



ZODIAC SA

French Société Anonyme with Supervisory and Executive Boards
capitalized at €11,121,258.20
Registered office: 2, rue Maurice Mallet
92130 Issy-les-Moulineaux
729 800 821 R.C.S. Nanterre - APE: 741 J
Fiscal year: September 1 to August 31

Consolidated financial statements – First half 2007/08

*Note: this document is translated from the report entitled "Comptes consolidés du premier semestre 2007/2008"
In the event of uncertainty, please refer to the French text.*

April 21, 2008

Consolidated financial statements

I - Zodiac Group Consolidated Balance Sheet at February 29, 2008

(In thousands of euros)

Assets	February 29, 2008	August 31, 2007	February 28, 2007
Non-current assets:			
Goodwill	858,010	906,153	930,274
Intangible assets	140,846	135,400	121,078
Property, plant & equipment	198,387	200,952	200,836
Financial assets	119,028	46,672	33,199
Deferred tax assets	3,135	9,439	14,068
Total non-current assets	1,319,406	1,298,616	1,299,455
Current assets:			
Inventories and work in progress	455,660	448,132	461,150
Current tax assets	15,297	24,843	17,494
Trade and other receivables	468,863	434,916	466,421
Financial assets	530	507	808
Cash and cash equivalents	49,417	45,886	55,066
Total current assets	989,767	954,284	1,000,939
Operations in the process of disposal		567,763	618,012
Total assets	2,309,173	2,820,663	2,918,406

Liabilities	February 29, 2008	August 31, 2007	February 28, 2007
Shareholder equity:			
Capital stock	11,121	11,117	11,071
Additional paid-in capital	71,248	181,816	176,943
Consolidated reserves	857,069	672,436	670,830
Goodwill from ongoing operations	-167,541	-82,588	-52,845
Goodwill from operations in the process of disposal		-10,153	-6,443
Restatement of financial instruments	40,572	13,022	-139
Consolidated net income after minority interests	437,409	182,473	79,695
Treasury stock	-3,300	-700	-670
Equity after minority interests	1,246,578	967,423	878,442
Minority interests	1,132	4,337	3,950
Total shareholder equity	1,247,710	971,760	882,392
Non-current liabilities:			
Provisions	29,753	27,398	32,079
Debt	464,211	1,020,391	1,043,470
Deferred taxes	28,717	35,131	28,655
Total non-current liabilities	522,681	1,082,920	1,104,204
Current liabilities:			
Provisions	33,204	36,227	39,275
Debt	115,817	278,051	448,387
Current tax liabilities	61,523	16,694	18,125
Trade and other payables	328,238	337,501	332,965
Total current liabilities	538,782	668,473	838,752
Operations in the process of disposal		97,510	93,058
Total liabilities	2,309,173	2,820,663	2,918,406

II – Zodiac Group Consolidated Income Statement

(In thousands of euros)

	H1 2008 to February 29, 2008	FY 2006/2007 to August 31, 2007	H1 2007 to February 28, 2007
Gross revenue	984,020	2,001,977	989,166
Other operating revenue	5,381	6,202	3,492
Total revenue	989,401	2,008,179	992,658
Purchases used in production	400,434	772,116	414,822
Personnel costs	318,201	631,846	313,875
External charges	133,210	273,213	122,030
Taxes other than income taxes	11,183	22,693	11,323
Depreciation and amortization	24,749	47,407	23,423
Charges to provisions	2,655	5,536	2,377
Changes in inventories of finished goods and work in progress	10,991	7,395	32,726
Other operating income and expenses	8	-191	-122
Current operating income	109,968	262,572	137,412
Non-current operating items	-957	1,701	-253
Operating income	109,011	264,273	137,159
Income from cash and cash equivalents	1,173	1,337	3
Gross cost of debt	14,726	56,991	27,027
Net cost of debt	-13,553	-55,654	-27,024
Other financial income and expenses	-460	-878	-428
Income tax charge	31,365	66,050	38,805
Net income from ongoing operations	63,633	141,691	70,902
Net income from operations in the process of disposal and abandoned operations	373,820	41,998	9,422
Net income	437,453	183,689	80,324
Minorities' share	44	1,216	628
Group share	437,409	182,473	79,696
Earnings per share from ongoing operations (Group share) (1)	1.14 €	2.54 €	1.27 €
Diluted earnings per share from ongoing operations (Group share) (2)	1.13 €	2.51 €	1.25 €
Earnings per share (Group share)	7.87 €	3.30 €	1.44 €
Diluted earnings per share (Group share)	7.80 €	3.26 €	1.42 €

III – Statement of changes in consolidated shareholder equity

(In thousands of euros)

