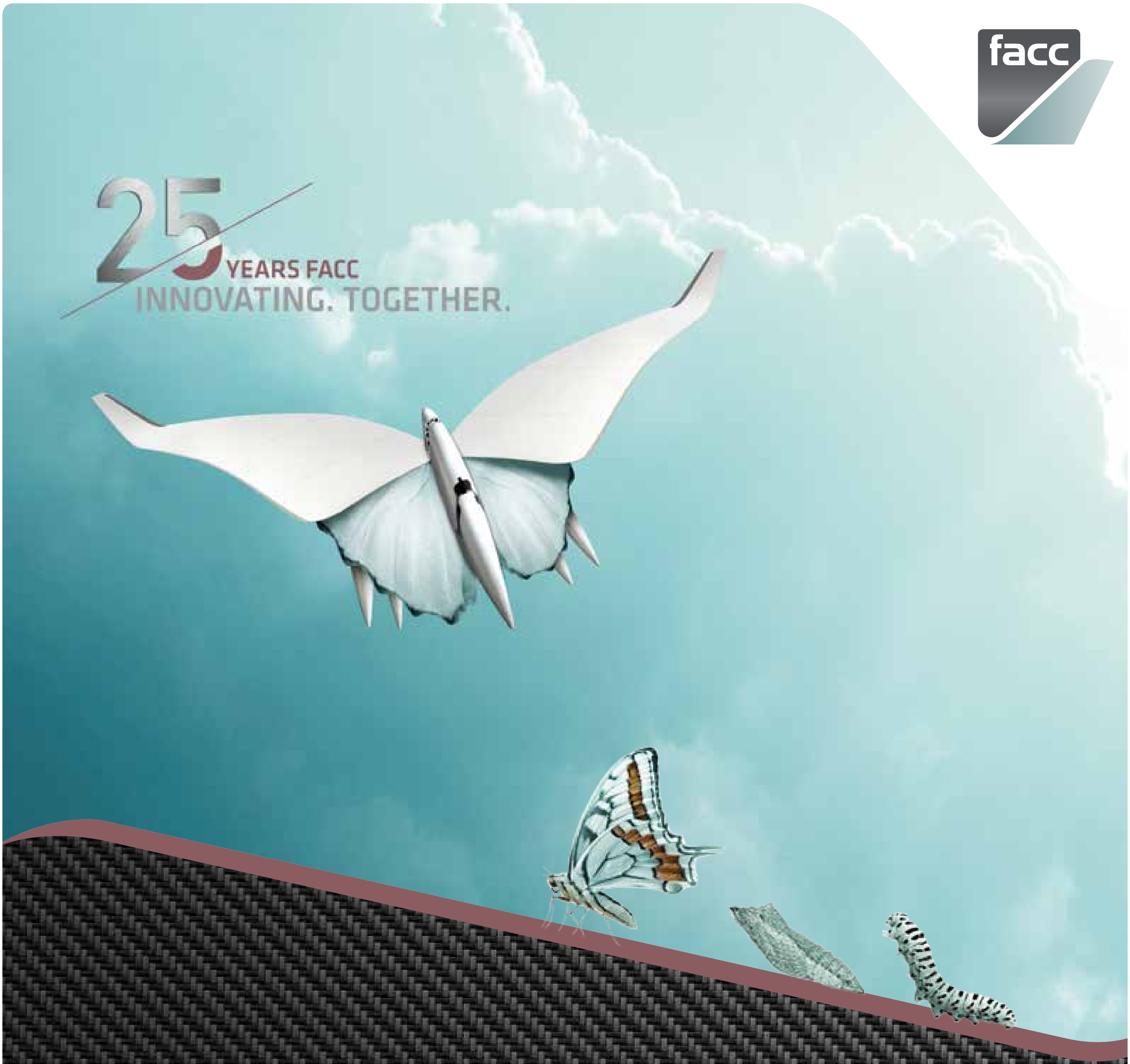

Semi-annual financial report 2014/15

As at 31 August 2014

FACC AG, Fischerstraße 9
A-4910 Ried im Innkreis

Pilot. Passion. Partnership.

facc

With momentum into the future

DEAR SIR OR MADAM,

Thanks to FACC AG's excellent development over the past years, we were able to take a ground breaking step for the company in June 2014: The successful IPO led to a fundamental change in the shareholder structure of the Group and strengthened our position as a leading independent supplier to the commercial aerospace industry. The capital increase of approximately EUR 150,000k resulting from the IPO supports the dynamic growth trend of FACC AG and will allow further investments in the expanding the company's operations as well as fund new customer projects to secure future growth.

We were very pleased with the positive feedback from all stakeholders, most notably from our customers. Many of them have further extended their long-standing cooperation with FACC by awarding us new contracts in the first half of the year. I see this development as a sign of great confidence in the "new" FACC. Following our motto "Pilot. Passion. Partnership", this encourages us to continue delivering on our commitment to find the best solutions and to be reliable partner for our customers. In the reporting period under review, FACC signed three work packages for the next generation of the Airbus A320 family. The contracts include the manufacturing of control surfaces and composite components for the wing and fuselage, the sharklets, and as well as the development and manufacturing of the new cabins for medium haul aircraft. The business relationship with Boeing also showed a most encouraging development. As a result of our excellent work on the Boeing 787-8 and Boeing 787-9 airplane types, FACC was also selected as supply partner for the new Boeing 787-10.

From an operational perspective, fiscal year 2014/15 is somewhat of a transition year. While we keep on winning new contracts, we are also in the process of ramping up for a number of new projects simultaneously, and also increasing production capacity and personnel. The combination of these factors has posed a number of challenges, especially with respect to new products in the Interior segment. New projects affect the production costs particularly in the start-up phase. This is a normal dynamic, where we invest in the early stages to generate sustainable levels of revenues and profits over the life time of the product. To support our short, medium, and long term goals, we have given highest priority to the continued implementation of various optimisation programmes across the company. Against this background and thanks to the enormous dedication and commitment of our 3,000 employees who – every single day – help us achieve our operational and financial goals, we believe that we are in an excellent position to meet the targets for the current fiscal year.

We continue to be optimistic about the future of FACC. With a strong order book and our new, broader shareholder structure, FACC AG is embarking on a new era. In these times of significant developments in the history of the company, I am honoured to be part of our journey towards a successful future together with our shareholders, employees, customers and suppliers.

