



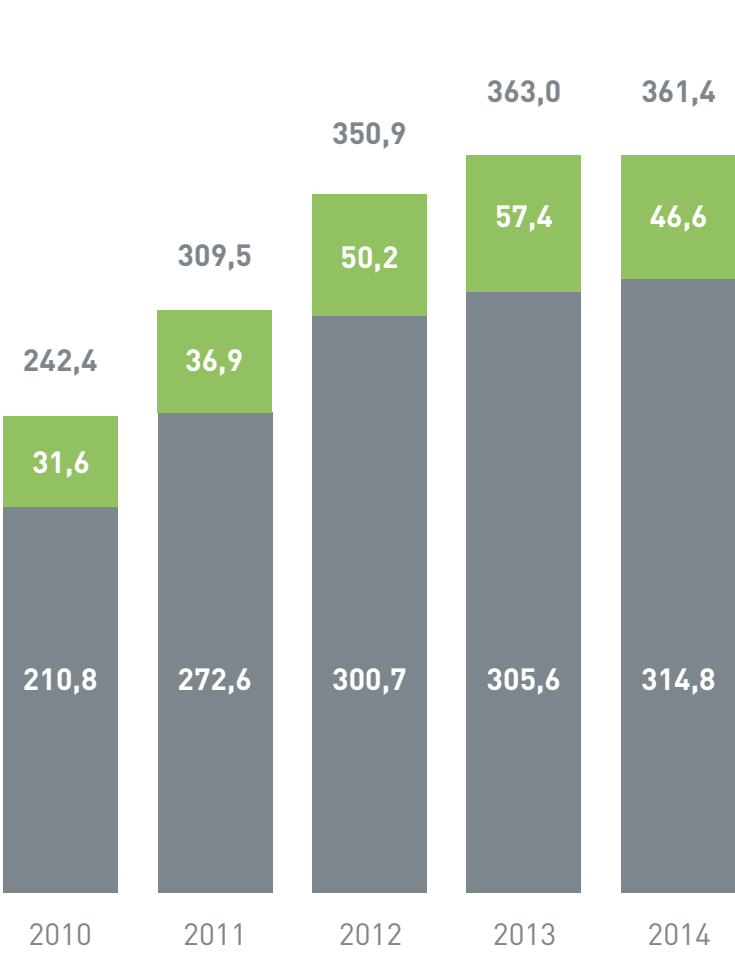
THE COLOUR OF TOMORROW

ANNUAL REPORT 2014

OPERATING INCOME

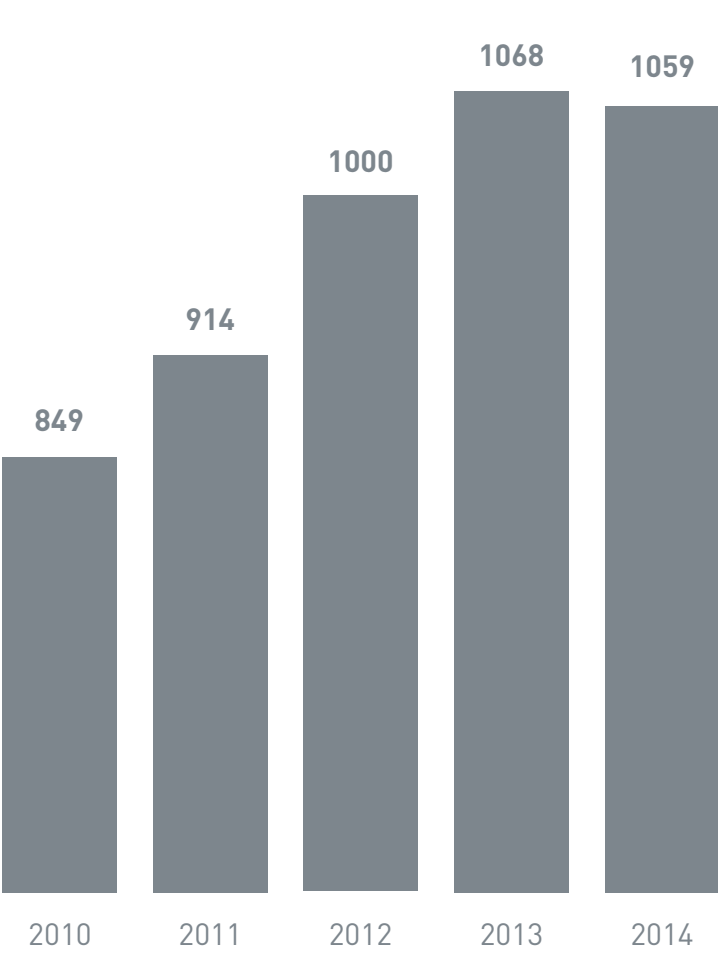
Sonaca Group

in thousands of euro



NUMBER OF SHIPSETS

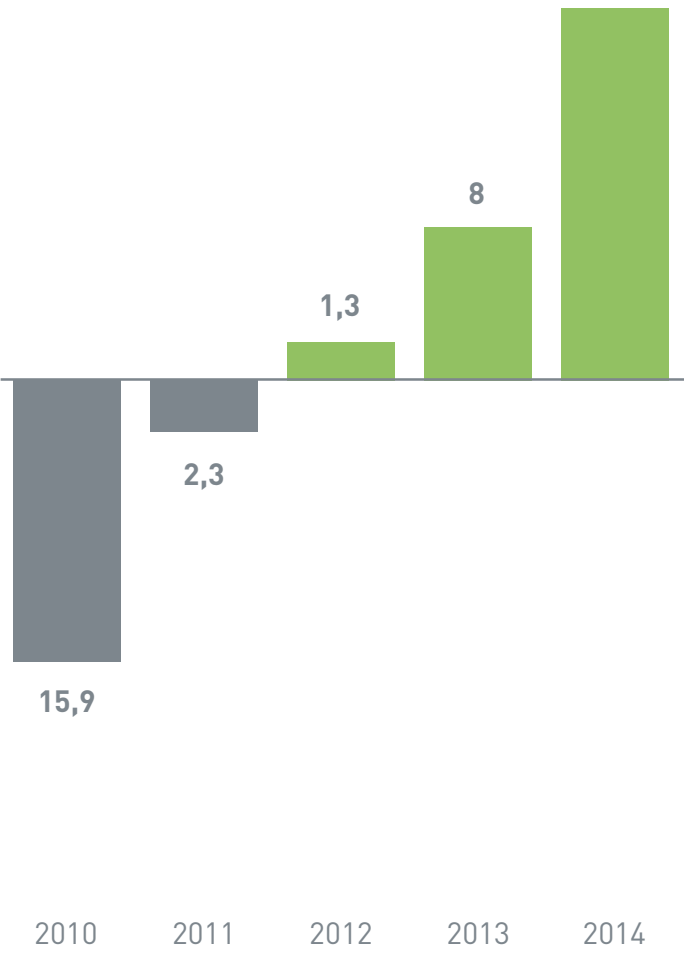
Sonaca sa



NET INCOME

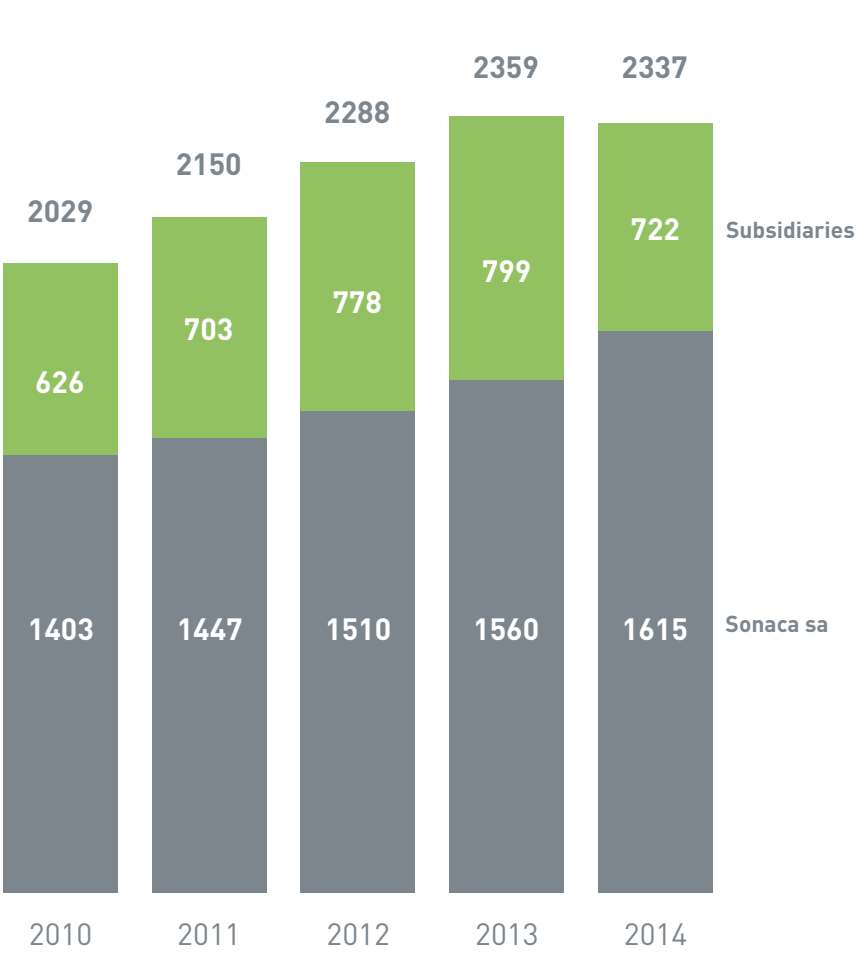
Sonaca Group

in millions of euro



HUMAN RESOURCES

Sonaca Group



Contents

The Chairman's Vision	7
The colour of tomorrow	9
The figures in four columns	11
Key Events in 2014	12
Strategic Plan 2014 - 2019	17
The Strategic Plan in Actions	19
> The products	19
> Commercial	21
> Production	22
> Innovation	24
Sustainable Development	27
The Sonaca Group's New Facilities	28
Corporate Governance	30
Sonaca sa - Profit & loss account	34
Sonaca sa - Balance sheet	37
Sonaca sa - Comments on the balance sheet and the profit & loss account	42
Allocation	53
Sonaca Group - Profit & loss account	54
Sonaca Group - Balance sheet	57
Management report of the consolidated accounts	62
Reports by the Statutory Auditor	70
Structure of Sonaca Group	75

2014 seems to be just as good as the previous year for the civil aviation market. The orders booked by the major players in the sector have reached new heights, further reinforcing the already well-filled order books. The number of passengers and the tonnage of transported freight have progressed by more than 5 % and 4 % respectively, which, combined with the initial effects of the drop in the price of kerosene, has improved the profitability of a good number of operators, thus consolidating their financial capacity and allowing them to better fulfil their investment plans.

