

Plaisir, April 20, 2015

Statement by Management

To the best of our knowledge, the condensed financial statements for the half-year ended have been established in conformity with the applicable accounting standards, and provide a fair presentation of the assets, financial position and net income of the company and all the Group entities included within the scope of consolidation. The attached half-year business report presents an accurate view of significant events that occurred during the first six months of the fiscal year, their impact on the financial statements, the primary transactions between related parties, and a description of the main risks and uncertainties for the remaining six months of the fiscal year.

Olivier Zarrouati
Chairman and Chief Executive Officer

Jean-Jacques Jégou
Vice-President, Administration and Finance

Business report for the first half of 2014/2015

During the first half of the 2014/2015 fiscal year, Zodiac Aerospace earned revenue of €2,324.1 million, up 16.3% in reported data and 4.9% at like-for-like consolidation scope and exchange rates. Despite the positive impact of the consolidation of Greenpoint Technologies and a positive foreign exchange impact, the Group's current operating income before IFRS 3 was down 32.4% at €177.7 million due to production difficulties in the Seats segment. The net debt-to-equity ratio was stable (0.49 compared to 0.46), with net debt amounting to €1,423.3 million.

Business in the first half

During the first half of the 2014/2015 fiscal year (September to February), Zodiac Aerospace earned revenue of €2,324.1 million, up 16.3%. At like-for-like consolidation scope and exchange rates, this represented a 4.9% increase. The consolidation of Pacific Precision Products in the Aircraft Systems segment and Greenpoint Technologies in the Cabin & Structures segment contributed a positive 3.6 percentage points. The foreign exchange impact was mainly due to the US dollar's appreciation against the euro, generating a positive 7.8 percentage points.

The **AeroSafety** segment (**12.7% of total revenue**) posted sales revenue of €296.0 million, up 10.2% based on reported figures and 2.2% in terms of organic growth. This takes into account a positive foreign exchange impact of 8.0 percentage points. The "Evacuation Systems" and "Interconnect" businesses also posted growth, while the "Elastomer" and "Arresting Systems" divisions remained stable and "Parachute & Protection" was down. These trends are generally in line with the scenario for the year.

The **Aircraft Systems** segment (**30.3% of total revenue**) posted sales revenue of €703.5 million, up 12.9% based on reported figures and 4.9% in terms of organic growth. The consolidation of Pacific Precision Products and Enviro Systems had a positive impact of 1.4 percentage points on growth in the first half, while the foreign exchange impact boosted growth by 6.6 percentage points. The strongest growth in the first half came from the "Entertainment & Seat Technologies" division which benefited from the sharp increase in sales of in-flight entertainment systems (IFE).

Aircraft Interiors posted a substantial increase in sales revenue of 19.8% at €1,324.6 million. The foreign exchange and consolidation impact accounted for 8.5 and 5.8 percentage points of this growth respectively, with organic growth accounting for the remaining 5.5%.

- The **Seats** segment (**26.8% of total revenue**) posted sales revenue of €622.2 million, up 19.2% based on reported figures and 11.1% in terms of organic growth. Foreign exchange had a positive impact of 8.1 percentage points. The increase in sales revenue was due to the continuing catch-up of the delivery lag, although this generated additional production costs.
- The **Cabin & Structures** segment (**18.5% of total revenue**) benefited from the consolidation of Greenpoint, which added 19.1 percentage points to growth in the first half and had a positive exchange impact of 10.5 percentage points, while organic growth was down by 2.0%. This was mainly due to the deconsolidation of revenues of the business now conducted by EZ Air, the joint venture with Embraer. Altogether, sales revenue for the segment was up 27.6% at €429.9 million.
- The **Galleys & Equipment** segment (**11.7% of total revenue**) posted sales revenue of €272.5 million, up 10.3% in reported figures and 4.1% excluding the foreign exchange impact (for a total of 6.2 percentage points).

Current operating income

Current operating income before IFRS 3 came to €177.7 million,¹ down 32.4% compared to the first half of the 2013/2014 fiscal year, despite a positive consolidation scope impact of €11.8 million from recently acquired activities, particularly Greenpoint Technologies, and a positive dollar impact of €50.1 million, reflecting the favorable average dollar/euro exchange rate.

The Aircraft Systems segment generated current operating income of €105.1 million in the first half of fiscal 2014/2015, up 15.4%. It benefited particularly from a positive exchange rate impact of €25.5 million.

The AeroSafety segment posted current operating income of €56.2 million, up 21.6%. During the period, exchange rates had a positive impact of €8.2 million on current operating income.

The Aircraft Interiors businesses, which include the Seats, Cabin & Structures, and Galleys & Equipment segments, were affected by production difficulties in the Seats segment. Current operating income came to €22.6 million compared to €134.4 million in the first half of 2013/2014.

Breakdown of first-half net income

Non-current operating items came to a negative €12.6 million in the first half of fiscal 2014/2015 compared to a negative €10.0 million in the previous six months. They were mainly composed of impairments of securities recognized as intangible assets pursuant to accounting standard IFRS 3 (-€9.5 million compared to -€8.2 million in the first half of 2013/2014).

Operating income was down 34.7% at €165.0 million.

The cost of gross debt dropped from €15.9 million to €14.9 million. It was slightly lower than at the end of February 2014, as the cost related to our increased usage was offset by the lower average cost of our financing: 2.2% compared to 3.1% for the first half of fiscal 2013/2014. The cost of net debt was down due to a positive foreign exchange impact.

The tax charge amounted to an expense of €47.3 million compared to €74.2 million, reflecting the decrease in operating income. The effective tax rate came to 30.1% in the first half of fiscal 2014/2015 compared to 31.4% in the first half of 2013/2014. The research tax credit is included in operating income.

Net income attributable to equity holders of the parent company was down 33.3% in the first half at €108.6 million compared to €162.8 million, and net income attributable to equity holders of the parent company before IFRS 3 was down 31.4% at €116.1 million.

Net earnings per share, based on 275,413,283 shares, came to €0.394 compared to €0.595 after IFRS 3.

¹ Including an €8.5 million restatement related to the research credit tax, compared to €7.4 million in H1 2013/2014.

Other financial items

The difference in exchange rates at the close, especially that of the euro/dollar which fell from 1.3188 at August 31, 2014 to 1.124 at February 28, 2015, generated growth of €421 million in the balance sheet total, composed as follows:

(in millions of euros)

		Net equity	332.8
Intangible assets	209.6	Provisions for risks and deferred taxes	20.5
Property, plant and equipment	29.1	Financial liabilities	0.2
Current assets	182.3	Current liabilities	67.5
TOTAL ASSETS	421.0	TOTAL LIABILITIES	421.0

Cash flow was down 3.9% at €222.6 million compared to €231.2 million. The operating WCR amounted to €1,801.7 million, up €406.3 million (€132.4 million of which came from currency conversion mainly due to the euro/dollar exchange rate at the close) compared to the end of the 2013/2014 fiscal year. This increase was mainly due to the difficulties in the Seats business and the priority given to re-establishing on-time deliveries for our clients, which resulted in higher levels of inventories and work in process. Altogether, the operating WCR represented 39.7% of total revenues compared to 34.2% at like-for-like consolidation at August 31, 2014.

In the first half of 2014/2015, tangible and other capital expenditure was stable at €59.4 million compared to €57.9 million in the first half of 2013/2014.

Intangible capital expenditure increased to €47.7 million compared to €35.9 million. The capitalization of development costs (IAS 38) accounted for the majority of this item, totaling €36.5 million compared to €32.7 million in the first half of 2013/2014.

Financial investments of €99 million were mainly related to the acquisition of Enviro Systems.

Provisions increased by €44.6 million, of which €32.1 million were for penalties and other claims related to late delivery.

The Group's net debt totaled €1,423.3 million, higher than at February 28, 2014 (€1,058.0 million) and August 31, 2014 (€1,067 million). Debt remains under tight control, with a debt-to-equity ratio of 49% compared to 46% at August 31, 2014.

