporates AA index;
- mortality table: INSEE 2014 table;
- retirement age: 67 years;
- average rate of social security contributions: 37% to 42.81 % according to the company;
- staff turnover by age bracket (management/non management) and by company:
    - non-management: 1.09% to 12.55%,
    - management: 0% to 11.76%;

- average annual salary escalation rate: 1.50%.

The impact of a 1.58% change in the discount rate on the provision for retirement severance benefits would be an increase of €202 thousand.

The impact of a 2.58% change in the discount rate on the provision for retirement severance benefits would be a decrease of €176 thousand.

Retirement severance payments paid in the period ended 30 September 2015 amounted to €10 thousand.

12.2 Long-service awards

Long service awards recognised at 30 september 2015 have been calculated according to the method described in Note 3.21 to the 2014/15 annual financial statements.

Assumptions used for the calculation are as follows:

- a discount rate of 2.08% compared to 1.14% at 31 March 2015, based on market yields of investment grade corporate bonds, and namely the IBOXX Corporates AA index;
- mortality table: INSEE 2014 table;
- retirement age: 67 years;
- average rate of social security contributions: 37% to 42.81 % according to the company;
- staff turnover by age bracket (management/non management) and by company;
    - Non-management: 1.09% to 12.55%,
    - Management: 0% to 11.76%;
- average annual salary escalation rate: 1.50%.

The impact of a 1.58% change in the discount rate on the provision for long-service awards would represent an increase of €6 thousand.

XIII - FINANCIAL LIABILITIES

sept.-15

Financial liabilities	Financial liabilities at fair value through profit or loss	Derivatives designated as hedging instruments	Other financial liabilities	30/09/2015	Fair value
Loans from credit institutions			67,072	67,072	67,072
Borrow ings – Finance leases			38,609	38,609	38,609
Repayable advances			23,082	23,082	23,082
Other financial liabilities			1,900	1,900	1,900
Factoring			29,081	29,081	29,081
Derivative financial instruments	44,000	4,525		48,525	48,525
Trade and other payables			67,102	67,102	67,102
TOTAL FINANCIAL LIABILITIES	*44,000*	*4,525*	*226,846*	*275,371*	*275,371*

	niveau 1	niveau 2	niveau 3	Fair value
Derivative financial instruments		48,525		

31 March 2015

(In € thousands)

Financial liabilities	Financial liabilities at fair value through profit or loss	Derivatives designated as hedging instruments	Other financial liabilities	31/03/2015	Fair value
Loans from credit institutions			57,478	57,478	57,478
Borrow ings – Finance leases			36,342	36,342	36,342
Repayable advances			22,703	22,703	22,703
Other financial liabilities			1,591	1,591	1,591
Factoring			25,934	25,934	25,934
Derivative financial instruments	66,267	9,282		75,548	75,548
Trade and other payables			69,983	69,983	69,983
TOTAL FINANCIAL LIABILITIES	*66,267*	*9,282*	*214,031*	*289,579*	*289,579*

13.1 Derivative financial instruments

Currency derivatives have been classified as level 2 and are measured using valuation techniques based on standard market models and the use of observable market data.

13.2 Borrowings and financial liabilities

Borrowings and financial liabilities are recognised at amortised cost, calculated using the effective interest rate.

(in € thousands)

	March-15	September-15						
Financial liabilities	**Opening**	**Increase**	**Decrease**	**Other movements**	**Closing**	**< 1 year**	**1-5 years**	**> 5 years**
Loans from credit institutions	57,478	15,312	-5,718	0	67,072	5,290	45,296	16,486
Finance lease	36,342	7,226	-4,740	-198	38,609	8,848	25,729	4,032
Repayable advances	22,703	440	-61	0	23,082	1,496	13,415	8,171
Total	***116,523***	***22,978***	***-10,519***	***-198***	***128,763***	***15,634***	***84,440***	***28,689***

Other financial liabilities mainly comprise the profit sharing rights of Figeac Aéro employees.

(in € thousands)

	March-15	September-15						
Other financial liabilities	**Opening**	**Increase**	**Decrease**	**Other movements**	**Closing**	**< 1 year**	**1-5 years**	**> 5 years**
Other financial liabilities	-1,591	-309	0	0	-1,900	**0**	-1,900	
Total	***-1,591***	***-309***	***0***		***-1,900***	***0***	***-1,900***	

13.3 Trade and other payables

The fair value of trade payables is equated with their carrying value, based on their very short maturity periods. The same is true for other payables.

(in € thousands)

	mars-15	sept.-15			
Trade and other payables	**Opening**	**Closing**	**< 1 year**	**1-5 years**	**> 5 years**
Trade payables	36,884	38,347	38,347	0	0
Debt/fixed assets and related accounts	3,517	1,647	1,647	0	0
Trade and other payables	***40,401***	***39,994***	***39,994***		
Advances and payments received on orders	1,869	97	97	0	0
Social security liabilities	13,910	12,117	12,117		0
Other current liabilities	3,338	923	923		
Other current liabilities	**19,117**	**13,137**	**13,137**		
Tax liabilities	4,468	5,560	5,560	0	0
Other liabilities	2,022	2,024	0	2,024	0
Prepaid income	3,991	6,387	2,573	3,814	0
TOTAL	***69,998***	***67,102***	***61,264***	***5,838***	***0***

Deferred income consists of:

- investment grants granted to Group companies: €3,569 thousand;
- deferred recognition of research tax credit based on the rate of consumption of the economic benefits associated with capital assets: €1,677 thousand.

XIV - INCOME TAX

14.1 Tax receivables

The amount recognised at 30 September 2015 for €2.9 million is comprised of tax credits (mainly research tax credits (CIR) and tax credit for competitiveness and employment (CICE).

The CICE is recognised net of personnel expense for a total of €1,013 thousand at 30 September 2015 and €1,880 thousand at 31 March 2015.

14.2 Income tax expense

(in € thousands)

Corporation tax	Opening mars-15	Closing sept.-15
Tax due	2,410	-5
Change in deferred tax expense	-16,218	9,732
Apprenticeship tax credit	-3	0
Provisions for tax		342
Change in net tax expense	***-13,811***	***10,069***

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

14.3 Deferred taxes

Accounting for deferred taxes at 30 September 2015 in the consolidated financial statements had, item by item, the following impacts:

Deferred taxes	30-sept.-15	31-mars-15
Deferred tax assets	25,322	5,559
Deferred tax liabilities	-16,080	-15,945
Opening deferred taxes	***9,242***	***-10,386***
Deferred tax income (expense) over the period	-9,732	15,429
Change in deferred taxes recognised in equity	-1,820	4,199
Closing deferred taxes	***-2,310***	***9,242***
of which deferred tax assets	793	25,322
of which deferred tax liabilities	-3,103	-16,080

At 30 September 2015, deferred tax assets and liabilities have been offset by tax entity, unlike at 31 March 2015.

Breakdown of deferred taxes

(in € thousands)

Breakdown of deferred taxes	Opening (March-15)	Closing (Sept.-15)
Accelerated depreciation	-418	-448
Leasing	-1,211	-1,362
Employee profit sharing	211	24
Personnel benefits	706	977
Valuation of tax losses carried forw ard	751	944
Tax timing differences	36	36
IFRIC 21	0	-235
Subsidies	-470	-413
Construction contracts	-15,595	-17,331
Financial Instruments	25,183	16,184
Finance leases	-9	-9
Provisions for exchange rate losses	95	95
Currency impact	0	-573
Other	-35	-199
Net deferred tax liabilities	***9,243***	***-2,310***

14.4 Tax reconciliation

Tax reconciliation

(in € thousands)	Closing (Sept.-15)	Opening (March-15)
Net income of consolidated companies before income tax and amortisation of goodw ill	31,118	-35,703
Income tax rate applicable to the parent company	33.33%	33.33%
Theoretical tax expense	**10,372**	**-11,900**
Effective income tax expense	10,069	-13,811
TAX DIFFERENCE ON THEORETICAL / ACTUAL RESULTS	***303***	***1,911***
Impact of the tax rates applicable to foreign subsidiaries w hich are different than the French tax rate.	204	407
Non-activated tax losses		
Share of expenses and charges on Group dividends		
Impact of permanent differences	-4	-6
Impact of reduced tax rate and tax credit	103	1,351
Other non-deductible items / not taxable locally		159
TOTAL	***303***	***1,911***

XV - Revenue

The breakdown of revenue by business segment is as follows

Revenue by segment

By business activities	Sept.-14 * Closing	Sept.-15 Closing	Change
Structural parts for the aeronautical industry	81,576	96,787	18.65%
General and industrial engineering	8,958	7,362	-17.82%
Assembly on site	2,139	2,518	17.72%
Machining and surface treatment	8,124	12,263	50.95%
TOTAL	*100,797*	*118,930*	*17.99%*

The breakdown of revenue by geographical region is as follows:

Revenue by geography

By geographical region	Sept.-14 * Closing	Sept.-15 Closing	Change
France	80,437	88,481	10.00%
Export	20,360	30,449	49.55%
Total revenue	*100,797*	*118,930*	*17.99%*

* Figures reported at 30 September 2014 have been restated:

- to modify the exchange rate of sales and purchases denominated in foreign currencies that were initially recognised on the basis of a budgeted rate and not on the basis of the exchange rate on the date of the transaction. (see Note 3.2 – change in accounting policy).

XVI - RISK MANAGEMENT

16.1 Liquidity risk

To support its business development and growth, the Company must finance a large production cycle. It may be required to strengthen its capital or use additional funding to ensure its development.

The financing of the production cycle is carried out by assigning a portion of "Trade Receivables" assets to factoring companies. At September 2015, factored trade receivables amounted to €29.08 million.

Historically, the Company has financed its development through the collateralisation of trade receivables in particular via factoring companies. The Company is exposed to a risk of limits on outstanding balances, as factoring companies contractually limit the level of outstanding trade receivables for certain customers.

The Company performed specific reviews of its liquidity risk and considers that it is able to honour the terms for future payments.

Maturity date of financial assets and liabilities are as follows:

In September 2015

In thousands of euros	Total carrying amount at 30 September 2015	< 1 year	1-5 years	> 5 years
Non-current financial assets	1,814		1,814	
Other non-current assets	704		704	
Trade and other receivables	61,145	61,145		
Tax receivables	2,926	2,926		
Other current assets	11,207	11,207		
Cash and cash equivalents	9,357	9,357		
Total financial assets	***87,154***	***84,635***	***2,518***	

In thousands of euros	Total carrying amount at 30 September 2015	< 1 year	1-5 years	> 5 years
Outstanding invoices	29,081	29,081		
Bank overdrafts	2,430	2,430		
Trade payables	39,994	39,994		
Tax liabilities	5,560	5,560		
Other current liabilities	13,137	13,137		
Loans from credit institutions	67,072	5,290	45,296	16,486
Borrowings - Finance leases	38,609	8,848	25,729	4,032
Refundable advances	23,082	1,496	13,415	8,171
Total financial liabilities	***218,965***	***105,837***	***84,440***	***28,689***

In March 2015:

In thousands of euros	Total carrying amount at 31 March 2015	< 1 year	1-5 years	> 5 years
Non-current financial assets	2,034		2,034	
Other non-current assets	705		705	
Trade and other receivables	52,508	52,508		
Tax receivables	1,528	1,528		
Other current assets	6,983	6,983		
Cash and cash equivalents	30,267	30,267		
Total financial assets	***94,024***	***91,285***	***2,738***	

In thousands of euros	Total carrying amount at 31 March 2015	< 1 year	1-5 years	> 5 years
Outstanding invoices	25,934	25,934		
Bank overdrafts	0	0		
Trade payables	40,401	40,401		
Tax liabilities	4,468	4,468		
Other current liabilities	19,117	19,117		
Loans from credit institutions	57,478	10,011	39,062	8,405

Borrowings - Finance leases	36,342	8,585	22,822	4,935
Refundable advances	22,703	1,169	13,589	7,945
Total financial liabilities	***206,443***	***109,685***	***75,473***	***21,285***

16.3 Information on currency risk management and currency derivatives

16.3.1 Risk management strategy

Through its current business activities, Figeac Aéro is exposed to cash flow variability in connection with currency risk for:

- revenue, of which 60% is denominated in US dollars;
- payment of purchase invoices, made mainly in USD.

Figeac Aéro has long-term contracts in USD and its strategy includes hedging its foreign currency purchases and sales over a two to four year horizon.

As contract prices are set well in advance and for extended periods of time, the Company has calibrated hedging contracts over a related maturity to avoid the risks associated with market fluctuations.

Figeac Aéro uses various type of derivatives for hedging risk, including:

- vanilla forward foreign exchange contracts;
- vanilla currency options and/or collars (combinations of calls and puts having the same notional principal amount);
- currency barrier options;
- accumulators that are currency derivatives that allow the investor to accumulate currency holdings at each observation date based on the exchange rate as compared to the guaranteed rate;
- target redemption forwards (TRF) that are combinations of calls and puts with a different notional;
- faders that are currency barrier derivatives that allow the investor to accumulate currency holdings at each observation date based on the exchange rate as compared to the guaranteed rate and the barriers;
- the Company uses option-based structured products (accumulators, TRFs, faders,) that allow it to obtain a better rate over a given maturity as compared to a market exchange rate at a given moment in time.

16.3.2 Accounting policies for currency derivatives

The first two types of financial instruments (forward foreign exchange contracts and net long positions) qualify for hedge accounting. The two other types of derivatives do not qualify for hedge accounting as they concern net short positions in accordance with IAS 39.

For financial instruments that are "cash flow hedges", the hedges 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.

The cumulative amounts in shareholders' equity from the effective portion of the change in the fair value of the hedging instrument are maintained within equity until the underlying transaction occurs. They are then reclassified in the income statement on the same line item as the underlying transaction (revenue or purchases used in production).

For financial instrument classified as held for trading, the change in fair value is recognised in financial profit or loss.

16.3.3 Documentation of hedge accounting

As previously indicated, Figeac Aéro handles long-term foreign currency denominated contracts and consequently is able to forecast highly probable future cash flows on hedged maturities. Long and short exposures are not offset.

Consequently, at the start of the hedge, Figeac Aéro puts in place formal documentation to describe the hedge relationship. At the inception of the hedge, and then at each reporting date, Figeac Aéro will carry out prospective hedge effectiveness tests (Critical Terms Match) and retrospective (Dollar Offset Method) to ensure that the hedge relationship will be (and has been) highly effective in offsetting changes in the fair value or cash flows of the hedged risk, in line with the currency risk management strategy detailed above.

With a view to guaranteeing the retrospective effectiveness tests at 100%, the "time value" component is separated from the changes in fair value of the currency options. As a result, the "time value" component is considered ineffective.

16.3.4 Information related to the impact of derivatives on the financial statements

Presentation of the impact on the financial statements at 30 September 2015 and 31 March 2015

The following table shows the main impacts recognised in equity and the income statement of hedging instruments:

In thousands of euros (excluding tax effect) - accumulated impacts	September 15		March 15		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 contracts and swaps	-3,677		-1,039	0	-2,639
Options	-847	-13,756	-5,425	-13,232	4,578
Accumulators	0	-13,356	-1,494	-15,504	1,494
TRF	0	-15,752	-1,282	-36,556	1,282
FADER	0	-1,051	-41	-865	41
Total	***-4,524***	***-43,914***	***-9,281***	***-66,158***	***4,757***

In thousands of euros (excluding tax effect)	September 15	March 15
Impact on net income (loss) for the year	22,244	-66,158

The following table shows the change in amounts relating to hedging instruments deferred in equity:

In thousands of euros	September 15	March 15
Equity - hedging instruments at the opening (1)	***-6,188***	***0***
Change in fair value of the effective portion	1,940	-9,281
Reclassified to the income statement (2)	0	0
Declassification of held-for-trading contracts - reversed into income (3)	2,817	0
Tax effect on change during the year	-1,586	3,094
Equity - hedging instruments at the close (1)	***-3,016***	***-6,188***

(1) At 31 March 2014, the Group has not documented the application of hedge accounting. The entire fair value of the hedge instruments is recognised in financial profit/loss.

(2) As the hedged items have not yet affected profit or loss for the periods, the amounts deferred in equity have not yet been reclassified.

(3) At 31 March 2015, the Company deemed that some of the complex currency derivatives (accumulators, faders and TRF) could qualify for hedge accounting. At April 1, 2015, the Company reclassified the held-for-trading transactions with immediate reversal into profit or loss of the amounts deferred in equity.

Information relating to foreign exchange risk

The Company's profit or loss may structurally be strongly impacted by profit or loss from economic hedges that manage foreign currency exposure and changes in the fair value of the financial instruments due to:
- the nature of the derivatives used and the accounting policies for these derivatives under IFRSs: Figeac Aéro mainly uses financial instruments that do not qualify for hedge accounting;
- the volume of hedging: The notional amount of short commitments amounted to $609 million and $455 million for long commitments at September, 2015 (these commitments hedge the expected dollar cash flows until 2019) and $744 million for short commitments and $556 million for long commitments at 31 March 2015;
- average maturity of the hedge instruments (2 to 4 years);
- potential €/US$ exchange rate volatility.

Quantatative data relating to the analysis of the Group's exposure to currency risk is resumed below:

En milliers de dollars	sept.-15	mars-16	mars-17
Créances clients	17 491		
Dettes fournisseurs	-10 031		
Trésorerie et équivalent de trésorerie	1 495		
Exposition nette sur l'état de situation financière	***8 955***	***0***	***0***
Ventes prévisionnelles		121 091	262 548
Achats prévisionnels		-56 213	-128 879
Exposition nette sur les transactions prévues		***64 879***	***133 669***
Contrats de change à terme - CFH - nominal	*3 900*		*3 550*
Contrats de change à terme - trading - nominal	*126 146*		*258 998*
Sous-total contrats de couverture à la vente	130 046		262 548
Contrats de change à terme - CFH - nominal	*0*		*0*
Contrats de change à terme - trading - nominal	*-56 213*		*-128 879*
Sous-total contrats de couverture à l'achat	-56 213		-128 879
Exposition nette sur les transactions prévues	***0***		***0***

Figeac Aéro is hedged for all expected future cash flows until March 2017.
The average forward price for hedge instruments is as follows:

- 2015/2016: €1=1.255;
- 2016/2017: €1=1.245;
- 2018/2019: €1=1.18.

Sensitivity analysis of change in the €/US$ exchange rate:

A 10% increase (or decrease) in the €/US$ exchange rate would have an impact of €650 thousand on the statement of financial position at 30 September 2015 (excluding impact of foreign exchange contracts).

