

Zodiac Aerospace reports +33.3% increase in net earnings for its H1 2011/2012

Financial results for the first half of 2011/2012

- **Current Operating Income before IFRS 3¹ grew by 20.3%. The margin for the period was 14.3%²**
- **Financial debt remains under tight control following the Heath Tecna and Contour Aerospace acquisitions, and now represents 59% of equity**
- **On the basis of this good start to the year, Zodiac Aerospace forecasts double-figure organic revenue growth for the full-year 2011/2012, with a margin rate of at least 14%**

Plaisir, April 24, 2012 - The Zodiac Aerospace Supervisory Board has approved the Group financial statements for the first half of 2011/2012 (September 1 to February 29).

Strong growth in Current Operating Income

(€ MILLION)	H1 2011/2012	H1 2010/2011 ³	VAR %
Sales revenue	1567.3	1309.5	+19.7%
COI⁴ before IFRS 3	223.8	186.0	+20.3%
COI/REV	14.3%	14.2%	
Net Income	152.4	114.3	+33.3%
Net Debt	1054.6	796.2	+32.5%
Gearing ⁵	0.59	0.52	+13.5%
€/ \$ conversion	1.34	1.35	
€/ \$ transaction	1.34	1.32	

Sustained business activity in the first half

During the first half of 2011/2012, Zodiac Aerospace continued to benefit from a buoyant business environment, in which one of the major trends was growth in air traffic. Group sales revenue grew by 19.7% to €1,567.3 million. At like-for-like consolidation scope and exchange rate, overall revenue grew by 15.9%, with the Group's Aerospace businesses delivering growth of 19.2% (excluding Rail and Airbags). Changes in consolidation scope⁶ contributed 3.9 points to revenue growth. The impact of currency exchange rates was confined to -0.1 point over the period.

¹ Impact of IFRS 3 compliance: negligible impact in H1 2011/2012, compared with -€1.7 million in H1 2010/2011

² Current Operating Income before IFRS 3 / Sales Revenue

³ Excluding restatement of the Driessen Services disposal

⁴ COI: Current Operating Income

⁵ Gearing: Net Financial Debt / Net Equity

⁶ The changes in consolidation scope relate to: a) acquisitions: Heath Tecna was consolidated for 6 months from Sept. 1, 2011, one additional month of Sell, which was consolidated for only 5 months of the first half of 2010/2011; and b), the disposal of Driessen Services (at Nov 8, 2011, deconsolidated as of Sept 1st, 2011).

All segments contributed to strong growth in Current Operating Income

Current Operating Income (COI) before IFRS 3¹ rose by 20.3% in the first half of 2011/2012, compared with the same period of the previous fiscal year. Currency exchange rate changes imposed a negative overall impact of €7.4 million on COI growth, whilst consolidation scope effects contributed €3.1 million to COI. At like-for-like consolidation scope and exchange rate, and excluding the impact of IFRS 3 compliance, COI rose by 22.6% during the first half of 2011/2012.

• **Cabin Interiors**

The Cabin Interiors segment continues to deliver sustained growth. Sales revenue from this segment grew by 22.6% during the first half of the fiscal year. At like-for-like consolidation scope and exchange rate, this segment reported growth of 15.8%. Excluding Rail, which continues to lose ground significantly, organic growth for the half-year was 21.2%, driven largely by sustained business volumes in the Seats division. External growth⁷ contributed 6.6 points of segment revenue growth. In the second half of the year, this segment will benefit from consolidation of Contour Aerospace. Acquisition of this company was finalized during Quarter 2, and Contour Aerospace has been consolidated in the financial statements as of February 29, 2012.

Current Operating Income for the Cabin Interiors segment (before IFRS 3) rose by 20.7% to €158.6 million (17.7% at like-for-like consolidation scope and exchange rate). Its current operating margin rate was 16.7%, compared with 16.9% in the first half of 2010/2011.

• **AeroSafety & Technology**

The Aerosafety & Technology segment reported revenue growth of 7.9% for the first half of the year (8% in terms of organic growth). Emergency Evacuation Systems, Interconnect Systems and Elastomer Systems continued the trend seen in Quarter 1 by delivering double-figure organic growth as a result of increased aircraft manufacturer production flows.

