

Results for the 2011/12 fiscal year

Zodiac Aerospace again reports very good results

Zodiac Aerospace again reports very good results in 2011/12

- Sales revenue increased by +25.8% to €3440.6m; +14.4% increase in organic revenue
- Current operating income up 26.4% to €486.4m, i.e. profit margin of 14.1%
- Net income attributable to Group shareholders up +33.8% to €318.9m

Zodiac Aerospace continued its external-growth strategy through its acquisition of Heath Tecna and Contour during the fiscal year, and has just signed a Lol to acquire the US company IMS, which specializes in seat-centric in-flight entertainment (IFE) systems.

The net debt/EBITDA ratio is 1.45, an improvement on the targeted 1.6 thanks to a good cash flow generation and a well controlled working capital requirement (WCR). Net debt was €831.6m.

Long-term growth outlook remains favourable, buoyed by the increased of current and new programs production rates. For the 2012/13 fiscal year, Zodiac Aerospace aims to another year of organic growth.

Plaisir, on November 21st, 2012 - The Supervisory Board of Zodiac Aerospace has approved the Group's accounts for the 2011/2012 fiscal year.

Olivier Zarrouati, CEO said: "Once again, our Group reported very good results for the 2011/12 fiscal year. Our sales revenue and current operating income each rose by more than 25%, buoyed by our organic growth and acquisitions of Heath Tecna and Contour during the year. At the same time, we have continued investing to develop new products and to get sales successes, in particular in the area of cabin interiors. We are actively pursuing this strategy with the acquisition of IMS, a US company specialist in seat-centric which reinforces our in-flight entertainment systems".

GOOD PERFORMANCES IN 2011/12

IN MILLIONS OF EUROS	2011/2012	2010/2011	% CHANGE
SALES REVENUE	3,440.6	2,734.8¹	+25.8%
CURRENT OPERATING INCOME BEFORE IFRS3 IMPACT	487.6	386.5	+26.2%
COI BEFORE IFRS 3/ SALES REVENUE	14.2%	14.0%	
CURRENT OPERATING INCOME:	486.4	384.8	+26.4%
CURRENT OPERATING INCOME /SALES REVENUE	14.1%	14.1%	
NET INCOME ATTRIBUTABLE TO GROUP SHAREHOLDERS	318.9	238.3	+33.8%
EPS	5.89	4.45	+32.4%
EPS BEFORE IFRS 3	6.15	4.58	+34.3%
NET DEBT	831.6	585.4	
NET DEBT/EBITDA RATIO ²	1.45	1.3	
€/ \$ (Transaction)	1.32	1.35	
€/ \$ (Conversion)	1.31	1.39	

¹ Restated to account for the disposal of Driessen Services

² EBITDA: Income as in the definition in the "Club Deal" credit agreement

Zodiac Aerospace achieved strong growth in 2011/2012 fiscal year. The Group's sales revenue increased by 25.8% to €3,440.6m during the course of its 2011/12 fiscal year (September to August). At like-for-like consolidation scope and exchange rates³, organic sales revenue rose by 14.4% compared with an announced annual growth target of "more than 10%". External growth accounted for 7.2 percentage points of the growth in activity, while net exchange rates represented 4.2 points for the period. Aeronautical activities (excluding Trains and Airbags) increased by 16.7% at like-for-like consolidation scope and exchange rates.

Zodiac Aerospace continues to grow in a buoyant market: with 13.6% organic growth in the fourth quarter, the Group has achieved 10 consecutive quarters of positive organic growth and eight consecutive quarters of double-digit organic growth.

The Group's Current Operating Income (COI) was up 26.2% to €487.6m, compared with €386.5m in 2010/11 (excluding IFRS 3 impact). The Current Operating Income margin was 14.2%, compared with 14.1% in 2010/2011.

The Current Operating Income margin rose by 20.2% at like-for-like consolidation scope, and by 14.8% at like-for-like consolidation scope and exchange rates, excluding IFRS3 impact. Changes in scope of consolidation⁴ contributed €23.1m to the year. There was a net foreign exchange rate gain of €21.0m. After applying the IFRS 3 accounting standard, the Current Operating Income operations amounted to €486.4m, compared with €384.8m in 2010/11.

The introduction of new social provisions in France had a 0.1 percentage-point impact on the operating margin for the 2011/12 fiscal year.