Zodiac Aerospace used its contractual option to extend the maturity of its €1,030-million credit facility for a further year, from March 2019 to March 2020. This extension was accepted by all the banks participating in the Club Deal.

Outlook

In 2014/2015, Zodiac Aerospace will deliver further revenue growth and benefit from a positive foreign exchange impact, especially the dollar/euro exchange rate: the remainder of the 2014/2015 fiscal year is 92% hedged at \$/€1.27. For fiscal 2015/2016, the Group has increased its foreign exchange hedging with 50% of forecast net \$/€ exposure hedged at \$/€1.108.

The recovery plans put in place at the various Seats entities are starting to bear fruit. The primary objective is to rapidly reinstate on-time delivery and eradicate the delays before the year end.

Based on the results for the first half and the year-end forecasts, the Group has set its target current operating income for the full year close to that of the previous year.

CONSOLIDATED FINANCIAL STATEMENTS

I Consolidated statement of financial position ASSETS

(in thousands of euros)

	Notes	Amount at Feb. 28, 2015	Amount at Aug. 31, 2014	Amount at Feb. 28, 2014 ⁽¹⁾
Goodwill	(Notes 1.5 and 2)	2,027,841	1,779,309	1,592,741
Intangible assets	(Notes 1.5, 3.1 and 3.2)	695,270	619,099	568,967
Property, plant and equipment		448,516	396,241	363,385
Investment in associates and joint ventures	(Note 4)	1,561	1,427	668
Loans		14,367	10,053	1,519
Other non-current financial assets		16,371	14,075	14,590
Deferred tax assets	(Note 5)	2,055	1,227	1,272
Total non-current assets		3,205,981	2,821,431	2,543,142
Inventories	(Note 7)	1,286,131	1,008,262	935,810
Current tax assets	(Note 5)	90,516	76,665	49,414
Trade receivables		1,121,238	897,394	833,120
Advances to accounts payable and employees		18,247	12,549	12,858
Other current assets		38,277	30,470	27,998
Other financial assets:				
- loans and other current financial assets		630	1,309	5,776
Cash and cash equivalents	(Note 6)	104,014	166,731	67,312
Total current assets		2,659,053	2,193,380	1,932,288
Held-for-sale assets ⁽²⁾		9,996	9,760	1,300
TOTAL ASSETS		5,875,030	5,024,571	4,476,730

- (1) The comparative financial statements at February 28, 2014 have been restated as described in Note 3 "Accounting Principles".
- (2) The amounts relate to buildings held for sale.

CONSOLIDATED FINANCIAL STATEMENTS
BALANCE SHEET

EQUITY AND LIABILITIES

(in thousands of euros)	Notes	Amount at Feb. 28, 2015	Amount at Aug. 31, 2014	Amount at Feb. 28, 2014 (1)
Capital		11,552	11,537	11,526
Share premiums		136,503	133,182	130,962
Consolidated reserves		2,439,056	2,169,147	2,184,713
Currency translation adjustments		315,235	(20,017)	(115,104)
Fair value adjustment of financial instruments		(32,078)	(2,019)	339
Net income attributable to equity holders of the parent company		108,629	354,413	162,787
Treasury stock		(83,809)	(84,448)	(89,420)
Equity – after minority interests		2,895,088	2,561,795	2,285,803
Minority interests		(312)	(271)	59
Equity		2,894,776	2,561,524	2,285,862
Non-current provisions	(Note 8)	118,039	114,591	90,227
Non-current financial liabilities	(Note 9)	890,694	840,574	723,161
Other non-current financial liabilities		247	70	–
Deferred tax liabilities	(Note 5)	166,262	155,507	147,108
Total non-current liabilities		1,175,242	1,110,742	960,496
Current provisions	(Note 8)	133,538	92,322	84,404
Current financial liabilities	(Notes 6 and 9)	636,571	393,414	402,158
Other current financial liabilities		63,235	3,180	2,252
Accounts payable		416,864	379,260	341,442
Liabilities to employees and payroll liabilities		189,890	195,686	162,567
Current tax liabilities		50,943	44,393	51,897
Other current liabilities	(Note 10)	313,971	244,050	185,652
Total current liabilities		1,805,012	1,352,305	1,230,372
TOTAL LIABILITIES		5,875,030	5,024,571	4,476,730

(1) The comparative financial statements at February 28, 2014 have been restated as described in Note 3 "Accounting Principles".

II Consolidated **statement** of profit and loss

(in thousands of euros)	Notes	Amount at Feb. 28, 2015	Amount at Aug. 31, 2014	Amount at Feb. 28, 2014 ⁽¹⁾
Sales revenue	(Note 1.1)	2,324,115	4,174,512	1,997,691
Other revenue from operations		14,407	17,608	6,257
Purchases used in production		987,970	1,711,558	814,368
Personnel costs		728,416	1,221,512	614,471
External costs		392,943	594,420	273,066
Taxes other than income taxes		17,818	34,155	16,218
Depreciation and amortization charges		55,133	93,916	44,732
Charge to provisions		46,943	33,727	16,347
Changes in inventories of finished goods and work in progress		68,666	64,757	37,814
Other operating income and expenses		(339)	(1,162)	124
Current operating income	(Note 1.2)	177,626	566,427	262,684
Non-current operating items	(Note 11)	(12,616)	(24,587)	(9,959)
Operating income		165,010	541,840	252,725
Income/(expenses) related to cash and cash equivalents		7,672	1,528	367
Cost of gross debt		(14,855)	(32,791)	(15,926)
Cost of net debt	(Note 1.3)	(7,183)	(31,263)	(15,559)
Other financial income and expenses	(Note 1.3)	(742)	(2,496)	(735)
Income taxes	(Notes 1.4 and 5)	(47,319)	(153,390)	(74,177)
Results of companies accounted for using the equity method		(1,106)	(1,088)	150
NET INCOME		108,660	353,603	162,404
Attributable to non-controlling interests		31	(810)	(383)
Attributable to equity holders of the parent company		108,629	354,413	162,787
Basic earnings per share attributable to equity holders of the parent company		0.394	1.291	0.595
Diluted earnings per share attributable to equity holders of the parent company		0.391	1.280	0.589

(1) The comparative financial statements at February 28, 2014 have been restated as described in Note 3) "Accounting principles".

III Consolidated **statement** of net income and gains and losses recognized directly in equity

(in thousands of euros)

	Amount at Feb. 28, 2015	Amount at Aug. 31, 2014	Amount at Feb. 28, 2014
Net income	108,660	353,603	162,404
Gains and losses recognized in equity, before tax:			
- currency translation adjustments ⁽¹⁾	335,180	28,760	(66,624)
- restatement of hedging derivative instruments	(46,632)	(4,876)	(1,883)
Tax on restatement of hedging derivative instruments	16,559	1,589	867
Actuarial gains or losses ⁽²⁾		(20,389)	
Tax on actuarial gains or losses		6,777	
Total of gains and losses recognized directly in equity	305,107	11,861	(67,641)
Net income and gains and losses recognized directly in equity	413,767	365,464	94,763
Attributable to non-controlling interests	(41)	(837)	(400)
Attributable to equity holders of the parent company	413,808	366,301	95,163

(1) Most of the currency translation is related to the change in the euro/US dollar exchange rate.

(2) In accordance with IAS 19 (revised), the Group's financial statements recognize actuarial gains or losses and past service costs related to pensions and lump-sum payments on retirement.

