

Interim Report

Q1 2015/16



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Foreword CEO

The start of the financial year 2015/16 and our second year as a listed company has met our expectations. The ramp-up of production volumes and the resultant increases in revenues from our most relevant programs have gone according to plan. We have also been able to achieve further successes in the implementation of our “Operational Excellence Projects”. As a result, our overall performance and consequently the quality of our results have further improved and will continue to improve over the next quarters.

The commercial aerospace business environment continued to post solid growth in the first quarter of this financial year. At the international aviation and aerospace exhibition in Le Bourget (France), which took place in June 2015, a total of 1,223 civil aircraft purchases and call options for a total value of USD 69 billion were signed. As a result, the book-to-bill ratio currently amounts to roughly 1.9x.

Despite all these positive signs, we have been unable so far to effectively address the detrimental factors affecting our results, thus failing to meet both our and your expectations. Corresponding customer negotiations are, however, on track and give us the necessary confidence regarding the further course of the 2015/16 financial year.



Walter A. Stephan
Chairman and Chief Executive Officer of FACC AG



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Selected Group Key Performance Indicators

	1/3/2015 -31/5/2015 EUR'000	1/3/2014 -31/5/2014 EUR'000
Revenue	136,680	119,714
EBITDA	7,549	-276
EBITDA as percentage of revenue	5.5%	-0.2%
EBIT	1,209	-5,280
EBIT as percentage of revenue	0.9%	-4.4%
Net profit after taxes adjusted for the change in the fair values of derivative financial instruments	-376	-5,561
Net profit after taxes adjusted for the change in the fair values of derivative financial instruments as percentage of revenue	-0.3%	-4.6%
Capitalised development costs	8,018	5,982
Research and development costs expensed	5,578	4,300
Total as percentage of revenue	9.9%	8.6%
Cash flow from operations	-16,289	-30,786
Cash flow from investing activities	-13,147	-11,415
Total employees (end of period)	3,081	3,055

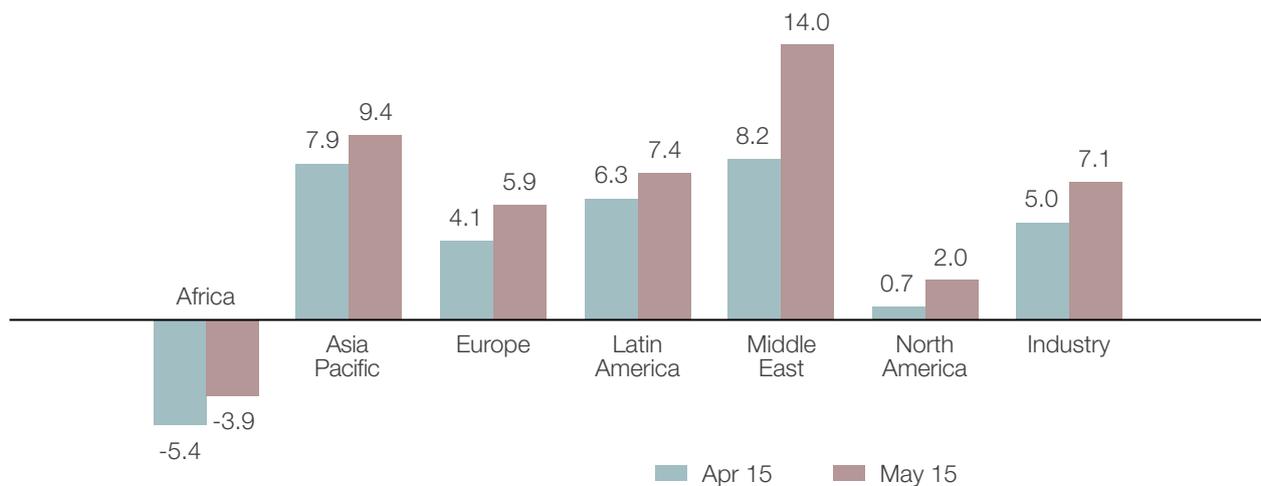
	Balance as at 31/5/15 EUR'000	Balance as at 28/2/15 EUR'000
Net working capital	154,641	139,899
Net debt	133,238	102,554
Equity	314,857	314,908
Equity ratio	42.9%	43.8%
Total amount of the consolidated statement of financial position	733,937	718,245

Framework conditions of the aviation industry

Global passenger traffic grew by 6.9% in May 2015. Both Asian and Middle Eastern Airlines recorded above-average

growth, with passenger volumes increasing by 9.4% and 14.0% respectively.

Passenger traffic May 2015



Airfreight traffic increased by 2.1% in May 2015 compared to the same period in the previous year. This weak development is to be associated with the general development of world trade as well as a weaker development in the growth regions.

According to IATA, the aviation sector generated profits totalling USD 19.9 billion in 2014, with growing demand and lower oil prices both contributing to robust earnings. The price of oil has been in the range of USD 50 to 60 per barrel for several months, thus remaining at a low level.

