

Zodiac Aerospace H1 2013/2014 Results presentation

April 23, 2014

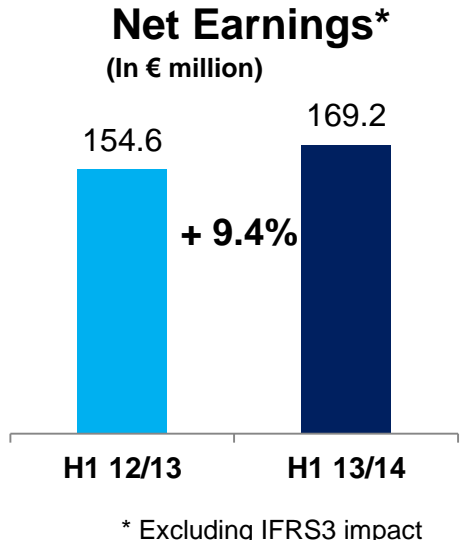
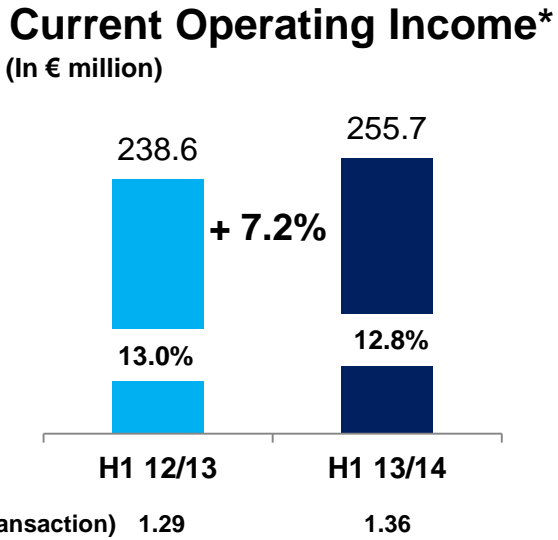
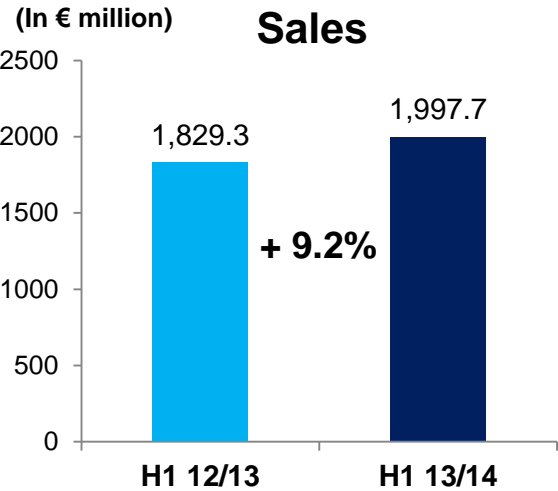
Summary

- **Two additional quarters of sales growth**
 - H1 sales up 9.2% to €1,997.7m
- **Current Operating Income increases by 7.2%**
 - Negative dollar impact
 - Same “dissymetry” scenario as in 2012/2013
- **Pursuing the External Growth Strategy**
 - Completing and reinforcing the Group’s financing
 - Gearing is decreasing to 0.46
- **A buoyant market**
 - Traffic is still increasing
- **Innovation and commercial successes**
 - AIX 2014 was a good year

H1 2013/2014 Highlights

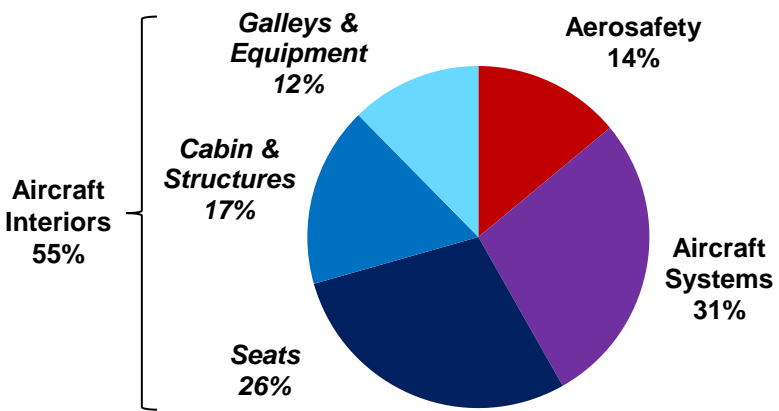


A further increase in sales and earnings



* Excluding IFRS3 impact

Sales breakdown



Gearing*
0.46 vs. 0.52
H1 2013/14 H1 2012/13
*net financial debt/ equity

WCR/Sales
34.8%* vs. 33.1%*
H1 2013/14 H1 2012/13
* Based on trade WCR

2 additional acquisitions in H1

■ September, 2013: Acquisition of TriaGnoSys

- Zodiac Aerospace complete its position in the field of IFE thanks to the acquisition of TriaGnoSys, the German based company specialized in inflight connectivity and wireless entertainment and cabin systems
- A good fit with the previous purchase of IMS (Zodiac Inflight Innovations)



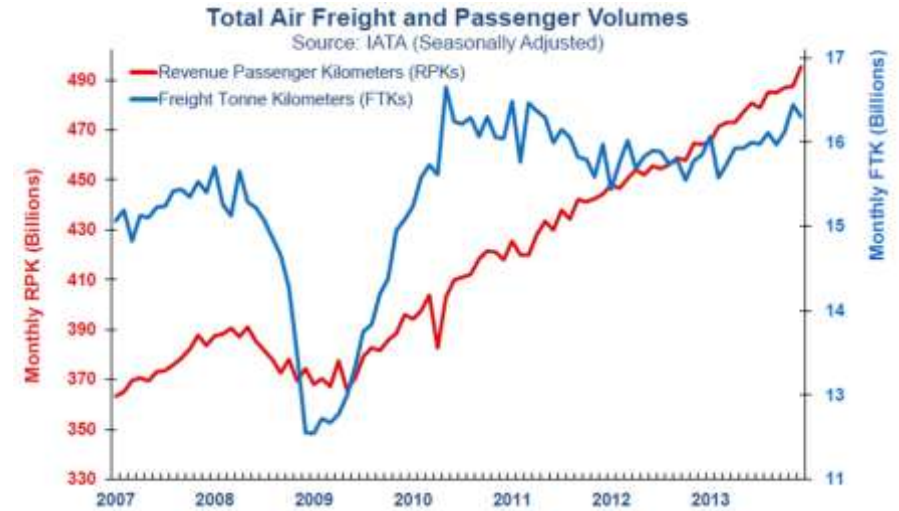
■ February, 2014: Acquisition of PPP

- Pacific Precision Products (PPP) is based in Irvine, California, and employs around 40 people. The company develops and manufactures equipment for Oxygen systems for business Jet aviation and other specialized companies such as cabin completion centers.
- PPP business is highly complementary to the existing Oxygen activities



Evolving in a buoyant environment

- **Traffic is still increasing**
 - Air traffic increased by 5.2% in 2013, in line with long term cagr
 - Freight is more volatile...
- **Civilian aircraft deliveries are progressing**
 - Current programs sustain a high production rate
 - New program developing
 - Boeing 787 production is ramping up
 - Airbus A350XWB pursuing its flight test program
 - As well as CSeries
- **Good level of aftermarket**



