

## Zodiac Aerospace confirms its FY2015/2016 target

### H1 2015/2016 results

- H1 2015/2016 sales revenues are up +7.1% at €2,489.1m ; -1.7% on a like-for-like basis
- Aircraft Interiors activities are weighting on Current Operating Income for H1, coming in at €80.4m
- Net debt to shareholders' equity ratio is 0.54; net debt has increased to €1,621.4m vs. €1,423.3m. The Group's financing was reinforced in H1
- The Group is targeting an improvement in its financial results in H2 and confirms its target of a Current Operating Income for the 2015/2016 fiscal year to come close to 2014/2015 Current Operating Income.

Plaisir, April 20, 2016 – The Supervisory Board of Zodiac Aerospace approved the accounts for the first half of the 2015/2016 fiscal year at its meeting on April 19, 2016.

Olivier Zarrouati, Chairman of the Executive Board, said: "Zodiac Aerospace confirms its Full Year 2015/2016 financial target of a current operating income close to the level of 2014/2015. After a low operating income in first half, still under the pressure of the difficulties of our Aircraft Interiors activities, the second half should show a significant improvement owing mainly to a positive volume effect, and also, to a lower extent, a decrease in extra costs and better control of overhead costs. Zodiac Aerospace is managing a deep change in the Group's industrial organization. Besides the recovery plans in place in Seats and Cabin, Zodiac Aerospace is pursuing the transformation of the Group via the Focus plan".

#### Sale Revenue and Current operating Income

| <i>in € million</i>  | H1 2015/2016   | H1 2014/2015   | % change      |
|--|----------------|----------------|---------------|
| <b>Revenue</b>   | <b>2 489.1</b> | <b>2 324.1</b> | <b>+7.1%</b>  |
| <b>Current Operating Income before IFRS3</b>                   | <b>80.4</b>    | <b>177.7</b>   | <b>-54.7%</b> |
| <b>COI before IFRS 3/ Revenue</b>                              | <b>3.2%</b>    | <b>7.6%</b>    |               |
| Current Operating Income                                       | 80.4           | 177.6          | -54.7%        |
| COI/REV  | 3.2%           | 7.6%           |               |
| <b>Net income attributable to equity holders of the parent</b> | <b>43.7</b>    | <b>108.6</b>   | <b>-59.8%</b> |
| <b>Net income before IFRS3</b>                                 | <b>49.8</b>    | <b>116.1</b>   | <b>-57.1%</b> |
| Net Debt   | 1 621.4        | 1 423.3        | +13.9%        |
| <b>Debt-to-equity ratio</b>                                    | <b>0.54</b>    | <b>0.49</b>    |               |
| €/\$(Transaction)  | 1.11           | 1.28           |               |
| €/\$(Conversion)   | 1.10           | 1.22           |               |

#### H1 2015/2016 sales and operating income - Group

In the first half of its 2015/2016 fiscal year, Zodiac Aerospace generated revenue of €2,489.1 million, up 7.1% in reported data, down 1.7% in organic terms. Changes in consolidation had a positive impact of 0.2 percentage points<sup>1</sup> on first-half growth, while foreign exchange contributed a positive 8.6 points.

Current Operating Income before IFRS 3 was €80,4m<sup>2</sup>, down compared to the first half of 2014/2015. As for the fiscal year 2014/2015, this low Current Operating Income results from the difficulties encountered by the Aircraft Interiors activities, where excess costs remains high, estimated to around €110m versus

<sup>1</sup> Changes in consolidation: Exit of Zodiac Elastomer US - Amfuel (AeroSafety) sold May 31, 2015 and entry of Enviro (Aircraft Systems) acquired on December 23, 2014

<sup>2</sup> Including €9.1 m of tax credit restatement vs. €8,5 m in H1 2014/2015.

budget in H1, and which are also impacted by programs in ramp up phase with a lower profitability. Aircraft Interiors activities weight for a negative €107,9m on the evolution of the Current Operating Income compared to the one of the first half of 2014/2015 financial year. On the other hand Systems activities have a positive €11.3 M€ impact on the evolution. Forex impact was a global positive of €55,0m, breaking down between €-13,7m conversion impact and €+68.7m transaction impact. Consolidation scope effects had a positive €4.1m impact on the Current Operating Income compared to the one of the first half of 2014/2015 fiscal year.

