

## Satisfactory growth in 2014/2015 revenues, but a difficult year operationally

Revenue up 18.1% in the 2014/2015 financial year

- Revenue for the 2014/2015 financial year was up 18.1% at €4,930.5m in reported data, with organic growth of 2.6%.
- Current Operating Income for the financial year will be heavily impacted by difficulties in the Aircraft Interiors activities, in particular for in the Seats segment, and by the cost of the implementation of corrective plans. This result is likely to be approximately down 40% as per the previous year.
- Net debt at the end of August would be below €1,300m.
- Operational extra-costs for the 2014/2015 financial year would cost the margin around 5 percentage points. In 2015/2016, the Group intends to pursue organic revenue growth and progressively absorb the excess costs through the deployment of the transformation plans put in place at the end of the 2014/2015 financial year.

Plaisir, September 15, 2015 – Zodiac Aerospace generated revenue of €4,930.5m up 18.1% in its 2014/2015 financial year. At like-for-like consolidation and foreign exchange rates, this represented growth of 2.6%. The consolidation impact related to PPP – Pacific Precision Products and Enviro in the Aircraft Systems segment and Greenpoint Technologies in the Cabin & Structures segment<sup>1</sup>, had a positive impact of 3.8 percentage points on the financial year's growth. The US dollar's appreciation against the euro generated a positive foreign exchange impact of 11.7 percentage points.

### Revenue by segment in 2014/2015

In millions of euros	2014/2015 financial year	2013/2014 financial year	% change	Exchange rates	Consolidation scope	Organic growth
<b>Zodiac Aerosafety</b>	<b>634.7</b>	574.8	+10.4%	+12.1%	-0.8%	-0.9%
<b>Zodiac Aircraft Systems</b>	<b>1,458.9</b>	1,297.4	+12.4%	+9.6%	+2.0%	+0.8%
<b>Aircraft Interiors activities</b>	<b>2,836.9</b>	2,302.3	+23.2%	+12.9%	+5.9%	+4.4%
<b>Zodiac Seats</b>	<b>1372.4</b>	1,111.2	+23.5%	+12.5%	+0.0%	+11.0%
<b>Zodiac Cabin &amp; Structures</b>	<b>912.5</b>	692.9	+31.7%	+15.8%	+19.5%	-3.6%
<b>Zodiac Galleys &amp; Equipment</b>	<b>552.0</b>	498.2	+10.8%	+9.7%	+0.0%	+1.1%
<b>Group total</b>	<b>4,930.5</b>	4,174.5	+18.1%	+11.7%	+3.8%	+2.6%
€/\$( conversion)	<b>1.18</b>	1.36				

The **AeroSafety segment (12.9% of total revenue)** posted revenue up 10.4% at €634.7m, buoyed by the growth of the Evacuation and Interconnect businesses. The Parachutes & Protection Systems and Arresting Systems businesses declined. Parachutes & Protection Systems are operating in a sluggish market while Arresting Systems saw a quieter year after a particularly busy 2013/2014 and has been impacted by a billing shift in the fourth quarter. At like-for-like consolidation scope and exchange rates, the segment's revenue was down slightly, by 0.9%. Exchange rates generated a positive impact of 12.1 percentage points on annual growth, while the deconsolidation of Elastomères USA (Amfuel) in the fourth quarter, sold in June 2015, reduced annual growth by 0.8 percentage points.

<sup>1</sup> Changes in scope: Aerosafety: deconsolidation of Amfuel at 05/31/2015 ; Aircraft Systems: Enviro since 12/23/2014, PPP for 6 months ; Cabin & Structures: Greenpoint for 12 months.

The **Aircraft Systems segment (29.6% of revenue)** posted revenue of €1,458.9m, up 12.4%. The segment's growth was boosted by the Electrical Systems. Conversely, IFE business declined in Q4 due to the end of deliveries for a major contract while different businesses of the segment undergo the effects from lower deliveries of Sukhoi SSJ program. The segment enjoyed a positive dollar impact, adding 9.6 percentage points to annual growth, and a positive consolidation scope impact for 2.0 percentage points.

Revenue for **Aircraft Interiors activities** was up 23.2% at €2,836.9m in reported data and up 4.4% in organic growth. The foreign exchange impact generated a positive 12.9 percentage points on annual growth while the acquisition of Greenpoint added 5.9 percentage points.