For the European industry, the noticeable progression of the \$/€ is likely to gradually reinforce the sector's competitiveness, which had been undermined by a weak dollar over the past few years.

All good news, which is however overshadowed by too many accidents, reminding us of the validity of statutory requirements and the rigour required during both design and production stages, as well as operation of commercial aircraft. Long certification processes aren't there to reduce competition but to ensure that it is effective, without compromising on the quality and the reliability of the aircraft.

For the Sonaca Group, the financial year was very good, despite a slight drop in turnover, limited to 1 %. The EBITDA increased by 17% and the net result was 21.4 MEUR, a record for the group. All the subsidiaries contributed to this great performance, with the group reaping the results of the continuous efforts developed to improve the industrial performance of the various sites and to manage the various contracts more closely.

The Chairman's Vision

These good results have allowed us to maintain a sustained effort in terms of investment, more than MEUR 40, while releasing a positive *free cash flow* of MEUR 16, which, coupled with the release of repayable advances granted by the federal and regional governments, helped to significantly improve the group's balance sheet structure, reducing the bank debt to 79.5 MEUR, i.e. 2.5 times the equity capital.

By strengthening its financial means, supported by its activity in the coming years, the Group can focus more on its strategic thinking, which it can activate through projects that should ensure renewed growth in the next five years or so. It is a matter of strengthening its competitiveness, for instance, through the planned operation in Romania, diversifying its activities, taking advantage of new opportunities like those that might arise from collaborations developed with *start-ups* or within *Skywin*, or through contacts with the potential suppliers of the new fighter aircraft of the Belgian Army Air Component.



Pierre Sonveaux,
Chairman of the Board

The strategic plan requested by the Board and presented end of 2014 shows ambitious objectives that can only gladden and motivate the 2,337 workers of the Group whose the daily commitment in the company allowed its recovery and ensure its future.

Staff meeting January 2015, discovery of the new identity of Sonaca Group.

What will be the colour of tomorrow?

For the Sonaca Group, 2014 ended with remarkable financial results, a direct consequence of the many efforts accomplished throughout the company, thanks to staff always seeking to improve efficiency, productivity and cost reductions. Efforts in terms of quality and respecting deadlines have paid off: after Airbus in 2012 and 2013, we were rewarded by Embraer in 2014 (Best Structure Supplier). This concern for continuous improvement has become an essential condition to maintain our position in a highly competitive market with increasingly demanding customers.

In the course of 2014, the members of the management team, parent company and subsidiaries, worked together to elaborate the Strategic Plan 2014 – 2015. This analysis shows that the company must maintain its leadership position on the market for moveable wing elements, and at the same time, develop and invest in new areas of growth.

Over the past few months, there has been a particular emphasis on innovation. We have come up with creative ideas inside and outside the company. This has resulted in various investment files allowing to give faster and easier access to the aircraft market, innovative products or processes, relying on the means and reputation of the Sonaca Group.

In the interest of modernisation, the company's graphic identity has evolved. A new logo, a new colour and new lettering. Green, which is bright and dynamic, is the colour of our products, in our workshops. The selected shape reminds of the S in Sonaca, but above all of the stretched skins of our leading edges. The values symbolised are flow and flexibility. The colour of tomorrow!

Finally, last year was marked by the tragic accident involving Andrea Pitzalis. Despite all the prevention efforts implemented, a factory remains a dangerous environment. This traumatic event, which greatly affected his workmates and all members of staff, must encourage us to be doubly careful on a daily basis and continue to reinforce all our safety plans.

'The colour of tomorrow,'



Bernard Delvaux,
CEO of Sonaca Group

2015 promises to be very busy. The Sonaca Group has an optimistic and ambitious approach to the future, and its teams are focusing all their efforts on making their strategic objectives reality.

The figures in four columns

In thousands of euros for Sonaca Group

	2011	2012	2013	2014
Operating income	309,546	350,949	363,004	361,439
Operational cash flow (EBITDA)	32,412	*48,161	43,226	50,368
Operating result (EBIT)	15,437	15,494	22,314	33,282
Net result (Share of the Group)	-2,281	1,303	8,029	21,366
Investments (NRC excl.)	11,805	13,547	16,402	16,806
Equity capital and similar items	43,797	43,781	47,030	64,379
Total of the balance sheet	374,022	394,796	389,935	413,761

* influenced by book entry «one-shot», for the Bombardier Cseries contract.

Key events in 2014

- Sale of the Wichita plant
- Buy-out of Sinelson at 100%
- Launch of the Innovation Approach
- Strategic Plan 2014 - 2019 presented to the Board of Directors
- New visual identity for the Sonaca Group



- Best Structures Supplier Award received from Embraer
- Roll out of Dassault's Falcon 8X and of the new PC-24 business twin-jet (leading edges manufactured by Sonaca)
- Sopeçero: Contract of detail parts with Embraer (Legacy L500) and with Sabca (Airbus A350XWB-900)
- Sonaca Montreal: Contract with Triumph for the Embraer 190 E2 doors
- Maiden flight of the new Learjet 85 business jet (leading edges manufactured by Sonaca), but announcement of the freeze of the program by Bombardier

- Delivery of the first set of slats for the Airbus A330 Weight Variant
- Launch of the development activities for the A330NEO
- Preliminary Design Review/Critical Design Review and manufacturing of the first parts for the E2 190
- Successful sampling, using Radius, of the composite panels made with SQRTM technologies
- Extension of the Marshall Plan project Avion Plus Composite (Skywin support)





- Thanks to the high volumes under development and production, employment was maintained at a high level in Gosselies
- Setting up of the **sonaca demy**, Sonaca's in-house training centre
- Progress in quality : Reduction by 42% in the number of non-conformities found by the customers in the mass-production programmes
- Creation of multidisciplinary teams gathering functions of purchasing, procurement, industrial support, and supplier quality (quality assurance policy aiming at reducing both costs and risks)

- New painting infrastructure in the assembly factory, in Gosselies
- Renewal of the automatic robotised slat handling system, in Gosselies
- Extension of the composite factory in Gosselies, to house a larger clean room and a new routing machine
- Adaptation of the surface treatment facilities for large stretched sheet metal (to fulfil the requirements of Airbus and of the European programme REACH aiming at suppressing chromium)
- Extension of the Tianjin factory (China) to enable a maximum production of 8 shipsets per month





Strategic Plan 2014-2019

Despite the evolution in global demand in terms of air transport, our analyses show that there is no longer any significant growth in the aerostructure market. Current production rates for commercial aviation already meet the market's needs to build up the necessary aircraft stock for the next 20 years. This is reflected in a relatively stable and high-level turnover.

The Sonaca Group should achieve growth through other related activities where it can better exploit its competences and its reputation.

Our position as world leader in leading edges, our recognised reliability (confirmed by various awards), our positioning for the future regarding the A350, E2, and C-series, and finally, our excellent reputation among our customers, and our physical proximity with them (Europe, South America and North America), are all assets that currently make the Sonaca Group an undisputed player in the aeronautical field.



Our main strengths are: the expertise of the Engineering team, our R & T and the ability to mobilize financial resources to respond to the significant work packages by creating development partnerships.

André Grégoire, Product Definition – Engineering Director

1. The products

In the future, the Sonaca Group will continue to focus on the design and production of fixed and moveable structural elements (front and rear of the wings) and the associated systems such as the leading edges, trailing edges and moveable tail assembly elements, the complex fuselages of business and regional aircraft, and space and military components.

As far as *Design & Build*, is concerned, in 2015, the Design office will work on the A350-1000 and on the NEO versions of the A320 and A330 families, on the certification work for the CS100 and on the continued development of the 190/195 E2.

In the future, we will be dependent on the projects launched by aircraft manufacturers. Embraer is starting the development of the 175 E2, a programme in which we are significantly involved.

Sonaca Group will remain the reference for the slats and flaps as well as for ailerons, spoilers, winglets, leading edges, the nose, the rear fuselage with engine pylons and satellite structures.

Steve Sciarabone, Head of Design

The Strategic Plan in action

The business plan for 2019 foresees a gradual reduction in NRC-MOD spending, but recent history has regularly refuted this trend. It is essential to maintain a significant capacity in development to support the company's growth. To compensate for the reduction in *Design & Build*, the Sonaca Group aims to position itself more on military and space structures and to gradually acquire a bigger market share in *service engineering*.

In *Build-to-Print* (manufacturing of parts based on drawings provided by the customers), 2014 was spent exploring the market. We anticipate much higher volumes in the coming years.





2. Commercial

The Sonaca Group will make sure that it maintains its turnover, mainly comprised of all the activities (design, manufacturing and assembly) associated with leading edges, flaps and fuselage. We shall ensure we adapt our prices and our costs in order to maintain our competitive position on *packages* under our responsibility and we will be systematically present on the future *packages* put on the market. The development of *build-to-print* activities should be a source of growth for our income. To achieve this, we are mainly relying on our ideally located subsidiaries, which are remarkably competitive in their market.

We have identified space sector as another growth potential. This progress will be supported by partnerships, a specific reinforcement of the commercial actions on a global level and perhaps acquisitions.

For *SES*, new avenues are being explored, for instance, in the automobile sector or helicopters. Sobraer opened a new Design Office in 2014. There is a broad offer combining a range of *engineering products* based on the competences of the Sonaca Group, and a *manufacturing engineering* and *tooling* offer, which is Sobraer's area of excellence.

In the military sector, the Sonaca Group is responsible for recurring production, mainly associated with the A440M military transport aircraft as well as the *B-Hunter* reconnaissance drone. The Group is involved in the project of the F16 replacement to bring its development and production skills into play.



3. Production

According to the Strategic Plan 2014-2019, the Sonaca Group will invest EUR 84 M in the next five years (with EUR 56 M for Gosselies).

The Group will build a new plant in Romania which will take care of the production of composite parts (*hand lay-up*) and of the assembly of A320 *slats* A320, in response to the growth in production rates announced by Airbus.

We are continuously looking for ways to reduce our production costs and we rely on the *Lean* philosophy to achieve our objectives. New waves of *Kaizen* projects have already been programmed.