### **Breakdown of first-half net income**

Non-current operating items came to a negative €10.7 million in the first half of 2014/2015 fiscal year compared to a negative €12.6 m the previous year. This was largely due to goodwill amortizations linked to IFRS 3 standard. Operating income is down 57.7% to €69.7million.

The gross cost of debt amounted to an expense of €16.4 million compared to €14.9 million previously.

The income tax charge decreased to €-9.5 million from €-47.3 million.

Net income attributable to equity holders of the parent company was down 59.8% in the first half at €43.7 million compared to €108.6 million and net income attributable to equity holders of the parent company before IFRS 3 down 57.1% at €49.8 million.

Net earnings per share, based on 276 645 100 shares, came to €0,158 compared with €0,394 after IFRS 3 impact.

### **Other financial elements**

The operating WCR came to €1,973.2 million, a €241.3 million increase compared to the 2014/2015 fiscal year end. As was the case last year, this increase was mainly due to the difficulties in the Seats branch and the priority given to re-establishing on-time deliveries for our clients, which resulted in higher levels of inventories and work in process. In total, the operating WCR represented 39.5% of revenue vs. 39.7% for the same period of 2014/2015.

In the first half of 2015/2016, tangible investments slightly down at €57.6 million compared to €59.4 million in the first half of 2014/2015. Intangible capital expenditure decreased to €35.3 million compared to €47.7 million. The capitalization of development costs (IAS 38) accounted for the majority of this item, totaling €29.6 million compared to €36.5 million in the first half of 2014/2015.

### **A SOUND FINANCIAL STRUCTURE**

The Group's net debt totaled €1,621 million, higher than at February 28, 2015 (€1,423 million), and at end August 2015 (€1,267.0 million). Net debt-to-equity ratio was 54.3% compared to 49.2% previously.

In March, the Group strengthened its cash position through new lines of financing and by extending the maturity of existing debt in order to finance general requirements and potential acquisition opportunities. All the banks participating in the €1,030 million Club Deal have agreed to the extension to March 2021 of the maturity of this loan (contractual option). A Euro PP financing line of €230 million for 7 years (maturing March 2023) has been set up. This Euro PP will be used to refinance the existing €125 million Euro PP line, which matures in July 2018, and repay the first instalment of €133 million on the Schuldschein in July 2016 (on a total of €535m). Lastly, hybrid finance of €250 million with no fixed maturity has been set up and will be recognized in shareholders fund, pursuant to IAS 32.

The net debt / EBITDA covenant (adjusted for the purposes of the Club Deal contract), which applies to all those credits and to the Schuldschein, remains at a maximum ratio of 3.

All these lines of finance give the Group total confirmed cash capacity of €2,045 million which will be reduced to €1,912 million in July 2016, after repayment of the first instalment of the Schuldschein. The Group also has a €1 billion Treasury note program, with €458 million used at February 29, 2016.

## **EVOLUTION OF THE ACTIVITIES**

**Aircraft Interiors activities (61% of total revenue)** generated revenue of €1,518.5 million, up 7.8% in reported figures and down by 1.1% in organic terms. The organic decline of 4.2% in revenue for the Seats branch (up 3.1% at €641.7 million in reported figures) is due to comparison with the overheated first half of 2014/2015 (organic growth of 11.1% in the first half of 2014/2015). Weak organic growth of 1.4% in the Cabin branch was mainly due to two divisions: Entertainment & Seat technologies (in-flight entertainment and actuators) suffered from an unfavorable comparison base for in-flight entertainment after a major program came to an end in the fourth quarter of 2015. Advanced Composites & Materials were down slightly, as were VIP and business cabin interiors division which saw a decrease in the business aviation segment. On reported data, Cabin revenues were up 11.5% at €876.9 million.

Current Operating Income for Aircraft Interiors amounted to a loss of €-66,3m compared to a positive €+41,6 m in H1 2014/2015, resulting from the impact of high production costs, excess costs and the impact of the ramp up of programs generating a lower profitability.

