Results for the 2008/2009 fiscal year

Zodiac Aerospace is well placed to benefit fully when the global economy emerges from crisis

- **The Group has resisted the effects of the crisis well, despite a more rapid decline in the aerospace equipment industry than was first forecast**
- **A 2009/2010 fiscal year that will be marked by reduced forward visibility and an unfavorable euro exchange rate**
- **A crisis exit scenario supported by:**
  - **a higher shipset value in all new aircraft programs**
  - **expected recovery of traffic**
  - **a stronger, more comprehensive and worldwide after-sales service**
  - **a manufacturing structure that is more flexible and less sensitive to the dollar effect**
  - **greater external growth capability**

Issy-les-Moulineaux, November 23, 2009 - The Zodiac Aerospace Supervisory Board approved the 2008/2009 consolidated financial statements at its meeting of November 19, 2009.

THE GROUP RESISTED THE EFFECTS OF THE CRISIS WELL IN 2008/2009, DESPITE THE DECLINE IN THE WIDER ECONOMY SEEN AT THE END OF THE YEAR

€ MILLION	***2008/2009***	*2007/2008*	*Δ*
REVENUE	**2205.7**	2014.5	+9.5%
COI	**249.4**	235.6	+5.9%
COI/REV	***11.3%***	*11.7%*	-
NET EARNINGS	**172.9**	137.8*	+25.5%
EPS	**3.28**	2.51	+30.7%
NET DEBT	**655**	751	-12.9%
$/€	**1.35**	1.50	

* Exc. the €373.6 million capital gain made on the disposal of Marine operations

The Group's key ratios held up well, despite a more rapid decline in the aerospace equipment industry than was first forecast

In the 2008/2009 fiscal year, business activity was disrupted by the faster than forecast decline in the aerospace equipment industry. The Group was not expecting this degree of downturn until the end of 2009. The first part of the year was marked by a difficult market for aircraft seats, strikes at Boeing and delays in the introduction of Zodiac Services, the new global structure for the Group's after-sales service. Contrarily to expectations, the recovery of these items was partial, owing to new perturbations: postponement of the Boeing 787 program, destocking at some business jets manufacturers and additional difficulties in the seats segment.

Despite this weaker trading environment, the Group is able to report progress in all its keys ratios, although the improvement achieved falls short of its initial expectations. Revenue fell by only 5.3% on a like-for-like basis, and rose by 9.5% on the basis of the current consolidation scope, as a result of the integration of those businesses acquired at the end of the 2007/2008 fiscal year and a favorable dollar/euro exchange rate. Current operating income rose by 5.9% to €249.4 million.

Substantial cash generation

Net financial debt at the end of the fiscal year was €655 million, compared with €751 million at the end of August 2008. The ratio of net financial debt to equity was 52%, compared with 67% at the end of August 2009. This marked reduction in debt, better than expected, is mainly the result of the substantial increase in cash flow by 16.7%, from €207.4 million to €242 million. This improvement in cash flow reflects the initial outcome of initiatives put in place to improve the working capital requirement, which will continue in future fiscal years.

Net earnings per share in line with forecast

Lower financial charges than initially anticipated, combined with favorable non-recurring tax liability items arising essentially from the disposal of the remaining holding in Zodiac Marine & Pool, offset below-target growth to deliver Group net income 25.5% higher at €173 million. Net earnings per share rose by 30.7% to €3.28 in line with the forecast set at the beginning of the fiscal year.

Dividend

Consistent with its confidence in the medium-term outlook for the Group, the supervisory board will propose the distribution of a €1 dividend per share at the general meeting of shareholders to be held on January 11, 2010.

A SOUND POST-CRISIS OUTLOOK

An economy-driven impact in 2009/2010

It seems likely that the 2009/2010 fiscal year will be marked by the late cyclical nature of the aerospace equipment manufacturing industry and by an unfavorable euro/dollar exchange rate.

The original equipment market, which contributes approximately 50% of Group revenue, is holding up, but will remain difficult over the coming months for aircraft manufacturers and airlines alike. The production rates of business aircraft and regional aircraft seem likely to remain at the low levels seen at the end of 2008/2009. Commercial airliner programs should remain more sustained, and the lower production volumes should have only a limited impact. Lastly, a part of the business will depend on the Boeing 787, whose maiden flight is scheduled to take place at the end of 2009.

After-sales segment, which contribute approximately 40% of Group revenue, should remain sustained over the coming months as a result of the increasing influence of Zodiac Services, which is now up and running. The new structure will strengthen the commercial positioning of the Group in all its markets as a result of its ability to offer a comprehensive and worldwide service.

The Group will actively continue with the process of restructuring its production operations in such a way as to reduce its exposure to the dollar/euro exchange rate and improve its manufacturing competitiveness. Nevertheless, even these initiatives may not be sufficient to offset the unfavorable shift in exchange rates for the 2009/2010 fiscal year.

Given this background, the Group expects delivering an operating profitability level of approximately 8% for the 2009/2010 fiscal year on the basis of an average dollar/euro exchange rate of 1.50. Dollar sensitivity is in the region of 1 percentage point of Current Operating Income margin for 10 cent change in the euro/dollar rate.