A good operating performance for the Group's three business segments

- ***Cabin Interiors: another year of strong growth thanks to organic growth and acquisitions***

The Cabin Interiors Segment reported a strong rise of 32.4% in its sales revenue to €2117.8m for the entire fiscal year. At like-for-like consolidation scope and exchange rates, the Segment reported growth of +15.0%. Cabin Interiors' sales revenue was, in particular, boosted by the very strong sales of its Seats division, as well as good sales of Galleys activities in Europe. External growth accounted for 12.4 percentage points of the annual growth in sales revenue. It was mainly thanks to Heath Tecna, which specializes in integrated cabin interiors, and has been consolidated since September 1, 2011; and to the UK company Contour, which specializes in premium seats, and has been consolidated since February 29, 2012. Excluding IFRS3 impact, the Segment's Current Operating Income increased by 30.6% to €331m, compared with €253.8m in 2010/2011. At like-for-like consolidation scope and exchange rates, Cabin Interiors reported a rise in its Current Operating Income of 13.6%. The Segment continued investing to develop new designs in the areas of seats, IFE⁴ or galleys equipment. Changes in scope of consolidation accounted for an increase of €24.0m in the Current Operating Income, excluding IFRS3 impact, while the net foreign exchange gains had a total positive impact of €19.1m.

- ***Aircraft Systems: strong performance for the year***

The Aircraft Systems Segment achieved excellent sales for the 2011/2012 fiscal year. It reported a strong growth in its sales revenue of 20.4% to €678.1m, and of 17.7% at like-for-like consolidation scope and exchange rates. All its activities achieved good performances, both in terms of OEM and after sales. Its Current Operating Income was up 13.5% to €85.4m. This growth was impacted by a negative net exchange rate impact of €1.6m.

³ Changes in scope of consolidation: Inclusion of Sell for one extra month, Heath Tecna for 12 months and Contour for six months - Exclusion of: Driessen Services for 12 months

⁴ IFE: "In Flight Entertainment"

- **AeroSafety & Technology: continued growth**

The AeroSafety & Technology Segment made sales revenue of €644.8m in the 2011/2012 fiscal year, an increase of 12.8% based on published figures, and a rise of 9.3% in organic revenue. Following on from previous quarters, the segment benefited from growth in emergency evacuation and electrical interconnect activities, and, in the second quarter, from a good increase in sales of emergency arresting systems activities. Its Current Operating Income rose by 24.6% to €83.6m based on published figures, and by 19.2% at like-for-like consolidation scope and exchange rates. The Segment benefited from a net foreign exchange gain of €3.7m and organic growth of €12.9m.

A strong rise in net income and EPS

Net income attributable to Group shareholders rose sharply by 35.6% to €332.8m, excluding IFRS 3 impact (accounting impact of external growth expenses), and of +33.8% to €318.9m after IFRS 3.

Earning per share was €5.89, compared with €4.45 after IFRS 3 impact. Before restatement of this IFRS 3 impact, it rose by 34.3% to €6.15 per share, compared with €4.58 in 2010/2011.

Net financial expense was -€33.2m compared with -€34.4m. Restated to account for the impact of the amortization of setting-up expenses or those of the syndicated loan rider, it amounted to -€32.4m compared with -€29.1m, an increase of €3.3m generated by the increase in our needs after the acquisitions of Heath Tecna and Contour.

Non-current Operating Income for the year were -€11.5m compared with -€17.2m in 2010/2011. They mainly comprise of expenses linked to IFRS 3: -€15.7m of amortization of intangible assets (compared with -€5.7m in 2010/2011), and -€2.9m of acquisition costs linked to external growth, compared with -€3.1m in 2010/2011. Moreover, in accordance with the memorandum of agreement signed with the seller of Cantwell Cullen & Co, acquired in 2009/2010, a partial refund of the price has been accounted for this fiscal year for a gross amount of €5.1m.

Restructuring and reorganization expenses were down compared with 2010/2011: €-0.4m compared with €-5.8m.

The income from activities sold was +€10.9m compared with +€0.6m in 2010/2011. It arises from the sales of the Issy les Moulineaux building and the Driessen Services business, which were finalized during the course of the first-half of the fiscal year.

The tax expense was -€134.4m compared with -€95.9m in the previous year, i.e. a rate of 30.4% compared with 28.8% for the previous year.

Debt under control

Net debt was €831.6m at the end of the 2011/2012 fiscal year, compared with €1,054m at the end of the first-half, and €585.4m at the end of the 2010/20121 fiscal year.

