

## Zodiac Aerospace reports a good organic growth in Q3

**FY 2015/2016 Q3 and 9M sales**

- Increase in sales in 9M: +5.9% to € 3841.8m ; +0.4% like-for-like
- +4.4% organic growth in Q3 2015/2016
- Zodiac Seats branch in line with its 20% sequential H2/H1 sales increase
- Dynamic growth in Zodiac Cabin branch
- Systems activities benefits of an increase in commercial aviation activities
- Good performance of the aftermarket activities in Q3 growing above passenger air traffic
- Zodiac Aerospace maintains its 2015/2016 guidance for the full year of a Current Operating Income close to the one of FY 2014/15

*Plaisir, June 14 2016* – Zodiac Aerospace generated a +5.9% increase of its revenue for the first 9 months of its fiscal year 2015/2016 to € 3841.8 m, and a +0.4% increase on a like-for-like basis. Foreign exchange rates had a +5.5 points impact on the 9M growth, while, group wide, consolidation scope had no impact.

### **Sales revenue in the first nine months of the 2015/2016 fiscal year**

In € million	9M 2015/2016	9M 2014/2015	% change	Forex	Scope	Organic change %
<b>Systems activities</b>	<b>1485.7</b>	1424.5	+4.3%	+5.9%	-0.1%	-1.5%
<i>Zodiac AeroSafety</i>	<i>442.8</i>	464.2	-4.6%	+4.9%	-3.0%	-6.5%
<i>Zodiac Aircraft Systems</i>	<i>1042.9</i>	960.3	+8.6%	+6.4%	+1.4%	+0.8%
<b>Aircraft Interiors activities</b>	<b>2356.1</b>	2203.5	+6.9%	+5.3%	+0.0%	+1.6%
<i>Zodiac Seats</i>	<i>1027.3</i>	1002.8	+2.4%	+3.9%	+0.0%	-1.5%
<i>Zodiac Cabin</i>	<i>1328.8</i>	1200.8	+10.7%	+6.6%	+0.0%	+4.1%
<b>Group Total</b>	<b>3841.8</b>	3628.0	+5.9%	+5.5%	-0.0%	+0.4%
€/\$ (conversion)	1.11	1.18				

### **Sales revenue in the third quarter of the 2015/2016 fiscal year**

In € m million	Q3 2015/2016	Q3 2014/2015	% change	Forex	Scope	Organic change %
<b>Systems activities</b>	<b>515.1</b>	508.7	+1.3%	+1.5%	-1.1%	+0.9%
<i>Zodiac AeroSafety</i>	<i>149.2</i>	168.1	-11.2%	-0.6%	-2.9%	-7.7%
<i>Zodiac Aircraft Systems</i>	<i>365.9</i>	340.6	+7.4%	+2.5%	+0.0%	+4.9%
<b>Aircraft Interiors activities</b>	<b>837.6</b>	795.2	+5.3%	-1.3%	+0.0%	+6.6%
<i>Zodiac Seats</i>	<i>385.7</i>	380.6	+1.3%	-1.9%	+0.0%	+3.2%
<i>Zodiac Cabin</i>	<i>451.9</i>	414.6	+9.0%	-0.9%	+0.0%	+9.9%
<b>Group Total</b>	<b>1352.7</b>	1303.9	+3.7%	-0.3%	-0.4%	+4.4%
€/\$ (conversion)	1.13	1.09				

Revenue for the **Systems activities (38.7% of total revenue)** amounted to € 1485.7 million, up +4.3% on reported figures and -1.5% in terms of organic growth. Foreign exchange rates contributed a positive 5.9 percentage points during the period, while consolidation scope had a negative -0.1 point impact. In Q3, the organic growth rate of Systems activities showed an improvement over Q2 and Q1, establishing to +0.9% vs. 1.7% and -3.8% respectively. The systems activities benefited from the growth, in line or above air traffic, of its businesses mainly exposed to commercial aviation, Evacuation Systems, Oxygen Systems, Electrical Power systems, water and waste systems, despite some ramp up impacts. On the other hand, the systems activities suffered from a decrease in the businesses exposed to helicopter and business jets

markets (Elastomers, floats and rafts...), and a drop in its non-civilian aerospace businesses (arresting systems, Parachutes)

Revenue for the **AeroSafety branch** amounted to €442.8 million, down -4.6% based on reported figures and -6.5% in terms of organic growth. Foreign exchange rates contributed 4.9 percentage points during the period. Revenue for the **Aircraft Systems branch** amounted to €1042.9 million, up +8.6% based on reported figures and +0.8% in terms of organic growth. Foreign exchange rates contributed 6.4 percentage points during the period.