	Capital stock	Additional paid-in capital	Reserves and net income	Translation adjustments for ongoing operations	Translation adjustments for operations in the process of disposal	Treasury stock	Restatement of financial instruments	Total equity after minority interests	Change in minority interests	Change in shareholder equity
Position at August 31, 2006	11,052	175,049	716,641	-31,313		0	-44	871,385	3,411	874,796
Capital increase	19	1,894						1,913		1,913
Purchase or sale of treasury stock						-670		-670		-670
Net income for the year			79,695					79,695	628	80,323
Currency translation variances				-27,975				-27,975	-89	-28,064
Currency conversion adjustments for operations in the process of disposal				6,443	-6,443			0		0
Dividends			-47,524					-47,524		-47,524
Restatement of financial instruments							-95	-95		-95
Other (1)			1,713					1,713		1,713
Change in scope of consolidation and capital increase for minority interests								0		0
Position at February 28, 2007	11,071	176,943	750,525	-52,845	-6,443	-670	-139	878,442	3,950	882,392
Position at August 31, 2007	11,117	181,816	854,909	-82,588	-10,153	-700	13,022	967,423	4,337	971,760
Capital increase	4	534						538		538
Purchase or sale of treasury stock						-2,600		-2,600		-2,600
Net income for the year			437,409					437,409	44	437,453
Variation de change				-84,953				-84,953	-353	-85,306
Currency conversion adjustments for operations in the process of disposal								0		0
Dividends		-111,102	-55,530					-166,632		-166,632
Restatement of financial instruments								0		0
Other (1)			2,828					2,828		2,828
Change in scope of consolidation and capital increase for minority interests			54,862		10,153		27,550	92,565	-2,896	89,669
Position at February 29, 2008	11,121	71,248	1,294,478	-167,541	0	-3,300	40,572	1,246,578	1,132	1,247,710

(1) The "Reserves and net income" column includes the effect of stocks option valuations.

IV – Consolidated cash flow statement

(In thousands of euros)

	H1 2008 to February 29, 2008	FY 2006/2007 to August 31, 2007	H1 2007 to February 28, 2007
Operations:			
Net income	437,453	141,691	70,902
Depreciation, amortization and provisions	22,359	40,500	20,396
Capital gains on asset disposals (exc. marine division disposal)	75	694	192
Subsidies and deferred taxes (exc. marine division disposal)	3,776	17,552	5,772
Stock options (exc. marine division disposal)	2,530	2,816	1,402
Impact of marine division disposal	-373,820		
Cash flow (exc. marine division disposal)	92,373	203,253	98,664
Net change in inventory	-27,165	-43,191	-50,344
Net change in operating receivables	-46,080	-17,573	-35,089
Net change in operating variables	4,409	10,510	4,071
Operating cash flow generated from ongoing operations	23,537	152,999	17,302
Operating cash flow generated from operations in the process of disposal		44,177	-43,799
Operating cash flow generated from ongoing operations and those in the process of disposal	23,537	197,176	-26,497
Investment transactions:			
Fixed asset purchases:			
Intangible assets	-16,457	-37,199	-19,206
Property, plant & equipment	-25,308	-46,458	-20,705
Other	-1,328	-1,460	-1,238
Proceeds from fixed asset disposals	1,037	4,317	2,404
Changes in asset-related payables and receivables	-511	-438	-540
Acquisitions/disposals of entities net of cash acquired	-7,581	-126	
Cash flow generated from investments in ongoing operations	-50,148	-81,364	-39,285
Cash flow generated from investments in operations in the process of disposal and abandoned operations	896,711	-8,781	-3,622
Cash flow generated from investments in ongoing operations and those in the process of disposal	846,563	-90,145	-42,907
Financing transactions:			
Change in long-term debt	-697,236	-59,524	129,206
Increase in shareholder equity	539	6,130	1,914
Treasury stock	-2,600		-672
Ordinary dividends paid by the parent company	-55,544	-47,524	-47,524
Extraordinary dividends paid by the parent company	-111,087		
Cash flow applied to the financing of ongoing operations	-865,928	-100,918	82,924
Cash flow applied to the financing of operations in the process of disposal		-143	-254
Cash flow applied to the financing of ongoing operations and those in the process of disposal	-865,928	-101,061	82,670
Cash currency fluctuation adjustments at the beginning of the period	-1,766	-2,468	-554
Net change in cash	2,406	3,502	12,712
Cash at beginning of period	32,191	28,688	28,688
Cash at end of period	34,597	32,190	41,400