This change was mainly due to the acquisitions of Heath Tecna on September, 1st 2011, and of Contour Aerospace on January 19, 2012, for enterprise values of \$114m and £274m respectively. Heath Tecna has been consolidated in the accounts since September 1, 2011, and Contour Aerospace was consolidated for the first time on February 29, 2012.

The Net debt/EBITDA ratio⁵ at the end of August 2012 was 1.45 compared with 1.3 at the end of August 2011. This ratio is well below the “Club Deal” covenant of which the maximum ratio at 08/31/2012 was 3.25.

⁵ EBITDA: Income as in the definition in the “Club Deal” credit agreement

The Net debt/equity ratio (gearing) was 42% compared with 38% at year-end 2010/2011, and 59.2% at end of first-half 2011/2012.

Despite the strong rise in sales revenue, the Working capital requirement (WCR)/sales revenue ratio was practically unchanged at 29.4% compared with 29.3% at end-August 2011 (29.9% at end-August 2012, restated for businesses acquired).

An increase in the dividend offered

The Supervisory Board will propose at the Shareholders' Meeting to be held on January 9, 2013, the distribution of a dividend of €1.40 per share, compared with €1.20 per share in respect of the 2010/2011 fiscal year.

STRATEGY: STRENGTHENING IN CABIN INTERIORS SEGMENT

Further sales successes

In the 2011/2012 fiscal year, the Zodiac Aerospace Group, once more, achieved commercial success, and continued developing major programs.

- During the summer, Zodiac Aerospace signed the Water & Waste contract for the Chinese aircraft Comac C919. The other equipment for which the Group has been pre-selected are currently in the process of contractual finalization. Moreover, Zodiac Aerospace has recently been selected by Comac to supply the Galleys & Lavatories of the C919, as well as the cockpit door of the same aircraft.
- As to the Russian commercial aircraft Irkut MC 21 programme, Zodiac Aerospace has, to date, signed the contracts for the primary electrical power distribution, the whole cabin, as well as contracts for fuel, fuel gauging and inerting, and crew oxygen.
- In the area of seats, Zodiac Aerospace has continued its programs of cabin refurbishment and equipment for new planes, and has won new orders, thanks, notably, to its entirely updated range of seats which provide passengers with more comfort.

The Group has, moreover, continued to support the increased of the Boeing 787 Dreamliner programme production rate, which, in November 2012, achieved the production rate of five aircraft per month, and aims to produce 10 aircraft a month by end-2013.

Finally, Zodiac Aerospace had continued to develop equipment and systems which it supplies for the Airbus A350XWB, the first flight of which is scheduled in 2013. This development accounts for a substantial part of the intangible investments for the year, which amount to €71.6m compared with €50.5m in 2010/2011.

Creation of a joint venture company with Embraer

On May 30, Zodiac Aerospace and Embraer SA, Brazilian leader of regional planes, signed an agreement to set up a joint venture company which will be in charge of manufacturing cabin interior equipment for the family of EMBRAER 170/190 jet aircraft. The joint venture production unit will be located in Mexico. This new joint venture company consolidates a fruitful partnership that has existed for a long time between Zodiac Aerospace and Embraer.

Zodiac Aerospace continues its external growth strategy

During the year, Zodiac Aerospace made two acquisitions in the area of the cabin, which were both finalized in the first-half. First of all, **Heath Tecna** completes Zodiac Aerospace's expertise in the area of cabin interiors of commercial aircraft, and enables it to offer its customers a wider range of services, in particular in terms of cabin refurbishment (retrofit), an area in which it is a world leader. This purchase was finalized on September 1, 2011. Then, **Contour Aerospace**, consolidated in the accounts for the first time on February 29th, 2012, is a UK leader of premium aircraft seats. This Business activity completes the offer of Zodiac Seats in the First class and Business class seats areas. .
 Zodiac Aerospace is actively pursuing its external growth strategy. On November 15th, 2012 the Group signed a letter of intent in view of acquiring IMS, a US company that specializes in Seat Centric IFE systems. Subject to obtaining the regulatory authorisations and the signing of the final contract, this acquisition should be finalized before end-2012.

New organization of the Group

To be closer to its end markets, Zodiac Aerospace is implementing a new organization in the 2012/2013 fiscal year, the main effect of which is the splitting of the Cabins Interiors Segment into three parts: Zodiac Cabin & Structures (cabin equipment and integrated cabin, for aircraft manufacturers and airlines), Zodiac Seats (aircraft seats) and Zodiac Galleys & Equipment (galleys, galleys equipment, trolleys and other equipment).
 In December 2012, Zodiac Aerospace will publish its Q1 sales revenue on the basis of this new five-segment organization (Zodiac Aircraft Systems, Zodiac Aerosafety, Zodiac Cabin & Structures, Zodiac Seats and Zodiac Galleys & Equipment).