There will also be investments in the area of safety.

One of the major stakes for the Group in the coming years is the rapid growth in the production rates in the new programmes. The rates for Embraer (E2 and Legacy), Bombardier, Cseries, and Airbus A350 programmes are rapidly increasing. We have an ambitious objective for these programmes: to drastically improve productivity.





❧ Icing tunnel performances validation of the electrothermal systems in deicing conditions.

4. Innovation

The future of the Sonaca Group goes hand in hand with **offensive innovation**. For instance, setting up partnerships with *start-ups*, which develop new products or new technologies. Projects are being conducted with Belgian and foreign partners.

The Group is determined to play a leading role in the growth of small innovative companies by facilitating their access to the aeronautical market, through its competences, reputation and financial capacities.

To encourage this spirit of innovation, an *Open Ideas* site has been set up. It currently has more than 200 members and some 20 forums! At the same time, the *Innovative Ideas* funnel is continuing to function in the traditional manner through *coaching* and the collection of ideas, within the Innovation Unit.



❧ SQRTM flap

Diversification also means **defensive innovation** in the Sonaca Group's *core business* products. There are four major domains for our *R&T* activities in the future:

- ❧ We are taking part in research projects in the area of hybrid laminar flow systems for the wings of their future aircraft.
- ❧ For the development and mastering of electro-thermal anti-icing systems, we are progressing in the levels of maturity of the various

components, in close collaboration with the company Liebherr in Toulouse.

- ❧ The development of advanced composite technologies (SQRTM, ATL) is completely in line with our strategy to extend our activities in the field of wing surfaces.
- ❧ We are also progressing in the field of *Additive Manufacturing*.

“A plant is a risky environment. We insist on wearing Personal Protective Equipment (PPE).”

Jan Boeckx, Operations Director

Sustainable development

Safety and respect for the environment are still the Sonaca Group's main priorities. Several investments have been made in the masking booth, the anodising line and the painting booths, in order to reduce the amount of emissions being released into the atmosphere. Please note that our efforts in terms of chromium reduction were acknowledged by AWAC (Agence Wallonne de l'Air et du Climat). The domestic wastewater treatment system has also been renovated.

As regards energy savings, major investments were made in 2014 in lighting (use of *LEDs*, use of time switches and presence detection to manage how long lights stay on). Heating was also optimised by adjusting the boiler control and insulating the roofs.

We are continuing our efforts to cut energy waste in 2015 by paying particular attention to insulation (replacement of roofs and boilers, insulation of the facades, installation of heat pumps) and *relighting*.

The Sonaca Group's new facilities

In 2013, the Sonaca Group committed to a huge *Green* programme in order to reduce its energy consumption. Within the scope of this project, the Group plans to build a *Green* building by 2017. A modern building – like the company – which will house the research office and the executive teams.

Beyond the energy-saving objective, the Group will also focus on giving the site a facelift (getting rid of old, prefabricated premises) and creating more attractive spaces for the company's talents to work in.

Within this framework, the HR, *IT* and *Green* departments are working together to define work-spaces focused on concepts dedicated to innovation and creativity, while maintaining areas for concentration and conviviality.

These attractive offices in association with *IT* technology will allow our talents to guarantee the success of their future projects.



Implementation of software applications such as “Sharepoint, United communication, VOIP, teleconferencing” shall enhance the communication within Sonaca Group.

Jeroen de Rycke, IT Systems Director



A modern working environment, friendly and functional that is conducive to team work, exchange ideas and creativity.



Corporate Governance

In accordance with its Articles of Association, the company is administered by a **Board of Directors** composed of at least six directors appointed at the General Meeting. They are appointed for a maximum term of six years but may be nonetheless re-appointed at the end of the term.

The Board entrusts the Managing Director with the daily management of the company according to the authority rules the Board establishes and whose compliance it controls.

The Board is currently composed of 11 directors and two observers, who are listed in the following pages. It is chaired by Mr. Pierre Sonveaux, whereas the daily management is ensured by Mr. Bernard Delvaux, Managing Director and sole executive director on the Board. The Chief Finan-

cial Officer is invited to attend the Board meetings. Upon proposal by the Chairman and the Managing Director, the Board can be extended to other managers or to the Auditor in order to discuss specific points.

The Board met five times over financial year 2014. The following topics were discussed and dealt with:

- Balancing of accounts as of 31/12/2013 and approval of financial year 2013 Management Report ;
- Adoption of the 2015 budget ;
- Regular and in-depth analysis of the accounts of the company and its subsidiaries and follow-up of the group's finances ;
- Follow-up of the foreign subsidiaries ;
- Discussion of the Group's strategy.

Since 2004, due to the international development of the Group, the Board of Directors has deemed necessary to review its operation and request the assistance of an Audit Committee and a Remuneration Committee. Their missions and composition were

defined by the Board, to which they report regularly.

The **Audit Committee** consists of three non-executive directors, among whom the Board Chairman. It is assisted by the Chief Financial Officer and, as required and/or if requested, by the company Auditor. The Managing Director is invited to attend the meetings.

The missions of the Committee are:

- Preparing work for the Board of directors in terms of follow-up, control and analysis of the financial situation of the company and its subsidiaries ;
- Ascertaining the correct performance of both the internal and external surveys of the company and its subsidiaries, with a view to guarantee the reliability of the transmitted information ;
- Since January 2008, it has been imparted the permanent monitoring of the correct execution of the foreign currency hedging policy decided on by the Board of Directors.

The Committee met twice over financial year 2014.

Four members form the **Appointment and Remuneration Committee**, among whom three non-executive directors. The Chairman of the Board and the Managing Director are part of it.

Its missions are:

- Assisting the Board of Directors in defining the remunerations of the managers of the company and its subsidiaries ;
- Ensuring the setting up of a consistent assessment and remuneration system for the personnel of the company and of its subsidiaries.

The Remuneration Committee met once over financial year 2014.



• The CEOs of our subsidiaries: Sylvain Bédard -Sonaca Montreal-, Jean-Paul Lopez -Sobraer-, Philippe Stavaux -Sopeçero-, Eduardo Roxo -Pesola-

Capital

EUR 7,197,670 - Situation as of 31 December 2014

FIWAPAC	95,88 %
SFPI	3,64 %
WESPAVIA	0,47 %
SABCA	0,01 %

Board of Directors

Situation as of 31 December 2014

Pierre Sonveaux	Chairman
Bernard Delvaux	Managing Director
Jean-Sébastien Belle	Director
Jean Courtin	Director
Marc Debois	Director
Cédric du Monceau	Director
Jean Leblon	Director
Anne Prignon	Director
Laurent Lévêque	Director
Pascal Lizin	Director
Antoine Tanzilli	Director
David Bastin	Observer
Denis Ronday	Observer

Auditor

RSM INTER AUDIT represented by Mr. Thierry Lejuste

Audit Committee

Jean Courtin	Chairman
Pierre Sonveaux	Director
Jean-Sébastien Belle	Director

Appointment and Remuneration Committee

Jean Leblon	Chairman
Pierre Sonveaux	Director
Bernard Delvaux	Managing Director
Anne Prignon	Director

Executive Committee

Bernard Delvaux	Chief Executive Officer – Sonaca Group
Erik van Ockenburg	Finance & Strategy Director - Sonaca Group
Michel Bilocq	Procurement Director
Jan Boeckx	Operations Director (mass production)
Laurent Troquet	Quality Manager - Sonaca Group
Yves Delatte	Programs Director
Jeroen De Rycke	IT Systems Director
Thierry Duesberg	Sales & Business Development Director
André Grégoire	Product Definition, Engineering Director
Pierre Grenier	Human Resources, Administration and Insurance Director
Hugues Langer	Development and Pre-series Director
Marcel Devresse	Adviser to the Executive Committee
Michel Milecan	Adviser to the Executive Committee
Claude Nyssen	R&T Director (adviser to the Executive Committee)



Profit and loss account of Sonaca sa at 31/12/2014 (in thousands of Euro)

Extract of the financial statements which are full published at the Belgian National Bank

	31.12.14	31.12.13	31.12.12	31.12.11
Operating income	314,794	305,658	300,759	272,629
Turnover	273,417	267,061	234,130	219,243
Variation work in progress	6,481	13,106	38,926	10,582
Own work capitalized	17,764	11,154	13,582	28,709
Other operating income	17,132	14,337	14,121	14,095
Operating charges	296,058	294,592	290,804	260,412
Raw materials, consumables and goods for sale	135,811	137,267	125,425	120,889
1. Purchases	131,488	135,761	125,212	123,617
2. Increase / Decrease in stocks	4,323	1,506	213	(2,728)
Services and other goods	30,913	31,619	33,776	31,339
Rémunérations, social security costs and pensions	115,422	110,883	104,875	96,615
Depreciation and amounts written off on fixed assets	16,394	15,070	31,586	13,240
Amounts written off on stocks, contracts and amounts receivable	(1,521)	(2,717)	(284)	1,257
Provisions for liabilities and charges	(2,044)	2,365	(4,793)	(3,104)
Other operating charges	1,083	105	220	177
Operating profit/loss	18,736	11,066	9,955	12,217
Financial income	2,236	1,994	1,801	5,229
Income from fixed assets	526	553	437	436
Income from current assets	8	26	23	82
Other financial income	1,702	1,415	1,342	4,711
Financial charges	5,490	10,285	10,193	12,940
Interest payable and other debt charges	4,900	8,385	8,841	7,523
Other financial charges	590	1,900	1,353	5,417
Profit or loss ordinary activities	15,482	2,776	1,563	4,506
Extraordinary income	10,330	24	4,143	-
Write back of depreciation on tangible assets	-	-	-	-
Write back of amounts written off on financial fixed assets	10,004	24	942	-
Write back of provisions for liabilities and charges	-	-	-	-
Gains on disposal of fixed assets	-	-	8	-
Other extraordinary income	327	-	3,194	-

Extraordinary charges	1,010	(3,040)	2,976	3,362
Depreciation and extraordinary amounts written off	-	-	2,059	-
Amounts written off on financial fixed assets	-	-	-	827
Provisions for extraordinary liabilities and charges	997	(4,248)	450	2,533
Capital loss on disposal of fixed assets	13	16	33	2
Other extraordinary charges	-	1,191	434	-
Activated extraordinary charges	-	-	-	-
Profit / loss before taxation	24,802	5,840	2,731	1,143
Income taxes	33	(19)	263	476
Profit or loss for the period	24,835	5,821	2,994	1,619



