

## Q1 2017/2018 sales revenues

Plaisir, December 13, 2017 – Zodiac Aerospace's sales were down -6.9% on a like-for-like basis for the first quarter of its fiscal year 2017/2018 (September to November).

On October 30<sup>th</sup> 2017, the Group expected a slight decline in sales, which is broken down into a further increase of Aerosystems activities, at a similar pace to the previous year, a stabilization of the Cabin activities, and a decline in Seats business, impacted by past operational performance. Sales for the first quarter are in line with this scenario, with the exception of the Cabin branch, which is experiencing a weak start due to some customers' decision in the VIP and business jets markets to postpone their orders.

Zodiac Aerospace reported sales of €1,077.5m, decreasing by -10.4% on a reported basis, impacted by a negative foreign exchange rates of -3.5 points. There was no impact from consolidation scope.

### Sales revenue for the first quarter of the 2017/2018 fiscal year

In millions of euros	First quarter 2017/2018	First quarter 2016/2017	% change	Exchange rate	Consolidation scope	Organic variation
<b>Aerosystems Activities</b>	<b>487.1</b>	479.8	+1.5%	-3.6%	+0.0%	+5.1%
<b>Aircraft Interiors Activities</b>	<b>590.4</b>	722.1	-18.3%	-3.4%	+0.0%	-14.9%
<b>Zodiac Seats</b>	<b>236.9</b>	306.5	-22.7%	-2.3%	+0.0%	-20.4%
<b>Zodiac Cabin</b>	<b>353.5</b>	415.6	-15.0%	-4.4%	+0.0%	-10.6%
<b>Group Total</b>	<b>1,077.5</b>	1,201.9	-10.4%	-3.5%	+0.0%	-6.9%
€/\$(conversion)	<b>1.18</b>	1.10				

**Aerosystems activities (45.2% of total revenue)** reported a growth in revenues of +5.1% on a like-for-like basis and +1.5% on a reported basis, amounting to €487.1m. Aerosystems benefited from a good start of the year on IFE's activities, compared to a weak start in 2016/2017, and from a good performance in Power Systems, Oxygen and Evacuation activities. After-sales activities also contributed significantly to the growth of the quarterly sales.

**Aircraft Interiors activities (54.8% of total revenue)** sales stood at €590.4m, down by -14.9% on a like-for-like basis and by -18.3% on a reported basis.

- **Zodiac Seats branch** reported €236.9m sales in Q1, down by -20.4% in organic and by -22.7% on a reported basis. As expected, the Seats branch remains penalized by the impact of its poor past operational performance.
- **Zodiac Cabin branch** reported a -10.6% organic decrease of its sales. This weak activity during the first quarter, below the Group's expectations, is due to postponements of orders by some customers, in the VIP and business jets markets. On a reported basis quarterly sales decreased by -15.0% to €353.5m.

### CURRENCY HEDGE

For 2017/2018, Zodiac Aerospace has hedged 91% of estimated EUR/USD exposure at 1.0952 \$/€ (spot rate), 54% of USD/CAD, 68% of USD/GBP, 87% of USD/MXN and 65% of USD/THB exposure.

As a reminder, the sensitivity of the current operating margin rate is estimated at 168 basis points for 10 cents change in the euro / dollar exchange rate (transaction impact).

### OUTLOOK

As published in the presentation of its annual results on October 30<sup>th</sup>, Zodiac Aerospace continues its industrial recovery and transformation.

On a like-for-like basis the Group confirms its expectation to post a slight decrease in sales for 2017/2018, excluding forex and scope effects, which breaks down into a further increase in Aerosystems activities, at a similar pace to the previous year, a stabilization of Cabin activities over the next 3 quarters and a further decline in Seats business, impacted by past operational performance. Current operating income should rise sharply. As for the sales, the current operating income for the second half of the year should be significantly higher than the first half. Operational Cash Flow generation is expected to remain strong, particularly as a result of ongoing actions to reduce inventories, which should lead to an increase in industrial investments.

On December 7, Safran filed with the *Autorité des Marchés Financiers* (AMF) a draft tender offer on a principal basis, complemented on a subsidiary basis by a public exchange offer, targeting the shares of Zodiac Aerospace.

**NB :** A commentary of this quarterly revenues publication will be provided in a conference call intended for financial analysts and journalists on December 13, at 6:00PM CET. This conference will be transmitted by webcast on the following website [www.zodiacaerospace.com](http://www.zodiacaerospace.com). The recording of this conference call, the PowerPoint presentation (English only) and the press release will also be available on our website.

**About Zodiac Aerospace**

Zodiac Aerospace is a world leader in aerospace equipment and systems for commercial, regional and business aircrafts and for helicopters and spacecraft. It develops and manufactures state-of-the-art solutions to improve comfort and facilities on board aircrafts and high-technology systems to increase aircraft performance and flight safety. Zodiac Aerospace has approximately 35,000 employees worldwide and generated revenue of €5.1bn in 2016/2017. [www.zodiacaerospace.com](http://www.zodiacaerospace.com)

Next meeting:	General meeting of shareholders	January 9, 2018
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*The tender offer in connection with the Transaction is subject to obtaining of required regulatory and other customary authorizations. These materials must not be published, released or distributed, directly or indirectly, in any jurisdiction where the distribution of such information is restricted by law.*

