

Financial report

First half year 2015/16



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Foreword CEO

Dear Shareholders!

The first half of our business year was in line with our expectations. The ramp-up of several core programmes and, first and foremost, those for the Airbus A350, Challenger 350 as well as Legacy 450/500 were challenging on the one side but on the other, they secure FACC AG's future growth. These programmes also made a significant contribution to a marked increase in revenues of 14.5% to EUR 270 million in the first half of 2015/16. Of particular importance for me and the management of FACC AG was, however, the earnings improvement of over EUR 20 million in the first half of the year, which clearly demonstrates our efforts in the implementation of our Operational Excellence Initiatives over the last few months. Nonetheless, I want to consider this accomplishment only as a first step towards a sustainably stable earnings development moving forward. Major operating improvements are in implementation and indispensable negotiations with customers are still underway. Both will require further concerted efforts in the remaining months of the 2015/16 business year. Meanwhile, I am confident that towards the end of the 2015/16 business year we will be able to report a set of results that will meet the expectations of our shareholders.

At the end of August 2015, the overall market environment looked solid. Revenue passenger kilometres (RPK) increased by 6.7% in the period under review. The load factor – i.e. capacity utilization – amounted to 84.7% as of the end of the reporting period. Also airfreight traffic reported stable development as of the end of August 2015.

Reduced raw material prices are currently leading to an increased willingness to travel in the private sector due to rising disposable income – see development of the corresponding key figures on page 6. In economic terms, however, this development results in a reduced willingness to invest in efficient components in the aviation industry. This is also affecting our MRO (maintenance, repair and overhaul) activities at the moment.

However, in light of the positive long-term outlook for the commercial aerospace industry, I am still confident that we will be able to achieve our growth targets of EUR 1 billion in line with our 'Vision 2020' moving forward.



Walter A. Stephan

Chairman and Chief Executive Officer of FACC AG



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Selected Group Key Performance Indicators

in EUR million	H1 2015/16	H1 2014/15
Revenue	270.1	235.9
EBITDA	18.8	-4.1
EBITDA as percentage of revenue	7.0%	-1.8%
EBIT	6.0	-14.5
EBIT as percentage of revenue	2.2 %	-6.1%
Net profit after taxes adjusted for the change in the fair values of derivative financial instruments	0.5	-14.0
Net profit after taxes adjusted for the change in the fair values of derivative financial instruments as percentage of revenue	0.2%	-5.9%
Capitalised development costs	13.5	12.3
Research and development costs expensed	10.2	14.6
Total as percentage of revenue	8.8%	11.4%
Cash flow from operations	-14.0	-56.5
Cash flow from investing activities	-24.9	-35.1
Total employees (end of period)	2,987	3,169

in EUR million	Balance as at 31/08/15	Balance as at 28/02/15
Net working capital	166.7	139.9
Net debt	145.5	102.6
Equity	324.9	314.9
Equity ratio	47.2%	43.8%
Total amount of the consolidated statement of financial position	688.3	718.2

Framework conditions of the aviation industry

At the end of August 2015, global passenger traffic recorded further strong development both at the regional and international level. From a total market perspective, reve-

nue passenger kilometres (RPK) increased by 7.1% year-on-year. Both Indian and Chinese airlines recorded above-average growth.

Passenger traffic key figures

Aug 2015 vs. Aug 2014	RPK Growth	ASK Growth	PLF
International	7.1 %	5.8 %	85.2
Domestic	7,1 %	6.1 %	83.8
Total Market	7.1 %	5.9 %	84.7
YTD 2015 vs. YTD 2014	RPK Growth	ASK Growth	PLF
International	6.7 %	6.1 %	80.2
Domestic	6.6 %	5.7 %	81.6
Total Market	6.6 %	6.0 %	80.7

Airfreight traffic - measured in freight tonne kilometres (FTK) - rose by 2.9% in the first eight months of the year compared to the same period of the previous year. This

weak development is to be associated with the general trend in world trade as well as a weaker development in the growth regions.

