

Q2 & H1 2016/2017 Sales Presentation

ZODIAC AEROSPACE

Tuesday 14th March 2017

Safe Harbour statement

Certain statements contained in this document are forward-looking statements. These statements includes, without limitation, statements that are predictions of or indicate future events, trends, plans, expectations or objectives. Examples of forward-looking statements include statements relating to business strategy, objectives, delivery schedules or future performance. Words such as “anticipates”, “believes”, “estimates”, “seeks”, “intends”, “may” and similar expressions are used to identify these forward-looking statements.

Such statements are, by their nature, subject to known and unknown risks and uncertainties. These uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements as these are dependent on risk factors such as the variation of the exchange rates, program delays, industrial risks relating to safety, the evolution of regulations and the general economic and financial conditions and other matters of national, regional and global scale, including those of a political, economic, competitive and regulatory nature. Please refer to the section “Risks management” of the latest Zodiac Aerospace’s Annual Report, for a description of certain important factors, risks and uncertainties that may affect Zodiac Aerospace’s business.

Zodiac Aerospace makes no commitment to update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.

Agenda

Q2 & H1 2016/2017 sales highlights

Divisional performance

Conclusion

Q2 & H1 2016/2017 sales highlights

Half-year sales

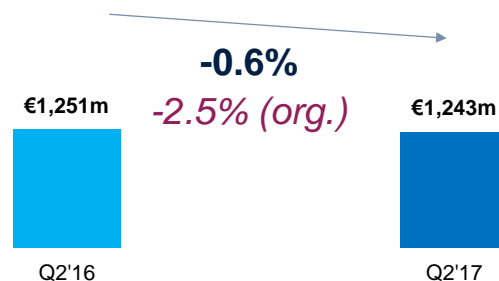
- **Q2 sales -0.6% to €1.2bn**

- Change in organic: -2.5%
