



FIGEAC AÉRO ACQUIRES THE ASSETS OF AERONAUTICS COMPANY, GROUPE AUVERGNE AERONAUTIQUE

FIGEAC AÉRO Group (ticker code: FGA), a leading partner of major aeronautics companies, today announced the acquisition of the assets of Groupe Auvergne Aéronautique, the aerostructures specialist.

The Lyon commercial court ruled on 24 November 2016 in favour of the plan submitted by FIGEAC AÉRO to take over the assets of Groupe Auvergne Aéronautique.

The transaction is fully aligned with FIGEAC AÉRO's external growth strategy through targeted acquisitions to generate organic growth. It also confirms our ambition to be the European leader in aerospace sub-contracting and brings us closer to our revenue target of €650-750 million by March 2020¹.

Three specialist aeronautics plants up and running

Groupe Auvergne Aéronautique employs 705 people, including 310 in Morocco, and reported 2015 revenue totaling €46 million, primarily in industrial engineering and sheet metal work for the aeronautics sector. The group has three high-level centres of expertise in:

- Clermont-Ferrand, focusing on aeronautical repairs and maintenance, manufacturing of special sheet metal components and tubing, assembly, surface treatment and painting;
- Auxerre, specialising in precision and/or large dimension machining, surface treatment and assembly;
- Casablanca (Morocco), focusing mainly on structural parts and sub-assemblies, manufacturing of sheet metal components, surface treatment and painting.

Turnaround program: key elements

FIGEAC AÉRO has demonstrated its capacity to turn around companies, such as Sonaca Wichita. To return to profitable growth and sustain the company's future in the long term, FIGEAC AÉRO intends to introduce the methods that proved successful in delivering average growth of 23% in the past four years, while remaining profitable.

Our strategic orientations to achieve this, include:

- Renewing the top management team and taking over 97% of its employees;
- Reorganising production with synergies between some business units;
- Rationalising purchasing and manufacturing costs;
- Initiating an investment program of €5 million for the next 3 years.

¹ Based on €/ \$ exchange rate of 1.18

Value creation for FIGEAC AÉRO

The acquisition of aeronautics company Groupe Auvergne Aéronautique is of strategic industrial interest for FIGEAC AÉRO, providing it with proven expertise in technical industrial engineering and sheet metal work. It will also deepen its footprint in Morocco. Recently located in this "best cost" region, this acquisition considerably increases FIGEAC AÉRO's on-site production capacity. The Clermont-Ferrand and Casablanca sites will become the FIGEAC AÉRO Group's centres of excellence in general engineering and sheet metal work.

At the same time, the acquisition adds to the Group's customer portfolio, including Airbus Helicopters, since current contracts in the order book would be transferred directly, together with the assets.

"We have been following Groupe Auvergne Aéronautique with interest for a number of years", said Jean-Claude Maillard, Chairman and Chief Executive Officer and founder of FIGEAC AÉRO. "We are particularly pleased, since the deal will strengthen our positions in aeronautical sub-contracting, in addition to gaining high-quality teams known for their high professional standards."

Terms of the transaction

This acquisition takes place through the purchase of Auvergne Aéronautique's assets by the FIGEAC AÉRO Group. The new company is a direct subsidiary of FIGEAC AÉRO, and its financial statements will be consolidated pro rata as of 25 November 2016.

The acquisition is completed without debt financing by Groupe FIGEAC AÉRO, since the capital increase in March 2016 allows the integration of the business acquired and future developments.

ABOUT FIGEAC AÉRO

The FIGEAC AÉRO Group, a leading partner of major aerospace manufacturers, specialises in the production of light alloy and hard metal structural parts, engine parts, landing gear parts and sub-assemblies. An international group with a workforce of over 2,200 employees, FIGEAC AÉRO operates in France, the United States, Morocco, Mexico and Tunisia. In the year ended 31 March 2016, it reported annual revenue of €252.3 million, and its year-end order backlog stood at €3.9 billion.

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