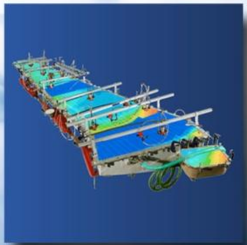
H1 2011/2012 results presentation






MASTERING THE ELEMENTS

ZODIAC AEROSPACE

Summary

- Market growth has enabled Zodiac Aerospace to report sales revenue growth of 19.7% for the first half of 2011/2012
- Organic growth in the Group's Aerospace segments was 19.2%, excluding change in perimeter (IN: Heath Tecna & Sell, OUT: Driessen Services) and exchange rate effects
- Current Operating Income before IFRS 3 grew by 20.3%. The margin for the period was 14.3%
- 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-digit organic revenue growth for the full-year 2011/2012, with current operating margin of at least 14%

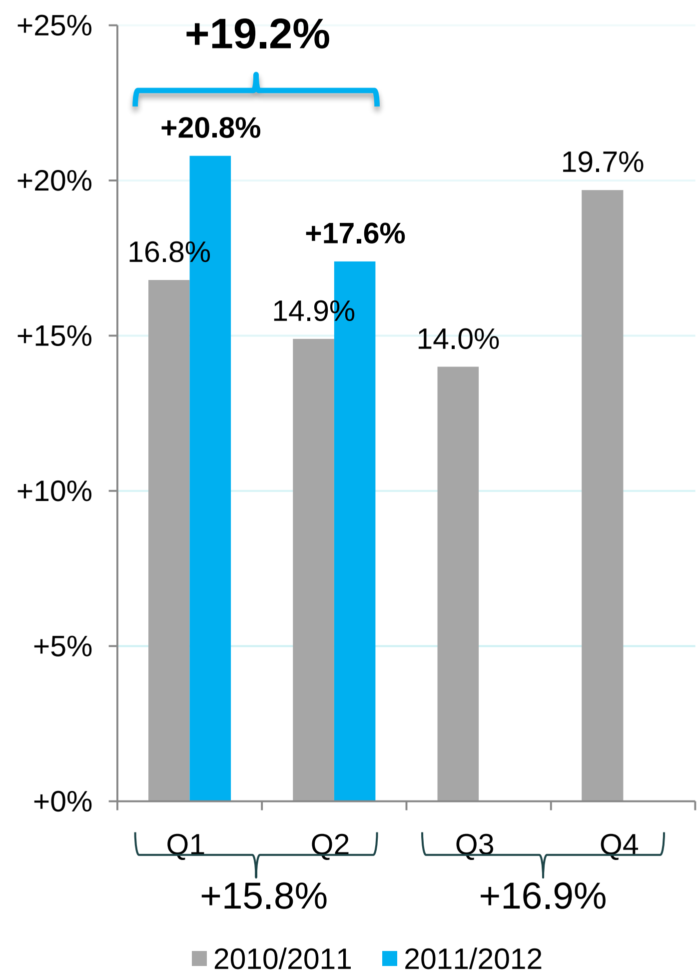
Key events of H1 2011/12

ZODIAC AEROSPACE

Strong increase in sales

- **Business volumes continued at a sustained level in Q2**
  - Sales revenue grew by 18.4% in Q2 and 19.7% in H1 2011/2012
- **Our Aerospace activities delivered organic growth of 19.2% in H1**
- **A good performance from OEM and aftermarket**

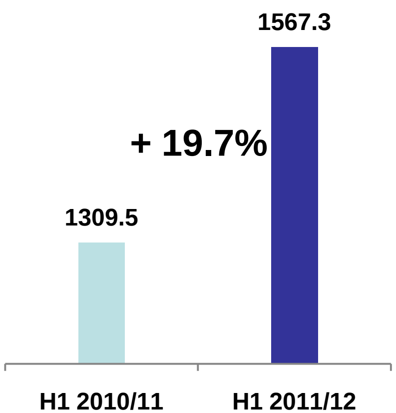
Organic growth rates for Aerospace activities revenues



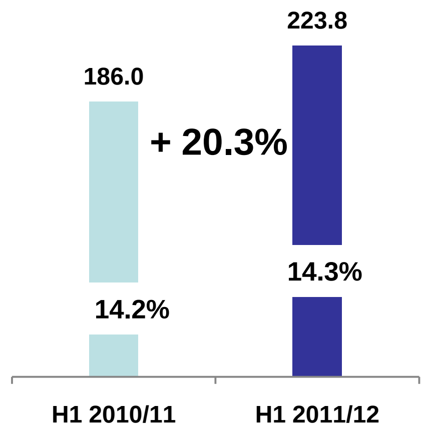
ZODIAC AEROSPACE

A good set of results for H1

Sales

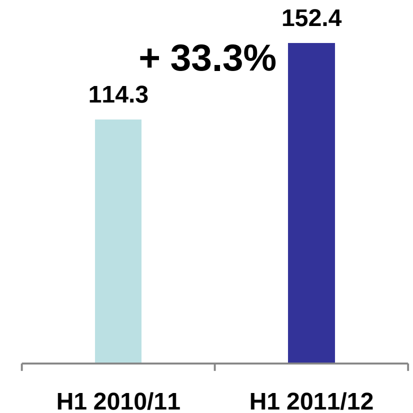


Current Operating Income*



* Excluding IFRS3 impact

Net Earnings



Gearing*

0,59 vs. **0,52**

H1 11/12 H1 10/11

*net financial debt/ equity

WCR/Sales

31.8%* vs. **33.9%**

H1 11/12 H1 10/11

*excl Contour Aerospace

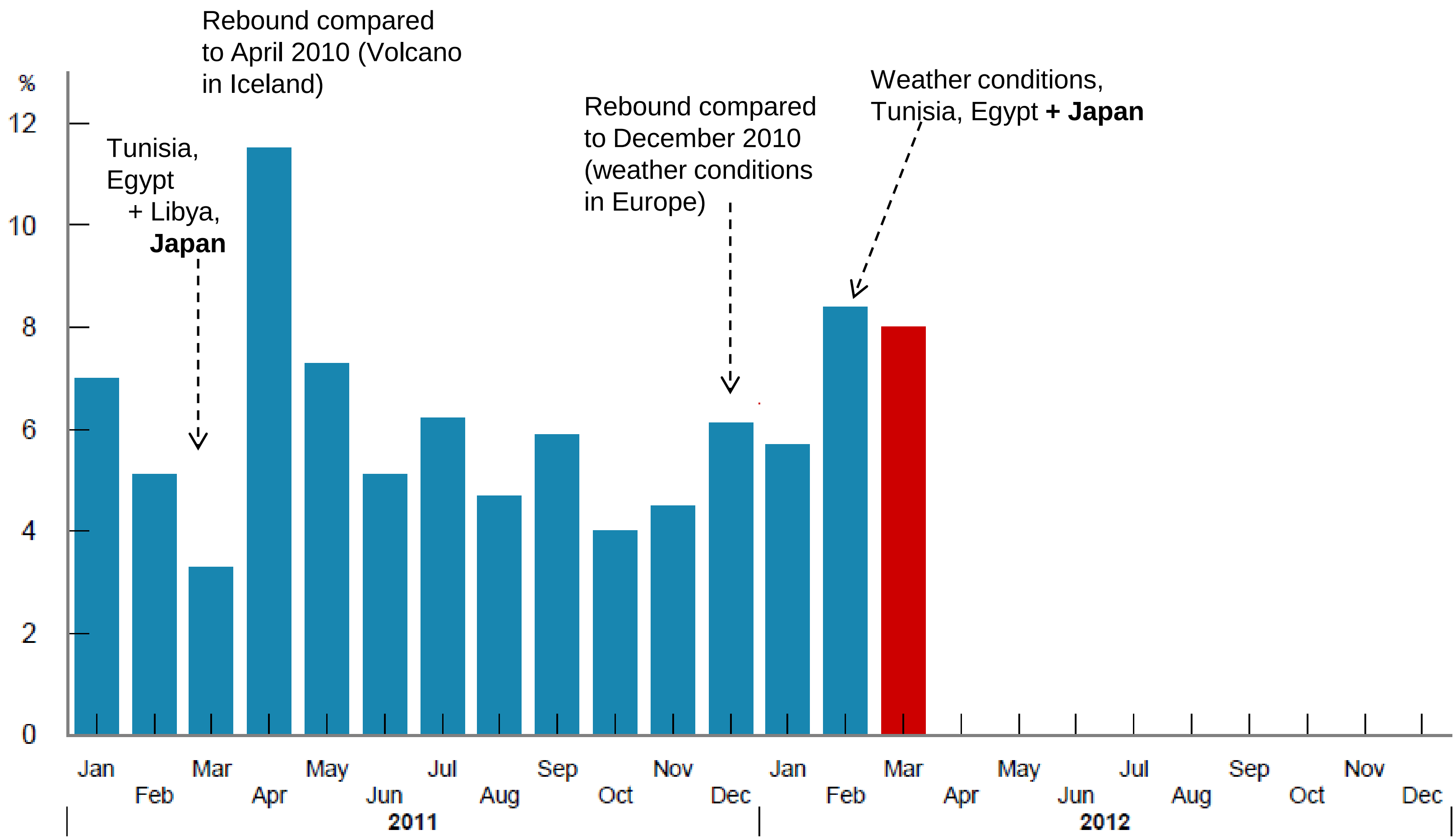
Another strong growth of sales and Current Operating Income in H1

€ million	H1 2010/2012	H1 2010/2011	△ reported
Revenues	**1567.3**	1309.5	+19.7%
Current Operating Income	**223.8**	186.0(1)	+20.3%
COI margin	**14.3%**	14.2%	
Net Earnings	**152.4**	114.3	+33.3%
Net Debt	**1054.6**	796.2	+32.5%
Gearing	**0.59**	0.52	+13.5%
Average transaction rate ($)	**1.34**	1.35	
Average conversion rate ($)	**1.34**	1.32	

(1) Excluding €-1.7 M impact from IFRS 3

Still a good environment

Revenue Passenger Km –World evolution
(% change compared to previous year period)