Walter A. Stephan

Chairman & Chief Executive Officer of FACC AG

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Selected Group Key Performance Indicators

	1st half-year 1/3/2014 -31/8/2014 EUR'000	1st half-year 1/3/2013 -31/8/2013 EUR'000
Revenue	235,859	228,104
EBITDA	-4,133	16,190
EBITDA as percentage of revenue	-1,8%	7,1%
EBIT	-14,496	7,676
EBIT as percentage of revenue	-6,1%	3,4%
Net profit after taxes adjusted for the change in the fair values of derivative financial instruments	-14,002	2,674
Net profit after taxes adjusted for the change in the fair values of derivative financial instruments as percentage of revenue	-5,9%	1,2%
Research and development cost		
Capitalised development costs	12,290	7,086
Research and development costs expensed	14,646	23,394
Total as percentage of revenue	11,4%	13,4%
Cash generated from operations	-54,707	-28,551
Cash flow from investing activities	-35,136	-24,725
Total employees (end of period)	3,169	2,541

	31/8/2014 EUR'000	28/2/2014 EUR'000
Net Working Capital	195,964	146,084
Net debt	125,969	150,726
Equity	330,468	224,828
Equity ratio	49,0%	39,5%
Total amount of the consolidated statement of financial position	674,740	569,320

Management report for the Group for the first half year

FINANCIAL POSITION AND FINANCIAL PERFORMANCE

In the first half of the fiscal year 2014/15, the FACC Group generated revenue of EUR 235,859k. This means an increase of EUR 7,755k or 3.4% compared to the year-on-year amount of EUR 228,104k. Revenue growth was driven by increased product revenue of EUR 29,298k or 15.9%, while revenue related to development services dropped by EUR -21,543k or -48.9% at the same time. Product revenue picked up largely with respect to the Airbus A321, Airbus A350 XWB, Boeing 787 and Boeing 737 programmes.

The slowdown in revenue from development services is largely due to the fact that in the comparative period of the first half of 2013/14, we invoiced a significant amount for development services (invoiced in the Q1 2013/14) including the relating manufacturing tools (invoiced in the second quarter of 2013/14) with respect to a development project in the Aerostructures segment. In the first half of the fiscal year 2014/15, we did not invoice a similarly significant account. Over the course of the fiscal year, most notably in Q4 of the current fiscal year, we currently expect to invoice for development services in line with our internal planning.

For the first half of the fiscal year 2014/15, earnings before interest, taxes and fair value measurement of derivative financial instruments (EBIT) amounted to EUR -14,496k (first half of 2013/14 EUR 7,676k). The change in the earnings position is also materially attributable to the higher amount invoiced for development services in the first half of 2013/14. In the first half 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 first half 2014/15.

In addition, we also started up a number of new projects in the Interiors segment. This also impacted the results of the first half of the fiscal year 2014/15, as the production costs in early phases were affected by customer required modifications and changes resulting from flight test results. After the first quarter, the costs of these programmes developed as planned; in the second quarter the costs exceeded the planned figures as the mentioned external influences of the extensive supply chain exerted significant influence. In addition, certain deliveries for new interior products were shifted to the second half of 2014/15.

In the Engines & Nacelles division, the introduction of additional modifications to an engine component impacted overall process and production costs. Planned reductions in material costs were off-set by increases in the price of certain raw materials. In order to prevent supply delays as a result of the modifications and longer throughput times, we had to transport components by air freight instead of sea freight, which in turn led to an increase in freight cost. Measures aimed at raising efficiency – particularly with respect to reducing process costs, such as learning curve effects, the promotion of synchronised production, and a reduction in quality and material costs – are being implemented.

Non-current assets increased particularly with regard to intangible assets and property, plant and equipment.

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Management report for the Group for the first half year

In the first half of 2014/15, investments were made in accordance with the investment budget and amounted to EUR 35,136k (first half of 2013/14 EUR 24,725k). Capitalised development costs contained in investments amounted to EUR 12,290k (first half of 2013/14 EUR 7,086k), mostly driven by engineering services associated with the development of the Airbus A350 Winglet, Embraer Legacy 450/500 and Embraer E-Jet 190. The expansion of production capacity in the Interiors segment was completed and put into operation.

Current assets reported a significant increase due to the growth in production revenue and the capital increase resulting from the IPO. These two drivers led to a significant increase in inventories and cash and cash equivalents.

The IPO also significantly strengthened the FACC Group's equity. In the first half year, a dividend in the amount of EUR 19,000k was paid.

Liabilities remain practically unchanged compared to the previous year and have developed from EUR 344,492k to EUR 344,272k.

Cash and cash equivalents of the FACC Group stand at EUR 90,652k (28 February 2014 EUR 51,012k).

Cash flow in the first half of 2014/15 benefitted from the net proceeds of EUR 138,547k from the IPO. During the first half we invested in working capital, especially in inventories to support the stronger delivery volumes expected for the second half of the year. Investing activities resulted in net cash outflows in the amount of EUR 35,136k. This was driven by the planned investments in the expansion of Plant II as well as by investments in capitalised engineering services and investments in tools for new airplane programmes. The net cash flow from financing activities was affected by the net proceeds from the IPO as well as by the dividend payment in the amount of EUR 19,000k.
At the end of the interim reporting period, free liquidity based on available credit lines (without cash and cash equivalents) stands at EUR 79,000k as compared to EUR 82,000k at the end of the same reporting period of the past fiscal year.

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AEROSTRUCTURES SEGMENT

Demand from airlines for modern, weight-optimised aircraft with increased operating efficiency has continued this year. After the first six months of the fiscal year 2014/15, we have a sizeable portfolio of firmly booked customer orders and the order book reflects the planned revenue. Product revenue in the Aerostructures segment stood at EUR 111,142k in the first half of 2014/15 (first half year 2013/14 EUR 88,265k) and thus exceeded the prior year figure by EUR 22,877k (+25.9%).

Revenue from production deliveries was generated as planned and even slightly exceeded the target; the ramp up of volumes for the Boeing B787, Airbus A321 and Airbus A350 XWB aircraft projects is developing as planned.

Boeing Aerostructures

Revenue and revenue increases from existing serial products developed in line with expectations and product deliveries were made as planned. Particularly the Boeing B787 components, which are already produced at high monthly rates, continue to have a positive impact on revenue generated in the Boeing Aerostructures segment.

An important milestone was achieved when our customer Aviation Partners Boeing obtained the Supplemental Type Certificate (STC) for the Boeing B737 NG Split Winglet from the American aviation agency ("FAA") at the end of the past fiscal year. The modification of existing winglets by way of additional components (strakelets) further reduces the fuel consumption of the aircraft as a whole. The production of the additional winglet components and the modifications are fully underway at our sites in Ried and in Wichita/USA, where we are able to quickly and efficiently execute orders from US airlines. By the end of August 100 aircraft had already been equipped with this novel technology. The market prospects for this retrofit programme are excellent, with the potential of being extended across more of the existing Boeing B737 NG fleet (about 4,000 aircraft) as well as to the equipment of new Boeing B737 aircraft types.