Group Management Report for the first half year

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 half of the year totalling almost USD 5.2 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 OF FACC AG

in EUR million	Q2 2015/16	Q2 2014/15	Change	H1 2015/16	H1 2014/15	Change
Revenues	133.4	116.1	14.8 %	270.1	235.9	14.5 %
Earnings before interest, taxes and fair value measurement of derivative financial instruments	4.8	-9.2	–	6.0	-14.5	–
Amortisation and depreciation	6.4	5.4	20.2 %	12.8	10.4	23.3 %
Investments for the period	11.7	23.7	-50.6 %	24.9	35.1	-29.2 %

In the first half of 2015/16, revenues amounted to EUR 270.1 million (comparative period in 2014/15: EUR 235.9 million). This growth in revenues was mainly driven by the increase in product revenues from EUR 212.8 million as of 31 August 2014 to EUR 247.3 million as of 31 August 2015, while revenues related to development services remained stable at EUR 22.8 million in the period under review (comparative period in 2014/15: EUR 23.1 million). The main drivers with regard to product revenues were Airbus A321, Airbus A350 XWB, 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.

Staff costs were below the previous year's level mainly due to a lower headcount combined with simultaneously higher production output. The positive change is a result of the implementation of several Operational Excellence Initiatives.

In the period under review, amortisation and depreciation charges amounted to EUR 12.8 million (comparative period in 2014/15: EUR 10.4 million). This increase developed as planned in line with the investment activities of previous reporting periods.

SEGMENT REPORTING

Aerostructures

in EUR million	Q2 2015/16	Q2 2014/15	Change	H1 2015/16	H1 2014/15	Change
Revenues	62.8	63.6	-1.2 %	129.5	124.3	4.2 %
Earnings before interest, taxes and fair value measurement of derivative financial instruments	6.9	0.5	–	15.0	2.5	–
Amortisation and depreciation	2.7	2.5	10.7 %	5.4	4.7	13.8 %
Investments for the period	7.9	9.6	-17.6 %	15.8	17.6	-9.9 %

Revenues in the Aerostructures segment amounted to EUR 129.5 million in the first half of 2015/16 (comparative period in 2014/15: EUR 124.3 million). Revenues from product deliveries increased by 4.8% to EUR 116.1 million. This growth was mainly driven by the Airbus A350 and A321 programmes. Revenues from development activities amounted to EUR 13.4 million in the period under review

and remained at a constant level compared to the first half of 2014/15.

Earnings before interest, taxes and fair-value measurement (EBIT) in the Aerostructures segment stood at EUR 15.0 million in the first half of 2015/16 (comparative period in 2014/15: EUR 2.5 million).

Engines & Nacelles

in EUR million	Q2 2015/16	Q2 2014/15	Change	H1 2015/16	H1 2014/15	Change
Revenues	29.8	19.9	46.9 %	54.5	40.1	35.9 %
Earnings before interest, taxes and fair value measurement of derivative financial instruments	-1.5	-6.1	-	-4.8	-12.1	-
Amortisation and depreciation	1.3	1.6	-20.2 %	2.6	3.2	-17.6 %
Investments for the period	1.1	0.5	104.1 %	1.9	0.9	110.9 %

Revenues in the Engines & Nacelles segment amounted to EUR 54.5 million in the first half of 2015/16 (comparative period in 2014/15: EUR 40.1 million). Revenues from product deliveries rose significantly by 37.7% from EUR 37.3 million to EUR 51.4 million. This growth was mainly driven by the Airbus A350 programmes as well as by higher revenues in the engine composites area. Revenues from development activities stood at EUR 3.1 million in the period under review (comparative period in 2014/15: EUR 2.8 million).

Earnings before interest, taxes and fair-value measurement (EBIT) in the Engines & Nacelles segment stood at EUR -4.8 million in the first half of 2015/16 (comparative period

in 2014/15: EUR -12.1 million). Improvements in efficiency in connection with the Boeing 787 and Airbus A350 Nacelles programmes led to an increase in earnings compared to the previous year.

