

Q4 & FY 2015/2016 Sales Presentation

ZODIAC AEROSPACE

Wednesday 14th September 2016

Safe Harbour statement

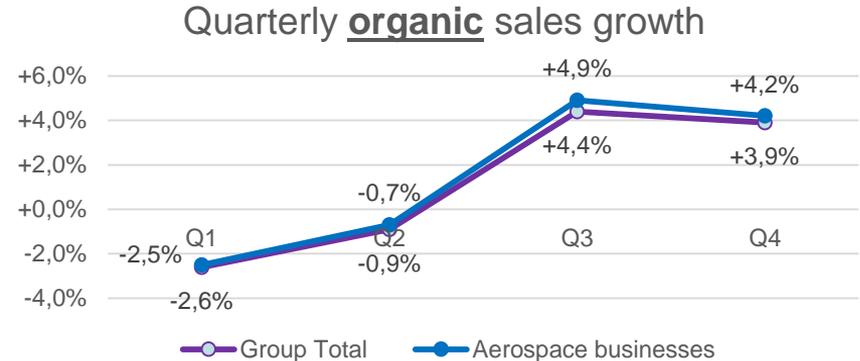
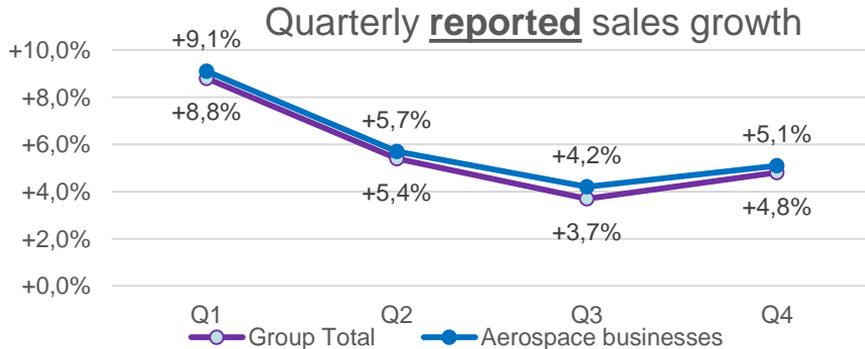
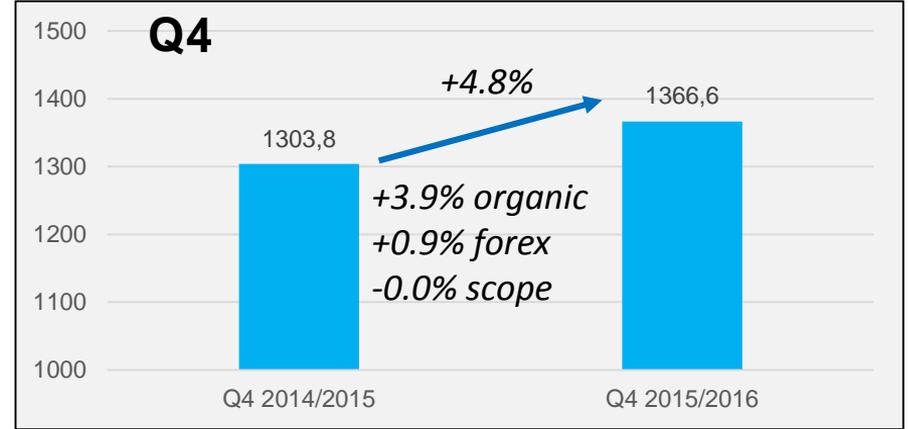
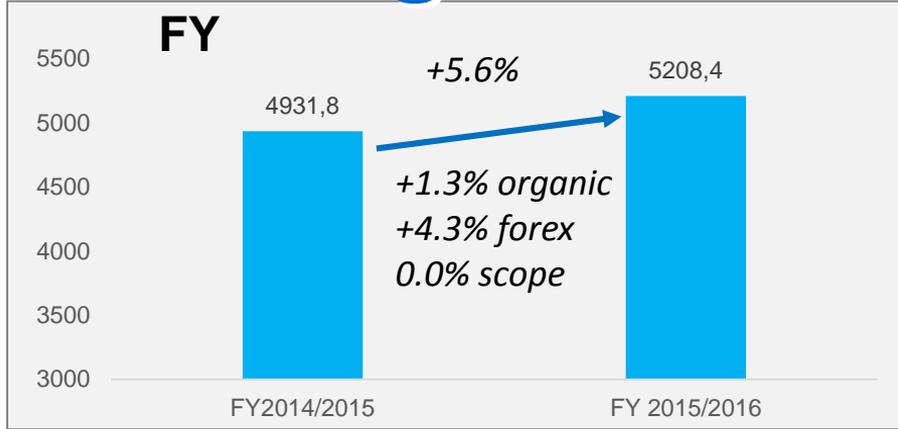
Certain statements contained in this document are forward-looking statements. These statements includes, without limitation, statements that are predictions of or indicate future events, trends, plans, expectations or objectives. Examples of forward-looking statements include statements relating to business strategy, objectives, delivery schedules or future performance. Words such as “anticipates”, “believes”, “estimates”, “seeks”, “intends”, “may” and similar expressions are used to identify these forward-looking statements.