Overall, the **Aircraft Interiors activities (61.3% of sales)** reported a +6.9% increase in sales for the first 9 month of the 2015/2016 fiscal year, to € 2356.1 million and up +1.6% organic. Exchange rates had a positive 5.3 points impact during the period.

**Zodiac Seats branch** reported an improving organic growth: its sales grew 1.3% in Q3, despite a negative forex impact, and +2.4% for the first 9 months of the 2015/2016 fiscal year, to €1027.3 million. On a like for like basis, sales increased by +3.2% in Q3, compared to an organic decrease of -7.6% in Q2 and -0.4% in Q1 2015/2016.

Zodiac Seats recovery is going on. The branch reports progress made on critical situation on the recovery plan which was presented last April. In particular the certification on one complex business class seat program was completed, allowing to resume deliveries. The delivery of the third shipset is currently in process. The branch also made significant progress in the redesign of seat shells and in improving the supply chain in Zodiac Seat Shells in Santa Maria, CA. The completion of the implementation of a MRP process resulted in improving the supply chain and decreasing supplies irregularities. The industrial footprint of the Seat Shell division is being resized and three alternative sources of seats shells have been qualified that will lead to a better equilibrium of operations. For the longer term, Zodiac Seats pursues its transformation. The business process roll out is progressing per plan and commercial performance is resuming with some new commercial successes, e.g. Air France A330 full cabin interiors retrofit or United Airlines new Polaris business class seat. Zodiac Seats remains confident to sequentially grow its H2 sales by about 20% compared to H1 and is on track to get back to nominal operational performance in 18 months (starting from March 16)

**Zodiac Cabin** enjoyed a dynamic +10.7% growth for the first 9 month of 2015/2016 fiscal year, to €1328.8 million, breaking down into a positive forex impact of 6.6 points and a good +4.1% organic growth coming from all aviation segments, except Business Aircraft.

The operational performance of the branch continues to be affected by A350XWB lavatory program. However, the branch has increased its A350XWB lavatories deliveries, with shipset MSN (Manufacturer's Serial Number) 49 delivered and accepted and delivery of MSN50 in progress. The branch still has several issues to address: quality issues in our California site are hampering A350XWB lavatories ramp up and as the second line in Montreal is ramping up, although more slowly than expected, due to supply chain past due deliveries. Overall, the ramp up must further increase to reach temporarily a rate of 10 shipsets per month in order to catch up with Airbus FY 2016 objective.

Zodiac Cabin also reports operational Improvements on other critical programs in ramp up phase, with effective ramp up of Airline retrofit programs and of the linefit Spaceflex v2 program where a rate of 20 shipset / month has been reached, increasing to 24 in June to get aligned with Airbus needs. Last, the first CSeries interiors has been delivered to Bombardier. All in all, the branch is confident to retrieve operational performance across its production sites within 15 months.

## **OUTLOOK**

Zodiac Aerospace confirms its 2015/2016 target of a Current Operating Income close to the one of FY 2014/15. At end May, the group is in line with its internal target, with Systems activities slightly above forecast, Cabin slightly below, and Seats in line. The forecast is for further volume to come in Q4, and a strong activity expected for the month of August.

The Group also confirms its other guidance. The banking covenant should be respected.

For the medium term, both Zodiac Seats and Zodiac Cabin confirm their objective to get back to operational performance in Seats and Cabin in 18 months, starting from the announcement in March 2016.

Last Zodiac Aerospace completed its hedging portfolio for FY 2016/2017. For the second half of 2015/16 fiscal year, 92.6% of H2 budgeted transaction exposure is hedged at 1.10 \$/€. For the 2016/17 fiscal year, 65% of estimated \$/€ exposure is hedged at 1.129\$/€. US\$ is also 70% hedged against CAD and GBP, and 50% hedged against MXN.

**NB :** This revenues publication will be commented on an analysts & press conference call on June, 14<sup>t</sup> 2016 at 6:00pm CET. A replay will be available on the Group website [www.zodiac aerospace.com](http://www.zodiac aerospace.com) as well as the presentation slideshow and press release.

