

ZODIAC AEROSPACE



April 19th, 2011
H1 2010/11 results presentation

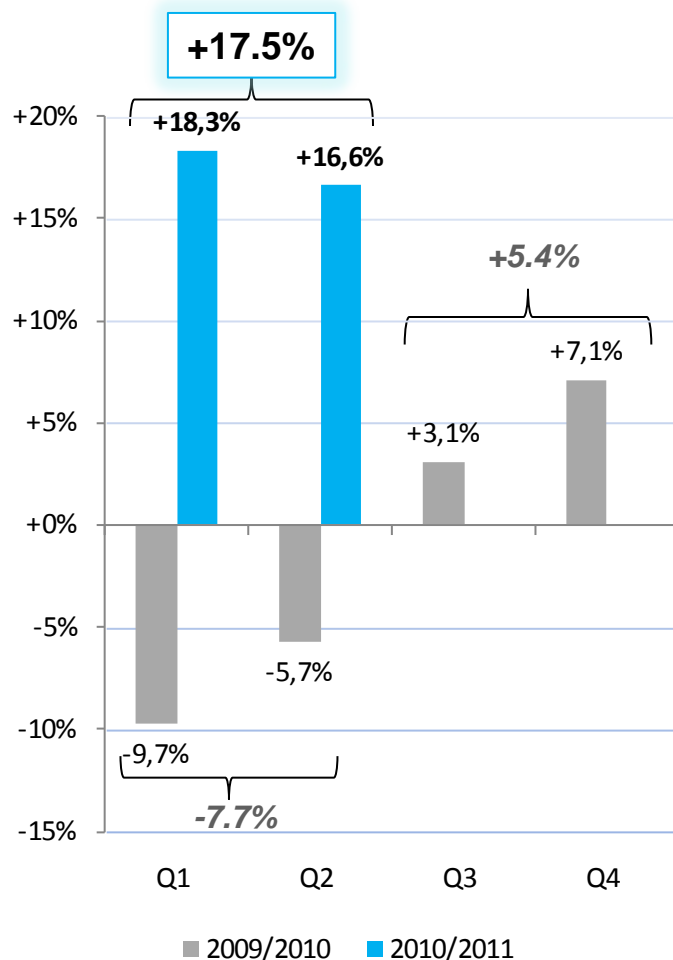
Key events of H1 2010/11

Strong set of results for H1, fueled by an improved market environment, a good operational performance, as well as a favorable comparison basis and dollar rate



Group key events – H1 2010/2011

Quarterly organic growth of revenues



■ Strong increase in sales

- +35.6% at €1309.5m
- Organic growth for revenue was +16.6% in Q2, and +17.5% in H1, largely as a result of the recovery seen in the market, of the good operational performance and of a favorable basis effect.
- The Group also benefited from the consolidation of Sell, Cantwell Cullen and Quinson, as well as from a favorable exchange rate effect.

■ Sound operating performance

- Strong operating margin
- Positive mix effects in some business units

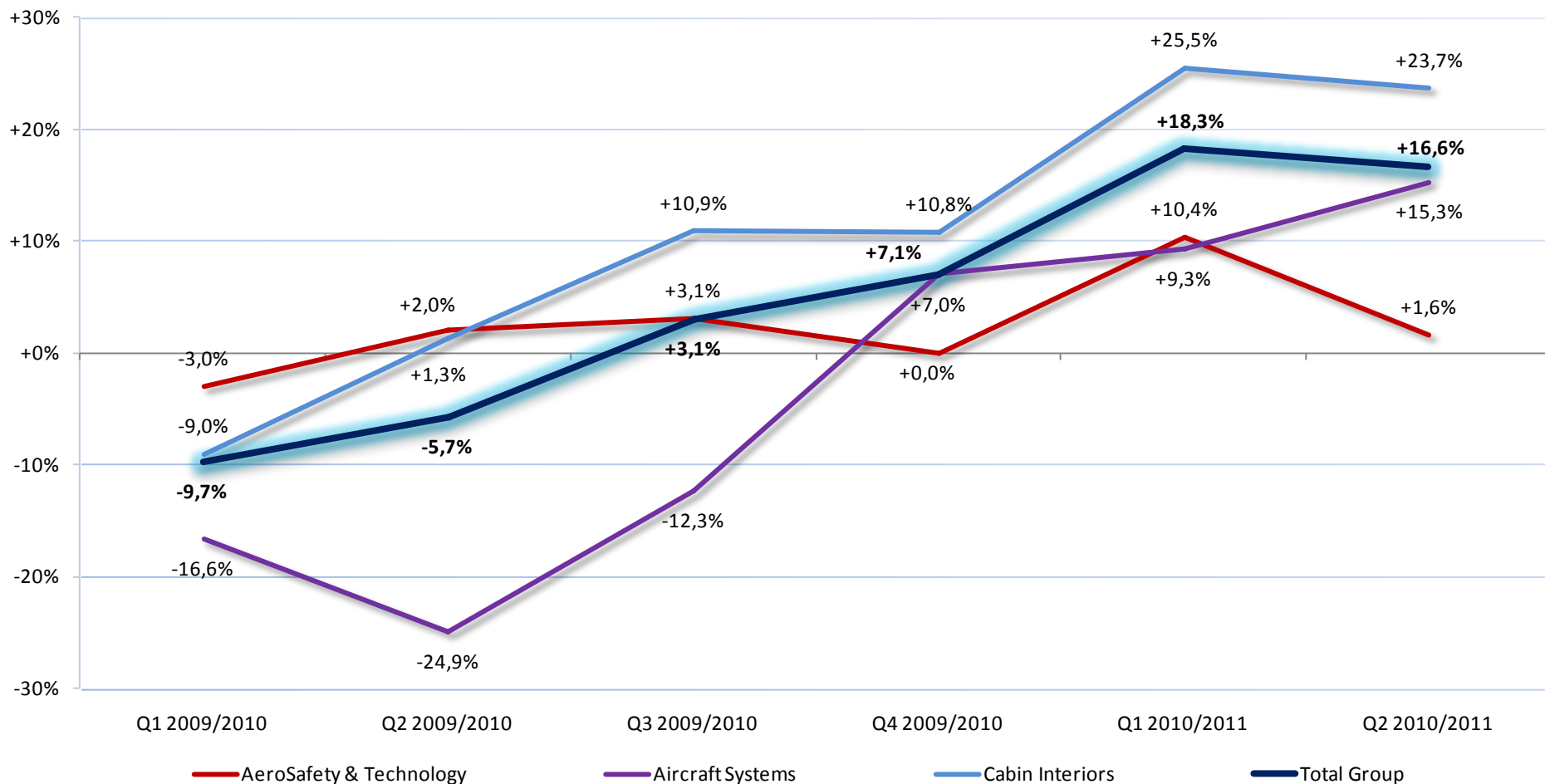
Strong sales and COI growth in H1

€million	H1 2010/2011	H1 2009/2010	△ reported
Revenues	1309,5	965,8	+35,6%
Current Operating Income	184,2 ⁽¹⁾	76,5	+141,0%
<i>COI margin</i>	14,1%	7,9%	
Net Earnings	114,3	44,2	+158,8%
Net Debt	796 ⁽²⁾	646	
gearing	0.52	0.48	
Average transaction rate (\$)	1.30	1.44	
Average conversion rate (\$)	1.35	1.45	