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 changes in the scope of work and to product modifications, which led to a considerable increase in product costs. Negotiations starting in previous quarters on potential price adjustments are currently on track but have not been concluded yet.

Interiors

in EUR million	Q2 2015/16	Q2 2014/15	Change	H1 2015/16	H1 2014/15	Change
Revenues	40.8	32.7	24.8 %	86.1	71.5	20.3 %
Earnings before interest, taxes and fair value measurement of derivative financial instruments	-0.6	-3.6	-	-4.1	-4.9	-
Amortisation and depreciation	2.4	1.3	90.8 %	4.8	2.5	94.1 %
Investments for the period	2.8	13.6	-79.7 %	7.1	16.6	-57.3 %

Revenues in the Interiors segment amounted to EUR 86.1 million in the first half of 2015/16 (comparative period in 2014/15: EUR 71.5 million). Revenues from product deliveries rose significantly by 23.4% from EUR 64.7 million to EUR 79.8 million, driven by higher delivery levels for

the Airbus A350, Embraer Legacy 450/500 as well as Bombardier Challenger 350 programmes. Revenues from development activities stood at EUR 6.3 million in the period under review (comparative period in 2014/15: EUR 6.9 million).

Earnings before interest, taxes and fair-value measurement (EBIT) in the Interiors segment amounted to EUR -4.1 million in the first half of 2015/16 (comparative period in 2014/15: EUR -4.9 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 Embraer Legacy 450/500 and Bombardier Challenger 350 business jet 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

At the end of the first half of 2015/16, total investments including capital expenditures related to development costs amounted to EUR 24.9 million (comparative period in 2014/15: EUR 35.1 million). Capitalised development costs contained in investments amounted to EUR 13.5 million (comparative period in 2014/15: EUR 12.3 million) and were 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 period under review, intangible assets amounted to EUR 160.3 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 114.7 million at the end of the period under review (28 February 2015: EUR 98.9 million). The change is mainly due to the increase in product revenues and concerns production projects that generate rising revenue streams.

Receivables from construction contracts amounted to EUR 37.2 million at the end of the reporting period (28 February 2015: EUR 28.9 million). Compared to 28 February 2015, the amount recognised for construction contracts as of 31 August 2015 was higher by EUR 8.3 million. The change mainly results from development contracts (based on milestone contracts) in connection with Airbus A350, Airbus A380 Redesign and Comac C 919.

Receivables from affiliated companies declined by EUR 6.4 million from EUR 35.2 million as of 28 February 2015

to EUR 28.9 million as of the interim reporting date. Basically, incoming payments in connection with the Comac C919 and ARJ 21 development projects were booked. In regard to the transactions with related parties outside the scope of consolidation we refer to the comment to the interim consolidated financial statement on page 21.

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 was slightly undershot. An agreement had already been reached with the principal creditors of the promissory note loan not to call in the promissory note loan in the reporting period covering the first quarter. Consequently, EUR 42.0 million is reported under non-current promissory note loans on the interim reporting date. EUR 3.0 million was repaid in July 2015 in accordance with the repayment date rule.

Trade payables in the amount of EUR 63.5 million (28 February 2015: EUR 72.1 million) developed in line with the business performance. Trade payables tend to be higher at 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 16.9 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 declined by 182 FTE compared to the same period of the previous year and amounted to 2,987 employees (FTE) as of 31 August 2015. As of 31 August 2014, total headcount amounted to 3,169 employees (FTE).

Risk report

FACC is exposed to unpredictable situations in its daily business operations, which may have potentially negative effects. In order to be adequately prepared and be able to deal with any such situations appropriately, FACC has established a risk management system that covers the areas of management, finance, project management, customers, procurement and suppliers as well as production and product quality. Within the framework of this risk management system, any occurring or potential risks are continuously monitored, assessed and reported by the respective operating units to the Management Board twice a year, once they have been reviewed by management.

