

## Financial results for the first half of 2009/2010

### A FIRST HALF OF THE YEAR IN LINE WITH EXPECTATIONS

- Current Operating Income of €76.5 million in the first half of 2009/2010, in line with Group forecasts.
- The first half of the year appears a low point in the economic situation for aircraft equipment manufacturers.
- Net debt, after dividend payment is stable compared to August 2009. The ratio of net debt to shareholders' equity remains below 50%.
- Confirmation of targets for 2009/2010 fiscal year.
- Group well positioned to take advantage of the expected recovery in the cycle and the increase in production volumes by new civil aviation programs.

Issy-les-Moulineaux, April 22, 2010 - The Zodiac Aerospace Supervisory Board, which met on April 21, 2010, approved the Group's financial statements for the first half of the 2009/2010 fiscal year.

IN MILLION EUROS	H1 2009/2010	H1 2008/2009	Δ
REVENUE	<b>965.8</b>	1107.4	-12.8%
CURRENT OPERATING INCOME	<b>76.5</b>	115.2	-33.6%
COI / REVENUE	<b>7.9%</b>	10.4%	
NET INCOME	<b>44.2</b>	62.1	-28.8%
NET DEBT	<b>646</b>	882	
€/ \$	<b>1.45</b>	1.33	

### A FIRST HALF IN LINE WITH EXPECTATIONS

Zodiac Aerospace's financial statements for the first half of the year were impacted by the economic crisis which has been affecting the whole of the aeronautical equipments manufacturing sector and by an unfavorable euro/dollar exchange rate compared to H1 2008/2009. The Group has demonstrated its resilience in this respect by reporting performances in line with its 2009/2010 forecasts.

- Business levels in *original equipment (OEM)*, is down, mainly in the business jets segment, and seem to have bottomed out.
- *After-sales business starts to recover.*

The second quarter proved to be more positive than the first, with sales down 5.7% on a like-for-like basis at constant exchange rate, compared with a fall of 9.7% in the first quarter.

For the Group as a whole, sales in the first half of the year totaled €965.8 million, down 12.8% based on published figures and 7.7% on a like-for-like basis at constant exchange rate.

The result of these factors is a current operating income of €76.5 million, down 33.6%. Changes varied according to business segment:

- More exposed to the transaction dollar impact than the rest of the group, the *Aircraft Systems* segment also suffered as a result of the sharp fall in deliveries for executive and regional aircraft. Its Current Operating Income came to €5.7 million, compared with €38.2 million in the first half of 2008/2009.
- Conversely, the *Aerosafety & Technology* segment confirmed the solidity of its positioning.
- The *Cabin Interiors* segment despite being affected by the decline in production volumes at Embraer, benefitted from improved market conditions in the Galleys segment and cabin equipment as well as in the segment of seats for commercial aircraft.

### **Solid cash generation**

Despite the fall in current operating income, cash flow for the first half of the year was €69.0 million compared with €89.3 million in the first half of the 2008/09 fiscal year, and, thanks to tight control over WCR, cash flow from operations came to €107.2 million compared with €8.1 million.

Net financial debt was €646 million at the end of February 2010, compared with €654 million at the end of August 2009 and €882 million at the end of February 2009. The ratio of net debt to shareholders' equity was 48% compared with 52% at the end of the 2008/09 fiscal year. This performance contributes to lower financial expenses.

### **CONFIRMATION OF A SOLID POST-CRISIS OUTLOOK**

#### **Encouraging early signs of recovery**

The civil aeronautical segment is now showing encouraging signs of recovery:

- Figures for passenger and cargo traffic are up, as are passenger load factors,
- In the commercial aircraft segment, Airbus and Boeing have both announced increases in production volumes. Although still limited, these increases indicate a better sales environment,
- The after-sales market is growing again.

The main aeronautical programs in which Zodiac Aerospace is involved have also made important progress during the first half of 2009/2010, with the first successful flights by prototypes of the A400M military transport aircraft, the new Eurocopter EC175 helicopter and Boeing's B787 and B747-8 commercial aircraft.

The Boeing 787 Dreamliner will also be a major source of business for Zodiac Aerospace, with a delivered equipment value per aircraft (excluding seats) of \$2.5 million. The certification program for this new aircraft is advancing and Boeing remains confident that it will enter service before the end of 2010.

Given the economic environment, Zodiac Aerospace maintains its target of achieving operating profitability of 8% for the 2009/2010 fiscal based on an average euro/dollar exchange rate of 1.50 for sensitivity of one percentage point of ROC for every 10 cent variation in the euro/dollar exchange rate. Applying this sensitivity to take account of the current €/ \$ exchange rate and partial coverage during the second part of the fiscal year should therefore feed through into a margin rate of over 8%.