At the international aviation and aerospace exhibition in Le Bourget (France), which took place in June 2015, a total of 1,223 civil aircraft purchases and call options for a total value of USD 69 billion were signed. Airbus and Boeing alone concluded a total of 902 sales or option agreements for a total value of approximately USD 60 billion. Combined with sustainable demand for new aircraft, the aviation industry developed positively in the first quarter of 2015/16.

Current business situation

ORDER BACKLOG

FACC AG's order backlog consists of firm orders placed directly by customers that commit the Group to delivering products or providing services. The total order backlog at the end of the first quarter totalling almost USD 5.5 billion is based on firm orders placed by the airlines with FACC AG's customers (firm order backlog). The total order backlog corresponds, arithmetically, to a production workload of roughly six years.

REVENUE AND EARNINGS DEVELOPMENT

In the first quarter of 2015/16, revenues amounted to EUR 136.7 million (Q1 2014/15: EUR 119.7 million). This 14.2% growth in revenues was mainly driven by the increase in product revenues from EUR 108.2 million in Q1 2014/15 to EUR 125.1 million in Q1 2015/16, while revenues related to development services remained stable at EUR 11.6 million in the period under review (Q1 2014/15: EUR 11.5 million).

Product revenues were mainly driven by the Boeing 787 and 737, Airbus A321, Airbus A350 XWB and A380 as well as Bombardier Challenger 350 and Embraer Legacy 450/500 programmes.

The change in costs for materials and purchased services as well as in staff costs were affected by higher output rates in the period under review compared to the same period in the previous year. Due to the early stage of the industrialisation process with regard to some projects in the Interiors segment, material costs in this segment were temporarily higher. Besides, the Engines & Nacelles segment reported high material costs mainly driven by product changes.

In the period under review, amortisation and depreciation charges amounted to EUR 6.3 million (Q1 2014/15: EUR 5.0 million). This increase developed as planned in line with the investment activities of the past years.

In the first quarter of 2015/16, earnings before interest, taxes and fair value measurement of derivative financial instruments (EBIT) amounted to EUR 1.2 million (Q1 2014/15: EUR -5.3 million). This increase in earnings of EUR 6.5 million compared to the same period of the previous year is mainly attributable to higher product deliveries along with the adoption of operating measures aimed at boosting efficiency and cutting costs.

SEGMENT REPORTING

Aerostructures

in EUR million	1 March 2015- 31 May 2015	1 March 2014- 31 May 2014	Change
Revenues	66.7	60.7	9.9%
Earnings before interest, taxes and fair value measurement of derivative financial instruments	8.1	2.0	296.7%
Amortisation and depreciation	2.6	2.2	17.2%
Assets	362.2	289.1	25.3%
Investments for the period	8.0	8.0	–

Revenues in the Aerostructures segment amounted to EUR 66.7 million in the first quarter of 2015/16 (Q1 2014/15: EUR 60.7 million). Revenues from product deliveries increased by 9.7% to EUR 59.3 million. This growth was mainly driven by the Airbus A350, A380 and A321 as well as the Boeing 737 programmes. Revenues from development activities amounted to EUR 7.4 million

in the period under review and remained at a constant level compared to the first quarter of 2014/15.

Earnings before interest, taxes and fair-value measurement (EBIT) in the Aerostructures segment stood at EUR 8.1 million in the first quarter of 2015/16 (Q1 2014/15: EUR 2.0 million).

Engines & Nacelles

in EUR million	1 March 2015- 31 May 2015	1 March 2014- 31 May 2014	Change
Revenues	24.7	20.2	22.4%
Earnings before interest, taxes and fair value measurement of derivative financial instruments	-3.4	-6.0	-
Amortisation and depreciation	1.3	1.6	-14.9%
Assets	145.4	130.9	11.0%
Investments for the period	0.9	0.4	119.9%

Revenues in the Engines & Nacelles segment amounted to EUR 24.7 million in the first quarter of 2015/16 (Q1 2014/15: EUR 20.2 million). Revenues from product deliveries rose significantly by 24.3% from EUR 19.0 million to EUR 23.6 million. This growth was mainly driven by the Airbus A350 and Boeing 787 programmes as well as by higher revenues in the engine composites area. Revenues from development activities stood at EUR 1.1 million in the period under review (Q1 2014/15: EUR 1.2 million).

tion with the Boeing 787 and Airbus A350 Nacelles programmes led to an increase in earnings compared to the previous year.

Earnings before interest, taxes and fair-value measurement (EBIT) in the Engines & Nacelles segment stood at EUR -3.4 million in the first quarter of 2015/16 (Q1 2014/15: EUR -6.0 million). Improvements in efficiency in connec-

However, the B787 TRSL programme continued to have a negative impact on the earnings performance of the division and consequently on overall group results (please also refer to financial reporting for the full-year 2014/15). This is mainly attributable to significant changes in the scope of work and to product modifications, which led to a considerable increase in product costs. Negotiations started in previous quarters on potential contract adjustments are currently well on track but have not been concluded yet.

