

## EANS-News: FACC AG planning IPO in 2014

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### Strategic management decisions/IPO

- One of the largest pure play composite Tier I suppliers aims for listing on the regulated market of the Vienna Stock Exchange
- FACC is well positioned to benefit from the original equipment "super-cycle" due to significant production share with respect to all modern commercial aircraft programs and increased use of composite materials in new aircraft
- Global technological leadership, operational excellence and an experienced management team form the basis for long-term market leadership
- J.P. Morgan and Morgan Stanley are managing the IPO as Joint Global Coordinators and Joint Bookrunners

The globally active Tier I supplier of composite components and assemblies, FACC, targets to be listed on the regulated market of the Vienna Stock Exchange. The issuer will be FACC AG (currently Aerospace Innovation Investment GmbH, and with the current FACC AG being converted into FACC Operations GmbH), headquartered in Ried im Innkreis, Austria.

It is envisaged to place existing shares held by the current owner, FACC International Company Limited, which is an indirect subsidiary of Aviation Industry Corporation of China ("AVIC") as well as new shares from a capital increase in the amount of EUR 150m. The shares will be publicly offered to retail and institutional investors in Austria, and to institutional investors internationally by way of a private placement. FACC plans to use the expected net proceeds from the capital increase to (i) fund future growth, (ii) enhance the capability to develop complete primary structures, (iii) focus on innovation for new aircraft programs, (iv) expand international cost-competitive sourcing, and (v) pursue selected add-on-acquisition opportunities. Subject to market conditions, the stock exchange listing is planned for 2014.

FACC develops and produces composite components for aerostructures, engines & nacelles and cabin interiors of commercial aircraft. The company is headquartered in Ried im Innkreis, Austria and employs around 3,000 people worldwide. In 2009 Aviation Industry Corporation of China ("AVIC") acquired FACC from its previous owners.

Walter Stephan, CEO of FACC, says: "The FACC management team and employees have done an extraordinary job during the past years to develop our company into the great enterprise it is today. Our unique position within the supply chain and our global engineering and production footprint enables us to serve our clients when and where they need us. The IPO is an important step in strengthening our business proposition and comes at a time when our company is poised to successfully grow into an independent future."

Geng Ruguang, a representative of AVIC adds: "Since our initial investment in 2009, we have worked alongside FACC in great partnership to develop the company into an internationally respected supplier that stands out through its research and development capabilities and hence the added value it can bring to all major OEMs. Its best-in-class manufacturing and international presence, which is recognized industry-wide, underlines FACC's established position in the sector and the IPO will further permit the company to build upon these strengths."

FACC AG is one of the world's leading companies in the design, development and

production of advanced fibre reinforced composite components and systems for the aviation industry. The range of products reaches from structural components for the fuselage and wings over engine components to complete passenger cabins for commercial aircraft, business jets and helicopters. FACC is a supplier to all large aircraft manufacturers such as Airbus, Boeing, Bombardier, Embraer, Sukhoi, and COMAC as well as for engine manufacturers and sub-suppliers of manufacturers which makes the company one of the largest pure play composite Tier I suppliers in the world.

Strong global market growth due to original equipment super-cycle  
FACC is well positioned to benefit from the current commercial aerospace original equipment "super-cycle" given its high exposure to the global commercial aerospace market. In the coming years, demand for new aircraft will be strengthened due to an expected steady increase in passenger traffic demand. A currently old in-service fleet has further led to record order backlogs for replacement aircraft. However, increasingly cost conscious airlines now demand higher fuel savings, lower emissions and less maintenance requirements from their new fleet. Due to the superior characteristics of composites, FACC's products can seamlessly deliver on these end-customer needs and have hence lead to increasing work-share for the company on major existing and new programs.

Technological leadership with strong focus on research & development  
FACC continuously invests in its manufacturing capabilities and maintains more than 4,000m<sup>2</sup> in designated testing, laboratory and R&D facilities. This has lead to accelerated continuous development of the company's business proposition and has hence enabled the company's transformation from a provider of single parts into a manufacturer of complete structures. Today the company is one of the few Tier I suppliers capable of delivering complete and tailor-made composite aerostructures, engine and nacelle components and cabin interiors as turnkey solutions which can be readily and seamlessly integrated into the customers' products.

Global engineering and production footprint to meet customers' needs worldwide  
FACC operates five state of the art fully invested facilities in Ried, Austria. In addition the company has engineering centers in North America, Canada and Slovakia. Strategically placed international supply chain partners maximize the companies reach and enable FACC to fulfill clients' needs globally. Partners have benefitted strongly from FACC's expertise as the company has been leading the plant construction and management efforts of all of its partners. As a consequence, the installed highly efficient SAP based business architecture connects FACC with its partners, customers and suppliers at all steps of the manufacturing process and provides unique capabilities to manage material flow and coordinate production globally from Austria. Therefore FACC is in a strong position to deal with all international customer requirements (e.g. offset agreements).

In 2013/14 fiscal year, FACC generated sales of approximately EUR 547m and EBITDA of around EUR 60m. Over the last three years sales and EBITDA have risen by an average of 24.1% and 22.7%, respectively.

J.P. Morgan and Morgan Stanley will manage the IPO as Joint Global Coordinators and Joint Bookrunners; Erste Bank and UBS have been mandated as Co-Bookrunners.

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