## Favorable prospects for 2011

Zodiac Aerospace's strong resilience in response to the biggest crisis to hit the aeronautical sector demonstrates the soundness of its fundamentals and its ability to adapt. With a constantly improving costs structure, a strengthened after-sales range and a low level of debt, the Group is well positioned to take advantage of the recovery in the aeronautical cycle and should benefit from advances in new programs for commercial aircraft.

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**Next meetings:**

**Quarter 3 revenue\***

June 15, 2010

*\*After Market Close*

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## Appendices

Consolidated revenue						
In € million	2009/2010			2008/2009		
	Q1	Q2	H1	Q1	Q2	H1
<b>AeroSafety &amp; Technology</b>	107.8	118.4	<b>226.1</b>	114.7	119.8	<b>234.5</b>
<b>Aircraft Systems</b>	111.0	108.3	<b>219.3</b>	141.5	154.1	<b>295.6</b>
<b>Cabin Interiors</b>	252.7	267.7	<b>520.5</b>	297.6	279.6	<b>577.2</b>
<b>Total Group</b>	471.5	494.3	<b>965.8</b>	553.9	553.5	<b>1107.4</b>
€/§	1.48	1.42	<b>1.45</b>	1.35	1.32	<b>1.33</b>

Consolidated revenue - Variation						
% change <i>(2009/10 compared to 2008/09)</i>	reported			organic		
	Q1	Q2	H1	Q1	Q2	H1
<b>AeroSafety &amp; Technology</b>	-6.1%	-1.2%	<b>-3.6%</b>	-3.0%	+2.0%	<b>-0.4%</b>
<b>Aircraft Systems</b>	-21.5%	-29.8%	<b>-25.8%</b>	-16.6%	-24.9%	<b>-20.9%</b>
<b>Cabin Interiors</b>	-15.1%	-4.2%	<b>-9.8%</b>	-9.0%	+1.3%	<b>-4.1%</b>
<b>Total Group</b>	-14.9%	-10.7%	<b>-12.8%</b>	-9.7%	-5.7%	<b>-7.7%</b>

Current Operating Income (COI)			
In € million	H1 2009/2010	H1 2008/2009	% change
Aerosafety & Technology	19.1	21.3	-10.1%
Aircraft Systems	5.7	38.2	-85.2%
Cabin Interiors	52	55.8	-6.7%
Zodiac Aerospace	-0.3	-0.1	
<b>Total Group</b>	<b>76.5</b>	<b>115.2</b>	<b>-33.6%</b>

P&L (simplified)		
In €million	H1 2009/2010	H1 2008/2009
Revenue	965.8	1107.4
Current operating income	76.5	115.2
Non current operating items	-2.3	-4.9
Operating income	74.2	110.3
Financial result	-13.1	-19.8
Income Tax	16.9	28.4
Net Income	44.2	62.1
Minority	0.1	0.2
Net Income – Group share	44.1	61.9

Balance Sheet (simplified)							
In €million	28/2/10	31/08/09	28/02/09		28/2/10	31/08/09	28/02/09
Non current assets	1499.9	1 452.9	1527.0	Shareholder's Equity	1353.7	1 308.0	1316.1
Current assets	971.1	1 006.5	1182.8	Prov. & differed taxes	125.8	129.6	135.2
Cash	83.1	101.9	61.6	Financial debt	729.6	756.4	943.8
				Current Liabilities	345.0	367.3	376.3
<b>Total</b>	<b>2554.1</b>	<b>2 561.3</b>	<b>2771.4</b>	<b>Total</b>	<b>2554.1</b>	<b>2 561.3</b>	<b>2771.4</b>

Cash flow statement (simplified)		
In €million	H1 2009/2010	H1 2008/2009
<b>OPERATING ACTIVITIES</b>		
Cash flow	69.0	89.3
Change in WCR	38.2	-81.2
<b>Cash generated from operations</b>	<b>107.2</b>	<b>8.1</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition/disposal of intangible assets	-16.0	-14.4
Acquisition/disposal of tangible assets	-25.6	-32.9
Acquisition/disposal of entities, net of cash acquired	-7.9	-20.1
<b>Cash generated from investments</b>	<b>-49.5</b>	<b>-67.4</b>
<b>FINANCING TRANSACTIONS</b>		
Change in long-term debt	-21.8	142.1
Treasury stock	-3.5	-12.0
Other	2.5	1.5
Dividends	-52.9	-52.7
<b>Cash generated from financing</b>	<b>-75.7</b>	<b>78.9</b>
Currency translation adjustments at beginning of period	5.1	4.4
<b>Change in cash</b>	<b>-12.9</b>	<b>24.0</b>

The procedures of limited review on the half-year accounts are under way. The H1 report will be released after the completion of the works of review of appendices of the half-year accounts.