



March 2009

Shareholder's Information N° 2 |



Dear Shareholder,
The Group's results were published on March 12, 2009. They close a year 2008 which was marked by exceptional events.

Sustained growth in activity further bolstered by extraordinary items.

Extraordinary items aside, revenues for Latécoère Group at the end of 2008 came in at €579.5 million, up 18.4% on 2007. At constant exchange rates, organic growth stood at 16.8%.

The Group's extraordinary revenues for the period amounted to € 104.4 million and correspond to R&D work that is already complete (under initial contractual terms, payments were to be staggered). As a result, consolidated revenues totaled € 683.9 million

Operating profit impacted by the unfavorable drop in euro/dollar parity

Operating income stood at € 31.9 million (4.7% of consolidated revenue) for 2008, down € 7.2 million on 2007. Euro/dollar parity had a negative impact of € 9.6 million over the twelve months.

The direct costs linked to the Zéphyr project (Takeover of the Airbus sites at Méaulte and St Nazaire) were partly offset by the extraordinary revenues booked for the year. Adjusted for these two extraordinary items, operating profit accounted for 5.8% of the Group's total revenues of €579.5 million.

Net income hit by realized and unrealized losses on hedging instruments

Latécoère's financial income for 2008 represented a net expense of € 41.9 million, consisting of a debt expense of € 23.3 million, a realized exchange rate loss of €11.3 million and € 11.5 million in unrealized losses. Latécoère Group's realized exchange rate loss of € 11.3 million primarily results from the fair value adjustments made between April and August. These adjustments were made to ensure an average euro/dollar parity of 1:1.35 for 2008 despite the slide in the US currency over the first eight months of the year and the expiry of the Group's successful longstanding hedges at the end of the first half.

Unrealized income was particularly affected by the changes in the fair value of financial instruments carried out during the second half of the year in a bid to tie down the Group's exposure to US dollar risk from 2009-2011.

Net income loss of € 6.7 million in line with forecasts

Adjusted for the unrealized losses on hedging instruments, Latécoère Group's net income would be slightly positive.

Reduction in net debt: a resources plan safeguarded by covenants that are adapted to the Group's new forecasts

Net debt improved € 41 million to stand at € 336 million on December 31, 2008.

Bank borrowings were renegotiated and consolidated over the second half of the year, and the Group's resources plan subsequently aligned with Latécoère's medium-term financing requirements. The requirements factor in an increase in debt in 2009 which should then drop from 2010 onwards as the aeronautical programs for which the Group pre-financed the development are completed.

Outlook and targets

At December 31, 2008, Latécoère's backlog of orders, which only includes firm orders by aircraft manufacturers, amounted to € 2,012 million, up 10% on the end of 2007 and representing over three years of revenue

New orders from AIRBUS at the start of 2009 represent a total €350 million for Latécoère. The contracts signed involve each of the company's three business divisions and cover the design and manufacturing of electrical furnishings and tooling for the A350.

Based on the latest output forecasts from manufacturers in January, the Group anticipates revenues of approximately € 530 million in 2009, down 9% on the € 579.5 million (excluding extraordinary items) booked for 2008. However, given the current market climate, Latécoère does not exclude the possibility of additional production downtime. In this difficult context, we thank you for your continued trust in us.

François Bertrand
President and CEO

2008 Highlights

LATECOERE



Boeing 777 : baggage bay door

<< Dassault Falcon 7X : rear fuselage section

- Cornebarrieu : Delivery of the first Boeing 777 door (March).
- Halt of the negotiations for the acquisition of the Méaulte and Saint-Nazaire sites (May).
- Gimont : delivery of the 500th Embraer CF3 (June).
- Toulouse : Delivery of 100th rear section of the Falcon F7X assembled in part in the Toulouse and Cornebarrieu plants (November).



- Delivery of the 10,000th door (June).
- Celebration of the 90th anniversary of the company (October).

LATECOERE do Brasil

- Opening of a new plant in Jacarei (May).