H1 2013/2014 Financial performance



Financial highlights

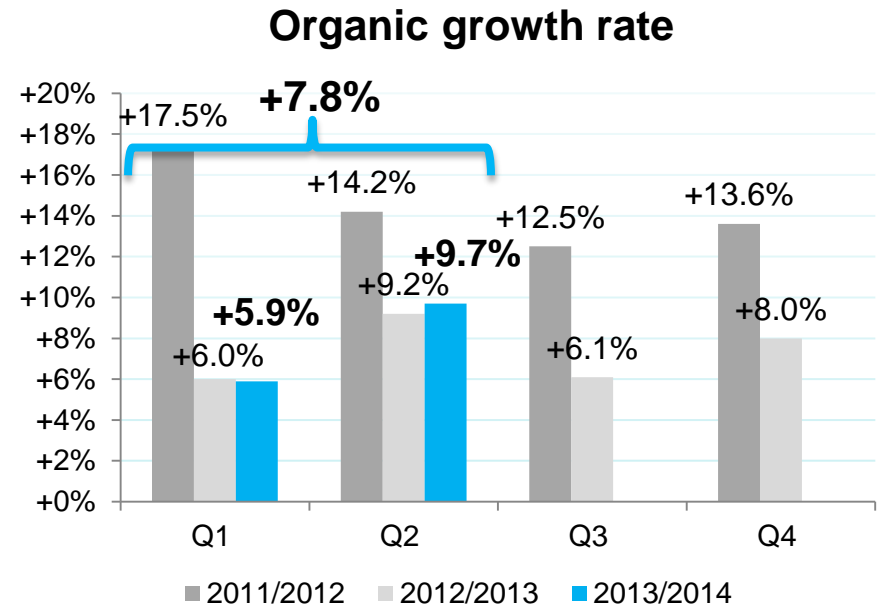
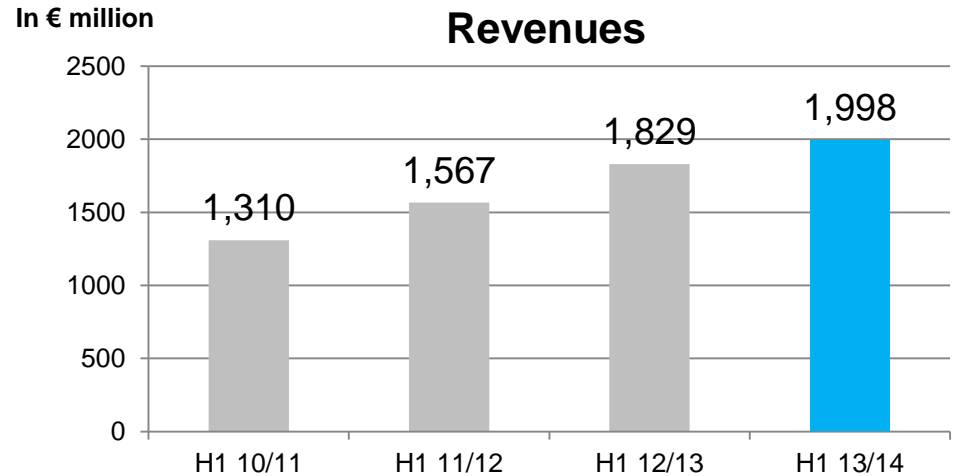
<i>(€ million)</i>	2013/2014	2012/2013	% change
Sales revenue	1,997.7	1,829.3	9.2%
Current operating income before IFRS3 impact	255.7	238.6	7.2%
<i>COI before IFRS 3/ sales revenue</i>	12.8%	13.0%	
Current operating income	255.3	238.3	7.1%
<i>COI/revenue</i>	12.8%	13.0%	
Net income attributable to Group shareholders	162.8	146.6	11.0%
Net income before IFRS3	169.2	154.6	9.4%
Net Debt/equity ratio	1,058.0	1,063.4	-0.5%
€/\$(Transaction)	1.36	1.29	
€/\$(Conversion)	1.36	1.31	

Scope : - Aircraft Systems: IMS (1/1/2013) ; IPS (2/28/ 2013) ; ACC La Jonchère (8/31/2013) ;
 TriaGnoSys (9/1/2013)
 - Cabin & Structures : NAT (2/28/ 2013)

IFRS3 in COI : €-0.4m in H1 2013/2014 vs €-0.2m in 2012/13

Sales are further increasing

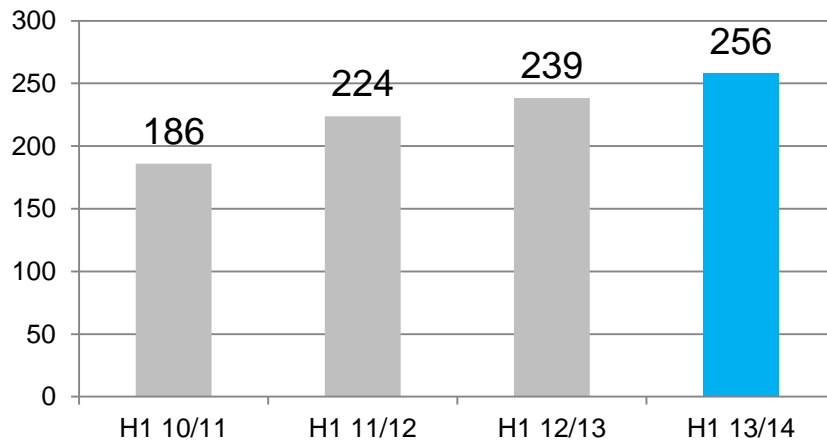
- 16 consecutive quarters of growth
- H1 sales are up 9.2%
 - +7.8% organic
 - +4.5pts from scope
 - -3.1pts from forex
- Underlying market is still increasing
 - Traffic was up 5.2% in 2013
 - Deliveries are still increasing



COI scenario for the FY similar to 2012/2013

Current Operating Income*

In € million



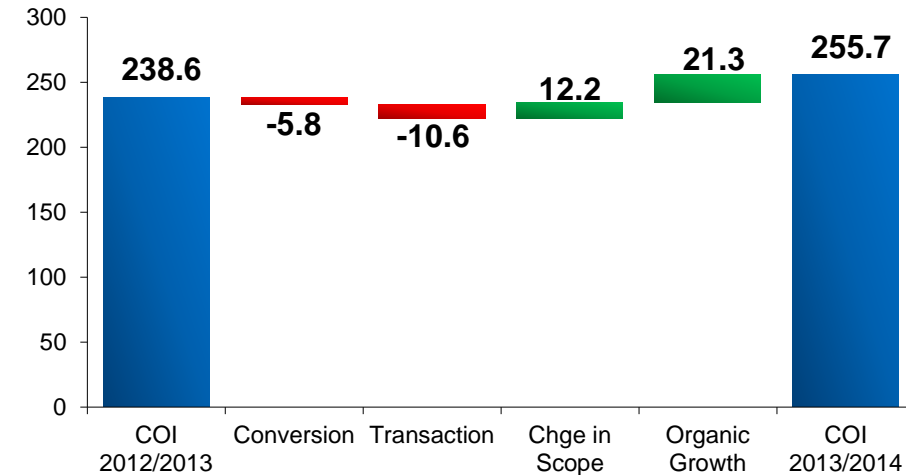
- **+7.2% increase in COI*** in H1
- **COI* margin is stable**
 - 12.8% vs. 13% in H1 2012/2013
- **Dollar impact**
 - Dollar impacted growth for 6.8pts
 - COI is +8.8% like-for-like
 - vs. +7.8% organic increase in sales
- **Operational items**
 - Steady start with Zodiac Premium Galleys in Germany
 - Slow start of Seats in US (many HOV**)
- **Catch up expected in H2**
 - Same scenario as in 2012/13

COI/Revenues	14.2%	14.3%	13.0%	12.8%
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€/\$ (conversion)	1.35	1.34	1.31	1.36
€/\$ (transaction)	1.32	1.34	1.29	1.36

+7.2% increase in Current Operating Income*

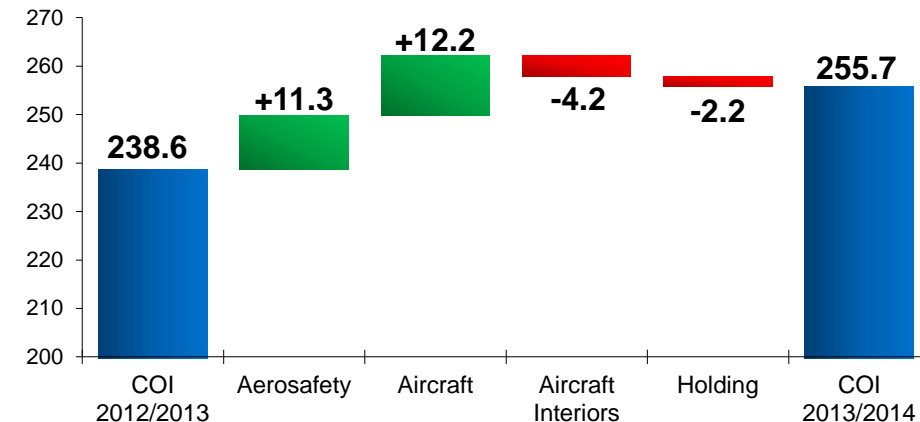
In € million



■ Increase in COI*

- +7.2% to €255.7m
- +8.8% on a constant perimeter and exchange rate basis

In € million



- Lower contribution from Aircraft Interiors is attributable to the forex impact and G&E