16.4 Interest rate risk

Borrowings at 30 September 2015 break down as follows:

Interest rate risk

(in € thousands)

Debt	Total	Fixed rate	Variable rate	SWAP
Lease financing	38,609	31,759	6,850	3,425
Bank loan	67,072	22,337	44,735	381
Short-term financing	31,511		31,511	
Total	***137,192***	***54,096***	***83,096***	***3,806***
%	***100.00%***	***39.43%***	***60.57%***	***2.77%***

Interest rate exposures relate to receivables financing and the financing of a portion of term debt. Interest is calculated based on Euribor rates

Only a portion of these positions, representing approximately €3.8 million (see above table) is hedged in the event of a significant increase in this index by means of interest rate swaps.

The impact of a €0.05 increase or decrease in the average 3-month Euribor rate on the Group's net income would be +/- €192 thousand.

16.5 Credit risk

This risk stems mainly from trade receivables. It represents the financial loss risk for the Group in the event a customer fails to perform its contractual obligations. Counterparty default risk arising from receivables is very limited due to the top-tier credit ratings of our main customers.

Maximum exposure to credit risk corresponds to the carrying amount of the financial assets that are presented in the "liquidity risk" section:

The breakdown of overdue undepreciated trade receivables is as follows:

At 30 September 2015:

Trade receivables by maturity	Closing	< 6 months	> 6 months < 12 months	> 12 months
Trade and other receivables	61,381	60,825	319	236
TOTAL	***61,381***	***60,825***	***319***	***236***

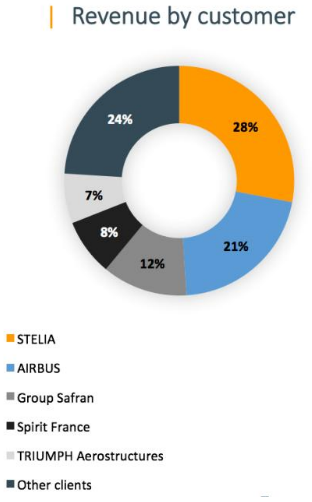
At 31 March 2015:

Trade receivables by maturity	Closing	< 6 months	> 6 months < 12 months	> 12 months
Trade and other receivables	52,745	52,509	0	236
TOTAL	***52,745***	***52,509***	***0***	***236***

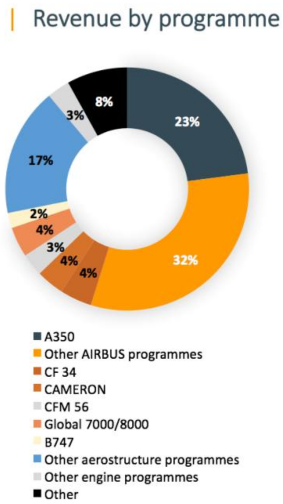
16.6 Risk related to dependency

At 30 September 2015

Main customers:



Main programmes:



XVII - WORKFORCE

Breakdown of the workforce

By category	September 14 Closing	March 15 Closing	September 15 Closing	Change March/September
Executives/managers and equivalent	245	210	358	70.48%
Non-manager	1,268	1,434	1,421	-0.91%
External staff	97	79	50	-36.71%
Total	***1,610***	***1,723***	***1,829***	***6.15%***

By business activities	September 14 Closing	March 15 Closing	September 14 Closing	Change
Aerostructures	1,238	1,322	1,396	5.60%
Assembly on site	106	101	109	7.92%
Machining and surface treatment	176	177	235	32.77%
General and industrial engineering	90	123	89	-27.64%
Total	***1,610***	***1,723***	***1,829***	***6.15%***

By geographical region	September 14 Opening	March 15 Closing	September 15 Closing	Change
Workforce - France	1,364	1,391	1,399	0.58%
Workforce - outside France	246	332	430	29.52%
Total	***1,610***	***1,723***	***1,829***	***6.15%***

XVIII - FINANCIAL COMMITMENTS

18.1 Commitments given - Operating lease

For certain equipment used in its operations, the Group has recourse to operating leases. At 30 September 2015, the various operating leases totalled commitments of €733 thousand compared to €1,689 thousand at 31 March 2015.

Total rent in K€	Share < 1 year	Part to + 1 year - 5 years	Share > 5 years
733	522	211	

XIX - RELATED PARTIES

Related parties are defined in accordance with IAS 24 and are presented below with details of transactions carried out during the first half of 2015.

Related parties are defined as such as a consequence of the equity investment of Mr Jean Claude Maillard in MP Usicap and the Group Avantis Engineering.

(In € thousands)

	Purchases excl.tax	Trade payables	Sales excl. tax	Trade receivables
Transactions with related companies	2,723	0	573	686

19.1 With MP USICAP

MP USICAP is a sub-contractor of the Group which buys machining services for aerospace parts. Purchases amounted to €813 thousand excluding tax. At 30 March 2015, the outstanding balance of trade payables was €106 thousand.

The Group invoiced €43 thousand to MP USICAP for management services. At 30 September 2015, the outstanding balance of trade receivables was €50 thousand.

19.2 With the Avantis Engineering Group

Avantis Engineering Group sells the Group programming means for production schedules and sub-assembly study services.

At 30 September 2015 purchases amounted to €1,910 thousand, and outstanding trade payables stood at €1,179 thousand.

The Group invoiced €530 thousand excluding tax to Avantis Engineering Group for machining and mechanical welding services. At 30 September 2015, the outstanding balance of trade receivables was €636 thousand.

19.3 With the Board of Directors

Only Mr Jean-Claude Maillard, Chairman, is entitled to receive compensation paid by the Group.

Summary table of the remuneration of each corporate officer				
Jean-Claude MAILLARD Chairman and Chief Executive Officer	**30 September 2015**		**31 March 2015**	
	Amount due	**Amount paid**	**Amount due**	**Amount paid**
Fixed Remuneration	€48,000	€48,000	€96,000	€96,000
Variable remuneration	None	None	None	None
Indirect remuneration	None	None	None	None
Exceptional remuneration	None	None	None	None
Directors' fees	None	None	None	None
Benefits in kind	€1,737 (use of a vehicle)	€1,737 (use of a vehicle)	€3,129 (use of a vehicle)	€3,129 (use of a vehicle)
Total	**€49,737**	**€49,737**	**€99,129**	**€99,129**

XX - SUBSEQUENT EVENTS

Figeac Aéro was selected by Embraer for the E-Jets E2 programme. This contract over its duration represents revenue of $230 million.

Upon presentation of its half-year results, the Group announced its aim to increase capital enabling it to achieve new revenue goals by the March 2020 fiscal year. The amount raised would be between €75 and €86.2 million.

This transaction would be followed by a transfer of Figeac Aéro shares to Euronext Paris for the purpose of increasing liquidity and improving share performance. The Company chose Oddo and Midcap Partners to assist with this project.

Figeac Aéro was granted a €25 million financing facility from the EIB to support its R&D investments, disbursed in two instalments: January and July 2016.

20.5.2 Statutory Auditors' review report on the condensed consolidated interim financial statements

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

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Figeac Aéro S.A.

Registered office : Zone Industrielle de l'Aiguille - 46100 Figeac
Share capital: €. 3,195,101

Statutory Auditors' review report on the condensed consolidated interim financial statements

Period from 1 April 2015 to 30 September 2015

To the Chief Executive Officer,

In our capacity as statutory auditors of the company Figeac Aero SA and in accordance with the Commission Regulation (EC) No 809/2004 in the context of the proposed public offer in France and the admission to trading on the regulated market Euronext Paris of the shares of the company Figeac Aero SA, we have reviewed the accompanying condensed consolidated interim financial statements of the company Figeac Aero SA for the period from 1 April 2015 to 30 September 2015, as attached to this report.

We highlight that the condensed consolidated interim financial statements for the period from 1 April 2014 to 30 September 2014 are presented as comparative information and have not been subject to audit or review.

The preparation of these condensed interim consolidated financial statements is the responsibility of the Board of Directors. Our role is to express a conclusion on these condensed consolidated financial statements based on our review.

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRS's as adopted by the European Union applicable to interim financial information.

Without qualifying our conclusion, we draw your attention to the following matters set out in the notes of the condensed interim financial statements regarding:

- note 3.2. "Comparability of accounts - change in method " of the annex to the condensed interim consolidated financial statements regarding the effects related to the application of IFRIC 21 interpretation on levies accounting as from 1 April 2015;

- note 3.3. "Restatements relating to the comparative information on 30 September 2014" that outlines the effects related to the change in the exchange rate used to account foreign currency transactions.

Statutory Auditors

Labège and La Défense, 3 March 2016

KPMG Audit
Department of KPMG S.A.

Jean-Marc Laborie
Associate

FIDAUDIT
Member of the FIDUCIAL network
Jean-Pierre Boutard

20.6. DIVIDEND POLICY

Given its strategy for growth, the Company does not intend, at the date of this Prospectus, to adopt a regular dividend policy.

However, the Company's Board of Directors will regularly re-evaluate its dividend policy taking into account the general economic environment, industry-specific conditions, the Company's profit or loss, its financial position, shareholders' interests and any other factor it considers relevant.

20.7. LITIGATION – LEGAL AND ARBITRATION PROCEEDINGS

As at the date of this Prospectus, the Company was involved in four labour disputes. Through its activity and the size of its workforce, employee-related disputes are part of the Group's everyday life. However, the Company believes that the provisions made for disputes known at the date of this Prospectus are sufficient to avoid the Group's consolidated financial position being significantly impacted in the event of unfavourable outcomes.

All employee-related labour disputes are detailed in the table below:

Designation	Amount of the claim (€)	Provision set aside (€)	Stage of the procedure
Discrimination relating to trade union activities	53,310	31,060	The Company won the initial trial, the decision was upheld on appeal, the opposing parties have taken the case to the Court of Cassation (the Supreme Court of Appeals).
Consideration of time needed for dressing and undressing	Not assessed	786,127	The Court of First Instance of Cahors declared that handling the claims did not fall within its jurisdiction, the CGT trade union appealed this decision, the proceedings are pending.
Litigation - Employee 1	36,695	0	The Company was ordered to pay a sum of €24,695 to the employee who is appealing the decision. The employee was seeking €36,395.
Litigation - Employee 2	37,330	19,630	In the initial trial, the employee's claims were dismissed. He appealed the decision (appeal pending)

The Company was subject to a URSSAF (social security) audit in 2015, which resulted in the return of a sum of €97,459.

It was also subject to a tax audit in 2015. The adjustment notification issued by the tax authorities and received by the Company on 17 December 2015 related to the inclusion of certain categories of the Company's employees in respect of the calculation of the Research Tax Credit (all of the projects selected by the Company are considered eligible). The Company is currently preparing its response to the tax authorities' comments, and has set aside a provision covering 20% of the amount of the adjustment, i.e. €342.000.

No other litigation, or governmental, judicial or arbitration proceedings, including any proceedings of which the Group is aware or any that are pending or threatened, are likely to have or have had in the last 12 months a material impact on the Group's financial position or financial performance.

20.8. MATERIAL CHANGES IN THE FINANCIAL OR TRADING POSITION

Except for the items detailed below, the Company has experienced no material changes in its financial or trading position since 30 September 2015:

- the Company signed a contract with Embraer on October 12, 2015 for the production of parts for different versions of the E-Jets E2 programme, valued at $230 million over the entire life of the programme;

- the Company obtained a €25 million loan from the European Investment Bank (EIB) on January 27, 2016 to bolster the Group's investment in research, development and innovation. This financing will enable the Company to continue to focus on its innovation and competitivity initiatives centered on the performance of its machining techniques and the optimisation of its machinery.

- the Company has entered into a Long Term Agreement with Stelia Aerospace early 2016 for the production of multiple individual detail parts and sub-assemblies as part of various aeronautical programs, valued at $400 million.

21. ADDITIONAL INFORMATION

21.1. SHARE CAPITAL

21.1.1. Amount of share capital

At the date of this Prospectus, the Company's share capital stood at €3,332,101.56. It is divided into 27,767,313 shares with a par value of €0.12 per share, of a single class.

21.1.2. Non-equity shares

At the date of this Prospectus, there are no non-equity shares.

21.1.3. Equity securities held by the Company or for its own account

The Combined General Meeting of 25 September 2015 authorised the Board of Directors, for a period of 18 months as from the Meeting, to trade in the Company's shares as part of a stock buyback program implemented as provided for in Articles L. 225-209 et seq. of the French Commercial Code and AMF General Regulations under the conditions detailed below.

21.1.3.1. Objectives of the share buyback program

The Board of Directors is authorised to trade in the Company's shares to:

- act on the secondary market, particularly to bolster liquidity, through an independent Investment Services Provider, under a liquidity agreement consistent with the Code of Ethics approved by the AMF;
- implement any share purchase option plan of the Company pursuant to Articles L. 225-177 et seq. of the French Commercial Code;
- grant shares for no consideration pursuant to Articles L. 225-197-1 et seq. of the French Commercial Code;
- allocate shares to employees for their contribution to the Company's growth and put in place any company savings scheme under the conditions provided by law, particularly Articles L. 3332-1 et seq. of the French Labour Code;
- hold shares for subsequent remittance by way of payment or exchange in the context of any external growth transactions;
- deliver shares upon the exercise of rights attached to securities giving access to the capital;
- cancel all or part of the repurchased shares to decrease the share capital subject to authorisation by an Extraordinary General Meeting having validity;
- and, more broadly, carry out any transaction currently authorised or subsequently authorised by law or any market practice approved by the AMF, with the understanding that the Company will inform its shareholders of any transactions by communiqué.

21.1.3.2. Description of the share buyback program

Conditions for buybacks: The shares may be bought by any means, on one or more occasions, on regulated markets or over the counter, under the conditions authorised by the relevant market authorities and admissible market practices approved by the AMF. These means include the use of any financial derivative instrument or the implementation of option strategies, with the Company taking measures, however, to avoid materially increasing the volatility of its stock.

The Company reseves the right to buy back blocks of shares. The Company reserves the right to pursue this share buyback program in the event of a hostile tender or exchange offer for its securities, in compliance with Article 231-40 of AMF's General Regulations.

Maximum purchase price: Shares will not be repurchased at a price higher than €27 per share, with it being clear that in the case of a change in the nominal value of the shares, a capital increase by incorporation of reserves and share grants for no consideration, as well as in the case of a stock split or reverse stock split, redemption or reduction of share capital, distribution of retained earnings or other assets and any other transactions related to equity, this unit price will be adjusted by a multiplier equal to the ratio of the number of shares making up the share capital before the transaction and the number of shares after the transaction.

Maximum amount of funds allocated to the buyback: Under any and all circumstances, the maximum amount that the Company would be capable of paying could not exceed three million euros (€3,000,000).

Maximum number of shares that can be purchased: The maximum number of shares that may be purchased may not exceed 10% of the total number of shares outstanding at the date of these purchases. However, the number of shares purchased for the purpose of being kept and subsequently remitted in payment or exchange in connection with a merger, split-off or capital contribution may not exceed 5% of its share capital.

Maximum number of Treasury shares: In accordance with Article L. 225-210 of the French Commercial Code, the Company may not hold, directly or indirectly, more than 10% of its share capital.

21.1.3.3. Disclosure requirements

It should be noted that the Company is under the following disclosure requirements:

Prior to the implementation of the buyback program:

- publication of a description of the share buyback program.

During the share buyback program:

- weekly share buyback reporting online on the Company's Internet site (excluding transactions carried out under the liquidity agreement);
- monthly reporting by the Company to the AMF.

Each year:

Presentation of an assessment of the implementation of the share buyback programme and an explanation of the manner the purchased shares were used in the Board of Directors' report at the General Meeting.

21.1.3.4. Liquidity agreement

Since 13 January 2014, the Company has entrusted Louis Capital Markets with implementing the liquidity agreement relating to the shares within the framework of an agreement consistent with the Code of Ethics issued by the French Financial Markets Association (AMAFI). The purpose of this agreement is to promote liquidity in transactions and stock price stability to prevent price discrepancies that are not justified by the market trend.

Upon its signing on 13 January 2014, the liquidity agreement was allocated €500,000. At 31 December 2015, the Company held 7,352 treasury shares purchased exclusively within the framework of the liquidity agreement.

21.1.4. Other equity securities

The Company has not issued any other equity securities.

However, after having approved the launch of a grant of free shares on 6 November 2015, the Board of Directors, in 29 February 2016, made use of the authorisation it was granted by the Combined General Meeting of Shareholders of 25 September 2015, pursuant to its 15th Resolution. The Board of Directors decided to carry out a share grant of a maximum 53,551 number of new shares for all the Company's employees and its French subsidiaries.

21.1.5. Authorised share capital

The Combined General Meeting of 25 September 2015 conferred the following delegated powers and authorisations on the Board of Directors:

Delegated powers / Authorisations in favour of the Board of Directors	Maximum nominal value	Duration
Delegated power to issue, with preferential subscription rights maintained, of shares and/or securities providing access to new shares of the Company	€1,500,000 (1)	26 months
Delegated power to issue, with preferential subscription rights cancelled, of shares and/or securities providing access to new shares of the Company, in accordance with Article L. 225-136 of the French Commmercial Code, within the framework of a public offering	€1,500,000 (1)	26 months
Authorisation to launch a public offering set out in Article L. 411-2 II of the French Monetary and Financial Code to implement the 10th Resolution, pursuant to Article L. 225-136 of the French Commercial Code	20% of share capital per year (1)	26 months
Authorisation to increase, pursuant to Article L. 225-135-1 of the French Commercial Code, the number of shares to be issued with preferential subscription rights maintained or cancelled under the terms of the 9th, 10th and 11th Resolutions	15% of the primary issue (1)	26 months
Delegated power to issue shares reserved for employees participating in the company savings scheme, with preferential subscription rights cancelled, of shares and/or securities providing access to new shares of the Company pursuant to Article L. 225-138-1 of the French Commercial Code	1% du share capital (1)	26 months
Ceiling on total monetary amount of authorised share issue	€1,500,000 (2)	-
Authorisation to carry out a grant of free shares for eligible employees or corporate officers of the Company or affiliated companies	1% du share capital (1)	38 months
Authorisation to grant share subscription options or options to purchase shares to eligible employees or corporate officers of the Company or affiliated companies	1% of share capital (4)	38 months
Delegated power to increase share capital through the incorporation of reserves, premiums, profits or any other amounts pursuant to Article L. 225-130 of the French Commercial Code	-	26 months
Authorisation to reduce the share capital by cancelling shares	10% of share capital	24 months

(1) These individual ceilings are deducted from the overall ceiling on total monetary amount of authorised share issues amounting to €1,500,000.
(2) This represents an overall ceiling.
(3) It is an individual and autonomous ceiling. This authorisation was used on 29 February 2016 by the Board of Directors for 53,551 a maximum number of new shares, as part of a grant of free shares for all the Company's employees and its French subsidaries.
(4) These are individual and autonomous ceilings.