Such statements are, by their nature, subject to known and unknown risks and uncertainties. These uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements as these are dependent on risk factors such as the variation of the exchange rates, program delays, industrial risks relating to safety, the evolution of regulations and the general economic and financial conditions and other matters of national, regional and global scale, including those of a political, economic, competitive and regulatory nature. Please refer to the section “Risks management” in page 29 of Zodiac Aerospace’s Annual Report for the year ended August 31, 2015, for a description of certain important factors, risks and uncertainties that may affect Zodiac Aerospace’s business.

Zodiac Aerospace makes no commitment to update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.

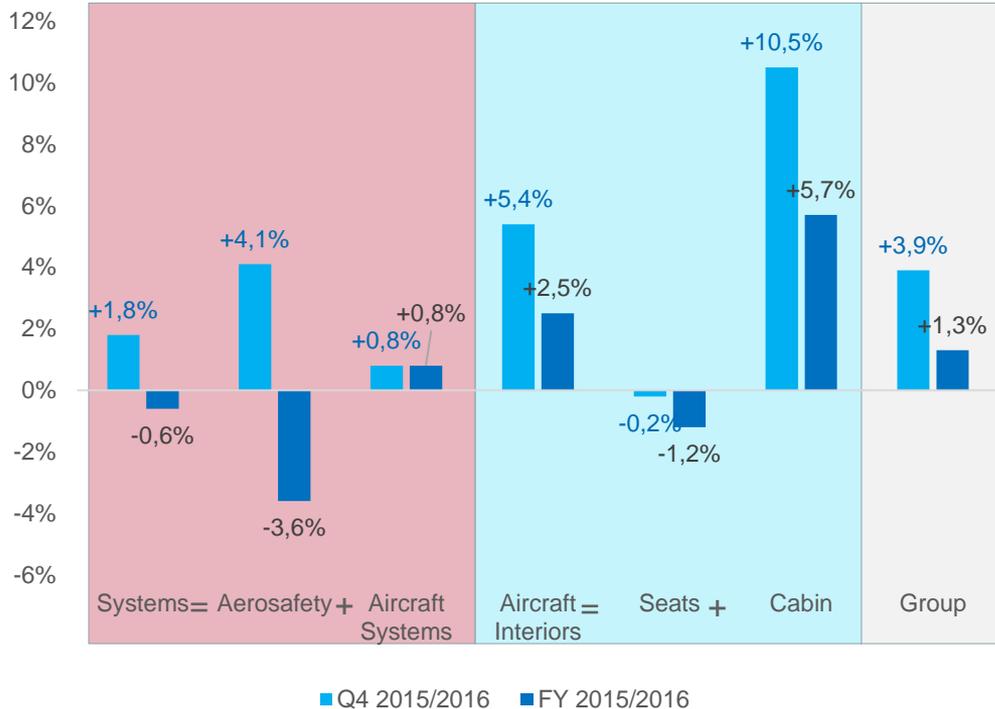
Q4 & FY 2015/2016 sales highlights

Robust growth in Q4

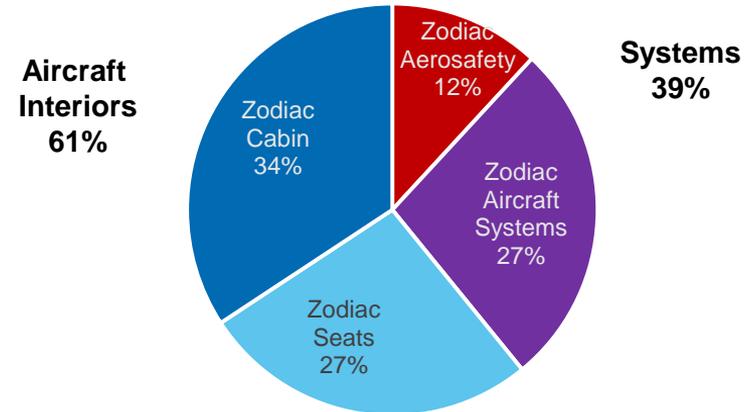


Evolution by branches

Sales Organic % change



2015/2016 sales

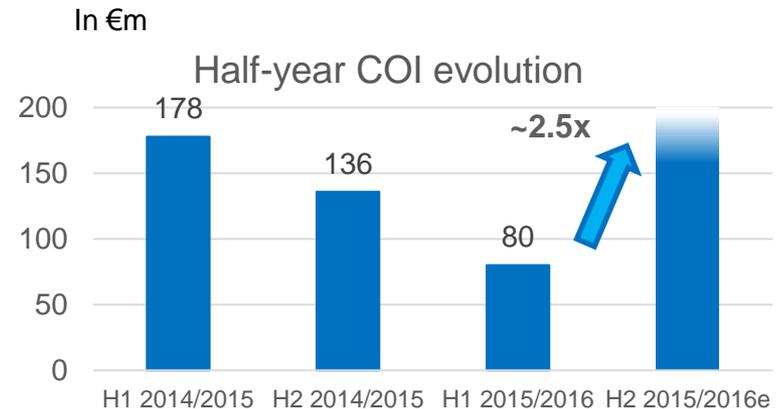
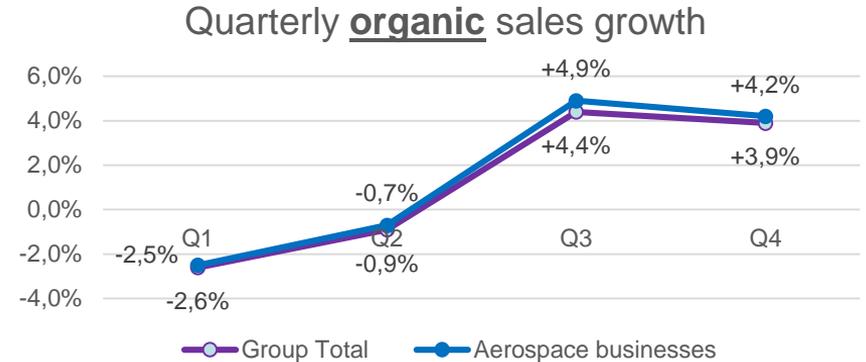