Airbus Aerostructures

The proportion of revenue generated from production deliveries for the Airbus Aerostructures programme also develops as planned. For the coming period we see continued high demand for the Airbus A330 and A320/A321 projects as well as further rate increases for the Airbus A350 XWB projects.

By relocating the production of components to FACC's strategic supply partner in the United Arab Emirates, we were able to free up production capacity for the new Airbus A350 XWB projects and the Airbus A321 landing flaps project. After the first delivery of landing flaps to our customer Airbus in Broughton/UK in August of last year, we have successfully ramped up the production of Airbus A321 landing flaps over the past year to currently meet the delivery of 15 sets per month.

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Additional adaptations of the current production concept, particularly by automation, will allow a further increase in the ramp up to reach 25 sets per month at the end of next year. This will significantly contribute to the future revenue volume in the Airbus Aerostructures segment.

Shortly before the beginning of the Summer, FACC was awarded two major new aerostructures orders by Airbus. These will allow FACC to start the manufacturing of sharklets and wing-to-body fairings for the Airbus A320 family. Serial production at FACC is expected to start in the middle of next year following the successful industrialisation over the next 12 months. After a ramp up phase of one year, FACC will deliver up to 30 sets per month of these components for the Airbus serial production as well as for retrofit purposes (sharklets).

New Business Aerostructures

The past fiscal year ended with the planned delivery of the first serial components of the entire wing-body fairings for the Bombardier C-Series-100/-300 type to the customer Bombardier in Canada. Due to problems with the engines, which are not related to FACC components, further deliveries of FACC components will only be made this autumn. The development of similar components for the Bombardier Global 7000/8000 Business Jet was completed and the first complete set of wing-body fairings are delivered to Bombardier in January 2015.

This April we also successfully delivered an extensive package of control surfaces for the SSJ100 to the Russian customer Sukhoi. Following positive results from static and dynamic test programmes, we will deliver another two sets for use in Sukhoi serial production by the end of the current fiscal year.

Furthermore, the development of spoilers and winglets for the C919 programme of the Chinese customer COMAC was completed and the manufacturing of the first components for the flight test machines was launched.

The strategic goal to successfully implement a contract with Embraer for the next generation of E-Jets (E190/E195) is also going to plan. The Critical Design Review (CDR) was successfully passed, and development and industrialisation develop as planned both in terms of costs and schedule. At the same time, FACC is also negotiating the development and manufacturing of additional components for the next generation of the Embraer E175 regional jet.

International Cooperation

Our strategic supply chain partner Strata in Abu Dhabi has been delivering fully assembled flap track fairings for the Airbus A330 for the last three years. After the relocation of the Airbus A380 flap track fairings was successfully completed, the final components for the Airbus A330 spoiler were also relocated this year from Austria to the United Arab Emirates. This development supports both the FACC goal to sustainably increase the proportion of USD denominated input costs and the objectives of Airbus to meet its offset obligations.

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We also started in the spring with the production of the first serial components in China, in co-operation with our strategic supply chain partner Fesher. Over the next years, additional projects will be relocated from Austria to China, both to secure our attractive earnings profile in the medium to long term, and also to free up capacities at the site in Austria to support future growth.

ENGINES & NACELLES SEGMENT

Thanks to a sustainably strong demand in the market for composite components in engines and nacelles, the FACC Engines & Nacelles segment continues to drive growth and ramp up of newer programmes such as Boeing 787 and Airbus A350 and A320 neo.
Product revenue in Engines & Nacelles stood at EUR 37,316k in the first half of 2014/15 (first half year 2013/14 EUR 36,442k) and thus exceeded the prior year figure by EUR 874k (+2.4%).

Nacelles

The Nacelles segment is significantly impacted by the development of the Boeing 787 Translating Sleeve project. Following the introduction of a new component configuration, we incurred higher product costs, as a result of both higher material costs and higher process and production costs resulting from longer throughput times in manufacturing. In addition, the ongoing quality initiative carried out in the first half of the year confirmed that we needed to urgently adjust the component design, and we are addressing this with the highest priority. An extensive action plan is being carried out to reduce costs of material and payroll related costs in line with the defined learning curve targets. At the same time, we are in discussions with the customer about the cost overruns that resulted from the introduction of the new component configuration, with the objective to deliver improved financial results already in the second half of the current fiscal year. The planned solution to increase process control in production should lead to a catch up in delivering existing backorders in the second half of the year.

The sister product, the Airbus A350 Translating Sleeve, is currently also being technically adapted so that it can be applied on the new airplane configuration of the Airbus A350-1000. On-going delays caused by the customer are having a significant effect on the revenue development of this project and these will only be solved by the end of the second half of the year.

Positive developments include the stable sales of the existing Airbus A320 Fan Cowl project as well as the Anchored Core and Pylon Fairings projects for the Airbus A320 NEO that are about to be ready for serial production.

Engines

Revenue in the Engines segment has dropped significantly since the beginning of the year due to the adjustment of inventories that made up a major part of the engine supply programmes at one of our key customers.

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While the volumes for the Trent 1000 (Boeing 787 engine parts) programme stabilised at a relatively high level, work on the Trent XWB (Airbus A350 engine parts) programme was substantially delayed due to ongoing technical changes made by the customer. This meant that only a significant ramp up of deliveries for this project can be expected by the end of the second half of the year.

Moreover, certain volume adjustments with regard to the A380 (Trent 900) programmes and some business jet applications have had a negative impact on the business development in this segment.

These revenue deficits could be partially compensated in the second half of the year as a result of short notice customer orders for for retrofitting purposes of the older Trent 800 engines as well as the ultimate launch of the Trent XWB project.

Finally, we are expecting positive business prospects in the medium and long term from new orders to industrialise and manufacture bypass ducts for the new BR700 Next Generation (NG) engines.

INTERIORS SEGMENT

In the first half of the fiscal year 2014/15, another increase in production deliveries of 9.4% on the previous year was achieved in Interiors. Product revenue stood at EUR 64,847k in the first half of 2014/15 (first half of 2013/14 EUR 59,299k). This increase is mainly attributable to the new SSJ100, A350 and Legacy 450/500 programmes. Revenue generated from the existing programmes such as A320, A380, CL350 and Phenom 300 remained relatively stable; however, declines were reported with regard to the EC 135/145 helicopter programmes. The growth trend will continue in the second half of the year.

The segment focused on the production launch of cabin interiors for the Embraer Legacy 450/500, the Airbus A350 (especially overhead storage compartments) as well as the full ramp up of the new Bombardier Challenger 350 cabin. The Bombardier CL350 cabin is completely replacing the profitable CL300 cabin. The numerous changes required by the customers and the delayed ramp-up have caused additional problems in the supply chain and higher material costs.