**Balance sheet of Sonaca sa
at 31/12/2014 (in thousands of Euro)**

*Extract of the financial statements which are
full published at the Belgian National Bank*



ASSETS (in thousands of Euro)

	31.12.14	31.12.13	31.12.12	31.12.11
FIXED ASSETS	185,980	165,261	157,995	164,542
Formation expenses	-	-	-	-
Intangible fixed assets	9,041	11,309	14,959	18,192
Tangible fixed assets	145,543	128,963	116,471	123,450
Land and buildings	1,659	1,780	1,901	2,022
Plant, machinery and equipment	38,766	37,471	35,141	37,659
Furniture and vehicles	1,196	846	805	411
Leasing	9,709	9,650	11,079	10,305
Other tangible fixed assests	7,729	7,661	7,523	7,562
Assets under construction and advance payment	86,484	71,555	60,022	65,492
Financial fixed assets	31,396	24,988	26,564	22,899
Affiliated enterprises	31,156	22,823	24,405	22,405
1. Investments	27,437	15,931	14,053	11,934
2. Amounts receivable	3,718	6,892	10,352	10,471
Enterprises linked by participating interests	117	117	117	451
1. Investments	117	117	117	113
2. Amounts receivable	-	-	-	338
Other financial fixed assets	123	2,048	2,042	43
1. Shares	27	27	21	21
2. Amounts receivable and cash guarantees	96	2,021	2,022	23
CURRENT ASSETS	202,219	189,266	196,107	164,769
Amounts receivable after more than one year	9	9	52	96
Trade debtors	-	-	-	-
Other amounts receivable	9	9	52	96
Stocks and contracts in progress	93,487	100,376	95,534	69,957
Stocks	16,229	18,160	19,917	21,117
1. Consumables	16,229	18,160	19,917	21,117
2. Work in progress	-	-	-	-
6. Advance payments	-	-	-	-
Contracts in progress	77,258	82,216	75,617	48,840
Amounts receivable within one year	90,003	86,241	90,952	77,309
Amounts receivable trade debtors	84,591	82,188	87,712	74,884
Other amounts receivable	5,412	4,053	3,240	2,425

Current investments	16,105	25	2 025	11,436
Cash at bank and in hand	1,611	1,394	4,421	4,543
Deferrals	1,003	1,221	3,123	1,427
TOTAL OF ASSETS	388,199	354,527	354,102	329,310



LIABILITIES (in thousands of Euro)	31.12.14	31.12.13	31.12.12	31.12.11
CAPITAL AND RESERVES	35,903	13,239	(36,098)	(39,044)
Capital	7,198	7,198	38,993	38,993
Share premium account	-	-	-	-
Reserves	720	291	-	-
A. Legal reserve	720	291	-	-
B. Not available for distribution	-	-	-	-
C. Untaxed reserves	-	-	-	-
D. Distributable reserves	-	-	-	-
Accumulated profit/looss	27,800	5,530	(75,345)	(78,339)
Investment grants	185	220	254	303
PROVISIONS AND DEFERRED TAXATION	28,497	29,543	31,426	35,770
Provisions, liabilities and charges	28,497	29,543	31,426	35,770
1. Pensions and similar obligations	11,272	14,435	20,106	25,160
2. Taxation	-	-	-	-
3. Major repairs and maintenance	-	-	-	-
4. Other liabilities	17,225	15,109	11,321	10,610
Deferred taxes	-	-	-	-
AMOUNTS PAYABLE	323,799	311,745	358,774	332,584
Creditors, amounts payable after more than one year	187,813	150,693	196,394	204,018
Financial debts	80,111	74,077	133,454	149,202
1. Subordinated loans	31,349	32,028	76,750	77,493
3. Leasing and other similar obligations	5,114	3,964	5,425	6,960
4. Credit institutions	43,648	38,085	51,279	64,749
5. Other loans	-	-	-	-
Trade creditors	1,305	1,475	1,443	1,757
1. Suppliers	1,305	1,475	1,443	1,757
2. Bills of exchange payable	-	-	-	-
Payments received on account	131	-	1,312	3,623
Other amounts payable	106,266	75,141	60,186	49,437

Creditors, amounts payable within one year	128,129	150,659	151,114	120,744
Current portion of creditors, amounts payable within one year	19,602	22,375	24,229	19,349
Financial debts	-	20,498	25,000	1,203
1. Credit institutions	-	20,498	25,000	1,203
Trade creditors	50,883	51,590	40,846	39,229
1. Suppliers	50,883	51,590	40,846	39,229
2. Bills of exchange payable	-	-	-	-
Payments received on account	31,913	34,108	40,759	42,289
Taxation, salaries and social security	23,595	22,025	20,216	18,611
1. Taxation	877	877	823	704
2. Salaries and social security	22,718	21,148	19,393	17,907
Other amounts payable	2,136	64	64	63
Accruals and deferred income	7,857	10,393	11,266	7,823
TOTAL OF LIABILITIES	388,199	354,527	354,102	329,310



Comments on Sonaca sa balance sheet and profit and loss account at 31/12/2014

Assets

1. Formation expenses

No movement is to be noted under this heading in 2014.

2. Intangible fixed assets

This heading is mainly comprised of the development expenses for new programmes (NRC stage) for a net amount of KEUR 5,038.

The gross value of these NRC assets stands at KEUR 54,095, and amortizations stand at KEUR 49,057.

The balance of this heading includes the licence fees related to computer software products. Their gross value amounts to KEUR 10,432, amortizations to KEUR 6,429 and the net value to KEUR 4,003.

The changes of the financial year are comprised of the disposals and withdrawals of fully depreciated assets, for a gross amount of KEUR 54,198.

3. Tangible fixed assets

The gross value of this heading stands at KEUR 341,652. Amortizations amount to KEUR 196,109 and the net value to KEUR 145,543.

Acquisitions over the financial year amount to KEUR 27,400 (distributed among industrial investments for KEUR 11,726 and NRC investments for KEUR 15,674).

There was a transfer to the intangible fixed assets for KEUR 666 and impairments for KEUR 20,045.

During the financial year, there were new amortizations amounting to KEUR 8,026 (KEUR 7,897 for industrial investments and KEUR 129 for NRC).

The NRC investments are recognized as assets under construction, pending the completion of each development stage. Their net value under this heading is KEUR 79,668.

The balance of the «assets under construction» heading stands at KEUR 6,816 and is composed of the industrial investments.

4. Financial fixed assets

4.1 Affiliated companies

Participating interests

The amount of participating interests is broken down as follows:

Belairbus	KEUR 218
Elson	KEUR 1,224
SNA	KEUR 21,615
Pesola	KEUR 582
Sobraer	KEUR 3,697
Sopeçero	KEUR 100
	KEUR 27,437

SNA

SONACA's share in SNA amounts to KEUR 21,615.

A reversal in impairment was recognized for KEUR 10,004.

SNA itself holds 100% of Sonaca Montreal (SM) based in Montreal.

Elson

Sonaca sa bought the 30% of shares held by Eltra for KEUR 100, after which Sonaca sa now holds 100% of the capital.

Sobraer

In 2000, Sonaca sa set up the company Sobraer Ltda in Brazil, whose capital amounted to KBRL 6,345, or KEUR 2,295 as of 31 December 2013. Sobraer's capital was increased in 2014 by KEUR 1,402.

Sopeçero

In 2004, Sonaca sa participated in the setting up of Sopeçero in Brazil, with Airbus, Eltra Holding Overseas and Sobraer. Sonaca holds 9.72% of Sopeçero's capital, for an amount of KEUR 100. Sobraer holds 56.27% of Sopeçero.

Pesola

In 2004, Sobraer set up the company Pesola in Brazil, in cooperation with Eltra and Latecoère, each holding a third of the shares. In 2012, Sonaca bought out Latecoère's share for KEUR 582.

Amounts receivable

The amounts receivable from affiliated companies is broken down as follows:

Pesola	KEUR 80
SNA	KEUR 2,900
Sobraer	KEUR 738
	KEUR 3,718

Amounts receivable after more than one year from Sobraer were capitalized into the capital for KEUR 1,200.

Transfers of amounts receivable within the year were also recorded for KEUR 1,545.

4.2 Other enterprises linked by participating interest or other financial fixed assets

Participating interests, receivables and guarantees

This heading breaks down as follows:

Flabel Participation	KEUR 117
Other financial fixed assets	KEUR 123
	KEUR 240

5. Amounts receivable after more than one year

Most of the amounts receivable after more than one year (for a total of kEUR 9) are advances paid to suppliers.

6. Stocks

The net value of stocks reduced from kEUR 18,160 to kEUR 16,229.

The stock turnover rate has improved from 1.6 to 1.4 months of consumption.

7. Contracts in progress

This heading reduced from kEUR 82,216 to kEUR 77,258.

In 2014, a compensation for the advances received on contracts in progress in the framework of various NRC stages (liabilities) was accounted for kEUR 10,089, thus generating a corresponding offset in the ongoing production variation account.

8. Amounts receivable within one year

The amounts receivable increased from kEUR 82,188 to kEUR 84,591.

The average time of supplier payment slightly increased from 3.6 to 3.7 months.

The other amounts receivable increased from kEUR 4,053 to kEUR 5,412.

The balance is mainly comprised of:

- > recoverable V.A.T. for kEUR 2,170;
- > receivables on subsidiaries for kEUR 2,017;
- > receivables on staff and payroll tax recoverable for kEUR 552.

9. Cash at bank and in hand

At the end of the financial year 2014, this heading stood at kEUR 17,716 compared to kEUR 1,419 in 2013.

The cash improved despite significant NRC investments, due to granting of new bank loans and in particular repayable advances

10. Deferrals and accrued income

This heading declines from kEUR 1,221 to kEUR 1,003. It consists of charges to be brought forward for kEUR 784 and of products acquired for kEUR 219.

11. Usd accounting exchange rate for translation adjustments

In accordance with the portfolio of hedging instruments at 31/12/2014, amounts payable in USD and amounts receivable in USD are valued at the rate of: EUR 1 = USD 1.32



Liabilities

1. Capital and reserves

1.1 Capital

At 31/12/14, the capital value stood at kEUR 7,198, represented by 17,836 shares all issued and fully paid up, of which Fiwapac holds 95.88%, SFPI 3.64%, Wespavia 0.47% and Sabca 0.01%.

1.2 Legal reserve

Due to the allocation of the net profit, the legal reserve amounts to kEUR 720.

