Zodiac Aerospace experienced yet another fiscal year of strong growth with both sales revenues and current operating income up by more than 25%. In an environment that is marked by continued developments in air traffic, but also by reduced visibility on the global economy, our Group has been able to take advantage of the opportunities that presented themselves. In that respect, fiscal year 2011/2012 once again illustrated the success of our strategy to combine internal and external growth: our sales revenue shows organic growth of 14.4% plus 7.2 additional points from the acquisitions of Heath Tecna and Contour Aerospace in the field of cabin interiors. At the same time, our current operating margin rose again and stood at 14.2%, excluding the effect of IFRS 3.

Over the fiscal year ended, we took various actions to strengthen the structure of our Group, whose workforce in five years rose from 15,000 to 26,000 employees; we also took steps to improve our operational efficacy, while retaining the responsiveness and adaptability for which we are known. Thus, we decided to deploy Lean throughout our Group and activities and streamline our processes, improve our managerial practices, and strive for operational excellence; we have set up a team whose Director reports directly to me.

And, it goes without saying, we are mobilized and ready to take action for the future. We are continuing the development of our systems that were selected for new programs such as Airbus’ A350 XWB – the aircraft scheduled to enter into service after Boeing’s 787 Dreamliner – or also the Comac 919, Irkut’s MC-21, Bombardier’s CSeries and Embraer’s future ERJ. We are continuing to invest in new technologies and solutions both for standard aircraft equipment and cabin retrofit. Thus, we have decided to accelerate our expansion into the in-flight entertainment systems market with the acquisition of the American company IMS, which was announced after the fiscal year-end.

Thanks to the excellent results we have achieved, our good financial health and R&D capabilities, our strengthened commercial positions and the involvement of our employees, our Group is looking with confidence to the fiscal years ahead. Our long-term growth prospects remain favorable, driven by the increase in the pace of our current programs as well as in that of the new commercial aircraft programs.

Zodiac Aerospace expects 2012/2013 to be yet another fiscal year of organic growth during which it will once again be able to adapt and anticipate and seize all opportunities for growth.

Olivier Zarrouati,
Chief Executive Officer
Zodiac Aerospace, a world leader in aerospace equipment and systems on-board commercial, regional and business aircraft as well as helicopters is also a key player in air safety and teletransmission. Comfort and life on-board aircraft, on-board systems, and safety on the ground and in-flight: our Cabin Interiors, Aircraft Systems and AeroSafety & Technology Segments develop and carry through the most advanced solutions. We stay close to our customers throughout the world by offering a comprehensive range of products and services to meet the new challenges in aerospace.

**€3.44 BILLION**

IN SALES REVENUE

**€487.6 MILLION**

IN CURRENT OPERATING INCOME*

**€318.3 MILLION**

IN REPORTED NET INCOME

**14.2%**

OPERATING MARGIN*

**€6.15**

REPORTED NET EARNINGS PER SHARE*

* Excluding the effect of IFRS 3.

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**CABIN INTERIORS**

This Segment designs and markets turnkey integrated cabin interiors. It also supplies galleys (on-board kitchens), trolleys and galley inserts, and passenger and crew seats. This Segment’s technological advances contribute to achieving better performance and greater comfort for aircraft interiors.

- **Cabin & Structures**
  - 01 Partitions, doors
  - 02 Overhead stowage bins
  - 03 Sidewall lining and protection panels
  - 04 Noise insulation
  - 05 Crew rest areas
  - 06 PSU (Passenger Service Units)
  - 07 ACS (Air Conditioning System)
  - 08 Cabin and emergency lighting
  - 09 VCC (Video Control Center), PCS (Passenger Communication System)
  - 10 Smoke detection systems, fire extinguishing systems
  - 11 Water and Waste systems
  - 12 Lavatories
  - 13 Trash compactor

- **Galleys & Equipment**
  - 13 Galleys, galley inserts
  - 14 Trolleys
  - 15 Cargo containers and equipment

- **Seats**
  - 16 First/Business class passenger seats
  - 17 Economy class seats
  - 18 Pilot and crew seats
  - 19 In-flight entertainment systems (IFE)
100,000 economy class seats delivered during the fiscal year.

Zodiac Services is organized into three main regions (America, Asia, Europe) extending over a network of 15 repair and distribution points.

- A comprehensive range of after-sales services including spares, maintenance solutions, retrofit services and technical training.
- A global network for the repair and distribution of spare parts, with locations in close proximity to the airline companies for greater responsiveness in the maintenance and delivery services provided.

AIRCRAFT SYSTEMS
This Segment develops high-tech systems and equipment that are essential for both planes and helicopters during flights. Its expertise, which is recognized by the major international manufacturers, covers the civil, military and space fields.

- Electrical Power Systems:
  - 20 Power management and distribution systems
- Cockpit & Lighting Systems:
  - 21 Cockpit and displays
  - 22 Exterior lighting
  - 23 Windshield wiper systems
- Fuel & Inerting Systems:
  - 24 Fuel gauging systems
  - 25 Fuel tank inerting systems, pumps, valves, pipes
- Ground and air-to-air refueling systems

Sensing & Systems Management:
- 26 On-board computers, man-machine interfaces, indicators

Oxygen Systems:
- 27 Regulators, storage, oxygen generators, masks

Hydraulics & Controls:
- 28 Servo-valves, valves, and rams

Actuation Systems:
- 29 Electric actuators and motors, position and measuring sensors

Coupling Equipment for Fluid Management:
- 30 Connectors, valves

Emergency & Evacuation Systems:
- 31 Evacuation slides
- 32 Life jackets, life rafts
- 33 Emergency exit ropes

Interconnect Systems:
- 34 Electrical components: connectors, ducts, protection sleeves
- 35 Electrical harnesses

Emergency Arranging Systems:
- 36 Arresting gear and nets, EMAS (Engineered Material Arresting System)

Elastomer Technologies & Systems:
- 37 Tanks
- 38 Deicers

AEROSAFETY & TECHNOLOGY
With the comprehensive high-added value products and systems it provides, this Segment contributes to improving the safety of aeronautical, space and automotive equipment. Its innovations are of interest to major international manufacturers and civil and military aircraft operators.

- Parachute & Protection Systems:
  - Parachutes, cargo-load parachute systems
  - Ejection seat components
  - Anti-G suit

- Telemetry:
  - Ground and airborne telemetry
  - 36 On-board telemetry
  - 37 Computer unit

“Airbags”:
- Inflatable safety cushions for the automotive industry

ZODIAC SERVICES
All over the world, Zodiac Services provides airline companies both with technical and operating support for the upkeep, maintenance and repair and after-sales services for our Group’s products.

- 70 Airport runways worldwide equipped with the EMASMAX® emergency arresting system.

AIRPORT RUNWAYS WORLDWIDE EQUIPPED WITH THE EMASMAX® EMERGENCY ARRESTING SYSTEM.
PREPARING AIRBUS’ A350 XWB FIRST FLIGHT
Primary and secondary electrical distribution, braking and landing gear direction servo-valves, various system computers, large-area lighting with powerful LEDs projectors, windshield wipers, pilot and passenger seat actuators: the Aircraft Systems Segment supplies Airbus A350 XWB with numerous systems and pieces of equipment. The certification and delivery of parts for the MSN1 prototype, which will make its first test flight in 2013, were some of the highlights of the year.

NOTABLE EVENT
A SAFETY LEADER
A leader in the safety of fuel and inerting systems, the Aircraft Systems Segment has developed an inerting system in which fire and explosions are prevented by replacing a portion of oxygen in the air present in the tank with inert gas.

GENOME ADOPTED BY THE COMMISSARIAT GÉNÉRAL À L’INVESTISSEMENT
Managed jointly by Airbus and Zodiac Aerospace, the demonstration platform GENOME, which stands for “GEstioN OptiMisée de l’Énergie” or optimized energy management, aims to develop new energy management architectures with enhanced economic and environmental performance. We are one step closer to the more electric aircraft of the future.

Aircraft Systems Segment
André Gauthier, Director of the Roche-la-Molière site and Yannick Assouad, CEO of the Aircraft Systems Segment.

HIGHLIGHTS
No.1 IN THE WORLD
in seat actuator systems
with 8,000 systems delivered and 14,000 new orders recorded during the fiscal year.
A “BBC AND HQE” GREEN BUILDING IN MONTREUIL

Architectural design that guarantees high-performance insulation, high-efficiency ventilation equipment, lighting management and heat and cooling distribution as well as flat roof photovoltaic panels and a harmonious integration with the environment:

the building, which in 2013 will house two Aircraft Systems divisions in Montreuil, was designed in compliance with the high environmental quality standards known as HQE (Haute Qualité Environnementale). With its energy consumption, which is twice below that of a traditional construction building, it also seeks to obtain the low consumption building BBC (Bâtiment Basse Consommation) label.

VEGA’S FIRST TAKE-OFF

A specialist in the very high-speed and real-time data processing, Zodiac Aerospace provided the telemetry equipment for the Vega launcher which successfully took off from the Kourou center for its maiden voyage in February. On board: a satellite from the Italian Space Agency and another eight designed by European Universities (Bologna, Rome, Torino, Bucharest, Budapest, Montpellier, Warsaw, Vigo). Intended for the very promising business segment of small satellites (up to 1.5 tons), Vega completes the Arianespace range alongside the heavy-lift (up to 9.5 t) Ariane 5 launcher and the mid-lift Russian launcher Soyuz (up to 3 t).

FASTER AND LOWER COST DIRECT DELIVERIES

In 2012, the US Federal Aviation Administration authorized the Group to deliver Boeing B777 and B787 evacuation slides directly from its plant in Chihuahua, Mexico to the aircraft manufacturer’s site in Seattle, without going through the Belmar site in the United States.

THE 2 MILLIONTH LIFE JACKET

was delivered by the Liberty plant in the United States

CURIOSITY: MISSION ACCOMPLISHED

August 6, 2012: suspended underneath its parachute, Curiosity, the most advanced robot (899 kg) to have been sent to Mars, lands gently on the red planet. A feat in which took part teams from AeroSafety & Technology which, for three years, designed, manufactured and tested the parachute: the largest (16 m in diameter, 50 m long) to have ever produced for an extraterrestrial flight.

DELIVERY OF THE FIRST RFID LIFE JACKETS

Our Group delivered its first life jackets equipped with an RFID chip. With this remote radio-frequency product identification and data reading technology, taking the inventory of life jackets, chemical generators and other emergency equipment will no longer take a few hours but will be a matter of minutes. This technology, which is used in Zodiac Aerospace’s selectable Boeing B787 life vests, also improves the management of the configuration of the aircraft as well as the tracking and maintenance of equipment, while at the same time reducing costs.

1 Remote radio-frequency identification.

ENVIRONMENT

ELEMENTS ZODIAC AEROSPACE # 2011-2012
A JOINT VENTURE WITH EMBRAER IN MEXICO
Long-time partners Zodiac Aerospace and Embraer, Brazil’s leader in regional aircraft, signed an agreement to create a joint venture together. With operations in Mexico, it will manufacture cabin interior components for the Embraer 170/190 family of jets.

THE 25,000th
The 25,000th galley manufactured by Zodiac Aerospace was delivered in March 2012 to Air AsiaX at a ceremony in Pilsen, Czech Republic.

NUMBER 1 WORLDWIDE IN AIRCRAFT SEATS WITH THE ACQUISITION OF CONTOUR AEROSPACE
With the acquisition of the British company Contour Aerospace in January 2012, Zodiac Aerospace strengthened its seat offer, business and first-class in particular, for commercial aircraft. Based in Cwmbran and Camberley in the United Kingdom, Contour Aerospace has approximately 1,200 employees and holds to its credit the manufacture of first-class mini-suites and premium seats for American and European airline companies.