(1) Including €-1.7 M impact from IFRS 3

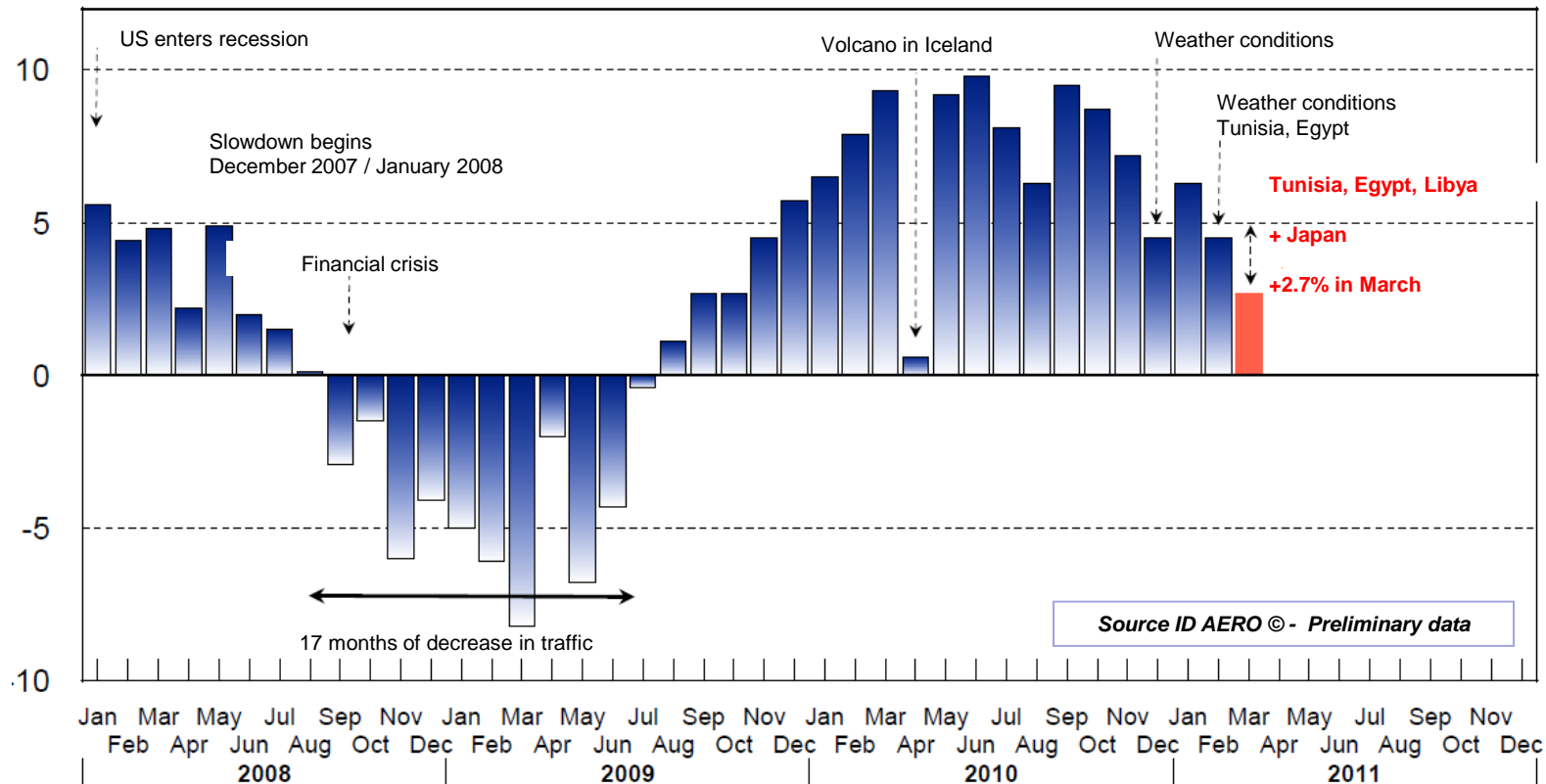
(2) After acquisition of Sell (end sept 2010), Cantwell Cullen and Quinson (June 2010)

Quarterly improvement in sales



Recovery in air traffic

Revenue Passenger Km – World evolution

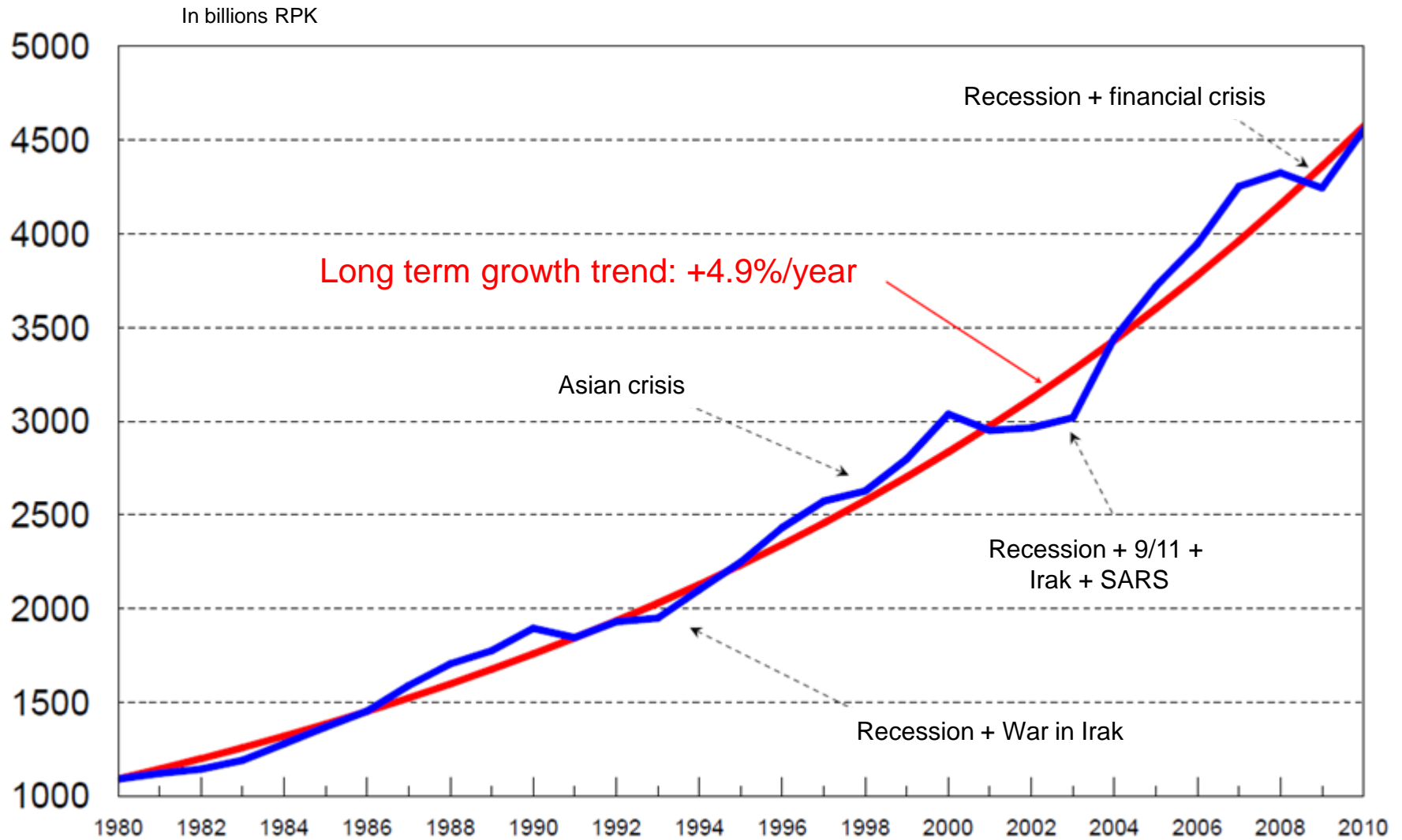


■ Traffic is still increasing

- Despite perturbations due to bad weather conditions, then events in Tunisia, Egypt, Libya, and despite the current situation in Japan
- For Q1, traffic is up 4.5%, slightly below its long term average, after a strong recovery in 2010