**Zodiac Seats** is on target to be back to performance in terms of on time and on quality deliveries, with a primary objective of protecting its customers in terms of on time and on quality deliveries. Recovery is ongoing thanks to both extra task force efforts and day-to-day hands on operations management as well as progressive transformation through process management. Cost overrun are still high, resulting from a lack of efficiency induced by the firefighting mode and additional resource and still numerous inefficient processes (engineering or production)

Recovery is now concentrated on a few business class programs. Most of the capacity issues have been addressed but the supply chain has to be further reinforced. The current need is focusing on further improving quality and solving certification issues on some new programs, alongside with implementing the transformation plan. Delays of these few Business Class programs are now due to only 3 sets of issues which are being solved. First, the certification issue on one complex program (new platform, new technology, dynamic shell) is a significant hurdle which should be passed owing to the fact the development test has been passed recently. Then the poor industrialization of shells resulted in manufacturing engineering skills renewed over the last 8 months. And thirdly, the manual management of supply chain is replaced by the implementation of an MRP process ongoing since April 2016 in order to rely fully on an ERP by summer 2016.

Business process reengineering is ongoing for all key processes, taking into account specifics of Seats business. Phase I of process redesign is achieved since January 16 and currently rolled out in each BU. Management system will be renewed in Q2-16. The branch is moving from a holding of independent BU to an integrated group managed to ensure control and standardization, support to BU, synergies between BU. This new management system's main features are Management based on process and factual KPI monitoring.

Zodiac Seats is confident in its H2 forecast sales, to increase by 20% against H1, and result as overheads realignment ongoing and variance reduction should deliver first results. All in all, Zodiac Seats is on track to get back to nominal performance in 18 month.

Regarding specifically Zodiac Seat Shells in Santa Maria, resizing and reorganization is ongoing. Zodiac Seat Shells was not robust enough to sustain a steep ramp up, as processes were not robust or not in place, resulting in poor operational and economic performance. The process and organization are currently rebuilt and the site is scaled down to come back at performance.

For the **Cabin branch**, the operational performance is affected by ramping up programs. Regarding the ramp up of A350XWB lavatories, the Cypress (CA, USA) production line is improving, while a second line has been set in Montréal, Canada. Overall production rate is moving from 2,5 shipset a month in December and January to 5 in February and 7 in March. The target is to reach 8 shipset a month. At the same time, the

branch is managing the ramp up of lavatory retrofit programs with airlines. Last it begins to ramp up the Spaceflex v2 program a combined galley and lavatory linefit option for the Airbus A320 family.

Cabin Branch's profitability under pressure and profitability is affected by ramping up programs (A350 Lavatories, A320 Space Flex, CSeries), which profitability is insufficient compared to programs that are phased out (Embraer platforms, following EZAir inception) or slowing down (Bombardier regional and business aircraft). The profitability is affected by start up costs and cost overruns due to in service issues, non quality, expedited purchases and penalties. The branch is also currently affected by indirect resource inefficiencies at our former C&D and Heath Tecna sites and following the implementation of a modern ERP package and of the processes that go with it. The improvement will come from: Learning curve on new programs, Redesign to improve manufacturability, working on the purchasing costs.

Cabin is embarking on an industrial restructuring with the reorganization of the branch, and adding new resources. In particular regarding production and manufacturing engineering some improvements are taking place, in particular the establishment of more robust production processes, via the Focus plan, and which is supported by a stronger training effort on the establishment and use of IT systems for production. Industrial restructuring on production sites in the USA is taking place through the optimization of the industrial footprint, the transfer of productions to our facilities in cost competitive countries when the automatization of industrial processes is impossible. Overall the target is to get back to operational performance in 18 months, but it will take a little longer to feed through to financial performance.

The Cabin branch is pursuing business opportunities in Retrofit, as airlines are looking for ways to optimize the use of the airplane real estate in order to increase their revenue: more seats (combined aft galley/Lav complex) and other areas (beds, bars etc). Other development for airlines concerns addressing the baggage management burden through bigger bins allowing to reduce turnaround time, or improving the passenger environment (LED mood lighting) and proposing modern IFE (simple and reliable) and connectivity.

**Systems activities (39% of total revenue)**, generated revenue of €970.6 million, up 6.0% in reported figures and down by 2.8% in organic terms. This decline in organic terms is due to weakness in business aviation and helicopters. Changes in consolidation reflected the exit of Zodiac Elastomer US - Amfuel (AeroSafety) and the entry of Enviro (Aircraft Systems). The Aircraft Systems branch recorded growth of 9.2% at €677.0 million and down 1.4% in organic terms, while the AeroSafety branch posted revenues down 0.8% at €293.6 million and down 5.8% in organic terms. Apart from its exposure to the business aviation and helicopter markets, the branch also suffered from erosion of the Parachutes activity and arresting systems.