SERVICES

ZODIAC SERVICES TEAMS ARE ALL-HANDS-ON-DECK FOR THE ENTRY INTO SERVICE OF BOEING B787

Zodiac Services is on board for the ramp-up phase of Boeing B787 of which 23 aircraft are currently in service. Over one hundred are expected to be in service by September 2013.

Cabin interiors, primary electrical distribution, crew oxygen, slides, windshield wipers and cable protection: Zodiac Aerospace has a significant presence on this aircraft. Working alongside the aircraft manufacturer for the deployment of the B787 fleet, Zodiac Services offers both comprehensive support services and operating supports to airlines by providing dedicated technical assistance, access to parts inventories in locations in close proximity to its clients and maintenance capacities.

INTERNATIONAL TRADE SHOWS: ISIS MAKES ITSELF NOTICED FROM ITS VERY FIRST STEPS
After Hamburg in April, where the 2,800 visitors of the Zodiac Aerospace stand discovered the ISIS mock-up, a retrofit solution created by its design studio ZEO for the Airbus A320 cabin, our Group met with customers in September at the Aircraft Interiors Expo in Seattle.

MCA, A NEW TOOL FOR BETTER QUALITY OF SERVICE
Zodiac Services intends to offer to customers of the Zodiac Aerospace Group daily support of impeccable quality which requires meeting the parts delivery deadlines of airline operators, a crucial factor for the availability of their aircraft fleet.

In that context, Zodiac Services invested in means to forecast the airline operators’ needs of parts and equipped itself with the mission-critical needs forecasting software MCA (Morris Cohen and Agrawal). A tool to further improve customer satisfaction.
OVER 17,000 Hybrite trolleys in services worldwide after only 17 months of being available

NOTABLE EVENT

JEAN-LOUIS GERONDEAU-ZODIAC AEROSPACE AWARD: THREE RECIPIENTS IN 2012

On October 25, Olivier Zarrouati awarded the Jean-Louis Gerondeau-Zodiac Aerospace prize created with École Polytechnique in honor of our Group’s CEO from 1973 to 2007. This award promotes the emergence or maturity phases of innovative projects conducted by undergraduate or graduate students or by recent graduates of École Polytechnique and encourages initiatives for the creation of businesses with a strong technological component. With its €60,000, this year the prize was awarded to three projects:
- Wandercraft which involves the design and marketing of exoskeletons that help paraplegics regain the ability to move around normally;
- Stilla Technologies which applies microfluidic technologies to integrate the handling of biological or chemical samples into a unique microchip based on the microelectronic model that integrates the handling of logic operations. The goal is to produce “labs-on-chips”;
- Ynsect which is intended to make use of insects as a food resource, as an alternative to traditional protein-rich substances.

EFFORTS PAY OFF

In June 2012, All Nippon Airways awarded our Seats France activity the Best Supplier of the year prize. A recognition for the efforts made to meet the requirements of the airline in terms of lead time, quality and document submission for seats and spare parts.

TWO CRYSTAL CABIN AWARDS FOR ZEO

ZEO, the innovation and design center, received two Crystal Cabin Awards at the Hamburg Aircraft Interiors expo in March 2012: one in the Greener Cabin, Health & Safety category and one in the Premium Class Products category.

For ZEO’s team: “perfection is achieved not when there is nothing left to add, but when there is nothing left to be removed.”
WE ARE ON-THE-READY TO SUPPORT OUR GROWTH SCENARIOS

Maurice Pinault
Deputy CEO - Business Development

What is your assessment of fiscal year 2011-2012?

M. P. “We continued implementing our selective acquisitions policy and strengthened our operational performance with the help of - all over the world - teams that are ready for action and eager to optimize our industrial investments, our productivity gain, rigorous management, technological and commercial innovations at the service of our customers. In the end, our good results confirm the soundness of our strategy.

“A strategy that combines external and internal growth and relies on our solid balance sheet.”

7.2 growth points from acquisitions
2 new acquisitions in fiscal year 2011/2012
14.4% organic growth of sales revenue
which, I remind, combines external and internal growth and relies on our solid balance sheet.”

**What acquisitions have you made?**

M. P. “We target sectors in which we aim for the top ranking spots worldwide. During the fiscal year, two strategic acquisitions strengthened our positions in the cabins segment, in which we already were a global leader, both for new aircraft and for retrofit applications. By bringing in Heath Tecna, we completed our skill sets and products, in particular in the area of cabin interior retrofit and, not only that, but now we also work with Mitsubishi for the full interior of its future MRJ. After it receives certification, we will be producing the interiors of all the regional jets: Bombardier, Embraer and Mitsubishi.

Our second acquisition, Contour Aerospace, gives us the foothold we need in the very top-of-the-range seat market, particularly with the first class seat offer. It complements our offers and positions in the entire high-growth passenger seat (First Class, Business Class, Economy) market in which we are working our way up to ranking first worldwide.”

**How did the fiscal year go for you?**

M. P. “We were able to support the higher production rates at Airbus and Boeing and the growth of the cabin retrofit market. At like-for-like consolidation scope and exchange rate, our sales revenue rose 14.4%. Each of our three Segments and Zodiac Services all contributed to that, with some business areas experiencing more noticeable growth as is the case for instance of electric distribution and management which has an important place in the development of tomorrow’s more-electric aircraft, and that is one source of growth that we are working on. Here are a few other examples: our Seats business which is growing with some innovative and very top-of-the-range products such as Cirrus for Business Class seats or, likewise, with the retrofit of cabins with new solutions such as Amber (full cabin retrofit of Boeing 737).”

**What geographical regions are you targeting?**

M. P. “We have chosen to expand within a deliberately international framework. Two figures: we achieve 87.7% of our sales revenue and employ 75% of our workforce outside France. In that context, the 2012 appointment of a Group Human Resources Development Director clearly underscores our stronger international foothold.

“Operational excellence is thus a requirement we share with both our customers and our suppliers.”

“**Innovation: a major growth driver for a Group such as ours which designs and produces the most complex systems and that must comply with regulatory requirements and ever growing quality and safety standards.**

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“**Innovation: a major growth driver for a Group such as ours which designs and produces the most complex systems and that must comply with regulatory requirements and ever growing quality and safety standards.**
While serving the Group’s entities, our scientific and technical body, ZSTC, made progress on three points. The first one concerns providing support to the entities to better anticipate the technological developments of the next decade and strengthen the synergies within the Group. Some fifteen entities committed to prepare roadmaps with a long-term vision, for example for seats and cabin interiors, the space business or wiring in harsh environments. By using as a starting point a methodology in which the marketing & sales forces come together, they have inventoried the technological concepts of products to be developed and specified the expected functionalities, the technologies to be acquired and partnerships to be created. Six concepts are being analyzed for example for seats.

Another advance: together with the Human Resources Department, a specialist path was created at the entity, Segment and Group levels. The aim is to further enhance their status and promote cross innovation so that all the entities can benefit from it.

Third point: strengthening our relationships with the world of science and innovative start-ups. We will offer ten post-doctoral positions per year within the world of science. That is the sense behind the partnership signed with CEA, which also includes services related to these projects. In addition, we have organized Techno-days, annual two-day meetings open to outside specialists and manufacturers on key topics: composites, power electronics, simulation, sensors and lighting. We are now getting down to strengthen the efficacy of our industrial property management and, for cabin interiors, to validate new concepts on the (life-size) cabin mock-ups of our industrial design studio, ZEO.

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THIERRY ROUGE-CARRASSAT
CHAIRMAN OF ZODIAC AEROSPACE
SCIENTIFIC & TECHNICAL COUNCIL (ZSTC)

“We have a very strong presence with Boeing and Airbus where we respond to the higher output of large capacity aircraft... At the same time, we continue to be active in our work with Embraer in Brazil and Bombardier in Canada and we are on board to help aircraft manufacturers expand in China and Russia.”

We have, of course, a strong presence with Boeing and Airbus where we respond to the higher output of large capacity aircraft (B787, A380 and, in the future, A350 XWB) by approximately six-fold higher deliveries compared to those we were making in the previous generation programs. At the same time, we continue to be active in our work with Embraer in Brazil and Bombardier in Canada and we are on board to help aircraft manufacturers expand in China and Russia, two markets that will be big by 2050. We have created two joint ventures: one with Embraer, Brazil’s regional jet leader to manufacture cabin interiors in Mexico and one with partners from China to assemble equipment for the future COMAC 919 near Shanghai. We also finalized, with Russia’s Irukut, the contracts for the delivery of the full cabin and several key systems (electric distribution, fuel systems, slides, etc.) for the future MC-21. With the acquisition of Heath Tecnca, we are now also working for Mitsubishi. Thus, we have a presence everywhere and are quite ready to support our growth scenarios.”

Where does innovation come in?
M. P. “Innovation is a major growth driver for a Group such as ours which designs and produces the most complex of systems and that must comply with regulatory requirements and ever growing quality and safety standards. In 2010, we created ZSTC to improve the efficacy of our technological research, get access to the resources needed to stay competitive, promote the development of high added value cross innovations. We are strengthening our capabilities by, for example, creating ZEO, a design studio within the Cabin Interiors’ Segment in the United States, bringing on stream the Roche-la-Molière Inerting lab or making universal the new digital simulation tools used to model the behavior of certain equipment (rescue floatation, emergency arresting gear, seat crash tests). In 2012, we also signed with CEA a framework agreement on innovation, in particular relating to fuel cells used to provide emergency
electric power. We take part in some major programs such as the optimized energy management program GENOME (GEstioN OptiMisé de l’Énergie) in France, which we manage jointly with Airbus, Lufo in Germany involving galleys or also Safuel, the European project involving fuel.”

Where are you with the deployment of Lean?

M. P. “We are continuing to make progress with the deployment of Lean and we have some very positive initial results. The aim of this project is to strengthen our operational excellence across our business areas and meet the demand of our customers who are entrusting us with an increasingly large volume of business and, what comes with that is an increasingly exacting demand for quality and delivery lead-times. We are therefore working on this project together with them. We strengthened our in-house capacity by creating a Group Lean Department reporting to the Chief Executive Officer. Under the stewardship of our Group Director and her team, we are deploying Lean in our entities throughout the world: we have appointed managers, created progress measurement and tracking tools and organized training initiatives. And, through our ZASCI³ program, we will do the same with our suppliers and work with them in setting up solid, satisfactory and auditable internal procedures. Operational excellence is thus a requirement we share with both our customers and our suppliers.”

CARINE VINARDI
LEAN GROUP DIRECTOR
THE COMPANIES IN THE ZODIAC AEROSPACE GROUP CONTINUED TO GROW, GAINED NEW ORDERS AND DEVELOPED NEW PRODUCTS WHICH FURTHER IMPROVE CABIN COMFORT, FLIGHT SAFETY AND AIRCRAFT PERFORMANCE.

EXPLORE OUR SPECIALTIES

THE COMPANIES IN THE ZODIAC AEROSPACE GROUP CONTINUED TO GROW, GAINED NEW ORDERS AND DEVELOPED NEW PRODUCTS WHICH FURTHER IMPROVE CABIN COMFORT, FLIGHT SAFETY AND AIRCRAFT PERFORMANCE.
NORTH AMERICA
37 SITES

SOUTH AMERICA
3 SITES

AFRICA
5 SITES

EUROPE
43 SITES

ASIA
10 SITES
THE BUSINESS CLASS SEAT ARCUS, selected by Airbus for its A350 XWB catalogue, combines lightweight, lower power consumption, better accessibility for persons with reduced mobility due to its new arm-rest concept and, in general, even greater comfort.

DEVELOPING TOMORROW’S AIRCRAFT CABINS: A VECTOR FOR GROWTH

WITH SALES REVENUE UP 32.4%, 15.0% AT LIKE-FOR-LIKE CONSOLIDATION SCOPE AND EXCHANGE RATE, THE CABIN INTERIORS’ SEGMENT ADVANCED SHARPLY IN PARTICULAR WITH ITS GROWING SEATS AND GALLEYS & EQUIPMENT ACTIVITIES IN EUROPE.