FY15/16(e) landing

- **2015/2016(e) in line with Sept. 2 update**
 - Around 10% below consensus as of Sept. 2¹
- **Still a high level of excess cost in Cabin and Seats**
 - Slower decrease of costs in Cabin
- **End of the year impacted by exceptional items**
 - Continued weakness in helicopter and business jet markets, weak sales in Arresting systems partly compensated by after-sales invoicing
 - Higher provisions than expected at year-end following the settlements of certain litigations and the signing of agreements on delivery schedules with certain customers
 - Additional reserves and scrap on Seatshells
- **Banking covenant² at end FY 15/16 will be respected**

Significant improvement of COI¹ in H2

- Robust sales growth in Q4
- Current Operating Income for the second half should be about 2.5 times the level of the first half

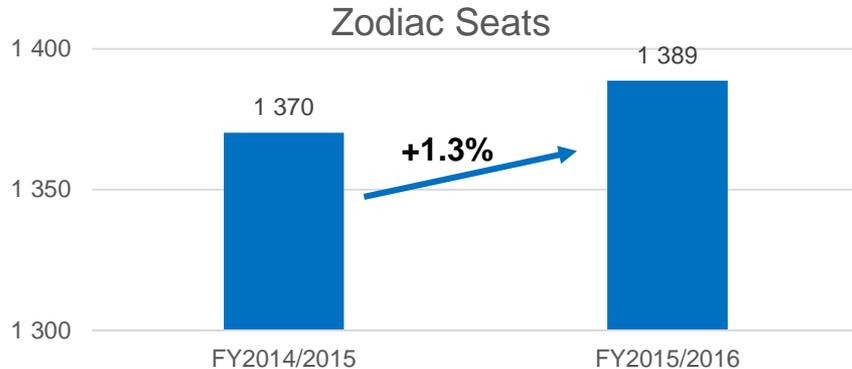


Recovery is well on track

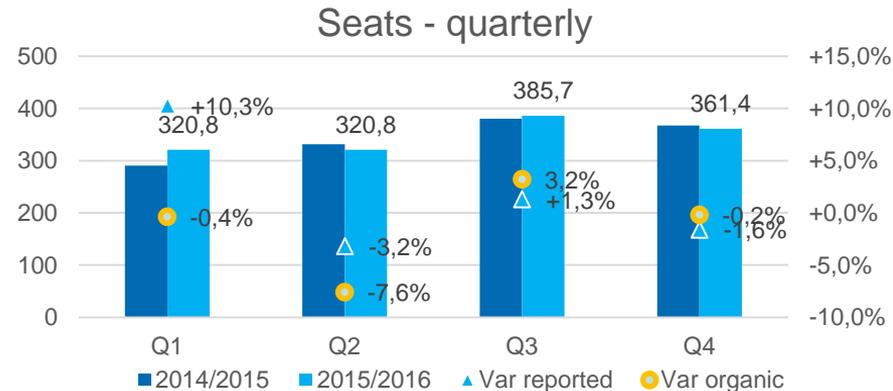
- On track to get back to normal industrial operating performance by the end of 2017¹
 - Significant progress made in Seats and Cabin operations
 - FOCUS transformation plan on track

Zodiac Seats

Zodiac Seats performance



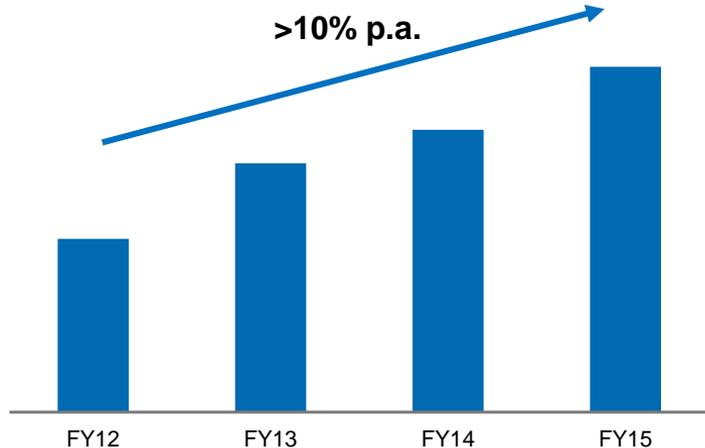
- +1.3 reported growth in 2015/16
 - Organic growth -0.2% in Q4 vs -1.2% for the FY2015/2016
- Negative forex impact in Q4 (-1.4%)
 - vs positive impact for FY (+2.5%)



History of the crisis

Strong commercial success...

