

Q1 2016/2017 Sales Presentation

ZODIAC AEROSPACE

Thursday 15th December 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” of the latest Zodiac Aerospace’s Annual Report, 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.

Agenda

Q1 2016/2017 sales highlights

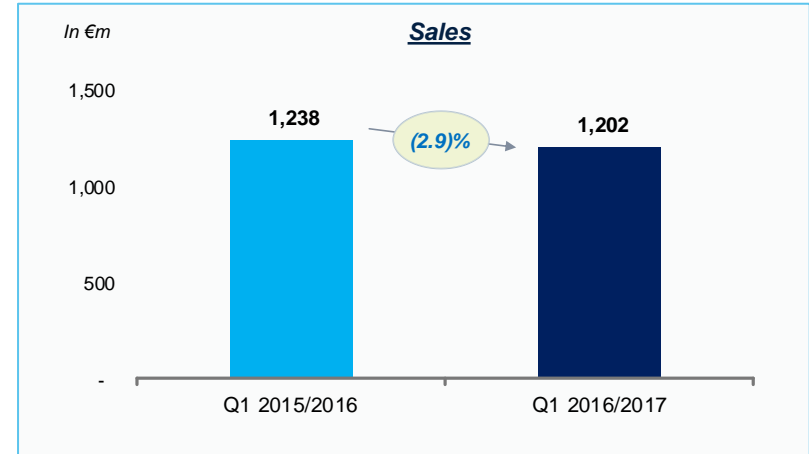
Aircraft Interiors and Aerosystems sales highlights

Our Recovery path

Q1 2016/2017 sales highlights

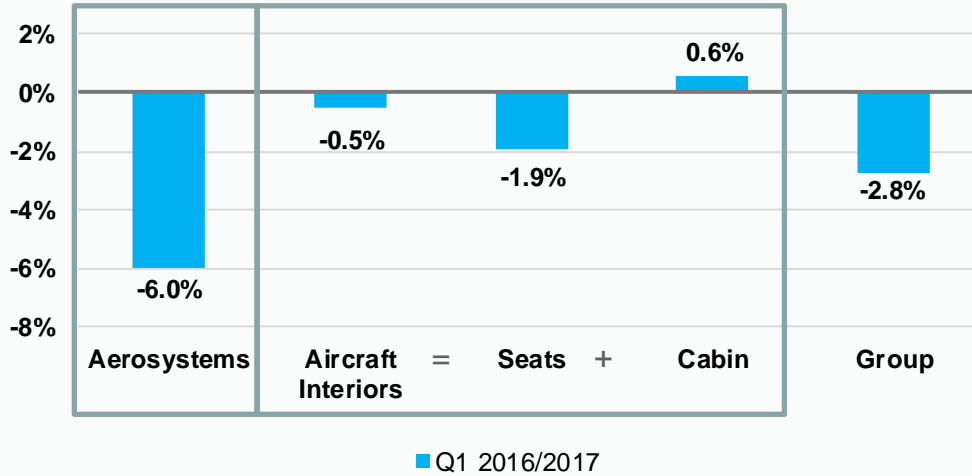
Slight decrease in sales in Q1

- **Sales -2.9% to €1,202m**
 - Change in organic: -2.8%
 - Positive exchange rate impact: -0.1pts
 - The decrease is mainly coming from Aerosystems
 - Reflecting persisting weakness of helicopters, business jets and regional jets markets
 - As well as slow start of the year for civilian arresting systems
 - Contributing to H1/H2 dissymmetry

