

Issy-les-Moulineaux, March 17, 2009

## Zodiac Aerospace confirms its resilience

Turnover for the first half and the second quarter of the 2008/2009 financial year (to February 28, 2009)

- **Growth of 12.7% in turnover to €1,109 million fuelled by a more favorable dollar/euro rate and the consolidation of companies acquired at the end of 2007/08**
- **Zodiac Aerospace finalized negotiations to extend tranche A of its syndicated loan**
- **The EBIT target should be adjusted at the time of publication of the half-yearly results. The FY2007/08 EBIT would still growth significantly, but could be around 5% lower than the target announced in November 2008, partially compensated at the EPS level by a decrease in financial costs**

The Zodiac Aerospace Group's turnover increased by 12.7% to €1,109 million in the first half of the 2008/09 financial year (September to February) and 11.9% in the second quarter. The improvement in the dollar/euro rate and the first consolidation of companies acquired at the end of the 2007/08 financial year contributed positively to this growth, by 5.9% and 8.6% respectively over the half year. The Group confirmed its resilience in an aeronautics environment beginning to show signs of slowing down: on a like-for-like basis and excluding the Airbags business, turnover remained stable.

### Consolidated revenue in €000 (Provisional)

In thousands of euros	Half-yearly turnover				Second quarter			
	H1 2008/09	H1 2007/08	Variance*	Organic Growth	Q2 2008/09	Q2 2007/08	Variance*	Organic Growth
Aerosafety & Technology	232,903	243,375	-4.3%	-6.7%	118,171	125,240	-5.6%	-9.6%
Aircraft Systems	294,644	268,137	9.9%	+3.4%	153,154	133,615	14.6%	+5.8%
Cabin Interiors	581,108	472,508	23.0%	-2.2%	283,466	236,961	19.6%	-6.5%
<b>Group Total</b>	<b>1,108,655</b>	<b>984,020</b>	<b>12.7%</b>	<b>-1.8%</b>	<b>554,791</b>	<b>495,816</b>	<b>11.9%</b>	<b>-3.4%</b>

\* Average €/€ exchange rate of 1.33 compared with 1.45 / for Q2: 1,32 vs. 1,47

**Aerosafety & Technology segment**, which now includes the former Aerosafety and Technology segments, has experienced for its main activities a significant growth in turnover for the Elastomers and Interconnect businesses; a decrease in the Evacuation business; and slightly lower turnover at the Emergency Arresting business, which should be compensated for in the second half year.

Inversely, the dramatic fall in the Airbags business is more pronounced in relation to the first quarter. Operating in a very depressed vehicle market, these activities recorded turnover down by 47% to €20 million on the first half year (-36.7% on Q1 2008/09). As previously indicated, an analysis of this situation is resulting in accelerated restructuring of this business.

**Aircraft Systems segment** recorded significant growth of 9.9% in turnover, particularly as a result of the dollar/euro exchange rate. The branch's organic growth comes out at +3.4%, mainly driven by the Computers, Electrical Power Management and Fuel Circulation businesses.

**Cabin Interiors segment**, as in the first quarter, benefited from the positive impact of the consolidation of companies acquired at the end of the 2007/2008 financial year (Driessen, TIA and Adder). On a like-for-like basis, turnover was slightly down by 2.2%, due to the impact of the strike at Boeing, reschedule of deliveries at aircraft manufacturers, as well as deferred deliveries decided by Zodiac Aerospace to secure payment from some airline companies.

### **Other highlights of the quarter**

- **Zodiac Services:** the launch on September 1, 2008 of a new organization called Zodiac Services, intended to combine the after-sales services of all the Group's companies, led to delivery delays in Q1 which started to being absorbed in Q2.
- **Continuation of adaptation measures:** as well as the closure of its Valence bag production site for airbags, announced in December 2008, Zodiac Aerospace has decided to close a site in Courtenay and closed its site in Singapore (production of seat actuators).
- **New Headquarters:** at the start of 2010, Zodiac Aerospace will move into its new headquarters, currently under construction at the Plaisir site (Yvelines department), where Intertechnique (Aircraft branch) is already based.
- **Zodiac Aerospace is the new name of the Group,** approved by the Extraordinary General Meeting on January 12, 2009. It marks the Group's refocusing on its core business, following the sale of its Marine activities in September 2007.

### **Debt financing: extension of Tranche A**

**Zodiac Aerospace secured its funding by obtaining the unanimous agreement of participating banks (26) to its syndicated loan,** a one-year extension to Tranche A, which was due in June 2009. The extension amounts to €230 million, and is accompanied by maintenance of Tranche B at €700 million, due in June 2011 and Tranche C at €161 million due at the end of May 2009. The residual reinvestment commitments from the sale of its Marine activities (€330 million) were removed. There is no change to the covenants negotiated in May 2005. Considering the fall in interest rates, the new conditions of this extension enable Zodiac to reduce the total costs over the financial year, compared with the total estimated in the Group's objectives announced in November 2008.

### **Outlook**

The Group's strong diversification in terms of end markets and customers should enable it to withstand a less favorable aeronautical context. Furthermore, improvement in the dollar/euro rate and the acquisitions should have a positive impact on the Group's EBIT. On the other hand, the collapse in the airbags market, in the same way as the shift observed in the Seats and Cabin Interiors businesses, as well as the risk of a downturn in the after-sales business, may limit the expected growth in operating income. The EBIT for the full-year would still show a significant growth, but could be around 5% lower than the target announced at the start of the financial year. This should be partly compensated at the EPS level by lower financial costs.

The Group will set out its annual targets when it publishes its half-yearly results for 2008/2009.

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Next publication: April 17, 2009 (before the stock exchange opens)  
Results for the first half of 2008/2009 and analysts' meeting.