

« A PASSION FOR EXCELLENCE AND INNOVATION »

**Very steep rise to €4m in engineering current operating profit  
 A new aircraft manufacturer on the turbo-prop scene  
 Consolidated net profit of €1m**

<i>In million euros</i>	FY 2008/2009	FY 2007/2008	Change (%)
<b>Turnover</b>	<b>50,2</b>	<b>40,5</b>	<b>+23,9%</b>
<b>Gross margin</b>	<b>11,1</b>	<b>8,7</b>	<b>+27,2%</b>
<i>Gross margin rate</i>	<b>22,1%</b>	<b>21,5%</b>	-
<b>Overheads</b>	<b>(10,4)</b>	<b>(11,6)</b>	<b>-10,9%</b>
<b>Current operating profit (loss)</b>	<b>0,7</b>	<b>(2,9)</b>	-
<i>Of which Engineering</i>	4,1	(0,2)	-
<i>Of which Aviation</i>	(3,4)	(2,7)	<b>-24,0%</b>
<i>Current operating margin rate</i>	<b>1,4%</b>	-	-
<b>Net profit attributable to equityholders of the parent</b>	<b>1,0</b>	<b>(4,2)</b>	-

**When these figures were published, Serge Bitboul, Chairman and Managing Director of GEI International made the following statement:**

*« GEI International has just experienced a historic financial year. These excellent results demonstrate the effectiveness of the Group's strategy and the excellence of its engineering activity.*

*The formation of GEI Aviation, followed by the announcement of the first Skylander orders and the F 406 successes, mark the birth of a new French aircraft manufacturer, given a unanimous welcome at the Bourget 2009 Air Show. »*



Bourget 2009

## **RESULTS FOR THE YEAR**

For FY 2008/2009, GECI International recorded a turnover of €50.2m, up 24%.

This is the result of strong growth in engineering, with an increase of 14%, and the contribution by Reims Aviation Industries (RAI) of €4m, RAI activity being consolidated as from the 1st of October 2008.

In Engineering, the percentage of turnover represented by international operations has risen to 57%, thanks to a major contribution by the group's subsidiaries in Germany and Romania (+33%).

The gross margin shows a significant increase to €11.1m, against €8.7m in the previous financial year. The gross margin rate stands at 22.1%, a rise of 0.6 of a percentage point compared with 2007/2008.

Current operating profit amounts to €0.7m, against a loss of €2.9m in FY 2007/2008.

- **Engineering**, current operating profit shows a very steep rise to €4.1m, against a loss of €0.2m for FY 2007/2008. This was achieved thanks to growth in turnover, an improvement in the margin and optimisation of the group's resources..
- **Aviation** records a current operating loss of €3.4m, to be compared with the €2.7m loss in FY2007/2008. This is essentially the result of investments made for the Skylander programme and the consolidation of Reims Aviation Industries.

The year shows net profit attributable to equity holders of the parent company of €1m, against a loss of €4.2m for the previous financial year.

From the second half of FY2008/2009, in accordance with IAS 38, the development costs for the Skylander programme are capitalised and no longer entered under expenses. The group thus capitalised €9.8m out of total annual expenses of €14.1m.

GECI International's capital structure remains very sound, with shareholders' equity of €24.8m on the 31st of March 2009, cash assets of €8.6m and no debt.

## **NEWS**

### **Formation of GECI Aviation and asset contribution project to support the group's industrial and sales approach**

Following the majority holding taken by GECI International in Reims Aviation Industries (RAI), the group has decided to bring RAI (owner of the F 406 and a systems integration specialist) and SKY AIRCRAFT (owner of the Skylander SK-105) together to form GECI Aviation.

With GECI Aviation, the group intends to penetrate the world light turboprop market, thanks to the complementary, versatile combination of the Skylander SK-105 and the F 406.

In addition, in order to support the group's industrial and sales approach, GECI International is intending to propose to its own shareholders and to RAI shareholders that Skylander activity should be contributed to Reims Aviation Industries, as an asset contribution.

After this transaction, subject to the agreement of shareholders from both companies, Reims Aviation Industries, which would be renamed GECI Aviation, will market and develop the group's

two aircraft: the Skylander SK-105 produced at Chambley-Bussières in Lorraine and the F 406 produced in Champagne.

The new structure will also offer multi-platform systems integration services.

### Strong interest in GECI Aviation at the Bourget 2009 Air Show and memorandums of understanding signed for 10 aircraft

At the Bourget 2009 Air Show, there was keen interest in GECI Aviation's two aircraft from a large number of delegations, airlines and operators, from Asia, Africa and the Middle East.

At the Air Show, GECI International announced the signing of memorandums of understanding for 10 aircraft, amounting to a total of more than 60 million dollars. These orders consist of 4 Skylander SK-105s and 6 F 406s. Options were signed for 2 F 406s.

These initial orders, as well as current negotiations (for 180 aircraft, 70 F-406s and 110 Skylanders) demonstrate that there is real potential for the range on the turboprop market.

By creating this new family, GECI Aviation has moved into a market which today has a worldwide fleet of 13,000 planes.

### OUTLOOK

Given this performance and the indications it has today, GECI International has to date set itself the following goals for FY 2009/2010:

- For Engineering, growth in activity of around 10%
- For Aviation, growth in activity of around 50%

The group is confident in its capacity to generate further firm orders. For the Skylander SK-105, the group confirms that it is aiming for 300 firm orders by Bourget 2011, out of a total target of 1,500 aircraft over the next 20 years.

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#### **About GECI International.**

*For 30 years, GECI International has combined commitment with excellence, passion and innovation. Operating in the four corners of the earth, GECI International's 800 staff, technicians, engineers and researchers strive constantly every day to meet the technological challenges of today's and tomorrow's world. GECI International's Engineering branch offers expertise and solutions in aeronautics, transport and infrastructure, while its Aircraft Construction branch, GECI Aviation, offers its range of aircraft and its systems integration capacities.*

*The group is recognised as an "innovative firm" by Oseo/Anvar.*

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#### **Contact**

**GECI International**  
Christophe Rémy  
Tel. : 01 53 53 00 53  
[christophe.remy@geci.net](mailto:christophe.remy@geci.net)

**Agence TBWA\Corporate**  
Mathieu Cadot  
Tel. : 01 49 09 26 86  
[mathieu.cadot@tbwa-corporate.com](mailto:mathieu.cadot@tbwa-corporate.com)