■ Fuelling demand for new aircraft and cabin refurbishing

Long term growth trend still there



Source © ID AERO

Aerosafety & Technology

Airbag

Telemetry

Aircraft arresting systems

Interconnect systems

De-icing systems

Deceleration systems

Evacuation systems

Niche segments in consolidated markets

Protected technologies

Recognized leader in safety systems



Aerosafety & Technology

Key events H1 2010/11

▪ Good level of sales

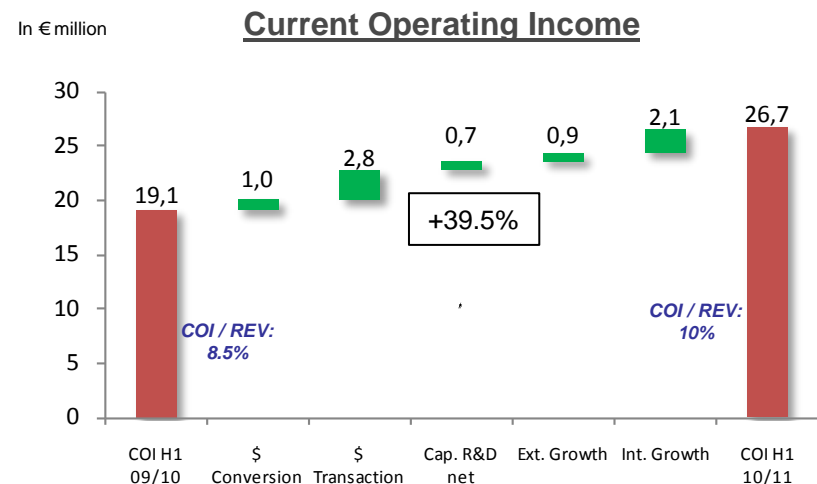
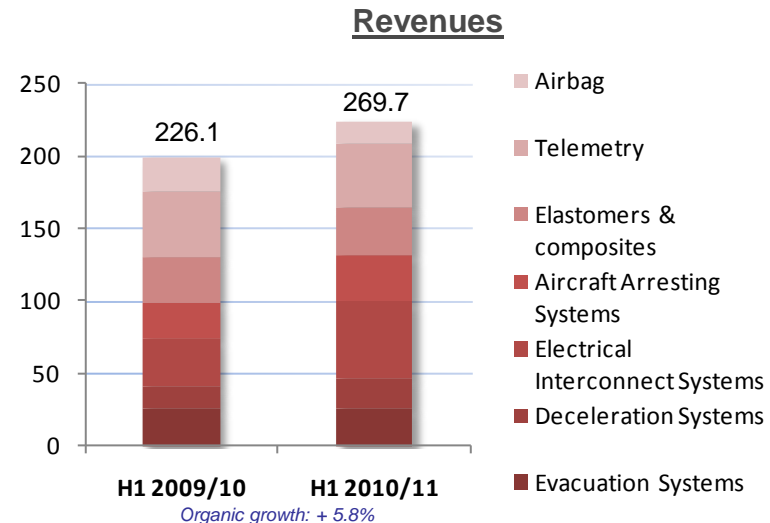
- 19.3% increase in sales in H1
 - Organic growth +5.8% for the whole segment, +10.4% excluding airbags
- Cantwell Cullen's contribution lower than expected
 - Unfavorable currency impact linked to robustness of CN\$ vs. US\$
- Good performance of Evacuation Systems, Emergency Arresting Systems

▪ COI margin increases by 1.5 pts

- +39.5% increase at €26.7M
 - +11.2% organic
- Improved COI margin
 - 10% vs. 8.5%

▪ New commercial successes

- Slides for Irkut MC21 and Comac 919
- Fuel system for KA226 helicopter



Aircraft Systems

Hydraulic & Components

Actuators

Power & lighting systems

Management systems

Oxygen systems

Fuel systems

**Recognized status as a tier 1
systems supplier**

**Recognized technological
leadership**

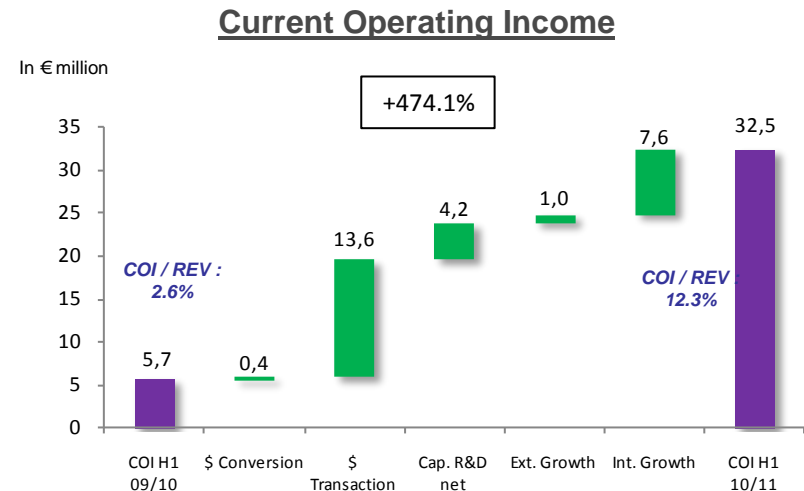
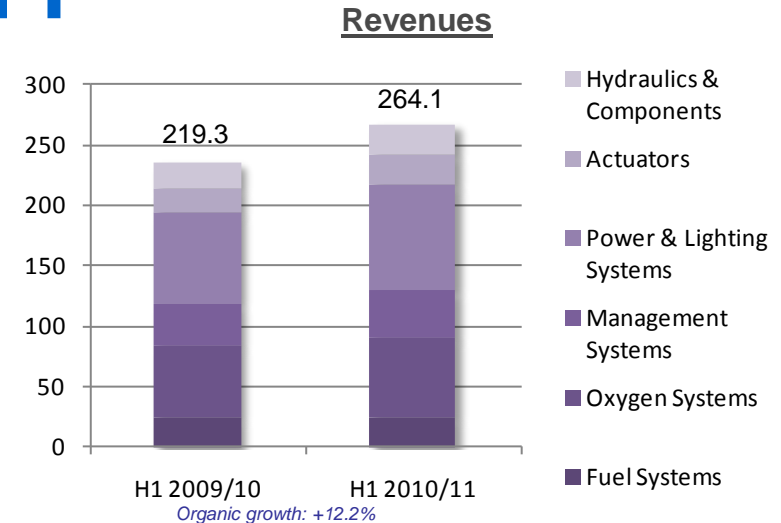
**Involvement in all new aircraft
programs**



Aircraft Systems

Key events H1 2010/11

- **20.4% increase in sales**
 - Favourable exchange and comparison basis
 - +12.2% organic
 - End of destocking at manufacturers translating into a pick up in deliveries for the business jets segment
- **Recovery of COI**
 - Impact of volumes recovery
 - Impact of exchange rates
 - €32.5M vs. €5.7M
 - +134% organic
 - COI margin 12.3% vs. 2.6%
- **Retrofit of B787 electrical power panels in progress and production relaunched**