IV Statement of change

in consolidated equity

(in thousands of euros)

	Capital	Share premiums	Reserves	Net income attributable to equity holders of the parent company	Currency translation adjustments	Treasury stock	Revaluation of financial instruments	Total equity attributable to equity holders of the parent company	Change in minority interests	Change in equity
BALANCE at Aug. 31, 2013 ⁽¹⁾	11,486	125,194	1,896,798	370,914	(48,647)	(89,880)	393	2,266,258	459	2,266,717
Currency translation adjustments			(150)		(66,457)			(66,607)	(17)	(66,624)
Revaluation of financial instruments ⁽²⁾			(963)				(54)	(1,017)		(1,017)
Income recognized directly in equity (a)			(1,113)		(66,457)		(54)	(67,624)	(17)	(67,641)
Net income for the period (b)				162,787				162,787	(383)	162,404
Income recognized for the period (a) + (b)			(1,113)	162,787	(66,457)		(54)	95,163	(400)	94,763
Capital increase	40	5,768	(11)					5,797		5,797
Acquisition or disposal of own shares ⁽³⁾						460		460		460
Valuation of options on share options and bonus share awards			4,543					4,543		4,543
Dividends			(87,790)					(87,790)		(87,790)
Other ⁽⁴⁾			372,286	(370,914)				1,372		1,372
POSITION at February 28, 2014 ⁽¹⁾	11,526	130,962	2,184,713	162,787	(115,104)	(89,420)	339	2,285,803	59	2,285,862
POSITION at August 31, 2014	11,537	133,182	2,169,147	354,413	(20,017)	(84,448)	(2,019)	2,561,795	(271)	2,561,524
Currency translation adjustments					335,252			335,252	(72)	335,180
Revaluation of financial instruments ⁽²⁾			(14)				(30,059)	(30,073)		(30,073)
Income recognized directly in equity (a)			(14)		335,252		(30,059)	305,179	(72)	305,107
Net income for the period (b)				108,629				108,629	31	108,660
Income recognized for the period (a) + (b)			(14)	108,629	335,252		(30,059)	413,808	(41)	413,767
Capital increase	15	3,321						3,336		3,336
Acquisition or disposal of own shares ⁽³⁾						639		639		639
Valuation of options on share options and bonus share awards			3,608					3,608		3,608
Dividends			(88,105)					(88,105)		(88,105)
Other ⁽⁴⁾			354,420	(354,413)				7		7
POSITION at February 28, 2015	11,552	136,503	2,439,056	108,629	315,235	(83,809)	(32,078)	2,895,088	(312)	2,894,776

(1) Equity at August 31, 2013 and February 28, 2014 has been restated as described in Note 3 "Accounting principles".

(2) The column "Revaluation of financial instruments" includes the fair value of interest rate hedging and the impact of currency derivatives pursuant to IAS 39.

(3) Shares acquired under a "liquidity agreement" and share buyback program.

(4) Including allocation of net income.

V Consolidated statement of cash flow ⁽¹⁾

(in thousands of euros)

	Notes	Amount at Feb. 28, 2015	Amount at Aug. 31, 2014	Amount at Feb. 28, 2014
Operating activities:				
Net income		108,660	353,603	162,404
Results of companies accounted for using the equity method		1,106	1,088	(150)
Depreciation, amortization and provisions		102,266	128,232	59,901
Capital gains		94	926	152
Deferred taxes	(Note 5)	7,144	17,749	4,450
Stock options		3,608	7,826	4,543
Other		(274)	(219)	(69)
Cash flow from operations		222,604	509,205	231,231
Net change in inventories		(172,448)	(133,905)	(89,946)
Net change in operating assets		(142,727)	(163,538)	(112,932)
Net change in debt		30,814	20,059	(5,227)
Cash flow related to operations		(61,757)	231,821	23,126
Investing activities:				
Acquisitions of non-current assets:		-	-	-
- intangible assets	(Note 3.1)	(47,684)	(82,031)	(35,887)
- property, plant & equipment		(53,272)	(113,189)	(55,656)
- other		(6,117)	(11,044)	(2,266)
Proceeds from sale of property, plant and equipment		799	1,845	541
Changes in receivables and payables relating to fixed assets		(98)	657	487
Acquisitions/(disposals) of entities, net of cash acquired ⁽²⁾		(99,158)	(162,717)	(52,108)
Cash flow from investments		(205,530)	(366,479)	(144,889)
Financing activities:				
Change in financial debt		270,024	236,113	104,428
Change in financial instruments		-	-	-
Increase in equity		3,336	8,028	5,797
Treasury stock		639	(118)	460
Ordinary dividends paid by parent company		(88,106)	(87,790)	(87,790)
Cash flow related to financing of operations		185,894	156,233	22,895
Currency translation adjustments, beginning of period		(3,488)	(4,626)	(10,216)
CHANGE IN CASH AND CASH EQUIVALENTS		(84,882)	16,949	(109,084)
CASH AT BEGINNING OF PERIOD	(Note 6)	155,670	138,721	138,721
CASH AT END OF PERIOD	(Note 6)	70,788	155,670	29,637

(1) The Group did not record any transactions between shareholders during the period.

(2) At August 31, 2014, this concerned the acquisitions of TriaGnoSys, Pacific Precision Products and Greenpoint Technologies and at February 28, 2015, the acquisitions of Enviro Systems and Hoche Triomphe Finances. See 4) Key first-half events

VI Notes to the financial statements

1) LIST OF CONSOLIDATED COMPANIES AT FEBRUARY 28, 2015

Fully consolidated companies	Country	Group's % interest
ZODIAC AEROSPACE	France	Parent company
AERODESIGN DE MEXICO SA	Mexico	100.00
AIR CRUISERS COMPANY LLC	USA	100.00
AMFUEL	USA	100.00
AVOX SYSTEMS	USA	100.00
BASE2	USA	100.00
C&D AEROSPACE CANADA CO.	Canada	100.00
C&D BRASIL LIMITADA	Brazil	100.00
C&D ZODIAC INC.	USA	100.00
CANTWELL CULLEN & COMPANY INC.	Canada	100.00
COMBAT CRITICAL CARE	USA	100.00
DRIESSEN AEROSPACE GROUP NV	The Netherlands	100.00
DRIESSEN AIRCARGO EQUIPMENT USA, INC.	USA	100.00
DRIESSEN AIRCRAFT INTERIOR SYSTEMS, INC.	USA	100.00
DRIESSEN AIRCRAFT INTERIOR SYSTEMS USA, INC.	USA	100.00
DRIESSEN SERVICES BAHREIN	United Arab Emirates	51.00
E DYER ENGINEERING LTD	UK	100.00
ENGINEERED ARRESTING SYSTEMS CORP.	USA	100.00
ENVIRO SYSTEMS	USA	100.00
EVAC GMBH	Germany	100.00
EVAC LTDA	Brazil	100.00
EVAC SHANGAI ETC.	China	100.00
GREENPOINT AEROSPACE INC.	USA	100.00
GREENPOINT AIR LEASING	USA	100.00
GREENPOINT PRODUCTS & SERVICES INC.	USA	100.00
GREENPOINT TECHNOLOGIES INC.	USA	100.00
HEATH TECNA	USA	100.00
HOCHER TRIOMPHE FINANCES	France	100.00
ICORE INTERNATIONAL INC.	USA	100.00
ICORE INTERNATIONAL LTD	UK	100.00
IDD AEROSPACE CORP.	USA	100.00
IMMOBILIERE GALLI	France	100.00
IN SERVICES & AL RUMAITHY ESTAB. (MIDDLE EAST) LLC	United Arab Emirates	49.00
IN SERVICES ASIA	Hong Kong	100.00
INNOVATIVE POWER SOLUTIONS LLC	USA	100.00
MAG AEROSPACE INDUSTRIES INC.	USA	100.00

