

EANS-Adhoc: FACC AG / FACC with dynamic business development in the first half of 2016/17

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Mid Year Results/6-month report

- Significant sales growth thanks to increases in all three segments
- Development of earnings as expected
- 3,341 employees on board: growth continues
- Stability, innovation and sustainability as key pillars of success

Ried, 20 October 2016 - In the first six months of fiscal year 2016/17, FACC AG recorded sustained strong growth thanks to the continued positive development in the civil aviation industry.

The strong global demand for aircraft and the sustained high level of OEM aircraft deliveries led to an increase in sales to 329.8 million EUR in the first half of 2016/17 (compared to 270.1 million EUR in the same 2015/2016 period). The 22.1% rise in sales revenues was a consequence of the significant increase in product sales of 22.8% or 56.5 million EUR to 303.7 million EUR, with all three segments reporting increases. Main drivers are the Airbus A320 family, the Airbus A350 XWB, the Bombardier C Series, as well as the Embraer E2 jet. In the first half of 2016/17, development revenues rose by 3.4 million EUR to 26.1 million EUR. "FACC builds on the three key pillars of stability, innovation and sustainability," said Robert Machtlinger, CEO of FACC AG, "which contributed to us achieving a solid development in the first half of 2016/17."

The earnings development in the first half of 2016/17 developed nearly within the framework of expectations. In the first half of 2016/17, the earnings before interest, taxes and fair value measurement of derivative financial instruments (EBIT) amounted to 4.6 million EUR. The result of the current period under review includes also nonrecurring expenses of 1.4 million EUR that are associated with the "Fake President Incident". Costs for short-term personnel measures - such as the increase in leased staff - led to a temporary increase in costs in the second quarter.

The first half of 2016/17 was characterized by the series production of new projects. The activities around the significant ramp-up to series production of the A350 XWB, in particular, took center stage. The associated challenges with respect to delivery reliability and quality were pursued with the highest priority and mastered. This also involved a substantial increase in the number and qualification of employees in all segments - the FACC workforce was increased by 354 employees in the reference period and, as of 31 August 2016, amounted to 3,341 employees (FTE). "This stable employee growth is the result of full order books and new projects. The fact that we are able to assert ourselves so well in international competition is due to our company's innovative strength," said Machtlinger. "Thanks to our crew's extensive know-how and expertise, we are developing highly efficient and bespoke technologies for our customers, supporting their sustainability strategies and contributing to our sustainable economic growth."

In addition to the OEM business that is plannable in the long term, FACC AG has also intensified its efforts to exploit and develop the maintenance and repair market for civil aircraft (MRO business). In the second quarter, FACC was commissioned to retrofit 110 A320 aircraft cabins, as well as up to 12 first-class cabins of the A330. It has also been possible for FACC to acquire various development contracts. These include orders for the development of the passenger cabin of a 70-seater turboprop aircraft, research contracts for space flight components and orders for the further development of materials and processes for the production of composite components for implementation in very high unit numbers.

The locations in Upper Austria are being further expanded in line with sustainable growth and positive forecasts for future requirements. In addition to the activities carried out in the course of the business year, further investment measures for the financial year 2017/18 are also being examined and developed. At the same time, special "Operational Excellence Projects" have been launched in order to continuously strengthen profitability. These projects aim at increasing the level of automation and cutting back on product process costs. Furthermore, the outsourcing of production for simple composite parts is being progressed. These projects are beginning to show an impact and the implementation of these activities will be a focus again for the business year

2016/17.

Outlook

For the second half-year period of 2016 /2017, FACC also anticipates a stable development of the business performance. The ramp up of series production of new projects, especially those for the Airbus A350 XWB, as well as the long-term demands for other aircraft families, such as Boeing 787 and Airbus A320, will sustainably positively influence FACC's development. As a result of the balanced and modern FACC product and customer portfolio, the company will be in a position to profit from the general growth expected in virtually all aircraft families. The solid order backlog and the course of business correspond to the management's expectations. In addition to a two-figure growth in revenue also over the year, our attention continues to be oriented towards achieving our earnings targets. "Stability, innovation and sustainability - we must continue to do everything we can to further strengthen these three successful pillars, thereby continually improving the Group's earnings and financial strength in the coming periods," said Machtlinger.

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