INNOVATION, THE KEY TO SUCCESS

Weight, safety, ergonomics, better density, cost but also comfort, design, IFE1 system and connectivity: Innovation is the field line of the Cabin Interiors Segment. The Economy Class seat Dragonfly, which weighs only 75kg, is well known as the lightest in the market. It has also become a standard in the field of IFE solutions with its seat-centric design that allows all the contents (movies, CDs, games, etc.) to be stored at each seat.

For Cabin Interiors, the accent is placed on the structural composite components, which are lighter and offer greater resistance, and on advanced interior retrofit solutions such as ISIS for Airbus A320 and Amber for Boeing B737 and B757, delivered to Qantas Airways in late 2012. Their strengths: they offer passengers, a contemporary style with the feeling of a more spacious environment and greater luggage capacity.

Innovation can also be found in our galleys with the development of a new modular family, which is flexible, adjustable and less cumbersome, and in our inserts with the launch of the Symphony™ line conceived just like an orchestra: with its interchangeable and customizable panels, each piece of equipment plays its score along with the entire ensemble and creates a uniform environment. Something new as well in the treatment of waste and wastewater on board, with two lavatory prototypes developed in 2012: a compact one, which will replace the old generation chemical lavatories of corporate jets and one with a flushing mechanism that uses wastewater from the sink to reduce the volume of water and on-board weight and accordingly fuel consumption.

SEATS: A COMPREHENSIVE OFFER

Zodiac Aerospace, a worldwide leader in this market, supplies airline companies with tailor-made equipment and solutions meeting a very diverse range of needs. With the acquisition of Contour Aerospace in 2012, it strengthened its offer, particularly in the top-of-the range segment, Business and First Class, and can serve the entire market, from regional jets to Airbus A380 and Boeing B787, in all the categories of products.

It posted a 55% increase in sales revenue (36% at like-for-like consolidation scope and exchange rate) and crossed the record of 100,000 Economy Class seats delivered during the fiscal year. The
Soliman and Chihuahua manufacturing units also significantly increased in importance. A reference supplier for Bombardier and Embarer, in 2012 Zodiac Aerospace, with its Business Class seats Cirrus and Arcus entered the Airbus A350 XWB catalogue and was confirmed by Boeing for inclusion in the B777 and B787 catalogues. Selected by six airline companies, including Japan Airlines and Indigo, its Economy Class seat Dragonfly was delivered for the first time to the Czech Airlines. The deliveries of Economy seats for Boeing B777 and Airbus A380 of the Emirates Airlines also started.

The Business Class Cirrus seat remains a best seller: equipping among other things the Business Class of Cathay Pacific’s Airbus A330 and Boeing B777, it was selected by US Airways and by American Airlines which, in addition, placed an order for all the seats in all classes of its B777s. A number of other contracts have been won, including those from the Chinese companies China Eastern, China Southern, Sichuan Airlines and Dragonair for their Business and First Class. As for all Nippon Airways, it chose the Da Vinci seat developed by Contour for the Premium Ecos in its entire Boeing fleet.

The retrofit activity also made some gains with the programs for Aeroflot, Lufthansa (Embraer’s and Bombardier’s regional fleet), Japan Airlines (Economy class of the entire domestic fleet of Boeing B747 and First Class of B777). Advances were made also in the technical seats with the gain of pilot seats of Irkut’s MC-21 and several helicopters (Bell 429 and Eurocopter EC130).

ENTERTAINMENT: A NEW SIT VERSION

Operational at Royal Jordanian, South African Airways and GulfAir, SIT, Zodiac Aerospace’s IFE was selected by Corsairfly for its Airbus A330 and Boeing B747. Approved by Airbus in 2012, the new SIT version entered into service: it equips Corsairfly’s A330. We also won two other contracts: one for the retrofit of four Boeing B767 of Air Astana and one for the future CSeries100 of GulfAir.

ZODIAC SERVICES

OUR SUPPORT BUSINESS
GAINS IN IMPORTANCE

Zodiac Services has stepped up its contribution to after-sales support for the Cabin Interiors Segment. For example, it supports Zodiac Seats in the seat modification programs it runs in Atlanta in the United States and in Dubai in the United Arab Emirates.

It also provides Airbus A330 Cirrus seat maintenance at its Atlanta unit and has developed, in Singapore, the capacity to repair Zodiac Seats France’s pilot and flight attendant seats.

It also gained greater importance in the cooling and ventilation system (air chillers) repair business in Asia and in the Middle East, with a local service and delivery performance that meets its customers’ expectations.
Left to right:
Ian Scoley,
VP Industrial Design,
Chris Schuttera,
Senior Industrial Designer,
Zoe Pinfold,
Industrial Designer,
Scott Savian,
Executive VP
Customers and Products.

Ian Scoley, Chris Schuttera, Zoe Pinfold and Scott Savian are part of the team of designers and engineers who designed and developed ISIS*, the new cabin interior solution by the design and innovation studio ZEO for the renovation of Airbus A320.

ISIS PUSHES BACK THE LIMITS

A solution that received recognition from the international industrial design community, which gave it the prestigious “Red Dot Award”. The configuration of space, which marries a contemporary and elegant style and a better integration of the multiple cabin systems gives passengers the feeling of a larger environment, which can be used to increase the number of seats and their possible arrangements (+50%), but at a lighter weight. ISIS combines equally well amenities and lower cost.

By bringing together creativity and pragmatism, the ZEO team used the fuselage of an Airbus A320 installed in the Huntington Beach studio to create a series of life size prototypes. It also collected the opinions of some sixty airline company experts at one of the first presentations in early 2012. After that, ISIS made headline news at the Hamburg Aircraft Interiors Expo in April 2012.

* Innovative Space Interior System.
CABIN & STRUCTURES:
FOR THE COMFORT OF PASSENGERS
AND THE PERFORMANCE OF AIRLINES

Turnkey interiors, sidewall lining panels, overhead stowage bins, lavatories: the Cabin Interiors Segment offers airline companies and aircraft manufacturers integrated full cabin interiors both for new aircraft and for the retrofit of their fleet in service. A world leader in this sector, the division contributes, with its innovative and high value-added solutions, to the comfort of passengers and the performance of airlines and aircraft manufacturers. All of its entities are ready to get down to the job to better serve them. A readiness to take action for operational excellence recognized in 2012 by the “Boeing Performance Excellence Award” and the “Northrop Grumman Award Source Platinum” or also the “Q400 Aftermarket Supplier of the Year” given by Bombardier.

The major contracts won during the fiscal year include: the integrated cabin of Bombardier’s Challenger 605NG, several new programs by Boeing and COMAC C919’s cockpit door. We should add to these the cabin interiors of Condor Airlines’ Boeing B767 and, for the retrofit, those of Austrian Delta and United Airlines without forgetting the retrofit of first class for 110 aircraft (Embraer 170 and 175, Bombardier CRJ700 and 900) of US Airways, a contract completed in record time. In addition, a new baggage compartment door entered into service in an Airbus A320 of United Airlines: with its rounder shape, it allows taking up to 47 additional pieces of luggage in the cabin.

Furthermore, Airbus entrusted to it the exclusivity of the supply of trolleys and containers for A350 XWB and opted for the Hybristic range, ultra-light and available in multiple configurations. A new Hybristic range was launched with foldable trolleys and containers that are easier to fit and the lightest in the market (2.6 kg). Another novelty, tested at Air France – KLM Cargo: the Herculight pallet which is 35% lighter than those in the market. The Herculight container, designed to be stronger and more durable, will be available in 2013.

GALLEYS & EQUIPMENT:
EVER MORE FUNCTIONAL, FLEXIBLE AND LIGHT

A worldwide leader in galleys with more than 60% of the market of Boeing’s B737, B767, B777 and Airbus’ A330 and A380, Zodiac Aerospace was selected by Airbus, in March 2011, as the sole supplier of galleys for the A320. In this context, the first customer received delivery in late August 2012. Several major contracts were signed during the fiscal year, for example with the Emirates Airlines to replace 200 waste compactors with model 3210, lighter and more reliable, with Singapore Airlines to supply refrigeration systems and waste compactors for its future Airbus A330 and Boeing B777 or also with Bombardier to create a range of galleys inserts for the future Global 7000 and 8000. A contract that strengthens Zodiac Aerospace’s positions in corporate aviation.

INNOVATION
A NEW AIRBAG:
MAKE THAT LIGHTWEIGHT, BULKY NO MORE

Using its know-how in automotive airbags, Zodiac Aerospace developed an airbag integrated into the passenger seat or into its immediate surroundings for those components that required it (Business Class seat shell, Economy Class seat back section, cabin furnishings such as lavatories, galleys and emergency exit aisles). Lightweight and optimized cabin space (including even a row of extra seats): these are some of its major strengths compared to the current seatbelt-integrated airbags.
A LIGHTWEIGHT AND PORTABLE BOTTLE, POCA “Portable Oxygen Cylinder Assembly”, is intended for passengers and crew members. It consists of a composite bottle, a regulator and a mask.

AIRCRAFT SYSTEMS
TECHNOLOGICAL INNOVATION FOR SAFER, MORE EFFICIENT AND MORE ECONOMICAL AIRCRAFTS

ALL THE DIVISIONS CONTRIBUTED TO THE 20.4% INCREASE IN SALES REVENUE (17.7% EXCLUDING THE CONSOLIDATION SCOPE AND EXCHANGE RATE EFFECT). AN INCREASE ACHIEVED MAINLY IN THE COMMERCIAL AVIATION SEGMENT.

SALES REVENUE
€678.1 million

SHARE OF GROUP SALES REVENUE
19.7%

WORLDWIDE WORKFORCE
4,211 employees

OPERATING MARGIN
12.6%

CURRENT OPERATING INCOME
€85.4 million

GREATER COMPETITIVENESS
To make its offer more competitive, the Aircraft Systems Segment continued to base its production in Mexico, where a small cockpit panel unit was created, in Tunisia, where transfers are accelerated for the electrical distribution, actuator and contactor wired sub-assemblies and in Morocco where the gauging and computer activities are developed. Moreover, it has increased the quality and excellence requirements for its suppliers and provides them support in their development actions via a dedicated department. Outcome: operational excellence is rising; timely deliveries are increasing by close to 20% and non-qualities decreased four-fold.

It continues to invest in technological innovation in the sectors in which it intends to establish itself as a leader. Those include electrical systems, with the Fuel cell project conducted with CEA, fuel systems with the development of electro-optical gauges and the entry into service of the Roche-la-Molière Inerting lab, sensor activities by testing ice detection sensors in icing wind tunnels as well lighting with the development of high power LED landing lights.

COMPREHENSIVE FUEL MANAGEMENT SYSTEMS
A world expert in the field of fuel circulation and tank inerting systems, the division is one of the sole suppliers to offer aircraft manufacturers comprehensive fuel management systems. Together with Airbus and several European labs, it is involved in the SAFUEL project whose aim is to achieve greater safety through better understanding and control of fuel icing phenomena. In 2012, the placement into service of the Inerting lab came to add to the powerful simulation tools used for the systems of MITAC1 MRJ, Bombardier’s G8000 and Irkut’s MC-21. Another advancement: it was adopted by DGA2 for the French Navy’s inflight refueling pods integrating the newest technologies.

NEW PROSPECTS FOR SENSORS AND MANAGEMENT SYSTEMS
From sensors to decision-making software, the division is active in all the components of the measurement chains of fuel, deicing and electrical systems. Several pieces of equipment (fuel and electric distribution computers, fuel gauges) for Boeing B787, Sukhoi Super Jet and

1 Mitsubishi Aircraft Corporation.
2 Direction générale de l’armement (French Procurement Agency).
Gulfstream G650 and G280 have entered serial production and the military A400M fuel gauging system obtained civil certification. In tight synergy with Zodiac Services, the division was selected by a European airline company to replace three A320 computers, recently developed as part of Airbus’ cost reduction programs. In addition, it made its way into a new market by winning the contract for Airbus A320neo’s engine interface computer.