### **About Zodiac Aerospace**

Zodiac Aerospace is a world leader in aerospace equipment and systems for commercial, regional and business aircrafts and for helicopters and spacecrafts. It develops and manufactures state-of-the-art solutions to improve comfort and facilities on board aircrafts and high-technology systems to increase aircraft performance and flight safety. Zodiac Aerospace has 35,000 employees worldwide and generated revenue of €4.9 billion in 2014/2015. [www.zodiac aerospace.com](http://www.zodiac aerospace.com)

Next meetings:	Q4 2015/16 revenue FY 2015/16 results	September 14, 2016 (after stock exchange closing) November 22, 2016 (before opening)
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## APPENDICES

Consolidated revenue by quarter				
In millions of euros	1 <sup>st</sup> quarter 2015/2016	2 <sup>nd</sup> quarter 2015/2016	3 <sup>rd</sup> quarter 2015/2016	4 <sup>th</sup> quarter 2015/2016
<b>Systems</b>	479.1	491.5	<b>515.1</b>	
<i>Zodiac AeroSafety</i>	144.5	149.1	<b>149.2</b>	
<i>Zodiac Aircraft Systems</i>	334.6	342.4	<b>365.9</b>	
<b>Aircraft Interiors</b>	758.9	759.6	<b>837.6</b>	
<i>Zodiac Seats</i>	320.8	320.8	<b>385.7</b>	
<i>Zodiac Cabin</i>	438.1	438.8	<b>451.9</b>	
<b>Group total</b>	1238.0	1251.1	<b>1352.7</b>	
€/\$ conversion	1.11	1.09	<b>1.13</b>	
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>Systems</b>	448.3	467.5	508.7	530.7
<i>Zodiac AeroSafety</i>	144.4	151.6	168.1	170.4
<i>Zodiac Aircraft Systems</i>	303.9	315.9	340.6	360.3
<b>Aircraft Interiors</b>	689.1	719.2	795.2	773.1
<i>Zodiac Seats</i>	290.8	331.4	380.6	367.4
<i>Zodiac Cabin</i>	398.3	387.8	414.6	405.7
<b>Group total</b>	1137.4	1186.7	1303.9	1303.8
€/\$ conversion	1.27	1.18	1.09	1.11

### CHANGES

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

Based on reported data	Q1	Q2	Q3	Q4
<b>Systems</b>	+6.9%	+5.1%	<b>+1.3%</b>	
<i>Zodiac AeroSafety</i>	+0.1%	-1.7%	<b>-11.2%</b>	
<i>Zodiac Aircraft Systems</i>	+10.1%	+8.4%	<b>+7.4%</b>	
<b>Aircraft Interiors</b>	+10.1%	+5.6%	<b>+5.3%</b>	
<i>Zodiac Seats</i>	+10.3%	-3.2%	<b>+1.3%</b>	
<i>Zodiac Cabin</i>	+10.0%	+13.1%	<b>+9.0%</b>	
<b>Group total</b>	<b>+8.8%</b>	<b>+5.4%</b>	<b>+3.7%</b>	
<b>Aerospace activities*</b>	+9.1%	+5.7%	<b>+4.2%</b>	
Based on organic data	Q1	Q2	Q3	Q4
<b>Systems</b>	-3.8%	-1.7%	<b>+0.9%</b>	
<i>Zodiac AeroSafety</i>	-7.9%	-3.7%	<b>-7.7%</b>	
<i>Zodiac Aircraft Systems</i>	-1.9%	-0.8%	<b>+4.9%</b>	
<b>Aircraft Interiors</b>	-1.8%	-0.4%	<b>+6.6%</b>	
<i>Zodiac Seats</i>	-0.4%	-7.6%	<b>+3.2%</b>	
<i>Zodiac Cabin</i>	-2.8%	+6.0%	<b>+9.9%</b>	
<b>Group total</b>	-2.6%	-0.9%	<b>+4.4%</b>	
<b>Aerospace activities*</b>	-2.5%	-0.7%	<b>+4.9%</b>	
Organic changes 2014/2015				
Based on organic data	Q1	Q2	Q3	Q4
<b>Systems</b>	+5.5%	+0.6%	+1.3%	-2.6%
<i>Zodiac AeroSafety</i>	+2.9%	+1.4%	-0.9%	-6.3%
<i>Zodiac Aircraft Systems</i>	+6.8%	+0.2%	+2.5%	-0.8%
<b>Aircraft Interiors</b>	+9.6%	+2.8%	+4.6%	-1.6%
<i>Zodiac Seats</i>	+12.3%	+9.9%	+11.7%	+9.4%
<i>Zodiac Cabin</i>	+7.6%	-3.2%	-1.8%	-10.6%
<b>Group total</b>	+7.9%	+1.9%	+3.2%	-2.1%
<b>Aerospace activities*</b>	+8.5%	+2.3%	+4.2%	-1.4%