- Exchange rate impact: +190 bps

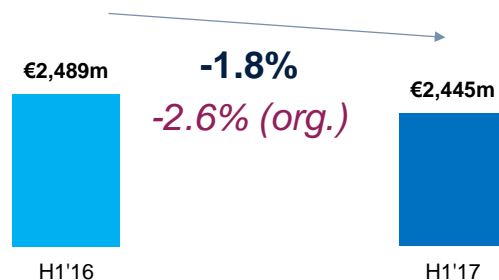
- **H1 sales -1.8% to €2.4bn**

- Change in organic: -2.6%
- Exchange rate impact: +80 bps

Q2'17 sales

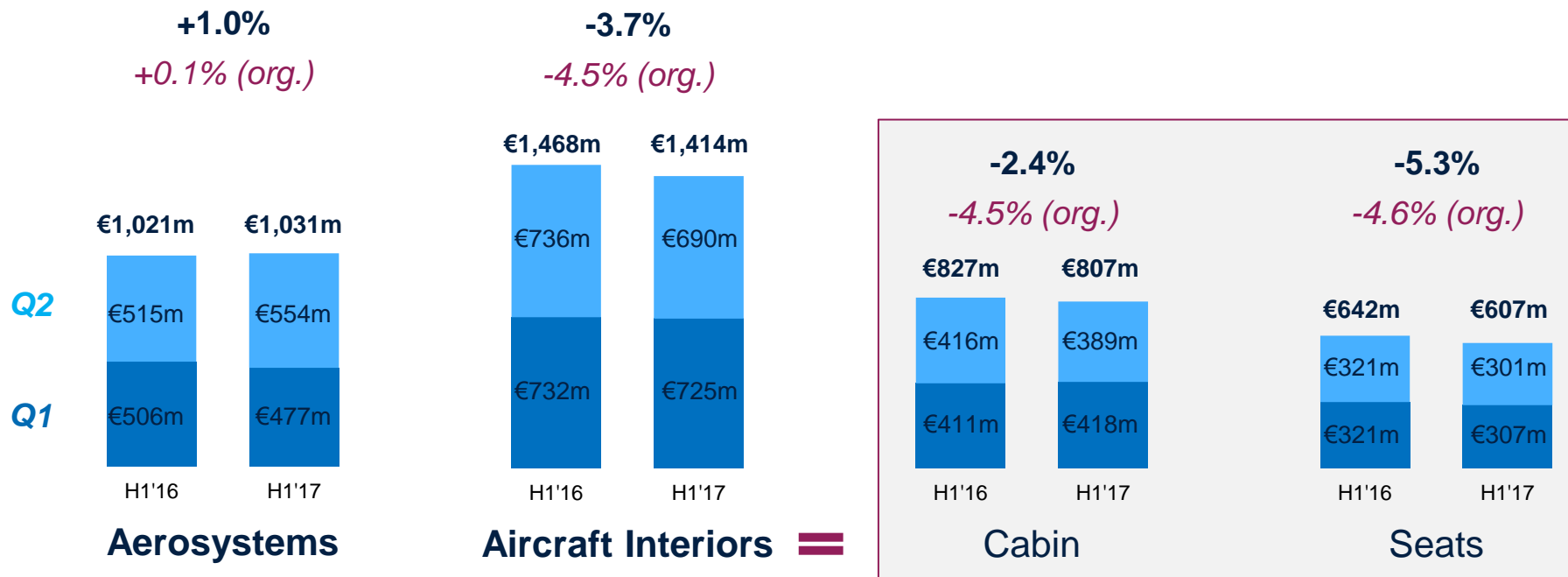


H1'17 sales



High-level divisional performance

H1'17 vs. H1'16 Sales



Divisional performance

Aerosystems – Half-year review

■ H1 sales amounted to €1,031m

- +0.1% organic growth
- + 6.1% organic growth in Q2, paving the way for robust growth in H2

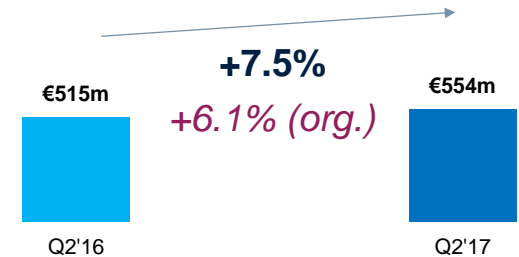
■ Growth despite headwinds

- Still weak demand for Helicopters, Biz and Regional jets
- Strong impact of Non- Aerospace (Trains) sales decrease on H1 organic growth
 - Org. growth would have been +1.6% without Train business
- Slow activity in H1 in 3 specific business units: Arresting systems, Telemetry, IFE

■ Growth driven by

- Ramp-up of wide body aircraft where we enjoy strong positions especially in electrical power systems
- Solid aftermarket business

Q2'17 sales



H1'17 sales



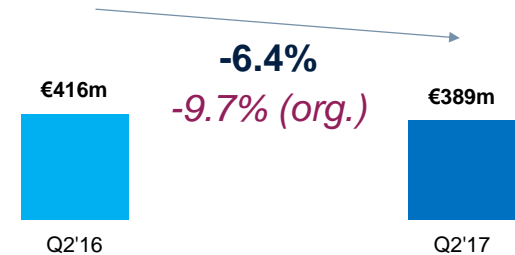
Aerosystems – preparing for robust H2

- **Market headwinds will remain, but cost cutting initiatives have been launched to mitigate impact on margin**
- **Strong H1/H2 dissymmetry expected, in particular for the businesses that lagged behind in H1**
 - IFE and connectivity: good commercial momentum / some important deliveries moved from H1 to H2
 - Arresting systems
 - Emergency arresting systems (EMAS) transitioning from equipping airports in the US to international markets. Higher activity expected in H2
 - Strong military arresting systems sales expected in H2
 - Good commercial activity for Telemetry
- **In general, strong order book to fuel sales in H2**