Source: ID Aero 2012

ZODIAC AEROSPACE

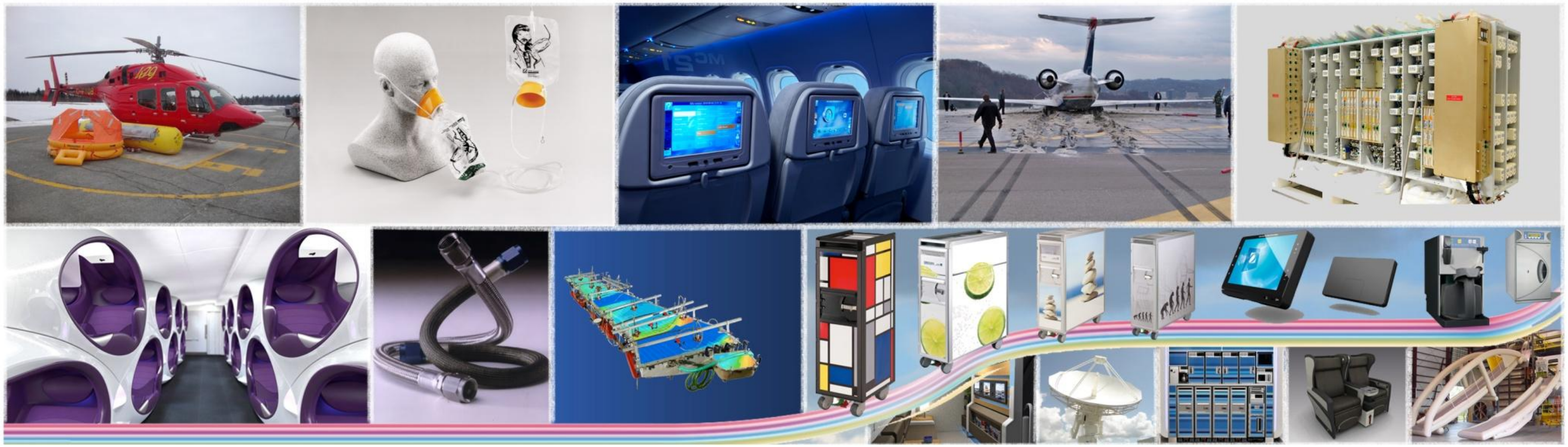
Enhancing the Group's positions

- **Acquisition of Heath Tecna**
  - As of September 1st, 2011
  - Enhancing the Group's capabilities in Cabin Interiors retrofit

- **Acquisition of Contour**
  - Consolidated as of February 29th, 2012
  - Enhancing the Group's capabilities in Premium aircraft seating

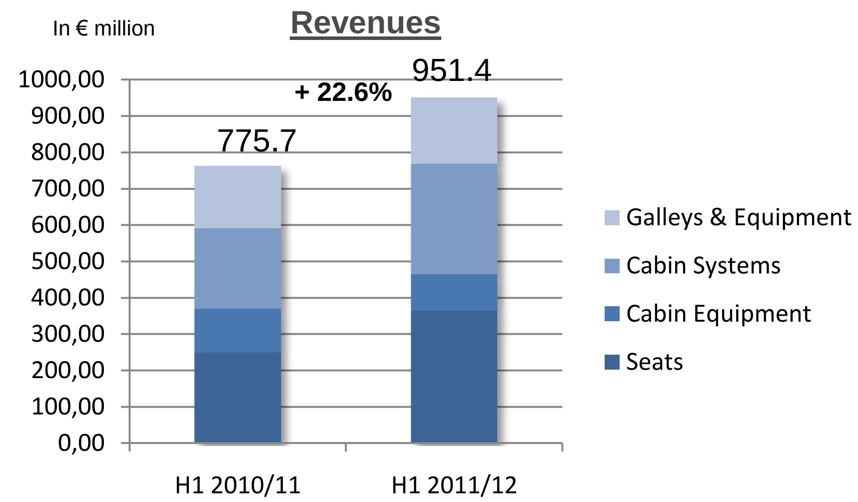
- **Industry's recognition of the Group's innovation capabilities**
  - 2 Crystal Cabin awards won during the last Aircraft Interiors show

H1 2011/2012 Financial performance

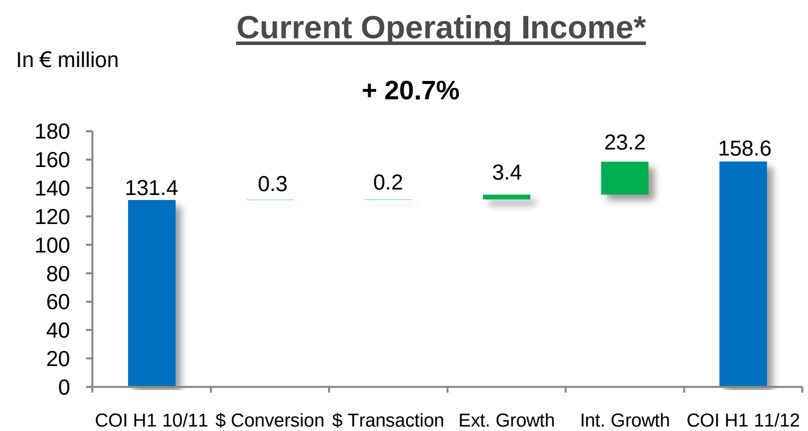


Cabin Interiors
Key Events H1 2011/2012

- **Strong increase in sales**
  - +22.6% increase in sales
  - +15.8% organic growth
  - +6.6 pt from change in perimeter
    - IN : Heath Tecna (6 months) and Sell (+1 month)
    - OUT: Driessen Services
  - A good half-year for Seating, following H2 2010/11
  - Despite a drop in Trains
- **A further increase in Current Operating Income***
  - +20.7% to €158.6m
  - +17.7% like-for-like



Organic growth: +15.8%



COI / REV: 16.9%

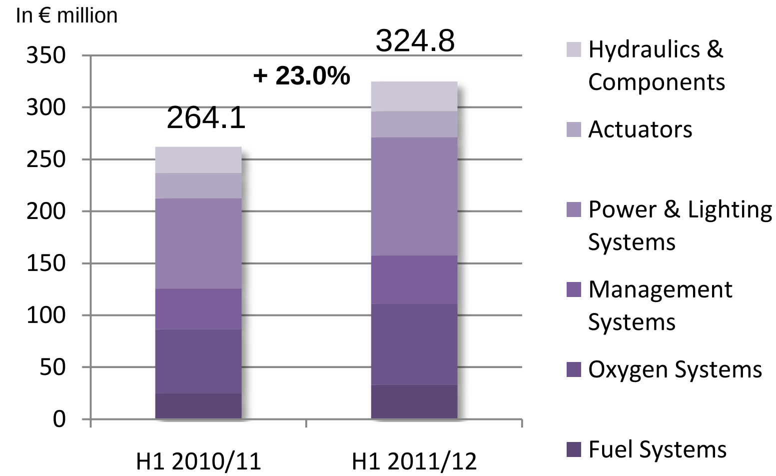
COI / REV: 16.7%

* Before IFRS3

Aircraft Systems
Key Events H1 2011/2012

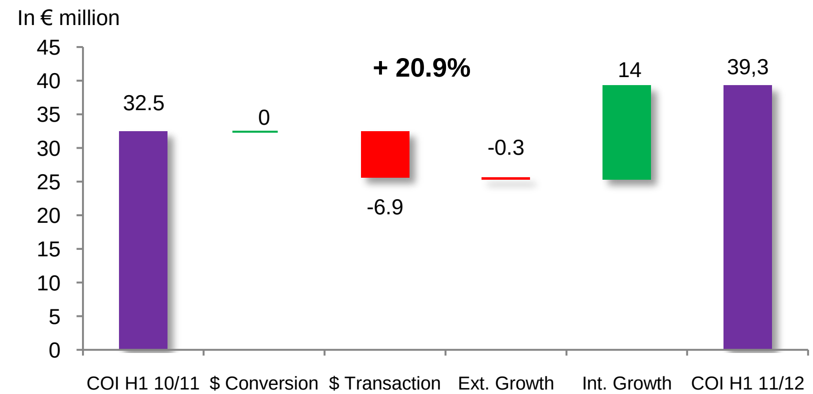
- **A further increase in sales**
  - Following the recovery initiated in 2010/2011
  - +23.0% increase in sales
  - +24.3% organic growth
  - Increase of deliveries to commercial aircraft and business jets
- **+20.9% increase in Current Operating Income**
  - Stability of the COI margin, despite a negative dollar impact
  - +42.9% like-for-like

Revenues



Organic growth: +24.3%

Current Operating Income



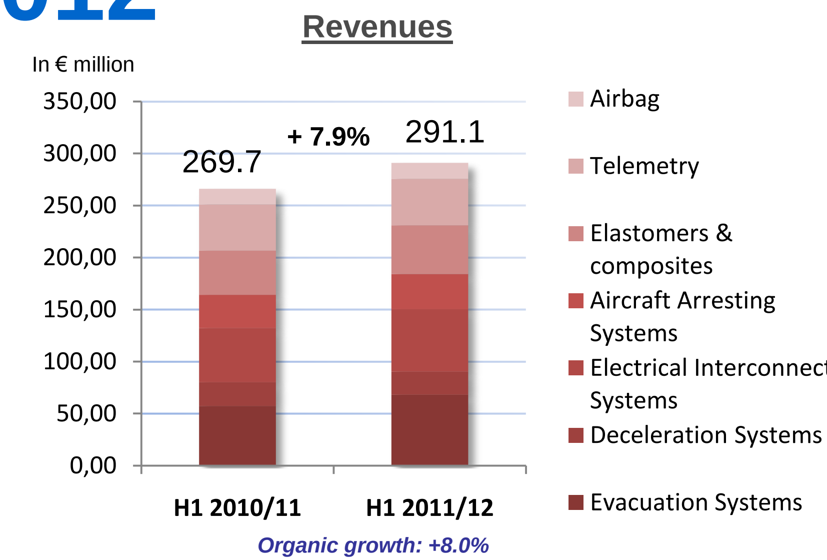
COI / REV : 12.3%

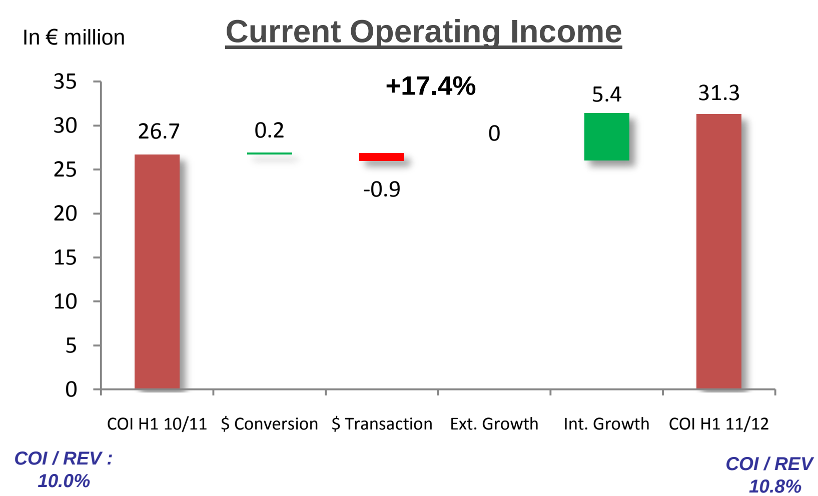
COI / REV : 12.1%

ZODIAC AEROSPACE

AeroSafety & Technology Key Events H1 2011/2012

- **+7.9% increase in sales**
  - +8.0% like-for-like
  - +8.3% like-for-like, excluding Airbags
- **17.4% increase in Current Operating Income**
- **A good H1**
  - Evacuation Systems, Arresting Systems and Interconnect Systems reported a good half-year