€/\$(conversion): 1.31

€/\$(transaction): 1.29

€/\$(conversion): 1.36

€/\$(transaction): 1.36

Aircraft Interiors activities

Key events H1 2013/2014

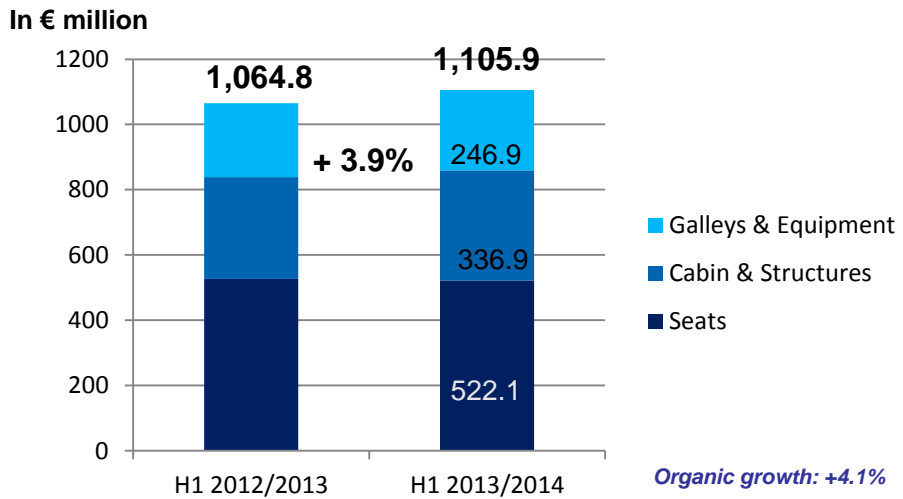
+3.9% increase in sales

- +4.1% like-for-like
- +2.8pts positive impact from the consolidation of NAT ; -3.0pts from forex
- Seats (-0.9% reported ; +1.6% organic)
 - improving compared to a slow start in Q1 (-4.1% published ; -0.9% organic)
- Cabin & Structures (+8.1% reported ; +2.4% organic)
- Galleys & Equipment (+9.1% reported ; +12% organic)

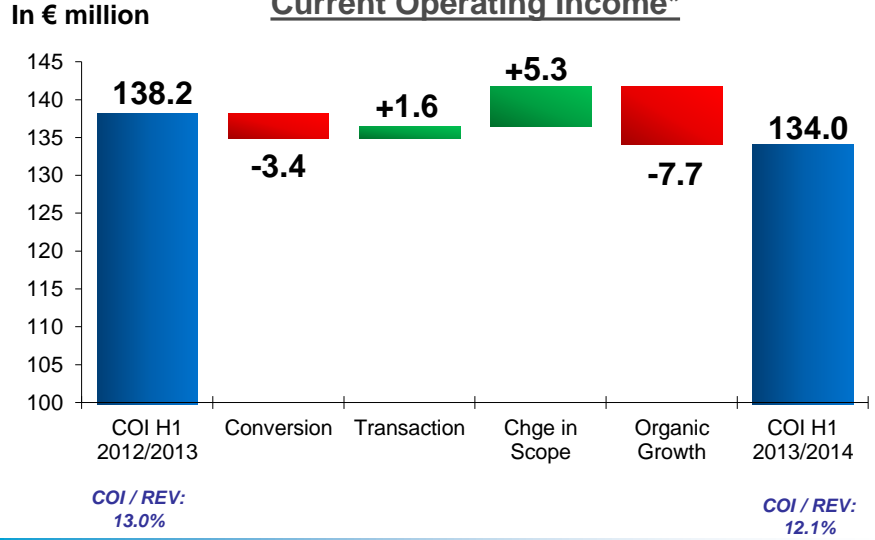
Decrease in COI*

- -3.0% reported ; -5.5% organic
- Consolidation scope +3.9pts on growth ; forex impact is mainly conversion

Revenues



Current Operating Income*



* Excluding IFRS3 impact



Zodiac Aircraft Systems

Key Events H1 2013/2014

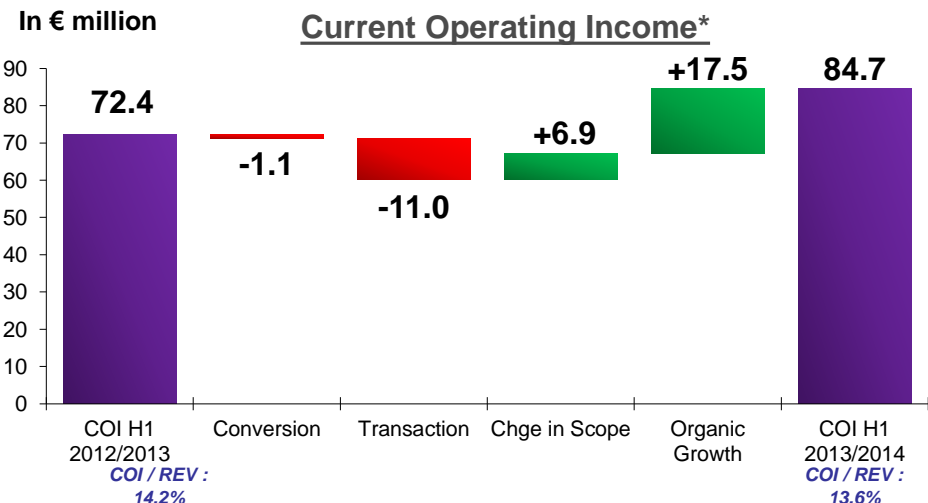
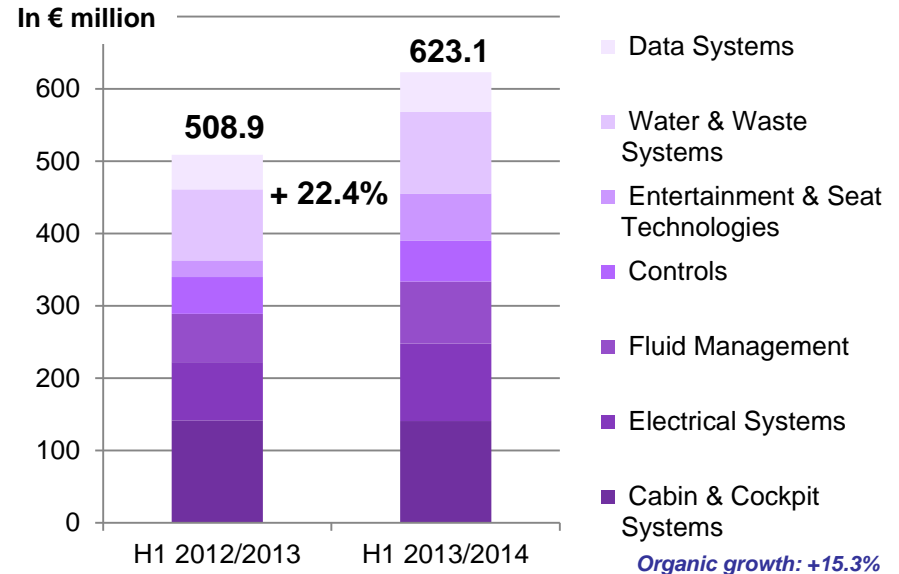
Strong growth in sales

- +22.4% to €623.1m
- +15.3% organic
 - +10.2pts from scope
 - -3.1pts from forex
- Benefitting from previous wins ramping up

Good growth in COI*, despite the dollar

- +16.9% to €84.7m
- 13.6% margin
- +24.4% on a like for like basis, i.e. margin improvement
- But the dollar has a -16.9pts negative impact on COI* growth

