



Issy-les-Moulineaux, November 17, 2008

## Good operating results for 2007/2008

Results for the 2007/2008 fiscal year (to August 31, 2008)

- **EBIT target exceeded: €235.6 in 2007/2008**
- **The target of double-figure organic growth for the Group's aeronautics business has been achieved, with a rate of 11.7% (10.3% for the Group as a whole)**
- **The Zodiac Group has continued to expand through external growth**
- **Gearing represents 67% of equity**
- **The Supervisory Board will propose payment of a dividend of €1 per share**
- **The Zodiac Group is forecasting significant growth in current operating profit in 2008/2009**

### Zodiac reports a good level of organic revenue growth

The Zodiac Group Supervisory Board reviewed the 2007/2008 consolidated financial statements at its meeting of November 13, 2008.

On a comparable basis, Group revenue rose by 10.3% during the year. Excluding the Technology segment, the Group's **aeronautics businesses achieved 11.7% organic growth during the year.**

### **Consolidated revenue in €000**

€000	Annual revenue			
	2007/2008 fiscal year	2006/2007 fiscal year	Variance*	Organic Growth
AeroSafety Systems segment	354,826	359,017	-1.1%	+7.9%
Aircraft Systems segment	539,366	543,292	-0.7%	+7.7%
Cabin Interiors segment	962,323	927,771	+3.7%	+15.3%
<b>Aeronautics sub-total</b>	<b>1,856,515</b>	<b>1,830,080</b>	<b>+1.4%</b>	<b>+11.7%</b>
Technology segment	157,971	171,897	-8.1%	-5.2%
<b>Total for ongoing activities</b>	<b>2,014,486</b>	<b>2,001,977</b>	<b>+0.6%</b>	<b>+10.3%</b>
Discontinued activities (Marine)	-	476,236	ns	ns
Group total	2,014,486	2,478,213	ns	ns

\*Average €/€ exchange rate of 1.50 compared with 1.32 (1.54 compared with 1.36 for Q4)

### A good operating performance

**Group current operating profit for the year was €235.6 million**, compared with €262.5 million for 2006/2007 (excluding the Marine segment now disposed of). This level of current operating profit is higher than the target figure of €230 million announced in April this year. This profit reflects the **good operating margin of 11.7% for the year, which was achieved** despite a marked worsening in the average euro/dollar exchange rate (1.50 for the year, compared with 1.32 in 2006/2007).

€000	Current Operating Profit		
	2007/2008 fiscal year	2006/2007 fiscal year	Variance
AeroSafety Systems segment	53.3	53.7	-0.8%
Aircraft Systems segment	56.0	79.5	-29.5%
Cabin Interiors segment	116.5	116.1	+0.3%
<b>Aeronautics sub-total</b>	<b>225.8</b>	<b>249.3</b>	<b>-9.4%</b>
Technology segment	14.5	15.2	-4.6%
Holding company	-4.7	-2.0	ns
<b>Total for ongoing activities</b>	<b>235.6</b>	<b>262.5</b>	<b>-10.2%</b>
Discontinued activities (Marine)		82.1	ns
Group total	235.6	344.6	ns

Total operating profit was €233.6 million, compared with €264.3 million for 2006/2007 (excluding the Marine segment). Excluding the impact of the Marine segment disposal, **the net profit from ongoing activities was €137.8 million**, compared with €141.7 million (proforma) for 2006/2007. After inclusion of the capital gain made on the Marine segment disposal, net profit was €511.4 million, compared with a reported net profit of €183.7 million. The fair value of the equity holding in Zodiac Marine & Pool shown in the balance sheet as a financial asset has been significantly reduced, with no impact on the income statement.

Following the reduction in net debt resulting from the disposal of the Marine segment, financial expenses fell to €30.6 million.

**Net Profit Per Share (excluding the capital gain made on the Marine segment disposal) for the year was €2.51**, based on the weighted average number of shares and reflecting treasury stock pro-rata.

#### Dividend

In view of these results, the Supervisory Board will table a proposal at the Mixed General Meeting of Shareholders on January 12, 2009 to distribute a net dividend of €1.00 per share; a level unchanged from the previous year.

#### Zodiac presses ahead with its external growth strategy

**Zodiac finalized its purchase of Driessen and concluded the TIA and Adder acquisitions** in Quarter 4 of the year. These companies were consolidated for the first time on August 31, 2008, and therefore have no effect on the revenue and operating results for the 2007/2008 fiscal year. Driessen is the world leader in airline passenger service trolleys, and reported revenue of €135 million in 2007. Driessen employs around 2,000 people, most of whom work in its manufacturing facilities in Thailand, the Czech Republic and the USA. **TIA** is an American manufacturer of airline galley equipment, reporting revenue of \$14.5 million in 2007. **Adder** specializes in airline cabin interiors, and reported revenue of €7 million in 2007.

Following these acquisitions, Group net debt represented 67% of equity at the end of August 2008.

#### Share buyback program

On September 12, 2008, the Zodiac Group **bought back 2,780,000 shares equivalent to 4.99% of its equity capital** under the Group's share buyback program (cf. financial press release of February 25, 2008). This proportion is calculated on the basis of 55,667,704 shares in circulation at August 31, 2008 (2,467,276 shares bought back on August 31, 2008).

#### Outlook: higher current operating profit in 2008/2009

The Zodiac Group anticipates significant growth in its current operating profit during 2008/2009, following full integration of the companies acquired at the end of the 2007/2008 fiscal year, a more favorable euro/dollar exchange rate, sustained production volumes from most aircraft manufacturers and good levels of spare parts sales.

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*Next publication: December 16, 2008: Revenue for Q1 2008/2009*