Exceptional events are reported immediately to the competent Vice President, who decides if the Management Board is to be notified straight away. The Management Board, in turn, reports to the Supervisory Board in its meetings. This ensures that significant risks are detected early on and corresponding measures to avoid or mitigate the-

se risks are put in place. According to the Management Board, potential risks currently identified are deemed manageable and controllable and, therefore, do not jeopardise the company's ability to continue as a going concern. To support the timely identification and assessment of risks, effective internal risk control systems were introduced, which provide reliable results. Software tools for the execution of FMEA (Failure Mode and Effects Analysis) are well integrated and provide significant support for the risk minimisation process both in the product development phase and subsequently during ongoing production by adopting preventive measures.

In the first half of 2015/16, there were no material changes to the overall risk situation of the Group. For a more detailed risk report please refer to the explanatory comments under point 3 of the notes to the consolidated financial statements in the Annual Report 2014/15.

Outlook

The outlook for the full year 2015/16 remains unchanged.

The solid performance of the commercial aerospace market continued to have a positive effect on the development of Group's revenues. 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 3 aircraft sets per month to more than 7 sets per month in the course of the year.

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 fixed expenses and costs of materials on hand. Measures adopted in previous quarters are now bearing their first fruits. Further potential cost savings as well as projects aimed at increasing the degree of automation of production processes are currently being implemented.

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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INTERIM CONSOLIDATED FINANCIAL STATEMENT

Consolidated Statement of Financial Position

	Balance as at 31/08/2015 EUR'000	Balance as at 28/02/2015 EUR'000
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	160,330	151,659
Property, plant and equipment	161,749	158,251
Other non-current financial assets	454	469
Non-current receivables	20,230	24,597
Total non-current assets	342,762	334,976
CURRENT ASSETS		
Inventories	114,746	98,858
Trade receivables	82,013	91,707
Receivables from construction contracts	37,232	28,920
Other receivables and deferred income	18,415	17,507
Receivables from affiliated companies	28,896	35,322
Cash and cash equivalents	64,265	110,955
Total current assets	345,569	383,268
TOTAL ASSETS	688,331	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	-223	-170
Other reserves	-18,557	-24,014
Retained earnings	76,211	72,759
	324,845	314,900
Non-controlling interests	10	8
TOTAL EQUITY	324,856	314,908
LIABILITIES		
NON-CURRENT LIABILITIES		
Promissory note loans	42,000	0
Bonds	89,155	89,067
Other financial liabilities	61,699	66,268
Derivative financial instruments	7,381	10,340
Investment grants	11,724	11,223
Employee benefit obligations	11,338	10,926
Deferred taxes	6,209	4,589
Total non-current liabilities	229,506	192,413
CURRENT LIABILITIES		
Trade payables	63,477	72,087
Other liabilities and deferred income	22,237	25,006
Other financial liabilities	16,924	13,173
Promissory note loans	0	45,000
Derivative financial instruments	26,584	48,199
Other provisions	3,388	6,642
Investment grants	768	768
Income tax liabilities	52	49
Liabilities to affiliated companies	539	0
Total current liabilities	133,969	210,924
TOTAL LIABILITIES	363,475	403,337
TOTAL EQUITY AND LIABILITIES	688,331	718,245