Cabin Interiors

Cabin systems

Cabin equipments

Seats

Galleys and equipments

World leader in cabin integration

Recognized expertise and leadership in cabin integration and components

Technical, industrial and regulatory barriers to market entry

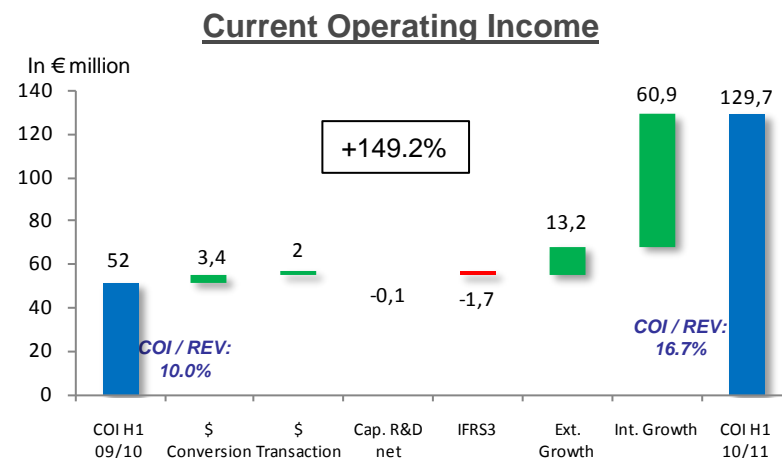
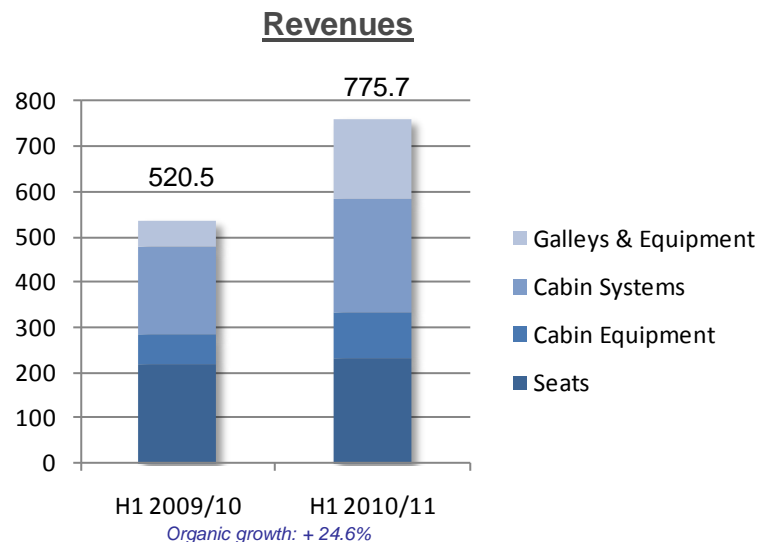
Healthy market shares on new programs (B787, C-Series, MC21)



Cabin Interiors

Key events H1 2010/11

- **Strong growth in revenues**
 - Segment revenue grew organically by 24.6%, driven by demand for cabin equipment, cabin interiors, strong recovery in Cargo and Trolleys.
 - Integration of Sell for five months of the period (+17.3%)
 - Improved market conditions, compared with those experienced in the first half of 2009/2010
 - Strong additional contribution from accelerated deliveries for water & waste systems for Chinese rail projects
- **Strong growth of COI**
 - Strong volume, especially in
 - Cabin Equipment, benefiting from pick up of market and train contract in China
 - Galleys and Trolleys: strong recovery
 - Cabin Systems: favorable comparison basis
 - Contribution from the consolidation of Sell (5 months)
 - COI increases by 149.2%
 - +117.0% organic
 - COI margin 16.7% vs. 10.0%
- **Selected by Airbus as future single supplier for A320 SFE Galleys**



H1 2010/2011 Financial performance

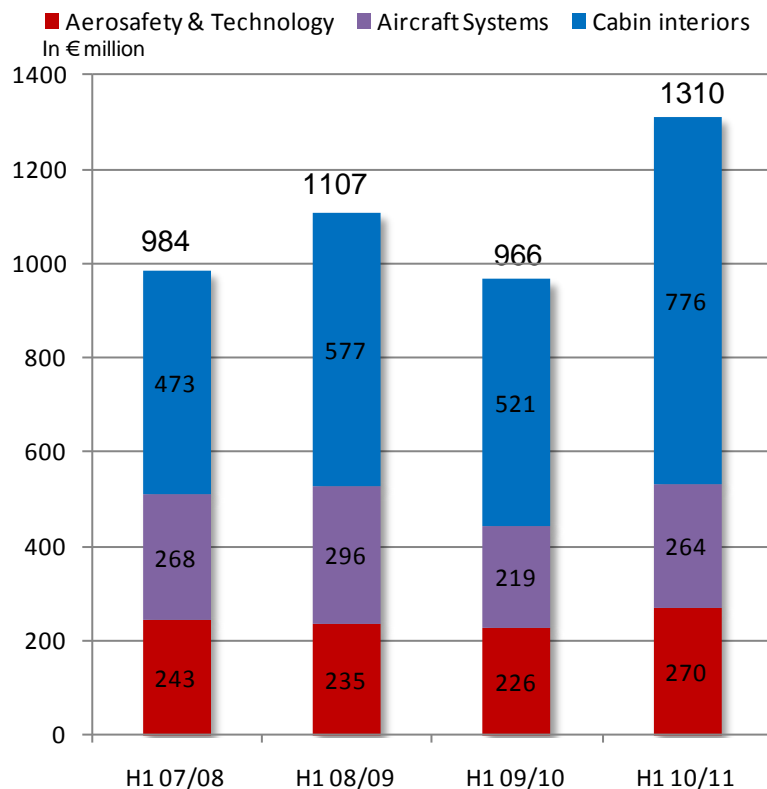
Strong revenue growth

14.1% COI Margin

Ongoing operational improvement



Strong increase in revenues



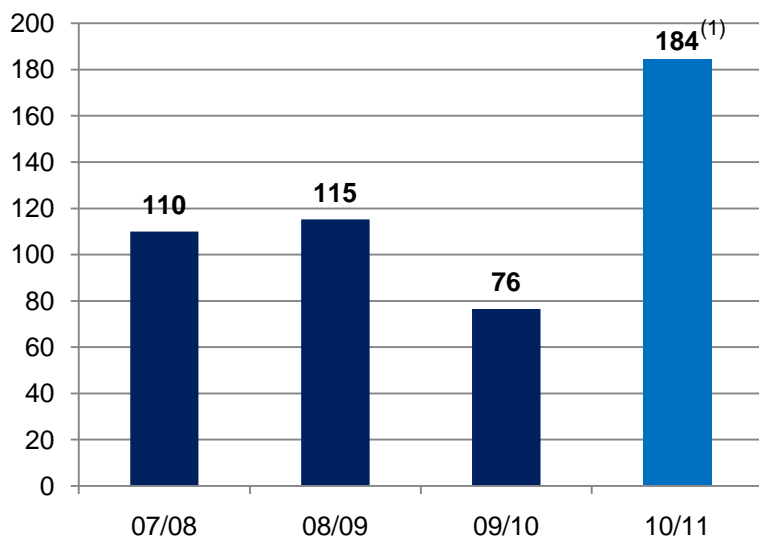
€/\$ (conversion)	1.45	1.33	1.45	1.35
€/\$ (transaction)	1.47	1.31	1.44	1.30

- **Organic revenue up 17.5% in the first half**
 - 18.3% in Quarter 1
 - 16.6% in Quarter 2
 - largely as a result of the recovery seen in the market, a good operational performance and a favorable base effect
- **Reported revenues up 35.6% in the first half**
 - The Group also benefited from the consolidation of Sell, Cantwell Cullen and Quinson...
 - ...as well as a favorable exchange rate effect.