The Current Operating Income of the Systems activities benefits from positive forex impact which offsets the reduced margin due to low BizJet activity, high development costs and new programs not yet at max rate (A350XWB).

Aircraft Systems posted a +20,1% increase in its Current Operating Income to €103,3m for the first half 2015/2016, benefitting from a €33,8m positive forex impact. AeroSafety posted a -10,5% decrease of its Current Operating Income to € 50,2m. Forex had a positive € 8,2m impact.

Aerosystems activity has combined Aerosafety and Aircraft Systems since September 1st, 2015. It is present on a large variety of activities and business models. It shows good niche positioning on more than 30 lines of products, following strong internal and external growth and it is growing its positioning in systems, showing strong Tier 1 position on Evacuation, Floats & Rafts, Electricity, Oxygen, Water & Waste, Fuel Management, etc.

Its customer base is balanced. The branch is vertically integrated businesses: engineering and manufacturing skills and benefits from a significant after sales content and overall, a good operational maturity overall.

**FOREX HEDGING**

The remainder of dollar/euro transaction exposure of the 2015/2016 fiscal year is 92% hedged at \$/€1.10. For fiscal 2016/2017, the Group has increased its foreign exchange hedging 40% of forecasted net \$/€ transaction exposure hedged at \$/€1.12. The Group has also hedged 40% of its exposure against CAD, GBP and MXN.

**BUSINESS MODEL**

The Zodiac Aerospace business model combines BFE and SFE products and systems. BFE (Buyer Furnished Equipment) products are selected by the buyer of the aircraft, i.e. the airline or the leasing company. These products either providing the airline the possibility to differentiate (interiors), or with high aftermarket content. They present short cycles and relatively low visibility and require a high degree of customization. SFE products (Supplier Furnished Equipment) are selected by the supplier of the aircraft, i.e. the airframer. This type of products provides long term visibility: if selected at the launch of the program, we have to self-finance the development cost, qualify the system, finance the ramp up at a low margin, followed by production and then aftermarket with higher margin. There is no order book for these products, the visibility is the one procured by the customer's own order book.

Aerosystems activity has a stable and predictable model, based on many stable SFE (close to 100% of its sales) aircraft programs, most of them with a good level of maturity and a visible aftermarket business. Regarding Aircraft Interiors, on the one hand Seats, is mainly BFE (93% of sales), with a short product cycle. The initial difficulties on seats were largely based on capacity and this problem is now almost solved, with a late backlog that was essentially eradicated on H2 15. The situation in Seats highlighted a lack of robustness of processes, currently being addressed. The recovery is taking longer than expected initially because of sub-par engineering on some products (mostly developments done in Santa Maria). Cabin combines BFE (45%) and SFE (55%) programs. The SFE programs and their overruns, were largely responsible for Cabin's problems. The branch will benefit from the phasing out of longstanding programs, replaced by ones in ramp up, impacting profitability in the years of transition

Last, Zodiac Aerospace enjoys a strong brand and the Group has work in progress to assess pros and cons to move to a single brand. For instance advantages could be a simplified communication towards stakeholders, while drawbacks includes the potential impact on the residual value of the other brands.

## **OUTLOOK**

For the 2015/2016 financial year, the Group confirms its target for its Current Operating Income to come in close to that of 2014/2015. H2 should show a significant improvement owing to a volume effect from higher sales and better contributions, a lower impact from penalties, settlement costs and provisions for inventory obsolescence, as well as a better control of overheads.

The banking covenant is expected to be met, also without taking into account the hybrid financing. This covenant is the adjusted net debt to Ebitda ratio, as defined in the Club Deal contract, and calculated at the end of the fiscal year (August 31st).

**NB:** This revenues press release will be the subject of an analysts & press conference call on April, 20<sup>th</sup>, 2016 at 8:30am CET. This presentation will be webcasted and can be accessed via the [www.zodiacaerospace.com](http://www.zodiacaerospace.com) website. A replay will also be available on the Group's website as well as the press release and the presentation slideshow.