Sales in €m, at fixed \$/€ rate



...disrupting our US operations

Gainesville
TX

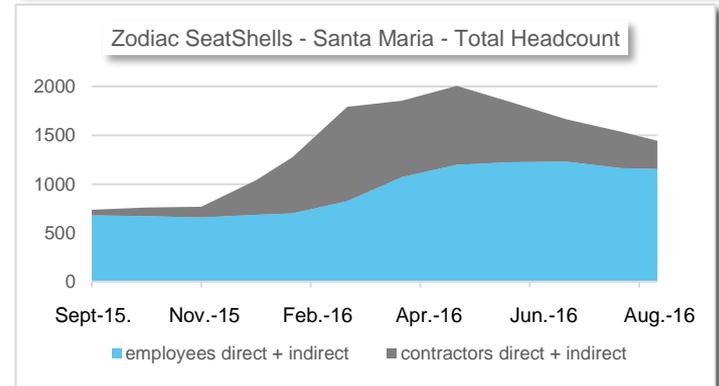
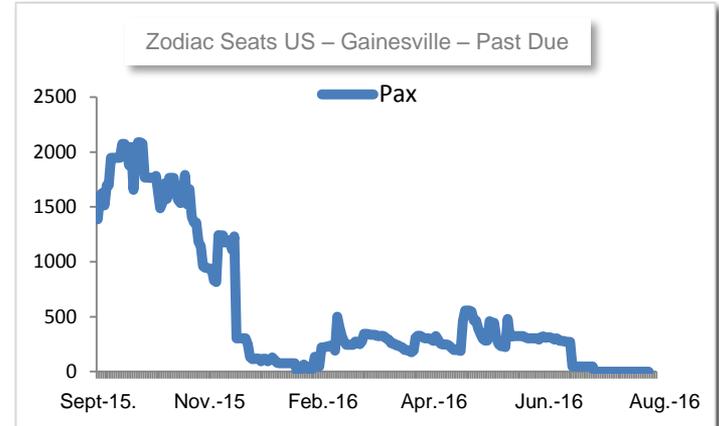
- Strike in October 2014 impacted delivery pace and quality standards
- Production system proved not to be robust enough

Santa
Maria
CA

- Production shift to Santa Maria (Seats Shells)
 - Failure to deliver production ramp-up needed
 - High defect rate further offsetting volume output
- Impacting Issoudun deliveries

Status of key attention areas today

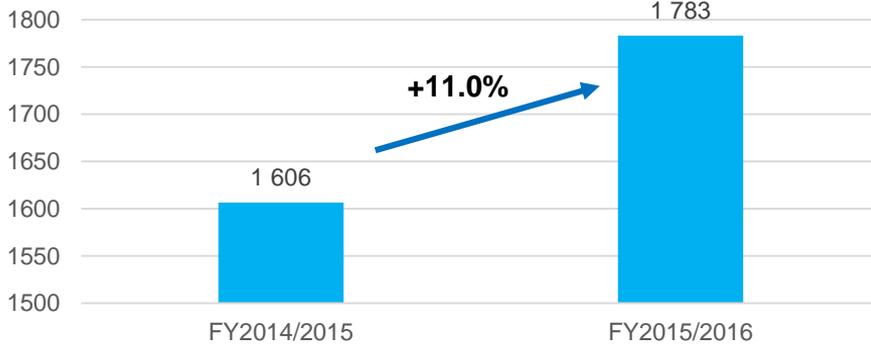
 <p>Gainesville</p>	<ul style="list-style-type: none"> ■ Fully recovered
 <p>Camberley Cwmbran</p>	<ul style="list-style-type: none"> ■ Preparing for steep ramp-up ahead ■ Additional sources for shells in place
 <p>Issoudun</p>	<ul style="list-style-type: none"> ■ New sources for shells now in place and ramping up
 <p>Santa Maria</p>	<ul style="list-style-type: none"> ■ Focused on restoring profitability ■ Rebalancing capacity to stabilize size and scope of the site at a lower level



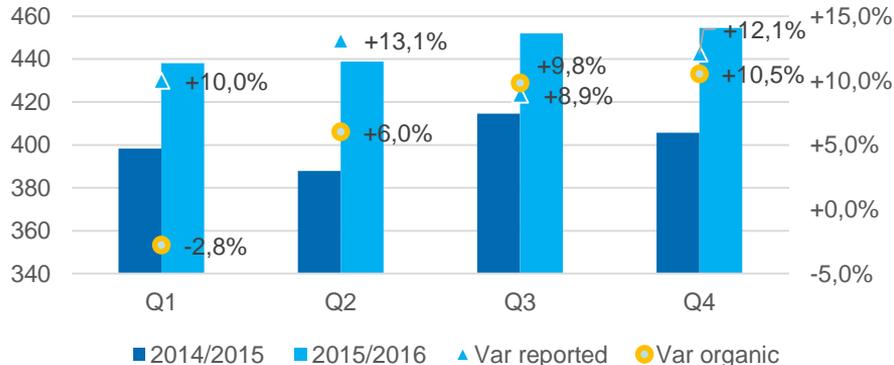
Zodiac Cabin

Zodiac Cabin performance

Zodiac Cabin



Cabin - quarterly



- **Dynamic growth: +11.0% year on year**
 - Positive forex impact: +5.3% for FY ; +1.6% in Q4
- **Organic growth +5.7%**
 - + 10.5% in Q4