Interiors

in EUR million	1 March 2015- 31 May 2015	1 March 2014- 31 May 2014	Change
Revenues	45.3	38.9	16.6%
Earnings before interest, taxes and fair value measurement of derivative financial instruments	-3.5	-1.3	-
Amortisation and depreciation	2.4	1.2	97.6%
Assets	226.4	180.7	25.3%
Investments for the period	4.3	3.0	43.5%

Revenues in the Interiors segment amounted to EUR 45.3 million in the first quarter of 2015/16 (Q1 2014/15: EUR 38.9 million). Revenues from product deliveries rose significantly by 19.9% from EUR 35.2 million to EUR 42.2

million. Revenues from development activities stood at EUR 3.1 million in the period under review (Q1 2014/15: EUR 3.7 million).

Earnings before interest, taxes and fair-value measurement (EBIT) in the Interiors segment amounted to EUR -3.5 million in the first quarter of 2015/16 (Q1 2014/15: EUR -1.3 million). The earnings situation of the segment in the period under review continued to be negatively impacted by high production costs in connection with the cabin interiors of the new A350 XWB programme as well as with the Legacy 450/500 and CL350 business jet interior projects. Production costs were negatively affected by a temporary increase in material purchase costs along with FACC's on-site support costs at the customer's premises as a result of assembly operations.

FINANCIAL POSITION

In the first quarter of 2015/16, investments amounted to EUR 13.1 million (Q1 2014/15: EUR 11.4 million). Capitalised development costs contained in investments amounted to EUR 8.0 million (Q1 2014/15: EUR 6.0 million), mostly driven by engineering services associated with the development of the Airbus A350 and A320, Embraer Legacy and Embraer E-Jet 190.

ASSETS SITUATION

At the end of the interim reporting period, intangible assets amounted to EUR 157.4 million (28 February 2015: EUR 151.7 million). The change is mainly due to additions from development projects in connection with A350 and A320, Embraer Legacy and Embraer E-Jet 190.

Inventories amounted to EUR 115.2 million at the end of the period under review (28 February 2015: EUR 98.8 million). The change is mainly due to the increase in product revenues and mainly concerns production projects that generate rising revenue streams.

Receivables from construction contracts amounted to EUR 33.3 million at the end of the interim reporting period (28 February 2015: EUR 28.9 million). Compared to 28 February 2015, the amount recognised for construction contracts as of 31 May 2015 was higher by EUR 4.4 million. The change mainly results from development contracts (based on milestone contracts) in connection with Airbus A350, Airbus A380 Redesign and COMAC C919.

Receivables from affiliated companies declined by EUR 4.5 million to EUR 30.8 million at the end of the period under review. Basically, incoming payments in connection with the COMAC C919 development project were booked.

The share capital of the company amounts to EUR 45.8 million and is fully paid in. It is divided into 45,790,000 non-par value shares with a value of EUR 1.00 per share.

Capital procurement costs incurred by the company in connection with its IPO in June 2014 in the amount of EUR 11.6 million were offset against the capital reserve as of 28 February 2015, while taking into account tax effects in the amount of EUR 2.9 million. It was decided on 22 May 2015, by virtue of a resolution by the Supervisory Board, not to pay an incentive fee for investment banks contained therein, as a result of which the capital procurement costs subsequently decreased. Taking account of taxes, the effect came to EUR 1.1 million.

The promissory note loan in the amount of EUR 45.0 million as of 28 February 2015 was classified as current, as the financial covenant agreed upon with FACC Operations GmbH in its capacity as the issuer of the promissory note (borrower) was slightly undershot. In the interim period under review, an agreement was reached with the principal creditors of the promissory note loan not to call in the promissory note loan. Consequently, EUR 42.0 million is reported under non-current promissory note loans on the interim reporting date and EUR 3.0 million under current promissory note loans in accordance with the repayment date rule.

Trade payables in the amount of EUR 65.8 million (as of 28 February 2015: EUR 72.1 million) developed in line with the business performance. Trade payables tend to be higher by the end of a financial year than over the course of a financial year, as a result of seasonality effects that lead to higher business volumes in the last quarter of a financial year.

Current other financial liabilities amounted to EUR 45.1 million (28 February 2015: EUR 13.2 million). The change is primarily related to the financing of the change in working capital.

STAFF

Total headcount amounted to 3,081 employees as of 31 May, 2015 compared to 3,055 staff members in the same period of the previous year. The proportion of agency staff amounted to 1.4% at the end of the interim reporting period.

Outlook

The solid performance of the commercial aerospace market had a positive effect on the development of Group's revenues in the first quarter of 2015/16. On the basis of the orders currently booked for the remaining quarters, the management of FACC AG assumes that this positive development of both revenues and earnings will continue over the year. Due to a number of seasonality effects, a high single-digit percentage increase is to be expected.