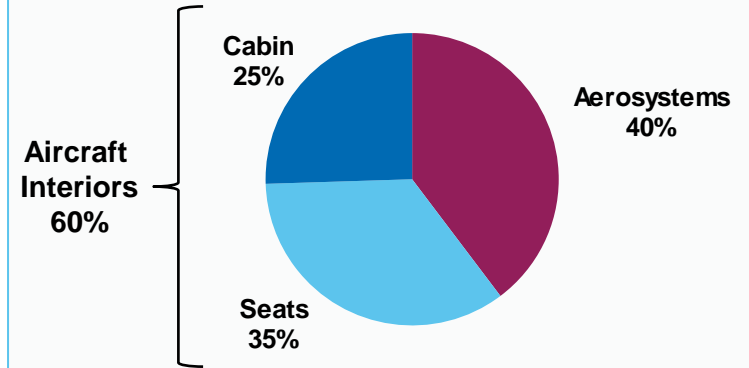


Evolution by branches

Sales Organic % change



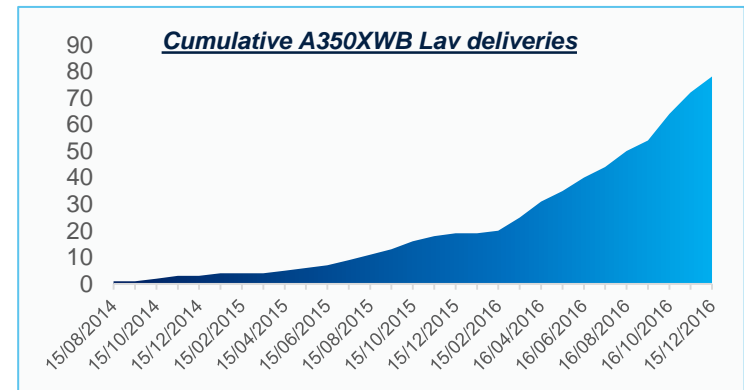
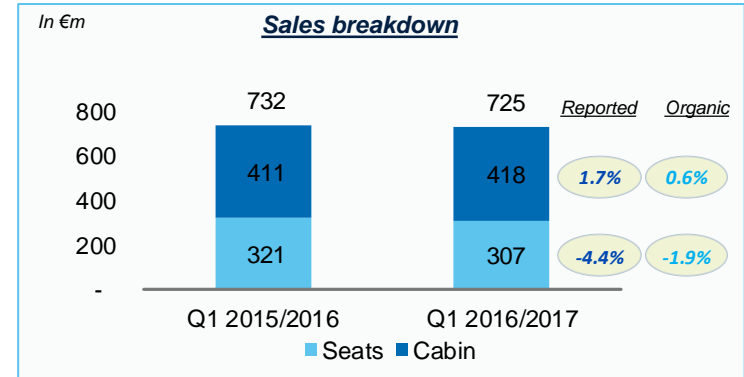
Q1 2016/2017 sales



Aircraft Interiors and Aerosystems sales highlights

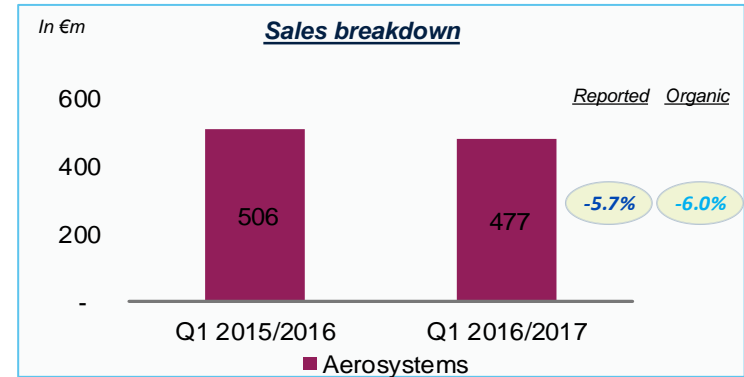
Aircraft Interiors – Sales review

- Sales -1.0% reported; -0.5% organic
- Seats
 - Slight organic decrease in sales (-1.9%), due to end of cycle impact of previous issues
 - Typical Order / Delivery cycle for a business class seat is 18-24 months
- Cabin
 - +0.6% organic increase in Q1 sales, reflecting ramp up of new programs
 - Still supporting the ramp up of A350XWB



Aerosystems – Financial review

- Sales -5.7% reported; -6.0% organic
- As in 2015/2016, Aerosystems is impacted by
 - Lower sales due to Helicopter, Business jets and Regional jets markets
 - Slow start of the year for civilian arresting systems
 - Partly compensated by a good first quarter for aftermarket
 - Aerosystems now includes the IFE and Seat Actuation Division



Our Recovery path

Our Recovery path

	<i>Target</i>	<i>Enablers</i>	<i>Targeted timing</i>
1	Restoring delivery performance to our customers	<ul style="list-style-type: none">▪ Additional resources to resume on time, on quality deliveries resulting in high production costs (variances, extra costs...)	<i>Under way</i>
2	Resuming operational performance	<ul style="list-style-type: none">▪ Implementing the Focus plan and deploying the Zodiac Aerospace Operating System to deliver on time, on quality by process	<i>End 2017 (18 months from March 16)</i>
3	Restoring margins	<ul style="list-style-type: none">▪ Cost cutting and efficiency actions to remove most of extra costs and production variances	<i>Double-digit COI margin by FY17/18 Back to historical profitability levels by FY19/20</i>