CONSOLIDATED FINANCIAL STATEMENTS
LIST OF CONSOLIDATED COMPANIES

Fully consolidated companies	Country	Group's % interest
MONOGRAM TRAIN LLC	USA	100.00
MTA PLATEFORME D'ESSAIS	France	57.00
NORTHWEST AEROSPACE TECHNOLOGIES	USA	100.00
ODYSSEY AEROSPACE COMPONENTS – CABINET SHOP	USA	100.00
ODYSSEY AEROSPACE COMPONENTS – MACHINE SHOP	USA	100.00
PACIFIC PRECISION PRODUCTS	USA	100.00
PARACHUTES INDUSTRIES OF SOUTHERN AFRICA PTY (PISA)	South Africa	100.00
PIONEER AEROSPACE CORP.	USA	100.00
SELL GMBH	Germany	100.00
SELL SERVICES GERMANY GMBH	Germany	100.00
SICMA AERO SEAT SERVICES	USA	100.00
SOCIETE MAROCAINE DE DECOLLETAGE INDUSTRIEL	Morocco	100.00
THE RICHARDS CORP.	USA	100.00
TRIAGNOSYS GMBH	Germany	100.00
ZODIAC ACTUATION SYSTEMS	France	100.00
ZODIAC AERO DUCT SYSTEMS	France	100.00
ZODIAC AERO ELECTRIC	France	100.00
ZODIAC AEROSAFETY SYSTEMS	France	100.00
ZODIAC AEROSPACE AUSTRALIA PTY LTD	Australia	100.00
ZODIAC AEROSPACE GERMANY INVESTMENT GMBH	Germany	100.00
ZODIAC AEROSPACE HOLDING AUSTRALIA PTY LTD	Australia	100.00
ZODIAC AEROSPACE INFORMATION SYSTEMS	France	100.00
ZODIAC AEROSPACE (JIANGSU) CO., LTD	China	51.00
ZODIAC AEROSPACE MAROC	Morocco	100.00
ZODIAC AEROSPACE SERVICES ASIA	Singapore	100.00
ZODIAC AEROSPACE SERVICES EUROPE	France	100.00
ZODIAC AEROSPACE SERVICES MIDDLE EAST DWC LLC	United Arab Emirates	100.00
ZODIAC AEROSPACE SERVICES UK LTD	UK	100.00
ZODIAC AEROSPACE TIANJIN PTE LTD	China	100.00
ZODIAC AEROSPACE UK INVESTMENT LTD	UK	100.00
ZODIAC AEROTECHNICS	France	100.00
ZODIAC AIRCARGO EQUIPMENT B.V.	The Netherlands	100.00
ZODIAC AIRCARGO EQUIPMENT LTD	Thailand	100.00
ZODIAC AIRCATERING EQUIPMENT EUROPE B.V.	The Netherlands	100.00
ZODIAC AIRCATERING EQUIPMENT (THAILAND) LTD	Thailand	100.00
ZODIAC AUTOMOTIVE TUNISIE	Tunisia	100.00
ZODIAC CABIN & STRUCTURE SUPPORT	USA	100.00
ZODIAC CABIN CONTROLS GMBH	Germany	100.00
ZODIAC CABIN INTERIORS EUROPE	France	100.00

CONSOLIDATED FINANCIAL STATEMENTS
LIST OF CONSOLIDATED COMPANIES

Fully consolidated companies	Country	Group's % interest
ZODIAC COATING	France	100.00
ZODIAC COMPOSITE MONUMENTS TUNISIE	Tunisia	100.00
ZODIAC DATA SYSTEMS	France	100.00
ZODIAC DATA SYSTEMS GMBH	Germany	100.00
ZODIAC DATA SYSTEMS INC.	USA	100.00
ZODIAC DATA SYSTEMS INVESTMENT	France	100.00
ZODIAC DATA SYSTEMS LTD	UK	100.00
ZODIAC ENGINEERING	France	100.00
ZODIAC EQUIPMENTS TUNISIE	Tunisia	100.00
ZODIAC FAL SUPPORT FRANCE SARL	France	100.00
ZODIAC FLUID EQUIPMENT	France	100.00
ZODIAC GALLEYS EUROPE S.R.O.	Czech Republic	100.00
ZODIAC HYDRAULICS	France	100.00
ZODIAC INFLIGHT INNOVATIONS	USA	100.00
ZODIAC INFLIGHT INNOVATIONS FR	France	100.00
ZODIAC SEATS CALIFORNIA	USA	100.00
ZODIAC SEATS FRANCE	France	100.00
ZODIAC SEATS SERVICES MIDDLE EAST	United Arab Emirates	100.00
ZODIAC SEAT SHELLS US LLC	USA	100.00
ZODIAC SEATS TUNISIE	Tunisia	100.00
ZODIAC SEATS UK LTD	UK	100.00
ZODIAC SEATS US LLC	USA	100.00
ZODIAC SERVICES AMERICAS LLC	USA	100.00
ZODIAC US CORPORATION	USA	100.00

Companies consolidated by the equity method	Country	Group's % interest
EZ AIR INTERIOR LTD	Ireland	50.00

CONSOLIDATED FINANCIAL STATEMENTS
MAIN EXCHANGE RATES

2) – Main exchange rates used in consolidation

	At February 28, 2015		At August 31, 2014		At February 28, 2014	
	Statement of financial position	Net income attributable to equity holders of the parent company	Statement of financial position	Net income attributable to equity holders of the parent company	Statement of financial position	Net income attributable to equity holders of the parent company
US dollar	1.1240	1.2225	1.3188	1.3605	1.3813	1.3575
Canadian dollar	1.3995	1.4167	1.4314	1.4661	1.5357	1.4441
South African rand	13.0684	13.7986	14.0190	14.2952	14.7584	14.1082
Pound sterling	0.7278	0.7776	0.7953	0.8235	0.8263	0.8358
Thai baht	36.3360	39.8609	42.1410	43.8071	45.0680	43.5448
Czech crown	27.4380	27.6663	27.7250	27.1529	27.3440	26.8048

3) – Accounting principles

Accounting standards and basis for preparation of financial statements

a) Basis for preparation of financial statements

The consolidated financial statements of the Zodiac Aerospace Group for the half-year period ended February 28, 2015, have been prepared in accordance with IAS 34 on Interim Financial Reporting. As these are condensed financial statements, they do not include all the information required by IFRS and should be read in relation to the Group's annual consolidated financial statements for the year ended August 31, 2014, available on the Group's website, subject to the specific features for drafting interim financial statements described below.

With the exception of the adoption of the new standards and interpretations of the mandatory application for the fiscal years as from September 1, the accounting principles applied are consistent with those used for the preparation of the Group's annual consolidated financial statements for the fiscal year ended August 31, 2014, in accordance with the International Financial Reporting Standards adopted by the European Union.

The new standards, amendments and interpretations applicable to the period are as follows:

– IFRS 10 – Consolidated Financial Statements

This standard defines the control exercised when an investor is exposed, or has the right to be exposed, to variable yields, and has the capacity to exercise his or her power to influence those yields.

– IFRS 11 – Joint Arrangements

In essence, this new standard provides for two different accounting treatments:

Joint arrangements defined as joint operations will be recognized based on the proportion of assets, liabilities, revenues and expenses controlled by the Group. A joint operation may be made through an entity that may or may not be separate.

Joint arrangements defined as joint ventures will be consolidated according to the equity method, with the result that they grant only a right over the entity's net assets.

– IFRS 12 – Disclosure of Interests in Other Entities

– Amendments to IFRS 10, IFRS 11, IFRS 12 – Transitional Provisions

– IFRIC 21 – Levies Charged by Public Authorities

Other standards, amendments and interpretations with no material impact on the Group:

– IAS 27 (revised) – Separate Financial Statements

– IAS 28 (revised) – Investments in Associates and Joint Ventures

– Amendments to IAS 32 – Offsetting Financial Assets and Financial Liabilities

– Amendments to IAS 36 – Impairment of Assets: Recoverable amount disclosures for non-financial assets

– Amendment to IAS 39 – Financial Instruments: Novation of derivatives and continuation of hedge accounting

– Amendments to IFRS 10, IFRS 12 and IAS 27 – Investment Entities

– IFRS annual improvements cycle 2010-2012

The Group has not applied the following standards and interpretations, which either have not been endorsed by the European Union or their mandatory application began after the start of the fiscal year:

– Standards endorsed:

Amendment to IAS 19 – Employee Benefits: Employee contributions

IFRS annual improvements cycle 2011-2013

– Standards not endorsed:

IFRS 9 – Financial Instruments

IFRS 14 – Regulatory Deferral Accounts

IFRS 15 – Revenue from Contracts with Customers

Amendment to IFRS 11 – Joint Arrangements: Acquisition of an interest in a joint operation

Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortization

IFRS annual improvements cycle 2012-2014

b) Impairment of assets

At February 28, 2015, the Group had not identified any indication of loss of value or risk of loss of value on its long-term assets (goodwill and capitalized development costs) in the first half of the year.

c) Use of estimates and assumptions

CONSOLIDATED FINANCIAL STATEMENTS

ACCOUNTING PRINCIPLES

The preparation of financial statements requires the Group management team to make estimates and use assumptions that affect the value of assets and liabilities shown in the consolidated statement of financial position and the amount of income and expenses shown in the statement of profit and loss. Management revises its estimates and assumptions on an ongoing basis, as a function of all the factors on which it bases its assessment.

