Quarterly Financial Report

Q1 2014/15

FACC AG, Fischerstraße 9
A-4910 Ried im Innkreis

Pilot. Passion. Partnership.

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With momentum into the future

LADIES AND GENTLEMEN,

The past few months have seen FACC AG successfully rise to a number of challenges. First of all, the fiscal year ending on 28 February 2014 saw new records in terms of revenues, earnings and order backlog. Revenue of over EUR 547 million implied growth of more than 25% compared to the previous fiscal year. At the same time we achieved a number of "firsts" in operations, with first deliveries for a number of major orders, including the landing flaps for the Airbus A321 and the new winglet generation for the Boeing 737NG. We have successfully continued executing our strategy into the first quarter of the current financial year.

The most significant development was the IPO, which got off to a flying start on 25 June 2014 at the time when we were preparing this quarterly report.

Thanks to the hard work of the management team and all the employees at FACC, I am pleased to report that the IPO together with the capital increase all went off successfully. This is a major milestone in the history of FACC that will contribute towards achieving our growth ambitions. In the fiscal year 2014/15 alone, we are planning to make substantial investments in expanding capacities, raising the degree of automation and developing new programmes. Furthermore, this capital increase will allow us to make targeted acquisitions and participate actively in the consolidation of the global commercial aerospace industry. In addition, we intend to invest in several new projects with Airbus and Boeing.

Let me finally take this opportunity to thank our investors for the confidence they have placed in us.

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

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Table of Contents

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Selected Group Key Performance Indicators

	1/3/2014 -31/5/2014 EUR'000	1/3/2013 -31/5/2013 EUR'000
Revenue	119,714	112,753
EBITDA	-276	5,202
EBITDA as percentage of revenue	-0.2%	4.6%
EBIT	-5,280	1,155
EBIT as percentage of revenue	-4.4%	1.0%
Net profit after taxes adjusted for the change in the fair values of derivative financial instruments	-5,561	-1,237
Net profit after taxes adjusted for the change in the fair values of derivative financial instruments as percentage of revenue	-4.6%	-1.1%
Reasearch and development costs		
Capitalised development costs	5,982	3,215
Reasearch and development costs expensed	4,300	9,487
Total as percentage of revenue	8.6%	11.3%
Cash generated from operations	-30,309	-29,792
Cash flow from investing activities	-11,415	-11,154
Total employees (end of period)	3,055	2,458

	31/5/2014 EUR'000	28/2/2014 EUR'000
Net working capital	174,934	146,084
Net debt	194,918	150,726
Equity	199,583	224,828
Equity ratio	33.2%	39.5%
Total amount of the consolidated statement of financial position	600,786	569,320

facc Current Business Situation

CURRENT BUSINESS SITUATION

In the first quarter of the fiscal year 2014/15, the FACC Group generated revenue of EUR 119,714k. This means an increase of EUR 6,961k or 6.2% compared to the year-on-year amount of EUR 112,753k. Revenue growth was driven by increased product revenue of EUR 15,257k or 13.5%, while revenue related to development services dropped by EUR 8,296k or 7.4% at the same time. Product revenue picked up largely with respect to the Airbus A321, Airbus A350 XWB, Boeing 787 and Boeing 737 programmes as well as additional product deliveries for aircraft interiors.

The slowdown in revenue from development services is largely due to the fact that in the comparative period of the first quarter of 2013/14 we invoiced a significant amount for development services with respect to a development project in the Aerostructures segment. In the first quarter of the fiscal year 2014/15, we did not invoice a similarly significant amount. Over the course of the current fiscal year, we currently expect to invoice for development services in line with our internal planning.