A structural shift

Programs ramp-down and ramp-up

Ramp-down

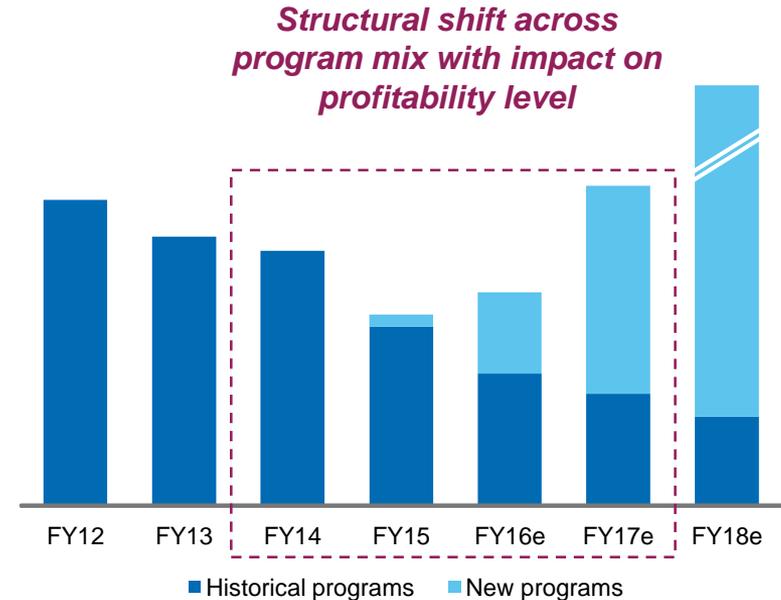
- E170 / E190
- CRJ
- Dash 8
- B767
- G5000

Ramp-up

- A350 XWB Lav
- Spaceflex A320
- MRJ
- C-series
- MC-21
- Global 7000
- C919
- E2 (EZAir)

Selected key SFE programs

Net sales (excl. aftermarket) in €m, at fixed \$/€ rate



Progressing alongside the learning curve

Lav A350 XWB

- Capacity issue being solved with the ramp up of Montreal ; setting up a third line in Herborn, Germany
- Agreement with Airbus and commitment to support the A350XWB ramp up

A320 SpaceFlex

- Steep ramp-up, both for linefit and retrofit
- Progressing well and on track: 100th shipset delivered last week

MRJ / C-series / MC-21 / Global 7000

- New platforms to come into stream in the mid term
- Zodiac Aerospace enjoying solid market positions on these programs

- Management focused on upcoming ramp-up for new programs
 - Strong commercial success for A320 and SpaceFlex V2
 - New programs for Mitsubishi (MRJ) and Irkut MC21
 - C-Series: first shipset delivered, successful EIS¹
- Maintain a high level of management attention

Beyond the crisis

Recovery on track, business model preserved

Recovery on track, business model preserved

- 1** Zodiac Aerospace is **progressing well towards operational recovery** which will pave the way to **restored profitability levels**
- 2** Zodiac Aerospace holds an **unparalleled position** as Tier 1 Aerospace equipment manufacturer
- 3** Despite recent operational hurdles, Zodiac Aerospace has strived to **protect its customers relationship**
- 4** Zodiac Aerospace is therefore returning to **growth-mode** both organically and through targeted acquisition which is Zodiac Aerospace DNA
- 5** Long-term, Zodiac Aerospace has preserved its **strategic value** thanks to sustained **innovation dynamic**

Operational recovery underway

1

Current status

- Group-wide deployment of the FOCUS transformation plan
 - First four pillars in place
 - (Densification of operational reporting, back to basics, Supply Chain and S&OP)
- Specific action plans for Seats and Cabin divisions

Results obtained

- Improved reporting process
 - Completing the financial reviews A monthly operational performance dialogue is performed in all activities since September 2015
- Basics
 - 11 priority processes identified
 - Associated procedures being deployed, based on each BU's improvement roadmap
- Supply Chain and S&OP
 - Procedures have been updated and completed
 - Deployment has started

Next steps

- The FOCUS transformation plan will be deployed further to cover other business areas beyond Supply Chain and S&OP
- All group BU's will have implemented the Zodiac Aerospace Operating System by end 2017

Leading positions in each business

2

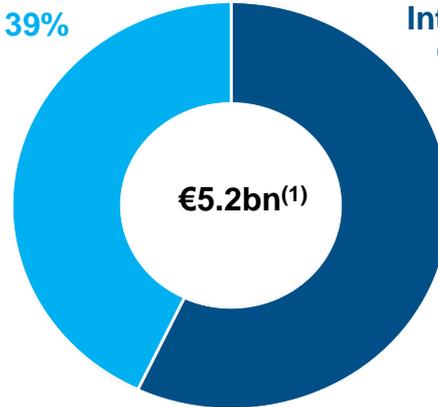
World leader in:



- Escape slides
- Primary Power Management
- Oxygen Systems
- New Generation Fuel Gauging
- Telemetry



Aerosystems
39%



Aircraft
Interiors
61%

World leader in:



■ Seats

- Strong position in widebody aircraft
- (c. 80% of sales)

■ Cabin

- Monuments, Galleys, Inserts, Floor-to-floor



c.80% of sales is derived from business areas where Zodiac Aerospace has world leading positions