V - Notes to the consolidated finance statements

1) List of companies consolidated at February 29, 2008

Company name	Country	Percentage Group holding
Fully-consolidated companies:		
Zodiac S.A	France	Parent company
Immobilière Galli	France	100.00
Zodiac US Corporation	U.S.A.	100.00
Zodiac Services Europe	France	100.00
AeroSafety Systems Segment:		
Aérazur	France	100.00
Air Cruisers	U.S.A.	100.00
Pioneer	U.S.A.	100.00
Amfuel	U.S.A.	100.00
Engineered Arresting Systems Corp	U.S.A.	100.00
Icore UK Ltd	U.K.	100.00
Icore International GMBH	Germany	100.00
Icore International Inc	U.S.A.	100.00
Zodiac Equipments Tunisie SARL	Tunisia	100.00
Zodiac Aerospace UK Ltd	U.K.	100.00
Parachutes Industries Southern Africa	South Africa	100.00
Cabin Interiors Segment:		
Sicma Aéro Seat	France	100.00
Someco	France	100.00
Sicma Aéro Seat Services	U.S.A.	100.00
Weber Aircraft	U.S.A.	100.00
Monogram Aerospace Industries	U.S.A.	100.00
Monogram Systems GmbH	Germany	100.00
Zodiac Holding Sicma Aeroseat SL	Spain	100.00
Sicma Aero Seat España	Spain	100.00
Sicma Middle East	U.A.E.	100.00
Evac GMBH	Germany	100.00
Evac LTDA	Brazil	100.00
Evac AB	Sweden	100.00
C & D Zodiac Inc	U.S.A.	100.00
C & D Aerospace Canada Co	Canada	100.00
Aerodesign de Mexico SA	Mexico	100.00
C & D Brasil Limitada	Brazil	100.00
Aircraft Systems Segment:		
Intertechnique	France	100.00
ECE	France	100.00
ECE GmbH	Germany	100.00
Intertechnique Services Americas LLC	U.S.A.	100.00
IDD Aerospace Corp	U.S.A.	100.00
IN-Flex	France	100.00
IN-LHC	France	100.00
Précilec	France	100.00
Avox Eros Services	U.S.A.	100.00
INS Asia	Hong Kong	100.00
IN Services & Al Rumaithy Estab	U.A.E.	49.00
Avox Systems	U.S.A.	100.00
Air Actuators Singapore	Singapore	100.00
Gat-In-Es	France	100.00
Technology Segment:		
Zodiac Holding Airbag Espana SL	Spain	100.00
Zodiac Automotive Espana SL	Spain	100.00
IN Snec	France	100.00
Zodiac Data Systems Inc	U.S.A.	100.00
Heim Systems GmbH	Germany	100.00
Zodiac Automotive Division	France	100.00
Zodiac Airbags Tunisia	Tunisia	100.00
Zodiac Automotive UK	U.K.	100.00
Zodiac Automotive US	U.S.A.	100.00
Enertec SA	France	100.00
Enertec Holding SA	France	100.00
Enertec UK Ltd	U.K.	100.00

2) Main currency exchange rates used for the purposes of consolidation

	Balance sheet	Income statement
US Dollar	1.5167	1.4474
Canadian Dollar	1.4895	1.4425
Australian Dollar	1.6226	1.6368
South African Rand	11.7309	10.1577
Pound Sterling	0.7652	0.7188

3) Accounting principles

Accounting standard and basis of preparation

The summary consolidated half-yearly financial statements have been prepared in accordance with IAS 34, the IFRS benchmark standard adopted by the European Union in respect of interim financial reporting.

The accounting principles and measurement methods applied to the interim financial statements are the same as those used to prepare the consolidated financial statements for the year ended August 31, 2007, with the exception of the following IFRS standards, amendments and interpretations, whose application is obligatory for accounting periods commencing after September 1, 2007:

- IAS 1 amended - Presentation of financial statements – disclosures about capital
- IFRS 7: Financial instruments: disclosures

These standards apply only to disclosures to be made in the notes to the financial statements, and have no impact on the condensed half-yearly financial statements to February 29, 2008.

- IFRIC 10 Interim Financial Reporting and Impairment. IFRIC 10 resolves the apparent conflict between IAS 34 Interim Financial Reporting, IAS 36 Impairment of Assets and IAS 39 Financial Instruments concerning the recognition and reversal in financial statements of impairment losses on goodwill and certain financial assets.

– Recognition and measurement principles which provide that impairment losses recognized in respect of goodwill, financial assets recognized at cost value and securities held for sale may not be reversed. IFRIC 10 states that impairment losses recognized at interim period ends may not be reversed in subsequent period ends.

IFRS standards, amendments and interpretations whose application is optional for accounting periods commencing after September 1, 2008.

The Zodiac Group has not applied these IFRS standards, amendments and interpretations earlier than required.

- IFRS 8 – Operating Segments

The Group's current analysis shows that IFRS8 should have no significant impact on the presentation of Group financial statements.

- IFRIC 11 - IFRS 2 – Group and Treasury Share Transactions

IFRIC 11 states that transactions in which services are provided in return for an entity's own equity instruments are defined as "equity settled" even where:

- the entity, as a result of the transaction, chooses or is required to buy its own shares from third parties
- the entitlement to receive equity instruments was granted by the entity itself or one of its shareholders
- the transaction is settled by the entity or its shareholders

The interpretation also states that transactions in which services are received in return for parent company equity instruments should be recognized in the individual financial statements of the entity as an "equity settled" transaction where the corresponding entitlement is granted directly by the parent company and the transaction is "cash settled" where the corresponding entitlement is granted by the entity itself

Corporate income tax

In the interim accounts, the tax charge (current and deferred) is calculated by applying the estimated annual average tax rate for the current fiscal year to the accounting income for the period and for each company in such a way as to reflect the *pro rata* estimated effect of the research tax credit (French taxation).