INVESTING IN NEW OXYGEN TECHNOLOGIES
The division which designs and produces comprehensive oxygen systems (storage, distribution, regulation, chemical generators, masks) benefitted from the strong growth in the after-sales activity and the programs’ higher production rate. It won contracts for the delivery of oxygen systems to Irkut’s MC-21 and crew masks for the military aircraft P-3 Orion and for the replacement of pilot masks for the fleet of UPS. The Gulfstream G650 system and the Boeing 787 and 747-8 masks were certified.

With its InfiniOx line, the division continued investing in oxygen concentration and optimized consumption technologies and broadened its Eros pilot masks to achieve improved breathing, visual and vocal control with the certification of M40.

ELECTRICAL DISTRIBUTION: RECOGNIZED MATURITY SYSTEMS
A record year for the division whose sales revenue grew by more than 30% driven by the higher production rate at Airbus (A320, A380), Boeing (787) and Bombardier (Challenger 300, Learjet70/75). The division continues investing in its Niort test center with the aim to strengthen its means of qualification in a vibration environment and in a simulated aircraft.

ZODIAC SERVICES
KEEPING UP THE PACE
Zodiac Services is on board for the sizeable increase in sales of the Aircraft Systems Segment. In this context, it took part in the campaigns for the conversion of Boeing B777 and B757 from passenger to cargo and offered its customer the latest generation oxygen safety equipment to improve pilot safety. It also incorporated new seat actuator repair capacities in its facilities in Roissy in France and expanded its Boeing 787 windshield-wiper system repair capacity in Milwaukee in the United States.

1 United Parcel Service.
Zodiac Aerospace helps reduce aircraft carbon footprint by reducing the weight of its equipment to decrease fuel consumption and also by introducing technologies with zero or very low CO₂ emissions, such as fuel cells (FC). Thus in 2012 it signed a partnership agreement with LITEN, an institute of the French Atomic energy and alternative energies commission (CEA), which is a leading expert in FCs. In this context, Nicolas Buret, Christophe Elleboode and Franck Masset developed together with the CEA LITEN teams, an FC demonstrator for aviation applications and confirmed its projected electric power performance on the ground. While the tests on the demonstrator continue, the design of an optimized system for the specificities of aeronautics was also started and that has mobilized numerous skill sets within the Zodiac Aerospace Group. From hydrogen and air, without the input of any fossil energy, FCs produce electricity, water, heat and oxygen-depleted air that can be used efficiently for the needs of aircraft on the ground and in-flight. They may be placed in various spots of the aircraft as distributed electric energy sources, APU (Auxiliary Power Units) emergency power sources for example or in several systems, for example galleys, lavatories or fuel tank inerting systems.
environment and consolidate its global leadership position in the field of electrical distribution.

In 2012, it won among other things the delivery of the primary distribution system for Irkut’s MC-21 and continued to develop the primary and secondary electrical distribution system for Airbus’ A350 XWB, with its first deliveries. When it powered-on the first stub of the aircraft that will make its first test flight in 2013, Airbus recognized the maturity level of the system. The electrical distribution developments of the Bombardier (CSeries, G7000 and G8000) and Embraer (Legacy 450/500) have been started. The EC135 system of Eurocopter received certification from the European authorities.

**LIGHTING AND COCKPIT: SOLUTIONS FOR THE FUTURE**

As a supplier of exterior lighting, windshield wipers and cockpit panels and components, the Aircraft Systems Segment counts on innovation, and in particular on touchscreen solutions for cockpits and high-power LED lighting to modernize fleet in service and equip new ones. The Segment has started production for Sukhoi SSJ100 and Gulfstream G650 and won contracts for landing gear levers for Bombardier’s G7000 and windshield wipers of Embraer’s KC390 and Kazan’s Ansat. The contract for the Airbus A320 and A330 cockpit switches and indicators was renewed.

**A WORLD LEADER IN SEAT ACTUATORS**

In 2012, the division became the world leader in passenger seat actuator systems (actuators, power and control electronics) and increased its sales by 50%. More than 8,000 systems were delivered and new orders for another 14,000 have been taken. In the technical actuators sector (flight control and hatch opening), it has signed several contracts including for the Pilatus PC24 horizontal stabilizer actuator and for the COMAC 919 pod actuators.

**HYDRAULICS AND CONTROLS: ORDERS ON THE RISE**

The division, which is the European leader in braking and flight control servo-valves, also manufactures fluid control equipment. It continued to post sustained activity with, among other things, the first deliveries for the Airbus A350 XWB, Bombardier Learjet 85 and MITAC MRJ and a growing order book.

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**E-OBEYA**

SEEING BETTER AND REACTING BETTER, AT ANY TIME

The Seat actuator division now has an E-OBEYA-based development platform. Objective: reducing product development cycles by better identifying potential issues and reacting faster. With this system, any member of a project team has a complete vision in real time of all the actions in progress. Other benefits: better communication and more dynamic work styles in relation to each project.

An innovative emergency evacuation slide has been developed for the upper deck of the Boeing B747-8. Its arch provides the support necessary for a safe evacuation and offers weight and space savings in the aircraft.
AN INNOVATIVE EMERGENCY EVACUATION SLIDE has been developed for the upper deck of the Boeing B747-8. Its arch provides the support necessary for a safe evacuation and offers weight and space savings in the aircraft.

SUPPORTED BY THE GROWTH IN OUR EVACUATION, EMERGENCY ARRESTING, ELECTRICAL INTERCONNECT ACTIVITIES, THE SALES REVENUES\(^1\) OF THE AEROSAFETY & TECHNOLOGY SEGMENT ROSE BY 12.8% (9.3% EXCLUDING THE CONSOLIDATION SCOPE AND EXCHANGE RATE EFFECT) AND ITS CURRENT OPERATING INCOME INCREASED BY 24.6% (19.2% AT LIKE-FOR-LIKE CONSOLIDATION SCOPE AND EXCHANGE RATE).

EVACUATION SLIDES: A BUSINESS THAT IS STILL GOING STRONG
The manufacturing continues to benefit from higher production rates at aircraft manufacturers including in particular Airbus A320 and B777 and the start of deliveries for B787 and B747-8. The Belmar and Chihuahua sites, which manufacture among other things the slides for the B787, successfully passed Boeing’s audits. In addition, the B747-8 slides, which combine an inflatable arch on the upper deck and a variable geometry deployment system on the lower deck, have been certified by the FAA, the US Federal Aviation Administration. The sales of spare parts and repairs are also growing.

As for developments, they are continuing at a good pace for Airbus A350 XWB, with some original patented solutions and for Canada’s Bombardier CSeries, Russia’s Irkut MC-21 and China’s COMAC C919, which enjoy improved design intakes.

\(^1\) Excluding Airbags activity.
RESCUE FLOATATION: PROMISING SOLUTIONS

Rescue floatation in civil and military helicopters is yet another growing and innovative sector with promising solutions such as an automatic inflation system for floats and rafts upon contact with water or cold gas generators, less bulky and lighter than compressed air bottles. The division is broadening its strategy to include commercial aviation and has started to work on the development of a 56-person raft with a RFID system. It continues to work on fine-tuning the Bell 206 floatation earning additional certifications for components and spare parts. It completed the qualification for a float with raft systems for Eurocopter 175 and AgustaWestland 139, as well as the military transport aircraft A400M raft program. Another advancement: it has been selected by Bell Helicopter for the float with raft systems of the Bell 525 and by Mil for the raft prototype of the Mi-171.

EMERGENCY ARRESTING SYSTEMS: COMMERCIAL SUCCESS

Likewise good performance for the division, less impacted by the decline in US military budgets. Numerous arresting systems (gear or net barrier, energy absorbers) have been delivered, an innovative braking concept was patented and a retractable gear system was tested on the F-15 Eagle. A simulation tool for a net barrier arresting system was also developed.

And the EMASMAX® emergency arresting system was adopted by Kristiansand airport in Norway; that brings to 70 the number of runways equipped this way worldwide. EMASMAX® is a bed of prefab cellular cement blocks that is placed at the...

GREATER REPAIR CAPACITY

By supporting the growth of fleet worldwide, Zodiac Services sharply expanded its slide repair capacity.

- In the Europe Middle East Africa region: for Boeing B787 in Ars in France, Boeing B777 in Braintree in the UK and for Airbus A320 and Boeing B777 in Abu Dhabi in the United Arab Emirates.
- In the Asia region: for Airbus A320 and Boeing B737 and B777, with the entry into service of an additional point in Tianjin in China.
- In the United States and South America: for Boeing B787 in Belmar and Airbus A320 in Atlanta.

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1 Remote radio-frequency identification.
end of a runway and reliably crushes in a controlled manner under the wheels of an over-running aircraft to decelerate it and arrest it safely. The accent is placed on innovation with the development of an easier to put in place material with higher arresting capacity and on winning emerging markets (China, India, Brazil) where new airports are being built.

**INTERCONNECT SYSTEMS: APERTURES**
Supply of harnesses for the landing gear of programs in production (Airbus A320 and Boeing B737) or entering into service (Airbus A380, Boeing B787), but also developments for Airbus A350 XWB, Bombardier CSeries and Gulfstream G650: the division has been experiencing a boom in business which can be felt both in Soliman and in Chihuahua where production for the Bombardier programs, such as Dash 8 in particular, has started with the acquisition of Cantwell Cullen & Company. It was selected by Airbus for the landing gear beams of A320neo and it also started the certification of Embraer ERJ 145 spare parts. It has stepped up development work in motor harnesses and will supply Snecma with turbo-reactor harnesses for the business aircraft, Silvercrest; the prototypes are currently undergoing qualification.

**ELASTOMERS AND COMPOSITES: SALES ARE UP**
The increase in sales of fuel systems for helicopters (NH90, Robinson, Bell 429, AgustaWestland 139) and of parts for the deicing systems of the ATRs is boosting growth and so is the tone of the US military market. The division continues working on the development of fuel systems for AgustaWestland 189, Eurocopter EC175 and the Russian helicopters KA-62 and Mi-38. One of the major events in the year was that Goodrich selected it for the thrust reverser grid system of its nacelle for Airbus’ A320neo.

**TECHNOLOGY: THE PULSE OF SPACE**
The Telemetry division remained buoyant in line with the launching of the Ariane rockets for which our Group supplied the data acquisition systems, emitters to earth and the remote destruction system. The renewal of the test benches was started. Our Group also delivered the remote destruction system for the Soyuz

**INNOVATION**
**DIGITAL SIMULATION**
**FOR FUTURE ARRESTING NETS**
A leader in emergency arresting systems for military aircraft, Zodiac Aerospace has developed a digital simulation tool to model the behavior of a net when an aircraft engages (distribution of straps over the frame, associated efforts, etc.) and select the net that best suits each aircraft. This digital model will be used when developing future nets by limiting among other things the use of full-size qualification tests.
rocket launched in October 2011 from Kourou and the telemetry equipment pieces for the European rocket Vega which took off for the first time in early 2012. In the area of in-flight testing, our Group was selected by Irkut to design the integrated system of the MC-21 (telemetry equipment and ground antennas) and it supplied Airbus with the first XMA pieces of equipment: this system records in real time thousands of data (vibration, acceleration, temperature, etc.) and will be used to finalize and qualify A320neo. In the military sector, it supplied together with EADS the US army with mobile Hexapod antennas for the transmission of data via satellite and in France it won the renewal of the “Data Recorders” for Mirage.