- The **Seats segment (27.8% of revenue)** is continuing to make good the production backlog and posted growth of 23.5% at €1,372.4m in reported data and 11.0% in organic terms. Foreign exchange rates had a positive impact of 12.5 percentage points on annual growth.
- The **Cabin & Structures segment (18.5% of revenue)** posted an increase of +31.7% at €912.5m, benefiting from a positive foreign exchange impact of 15.8 percentage points and from the consolidation of Greenpoint, which added 19.5 percentage points. At like-for-like consolidation and foreign exchange rates, revenue was down by 3.6 percentage points due to the businesses of the EZ Air joint-venture with Embraer not being consolidated in revenue and to disruptions to deliveries caused by adapting the production system to new schedules. Additional measures had to be employed to deal with this in order to limit the impact on end customers.
- The **Galleys & Equipment segment (11.2% of revenue)** posted a revenue increase of 10.8% at €552.0m for the year. Excluding the positive foreign exchange impact of 9.7 percentage points, organic growth increased by 1.1 percentage points. The associated Trolleys & Equipment and Inserts businesses posted sharp growth, while the Galleys business saw more modest growth.

## **OTHER HIGHLIGHTS IN THE QUARTER**

### **"Focus" transformation plan**

The major disruptions encountered in the Seats segment have led Zodiac Aerospace to make certain adjustments to its organization. This specifically included strengthening the Operations function, and the launch of a Group-wide transformation plan, called Focus, under the responsibility of the Group's Chief Operating Officer, who was appointed in May 2015.

The "Focus" transformation plan is intended to draw on the lessons learned – for the whole Group – from the difficulties encountered in the Seats segment. The plan covers four key areas: increased operational reporting, "back to basics" (procedures), a focus on the supply chain and inventory management, and a focus on integrated planning for sales and operations.

During the last quarter, several cross-functional working groups for each of the four key areas, have worked, with the help of external consultants, on definition and implementation of action plans for which first effects are expected in the beginning of the fiscal year.

### **Organization of the Group:**

As of September 1, 2015, the Group is structured in two activities:

Two Business Groups for Aircraft Interiors activities:

- **Aircraft Interiors activity** mainly gathers BFE - Buyer Furnished Equipment – market activities, essentially airlines. These activities comprises two Business Groups:
  - o **Cabin & Galleys**, under the direction of Yannick Assouad, combines the two segments of Cabin & Structures and Galleys & Equipment and the in-flight entertainment business.
  - o **Seats**, under the direction of Jean-Michel Billig, comprises all the seats businesses.
- **Systems activity** mainly gathers SFE – Supplier Furnished Equipment – market activities, meaning essentially manufacturers. It is made of the **Aerosystems** business group which combines the Aircraft Systems and AeroSafety segments, under the direction of Benoît Ribadeau-Dumas, who joined the Group on September 1, 2015.

**Cabins & Structures: Explosion at the Zodiac Advanced Composites and Engineered Materials facility in Newport, WA.**

During the night of July 14 to 15, an explosion occurred on the prepreg production line at the Zodiac Aerospace Advanced Composite and Engineered Materials facility in Newport, Washington, USA, injuring five of our employees and causing the shutdown of production. Within a month, the site was almost back to normal production levels. The activities of manufacturing adhesives, manufacturing resin for prepreg, panel cutting, carbon-fiber weaving and panel pressing are fully operational. The production of composite prepreg fabric is carried out in conjunction with external industrial sources. These various actions have enabled us to recover the capacity we had prior to the accident. The Group expects the costs arising from this accident to be covered by its insurance policies.

**Sale of a building on Boulevard Davout in Paris.**

Following Zodiac Aero Electric's move to Montreuil, on August 7, 2015 the Group embarked on the sale of the building previously occupied by this company on Boulevard Davout, Paris.

**Sale of Zodiac Elastomers US**

At the beginning of June, Zodiac Aerospace signed and sealed the sale of its subsidiary Zodiac Elastomers US (ex Amfuel) to a US investor. This investor's restructuring plan is designed to safeguard this activity which had become non-strategic for the Group. This company was deconsolidated from the Group's financial statements in the fourth quarter of 2014/2015. This sale resulted in a negative consolidation impact of 0.9 percentage points on the Aerosafety segment's revenue growth for the 2014/2015 financial year (representing €3.9m in revenue for the segment and the Group total), and will have a negative impact of €2.6m on the Group's consolidated net income in 2014/2015.