\*Excluding Trains and Airbags businesses

**Cumulative consolidated revenue**

In millions of euros	1 <sup>st</sup> quarter 2015/2016	1st half 2015/2016	9 months 2015/2016	Full year 2015/2016
<b>Systems</b>	479.1	970.6	<b>1485.7</b>	
<i>Zodiac AeroSafety</i>	144.5	293.6	<b>442.8</b>	
<i>Zodiac Aircraft Systems</i>	334.6	677.0	<b>1042.9</b>	
<b>Aircraft Interiors</b>	758.9	1518.5	<b>2356.1</b>	
<i>Zodiac Seats</i>	320.8	641.6	<b>1027.3</b>	
<i>Zodiac Cabin</i>	438.1	876.9	<b>1328.8</b>	
<b>Group total</b>	1238.0	2489.1	<b>3841.8</b>	
€/\$ conversion	1.11	1.10	<b>1.11</b>	
€/\$ transaction	1.12	1.11	<b>1.11</b>	

In millions of euros	1 <sup>st</sup> quarter 2014/2015	1 <sup>st</sup> half 2014/2015	9 months 2014/2015	Full year 2014/2015
<b>Systems</b>	448.3	915.8	1424.4	1955.2
<i>Zodiac AeroSafety</i>	144.4	296.0	464.1	634.5
<i>Zodiac Aircraft Systems</i>	303.9	619.8	960.3	1320.7
<b>Aircraft Interiors</b>	689.1	1408.3	2203.6	2976.6
<i>Zodiac Seats</i>	290.8	622.2	1002.8	1370.2
<i>Zodiac Cabin</i>	398.3	786.1	1200.8	1606.4
<b>Group total</b>	1137.4	2324.1	3628.0	4931.8
€/\$ conversion	1.27	1.22	1.18	1.16
€/\$ transaction	1.28	1.25	1.22	1.21

**CHANGES 2014/2015**

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

Based on reported data	1st quarter	1st half	9 months	Full year
<b>Systems</b>	+6.9%	+6.0%	<b>+4.3%</b>	
<i>Zodiac AeroSafety</i>	+0.1%	-0.8%	<b>-4.6%</b>	
<i>Zodiac Aircraft Systems</i>	+10.1%	+9.2%	<b>+8.6%</b>	
<b>Aircraft Interiors</b>	+10.1%	+7.8%	<b>+6.9%</b>	
<i>Zodiac Seats</i>	+10.3%	+3.1%	<b>+2.4%</b>	
<i>Zodiac Cabin</i>	+10.0%	+11.5%	<b>+10.7%</b>	
<b>Group total</b>	<b>+8.8%</b>	<b>+7.1%</b>	<b>+5.9%</b>	
<b>Aerospace activities*</b>	<b>+9.1%</b>	<b>+7.4%</b>	<b>+6.2%</b>	

Based on organic data	1st quarter	1st half	9 months	Full year
<b>Systems</b>	-3.8%	-2.8%	<b>-1.5%</b>	
<i>Zodiac AeroSafety</i>	-7.9%	-5.8%	<b>-6.5%</b>	
<i>Zodiac Aircraft Systems</i>	-1.9%	-1.4%	<b>+0.8%</b>	
<b>Aircraft Interiors</b>	-1.8%	-1.1%	<b>+1.6%</b>	
<i>Zodiac Seats</i>	-0.4%	-4.2%	<b>-1.5%</b>	
<i>Zodiac Cabin</i>	-2.8%	+1.4%	<b>+4.1%</b>	
<b>Group total</b>	<b>-2.6%</b>	<b>-1.7%</b>	<b>+0.4%</b>	
<b>Aerospace activities*</b>	<b>-2.5%</b>	<b>-1.6%</b>	<b>+0.6%</b>	

\*Excluding Trains and Airbags businesses