Zodiac Aerospace has developed a new system for the deployment of life rafts used by coast-guards to rescue those stranded at sea. Controlled by a pyrotechnic procedure that delays the inflation of the raft, in fact the previous system presented two major constraints related to the transportation of hazardous materials and to the need to maintain the aircraft or the helicopter at a drop altitude that is sufficiently low (generally below 300 feet) to avoid initiating inflation too soon. Zodiac Aerospace replaced it with a non-pyrotechnic system, less constraining and with a higher drop altitude, which detects the presence of water as soon as the raft comes in contact with it, which automatically activates the release of compressed gas which inflates the raft.
IN ACCORDANCE WITH THE ENVIRONMENT AND RISK MANAGEMENT CHARTER SIGNED BY THE CHIEF EXECUTIVE OFFICER, ZODIAC AEROSPACE IS STEPPING UP ITS ACTIONS TO IMPROVE THE SAFETY AND QUALITY OF THE WORKING CONDITIONS OF ITS EMPLOYEES, TO LIMIT ITS ENVIRONMENTAL FOOTPRINT AND TO CONSOLIDATE ITS INDUSTRIAL RISK MANAGEMENT POLICY.

A RESPONSIBLE GROUP

COMMITMENTS
THE SUCCESS OF ZODIAC AEROSPACE’S INDUSTRIAL VENTURE RELIES ON THE EXCELLENCE AND COMMITMENT OF ITS TEAMS AS WELL AS ON AN AGGRESSIVE POLICY, GIVING PRIORITY TO RECRUITING, DEVELOPMENT OF SKILL SETS AND SAFETY AT THE WORKPLACE.

As a human size company, Zodiac Aerospace encourages, in line with its values, the autonomy, accountability and potential of each one of its employees. It is also an international group, a leader in its industry, for which one of the main sources of wealth is related with the diversity of paths it offers its employees. The most important mission of the Human Resources Department Group is to make sure to offer each person the opportunity for career growth that is both enriching for each person individually and useful to our community. This is why, throughout the world, our HR teams promote synergies between the various entities of the Group and take hands-on action in the field.”

ROMARIC CHABERT
GROUP HUMAN RESOURCES DEVELOPMENT DIRECTOR

HUMAN RESOURCES
WORKING TOGETHER TO ACHIEVE COLLECTIVE SUCCESS

THE GROWTH OF ZODIAC AEROSPACE GROUP GOES HAND-IN-HAND WITH AN AMBITIOUS HIRING POLICY: DURING THE FISCAL YEAR, THERE WERE 3,800 NEW HIRE. 80% OF RECRUITMENT TOOK PLACE OUTSIDE FRANCE, WITH 37% IN THE UNITED STATES AND 38% IN THE REST OF THE WORLD. IN FRANCE, 759 PERSONS WERE HIRED, 40% OF WHICH WERE MANAGERS. AT AUGUST 31, 2012, THREE OUT OF FOUR GROUP EMPLOYEES WORKED OUTSIDE FRANCE.

SUPPORTING INTERNATIONAL GROWTH

Our Group’s integration and stronger foothold in the international markets let to the appointment in 2012 of a Human Resources Development Group Director to better structure and coordinate our actions. We organize meetings of Human Resources managers within the Group working in several countries (France/Tunisia/Morocco) or in a region (North America) at which they can discuss best practices, consolidate synergies and work together toward the implementation of new tools. Thus, a Group Mobility charter has been prepared together with the Human Resources Departments in the various countries. Actions have been launched to promote mobility and expand information via a dedicated intranet, which is now available to all our European and American entities. In addition, a recruiting tool listing the positions throughout the Group is being prepared: it will be operational on January 1, 2013. Internal communication is also expanding with the launch of a Group magazine and the overhaul of the intranet site, which is now more flexible, more responsive and more open to cross-company programs and projects.
FIGHTING AGAINST DISCRIMINATION, PROMOTING DIVERSITY

Affirming its intention to conduct a social policy based on integration through employment, respect for equal opportunity, fighting discrimination and promoting diversity – values which reflect those of the company – the Zodiac Aerospace Group operates in relation to its employees, customers and partners as an organization free of any form of discrimination. To achieve that, it conducts recruitment-related communication actions and uses websites and specialized agencies to promote the employment of people with disabilities and access for women to various business areas and engineering professions. The Group has instituted a performance assessment and professional development process, aimed specifically at ensuring compliance with the principle of equal treatment of those in equivalent jobs with similar skills and responsibilities.

ATTRACTING TALENT

To attract the talent needed for our continued growth, Zodiac Aerospace has strengthened its communication efforts with recent graduates by increasingly targeting the social media and emphasizing its presence in university and top graduate school forums with which the Group also has partnership relationships. It encourages participation in VIE, the French International Internship Program, and hosts interns, primarily in the United States. Special attention is given to the on-boarding of new hires through communication initiatives aimed at familiarizing them with the Group and helping them build their first network of professional contacts.

TRAINING FOR EXCELLENCE

Zodiac Aerospace’s technical excellence and growth relies on the skill sets of its teams. Our Group is intensifying its efforts in the field of training, a driver for both personal and collective performance. In 2012, Group employees each received 3.3 days of training on average. This effort is particularly noticeable in competitive cost countries, where the training received was 6.3 days per person. Specialized training sessions, individualized programs, distance education, e-learning: our training efforts can take various forms. They are focused on operational excellence and Lean with the objective to help employees at all levels take ownership of this initiative. In addition, three-day workshops (three in France, two in the United States) at

24,692 employees worldwide

OCCUPATIONAL INCLUSION OF PEOPLE WITH DISABILITIES

Respect is one of the founding values of our Group and many of the entities within it conduct local initiatives to facilitate the occupational inclusion of people with disabilities. For example, for the past five years, our Seats France division has been conducting a program including workstation adjustments, support in preparing aid applications to AGEFIPH*, regular contacts with the ESATs** and other companies specializing in the occasional needs such as landscape maintenance, moving of furniture to sites or purchasing of office furniture.

* Association de gestion du fonds pour l’insertion des personnes handicapées (Fund for the inclusion of people with disabilities management association).
** Établissements et services d’aide par le travail (Occupational support institutions and services).
A CULTURE OF INTEGRITY
SHARED BY ALL

Humility, realism, entrepreneurial spirit and respect are the four values that have shaped the culture of Zodiac Aerospace. They define our practices and unite our employees throughout the world. Our Group’s growth is based on the ethical principles of integrity, honesty, fairness and protection which guide our strategy, processes, work methods and relationships with our stakeholders; they are a must for each and every one of our employees. These principles, which are presented in our Ethics Code, come with instructions with regard to conflicts of interests, prevention of corruption and dissemination of information.

VALUES

PROMOTING EXPERTISE

To further increase the standing of our Group’s experts and promote the technical and scientific professions, in 2012 the Human Resources Department organized, together with the Zodiac Aerospace Scientific & Technical Council, an expert path at division, Segment and Group levels. This initiative also aims to promote cross-innovation and synergies among divisions and ensure that the skill sets are maintained at the level needed for the development of our Group and our customers’ satisfaction.

REDUCING THE RISK OF WORK-RELATED ACCIDENTS TO ZERO

Throughout our Group’s entities, absolute priority lies with workplace safety; we intend to reduce to zero the risk of work-related accidents. To achieve that, we have set for ourselves priority goals which are also reflected in the Group’s Environment and Risks Charter of July 2011: identifying all hazardous situations and initiating actions to remove them, continuing to implement measures to reduce risks, work on preventing occupational illnesses by ensuring appropriate work conditions, analyzing all the work-related accidents and incidents that generate a risk. To achieve these goals, our Group has put several tools in place.

Thus the centralization of all the data relative to work-related accidents (number, circumstances, causes, corrective actions) and occupational illnesses and sharing those data among entities has strengthened our risk prevention efforts. Likewise, in each entity, the use of a scale measuring the severity of work-related accidents involving work stoppage helps achieve better monitoring of risk management. The most serious accidents are also included in a detailed report (circumstances and causes, short and medium-term actions) submitted to our Group’s General Management. Another tool deployed in 70% of our entities: risk assessments conducted at each workstation aimed at conducting an in-depth identification of potentially hazardous situations and taking corrective or preventive
actions. Furthermore, the consolidated reporting of data, as done for regulatory compliance or to monitor the use of products, helps us form a global vision of the situation.

ENCOURAGING THE SHARING OF GOOD PRACTICES AND INITIATIVES

The meetings of the French and North-American Safety Committees promote the sharing of good practices and are a good occasion to present our Group’s directives and to underscore certain specific regulatory aspects. Our Group’s goal is to expand this type of committee to all the countries in which we operate.

In 2012, our companies in France, which are informed of the new regulatory requirements via monthly regulatory watch updates, launched action plans related to the prevention of labor-intensive work, even though less than half of their workforce is exposed to at least one labor-intensive component in their work. Following our decision to manage this new requirement at Group level, we have set up a working committee to ensure the harmonization of the actions taken. The first training sessions have been carried out at three pilot sites with some initial positive results. This initiative will expand to cover the French entities along with the improvement of workstations that could present labor-intensive components.

CONTINUED ADVANCEMENTS

Throughout our Group, the priority given to safety and risk prevention is combined with major training and awareness raising actions. In France, for example, such actions concerned close to 37% of employees in 2012 and included safety orientation as part of the on-boarding of new hires (11% of the workforce), training of workplace first-responder personnel (6%), and company-specific risks (15%): chemical risks, fire as well as physical mannerisms (gestures and posture), safety management, etc. For the most part, they are organized in two sessions: a theoretical part to acquire the bases, or revisit them, and a ‘field’ component.

### PERMANENT PAID EMPLOYEES (AT AUGUST 31, 2012)

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<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
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<tbody>
<tr>
<td><strong>AeroSafety &amp; Technology</strong></td>
<td></td>
<td></td>
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<tr>
<td>Including companies in France</td>
<td>1,755</td>
<td>1,812</td>
<td>1,857</td>
</tr>
<tr>
<td>in Europe (outside France)</td>
<td>195</td>
<td>196</td>
<td>185</td>
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<tr>
<td>in the United States</td>
<td>1,449</td>
<td>1,494</td>
<td>1,313</td>
</tr>
<tr>
<td>in the rest of the world</td>
<td>835</td>
<td>1,077</td>
<td>1,425</td>
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<td><strong>Aircraft Systems</strong></td>
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<td></td>
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<tr>
<td>Including companies in France</td>
<td>2,638</td>
<td>2,740</td>
<td>2,897</td>
</tr>
<tr>
<td>in Europe (outside France)</td>
<td>17</td>
<td>22</td>
<td>23</td>
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<tr>
<td>in the United States</td>
<td>669</td>
<td>691</td>
<td>653</td>
</tr>
<tr>
<td>in the rest of the world</td>
<td>177</td>
<td>388</td>
<td>638</td>
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<tr>
<td><strong>Cabin Interiors</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Including companies in France</td>
<td>1,063</td>
<td>1,102</td>
<td>1,220</td>
</tr>
<tr>
<td>in Europe (outside France)</td>
<td>701</td>
<td>2,096</td>
<td>3,272</td>
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<tr>
<td>in the United States</td>
<td>5,779</td>
<td>6,007</td>
<td>7,155</td>
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<tr>
<td>in the rest of the world</td>
<td>2,775</td>
<td>3,448</td>
<td>3,937</td>
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<tr>
<td><strong>Group Businesses</strong></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>French Companies</td>
<td>87</td>
<td>84</td>
<td>117</td>
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<tr>
<td><strong>GROUP TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Including companies in France</td>
<td>5,543</td>
<td>5,738</td>
<td>6,091</td>
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<td>in Europe (outside France)</td>
<td>913</td>
<td>2,314</td>
<td>3,480</td>
</tr>
<tr>
<td>in the United States</td>
<td>7,297</td>
<td>8,192</td>
<td>9,121</td>
</tr>
<tr>
<td>in the rest of the world</td>
<td>3,787</td>
<td>4,913</td>
<td>6,000</td>
</tr>
</tbody>
</table>

* Of which, 1,731 employees, following the acquisitions carried out by Cabin Interiors outside France.
For the past several years, Zodiac Aerospace has been putting a lot of work into helping Petits Princes, an association which makes wishes of seriously ill children come true. Thus, in 2012, Sébastien flew aboard in a hot-air balloon while Matthieu, Jérôme and Sarah explored and strode along the streets of New York for five days and then went to an NBA game.