In addition to the implementation of customer requests for serial programmes mentioned above, we are in the process of developing cabins and cabin modules for the following airplane programmes: Comac C919, Bombardier Global 7000/8000, Embraer Legacy 450 and the Airbus A320 family. The first delivery of these orders is scheduled for the next fiscal year. As a result of the growth and the production launch of several new orders, the capacities of the Interiors plant have been significantly expanded and put into operation in the first half of the year.

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One particularly positive milestone was the order placed by Airbus for the development, qualification and production of new cabin modules for the A320 family. The new overhead storage compartments can be lowered and will be connected to the airplane structure in the same way as those in the Airbus A320 "Enhanced Cabin". The FACC Group was also selected as supplier to retrofit the Airbus A320 SWISS fleet by Lufthansa Technik.

PRODUCTION

The production output was EUR 213,305k in the first half of the fiscal year 2014/15, which represents an increase of EUR 29,298k or 15.9% on the given period of the previous year (EUR 184,007k). As already shown in the first quarter, we have continued our growth trend thanks to especially the Airbus A321, Airbus A350 XWB, Boeing 787 and Boeing 737 programmes as well as additional production deliveries in the field of aircraft interiors.

With production increasing by 15.9% in the first half of the fiscal year 2014/15, the capacity utilisation of all production sites was very high. In line with the present revenue growth and the medium and long term strategies, investment programmes geared to expand the production capacity were completed in the first half of the year. This includes the expansion of the production surface for Interiors by 4,000 m^2, which we completed on schedule during the first half, and the successfull launch of the automated Airbus 320 interiot production line during the summer months. Both of these investments will strengthen the FACC production capacity for the long run. From a current perspective, the planned savings from converting the interiors production line will gradually become effective in the 3rd and 4th quarters.

In addition to the above mentioned capacity, utilisation of the FACC plants, the proportion of production generated in USD was increased. As a result, the expsoure to the USD is being further reduced with the help of targeted outsourcing. A major milestone in securing the USD production strategy of the FACC Group was the bringing into service of the production site in China. The plant established in China was designed by FACC AG and the construction was carried out in line with the instructions from the FACC Group. The plant's resources are available to the FACC Group and product relocations to ensure competitiveness were commenced simultaneously with the plant coming into service. The entire plant was built and financed by Chinese investors; the FACC Group will fill the capacity of the plant with the production of FACC programmes and operate the plant through FACC on-site management.

Initiatives to deliver the annually planned productivity increases by way of (i) learning curve improvements and (ii) process stabilisation measures under the FACC Operational Excellence Programme were started as planned and are currently being implemented. Owing to the more stable product portfolio in the Aerostructures segment, the cost reduction programmes have started to deliver as planned. Following the successful conversion of the interior production in the summer months, the planned savings will also become effective in the 3rd and 4th quarters in the Interiors segment.

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The automation of the Airbus A321 outboard flap in the Aerostructures segment, which was carried out over the past year, has been completed. The production ramp up commenced with the delivery of the first landing flap in September 2013. Thanks to our focused approach to the implementation of a most up-to-date production philosophy the FACC Group is now the sole manufacturer of the product and has covered all customer requirements as sole supplier (single source) since the summer.

As the serial production of the new Boeing B787 and Airbus A350 programmes as well as of various Interiors projects further ramps up, we are gradually reducing production costs. We can already observe a reduction in production costs for new projects in the Aerostructures segment. Configuration changes with respect to several new projects in the Interiors and Engines & Nacelles segments resulted in additional costs in production during the first two quarters of the fiscal year 2014/15. As a result of these required modifications, we have had to delay the stabilisation process in production. Overall, the cost of quality expenses of FACC Operations GmbH remained stable compared to 31 August 2013 despite the high proportion of new projects and the increasing volumes relating to these projects. Once we overcome the start-up costs for the new projects in Interiors and Engines & Nacelles, the cost of quality will be further reduced.

The first half of the fiscal year 2014/15 saw the completion of the expansion of the FACC subsidiary in Wichita (commenced in the fiscal year 2013/14) so that we have the capacity to retrofit fuel saving Boeing B737 winglets, the so-called Boeing B737 Scimetar Winglets. The number of staff was increased to 80 employees – and the first retrofit orders have been completed . The capacity to cover a substantially higher volume of retrofit orders is in place for the second half of the year to meet the expected customer demand.

STRATEGIC PROCUREMENT

The strategic goal of the purchase department is to exploit the overall market potential in the short, medium and long term in order to secure the FACC Group's competitiveness.

Thanks to negotiations with the suppliers as well as various harmonisation undertakings we were able to reduce import freight costs compared to the projected figure. As a result of unscheduled air freight shipments and due to the bulky nature of the shipments - especially regarding the Boeing B787 Translating Sleeve project - export freight costs exceeded the budgeted figures. The natural hedge portion of the USD based purchasing amounts to more than 90%, with a further increase expected as a result of the currently attractive USD exchange rate.

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RESEARCH AND DEVELOPMENT

In the field of research and development, projects with a strong focus on fundamental research have developed as planned. While individual findings were already implemented in serial production, full readiness for serial production is only expected to be achieved in the fiscal year 2015/16.
A great number of projects in the field of applied research were concluded in the first half of the year as expected. Besides receiving national and international awards, these are now about to be implemented in serial production.

The Company's research focus areas remain unchanged:
- Development of new design concepts and prototypes
- Development of manufacturing technology
- Development of more complex systems
- Material characterisation and modelling
- Non-destructive testing

The St. Martin technology centre, which became operational in the fiscal year 2013/14, has established itself as a central hub for research activities. The modern equipment is further strengthening the technology leadership in composite design and manufacturing. Combined with the Vienna engineering centre, the new development centre also serves to strengthen Austria as a business location. The investments required for R&D activities are being implemented.

IP strategy
The FACC Group seeks to build an effective R&D strategy, and thus continuously analyses its own as well as worldwide competitor patent portfolios. In order to protect our technology leadership, our research activities serve to furhter strengthen our portfolio of patents. Some of these can also be licensed out if appropriate conditions can be met.

QUALITY MANAGEMENT

The FACC Group has launched an integrated business management system, covering quality according to EN9100 as well as environmental management according to ISO 14.001. In order to fulfil our customers' contractual obligations, certificates in these areas are presented after audits carried out by external organisations have been passed successfully.

In the manuals used for verification, the FACC Group has defined quality and environmental policy as well as included the obligation to communicate it throughout the entire Group. Furthermore, these manuals describe processes and procedures necessary to comply with aviation authority requirements. The FACC Group has thus been certified both as a production and as a maintenance operation, and is legally authorised to be active in aviation.