Revenues



Zodiac AeroSafety

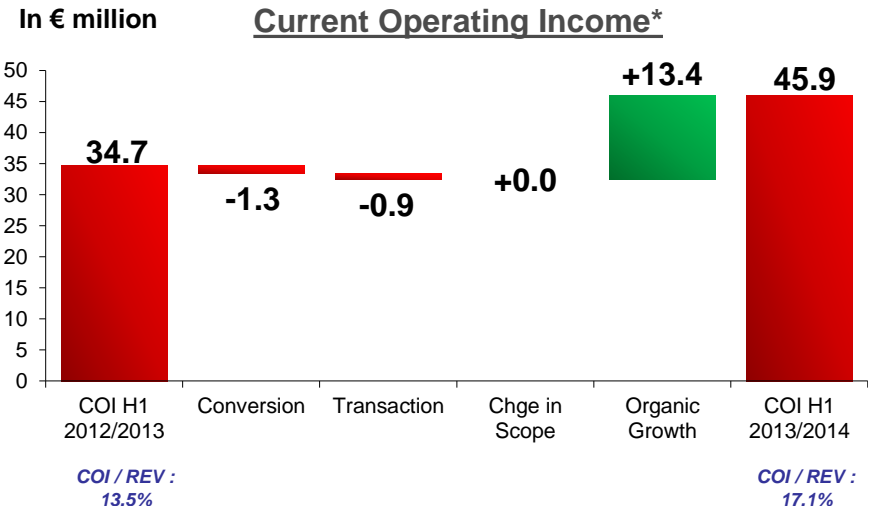
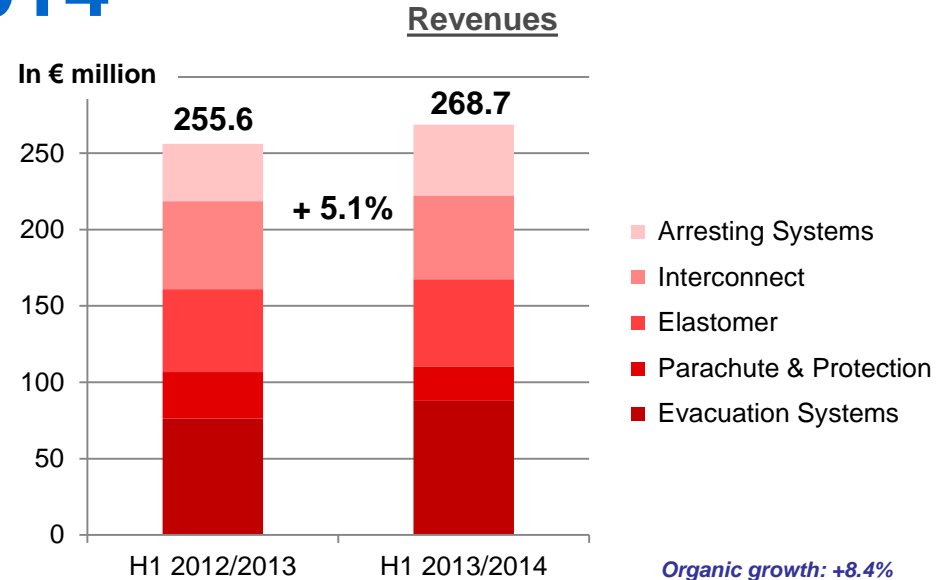
Key Events H1 2013/2014

■ Good H1

- +5.1% reported ; +8.4% organic
- Dollar impact is -3.3pts
- Benefitting from
 - good level of invoicing of EMAS in Q2
 - Good aftermarket for Evacuation systems

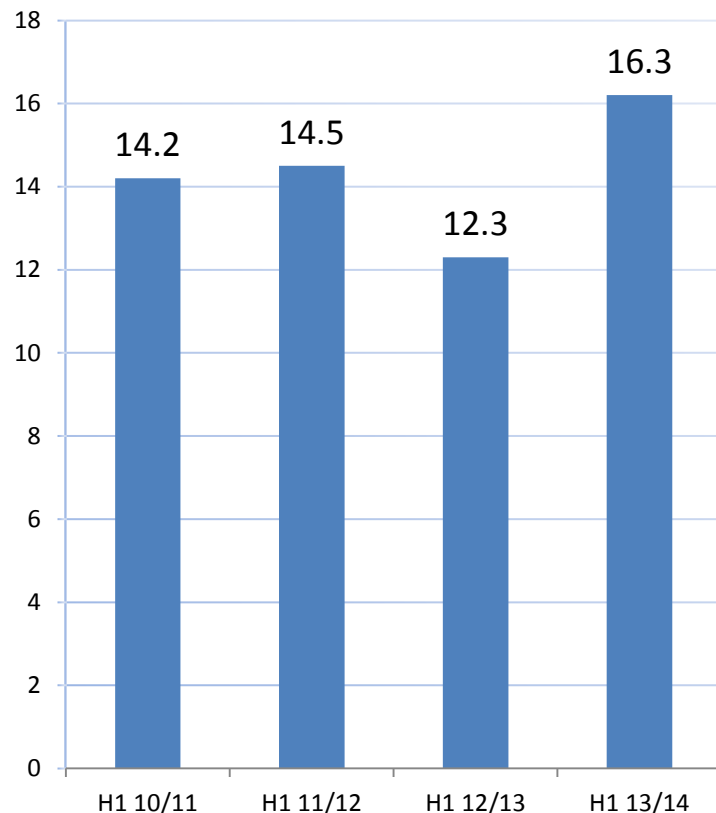
■ Strong improvement in margin

- Following H2 2012/2013
- Limited negative dollar impact
- Good contribution from operations



Limited increase of financial expenses...

In € million



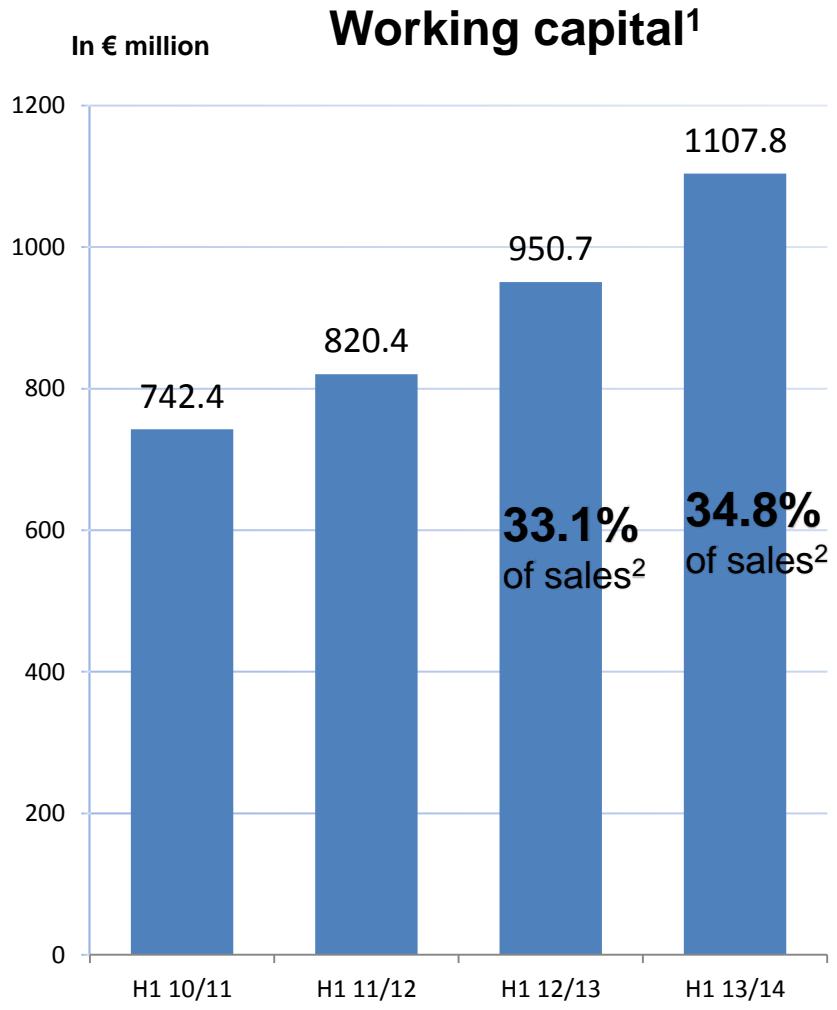
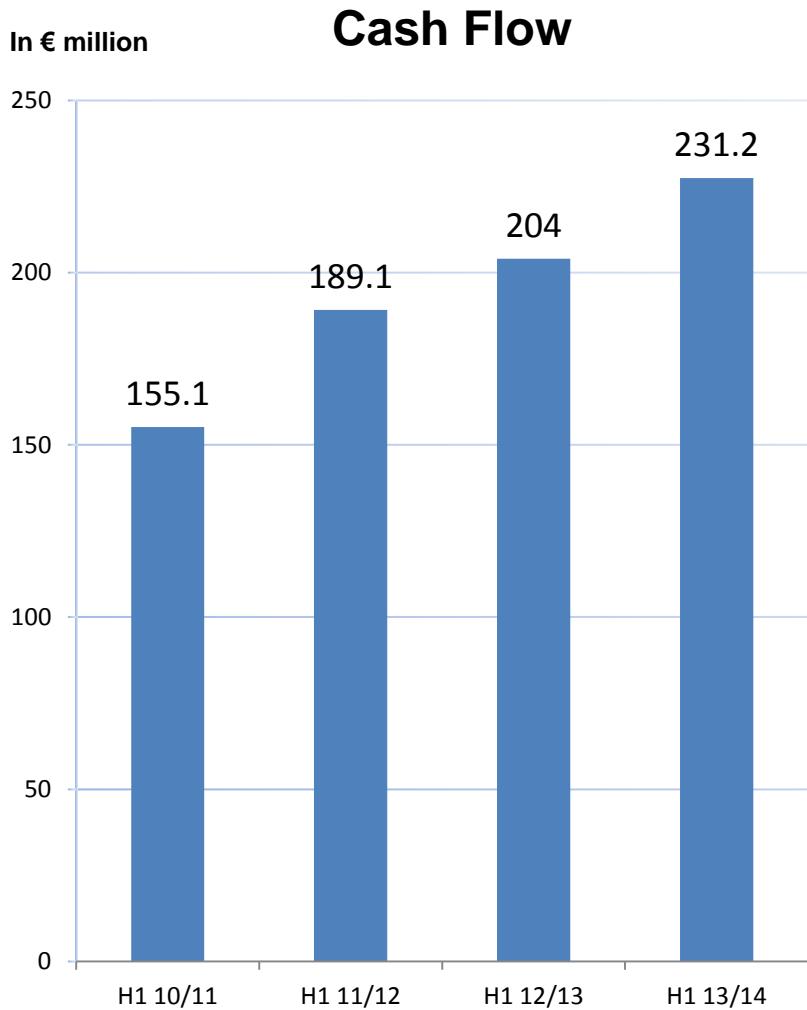
■ Limited increase in Financial expenses