FACC AG is profiting across all segments from the ramp up of production volumes for the Airbus A350 XWB project currently underway. Output rates for this aircraft type will grow from currently three aircraft sets per month to seven sets per month in the course of the year. Product revenues from the A350 XWB will gradually increase over the next two years to reach the planned output rate of 14 aircraft sets per month.

Besides, the company continues to press ahead with the implementation of the FACC Operational Excellence Initiatives with a view to considerably reducing direct production costs along with fix expenses and costs of materials on hand. Measures adopted in previous quarters are now bearing their first fruits. Further cost saving potentials as well as projects aimed at increasing the degree of automation of production processes are currently under implementation.

In the period under review, the outsourcing of defined product families to strategic supply chain partners in growth markets was further pursued. These relocations are mainly aimed at reducing manufacturing costs, decreasing USD exposure, releasing FACC production space at the Austrian sites for the manufacturing of complex components as well as reducing FACC AG's overall investment requirements.

Meeting the earnings targets for the 2015/16 financial year will largely depend on the successful implementation of efficiency measures in connection with the above-mentioned increase in output rates for new projects and the completion of customer negotiations currently underway.

Moving forward, the FACC Group will continue to push ahead with its business activities, ranging from development, manufacturing through to global supply chain management, while further expanding its role as a preferred partner of the aviation industry. This will further support the implementation of the "FACC Vision 2020" strategy, especially when it comes to consolidating and expanding the company's standing as a Tier 1 supplier of customers such as Airbus, Boeing, Bombardier, Embraer and all renowned engine manufacturers.



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Consolidated Statement of Financial Position

	Balance as at 31/5/2015 EUR'000	Balance as at 28/2/2015 EUR'000
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	157,368	151,659
Property, plant and equipment	159,473	158,251
Other non-current financial assets	465	469
Non-current receivables	22,455	24,597
Total non-current assets	339,761	334,976
CURRENT ASSETS		
Inventories	115,226	98,858
Trade receivables	86,804	91,707
Receivables from construction contracts	33,332	28,920
Other receivables and deferred income	15,447	17,507
Receivables from affiliated companies	30,780	35,322
Cash and cash equivalents	112,588	110,955
Total current assets	394,176	383,268
TOTAL ASSETS	733,937	718,245
EQUITY		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
Share capital	45,790	45,790
Capital reserve	221,624	220,535
Currency translation reserve	-316	-170
Other reserves	-26,032	-24,014
Retained earnings	73,781	72,759
	314,847	314,900
Non-controlling interests	10	8
TOTAL EQUITY	314,857	314,908
LIABILITIES		
NON-CURRENT LIABILITIES		
Promissory note loans	42,000	0
Bonds	89,111	89,067
Other financial liabilities	66,579	66,268
Derivative financial instruments	8,939	10,340
Investment grants	11,048	11,223
Employee benefit obligations	11,129	10,926
Deferred taxes	3,523	4,589
Total non-current liabilities	232,329	192,413
CURRENT LIABILITIES		
Trade payables	65,777	72,087
Other liabilities and deferred income	30,392	25,006
Other financial liabilities	45,136	13,173
Promissory note loans	3,000	45,000
Derivative financial instruments	37,069	48,199
Other provisions	4,560	6,642
Investment grants	768	768
Income tax liabilities	49	49
Total current liabilities	186,752	210,924
TOTAL LIABILITIES	419,080	403,337
TOTAL EQUITY AND LIABILITIES	733,937	718,245

Consolidated Statement of Comprehensive Income

	1/3/2015 - 31/5/2015	1/3/2014 - 31/5/2014
	EUR'000	EUR'000
REVENUE	136,680	119,714
Changes in inventories	6,658	8,311
Own work capitalised	5,999	4,028
Cost of materials and purchased services	-90,370	-81,355
Staff costs	-41,230	-40,026
Depreciation and amortisation	-6,340	-5,004
Other operating income and expenses	-10,187	-10,948
EARNINGS BEFORE INTEREST, TAXES AND FAIR VALUE MEASUREMENT OF DERIVATIVE FINANCIAL INSTRUMENTS	1,209	-5,280
Finance costs	-2,516	-2,487
Interest income from financial instruments	176	19
Fair value measurement of derivative financial instruments	1,401	-390
PROFIT BEFORE TAXES	270	-8,138
Income taxes	755	2,187
PROFIT AFTER TAXES	1,025	-5,951
Currency translation differences from consolidation – reclassifiable	-146	21
Fair value measurement of securities (net of tax) – reclassifiable	-3	0
Cash flow hedges (net of tax) – reclassifiable	-2,022	-315
Revaluation effects of pensions and termination benefits (net of tax) – non reclassifiable	6	0
OTHER COMPREHENSIVE INCOME FOR THE YEAR	-2,164	-294
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-1,139	-6,245
PROFIT AFTER TAXES ATTRIBUTABLE TO		
Equity holders of the parent	1,023	-5,959
Non-controlling equity holders	2	8
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO		
Equity holders of the parent	-1,141	-6,253
Non-controlling equity holders	2	8
EARNINGS PER SHARE WITH REGARD TO PROFIT AFTER TAXES ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT DURING THE YEAR (IN EUR PER SHARE)	0.02	-