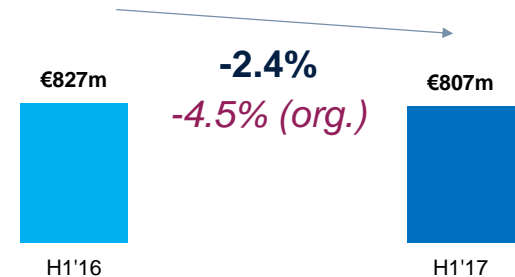
Cabin – Half-year review

- **H1 sales amounted to €807m (-4.5% org.)**
 - Compares to €827m in H1 FY2015/2016
 - Strong activity at end of calendar year 2016 impacting quarter on quarter comparability
- **Strong focus on ramp-up of new programs**
 - Airbus (A350XWB Lavatories and Spaceflexv2), Bombardier (C-Series), Irkut (MC21)
 - Replacing mature programs
 - Mitsubishi MRJ delayed
- **Important overrun costs to support our customers' ramp-up and meet revised delivery schedules for Airbus (A350XWB Lavatories and Spaceflexv2)**
- **Improving performance in H2 on the back of a detailed action plan, supported by committed management team & streamlined organisation**

Q2'17 sales

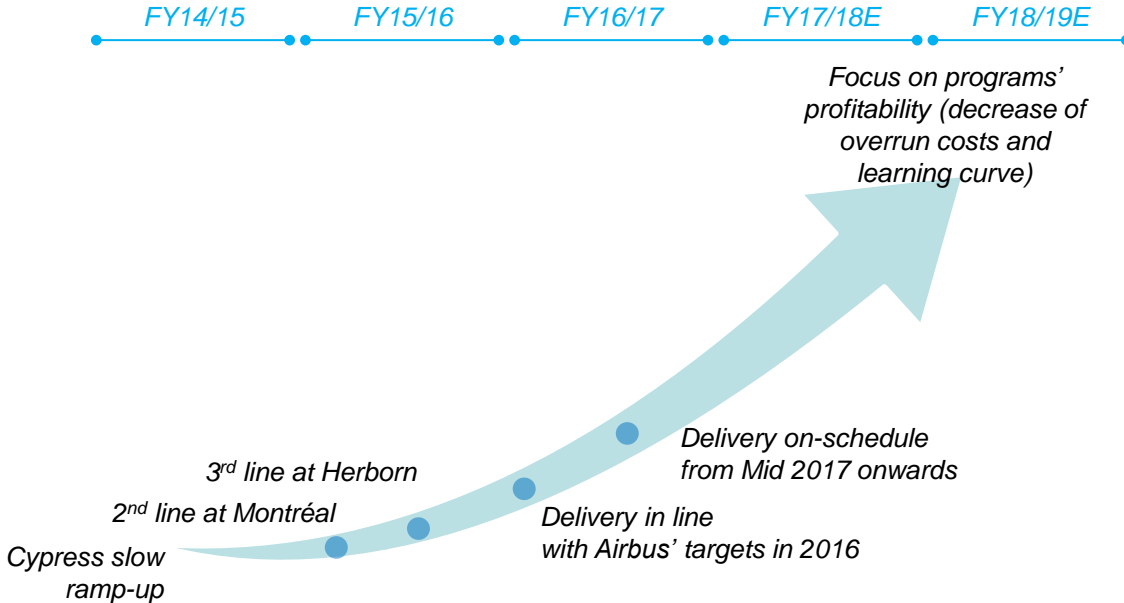


H1'17 sales



Zoom Cabin – A350XWB update

Gradual improvement in operations

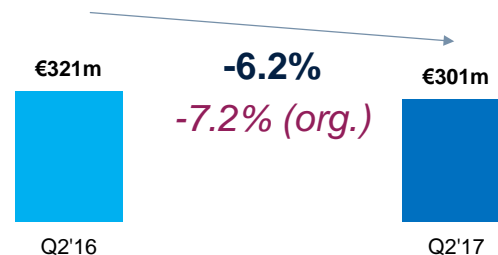


- **Adequate capacities now in place in Cypress, Montreal and Herborn**
- **Deliveries in line with Airbus' targets for 2016 as committed...**
- **...yet significant overrun costs impacting H1 and FY16/17**
- **Return to originally planned schedule expected from Mid-2017 onwards...**
- **... will enable to improve first operating performance and then profitability**