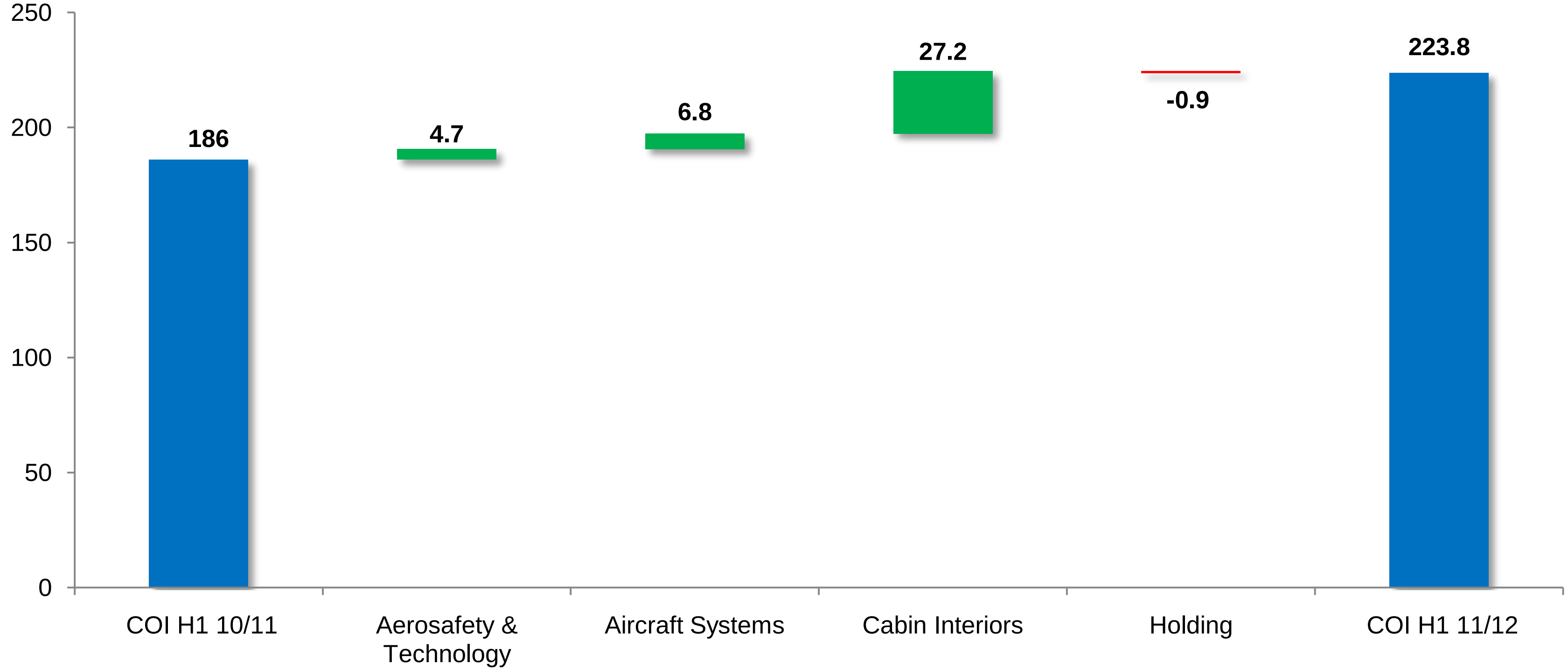




ZODIAC AEROSPACE

All in all, another robust Growth in Cabin Interiors

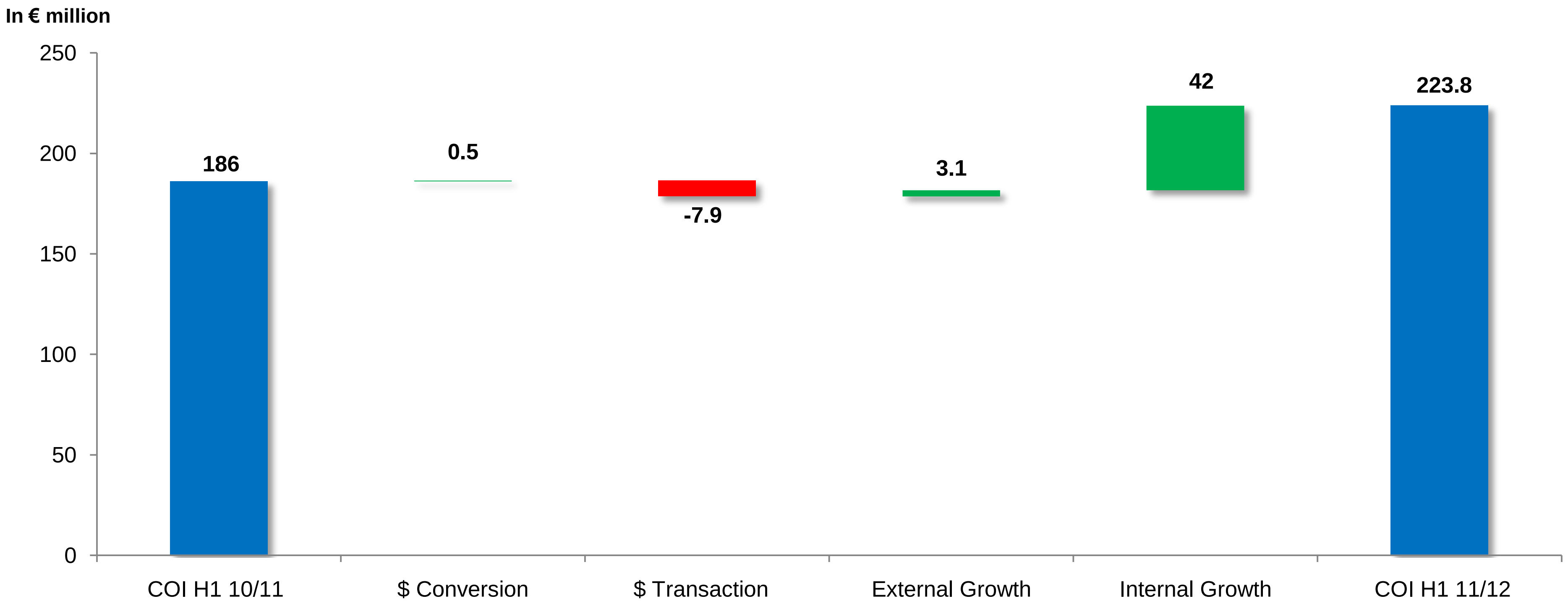
In € million



€/$(conversion): 1.35
€/$(transaction): 1.32

€/$(conversion): 1.34
€/$(transaction): 1.34

At Group level, the increase in COI is fuelled by a strong internal growth

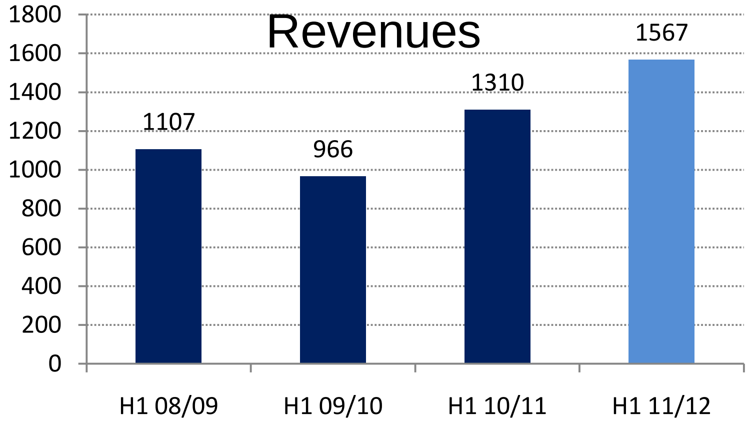


€/$(conversion): 1.35
€/$(transaction): 1.32

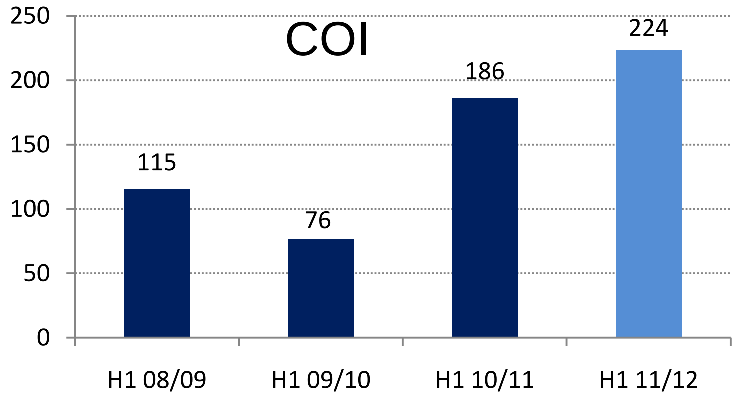
€/$(conversion): 1.34
€/$(transaction): 1.34

Strong increase in Current Operating Income (COI)*

In € million



In € million



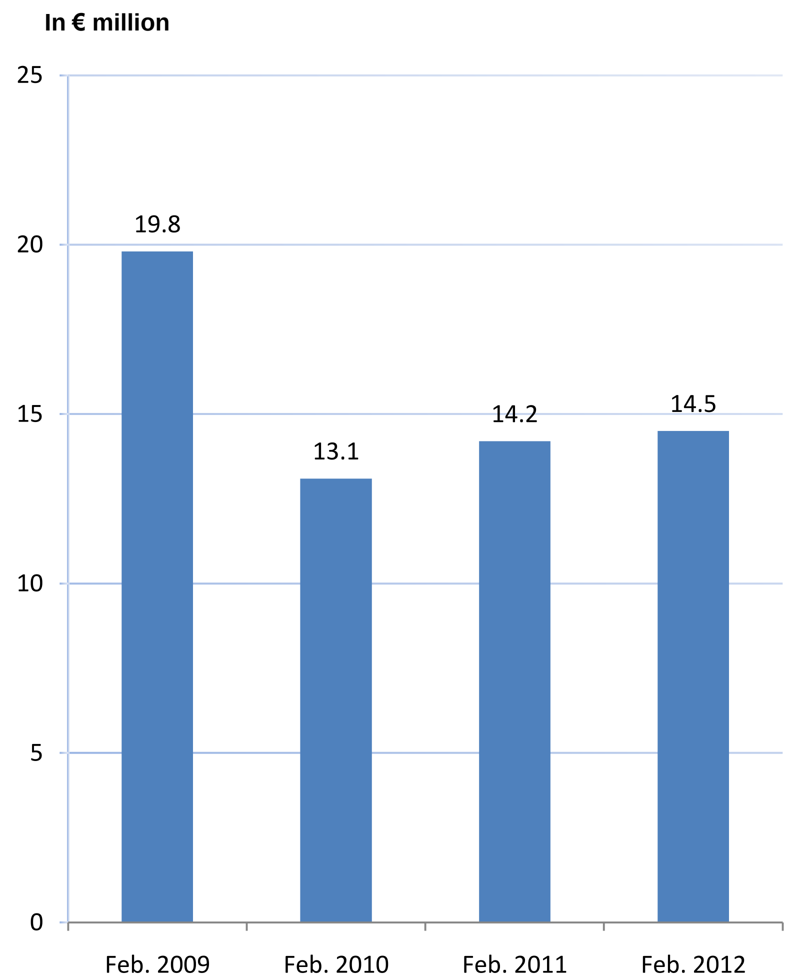
COI/Rev.	**10.4%**	**7.9%**	**14.2%**	**14.3%**