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RISK MANAGEMENT

In the course of the first half of the current fiscal year 2014/15, there were basically no changes to the risk categories described in detail under "Risk management" in the management report for the Group contained in the consolidated financial statements for the fiscal year 2013/14.
As disclosed in more detail under "Seasonality" in the selected comments on the semi-annual financial report, the FACC Group faces a risk due to quarterly fluctuations in revenue. Future development related revenues are significantly influenced by the outcome of negotiations with key customers as well as by reaching certain development milestones which have been pre-defined in collaboration with the customers and agreed on mainly during Q4 of the fiscal year.

STAFF

The growth trend in staff numbers continued in the fiscal year 2014/15. As at the interim reporting date 31 August 2014, the Group employed a total of 3,169 staff. In comparison with the interim reporting date 31 August 2013, Group staff numbers increased by 628. In the first half of the year, staff numbers rose by 264 from 2,905 as at 1 March 2014 to 3,169 as at 31 August 2014.

Human resources data for each site show that the number of staff in Austria grew by 7.5% since 1 March (the percentage of white collar employees in engineering and programming increased by 3.4%, with the blue collar employees' percentage increasing by 10.0%.) Total staff numbers at the subsidiaries abroad rose by 20.4%, with the FACC Wichita and FACC Montreal production sites in particular increasing their staff numbers by 150%.

Female staff members account for almost 30% (28.5% in the previous year) of staff at the Austrian sites, unchanged compared to the same period last year.

As a result of the strong order volume, driven by securing new development orders in the first half of the fiscal year 2014/15, we have had to make greater efforts in HR marketing on both a regional and international basis to attract talent in development and project management. The FACC Group enjoys a successfully track record in internationally recruiting highly qualified development personnel, and we currently employ specialists from 41 nations at the Austrian development sites.

A particularly positive development is the keen interest in FACC AG's Academy. 48 apprentices (17 female and 31 male) are actively being trained in the fields of plastics manufacturing, design as well as IT. The FACC Academy was this year awarded with the Austrian certificate for certified vocational training ("Staatlich ausgezeichneter Ausbildungsbetrieb").

SIGNIFICANT RELATED-PARTY TRANSACTIONS

In this regard, reference is made to the disclosures in the "selected comments on the semi-annual financial report" section.

Management report for the Group for the first half year

OUTLOOK

The commercial aerospace business environment also continued to develop positively in the second quarter of 2014/15, as expected. From a current perspective, and on the basis of the orders currently booked for the remaining two quarters of the fiscal year, we assume that the trend will continue and that we will achieve our product revenue targets. In comparison with the fiscal year 2013/14, we expect a single digit revenue increase in fiscal year 2014/15, with revenues from product deliveries projected to grow at a double-digit rate in the fiscal year 2014/15. Revenues from development services decreased year-on-year as a result of future programme milestones. Our projections are based on current estimates as well as the latest customer forecasts. However, changes in estimates and customer forecasts may still occur for various reasons. The developments in the global market as well as the uncertain political environment in the Middle East and in Ukraine may have an impact on the development of the commercial aircraft and aerospace supply sectors.

Obtaining the type-certificate for the Airbus A350 XWB aircraft in September 2014 – as planned – was a major milestone for both the fiscal year 2014/15 and the FACC Group's future growth strategies From a current perspective, the first delivery of the new Airbus A350 XWB to the launch customer Qatar Airlines in the fourth quarter of the current fiscal year should go ahead as planned. Owing to the type-certificate obtained from European and American aviation authorities, serial production ramp-up should also be carried out as planned. As a system supplier to the Airbus A350XWB, the FACC Group should profit significantly from the future increases in the number of aircraft produced from 2015 onwards. This will both increase revenues to FACC and ensure high capacity utilisation. From a current perspective, the repayment of development costs incurred by the FACC Group will be realised as planned.

In addition to the successful certification of the Airbus A350 XWB, type-certificates for the Boeing B787-9 aircraft as well as the Bombardier Challenger 350 and Embraer Legacy 500 business jets were obtained in Q2. The FACC Group has developed components for all three types of aircraft, and serial ramp-up is being implemented for these programmes as well.

As mentioned in the production section, we could not complete the component modifications for some of the new aircraft programmes in the first two quarters as planned. Several technical changes are in the process of being implemented. This type of product optimisation causes additional production costs as well as additional expenses in serial ramp-up as the whole process takes longer than planned. However, we assume that this trend will be reversed for these new products in Q3 and Q4. For products in the Aerostructures segment, we have already seen this reversal and experience suggests that products in the Engines & Nacelles as well as Interiors segments will follow the same time-lagged trend.
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

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chain partners. A significant part of cost reduction through optimisation and automation has been implemented by completing the automation of the new Airbus A320 interior components line in the summer. Planned cost reductions will have a positive impact on the results of the Interiors segment.

We continue to pursue the outsourcing of discrete product families to strategic supply chain partners in growth markets (UAE, India, China). As a result of some of the above-mentioned product modifications to new projects, we were unable to complete the product outsourcing projects as intended during in the first half of the year. The outsourcing of significant product families from the Engine Composite as well as Aerostructures segments will be implemented over the coming quarters. Along with these relocations, we plan to reduce manufacturing costs, further decrease USD exposure, create production space for the manufacturing of high-tech products and further expand the global manufacturing network.

The trend of airlines striving to operate their business more efficiently remains unchanged and is driving the demand from airlines for new and thus more efficient aircraft. Furthermore, OEMs and airlines are focusing on continuously improving the operational efficiency of the relatively modern aircraft currently in service through the implementation of modification programmes. The modification package for Boeing B737 aircrafts developed by the FACC Group - the so-called Scimetar Winglets - is now available for airlines as part of a retrofit programme. For the coming quarters and in line with forecasts and current estimates of our customers, we expect the modification business to nearly double. The capacity expansion and the associated investments as well as the increase in the number of staff at the FACC Wichita site during the first half of the fiscal year 2014/15 will lead to a further increase in product revenues in the subsequent quarters.

The order backlog of the FACC Group continues to show positive developments. It is worth mentioning that at the time this quarterly report was being written we were actively working on the implementation of a new order for the production of winglets for the Airbus A320. With this order, the FACC Group is further strengthening its leading role as a winglet supplier and preferred partner in the commercial aerospace industry. This further supports the Group's "FACC Vision 2020" programme 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.