4) Features specific to the first half of the fiscal year

a) Disposal of the Marine Segment

The amounts recognized in this respect in the financial statements to February 29, 2008 are an extension of those recognized under "operations in the process of disposal" at August 31, 2007.

Legal status

ZODIAC SA:

- sold all its equity shares in the Marine Segment to Zodiac Marine Participations, a wholly-owned subsidiary of Zodiac Marine Holding, a company formed by Carlyle for the purpose of the transaction. The sale became effective on September 27, 2007 (except for those shares held by Zodiac International (see below)).
- simultaneously contributed 100% of its Zodiac International shares to Zodiac Marine Holding. The Zodiac Marine Holding shares received by ZODIAC SA in return for this contribution represent 22.80% of Zodiac Marine Holding shares, valued at €90.1 million. An additional cash payment of €1.28 million was also paid by ZODIAC SA, bringing the total value to €91.38 million
- retained the shares held since April 2006 in Coast Investment, which was the holding company for Waterpik. These shares are recognized at their August 31, 2007 fair value of €15.9 million.

Waterpik was simultaneously contributed to Zodiac Marine Holding by Coast Investment.

Following the contribution of Waterpik, ZODIAC SA maintains a 5.26% holding in Coast Investment, which holds 75.55% of Zodiac Marine Holding.

On completion of these transactions, ZODIAC SA therefore holds directly and indirectly 26.77% of Zodiac Marine Holding (22.86 + (5.26 x 75.55%)).

Income from the disposal of the Marine Segment

- Since the "Marine Segment Disposal" and "Zodiac Marine Holding reinvestment contribution" transactions occurred simultaneously, the resulting net capital gain is recognized in the income statement as the amount corresponding to the percentage "effectively" sold on September 27, 2007, i.e. 73.23%. The remaining 26.77% continues to be recognized as "Holdings available for sale"; the amount being the fair value of this holding.
- The following is therefore recognized at February 29, 2008:

- * as Income: a capital gain on disposal of €373.8 million, net of expenses and tax

- * as Shareholder equity: a deferred capital gain of €91.3 million

The resulting total of €465.1 million is calculated as follows:

Gross capital gain	511.2
Tax	-39.7
Expenses incurred in the Marine Segment disposal	-6.4
Net	465.1

Holding in the new Marine structure

- The total amount of the ZODIAC SA holding in the new Marine structure (Coast Investment and Zodiac Marine Holding) is €107.3 million.
- In the absence of notable influence and in accordance with IAS28, this holding is recognized under "Securities held for sale".

b) Seasonal influences

Following the disposal of the Marine Segment, the Group is no longer involved in any area of business significantly affected by seasonal influences.

5) Notes to the consolidated financial statements

Property, plant & equipment by segment and geographical area

(in thousands of euros)	Europe	America	Rest of World	Total
AeroSafety Systems	17,976	18,491	4,450	40,917
Aircraft Systems	52,610	8,548	1,637	62,795
Cabin Interiors	14,252	49,065	5	63,322
Technology	9,009	452	3,022	12,483
Zodiac SA	18,870			18,870
	112,717	76,556	9,114	198,387

Goodwill and Intangible assets by segment and geographical area

(in thousands of euros)	Europe	America	Rest of World	Total
AeroSafety Systems	15,987	50,853	546	67,386
Aircraft Systems	345,159	38,420	6,255	389,834
Cabin Interiors	39,496	460,715	0	500,211
Technology	39,647	1,136	8	40,791
Zodiac SA	634			634
	440,923	551,124	6,809	998,856

Debt

(in thousands of euros)	At February 29, 2008	At August 31, 2007	At February 28, 2007
A. Non-current debt			
Confirmed syndicated loans (EUR)	375,000	765,000	700,000
Confirmed syndicated loans (USD)	68,181	220,034	304,658
Other loans (USD)	198	219	606
Confirmed syndicated loans (other currencies)		14,969	21,772
Non-current portion of other borrowings and unconfirmed loans & syndicated loan fees	20,832	20,169	16,434
Total ongoing operations	464,211	1,020,391	1,043,470
Total operations in the process of disposal		2,560	3,151
Non-current debt	464,211	1,022,951	1,046,621
B. Current financial liabilities			
Commercial paper (EUR)	100,000	84,000	421,000
Confirmed syndicated loans (EUR)		165,000	
Current portion of amounts due to banks, other borrowings and unconfirmed loans	15,817	29,051	27,387
Total for ongoing operations	115,817	278,051	448,387
Total for operations in the process of disposal		541	1,058
Current financial liabilities	115,817	278,592	449,445
Total for ongoing operations	580,028	1,298,442	1,491,857
Total for operations in the process of disposal	0	3,101	4,209
Total	580,028	1,301,543	1,496,066