Preserved customer relationships

- **Airlines**

- Agreement reached with essentially all airlines impacted
- New LOI from an undisclosed customer for the largest ever Business Class seats order to Zodiac Aerospace

- **Major OEMs**

- Agreements reached on rescheduling where applicable and on penalties

- **Boeing**

- Mostly recovered; Seats getting back to normal

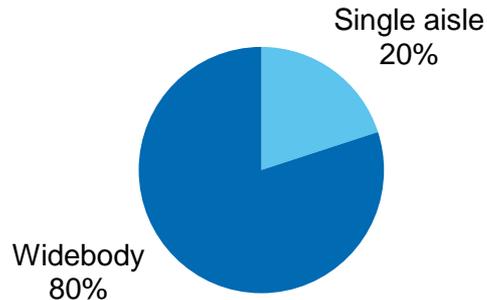
- **Airbus**

- Effective ramp-up of A320 Spaceflex v2 and A350 XWB Lav
- Substantial increase in A350 XWB production rate
 - 7 shipment in August
- Zodiac Aerospace committed to support A350 XWB ramp-up

Market fundamentals remain strong

Positioned on the most attractive part of the market

Estimated total market For Seats, Galleys and Lavs, without retrofit, for the next 20 years



Total market size:
~\$80bn

Aboard all programs: agnostic to the “winning platform”