Ried im Innkreis, 15 October 2014

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

Consolidated Statement of Financial Position

	Balance as at 31/8/2014 EUR'000	Balance as at 28/2/2014 EUR'000
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	135,353	126,307
Property, plant and equipment	145,483	129,862
Other non-current financial assets	1,756	1,730
Non-current receivables	23,426	16,676
Total non-current assets	**306,017**	**274,575**
CURRENT ASSETS		
Inventories	109,063	81,049
Trade receiveables	95,610	100,111
Receivables from construction contracts	35,257	25,144
Other receiveables and deferred income	21,790	19,027
Receivables from affiliated companies	16,350	14,812
Derivative financial instruments	0	3,590
Cash and cash equivalents	90,652	51,012
Total current assets	**368,722**	**294,745**
TOTAL ASSETS	674,740	569,320
EQUITY		
Equity attributable to equity holders of the parent		
Share capital	45,790	35
Capital reserve	220,663	125,006
Currency translation reserve	-102	-127
Other reserves	-3,565	-1,434
Retained earnings	67,688	101,353
	330,473	224,833
Non-controlling interests	-6	-5
TOTAL EQUITY	**330,468**	**224,828**
LIABILITIES		
NON-CURRENT LIABILITIES		
Promissory note loans	45,000	45,000
Bonds	88,980	88,893
Other finacial liabilities	62,572	57,028
Derivative financial instruments	10,616	9,953
Investment grants	10,239	9,776
Employee benefit obligations	8,367	7,581
Deferred taxes	11,104	20,128
Total non-current liabilities	**236,878**	**238,359**
CURRENT LIABILITIES		
Trade payables	43,789	55,694
Other liabilities and deferred income	21,969	23,553
Other finacial liabilities	20,068	10,817
Derivative financial instruments	6,470	0
Other provisions	9,497	10,476
Investment grants	838	838
Income tax liabilities	4,763	4,755
Total current liabilities	**107,394**	**106,133**
TOTAL LIABILITIES	**344,272**	**344,492**
TOTAL EQUITY AND LIABILITIES	674,740	569,320

Consolidated Statement of Comprehensive Income

	Q2 2014/15	Q2 2013/14	H1 2014/15	H1 2013/14
	1/6/2014 - 31/8/2014	1/6/2013 - 31/8/2013	1/3/2014 - 31/8/2014	1/3/2013 - 31/8/2013
	EUR'000	EUR'000	EUR'000	EUR'000
REVENUE	116,145	115,351	235,859	228,104
Changes in inventories	-281	1,424	8,030	7,760
Own work capitalised	3,058	2,151	7,087	4,616
Cost of materials and purchased services	-77,437	-71,604	-158,792	-144,137
Staff costs	-37,854	-28,352	-77,880	-63,027
Despreciation and amortisation	-5,359	-4,467	-10,363	-8,513
Other operating income and expenses	-7,489	-7,982	-18,437	-17,126
EARNINGS BEFORE INTEREST, TAXES AND FAIR VALUE MEASUREMENT OF DERIVATIVE FINANCIAL INSTRUMENTS	**-9,216**	**6,521**	**-14,496**	**7,676**
Finance costs	-2,644	-1,676	-5,131	-3,012
Interest income from financial instruments	165	-4	184	9
Fair value Measurement of derivative financial instruments	-273	2,732	-663	2,468
PROFIT BEFORE TAXES	**-11,968**	**7,573**	**-20,106**	**7,141**
Income taxes	3,254	-931	5,441	-1,999
PROFIT AFTER TAXES	**-8,174**	**6,642**	**-14,664**	**5,142**
ITEMS SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS				
Currency translation differeneces from consolidation	4	-12	25	-8
Fair value measurement of securities (net of tax)	20	0	20	0
Cash flow hedges (net of tax)	-1,836	1,205	-2,151	27
OTHER COMPREHENSIVE INCOME FOR THE YEAR	**-1,813**	**1,193**	**-2,107**	**19**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**-10,526**	**7,835**	**-16,771**	**5,161**
PROFIT AFTER TAXES ATTRIBUTABLE TO				
Equity holders of the parent	**-8,704**	**6,642**	**-14,663**	**5,142**
Non-controlling equity holders	**-9**	**0**	**-1**	**0**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:				
Equity holders of the parent	**-10,517**	**7,835**	**-16,770**	**5,161**
Non-controlling equity holders	**-9**	**0**	**-1**	**0**
Earnings per share in terms of profit after taxes attributable to the equity holders of the parent company during the year (expressed in EUR per share)	**-0.21**	**-**	**-0.38**	**-**

Consolidated Statement of Cash Flows

	1/3/2014 - 31/8/2014 EUR'000	1/3/2013 - 31/8/2013 EUR'000
OPERATING ACTIVITIES		
Earnings before interest, taxes and fair value measurement of derivative financial instruments	-14,496	7,676
Fair value measurement of derivative finacial instruments	-663	2,468
	-15,159	**10,144**
Plus/minus		
Change in investment grants	463	-370
Depreciation and amortisation	10,363	8,513
Losses/(gains) on disposal of non-current assets	399	7,675
Changes in financial instruments	10,723	-2,126
Change in non-current receivables	-6,750	0
Change in employee benefit obligations, non-current	786	444
	824	**24,281**
Changes in net current assets		
Change in inventories	-28,014	-25,312
Changes in receivables and deferred items	-9,913	-1,455
Change in trade payables	-11,905	-20,064
Change in current provisions	-979	-4,367
Change in other current liabilities	-4,719	-1,634
CASH GENERATED FROM OPERATIONS	**-54,707**	**-28,551**
Interest received	184	9
Tax paid	0	4
NET CASH GENERATED FROM OPERATING ACTIVITIES	**-54,523**	**-28,538**
INVESTMENT ACTIVITIES		
Purchase of property, plant and equipment	-22,266	-16,598
Purchase of intangible assets	-580	-1,041
Payment for addition to development costs	-12,290	-7,086
NET CASH USED IN INVESTING ACTIVITIES	**-35,136**	**-24,725**
FINANCING ACTIVITIES		
Proceeds from financial loans and bonds	8,240	102,973
Repayments of financial loans and bonds	6,643	-39,828
Payments of interest on financial loans and bonds	-5,131	-3,012
Cash proceeds from capital contributions	138,547	-
Dividends paid	-19,000	-1,700
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	**129,299**	**58,433**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**39,639**	**5,169**
Cash and cash equivalents at the beginning of the period	51,012	36,958
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**90,652**	**42,127**

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 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 IPO	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**	**224,828**
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 new shares	0	141,411	0	141,411
BALANCE AS AT 31 AUGUST 2014	**67,688**	**330,473**	**-6**	**330,468**