Currency hedging

At 11/15/2012, the Group hedged around 60% of its estimated exposure in respect of the 2012/2013 fiscal year at the rate of 1.265.

OUTLOOK

The background for the aeronautical industry is good over the long term, with an average increase in traffic of 5% a year average, and over the medium term thanks to the increase in the pace of deliveries concerning existing commercial aircraft programs and the rise in the production rates of new programs. In these conditions, Zodiac Aerospace expects organic growth, again, in the new fiscal year, on a high comparison basis.

Forthcoming events:	Q1 sales revenue Shareholders' Meeting Q2 and H1 sales revenue	December 18, 2012 (after closing) January 9, 2013 28 March 2013
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ZODIAC AEROSPACE CONTACT
 Pierre-Antony VASTRA
 Tel: +33 (0)1 61 34 25 68
PierreAntony.Vastra@zodiac aerospace.com

Valérie AUGER
 Tel: +33 (0)1 61 34 22 71
Valerie.Auger@zodiac aerospace.com

61, rue Pierre Curie – CS20001 - 78373 PLAISIR CEDEX

MEDIA - IMAGE 7 CONTACTS
 Flore LARGER
 Tel: +33(0) 1 53 70 74 92 / flarger@image7.fr
 Priscille RENEAUME
 Tel: +33 (0) 1 53 70 74 61 / preneaume@image7.fr

CONTACT ANALYSTES - KEIMA COMMUNICATION
 Emmanuel DOVERGNE
 Tel: 01 56 43 44 63 / emmanuel.dovergne@keima.fr

Notes

Consolidated sales revenue by quarter

In millions of euros	1 st quarter 2011/2012	2 nd quarter 2011/2012	3 rd quarter 2011/2012	4 th quarter 2011/2012
AeroSafety & Technology	142.5	148.6	163.2	190.5
Aircraft Systems	156.8	168.0	176.5	176.8
Cabin Interiors	479.3	472.1	568.6	597.7
Group Total	778.6	788.7	908.3	965.0
€/ \$ conversion	1.37	1.31	1.31	1.24

In millions of euros	1 st quarter 2010/2011	2 th quarter 2010/2011	3 th quarter 2010/2011	4 th quarter 2010/2011
AeroSafety & Technology	134.9	134.8	139.9	162.0
Aircraft Systems	131.5	132.6	152.2	146.9
Cabin Interiors	373.6	395.1	418.9	412.4
Group Total	640.0	662.4	711.0	721.4
€/ \$ conversion	1.35	1.34	1.43	1.43

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

Based on published figures	Q1 2011/2012	Q2 2011/2012	Q3 2011/2012	Q4 2011/2012
AeroSafety & Technology	+5.6%	+10.3%	+16.6%	+17.6%
Aircraft Systems	+19.2%	+26.7%	+15.9%	+20.3%
Cabin Interiors	+28.3%	+19.5%	+35.8%	+44.9%
Group Total	+21.7%	+19.1%	+27.8%	+33.8%

Based on organic revenue	Q1 2011/2012	Q2 2011/2012	Q3 2011/2012	Q4 2011/2012
AeroSafety & Technology	+6.7%	+9.2%	+11.7%	+9.3%
Aircraft Systems	+21.9%	+26.6%	+12.0%	+12.3%
Cabin Interiors	+19.8%	+11.8%	+13.0%	+15.8%
Group Total	+17.5%	+14.2%	+12.5%	+13.6%
Aerospace activities*	+20.8%	+17.6%	+13.9%	+15.0%

Organic changes 2010/2011

Based on organic revenue	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 activities*	+16.8%	+14.9%	+14.0%	+19.7%

*Excluding Trains and Airbags businesses

Cumulative consolidated sales revenue

In millions of euros	1 st quarter 2011/2012	1 st half-year 2011/2012	9 months 2011/2012	2011/2012 fiscal year
AeroSafety & Technology	142.5	291.1	454.3	644.8
Aircraft Systems	156.8	324.8	501.3	678.1
Cabin Interiors	479.3	951.4	1520.0	2117.8
Group Total	778.6	1567.3	2475.7	3440.6
€/ \$ conversion	1.37	1.34	1.33	1.32
€/ \$ transaction	1.36	1.34	1.33	1.31