Consolidated Statement of Cash Flows

	1/3/2015- 31/5/2015 EUR'000	1/3/2014- 31/5/2014 EUR'000
OPERATING ACTIVITIES		
Earnings before interest, taxes and fair value measurement of derivative financial instruments	1,209	-5,280
Fair value measurement of derivative financial instruments	1,401	-390
	2,610	-5,670
Plus/minus		
Release of/accrual of investment grants	-166	-194
Depreciation and amortisation	6,340	5,004
Losses/(gains) on disposal of non-current assets	0	399
Change in financial instruments	13,853	3,652
Cash flow Hedge	-29,080	-420
Change in non-current receivables	2,143	-3,884
Revaluation effects of pensions and termination benefits	8	0
Change in employee benefit obligations, non-current	203	165
Valuation effects from currency translation differences	-1,091	-477
	-5,179	-1,426
Change in net current assets		
Change in inventories	-16,368	-21,996
Change in receivables and deferred items	6,669	-1,334
Change in trade payables	-6,310	-12,422
Change in current provisions	-206	727
Change in other current liabilities	5,105	5,665
CASH GENERATED FROM OPERATIONS	-16,289	-30,786
Interest received	176	19
NET CASH GENERATED FROM OPERATING ACTIVITIES	-16,113	-30,767
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-4,886	-5,367
Purchase of intangible assets	-243	-65
Payment for addition to development costs	-8,018	-5,982
NET CASH GENERATED FROM INVESTING ACTIVITIES	-13,147	-11,415
FINANCING ACTIVITIES		
Proceeds from financial loans and bonds	32,816	45,641
Repayments of financial loans and bonds	-498	-462
Payments of interest on financial loans and bonds	-2,516	-2,487
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	29,801	42,692
NET CHANGE IN CASH AND CASH EQUIVALENTS	541	510
Cash and cash equivalents at the beginning of the period	110,955	51,012
Valuation effects from currency translation differences	1,091	477
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	112,588	51,999

Consolidated Statement of Changes in Equity

	OTHER RESERVES					
	Share capital	Capital reserve	Currency translation reserve	Available-for-sale securities	Hedging reserve	Reserve IAS 19
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
BALANCE AS AT 1 MARCH 2015	45,790	220,535	-170	-14	-19,779	-4,221
Profit after taxes	0	0	0	0	0	0
OTHER COMPREHENSIVE INCOME						
Currency translation differences from consolidation	0	0	-146	0	0	0
Fair value measurement of securities (net of tax)	0	0	0	-3	0	0
Revaluation effects of pension and termination benefits (net of tax)	0	0	0	0	0	6
Cash flow hedges (net of tax)	0	0	0	0	-2,022	0
TOTAL OTHER COMPREHENSIVE INCOME	0	0	-146	-3	-2,022	6
TOTAL COMPREHENSIVE INCOME	0	0	-146	-3	-2,022	6
Subsequent changes in IPO costs	0	1,089	0	0	0	0
BALANCE AS AT 31 MAY 2015	45,790	221,624	-316	-17	-21,801	-4,215

	Retained earnings	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
	EUR'000	EUR'000	EUR'000	EUR'000
	BALANCE AS AT 1 MARCH 2015	72,759	314,900	8
Profit after taxes	1,023	1,023	2	1,025
OTHER COMPREHENSIVE INCOME				
Currency translation differences from consolidation	0	-146	0	-146
Fair value measurement of securities (net of tax)	0	-3	0	-3
Revaluation effects of pension and termination benefits (net of tax)	0	6	0	6
Cash flow hedges (net of tax)	0	-2,022	0	-2,022
TOTAL OTHER COMPREHENSIVE INCOME	0	-2,164	0	-2,164
TOTAL COMPREHENSIVE INCOME	1,023	-1,141	2	-1,139
Subsequent changes in IPO costs	0	1,089	0	1,089
BALANCE AS AT 31 MAY 2015	73,781	314,847	10	314,857

Consolidated Statement of Changes in Equity

	OTHER RESERVES					
	Share capital	Capital reserve	Currency translation reserve	Available-for-sale securities	Hedging reserve	Reserve IAS 19
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
BALANCE AS AT 1 MARCH 2014	35	125,006	-127	-45	0	-1,389
Profit after taxes	0	0	0	0	0	0
OTHER COMPREHENSIVE INCOME						
Currency translation differences from consolidation	0	0	21	0	0	0
Cash flow hedges (net of tax)	0	0	0	0	-315	0
TOTAL OTHER COMPREHENSIVE INCOME	0	0	21	0	-315	0
TOTAL COMPREHENSIVE INCOME	0	0	21	0	-315	0
Dividend	0	0	0	0	0	0
Share capital increase from capital reserve	29,965	-29,965	0	0	0	0
BALANCE AS AT 31 MAY 2014	30,000	95,041	-106	-45	-315	-1,389