3 | Restoring margins

Status: On track to recover historical profitability by FY20

	<i>Horizon to recovery</i>	<i>Solutions</i>
1	Penalties, claims, settlement & Warranties	<ul style="list-style-type: none"> ▪ end FY16/17
2	Freight in / out	<ul style="list-style-type: none"> ▪ end FY16/17
3	Excess Material usage, supplies & scrapping	<ul style="list-style-type: none"> ▪ Restore on time, on specifications and on quality delivery ▪ Build-up of capacities and resources ▪ Renegotiation of delivery agenda when possible
4	Excess stock obsolescence and inventory write off	
5	Labor inefficiency	
6	Overheads	
7	Cost of resizing	<ul style="list-style-type: none"> ▪ Further deployment of the group-wide Operations and organization under COO ▪ Implementing FOCUS plan and deploying all the associated standards ▪ Stricter program management and engineering KPIs ▪ Addressing cost bucket by cost bucket across the Group ▪ Dedicated recovery plans on specific business units. ▪ Deploy Lean tools across Group ▪ Optimize allocation of Human Resources and increase level of key technical competencies
		<ul style="list-style-type: none"> ▪ Restructuring / rightsizing actions
		<ul style="list-style-type: none"> ▪ Cost cutting and efficiency actions to support the decrease in overheads and the streamlining of the structure ▪ Started in Santa Maria

Financial outlook

Financial recovery is our focus

	FY16/17	FY17/18	FY18/19	FY19/20
Commercial momentum	<i>Already largely achieved / renewed trust from key customers</i>			
Revenue growth	<ul style="list-style-type: none"> Drag from past crisis lead time effect+ Helo and bizjet soft activity <p>Stable</p>	<ul style="list-style-type: none"> Organic growth progressively back to historical levels <p>+</p>	<ul style="list-style-type: none"> Grow above traffic for commercial aircraft <p>++</p>	
Operating profitability* (COI margin)	<ul style="list-style-type: none"> Lower costs owing to improved operational performance <p>+10-20% increase*, as compared to 2015/2016 with strong H1/H2 dissymmetry</p>	<ul style="list-style-type: none"> Eliminating excess costs and gradually returning to historical margins <p>Double digit</p>	<ul style="list-style-type: none"> Eliminating excess costs and gradually returning to historical margins <p>mid-double digit margin</p>	
Cashflow	<i>Net debt reduction (excluding acquisitions) through operating income improvement, stricter management of working capital and capital expenditures</i>			

Adding \$ hedging for 2017/2018

- **2016/2017: unchanged compared to November 22, 2016**
 - Zodiac Aerospace has hedged 87% of estimated EUR/USD exposure at 1.1184\$/€ (spot rate)
 - 79% of USD/CAD, 80% of USD/GBP, 71% of USD/MXN and 80% of USD/THB exposure
- **For 2017/2018, Zodiac Aerospace has hedged 55% of its estimated EUR/USD exposure at 1.0779 (spot rate)**

Appendix

Q1 2016/2017 sales

In millions of euros	Fiscal year	Fiscal year	% change	Exchange rate	Consolidation scope	Organic growth
	2016/2017	2015/2016				
Aerosystems Activities	477.3	505.9	-5.7%	0.3%	0.0%	-6.0%
Aircraft Interiors Activities	724.6	732.0	-1.0%	-0.5%	0.0%	-0.5%
Zodiac Seats	306.5	320.8	-4.4%	-2.5%	0.0%	-1.9%
Zodiac Cabin	418.1	411.2	1.7%	1.1%	0.0%	0.6%
Group Total	1,201.9	1,237.9	-2.9%	-0.1%	0.0%	-2.8%
€/€ (conversion)	1.10	1.11				

Changes

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

Based on reported data	Q1	Q2	Q3	Q4
<i>Aerosystems Activities</i>	-5.7%			
<i>Aircraft Interiors Activities</i>	-1.0%			
<i>Zodiac Seats</i>	-4.4%			
<i>Zodiac Cabin</i>	+1.7%			
<i>Group Total</i>	-2.9%			
Aerospace activities *	-2.3%			

Based on organic revenue	Q1	Q2	Q3	Q4
<i>Aerosystems Activities</i>	-6.0%			
<i>Aircraft Interiors Activities</i>	-0.5%			
<i>Zodiac Seats</i>	-1.9%			
<i>Zodiac Cabin</i>	+0.6%			
<i>Group Total</i>	-2.8%			
Aerospace activities *	-2.1%			

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 aircraft 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 meetings:

2015/2016 Shareholders meeting
H1 2016/17 sales
H1 2016/17 results

January 19, 2017
March 14, 2017 (after stock exchange closing)
April 20, 2017 (before stock exchange opening)

ZODIAC AEROSPACE CONTACTS

Pierre-Antony VASTRA
Tel: +33 (0)1 61 34 25 68
Florent DEFRETIN
Tel: +33 (0) 1 61 34 03 34
Isabelle DELHOM (Investor meetings)
Tel : +33 (0)1 61 34 19 86
investisseurs@zodiacaerospace.com

MEDIA/PRESS CONTACTS- IMAGE 7

Priscille RENEAUME
Tel: +33 (0) 1 53 70 74 61 / preneaume@image7.fr
Grégoire LUCAS
Tel: +33 (0) 1 53 70 74 61 / glucas@image7.fr

61, rue Pierre Curie – CS20001 - 78373 PLAISIR CEDEX