1.3 Profit brought forward

The result brought forward after allocation of the 2014 profit amounts to kEUR 27,800.

1.4 Investment grants

Total investment grants amounted to kEUR 185 at the end of 2014.

Capital and reserves after allocation of profit therefore increase from kEUR 13,239 to kEUR 35,903. This increase is largely due to the net profit of the financial year, amounting to kEUR 24,835.

2. Provisions

This heading goes from kEUR 29,543 in the previous financial year, to kEUR 28,497.

The existing provisions at the date of ending of the financial year are:

- > Charges for future early retirements kEUR 11,272
- > Provisions for other liabilities and charges kEUR 17,225 (mainly related to customer programmes)

3. Amounts payable after more than one year

3.1 Amounts payable after more than one year

Subordinated loans

Subordinated loans decrease slightly from kEUR 32,028 to kEUR 31,349 following a transfer for kEUR 678 to the amounts payable within the year (FTQ subordinated loan).

Leasing and other similar obligations

This heading increases from kEUR 3,964 to kEur 5,114, an increase by kEUR 1,150, resulting from a transfer of kEUR 1,579 to the amounts payable within the year and new acquisitions for kEUR 2,729 (compared to kEUR 445 during previous financial year).

Credit Institutions

This heading increases from kEUR 38,085 to kEUR 43,648, or a kEUR 5,563 increase, resulting from a transfer of kEUR 17,237 to the current portion of amounts payable after more than one year and a new credit for kEUR 22,800.

3.2 Amounts payable to suppliers (long term)

The amounts payable to the suppliers after more than one year decline from kEUR 1,475 to kEUR 1,305.

3.3 Advances received on contracts

This heading went from zero to kEUR 131.

3.4 Other amounts payable after more than one year

The other amounts payable after more than one year stand at kEUR 106,226 and mainly consist of:

- > advances payable from public authorities ;
- > Advances payable from our partners in the framework of the Bombardier C-Series program.

4. Amounts payable within one year

Trade debts

The trade creditors decline from kEUR 51,590 to kEUR 50,883.

The amounts payable to suppliers stand at kEUR 38,708 compared to kEUR 40,860 last year.

This slight decrease results from a reduction in the average time of supplier payment, from 2.9 to 2.7 months.

The balance of trade debts (kEUR 12,175) comprised of invoices receivable and credit notes increased by kEUR 1,445 compared to 2013, which is mainly a consequence of the increase in invoices receivable for an amount of kEUR 1,333.

Advances received on contracts

This heading contains the advance payments received on new programmes and declined from kEUR 34,108 to kEUR 31,193. These mainly consist of advances received related to space and military programs.

Dividends

In line with the allocation of the result, the dividends amount to 2,136 kEUR.

5. Fiscal, social and wage debts

This heading slightly increases from kEUR 22,025 to kEUR 23,595.

6. Accruals and deferred income

This heading goes from kEUR 10,393 to kEUR 7,857. It consists of charges to be allocated for kEUR 3,726 and deferred income of kEUR 4,131.



Profit and loss account

1. Operating income

The operating income (including changes of in-process manufacturing of finished goods and contracts in progress) increased from kEUR 305,658 in 2013, to kEUR 314,794 in 2014 (3% increase).

The turnover from recognized customer sales amounted to kEUR 273,417 in 2014, which represents a 2.4% increase compared to 2013 (kEUR 267,061).

Own work capitalized of kEUR 17,764 was recognized, which mainly concerns the NRC of the Airbus A350, Embraer E2 and Legacy 450/500 programmes.

The operating income also includes the «Other Operating Income» heading, which stands at kEUR 17,132 and is mainly comprised of reductions in social security costs for kEUR 8,920, operating grants for kEUR 5,634 and the sale of scrap metal for kEUR 1,309.

2. Operating charges

2.1 Raw materials, consumables and goods for resale

Total purchases consumed reached kEUR 135,811 in 2014 compared with kEUR 137,267 in 2013 (1% decrease) and represent 43% of the operating income, against 45% in 2013.

This reduction is mainly due to the decrease in sub-contracting (kEUR -4,144)^o and the increase in purchasing of material, tooling and safety (kEUR 2,939).

2.2 Services and other goods

This heading goes from kEUR 31,619 to kEUR 30,913, or a decrease by 2.2%.

2.3 Remunerations

This heading stands at kEUR 115,422 compared with kEUR 110,883 in 2013, or an increase by 4.1%.

The early retirement costs under this heading amount to kEUR 4,160 compared with kEUR 4,512 in 2013. These costs are accounted for against provisions.

In relative terms, remunerations (early retirement excluded, but including operations of on-site subcontracting, subsidiary outsourcing, temporary jobs and fees) amount to 42% of revenues from customer sales, as in 2013.

2.4 Amortizations

Amortizations amount to kEUR 16,394 in 2014 against kEUR 15,070 in 2013, or an increase by kEUR 1,324 due, among other things, to NRC amortizations for kEUR 652.

2.5 Depreciations in amounts written off stocks, contracts in progress and trade debtors

This heading amounts to kEUR -1,521 (compared with kEUR -2,717 in 2013).

It mainly results from a decrease in write-down on stocks for kEUR -2,392,



an allowance for reversal in write-downs on contracts in progress for kEUR 1,349, and a reversal in write-downs on receivables for kEUR -478.

2.6 Provisions for liabilities and charges

Reversals of provisions stand at kEUR 2,044.

The amount breaks down as follows:

> provisions for early retirements	kEUR - 4 160
> provisions on contracts	kEUR 2,199
> Miscellaneous provisions	kEUR - 83

3. Operating profit and loss

The operating profit shows an improvement: it stands at kEUR 18,736 in 2014 against kEUR 11,066 in 2013.

4. Financial results

Financial results stand at kEUR -3,254 (compared to kEUR -8,290 in 2013).

This heading breaks down as follows:

> profits and losses on exchange	kEUR 583
> Interests on loans	kEUR - 4,900
> Other financial products and charges	kEUR 1,063

5. Extraordinary income

This heading stands at kEUR 9,320.

The extraordinary charges are comprised of allowances for early-retirement provisions for kEUR 997.

The extraordinary results include a reversal of provisions for kEUR 10,004 for a revaluation of the SNA shareholding.

6. Taxation

The calculation of the taxes takes into account the benefits in kinds applicable to vehicles.

7. Profit/loss of the financial year after taxes

The positive operating income of kEUR 18,736, a financial result of kEUR -3,254 and an extraordinary income of kEUR 9,320 and taxes on the result for kEUR -33 lead to a result after taxes amounting to kEUR 24,835 (compared with a kEUR 5,281 net profit in 2013).

8. Exchange rate

The exchange rate used in 2014 was:

> EUR 1 = USD 1,32

To cover its USD exposure, the company has at its disposal hedges up to 94% of its needs estimated for 2015, 86% for 2016, 51% for 2017 and 14% for 2018.

Branch office

The company does not have any branch office.

Post-closing events

The post-closing events that affect the financial year result were taken into account in the 2014 financial statements.

In 2015, Sonaca set up a subsidiary in Romania (Bucharest), Sonaca Aerospace Transilvania SRL.

On 18 March 2015, Wespavia's Board of Directors decided to contribute to Sonaca sa's capital the loan called « Fonds de l'aéronautique ». Sonaca's Board of Directors has convened an extraordinary general meeting for June 4, 2015 in order to increase the capital by kEUR 26,391,194.89 through the conversion of this loan and by kEUR 6,141,135.11 from the result brought forward. A special report has been drawn up for this purpose to the attention of the shareholders. This will increase the capital to EUR 40 Million.

Main risk factors linked to the company's activity

The risk management policy carried out by Sonaca sa consists in identifying, measuring, following and reducing risks linked to its activities. A risk is any element likely to have a negative impact on the company's value, in the short, medium or long term. In this perspective, Sonaca sa has classified possible risks in terms of strategy, finance, operation and law.

The main specific risks identified, consist of the categories described below.

STRATEGIC RISKS

Sonaca sa faces risks linked to the aircraft manufacturing market, i.e. the cyclic nature of airlines' demand for new airplanes and its concentration among several major manufacturers, which monopolize the global market. Economic analyses show that air transport demand is in close relation with global growth.

Furthermore, the market is also very demanding in terms of cost reductions and the use of new technologies. To this end, Sonaca sa takes part in many Research and Development programmes to preserve and develop its technological level and anticipate customers' demand.

FINANCIAL RISKS

The main part of Sonaca sa's turnover is in USD. Since a large part of the company's costs are in EUR, the company is extremely susceptible to the risks involved in the EUR/USD exchange rate.

Hedging instruments

The company has at its disposal classical «forward» contracts for its USD hedging (over a 42 months' term). It has ruled out the use of structured products.

As far as transaction foreign exchange risk, is concerned, and given that about 74 % of its revenues in American dollar in 2014, Sonaca sa has adopted a strategy based on the following principles:

First of all, Sonaca sa is implementing an intensive purchasing policy in US dollars for its raw materials and sub-contracting in order to reduce its net exposure to USD transaction risks.

Therefore, only net flows resulting from sales in American dollars reduced by the purchases in the same currency are subjected to hedging.

Sonaca sa continues a policy of foreign exchange risk hedging that consists in having, at the end of year N:

- a 95% hedge for year N+1
- a hedge comprised between 50% and 80% for year N+2
- a hedge comprised between 0% and 50% for year N+3

The calculation is made at the end of each semester.

As regards the balance sheet transaction risks, Sonaca sa takes a cautious approach to recording the exceptional amortizations which are deemed necessary in application of the valuation rules.

As for the interest rate risks, 18% of the interest-bearing debt is financed at a fixed rate, and 82 % at a variable rate. Hedging products (IRS) were taken out in order to fix the rate on the whole variable rate debt until the end of 2016 and on 50% for the years 2017 and 2018, taking thus advantage of the strong decrease in rates.

LIQUIDITY RISKS

The company has concluded many contracts with its customers over the last ten years and has therefore incurred major investment programs, both in development and industrialization expenses and in production equipment.

Furthermore, owing to the exclusivity granted by contract to the company by its customers for the majority of its pro-

grammes, it is obliged to meet the requested increases in delivery rates, which also leads to an increase in its production capacities and a need for working capital.

To face this, the company obtained medium term loans in 2014, amounting to EUR 22.5 Million and straight loans for an indeterminate period, amounting to EUR 17.5 Million.

It also obtained a factoring scheme for its loans, for renewable two-year terms.