Consolidated Statement of Comprehensive Income

	Q2 2015/16 EUR'000	Q2 2014/15 EUR'000	H1 2015/16 EUR'000	H1 2014/15 EUR'000
REVENUE	133,389	116,145	270,069	235,859
Changes in inventories	-3,549	-281	3,108	8,030
Own work capitalised	4,210	3,058	10,209	7,087
Cost of materials and purchased services	-81,755	-77,437	-172,125	-158,792
Staff costs	-35,107	-37,854	-76,337	-77,880
Depreciation and amortisation	-6,442	-5,359	-12,782	-10,363
Other operating income and expenses	-5,921	-7,489	-16,108	-18,437
EARNINGS BEFORE INTEREST, TAXES AND FAIR VALUE MEASUREMENT OF DERIVATIVE FINANCIAL INSTRUMENTS (EBIT)	4,825	-9,216	6,034	-14,496
Finance costs	-3,884	-2,644	-6,400	-5,131
Interest income from financial instruments	137	165	313	184
Fair value measurement of derivative financial instruments	1,558	-273	2,959	-663
PROFIT BEFORE TAXES	2,636	-11,968	2,906	-20,106
Income taxes	-206	3,254	549	5,441
PROFIT AFTER TAXES	2,430	-8,714	3,455	-14,665
Currency translation differences from consolidation – reclassifiable	92	4	-53	25
Fair value measurement of securities (net of tax) – reclassifiable	-8	20	-11	20
Cash flow hedges (net of tax) – reclassifiable	7,478	-1,836	5,456	-2,151
Revaluation effects of pensions and termination benefits (net of tax) – non reclassifiable	6		12	0
OTHER COMPREHENSIVE INCOME	7,568	-1,813	5,404	-2,107
TOTAL COMPREHENSIVE INCOME	9,998	-10,526	8,859	-16,771
PROFIT AFTER TAXES ATTRIBUTABLE TO:				
Equity holders of the parent	2,430	-8,704	3,453	-14,664
Non-controlling equity holders	0	-9	2	-1
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Equity holders of the parent	9,998	-10,517	8,857	-16,770
Non-controlling equity holders	0	-9	2	-1
EARNINGS PER SHARE WITH REGARD TO PROFIT AFTER TAXES ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT DURING THE YEAR (IN EUR PER SHARE)	0.06	-0.21	0.08	-0.38

Consolidated Statement of Cash Flows

	01/03/2015- 31/08/2015	01/03/2014- 31/08/2014
	EUR'000	EUR'000
OPERATING ACTIVITIES		
Earnings before interest, taxes and fair value measurement of derivative financial instruments (EBIT)	6,034	-14,496
Fair value measurement of derivative financial instruments	2,959	-663
	8,993	-15,159
Plus/minus		
Release of/accrual of investment grants	518	463
Depreciation and amortisation	12,782	10,362
Losses/(gains) on disposal of non-current assets	0	399
Change in financial instruments	-24,574	10,723
Cash flow Hedge	7,275	-2,868
Change in non-current receivables	4,367	-6,750
Revaluation effects of pensions and termination benefits	16	-
Change in employee benefit obligations, non-current	413	786
Valuation effects from currency translation differences	-2,334	-
Bewertungseffekte aus Fremdwährungsunterschieden	-122	-1.807
	7,334	-3,852
Change in net current assets		
Change in inventories	-15,992	-28,015
Change in receivables and deferred items	6,299	-9,913
Change in trade payables	-8,472	-11,905
Change in current provisions	-1,379	-979
Change in other current liabilities	-1,789	-1,851
CASH GENERATED FROM OPERATIONS	-13,999	-56,514
Interest received	313	184
Taxes paid	-2	-
NET CASH GENERATED FROM OPERATING ACTIVITIES	-13,688	-56,330
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-11,073	-22,266
Purchase of intangible assets	-292	-580
Payment for addition to development costs	-13,507	-12,290
NET CASH GENERATED FROM INVESTING ACTIVITIES	-24,873	-35,136
FINANCING ACTIVITIES		
Proceeds from financial loans and bonds	3,935	8,240
Repayments of financial loans and bonds	-5,778	6,643
Payments of interest on financial loans and bonds	-6,400	-5,131
Cash proceed from capital contribution	-	138.547
Dividends paid	-	-19.000
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	-8,244	129,299
NET CHANGE IN CASH AND CASH EQUIVALENTS	-46,805	37,833
Cash and cash equivalents at the beginning of the period	110,955	51,012
Changes from deconsolidation	-8	-
Valuation effects from currency translation differences	122	1,807
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	64,265	90,652