21.1.6. Information on the share capital of any member of the Group subject to an option agreement

None.

21.1.7. Share capital history

The following table present the changes in the Company's share capital over the past three years ended.

Date	Type of transaction	Shares issued	Nominal value of capital increase	Issue premium	Issue unit price	Number of shares after the transaction	Nominal value	Share capital after the transaction
19/12/2013	Split	-	-	-	-	25,000,000	€0.12	€3,000,000
20/12/2013	Private offering	1,580,000	€189,600	€9.08	€9.20	26,580,000	€0.12	€3,189,600
15/02/2014	Capital increase reserved for employees	45,845	€5,501.40	€7.24	€7.36	26,625,845	€0.12	€3,195,101.40
13/03/2015	Private offering	1,111,111	€133,333.32	€17.88	€18	27,736,956	€0.12	€3,328,434.72
30/06/2015	Capital increase reserved for employees	30,557	€3,666.84	€13.17	€13.29	27,767,513	€0.12	€3,332,101.56

21.1.8. Collateral, privileges and pledges on the Company's share capital

The Company is not aware of the existence of any collateral, privileges or pledges on its share capital.

21.2. ARTICLES OF ASSOCIATION AND BY-LAWS

21.2.1. Corporate Purpose

Article 3 – Corporate Purpose

The purpose of the Company, in France and in all countries, is to:

- perform all general precision mechanical work;
- provide professional training;
- create, acquire, rent, lease, install or operate any establishment, business, factory, workshop as relating to any of the following activities;
- the filing, acquiring, operating or selling of all processes and patents pertaining to its activities;
- the Company's direct or indirect participation in any business organisation or commercial or industrial enterprise related to its corporate purpose;
- all transactions whatsoever that contribute to achieving this purpose.

21.2.2. Board of Directors and General Management

Article 12 – Board of Directors

The Company is managed by a Board of Directors composed of between three and eighteen members, save as otherwise provided by law.

The directors may be natural or legal persons. Legal persons acting as directors are required to designate a permanent representative in order to participate in the deliberations of the Board of Directors, and, more broadly, to perform duties as directors, in accordance with the same conditions and requirements and incurring the same civil and criminal liability as if he were director in his own name. The term of office of the permanent representative will be the same as that of the legal person he represents. The term of office must be renewed each time the legal person is eligible for re-appointment.

During the life of the company, directors will be appointed or re-appointed by the Annual Shareholders' Meeting.

Article 13 – Term of office - Age limit - Replacement

The term of office for directors is six years and expires at the end of the Ordinary Shareholders' Meeting to approve the financial statements of the financial year last ended during which the term of said director expires.

Directors are always re-eligible. The number of directors having reached the age of seventy-five (75) may not exceed one-third of the members of the Board of Directors. If this limit is reached, the oldest director shall be considered to have automatically resigned his term of office.

If one or more of the Board of Director seats becomes vacant, the Board of Directors may, between two Shareholders' Meetings, make temporary appointments that will be subject to confirmation at the next Ordinary General Meeting.

If the number of directors falls below the number required for a quorum, a General Meeting must immediately be called by the director or directors remaining to fill the vacancies on the Board.

A director appointed to replace another holds office for the remainder of the replaced director's term of office.

Article 14 – Board Chair and Secretary

The Board of Directors elects as Chairman one of its members for a term not exceeding his term of office as a director. The Board of Directors may remove the Chairman from office at any time.

The Chairman of the Board of Directors will carry out the duties conferred on him under the law, namely organising and directing the work of the Board of Directors, for which he shall be accountable to the General Meeting. He shall ensure that the Company's management bodies function properly and in particular ensure that the directors are able to fulfill their duties.

The age limit for holding office as Chairman is seventy (70) years. When he reaches this age, the Chairman shall be considered to have automatically resigned.

In addition, the Board may appoint a Vice Chairman if it considers it useful to do so. The duties of the Vice Chairman consist exclusively of presiding over board or shareholders' meetings in the absence of the Chairman. In the absence of the Chairman and the Vice Chairman, a director present will be designated by the Board to chair the meeting.

The Board may also designate a Secretary who will be chosen from outside the directors and shareholders for a fixed term of office. The decision of the Board to replace the Secretary shall be taken by a simple majority.

Article 15 – Deliberations of the Board of Directors

The Board of Directors meets as often as the interests of the Company require. Meetings may be held at the registered office or any other location stated on the notice of meeting.

Board meetings shall be convened by the Chairman. The Board of Directors may be convened by any means including verbally.

Where the general management of the Company is not assumed by the Chairman, the Chief Executive Officer may ask the Chairman to convene a meeting with a specific agenda.

Where the Board has not been convened for more than two months, directors making up at least one-third of the Board members may ask the Chairman, who is bound by such request, to convene the Board of Directors, with a specific agenda.

Decisions are taken on the basis of a majority of the votes of the members present or represented, with each having one vote. In the event of a tie, the Chairman of the meeting has the casting vote.

In accordance with the provisions of the internal regulations of the Board of Directors, directors participating in Board meetings by means of videoconferencing or telephone in accordance with the regulations in force are deemed to be present for the purpose of calculating the quorum and the majority.

An attendance register is kept, duly signed by the shareholders participating in the Board of Directors meeting and indicating the name of the directors who participated in the deliberations.

The deliberations of the Board are recorded in minutes which are written up in a bound register or on loose sheets of paper and then signed in accordance with legal and regulatory requirements.

Individuals authorised to certify the copies and extracts of the minutes of the deliberations in conformity with the original are determined in accordance with currently applicable requirements.

Article 16 – Powers of the Board of Directors

The Board of Directors lays down guidelines for the Company's activities and ensures that they are implemented.

Without prejudice to the powers expressly vested by law in General Meetings of Shareholders and within the limits of the corporate purpose, the Board shall consider matters relating to the smooth running of the Company and through its deliberations, shall settle all matters that concern the Company.

With respect to third parties, the Company is bound by acts of the Board of Directors even if they do not fall within the scope of the corporate purpose, unless the Company proves that the third party knew that the act exceeded such purpose or that it could not have been unaware of this given the circumstances, and publication of these Articles of Association alone shall not constitute sufficient proof.

The Board of Directors shall carry out the controls and audits it deems appropriate. The Chairman or the Chief Executive Officer shall provide each director with all the documents and information needed to carry out his duties.

The Board of Directors may adopt rules of procedure setting out its operating procedures. The Board of Directors has the power to amend or revoke these rules of procedure.

The Board of Directors may decide to form committees to address issues that the Board of Directors or its Chairman submits for an opinion. The Board shall determine the composition and functions of the committees that carry out their duties under its responsibility. The Board shall determine the remuneration of the committee members.

Article 17 – General Management of the Company

17.1 - Types of General Management

The General Management of the Company is exercised under the responsibility of either the Chairman of the Board of Directors or another natural person appointed by the Board of Directors with the title of Chief Executive Officer.

The Board of Directors may choose between these two aforementioned types of management each time the appointment or re-appointment of the Chief Executive Officer is considered.

The Board of Directors' decision on the management model shall be taken by a majority of the directors present or represented.

A change in the general management model shall not require an amendment of the by-laws.

17.2 - Chief Executive Officer

Where the Board of Directors decides to confer the duties of Chief Executive Office on its Chairman, these duties are conferred on the Chairman for the duration of his term of appointment as Chairman or for the remainder of this term. This applies in particular when duties are conferred to replace a preceding Chief Executive Officer who has left office.

Where the General Management of the Company is exercised by the Chairman, the legal, regulatory or statutory requirements with respect to the Chief Executive Officer apply and he shall have the title of Chairman-Chief Executive Officer.

Where the Board of Directors elects to separate the roles of Chief Executive Officer and Chairman of the Board of Directors, it shall appoint the Chief Executive Officer, determine his term of office, his remuneration and, where applicable, the limits to his power.

No one over the age of 70 may be appointed Chief Executive Officer. When the Chief Executive Officer reaches this age limit while in office, his term shall automatically by law expire and the Board of Directors will appoint a new Chief Executive Officer.

The Chief Executive Officer may be removed from office at any time by the Board of Directors. Where the Chief Executive Officer does not carry out the duties of Chairman of the Board of Directors, his removal, if decided on unfair grounds, may give rise to damages.

The Chief Executive Officer shall have the broadest powers to act in the name of the Company under all circumstances. He shall carry out his duties within the scope of the corporate purpose and subject to the powers expressly reserved by law to General Meetings of Shareholders and the Board of Directors.

The Chief Executive Officer represents the Company in its dealings with third parties. The Company is bound even by acts of the Chief Executive Officer which are not within the scope of the corporate purpose, unless it proves that the third party was aware that the act exceeded such purpose or that it could not have been unaware of this given the circumstances, and publication of these Articles of Association alone shall not constitute sufficient proof.

17.2 - Deputy Chief Executive Officers

On a proposal from the Chief Executive Officer, the Board of Directors may appoint one to five natural persons maximum to assist the Chief Executive Officer, with the title of Deputy Chief Executive Officer. The Board shall determine the scope and duration of the powers, with the understanding that Deputy Chief Executives have the same powers as the Chief Executive Officer vis-à-vis third parties.

The Deputy Chief Executive(s) may be dismissed by the Board of Directors at any time, pursuant to a proposal by the Chief Executive Officer.

If the Chief Executive ceases or is unable to carry out his duties, the Deputy Chief Executive(s), unless the Board decides to the contrary, may continue to carry out their duties and retain their powers until a new Chief Executive Officer is appointed.

17.4 - Remuneration

The Board of Directors shall determine the amount of remuneration and the compensation arrangements of the Chairman, the Chief Executive Officer and the Deputy Chief Executive Officers.

Article 18 – Remuneration of Directors

The Ordinary General Meeting may award the directors, as directors' fees for services rendered, a fixed annual amount to be determined by this General Meeting, without being bound by previous decisions.

The Board of Directors may freely distribute the overall sum allocated to the directors in the form of directors' fees.

The Board of Directors authorises refunds for travel expenses and expenses incurred by the directors in the interest of the Company.

21.2.3. Rights, privileges and restrictions attached to the shares of the Company

Article 8 – Form of the Shares and Identification of Shareholders

The shares are issued and paid-up as provided by law.

Shares are registered shares in the name of their holder in an account held by the Company until they are fully paid-up.

The fully paid up shares may be in registered or bearer form, at the owner's discretion.

Shares shall be registered in an account under prevailing laws and regulations.

The Company may request at any time a central securities depositary to manage the Company's share issue account, under prevailing laws and regulations. Identifying the shareholders grants immediate or future entitlement to vote at General Meetings of Shareholders as well the number of shares held by each of them.

The shares are freely tradable unless otherwise provided for by law. Shares are sent by inter-account transfer.

Article 9 – Indivisibility of shares

The shares are indivisible with respect to the Company.

Joint owners of shares shall be represented at Shareholders' Meetings by one of them or by a sole proxy. In case of disagreement, the proxy will be appointed by the court by the first joint owner to so request.

Article 10 – Rights and obligations attached to shares

Each share shall confer the right to a portion, proportional to the number and par value of the existing shares, of the Company's assets, profits and proceeds of liquidation.

The shareholders shall be liable for losses only to the extent of their contributions to the share capital.

Possession of a share automatically implies full adherence to these Articles of Association and the resolutions of the Shareholders' Meetings.

Whenever it is necessary to be in possession of a certain number of shares in order to exercise some right, shareholders in possession of a number of shares lower than the number required to exercise such rights may exercise the said rights only if they themselves obtain the required number of shares.

Voting rights attached to a share are proportional to the par value of such share. Each share entitles the holder to at least one vote.

However, voting rights double those of other shares, in proportion to the total number of shares they represent, are granted to all fully paid-up shares which can be shown to have been registered for at least two years in the name of the same shareholder.

The double voting right automatically ceases for any share which has been converted to a bearer share or transferred subject to the exceptions provided by law. Nevertheless, the acquired right is preserved and the two-year period is not suspended, as provided for in the preceding paragraph, for a transfer of a registered share resulting from a succession, the sharing out of matrimonial property or an inter vivos gift to a spouse or a relative. If the Company is merged or split up, the double voting right can be exercised with the beneficiary company or companies if their Articles of Association stipulated this.

In the event of an increase in share capital by capitalisation of reserves, profits or issue premiums, the double voting right is granted, as soon as the shares are issued, to the registered shares allotted free of charge to a shareholder in proportion to the old shares with respect to which he benefits from this right.

Any share converted to a bearer share or whose ownership is transferred shall lose double voting rights subject to the exceptions provided by law.

Notwithstanding the legal provisions, where a share is encumbered by usufruct, voting rights shall be exercised by the bare owner, for both Ordinary and Extraordinary General Meetings, except in the case of decisions on the allocation of profits where the voting rights are reserved for the beneficiary owner. As a result, the beneficiary owner's voting right is limited to decisions on the allocation of profits subject to shareholder vote at the Ordinary General Meeting.

A double voting right shall be granted to the beneficiary owner and the bare owner, allocated under the same terms, if their names have been registered for at least two years in the Company's registers.

Where there is dismemberment of ownership of a share, double voting rights cease ipso jure if the name of its holder no longer appears in the Company's registers, subject to the exceptions provided by law.

21.2.4. Procedures for modifying the rights of shareholders

There is no specific provision in the by-laws governing the modification of shareholders' rights.

21.2.5. General Meeting of Shareholders

Article 20 – Shareholders' Meetings - Nature of the Meetings

Collective decisions by the shareholders are made at Ordinary or Extraordinary General Meetings, or even Class Meetings, depending on the type of decisions that need to be made.

Ordinary General Meetings are called to make decisions that do not require amendments to the by-laws.

Extraordinary General Meetings are called to decide and authorise direct or indirect amendments to the by-laws.

Class Meetings convene shareholders of a class of shares to rule on modifications of the rights attached to that class of shares.

Any resolutions passed by the General Meetings are binding upon all shareholders, whether absent, dissenting or under disability.

Article 21 – Notice – Attendance– Representation

21.1 - Notice of Meeting

The General Meetings are convened in accordance with the law.

The meetings are convened at the registered office or any other location, in France or abroad, as indicated on the notice of the meeting.

21.2 - Attendance

Any shareholder who is recorded in the Company's shareholder register is authorised to attend the General Meetings under the terms and within the time limits provided for by prevailing regulations.

21.3 - Representation

All shareholders may be represented by proxy as permitted by law. Shareholders may also cast a postal vote as provided for by law.

The Board of Directors may decide that shareholders are entitled to attend and cast a vote at any Meeting by means of videoconferencing or telephone in accordance with the regulations in force.

21.4 - Dismemberment of shares

In accordance with Article 10 above, where there is dismemberment of ownership of a share, voting rights shall be exercised by the bare owner, except for decisions relating to the allocation of profits that is subject to a shareholder vote at the Ordinary General Meeting.

The bare owner, in his individual capacity as shareholder, is entitled to attend, participate in and be represented by proxy at all the General Meetings, without restrictions and whether Ordinary or Extraordinary, and to be convened in the manner and within the time limits provided for in this Article, including at Meetings for which he is not entitled to vote on certain resolutions in accordance with Article 10.

Consequently, the beneficiary owner shall be convened and participate exclusively in the Ordinary General Meeting that decides on the allocation of profits, a decision for which, by way of derogation, he is entitled to cast a vote. The bare owner shall be convened, participate in and exercise his right to vote at all the General Meetings, except for, with regard to the exercise of his right to vote, any resolution on the allocation of profits for which the right to vote belongs to the beneficiary owner.

21.2.6. Provisions that may delay, defer or prevent a change in control

The by-laws do not include any provisions that may delay, defer or prevent a change in control other than the attribution of double voting rights to all fully paid-up shares held in registered form in the name of the same shareholder for at least two years.

In that respect, it should be noted that due to the shares being admitted to trade on the Paris Euronext regulated market, the Company will in all probability be subject to the legal framework for the attribution of double voting rights under the loi Florange, in accordance with Article 225-123 of the French Commercial Code.

21.2.7. Disclosure thresholds

Article 11 – Disclosure thresholds

Any natural or legal person, acting alone or in concert, who obtains a number of shares or voting rights crossing more than one of the statutory thresholds, must comply with the disclosure requirements within the given timeframe. The same disclosure must be made where ownership of the share capital or voting rights passes below the statutory thresholds.

In the event of failure to comply with the above obligations, the undisclosed shares shall be stripped of voting rights as provided for in the French Commercial Code.

21.2.8. Modification of share capital

There are no specific provisions in the by-laws governing the modification of share capital.

22. IMPORTANT CONTRACTS

The Company signed a number of contracts that will positively impact the Group's expected growth. The main contracts include:

1) Memorandum of understanding for the production of multiple individual detail parts and sub-assemblies in the context of various aeronautical programs

This memorandum of understanding ("Long Term Agreement") entered into with Stelia Aerospace for the production of mechanical parts in aluminum and titanium of small, medium and large dimensions as well as sub-assemblies for the A320 programs ceo and neo, A350 and the Bombardier business aircraft Global 7000 and 8000 program.

The agreement is valued at nearly $400 million.

The production of this new market will involve the different know-hows of the Group, both on the different sites in France but also on the "best cost" sites in Morocco and Tunisia.

2) A contract to supply LEAP engine casings

This contract was entered into with Snecma to manufacture VCI casings for the LEAP engine, covering the LEAP A model (to equip the Airbus A320neo) and the LEAP B model (to equip Boeing B737 MAX). Figeac Aéro will manufacture these engines with three other companies including Snecma.

The term of the contract is for a period of eleven years with possible extensions after that.

Figeac Aéro will supply the raw materials used in the manufacturing. Billings will be denominated in US dollars.

The manufacture of these parts will be carried out in a new workshop wholly designed and dedicated to this contract.

This contract represents total billings of $500 million.

This agreement may be early terminated by the client under the following conditions (Article 12 of the agreement):

- With immediate effect:
  - in case of violation of the obligations of the Company under sections dealing with:
    - Intellectual property and confidentiality ;
    - liability and insurance,
    - export controls;
  - in case of failure of the supplier to perform any of its obligations under the agreement documents and if the supplier fails to remedy the breach within 45 days as from the date of receipt of the written notification addressed to the supplier by Snecma .

- With a 30-day notice:
  - in case of acquisition of shares in the supplier's share capital by a competing company of Snecma;
  - in the event of voluntary or involuntary termination or initiation of safeguard, recovery or judicial liquidation proceedings of the supplier, subject to applicable public order provisions;
  - upon the occurrence of an event as described in section 4.3.