The company also relies on greatly improved operational cash-flows, which allows the company to finance its own development.

Internal audit

SONACA's size and its nature as an international group have led the company to set up internal audit systems supervised by the audit committee, especially in terms of the posting of transactions and related risks.

OPERATIONAL RISKS

In general, the Sonaca sa is exposed to the following risks:

- > an increase in the price of raw materials and the short supply of available tonnages;
- > the need to reduce the cost price of its products with a view to compensating the natural increase in certain costs and to meet market demands ;
- > the importance of quality, safety and traceability requirements for the products and their components;
- > variations, that are sometimes sudden, in customers' demand in terms of quantities to be delivered, forcing the company to adapt very quickly.

LEGAL RISKS AND ONGOING DISPUTES

Any Company is subject to numerous risks of a legal nature related to litigations of variable importance that appear when performing activities. To the Board's knowledge, all litigations involving the company and its consolidated subsidiaries that have reasonable likelihood of financial materialization are covered by appropriate provisions in the accounts or are described in details in the appended notes thereof.



Allocation of result

Considering a financial year net profit of EUR 24,835,017.99 to be allocated, the Board of Directors propose the following to the general meeting of shareholders:

- > Transfer of 5% to the legal reserve (limited to 10% of the capital), i.e. EUR 428,708.
- > Distribution of dividends for EUR 2,136,630.45 (10% of the consolidated result – part of the Group)

Considering the 2013 profit brought forward (EUR 5,530,056.50), and the balance of the 2014 profit to be allocated (EUR 22,269,679.54), the result brought forward amounts to EUR 27,799,736.04.



Profit and loss account of Sonaca Group at 31/12/2014

*Extract of the financial statements which are
full published at the Belgian National Bank*

	31.12.14	31.12.13	31.12.12	31.12.11
Operating income	361,439	363,004	350,949	309,546
Turnover	314,443	319,380	279,007	252,941
Variation work in progress	6,810	13,626	39,950	10,582
Own work capitalized	17,764	11,154	13,582	28,709
Other operating income	22,422	18,845	18,411	17,314
Operating charges	328,157	340,690	335,455	294,109
Raw materials, consumables and goods for sale	138,262	147,447	134,064	122,706
1. Purchases	133,201	146,480	135,519	126,205
2. Increase / Decrease in stocks	5,061	967	(1,455)	(3,499)
Services and other goods	33,665	34,480	37,060	34,521
Rémunérations, social security costs and pensions	137,635	136,708	131,041	119,354
Depreciation and amounts written off on fixed assets	20,057	20,601	37,504	18,508
Amounts written off on stocks, contracts and amounts receivable	(1,521)	(2,717)	(284)	1,425
Provisions for liabilities and charges	(1,450)	3,029	(4,552)	(2,958)
Other operating charges	1,458	1,092	573	553
Activated operating charges	-	-	-	-
Depreciation of consolidation differences	51	51	51	-
Operating profit / loss	33,282	22,314	15,494	15,437
Financial income	2,152	1,813	2,333	5,113
Income from financial fixed asset	-	43	-	46
Income from current assets	100	76	23	82
Other financial income	2,051	1,694	2,311	4,985
Financial charges	13,742	17,991	16,313	20,176
Interest payable and other debt charges	6,383	10,191	10,726	9,326
Other financial charges	7,359	7,800	5,588	10,850
Profit or loss ordinary activities	21,691	6,136	1,514	374
Extraordinary income	3,423	-	3,258	-
Write back of depreciation on tangible fixed assets	-	-	-	-
Write back of amounts written off on financial fixed assets	-	-	-	-
Write back of provisions for liabilities and charges	-	-	-	-
Gains on disposal of fixed assets	3,096	-	8	-
Other extraordinary income	327	-	3,251	-

Extraordinary charges	1,809	(2,992)	3,168	2,535
Depreciation and extraordinary amounts written off	-	50	2,147	-
Amounts written off on financial fixed assets	-	-	-	-
Provisions for extraordinary liabilities and charges	997	(4,248)	450	2,533
Capital loss on disposal of fixed assets	13	16	33	2
Other extraordinary charges	798	1,190	538	-
Activated extraordinary charges	-	-	-	-
Profit / loss before taxation	23,305	9,128	1,605	(2,162)
Transfer for deferred taxation	-	54	-	67
Income taxes	1,374	755	157	(124)
Profit or loss for the period	21,931	8,426	1,448	(1,971)
Part of Third	565	398	145	310
Part of Group	21,366	8,029	1,303	(2,281)



Consolidated balance sheet of Sonaca Group at 31/12/2014

*Extract of the financial statements which are full
published at the Belgian National Bank*



ASSETS (in thousands of Euro)

	31.12.14	31.12.13	31.12.12	31.12.11
FIXED ASSETS	187,511	176,941	175,313	188,699
Formation expenses	-	-	-	-
Intangible fixed assets	9,443	11,590	15,280	18,520
Variation of consolidation	102	153	204	-
Tangible fixed assets	175,182	161,690	156,326	168,680
Land and buildings	19,192	21,317	24,467	26,671
Plant, machinery and equipment	49,472	49,587	51,289	57,104
Furniture and vehicles	1,598	1,278	1,248	739
Leasing	9,709	9,649	11,080	10,307
Other tangible fixed assets	8,420	8,247	8,204	8,351
Assets under construction and advance payments	86,791	71,611	60,038	65,507
Financial fixed assets	2,784	3,508	3,503	1,499
Enterprises accounted for using the equity method	1,443	1,343	1,343	1,343
1. Investments	1,443	1,343	1,343	1,343
2. Amounts receivable	-	-	-	-
Other enterprises	117	117	117	113
1. Investments and shares	117	117	117	113
2. Amounts receivable	-	-	-	-
Other financial fixed assets	1,224	2,048	2,042	43
1. Shares	27	27	21	21
2. Amounts receivable and cash guarantees	1,197	2,021	2,022	23
CURRENT ASSETS	226,250	212,994	219,484	185,323
Amounts receivable after more than one year	92	14	52	96
Other amounts receivable	92	14	52	96
Stocks and contracts in progress	105,440	113,079	108,979	81,371
Stocks	28,182	30,863	33,362	32,531
1. Consumables	21,862	24,834	26,784	28,062
2. Work in progress	4,118	3,436	3,723	2,606
3. Finished goods	1,436	1,113	1,053	723
4. Goods	766	1,480	1,802	1,141
6. Advance payments	-	-	-	-
Contracts in progress	77,258	82,216	75,617	48,840

Amounts receivable within one year	98,648	94,573	100,972	85,942
Amounts receivable / trade debtors	93,486	90,526	97,173	82,447
Other amounts receivable	5,161	4,047	3,799	3,496
Current investments	16,105	25	2,025	11,436
Cash at bank and in hand	4,675	4,003	5,023	5,437
Deferrals	1,291	1,299	2,432	1,042
TOTAL OF ASSETS	413,761	389,935	394,796	374,022



LIABILITIES (in thousands of Euro)

	31.12.14	31.12.13	31.12.12	31.12.11
CAPITAL AND RESERVES	29,904	10,911	(38,260)	(38,982)
Capital	7,198	7,198	38,993	38,993
Share premium account	-	-	-	-
Revaluation capital gain	6,002	6,137	6,273	6,544
Consolidated reserves	18,535	(830)	(84,339)	(85,914)
Conversion differences	(2,016)	(1,814)	560	1,090
Investments grants	185	220	254	303
Minority interests	2,767	2,498	2,101	2,283
Conversion differences	-	-	-	2
PROVISIONS AND DEFERRED TAXATION	31,801	33,115	35,621	40,342
Provisions, liabilities and charges	29,531	30,781	32,772	37,029
1. Pensions and similar obligations	11,272	14,435	20,106	25,160
2. Taxation	65	37	52	81
3. Major repairs and maintenance	40	269	238	150
4. Other liabilities	18,154	16,041	12,377	11,637
Deferred taxes	2,270	2,334	2,848	3,313
AMOUNTS PAYABLE	349,289	343,410	395,334	370,379
Creditors, amounts payable after more than one year	202,954	168,775	212,383	221,934
Financial debts	95,252	92,159	149,439	167,118
1. Subordinated loans	34,475	36,120	82,040	82,779
3. Leasing and other similar obligations	5,114	3,964	5,425	6,960
4. Credit institutions	55,669	52,084	61,891	77,195
5. Other loans	(6)	(8)	83	185
Trade creditors	1,305	1,475	1,443	1,757
1. Suppliers	1,305	1,475	1,443	1,757
2. Bills of exchange payable	-	-	-	-
Payments received on account	131	-	1,312	3,623
Other amounts payable	106,266	75,141	60,189	49,437

Creditors, amounts payable within one year	137,824	164,316	171,779	140,550
Current portion of creditors, amounts payable within one year	22,519	26,066	27,220	22,824
Financial debts	1,067	23,227	34,301	5,766
1. Credit institutions	1,067	3,230	9,301	5,766
2. Other loans	-	19,998	25,000	-
Trade creditors	53,683	56,104	46,110	45,033
1. Suppliers	41,667	44,603	43,384	41,493
2. Bills of exchange payable	12,016	11,501	2,726	3,541
Payments received on account	31,913	34,108	40,759	42,289
Taxation, salaries and social security	26,450	24,655	23,159	21,448
1. Taxation	1,220	1,021	968	939
2. Salaries and social security	25,230	23,635	22,192	20,510
Other amounts payable	2,192	154	230	3,188
Accruals and deferred income	8,511	10,319	11,173	7,895
TOTAL OF LIABILITIES	413,761	389,935	394,796	374,022



Management report

Consolidated accounts at 31/12/2014

1. Description of the Sonaca Group

Sonaca sa, parent company of the Group, is located in Gosselies, Belgium, and has for main business the design, manufacturing and assembly of spacecraft and aircraft structural components. For further information, please refer to Sonaca sa's management report.

Sobraer Ltda is a 100% (less 5 shares) Brazilian subsidiary of Sonaca sa, located in Sao José dos Campos, in charge of performing specific assembly, fitting and finishing operations on aircraft structural components, mainly for Sonaca sa. Sobraer's capital was increased in 2014 for kBRL 4,287, or kEUR 1,403.

Sopeçaero Ltda is a Brazilian company set up in 2004. Its shareholders are Eltra for 34.01%, Sobraer Ltda for 56.27% and Sonaca sa for 9.72%.