Actual future amounts may differ significantly from these estimates as a result of different assumptions or conditions.

These estimates and assumptions relate mainly to the measurement of deferred taxes, provisions, employee benefits, share-based payments, estimates and assumptions used to test asset impairment and procedures for capitalizing development costs and estimated provisions, especially for late penalties. The assessment of the above is based on contractual arrangements and the history of previous disputes.

d) Adjustments made to previously reported financial statements

The Group's financial statements at February 28, 2014 are included in this report for comparative purposes. The statements have been restated from their previously reported format, as indicated below, to reflect the recognition of the research tax credit.

Pursuant to IAS 8, the Group has adjusted its comparative financial statements with regard to the recognition of the research tax credit which is a form of subsidy. These tax credits are now classified under "Personnel costs" in the consolidated statement of profit and loss.

The Group has also studied recent changes in accounting principles in France and now recognizes an estimate for research tax credit due for the current calendar year. In the consolidated financial statements, the impact of this change has been charged to consolidated equity so that only 12 months of research tax credit is recorded in the profit and loss statement. The impact on equity was €10 million at September 1, 2013.

Reconciliation of statement of financial position at February 28, 2014

(in thousands of euros)	Reported amount at Feb. 28, 2014	Restated amount at Feb. 28, 2014	Impact of amendments
Non-current assets	2,543,142	2,543,142	–
Inventories	935,810	935,810	–
Trade and other receivables (net position)	919,285	929,166	9,881
Cash and cash equivalents	67,312	67,312	–
Assets held for sale	1,300	1,300	–
TOTAL ASSETS	4,466,849	4,476,730	9,881
Equity	2,275,993	2,285,862	9,869
Provisions	174,777	174,631	(146)
Financial liabilities	1,125,319	1,125,319	–
Trade payables, personnel, deferred tax and other creditors	890,760	890,918	158
TOTAL LIABILITIES	4,466,849	4,476,730	9,881

Reconciliation of income at February 28, 2014

(in thousands of euros)	Reported amount at Feb. 28, 2014	Restated amount at Feb. 28, 2014	Impact of amendments
Sales revenue	1,997,691	1,997,691	–
Current operating income	255,321	262,684	7,363
Non-current operating items	(9,959)	(9,959)	–
Operating income	245,362	252,725	7,363
Financial expense	(16,294)	(16,294)	–
Income taxes	(66,814)	(74,177)	(7,363)
Results of companies accounted for using the equity method	150	150	–
Net income	162,404	162,404	–

4) – Key first-half events

1) Acquisitions during the period

The Group acquired two companies during the period.

a) Enviro Systems

On December 23, 2014, the Group completed the acquisition of US company Enviro Systems for a total of \$118 million. The company specializes in environmental control systems for the business aviation and helicopter industry. It has been incorporated into the Group since January 1, 2015.

In accordance with the provisions of IFRS 3, the Group employed an independent appraiser to perform a preliminary assessment of the fair value of the assets acquired and the liabilities assumed on the date of the acquisition. This allocation may be adjusted during the 12 months following the acquisition date.

The provisional valuation of assets acquired at fair value led to recognition of the following main items:

- intangible assets of \$15 million (customers and order book);
- inventory revaluations of \$0.3 million;
- deferred tax liabilities on these items of \$6 million;
- provisional goodwill of \$84.1 million.

b) Hoche Triomphe Finances

On November 18, 2014, the Group acquired property company Hoche Triomphe Finances, which owned a building rented by one of the Group's companies.

The Group has not yet finalized the assessment of the fair value of the assets acquired and liabilities assumed on the date of the acquisition. Goodwill on first consolidation will be allocated before the end of the fiscal year.

2) Maturity of the “Club Deal” financing

Under a contractual option, Zodiac Aerospace extended the maturity of its €1,030-million loan by one year from March 2019 to March 2020. This extension was accepted by all the banks participating in the Club Deal.

5) Notes to the financial statements

NOTE 1 – SEGMENT REPORTING

The Zodiac Aerospace Group is structured into five operating segments:

- Zodiac AeroSafety (slides, rafts, emergency arresting systems, wiring protection systems, parachutes, fuel tanks);
- Zodiac Aircraft Systems (power distribution, oxygen systems, fuel systems, controls, actuators, cockpit systems, hydraulics, lighting solutions, IFE systems, air conditioning systems);
- Zodiac Seats (first-, business- and economy-class seats, technical seats);
- Zodiac Cabin & Structures (complete cabin interiors: complete floor-to-ceiling interiors, partitions, trim panels, overhead bins, retrofit solutions);
- Zodiac Galleys & Equipment (galleys, inserts, carts, cargo containers).

IFRS 8 allows the combination of segments for the purposes of financial reporting when the units that are combined have similar economic characteristics:

- similar type of products and services;
- identical customer typology;
- “equivalent” long-term profitability profiles.

Based on an analysis of profitability profiles and the type of products and services sold, the Group has opted to use three segments with similar economic characteristics for its segment reporting:

- Zodiac AeroSafety;
- Zodiac Aircraft Systems;
- Aircraft Interiors activities combining the other three segments.

With respect to customer portfolio concentration, the Group has one customer that directly generates €244.5 million in sales revenue from various operating sectors, accounting for more than 10% of total Group revenue.

A – STATEMENT OF PROFIT AND LOSS ITEMS

NOTE 1.1 – BREAKDOWN OF CONSOLIDATED SALES REVENUE BY SEGMENT AND BY CUSTOMER LOCATION

(in thousands of euros)	France	Other European countries	USA	Other countries in the Americas	Rest of the world	Total
At February 28, 2015						
AeroSafety	49,419	68,442	109,653	26,401	42,106	296,021
Aircraft Systems	190,634	202,110	203,758	36,351	70,657	703,510
Aircraft Interiors activities	53,906	217,914	429,113	170,261	453,390	1,324,584
TOTAL	293,959	488,466	742,524	233,013	566,153	2,324,115
At February 28, 2014						
AeroSafety	44,183	63,008	97,007	24,216	40,306	268,720
Aircraft Systems	182,695	178,300	155,841	29,918	76,298	623,052
Aircraft Interiors activities	29,342	200,752	387,023	140,334	348,468	1,105,919
TOTAL	256,220	442,060	639,871	194,468	465,072	1,997,691

BREAKDOWN OF CONSOLIDATED SALES REVENUE BY SEGMENT WITH DETAIL OF INTER-SEGMENT REVENUE

(in thousands of euros)	Sales revenue including inter-segment	Inter-segment sales revenue	Consolidated sales revenue
At February 28, 2015			
AeroSafety	308,870	(12,848)	296,022
Aircraft Systems	743,293	(39,783)	703,510
Aircraft Interiors activities	1,385,232	(60,649)	1,324,583
TOTAL	2,437,395	(113,280)	2,324,115
At February 28, 2014			
AeroSafety	279,025	(10,305)	268,720
Aircraft Systems	651,348	(28,296)	623,052
Aircraft Interiors activities	1,153,501	(47,582)	1,105,919
TOTAL	2,083,874	(86,183)	1,997,691

NOTE 1.2 – CURRENT OPERATING INCOME BY SEGMENT AND BY ASSET LOCATION

(in thousands of euros)	France	Other European countries	USA	Other countries in the Americas	Rest of the world	Total
At February 28, 2015						
AeroSafety	19,092	2,498	32,568	727	1,279	56,164
Aircraft Systems	55,380	8,142	39,178	–	2,360	105,060
Aircraft Interiors activities	22,414	55,463	(72,704)	12,392	4,990	22,555
Zodiac Aerospace	(6,141)	–	(12)	–	–	(6,153)
TOTAL	90,745	66,103	(970)	13,119	8,629	177,626
At February 28, 2014						
AeroSafety	15,880	2,207	25,395	588	2,107	46,177
Aircraft Systems	44,393	13,392	31,296	–	1,966	91,047
Aircraft Interiors activities	28,750	51,907	45,675	8,712	(614)	134,430
Zodiac Aerospace	(8,958)	–	(13)	–	–	(8,971)
TOTAL	80,065	67,506	102,354	9,300	3,459	262,684