Commercial



Regional



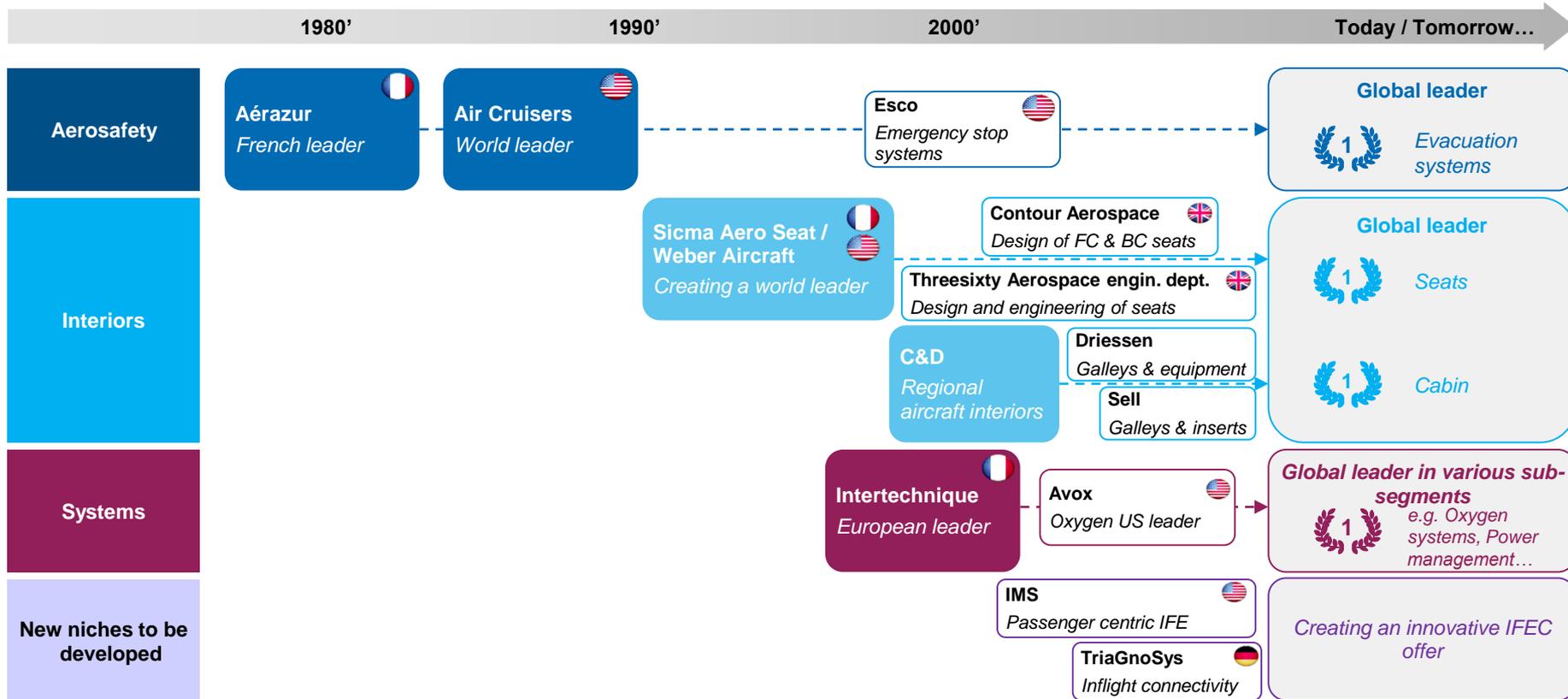
Business



Helicopters

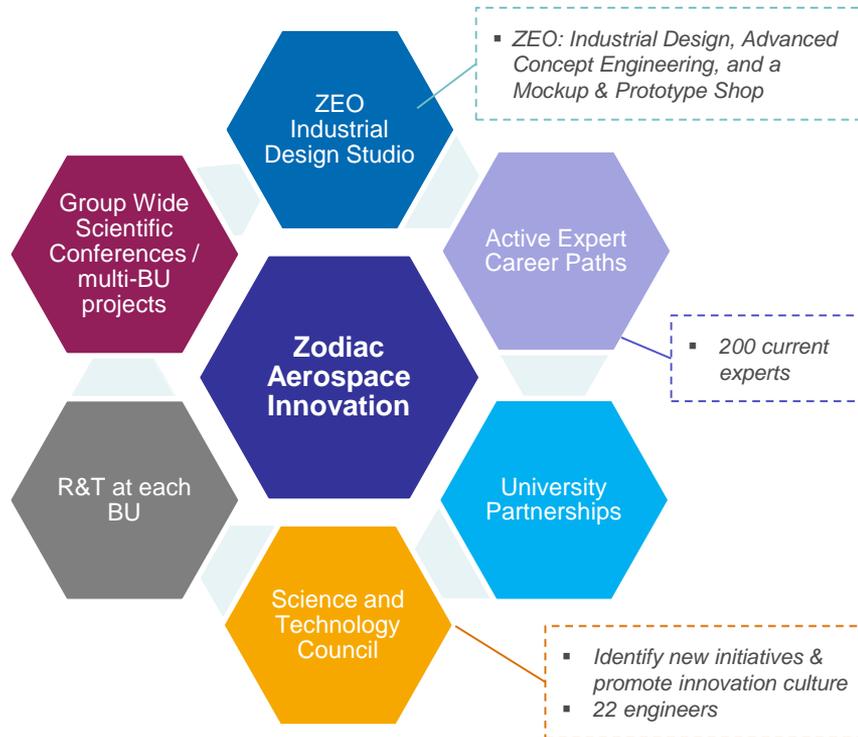


External growth is part of our DNA

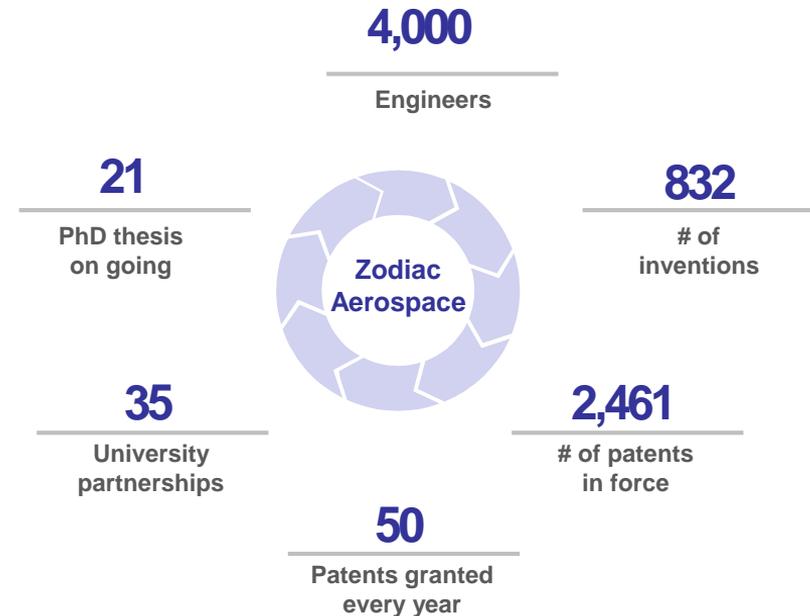


Leading innovation capabilities

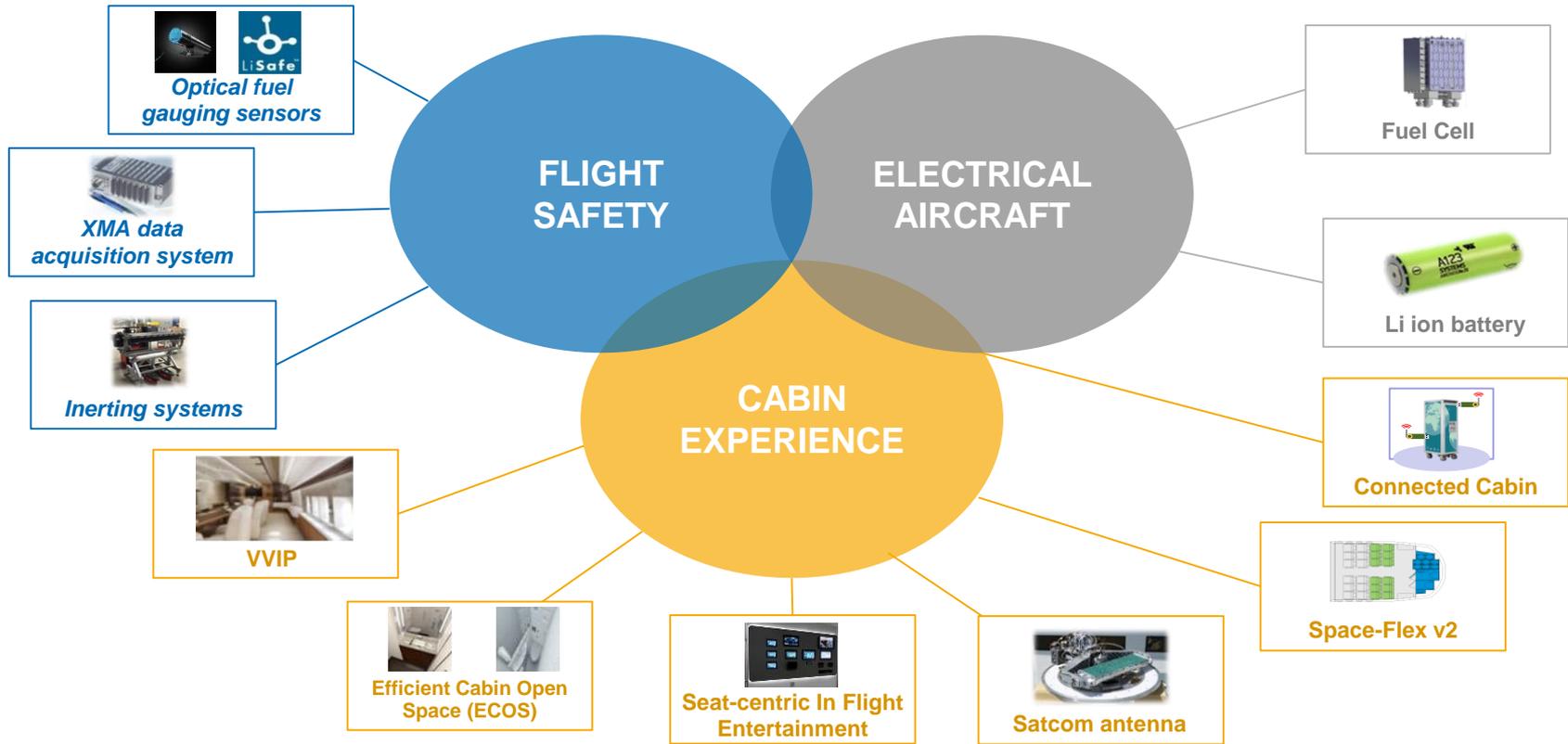
An efficient innovation organisation



A strong R&D platform



Actively preparing for the future



Strategic summary: On track for recovery

On track for recovery

- **On track to get back to normal operating performance by the end of 2017**
 - Pursuing the implementation of FOCUS transformation plan
- **Strong fundamentals remain**
 - Customer trust preserved throughout the crisis
 - Ideally positioned to capture growth potential of the market...
 - ...reinforced by our unaffected capacity to innovate...
 - ...and our willingness to resume acquisitions
- **Welcoming new skills**
 - Didier Fontaine will join the group as of Sept. 19th to prepare the transition with Jean-Jacques Jégou as Group CFO

Appendix

Financial elements

▪ Foreign exchange hedging

- For 2016/2017, Zodiac Aerospace has completed its hedging portfolio,
- 75% of estimated USD/EUR exposure is hedged at 1.1244\$/€ (spot rate)
- Regarding the other currencies against USD, the Group has hedged 90% of the exposure to CAD, 83% of GBP exposure, and 64% of MXN exposure.

▪ Extraordinary amortization charge in FY2015/2016 P&L

- The result for the full year will include an **extraordinary amortization charge** related to the amortization of the “Contour” brand, which was acquired with the company in 2012, and which is no longer used after all the companies of the Seats branch changed their commercial names