Cash

(in thousands of euros)	At February 29, 2008	At August 31, 2007	At February 28, 2007
Ongoing operations:			
Cash and cash equivalents	49,417	45,886	55,066
Marketable securities	201	201	415
Current financial liabilities	115,817	278,051	448,387
Commercial paper	-100,000	-84,000	-421,000
Current portion of long-term loans and repayable advances	-796	-165,678	-582
Banks	15,021	28,374	26,805
Net cash for ongoing operations	34,597	17,713	28,676
Operations in the process of disposal		14,477	12,724
Net cash for ongoing operations and those in the process of disposal	34,597	32,190	41,400

Provisions

(in thousands of euros)	Opening balance at August 31, 2007 - ongoing operations	Operations in the process of disposal	Opening balance at August 31, 2007 - Ongoing operations and those in the process of disposal	Translation adjustments	Changes in scope	Changes during the period			Other	Closing balance at February 29, 2008
						Charges	Reversals (of provisions used)	Reversals (of provisions not used)		
US retirement medical cover	3,765		3,765	-363		127	-101			3,428
Lump-sum retirement benefits	22,208	9,113	31,321		-9,113	3,831	-1,116			24,923
Divers	1,425	46	1,471		-46		-23			1,402
Total - non-current	27,398	9,159	36,557	-363	-9,159	3,958	-1,240	0	0	29,753
Guarantees	24,487	6,991	31,478	-768	-6,991	2,439	-1,168	-650	-42	24,298
Litigation/Insurance excesses	3,048	650	3,698	-99	-650	454	-545	-696		2,162
Restructuring and diversification	1,102	75	1,177	-5	-75		-878	-5		214
Taxes other than income taxes	203	37	240		-37					203
Divers	7,387	636	8,023	-228	-636	442	-1,080	-434	240	6,327
Total – current	36,227	8,389	44,616	-1,100	-8,389	3,335	-3,671	-1,785	198	33,204
Total	63,625	17,548	81,173	-1,463	-17,548	7,293	-4,911	-1,785	198	62,957

Corporate income tax

Balance sheet: Deferred taxes

(in thousands of euros)	At February 29, 2008	At August 31, 2007	At February 28, 2007
Deferred tax liabilities	3,135	9,439	14,068
Deferred tax credits	28,717	35,131	28,655
Net deferred taxes for ongoing operations	-25,582	-25,692	-14,587
Net deferred taxes for operations in the process of disposal		9,409	10,463
Total net deferred taxes including operations in the process of disposal	-25,582	-16,283	-4,124
Breakdown of net amount by type:			
Latent tax position	19,261	19,040	24,818
Tax credits booked	806	806	1,612
Profit on closing inventory	5,063	5,679	5,440
Restatement of regulated provisions	-3,701	-3,996	-3,909
Development costs	-46,747	-44,556	-39,627
Other (1)	-264	-2,665	-2,921
Net deferred taxes for ongoing operations	-25,582	-25,692	-14,587
Net deferred taxes for operations in the process of disposal		9,409	10,463
Total net deferred taxes including operations in the process of disposal	-25,582	-16,283	-4,124

(1) Of which +1400 relates to the Marine Segment disposal.

Income statement: Breakdown of deferred tax and tax payable

(in thousands of euros)	At February 29, 2008	At August 31, 2007	At February 28, 2007
Deferred taxes	3,776	17,552	5,772
Income tax payable	27,589	48,498	33,033
Income tax payable on ongoing operations	31,365	66,050	38,805
Income tax payable on operations in the process of disposal and abandoned operations	39730	25016	5112
Total income tax payable including operations in the process of disposal and abandoned operations	71,095	91,066	43,917

Effective tax rate		
	Ongoing operations at February 29, 2008	Operations in the process of disposal and abandoned operations at February 29, 2008
Effective tax rate		
Pre-tax income	94,998	413,550
Tax rate	34.43%	34.43%
Theoretical income tax	32,708	142,385
Incidence of reduced-rate tax		-102,757
Impact of tax rates in countries other than France	-125	
Tax credit for research and training	-2,591	
Other (including tax audits)	1,373	102
Consolidated income tax	31,365	39,730
Effective tax rate	33.02%	9.61%

Off-balance sheet commitments

(in thousands of euros)	At February 29, 2008	At August 31, 2007		At February 28, 2007	
		ongoing operations	operations in the process of disposal	ongoing operations	operations in the process of disposal
Commitments given:					
Long-term rentals (1)	56,930	63,319	13,803	67,052	13,866
Actuarial gains and losses on employee benefit obligations (2)	1,725	1,857	-1,029	2,329	454
Other guarantees given (3)	5,987	9,072	465	3,938	471
Collateral (4)	535,673	535,673		535,673	
Commitments received through contracts	612	612		612	

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

(2) Net of deferred taxes.

(3) Including a guarantee of €2,683,000 issued by Zodiac S.A. in favor of the Federal Insurance Company (CHUBB) as security for performance bonds issued by this insurer to certain customers of the Group company 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 S.A. in this respect is €20 million.