	Retained earnings	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
	EUR'000	EUR'000	EUR'000	EUR'000
	BALANCE AS AT 1 MARCH 2014	101,353	224,833	-5
Profit after taxes	-5,959	-5,959	8	-5,951
OTHER COMPREHENSIVE INCOME				
Currency translation differences from consolidation	0	21	0	21
Cash flow hedges (net of tax)	0	-315	0	-315
TOTAL OTHER COMPREHENSIVE INCOME	0	-294	0	-294
TOTAL COMPREHENSIVE INCOME	-5,959	-6,253	8	-6,245
Dividend	-19,000	-19,000	0	-19,000
Share capital increase from capital reserve	0	0	0	0
BALANCE AS AT 31 MAY 2014	76,394	199,580	3	199,583

Selected Comments on the Interim Report

GENERAL

The FACC Group, headquartered in Ried, is a group incorporated in Austria for the development, production and servicing of aircraft components. The company was founded in 1989. The principal activities of the FACC Group are the manufacturing of structural components, such as parts of engine cowlings, wing claddings or control surfaces, as well as interiors for modern commercial aircraft.

The components are manufactured using mainly composites. Within the components made of such composites, the Group also integrates metallic components of titanium, high-alloy steel and other metals, and supplies these components to the aircraft final assembly lines ready for fitting.

There have been no changes to the scope of consolidation of FACC AG as of 31 May, 2015 compared to the scope of consolidation of the consolidated financial statements as of 28 February, 2015.

ACCOUNTING AND VALUATION METHODS

These interim financial statements as of 31 May 2015 have been prepared in accordance with the International Accounting Standard 34 (IAS 34).

The accounting and valuation methods applied to the consolidated financial statements as of 28 February 2015 have been consistently applied to these interim financial statements. There are no new or amended standards and interpretations effective for these interim financial statements 2015/16 that are expected to have a material impact on the Group.

For further information on the accounting and valuation methods, reference is made to the consolidated financial statements as of 28 February 2015, which form the basis of these interim financial statements. The information disclosed herein is limited to selected material comments.

SEGMENT REPORTING

Segment reporting is consistent with the internal management and reporting of FACC. Due to the products' different applications, three operating segments were created. The Aerostructures segment covers development, manufacture and sales of structural components, the Interiors segment handles the development, manufacture and sales of interiors, and the Engines & Nacelles segment is responsible for the manufacture and sales of engine components.

All operating segments are led by Vice Presidents. After the conclusion of customer agreements and order processing, the individual orders are manufactured in the four plants or in cooperation with FACC's global supply chain partners. Apart from these three operating segments, the company includes the central services of finances and controlling, personnel, quality management, strategic purchasing and IT (including engineering services). In the form of a matrix organisation, these central services support the operating segments in the completion of their tasks. Please see the next page for figures!

The abbreviated presentation of these business segments pursuant to IAS 34 and additional explanations concerning their composition and development can be found on page 7ff.

	Aerostructures	Engines & Nacelles	Interiors	Total
1/3/2015 - 31/5/2015	EUR'000	EUR'000	EUR'000	EUR'000
INFORMATION ON PROFITABILITY				
Revenue	66,681	24,697	45,302	136,680
Earnings before interest, taxes and fair value measurement of derivative financial instruments	8,060	-3,357	-3,494	1,209
Depreciation and amortisation	2,626	1,323	2,391	6,340
Earnings before interest, taxes and fair value measurement of derivative financial instruments and depreciation and amortisation	10,686	-2,034	-1,103	7,549
INFORMATION ON ASSETS				
Assets	362,177	145,368	226,392	733,937
Capital expenditure in the fiscal year	7,954	859	4,334	13,147

	Aerostructures	Engines & Nacelles	Interiors	Total
1/3/2014 - 31/5/2014	EUR'000	EUR'000	EUR'000	EUR'000
INFORMATION ON PROFITABILITY				
Revenue	60,672	20,173	38,869	119,714
Earnings before interest, taxes and fair value measurement of derivative financial instruments	2,032	-6,005	-1,307	-5,280
Depreciation and amortisation	2,240	1,554	1,210	5,004
Earnings before interest, taxes and fair value measurement of derivative financial instruments and depreciation and amortisation	4,272	-4,451	-97	-276
INFORMATION ON ASSETS				
Assets	289,128	130,936	180,723	600,786
Capital expenditure in the fiscal year	8,004	391	3,020	11,415

ASSUMPTIONS AND ESTIMATES

The preparation of the interim financial statements in accordance with generally accepted accounting and valuation methods requires the use of assumptions and estimates, which have an effect on the amount and the presentation of the reported assets and liabilities, as well as on the disclosed contingent assets and liabilities as of the end of the interim reporting period, and have an effect on the reported income and expenses during the reporting period. Although these assumptions are made to the best of our knowledge based on current transactions, the actual values may in the end deviate from these assumptions. The interim financial statements have been prepared in euro thousand (EURk); the information disclosed therein is also presented in euro thousand. Where rounded amounts and percentages are aggregated, rounding differences may occur due to the use of automated calculation aids.