€/$ (conversion)	1.33	1.45	1.35	1.34
€/$ (transaction)	**1.31**	**1,44**	**1,32**	**1.34**

- **A further growth of sales**
  - +19.7% to €1567.3m in H1
  - +19.2% organic growth of the aerospace activities
- **A strong increase in COI**
  - +20.3% to €223.8M
  - +22.6% on a constant perimeter and exchange rate basis
- **14.3% COI margin**
  - Vs. 14.2% in H1 2010/2011
  - Despite a negative dollar impact and the drop of the train activity

* Before IFRS3

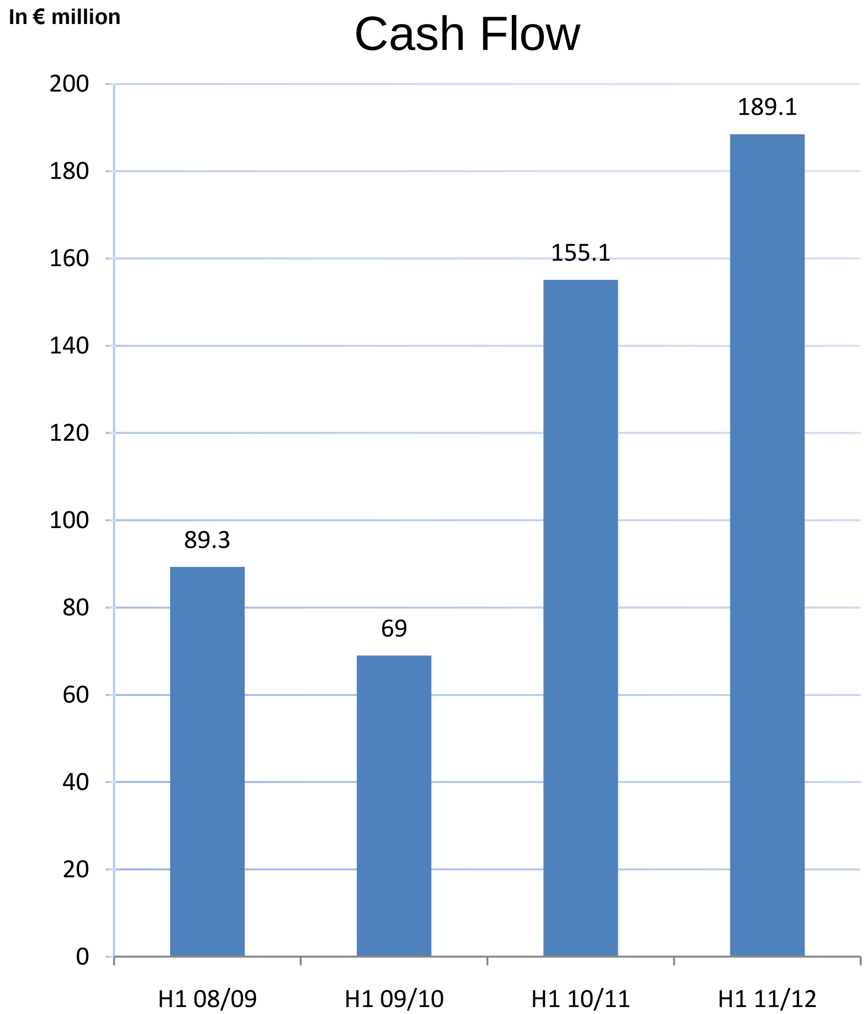
Small increase in financial expenses…

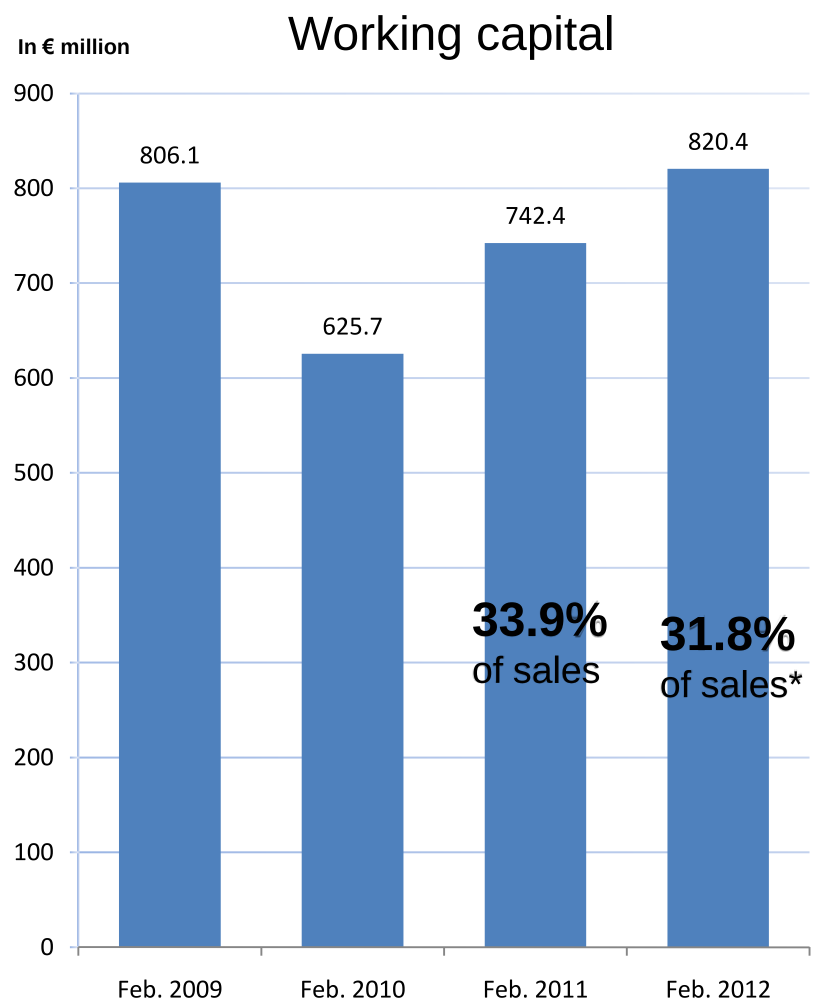


- **Financial expanses slightly increased**
  - Despite the increase of net debt, following the acquisitions of Heath Tecna and Contour

- **Non current items**
  - Non current operating items
    - €-0.7m vs. -6.6m
  - Contribution of held-for-sale assets
    - Positive contribution of €11m after tax