In millions of euros	1 st quarter 2010/2011	1 st half-year 2010/2011	9 months 2010/2011	2010/2011 fiscal year
AeroSafety & Technology	134.9	269.7	409.6	571.7
Aircraft Systems	131.5	264.1	416.3	563.2
Cabin Interiors	373.6	768.7	1,187.5	1,599.9
Group Total	640.0	1,302.4	2,013.5	2,734.8
€/ \$ conversion	1.35	1.35	1.37	1.39
€/ \$ transaction	1.29	1.30	1.31	1.35

VARIANCES

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

Based on published figures	1 st quarter 2011/2012	1 st half-year 2011/2012	9 months 2011/2012	2011/2012 fiscal year
AeroSafety & Technology	+5.6%	+7.9%	+10.9%	+12.8%
Aircraft Systems	+19.2%	+23.0%	+20.4%	+20.4%
Cabin Interiors	+28.3%	+23.8%	+28.0%	+32.4%
Group Total	+21.7%	+20.3%	+23.0%	+25.8%

Based on organic revenue	1 st quarter 2011/2012	1 st half-year 2011/2012	9 months 2011/2012	2011/2012 fiscal year
AeroSafety & Technology	+6.7%	+8.0%	+9.3%	+9.3%
Aircraft Systems	+21.9%	+24.3%	+19.7%	+17.7%
Cabin Interiors	+19.8%	+15.8%	+14.8%	+15.0%
Group Total	+17.5%	+15.9%	+14.7%	+14.4%
Aerospace activities*	+20.8%	+19.2%	+17.3%	+16.7%

*Excluding Trains and Airbags businesses

Current Operating Income:			
In millions of euros	2011/2012 fiscal year	2010/2011 fiscal year	% Change
Aerosafety & Technology Segment	83.6	67.1	+24.6%
Aircraft Systems Segment	85.4	75.2	+13.5%
Cabin Interiors Segment	330.3	252.1	+31.0%
Holding	-12.9	-9.6	
Group Total	486.4	384.8	+26.4%

Income statement	2011/2012	2010/2011
Sales revenue	3,440.6	2,734.8
Amortization expense	70.1	61.6
Charge to provisions	13.4	14.3
Current Operating Income	486.4	384.8
Non-current Operating Income	-11.5	-17.2
Operating profit:	475.0	367.6
Cost of net debt	-30.7	-32.4
Other financial income and expenses	-2.5	-2.0
Tax expense	134.4	95.9
Income from continuing operations	307.4	237.3
Income from operations being discontinued	10.9	0.6
Income from continuing operations and operations being discontinued	318.3	237.9
Net income attributable to Group shareholders	-0/6	-0.4
Net income attributable to Group shareholders	318.9	238.3

Summary balance sheet					
In millions of euros	08/31/12	08/31/11		08/31/12	08/31/11
Non-current assets	2,346.9	1,756.9	Equity	2,056.8	1,591.6
Current assets	1,504.0	1,142.0	Provisions and deferred tax	265.7	219.0
Cash and equivalents	161.8	224.7	Financial debt	993.3	810.1
Assets held for sale	1.5	18.7	Other current liabilities	698.4	519.8
			Liabilities held for sale		1.8
	4,014.2	3,142.3		4,014.2	3,142.3

Summary cash flow statement

In millions of euros	2011/2012	2010/2011
Operating activities		
Cash flow from operations	427.5	346.4
Change in WCR	-127.3	-20.2
Cash flow from continuing operations	300.2	326.2
Cash flow from operations being discontinued		0.1
INVESTMENT OPERATIONS		
Acquisition of intangible fixed assets	-71.6	-50.5
Acquisition of tangible fixed assets	-84.1	-58.5
Change in scope of consolidation:	-405.0	-210.4
Cash flow from investments of continuing operations	-560.7	-319.4
Cash flow from investments of operations being discontinued and assets held for sale	27.4	-0.1
FINANCING OPERATIONS		
Change in debt	182.1	134.0
Treasury stocks	2.3	-1.6
Increase in equity	15.0	11.3
Dividends	-64.8	-53.4
Cash flow linked to financing of continuing operations	134.6	90.3
Translation adjustment on cash position at the start of the period	35.3	-30.4
Change in cash position	-63.2	66.7

The audit procedures on the consolidated financial statements are being finalized. The audit report will be issued once the work has been completed of reviewing the notes to the financial statements.