The mission of the company is to manufacture small sheet metal parts for the global market of aircraft manufacturing.

Pesola Ltda is a Brazilian company set up on 13 July 2004. Its shareholders are Sobraer Ltda for 33.33%, Eltra for 33.33% and Sonaca for 33.33%. The company's mission is to manufacture small machined parts for the global market of aircraft manufacturing.

Belairbus sa is a 58.75% Belgian company of Sonaca sa located in Waterloo, whose main object is to organize and co-ordinate commercial actions of three Belgian industrial companies (Asco, Eurair and Sonaca), all three of them partners for the delivery to Airbus of wing leading edges. Belairbus' shareholders are Sonaca, Asco, Eurair and Sabca.

Flabel sa is a 38,80% Belgian company of Sonaca sa, whose object is to co-ordinate the participation of four Belgian industrial companies (Sonaca, Asco, Sabca Group) in the A400M military transport aircraft program of Airbus Military, of which Flabel detains 4.44% of shares.

Sonaca North America (SNA)

Sonaca North America, a 100% Canadian subsidiary of Sonaca sa located in Mirabel (Montreal, Quebec), is a holding company whose assignments are to contribute to the development of the Sonaca Group activities on the North American continent and to perform financial operations for its subsidiaries. SNA was set up by Sonaca sa in 2003.

That same year, SNA created a subsidiary called Sonaca Montreal (SM). SM took over the assets, including staff and commercial contracts, of the NMF Canada company, which was under the protection of the «Corporate Rehabilitation Law».

In 2003 also, SNA acquired all the shares of the NMF USA company located in Kansas. The company was then renamed Sonaca Wichita (SW). SNA held 100% of SW.

In May 2014, SW was sold to the company Figeac Aero.

Sonaca China

Elson, Chinese subsidiary of Sonaca sa located in Hong Kong, was set up in

2010. Sonaca sa holds 100% of Elson shares as it bought out Eltra's shares in 2014.

Elson is a holding company that has 100% of Sinelson's shares. Sinelson is an operational company located in Tianjin, whose assignment is to assemble A320 leading edges on Airbus's A320 final assembly line in China.

2. Consolidation

Our group consolidated its accounts for the first time at the end of the financial year ended on 31/12/2000.

In accordance with the applicable legal provisions, Sonaca's Board of Directors have decided to limit the scope of consolidation to Sonaca sa, Sonaca North America and its subsidiaries Sonaca Montreal, Sobraer, Sopeçaero and Pesola.

Belairbus has been left out of the scope of consolidation, as Sonaca does not have any control power within that company. Indeed, Belairbus' Articles of Association require 75% of votes for any decision made by the Board of Directors. The same goes for Flabel, whose balance sheet and profit and loss accounts are of little importance with respect to the Sonaca Group.

Elson and Sinelson were also left out of the scope of consolidation in 2014 due to the rather small impact of the results compared to those of the Sonaca Group.

The four participating interests are therefore maintained at their purchase price in the consolidated accounts.

Elson and Sinelson will enter the scope of consolidation in 2015.

The consolidated accounts were drawn up in accordance with the provisions of the Royal Decree of 30 January 2001 on the application of the Belgian Company Law (Code des Sociétés).

Consolidation was performed according to the general consolidation method for all the companies included in the scope of consolidation.

3. Comments on the consolidated accounts

3.1 Sonaca sa

Sonaca sa's financial year ended with a profit of kEUR 24,835. Please refer to the comments on the financial statement of Sonaca sa In the consolidated accounts, a reversal in impairment on the participating interests in SNA was cancelled for kEUR 10,004.

Considering this consolidation operation as well as other less significant operations, Sonaca's contribution in the Group's net result amounts to kEUR 14,485.

3.2 North American Subsidiaries

SNA ended the year 2014 with a loss of kCAD 15,479 (kEUR 10,556) following the loss made on the sale of SW (kCAD 15,525). The cancelation of this loss

during the consolidation as well as other operations, bring SNA's contribution to the net result of the group to kEUR 1,554.

Sonaca Montreal's turnover amounted to kCAD 56,376, or a 5.5% decrease compared to 2013. Its profit stands at kCAD 2,862 and its operating cash flow, at kCAD 10,347.

Sonaca Montreal reached this result despite the capitalization of the deferred tax liability for kCAD 806 and the recognition of an unrealized foreign exchange loss for kCAD 1,777. These charges were cancelled in the consolidation as the Belgian standards do not allow this type of capitalization (kEUR 1,097). The consolidation entries on SM's net result brings the latter at kEUR 3,249 in the Group's accounts.

3.3 South American Subsidiaries

Sobraer's turnover amounted to kBRL 60,389 in 2014. Sobraer's non consolidated net profit in 2014 stood at kBRL 3,372. After consolidation, the contribution of this subsidiary to the Group's net result stands at kEUR 974.

Sopeçaero's turnover went from kBRL 15,965 in 2013 to kBRL 17,093 in 2014. Net profit reached kBRL 3,596 at the end of 2014. After consolidation, the contribution of this subsidiary to the Group's net result stands at kEUR 785.

Pesola's financial year ended with a net profit of kBRL 1,484, for a turnover of kBRL 11,827. After consolidation, the contribution of this subsidiary to the Group's net result stands at kEUR 319.

3.4 Consolidated results

After neutralization of inter-company operations, the consolidated key figures (in thousands of Euros) for the Sonaca Group are as follows:

	2014	2013
Operating Income	361,439	363,004
Turnover	314,443	319,380
Operating Profit or Loss	33,282	22,314
Share of the Group in the consolidated result after taxes	21,366	8,029
Consolidated equity capital	29,904	10,911

4. Post-closing events

The post-closing events that affect the financial year result were taken into account in the 2014 financial statements.

In 2015, Sonaca sa set up a subsidiary in Romania (Bucharest), Sonaca Aerospace Transilvania SRL.



Sonaca was rewarded the Supplier Quality Improvement Program from Airbus for its operational excellence.

On 18 March 2015, Wespavia's Board of Directors decided to contribute to Sonaca sa's capital the loan called « Fonds de l'aéronautique ». Sonaca's Board of Directors has convened an extraordinary general meeting for June 4, 2015 in order to increase the capital by kEUR 26,391,194.89 through the conversion of this loan and by kEur 6,141,135.11 from the result brought forward. A special report has been drawn up for this purpose to the attention of the shareholders. This will increase the capital to EUR 40 Million.

5. Main risk factors linked to the Sonaca Group activity

The risk management policy carried out by the Sonaca Group consists in identifying, measuring, following and reducing risks linked to its activities. A risk is any element likely to have a negative impact on the company's value, in the short, medium or long term. In this perspective, the Sonaca Group has classified possible risks in terms of strategy, finance, operation and law.

The main specific risks identified consist of the categories described below.

STRATEGIC RISKS

Sonaca Group faces risks linked to the aircraft manufacturing market, i.e. the cyclic nature of airlines' demand for new aircraft and its concentration among several major manufacturers, which monopolize the global market. Economic analyses show that air transport demand is in close relation with global growth.

Furthermore, the market is also very demanding in terms of cost reductions and the use of new technologies. To this end, the Sonaca Group takes part in many Research and Development programmes to preserve and develop its technological level and anticipate the customers' demand.

FINANCIAL RISKS

The main part of Sonaca Group's turnover is in USD. Since a large part of the company's costs are in EUR, the company is extremely susceptible to the risks involved in the EUR/USD exchange rate.

Hedging instruments

Sonaca Group has at its disposal classical «forward» contracts for its USD hedging against the local currency (over a 42 months' term for Sonaca sa and 30 for the subsidiaries). It has ruled out the use of structured products.

As far as transaction foreign exchange risk is concerned, and given that more than 80% of its revenues in American dollar in 2014, the Sonaca Group has adopted a strategy based on the following principles:

First of all, the Sonaca Group is implementing an intensive purchasing policy in American dollars for its raw materials and sub-contracting, so as to reduce its actual exposure to the USD exchange risk.

Therefore, only net flows resulting from sales in American dollars reduced by the purchases in the same currency are subjected to hedging.

The transaction exchange risk (in net flow) is covered at least at invoicing (certain risks), either by ongoing hedges, or by new hedges if the ongoing ones are insufficient. Beyond this minimum, the Sonaca Group continues an active policy of foreign exchange risk hedging in the longer term by taking

into account, on the one hand, sales prospects weighted with an occurrence likelihood factor and on the other hand, evolution forecasts for the concerned currency.

As regards the balance sheet transaction risks, the Sonaca Group takes a cautious approach to recording the exceptional amortizations which are deemed necessary in application of the valuation rules.

As for the interest rate risks, 1/3 of the interest-bearing debt is financed at a fixed rate, and 2/3 at a variable rate. Hedging products (IRS) were taken out in order to fix the rate on the whole variable rate debt until the end of 2016 and on 50% for the years 2017 and 2018, taking thus advantage of the strong decrease in rates.

LIQUIDITY RISKS

The company has concluded many contracts with its customers over the last ten years and has therefore incurred major investment programs, both in development and industrialization expenses and in production equipment.

Furthermore, owing to the exclusivity granted by contract to the company by its customers for the majority of its programmes, it is obliged to meet the requested increases in delivery rates, which also leads to an increase in its production capacities and a need for working capital.

To face this, Sonaca sa obtained medium term loans in 2014, amounting to EUR 22.5 Million and straight loans for an indeterminate period, amounting to EUR 17.5 Million.

It also obtained a factoring scheme for its loans, for renewable two-year terms.

The Group also relies on greatly improved operational cash-flows, which allows the Group to finance its own development.

Internal audit

Sonaca's size and its nature as an international group have led the company to set up internal audit systems supervised by the audit committee, especially in terms of the posting of transactions and related risks.

OPERATIONAL RISKS

In general, the Sonaca Group is exposed to the following risks:

- > an increase in the price of raw materials and lacking supply of available tonnages ;
- > the need to reduce the cost price of its products with a view to compensating the natural increase in certain costs and to meet market demands ;
- > the importance of quality, safety and traceability requirements for the products and their components ;
- > variations, that are sometimes sudden, in customers' demand in terms of quantities to be delivered, forcing the company to adapt very quickly.

LEGAL RISKS AND ONGOING DISPUTES

Any Group is subject to numerous risks of a legal nature related to litigations of variable importance that appear when performing activities. To the Board's knowledge, all litigations involving the company and its consolidated subsidiaries that have reasonable likelihood of financial materialization are covered by appropriate provisions in the accounts or are described in details in the appended notes thereof.