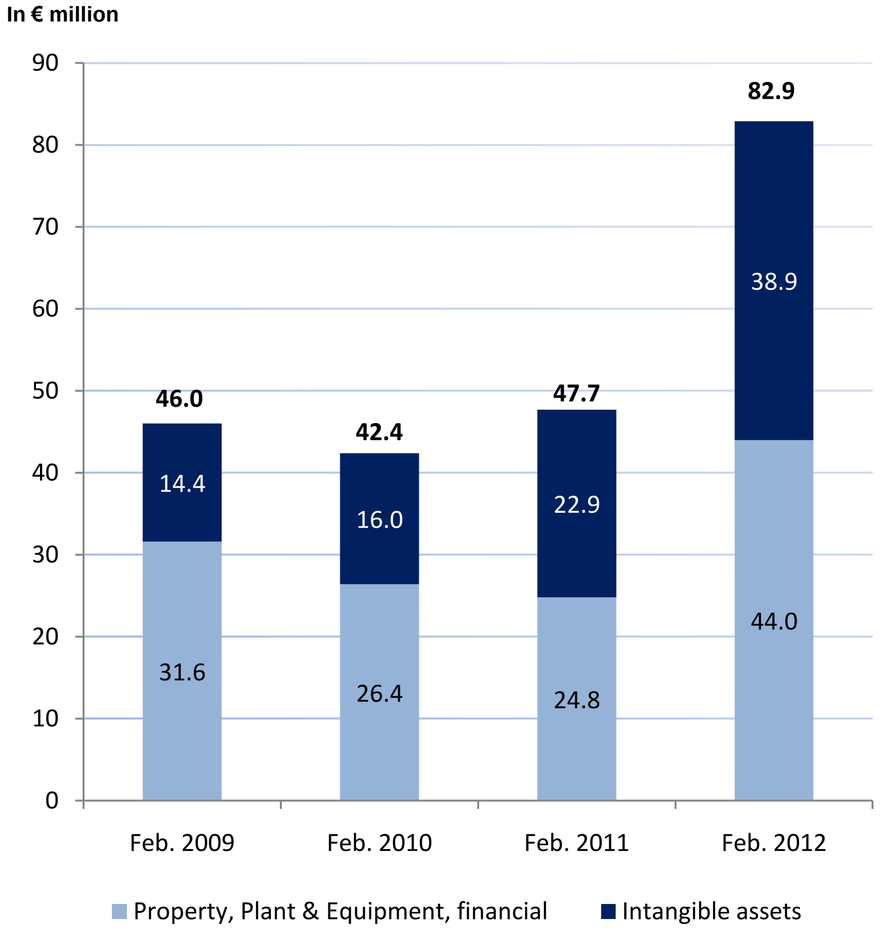
Cash Flow and Working capital





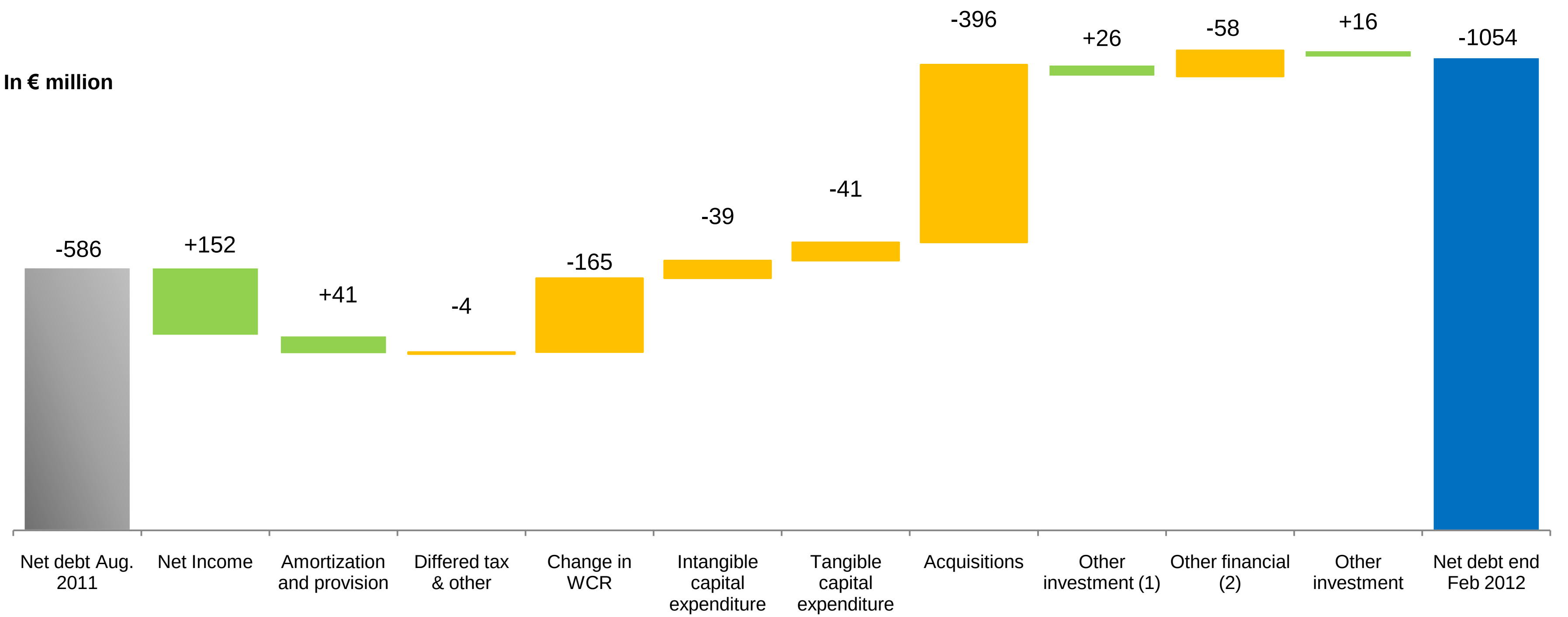
*excl. Contour

Capex increase linked to investment in new programs



- **Intangible capital expenditures**
  - €36.8 m of capitalized development costs
  - Mainly related to the development of the A350XWB

An increase in net debt due to acquisitions



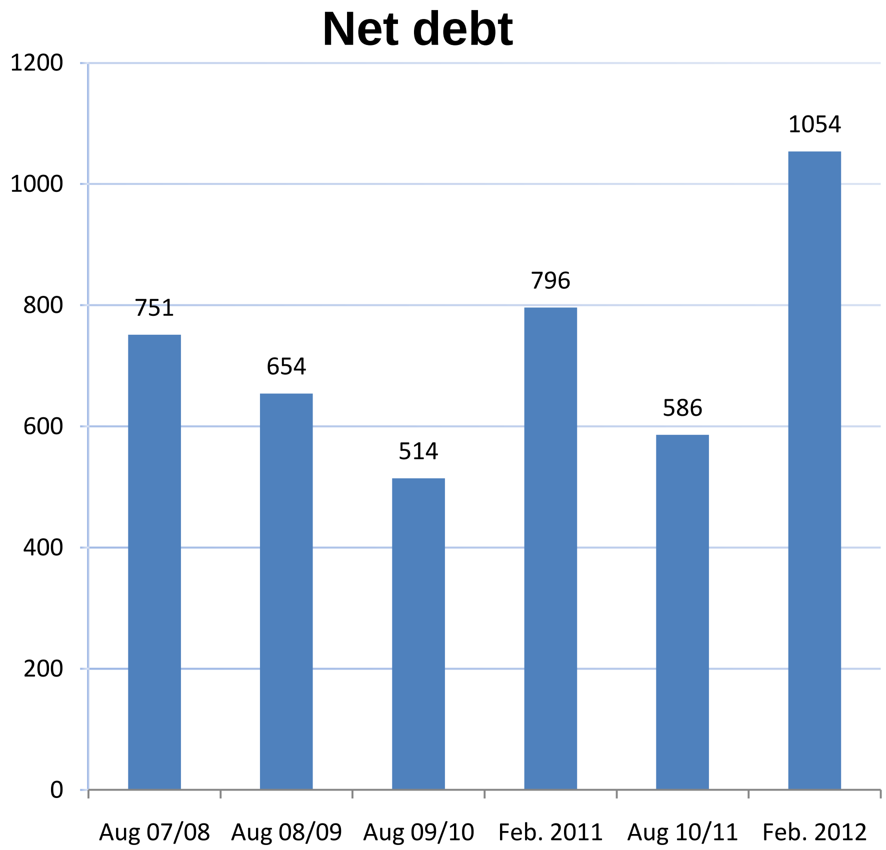
(1) Including held-for-sale assets
(2) Including dividends

Acquisitions: Heath Tecna and Contour Aerospace

Still a significant external growth potential

Gearing[1]	0.67	0.52	0.34	0.52	0.38	0.59

In € million



- **After the acquisitions of Heath Tecna (Sept. 2011) and Contour (Feb. 2012), the gearing at end Feb. increased to 0.59**
- **Zodiac Aerospace has still the possibility to conduct further acquisitions**

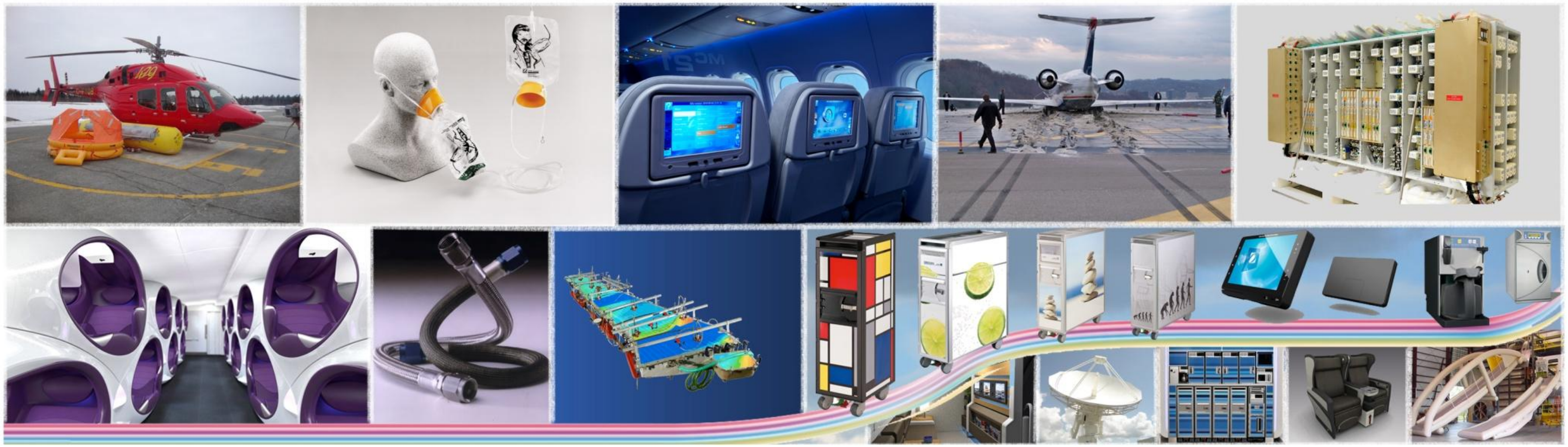
(1) Net financial debt / equity after dividend

Strategy and outlook

Still a good environment

Zodiac Aerospace has a fully renewed range of product to accomodate airline needs

A further growth of sales and Current Operating Income in 2011/12



ZODIAC AEROSPACE

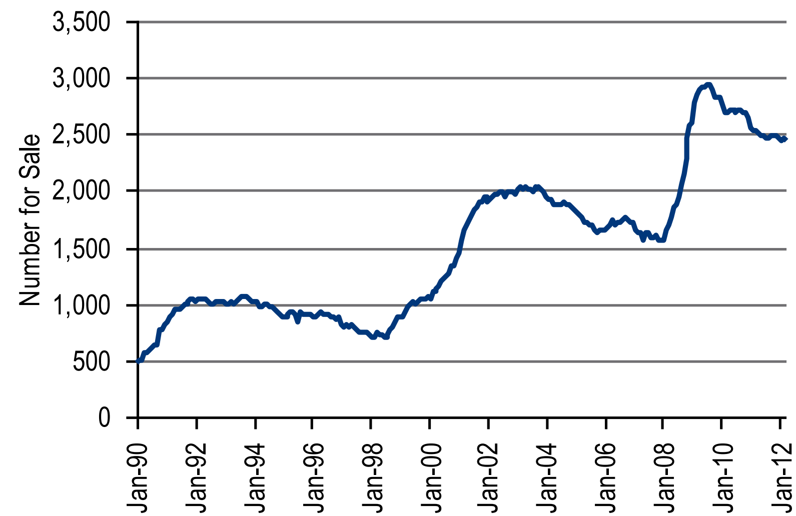
A good environment for the civilian commercial aircraft industry

- **Demand for air transportation is increasing**
  - Fuelled by GDP growth
  - and by infrastructure constraints for economical development
- **The manufacturing installed base is limited**
  - A limited number of aircraft manufacturers
  - High barriers to entry
  - A better behavior in terms of production rates management
- **A high level of order intake**
  - A high book-to-bill ratio as the consequence of a limited increase in output
  - A longer order book… longer than the usual cycle
- **A change in the industry**
  - Market is driven by production capacity rather than demand for new aircraft
  - Cycles are less pronounced than in the past

Business jet market is showing signs of improvement

- **The number of aircraft available for sale is decreasing**
- **It accounts for 12.6% of the fleet in service**
  - It peaked above 16% in 2009
- **"An upturn in the market of the business flying has begun, but its evolution is still uncertain in 2012"**