**FINANCIAL POSITION**

Based on the preliminary data available to date, the Group expects its net financial debt at the year-end to increase, given the Group's operational performance during the year, the increase in its working capital requirement due to the priority objective of ensuring on-time deliveries to clients, and the acquisitions and cessions made during the year. The Group estimates that its year-end net financial debt would be below €1,300m.

Based on these figures, the banking covenant (net debt to EBITDA) would be respected.

## **OUTLOOK**

During the past year, the Seats segment encountered serious production difficulties resulting in late deliveries. The restructuring plans put into place in various entities of the Seats segment had prioritized the rapid return to on-time deliveries and making good the delays by the end of the financial year.

During the last months of the fiscal year, the Group accelerated its effort of adaptation to remedy as quickly as possible the difficulties of the Seats activities and rapidly implement the Focus plan. The additional costs of production were not able to be reduced as quickly as planned.

Current Operating Income for the financial year will be heavily impacted by difficulties in the Aircraft Interiors activities, in particular for the Seats segment, and by the cost of the implementation of corrective plans. This result is likely to be approximately down 40% as per the previous year.

Operational extra-costs for the 2014/2015 financial year would cost the margin around 5 percentage points. In 2015/2016, the Group intends to pursue organic revenue growth and progressively absorb the excess costs through the deployment of the transformation plans put in place at the end of the 2014/2015 financial year. The Group will give further details on its outlook at the annual results presentation on November 24.

The Group has increased its financial hedging. For the 2015/2016 financial year, 79% of the estimated net \$/€ transaction exposure has been hedged at \$/€ 1.1182.

### ***About Zodiac Aerospace***

*Zodiac Aerospace is a world leader in aerospace equipment and systems for commercial, regional and business aircraft and for helicopters and spacecraft. Zodiac Aerospace has 30,000 employees worldwide and generated revenue of €4.9bn in 2014/2015, through two main activities: Aircraft Interiors activity which combines the Business Groups Cabin & Structures and Seats, and the Systems activity comprising the Business Group Aerosystems. [www.zodiacaerospace.com](http://www.zodiacaerospace.com)*

Next meetings:	Annual results Q1 2015/2015 sales revenue	November 24, 2015 (before stock exchange opening) December 15, 2015 (after closing)
<b>ZODIAC AEROSPACE CONTACT</b> Pierre-Antony Vastra Tel: +33 (0)1 61 34 25 68 <a href="mailto:PierreAntony.Vastra@zodiacaerospace.com">PierreAntony.Vastra@zodiacaerospace.com</a> Valérie AUGER Tel: +33 (0)1 61 34 22 71 <a href="mailto:Valerie.Auger@zodiacaerospace.com">Valerie.Auger@zodiacaerospace.com</a>		<b>MEDIA/PRESS CONTACTS - IMAGE 7</b> Priscille Reneaume Tel: +33 (0) 1 53 70 74 61 / <a href="mailto:preneaume@image7.fr">preneaume@image7.fr</a> Grégoire Lucas Tel: +33 (0) 1 53 70 74 94 / <a href="mailto:glucas@image7.fr">glucas@image7.fr</a>
61, rue Pierre Curie – CS20001 – 78373 PLAISIR CEDEX		

## APPENDICES

## Consolidated sales revenue by quarter

In millions of euros	1 <sup>st</sup> quarter 2014/2015	2 <sup>nd</sup> quarter 2014/2015	3 <sup>rd</sup> quarter 2014/2015	4 <sup>th</sup> quarter 2014/2015
<b>Zodiac AeroSafety</b>	144.4	151.6	168.1	<b>170.6</b>
<b>Zodiac Aircraft Systems</b>	346.3	357.2	369.4	<b>386.0</b>
<b>Aircraft Interiors</b>	646.7	677.9	766.4	<b>745.9</b>
<i>Zodiac Seats</i>	290.8	331.4	380.6	<b>369.6</b>
<i>Zodiac Cabin &amp; Structures</i>	216.4	213.5	240.6	<b>242.0</b>
<i>Zodiac Galleys &amp; Equipment</i>	139.5	133.0	145.2	<b>134.3</b>
<b>Group total</b>	<b>1,137.4</b>	<b>1,186.7</b>	<b>1,303.9</b>	<b>1,302.5</b>
€//\$ conversion	1.27	1.18	1.09	<b>1.11</b>

