

## Revenue figures for the first half of 2009/2010

- **Zodiac Aerospace shows good resilience in H1, despite a difficult economic environment for aircraft equipment manufacturers**
- **OEM sales seem to have bottomed out, and after-sales activities report growth**
- **Major advances in new programs and sales successes in all segments**

Issy-les-Moulineaux, March 15, 2010 – The Zodiac Aerospace Group reported revenue of €966 million for the first half of its 2009/2010 fiscal year, reflecting a reduction of 7.7% compared with the same period of the previous fiscal year on a like-for-like basis, and a reduction of 12.8% on the basis of the current consolidation scope, which reflects an unfavorable 5-point shift in exchange rates.

€ million	First Half 2009/2010	First Half 2008/2009	Δ	Change	Organic Growth
<b>AeroSafety &amp; Technology</b>	<b>226.1</b>	234.5	-3.6%	-3.2%	-0.4%
<b>Aircraft Systems</b>	<b>219.6</b>	295.6	-25.7%	-5.0%	-20.8%
<b>Cabin Interiors</b>	<b>520.4</b>	577.2	-9.8%	-5.8%	-4.0%
<b>Group Total</b>	<b>966.1</b>	1,107.4	-12.8%	-5.0%	-7.7%
€/\$	<b>1.45</b>	1.33			

Despite the effects of the economic crisis now impacting the aircraft equipment manufacturing industry after a delay of several months, Zodiac Aerospace Group revenue for the first half of the year has shown good resilience. The decline in OEM business is in line with forecast, and seems to have bottomed out. After-sales business is recovering, reflecting in particular the fact that Zodiac Services is now fully operational.

- **AeroSafety & Technology**

Business levels in this segment remained stable during the first half of the year on a like-for-like basis at constant exchange rate, compared with the slight organic reduction of 3.6% in Quarter 1. AeroSafety business volumes fell slightly in the first half, but were offset by improved sales in Telemetry and Airbags. Similarly, this segment saw the slight reduction in original equipment being offset by a recovery in the after-sales market.

Business levels in aircraft evacuation systems (escape chutes) remained stable. The trend seen elsewhere in this segment is not significant in terms of the first half of the year, due largely to the seasonal nature of activities such as Emergency Arresting Systems.

- **Aircraft Systems**

Original equipment sales in the Aircraft Systems segment continued to be impacted by the declining sales of business jets, which seem now to have bottomed out, and by reductions in the helicopters and defense markets. On the other hand, sales to commercial aircraft manufacturers (Airbus, Boeing, etc.) remained stable.

- **Cabin Interiors**

Cabin Systems and Cabin Equipment have both been affected by reduced production volumes introduced by regional aircraft manufacturers. However, Quarter 2 saw the beginning of an upturn in galley equipment and a recovery in the seats market, with the first deliveries of seats for the ANA Boeing 777 fleet.

### Significant events during the second quarter

#### **Major advances in programs involving Zodiac Aerospace**

The effects of the economic crisis should not overshadow a number of major advances made during the first half of the year in programs involving Zodiac Aerospace.

Four of these programs have reported successful maiden flights: the A400M military transport aircraft, Eurocopter's new EC175 and Boeing's B787 and B747-8.

**The Boeing 787 Dreamliner** is a particularly important program for Zodiac Aerospace. With an order book of 876 aircraft to be delivered in coming years, this is currently the largest commercial aviation program. Zodiac Aerospace is involved in this program at a number of levels: *interior fittings, water and waste system, crew oxygen system, escape chutes, power distribution system, windshield wiper systems, cockpit instrument panels, electrical interconnect and parts of the fuel system.*

The value of equipment to be delivered to Boeing by Zodiac Aerospace totals more than \$2.5 million per aircraft, excluding seats, which will be ordered individually by airlines. Orders to deliver these items of equipment prior to the first aircraft entering service with airlines could contribute to revenue from the 2009/2010 fiscal year onwards.