Excellent prospects for all segments when the global economy emerges from crisis

As soon as the global economy emerges from crisis, which is a possibility in 2011 for aerospace equipment manufacturing industry, Zodiac Aerospace will benefit fully from the recovery of traffic, its higher shipset value in all new aircraft programs, a stronger, more comprehensive and worldwide after-sales service, a more flexible manufacturing structure and greater potential for external growth.

Involvement in all new aircraft programs

Driven by the already-apparent increase in air traffic, the renewal of existing fleets will immediately benefit new aircraft programs, which will be a very positive development for Zodiac Aerospace, since the Group is already well placed with higher shipset value for all major new programs over the next five years.

In the commercial airliner segment, Zodiac Aerospace is a major supplier of equipment and systems for long-haul aircraft, like the Boeing 787 and Airbus A350XWB and jumbo carriers, like the A380 and B747-8.

Its highly competitive integrated product range means that Zodiac will also benefit from the arrival of new aircraft manufacturers in the single-aisle segment. The Group has already been appointed as supplier for the Bombardier CSeries and, more recently, by the Russian Irkut Corporation for its MC-21.

A comprehensive after-sales service

The increasing importance of Zodiac Services will enable the Group to consolidate its position in the sale of original manufacturer spare parts, and help it to develop a comprehensive range of associated services by ensuring maximum availability of parts, thus fulfilling a priority demand from airlines. The increased sales presence it delivers will also allow the Group to expand the range of products and services it offers to airlines.

Substantial potential for external growth

This global manufacturing strategy offers Zodiac Aerospace much-improved prospects for external growth in aerospace. With its substantial culture of acquisition and greater financial flexibility as a result of good cash flow and low debt levels, Zodiac Aerospace is well placed to benefit from the opportunities inevitably created by the current economic climate.

Upcoming meetings:	**Quarter 1 revenue**	**December 16, 2009**
	General meeting of shareholders	**January 11, 2010**

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Appendices

Consolidated revenue								
	Annual revenue				*Quarter 4*			
€million	*2008/2009 fiscal year*	*2007/2008 fiscal year*	*Change**	*Organic Growth*	*Q4 2008/2009*	*Q4 2007/2008*	*Change**	*Organic Growth*
Aerosafety & Technology	506.3	512.8	-1.3%	-5.4%	140.0	149.6	-6.4%	-10.6
Aircraft Systems	564.0	539.4	4.6%	-3.6%	121.1	135.6	-10.7%	-17.2
Cabin Interiors	1 135.4	962.3	18.0%	-6.2%	268.5	240.1	11.8%	-8.5
Group Total	**2 205.7**	**2 014.5**	**9.5%**	**-5.3%**	**529.6**	**525.3**	**0.8%**	**-11.3%**

**Average annual €/$ exchange rate for the 2008/2009 fiscal year: 1.35 compared with 1.50 / Q4: 1.41 compared with 1.54*

	Current Operating Income (COI)		
€million	*2008/2009 fiscal year*	*2007/2008 fiscal year*	*Change*
Aerosafety & Technology segment	59.7	67.8	-11.9%
Aircraft systems segment	71.8	56.0	+28.2%
Cabin interiors segment	117.6	116.5	+0.9%
Holding company	0.4	-4.7	-
Group Total	**249.4**	**235.6**	**+5.9%**

P&L (simplified)		
€ million	**2008/2009**	**2007/2008**
Revenue	**2,205.70**	**2,014.50**
Current Operating Income	**249.4**	**235.6**
Other operating income and expenses	-21.5	-2
Operating Income	227.9	233.6
Net financial income	**-34.4**	**-31.6**
Corporate income tax charge	**20.6**	**65.2**
Net income from ongoing operations	**172.9**	**137.8**
Net income from operations in the course of disposal and discontinued	**-**	**373.6**
Net earnings	**172.9**	**511.4**
Net earnings – Non-Group	-0.2	-
Net earnings – Group	**173.1**	**511.4**

Balance sheet (simplified)					
€ million	**August 09**	**August 08**		**August 09**	**August 08**
Non-current assets	1 452.9	1 409.6	Net position	1 308.0	1 173.7
Total current assets	1 006.5	1 071.2	Prov. & deferred taxes	129.6	134.8
Cash and cash equivalents	101.9	99.0	Financial debt	756.4	850.5
			Current liabilities	367.3	420.8
	2 561.3	**2 579.8**		**2 561.3**	**2 579.8**

Simplified cash flow statement	
€ million	**2008/2009**
OPERATING ACTIVITIES	
Cash flow	242.0
Change in WCR	42.5
Cash generated from operations	284.5
INVESTING ACTIVITIES	
Acquisition of non-current assets	-36.4
Other	-65.3
Changes to the scope of consolidation	-18.8
Cash generated from investments	-120.5
FINANCING TRANSACTIONS	
Change in long-term debt	-42.2
Treasury stock	-4.9
Other	0.1
Dividends	-52.7
Cash generated from financing	-99.7
Currency translation adjustments at beginning of period	-1.9
Change in cash	62.4