### **About Zodiac Aerospace**

Zodiac Aerospace is a world leader in aerospace equipment and systems for commercial, regional and business aircrafts and for helicopters and spacecrafts. It develops and manufactures state-of-the-art solutions to improve comfort and facilities on board aircrafts and high-technology systems to increase aircraft performance and flight safety. Zodiac Aerospace has 35,000 employees worldwide and generated revenue of €4.9 billion in 2014/2015. [www.zodiacaerospace.com](http://www.zodiacaerospace.com)

|                |                    |                                    |
|----------------|--------------------|------------------------------------|
| Next meetings: | Q3 2015/16 revenue | June 14, 2016 (after closing)      |
|                | Q4 2015/16 revenue | September 14, 2016 (after closing) |
|                | FY 2015/16 results | November 22, 2016                  |

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## APPENDICES

### Consolidated revenue by quarter

| In millions of euros           | 1 <sup>st</sup> quarter<br>2015/2016 | 2 <sup>nd</sup> quarter<br>2015/2016 | 3 <sup>rd</sup> quarter<br>2015/2016 | 4 <sup>th</sup> quarter<br>2015/2016 |
|--------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| <b>Systems</b>                 | 479.1                                | <b>491.5</b>                         |                                      |                                      |
| <i>Zodiac AeroSafety</i>       | 144.5                                | <b>149.1</b>                         |                                      |                                      |
| <i>Zodiac Aircraft Systems</i> | 334.6                                | <b>342.4</b>                         |                                      |                                      |
| <b>Aircraft Interiors</b>      | 758.9                                | <b>759.6</b>                         |                                      |                                      |
| <i>Zodiac Seats</i>            | 320.8                                | <b>320.8</b>                         |                                      |                                      |
| <i>Zodiac Cabin</i>            | 438.1                                | <b>438.8</b>                         |                                      |                                      |
| <b>Group Total</b>             | 1,238.0                              | <b>1,251.1</b>                       |                                      |                                      |
| €/ \$ conversion               | 1.11                                 | <b>1.09</b>                          |                                      |                                      |

| In millions of euros           | 1st quarter<br>2014/2015 | 2nd quarter<br>2014/2015 | 3rd quarter<br>2014/2015 | 4th quarter<br>2014/2015 |
|--------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>Systems</b>                 | 448.3                    | 467.5                    | 508.7                    | 530.7                    |
| <i>Zodiac AeroSafety</i>       | 144.4                    | 151.6                    | 168.1                    | 170.4                    |
| <i>Zodiac Aircraft Systems</i> | 303.9                    | 315.9                    | 340.6                    | 360.3                    |
| <b>Aircraft Interiors</b>      | 689.1                    | 719.2                    | 795.2                    | 773.1                    |
| <i>Zodiac Seats</i>            | 290.8                    | 331.4                    | 380.6                    | 367.4                    |
| <i>Zodiac Cabin</i>            | 398.3                    | 387.8                    | 414.6                    | 405.7                    |
| <b>Group Total</b>             | 1,137.4                  | 1,186.7                  | 1,303.9                  | 1,303.8                  |
| €/ \$ conversion               | 1.27                     | 1.18                     | 1.09                     | 1.11                     |

### CHANGE

*(Quarter compared with the same quarter of the previous year)*

| Based on reported data         | Q1     | Q2            | Q3 | Q4 |
|--------------------------------|--------|---------------|----|----|
| <b>Systems</b>                 | +6.9%  | <b>+5.1%</b>  |    |    |
| <i>Zodiac AeroSafety</i>       | +0.1%  | <b>-1.7%</b>  |    |    |
| <i>Zodiac Aircraft Systems</i> | +10.1% | <b>+8.4%</b>  |    |    |
| <b>Aircraft Interiors</b>      | +10.1% | <b>+5.6%</b>  |    |    |
| <i>Zodiac Seats</i>            | +10.3% | <b>-3.2%</b>  |    |    |
| <i>Zodiac Cabin</i>            | +10.0% | <b>+13.1%</b> |    |    |
| <b>Group Total</b>             | +8.8%  | <b>+5.4%</b>  |    |    |
| <b>Aerospace activities*</b>   | +9.1%  | <b>+5.7%</b>  |    |    |