For at the first quarter of the fiscal year 2014/15, earnings before interest, taxes and fair value measurement of derivative financial instruments (EBIT) amounted to EUR -5,280k (Q1 2013/14: EUR 1,155k), which means a change of EUR -6,435k. The change in the earnings position is also materially attributable to the higher amount invoiced for development services in Q1 2013/14. In the first quarter of the current fiscal year 2014/15 we had not planned to invoice a similar amount and as a result our earnings are down relative to the previous year. In addition, we also started up a number of new projects in the Interiors segment. This also impacted the results of the first quarter of the fiscal year 2014/15. Given the extensive learning curve factors, new projects affect production costs in the early phases. We currently expect to submit further invoices for development services in line with our internal planning. After the first quarter, however, the production costs of these programmes are developing as planned. The weakening of the EUR/USD exchange rate during the past 12 months resulted in a weakening of the hedged EUR/USD exchange rate. Although expected, this also had a negative impact on the earnings position.

The result for the first quarter of the fiscal year 2014/15 is in line with our internal planning. Our planning is subject to long term delivery contracts with our customers. Therefore we are less focused on the performance achieved during a particular quarterly reporting period. On the basis of current projections, customer forecasts and assessments, the management assumes that the company will deliver its targets for revenues and profits. However, changes in projections, customer forecasts and assessments may still occur.

In the first quarter of 2014/15, investments were made in accordance with the investment budget and amounted to EUR 11,415k (Q1 2013/14: EUR 11,154k). Capitalised development costs contained in investments amounted to EUR 5,982k (Q1 2013/14: EUR 3,215k),

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Current Business Situation

mostly driven by engineering services associated with the development of the Airbus A350-1000. The expansion of production capacity in the Interiors segment has mostly been completed and is being put into operation as planned.

Measures aimed at raising efficiency – particularly with respect to a reduction in production costs, such as learning curve effects, the promotion of synchronised production, and a reduction in the cost of quality and material costs – are being implemented.

At the end of the reporting period, free liquidity based on open credit lines stands at EUR 55,987k compared to EUR 25,540k at the end of the same reporting period of the past fiscal year.

As at 31 May 2014, staff numbers amounted to 3,055 employees, compared to 2,458 employees per 31 May 2013. At the Austrian sites, staff numbers increased from 2,590 to 2,681 employees (+91 employees or 3.51%) between 1 March 2014 and 31 May 2014, with the majority (77 employees) being added in production. We estimate that staff numbers will remain unchanged in the development and administrative areas over the coming quarters.

facc Outlook

OUTLOOK

The commercial aerospace business environment continued to develop positively in the first quarter of 2014/15. From a current perspective, and on the basis of the orders currently booked for the remaining quarters of the fiscal year, we assume that the positive trend of the first quarter will continue. We expect revenues to increase in the fiscal year 2014/15 compared to the fiscal year 2013/14. Our projections are based on current estimates as well as the latest customer forecasts. However, changes in estimates and customer forecasts may still occur.

The current trend of airlines striving to operate their business more efficiently is driving the demand from airlines for new and thus more efficient aircraft. In light of the economic pressure for the use of efficient aircraft, we assume from a current perspective that the global growth targets for commercial airplanes will be achieved and that the demand for new aircraft will remain strong. This trend is further supported by a rise in passenger numbers of more than 4% worldwide, largely in the Asia/Pacific region, the Middle East and Africa. Ramp-ups of newly developed programmes, rising production rates and a growing share on existing aircraft types will all help the FACC Group achieve its growth targets.

A major milestone for the fiscal year 2014/15 is the planned first delivery of the new Airbus A350 to the launch customer Quatar Airlines in the fourth quarter of the current fiscal year. Together with the initial operation of the A350 XWB in scheduled flight operations, continuously rising production rates in the A350 will further support the growth path of FACC. In the Interiors segment, we plan an increase in the rate of deliveries for the A350 XWB as well as a rise in the serial production of passenger cabins for the Bombardier Challenger 350 and Embraer Legacy 500 business aircraft.