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	-53	0	0	0
Fair value measurement of securities (net of tax)	0	0	0	-11	0	0
Revaluation effects of pension and termination benefits (net of tax)	0	0	0	0	0	12
Cash flow hedges (net of tax)	0	0	0	0	5,456	0
TOTAL OTHER COMPREHENSIVE INCOME	0	0	-53	-11	5,456	12
TOTAL COMPREHENSIVE INCOME	0	0	-53	-11	5,456	12
Subsequent changes in IPO costs	0	1,089	0	0	0	0
BALANCE AS AT 31 AUGUST 2015	45,790	221,624	-223	-25	-14,323	-4,209

	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	3,453	3,453	2	3,455
OTHER COMPREHENSIVE INCOME				
Currency translation differences from consolidation	0	-53	0	-53
Fair value measurement of securities (net of tax)	0	-11	0	-11
Revaluation effects of pension and termination benefits (net of tax)	0	12	0	12
Cash flow hedges (net of tax)	0	5,456	0	5,456
TOTAL OTHER COMPREHENSIVE INCOME	0	5,404	0	5,404
TOTAL COMPREHENSIVE INCOME	3,453	8,857	2	8,859
Subsequent changes in IPO costs	0	1,089	0	1,089
BALANCE AS AT 31 AUGUST 2015	76,212	324,846	10	324,856

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	25	0	0	0
Fair value measurement of securities (net of tax)	0	0	0	20	0	0
Revaluation effects of pension and termination benefits (net of tax)	0	0	0	0	0	0
Cash flow hedges (net of tax)	0	0	0	0	-2.151	0
TOTAL OTHER COMPREHENSIVE INCOME	0	0	25	20	-2.151	0
TOTAL COMPREHENSIVE INCOME	0	0	25	20	2.151	0
Dividend	0	0	0	0	0	0
Share capital increase from capital reserve	29.965	-29.965	0	0	0	0
Share capital increase	15.790	125.621	0	0	0	0
BALANCE AS AT 31 AUGUST 2014	45.790	220.663	-102	-25	-2.151	-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	-14.663	-14.663	-1	-14.664
OTHER COMPREHENSIVE INCOME				
Currency translation differences from consolidation	0	25	0	25
Fair value measurement of securities (net of tax)	0	20	0	20
Revaluation effects of pension and termination benefits (net of tax)	0	0	0	0
Cash flow hedges (net of tax)	0	-2.151	0	-2.151
TOTAL OTHER COMPREHENSIVE INCOME	0	-2.107	0	-2.107
TOTAL COMPREHENSIVE INCOME	-14.663	-16.770	-1	-16.771
Dividend	-19.000	-19.000	0	-19.000
Share capital increase from capital reserve	0	0	0	0
Share capital increase	0	141.411	0	141.411
BALANCE AS AT 31 AUGUST 2015	67.688	330.473	-6	330.468

SELECTED COMMENTS ON THE QUARTERLY FINANCIAL REPORT AS OF 31 AUGUST 2015

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 manufacture 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 mainly manufactured from 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 August, 2015 compared to the scope of consolidation of the consolidated financial statements as of 28 February, 2015 with the exception of the deconsolidation of the previously fully-consolidated subsidiary ITS GmbH. Insolvency proceedings concerning the assets of ITS GmbH were opened in the second quarter of 2015, which led to the loss of control and to deconsolidation on 31 August 2015. ITS GmbH was an engineering office headquartered in Steinebach/Germany most recently employing 19 staff. Deconsolidation of ITS GmbH has had no material impact on the Group's assets, liabilities, financial position and profit or loss.

ACCOUNTING AND VALUATION METHODS

These interim financial statements as of 31 August 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.

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.

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 "FACC Aerostructures" segment covers development, manufacture and sales of structural components, the "FACC Interiors" segment handles the development, manufacture and sales of interiors, and the "FACC 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.