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**	**-33**	**625**	**-1,179**
Profit after taxes	0	0	0	0	0	0
OTHER COMPREHENSIVE INCOME						
Currency translation differences from consolidation	0	0	-8	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	27	0
TOTAL OTHER COMPREHENSIVE INCOME	0	0	-8	20	27	0
TOTAL COMPREHENSIVE INCOME	0	0	-8	20	27	0
Dividend	0	0	0	0	0	0
BALANCE AS AT 31 AUGUST 2013	**35**	**144,006**	**-83**	**-33**	**652**	**-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	5,142	5,142	0	5,142
OTHER COMPREHENSIVE INCOME				
Currency translation differences from consolidation	0	-8	0	-8
Fair value measurement of securities (net of tax)	0	20	0	0
Revaluation effects of pension and termination benefits (net of tax)	0	0	0	0
Cash flow hedges (net of tax)	0	27	0	27
TOTAL OTHER COMPREHENSIVE INCOME	0	27	0	19
TOTAL COMPREHENSIVE INCOME	5,142	5,161	0	5,161
Dividend	-1,700	-1,700	0	-1,700
BALANCE AS AT 31 AUGUST 2013	**58,630**	**202,006**	**0**	**202,006**

Selected Comments on the Semi-annual 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) by simultaneously changing the company's name into FACC AG.
- The former FACC AG was converted into a 'GmbH' (limited company under Austrian law) by 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 31 August 2014 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 August 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 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.

Selected Comments on the Semi-annual Financial Report

The interim financial statements have been prepared in euro thousand (kEUR); the information disclosed therein 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 varies 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 135,353k (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 23,426k (28 February 2014: EUR 16,676k). This increase is related to a non-current receivable from the billing of development services with longer term payment terms or receivables that were retrospectively granted longer term payment terms.

Inventories amount to EUR 109,063k (28 February 2014: EUR 81,049k). The rise is mainly due to the increase in product revenue as well as to the rise in business volume expected for the remaining months. In addition, inventories increased in connection with certain projects in the ramp- up or stabilisation phase.

Receivables from construction contracts amount to EUR 35,257k (28 February 2014: EUR 25,144k) at the end of the interim reporting period. Compared to 28 February 2014, the amount recognised for contruction contracts as at 31 August 2014 was higher by EUR 10,113k. 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 Semi-annual Financial Report

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. Changes in the share capital in the first half of the year resulted from the transactions as presented below:
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 finanical statements as at 28 February 2014. With regard to the dividend, we refer to the section "Related-party transactions".

At the extraordinary general meeting dated 23 June 2014, the following resolutions were passed:

The Company's share capital of EUR 30,000k is increased by EUR 15,790k to EUR 45,790k by way of cash contributions to be paid immediately in full through the issue of 15,790,000 new bearer shares without a nominal value upon the sole shareholder waiving its subscription right. The capital increase is made in connection with the IPO of the Company.

For a period of up to five years, the management board is authorised to increase the Company's share capital, subject to approval of the supervisory board, by up to EUR 19,895k new non-par bearer shares against contribution in cash or in kind, excluding subscription rights.

For a period of up to five years, the management board is authorised, subject to approval of the supervisory board, to make a contingent capital increase of up to EUR 3,000k by issuing up to 3,000,000 new non-par bearer shares against cash contribution in order to grant share options to employees, executive employees and members of the management board of the Company or to one of its affiliated companies.

The share capital of the Company may be increased by up to EUR 15,000k through the issue of up to 15,000,000 new non-par value bearer shares to be issued to creditors of convertible bonds. This conditional capital serves to grant subscription or conversion rights to creditors of convertible bonds and to prepare the merger of several companies.

The shares from the capital increase dated 23 June 2014 were issued in the course of the IPO dated 25 June 2014.

Selected Comments on the Semi-annual Financial Report

Capital reserve
The capital reserve amounts to EUR 220,663k. In the first half of the year, unappropriated capital reserves in the amount of EUR 29,965k were converted into share capital. (Resolution of the ordinary general meeting dated 6 May 2014).

An amount of EUR 125,621k arising from gross IPO proceeds was allocated to the capital reserve.
Costs of acquiring capital incurred by the Company in connection with its initial listing in the amount of EUR 11,458k were offset against the capital reserve, taking into account deferred tax effects in the amount of EUR 2,865k.

Trade payables in the amount of EUR 43,789k (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 over the course of a fiscal year, as a result of seasonality effects that drive higher business volumes in the last quarter of a fiscal year.

Current other financial liabilities amount to EUR 20,068k (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.

	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 31/8/2014			
Forward foreign exchange contracts - USD	320,000	-	-6,470
Structured currency options - USD	-	-	-
Interest rate swaps	-	20,000	-10,616

Selected Comments on the Semi-annual Financial Report

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

	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 August 2014 EUR'000	Fair Value as at 31 August 2014 EUR'000
ASSETS					
Measurement at (amortised) cost					
Non-current receiveables	LaR	16,676	16,676	23,426	23,426
Trade receivables	LaR	100,111	100,111	95,610	95,610
Receivables from construction contracts	LaR	25,144	25,144	35,257	35,257
Receivables from affiliated companies	LaR	14,812	14,812	16,350	16,350
Cash and cash equivalents	LaR	51,012	51,012	90,652	90,652
Measurement at fair value					
Book-entry securities (not listed)	AfS	1,346	1,346	1,346	1,346
Securities (listed)	AfS	384	384	410	410
Derivates with positive fair value (interest rate swaps)	AtFVtP&L	–	–	–	–
Derivates with positive fair value (forward foreign currency contracts)	–	3,590	3,590	–	–
Derivates with positive fair value (structured currency options)	AtFVtP&L	–	–	–	–
Total financial assets		**213,075**	**213,075**	**263,051**	**263,051**

[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 Semi-annual 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 August 2014 EUR'000	Fair Value as at 31 August 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	88,980	95,805
Bank borrowings	FLAC	67,845	67,845	82,640	82,640
Trade payables	FLAC	55,694	55,694	43,789	43,789
Measurement at fair value					
Derivates with negative fair value (interest rate swaps)	AtFVtP&L	9,953	9,953	10,616	10,616
Derivates with negative fair value (forward foreign currency contracts)	–	–	–	6,470	6,470
Derivates with negative fair value (structured currency options)	AtFVtP&L	–	–	–	–
Total financial liabilities		**267,385**	**271,183**	**277,495**	**284,320**

[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 August 2014

With the related company Shanghai Aircraft Manufacturing Co., Ltd., revenue was generated in the amount of EUR 380k (1. Half Year 2013/14 EUR 1k).

With the related company Fesher Aviation Component (Zhenjiang) Co., Ltd., revenue was generated in the amount of EUR 1.235k (1. Half Year 2013/14 EUR 453k).

With the related company FACC International Company, Ltd., costs were invoiced in the amount of EUR 1.811k (1. Half Year 2013/14 EUR 450k).