As part of our “FACC Vision 2020” programme, we launched a number of dedicated “Operational Excellence” projects in order to improve efficiency and raise profitability. These projects will increase the degree of automation in production, raise productivity and lower the cost of quality as well as strengthen the margins by outsourcing simple composite parts to supply chain partners.

The order backlog of the FACC Group continues to show positive developments. It is also worth mentioning that at the time this quarterly report was being written we successfully concluded a new order for the production of winglets for the Airbus A320. This means that the FACC Group is further strengthening its leading role as a winglet supplier and preferred partner in the commercial aerospace industry.

As explained in the section entitled Selected comments on the quarterly financial report, subsection Subsequent events after the interim reporting period, the FACC Group successfully completed its IPO on the Vienna Stock Exchange in June 2014. In doing so, the Group managed to considerably strengthen its equity basis and expand its shareholder base. This further supports the Group’s “FACC Vision 2020” strategy when it comes to strengthening and expanding its position as a Tier 1 supplier of customers such as Airbus, Boeing, Bombardier, Embraer and all renowned engine manufacturers.

Consolidated Statement of Financial Position

	Balance as at 31/5/2014 EUR'000	Balance as at 28/2/2014 EUR'000
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	130,501	126,307
Property, plant and equipment	131,776	129,862
Other non-current financial assets	1,730	1,730
Non-current receivables	20,560	16,676
Total non-current assets	**284,566**	**274,575**
CURRENT ASSETS		
Inventories	103,045	81,049
Trade receiveables	98,156	100,111
Receivables from construction contracts	29,603	25,144
Other receiveables and deferred income	17,117	19,027
Receivables from affiliated companies	15,551	14,812
Derivative financial instruments	748	3,590
Cash and cash equivalents	51,999	51,012
Total current assets	**316,220**	**294,745**
TOTAL ASSETS	**600,786**	**569,320**
EQUITY		
Equity attributable to equity holders of the parent		
Share capital	30,000	35
Capital reserve	95,041	125,006
Currency translation reserve	-106	-127
Other reserves	-1,749	-1,434
Retained earnings	76,393	101,353
	199,580	224,883
Non-controlling interests	3	-5
TOTAL EQUITY	**199,583**	**224,828**
LIABILITIES		
NON-CURRENT LIABILITIES		
Promissory note loans	45,000	45,000
Bonds	88,893	88,893
Other financial liabilities	56,567	57,028
Derivative financial instruments	10,343	9,953
Investment grants	9,582	9,776
Employee benefit obligations	7,746	7,581
Deferred taxes	17,819	20,128
Total non-current liabilities	**235,949**	**238,359**
CURRENT LIABILITIES		
Trade payables	43,272	55,694
Other liabilities and deferred income	29,715	23,553
Other financial liabilities	56,457	10,817
Other provisions	11,203	10,476
Investment grants	838	838
Income tax liabilities	4,769	4,755
Liabilities to affiliated companies	19,000	0
Total current liabilities	**165,255**	**106,133**
TOTAL LIABILITIES	**401,203**	**344,492**
TOTAL EQUITY AND LIABILITIES	**600,786**	**569,320**

facc Consolidated Statement of Comprehensive Income

	1/3/2014 - 31/5/2014 EUR'000	1/3/2013 - 31/5/2013 EUR'000
REVENUE	119,714	112,753
Changes in inventories	8,311	6,336
Own work capitalised	4,028	2,465
Cost of materials and purchased services	-81,355	-72,533
Staff costs	-40,026	-34,675
Depreciation and amortisation	-5,004	-4,047
Other operating income and expenses	-10,948	-9,144
EARNINGS BEFORE INTEREST, TAXES AND FAIR VALUE MEASUREMENT OF DERIVATIVE FINANCIAL INSTRUMENTS	**-5,280**	**1,155**
Finance costs	-2,487	-1,336
Interest income from financial instruments	19	13
Fair value measurement of derivative financial instruments	-390	-264
PROFIT BEFORE TAXES	**-8,138**	**-432**
Income taxes	2,187	-1,069
PROFIT AFTER TAXES	**-5,951**	**-1,500**
Currency translation differences from consolidation	21	4
Cash flow hedges (net of tax)	-315	-1,178
OTHER COMPREHENSIVE INCOME FOR THE YEAR (Items subsequently reclassified to profit or loss)	**-294**	**-1,174**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**-6,245**	**-2,675**
PROFIT AFTER TAXES ATTRIBUTABLE TO		
Equity holders of the parent	**-5,959**	**-1,500**
Non-controlling equity holders	**8**	**0**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO		
Equity holders of the parent	**-6,253**	**-2,675**
Non-controlling equity holders	**8**	**0**