At €31.3 million, its Current Operating Income grew by 17.4% in terms of published data. In terms of organic growth, and excluding a slightly unfavorable exchange rate impact, COI for this segment rose by 20.1%. The current operating margin rate for this segment was 10.8%, compared with 10% in the first half of 2010/2011.

• **Aircraft Systems**

The Aircraft Systems segment reported significant revenue growth of 23.0% in terms of published data (24.3% in terms of organic growth) to end the first half at €324.8 million. The difference between the two growth figures is accounted for by a slight negative currency movement of 1.2 points. The acceleration in growth compared with Quarter 1 is accounted for by increased aircraft manufacturer production flows and the rebuilding of stock levels by some customers. As in Quarter 1, the performance delivered by Actuators, Sensors and Motors reflected sustained business levels in Seats with customers outside the Group, as well as with internal customers.

Despite a negative transaction exchange rate impact of €6.9 million, Current Operating Income for the Aircraft Systems segment rose by 20.9% to €39.3 million (42.9% at like-for-like consolidation scope and exchange rate). Its current operating margin rate was 12.1%, compared with 12.3% in the first half of 2010/2011.

Strong growth in net earnings

Total non-current operating items represented a loss of -€0.7 million, compared with -€6.6 million for the first half of 2010/2011. Operating Income was up by 25.6% to €223 million.

Income from assets previously held for sale (the Issy Les Moulineaux building and Driessen Services) was €11 million, net of related taxes.

Financial expenses remained stable at €14.6 million, compared with €14.2 million in the previous fiscal year, despite higher levels of borrowing following the Heath Tecna and Contour acquisitions.

All in all, net earnings rose by 33.3% to €152.4 million, compared with €114.3 million.

⁷ The changes in consolidation scope relate to: a) acquisitions: Heath Tecna was consolidated for 6 months from Sept. 1, 2011, one additional month of Sell, which was consolidated for only 5 months of the first half of 2010/2011; and b), the disposal of Driessen Services (at Nov 8, 2011, deconsolidated as of Sept 1st, 2011).

Tightly-controlled net financial debt

At the end of the period, net financial debt totaled €1,054 million, compared with €796 million at the end of the first half of 2010/2011 and €586 million at the end of the 2010/2011 fiscal year.

The main reason for this increase was the acquisition of Heath Tecna on September 1, 2011, and that of Contour Aerospace on January 19, 2012, which valued the companies at \$114 million and £274 million respectively. Heath Tecna has been consolidated in the financial statements since September 1, 2011, and Contour Aerospace since February 29, 2012.

The 'trade' Working Capital Requirement increased in proportion to revenue growth, and included €32 million relating to consolidation of Contour with effect from February 29. Excluding this latter factor, it ended the first half at 31.8% of revenue, compared with 33.9% for the previous fiscal year.

Growth prospects

In 2011/2012, Group financial results are likely to benefit from a currency exchange effect more favorable than that seen in 2010/2011. The Group has hedged 90% of its forecast net exposure to transaction currency rates during the 2011/12 fiscal year at a €/€ rate of 1.33. For the 2012/2013 fiscal year the Group has hedged 25% of its forecast net exposure to transaction at a €/€ rate of 1.274.

On the basis of the good results reported for the first half, the Group expects revenue growth to continue in the second half of the year although the comparison basis shall be more demanding with a H2 2010/2011 which grew significantly. Zodiac Aerospace will also benefit from the consolidation of Contour Aerospace.

All in all, for the full year 2011/2012, Zodiac Aerospace forecasts double-figure organic revenue growth and a current operating margin of at least 14%, despite a negative impact from the non aerospace businesses.

Olivier Zarrouati, Chief Executive Officer, declared "We are delighted with this good set of results for this first half, which allow us to target a double digit organic growth of our sales and a Current Operating Margin of at least 14 %, in spite of the negative impact of the non aeronautical activities. Owing to a healthy balance sheet, we are going to pursue our strategy of development by organic growth and by acquisitions."

About Zodiac Aerospace

Zodiac Aerospace is a world leader in aerospace equipment and systems for commercial, regional and business aircraft, as well as helicopters and space applications. Zodiac Aerospace employs 26,000 people worldwide, and generated revenue of €2.75 billion in 2010/2011 from its three business segments of Aeroflight & Technology, Aircraft Systems and Cabin Interiors.