(4) The shares in Intertechnique, a wholly-owned subsidiary of Zodiac S.A., were pledged as collateral with those banks involved in the syndicated loan facility of June 14, 2005.

N.B.: In acquiring C&D, Zodiac S.A. also issued guarantees to third parties to cover the performance of contracts between those third parties and C&D. The guarantees have a maximum term of five years from July 15, 2005.

Consolidated revenue by segment at February 29, 2008 (1)

(in thousands of euros)	Europe	America	Rest of World	Total
Aero Safety Systems	83,047	68,244	14,334	165,625
Aircraft Systems	162,454	79,954	25,729	268,137
Cabin Interiors	104,320	283,944	84,244	472,508
Technology	61,617	8,905	7,228	77,750
Total	411,438	441,047	131,535	984,020

Consolidated revenue by segment at February 28, 2007 (1)

(in thousands of euros)	Europe	America	Rest of World	Total
Aero Safety Systems	86,341	63,603	17,341	167,285
Aircraft Systems	165,837	80,829	27,553	274,219
Cabin Interiors	93,158	294,696	76,055	463,909
Technology	65,674	11,725	6,354	83,753
Total ongoing operations	411,010	450,853	127,303	989,166
Operations in the process of disposal	81,218	75,290	34,202	190,710
Total including operations in the process of disposal	492,228	526,143	161,505	1,179,876

(1) Gross revenue is allocated to the country that is the final destination of the sale.

Consolidated revenue by segment with a breakdown of inter-segment revenue at February 29, 2008

(in thousands of euros)	Revenue including inter-segment revenue	Gross inter-segment revenue	Gross consolidated revenue
AeroSafety Systems	169,577	3,952	165,625
Aircraft Systems	269,498	1,361	268,137
Cabin Interiors	473,161	653	472,508
Technology	77,949	199	77,750
Total	990,185	6,165	984,020

Consolidated revenue by segment with a breakdown of inter-segment revenue at February 28, 2007

(in thousands of euros)	Revenue including inter-segment revenue	Gross inter-segment revenue	Gross consolidated revenue
AeroSafety Systems	174,399	7,114	167,285
Aircraft Systems	275,530	1,311	274,219
Cabin Interiors	464,028	119	463,909
Technology	84,121	368	83,753
Total ongoing operations	998,078	8,912	989,166
Operations in the process of disposal	191,029	319	190,710
Total including operations in the process of disposal	1,189,107	9,231	1,179,876

Current operating income by segment and geographical area at February 29, 2008 (2)

(in thousands of euros)	Europe	America	Other	Total
Aerosafety systems	8,190	9,028	15	17,233
Aircraft systems	21,359	6,519	1,964	29,842
Cabin Interiors	10,239	48,827	-240	58,826
Technology	5,547	-580	792	5,759
Zodiac S.A	-1,692			-1,692
Total	43,643	63,794	2,531	109,968

Current operating income by segment and geographical area at February 28, 2007 (2)

(in thousands of euros)	Europe	America	Other	Total
Aerosafety systems	9,686	15,059	490	25,235
Aircraft systems	34,582	7,359	1,658	43,599
Cabin Interiors	10,694	52,134	-214	62,614
Technology	4,854	929	655	6,438
Zodiac S.A	-474			-474
Total ongoing operations	59,342	75,481	2,589	137,412
Operations in the process of disposal	4,518	12,118	5,433	22,069
Total including operations in the process of disposal	63,860	87,599	8,022	159,481

(2) Income is allocated to the country in which the income-generating company is located.

Information on related parties

Relations with subsidiaries and affiliates

No such transactions were billed to companies over which the Group exercises significant influence.

Transactions with executives and officers

Salaries and benefits

(in euros)	Fixed	Bonus (1)	Benefits in kind (company car)	Total
Jean-Louis Gerondeau	86,250	112,500	2,310	201,060
Maurice Pinault	120,576	100,000	2,490	223,066
Olivier Zarrouati	140,000	125,000	564	265,564
Total	346,826	337,500	5,364	689,690

(1) The bonuses shown are based on those paid during fiscal year 2007/8, calculated *pro rata* for the 6 months in question.

Stock options

	Jean-Louis Gerondeau	Maurice Pinault		Olivier Zarrouati		
	04 Plan	04 Plan	08 Plan	04 Plan	07 Plan	08 Plan
Options outstanding at August 31, 2007	160,000	75,000		60,000	75,000	
Options exercised in H1 2007/2008	-			-	-	
Options exercisable at February 29, 2008	160,000	75,000	80,000	60,000	75,000	60,000
Options exercisable at February 29, 2008 (adjusted) (1)	169,280	79,350	84,640	63,480	79,350	63,480
Exercise price (in euros)	25.21	25.21	43.49	25.21	52.15	43.49
Exercise price (in euros) (adjusted) (1)	23.83	23.83	41.11	23.83	49.29	41.11
Expiry date	12/02/2012	12/02/2012	03/12/2015	12/02/2012	13/02/2015	03/12/2015

(1) Adjustment following extraordinary dividend payment

Remuneration paid to Executive Board members

The fixed element of €770,500 and bonuses of €687,200 result in a total of €1,457,700 including remuneration paid to board members (a detailed breakdown of which is contained in the note referring to senior management remuneration).