*Safran and Zodiac Aerospace filed with the French Market Authority ("AMF") a prospectus project and other relevant documents with respect to the tender offer to be made in France. Pursuant to French regulations, the documentation with respect to the tender offer which, as filed, states the terms and conditions of the tender offer is subject to the review by the AMF. Investors and shareholders in France are strongly advised to read the prospectus project and related offer materials regarding the tender offer referenced in this communication, as well as any amendments and supplements to those documents as they should contain important information regarding Safran, Zodiac Aerospace, the contemplated transactions and related matters.*

*This press release and the information it contains do not, and will not, constitute an offer to purchase or the solicitation of an offer to sell, securities of Zodiac Aerospace in the United States of America or any other jurisdiction where restrictions may apply. Securities may not be offered or sold in the United States of America absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), it being specified that the securities of Safran have not been and will not be registered within the U.S. Securities Act. Safran does not intend to register securities or conduct a public offering in the United States of America.*

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Consolidated revenue by quarter

In millions of euros	1st quarter 2017/2018	2nd quarter 2017/2018	3rd quarter 2017/2018	4th quarter 2017/2018
<b>Aerosystems Activities</b>	<b>487.1</b>			
<b>Aircraft Interiors Activities</b>	<b>590.4</b>			
<i>Zodiac Seats</i>	236.9			
<i>Zodiac Cabin</i>	353.5			
<b>Group Total</b>	<b>1,077.5</b>			
€/ \$ conversion	1.18			

In millions of euros	1st quarter 2016/2017	2nd quarter 2016/2017	3rd quarter 2016/2017	4th quarter 2016/2017
<b>Aerosystems Activities</b>	479.8	555.9	588.5	620.8
<b>Aircraft Interiors Activities</b>	722.1	689.1	753.8	717.1
<i>Zodiac Seats</i>	306.5	300.9	336.2	302.3
<i>Zodiac Cabin</i>	415.6	388.2	417.6	414.8
<b>Group Total</b>	1,201.9	1,245.0	1,342.3	1,337.9
€/ \$ conversion	1.10	1.06	1.08	1.15

## CHANGES

(Quarter compared with the same quarter of the previous year)

Based on reported data	Q1	Q2	Q3	Q4
<b>Aerosystems Activities</b>	<b>+1.5%</b>			
<b>Aircraft Interiors Activities</b>	<b>-18.3%</b>			
<i>Zodiac Seats</i>	-22.7%			
<i>Zodiac Cabin</i>	-15.0%			
<b>Group Total</b>	<b>-10.4%</b>			
<b>Aerospace activities *</b>	<b>-10.3%</b>			

Based on organic revenue	Q1	Q2	Q3	Q4
<b>Aerosystems Activities</b>	<b>+5.1%</b>			
<b>Aircraft Interiors Activities</b>	<b>-14.9%</b>			
<i>Zodiac Seats</i>	-20.4%			
<i>Zodiac Cabin</i>	-10.6%			
<b>Group Total</b>	<b>-6.9%</b>			
<b>Aerospace activities *</b>	<b>-6.8%</b>			

**Cumulative consolidated revenue**

In millions of euros	1st quarter 2017/2018	1st half 2017/2018	9 months 2017/2018	Full year 2017/2018
<b>Aerosystems Activities</b>	<b>487.1</b>			
<b>Aircraft Interiors Activities</b>	<b>590.3</b>			
<i>Zodiac Seats</i>	236.9			
<i>Zodiac Cabin</i>	353.5			
<b>Group Total</b>	<b>1,077.5</b>			
€/ \$ conversion	1.18			
€/ \$ transaction	1.14			

In millions of euros	1st quarter 2016/2017	1st half 2016/2017	9 months 2016/2017	Full year 2016/2017
<b>Aerosystems Activities</b>	479.8	1,035.7	1,624.2	2,245.0
<b>Aircraft Interiors Activities</b>	722.1	1,411.3	2,165.1	2,882.1
<i>Zodiac Seats</i>	306.5	607.4	943.6	1,245.8
<i>Zodiac Cabin</i>	415.6	803.9	1,221.5	1,636.3
<b>Group Total</b>	<b>1,201.9</b>	<b>2,447.0</b>	<b>3,789.3</b>	<b>5,127.1</b>
€/ \$ conversion	1.10	1.08	1.08	1.10
€/ \$ transaction	1.11	1.10	1.10	1.11

**CHANGES**

(Aggregate at end of period compared with the same period of last year)

Based on reported data	1st quarter	1st half	9 months	Full year
<b>Aerosystems Activities</b>	<b>+1.5%</b>			
<b>Aircraft Interiors Activities</b>	<b>-18.3%</b>			
<i>Zodiac Seats</i>	-22.7%			
<i>Zodiac Cabin</i>	-15.0%			
<b>Group Total</b>	<b>-10.4%</b>			
<b>Aerospace activities *</b>	<b>-10.3%</b>			

Based on organic revenue	1st quarter	1st half	9 months	Full year
<b>Aerosystems Activities</b>	<b>+5.1%</b>			
<b>Aircraft Interiors Activities</b>	<b>-14.9%</b>			
<i>Zodiac Seats</i>	-20.4%			
<i>Zodiac Cabin</i>	-10.6%			
<b>Group Total</b>	<b>-6.9%</b>			
<b>Aerospace activities *</b>	<b>-6.8%</b>			

\*Excluding Trains and Airbags businesses