CONSOLIDATED FINANCIAL STATEMENTS
KEY EVENTS

NOTE 1.3 – FINANCIAL INCOME BY SEGMENT AND REGION

(in thousands of euros)	France	Other European countries	USA	Other countries in the Americas	Rest of the world	Total
At February 28, 2015						
AeroSafety	(419)	63	568	(76)	(110)	26
Aircraft Systems	(3,372)	859	(444)	(4)	(177)	(3,138)
Aircraft Interiors activities	761	1,603	(1,363)	3,180	262	4,443
Zodiac Aerospace	(8,983)		(273)			(9,256)
TOTAL	(12,013)	2,525	(1,512)	3,100	(25)	(7,925)
At February 28, 2014						
AeroSafety	(125)	(14)	135	(240)	(284)	(528)
Aircraft Systems	(1,401)	180	(162)	–	(313)	(1,696)
Aircraft Interiors activities	723	(468)	(457)	784	(244)	338
Zodiac Aerospace	(14,625)	–	217	–	–	(14,408)
TOTAL	(15,428)	(302)	(267)	544	(841)	(16,294)

NOTE 1.4 – INCOME TAXES BY SEGMENT AND REGION

(in thousands of euros)	France	Other European countries	USA	Other countries in the Americas	Rest of the world	Total
At February 28, 2015						
AeroSafety	(5,941)	(553)	(12,484)	108	(194)	(19,064)
Aircraft Systems	(14,762)	(2,658)	(12,908)	–	(406)	(30,734)
Aircraft Interiors activities	(7,774)	(11,579)	27,912	(5,282)	(625)	2,652
Zodiac Aerospace	(272)	–	99	–	–	(173)
TOTAL	(28,749)	(14,790)	2,619	(5,174)	(1,225)	(47,319)
At February 28, 2014						
AeroSafety	(5,405)	(502)	(9,330)	(35)	(85)	(15,357)
Aircraft Systems	(12,664)	(3,476)	(9,564)	–	(294)	(25,998)
Aircraft Interiors activities	(10,607)	(10,838)	(16,608)	(3,248)	(11)	(41,312)
Zodiac Aerospace	8,562	–	(71)	–	–	8,491
TOTAL	(20,114)	(14,816)	(35,574)	(3,283)	(390)	(74,177)

B – STATEMENT OF FINANCIAL POSITION ITEMS

NOTE 1.5 – INTANGIBLE ASSETS AND GOODWILL BY SEGMENT AND REGION

(in thousands of euros)	France	Other European countries	USA	Other countries in the Americas	Rest of the world	Total
At February 28, 2015						
AeroSafety	5,158	12,342	74,238	31,817	2,939	126,494
Aircraft Systems	696,228	22,274	311,530	–	7,737	1,037,769
Aircraft Interiors activities	34,172	654,429	846,674	4,200	1,316	1,540,791
Zodiac Aerospace	18,075	–	(18)	–	–	18,057
TOTAL	753,633	689,045	1,232,424	36,017	11,992	2,723,111
At February 28, 2014						
AeroSafety	5,409	10,925	60,262	29,413	2,621	108,630
Aircraft Systems	570,682	22,179	257,804	–	7,277	857,942
Aircraft Interiors activities	33,359	623,270	517,063	3,521	917	1,178,130
Zodiac Aerospace	17,006	–	–	–	–	17,006
TOTAL	626,456	656,374	835,129	32,934	10,815	2,161,708

NOTE 2 – GOODWILL

(in thousands of euros)

	Opening balance at Aug. 31, 2014	Currency translation adjustments	Change in consolidation scope ⁽¹⁾	Change	Impairment	Balance at Feb. 28, 2015
Gross	1,891,920	189,534	65,414	688		2,147,556
Impairment	112,611	7,104	–		–	119,715
Net goodwill	1,779,309	182,430	65,414	688	–	2,027,841

(1) Entry of Enviro Systems totaling €63.7 million and Hoche Triomphe Finances totaling €1.7 million

NOTE 3 – INTANGIBLE ASSETS

NOTE 3.1 – Intangible assets: gross

(in thousands of euros)	Opening balance at Aug. 31, 2014	Currency translation adjustments	Change in consolidation scope	Increases	Decreases	Reclassifications	Balance at Feb. 28, 2015
Set-up costs	101	–	–	–	–	–	101
Development costs	466,764	27,690	–	36,513	–	–	530,967
Patents and registered trademarks	146,893	8,935	–	–	–	–	155,828
Software	74,564	2,851	–	3,413	(1,187)	6,851	86,492
Certifications and other	151,381	17,006	14,051	7,758	–	(191)	190,005
TOTAL	839,703	56,482	14,051	47,684	(1,187)	6,660	963,393

NOTE 3.2 – Intangible assets: depreciation and amortization

(in thousands of euros)	Opening balance at Aug. 31, 2014	Currency translation adjustments	Change in consolidation scope	Increases	Decreases	Reclassifications	Balance at Feb. 28, 2015
Set-up costs	101	–	–	–	–	–	101
Development costs	89,500	7,288	1	12,332	–	–	109,121
Patents and registered trademarks	9,735	881	–	306	–	–	10,922
Software	57,412	2,204	2	4,457	(1,187)	5,270	68,158
Certifications and other	63,856	5,890	236	9,848	–	(9)	79,821
TOTAL	220,604	16,263	239	26,943	(1,187)	5,261	268,123
Net amount of intangible assets	619,099	40,219	13,812	20,741	–	1,399	695,270

NOTE 4 – INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

These include equity investments made by the Zodiac Aerospace Group in a number of non-consolidated companies.

NOTE 5 – TAXES

(in thousands of euros)

	Feb. 28, 2015	Aug. 31, 2014	Feb. 28, 2014
1) Statement of financial position			
Deferred taxes:			
Deferred tax assets	2,055	1,227	1,272
Deferred tax liabilities	166,262	155,507	147,108
Net deferred taxes	(164,207)	(154,280)	(145,836)
Breakdown of net amount by category:			
Employee benefits	45,099	45,255	36,177
Depreciation of inventories, stocks and associated general expenditure	30,935	26,792	21,645
Inventory margin elimination	37,177	30,553	30,320
Development costs	(152,420)	(135,153)	(123,680)
Goodwill ⁽¹⁾	(170,540)	(147,494)	(129,472)
Regulated provisions adjustments	(6,052)	(6,203)	(5,924)
Other ⁽²⁾	51,594	31,970	25,098
Net deferred taxes	(164,207)	(154,280)	(145,836)
2) Income statement			
Deferred taxes and taxes payable:			
- deferred taxes	(7,144)	(17,749)	(4,450)
- taxes payable	(40,175)	(135,641)	(69,727)
Taxes	(47,319)	(153,390)	(74,177)

(1) Including deferred tax liabilities on fiscally amortizable goodwill.

(2) Including deferred tax assets on tax deficits.

EFFECTIVE TAX RATE

(in thousands of euros)

	Feb. 28, 2015	Aug. 31, 2014	Feb. 28, 2014
Net income	108,660	353,603	162,404
Results of companies accounted for using the equity method	(1,106)	(1,088)	150
Income taxes	(47,319)	(153,390)	(74,177)
Pre-tax income	157,085	508,081	236,431
Tax rate	38.00%	38.00%	38.00%
Theoretical tax	(59,692)	(193,071)	(89,844)
Incidence of reduced-rate risk	–	34	–
Impact of tax rates in countries other than France	10,473	28,354	9,767
Tax credit on training	–	89	14
Production tax credit in the United States	2,118	3,807	2,290
Other ⁽¹⁾	(218)	7,397	3,596
Consolidated income tax	(47,319)	(153,390)	(74,177)
EFFECTIVE TAX RATE	30.12%	30.19%	31.37%

(1) Estimated at February 28, 2015

(2) At August 31, 2014, this amount included the effect of the reduced income tax expense on the acquisition in December 2013 of bonus shares distributed by the (general and individualized) share plans in December 2011. This amount is based on the value of the bonus shares as calculated under IFRS 2.