Consolidated Statement of Cash Flows

	1/3/2014 - 31/5/2014 EUR'000	1/3/2013 - 31/5/2013 EUR'000
OPERATING ACTIVITIES		
Earnings before interest, taxes and fair value measurement of derivative financial instruments	-5,280	1,155
Fair value measurement of derivative financial instruments	-390	-264
	-5,670	**891**
Plus/minus		
Change in investment grants	-194	-189
Depreciation and amortisation	5,004	4,047
Losses/(gains) on disposal of non-current assets	399	5,397
Changes in financial instruments	3,232	2,096
Change in non-current receivables	-3,884	0
Change in employee benefit obligations, non-current	165	223
	-949	**12,465**
Changes in net current assets		
Change in inventories	-21,996	-17,056
Changes in receivables and deferred items	-1,334	-7,551
Change in trade payables	-12,422	-21,601
Change in current provisions	727	-2,069
Change in other current liabilities	5,665	6,022
CASH GENERATED FROM OPERATIONS	**-30,309**	**-29,792**
Interest received	19	13
Tax paid	0	2
NET CASH GENERATED FROM OPERATING ACTIVITIES	**-30,290**	**-29,777**
INVESTMENT ACTIVITIES		
Purchase of property, plant and equipment	-5,367	-7,625
Purchase of intangible assets	-65	-314
Payment for addition to development costs	-5,982	-3,215
NET CASH USED IN INVESTING ACTIVITIES	**-11,415**	**-11,154**
FINANCING ACTIVITIES		
Proceeds from financial loans and bonds	45,641	32,760
Repayments of financial loans and bonds	-462	0
Payments of interest on financial loans and bonds	-2,487	-1,336
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	**42,692**	**31,424**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**987**	**-9,507**
Cash and cash equivalents at the beginning of the period	51,012	36,958
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**51,999**	**27,451**

Consolidated Statement of Changes in Equity

	Share capital	Capital reserve	Currency translation reserve	OTHER RESERVES: Available-for-sale securities	OTHER RESERVES: Hedging reserve	OTHER RESERVES: 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
Fair value measurement of securities (net of tax)	0	0	0	0	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	-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**	**224,828**
Profit after taxes	-5,959	-5,959	8	-5,951
OTHER COMPREHENSIVE INCOME				
Currency translation differences from consolidation	0	21	0	21
Fair value measurement of securities (net of tax)	0	0	0	0
Revaluation effects of pension and termination benefits (net of tax)	0	0	0	0
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**

facc Consolidated Statement of Changes in Equity

	Share capital	Capital reserve	Currency translation reserve	OTHER RESERVES 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 2013	**35**	**144,006**	**-75**	**-55**	**625**	**-1,179**
Profit after taxes	0	0	0	0	0	0
OTHER COMPREHENSIVE INCOME						
Currency translation differences from consolidation	0	0	3	0	0	0
Fair value measurement of securities (net of tax)	0	0	0	0	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	-1,178	0
TOTAL OTHER COMPREHENSIVE INCOME	0	0	3	0	-1,178	0
TOTAL COMPREHENSIVE INCOME	0	0	3	0	-1,178	0
Dividend	0	0	0	0	0	0
BALANCE AS AT 31 MAY 2013	**35**	**144,006**	**-72**	**-55**	**-553**	**-1,179**