SEASONALITY

Our operating results are subject to fluctuations as revenues vary from quarter to quarter.

The allocation of total revenues for a given financial year to a particular financial quarter is largely correlated to pro-

duction operations of aviation industry customers. For this reason, the quarters, during which customers normally conduct plant holidays, are lower in revenues than quarters without such effects. Moreover, revenues for a certain quarter may be affected by invoicing for larger tooling and development projects, which is generally the case during the fourth quarter. In addition, our customers typically place their orders, to a large extent, in December, which results in increased revenues recorded in January, i.e., in our fourth quarter. Further, the seasonality effect is also influenced by airlines, as the quantity of their purchase orders for new aircraft depends on seasonal passenger volumes. In the past, our results have varied from quarter to quarter, which had an impact on our working capital and financial results. It is anticipated that these effects will continue to take place moving forward.

FINANCIAL INSTRUMENTS

The information required pursuant to IAS 34.16 A(j) with regard to the fair value of financial instruments is presented below.

The fair values of derivative financial instruments for foreign currency and interest rate hedging are as follows:

	Volume USD'000	Volume EUR'000	Fair-Value EUR'000
BALANCE AS OF 28/2/2015			
Forward foreign exchange contracts - USD	425,000	-	-48,199
Structured currency options - USD	-	-	-
Interest rate swaps	-	20,000	-10,340
BALANCE AS OF 31/5/2015			
Forward foreign exchange contracts - USD	355,000	-	-37,069
Structured currency options - USD	-	-	-
Interest rate swaps	-	20,000	-8,939

The current and non-current financial assets and liabilities can be broken down as follows in accordance with the categories of IAS 39:

	Category IAS 39 ¹⁾	Carrying amount as of 28 February 2015 EUR'000	Fair value as of 28 February 2015 EUR'000	Carrying amount as of 31 May 2015 EUR'000	Fair value as of 31 May 2015 EUR'000
ASSETS					
MEASUREMENT AT (AMORTISED) COST					
Non-current receivables	LaR	24,597	24,597	22,455	22,455
Trade receivables	LaR	91,707	91,707	86,804	86,804
Receivables from construction contracts	LaR	28,920	28,920	33,332	33,332
Receivables from affiliated companies	LaR	35,322	35,322	30,780	30,780
Cash and cash equivalents	LaR	110,955	110,955	112,588	112,588
MEASUREMENT AT FAIR VALUE					
Book-entry securities (not listed)	AfS	44	44	44	44
Securities (listed)	AfS	425	425	421	421
Derivates with positive fair value (interest rate swaps)	AtFVtP&L	–	–	–	–
Derivates with positive fair value (forward foreign exchange contracts)	–	–	–	–	–
Derivates with positive fair value (structured currency options)	AtFVtP&L	–	–	–	–
TOTAL FINANCIAL ASSETS		291,970	291,970	286,424	286,424

	Category IAS 39 ¹⁾	Carrying amount as of 28 February 2015 EUR'000	Fair value as of 28 February 2015 EUR'000	Carrying amount as of 31 May 2015 EUR'000	Fair value as of 31 May 2015 EUR'000
LIABILITIES					
MEASUREMENT AT (AMORTISED) COST					
Promissory note loans	FLAC	45,000	45,000	45,000	45,000
Bonds	FLAC	89,067	97,486	89,111	96,357
Bank borrowings	FLAC	79,441	79,441	111,715	111,715
Trade payables	FLAC	72,087	72,087	65,777	65,777
MEASUREMENT AT FAIR VALUE					
Derivates with negative fair value (interest rate swaps)	AtFVtP&L	10,340	10,340	8,939	8,939
Derivates with negative fair value (forward foreign exchange contracts)	–	48,199	48,199	37,069	37,069
Derivates with negative fair value (structured currency options)	AtFVtP&L	–	–	–	–
TOTAL FINANCIAL LIABILITIES		344,134	352,553	357,611	364,857

¹ LaR Loans and Receivables
AfS Available for Sale
AtFVtP&L At Fair-Value through Profit and Loss
FLAC Financial Liabilities at Amortised Cost

RELATED-PARTY TRANSACTIONS OUTSIDE THE SCOPE OF CONSOLIDATION FOR THE PERIOD 1 MARCH 2015 TO 31 MAY 2015

With the related company Shanghai Aircraft Manufacturing Co., Ltd., revenues were generated in the amount of EUR 71k (Q1 2014/15: EUR 197k).