The current tax assets appearing on the balance sheet primarily consist of installments paid as corporate tax, provisions for taxes and VAT.

NOTE 6 – CASH

(in thousands of euros)	Feb. 28, 2015	Aug. 31, 2014	Feb. 28, 2014
Cash and cash equivalents ⁽¹⁾	104,014	166,731	67,312
Current financial liabilities	(636,571)	(393,414)	(402,158)
Commercial paper and other lines of short-term credit	602,000	381,000	363,600
Current portion of long-term loans and reimbursable advances	1,345	1,353	883
Bank borrowings	(33,226)	(11,061)	(37,675)
NET CASH	70,788	155,670	29,637

The only covenant existing on the “Club Deal” and private placements is measured once annually at the end of the fiscal year.

- (1) The “Cash and cash equivalents” item is composed solely of our bank account balances. There is no instrument that is considered by the Group as a cash equivalent. The Group has no cash balances subject to restrictions.

NOTE 7 – INVENTORIES

(in thousands of euros)	Feb. 28, 2015	Aug. 31, 2014	Feb. 28, 2014
Components and sub-assemblies	790,762	614,200	573,774
Work in progress	363,617	289,955	271,529
Finished products	293,033	243,296	229,319
Gross total	1,447,412	1,147,451	1,074,622
Provisions for impairment	161,281	139,189	138,812
TOTAL ⁽¹⁾	1,286,131	1,008,262	935,810

No inventory items have been offered as collateral for liabilities.

(1) Includes €88.5 million in exchange rate fluctuations at February 28, 2015.

NOTE 8 – PROVISIONS

(in thousands of euros)	Amount at Aug. 31, 2014	Currency translation adjustments	Change in consolidation scope	Changes during the period			Reclassi- fications	Balance at Feb. 28, 2015
				Charges	Reversals (provisions used)	Reversals (provisions unused)		
Pension plans and lump-sum retirement benefits	104,977	1,557	–	3,065	(1,463)	–	(2)	108,134
Miscellaneous	9,614	256	–	271	(6)	–	(230)	9,905
Total non-current	114,591	1,813	–	3,336	(1,469)	–	(232)	118,039
Guarantees	51,226	4,720	478	10,037	(2,865)	(848)	(368)	62,380
Litigation and insurance deductibles	11,371	206	–	1,431	(4,114)	(63)	–	8,831
Restructuring and diversification	818	48	–	574	(178)	–	(258)	1,004
Taxes other than income taxes	1,514	126	–	203	–	(18)	–	1,825
Miscellaneous ⁽¹⁾	27,393	4,123	–	34,174	(3,640)	(321)	(2,231)	59,498
Total current	92,322	9,223	478	46,419	(10,797)	(1,250)	(2,857)	133,538
Total	206,913	11,036	478	49,755	(12,266)	(1,250)	(3,089)	251,577

(1) This line primarily consists of penalties and other claims related to delivery delays.

NOTE 9 – FINANCIAL LIABILITIES

(in thousands of euros)	Feb. 28, 2015	Aug. 31, 2014	Feb. 28, 2014
A. Non-current financial liabilities			
Confirmed "Club Deal" (EUR)		140,000	–
Confirmed "Club Deal" (GBP)		24,078	44,317
Confirmed "Club Deal" (USD)	213,735		
Euro PP (EUR)	125,000	125,000	125,000
Schuldschein (EUR)	535,000	535,000	535,000
Loan costs	(6,331)	(7,167)	(3,918)
Other borrowings and unconfirmed credit non-current portion	23,290	23,663	22,762
Total	890,694	840,574	723,161
B. Current financial liabilities			
Commercial paper (EUR)	602,000	381,000	363,600
Confirmed "Club Deal" (EUR)	–	–	–
Bank overdrafts, spot lines, other borrowings and unconfirmed loans, current portion	34,571	12,414	38,558
Total	636,571	393,414	402,158
Current and non-current financial liabilities	1,527,265	1,233,988	1,125,319

The cost of debt before foreign exchange gains/losses stood at a negative €13.8 million at the end of February 2015 versus a negative €15.4 million at the end of February 2014. The impact of the increase in our needs was offset by the drop in the cost of our resources, the average cost of which was 2.2% versus 3.1% in the previous fiscal year.

NOTE 10 – OTHER CURRENT LIABILITIES

(in thousands of euros)	Feb. 28, 2015	Aug. 31, 2014	Feb. 28, 2014
Other payables	59,748	48,261	39,091
Amounts owed to customers ⁽¹⁾	207,069	143,533	80,845
Deferred income	47,154	52,256	65,716
TOTAL	313,971	244,050	185,652

(1) The increase is largely due to down payments received from customers relating to contracts for VIP cabin-interior fitments.

NOTE 11 – NON-CURRENT OPERATING ITEMS

(in thousands of euros)	Feb. 28, 2015	Aug. 31, 2014	Feb. 28, 2014
Restructuring costs ⁽¹⁾	(1,364)	(4,516)	(1,279)
Costs related to the transfer from the Issy-les-Moulineaux site to Plaisir	–	–	–
Impairment	–	–	–
Litigation	–	–	–
Amortization of intangible assets ⁽²⁾	(9,516)	(17,069)	(8,205)
Acquisition costs ⁽³⁾	(1,736)	(3,002)	(475)
Other	–	–	–
TOTAL	(12,616)	(24,587)	(9,959)

- (1) At February 28, 2015, primarily composed of the restructuring of the Interconnect business in Canada
At August 31, 2014, primarily composed of early retirements in the United States
At February 28, 2014, primarily composed of early retirements in the United States and repatriation of Chihuahua (Mexico) business to the US.
- (2) Amortization of order books, client portfolio and contracts valued during acquisitions pursuant to IFRS 3.
- (3) Acquisition costs of securities or assets for external growth transactions, pursuant to IFRS 3 (revised). At February 28, 2015, this amount primarily related to the acquisition of Enviro Systems.

NOTE 12 – OFF-BALANCE SHEET COMMITMENTS AND CONTINGENT LIABILITIES

(in thousands of euros)	Feb. 28, 2015	Aug. 31, 2014	Feb. 28, 2014
Commitments given			
Long-term rentals ⁽¹⁾⁽²⁾	198,955	188,728	175,365
Actuarial gains and losses and past service costs on retirement benefit obligations ⁽³⁾	–	–	–
Other guarantees given ⁽⁴⁾	11,753	12,653	10,289
Collateral	–	–	–
Commitments received under contracts	334	284	297

(1) This amount includes commitments on revocable and irrevocable leases.

(2) The variance between fiscal years includes a positive €16.5 million relating to exchange rate fluctuations.

(3) Pursuant to IAS 19 (revised), actuarial gains and losses and past service cost on pension liabilities, net of the corresponding deferred tax, are recognized on the consolidated statement of financial position as of September 1, 2013.

(4) Including a \$1,735k guarantee issued by Zodiac Aerospace in favor of the Federal Insurance Company (CHUBB) as security for performance bonds issued by this insurer to certain customers of our subsidiary Esco to underwrite fulfillment of its commercial contracts (installation of arresting barriers and systems for civil and military aircraft). The total usable guarantee issued by Zodiac Aerospace in this respect is \$10 million.

In addition:

a) Zodiac Aerospace:

- posted a guarantee bond at the Amsterdam commercial court to cover the consolidated debts of the Driessen Group holding company and its Dutch subsidiaries to avoid the need to prepare and locally submit consolidated financial statements for the Driessen sub-group. This guarantee may not exceed €10 million;
- provided the following guarantees in the course of securing major sales contracts gained by subsidiary companies:
 - in August 2009 on behalf of Zodiac Seats France (expiration date December 31, 2016);
 - in November 2010 on behalf of Zodiac Seats US LLC (expiration date December 31, 2015);
 - in January 2011 on behalf of Zodiac Seats US LLC and C&D Zodiac Inc. (expiration date December 31, 2015).