Next meetings:

Q3 and 9-Month Revenue Figures

June 12, 2012 (after stock exchange closing)

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Appendices

Consolidated sales revenue per quarter

(€ million)	Quarter 1 2011/2012	Quarter 2011/2012	Quarter 3 2011/2012	Quarter 4 2011/2012
AeroSafety & Technology	142.5	148.6		
Aircraft Systems	156.8	168.0		
Cabin Interiors	479.3	472.1		
Group Total	778.6	788.7		
€/ \$ conversion	1.37	1.31		

(€ million)	Q1 2010/2011	Q2 2010/2011	Q3 2010/2011	Q4 2010/2011
AeroSafety & Technology	134.9	134.8	139.9	162.0
Aircraft Systems	131.5	132.6	152.2	146.9
Cabin Interiors	377.1	398.6	422.6	416.3
Group Total	643.6	665.9	714.8	725.3
€/ \$ conversion	1.35	1.34	1.43	1.43

VARIANCES

(Quarter versus the same quarter of the previous year)

On the basis of published data	Q1 2011/2012	Q2 2011/2012	Q3 2011/2012	Q4 2011/2012
AeroSafety & Technology	+5.6%	10.3%		
Aircraft Systems	+19.2%	26.7%		
Cabin Interiors	+27.1%	18.4%		
Group Total	+21.0%	18.4%		

Organic growth	Q1 2011/2012	Q2 2011/2012	Q3 2011/2012	Q4 2011/2012
AeroSafety & Technology	+6.7%	9.2%		
Aircraft Systems	+21.9%	26.6%		
Cabin Interiors	+19.8%	11.8%		
Group Total	+17.5%	14.2%		
Aerospace businesses*	+20.8%	+17.6%		

Variations in organic growth versus 2010/2011

Organic growth	Q1 2010/2011	Q2 2010/2011	Q3 2010/2011	Q4 2010/2011
AeroSafety & Technology	+10.4%	+1.6%	-3.3%	+9.8%
Aircraft Systems	+9.3%	+15.3%	+21.8%	+15.2%
Cabin Interiors	+25.5%	+23.7%	+19.8%	+25.7%
Group Total	+18.3%	+16.6%	+14.8%	+19.5%
Aerospace businesses *	+16.8%	+14.9%	+14.0%	+19.7%

*Excluding Rail and Airbags

Cumulative Consolidated Sales Revenue

(€ million)	Quarter 1 2011/2012	Half year 1 2011/2012	9 months 2011/2012	Fiscal year 2011/2012
AeroSafety & Technology	142.5	291.1		
Aircraft Systems	156.8	324.8		
Cabin Interiors	479.3	951.4		
Group Total	778.6	1567.3		
€/ \$ conversion	1.37	1.34		
€/ \$ transaction	1.36	1.34		

(€ million)	Quarter 1 2010/2011	Half year 1 2010/2011	9 months 2010/2011	Fiscal year 2010/2011
AeroSafety & Technology	134.9	269.7	409.6	571.7
Aircraft Systems	131.5	264.1	416.3	563.2
Cabin Interiors	377.1	775.7	1198.3	1614.6
Group Total	643.6	1309.5	2024.3	2749.5
€/ \$ conversion	1.35	1.35	1.37	1.39
€/ \$ transaction	1.31	1.32	1.37	1.35

VARIANCES

(Period-end total versus the same period of the previous year)

On the basis of published data	Quarter 1 2011/2012	Half year 1 2011/2012	9 months 2011/2012	Fiscal year 2011/2012
AeroSafety & Technology	+5.6%	+7.9%		
Aircraft Systems	+19.2%	+23.0%		
Cabin Interiors	+27.1%	+22.6%		
Group Total	+21.0%	+19.7%		

Organic growth	Quarter 1 2011/2012	Half year 1 2011/2012	9 months 2011/2012	Fiscal year 2011/2012
AeroSafety & Technology	+6.7%	+8.0%		
Aircraft Systems	+21.9%	+24.3%		
Cabin Interiors	+19.8%	+15.8%		
Group Total	+17.5%	+15.9%		
Aerospace businesses *	+20.8%	+19.2%		

*Excluding Rail and Airbags

Current Operating Income by segment

Current Operating Income by segment (before IFRS 3)