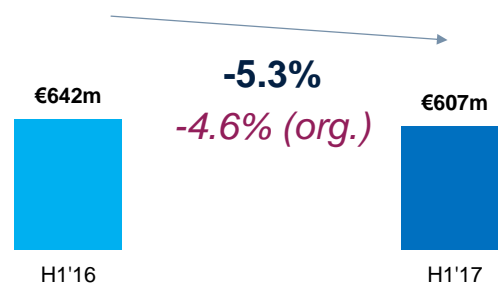
Seats – Half-year review

- **H1 sales amounted to €607m (-4.6% org.)**
 - Compares to €642m in H1 FY2015/2016
- **Impact of order / delivery cycle (18-24 months) as expected**
 - Drag from H1 FY15/16 crisis now triggering decrease in revenues
- **Some industrial issues in the UK (Cwmbran) generating significant disruptions and delays**
 - Impacting H1 sales
 - Significant impact on H1 operating profitability
- **Seats US back to normal operational performance**
- **Robust commercial momentum to support future sales**

Q2'17 sales



H1'17 sales



Zoom Seats – operational update

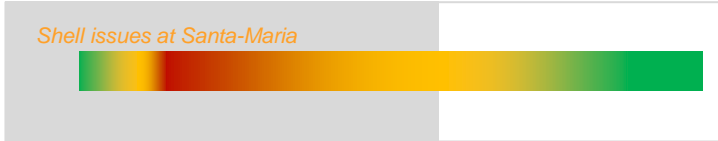
FY14/15 FY15/16 FY16/17 FY17/18E FY18/19E

Seats US
Gainesville



- Crisis started with strike in October 2014 / loss-making in FY15&16
- Operational recovery now accomplished: fully on time for more than a year
- Profitability now positive and improving, supported by comprehensive *Restore Margins* plan

Shells
Santa-Maria

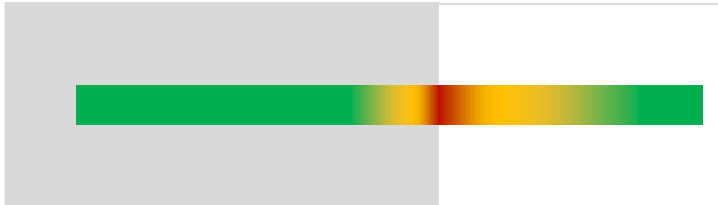


- Crisis origins linked to shell issues at Santa-Maria (2015)
- Shells: situation improved allowing for progressive reloading
- Now, only 1 program late
- Back to normal operations expected by the end of FY2016/17: should contribute to improve financial performance in H2

Seats France
Issoudun



Seats UK
Cwmbran



- Crisis started late 2016 before full implementation of FOCUS
- Capacity bottleneck currently being solved through significant load transfer to other sites
- Current industrial disruptions leading to late deliveries
- Return to normal operations expected by the end of Q1 FY2017/18

Conclusion

Conclusion

- **H1'17 sales confirm our anticipation for stable revenues in FY16/17 vs. FY15/16**
- **Challenging H1 will result in much stronger H1/H2 dissymmetry than last year, due to**
 - Disruptions in Seats UK
 - Still important overrun costs in Cabin
 - Low activity in some specific Aerosystems businesses (in particular IFEC and EMAS)
 - And to a lower extent still adverse market conditions in business aviation, regional jets, helicopters
- **H2 expected to strongly benefit from**
 - Progressive recovery of Seats UK
 - Cabin: back on the learning curve
 - Favourable mix and volume effect in Aerosystems
 - As part of Focus, action plan targeting cost savings for FY17 with tangible impact on H2
- **In that context, FY16/17 COI will be impacted by poor H1 performance and should be around 10% below FY15/16**
- **Current headwinds and remaining industrial issues in seats UK and cabin do not affect our ambition to return to historical profitability by FY2019/20 (“mid double-digit”)**

Appendix

H1 and Q2 2016/2017 sales

Cumulative consolidated revenue

In millions of euros	1st quarter 2016/2017	1st half 2016/2017	9 months 2016/2017	Full year 2016/2017
Aerosystems Activities	477.3	1,030.9		
Aircraft Interiors Activities	724.6	1,414.4		
<i>Zodiac Seats</i>	306.5	607.4		
<i>Zodiac Cabin</i>	418.1	807.0		
Group Total	1,201.9	2,445.3		
€/ \$ conversion	1.10	1.08		
€/ \$ transaction	1.11	1.10		