#### **Sales successes in the second quarter**

During Quarter 2, the **AeroSafety & Technology** segment signed an export contract with Taiwan for its EMAS system. This end-of-runway safety system demonstrated its effectiveness yet again on January 19 this year at Charleston Airport in the USA.

The **Aircraft Systems** segment is preparing actively for the increase in Boeing 787 program production rates, and is seeing a recovery in orders in the executive aircraft market now that stock shedding has come to an end.

The **Cabin** segment is able to report a series of sales successes. The Seats division in particular is enjoying strong demand for its new lightweight economy class seats. Cabin Systems, Cabin Equipment and Seats are all preparing for a steep rise in Boeing 787 Dreamliner program production rates.

## Outlook

### ***2009/2010: a year of consolidation in response to the crisis***

Given the current economic environment, which remains difficult for aircraft equipment manufacturers, the Group is maintaining its targets, moving forward with its manufacturing efficiency programs and continuing to work on reducing its working capital requirement.

The Group confirms its expectation of a slight organic decline in business volumes for the 2009/2010 fiscal year. The Group maintains its target operating profitability level of 8% on the basis of an average dollar/euro exchange rate of 1.50, and with dollar sensitivity in the region of one percentage point of ROC for every 10 cent variation in the euro/dollar exchange rate. This means that the average dollar exchange rate, which is now more favorable and is underpinned by partial exchange rate hedges in the second half of the year, will feed through into a margin of over 8%. The net profit should be in line with the trend in current operating income.

### ***Encouraging prospects for 2010/2011***

The economic situation within the industry is expected to improve considerably during the 2010/2011 fiscal year. This view is supported by the first signs of recovery in air traffic and the delivery targets announced by leading aircraft manufacturers. Zodiac Aerospace should then be able to benefit fully from its status as a supplier to all new aircraft programs, with particular emphasis on the increasing production volumes of the Boeing 787. Further benefit will also result from the improved after-sales organizational structure of Zodiac Services and an optimized manufacturing base.

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<b>Next meetings:</b>	<b>Financial results for the first half</b>	April 23, 2010
	<b>Quarter 3 revenue</b>	June 16, 2010

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# APPENDICES

€ million	Quarter 1 2009/2010	Quarter 2 2009/2010	First Half 2009/2010
<b>AeroSafety &amp; Technology</b>	107.8	118.4	<b>226.1</b>
<b>Aircraft Systems</b>	111.0	105.5	<b>219.6</b>
<b>Cabin Interiors</b>	252.7	267.7	<b>520.4</b>
<b>Group Total</b>	471.5	494.6	<b>966.1</b>
€/\$	1.48	1.42	<b>1.45</b>

€ million	Quarter 1 2008/2009	Quarter 2 2008/2009	First Half 2008/2009
<b>AeroSafety &amp; Technology</b>	114.7	119.8	<b>234.6</b>
<b>Aircraft Systems</b>	141.5	154.1	<b>295.6</b>
<b>Cabin Interiors</b>	297.7	279.6	<b>577.2</b>
<b>Group Total</b>	553.9	553.5	<b>1107.4</b>
€/\$	1.35	1.32	<b>1.33</b>

## CHANGES

(2009/10 compared to 2008/09)

Reported	T1	T2	S1
<b>AeroSafety &amp; Technology</b>	-6.1%	-1.2%	<b>-3.6%</b>
<b>Aircraft Systems</b>	-21.5%	-29.6%	<b>-25.7%</b>
<b>Cabin Interiors</b>	-15.1%	-4.3%	<b>-9.8%</b>
<b>Total Groupe</b>	-14.9%	-10.7%	<b>-12.8%</b>

Like-for-like	T1	T2	S1
<b>AeroSafety &amp; Technology</b>	-3.0%	+2.0%	<b>-0.4%</b>
<b>Aircraft Systems</b>	-16.6%	-24.7%	<b>-20.8%</b>
<b>Cabin Interiors</b>	-9.0%	+1.4%	<b>-4.0%</b>
<b>Total Groupe</b>	-9.7%	-5.7%	<b>-7.7%</b>