| In organic terms               | Q1    | Q2           | Q3 | Q4 |
|--------------------------------|-------|--------------|----|----|
| <b>Systems</b>                 | -3.8% | <b>-1.7%</b> |    |    |
| <i>Zodiac AeroSafety</i>       | -7.9% | <b>-3.7%</b> |    |    |
| <i>Zodiac Aircraft Systems</i> | -1.9% | <b>-0.8%</b> |    |    |
| <b>Aircraft Interiors</b>      | -1.8% | <b>-0.4%</b> |    |    |
| <i>Zodiac Seats</i>            | -0.4% | <b>-7.6%</b> |    |    |
| <i>Zodiac Cabin</i>            | -2.8% | <b>+6.0%</b> |    |    |
| <b>Group Total</b>             | -2.6% | <b>-0.9%</b> |    |    |
| <b>Aerospace activities*</b>   | -2.5% | <b>-0.7%</b> |    |    |

\*Excluding Trains and Airbags

## Consolidated cumulative revenue

| In millions of euros           | 1st quarter<br>2015/2016 | 1st half<br>2015/2016 | 9 months<br>2015/2016 | 2015/2016 |
|--------------------------------|--------------------------|-----------------------|-----------------------|-----------|
| <b>Systems</b>                 | 479.1                    | <b>970.6</b>          |                       |           |
| <i>Zodiac AeroSafety</i>       | 144.5                    | <b>293.6</b>          |                       |           |
| <i>Zodiac Aircraft Systems</i> | 334.6                    | <b>677.0</b>          |                       |           |
| <b>Aircraft Interiors</b>      | 758.9                    | <b>1,518.5</b>        |                       |           |
| <i>Zodiac Seats</i>            | 320.8                    | <b>641.6</b>          |                       |           |
| <i>Zodiac Cabin</i>            | 438.1                    | <b>876.9</b>          |                       |           |
| <b>Group Total</b>             | 1,238.0                  | <b>2,489.1</b>        |                       |           |
| €/ \$ conversion               | 1.11                     | <b>1.10</b>           |                       |           |
| €/ \$ transaction              | 1.12                     | <b>1.11</b>           |                       |           |

| In millions of euros           | 1st quarter<br>2014/2015 | 1st half<br>2014/2015 | 9 months<br>2014/2015 | 2014/2015 |
|--------------------------------|--------------------------|-----------------------|-----------------------|-----------|
| <b>Systems</b>                 | 448.3                    | 915.8                 | 1,424.4               | 1,955.2   |
| <i>Zodiac AeroSafety</i>       | 144.4                    | 296.0                 | 464.1                 | 634.5     |
| <i>Zodiac Aircraft Systems</i> | 303.9                    | 619.8                 | 960.3                 | 1,320.7   |
| <b>Aircraft Interiors</b>      | 689.1                    | 1,408.3               | 2,203.6               | 2,976.6   |
| <i>Zodiac Seats</i>            | 290.8                    | 622.2                 | 1,002.8               | 1,370.2   |
| <i>Zodiac Cabin</i>            | 398.3                    | 786.1                 | 1,200.8               | 1,606.4   |
| <b>Group Total</b>             | 1,137.4                  | 2,324.1               | 3,628.0               | 4,931.8   |
| €/ \$ conversion               | 1.27                     | 1.22                  | 1.18                  | 1.16      |
| €/ \$ transaction              | 1.28                     | 1.25                  | 1.22                  | 1.21      |

### CHANGE

(Aggregate at end of period compared with the same period of previous year)

| Based on reported data         | 1st quarter | 1st half      | 9 months | Fiscal year |
|--------------------------------|-------------|---------------|----------|-------------|
| <b>Systems</b>                 | +6.9%       | <b>+6.0%</b>  |          |             |
| <i>Zodiac AeroSafety</i>       | +0.1%       | <b>-0.8%</b>  |          |             |
| <i>Zodiac Aircraft Systems</i> | +10.1%      | <b>+9.2%</b>  |          |             |
| <b>Aircraft Interiors</b>      | +10.1%      | <b>+7.8%</b>  |          |             |
| <i>Zodiac Seats</i>            | +10.3%      | <b>+3.1%</b>  |          |             |
| <i>Zodiac Cabin</i>            | +10.0%      | <b>+11.5%</b> |          |             |
| <b>Group Total</b>             | +8.8%       | <b>+7.1%</b>  |          |             |
| <b>Aerospace activities*</b>   | +9.1%       | <b>+7.4%</b>  |          |             |