Total Bizjet available for sale



Source: BofA Merrill Lynch Global Research, AMSTAT

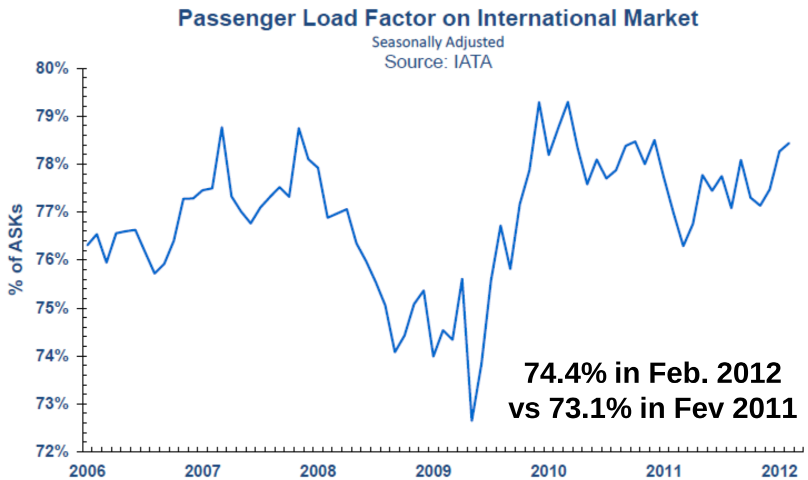
The exposure to airline risk is limited

- **Global airline trafic is still increasing**
  - Passenger demand is still strong as air transportation is the most convenient travel mode for long trips
  - As highlighted by high Load Factor
  - Traffic is correlated to GDP growth
- **Air traffic is not impacted by the difficulties of specific airlines**
  - Strong competition due to relatively low barrier to entry
    - Deregulation, available financing for aircraft, low or negative WCR…
  - The increase in jetfuel price is harming the business model of today's airlines
    - Forcing airlines to adapt their fleet, their cost structures and increase fares

Worldwide GDP growth estimates

	2010	2011F	2012F	2013F
Global	5.1	3.5	3.5	3.9
US	3.0	1.7	2.7	3.0
Euroland	1.9	1.5	-0.2	0.8
Germany	3.6	3.1	0.5	1.0
Japan	4.5	-0.7	2.8	1.5
UK	2.1	0.7	1.0	2.0
China	10.3	9.2	8.6	8.6
India	9.9	7.3	7.3	7.5
EM (Asia)	9.5	7.4	7.1	7.4
EM (Lat Am)	6.0	4.3	3.6	4.3
EM (CEEMEA)	4.4	4.6	3.2	4.0
EM	7.7	6.1	5.5	6.0
DM	2.8	1.3	1.7	2.1

Source : DB

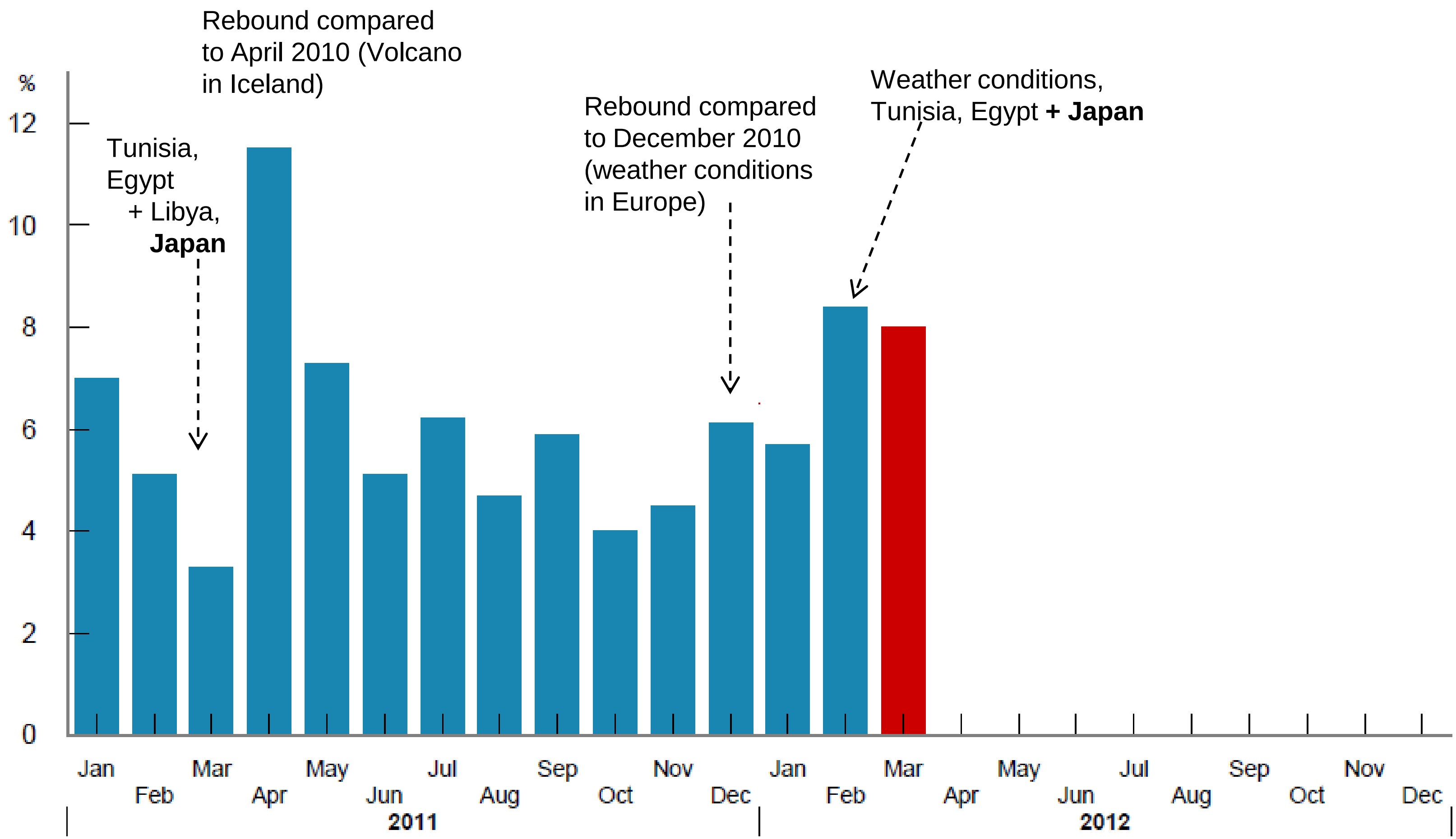


Source : IATA

ZODIAC AEROSPACE

Still a good environment

Revenue Passenger Km –World evolution
(% change compared to previous year period)



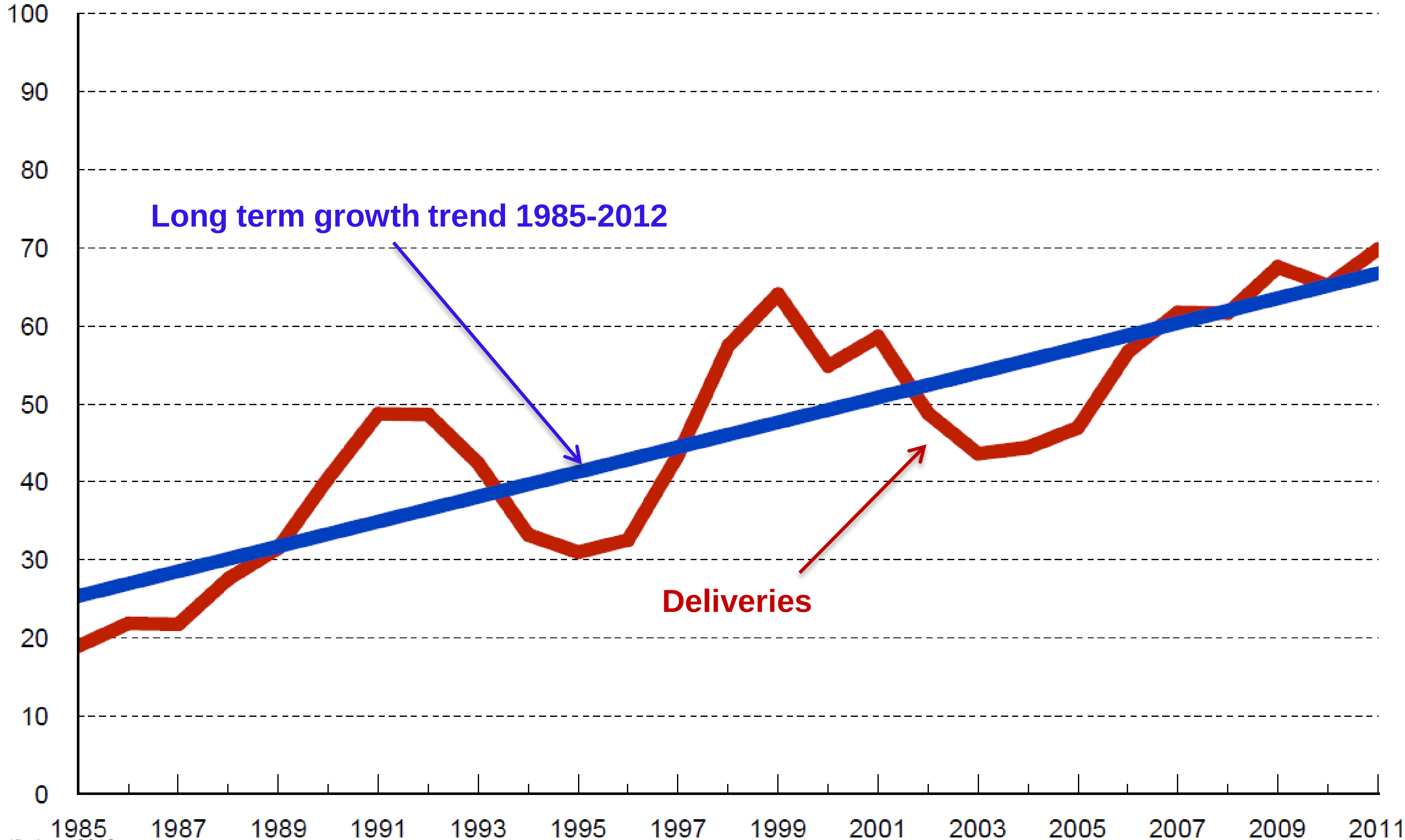
Source: ID Aero 2012

ZODIAC AEROSPACE

Deliveries on the upwards

Deliveries. Commercial jetliners

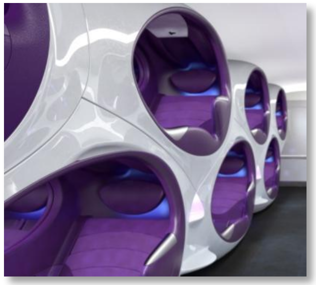
in 000 tons OEW

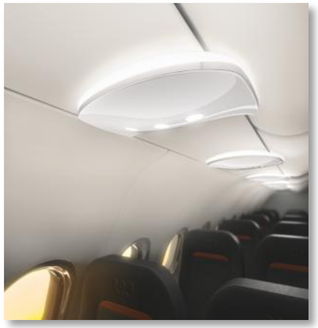


Source: ID Aero 2012

Zodiac Aerospace has a fully renewed range of product to accomodate airline needs