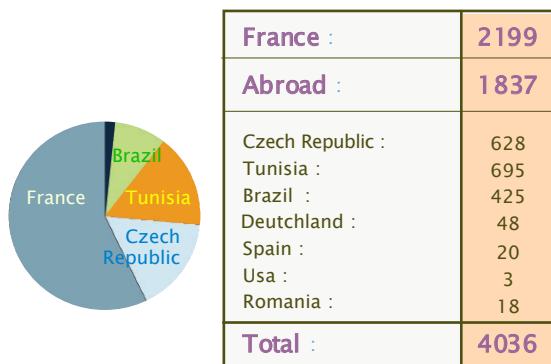
- Inauguration of LATElec Services Colomiers (March).
- Astrium selects LATElec as supplier for electrical harnesses (April).
- Starting of the Eurocopter France research activities (August).
- New contract with Airbus concerning avionics cabinets, control cockpit panels and A350XWB FIB systems(December)



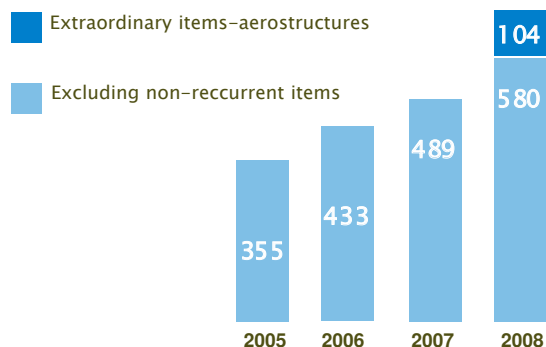
- Major contract with Airbus for the study and realization of the complete TR21, central section, assembly line for the future A350 (September).

Revenue and backlog

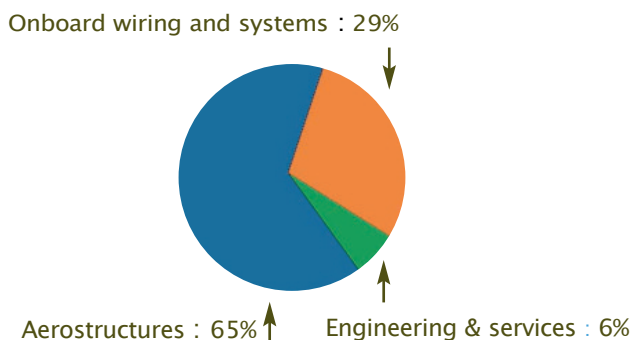
Workforce : year end 2008



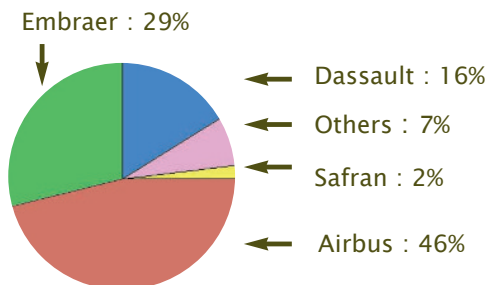
Revenue (€M)



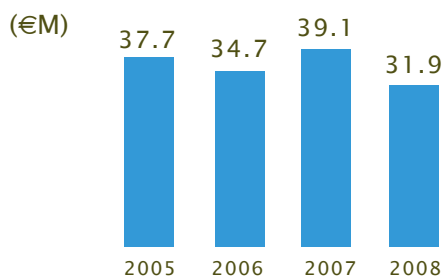
Breakdown of revenue by activity



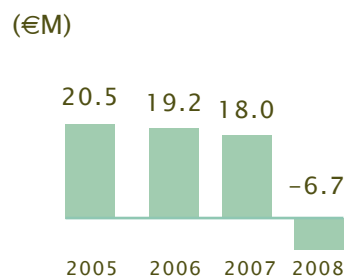
Breakdown of revenue by customer



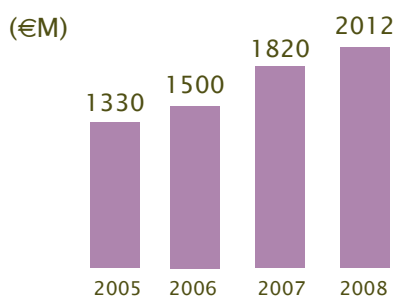
Ebit(€M)