In millions of euros	1 <sup>st</sup> quarter 2014/2015	2 <sup>nd</sup> quarter 2013/2014	3 <sup>rd</sup> quarter 2013/2014	4 <sup>th</sup> quarter 2013/2014
<b>Zodiac AeroSafety</b>	134.6	134.1	144.4	161.7
<b>Zodiac Aircraft Systems</b>	305.7	317.4	320.6	353.7
<b>Aircraft Interiors</b>	542.2	563.9	580.7	615.5
<i>Zodiac Seats</i>	248.2	274.1	293.5	295.4
<i>Zodiac Cabin &amp; Structures</i>	169.3	168.3	168.2	187.1
<i>Zodiac Galleys &amp; Equipment</i>	124.7	121.5	119.0	133.0
<b>Group total</b>	<b>982.5</b>	<b>1015.4</b>	<b>1045.7</b>	<b>1130.9</b>
€//\$ conversion	1.35	1.37	1.38	1.35

## CHANGES

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

Based on reported data	T1	T2	T3	T4
<b>Zodiac AeroSafety</b>	+7.3%	+13.1%	+16.5%	<b>+5.5%</b>
<b>Zodiac Aircraft Systems</b>	+13.3%	+12.5%	+15.2%	<b>+9.1%</b>
<b>Aircraft Interiors</b>	+19.3%	+20.3%	+31.9%	<b>+21.2%</b>
<i>Zodiac Seats</i>	+17.2%	+21.0%	+29.6%	<b>+25.1%</b>
<i>Zodiac Cabin &amp; Structures</i>	+27.8%	+27.4%	+42.4%	<b>+29.4%</b>
<i>Zodiac Galleys &amp; Equipment</i>	+11.8%	+8.8%	+22.7%	<b>+0.9%</b>
<b>Group total</b>	<b>+15.8%</b>	<b>+16.9%</b>	<b>+24.7%</b>	<b>+15.2%</b>
<b>Aerospace activities*</b>	<b>+16.6%</b>	<b>+17.7%</b>	<b>+26.4%</b>	<b>+16.1%</b>

Based on organic data	T1	T2	T3	T4
<b>Zodiac AeroSafety</b>	+2.9%	+1.4%	-0.9%	<b>-6.1%</b>
<b>Zodiac Aircraft Systems</b>	+8.6%	+1.4%	-0.7%	<b>-4.9%</b>
<b>Aircraft Interiors</b>	+8.8%	+2.3%	+6.5%	<b>+0.4%</b>
<i>Zodiac Seats</i>	+12.3%	+9.9%	+11.7%	<b>+10.1%</b>
<i>Zodiac Cabin &amp; Structures</i>	+4.2%	-8.2%	-2.7%	<b>-7.5%</b>
<i>Zodiac Galleys &amp; Equipment</i>	+8.1%	0.1%	+6.9%	<b>-9.8%</b>
<b>Group total</b>	<b>+7.9%</b>	<b>+1.9%</b>	<b>+3.2%</b>	<b>-2.2%</b>
<b>Aerospace activities*</b>	<b>+8.5%</b>	<b>+2.3%</b>	<b>+4.2%</b>	<b>-1.6%</b>

## Organic changes 2013/2014

Based on organic data	T1	T2	T3	T4
<b>Zodiac AeroSafety</b>	+4.6%	+12.4%	+6.7%	-1.0%
<b>Zodiac Aircraft Systems</b>	+10.9%	+19.6%	+11.3%	+15.4%
<b>Aircraft Interiors</b>	+3.8%	+4.4%	+5.0%	+7.0%
<i>Zodiac Seats</i>	-0.9%	+4.2%	+9.0%	+14.7%
<i>Zodiac Cabin &amp; Structures</i>	+2.9%	+2.4%	-1.5%	+4.1%
<i>Zodiac Galleys &amp; Equipment</i>	+15.9%	+7.7%	+5.3%	-3.5%
<b>Group total</b>	<b>+5.9%</b>	<b>+9.7%</b>	<b>+7.0%</b>	<b>+8.1%</b>
<b>Aerospace activities*</b>	<b>+5.4%</b>	<b>+9.9%</b>	<b>+6.1%</b>	<b>+8.0%</b>