CONTINGENT ASSETS AND LIABILITIES

No contingent assets were identified at February 28, 2015.

One contingent liability has been identified.

This concerns litigation relating to a chemical pollution incident identified subsequent to the Group's acquisition of a US company. The cause of the pollution dates from a time prior to the date of acquisition. The financial consequences of this pollution are covered under the terms of a contractual guarantee made by the vendor to the Zodiac Aerospace Group. This guarantee was assumed by the successor to the vendor.

In March 2009, the Group learned of the successor's bankruptcy, and was advised by its lawyers that, as a result of this eventuality, there was a contingent risk liability that could pass to the Zodiac Aerospace Group.

If this liability were to pass to our Group, estimates suggest that our US subsidiary would be liable to meet approximately 0.10% of the clean-up costs involved. The uncertainty regarding the transfer of liability to the Zodiac Aerospace Group and the estimated total cost of cleaning up the polluted area means that it is not currently feasible to determine whether

CONSOLIDATED FINANCIAL STATEMENTS

OFF-BALANCE SHEET ITEMS

or not these circumstances will result in a cash outflow, or how much cash would be involved should this prove to be the case.

Recent court decisions in the context of this litigation lead us to estimate that the risk associated with this liability is considerably reduced, although not entirely extinguished.

NOTE 13 – RELATED PARTIES

A/ TRANSACTIONS WITH PRINCIPAL SENIOR MANAGEMENT

a) Salaries and benefits ⁽¹⁾

(in euros)	Fixed	Variable ⁽²⁾	Benefits in kind	Total
Maurice Pinault	186,000	75,665	4,004	265,669
Olivier Zarrouati	310,000	126,108	6,441	442,549
TOTAL	496,000	201,773	10,445	708,218

- (1) Members of the Executive Board do not receive any compensation or benefit of any kind from controlled companies within the meaning of Article L. 233-16 of the French Commercial Code.
- (2) Variable amounts are based on those paid in January 2015 for fiscal 2013/2014, on a pro rata basis over 6 months. The variable portion payable for a given year "n" is based on a target for Group net income, taking into account performance in the previous year ended "n-1" and the budget for year "n". The comparison between the performance achieved in relation to this target, within a realization bracket of 80 to 120%, gives the "realization rate". This rate is applied proportionally to the fixed salary to give the amount of the variable portion and can be a maximum of 100% of the fixed portion. There is no separate pension plan in place for the company officers of Zodiac Aerospace, nor for its Executive Committee.

b) Share options and bonus shares

	Total	
	Plan 07b	Plan 2011
1. Share options:		
Options outstanding at August 31, 2014	69,220	160,000
Awards in the period	–	–
Options exercised at February 28, 2015	69,220	–
Options outstanding at February 28, 2015	–	160,000
Exercise price (in euros)	8.22	12.47
Expiration date	March 12, 2015	Dec. 29, 2019
2. Bonus shares: ⁽¹⁾		
Shares in vesting period at August 31, 2014	–	–
Date of right to purchase	–	–
Shares vested at February 28, 2015	–	–
Shares pending vesting at February 28, 2015	–	–

B/ COMPENSATION OF EXECUTIVE COMMITTEE MEMBERS

a) Compensation

There were eleven members of the Executive Committee in the first half of fiscal 2014/2015, the same number as in fiscal year 2013/2014.

The total compensation paid to these members for the first half of fiscal 2014/2015 was €1,906k fixed and €775k variable, plus €40k in benefits in kind, amounting to a total of €2,721k including compensation paid to members of the Executive Board. In the previous fiscal year, total compensation amounted to €1,665k fixed and €1,191k variable, for a total of €2,856k.

In addition to their fixed salary, members benefit from a variable portion payable for fiscal year "n". Depending on the functions exercised, this is based on a target which is either:

- determined using an identical formula to that applicable to company officers who are members of the Executive Committee, or
- determined according to a formula constituted of components with a "different weighting":
 - (A) Average of the current operating income for fiscal year "n-1" and the budget for "n", calculated using the same conversion and transaction rate (for currencies other than the euro) for actual year "n-1" and budget "n";
 - (B) Percentage reduction of the working capital requirement between fiscal year "n-1" and fiscal year "n";
 - (C) Actual working capital requirement/revenue ratio lower than or equal to the working capital requirement/revenue ratio of the Group overall;
 - (D) Achievement of an "on-time delivery" rate to customers.

The formula is therefore:

Target "n": $(70\% (A) + 15\% (B) + 15\% (C)) \times \text{achievement factor (D)}$.

For the calculation of actual "n", the same conversion and/or transaction rate for currencies other than the euro is used. This variable portion is a maximum of 100% of the fixed compensation if the target is:

- 120% achieved for beneficiaries of the identical formula to that of the company officers, and for these beneficiaries the variable portion is 0% if under 80% of the target is achieved;
- 125% achieved for beneficiaries of the four-component formula; for these beneficiaries, the variable portion is zero if under 75% of the target is achieved.

In both cases, the amount is proportional between these limits.

b) Share options and bonus shares

During the first half of the fiscal year, six Executive Committee members, who were not members of the Committee during the last multi-year award (for a period of four years), were granted a total of 99,750 share options and a total of 49,607 bonus and performance shares with a vesting date of February 12, 2017 and a negotiability date of February 12, 2019. These were all on an annualized basis.

NOTE 14 – POST HALF-YEAR CLOSE EVENTS

No material events occurred after the half-year close.

Zodiac Aerospace

**Period from September 1, 2014 to February 28,
2015**

Statutory Auditors' report

on the half-year financial report

FIDAUDIT
Member of the FIDUCIAL network
41, rue du Capitaine Guynemer
92925 Paris-La Défense Cedex
Corporation [S.A.] with capital of €250,000

Statutory Auditor
Member of the regional
company of Versailles

Ernst & Young Audit
1/2, place des Saisons
92400 Courbevoie – Paris-La Défense 1
Simplified Joint Stock Company [SAS] with variable capital

Statutory Auditor
Member of the regional
company of Versailles

Zodiac Aerospace

Period from September 1, 2014 to February 28, 2015

Statutory Auditors' report on the first-half financial report

To the Shareholders,

In accordance with the terms of our appointment by your General Meetings of Shareholders and Article L. 451-1-2 III of the French Monetary and Financial Code, we have:

- conducted a limited review of the condensed consolidated half-year financial statements of Zodiac Aerospace for the period September 1, 2014 to February 28, 2015, which accompany this report;
- verified the amounts and disclosures contained in the half-year business report.

The condensed consolidated half-year financial statements are the responsibility of the Executive Board. Our responsibility is to express an opinion on these financial statements based on our limited review.

1. Opinion on the financial statements

We conducted our limited review in accordance with auditing standards applicable in France. A limited review consists primarily of interviewing members of management responsible for financial and accounting matters, and applying analytical procedures. The work of a review is substantially less extensive than that required for an audit according to auditing standards applicable in France. Consequently, the level of assurance we obtained as to whether the financial statements, taken as a whole, are free of material misstatement is moderate, and lower than that obtained in an audit.

Based on our limited review, we found no evidence of material misstatement that calls into question the condensed consolidated half-year financial statements' compliance with IAS 34, an International Financial Reporting Standard (IFRS) as adopted by the European Union with respect to interim financial reporting.

2. Specific verification

We have also verified the amounts and disclosures in the half-year business report commenting on the condensed consolidated half-year financial statements that were the subject of our review.

We have no comments to report with respect to the fair presentation and consistency of such amounts and disclosures with the condensed consolidated half-year financial statements.

Paris-La Défense, April 30, 2015

The Statutory Auditors

FIDAUDIT
Member of the FIDUCIAL network

Ernst & Young Audit

Bruno Agez

Laurent Miannay