Strong increase in Current Operating Income (COI)

COI/Rev.	11.2%	10.4%	7.9%	14.1%
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In €million



■ Strong increase in Current Operating Income (COI)

- €184 m vs. €76 m
- 14.1% margin vs. 7.9%

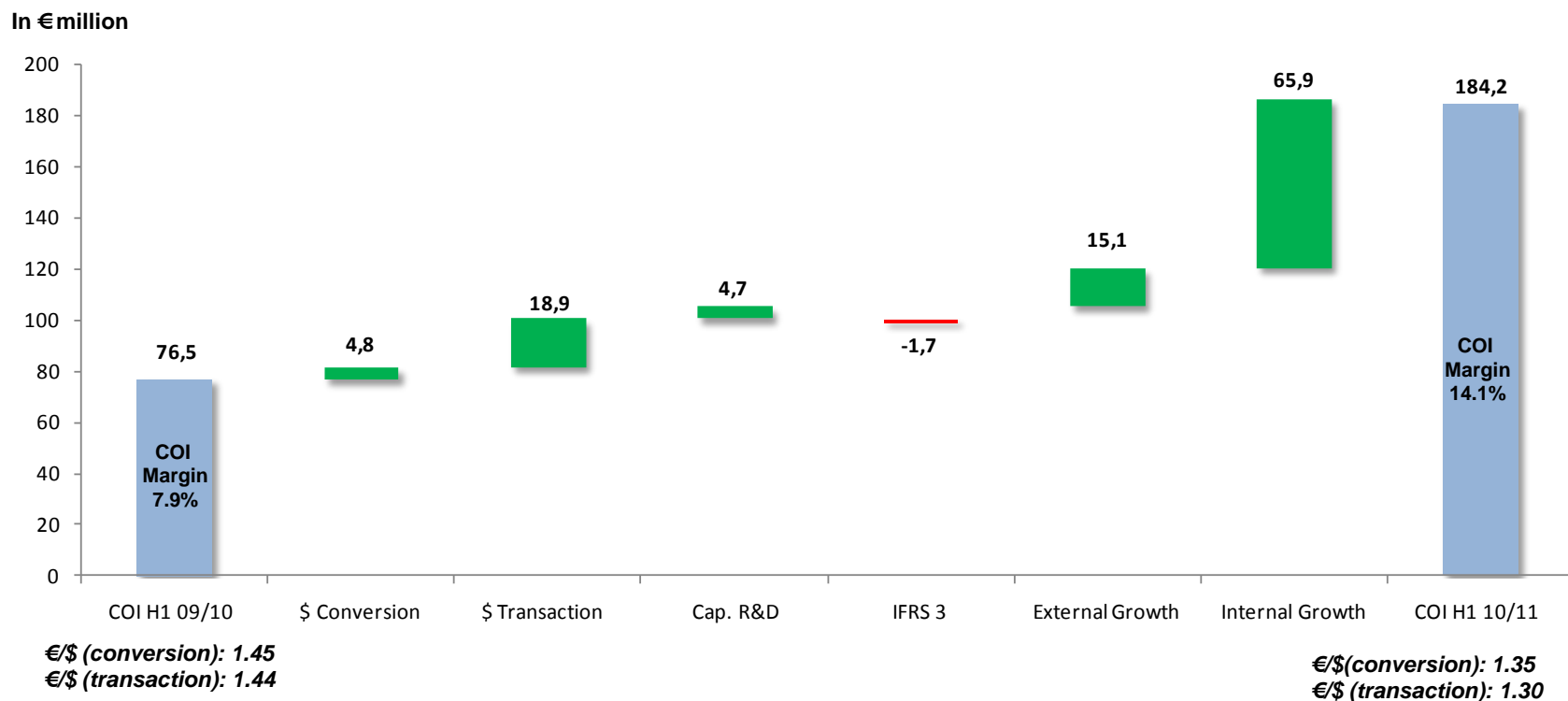
■ Driven by

- Favourable exchange rate compared to H1 2009/10
- Contribution from acquired companies
- Increase in volume, both for OEM and aftermarket
- Lowered cost base
- Positive mix effect in some BUs