	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 2013	**55,188**	**198,545**	**0**	**198,545**
Profit after taxes	-1,501	-1,501	0	-1,501
OTHER COMPREHENSIVE INCOME				
Currency translation differences from consolidation	0	3	0	3
Fair value measurement of securities (net of tax)	0	0	0	0
Revaluation effects of pension and termination benefits (net of tax)	0	0	0	0
Cash flow hedges (net of tax)	0	-1,178	0	-1,178
TOTAL OTHER COMPREHENSIVE INCOME	0	-1,175	0	-1,175
TOTAL COMPREHENSIVE INCOME	-1,501	-2,676	0	-2,676
Dividend	0	0	0	0
BALANCE AS AT 31 MAY 2013	**53,687**	**195,869**	**0**	**195,869**

Selected Comments on the Quarterly Financial Report

1. 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.

Corporate structure of the Group

In the first three months of the fiscal year 2014/15, the Group was subject to structural processes under company law in preparation for the planned IPO. This was made in order to generate a corporate structure that is typical in the market:

- Aero Vision Holding GmbH ('AVH') was merged with FACC AG (formerly Aerospace Innovation Investment GmbH) by way of universal succession on 28 February 2014.
- Aerospace Innovation Investment GmbH was converted into an 'Aktiengesellschaft' (stock corporation under Austrian law), while simultaneously changing the company's name into FACC AG.
- The former FACC AG was converted into a 'GmbH' (limited company under Austrian law), while simultaneously changing the company's name into FACC Operations GmbH.

With the exception of AVH, which was merged with FACC AG (formerly Aerospace Innovation Investment GmbH), there has been no change in the consolidated group of FACC AG as at Q1 2014/15 compared to the consolidated group of the consolidated financial statements as at 28 February 2014.

2. ACCOUNTING AND VALUATION METHODS

These interim financial statements as at 31 May 2014 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 at 28 February 2014 have been consistently applied to these interim financial statements. There are no new or amended standards and interpretations effective for these interim financial statements 2014/15 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 at 28 February 2014, which form the basis of these interim financial statements.

The information disclosed herein is limited to selected material comments. For further information, reference is made to the consolidated financial statements as at 28 February 2014, which form the basis of these interim financial statements.

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

Selected Comments on the Quarterly Financial Report

on the disclosed contingent assets and liabilities as at 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 (kEUR); the information disclosed in the selected comments is also presented in euro thousand. Where rounded amounts and percentages are aggregated, rounding differences may occur due the use of automated calculation aids.

3. SEASONALITY

Our operating results are subject to fluctuations as revenue varies from quarter to quarter. The allocation of the total revenue for a given fiscal 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 revenue than quarters without such effects. Moreover, the revenue 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 revenue recorded in January, i.e., in our fourth quarter. Further, the seasonality effect is 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 in the future.

4. SELECTED COMMENTS ON THE STATEMENT OF FINANCIAL POSITION

Intangible assets amount to EUR 130,501k (28 February 2014: EUR 126,307k). The change is mainly due to additions from development projects in connection with A350, Embraer Legacy and Embraer E-Jet 190.

Non-current receivables amount to EUR 20,560k (28 February 2014: EUR 16,676k). This increase is related to a non-current receivable from the billing of development services.

Inventories amount to EUR 103,045k (28 February 2014: EUR 81,049k). The rise is mainly due to the increase in product revenue realised in the first quarter and to the increase in business volume expected for the remaining months. Moreover, an increase in stock was reported in connection with individual projects that are in the ramp-up or stabilisation phase.