The bonus paid varies from 0 to 100% of the fixed element of salary to reflect the degree to which segment operating income targets and/or Group net income targets are met.

260,000 stock options (275,080 after adjustment following extraordinary dividend payment) were granted to executive committee members during the period (allocated in 4-year plans) at an exercise price of €43.49 (€41.11 after adjustment following extraordinary dividend payment).

The 260,000 stock options allocated include the quantities shown in the "08 Plan" column of table 1.2 "Stock options".

REVIEW OF OPERATIONS IN THE FIRST HALF OF 2007/2008

Zodiac Group gross revenue rose by 8% in the first half of the 2007/2008 fiscal year on a like-for-like basis and at constant exchange rate.

In terms of reported data, gross revenue for the ongoing operations of the Zodiac Group fell back slightly by -0.5% to €984 million, compared with €989.2 million for the first half of 2006/2007

The main significant events during the half-year period were:

- the disposal of Marine operations, which was finalized in September 2007
- sustained organic growth of 9.2% in aeronautics operations (excluding the Technology Segment)
- the negative impact of the worsening euro/dollar exchange rate

RESULTS

At €110 million, current operating income was up by 4% on a like-for-like basis and at constant exchange rate, but fell by 20% for ongoing operations (reported data).

The Group's operating income was impacted negatively during the first half of the year by further worsening of the dollar/euro exchange rate (the average dollar rate moving from 1.29 to 1.45).

Our financial expenses fell very significantly to €14.1 million, compared with €34.8 million in the first half of 2006/2007, chiefly as a result of the reduction in Group borrowings that followed the disposal of our Marine operations.

Reported net income was €437.5 million. This figure is not directly comparable with that reported for the first half of 2006/2007, since it includes the effects of the capital gain realized on the disposal of Marine operations. The portion recognized in income for the period is €373.8 million, with the remaining €91.3 million being deferred as equity. Excluding the capital gain realized on the disposal of Marine operations, net income for the first half of 2007/2008 totaled €63.7 million.

BALANCE SHEET / FINANCE

Our non-current assets increased slightly from €1,299 million to €1,319 million. The key elements in the rise were as follows:

- o a reduction of €52 million in goodwill, resulting chiefly from the impact of €/€ currency translation
- o an increase in intangible assets, €11 million of which is attributable to rising activated development costs net of amortization
- o a stable position in property, plant & equipment, where new investment was balanced by amortization
- o an increase in equity holdings, following an additional reinvestment made in order to maintain a minority holding of 26.77% in the new structure. The overall total value of this holding is measured as €107.3 million in our financial statements to February 29, 2008.

Our current assets were higher at the end of February than at the end of August 2007, but lower than the figure for the end of February 2007. The main variations relative to the end of August 2007 were those concerned with Inventories and Receivables.

Following disposal of our Marine operations and payment of an extraordinary dividend, our financial debt fell significantly to €531 million at the end of February 2008, compared with €1,252 million at the end of August 2007 and €1,437 million at the end of February 2007. The net debt to equity ratio was therefore 0.43 at the end of the half-year, compared with 1.35 at the end of the previous period.

AERONAUTICS OPERATIONS

In overall terms, the aeronautics industry environment remains favorable for aircraft equipment suppliers, which are benefitting from increased deliveries of new civil aircraft (airliners, regional airliners, business aircraft and helicopters) and the growth of the after-sales market as fleets already in service expand and age.

The organic growth in current operating income seen in all areas of our aeronautics business is obscured by the effect of further weakness in the US Dollar. The sensitivity of our operating income to the value of the dollar is confirmed at €3.4 million for every one cent change in the dollar/euro rate.

AeroSafety Systems Segment

This segment reported 6.6% organic growth in gross revenue, which represents a 1% fall on the basis of reported data. Below-forecast growth was observed in the Emergency Evacuation and Aircraft Arresting markets.

Combined with the negative impact of the dollar, this resulted in current operating income for the segment falling to €17.2 million for the half-year, compared with €25.2 million for the same period of 2006/2007.

Aircraft Systems Segment

This segment had a good first half to the year, with organic growth of 5.6% and an organic rise of 4.7% in current operating income.

However, this segment took the brunt of the impact imposed on the Group by the weak dollar. In terms of reported data, gross revenue fell by 2.2% and current operating income by 31.6%.

Cabin Interiors Segment

The Cabin Interiors Segment, which contributes 52% of gross aeronautics revenue, reported the strongest organic growth (+12.3%), although this is masked in the reported data by the impact of the dollar exchange rate (+1.9%).