€/\$ (conversion)	1.45	1.33	1.45	1.35
€/\$ (transaction)	1.47	1.31	1.44	1.30

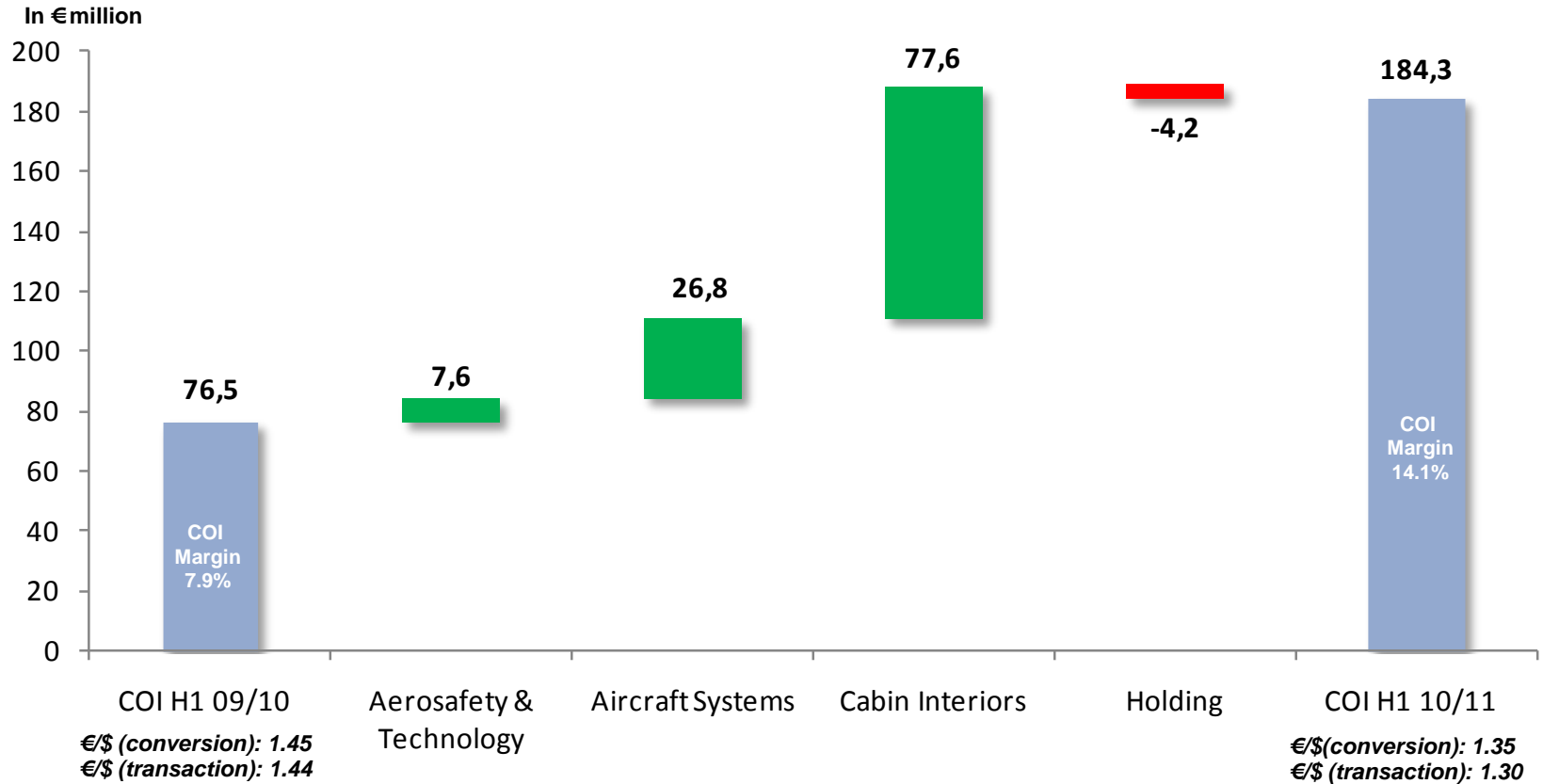
(1) Including €-1.7m impact from IFRS 3

...fuelled by internal growth, exchange rate, and acquisitions



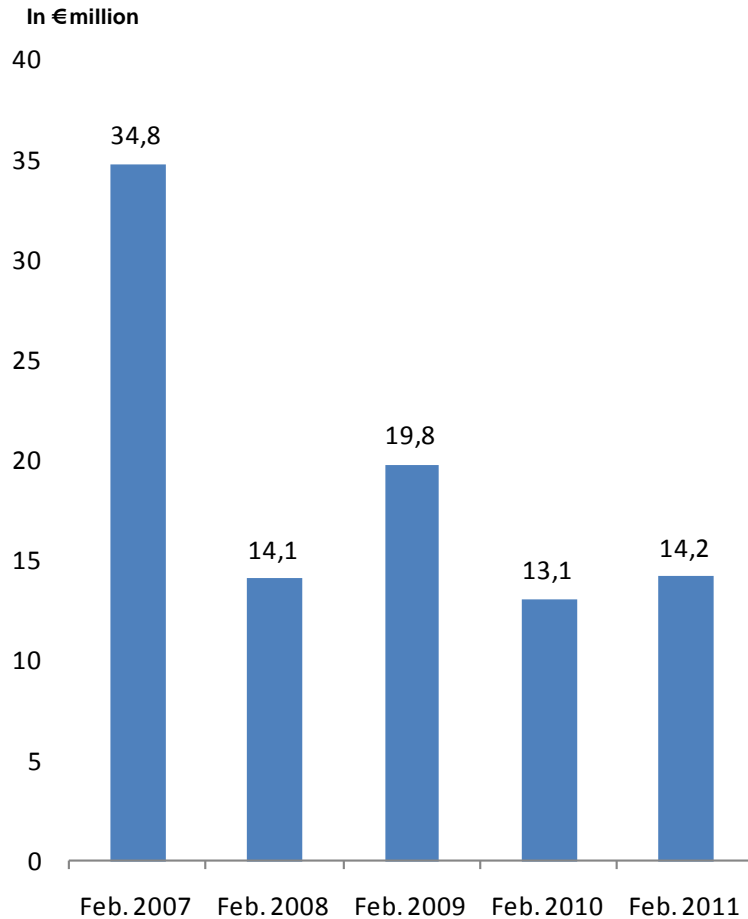
- Strong internal growth, positive dollar impact, and contribution from external growth leading to more than doubling the H1 Current Operating Income

Strong growth in Cabin



- Good performance of Cabin Interiors
- Pick up in Aircraft Systems

Slight increase in financial expenses...