| Based on organic data          | 1st quarter | 1st half     | 9 months | Fiscal year |
|--------------------------------|-------------|--------------|----------|-------------|
| <b>Systems</b>                 | -3.8%       | <b>-2.8%</b> |          |             |
| <i>Zodiac AeroSafety</i>       | -7.9%       | <b>-5.8%</b> |          |             |
| <i>Zodiac Aircraft Systems</i> | -1.9%       | <b>-1.4%</b> |          |             |
| <b>Aircraft Interiors</b>      | -1.8%       | <b>-1.1%</b> |          |             |
| <i>Zodiac Seats</i>            | -0.4%       | <b>-4.2%</b> |          |             |
| <i>Zodiac Cabin</i>            | -2.8%       | <b>+1.4%</b> |          |             |
| <b>Group Total</b>             | -2.6%       | <b>-1.7%</b> |          |             |
| <b>Aerospace activities*</b>   | -2.5%       | <b>-1.6%</b> |          |             |

\*Excluding Trains and Airbags



| In million of euros                 | 1st half<br>2015/2016 | 1st half<br>2014/2015 | % change | Exchange rates | Consolidation<br>scope | Organic<br>growth |
|-------------------------------------|-----------------------|-----------------------|----------|----------------|------------------------|-------------------|
| <b>Systems Activities</b>           | <b>970.6</b>          | 915.8                 | +6.0%    | +8.3%          | +0.5%                  | -2.8%             |
| <b>Zodiac Aerosafety</b>            | <b>293.6</b>          | 296.0                 | -0.8%    | +8.1%          | -3.1%                  | -5.8%             |
| <b>Zodiac Aircraft Systems</b>      | <b>677.0</b>          | 619.8                 | +9.2%    | +8.4%          | +2.2%                  | -1.4%             |
| <b>Aircraft Interior Activities</b> | <b>1518.5</b>         | 1408.3                | +7.8%    | +8.9%          | +0.0%                  | -1.1%             |
| <b>Zodiac Seats</b>                 | <b>641.6</b>          | 622.2                 | +3.1%    | +7.3%          | +0.0%                  | -4.2%             |
| <b>Zodiac Cabin</b>                 | <b>876.9</b>          | 786.1                 | +11.5%   | +10.1%         | +0.0%                  | +1.4%             |
| <b>Group Total</b>                  | <b>2489.1</b>         | 2324.1                | +7.1%    | +8.6%          | +0.2%                  | -1.7%             |
| €/\$( conversion)                   | <b>1.11</b>           | 1.27                  |          |                |                        |                   |

| Current Operating Income      |               |              |               |
|-------------------------------|---------------|--------------|---------------|
| In € m                        | HS1 2015/2016 | H1 2014/2015 | % change      |
| Aerosafety                    | 50.2          | 56.1         | -10.5%        |
| Aircraft Systems              | 103.3         | 86.0         | +20.1%        |
| Aircraft Interiors Activities | -66.3         | 41.6         | -259.3%       |
| Holding                       | -6.8          | -6.2         | +10.5%        |
| <b>Total Group</b>            | <b>80.4</b>   | <b>177.6</b> | <b>-54.7%</b> |

| Income Statement   | H1 2015/2016   | H1 2014/2015   | % change      |
|--|----------------|----------------|---------------|
| <b>Revenue</b>   | <b>2 489.1</b> | <b>2 324.1</b> | <b>+7.1%</b>  |
| Depreciation charge  | 67.7           | 55.1           |               |
| Charges to provisions                                      | 45.2           | 46.9           |               |
| <b>Current operating income</b>                            | <b>80.4</b>    | <b>177.6</b>   | <b>-54.7%</b> |
| Non-current operating income                               | -10.7          | -12.6          |               |
| <b>Operating income</b>                                    | <b>69.7</b>    | <b>165.0</b>   | <b>-57.7%</b> |
| Cost of net debt   | -13.6          | -7.2           | 89.8%         |
| Other financial income and expenses                        | -0.7           | -0.7           |               |
| Income taxes   | -9.5           | -47.3          | -79.9%        |
| Results of companies accounted for using the equity method | -2.4           | -1.1           |               |
| <b>Net income</b>  | <b>43.5</b>    | <b>108.7</b>   | <b>-60.0%</b> |
| Net income attributable to Non Group shareholders          | -0.2           | 0.0            |               |
| Net income attributable to Group shareholders              | 43.7           | 108.6          | -59.8%        |