Consolidated revenue by quarter

In millions of euros	1st quarter 2016/2017	2nd quarter 2016/2017	3rd quarter 2016/2017	4th quarter 2016/2017
Aerosystems Activities	477.3	553.6		
Aircraft Interiors Activities	724.6	689.8		
<i>Zodiac Seats</i>	306.5	300.9		
<i>Zodiac Cabin</i>	418.1	388.9		
Group Total	1,201.9	1,243.4		
€/ \$ conversion	1.10	1.06		

Changes

(Compared with the same quarter of the previous year)

Based on reported data	Q1	Q2	Q3	Q4
Aerosystems Activities	-5.7%	+7.5%		
Aircraft Interiors Activities	-1.0%	-6.3%		
<i>Zodiac Seats</i>	-4.4%	-6.2%		
<i>Zodiac Cabin</i>	+1.7%	-6.4%		
Group Total	-2.9%	-0.6%		
Aerospace activities *	-2.3%	-0.1%		

Based on organic revenue	Q1	Q2	Q3	Q4
Aerosystems Activities	-6.0%	+6.1%		
Aircraft Interiors Activities	-0.5%	-8.6%		
<i>Zodiac Seats</i>	-1.9%	-7.2%		
<i>Zodiac Cabin</i>	+0.6%	-9.7%		
Group Total	-2.8%	-2.5%		
Aerospace activities *	-2.1%	-2.0%		

Changes

(Compared with the same period of the previous year)

Based on reported data	1st quarter	1st half	9 months	Full year
Aerosystems Activities	-5.7%	+1.0%		
Aircraft Interiors Activities	-1.0%	-3.7%		
<i>Zodiac Seats</i>	-4.4%	-5.3%		
<i>Zodiac Cabin</i>	+1.7%	-2.4%		
Group Total	-2.9%	-1.8%		
Aerospace activities *	-2.3%	-1.2%		

Based on organic revenue	1st quarter	1st half	9 months	Full year
Aerosystems Activities	-6.0%	+0.1%		
Aircraft Interiors Activities	-0.5%	-4.5%		
<i>Zodiac Seats</i>	-1.9%	-4.6%		
<i>Zodiac Cabin</i>	+0.6%	-4.5%		
Group Total	-2.8%	-2.6%		
Aerospace activities *	-2.1%	-2.0%		

Hedging policy

- **2016/2017:**
 - Zodiac Aerospace has hedged 89% of estimated EUR/USD exposure at 1.1173\$/€ (spot rate)
 - 79% of USD/CAD, 80% of USD/GBP, 71% of USD/MXN and 80% of USD/THB exposure
- **For 2017/2018, Zodiac Aerospace has hedged 69% of its estimated EUR/USD exposure at 1.0703 (spot rate)**

About Zodiac Aerospace

Zodiac Aerospace is a world leader in aerospace equipment and systems for commercial, regional and business aircraft and for helicopters and spacecraft. It develops and manufactures state-of-the-art solutions to improve comfort and facilities on board aircraft and high-technology systems to increase aircraft performance and flight safety. Zodiac Aerospace has 35,000 employees worldwide and generated revenue of €5.2 billion in 2015/2016.

www.zodiacaerospace.com

Next meetings:

H1 2016/17 results
Q3 2016/17 sales
Q4 2016/17 sales

April 20, 2017 (before stock exchange opening)
June 14, 2017 (after stock exchange closing)
September 13, 2017 (after stock exchange opening)

ZODIAC AEROSPACE CONTACTS

Pierre-Antony VASTRA
Tel: +33 (0)1 61 34 25 68
Florent DEFRETIN
Tel: +33 (0) 1 61 34 03 34
Isabelle DELHOM (Investor meetings)
Tel : +33 (0)1 61 34 19 86
investisseurs@zodiacaerospace.com

MEDIA/PRESS CONTACTS- IMAGE 7

Priscille RENEAUME
Tel: +33 (0) 1 53 70 74 61 / preneaume@image7.fr
Grégoire LUCAS
Tel: +33 (0) 1 53 70 74 61 / glucas@image7.fr

61, rue Pierre Curie – CS20001 - 78373 PLAISIR CEDEX