	Aerostructures	Engines & Nacelles	Interiors	Total
1/3/2015 - 31/8/2015	EUR'000	EUR'000	EUR'000	EUR'000
INFORMATION ON PROFITABILITY				
Revenue	129,528	54,481	86,061	270,069
Earnings before interest, taxes and fair value measurement of derivative financial instruments	14,976	-4,845	-4,097	6,034
Depreciation and amortisation	5,362	2,619	4,800	12,782
Earnings before interest, taxes and fair value measurement of derivative financial instruments and depreciation and amortisation	20,396	-2,202	742	18,816
INFORMATION ON ASSETS				
Assets	340,020	145,527	202,783	688,331
Capital expenditure in the fiscal year	15,850	1,923	7,100	24,873

	Aerostructures	Engines & Nacelles	Interiors	Total
1/3/2014 - 31/8/2014	EUR'000	EUR'000	EUR'000	EUR'000
INFORMATION ON PROFITABILITY				
Revenue	124,256	40,077	71,526	235,859
Earnings before interest, taxes and fair value measurement of derivative financial instruments	2,487	-12,126	-4,857	-14,496
Depreciation and amortisation	4,712	3,178	2,473	10,363
Earnings before interest, taxes and fair value measurement of derivative financial instruments and depreciation and amortisation	7,199	-8,948	-2,384	-4,133
INFORMATION ON ASSETS				
Assets	354,330	131,292	189,118	674,740
Capital expenditure in the fiscal year	17,589	912	16,635	35,136

SHARE CAPITAL

The share capital of the company amounts to EUR 45,790k 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 RESERVE

Capital procurement costs incurred by the company in connection with its IPO in June 2014 in the amount of EUR 11,628k were offset against the capital reserve, while taking into account deferred tax effects in the amount of EUR 2,907k. It was decided on 22 May 2015, by virtue of a resolution, 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 tax effects, the effect came to EUR 1,089k.

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 production 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	325,000	-	-26,584
Structured currency options - USD	-	-	-
Interest rate swaps	-	20,000	-7,381

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 August 2015 EUR'000	Fair value as of 31 August 2015 EUR'000
ASSETS					
MEASUREMENT AT (AMORTISED) COST					
Non-current receivables	LaR	24,597	24,597	20,230	20,230
Receivables from construction contracts	LaR	91,707	91,707	82,013	82,013
Forderungen aus Fertigungsaufträgen	LaR	28,920	28,920	37,232	37,232
Receivables from affiliated companies	LaR	35,322	35,322	28,896	28,896
Cash and cash equivalents	LaR	110,955	110,955	64,265	64,265
MEASUREMENT AT FAIR VALUE					
Book-entry securities (not listed)	AfS	44	44	44	44
Securities (listed)	AfS	425	425	411	411
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	233,091	233,091

	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 August 2015 EUR'000	Fair value as of 31 August 2015 EUR'000
LIABILITIES					
MEASUREMENT AT (AMORTISED) COST					
Promissory note loans	FLAC	45,000	45,000	42,000	42,000
Bonds	FLAC	89,067	97,486	89,155	95,911
Bank borrowings	FLAC	79,441	79,441	78,623	78,623
Trade payables	FLAC	72,087	72,087	63,477	63,477
MEASUREMENT AT FAIR VALUE					
Derivates with negative fair value (interest rate swaps)	AtFVtP&L	10,340	10,340	7,381	7,381
Derivates with negative fair value (forward foreign exchange contracts)	–	48,199	48,199	26,584	26,584
Derivates with negative fair value (structured currency options)	AtFVtP&L	–	–	–	–
TOTAL FINANCIAL LIABILITIES		344,134	352,553	307,220	313,976

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 AUGUST 2015

With the related company Shanghai Aircraft Manufacturing Co., Ltd., revenues were generated in the amount of EUR 470k (comparative period in the previous year: EUR 380k).

With the related company Fesher Aviation Component (Zhenjiang) Co., Ltd., revenues were generated in the amount of EUR 1,097k (comparative period in the previous year: EUR 1,235k).

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 1,811k).

SUBSEQUENT EVENTS AFTER THE INTERIM REPORTING PERIOD

No relevant subsequent events took place after the interim reporting period.