Receivables from construction contracts amount to EUR 29,603k (28 February 2014: EUR 25,144k) at the end of the interim reporting period. Compared to 28 February 2014, the amount recognised for construction contracts as at 31 May 2014 was higher by EUR 4,459k. The change mainly results from development contracts (based on milestone contracts) in connection with Bombardier Global 7000/8000, Airbus A350, SSJ100, Airbus A330/340 Redesign and Airbus A380 Redesign.

Selected Comments on the Quarterly Financial Report

At the ordinary general meeting dated 6 May 2014, the share capital of Aerospace Innovation Investment GmbH (now FACC AG) was increased from EUR 35k by EUR 29,965k to EUR 30,000k by way of a capital increase from company funds by conversion of a corresponding amount of the unappropriated capital reserve reported in the consolidated financial statements as at 28 February 2014. With regard to the dividend, we refer to the section Related-party transactions.

Trade payables in the amount of EUR 43,272k (as at 28 February 2014: EUR 55,694k) developed in line with the course of business. Trade payables tend to be higher by the end of a fiscal year than in the course of a fiscal year, which is owing to the higher business volume in the last quarter of a fiscal year that results from seasonality effects.

Other liabilities and deferred income changed from EUR 23,553k as at 28 February 2014 to EUR 29,715k as at 31 May 2014. This increase is mainly due to the accrual/deferral of prorated special payments (holiday and Christmas remuneration) at the end of the interim reporting period.

Current other financial liabilities amount to EUR 56,457k (28 February 2014: EUR 10,817k). The change is primarily related to the financing of the change in working capital and of the change in non-current receivables.

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 AT 28/2/2014			
Forward foreign exchange contracts - USD	155,000	-	3,590
Structured currency options - USD	-	-	-
Interest rate swaps	-	20,000	-9,953
BALANCE AS AT 31/5/2014			
Forward foreign exchange contracts - USD	265,000	-	748
Structured currency options - USD	-	-	-
Interest rate swaps	-	20,000	-10,343

Selected Comments on the Quarterly Financial Report

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 at 28 February 2014 EUR'000	Fair value as at 28 February 2014 EUR'000	Carrying amount as at 31 May 2014 EUR'000	Fair value as at 31 May 2014 EUR'000
ASSETS					
Measurement at (amortised) cost					
Non-current receivables	LaR	16,676	16,676	20,560	20,560
Trade receivables	LaR	100,111	100,111	98,156	98,156
Receivables from construction contracts	LaR	25,144	25,144	29,603	29,603
Receivables from affiliated companies	LaR	14,812	14,812	15,551	15,551
Cash and cash equivalents	LaR	51,012	51,012	51,999	51,999
Measurement at fair value					
Book-entry securities (not listed)	AfS	1,346	1,346	1,346	1,346
Securities (listed)	AfS	384	384	384	384
Derivates with positive fair value (interest rate swaps)	AtFVtP&L	–	–	–	–
Derivates with positive fair value (forward foreign exchange contracts)	–	3,590	3,590	748	748
Derivates with positive fair value (structured currency options)	AtFVtP&L	–	–	–	–
Total financial assets		**213,075**	**213,075**	**218,347**	**218,347**

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

Selected Comments on the Quarterly Financial Report

	Category IAS 39[1])	Carrying amount as at 28 February 2014 EUR'000	Fair value as at 28 February 2014 EUR'000	Carrying amount as at 31 May 2014 EUR'000	Fair value as at 31 May 2014 EUR'000
LIABILITIES					
Measurement at (amortised) cost					
Promissory note loans	FLAC	45,000	45,000	45,000	45,000
Bonds	FLAC	88,893	92,691	88,893	94,725
Bank borrowings	FLAC	67,845	67,845	113,024	113,024
Trade payables	FLAC	55,694	55,694	43,272	43,272
Measurement at fair value					
Derivates with negative fair value (interest rate swaps)	AtFVtP&L	9,953	9,953	10,343	10,343
Derivates with negative fair value (forward foreign exchange contracts)	–	–	–	–	–
Derivates with negative fair value (structured currency options)	AtFVtP&L	–	–	–	–
Total financial liabilities		**267,385**	**271,183**	**300,532**	**306,364**

[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 of the consolidated group for the period 1 March 2014 to 31 May 2014

With the related company Shanghai Aircraft Manufacturing Co., Ltd., revenue was generated in the amount of EUR 197k (Q1 2013/14 EUR -116k).