(€ million)	H1 2011/2012	H1 2010/2011	% change
Aerosafety & Technology segment	31.3	26.7	+17.4%
Aircraft Systems segment	39.3	32.5	+20.9%
Cabin Interiors segment	158.6	131.4	+20.7%
Holding company	-5.5	-4.6	
Group total	223.8	186.0	+20.3%

Simplified Income Statement

	H1 2011/2012	H1 2010/2011
Sales Revenue	1567.3	1309.5
Depreciation, amortization and provisions	44.8	34.6
Current operating income	223.8	184.2*
Other operating income and expenses	-0.7	-6.6
Operating Income	223.0	177.6
Net interest expense	-14.2	-13.9
Other financial income and expenses	-0.3	-0.3
Income tax charge	67.1	49.2
Net Earnings from held-for-sale assets	11.0	
Net Earnings	152.4	114.3
Net Earnings – After minority interests	152.7	114.4

*of which IFRS 3 compliance: -€1.7 million

Cash flow statement

		H1 2011/2012	FY 2010/2011	H1 2010/2011 ⁽¹⁾
OPERATING ACTIVITIES	Cash flow	189.1	346.4	155.1
	Net change in inventories	-88.0	-82.9	-50.6
	Net change in operating assets	-93.6	-29.2	-70.1
	Net change in liabilities	16.7	91.9	-3.1
	Flows relating to ongoing operations	24.2	326.2	31.3
INVESTING ACTIVITIES	Acquisition of non-current assets	-38.9	-50.5	-22.9
	Other	-42.2	-58.6	-24.2
	Changes to the scope of consolidation	-396.1	-210.4	-209.8
	Flows relating to investments in ongoing operations	-477.2	-319.5	-256.9
	Flows relating to investments in held-for-sale operations	27.4		
	Flows relating to investments in ongoing businesses held for sale	-449.8	-319.5	-256.9
FINANCING TRANSACTIONS	Change in long-term debt	340.0	134.0	238.1
	Change in financial instruments	0	-3.8	12.8
	Changes in equity	4.5	15.1	4.3
	Treasury stock	2.1	-1.6	-0.7
	Dividends	-64.8	-53.4	-53.4
	Flows relating to ongoing business activities	281.8	90.3	201.1
	Currency translation adjustments, beginning of period	17.2	-30.4	-17.9
	Change in cash	-126.6	66.7	-42.5

⁽¹⁾ Excluding restatement of the Driessen Services disposal

Balance sheet (simplified)

ASSETS	02/2012	08/2011	02/2011 ⁽¹⁾	EQUITY AND LIABILITIES	02/2012	08/2011	02/2012 ⁽¹⁾
Goodwill	1448.3	1166.4	1190.4	Equity			
Intangible assets	482.5	322.0	307.8	Capital	1627.9	1353.7	1405.1
Property, plant & equipment	297.4	256.3	247.8	Net income	152.3	237.9	114.3
Other, including deferred taxes	17.9	12.2	15.4	Net position	1780.2	1591.6	1519.4
				Prov. & deferred taxes	173.5	161.5	149.9
Non-current assets	2246.1	1756.9	1761.4	Financial debt	901.6	662.7	673.5
				Non-current liabilities	1075.1	824.2	823.4
				Provisions for contingencies & losses	68.4	57.4	50.9
Inventories	749.9	601.5	581.0	Financial debt	250.2	147.4	237.6
Receivables	636.3	490.3	544.2	Payables	287.5	259.7	216.0
Other	61.9	50.2	49.3	Employees	140.5	141.7	117.1
Cash and cash equivalents	97.3	224.7	114.9	Other	191.0	118.5	98.9
Current assets	1545.4	1366.7	1289.4	Current liabilities	937.6	724.7	720.5
Held-for-sale assets	1.4	18.7	12.5	Held-for-sale liabilities		1.8	
TOTAL ASSETS	3792.9	3142.3	3063.3	TOTAL LIABILITIES	3792.9	3142.3	3063.3

⁽¹⁾ Excluding restatement of the Driessen Services disposal

**The limited audit of the half-year financial statements is currently being finalized.
The report on the half-year financial information will be issued following completion of the review of the notes to the half-year financial statements.**