- Increase in average debt resulting from the acquisition of Sell

- ...cost of debt
 - 3.03%

- Exceptional operating items

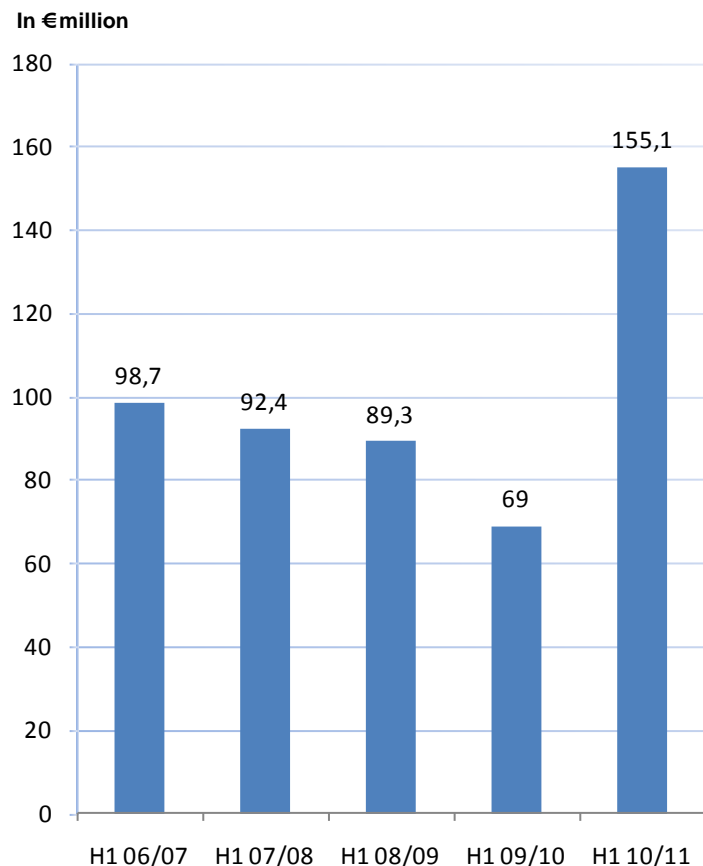
- Total €-6.6m

- Ow IFRS3: €-5.4m

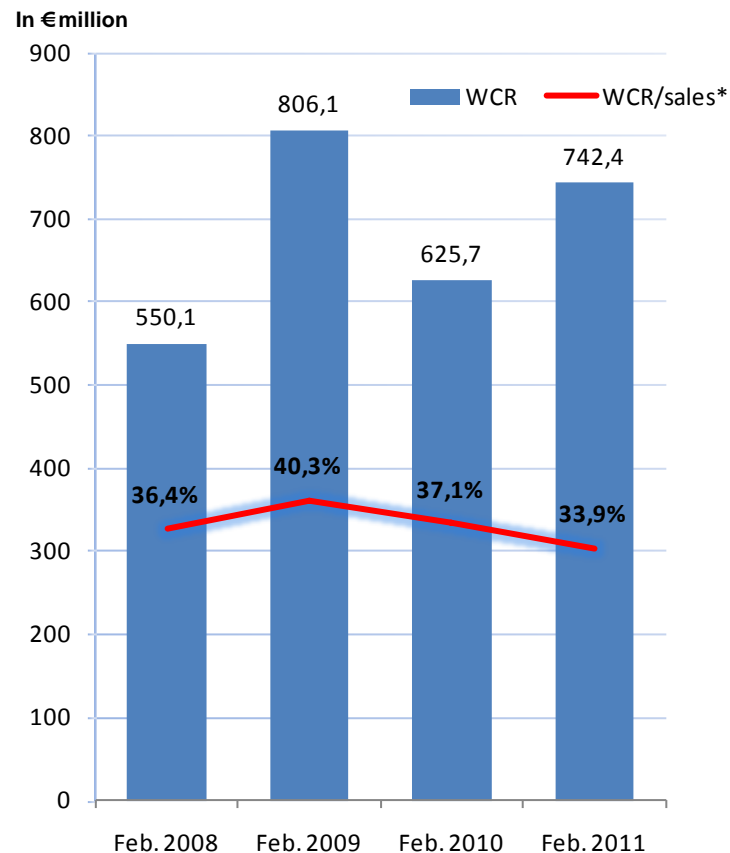
- Other items: €-1.1m

Cash Flow and Working capital

Strong growth of cash flow

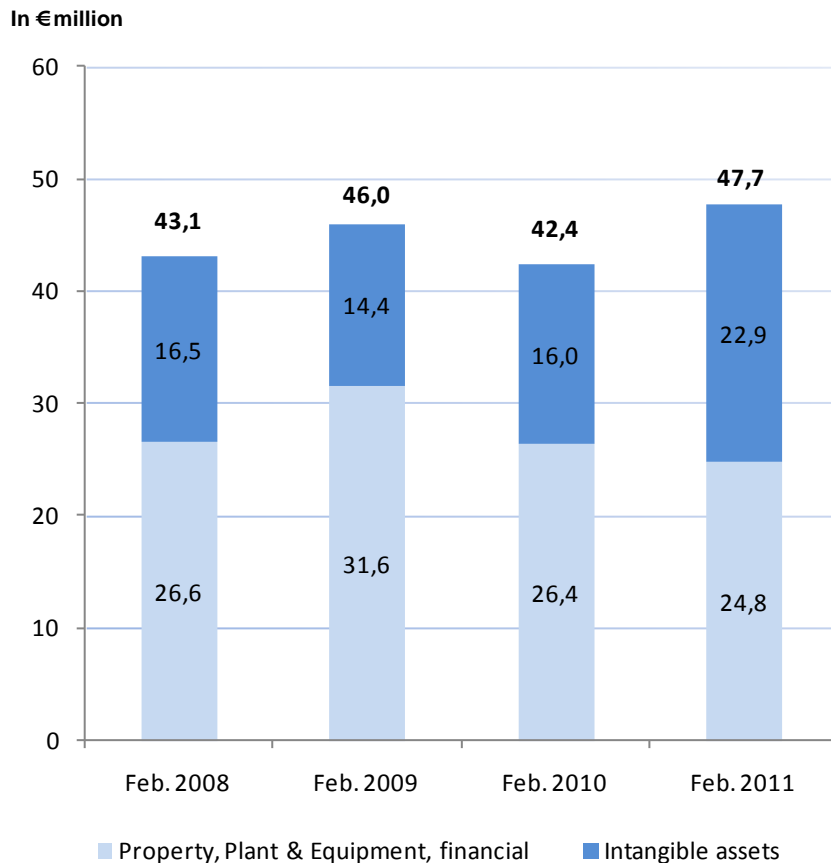


WCR under control



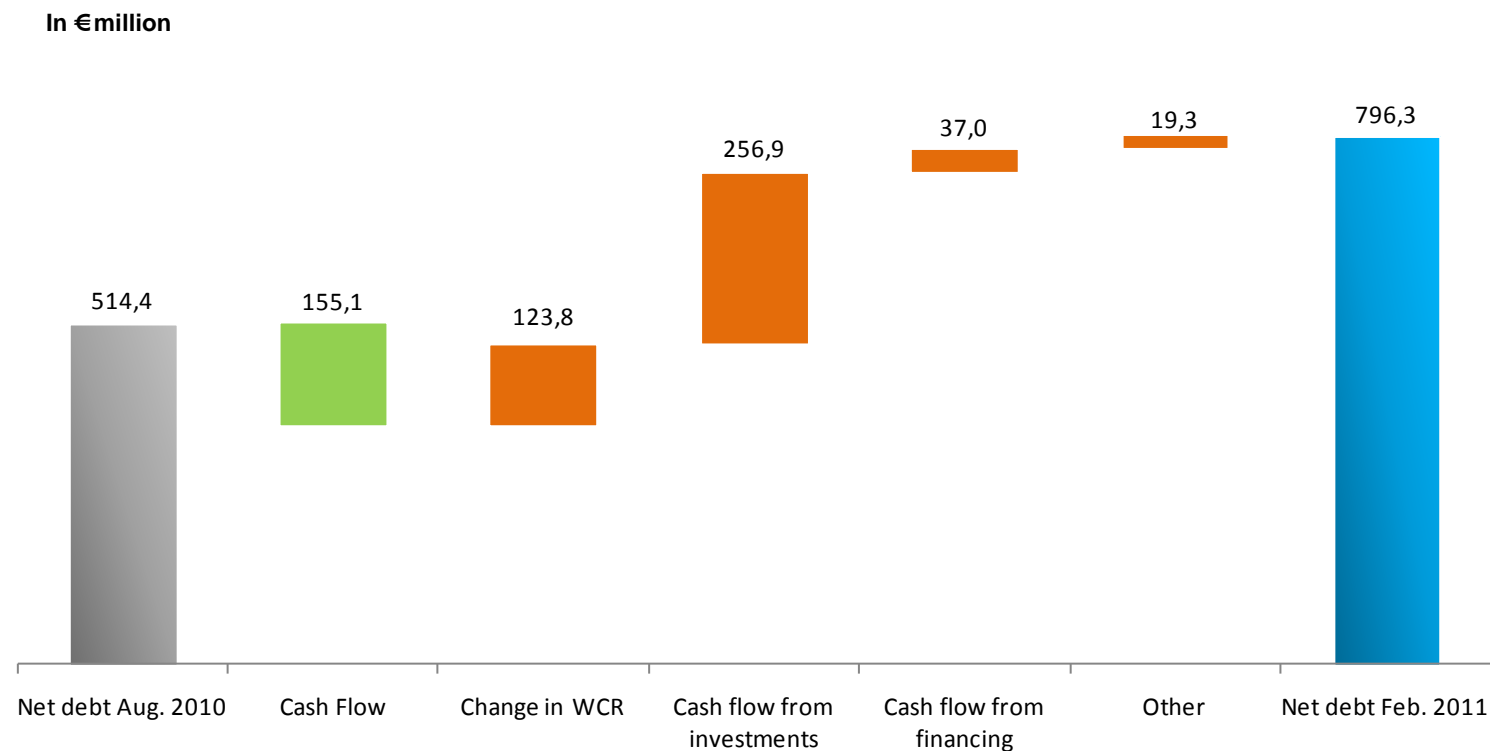
* WCR/sales ratio using « trade » WCR

Limited increase in capex



- Slight decrease in property, plant and equipment
- Increase in intangible capex
 - Related to the increase in capitalized development costs for new programs, mainly related to the A350XWB

Evolution of net debt

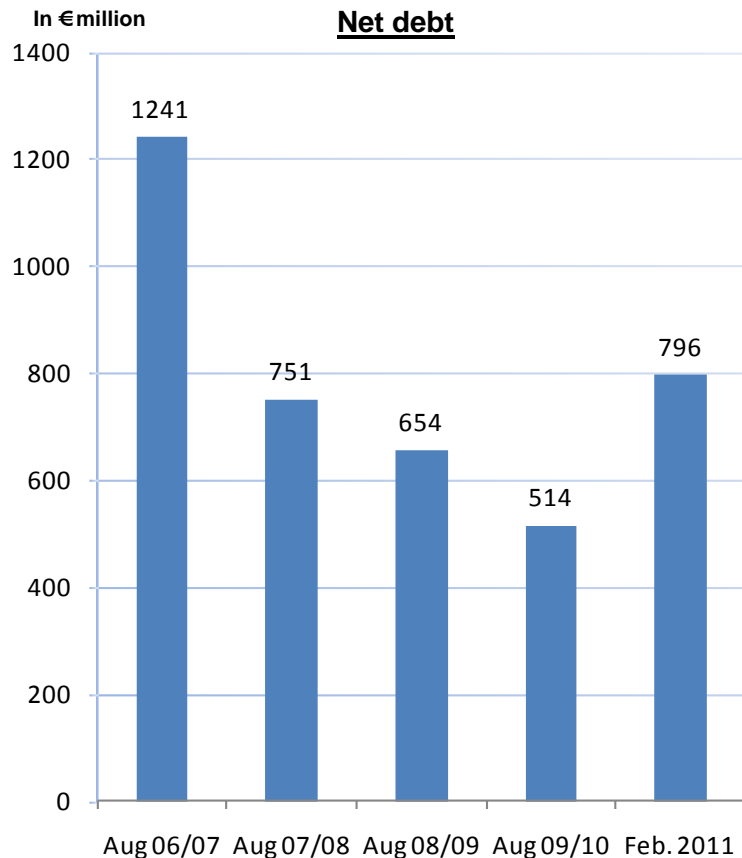


■ Increase in net debt following the acquisition of Sell

Cash flow: net income + Amortization & provisions + capital gains and losses + differed tax & subventions + stock options
See Cash Flow statement in appendices for further details

Still a significant external growth potential

Gearing ⁽¹⁾	1.35	0.67	0.52	0.34	0.52
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(1) Net financial debt / equity after proposed dividend

- **Increase of debt after the acquisition of Sell**
 - Finalized at end September 2010
 - For total consideration of €213m
 - Consolidated since 1st October 2010
- **Net debt of €796 m at end February**
- **Significant financial flexibility to fuel future organic/external growth**