\*Excluding Trains and Airbags businesses

**Cumulative consolidated sales revenue**

In millions of euros	1st quarter 2014/2015	1 <sup>st</sup> half 2014/2015	9 months 2014/2015	Fiscal year 2014/2015
<b>Zodiac AeroSafety</b>	144.4	296.0	464.1	<b>634.7</b>
<b>Zodiac Aircraft Systems</b>	346.3	703.5	1,072.9	<b>1,458.9</b>
<b>Aircraft Interiors</b>	646.7	1,324.6	2,091.0	<b>2,836.9</b>
<i>Zodiac Seats</i>	290.8	622.2	1,002.8	<b>1372.4</b>
<i>Zodiac Cabin &amp; Structures</i>	216.4	429.9	670.5	<b>912.5</b>
<i>Zodiac Galleys &amp; Equipment</i>	139.5	272.5	417.7	<b>552.0</b>
<b>Group total</b>	<b>1,137.4</b>	<b>2,324.1</b>	<b>3,628.0</b>	<b>4,930.5</b>
€/ \$ conversion	1.27	1.22	1.18	<b>1.16</b>
€/ \$ transaction	1.28	1.25	1.22	<b>1.21</b>

In millions of euros	1 <sup>st</sup> quarter 2013/2014	1st half 2013/2014	9 months 2013/2014	Fiscal year 2013/2014
<b>Zodiac AeroSafety</b>	134.6	268.7	413.1	574.8
<b>Zodiac Aircraft Systems</b>	305.7	623.1	943.7	1,297.4
<b>Aircraft Interiors</b>	542.2	1,105.9	1,686.9	2,302.3
<i>Zodiac Seats</i>	248.2	522.1	815.8	1,111.2
<i>Zodiac Cabin &amp; Structures</i>	169.3	336.9	505.8	692.9
<i>Zodiac Galleys &amp; Equipment</i>	124.7	246.9	365.3	498.2
<b>Group total</b>	<b>982.5</b>	<b>1,997.7</b>	<b>3,043.7</b>	<b>4,174.5</b>
€/ \$ conversion	1.35	1.36	1.36	1.36
€/ \$ transaction	1.35	1.36	1.36	1.36

**CHANGES 2014/2015**

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

Based on reported data	1 <sup>st</sup> quarter	1 <sup>st</sup> half	9 months	Fiscal year
<b>Zodiac AeroSafety</b>	+7.3%	+10.2%	+12.4%	<b>+10.4%</b>
<b>Zodiac Aircraft Systems</b>	+13.3%	+12.9%	+13.7%	<b>+12.4%</b>
<b>Aircraft Interiors</b>	+19.3%	+19.8%	+24.0%	<b>+23.2%</b>
<i>Zodiac Seats</i>	+17.2%	+19.2%	+22.9%	<b>+23.4%</b>
<i>Zodiac Cabin &amp; Structures</i>	+27.8%	+27.6%	+32.6%	<b>+31.7%</b>
<i>Zodiac Galleys &amp; Equipment</i>	+11.8%	+10.3%	+14.4%	<b>+10.8%</b>
<b>Group total</b>	<b>+15.8%</b>	<b>+16.3%</b>	<b>+19.2%</b>	<b>+18.1%</b>
<b>Aerospace activities*</b>	<b>+16.6%</b>	<b>+17.2%</b>	<b>+20.3%</b>	<b>+19.2%</b>

Based on organic data	1 <sup>st</sup> quarter	1 <sup>st</sup> half	9 months	Fiscal year
<b>Zodiac AeroSafety</b>	+2.9%	+2.2%	+1.1%	<b>-0.9%</b>
<b>Zodiac Aircraft Systems</b>	+8.6%	+4.9%	+3.0%	<b>+0.8%</b>
<b>Aircraft Interiors</b>	+8.8%	+5.5%	+5.8%	<b>+4.4%</b>
<i>Zodiac Seats</i>	+12.3%	+11.1%	+11.3%	<b>+11.0%</b>
<i>Zodiac Cabin &amp; Structures</i>	+4.2%	-2.0%	-2.2%	<b>-3.6%</b>
<i>Zodiac Galleys &amp; Equipment</i>	+8.1%	+4.1%	+5.0%	<b>+1.1%</b>
<b>Group total</b>	<b>+7.9%</b>	<b>+4.9%</b>	<b>+4.3%</b>	<b>+2.6%</b>
<b>Aerospace activities*</b>	<b>+8.5%</b>	<b>+5.3%</b>	<b>+5.0%</b>	<b>+3.2%</b>

\*Excluding Trains and Airbags businesses