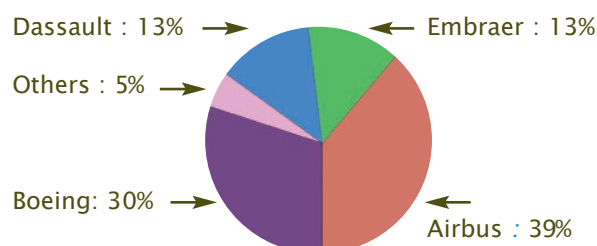
Net income (€M)



Backlog (€M)



Backlog by customer



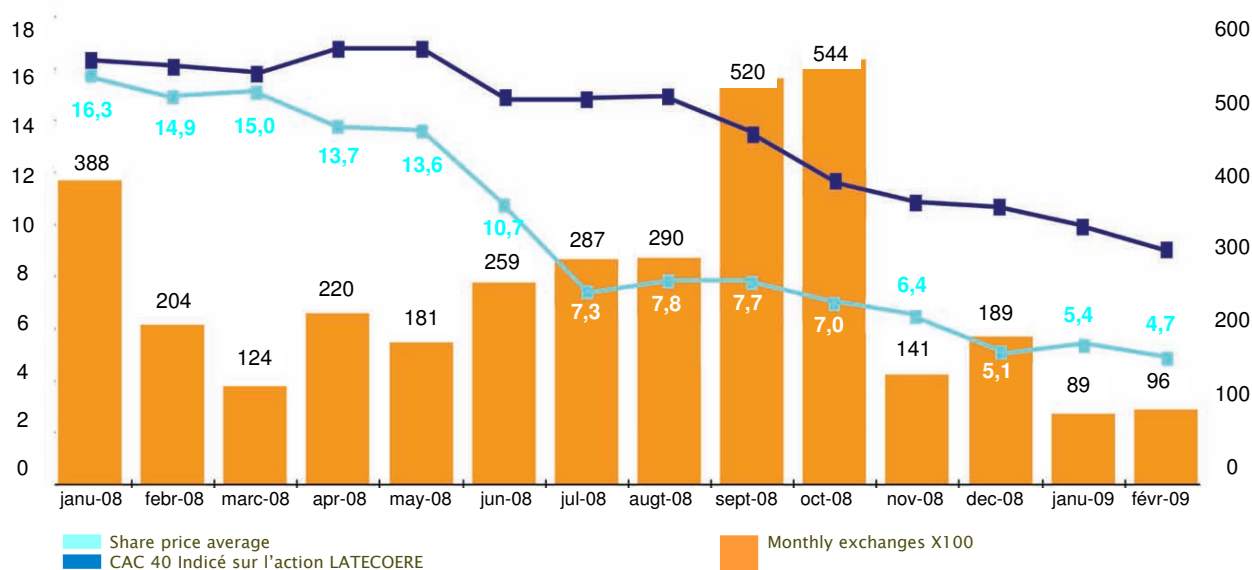
Financial overview

Income statement

€M	2008	2007
Revenue	683.9	489.3
Ebit	31.9	39.1
<i>Ebit margin</i>	4.7%	8.0%
Financial income	- 41.9	-14.7
Group net income	- 6.7	18.0
<i>Net income margin</i>	-1%	3.7%

Balance sheet

€M	2008	2007
Fixed assets	105.2	104.2
Inventories & work in progress	562.8	643.3
Customers	172.4	135.6
Others assets	37.0	75.3
Cash & equivalents	19.9	57.1
Balance sheet total	897.3	1015.5
Shareholders' equity	221.2	258.6
Financial debt	355.9	434.0
Suppliers	157.2	154.8
Others liabilities	163.0	168.1
Net debt	336	376.9



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Actionariat