- Total financial expenses increases to €16.3m
- Net financial cost is €-15.6m in H1 2013/2014 vs. €-11.9m in H1 2012/2013 and is mainly explained by the impact of the non-use cost of our syndicated loan
- Other financial costs are €-0.7 in H1 2013/2014 vs €-0.4m in H1 2012/2013

■ Other P&L items

- Income tax
 - €-66.8 in H1 2013/2014 vs. €-68.5m in H1 2012/2013 ; -2.5%
 - Implied rate is 29.2% in H1 2013/2014 vs. 31.8% in H1 2012/2013
 - Tax credit in France
- Non current operating items stable
 - €-10.0m in H1 2013/2014 vs €-10.7m in H1 2012/2013
 - Mainly related to IFRS 3 (€-8.6m in H1 2013/2014 vs. €-11.1m in H1 2012/2013)

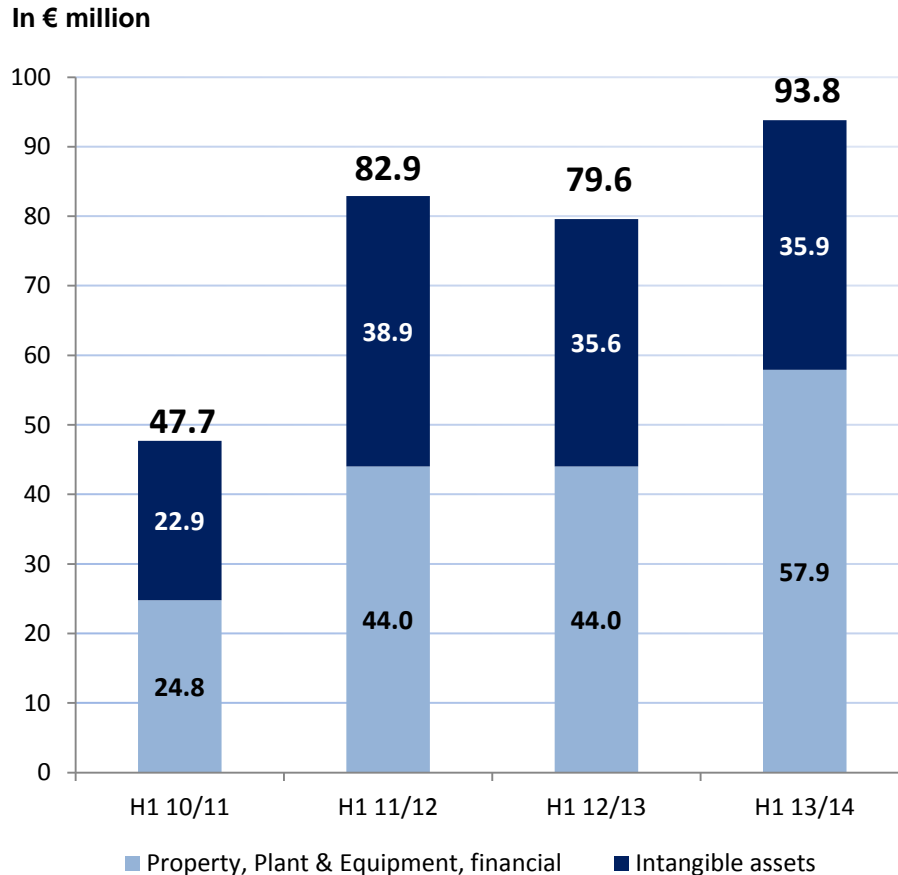
+13.3% increase in Cash Flow



(1) Based on trade WCR
(2) Excluding acquisitions



Stability of intangible capex

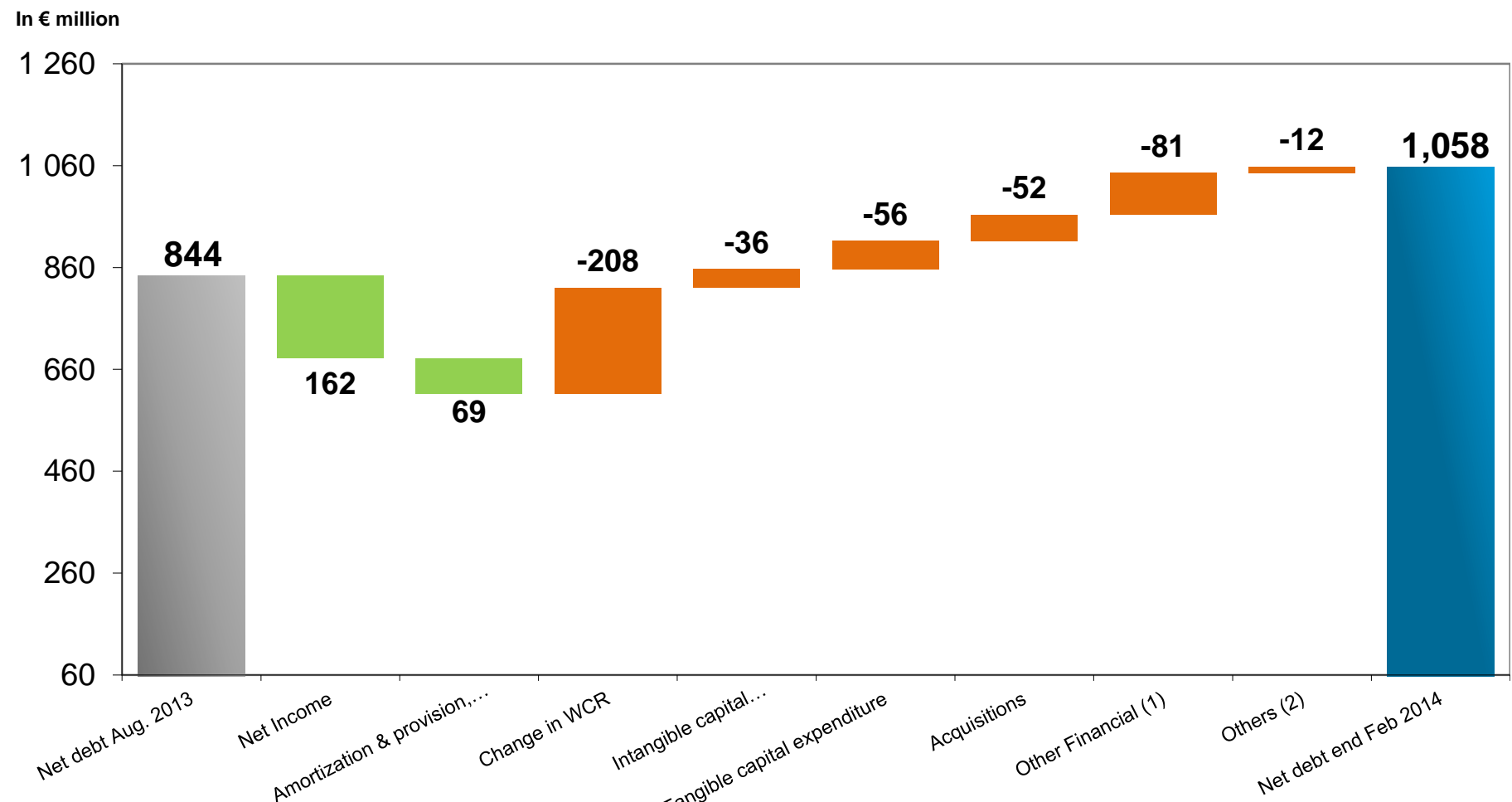


■ Intangible capital expenditures

- €32.7m of capitalized development costs in H1 2013/2014 vs. €31.5m in H1 2012/2013
- Mainly related to the development of the A350XWB

■ Tangible capex increase linked to new building

Acquisition and WCR increase result in increase in net debt compared to end 2012/2013...