GROUP INITIATIVES

Our Group also supported the ORA (Observe, Record, Analyze) association by providing it with equipment and helping with its project to fly around the world in a small airplane, “Wings for science” (“Des ailes pour la science”). The purpose of this project is educational — it aims to promote interest in science among young people — and is scientific by volunteering to provide French and Luxembourg public research labs with air capacity. Objective: collecting scientific data for 3D models, erosion studies, archeological searches, biodiversity inventorying, etc.

In October 2012, for the second year in a row, our Group awarded the Jean-Louis Gerondeau/Zodiac Aerospace prize to three innovative projects; this prize was created together with École Polytechnique de Paris to promote the entrepreneurial spirit and innovation.

LOCAL INITIATIVES

The “Kids for Chemistry” Program and the Give&Grow Foundation supporting childhood and education in the United States or also the support to education for young disadvantaged Burmese and for a local project for access to drinking water in Thailand: many of our Group entities are in the field participating in projects concerning above all education and support to people in need. In 2012, in the United Kingdom, one entity in the Interconnect division, under the stewardship of its Human Resources Director, structured its actions to streamline them and to encourage its employees to become more involved. They collected cash by organizing various events: raffles, morning coffee or tea gatherings, etc. The funds collected were matched by the entity and went to two local organizations selected by the employees: Kidz Abbey House which helps people with disabilities and disadvantaged children and the Imperial College Cancer Fund treatment institution. Just one example among many.

Clémentine and Adrien, two people in the “Wings for science” (“Des ailes pour la science”) initiative.
With its Environment and Risks Charter of 2008, revised in 2011, our Group made a commitment to reduce and recover waste, in particular decrease greenhouse gas emissions, by lowering its power consumption, among other things, to consume less water and to incorporate the environmental requirements into the design and industrialization of its products and services. It encourages its sites to deploy environmental management systems meeting the ISO 14001 standard or, for sites already certified, to continue to make further progress. This progress is monitored through reporting and scorecards covering the entire Group.
A major line for the year 2012, the deployment of methodological tools continued, for example through the follow-up on the REACH directive, greenhouse gas emission reporting, the set-up of an ISO 14001-compliant management system or the launch of an initiative to rate the environmental impact of a product. These actions are conducted under the stewardship of the network of Environmental Managers and carried out in the field by strong and united teams and through local initiatives to raise awareness about environmental protection among the entire workforce. Thus, in France in Châteaudun, the National sustainable development week this year included various events: waste collection at the site, collecting books, cell phones and glasses for a charitable organization, organic product tasting, raising awareness about carpooling, planting an umbrella pine tree, etc.

**BETTER WASTE RECYCLING**

In its charter our Group made the commitment to reduce the volume of waste per hour of production, to recover at least 80% of it and recycle at least 40%.

---

**KEY DATES**

**2001**
- ISO 14001 certification of the first two sites in France.

**2002**
- Creation of a network of correspondents, performance of environmental audits in France, inclusion of first Group data in the annual report.

**2003**
- Publication of the Environmental Charter, creation of Environmental committees in France.

**2004**
- Deployment of environmental audits in the United States and Tunisia.

**2005**
- ISO 14001 certification of the first three sites in the United States and of a first site in Tunisia.

**2006**
- Creation of the first Environmental committee in the United States.

**2007**
- Deployment of the REACH initiative, awareness raising and coordination actions at Group level.

**2008**
- Creation of the Environment Zodiac Aerospace Awards given at the annual Group workshop, signing of the Environment and Risks Charter by the Chief Executive Officer.

**2009**
- 90% of sites in France certified.

**2010**
- Launch of the eco-design initiative.

**2011**
- Publication of a new Environment and Risks Charter signed by the Chief Executive Officer and of the first quantified environmental objectives.

**2012**
- Publication of the first Group standards.
In fiscal year 2011/2012, the amount of waste per hour of production declined 1.8%. The Bangplee site in Thailand, which is ISO 14001 certified, for example, reduced by more than 10% the waste from its extrusion line after it modified the processes on it. The total rate of recovery is going up again and within the Group it reached 63% (62% in 2010/2011) and half the waste is recycled (48% in 2010/2011). For paper and packaging, specific actions have also been started in order to achieve a 45% recycling rate: for example, reusing boxes as padding or also, at Roche-la-Molière, replacing polyurethane foam packaging, which is a non-recyclable and highly flammable material, with crumpled Kraft paper and bubble wrap used for padding. Hazardous waste has also been decreasing owing to the industrial processes switching to cleaner procedures.

**MONITORED CHEMICAL SUBSTANCES**

Replacing hazardous materials, which was the object of a plan that has been deployed within the Group since 2009, decreases workers’ exposure, limits the environmental impact of products and improves the conditions of their use. In Europe, where less than one ton of chemical products are imported per year, preserving the Group production units’ status of “upstream user” (as defined in the REACH directive), every new chemical product that enters production is validated by the Environmental/Safety Managers and the measures taken to replace it are reported quarterly to General Management.

Conducted in stages, the replacement of hazardous materials is combined with a stronger collaboration of the Environmental departments, the design units and the technical departments. Thus in the United States, at the seats manufacturing unit in Gainesville, any chemical substance is first analyzed by a plant lab and must be approved before it can be used. The replacement products, whose efficacy must be at least equal, are also analyzed, tested and then certified before receiving approval.

**CERTIFICATIONS CROSS AUDITS**

The Environment Managers at the ISO 14001-certified sites in France and Tunisia renewed their cross audits and focused the work of the Environmental committees on energy savings, greenhouse gas emissions and new indicators. This practice has been noticed by our Group’s North-American sites.
Moreover, by using color-coded HMIS, employees can easily identify the risks caused by various products (health, flammability, reactivity) and the individual preventive protection measures. In Arcachon, France, the use of water soluble paint was tested at one station before making it widespread. The same applies to the removal of hexavalent chromium from surface treatment. This approach was part of several initiatives within the Group and led to the creation of two working groups: one dedicated to external constraints and fuel and the other to the cabin and cargo hold internal environment.

**ENERGY EFFICACY FOR LOWER CO₂ EMISSIONS**

Another major issue that is addressed in the Environment and Risks Charter, which is lowering greenhouse gas emissions, involves an annual 1% reduction in the energy consumed by buildings (heating and air conditioning) and by the production processes. Some sites, such as the Soliman site in 2012, conduct energy audits to identify actions for improvement and, everywhere throughout the world, initiatives have been launched to improve energy efficacy, for instance by optimizing lighting or by increasing the insulation in the buildings. Thus, the insulation and energy management solutions (adjusting the heating depending on outside temperature) which were adopted in Auxerre and Caudebec, France, decreased energy consumption per sq.m. In Châteaudun, the office design promotes natural lighting and computers turn off automatically at night. In the United States, in Bellingham, lower consumption is the result of the installation of fast-closing doors for better insulation and sensor to automatically fine tune the lighting and air conditioning. The Belmar site in turn is exploring the installation of trigeneration which would allow it to decrease its greenhouse gas emissions by 40%. The direct delivery circuits thus help reduce energy consumption and the discharge of pollutants. Another project that fits into the sustainable

**2012/2013 OBJECTIVE**

63%

Our Group encourages the sites to deploy environment management systems: 34 production sites are ISO 14001-certified (46% of the Group’s production sites). The research and product design offices are included within their certification scope.
development trend: the construction, in Montreuil, France, for two Aircraft Systems divisions, of a building that will seek to obtain the BBC\(^1\) label for having halved its energy consumption compared to what is consumed in a traditional solution, as well as the HQE\(^4\) certification for its architectural concept, the use of high-performance equipment and renewable energy sources, the integration of the principles of eco-building and eco-management, and – of course – providing a healthy and comfortable environment. The new Cabin Interiors division building in Montreal takes the same approach.

**WATER: DESTINATION SAVINGS**

Now is also the time for savings in water management through actions that are focused on removing the need to consume open-circuit cooling water and on a decrease of sanitary uses. In fact our Group only discharges small amounts of industrial water and processed water, particularly water related to surface treatment, represents only 5% of its consumption. After water is treated, its compliance with regulatory thresholds is verified before discharging it and polluted water effluents are treated by approved specialists or by each site’s detoxification plant.

The Seats unit in Chihuahua, Mexico, is a good illustration of the improvement actions launched by our Group. It has opted for a tertiary treatment system which enables it to reuse 80% of the chemical process water, contributing to a 45% decrease in the plant’s overall consumption. In addition, it has adopted, for the production of demineralized water, a reverse osmosis process that decreased by three times the treatments with resin, which consume large quantities of water, and uses, in its water treatment station, a new coagulant which reduces the use of chemical products.

---

1 Hazardous Materials Identification System.
2 Combined production of heat, cooling and power.
3 Bâtiment basse consommation (low consumption building).
4 Haute qualité environnementale (high environmental quality).

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**INDUSTRIAL RISK MANAGEMENT: A LONG-TERM POLICY**

The industrial risk management policy contributes to the continuity of our Group which, in 2008, established a risk grid to consolidate the preventive and protective measures in place and prioritize actions at some of the sites. This initiative relies on inspection reports from engineers employed by the insurer and specializing in risk management and contributes to improving the protection of our sites against fire and natural disasters; it also helps with the deployment of a business continuity plan at all the vulnerable sites.

Following the update of the grid during the fiscal year, the list of sites requiring improved protection or the deployment of a business continuity plan has been revised. In addition, the Environment and Risk Charter defines several priority lines of action. For chemical products or substances of concern, the accent is placed on continued integration of the requirements set out in the REACH regulation, the development of substitution programs and the prevention of accidental pollution.
IN THE SPOTLIGHT ONE PROJECT/ONE TEAM

Left to right: Michel Leloup, Heating Plant and Fluids Manager; Magalie Pauly, Health and Safety Manager; Christophe Moisy, Maintenance and New Works Manager; Jean-Marie Hervieux, Electrical Works Manager

In its activities Zodiac Aerospace uses solvents that could generate the discharge of VOCs* into the atmosphere. Harnessed, treated if needed (filters, scrubbers, etc.) and regularly controlled, these discharges are in compliance with the permits issued by the authorities. Despite that, our sites have launched initiatives to reduce the emissions by: replacing solvents with lye, setting limits for diffuse emissions, substituting with less volatile solvents or water based processes, etc. In France, the Caudebec plant chose to invest in a thermal oxidizer. A must for the production of flexible tanks and deicers and the core business at the plant, the production of fabric coated with glue composed of rubber and solvents was generating significant VOC emissions. Since 2005, the plant had introduced a solvent management plan and, after reviewing the best techniques available to reduce their use in 2008, in 2009 it launched a study into acquiring a thermal oxidizer. How does it work: solvents are captured at the source, on the spreaders, and then incinerated at 800°C. Christophe Moisy managed the implementation and construction, which required four months of civil engineering work while Jean-Marie Hervieux directed the electrical hookup of the facility. Magalie Pauly in turn took charge of all matters pertaining to the environment and Michel Leloup is in charge of the management and maintenance of the oxidizer. Outcome: the VOCs issued by the spreader, i.e., one third of the VOCs discharged by the entire plant, are captured and 99% decomposed. The measures conducted yearly by an accredited body attest to the efficacy of this approach. Another positive point: DREAL** has asked the plant to present the facility and its performance to other manufacturers.

* Volatile organic compounds.
** Direction régionale de l'environnement, de l'aménagement et du logement (Regional division of the environment, urban planning and housing).
MAKING PROGRESS TOGETHER

Compliance with the sustainable development criteria also guides the purchasing policy of the Zodiac Aerospace group. REACH, ISO 14001, etc.: suppliers’ commitment and performance are incorporated into our contracts and verified, as needed, through audits.