3) A contract to supply T12 floors for the AIRBUS A350

This contract was entered into with Aerolia (which became Stélia in 2015) to manufacture sub-assembly T12 floor sections for the Airbus A350 (machining of the basic parts, rails, beams and assembly of all these parts).

Figeac Aéro will ensure the entire production rate.

The contract covers the manufacture and delivery of equipment for 800 airplanes and was signed in December 2009.

Based on current rates announced by the manufacturer, the delivery of the 800th aircraft is positioned in 2022. This agreement may be extended after negotiating the extension terms with the client.

Figeac Aéro will supply the raw materials used in the manufacturing. Billings will be denominated in US dollars.

Manufacturing of the sub-assemblies will be carried out on site at the Company and on site in Meaulte (FGA Picardie).

The agreement may be early terminated by the client under the following conditions (Article 17 of the contract):

- In case of non-compliance or breach of contractual obligations not remedied within 28 days after the written warning of the customer,
- In case of safeguard proceedings, recovery or judicial liquidation proceedings of the supplier ,
- In case of failure to deliver not justified by a *force majeure*.

The agreement also contains sections of "enabled material" which set the terms of purchase (price, logistic conditions, etc.) negotiated by the client, to which the Company has access to (the COMBID system).

4) A contract to supply "Pylon Primary Structures" for the Airbus A350.

This contract was entered into with Airbus to manufacture the "Primary Structure" of Airbus A350's engine pylon. Figeac Aéro will carry out the manufacturing with another company (outer panel machining, parts making up the pylon).

The contract covers the manufacture and delivery of equipment for 400 airplanes and was signed in July 2009.

Based on current rates announced by the manufacturer, the delivery of the 400th aircraft is positioned in 2019.

This agreement may be extended after negotiating the extension terms with the client.

Figeac Aéro will supply the raw materials used in the manufacturing. Billings will be denominated in US dollars.

Manufacturing of the sub-assemblies will be carried out on site at the Company.

The agreement may be early terminated by the client under the following conditions (Article 17 of the agreement):

- In case of non-compliance or breach of contractual obligations not remedied within 28 days after the written warning of the customer,
- In case of safeguard recovery or judicial liquidation proceedings of the supplier,
- In case of failure to deliver that is not justified by a force majeure.

The agreement also contains sections of "enabled material" which set the terms of purchase (price, logistic conditions, etc.) negotiated by the client, to which the Company has access to (the COMBID system).

23. THIRD-PARTY INFORMATION, EXPERT STATEMENTS AND DECLARATIONS OF INTEREST

None.

24. PUBLICLY AVAILABLE DOCUMENTS

[Intentionally omitted]

The by-laws, minutes of General Meetings and other corporate documents of the Company, as well as any historical financial information or any assessment or statement made by an expert at the request of the issuer must be made available to the shareholders in accordance with the legal and regulatory requirements and may be consulted free of charge at the Company's registered office.

Prescribed information relating to the Company, as defined in AMF's General regulations, is also available on the Company's website www.figeac-aero.com.

25. INFORMATION ON HOLDINGS

All the subsidiaries of the Company are included in Chapter 7 on the "*Organisational Chart*" in the first part of this Prospectus.

In addition, the Company has a 1% equity interest in Aero Trade, a central buying service in the form of a simplified joint-stock company with capital of €1,512,000, registered on 24 February 2010 in Toulouse under number 520,459,876, with its registered office located at 23, avenue Edouard Belin, 31400 Toulouse.

26. GLOSSARY

Casing

In engineering, a casing (named after its inventor J. Harrison Carter) is an envelope that protects mechanical systems, often hermetically sealed, and contains the lubricants required for its functioning or systems that need to be protected from the elements.

COMBID

Contract negotiated by Airbus with its raw material suppliers governing price terms, deadlines, the obligations of the parties and the cascade effect of the terms thereafter on the parts suppliers that are provisioned by these same raw material suppliers.

Shot peen forming

It consists of using a shot peen technique over a longer period of time and on a part set in a counter-form tool until the desired deformation is obtained.

Shot blasting / shot peening

Shot peening is a technique that consists in blasting, using a shot blasting machine, micro-beads onto the surface of an object to modify its surface structure. Its objectives include:

- surface treatment to improve its appearance (a technique similar to sandblasting);
- *Prestressing or shot peening* to improve the technical properties of the surface.

It is based on continuous projection at high speed, up to 100 m/s, of small steel, glass or ceramic beads, onto the surface of the parts to be processed. Under this hammering or peening or cold-working action, the surface is bent beyond its elastic limit and undergoes a plastic extension, on an ultrathin surface layer (a few hundreths to several tenths of a millimeter).

Motors LEAP / Programme LEAP X

LEAP, for Leading Edge Aviation Propulsion, is a new generation of turbojet engine, designed by the consortium CFM International with both Snecma (Safran Group) and General Electric each owning a 50% stake in the consortium. This turbojet engine will replace the CFM56 line.

In 2010, Comac and Airbus announced that they would equip their respective airplanes, the C919 and the A320neo, with LEAP engines, while in 2011 Boeing confirmed that LEAP would be the only engine for its B737Max.

FMS-type palletisation

The FASTEMS "flexible manufacturing systems" are used to automate pallet-based machining centers. The FMS automatically transfers the pallets within the system. This makes it possible to automate the manufacturing process through the use of automation tools, making manufacturing easier and increasing the production capacity and rate of utilisation of these tools.

The systems can also include materials handling functions as well as a range of machining and raw material pallet sizes within the same system. The load carrying capacity may vary from one pallet to another by a few hundreths of millimetres to several meters for loads up to 20 metric tons or more.

Passivation of stainless steel

The passivation or passivity represents a state of metals or alloys in which their corrosion rate is slowed down by the presence of a natural or artificial passive film when compared to the rate of corrosion without this film.

In most cases (aluminum, stainless steel, titanium) this passive film appears spontaneously through oxidation, because the oxide formed on the surface is insoluble and acts as a barrier that slows down the subsequent processes. In aqueous solutions, the formation of this film is tied to potential electrochemical behaviour and pH values in which the oxide is stable. Consequently, emphasis will be placed on forming the film by oxidation in air before the part is put into service:

- at the end of the manufacturing process, the part will be cleaned to ensure that the passage of air is not obstructed over the part's surface so that the oxide film can form naturally:
  - removal of oils and grease;
  - removal of steel or carbon particles (non-stainless) that might stem from the manufacturing process or handling (tools that were used to work on the steel or carbon parts, projections from parts in close proximity, handling with steel clamping jaws);
- removal of a thick oxide layer that might have formed during heat treatments and welding operations (colour film, calamine, slag);
- using a process to facilitate the formation of the passive layer, if necessary: nitric acid treatments for stainless steel, anodising for aluminum alloys.

Chromating processes

Surface treatment through chromate coatings.

Programme E-Jets E 500

The E-Jets E 500 programme represents the new generation of Embraer commercial jets with a 70 to 130-seat capacity. This new member of the E-Jets E2 family features new wing aerodynamics, new systems and new avionics, fourth generation full fly-by-wire controls, and of course a new engine. Cutting-edge technologies will also deliver double-digit reductions in fuel consumption and CO2 emissions. The three new models will enter into service one after another. The E190-E2 which is scheduled for 2018, will be followed by the E195-E2 in 2019 and the E175-E2 in 2020.

Fluorescent penetrant testing

Penetrant Testing, or PT, is a non-destructive testing method widely used in aeronautics, the energy industry, transportation and surgical prostheses.

This method makes it possible to detect surface discontinuities (cracks, seams) in any metal, and for a wide variety of ceramics and composite parts. This non-destructive testing method is used in foundries, forges and machining units.

Over the years, penetrant testing has been improved and codified. Today's penetrants are more sophisticated than oil. They are generally visible or fluorescent petroleum products, whose sensitivity ranking varies according to the applicable standards and specifications. Fluorescent penetrants are classified into five (from 1/2 to 4) sensitivity levels. There are two levels of sensitivity for visible penetrants under ISO 3452, while American documents show only one level. Whatever the colour, the principle remains the same:

1. Cutting into a material showing signs of surface discontinuities, cracks for example.
2. The penetrant is spread over the surface of the material.
3. The penetrant is washed out of the defect and the part is dried.
4. A developer is spread on the material. The defect becomes visible.

Careful surface preparation is critical, adapted to the material to be tested and the pollutants that need to be removed from the surface. The inside of any discontinuities must also be cleaned.

- The penetrant is spread over the material to be tested, through electrostatic spraying or immersion (sometimes materials are sprayed with aerosols, particularly in the case of penetrant testing on one or more designated areas on a large part).
- The part is washed to remove any penetrant deposited on its surface. The wash conditions (the wash pressure, temperature and

time) are determined by the scope of the penetrant testing, in order to carefully wash the product from the surface without removing the part that penetrated into any of the part's defects.

- The part is dried by heating it in a drying oven or with compressed air (dry air) at very low pressure or with clean cloth, dry and lint-free.
- The developer is then applied as a dry powder, or dissolved or suspended in a liquid carrier.
- The part is then examined, under natural light for colored penetrants or UV (ultraviolet) light for fluorescent penetrants, in accordance with the time requirements of the testing method.
- A test report and/or declaration of conformity is then made.

Sandblasting or shot peening

Sandblasting is an industrial technique used to clean surfaces by propelling an abrasive at high speeds, using compressed air through a blast nozzle.

Intermediate casing shell

For the LEAP engine, the part is static, circular, made out of titanium, approximately two meters in diameter, and found on the outer part of the engine.

Interveine shell

For the LEAP engine, the part is static and found inside the engine.

PART TWO : SECURITIES NOTE

1. PERSONS RESPONSIBLE

1.1. PERSON RESPONSIBLE FOR THE PROSPECTUS

Please refer to section 1.1 of the first part of this Prospectus.

1.2. PERSON RESPONSIBLE FOR FINANCIAL INFORMATION

Please refer to section 1.2 of the first part of this Prospectus.

1.3. DECLARATION OF THE PERSON RESPONSIBLE

Please refer to section 1.3 of the first part of this Prospectus.

2. RISK FACTORS RELATED TO THE OFFERING

In addition to the risk factors described in Chapter 4 "Risk Factors" in Part I of this Prospectus, investors should, before investing in the Company, take into account the risk factors and other information provided in Part II of the Prospectus. An investment in shares of the Company involves risks.

The realisation of one of the significant risks identified in Part 1 or Part II of this Prospectus could have an impact on the business, financial position, results or prospects of the Company. This could cause the market price of the shares of the Company to decline and investors to lose some or all of the money invested in shares of the Company.

Other risks unknown at the date of this Prospectus or deemed immaterial at that date could, if they occur, impact the business, financial position, results and prospects of the Company or the market price of its shares.

2.1. SHARE PRICE FOLLOWING THE OFFERING AND THE TRANSFER OF THE SHARES FROM ALTERNEXT PARIS TO THE REGULATED MARKET OF EURONEXT PARIS

As of the date of this Prospectus, the shares of the Company are listed for trading on the unregulated market of Alternext Paris. The Company will determine the Offering Price in consultation with the Joint Bookrunners, taking into account numerous factors including the economic and market conditions prevailing when the Offering Price is determined, the results and business of the Company, and indicators of investor interest.

The Offering Price is not indicative of the market price of the shares of the Company following their admission to trading on the regulated market of Euronext Paris. The market price after the admission of the shares of the Company to trading on the regulated market of Euronext Paris may vary significantly from the Offering Price.

Although the Company has applied for the admission of its shares to trading on the regulated market of Euronext Paris, it cannot guarantee the existence of a liquid market for its shares or that a market of this nature, if one develops, will endure. If a liquid market for shares of the Company does not develop, the ability of investors to trade their shares in satisfactory conditions may be affected, as may be the market price of the shares of the Company.

2.2. VOLATILITY OF THE MARKET PRICE OF THE SHARES OF THE COMPANY

The market price of the shares of the Company may be materially affected by many factors affecting the Company, its competitors, general economic conditions or the aerospace industry. Thus, the market price of the shares of the Company may fluctuate significantly in response to such events as:

- changes in the financial results, forecasts or outlook of the Group or its competitors from one period to another;
- announcements by competitors or other companies with similar activities and/or announcements concerning the aerospace market, including announcements relating to the operating and financial performance of such companies, their outlooks or other matters affecting them;
- changes in the overall economic environment in the countries where the Group operates;
- announcements of deferrals or cancellations of aircraft orders by major customers of the Group;
- adverse developments in foreign exchange markets;
- adverse changes in the regulatory environment of countries or markets specific to the Group's business sector or the Group itself;
- announcements of changes to the Company's shareholding structure;
- announcements of changes to the Group's management team or among its key employees;
- announcements bearing on the scope of the Group's assets (acquisitions, disposals, etc.).

In addition, the capital markets are vulnerable to significant fluctuations that are not always related to the results and prospects of the companies whose shares are admitted to trading on regulated markets. Such market fluctuations or adverse economic conditions could materially affect the market price of the shares of the Company.

2.3. CONTROL OF THE COMPANY BY A MAJORITY SHAREHOLDER

The Company is controlled by Jean-Claude Maillard, Chairman and Chief Executive Officer and majority shareholder of the Company, who holds, directly and indirectly, via SC Maillard et Fils, which he controls, a total of 87.72% of the share capital and 93.30% of the voting rights of the Company at the date of this Prospectus.

Jean-Claude Maillard will retain control of the Company following the Offering. Therefore, (i) the possibility for other shareholders to influence certain decisions may be limited, (ii) the interests of the majority shareholder may diverge from those of other shareholders and (iii) a change of control of the Company may be impeded.

Furthermore, the Company is managed by a Board of Directors that currently consists of three members of the Maillard family, which could have a negative effect on the management of the Company, due to the lack of an opposing perspective in the decision-making process.

However, as Jean-Claude Maillard is also Chairman and Chief Executive Officer of the Company, he is bound as a corporate officer to respect all statutory and regulatory obligations, as well as those imposed by the Articles of Association, and to act within the limits of the powers conferred upon him, and in particular to act in accordance with the Company's best interests.

Moreover, the appointment of Mrs Marie-Line Malaterre as an independent director within the meaning of the Middlenext Corporate Governance Code will be proposed during a general meeting of the Company to be convened as soon as possible as from the transfer on the Euronext Paris regulated market., which will ensure a measure of balance on the Board of Directors. Being specified that the Maillard Family has already undertaken to vote in favour of such an appointment.

2.4. SALE BY THE MAJORITY SHAREHOLDER OF A LARGE NUMBER OF SHARES

The decision of the majority shareholder to sell all or part of his shares on the market outside the framework of the Offering described in this Prospectus, and notably the sale of Existing Shares by Jean-Claude Maillard as part of the Secondary Offering, after the expiry of the lock-up agreement (as described in section 7.3 of Part II of this Prospectus) or before its expiry subsequent to the possible lifting of his obligations under the relevant agreement, or the perception that such a sale is imminent, could have a material adverse effect on the market price of the shares of the Company.

2.5. DILUTION

To satisfy additional funding requirements, particularly in the event of the acceleration and/or deferral of some of the aircraft programmes in which it is involved, the Company may increase its capital and, to this end, limit or cancel the preferential subscription rights of existing shareholders. Such a transaction could have the effect of diluting the shareholdings of existing shareholders not taking part in the transaction, which could adversely affect the share price and earnings per share.

2.6. INSUFFICIENT SUBSCRIPTIONS AND CANCELLATION OF THE OFFERING

The Offering will not be subject to a performance guarantee within the meaning of Article L. 225-145 of the French Commercial Code. The admission to trading of the shares of the Company on the regulated market of Euronext Paris will only take place after settlement-delivery of the Offering and the issuance of the custodian certificate.

However, as the Company is seeking to raise funds with a view to financing the Group's growth beyond 2018, the Company's Board of Directors, acting under the authorisation granted by the Combined Shareholders' Meeting of 25 September 2015, has decided that the prospective capital increase planned in connection with the Offering will go ahead only if the amount of subscriptions received is equal to at least 75.5% of the total amount of the Offering, i.e. €64.2 million (based on an issue price at the lower end of the indicative Offering Price range), of which at least €60.0 million (based on an issue price at the lower end of the indicative Offering Price range) under the Primary Offering (as defined in section 5.1.1 of Part II of this Prospectus). If this amount is not reached, the Offering will be cancelled and the subscription orders will lapse.

2.7. DIVIDEND POLICY OF THE COMPANY

In view of its development strategy, the Company does not intend, at the date of this Prospectus, to adopt a policy of regular dividend payments.

However, the Company's Board of Directors will regularly reassess its dividend policy, taking into account the general economic environment, the specific conditions prevailing in its business sector, the results of the Company, its financial position, the interests of its shareholders and any other factors it deems relevant.

3. KEY INFORMATION

3.1. DECLARATION ON NET WORKING CAPITAL

At the date of this Prospectus, the Company certifies that, from its point of view, the Group's net working capital, before the Offer subject of the second part of this Prospectus, is sufficient to meet its obligations over the next twelve months as from the date of the Prospectus.

3.2. CONSOLIDATED SHAREHOLDERS' EQUITY AND LIABILITIES

In accordance with paragraph 127 of ESMA (European Securities and Markets Authority) recommendation 2013/319, the table below sets out the situation in respect of consolidated shareholders' equity and consolidated liabilities at 31 December 2015 (not taking into account net income for the period from 1 October 2015 to 31 December 2015 due to the fact that the financial year had not closed on 31 December 2015). The data used to determine the figures presented below were prepared in accordance with the same accounting policies as those used to prepare the condensed consolidated financial statements for the six months 30 September 2015. They have not been audited:

Shareholders' equity and liabilities	At 31/12/2015- in € thousands
Total current financial liabilities	**60,604**
Current financial liabilities secured by collateral	13,361
Current financial liabilities secured by pledges	32,331
Current financial liabilities not secured by collateral or pledges	14,911
	0
Total long-term financial liabilities (excluding current portion of long-term debt)	**120,978**
Non-current financial liabilities secured by collateral	82,848
Non-current financial liabilities secured by pledges	3,109
Non-current financial liabilities not secured by collateral or pledges	35,022
Shareholders' equity	
Share capital	3,332
Share premium	34,118
Reserves	26,074

Net borrowings	At 31/12/2015 in € thousands
A – Cash	10,696
B – Cash equivalents	1,116
C – Investment securities	0
D – Cash and cash equivalents (A + B + C)	**11,813**
E – Current financial receivables	**0**
F – Short-term bank borrowings	39,763
G – Portion of medium- and long-term borrowings due in less than one year	20,775
H – Other current financial liabilities	0
I – Current borrowings (F + G + H)	**60,537**
J – Net short-term financial liabilities (I - E - D)	**48,725**

K – Bank borrowings due in more than 1 year	87,219
L – Bonds	2,000
M – Other borrowings due in more than 1 year	31,759
N – Net medium- to long-term financial liabilities	**120,978**
O – Net financial liabilities (J + N)	**169,703**

At the date of this Prospectus, there had been no significant change in shareholders' equity and net financial liabilities. Neither are there any indirect or contingent liabilities.