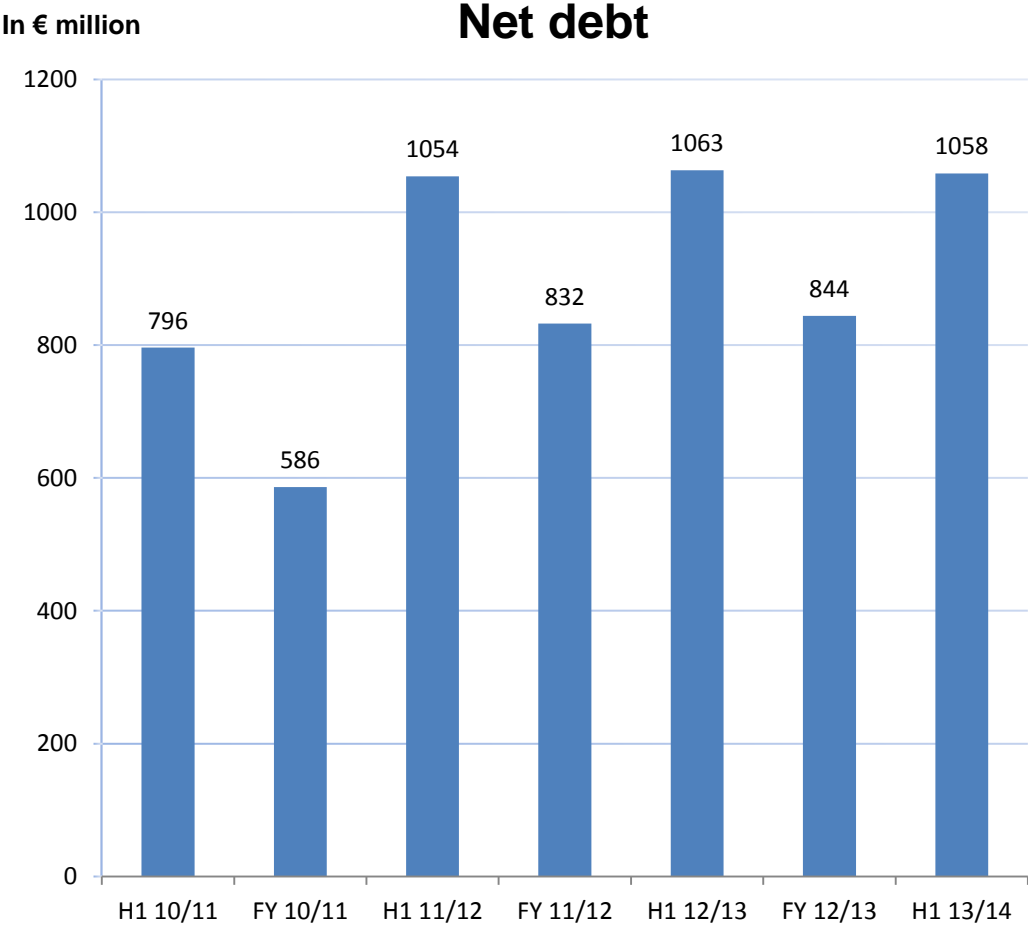
(1) Including dividends

(2) Currency translation adjustments and Net Income from Equity Method

Acquisitions: TriaGnosys (€20m) and PPP (\$45m)

... but slightly below end Feb 2013

Gearing ⁽¹⁾	0.52	0.38	0.59	0.42	0.52	0.39	0.46
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- Still a significant external growth potential
- Gearing is decreasing to 0.46 vs 0.52 at end Feb. 13

(1) Net financial debt / equity after dividend



Strategy and outlook

Evolving in a buoyant environment

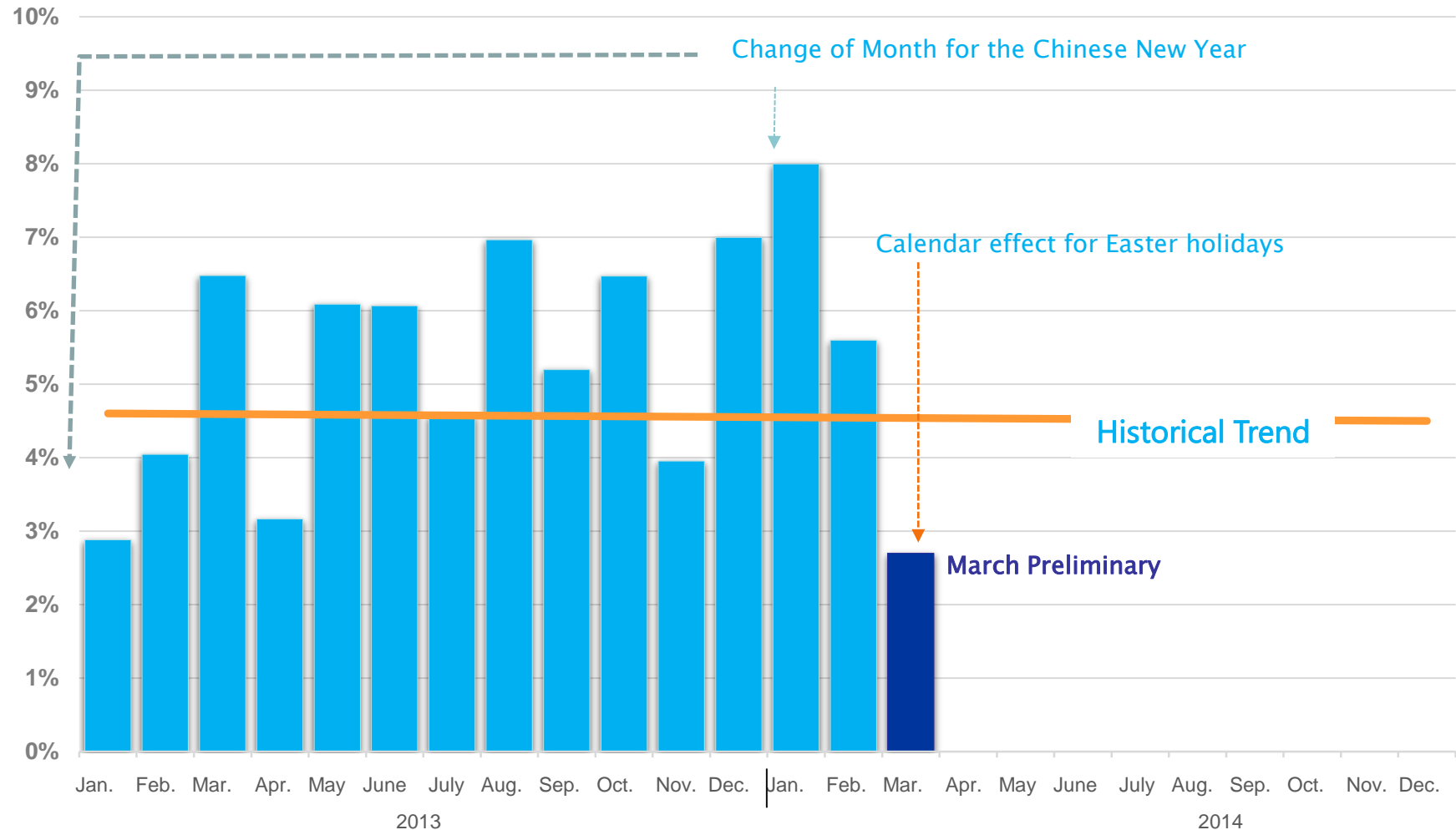
Traffic is experiencing a sustained growth

Zodiac Aerospace's strategy is based on internal and external growth



World air traffic is still increasing

Revenue Passenger Km –World evolution



Reinforcing the Group's financing

- **3 targets for the financing:**

- Allowing Zodiac Aerospace to pursue its strategy of internal and external growth;
- Diversify its funding sources ;
- Reinforce its financing structure by increasing the average maturity of its debt

- **A new “Club Deal” signed in March 2014**

- €1,030m, with a 5 years maturity
- Lowering the cost of debt

- **Completing the financing announced on July 24th, 2013**

- €660 m from private placement
 - €535m from a German Schuldschein and €125m from a private placement in France