- **Airlines and manufacturers need is for a higher density**
- **A full range of seats solutions, fully renewed**
  - Y/C: Dragonfly, 5751
  - B/C: Cirrus, Skylounge 3, Arcus
  - Addition of Contour's range of products (B/C, F/C)
- **Zodiac Aerospace has build a full capacity to provide floor-to-floor solutions to aircraft manufacturers and airlines**
  - Improving efficiency of the aircraft by increasing density and lowering weight
  - Example of the new ISIS Cabin Interior for narrowbody aircraft
- **New concepts for amenities**
  - Galleys and lavatories…
  - New architecture for higher density and better versatility





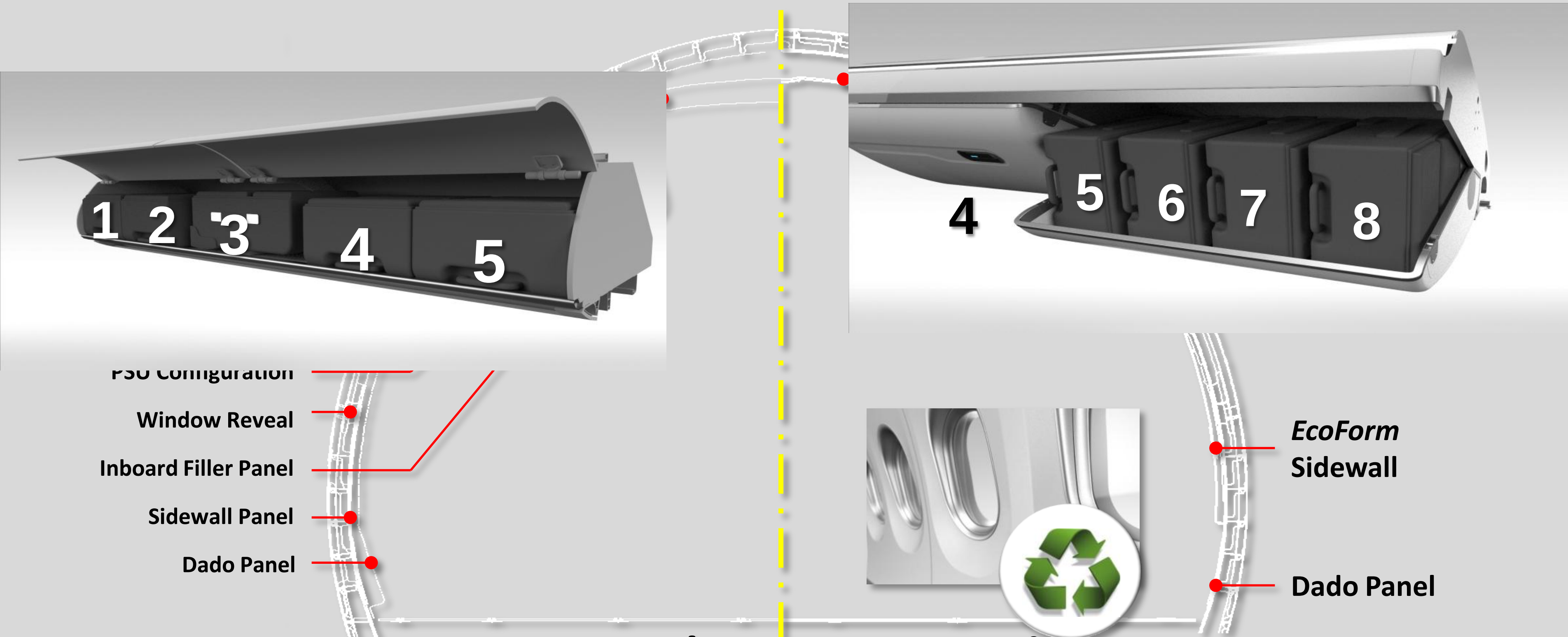
ZODIAC AEROSPACE

Innovation in Cabin Interiors
The new ISIS Cabin Interior

Innovative
Space
Interior
System

ISIS Interior Details

New ISIS Cabin Interior: examples



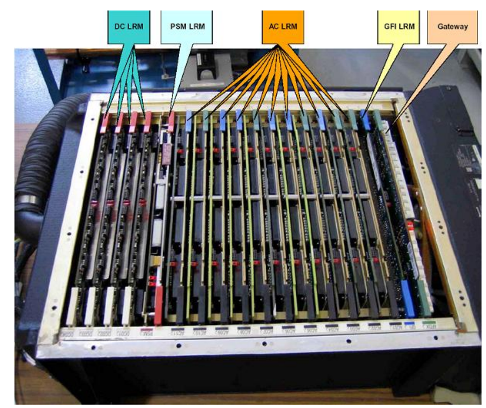
	NB Interior	ISIS Interior
Unique Assemblies	11	**5 (55% Less)**
Mechanical Fixation Points	124	**55 (56% Less)**

ZODIAC AEROSPACE

Innovation is Aircraft Systems : GENOME

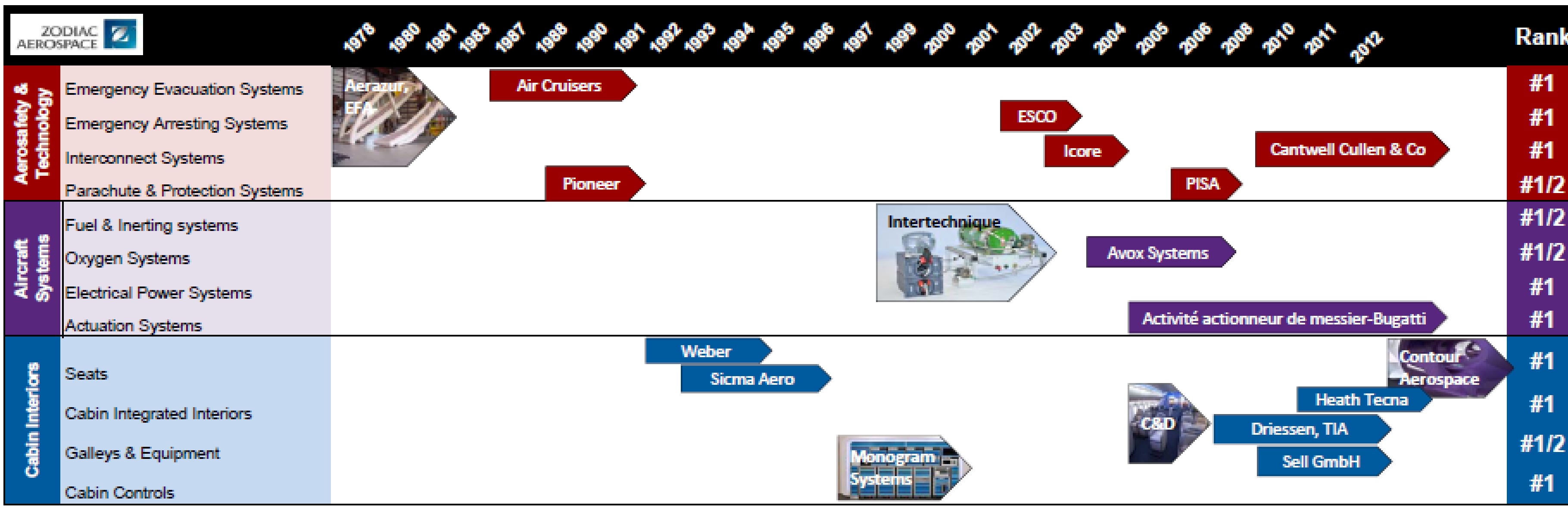
- **The French CGI (Commissariat au Grand Investissement) has adopted the GENOME (GEstioN OptiMisée de l'Energie) optimized energy management demonstration platform developed jointly by Zodiac Aerospace and Airbus**

- **The purpose of GENOME is to develop new energy management architectures for the More Electric Aircraft; architectures that deliver gains in terms of environmental impact and the competitiveness of future generations of aircraft.**



Combining internal and external growth, Zodiac Aerospace has build world-leadership on selected niche markets

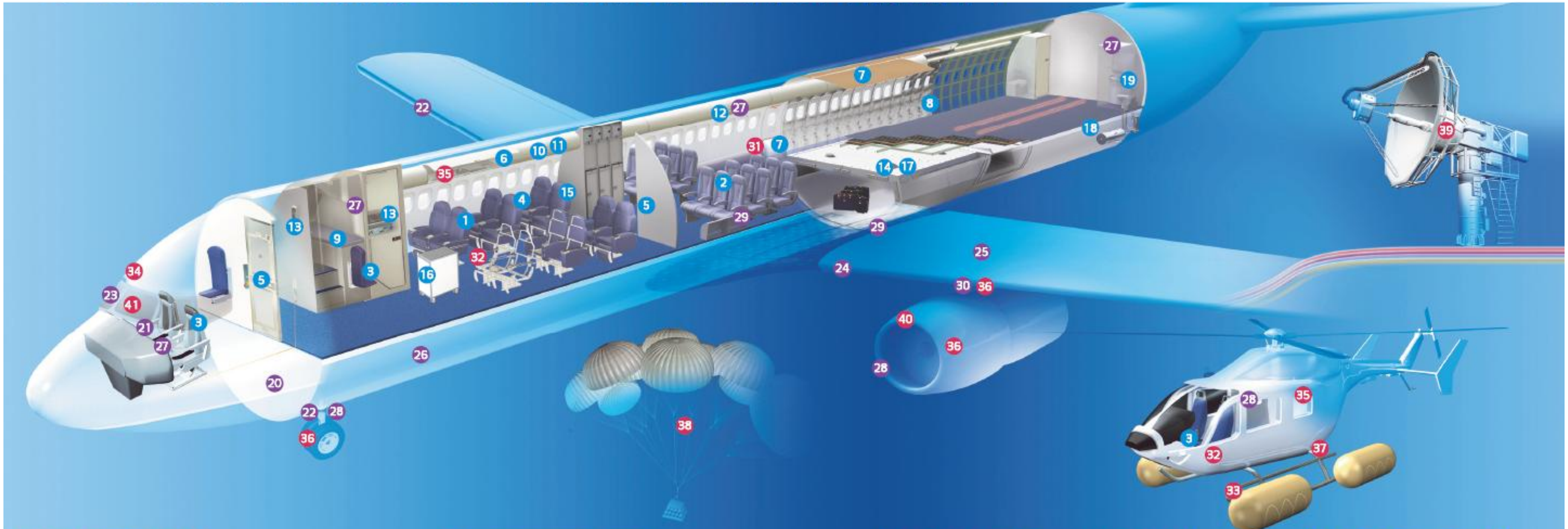
- Main Zodiac Aerospace acquisitions in Aerospace



- And also Heim, Enertec, Simula, Superflexit, Plastiremo, Amfuel, Quinson, Swan, Adder…
- Marine was divested in 2007

ZODIAC AEROSPACE

Today the Group offers a full range of aerospace equipment and systems



CABIN INTERIORS

A COMPREHENSIVE PRODUCT OFFERING FOR CABIN INTERIORS, INCLUDING TURNKEY PACKAGES

Seats:
1 First and Business Class Passenger Seats.
2 Economy Class Passenger Seats.
3 Pilot Seats, Crew Seats.