With the related company Fesher Aviation Component (Zhenjiang) Co., Ltd., revenues were generated in the amount of EUR 763k (Q1 2014/15 EUR 542k).

Costs totalling EUR -424k originally offset against the related company FACC International Co., Ltd. were credited, since the underlying cost base was reduced in the same period (comparative period in the previous year EUR 0k).

WAIVER OF REVIEW/AUDIT

These quarterly financial statements were neither audited nor reviewed.

STATEMENT OF ALL LEGAL REPRESENTATIVES

We confirm to the best of our knowledge that the condensed interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards.

SUBSEQUENT EVENTS AFTER THE INTERIM REPORTING PERIOD

Insolvency proceedings involving the assets of the subsidiary ITS GmbH were initiated on 1 July 2015. ITS GmbH is an engineering office with 19 employees headquartered in Steinebach/Germany. The effects of this on the consolidated financial statements are negligible.

Ried im Innkreis, 16 July 2015



Walter A. Stephan
Chairman of the
Management Board



Minfen Gu
Member of the
Management Board



Robert Machtlinger
Member of the
Management Board

Investor Relations

THE FACC SHARE



Basic information about the FACC share

ISIN	AT00000FACC2
Currency	EUR
Stock Exchange	Vienna (XETRA)
Market segment	Prime Market (official trading)
First day of trading	25 June, 2014
Issue price	EUR 9.5
Paying agent	ERSTE GROUP
Indices	ATX GP, ATX IGS, ATX Prime, WBI
Share class	ordinary shares
Ticker symbol	FACC
Reuters symbol	FACC.VI
Bloomberg symbol	FACC AV
Number of shares issued	45,790,000

Key share data

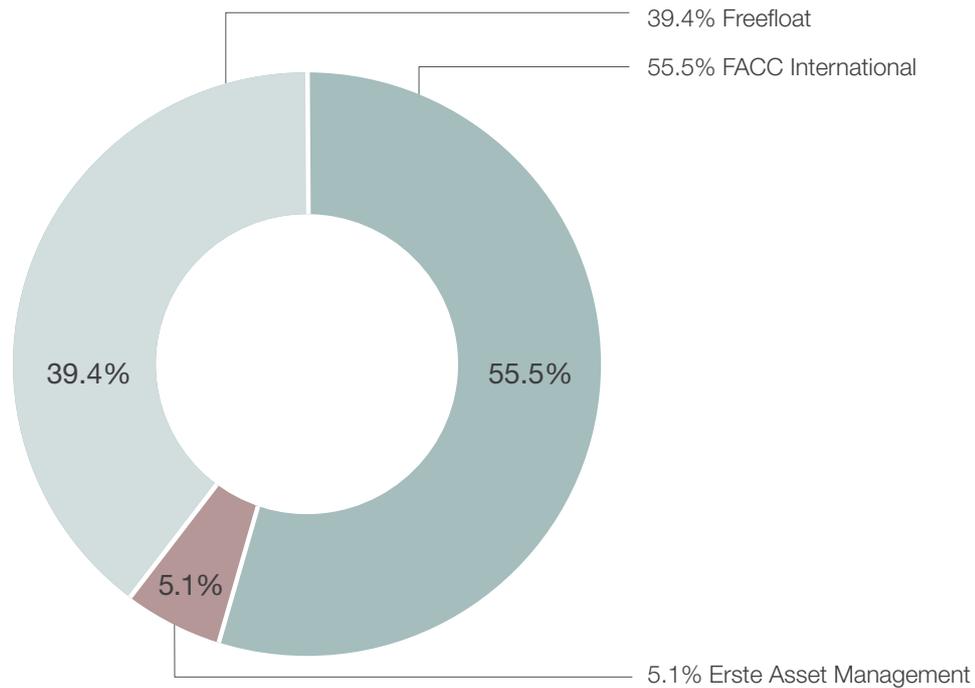
		Q1 2015/16
Trading volume	shares	9,231,516
Average daily trading volume	shares	153,859
Monetary turnover	EUR million	66.5
Highest closing price over the year	EUR	8.49
Lowest closing price over the year	EUR	6.55
Closing price	EUR	6.89
Performance year-to-date	in %	-3.7%
Market capitalisation as of February 27	EUR million	315.5

SHAREHOLDER STRUCTURE AND SHARE CAPITAL

FACC AG's share capital amounts to EUR 45,790,000 and is divided into 45,790,000 shares. The Aviation Industry Corporation of China (AVIC) holds 55.5% of voting rights in FACC AG via FACC International. 5.1% of voting rights are

held by Erste Asset Management. The remaining 39.4% of shares represent free float and are held by both international and Austrian investors. FACC AG did not hold any treasury shares as of the end of the interim reporting period.

Shareholder structure



CONTACT DETAILS

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FINANCIAL CALENDAR 2015/16

July 16, 2015 - Quarterly financial report Q1
October 22, 2015 - Semi-annual financial report
January 21, 2016 - Quarterly financial report Q3