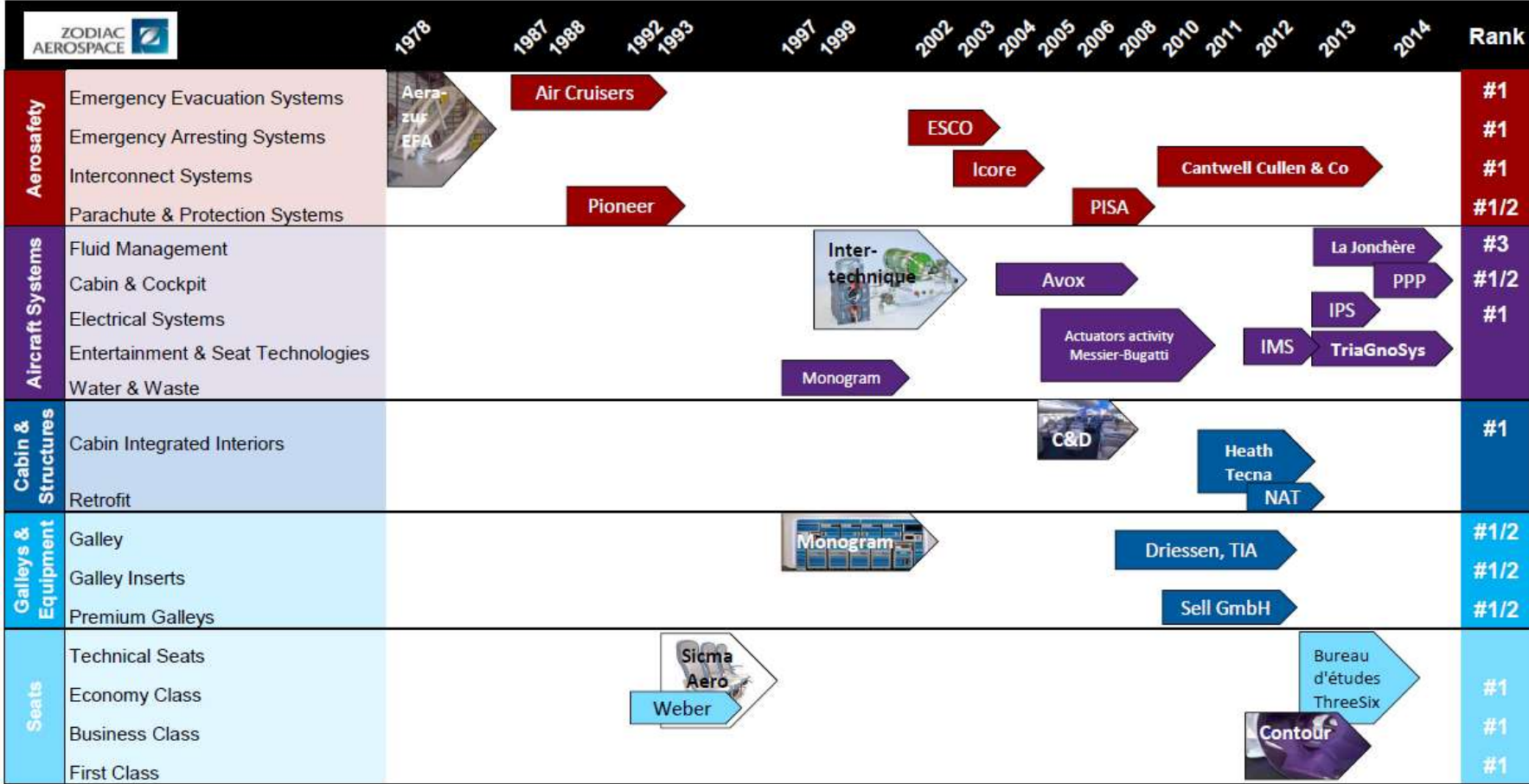
- **Zodiac Aerospace is also active on the commercial paper market**

Our Development Strategy combines Internal and External Growth

- **A successful external growth strategy**
- **Key metrics**
 - Be a world leader
 - In selected aerospace niche markets
 - With strong barrier to entry
 - And a good aftermarket content
 - Profitable companies
 - Additional metric: operations in dollars and/or in cost competitive countries
- **39 acquisitions in Aerospace since 1978**

Combining internal and external growth, Zodiac Aerospace has built world-leadership in selected niche markets

- Main Zodiac Aerospace acquisitions in Aerospace



- And also Heim, Enertec, Simula, Superflexit, Plastiremo, Amfuel, Quinson, Swan, Adder...
- Marine activities were divested in 2007

Innovation from the Pioneers of Integration

AIX 2014 take away



ISIS – Innovative Space Interior System

- In 2013, Zodiac Aerospace introduced ISIS for narrowbody aircraft



- In 2014, the concept is extended to widebodies

ISIS widebody: Premium Cabin



**Better comfort for passengers
Better working space for crew
Optimized LOPA***

A fully renewed range of Seats

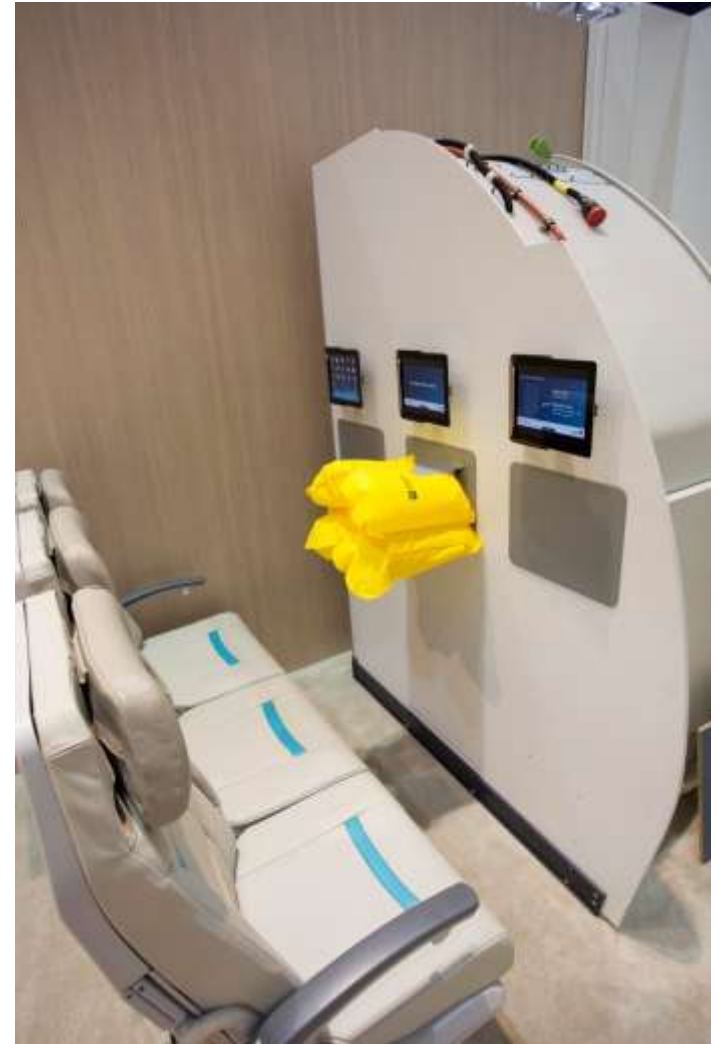


Innovating in Short/Medium Haul Hi-Density Y/C



Innovating for better safety and operations

- **Zodiac Aerospace combined its know how in**
 - Seats: world leader
 - Galleys: world leader for NB
 - Airbags: millions of airbags produced for the automotive industry
- **To develop a new airbag system for first rows, integrated in the galley**
 - Better safety
 - Possibility to reduce pitch
- **The system is also transferable to seats (F/C ; B/C)**