Through participation in several labor committees and authorities, our Group also promotes the exchange and sharing of feedback with the outside world. There are so many occasions to interact with one’s counterparts who are facing similar environmental issues and to express one’s opinion on future regulations.

As a member of Gifas Environment committee, Zodiac Aerospace takes part in several of its working groups: REACH, greenhouse gas emissions and, since January 2012, eco-design. In 2012, it also joined AFEP’s group on the environment and energy and continues to contribute to IAEG, an international aerospace environmental group, which helps companies in the industry incorporate the increasingly stringent and more complex environmental requirements and develop a joint approach.

1 Groupement des industries aéronautiques et spatiales (French aerospace industries association).
2 Association française des entreprises privées (French Association of Private Sector Companies).
3 International Aerospace Environmental Group.

CONSOLIDATED DATA: EUROPE (33 SITES), NORTH AMERICA (27 SITES), SOUTH AMERICA/AFRICA/MIDDLE EAST/ASIA (7 SITES)

IMPROVED RECYCLING OF WASTE
(% of waste recycled by area)

<table>
<thead>
<tr>
<th></th>
<th>2010/2011</th>
<th>2011/2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>72%</td>
<td>75%</td>
</tr>
<tr>
<td>North America</td>
<td>47%</td>
<td>51%</td>
</tr>
<tr>
<td>Other countries</td>
<td>65%</td>
<td>67%</td>
</tr>
</tbody>
</table>

IMPROVEMENT IN THE FIELD OF WASTE RECYCLING
(% of waste recycled by area)

<table>
<thead>
<tr>
<th></th>
<th>2010/2011</th>
<th>2011/2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>50%</td>
<td>46%</td>
</tr>
<tr>
<td>North America</td>
<td>38%</td>
<td>45%</td>
</tr>
<tr>
<td>Other countries</td>
<td>49%</td>
<td>57%</td>
</tr>
</tbody>
</table>

ENERGY: THE CHALLENGE OF EFFICIENCY
(Monitoring and breakdown of consumption in thousands of kWh – approximately 95% of the Group’s production units)

<table>
<thead>
<tr>
<th></th>
<th>2010/2011</th>
<th>2011/2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>241,276</td>
<td>260,149</td>
</tr>
<tr>
<td>Electricity</td>
<td>156,996</td>
<td>164,685</td>
</tr>
<tr>
<td>Gas</td>
<td>81,730</td>
<td>92,037</td>
</tr>
<tr>
<td>Fuel oil</td>
<td>2,550</td>
<td>3,427</td>
</tr>
</tbody>
</table>
CONTINUED PROGRESS

OUR GROUP’S FINANCIAL PERFORMANCE IS A REFLECTION OF ITS SOUND DEVELOPMENT MODEL.
MANAGEMENT TEAM

TRUE TO OUR GROUP’S FUNDAMENTAL VALUES, ITS SENIOR MANAGERS HAVE A PREFERENCE FOR QUICK DECISION-MAKING PROCESSES AND STAYING IN CLOSE PROXIMITY TO THEIR TEAMS WHICH FAVOR RESPONSIVENESS, PERFORMANCE, AN INTERNATIONAL OUTLOOK AND TRANSPARENCY.

THE EXECUTIVE BOARD AND EXECUTIVE COMMITTEE

The Executive Board and the Executive Committee meet every two months to define and review the Group’s major strategic directions and projects in terms of its portfolio of activities, investments and mergers and acquisitions. They monitor the objectives and operational performance of each of the Group’s business Segments.

EXECUTIVE COMMITTEE

Chairled by Olivier Zarrouati, the Executive Committee brings together the Group’s ten key functional and operating executives.

OLIVIER ZARROUATI (1)
Chairman of the Executive Board, Chief Executive Officer

MAURICE PINAULT* (2)
Member of the Executive Board, Deputy CEO, Business Development

JEAN-JACQUES JÉGOU (3)
Executive Vice-President, Administration and Finance

YANNICK ASSOUAD (4)
CEO – Zodiac Aircraft Systems

CHRISTOPHE BERNARDINI (5)
CEO – Zodiac Services

JEAN-MICHEL CONDAMIN (6)
CEO – Zodiac Galleys & Equipment

GILLES DEBRAY (7)
CEO – Zodiac AeroSafety

CHRISTIAN NOVELLA (8)
CEO – Zodiac Seats

STEPHEN ZIMMERMAN (9)
CEO – Zodiac Cabin & Structures

ADRI RUITER (10)
Executive Vice-President, Business Development – Airlines

PIERRE-ANTONY VASTRA (11)
Executive Vice-President, Communication and Investor Relations

The operation of the Executive Committee, the Supervisory Board and its three Committees is detailed in the “Governance” Section of the Annual Report, at pages 6 and 7.

* Member of the Executive Board
SUPERVISORY BOARD

The Supervisory Board oversees the proper operation of the Group and reports to the shareholders. It appoints the Chairman of the Executive Board and its members, and exercises control over the Group’s management and administration.

In compliance with official guidelines on corporate governance, in 1995 the Board formed, at the recommendation of its Chairman, three special committees: the Audit Committee, the Remuneration Committee and the Appointements Committee.

DIDIER DOMANGE (12)
Chairman of the Supervisory Board

LOUIS DESANGES
Vice-Chairman

MARC ASSA*
ÉLISABETH DOMANGE
VINCENT GERONDEAU*
LAURE HAUSEUX*
GILBERTE LOMBARD*
EDMOND MARCHEGAY*
ROBERT MARÉCHAL
MARC SCHELCHER
FFP
represented by Robert Peugeot

* Qualified, by the Appointements Committee at its meeting of September 25, 2012, as a non-executive member in accordance with the criteria of the AFEP/MEDEF code.
VERY GOOD PERFORMANCE ONCE AGAIN

ON THE BACK OF OUR GROUP’S INTERNAL GROWTH AND ITS ACQUISITIONS OF HEATH TECNA AND CONTOUR AEROSPACE, ZODIAC AEROSPACE’S SALES REVENUE AND CURRENT OPERATING INCOME WERE UP BY 25% EACH. AT THE SAME TIME, OUR GROUP CONTINUED TO INVEST IN THE DEVELOPMENT OF NEW PRODUCTS AND TO GAIN NEW MARKETS.

CONSOLIDATED SALES REVENUE TRENDS

CONSOLIDATED SALES REVENUE ORGANIC GROWTH RATE

CONSOLIDATED SALES REVENUE BY BUSINESS SEGMENT (IN PERCENT)

CONSOLIDATED SALES REVENUE BY AREA (IN PERCENT)

CURRENT OPERATING INCOME TREND

* Excluding the effect of IFRS 3.

1) After reclassification of business segments being sold (Driessen Services).
With a rise in current operating income of more than 80%, organic growth close to 60% and more than doubled net income all over the last two fiscal years (2010/2011 and 2011/2012), Zodiac Aerospace has exceeded all its targets.

Combined with a good control over financial expenses, reduced from 1.2% to 0.9% of our sales revenue, this excellent operational performance has given us the means to successfully continue implementing our external growth strategy and, in particular, to invest close to €510 million in the acquisitions of Sell (October 2010), Heath Tecna (September 2011) and Contour Aerospace (February 2012) while at the same time intensifying our operating investments (€265 million over the two fiscal years).

These factors, combined with careful management of our working capital requirements, has enabled us to decrease our net debt-to-Ebitda ratio from 17 at the end of August 2010 to 1.45 at the end of August 2012.

They confirm, in my view, the soundness of our growth model and of our balance sheet and enable us to contemplate our continued growth with equanimity.

“A robust model that combines growth and balance for the long term.”

JEAN-JACQUES JÉGOU, Executive Vice-President, Administration and Finance
STEADY POSITIVE TRENDS

GOOD STOCK MARKET PERFORMANCE
In fiscal year 2011/2012, the Zodiac Aerospace share continued to have a positive trend and, as in the previous fiscal year, outperformed the SBF 120 index. In absolute terms, the stock performance was also good: in a market that is favorable to the civil aerospace industry, the Zodiac Aerospace share reached an €84.83 all-time high at close. The outperformance of the stock is the primary explanation behind the inclusion of Zodiac Aerospace in the CAC Next 20 index, which combines the 20 stocks that are the next largest after the 40 stocks comprising the flagship index of the Paris stock exchange.

RESPONSIVE REPORTING
To improve the financial information it offers to its shareholders, Zodiac Aerospace redesigned its website www.zodiacaerospace.com. Available in French and English, the new site is compatible with navigation on any type of support: computer, tablet or smartphone. The site’s navigation was simplified. It is now easier to immediately find all the documents and information regarding a given publication or a given general meeting of shareholders. In addition, for earnings releases, the website lets visitors access presentation supports and materials or listen to a webcast audio. The shareholders will still be able to find on the website the stock market price and trends, the various Group publications and information regarding Zodiac Aerospace, its strategy, positioning, actions taken in the area of sustainable development.

Zodiac Aerospace now has an email address specifically for use by its shareholders: actionnaires@zodiacaerospace.com.

SHARE CAPITAL
At August 31, 2012, the share capital of Zodiac Aerospace stood at €11,425,145.60 divided into 57,125,728 shares.
Listed on Euronext Paris, the Zodiac Aerospace share was included on September 7, 2012 in the CAC NEXT 20, which comprises the 20 companies whose size in terms of floating capitalization is right after that of the companies in the CAC40. In addition, the Zodiac Aerospace stock is included in several all-share market indices: CAC Aerospace & Defense, CAC Industrials, CAC Mid&Small 190, CAC Mid100, CAC IT, CAC IT 20, NEXT 150, Dow Jones Euro Stoxx, Dow Jones Industrial, Dow Jones Global Industrials, Dow Jones Stoxx 600, Euronext Next 150, SBF 250, SBF 120 and SBF 80.

The Zodiac Aerospace stock is eligible for the deferred settlement service (SRD — Service de règlement différé). In the ICB classification, it comes under 2700 — Industrial Goods & Services, and segment 2710 — Aerospace & Defense.

- Euronext / ISIN code: FR0000125684
- Ticker symbol: ZC

**STOCK MARKET DATA**

<table>
<thead>
<tr>
<th></th>
<th>2007/08 fiscal year</th>
<th>2008/09 fiscal year</th>
<th>2009/10 fiscal year</th>
<th>2010/11 fiscal year</th>
<th>2011/12 fiscal year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>High/low (closing price)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>53.47</td>
<td>36.67</td>
<td>47.89</td>
<td>62.39</td>
<td>84.83</td>
</tr>
<tr>
<td>Low</td>
<td>25.15</td>
<td>18.85</td>
<td>22.41</td>
<td>44.95</td>
<td>52.7</td>
</tr>
<tr>
<td>Price at August 31</td>
<td>34.30</td>
<td>26.46</td>
<td>47.43</td>
<td>56.08</td>
<td>75.82</td>
</tr>
<tr>
<td>Number of shares at August 31</td>
<td>55,667,704</td>
<td>55,708,078</td>
<td>56,714,207</td>
<td>56,744,439</td>
<td>57,125,728</td>
</tr>
<tr>
<td>Market capitalization in €k at August 31</td>
<td>1,909,402</td>
<td>1,474,036</td>
<td>2,664,343</td>
<td>3,182,228</td>
<td>4,331,273</td>
</tr>
<tr>
<td><strong>Average daily traded volume</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shares</td>
<td>325,065</td>
<td>310,140</td>
<td>270,555</td>
<td>180,893</td>
<td>164,332</td>
</tr>
<tr>
<td>Capital in €k</td>
<td>11,694.00</td>
<td>8,118.14</td>
<td>8,807.44</td>
<td>9,446.91</td>
<td>11,717.27</td>
</tr>
</tbody>
</table>

(Source: NYSE-Euronext Paris)

Detailed data regarding the capital, potential dilution and stock-option plans are provided in the “Investor Information” section of the Annual Report, pages 16 and 17.
## CONSOLIDATED BALANCE SHEET