3.3. INTERESTS OF NATURAL AND LEGAL PERSONS TAKING PART IN THE OFFERING

The Joint Bookrunners and/or certain of their affiliates have in the past provided and/or may in the future provide various banking, financial, investment, trade or other services to the Company, its affiliates, its shareholders or its officers, for which they have received or will receive payment. In particular, Louis Capital Markets, of which Midcap Partners (Joint Bookrunner) is a tied agent, has been mandated by the Company to implement a liquidity agreement covering its shares since 13 January 2014.

It is further noted that Jean-Claude Maillard, majority shareholder and Chairman and Chief Executive Officer of the Company, plans to sell some of the shares he holds as part of the Offering.

3.4. REASONS FOR THE OFFERING AND INTENDED USE OF THE NET PROCEEDS OF THE TRANSACTION

The purpose of the Offering is to finance, by order of priority and subject to the threshold of 75.5% of the global amount (of which at least €60.0 million allocated under the Primary Offering, which corresponds to 80% of its amount) being reached:

- the strengthening of organic growth, in the proportion of 80%, by the building of factories, by financing production means in France, in "best cost" zones and in the USA, as from of the second half of 2016;
- the financing of acquisitions, in the proportion of 20%.

The Company is raising funds to provide the Group with sufficient financial means enabling it to achieve the investments necessary for the realisation of the activity beyond the year ended 31 March 2016. The investments required for the Company's activity must be incurred starting from the second half of 2016, in order for the machines to start production at the end of the first half of 2017 (first operated by one team, then two, until the machine is operated by five teams in April 2018). In addition, investments for the buildings intended to receive these machines are for some of them already engaged (future factory in particular for the LEAP market), and for the others will be engaged during the second half of 2016 for a series production entry by the end of 2017 (surface treatment building).

Subsidiaries in "best cost" areas (Morocco and Mexico) have an investment program covering the next two coming years to reach full capacity as from the financial year 2018-2019.

The current transaction is intended to finance this investments program of an amount between €100 and €150 million euros over 3 years, without any incentive from third parties, contractors or otherwise. A syndicated loan of an amount between €70 and €80 million (currently being negotiated between the Company and its banks) will complete this financing.

The estimated net proceeds for total completion of the transaction is €72,607,497 and €57,875,979 in case of partial achievement (at 75.5%).

4. INFORMATION ON THE SECURITIES TO BE OFFERED AND ADMITTED TO TRADING ON EURONEXT PARIS

4.1. TYPE, NUMBER AND DIVIDEND ENTITLEMENT DATE OF THE SHARES OFFERED AND ADMITTED TO TRADING

The shares of the Company for which admission to trading on the regulated market of Euronext Paris (compartment B) will be requested after settlement-delivery of the Offering (as defined in section 5.1.1 of Part II of this Prospectus) are as follows:

- all common shares comprising the share capital, i.e. 27,767,513 shares with a par value of €0.12 each (the **"Existing Shares"**);
- the 3,614,457 new shares issuable as part of a capital increase without preferential subscription rights involving the cash subscription by way of a public offering, a number that may be increased to a maximum of 4,156,625 new shares in the event of the full exercise of the extension clause (together, the **"New Shares"**); and
- a maximum number of 60,240 new shares issuable as part of a cash capital increase reserved for employees of the Company and its subsidiaries belonging to the Figeac Aéro company savings plan (the **"New Shares Reserved for Employees"**).

The New Shares and the New Shares Reserved for Employees are common shares of the Company, and will be fungible with the Existing Shares upon issue.

The shares offered are composed of New Shares offered by the Company and a maximum number of 481,927 Existing Shares offered by Jean-Claude Maillard in his capacity as selling shareholder (the **"Sold Shares"**). The New Shares and the Sold Shares are together referred to as the **"Offered Shares"**.

Dividend entitlement date

The New Shares and the New Shares Reserved for Employees will carry dividend rights from their date of issue.

Name of shares

Figeac Aéro

ISIN code

FR0011665280

Ticker

FGA

Compartment

Compartment B

Business sector

French classification of activities code: 2562B – Industrial machines

Industry Classification Benchmark: 2713 – Aerospace

Trading of the shares

The shares of the Company are currently traded on Alternext Paris.

Trading in the shares on the regulated market of Euronext Paris is scheduled to begin on 23 March 2016. From that date, all shares will be traded on a "Figeac Aéro" trading line.

4.2. APPLICABLE LAW AND COMPETENT COURTS

The shares of the Company are subject to French law.

The competent courts in disputes with the Company are those of the registered office of the Company where the Company is a defendant, and are designated pursuant to the nature of litigation where the Company is the plaintiff, unless otherwise provided in the French Code of Civil Procedure.

4.3. FORM OF SECURITIES ISSUED

The shares of the Company may be in registered or bearer form, at the discretion of the shareholder.

Pursuant to Article L. 211-3 of the French Monetary and Financial Code, they must be placed in a securities account kept, as appropriate, by the Company or by an authorised intermediary.

Consequently, the rights of owners will be represented by an entry in a securities account opened in their name in the books of:

- CACEIS Corporate Trust (14, rue Rouget de Lisle – 92189 Issy-les-Moulineaux), mandated by the Company, for shares held in registered form;
- the authorised financial intermediary of their choice and CACEIS Corporate Trust, mandated by the Company, for shares held in administered registered form;
- the authorised financial intermediary of their choice for shares held in bearer form.

Pursuant to Articles L. 211-15 and L. 211-17 of the French Monetary and Financial Code, the shares may be transferred by means of account transfer, and the transfer of ownership of the shares will result from their transfer to the securities account of the purchaser.

The New Shares of the Company will be the subject of an application for admission to the operations of Euroclear France, which will perform the clearing of shares between custodian-account keepers.

On the basis of the indicative timetable, it is intended that the Offered Shares will be placed in securities accounts on 22 March 2016.

4.4. CURRENCY OF ISSUE

The Offering will be denominated in euros.

4.5. RIGHTS ATTACHED TO SHARES

The shares will be subject to the provisions of the Articles of Association of the Company. In view of the prevailing provisions of French law and the Articles of Association of the Company, the main rights attached to the shares are as follows:

Profits – Legal reserve – Dividend entitlement

A sum equal to five percent (5%) of any profit for the year, less any previous losses, is allocated to the legal reserve. This ceases to be mandatory when the legal reserve reaches an amount equal to one-tenth of share capital. It becomes mandatory again when, for any reason, the legal reserve falls below this fraction.

Distributable income consists of any profit for the year, less previous losses and the amount provided for in the preceding paragraph, plus retained earnings.

The Shareholders' Meeting called to approve the financial statements may allow shareholders to elect to receive all or part of the dividend in cash or in stock. It may also decide to pay interim dividends.

Dividends not claimed within five years from the date of their payment are forfeited by their beneficiary and revert to the State.

Dividends paid to non-residents are subject to withholding tax in France.

The dividend policy of the Company is described in section 20.6 of Part I of this Prospectus.

Voting rights

The voting rights attached to the shares are proportional to the amount of capital they represent, and each share entitles its holder to at least one vote.

However, in view of the proportion of share capital they represent, a double voting right is granted to all fully paid-up shares that have been held in registered form by the same shareholder for at least two years.

Double voting rights automatically lapse when registered shares are converted into bearer shares or when their ownership is transferred, subject to the exceptions provided by law. In particular, transfer by inheritance, liquidation of community property between spouses or *inter vivos* gift to a spouse or relative does not cause the acquired right to lapse, nor does it cause the period of two years mentioned in the preceding paragraph to begin again. The merger or demerger of the Company is also without effect on double voting rights, which may be exercised within the beneficiary company or companies if such double voting rights are established under the Articles of Association of the company or companies in question.

In the event of a capital increase by incorporation of reserves, profits or share premiums, double voting rights are conferred as of issue on registered shares allocated to a shareholder in respect of existing shares for which he or she already enjoys such rights.

Shares converted into bearer shares or whose full ownership is transferred lose their double voting rights, subject to the exceptions provided by law.

Notwithstanding legal provisions, where shares are encumbered by a usufruct, the voting right belongs to the bare owner, regardless of the nature of the Shareholders' Meeting, Ordinary or Extraordinary, with the exception of decisions on the allocation of profits, for which the voting right belongs to the usufructuary. Accordingly, votes by the usufructuary are limited to decisions relating to the allocation of profits subject to approval by shareholders at Ordinary Shareholders' Meetings.

A double voting right is granted to the usufructuary and the bare owner under the same conditions of use if their names have been registered for at least two years in the records of the Company.

In case of dismembered ownership of a share, the double voting rights are automatically voided if the holder's name no longer appears in the Company's registers, subject to the exceptions provided by law.

Preferential subscription right to shares of the same category

The shares carry a preferential right to subscribe for capital increases. Shareholders, in proportion to the number of shares held, receive preferential rights to subscribe for shares issued for cash under an immediate or future capital increase. During the subscription period, such rights may be traded when detached from the shares, which may also be traded. Otherwise, they are transferable under the same conditions as the shares themselves. Shareholders may individually waive their preferential subscription rights (Articles L. 225-132 and L. 228-91 of the French Commercial Code).

Right to a share of the profits of the Company

The shareholders of the Company are entitled to a share of profits under the conditions laid down in articles L. 232-10 *et seq*. of the French Commercial Code.

Right to a share of any surplus in the event of liquidation

Each share entitles the owner to a share, in the same proportion, of the corporate assets, profits and liquidating dividends, except where preferred shares have been issued.

Repurchase or conversion agreements

The Articles of Association do not provide for the repurchase or conversion of shares.

Identification of shareholders

The company is at all times informed of its shareholding structure under the conditions provided by law. As such, the Company may make use of all legal provisions on the identification of holders of securities granting the immediate or future right to vote at shareholder meetings.

Threshold disclosures

Without prejudice to the legislative and regulatory provisions on the crossing of thresholds that will apply following the admission of the shares of the Company to trading on the regulated market of Euronext Paris, the Articles of Association do not contain any specific provisions relating to threshold disclosures.

4.6. AUTHORISATIONS

4.6.1. Shareholders' Meeting authorising the issuance of the New Shares

The issuance of the New Shares was authorised by Resolution 10 of the Combined Shareholders' Meeting of 25 September 2015, the text of which is provided below:

Delegation of authority to the Board of Directors to issue, without preferential subscription rights, shares and/or securities giving access to new shares of the Company pursuant to Article L. 225-136 of the French Commercial Code, notably by way of a public offering

The shareholders, having fulfilled the quorum and majority requirements for extraordinary shareholders' meetings, having considered the report of the Board of Directors and the special report of the auditors pursuant to Articles L. 225-129, L. 225-129-2, L. 225-135, L. 225-136 and L. 228-91 *et seq*. of the French Commercial Code:

1. delegate to the Board of Directors, with authority to delegate as provided by law, its powers to issue, without preferential subscription rights, notably by way of a public offering, on one or more occasions, in the amounts and at the times it deems appropriate, shares and/or securities giving access to new shares of the Company;

2. resolve to cancel the preferential subscription right to shares or other securities issuable under this authorisation;

3. resolve that securities giving access, immediately or in the future, to shares of the Company may consist of warrants (which may be granted for free), debt securities (subordinated or not) or any other securities of any nature whatsoever;

4. resolve that the maximum nominal amount of capital increases that may be authorised by the Board of Directors under this authorisation may not exceed the sum of one million five hundred thousand euros (€1,500,000), provided that:

   - this amount includes, where applicable, the nominal amount of additional shares issuable to preserve, in accordance with the law and applicable contractual clauses, the rights of holders of securities convertible into shares of the Company,
   - this amount will be deducted from the aggregate ceiling set in Resolution 14 below;

5. note that, in accordance with Article L. 225-132 of the French Commercial Code, this delegation automatically entails, for the benefit of holders of securities giving access to new shares of the Company issued pursuant to this delegation, express waiver by shareholders of their preferential subscription rights to the shares to which these securities may give entitlement;

6. resolve that:

   (i) the issue price of the new shares will be determined on the basis of an average share price, it being agreed that a maximum discount of 20% may nevertheless be applied,

   (ii) the issue price of securities giving access to capital shall be such that the sum received immediately by the Company, plus, where applicable, the amount liable to be received subsequently by the Company under the capital increase resulting from the exercise of rights attached to such securities, shall be consistent, depending on the type and/or characteristics of securities issued, with the minimum issue price defined in (i) above;

7. resolve that the Board of Directors shall have full powers to implement the present delegation, as provided by law and within the limits set by this resolution, and in particular to:

   - modify, where appropriate, in agreement with the holders of securities issued, all characteristics of the securities issued pursuant to this delegation,
   - at its sole discretion, to charge the costs resulting from capital increases against share premiums and to deduct from this amount the sums necessary to bring the legal reserve to one-tenth of the new share capital after each capital increase,
   - in general, to carry out all formalities required under prevailing law and regulations;

8. resolve that this delegation, which cancels the unused portion of any prior delegation with the same purpose, is granted for a period of twenty-six (26) months from the date of this meeting.

4.6.2. Shareholders' Meeting authorising the issuance of the New Shares Reserved for Employees

The issuance of the New Shares Reserved for Employees was authorised by Resolution 13 of the Combined Shareholders' Meeting of 25 September 2015, the text of which is provided below:

Delegation of authority to the Board of Directors to proceed with the issue reserved for employees belonging to a company savings plan, without preferential subscription rights in their favour, of shares and/or securities giving access to new shares of the Company pursuant to Article L. 225-138-1 of the French Commercial Code

The shareholders, having fulfilled the quorum and majority requirements for extraordinary shareholders' meetings, having considered the report of the Board of Directors and the special report of the auditors pursuant to Articles L. 225-129-2, L. 225-129-6, L. 225-138, L. 225-138-1 and L. 228-91 *et seq*. of the French Commercial Code and Articles L. 3332-18 *et seq*. of the French Labour Code:

1. delegate to the Board of Directors, with authority to delegate as provided by law, its powers to issue, on one or more occasions, shares and/or securities giving access to new shares of the company reserved for members of one or more company savings plans (or other such plans for which Articles L. 3332-18 *et seq*. of the French Labour Code allow a capital increase to be reserved under equivalent terms) established within the Company or the Group;

2. resolve to waive in favour of the beneficiaries designated above the preferential subscription rights of shareholders to the securities covered by this delegation;

3. resolve that the total nominal amount of capital increases that may be performed immediately or in the future pursuant to this delegation may not exceed 1% of share capital at the date of the decision of the Board of Directors, provided that:

   - this amount includes, where applicable, the nominal amount of additional shares issuable to preserve, in accordance with the law and applicable contractual clauses, the rights of holders of securities convertible into shares of the Company,
   - this amount shall be deducted from the aggregate ceiling set in Resolution 14 below;

4. note that, in accordance with Article L. 225-132 of the French Commercial Code, this delegation automatically entails, for the benefit of holders of securities giving access to new shares of the Company issued pursuant to this delegation, express waiver by shareholders of their preferential subscription right to the shares to which these securities may give entitlement;

5. agree that the issue price of the new shares or securities convertible into shares shall be determined pursuant to Articles L. 3332-18 *et seq*. of the French Labour Code, but shall under no circumstances be more than 20% (or 30% when the vesting period provided by the plan is equal to or greater than 10 years) below a price determined under the conditions specified in Resolution 10 above;

6. authorise the Board of Directors to allocate free of charge to the beneficiaries designated above, in addition to shares and/or securities giving access to new shares to be subscribed in cash, shares or securities issuable or already issued as a substitute for all or part of the discount to the share subscription price, with the understanding that the benefit resulting from this allocation may not exceed the statutory or regulatory limits;

7. resolve that the Board of Directors shall have full powers to implement the present delegation within the limits and under the conditions specified above, to determine the terms of issue and subscription, to record the completion of capital increases resulting therefrom and to amend the Articles of Association accordingly, and notably:

   - to draw up pursuant to the law a list of companies whose employees, pre-retirees and retirees may subscribe for shares or securities convertible into shares thereby issued and who may receive where applicable shares or securities granted free of charge,
   - to decide that subscriptions may be made directly or through a company savings plan or any other structure or entity permitted by the applicable law or regulations,
   - to determine the conditions, including length of service, to which the beneficiaries of the capital increases may be subject,
   - to set the opening and closing dates of the subscription periods,
   - to determine the total number of shares issuable,
   - where applicable, to charge the costs resulting from capital increases against share premiums and to deduct from this amount the sums necessary to bring the legal reserve to one-tenth of the new share capital after each capital increase,
   - in general, to enter into any agreement, take any measures and carry out all formalities required for the issuance and servicing of the securities issued pursuant to this delegation and the exercise of the rights

attached thereto;

8. resolve that this delegation, which cancels the unused portion of any prior delegation with the same purpose, is granted for a period of twenty-six (26) months from the date of this meeting.

4.6.3. Decision of the Board of Directors

By virtue of the authorisations referred to in sections 4.6.1 and 4.6.2 above, the Company's Board of Directors, at its meeting of 7 March 2016:

- approved the principle of a capital increase in cash without preferential subscription rights, by way of a public offering, in a maximum nominal amount of 433,734.84 euros through the issuance of a maximum number of 3,614,457 new shares with a par value of €0.12 each, with the possibility of increasing this number to a maximum of 4,156,625 new shares resulting from the possible decision of the Board of Directors, on the day on which the final terms of the Offering are set, to increase by up to 15% the number of new shares in relation to the number initially set by exercising the extension clause (see section 5.2.5 of Part II of this Prospectus);

- resolved that, in view of the fact that one of the reasons the Company is seeking to raise funds is to finance the Group's growth beyond 2018, the capital increase by way of a public offering shall be carried out only if the amount of subscriptions received under the Offering is at least 75.5% of the total amount of the Offering (before exercise of the extension clause), i.e. €64.2 million, of which at least €60.0 million as part of the issue of new shares (primary offering);

- set the indicative range of the issue price of the New Shares at between €20.75 and €26.00 per share, bearing in mind that (i) this range was determined on the basis of a reference price (defined as the volume weighted average closing price per share over the past five trading days on 3 March 2016) of €22.35 and (ii) this range may be modified as provided in section 5.3.2 of Part II of this prospectus;

- approved the principle of a capital increase in cash without preferential subscription rights reserved for employees of the Company and its subsidiaries belonging to the Figeac Aéro company savings plan in a maximum nominal amount of €7,228.80 through the issuance of a maximum number of 60,240 New Shares Reserved for Employees with a par value of €0.12 each, at a price per share set within an indicative range of €16,60 and €20,80 representing a discount of 20% to the indicative range of the Offering Price.