SiT – Seat integrated Technology:
4 IFE (In-Flight Entertainment).

Cabin Integrated Interiors:
5 Walls, Doors.
6 Luggage Bins. Integrated Stowages.
7 Side Walls.
8 Noise Insulation.
9 Crew Rest Area.
10 PSU (Passenger Servicing Units).
11 Air Conditioning.
12 Cabin Lighting, Emergency Lighting.
13 Video Control Center, Passenger Communication System.
14 Smoke Detection and Fire Suppression.

Galleys & Equipment:
15 Galleys, Galley Inserts.
16 Trolleys.
17 Cargo Containers and Equipment.

Cabin Systems & Equipment and Cabin Controls:
18 Water and Waste Systems.
19 Lavatories.
Trash Compactor.

AIRCRAFT SYSTEMS

HI-TECH EQUIPMENT AND SYSTEMS TO SUPPORT ESSENTIAL AIRCRAFT

Electrical Power Systems:
20 Power Management and Distribution Systems.

Cockpit & Lighting Systems:
21 Cockpit and Displays.
22 External Lights.
23 Windshield Wipers.

Fuel & Inerting Systems:
24 Fuel Gauging Systems.
25 Inerting Systems, Pumps, Valves.
Air-to-Air Refueling Systems.

Sensing & Systems Management:
26 Onboard Computers.

Oxygen Systems:
27 Regulator, PSU, OBOGS (On-Board Oxygen Generating System), Masks.

Hydraulics & Controls:
28 Servovalves, Actuators.

Actuation Systems:
29 Electrical Motors, Servo-Actuators, Sensors.

Coupling & Equipment for Fluid Management:
30 Couplings, Valves.

AEROSAFETY & TECHNOLOGY

COMPLETE SYSTEMS FOR PROTECTION, RESCUE, TELEMETRY AND TELECOMMUNICATIONS

Emergency Evacuation Systems:
31 Evacuation Slides.
32 Life Jackets, Life Rafts.
33 Helicopter Emergency Floatation.
34 Escape Rope.

Interconnect Systems:
35 Electrical Components: Backshell, Sleeves, Conduits.
36 Electrical Harnesses.

Emergency Arresting Systems:
Arresting Gear and Nets, EMAS (Engineered Material Arresting System).

Elastomer Technologies & Systems:
37 Tanks.
De-icing Systems.

Parachute & Protection Systems:
38 Parachutes, Heavy Cargo Parachutes.
Ejection Seat Equipment.
Anti-G Protective Suits.

Telemetry:
39 Ground and Airborne Telemetry.
40 Onboard Telemetry.
41 Mission Computer.

"Airbags" : »: Airbags Cushion for automotive.

ZODIAC SERVICES

TECHNICAL AND AFTER-SALES SERVICES

- **Comprehensive range of after-sales services:**

spare-parts, maintenance solutions, retrofit and technical training.

- **Responsiveness and proximity:**

global network of repair and spare-parts distribution services.

www.services.zodiacaerospace.com

ZODIAC AEROSPACE

2011/12 outlook

- **After a good H1 2011/2012…**
- **Zodiac Aerospace will benefit from an ongoing growth of its businesses in H2, although the comparison basis will be more demanding**
  - Both OEM, and aftermarket remain well oriented
- **Net €/$ transaction exposure is 90% hedged at 1.33 for the FY**
- **Cost of debt to be in the range of 3%**
  - Supported by hedges in place
- **In H2, Zodiac Aerospace will benefit from impact of the consolidation of Contour on the P&L**
  - Consolidated as of Feb. 29, 2012 => impact on balance sheet only in H1

2011/12 financial outlook

- **Sales revenue (organic)** **double digit growth**
  - Same consolidation scope and exchange rate
- **Current Operating income margin** **≥14%**
  - As % of total sales
- **Net debt/EBITDA ratio** **≈1.6**
  - (excluding potential additional acquisition)

A successful strategy

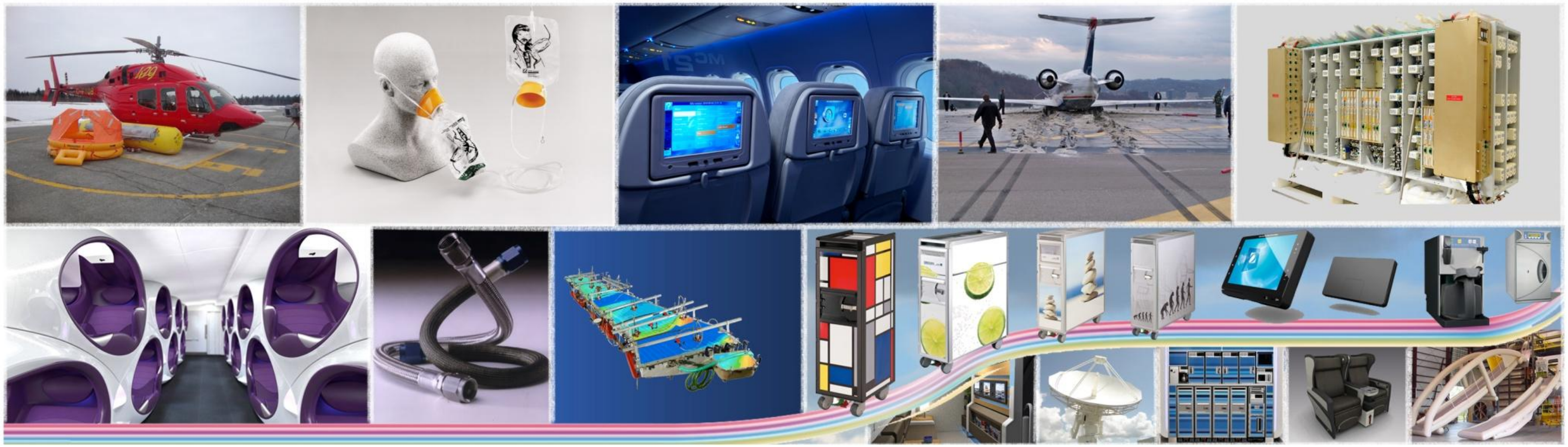
- **Development of the Group focused on Commercial aviation**
- **Aboard all new civilian aircraft programs**
- **Leading positions in selected niche markets**
- **Recurring services model providing additional resilience**
- **Leadership in key future technologies**
- **Established track record in acquisitions**

Appendices

P&L

Cash Flow Statement

Balance Sheet



Appendices: simplified P&L statement

	H1 2011/2012	H1 2010/2011
Sales revenue	**1567.3**	**1309.5**
Amortization and provisions	44.8	34.6
Current Operating Income	**223.8**	**184.2***
Other operating	-0.7	-6.6
Operating Income	**223.0**	**177.6**
Cost of net debt	-14.2	-13.9
Other financial income and expenses	-0.3	-0.3
Income Taxes	67.1	49.2
Net Income from held-for-sale assets	11.0	
Net Income	**152.4**	**114.3**
Net Income–Group share	152.7	114.4

*Incl. IFRS3: 1.7 M€

Appendices: cash flow statement

		S1 2011/2012	FY 2010/2011	S1 2010/2011
OPERATIONS D'EXPLOITATION	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
	Cash Generated from Operations	**24.2**	**326.2**	**31.3**
OPERATIONS D'INVESTISSEMENTS	Acquisition of non-current assets	**-38.9**	**-50.5**	**-22.9**
	Others	-42.2	-58.6	-24.2
	Acquisitions / Disposals of entities, net of cash acquired	-396.1	-210.4	-209.8
	Cash generated from Investments in ongoing operations	**-477.2**	**-319.5**	**-256.9**
	Cash generated from Investments in held-for-sales operations	27.4		
	Cash generated from Investments in ongoing operations and held-for sales operations	**-449.8**	**-319.5**	**-256.9**
OPERATIONS DE FINANCEMENT	Change in Financial Debt	340.0	134.0	238.1
	Change in Financial instruments	0	-3.8	12.8
	Change in Equity	4.5	15.1	4.3
	Treasury stocks	2.1	-1.6	-0.7
	Dividends	-64.8	-53.4	-53.4
	Cash generated from financing	**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**

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Appendices: Balance sheet

ASSETS	02/2012	08/2011	02/2011[(1)]
Goodwill	**1 448.3**	**1 166.4**	1 190.4
Intangible assets	**482.5**	**322.0**	307.8
Property, Plant & Equipment	**297.4**	**256.3**	247.8
Other non-current	**17.9**	**12.2**	15.4
Non current assets	**2 246.1**	**1 756.9**	1 761.4
Inventories	**749.9**	**601.5**	581.0
Trade Receivables	**636.3**	**490.3**	544.2
Others	**61.9**	**50.2**	49.3
Cash and Cash Equivalents	**97.3**	**224.7**	114.9
Current Assets	**1 545.4**	**1 366.7**	1 289.4
Held-for-sale assets	**1.4**	**18.7**	12.5
Total ASSETS	**3 792.9**	**3 142.3**	3 063.3

EQUITY & LIABILITIES	02/2012	08/2011	02/2011
Equity			
Capital	**1 627.9**	**1 353.7**	1 405.1
Net Income	**152.3**	**237.9**	114.3
Equity	**1 780.2**	**1 591.6**	1 519.4
Non current provisions and deferred taxes	**173.5**	**161.5**	149.9
Non-current Debt	**901.6**	**662.7**	673.5
Non-current Liabilities	**1 075.1**	**824.2**	823.4
Current provisions	**68.4**	**57.4**	50.9
Current financial liabilities	**250.2**	**147.4**	237.6
Accounts Payables	**287.5**	**259.7**	216.0
Liabilities to employees and payroll liabilities	**140.5**	**141.7**	117.1
Others	**191.0**	**118.5**	98.9
Current Liabilities	**937.6**	**724.7**	720.5
Held-for-sale liabilities		**1.8**	
TOTAL EQUITY & LIABILITIES	**3 792.9**	**3 142.3**	3 063.3

(1) Excluding restatement of the Driessen Services disposal

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Next meetings:	Q3 and 9-Month Revenue Figures	June 12, 2012 (after stock exchange closing)

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