WAIVER OF REVIEW/AUDIT

These semi-annual financial statements were neither audited nor reviewed.

STATEMENT OF ALL LEGAL REPRESENTATIVES PURSUANT TO SEC. 87 PARA. 1 Z 3 OF THE AUSTRIAN STOCK EXCHANGE ACT

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. We also confirm that the semi-annual management report gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Group with regard to important events that have occurred during the first six months of the current financial year and their impact on the condensed interim consolidated financial statements with regard to the principal risks and uncertainties for the remaining six months, as well as of the major related third-party transactions to be disclosed.

Ried im Innkreis 22. October 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

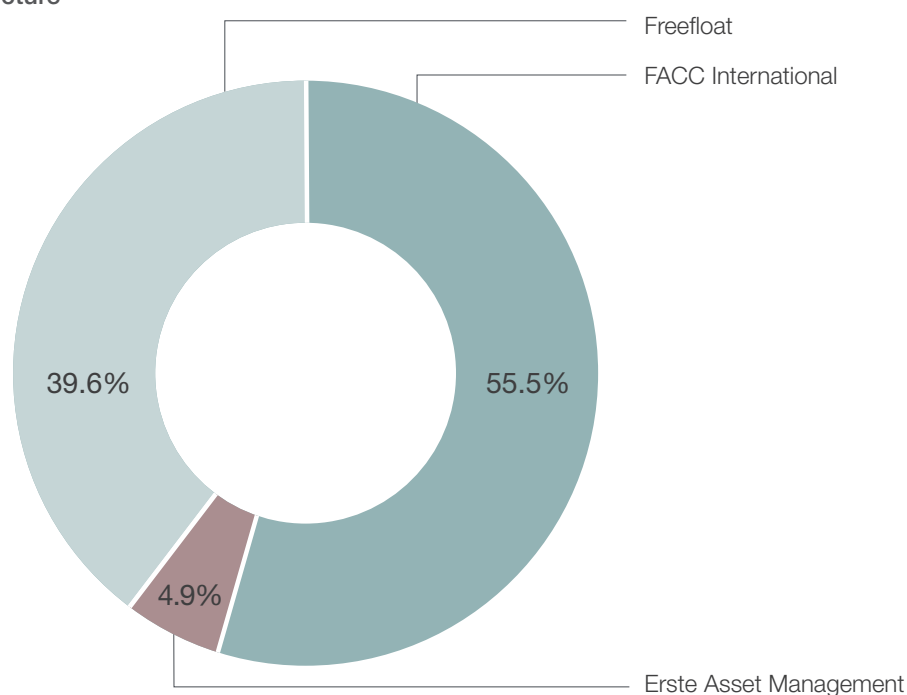
		H1 2015/16
Trading volume	shares	20,470,196
Average daily trading volume	shares	124,062
Monetary turnover	EUR million	150,3
Highest closing price over the year	EUR	8,663
Lowest closing price over the year	EUR	6,3
Closing price	EUR	6,35
Performance year-to-date	in %	-13.70 %
Market capitalisation as of February 27	EUR million	290,8

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. 4.9% of voting rights are held by Erste Asset Management. The remaining 39.6% 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.

On 21 July 2015, FACC AG was notified by Erste Asset Management GmbH pursuant to Sec. 91 of the Austrian Stock Exchange Act that it had fallen below the voting rights threshold of 5% and it only held 4.9% of voting rights via the following companies: ERSTE-SPARINVEST Kapitalanlagegesellschaft m.b.H (0.2%) and RINGTUM Kapitalanlagegesellschaft m.b.H (4.7%).

Shareholder structure



CONTACT DETAILS

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FINANCIAL CALENDAR 2015/16

21 January 2016	Quarterly financial report Q3 15/16
25 May 2016	Annual financial report 15/16
13 July 2016	Quarterly financial report Q1 16/17
15 July 2016	Annual General Meeting
20 October 2016	Semi-annual financial report 16/17