The final terms of the capital increase, including the Offering Price and the price of the Offering Reserved for Employees, will be determined by the Board of Directors of the Company at a meeting to be held, in accordance with the indicative timetable, on 18 March 2016.

4.7. SCHEDULED DATE FOR SETTLEMENT-DELIVERY OF THE SHARES

The date scheduled for settlement-delivery of the Offered Shares is 22 March 2016 in accordance with the indicative timetable set out in section 5.1.1 of Part II of this Prospectus.

4.8. RESTRICTIONS ON THE TRADING OF THE SHARES

No clause in the Articles of Association restricts the trading of the shares comprising the share capital of the Company.

A detailed description of the undertakings made by the Company and certain of its shareholders is contained in section 7.3 of Part II of this Prospectus.

4.9. FRENCH RULES IN RESPECT OF PUBLIC OFFERS

As the shares of the Company are currently traded on Alternext Paris, the Company is already subject to the laws and regulations in force in France in respect of mandatory public offers, buyouts and squeeze-outs, and will continue to be subject to such laws and regulations after the admission of its shares to trading on the regulated market of Euronext Paris.

4.9.1. Mandatory public offer

Article L. 433-3 of the French Monetary and Financial Code and Articles 234-1 *et seq*. of the AMF General Regulation set the conditions triggering the mandatory filing of a public offer, drawn up in terms such that it can be declared compliant by the AMF, for all shares and securities granting access to the capital or voting rights of a company whose shares are admitted to trading on a regulated market**.**

4.9.2. Buyouts and squeeze-outs

Article L. 433-4 of the French Monetary and Financial Code and Articles 236-1 *et seq*. (buyout offer), 237-1 *et seq*. (squeeze-out following a buyout offer) and 237-14 *et seq*. (squeeze-out following any public offer) of the AMF General Regulation set out the conditions governing the filing of a public buyout offer and the implementation of a squeeze-out of minority shareholders of companies whose shares are admitted to trading on a regulated market.

4.10. PUBLIC OFFERS INITIATED BY THIRD PARTIES ON THE CAPITAL OF THE COMPANY DURING THE LAST FULL FINANCIAL YEAR AND THE CURRENT FINANCIAL YEAR

No offers were made by third parties on the capital of the Company during the last full financial year or have been made during the current financial year

4.11. WITHHOLDING TAX ON DIVIDENDS

This section is a summary of the tax system liable to apply in respect of withholding tax on dividends paid by the Company in view of the current state of French tax law and subject to the possible application of international tax treaties. Such treaties apply to shareholders holding shares of the Company other than through a fixed base or permanent establishment in France. The rules mentioned below may be affected by statutory or regulatory changes (possibly with retroactive effect), or by a change in the interpretation of statutory or regulatory provisions by the French tax authorities. In any event, this section is not intended to provide a comprehensive analysis of all tax consequences potentially applying to shareholders. Shareholders must contact their own tax advisors to determine the tax arrangements applicable to their specific circumstances.

4.11.1. Shareholders whose tax residence is in France

This sub-section describes the tax system liable to apply in respect of withholding tax on dividends paid by the Company to tax residents of France. The information it contains is not intended to provide a comprehensive analysis of all tax consequences potentially applying to shareholders whose tax residence is in France. Shareholders must contact their own tax advisors to determine the tax arrangements applicable to their specific circumstances.

a) Individual shareholders whose tax residence is in France

The following paragraphs describe the tax system liable to apply in respect of withholding tax on dividends paid by the Company to individuals whose tax residence is in France, and whose shares are held as part of their private assets outside the framework of an equity savings plan and who do not perform stock-market transactions in conditions similar to those that characterise the activity exercised by persons performing such transactions in a professional capacity.

Withholding tax of 21%

Pursuant to Article 117 *quater* of the French General Tax Code (the **"Tax Code"**), dividends paid to individuals whose tax residence is in France are subject to withholding tax at a rate of 21% on the gross amount paid, subject to certain exceptions.

The tax is withheld by the paying agent if it is established in France. If the paying agent is established outside France, dividends paid by the Company must be reported and the corresponding amount of tax paid within 15 days of the month following the payment of dividend, either by the taxpayer him- or herself or by the paying agent if it is established in a Member State of the European Union, or in Iceland, Norway or Liechtenstein, provided that said agent has been mandated for this purpose by the taxpayer.

The withholding tax is treated as an advance payment of income tax, and is deducted from the effective amount due in respect of the relevant year, any surplus being refunded.

Pursuant to Article 119 *bis* 2 of the Tax Code, without prejudice to the provisions of international tax treaties concluded by France, dividends paid by the Company are subject to withholding tax at a rate of 75% of the gross amount paid if they are paid outside France in a non-cooperative state or territory (**"NCST"**) within the meaning of Article 238-0 of the Tax Code. The list of NCSTs is published by ministerial decree and updated annually.

Social security contributions

The gross amount of dividends paid by the Company is also subject to social security contributions at an overall rate of 15.5%, breaking down as follows:

- general social security contribution (*contribution sociale generalisée* – CSG) at a rate of 8.2%;
- contribution to the repayment of the social security debt (*contribution pour le remboursement de la dette sociale* – CRDS) at a rate of 0.5%;
- social security contribution (*prélèvement social*) at a rate of 4.5%;
- additional social security contribution (*contribution additionnelle au prélèvement social*) at a rate of 0.3%;
- solidarity levy (*prélèvement de solidarité*) at a rate of 2%.

These social security contributions are made in the same way as the withholding tax of 21%.

b) Legal entities whose tax residence is in France

Dividends paid by the Company to legal entities whose tax residence is in France are in principle not subject to withholding tax. However, if the dividends paid by the Company are paid outside France in an NCST, dividends paid by the Company are subject to withholding tax at a rate of 75%.

4.11.2. Shareholders whose tax residence is outside France

This sub-section describes the tax system liable to apply in respect of withholding tax on dividends paid by the Company to natural or legal persons who are not tax residents of France.

Dividends paid by the Company are in principle subject to withholding tax, levied by the paying agent when the beneficiary's tax residence or headquarters are located outside France. The rate of withholding tax is (i) 21% when the beneficiary is a natural person whose tax residence is situated in a Member State of the European Union, or in Iceland, Norway or Liechtenstein, (ii) 15% when the beneficiary is a non-profit organisation headquartered in a Member State of the European Union, or in Iceland, Norway or Liechtenstein, and which would be taxed, if it were headquartered in France, pursuant to the conditions laid down in 5 of Article 206 of the Tax Code as interpreted by administrative doctrine (Official Bulletin of Public Finance-Tax-BOI-IS-CHAMP-10-50-10-40-20130325), and (iii) 30% in other cases.

However, if the dividends paid by the Company are paid outside France in an NCST within the meaning of Article 238-0 A of the Tax Code, they are subject to withholding tax at a rate of 75%. The list of NCSTs is published by ministerial decree and updated annually.

Withholding tax may be reduced or even eliminated pursuant notably to (i) Article 119 *ter* of the Tax Code applicable under certain conditions to corporate shareholders having their effective place of management in a Member State of the European Union or in another State party to the agreement on the European Economic Area that has concluded with France a convention on administrative assistance in the fight against fraud and tax evasion, as interpreted by administrative doctrine (Official Bulletin of Public Finance-Tax-RPPM-RCM-30-30-20-10-20140725), (ii) the applicable tax treaty if any, or (iii) specific rules for collective investment undertakings under foreign law headquartered in a another European Union Member State or in a State or territory that has concluded with France a convention on administrative assistance in the fight against fraud and tax evasion and which fulfils the following two conditions: (y) raise capital from a number of investors with a view to investing in accordance with a defined investment policy for the benefit of said investors, and (z) have similar characteristics to those of certain collective investments under French law (Official Bulletin of Public Finance-Tax-BOI-RPPM-RCM-30-30-20-70-20130812). The shareholders concerned should consult their own tax advisor to determine whether these provisions are applicable in their specific circumstances. Shareholders may also learn about the practical arrangements for implementing international tax treaties by referring to the Official Bulletin of Public Finance-Tax-BOI-INT-DG-20-20-20-20-20120912 for a description of the so-called "normal" or "simplified" reduction or exemption from withholding tax.

Shareholders who are not tax residents of France must also comply with the tax laws in their State of residence, as may be amended by an international tax treaty signed between France and that State.

4.12. SPECIAL ARRANGEMENTS FOR EQUITY SAVINGS PLANS

The common shares of the Company are eligible for equity savings plans (*plan d'épargne en actions* – PEA) held by French tax residents.

Subject to certain conditions, a PEA entitles holders:

- for the duration of the PEA, to an exemption on income tax and social security contributions in respect of gains (realised capital gains, dividends, etc.) generated by investments made within the PEA, provided that such gains are reinvested in the PEA; and

- upon closure of the PEA (more than five years after its opening date) or for a partial withdrawal (more than eight years after the opening date of the PEA), to an exemption on income tax due on the net gain realised since the opening of the plan. However, such gains remain subject to all standard and additional social security contributions, as well as other contributions and levies, at an overall rate of 15.5%.

Realised losses on shares held in a PEA may not in principle be offset against gains realised within the same plan (special rules apply for account closures in certain cases). Shareholders should consult their tax advisor on this issue.

A withdrawal or closure before the end of the fifth year after the opening of the PEA results in principle in the taxing of the net gain realised since its opening. The tax rate, excluding social security contributions, is (i) 22.5% when the withdrawal or closure occurs within two years of its opening (Article 200 A of the Tax Code), (ii) 19% when it occurs between the third and fifth years of its opening, in addition to, under all circumstances, the social security contributions described above, at an overall rate of 15.5%.

Deposits into “standard” PEA accounts are capped at €150,000 (€300,000 for couples).

France’s 2014 budget created a new category of PEA known as the “PME-ETI” (for SMEs and mid-sized companies), which enjoys the same tax benefits as the PEA. To be eligible, securities must have been issued by a company that (a) employs fewer than 5,000 people and (b) generates annual revenue not exceeding €1.5 billion or has total assets not exceeding €2 billion. A decree (No. 2014-283) setting out these conditions was issued on 5 March 2014. Deposits are capped at €75,000 (€150,000 for couples). A PEA “SME-ETI” plan may be held concurrently with a standard PEA. Individual taxpayers may hold only one PEA “SME-ETI” plan.

The shares of the Company are eligible for the PEA “SME-ETI”.

5. CONDITIONS OF THE OFFERING

5.1. CONDITIONS OF THE OFFERING, INDICATIVE TIMETABLE AND TERMS OF SUBSCRIPTION

5.1.1. Conditions of the Offering

The offering as a whole (the **“Offering”**) includes:

- a public offering in France in the form of an Open Price Offering, primarily intended for individuals (the **“Open Price Offering”** or **“OPO”**);

- a global placement for institutional investors (the **“Global Placement”**), comprising:

  - a placement in France, and
  - an international private placement in certain countries outside France, including the United States of America.

For the admission of all of the shares of the Company to trading on the regulated market of Euronext Paris, which is planned after settlement-delivery of the Offered Shares within the framework of the Offering, the sale of shares to the public in France will take place in accordance with Articles P 1.2.1 *et seq*. of Book II of the Euronext Market Rules relating to special provisions applicable to French regulated markets.

The breakdown of the Offered Shares between the Global Placement and the OPO will be determined on the basis of the nature and volume of demand, pursuant to the principles laid down in Article 315-35 of the AMF General Regulation. If demand under the OPO permits, the number of shares allocated in response to orders placed under the OPO will be at least equal to 10% of the Offered Shares. If demand in the OPO is less than 10% of the Offered Shares, the balance of Offered Shares not allocated under the OPO will be offered under the Global Placement.

The Offering covers both the New Shares issuable, offered by the Company as part of a primary offering (the **“Primary Offering”**), and the Existing Shares (the “Sold Shares”) offered by Jean-Claude Maillard in his capacity as selling shareholder as part of a secondary offering (the **“Secondary Offering”**). The Offered Shares, namely the New Shares and the Sold Shares, will be offered as a single Offering on the same terms.

The New Shares will cover a maximum number of 3,614,457 new shares issuable as part of a capital increase without preferential subscription rights allowing existing shareholders to subscribe in cash by way of a public offering. The Sold Shares will represent a maximum number of 481,927 Existing Shares.

Depending on the volume of demand expressed under the Offering, the initial number of New Shares may be increased by 15% to a maximum of 4,156,625 New Shares (the **"Extension Clause"**). The decision to exercise the Extension Clause be will made by the Board of Directors, in agreement with the Joint Bookrunners, at its meeting held to set the final terms of the offer i.e., for indicative purposes, on 18 March 2016.

The Secondary Offering is subordinated to the completion of the Primary Offering, meaning that New Shares (excluding the Extension Clause) will be allocated before Sold Shares in the event of insufficient demand and a reduction in the size of the Offering, bearing in mind that the Offering will be cancelled if (i) the total amount of subscriptions received is strictly less than 75.5% of the total amount of the Offering and if (ii) demand under the Primary Offering is less than €60.0 million.

Concurrently with the Offering, the Company will issue shares reserved for employees of the Company and its subsidiaries belonging to the Figeac Aéro company savings plan (the **"Offering Reserved for Employees"**), as described in section 6.3 of Part II of this Prospectus.

Indicative timetable

8 March 2016	Press release announcing the Offering
	Euronext notice announcing the opening of the OPO and the transfer to Euronext subject to the completion of the capital increase on Alternext
	Opening of the OPO and the Global Placement
No later than 15 March 2016 (Before opening of the market)	Suspension of the trading of the shares of the Company on Alternext Paris.
17 March 2016	Closing of the OPO at 5.00 p.m. (Paris time) for written subscriptions and 8.00 p.m. (Paris time) for online subscriptions
18 March 2016	Closing of the Global Placement at 12:00 noon (Paris time)
	Fixing of the Offering Price and possible exercise of the Extension Clause
	Press release indicating the Offering Price, the final number of New Shares and the results of the Offering
	Euronext notice announcing the results of the Offering and the transfer to Euronext
	Signing of the Placement Agreement
22 March 2016	Settlement-delivery of the OPO and the Global Placement
23 March 2016	Delisting of the shares on Alternext Paris and admission of the new shares to trading Euronext Paris – Start of trading

5.1.2. Amount of the Offering

See Chapter 8 *"Expenses related to the Offering"* of Part II of this Prospectus.

5.1.3. Offering procedure and period

5.1.3.1. <u>Main features of the Open Price Offering</u>

Duration of the OPO

The OPO will begin on 8 March 2016 and end on 17 March 2016 at 5.00 p.m. (Paris time) for written subscriptions and 8.00 p.m. (Paris time) for online subscriptions, for those investors whose financial intermediary provides that possibility. The OPO closing date may be changed (see section 5.3.2 of Part II of this Prospectus).

Number of shares offered under the OPO

A minimum of 10% of the number of Offered Shares will be offered as part of the OPO. Accordingly, if demand under the OPO permits, the number of shares allocated in response to orders placed under OPO will be at least equal to 10% of the Offered Shares.

The number of Shares Offered under the OPO may be increased or reduced in accordance with the terms described in section 5.1.1 of Part II of this Prospectus.

Authorised persons, reception and transmission of orders

Persons authorised to place orders as part of the OPO are individuals of French nationality or residents of France, or nationals of any of the States party to the of the European Economic Area agreement and protocols (European Union Member States, as well as Iceland, Norway and Liechtenstein, hereinafter the **"EEA Member States"**), mutual funds or legal persons, either French of established in one of the EEA Member States and which are not, within the meaning of Article L. 233-3 of the French Commercial Code, under the control of entities or persons established in States other than EEA Member States, as well as associations and investment clubs whose tax residence is in France or one of the EEA Member States and whose members are nationals of France or one of the EEA Member States, subject to the provisions contained in section 5.2.1 of Part II of this Prospectus. Other persons must take steps to ascertain the applicable local investment restrictions, as described in section 5.2.1 of Part II of this Prospectus.

Individuals, corporations and mutual funds that do not possess accounts in France for the subscription of shares in the OPO must for this purpose open an account with an authorised intermediary when they place their orders.

The subscription order must be signed by the instructing party or his or her representative, or, in the case of discretionary management, by the agent. In such cases, the manager must either:

- have a mandate with specific clauses under the terms of which his or her client has undertaken, for transactions where individual investors are allowed to place only one order, not to place orders without having requested and obtained written confirmation from the manager that an order has not been placed for the same securities under the management agreement; or

- establish any other reasonable measure aimed at preventing multiple orders (e.g. by informing the client an order is placed on his or her behalf, thereby ensuring that the client may not place a direct order of the same type without informing the manager in writing of his or her decision, before the closing of the transaction, to allow the manager to cancel the corresponding order).

Categories of orders that may be placed in response to the OPO

Persons wishing to participate in the OPO must place their orders through a financial intermediary authorised in France, no later than 17 March 2016 at 5.00 p.m. (Paris time) for written subscriptions and 8.00 p.m. (Paris time) for online subscriptions, for those investors whose financial intermediary provides that possibility, unless the Offering is closed early or extended.

<u>A orders</u>

Pursuant to Article P 1.2.1.6 of Book II of the Euronext Market Rules relating to special provisions applicable to regulated markets in France, orders will be broken down in accordance with the number of shares requested:

- A1 fraction: from 1 share to 75 shares (inclusive); and

- A2 fraction: 76 shares or more.

The Euronext notice announcing the results of the OPO will indicate any reductions applied to orders, bearing in mind that A1 fractions shall receive preferential treatment over A2 fractions if it is not possible to satisfy all orders in full.

It is further noted that:

- each a order must be for a minimum of 1 share;

- a single instructing party may place only one A order. This A order may not be split between several financial intermediaries, and must be entrusted to a single intermediary;

- each member of a tax household may place one A order. Orders in the name of minors shall be placed by their legal representative. Each A order shall enjoy the standard advantages. Any reductions shall apply separately to each of the orders of members of a single tax household;

- no A orders shall involve a number of shares representing more than 20% of the number of Shares Offered under the OPO;

- orders may be reduced in accordance with the terms set out below;

- if the application of the reduction rate(s) does not result in the allocation of a whole number of shares, the number will be rounded down to the nearest whole number;

- A orders must be expressed in a number of shares without an indication of price, and shall be deemed to be placed at the Offering Price; and

- A orders will be irrevocable, even in the event of a reduction, subject to the indications given in section 5.3.2 of Part II of this Prospectus.