With the related company Fesher Aviation Component (Zhenjiang) Co., Ltd., revenue was generated in the amount of EUR 542k (Q1 2013/14 EUR 120k).

At the ordinary general meeting, the shareholders of Aerospace Innovation Investment GmbH (now FACC AG) resolved to distribute a dividend to the sole shareholder in the amount of EUR 19,000k. The dividend is reported under liabilities to affiliated companies.

Selected Comments on the Quarterly Financial Report

5. SELECTED COMMENTS ON THE STATEMENT OF COMPREHENSIVE INCOME

Revenue amounts to EUR 119,714k (Q1 2013/14: EUR 112,753k). The increase in revenue is mainly due to the change in product revenue from EUR 91,662k as at 31 May 2013 to EUR 106,918k as at 31 May 2014, while revenue with regard to development services at the same time changed from EUR 21,092k as at 31 May 2013 to EUR 12,796k as at 31 May 2014. Major driving forces in the field of product revenue were the Boeing 787 and Airbus A321 programmes. The invoicing of services for a development project positively influenced revenue with regard to development services as at 31 May 2013 compared to 31 May 2014.

The change in the items cost of materials and purchased services as well as staff costs results from the higher production rates compared to the previous period. The respective ramp-up costs affected these expense items as several projects go through ramp-up at the same time due to the early stage of industrialisation.

The change in the item other operating income and expenses is mainly due to the higher production rates and thus also to the higher costs for outward freights.

Compared to the previous period, the item finance costs also includes prorated interest due to the bond issued in June 2013.

6. SUBSEQUENT EVENTS AFTER THE INTERIM REPORTING PERIOD

In June 2014, FACC successfully completed an IPO on the Vienna Stock Exchange (ISIN AT00000FACC2). The about 20.4 million shares (including 15.8 million new shares) were placed at EUR 9.50 per share with Austrian and foreign investors. The share capital of FACC AG thus rises to EUR 45,790k. FACC AG's net proceeds from the IPO amount to approx. EUR 140,300k.

7. 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 conclusion of the customer agreements and order processing, the individual orders are manufactured in the four plants. Apart from these three operating segments, the Company as a whole includes the central services of finances and controlling, personnel, quality assurance, 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!

Selected Comments on the Quarterly Financial Report

SEGMENT REPORTING

1/3/2014-31/5/2014	Aerostructures EUR'000	Engines & Nacelles EUR'000	Interiors EUR'000	Total 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

1/3/2013-31/5/2013	Aerostructures EUR'000	Engines & Nacelles EUR'000	Interiors EUR'000	Total EUR'000
INFORMATION ON PROFITABILITY				
Revenue	59,015	19,203	34,535	112,753
Earnings before interest, taxes and fair value measurement of derivative financial instruments	2,220	-4,320	3,255	1,155
Depreciation and amortisation	1,823	1,358	866	4,047
Earnings before interest, taxes and fair value measurement of derivative financial instruments and depreciation and amortisation	4,043	-2,962	4,121	5,202
INFORMATION ON ASSETS				
Assets	223,730	105,066	130,612	459,409
Capital expenditure in the fiscal year	4,285	1,124	5,745	11,154

WAIVER OF REVIEW / AUDIT

These quarterly financial statements were neither audited nor reviewed.

Ried im Innkreis, 18 July 2014

Walter A. Stephan	Minfen Gu	Robert Machtlinger
Chairman of the Management Board	Member of the Management Board	Member of the Management Board