- €57.5m (€46m net of taxes)

FY15/16 and Q4 sales

FY 2015/2016

In millions of euros	Fiscal year	Fiscal year	% change	Exchange rate	Consolidation scope	Organic growth
	2015/2016	2014/2015				
Systems Activities	2,036.4	1,955.1	+4.2%	+4.9%	-0.1%	-0.6%
<i>Zodiac Aerosafety</i>	619.9	634.5	-2.3%	+3.6%	-2.3%	-3.6%
<i>Zodiac Aircraft Systems</i>	1,416.5	1,320.6	+7.3%	+5.4%	+1.1%	+0.8%
Aircraft Interiors Activities	3,172.0	2,976.6	+6.6%	+4.0%	+0.0%	+2.5%
<i>Zodiac Seats</i>	1,388.7	1,370.2	+1.3%	+2.5%	+0.0%	-1.2%
<i>Zodiac Cabin</i>	1,783.3	1,606.4	+11.0%	+5.3%	+0.0%	+5.7%
Group Total	5,208.4	4,931.8	+5.6%	+4.3%	-0.0%	+1.3%
€/§ (conversion)	1.11	1.18				

Q4

In millions of euros	4th quarter	4th quarter	% change	Exchange rate	Consolidation scope	Organic growth
	2015/2016	2014/2015				
Systems Activities	550.7	530.7	+3.8%	+2.0%	-0.0%	+1.8%
<i>Zodiac Aerosafety</i>	177.1	170.4	+3.9%	-0.1%	-0.1%	+4.1%
<i>Zodiac Aircraft Systems</i>	373.6	360.3	+3.7%	+2.9%	+0.0%	+0.8%
Aircraft Interiors Activities	815.9	773.1	+5.5%	+0.1%	+0.0%	+5.4%
<i>Zodiac Seats</i>	361.4	367.4	-1.6%	-1.4%	+0.0%	-0.2%
<i>Zodiac Cabin</i>	454.5	405.7	+12.1%	+1.6%	+0.0%	+10.5%
Group Total	1,366.6	1,303.8	+4.8%	+0.9%	-0.0%	+3.9%

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 €5.2 billion in 2015/2016.

www.zodiacaerospace.com

Next financial publications: FY 2015/16 results
Q1 2016/2017 sales

November 22, 2016 (before opening)
December 15, 2016 (after stock exchange closing)

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