Strategy and outlook

A successful strategy

Focusing on niche markets: Water & Waste, Seats, SiT

Financial targets for 2010/11 revised upwards



A successful strategy

- **Development of the Group focused on Commercial aviation**
 - Limited exposure to Defence
- **Leading positions in selected niche markets**
 - Positioned on all new aircraft programs with substantially higher shipset values (SSE shipset value exceeding \$2.5m for new B787 vs. \$300-500k for previous generation A330 and B777)
 - Only worldwide supplier to offer complete turnkey aircraft integrated interiors
 - E.g. Water & Waste Systems, new IFE, Sicma Aero Seat
- **Recurring services model providing additional resilience**
- **Leadership in key future technologies**
- **Established track record in acquisitions**

Water and Waste Systems

- **Monogram: More than 60 years experience**
 - Based in Carson, CA, it employs 400 people
 - Technical achievement include the development of the first integrated water and waste system, trash compactors and UV water filtration in commercial aviation.
 - Part of Zodiac since 1998
- **World leader for Water & Waste systems**
 - For commercial, regional and business aviation
 - Monogram is the benchmark of the industry
 - Diversification on alternative markets
 - Evac GmbH is the world leading water and waste supplier for rail
 - Established a strong market position in the Chines High Speed rail projects
 - China contributed to c.15% of the COI increase in Cabin Systems in H1 10/11



Introducing SiT by Zodiac Aerospace

- **SiT: Seat in Technology a new IFE**
 - In-Flight Entertainment systems
 - New Seat-centric IFE architecture
 - New innovating System- open and adaptable
- **Generating significant gains**
 - Significant Weight reduction
 - Lower acquisition and possession costs
 - Easy cabin integration
 - Superior reliability
- **Available for both linefit and retrofit**
- **First commercial successes**
 - Royal Jordanian, South African Airways, CorsairFly, Gulf Air...
 - Attracted tremendous interest at AIX 2011



Sicma Aero Seat: a renewed range

- Sicma Aero Seat is on track with its reorganization, exceeding planned targets



- Introducing new generation of seats

- For B/C: Skylounge3 & Cirrus

- For E/C: Dragonfly 

- Lowest Industry weight per pax at 7.5Kg

- Certified

- 85% of recyclable components



Innovation for enhanced comfort
Sky Lounge



Current Industrial Environment

■ Boeing 787 program developping

- Zodiac Aerospace contributed to solve the problems on the Electrical Power Distribution System
 - Retrofit of B787 electrical power panels in progress and production relaunched
- Flight test program going on
- Boeing still targeting EIS in Q3 2011
- Zodiac Aerospace already supplying Boeing and ready to support the ramp-up
 - Shipset \$2.5m / per aircraft, excluding seats

Boeing 787 flight test scoreboard

Airplane	Flights	Hours
ZA001	413	1,042 hrs., 20 min.
ZA002	228	678 hrs., 05 min.
ZA003	139	456 hrs., 30 min.
ZA004	205	532 hrs., 00 min.
ZA005	193	549 hrs., 50 min.
ZA006	47	172 hrs., 55 min.
ZA102	12	20 hrs., 20 min.
TOTAL	1,237	3,452 hrs., 00 min.

■ Zodiac Aerospace exposure to Japan seems limited

- Limited direct exposure to Japanese Airlines through seats and spare parts
 - No significant change observed
- Also limited potential indirect impacts
 - Actions taken to secure key supplies through inventories
 - Confidence in the reactivity of our japanese suppliers
 - Limited potential impact on future aftermarket sales

Increasing financial targets for FY 2010/2011

- **Increasing sales and COI targets**

- Sales to increase by 15-20% excluding new acquisition
 - Revised in march 2011
- **COI margin should be over 13%**
 - Vs. a previous target of 12-13%
- Targets assuming a 1.30 €/€ exchange rate and excluding impact of IFRS 3

- **Net debt / EBITDA ratio stable compared to end August 2010**

- **WCR as a % of sales unchanged at the end of the FY**

Financial targets for the coming years

- **Over 40% of top line organic growth targeted within the next 3 years**
 - Based on FY2009/10 figure
 - Excluding potential further acquisitions
 - Growth coming from OEM current and new programs, and from aftermarket
- **2.5 - 3pts of additional Current Operating Income margin targeted within the next 3 years**
 - Based on FY2009/10 figure
 - Recovery in volumes
 - Strong operational leverage
 - Cost structure flexibility
- **Targets based on a 1.30 €/€ exchange rate and excluding impact of IFRS 3**
- **Significant additional profitable growth should come from selected add-on acquisitions**

Appendices

P&L

Cash Flow Statement

Balance Sheet



Appendices: simplified P&L

	H1 2010/2011	H1 2009/2010
Sales revenue	1309.5	965.8
Amortization and provisions		
Current Operating Income (1)	184.2	76.5
Other operating (2)	-6.6	- 2.3
Operating Income	177.6	74.2
Cost of net debt	-13.9	- 12.6
Other financial income and expenses	-0.3	- 0.5
Income Taxes	49.2	16.9
Net Income	114.3	44.2
Net Income–Group share	114.4	44.1

(1) Including €-1.7m related to IFRS3

(2) Including €-5.4m related to IFRS3

Appendices: cash flow statement

		02/2011	08/2010	02/2010
Operating Activities	Cash flow	155,1	234,5	69,0
	Net change in inventories	-50,6	21,3	11,7
	Net change in operating assets	-70,1	37,1	55,0
	Net change in liabilities	-3,1	35,2	-28,5
	Cash Generated from Operations	31,3	328,1	107,2
Investing Activities	Acquisition of non-current assets	-22,9	35,1	-16,0
	Others	-24,8	-53,3	-25,6
	Acquisitions / Disposals of entities, net of cash acquired	-209,8	-64,9	-7,9
	Cash generated from Investments	-256,9	-153,3	-49,5
Financing Activities	Change in Financial Debt	238,1	-88,2	-21,8
	Change in Financial instruments	12,8	1,6	-0,5
	Change in Equity	4,3	10,8	3,0
	Treasury stocks	-0,7	-3,5	-3,5
	Dividends	-53,4	-53,0	-52,9
	Cash generated from financing	201,1	-132,3	-75,7
	Currency translation adjustments, beginning of period	-17,9	15,4	5,1
	Change in cash	-42,5	58,0	-12,9

Balance sheet

ASSETS	02/2011	08/2010	02/2010	EQUITY & LIABILITIES	02/2011	08/2010	02/2010
Goodwill	1190,4	1095,4	1022,4	Equity			
Intangible assets	307,8	241,2	216,4	Capital	1405,1	1400,1	1309,5
Property, Plant & Equipment	247,8	244,2	247,1	Net Income	114,3	148,3	44,2
Other non-current	15,4	16,3	14,0	Equity	1519,4	1548,4	1353,7
				Non current provisions and deferred taxes	149,9	107,5	83,6
				Non-current Debt	673,5	511,7	440,8
Non-current Assets	1761,4	1597,1	1499,9	Non-current Liabilities	823,4	619,2	524,4
				Current provisions	50,9	44,5	42,2
Inventories	581,0	507,9	488,9	Current financial liabilities	237,6	167,4	288,8
Trade Receivables	544,2	474,2	442,5	Accounts Payables	216,0	223,4	163,0
Others	49,3	41,7	39,7	Liabilities to employees and payroll liabilities	117,1	119,8	96,4
				Others	98,9	75,8	85,6
Cash and Cash Equivalents	114,9	164,7	83,1	Current Liabilities	720,5	630,9	676,0
Current Assets	1289,4	1188,5	1054,2				
Held-for-sale assets	12,5	12,9					
Total ASSETS	3063,3	2798,5	2554,1	TOTAL EQUITY & LIABILITIES	3063,3	2798,5	2554,1



Contributing to
Aerospace Legend
since 1896

Next meetings:

Q9 and 9-Month Revenue Figures

June 16, 2011 (after stock exchange closing)

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