Financial intermediaries authorised in France shall transmit orders to Euronext in accordance with the timetable and the terms set out in the notice announcing the opening of the OPO to be published by Euronext.

It is noted that all orders will lapse if the Company press release stating the final terms of the Global Placement and the OPO is not issued.

Reduction of orders

A1 fractions will be allocated before A2 fractions. A reduction at a rate of up to 100% may be applied to A2 fractions in order to satisfy A1 fractions.

The reductions will be made proportionally within each order category. If the reduction does not result in the allocation of a whole number of shares, the number will be immediately rounded down to the nearest whole number.

Cancellation of orders

Subscription orders placed online as part of the OPO may be cancelled online until the end of the OPO, i.e. 17 March 2016 at 5.00 p.m. (Paris time). Investors must consult their financial intermediary to verify the terms governing the cancellation of orders placed online, and also whether orders placed through other channels may be cancelled and under what conditions.

Result of the OPO

The result of the OPO will be announced in a Company press release and a Euronext notice scheduled for publication on 18 March 2016, unless the Offering is closed early, in which case the press release and the notice will be published on the day after the closing of the Offering.

The notice will specify the rate of any reduction applied to orders.

5.1.3.2. Main features of the Global Placement

Duration of the Global Placement

The Global Placement will begin on 8 March 2016 and end on 18 March 2016 at 12:00 noon (Paris time). In the event of the extension of the OPO closing date (see section 5.3.2 of Part II of this Prospectus), the Global Placement closing date may be extended correspondingly.

The Global Placement may be closed earlier without prior notice (see section 5.3.2 of Part II of this Prospectus).

Persons entitled to place orders under the Global Placement

The Global Offering is to be conducted primarily among institutional investors in France and outside France (except the United States of America, Australia, Canada and Japan).

Orders placed under the Global Placement

Orders must be stated in the number or amount of shares requested. They may include conditions concerning the price.

Receipt and transmission of orders placed under the Global Placement

To be taken into account, the orders placed under the Global Placement must be received by the Joint Bookrunners no later than 18 March 2016 at 12:00 noon (Paris time), unless the Offering is closed early.

Only orders at a price expressed in euros, equal to or above the Offering Price determined within the framework of the Global Placement under the conditions laid down in section 5.3.1 of Part II of this Prospectus will be taken into account in the allocation process.

Reduction of orders

Orders placed issued under the Global Placement will be subject to total or partial reduction.

Cancellation of orders

Orders issued under the Global Placement may be cancelled through the Joint Bookrunners no later than 18 March 2016 at 12:00 noon (Paris time), unless the Offering is closed early.

Result of the Global Placement

The result of the Global Placement will be announced in a Company press release and a Euronext notice scheduled for publication on 18 March 2016, unless the Offering is closed early, in which case the press release and the notice will be published on the day after the closing of the Offering.

5.1.4. Cancellation or suspension of the Offering

The Offering will be completed subject to the issuance of the custodian certificate attesting to the subscription of the New Shares. The Offering may be cancelled by the Company on the date of settlement-delivery if the custodian certificate is not issued.

Should the custodian certificate not be issued, the information will be announced in a Company press release and a Euronext notice. Should this occur, subscription orders will be cancelled retroactively.

Moreover, if the amount of subscriptions received as part of the Offering does not reach a minimum of 75.5% of the total amount of the Offering (before exercise of the Extension Clause), i.e. €64.2 million, of which at least €60.0 million as part of the Primary Offering, the Offering will be cancelled and subscription orders will lapse.

5.1.5. Reduction of orders

See section 5.1.3 of Part II of this Prospectus for a description of the reduction of orders placed as part of the Offering.

5.1.6. Minimum or maximum number of shares on which an order may be placed

The minimum or maximum number of shares on which an order may be placed as part of the OPO is described in section 5.1.3 of Part II of this Prospectus.

Orders placed under the Global Placement are not subject to minimum or maximum amounts.

5.1.7. Cancellation of subscription orders

Orders placed under the Open Price Offering and the Global Placement may be cancelled in the conditions laid down in sections 5.1.3.1 and 5.1.3.2 of Part II of this Prospectus.

5.1.8. Payment of funds and terms governing the delivery of the Offered Shares

The price of the Offered Shares (see section 5.3.1. of Part II of this Prospectus) under the Offering must be paid in cash by the instructing party at the latest by the date of settlement-delivery of the Offering, i.e. 22 March 2016 under the indicative timetable.

The shares will be registered in the instructing parties' accounts as soon as possible after Euronext issues the notice announcing the results of the Offering.

5.1.9. Publication of the results of the Offering

The results and the final terms of the Offering will be announced in a Company press release and a Euronext notice published on 18 March 2016, unless the Offering is closed early, provided however that the length of the OPO is not less than three (3) trading days (see section 5.3.2 of Part II of this Prospectus), in which case the press release and the notice will be published on the day after the closing of the Offering.

5.1.10. Preferential subscription rights

The capital increase in connection with the Offering will be performed without preferential subscription rights.

5.2. PLAN OF BREAKDOWN AND ALLOCATION OF THE OFFERED SHARES

5.2.1. Categories of potential investors – Countries in which the Offering will be open – Restrictions applicable to the Offering

5.2.1.1. <u>Categories of potential investors and countries in which the Offering will be open</u>

The Offering includes:

- a public offering in France in the form of an Open Price Offering, primarily intended for individuals;

- a global placement for institutional investors (the "Global Placement"), comprising:

  - a placement in France, and
  - an international private placement in certain countries outside France, excluding, notably the United States of America.

5.2.1.2. <u>Restrictions applicable to the Offering</u>

The distribution of this Prospectus, its summary or any other document or information relating to the prospective transactions described in this Prospectus, or the offering or the sale or the subscription of shares of the Company, may, in some countries, including the United States of America, be subject to specific regulations. Persons in possession of the aforementioned documents must take steps to inform themselves about and comply with any restrictions resulting from local regulations. Authorised intermediaries may not accept any orders from clients with an address in a country in which such restrictions apply, and the corresponding orders will be deemed null and void. *Persons* (including trustees and nominees) receiving the Prospectus or any other document or information relating to the Offering must not distribute it in or send it to such countries, in accordance with the laws and regulations applicable there. Persons who, for any reason whatsoever, distribute or allow the distribution of the aforementioned documents in such countries must draw the recipient's attention to the provisions of this section.

This Prospectus, its summary and other documents relating to the prospective transactions described therein do not constitute an offer to sell or the solicitation of an offer to subscribe for securities in any jurisdiction in which such offer or solicitation is unlawful. This Prospectus has not been registered or approved in any jurisdiction other than France.

Restrictions concerning the United States of America

Pursuant to the US Securities Act of 1933*,* as amended (the "**Securities Act**"), the shares of the Company have not been and will not be registered in the United States of America or with any market regulator dependent on a US state. Consequently, the shares of the Company may not be offered or sold or otherwise transferred in any manner whatsoever to the United States of America or for the account or benefit of *"US persons"* except after registration or in connection with transactions exempted from the registration requirements laid down in the Securities Act.

Neither the Prospectus, its summary nor any other document prepared in connection with the Offering may be distributed in the United States of America.

Restrictions on the Member States of the European Economic Area (other than France)

As regards Member States of the European Economic Area States other than France that have implemented the Prospectus Directive (a **"Member State"**), no action has been undertaken or will be undertaken to make a public offering of shares of the Company requiring the Publication of a prospectus in any such Member State. The shares may therefore be offered in these States solely:

a. to qualified investors, within the meaning of the Prospectus Directive, pursuant to Article 3.2 (a) of the Prospectus Directive;

b. to fewer than 100, or if the Member State has transposed the relevant provision of the PD Amending Directive, 150 natural or legal persons (other than qualified investors within the meaning of the Prospectus Directive) subject to the prior consent of the establishments responsible for the placement appointed by the Company to such an offer, pursuant to Articles 3.2 (b) of the Prospectus Directive and 1.3 (a) (i) of the PD Amending Directive; or

c. to investors acquiring securities for a total consideration of at least €50,000 per investor, or at least €100,000 if the Member State has transposed the relevant provision of the PD Amending Directive; or

d. in any other case where the publication of a prospectus is not required pursuant to Article 3 of the Prospectus Directive;

and provided that none of the offers mentioned in paragraphs (a) to (c) above require the publication by the Company or establishments responsible for the placement of a Prospectus pursuant to Article 3 of the Prospectus Directive or an addendum to the Prospectus prepared pursuant to Article 16 of the Prospectus Directive.

For the purposes of this paragraph, (i) the notion of “public offering” in any Member State means the communication in any form and by any means whatsoever of sufficient information on the terms of the offering and the shares to be offered so as to enable an investor to decide whether to purchase or subscribe for such shares, as may be amended by the Member State by any measure implementing the Prospectus Directive, (ii) the term **“Prospectus Directive”** means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 (as amended, including the provisions of the PD Amending Directive once it has been transposed by the Member State) and includes any measure implementing this Directive in each Member State and (iii) the term **“PD Amending Directive”** means Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010.

These restrictions on sales apply to Member States in addition to any other restrictions on sales applicable in the Member States that have transposed the Prospectus Directive.

Restrictions concerning the United Kingdom

The Prospectus is distributed among and intended solely for persons who are (i) resident outside the United Kingdom, (ii) “investment professionals” (i.e. people who have professional experience in investment) within the meaning of section 19/(5) of the Financial Services and Markets Act 2000 (Financial Promotion) (the **“FSMA”**) Order 2005 (the **“Order”**), (iii) “high net worth entities” or any other persons falling within the scope of application of Article 49 (2) (a) to (d) of the Order (“high net worth companies”, “unincorporated associations”, etc.), or (iv) persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) may lawfully be communicated or transmitted (hereinafter referred to together as the **“Qualified Persons”**).

No invitation, offer or agreement to subscribe for shares of the Company will be proposed or made other than with Qualified Persons. The shares referred to in the Prospectus may not be offered or issued to persons located in the United Kingdom other than to Qualified Persons. Persons other than Qualified Persons should not act or rely on this document or any of its provisions. Persons distributing of the Prospectus must comply with the legal requirements governing the distribution of the Prospectus.

Restrictions concerning Australia, Canada and Japan

The Offered Shares may not be offered or sold in Australia, Canada or Japan.

5.2.2. Subscription intention of the main shareholders of the Company or members of its administrative, management or supervisory bodies, or anyone intending to place a subscription order of more than 5%

None.

5.2.3. Pre-allocation information

This information is contained in sections 5.1.1 and 5.1.3 of Part II of this Prospectus.

5.2.4. Notification of subscribers

Under the Open Price Offering, investors who have placed subscription orders will be notified of the number of shares allocated to them by their financial intermediary.

Under the Global Placement, investors who have placed subscription orders will be notified of the number of shares allocated to them by the Joint Bookrunners.

5.2.5. Extension clause

Depending on demand, the Company may, in agreement with the Joint Bookrunners, decide to increase the number of New Shares initially offered by a maximum of 15%, i.e. a maximum number of 542,168 shares based on an issue price at the lower end of the indicative Offering Price range (within the meaning provided in section 5.3.1 of Part II of this Prospectus).

The decision to exercise the Extension Clause will be taken at the time of the pricing of the Offering by the Board of Directors at its meeting scheduled on 18 March 2016, and will be mentioned in the Company press release and Euronext notice announcing the results of the Offering.

5.2.6. Over-allotment option

None.

5.3. PRICING

5.3.1. Price of the Offered Shares

The price of the Shares Offered as part of the Open Price Offering will be equal to the price of the Shares Offered under the Global Placement (the **"Offering Price"**).

It is intended that the Offering Price will be set by the Board of Directors at its meeting scheduled on 18 March 2016, bearing in mind that this date may be postponed or brought forward, as provided in section 5.3.2 of Part II of this Prospectus.

The Offering Price will be determined by assessing investor demand in light of the number of shares available under the Global PLacement, using the so-called "book-building" technique that is standard professional practice.

This interaction will be performed on the basis of the following market criteria:

- the ability of the selected investors to ensure the orderly development of a secondary market;
- the order of arrival of investor requests;
- the quantity requested; and
- the price sensitivity of requests from investors.

The Offering Price may fall within the range of €20.75 and €26.00 per share, a range calculated on the basis of a reference price (defined as the volume weighted average closing price per share over the past five trading days on 3 March 2016) of €22.35. It is subject to modification at any time up to (and including) the closing day of the Offering pursuant to section 5.3.2 of Part II of this Prospectus. This information is given for indicative purposes only, bearing in mind that the Offering Price may be set outside this range subject to the conditions noted in section 5.3.2 of Part II of this Prospectus. For information purposes, the closing price on 4 March 2016 was €23.87.

5.3.2. Publication of the Offering Price and changes to the scope of the Offering

5.3.2.1. <u>Date on which the Offering Price is set</u>

It is intended that the Offering Price will be set on 18 March 2016, bearing in mind that that this date may be postponed if market conditions and the results of the book-building process make it impossible to set the price of the Offering on satisfactory terms, or brought forward if the closing of the Offering is brought forward (see section 5.3.2.4 of Part II of this Prospectus).

5.3.2.2. <u>Publication of the Offering Price and the number of shares</u>

The Offering Price and the final number of Offered Shares will be made public through a Company press release and a Euronext notice published on 18 March 2016, subject of the early determination of the Offering Price, in which case the press release and notice will be issued on the day the Offering Price is set.

5.3.2.3. <u>Modification of the price range, fixing of the Offering Price outside the indicative range and modification of the number of Offered Shares</u>

Changes making orders placed under the OPO revocable

In the event of the modification of the upper limit of the price range or if the Offering Price is set above the upper limit of the price range (initial or amended as appropriate), the following procedure will apply:

- <u>Publication of new terms:</u> The new terms of the Offering will be made public through a Company press release and a Euronext notice. The aforementioned Company press release and Euronext notice will indicate the new price range and, where applicable, the new timetable, with the new closing date of the OPO, the new date for fixing the price of the Offering and the new settlement-delivery date.

- Closing date of the OPO: The closing date of the OPO may be postponed or a new subscription period for the OPO may be opened, as appropriate, to ensure that there are at least two (2) trading days between the date of publication of the aforementioned press release and the new closing date of the OPO.

- Cancellation of orders issued under the OPO: Orders issued under the OPO before the release of the aforementioned press release will be maintained unless they were expressly revoked before the new closing date of the OPO, inclusive. New irrevocable orders may be placed until the new closing date of the OPO, inclusive (such orders may, however, be expressly revoked before the new closing date of the OPO, inclusive, in the event of a further postponement of the pricing of the Offer and/or further amendment of the terms of the Offering).

Changes not making orders placed as part of the OPO revocable

- The Offering Price may be freely set below the lower limit of the indicative price range, or the range may be freely revised down. In such cases, the Offering Price or the new indicative price range must be made public as provided in section 5.3.2.2 of Part II of this Prospectus in the absence of material impact on the other characteristics of the Offering.

  Accordingly, if Offering Price is set below the lower limit of the indicative price range or if the downward amendment of the price range has no material impact on the other characteristics the Offering, the Offering Price must be made public by the Company press release and the Euronext notice referred to in section 5.3.2.2 of Part II of this Prospectus, scheduled for publication on 18 March 2016, subject to the early pricing of the Offer, in which case the press release and the notice will be published on day of the pricing of the Offer.

  However, if the fixing of the Offering Price below the lower limit of the indicative price range or the downward revision of the price range has a material impact on other characteristics of the Offering, the provisions of section 5.3.2.5 below will apply.

- Without prejudice to the requirement of being no less than 75.5% of the total amount of the Offering, the number of Offered Shares may be freely changed provided that the change does not have a material impact on other characteristics of the Offering. Otherwise, the provisions of section 5.3.2.5 below will apply.

5.3.2.4. Early closing or extension of the Offering

The closing date of the Global Placement and the OPO may be brought forward (subject to the condition that the duration of the OPO exceed three (3) trading days) or extended under the following conditions:

- If the closing date is brought forward, the new closing date must be made public in a Company press release and a Euronext notice announcing the change, published no later than the day before the new closing date.

- If the closing date is extended, the new closing date must be made public in a Company press release or a Euronext notice announcing the change and published no later than the day before the initial closing date. In this case, orders placed as part of the Open Price Offering prior to the publication of the aforementioned Company press release and Euronext Paris notice will be maintained unless they were expressly revoked before the new date of OPO (inclusive).

5.3.2.5. Material changes to the terms of the Offering

In the event of significant modification of the terms initially set for the Offering not covered by this part of the Prospectus, an addendum to the Prospectus will be filed with the AMF. Orders placed under the Global Placement and the OPO would lapse if the AMF were not to approve the addendum to the Prospectus. Orders placed as part of the OPO and the Global Placement before the provision of an addendum to the Prospectus approved by the AMF may be revoked for at least two (2) trading days after its distribution (see section 5.3.2.3 of Part II of this Prospectus for a description of cases in which this section applies).

5.3.3. Restrictions or cancellations of preferential subscription rights

The New Shares are issued pursuant to Resolution 10 of the Combined Meeting of Shareholders of the Company of 25 September 2015 authorising a capital increase without preferential subscription rights by way of a public offering (see section 4.6.1 of Part II of this Prospectus).

5.3.4. Price disparity

Transactions affecting the share capital during the last twelve (12) months were as follows:

- a capital increase in a nominal amount of €133,333.32 approved by the Board of Directors at its meeting of 12 March 2015 through the issue of 1,111,111 new shares without preferential subscription rights as part of a private placement at a subscription price of 18 euros each;

- a capital increase reserved for employees belonging to the Figeac Aéro company savings plan in a nominal amount of €3,666.84 approved by the Board of Directors at its meeting of 30 March 2015 through the issue of 30,557 new shares without preferential subscription rights as part of a private placement at a subscription price of 13.29 euros each.

5.4. PLACEMENT

5.4.1. Contact details of financial intermediaries

Global Coordinator and Joint Bookrunner:

Oddo & Cie
12, boulevard de la Madeleine
75009 Paris

Joint Bookrunner:

Midcap Partners
96, boulevard Haussmann
75008 Paris

5.4.2. Contact details of the institution responsible for servicing the securities, financial services and custodian

The Company's securities services (register of registered shareholders) and financial services (payment of dividends) will be provided by CACEIS Corporate Trust (14, rue Rouget de Lisle – 92189 Issy-les-Moulineaux), which will issue the deposit certificate for the funds relating to this capital increase.

5.4.3. Underwriting

The Offering will not be underwritten.

5.4.4. Undertakings in respect of quiet and lock-up periods

This information is contained in section 7.3 of Part II of this Prospectus.

5.4.5. Date of settlement-delivery of the Offered Shares

Settlement and delivery of the New Shares is scheduled for 22 March 2016.