With the related company Chengdo Avic International Trading Co., Ltd, revenue was generated in the amount of EUR 1k (1. Half Year 2013/14 EUR 0k).

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 was paid in the second quarter of the financial year 2014/15.

Selected Comments on the Semi-annual Financial Report

5. SELECTED COMMENTS ON THE STATEMENT OF THE COMPREHENSIVE INCOME

Revenue amounts to EUR 235,859k (H1 2013/14: EUR 228,104k). The increase in revenue is mainly due to the change in product revenue from EUR 184,007k as at 31 August 2013 to EUR 213,305k as at 31 August 2014, while revenue with regard to development services at the same time changed from EUR 44,097k as at 31 August 2013 to EUR 22,554k as at 31 August 2014. Major driver behind the growth in product revenue were the Boeing 787, Airbus A321, Airbus A350 XWB and Boeing B737 programmes. The invoicing of services for a development project in the segment “FACC Aerostructures” positively impacted development services revenues as at 31 August 2013 compared to 31 August 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. As a result of the early industrialisation stage of several projects that are being ramped up simultaneously, these expenses are effected by the respective ramp-up costs.

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 outbound freight as well as increased freight costs due to the substitution from sea freight to air freight in order to avoid major delays in delivery.

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

No material events have occurred after the interim reporting date.

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 Semi-annual Financial Report

SEGMENT REPORTING

1/3/2014 – 31/8/2014	Aerostructures EUR'000	Engines & Nacelles EUR'000	Interiors EUR'000	Total 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

1/3/2013 – 31/8/2013	Aerostructures EUR'000	Engines & Nacelles EUR'000	Interiors EUR'000	Total EUR'000
INFORMATION ON PROFITABILITY				
Revenue	120,804	40,625	66,675	228,104
Earnings before interest, taxes and fair value measurement of derivative financial instruments	8,677	-6,436	5,436	7,676
Depreciation and amortisation	3,913	2,626	1,974	8,513
Earnings before interest, taxes and fair value measurement of derivative financial instruments and depreciation and amortisation	12,589	-3,810	7,410	16,190
INFORMATION ON ASSETS				
Assets	228,801	118,182	137,708	484,691
Capital expenditure in the fiscal year	10,199	2,742	11,784	24,725

Selected Comments on the Semi-annual Financial Report

WAIVER OF REVIEW/AUDIT

These quarterly financial statements were neither audited nor reviewed.

Ried im Innkreis, 15 October 2014

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

STATEMENT OF ALL LEGAL REPRESENTATIVES PURSUANT TO SECTION 87 (1) NO. 3 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 and that the semi-annual management report for the Group gives a true and fair view of important events that have occurred during the first six months of the fiscal year and their impact on the condensed interim consolidated financial statements, and of the principal risks and uncertainties for the remaining six months of the fiscal year, and of the major related-party transactions to be disclosed.

Ried im Innkreis, 15 October 2014

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

Information on Shares

Performance of FACC shares

The shares of FACC have been traded since 25 June 2014 under the trading symbol “FACC” and the ISIN (International Securities Identification Number) AT00000FACC2 on the official market (Prime Market) of the Vienna Stock Exchange.

On the first day of trading, 25 June 2014, the closing price was EUR 9.50 and was equal to the issue price. The highest closing price in the period from 25 June 2014 to 31 August 2014 was EUR 9.55 (1 July 2014) and the lowest closing price amounted to EUR 7.84 (4 August 2014). The average quotation for the share in this period was EUR 8.75.

Market capitalization was EUR 398,600k on average, with the highest value, EUR 437,300k, being reported on 1 July 2014 and the lowest, EUR 358,900k on 4 August 2014. All information regarding the market capitalization refers to the period from 27 June 2014 to 31 August 2014.

Trading volume

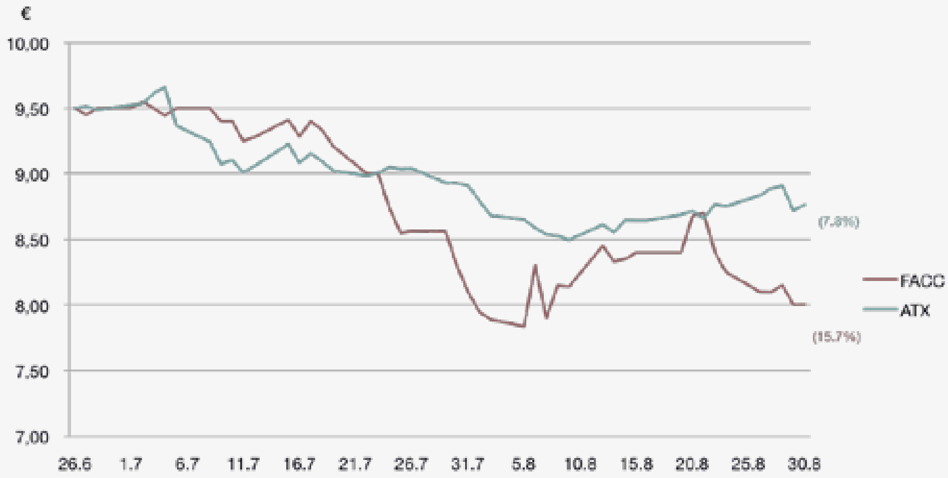
In the period from 25 June 2014 to 31 August 2014 the average daily volume of trade in FACC stock amounted to 132,406 shares. The highest trading volume, 1,975,115 shares was seen on the first day of trading and the lowest trading volume was generated on 12 August 2014, at 10,754 shares.

Data in respect of FACC share

Bloomberg Ticker	FACC AV
International Securities Identification Number (ISIN)	AT00000FACC2
Date of admission	25 June 2014
Class of shares	Ordinary Share
Stock market	Vienna (Prime Market)
Total number of non-par value shares issued	20,397.364
Issue price IPO June 2014	EUR 9.50
Closing price on 31 August 2014	EUR 8.01

Information on Shares

Price development of the FACC share in relation to the ATX in the period from 25 June 2014 to 31 August 2014 (The ATX was indexed to FACC stock on 25 June 2014)



Note

FACC compiled the forecasts, budgets and forward-looking assessments and statements contained in this report on the basis of information available to the Group at the time the report was prepared. In the event that the assumptions underlying these forecasts prove to be incorrect, targets are not achieved or certain risks materialise, actual results may deviate from those currently anticipated. We are not obliged to revise these forecasts in light of new information or future events.

This report was prepared and the data contained in it verified with the greatest possible care. However, rounding and transmission errors, and misprints cannot be entirely ruled out. This report is also available in German. In cases of doubt, the German-language version shall prevail.