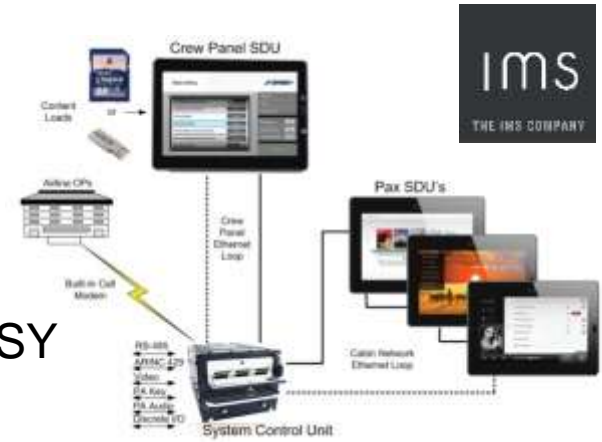


A full IFEC offer



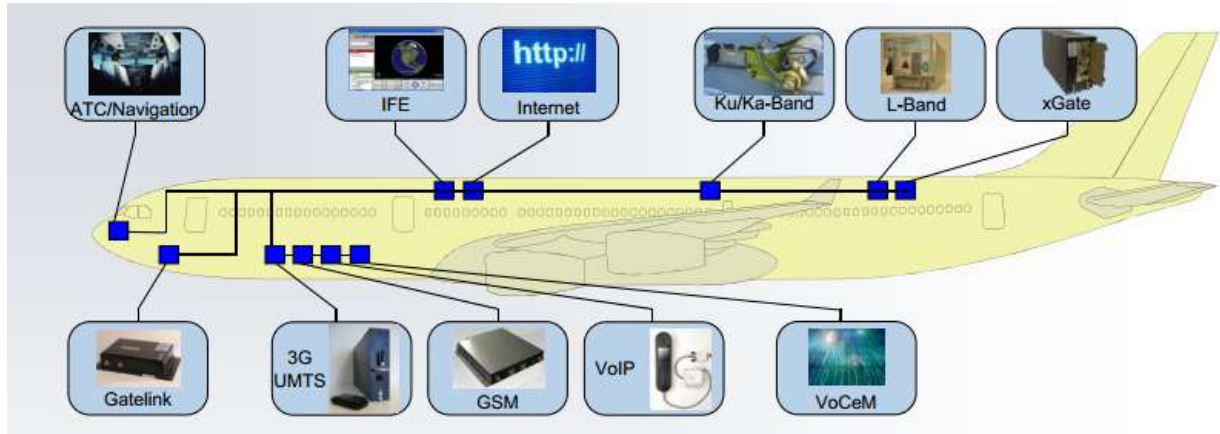
RELIABLE | AFFORDABLE | VERY EASY

Passenger Features: VOD / AOD
 Cabin Crew Features: IFE Control
 Maintenance Features



In Flight Entertainment & Connectivity (IFEC)

Combining RAVE (IMS) + SiT and TriaGnoSys for a full IFEC offer



Zodiac Aerospace's new COGS allows Airbus 330 to fly the Himalayan route

- **Zodiac Aerospace was selected by Airbus Operations to develop and supply the optional Extended Chemical Passenger Oxygen System (E-COGS) for the Long Range program, allowing it to fly Himalayan routes.**
 - The contract was signed during the Aircraft Interiors Expo
 - The new Chemical Oxygen Generator System (COGS) offers 60-minutes duration of oxygen flow, responding to the market demand for extended emergency descent profiles allowing airlines to fly over extended routes.
 - Airbus award to Zodiac Aerospace includes line-fit deliveries as well as retrofit approaches for existing aircraft.
 - The contract will be performed by the Zodiac Cabin & Cockpit Systems division, part of the Aircraft Systems segment



2013/2014 outlook

- **Passenger Traffic is still growing**
- **New programs are progressing**
- **Zodiac Aerospace targets another year of organic growth**

- **Financial hedges in place for 2013/2014**
 - 8% of net estimated €/€ transaction exposure at 1.285
 - 87% of net estimated CAD/\$ transaction exposure at 1.047
 - 85% of net estimated £/\$ transaction exposure at 1.563

A successful strategy

- **Development of the Group focused on Commercial aviation**
- **Aboard all new civilian aircraft programs**
- **Leading positions in selected niche markets**
- **Recurring services model providing additional resilience**
- **Leadership in key future technologies**
- **Established track record in acquisitions**

Appendices

P&L

Cash Flow Statement

Balance Sheet

Appendices: Income statement

In million of euros	H1 2013/2014	H1 2012/2013	% change
Sales revenue	1,997.7	1,829.3	+9.2%
Depreciation and amortization	44.7	39.7	
Charges to provisions	16.3	9.5	
Current operating income	255.3	238.3	+7.1%
Non-current operating income	-10.0	-10.7	
Operating income	245.4	227.6	+7.8%
Cost of net debt	-15.6	-11.9	+30.5%
Other financial income and expenses	-0.7	-0.4	
Tax expense	-66.8	-68.5	-2.5%
Share in income (loss) of equity affiliates	0.2	-0.2	
Income from continuing operations	162.4	146.6	+10.8%
Income from operations being discontinued	-	-	
Net income	162.4	146.6	+10.8%
Net income attributable to non-Group shareholders	-0.4	-0.0	
Net income attributable to Group shareholders	162.8	146.6	+11.0%

Appendices: Cash flow statement

In millions of euros	H1 2013/2014	H1 2012/2013
Operating activities		
Cash flow from operations	231.2	204.1
Change in WCR	-208.1	-157.8
Cash flow from continuing operations	23.1	46.3
Cash flow from operations of businesses being sold	-	-
INVESTMENT OPERATIONS		
Acquisition of intangible fixed assets	-35.9	-35.6
Acquisition of tangible fixed assets and others	-56.9	-43.8
Changes to the scope of consolidation	-52.1	-119.2
Cash flow from investments in continuing operations	-144.9	-198.6
Cash flow from investments of operations being discontinued and assets held for sale	-	-
FINANCING OPERATIONS		
Change in debt	104.4	123.8
Treasury stock	0.5	-1.5
Increase in equity	5.8	2.7
Dividends	-87.8	-76.1
Cash flow from the financing of continuing operations	22.9	48.9
Currency translation adjustments. beginning of period	-10.2	-4.1
Change in cash position	-109.1	-107.6

Appendices: Balance sheet

In millions of euros	02/28/14	08/31/13	02/28/13		02/28/14	08/31/13 *	02/28/13 *
Goodwill	1,592.7	1,568.8	1,558.5	Equity			
Intangible assets	569.0	557.5	534.8	Share capital	2,113.6	1,886.1	1,887.9
Property, plant & equipment	363.4	345.1	323.9	Results:	162.4	370.7	146.6
Other, including deferred taxes	18.0	16.6	14.5	Net equity	2,276.0	2,256.8	2,034.5
Non-current assets	2,543.1	2,488.0	2,431.7	Prov. & deferred taxes	237.3	235.9	225.6
Inventories	935.8	859.0	842.7	Financial liabilities	723.2	908.6	764.0
Trade receivables	833.1	738.4	769.5	Financial debt	960.5	1,144.5	989.6
Other	86.2	76.8	73.5	Prov. for risks and charges	84.4	76.1	66.1
Cash and cash equivalents	67.3	156.8	88.1	Financial liabilities	404.4	92.3	389.5
Current assets	1,922.4	1,831.0	1,773.8	Trade payables	341.4	313.0	310.0
Assets held for sale	1.3	1.4	1.4	Employees	162.6	179.7	158.7
Total assets	4,466.8	4,320.4	4,206.9	Other	237.5	258.0	258.5
				Non-current liabilities	1,230.3	919.1	1,182.8
				Total liabilities	4,466.8	4,320.4	4,206.9

*The above comparison includes the revised IAS 19 norm

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MEDIA CONTACTS – IMAGE 7

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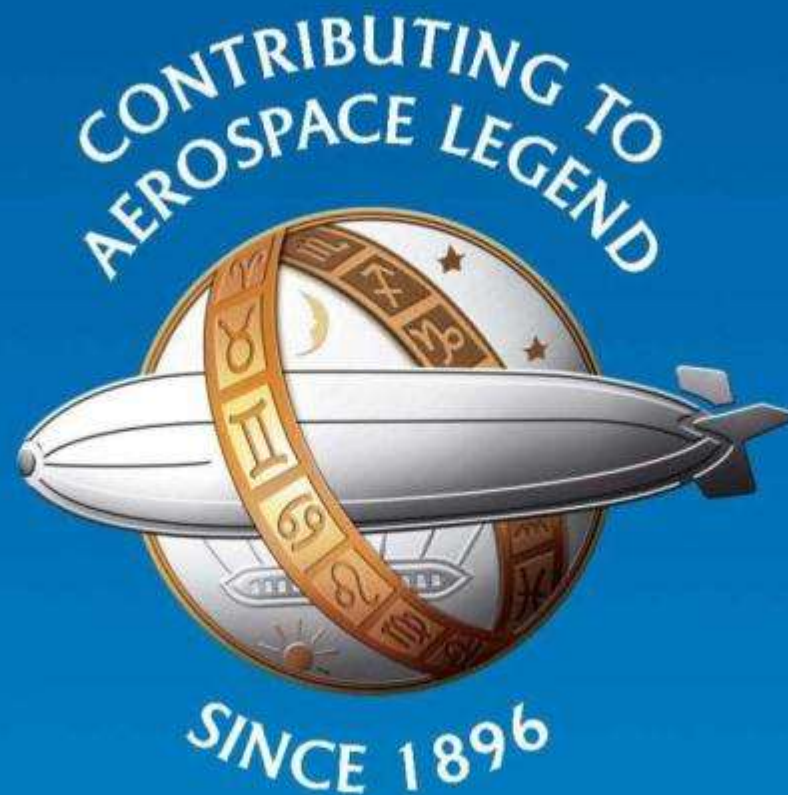
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Next meetings:

Q3 sales revenue
Q4 sales revenue
FY Results

June 17, 2014 (after stock exchange closing)
September 16, 2014 (after stock exchange closing)
November 25th, 2014 (before stock market opening)