Report by the Statutory Auditor

on the annual financial accounts submitted to the general meeting of the shareholders of Sonaca sa for the year ended on 31 december 2014

In accordance with the legal and statutory provisions, we hereby report on the audit we were assigned to conduct. The report includes our opinion on the balance sheet as of 31 December 2014, the profit and loss account and the annex, as well as the required specific additional declarations.

Report on the annual accounts - unqualified opinion

We conducted the audit on the company's annual accounts for the financial year ended 31 December 2014 prepared in accordance with the authoritative accounting pronouncements applicable in Belgium. The balance sheet total amounts to EUR 388,198,587 and the profit and loss account shows a profit of EUR 24,835,018 over the financial year.

Responsibility of the management body as regards the preparation of the annual accounts

The company's management body is in charge of preparing the annual accounts to give a faithful view, in accordance with the authoritative accounting pronouncements applicable in Belgium, as well as of implementing the internal audit that it deems necessary to prepare the annual accounts without any significant misstatement, such as that resulting from frauds or errors.

Responsibility of the auditor

Our responsibility is to express an opinion about those annual accounts based on our audit. We conducted our audit in accordance with the International Auditing Standards (ISA). These standards require from us to conform to the rules of ethics, to plan and carry out the audit in order to obtain a reasonable assurance that the annual accounts are free from significant misstatement.

An audit implies the implementation of procedures in order to collect convincing elements concerning the amounts and the information provided in the annual accounts. The choice of the implemented procedures, including the evaluation of the risks that the annual accounts could contain significant misstatements either resulting from frauds or errors, is made by the auditor. In performing this evaluation, the statutory auditor takes into consideration the internal controls in effect at the entity on the preparation and faithful presentation of the annual accounts for the purpose of defining the appropriate audit procedures in the circumstances and not that of expressing an opinion on their effectiveness. An audit also involves assessing the suitability of the accounting policies applied and reasonability of the accounting estimates used by the management body, as well as an assessment of the overall presentation of the annual accounts.

We were provided with all the explanations and information required for our mission by the management body and officials of the entity.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified opinion

In our opinion, these annual accounts give a true and fair view of the assets and the financial position of the company as of 31 December 2014, and of the results of its operations for the year then ended, in accordance with the financial reporting framework applicable in Belgium.

Report on other legal and regulatory requirements

The company's management body is responsible for the preparation and content of the management report, and for ensuring that the company complies with the Companies' Code and the company's articles of association.

In the scope of our mission and in accordance with the Belgian standard that complements the International Auditing Standards (ISA) applicable in Belgium, it is our responsibility to control, in all the significant aspects, the respect of certain legal and regulatory obligations. Our report is complemented by the following additional declarations, whose nature does not alter the scope of our declaration on the annual accounts:

- > The management report contains all information required by law and is in accordance with the annual accounts and does not contain significant inconsistencies with the information that we became aware of during the performance of our mandate.
- > Notwithstanding formal aspects of minor importance, the accounts are kept in conformity with the statutory and regulatory provisions applicable in Belgium.
- > The assignment of results that are submitted to the general meeting complies with the legal and statutory provisions.
- > We have no report to make to you of any other transaction concluded or decision taken in breach of the Articles of Association or the Companies Code.

Gosselies, 29 april 2015

THE AUDITOR,
RSM INTERAUDIT SCRL
STATUTORY AUDITORS
Represented by
Thierry LEJUSTE
Partner

Report by the Statutory Auditor

on the consolidated financial accounts submitted to the general meeting of the shareholders of Sonaca for the year ended on 31 december 2014

In accordance with the legal and statutory provisions, we hereby report on the audit we were assigned to conduct. The report includes our opinion on the consolidated accounts as well as the specific additional declarations. The consolidated accounts are comprised of the consolidated financial situation as of 31 December 2014, the consolidated comprehensive statement of income as well as the annexes.

Report on the annual accounts - unqualified opinion

We conducted the audit on the company's consolidated accounts for the financial year ended 31 December 2014 drawn up in accordance with the authoritative accounting pronouncements applicable in Belgium. The balance sheet total amounts to EUR 413,760,985 and the profit and loss account shows a profit of EUR 21,930,871 over the financial year.

Responsibility of the management body as regards the preparation of the consolidated accounts

The company's management body is in charge of preparing the consolidated accounts to give a fair view, in accordance with the authoritative accounting pronouncements applicable in Belgium, as well as of implementing the internal audit that it deems necessary to prepare the consolidated accounts without any significant misstatement, such as that resulting from frauds or errors.

Responsibility of the auditor

Our responsibility is to express an opinion about those consolidated accounts based on our audit. We conducted our audit in accordance with the International Auditing Standards (ISA). These standards require from us to conform to the rules of ethics, to plan and carry out the audit in order to obtain a reasonable assurance that the consolidated accounts are free from significant misstatement.

An audit implies the implementation of procedures in order to collect convincing elements concerning the amounts and the information provided in the consolidated accounts. The choice of the implemented procedures, including the assessment of the risks that the consolidated accounts could contain significant misstatements either resulting from frauds or errors, is made by the auditor. In performing this evaluation, the statutory auditor takes into consideration the internal controls in effect at the group on the preparation and faithful presentation of the consolidated accounts for the purpose of defining the appropriate audit procedures in the circumstances and not that of expressing an opinion on their effectiveness. An audit also involves assessing the suitability of the accounting policies applied and reasonability of the accounting estimates used by the management body, as well as an assessment of the overall presentation of the consolidated accounts.

We were provided with all the explanations and information required for our mission by the management body and officials of the entity.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified opinion

In our opinion, these consolidated accounts give a true and fair view of the assets and the financial position of the consolidated set as of 31 December 2014, and of the results of its operations for the year then ended, in accordance with the financial reporting framework applicable in Belgium.

Report on other legal and regulatory requirements

The company's management body is responsible for the preparation and content of the management report on the consolidated accounts.

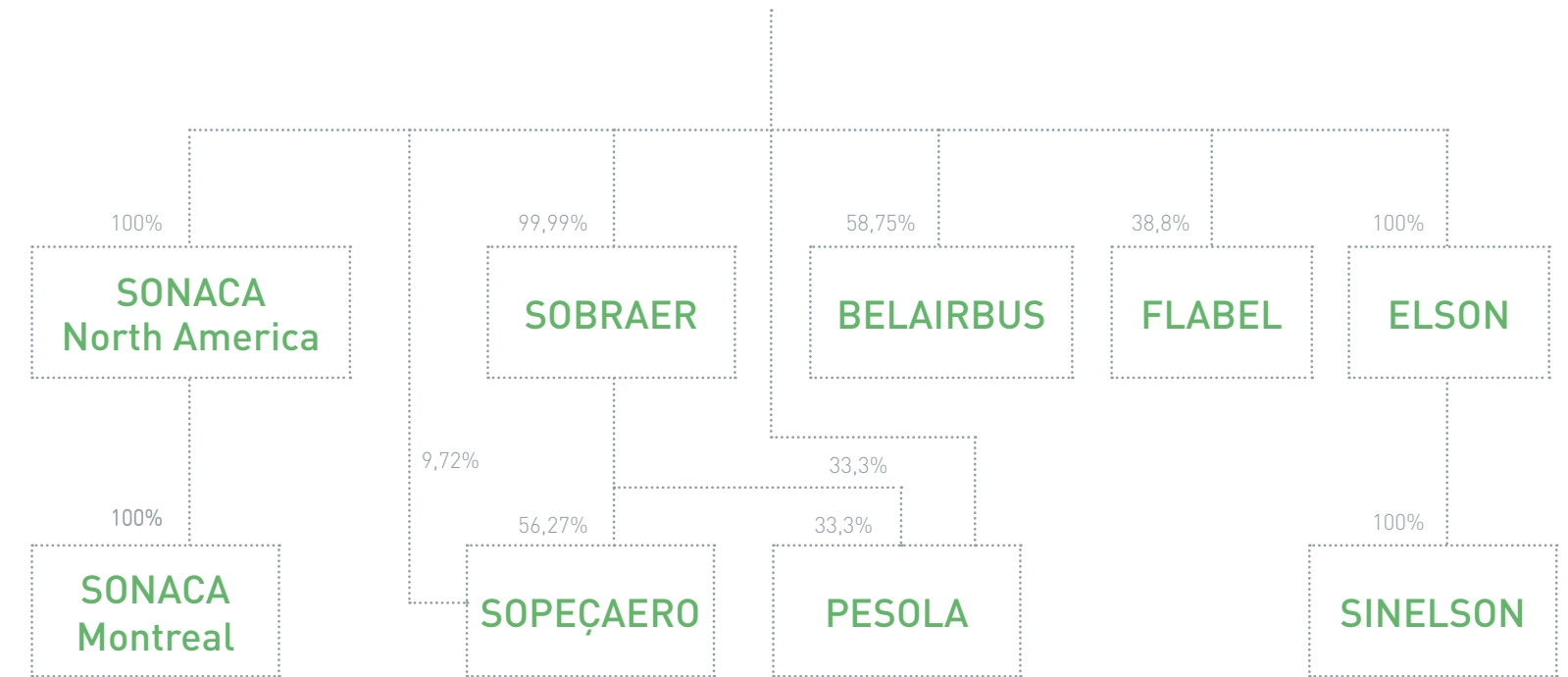
In the scope of our mission and in accordance with the Belgian standard that complements the International Auditing Standards (ISA) applicable in Belgium, it is our responsibility to control, in all the significant aspects, the respect of certain legal and regulatory obligations. Our report is complemented by the following additional declarations, whose nature does not alter the scope of our declaration on the consolidated accounts:

- > the management report on the consolidated accounts deals with the information required by law and is in accordance with the consolidated accounts, and does not contain any significant inconsistency with the information that we became aware of during the performance of our mandate.

Gosselies, 29 april 2015

THE AUDITOR,
RSM INTERAUDIT SCRL
STATUTORY AUDITORS
Represented by
Thierry LEJUSTE
Partner

Structure of Sonaca Group at 31/12/2014





pesola
SONACA GROUP

sonaca
MONTRÉAL

sobraer
SONACA GROUP

sopecaero
SONACA GROUP

sinelson
SONACA GROUP

Copywriting:
MarlyProductions - Cible

Photo credit:
Arnaud Siquet
Mathieu Nicolas
Pierre Taquet
Airbus
Airbus militaire
Bombardier
Dassault-Aviation
Embraer
Gulfstream