| Condensed balance sheet         |                |                |                |                                |                |                |                |
|---------------------------------|----------------|----------------|----------------|--------------------------------|----------------|----------------|----------------|
| In million of euros             | 02/29/16       | 08/31/15       | 02/28/15       |                                | 02/29/16       | 08/31/15       | 02/28/15       |
| Goodwill                        | 2 035.4        | 2 023.4        | 2 027.8        | Equity                         |                |                |                |
| Intangible assets*              | 706.0          | 698.1          | 695.3          | Capital                        | 2 943.3        | 2 819.2        | 2 786.1        |
| Property, plant & equipment     | 477.6          | 464.0          | 448.5          | Income                         | 43.7           | 184.8          | 108.6          |
| Other, including deferred taxes | 33.1           | 44.2           | 34.4           | <b>Net position</b>            | <b>2 987.0</b> | <b>3 004.0</b> | <b>2 894.8</b> |
| <b>Non-current assets</b>       | <b>3 252.1</b> | <b>3 229.7</b> | <b>3 206.0</b> | Prov. and deferred taxes       | 284.7          | 286.0          | 284.5          |
| Inventories                     | 1 460.5        | 1 340.7        | 1 286.1        | Financial liabilities          | 1 158.8        | 831.6          | 890.7          |
| Trade receivables               | 1 111.9        | 1 011.0        | 1 121.2        | <b>Non-current liabilities</b> | <b>1 443.5</b> | <b>1 117.6</b> | <b>1 175.2</b> |
| Other                           | 219.1          | 171.4          | 147.7          | Prov. Risks & Contingencies    | 158.0          | 171.0          | 133.5          |
| Cash and cash equivalents       | 135.8          | 163.6          | 104.0          | Financial liabilities          | 598.4          | 598.7          | 636.6          |
| <b>Current liabilities</b>      | <b>2 927.3</b> | <b>2 686.7</b> | <b>2 659.0</b> | Accounts payables              | 420.2          | 432.8          | 416.9          |
| <b>Assets held for sale</b>     | <b>0.7</b>     | <b>0.7</b>     | <b>10.0</b>    | Employees                      | 206.2          | 218.6          | 189.9          |
| <b>Total assets</b>             | <b>6 180.1</b> | <b>5 917.1</b> | <b>5 875.0</b> | Other                          | 366.8          | 374.4          | 428.1          |
|                                 |                |                |                | <b>Current liabilities</b>     | <b>1 749.6</b> | <b>1 795.5</b> | <b>1 805.0</b> |
|                                 |                |                |                | <b>Total liabilities</b>       | <b>6 180.1</b> | <b>5 917.1</b> | <b>5 875.0</b> |

\* of which brand : €133m

| Cash flow statement  |               |               |
|--|---------------|---------------|
| In million of euros  | H1 2015/2016  | H1 2014/2015  |
| <b>OPERATING ACTIVITIES</b>                                  |               |               |
| Cash flow from operations                                    | 114.0         | 222.6         |
| Change in WCR  | -284.0        | -284.4        |
| <b>Cash flow generated from continuing operations</b>        | <b>-170.0</b> | <b>-61.8</b>  |
| <b>INVESTMENT OPERATIONS</b>                                 |               |               |
| Acquisition of intangible fixed assets                       | -35.3         | -47.7         |
| Acquisition of tangible fixed assets and other               | -54.1         | -58.7         |
| Changes to the scope of consolidation                        | 6.0           | -99.2         |
| <b>Cash flow from investments in continuing operations</b>   | <b>-83.4</b>  | <b>-205.5</b> |
| <b>FINANCING OPERATIONS</b>                                  |               |               |
| Change in financial debt                                     | 330.7         | 270.0         |
| Treasury stock   | -0.7          | 0.6           |
| Increase in equity   | 4.8           | 3.3           |
| Dividends  | -88.5         | -88.1         |
| <b>Cash flow from the financing of continuing operations</b> | <b>246.4</b>  | <b>185.9</b>  |
| Currency translation adjustments, beginning of period        | -16.2         | -3.5          |
| <b>Change in cash position</b>                               | <b>-23.2</b>  | <b>-84.9</b>  |

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 appendices to the half-year financial statements.