6. ADMISSION TO TRADING AND TRADING ARRANGEMENTS

6.1. ADMISSION TO TRADING

Trading conditions for all shares will be set in a Euronext notice published on 18 March 2016.

The admission of all shares of the Company to trading on the regulated market of Euronext Paris (Compartment B) will be requested after settlement-delivery of the Offering.

Trading in the shares on the regulated market of Euronext Paris is scheduled to begin on 23 March 2016. From that date, all shares will be traded on a “Figeac Aéro” trading line.

6.2. TRADING VENUE

At the date of this Prospectus, the shares of the Company are listed for trading on Alternext Paris (private placement compartment). They will be admitted to trading on the regulated market of Euronext Paris as from 23 March 2016.

6.3. OFFERING RESERVED FOR EMPLOYEES

As part of the prospective transaction, the Company has decided to allow its employees to subscribe, under preferential conditions, for shares of the Company as part of a cash capital increase reserved for employees. The Offering Reserved for Employees is open to employees of the Company and its subsidiaries belonging to the Figeac Aéro company savings plan (the **“CSP”**). It is only available in France.

The terms of the Offering Reserved for Employees are described below and in the documentation issued in this respect to the employees concerned.

6.3.1. Indicative timetable of the Offering Reserved for Employees

18 March 2016	Pricing and possible exercise of the Extension Clause
19 March 2016	Opening of the subscription period
2 May 2016	Closing of the subscription period to at 5.00 p.m. (Paris time)
5 May 2016	Euronext notice announcing the results of the Offering Reserved for Employees
9 May 2016	Settlement and delivery of the Offering Reserved for Employees

6.3.2. Beneficiaries of the Offering Reserved for Employees

The Offering Reserved for Employees is open exclusively in France, for employees of the Company and its French subsidiaries belonging to the Figeac Aéro and MTI CSPs, on the understanding that no condition of length of service in the Company or the Group is imposed (the **“Beneficiaries”**).

The Offering Reserved for Employee is open to approximately 1,200 Beneficiaries. The subscription will be made directly by each beneficiary.

6.3.3. Price of the Offering Reserved for Employees

Pursuant to Articles L. 3332-18 *et seq*. of the French Labour Code, the price of the Offering Reserved for Employees shall be equal to the Offering Price with a discount of 20% and rounded up to the nearest eurocent (the **“Price of the Offering Reserved for Employees”**). The beneficiaries will be informed of the Price of the Offering Reserved for Employees on 18 March 2016 by a notice displayed in the offices of the Company and its relevant subsidiaries.

For information, based on the Offering Price range (between €20.75 and €26.00 per Offered Share), the Price of the Offering Reserved for Employees will be between €16.60 and €20.80 per New Share Reserved for Employees.

6.3.4. Amount of the Offering Reserved for Employees

The maximum gross proceeds from the issuance of the New Shares Reserved for Employees will be approximately €1,000,000.

The Company plans to charge the expenses related to the Offering Reserved for Employees against the share premium of the New Shares Reserved for Employees.

6.3.5. Subscription procedure and period

The subscription period for the Offering Reserved for Employees will be from 19 March 2016 to 2 May 2016, bearing in mind that it could be closed early once of all the New Shares Reserved for Employees have been subscribed.

Subscription must be made by submitting a signed and dated subscription form by 2 May 2016 at 5.00 p.m. (Paris time). Each Beneficiary may only submit a single subscription form.
Subscriptions are irrevocable.

Subscriptions must be for a minimum of one (1) New Share Reserved for Employees.

6.3.6. Investment ceiling for Beneficiaries

Pursuant to Article L. 3332-10 of the French Labour Code, the annual deposits of an employee into a company savings plan may not exceed a quarter of his or her annual salary or professional compensation subject to income tax in respect of the previous year.

This individual limit for deposits in the Figeac Aéro company savings plan is the ceiling on subscriptions for shares of the Company as part of the Offering Reserved for Employees by individual Beneficiaries.

6.3.7. Employer contribution to the subscriptions of Beneficiaries

None.

6.3.8. Preferential subscription rights

The capital increase in connection with the Offering Reserved for Employees will be carried out without preferential subscription rights in favour of the Beneficiaries.

6.4. LIQUIDITY CONTRACT

The Company has mandated Louis Capital Markets to implement a liquidity agreement covering its shares since 13 January 2014. This liquidity agreement covers the making of a market for the shares of the Company on Alternext Paris and will cover the making of a market for the shares of the Company on the Euronext Paris regulated market in case of transfer on the said regulated market.

6.5. STABILISATION

None.

7. HOLDERS OF SECURITIES WISHING TO SELL

7.1. PERSONS OR ENTITIES WISHING TO SELL SECURITIES OR CAPITAL SECURITIES GIVING ACCESS TO THE CAPITAL OF THE COMPANY

Jean-Claude Maillard, majority shareholder and Chief Executive Officer of the Company, wishes to sell a maximum of 481,927 Existing Shares as part of the Secondary Offering.

7.2. NUMBER AND CLASS OF SECURITIES OFFERED BY THE HOLDERS OF SECURITIES WISHING TO SELL

This information is contained in section 7.1 above.

7.3. ABSTENTION AND LOCK-UP UNDERTAKINGS

7.3.1. Abstention undertaking

Under the terms of the investment agreement to be concluded on 18 March 2016, the Company will make the undertaking to the Joint Bookrunners not to issue, offer or sell, or to agree to promise to sell in direct or indirect form (in the form of derivative transactions with shares as underlying) shares or securities giving the right by conversion, exchange, redemption, presentation of a warrant or otherwise the allocation of securities issued or issuable representing share capital of the Company, or to publicly express its intention to proceed with one or more of the transactions listed above in this section, until the expiry of a period of 180 days following the date of settlement-delivery of the Offering without the prior written consent of the Joint Bookrunners, acting in their name and on their behalf, notified to the Company, it being noted that the following exemptions are excluded from the scope of this undertaking:

- shares issued as part of the Offering;
- shares issued as part of the Offering Reserved for Employees;
- any transaction carried out within the framework of a share buyback programme, particularly in the context of a liquidity contract pursuant to legal and regulatory requirements and applicable market rules;
- securities liable to be issued, offered or sold to employees, officers and consultants of the Company and its affiliates as part of future plans, authorised at the date hereof or to be authorised by the Shareholders' Meeting; and
- the securities of the Company issued as part of a merger or an acquisition of shares or assets of another entity, provided that the recipient of such securities agrees to assume this undertaking for its remaining period.

7.3.2. Lock-up undertaking

Jean-Claude Maillard, Chairman and Chief Executive Officer and majority shareholder of the Company, who holds, directly and indirectly, via SC Maillard et Fils, which he controls, a total of 87.72% of the share capital and 93.30% of the voting rights of the Company at the date of this Prospectus, has made the undertaking to the Joint Bookrunners not, except by prior agreement of the latter, for a period of 180 days of the date of settlement-delivery of the Offering, directly or indirectly, to offer, sell, sell, lend, transmit, transfer, pledge or promise any of the shares held at the date of settlement-delivery of the offer, or to enter into any contract or transaction having an equivalent economic effect, nor publicly to express his intention to proceed with one or more of the transactions listed above, it being noted that the following exemptions are excluded from the scope of this undertaking, namely (a) the Sold Shares under the Secondary offering, (b) any transaction involving the shares of the Company through a public offering of shares of the Company, and (c) any transaction in shares of the Company subscribed, where appropriate, pursuant to the Offering or acquired on the market after the first listing of the shares of the Company on the regulated market of Euronext Paris.

8. EXPENSES RELATED TO THE OFFERING

The gross proceeds from the issue of the New Shares (Primary Offering) will be approximately €75.0 million, which may be increased to approximately €86.2 million in the event of the full exercise of the Extension Clause.

The net proceeds from the issue of the New Shares (Primary Offering) will be approximately €72.6 million, which may be increased to approximately €83.7 million in the event of the full exercise of the Extension Clause.

For indicative purposes, if the total amount of subscriptions is only 75.5% of the total amount of the Offering, i.e. €64.2 million, the gross proceeds from the issue of the New Shares (Primary Offering) will be €60.0 million (minimum amount approved by the Board of Directors for the issue to be carried out) and the net proceeds will be €57.9 million.

The amount of total expenses related to the issuance of the New Shares (Primary Offering) is estimated at approximately €2,392,500.

9. DILUTION

9.1. IMPACT OF THE OFFERING AND THE OFFERING RESERVED FOR EMPLOYEES ON THE CAPITAL OF THE COMPANY

Based on consolidated shareholders' equity at 30 September 2015 and the total number of shares of the Company outstanding at the Prospectus date, shareholders' equity per share, before and after completion of the Offering and the Offering Reserved for Employees, will be, based on the following assumptions:

- the issue of 2,566,844 New Shares (amounting to €60 million gross – scenario of the reduction of the Offering to 75.5%) at a price of €23.38 per share (midpoint of the indicative price range);
- the issue of 3,208,556 New Shares (without the exercise of the Extension Clause) at a price of €23.38 per share (midpoint of the indicative price range);
- the issue of 3,689,839 New Shares (with the exercise of the Extension Clause) at a price of €23.38 per share (midpoint of the indicative price range);
- the issue of 53,475 New Shares Reserved for Employees at a price of €18.70 per share (midpoint of the indicative price range);
- The charging of legal, accounting and administrative expenses and the remuneration of financial intermediaries against the share premium without tax effect.

Based on the midpoint of the Offering Price range	**Amount of shareholders' equity (in euros)(1)**
Before issue of the New Shares	3.10
After issue of the New Shares in the gross amount of €60 million (scenario of the reduction of the Offering to 75.5%)	4.74
After issue of the New Shares (without the exercise of the Extension Clause)	5.12
After issue of the New Shares (full exercise of the Extension Clause)	5.39
After issue of the New Shares (full exercise of the Extension Clause) and New Shares Reserved for Employees	5.42

(1) The Company has no dilutive instruments outstanding.

9.2. AMOUNT AND PERCENTAGE OF DILUTION ATTRIBUTABLE TO THE OFFERING AND THE OFFERING RESERVED FOR EMPLOYEES

Based on the total number of shares comprising the capital of the Company at the Prospectus date, the impact of the Offering and the Offering Reserved for Employees on the stake in the share capital of a shareholder holding 1% of the share capital at the date of this Prospectus and not subscribing to the Offering or the Offering Resered for Employee will be, based on the following assumptions:

- the issue of 2,566,844 New Shares (amounting to €60 million gross – scenario of the reduction of the Offering to 75.5%) at a price of €23.38 per share (midpoint of the indicative price range);
- the issue of 3,208,556 New Shares (without the exercise of the Extension Clause) at a price of €23.38 per share (midpoint of the indicative price range);
- the issue of 3,689,839 Offered Shares (with the exercise of the Extension Clause) at a price of €23.38 per share (midpoint of the indicative price range);
- the issue of 53,475 New Shares Reserved for Employees at a price of € 18.70 per share (midpoint of the indicative price range).

Based on the midpoint of the Offering Price range	Stake of shareholders (in %)(1)
Before issue of the New Shares	1.00
After issue of the New Shares in the gross amount of €60 million (scenario of the reduction of the Offering to 75.5%)	0.91
After issue of the New Shares (without the exercise of the Extension Clause)	0.88
After issue of the New Shares (full exercise of the Extension Clause)	0.87
After issue of the New Shares (full exercise of the Extension Clause) and New Shares Reserved for Employees	0.87

(1) The Company has no dilutive instruments outstanding.

9.3. BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS

The tables below show the breakdown of the capital and voting rights of the Company (i) prior to the Offering, (ii) after the Offering completed in the proportion of 75.5% of the initial gross amount of at least €60.0 million as part of the Primary Offering, (iii) after the Offering completed in the proportion of 100% of the New Shares, (iv) after the Offering upon exercise of the Extension Clause and (v) after the Offering upon exercise of the Extension Clause and the Offering Reserved for Employees, taking as reference, for each case, a price of €23.38 per share for the Offer (i.e. midpoint of the indicative price range) and of 18.70 euros per share for the Offer Reserved to Employees (midpoint of the indicative price range).

It is noted that the theoretical number of voting rights is calculated on the basis of all shares carrying voting rights and serves as the basis for calculating the crossing of thresholds, while the number of exercisable voting rights at Shareholders' Meetings is calculated without taking into account the shares deprived of voting rights, i.e. treasury shares held by the Company.

9.3.1. Before the Offering

Shareholders	Number of shares	% of capital	Number of theoretical voting rights	Percentage of theoretical voting rights	Number of exercisable voting rights	Percentage of exercisable voting rights
Jean-Claude Maillard	11,861,778	42.72	23,723,556	45.43	23,723,556	45.44
SC Maillard et Fils(1)	12,496,000	45.00	24,992,000	47.86	24,992,000	47.87
Total Maillard family	***24,357,778***	***87.72***	***48,715,556***	***93.30***	***48,715,556***	***93.31***
Isabelle Ricaud-Maillard	85,000	0.31	170,000	0.33	170,000	0.33
Employees	63,921	0.23	63,921	0.12	63,921	0.12
Other shareholders	3,253,462	11.72	3,258,462	6.24	3,258,462	6.24
Treasury shares	7,352	0.03	7,352	0.01	0	0.0
TOTAL	**27,767,513**	**100.0**	**52,215,291**	**100.0**	**52,207,939**	**100.0**

(1) SC Maillard et Fils is a family holding company established by Jean-Claude Simon and Rémi Maillard. It is controlled by Jean-Claude Maillard.

9.3.2. After the offer (completed in the proportion of 75.5% of the total amount, of which at least €60.0 million as part of the Primary Offering)

Shareholders	Number of shares	% of capital	Number of theoretical voting rights	Percentage of theoretical voting rights	Number of exercisable voting rights	Percentage of exercisable voting rights
Jean-Claude Maillard	11,683,169	38.51	23,366,338	42.80	23,366,338	42.80
SC Maillard et Fils(1)	12,496,000	41.19	24,992,000	45.77	24,992,000	45.78
Total Maillard family	***24,179,169***	***79.71***	***48,358,338***	***88.57***	***48,358,338***	***88.58***
Isabelle Ricaud-Maillard	85,000	0.28	170,000	0.31	170,000	0.31
Employees	63,921	0.21	63,921	0.12	63,921	0.12
Other shareholders	5,998,915	19.78	5,998,915	10.99	5,998,915	10.99

Treasury shares	7,352	0.02	7,352	0.01	-	-
TOTAL	**30,334,357**	**100.0**	**54,598,526**	**100.0**	**54,591,174**	**100.0**

(1) SC Maillard et Fils is a family holding company established by Jean-Claude, Simon and Rémi Maillard. It is controlled by Jean-Claude Maillard.

9.3.3. After the Offering (completed in the proportion of 100%, without exercise of the Extension Clause)

Shareholders	Number of shares	% of capital	Number of theoretical voting rights	Percentage of theoretical voting rights	Number of exercisable voting rights	Percentage of exercisable voting rights
Jean-Claude Maillard	11,433,971	38.51	23,366,338	42.80	23,366,338	42.80
SC Maillard et Fils(1)	12,496,000	41.19	24,992,000	45.77	24,992,000	45.78
Total Maillard family	***23,929,971***	***79.71***	***48,358,338***	***88.57***	***48,358,338***	***88.58***
Isabelle Ricaud-Maillard	85,000	0.28	170,000	0.31	170,000	0.31
Employees	63,921	0.21	63,921	0.12	63,921	0.12
Other shareholders	6,889,825	19.78	5,998,915	10.99	5,998,915	10.99
Treasury shares	7,352	0.02	7,352	0.01	-	-
TOTAL	**30,976,06**	**100.0**	**54,598,526**	**100.0**	**54,591,174**	**100.0**

(1) SC Maillard et Fils is a family holding company established by Jean-Claude, Simon and Rémi Maillard. It is controlled by Jean-Claude Maillard.

9.3.4. After the Offering (with the full exercise of the Extension Clause)

Shareholders	Number of shares	% of capital	Number of theoretical voting rights	Percentage of theoretical voting rights	Number of exercisable voting rights	Percentage of exercisable voting rights
Jean-Claude Maillard	11,433,971	36.35	22,867,942	41.22	22,867,942	41.23
SC Maillard et Fils(1)	12,496,000	39.72	24,992,000	45.05	24,992,000	45.06
Total Maillard family	***23,929,971***	***76.07***	***47,859,942***	***86.28***	***47,859,942***	***86.29***
Isabelle Ricaud-Maillard	85,000	0.27	170,000	0.31	170,000	0.31
Employees	63,921	0.20	63,921	0.12	63,921	0.12
Other shareholders	7,371,108	23.43	7,371,108	13.29	7,371,108	13.29
Treasury shares	7,352	0.02	7,352	0.01	-	0.00
TOTAL	**31,457,352**	**100.0**	**55,472,323**	**100.0**	**55,464,971**	**100.0**

(1) SC Maillard et Fils is a family holding company established by Jean-Claude, Simon and Rémi Maillard. It is controlled by Jean-Claude Maillard.

9.3.5. After the Offering (with the full exercise of the Extension Clause) and the Offering Reserved for Employees

Shareholders	Number of shares	% of capital	Number of theoretical voting rights	Percentage of theoretical voting rights	Number of exercisable voting rights	Percentage of exercisable voting rights
Jean-Claude Maillard	11.433.971	36,29	22.867.942	41,18	22.867.942	41,19
SC Maillard et Fils(1)	12.496.000	39,66	24.992.000	45,01	24.992.000	45,02
Total Maillard family	***23.929.971***	***75,94***	***47.859.942***	***86,19***	***47.859.942***	***86,21***
Isabelle Ricaud-Maillard	85.000	0,27	170.000	0,31	170.000	0,31
Employees	117.396	0,37	117.396	0,21	117.396	0,21
Other shareholders	7.371.108	23,39	7.371.108	13,28	7.371.108	13,28
Treasury shares	7.352	0,02	7.352	0,01	-	0,00
TOTAL	**31.510.827**	**100,0**	**55.525.798**	**100,0**	**55.518.446**	**100,0**

(1) SC Maillard et Fils is a family holding company established by Jean-Claude Simon and Rémi Maillard. It is controlled by Jean-Claude Maillard.

10. ADDITIONAL DISCLOSURES

10.1. ADVISORS RELATED TO THE OFFER

None.

10.2. OTHER DISCLOSURES VERIFIED BY THE AUDITORS

None.

10.3. INDEPENDENT APPRAISER'S REPORT

None.

10.4. INFORMATION CONTAINED IN THE PROSPECTUS OBTAINED FROM A THIRD PARTY

None.

11. UPDATED INFORMATION ABOUT THE COMPANY

None.