Its current operating income grew organically by 13.9%, but fell 6% after the dollar impact is taken into account. This dollar impact breaks down equally between currency conversion (the translation into euros of the financial statements of subsidiaries accounting in dollars) and transaction costs.

OTHER OPERATIONS

Following the final disposal of Marine operations on September 27, 2007, the Group's "Other operations" now contain only the Technology Segment.

Technology

This segment reported a 5.4% fall in organic gross revenue and 7.2% on reported data. This reduction is attributable chiefly to the Airbags operation. In the first half, Telemetry reported a weakness in its mission recorders, although this should be seen in context, since this segment does most of its business in the second half of the fiscal year.

The segment's operating margin was 7.5%, compared with 7.6% for the first half of 2006/2007.

GOOD GROWTH PROSPECTS FOR THE SECOND HALF AND FUTURE YEARS

The Zodiac Group is still benefiting from favorable conditions in the aeronautics industry, both in terms of the growth in new aircraft deliveries and the rise in after-sales business.

More specifically, the delays encountered in some new programs have had no negative impact on our various business models. We would therefore highlight the gradual resumption of deliveries of the Airbus A380 super-jumbo. The new delay announced by Boeing for its 787 Dreamliner should have only a small impact in the current year and only a limited effect in 2008/2009. Other successes achieved during the first half of the year include the appointment of the Group to the new Airbus A350 XWB program, where the value of equipment supplied is already much higher than that for the previous A330/340 program.

Good order book levels and the non-recurrence of one-off outside influences experienced in the first half of the year should deliver improved operational performances from the various aeronautics segments in the second half.

The persistent weakness of the dollar against the euro will continue to impact on our financial statements in the second half at the rate of €3.4 million for every one cent variation in the dollar/euro rate. This trend strengthens the determination of Zodiac to pursue its manufacturing hedging strategy, with the emphasis on dollarization initiatives and growth in low-cost countries.

In accordance with its external growth strategy, the Zodiac Group remains very active in the acquisitions market.

The parent company Zodiac SA has reported gross revenue of €13.5 million, compared with €15.4 million at the end of February 2007, and net income of €659 million, the majority of which is accounted for by the capital gain made on the disposal of the Marine Segment and dividends received from its subsidiaries.

Directors' Declaration

Issy, April 21, 2008

I confirm that, to the best of my knowledge, the summary financial statements for the half-year have been prepared in accordance with the applicable accounting standards and accurately reflect the assets, financial position and income of the company and all its consolidated businesses, and that the enclosed half-yearly management report provides an accurate picture of the significant events occurring during the first six months of the fiscal year, their effect on the financial statements, the main transactions between associated parties and describe the main risks and uncertainties for the remaining six months of the fiscal year.

Olivier Zarrouati
Executive Committee Chairman

Jean-Jacques Jegou
Vice President, Administration and Finance

Zodiac

Period from September 1, 2007 to February 29, 2008

Statutory Auditors' report on the interim financial information for the first half of 2007/2008

Paris-La Défense, April 24, 2008

To the Shareholders,

In our capacity as Statutory Auditors and in compliance with Article L. 232-7 of the Code de Commerce, we have:

- conducted a partial audit of the Zodiac consolidated half-yearly financial statements for the period from September 1, 2007 to February 29, 2008, as appended to this report
- verified the information contained in the half-yearly management report

These summary consolidated half-yearly financial statements have been prepared under the responsibility of the Executive Board. Our role is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with professional standards applicable in France. A partial audit of the interim accounts is confined to obtaining the information we deem necessary, primarily from those persons responsible for financial and accounting operations, and to conducting analyses and any other procedures we deem appropriate. An audit of this type does not include performing all the examinations required for a full audit in accordance with the professional auditing standards applicable in France. It therefore does not provide full assurance that all material items that may have been identified during a full audit have been identified, and we are therefore not expressing an audit opinion.

On the basis of our partial audit, we have identified no material misstatements capable of raising any question concerning the compliance of these consolidated half-year financial statements in all significant respects with IAS 34, the IFRS benchmark standard adopted by the European Union in respect of interim financial reporting. In accordance with French auditing standards, we have also reviewed the information contained in the management report on the consolidated first-half financial statements covered by our partial audit.

We have no comment to make concerning its fair presentation and its consistency with the consolidated financial statements for the first half of the year.

The Statutory Auditors

FIDEURAF
Member of the Réseau Fiducial

ERNST & YOUNG Audit

Jean-Pierre Boutard

Valérie Quint

FIDEURAF
Member of the Réseau Fiducial
41, rue du Capitaine Guynemer
92925 Paris-La Défense Cedex
S.A. capitalized at €160,000

ERNST & YOUNG Audit
Faubourg de l'Arche
11, allée de l'Arche
92037 Paris-La Défense Cedex
Variable capital S.A.S.

Auditor
Member of the Compagnie
Régionale de Versailles

Auditor
Member of the Compagnie
Régionale de Versailles