### ASSETS

<table>
<thead>
<tr>
<th>(in thousands of euros)</th>
<th>Year ended August 31, 2012</th>
<th>Year ended August 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>1,502,792</td>
<td>1,166,398</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>513,654</td>
<td>322,017</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>314,223</td>
<td>256,272</td>
</tr>
<tr>
<td>Investments in affiliates</td>
<td>536</td>
<td>480</td>
</tr>
<tr>
<td>Loans</td>
<td>387</td>
<td>355</td>
</tr>
<tr>
<td>Other non-current financial assets</td>
<td>14,911</td>
<td>10,872</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>463</td>
<td>469</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td><strong>2,346,966</strong></td>
<td><strong>1,756,863</strong></td>
</tr>
<tr>
<td>Inventories</td>
<td>783,113</td>
<td>601,458</td>
</tr>
<tr>
<td>Current tax assets</td>
<td>33,523</td>
<td>30,113</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>655,631</td>
<td>490,351</td>
</tr>
<tr>
<td>Advances to suppliers and employees</td>
<td>10,529</td>
<td>8,271</td>
</tr>
<tr>
<td>Other current assets</td>
<td>17,857</td>
<td>11,542</td>
</tr>
<tr>
<td>Other financial assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- loans and other current financial assets</td>
<td>3,340</td>
<td>227</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>161,802</td>
<td>224,726</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>1,665,795</strong></td>
<td><strong>1,366,688</strong></td>
</tr>
<tr>
<td>Held-for-sale-assets&lt;sup&gt;1)&lt;/sup&gt;</td>
<td><strong>1,488</strong></td>
<td><strong>18,721</strong></td>
</tr>
</tbody>
</table>

### TOTAL ASSETS

<table>
<thead>
<tr>
<th></th>
<th>Year ended August 31, 2012</th>
<th>Year ended August 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>4,014,249</strong></td>
<td><strong>3,142,272</strong></td>
</tr>
</tbody>
</table>

---

<sup>1)</sup> At August 31, 2011, this figure included €12,003,000 representing buildings held for sale and €6,718,000 representing a Driessen repair business in the process of being sold. At August 31, 2012, €1,488,000 pertained to buildings held for sale.
**EQUITY AND LIABILITIES**

<table>
<thead>
<tr>
<th>(in thousands of euros)</th>
<th>Year ended August 31, 2012</th>
<th>Year ended August 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
<td>11,425</td>
<td>11,349</td>
</tr>
<tr>
<td>Share premiums</td>
<td>113,929</td>
<td>99,031</td>
</tr>
<tr>
<td>Consolidated reserves and net income</td>
<td>1,654,462</td>
<td>1,478,098</td>
</tr>
<tr>
<td>Currency translation adjustments</td>
<td>51,276</td>
<td>(141,980)</td>
</tr>
<tr>
<td>Restatement of financial instruments and other fair value instruments</td>
<td>(4,562)</td>
<td>(2,028)</td>
</tr>
<tr>
<td>Net income attributable to Group shareholders</td>
<td>318,881</td>
<td>238,256</td>
</tr>
<tr>
<td>Treasury stock</td>
<td>(89,253)</td>
<td>(91,514)</td>
</tr>
<tr>
<td><strong>Equity less minority interest</strong></td>
<td><strong>2,056,158</strong></td>
<td><strong>1,591,212</strong></td>
</tr>
<tr>
<td>Minority interest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- in equity</td>
<td>1,281</td>
<td>915</td>
</tr>
<tr>
<td>- currency translation adjustments</td>
<td>(81)</td>
<td>(143)</td>
</tr>
<tr>
<td>- in consolidated net income</td>
<td>(550)</td>
<td>(386)</td>
</tr>
<tr>
<td><strong>Minority interest</strong></td>
<td>650</td>
<td>386</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td><strong>2,056,808</strong></td>
<td><strong>1,591,598</strong></td>
</tr>
<tr>
<td>Non-current provisions</td>
<td>56,266</td>
<td>53,859</td>
</tr>
<tr>
<td>Non-current financial liabilities</td>
<td>715,891</td>
<td>662,667</td>
</tr>
<tr>
<td>Other non-current financial assets</td>
<td>228</td>
<td>-</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>142,159</td>
<td>107,648</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td><strong>914,544</strong></td>
<td><strong>824,174</strong></td>
</tr>
<tr>
<td>Current provisions</td>
<td>6701</td>
<td>57,448</td>
</tr>
<tr>
<td>Current financial liabilities</td>
<td>277,460</td>
<td>147,416</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>4,823</td>
<td>-</td>
</tr>
<tr>
<td>Trade payables</td>
<td>338,449</td>
<td>259,678</td>
</tr>
<tr>
<td>Liabilities to employees and payroll liabilities</td>
<td>161,534</td>
<td>141,711</td>
</tr>
<tr>
<td>Current tax liabilities</td>
<td>34,241</td>
<td>27,837</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>159,289</td>
<td>90,618</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>1,042,897</strong></td>
<td><strong>724,708</strong></td>
</tr>
<tr>
<td>Held-for-sale-liabilities(^1)</td>
<td></td>
<td><strong>1,792</strong></td>
</tr>
<tr>
<td><strong>TOTAL EQUITY AND LIABILITIES</strong></td>
<td><strong>4,014,249</strong></td>
<td><strong>3,142,272</strong></td>
</tr>
</tbody>
</table>

\(^1\) At August 31, 2011, the amount concerned a Dniessen repair business in the process of being sold.
# CONSOLIDATED INCOME STATEMENT

<table>
<thead>
<tr>
<th>(in thousands of euros)</th>
<th>Year ended August 31, 2012</th>
<th>Year ended August 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue</td>
<td>3,440,637</td>
<td>2,734,832</td>
</tr>
<tr>
<td>Other revenues from operations</td>
<td>9,858</td>
<td>11,465</td>
</tr>
<tr>
<td>Purchases used in the business</td>
<td>1,389,948</td>
<td>1,068,870</td>
</tr>
<tr>
<td>Personnel costs</td>
<td>1,007,910</td>
<td>838,548</td>
</tr>
<tr>
<td>External costs</td>
<td>499,599</td>
<td>403,774</td>
</tr>
<tr>
<td>Taxes other than income taxes</td>
<td>26,081</td>
<td>19,769</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>70,095</td>
<td>61,555</td>
</tr>
<tr>
<td>Charges to provisions</td>
<td>13,406</td>
<td>14,304</td>
</tr>
<tr>
<td>Changes in inventories of finished goods and work in progress</td>
<td>43,684</td>
<td>45,496</td>
</tr>
<tr>
<td>Other operating income and expenses</td>
<td>(711)</td>
<td>(182)</td>
</tr>
<tr>
<td><strong>Current operating income</strong></td>
<td><strong>486,429</strong></td>
<td><strong>384,791</strong></td>
</tr>
<tr>
<td>Non-current operating items</td>
<td>(11,468)</td>
<td>(17,668)</td>
</tr>
<tr>
<td>Operating income</td>
<td>474,961</td>
<td>367,623</td>
</tr>
<tr>
<td>Income / (expenses) related to cash and cash equivalents</td>
<td>(2,289)</td>
<td>(770)</td>
</tr>
<tr>
<td>Gross interest expense</td>
<td>(28,368)</td>
<td>(31,621)</td>
</tr>
<tr>
<td>Net interest expense</td>
<td>(30,657)</td>
<td>(32,391)</td>
</tr>
<tr>
<td>Other financial income and expenses</td>
<td>(2,512)</td>
<td>(1,994)</td>
</tr>
<tr>
<td>Income taxes</td>
<td>134,398</td>
<td>95,928</td>
</tr>
<tr>
<td><strong>NET INCOME from continuing operations</strong></td>
<td><strong>307,394</strong></td>
<td><strong>237,310</strong></td>
</tr>
<tr>
<td><strong>NET INCOME from businesses being sold and income from disposals of assets held-for-sale</strong></td>
<td><strong>10,937</strong></td>
<td><strong>560</strong></td>
</tr>
<tr>
<td><strong>NET INCOME</strong></td>
<td><strong>318,331</strong></td>
<td><strong>237,870</strong></td>
</tr>
<tr>
<td>Minority interest</td>
<td>(550)</td>
<td>(386)</td>
</tr>
<tr>
<td>Net income attributable to Group shareholders</td>
<td>318,881</td>
<td>238,256</td>
</tr>
<tr>
<td><strong>Earnings per share (after minority interests)</strong></td>
<td><strong>€5.89</strong></td>
<td><strong>€4.45</strong></td>
</tr>
<tr>
<td><strong>Diluted earnings per share (after minority interests)</strong></td>
<td><strong>€5.82</strong></td>
<td><strong>€4.42</strong></td>
</tr>
</tbody>
</table>
## CONSOLIDATED STATEMENT OF CASH FLOWS(1)

### Operating activities:

<table>
<thead>
<tr>
<th>Element</th>
<th>Year ended August 31, 2012</th>
<th>Year ended August 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>318,331</td>
<td>237,310</td>
</tr>
<tr>
<td>Depreciation, amortization and provisions</td>
<td>85,942</td>
<td>81,474</td>
</tr>
<tr>
<td>Capital gains(2)</td>
<td>(12,767)</td>
<td>271</td>
</tr>
<tr>
<td>Deferred taxes</td>
<td>30,639</td>
<td>24,887</td>
</tr>
<tr>
<td>Stock options</td>
<td>6,105</td>
<td>2,419</td>
</tr>
<tr>
<td>Others</td>
<td>(701)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Cash flow from operations</strong></td>
<td><strong>427,549</strong></td>
<td><strong>346,361</strong></td>
</tr>
</tbody>
</table>

### Net change in inventories

<table>
<thead>
<tr>
<th></th>
<th>Year ended August 31, 2012</th>
<th>Year ended August 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(101,991)</td>
<td>(82,835)</td>
</tr>
</tbody>
</table>

### Net change in operating assets

<table>
<thead>
<tr>
<th></th>
<th>Year ended August 31, 2012</th>
<th>Year ended August 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(95,630)</td>
<td>(29,202)</td>
</tr>
</tbody>
</table>

### Net change in debt

<table>
<thead>
<tr>
<th></th>
<th>Year ended August 31, 2012</th>
<th>Year ended August 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>70,278</td>
<td>91,886</td>
</tr>
</tbody>
</table>

### CASH FLOW from continuing operations

<table>
<thead>
<tr>
<th></th>
<th>Year ended August 31, 2012</th>
<th>Year ended August 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>300,206</strong></td>
<td><strong>326,210</strong></td>
</tr>
</tbody>
</table>

### CASH FLOW from operation of businesses being sold

<table>
<thead>
<tr>
<th></th>
<th>Year ended August 31, 2012</th>
<th>Year ended August 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-</td>
<td><strong>86</strong></td>
</tr>
</tbody>
</table>

### Investing activities:

#### Acquisitions of non-current assets:

<table>
<thead>
<tr>
<th>Subcategory</th>
<th>Year ended August 31, 2012</th>
<th>Year ended August 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>- intangible assets</td>
<td>(71,621)</td>
<td>(50,483)</td>
</tr>
<tr>
<td>- property, plant and equipment</td>
<td>(82,650)</td>
<td>(61,315)</td>
</tr>
<tr>
<td>- other</td>
<td>(3,556)</td>
<td>(1039)</td>
</tr>
</tbody>
</table>

### Proceeds from disposals of fixed assets

<table>
<thead>
<tr>
<th></th>
<th>Year ended August 31, 2012</th>
<th>Year ended August 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>890</td>
<td>4,257</td>
</tr>
</tbody>
</table>

### Changes in receivables and payables relating to fixed assets

<table>
<thead>
<tr>
<th></th>
<th>Year ended August 31, 2012</th>
<th>Year ended August 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,217</td>
<td>(368)</td>
</tr>
</tbody>
</table>

### Acquisitions (disposals) of entities, net of cash acquired(3)

<table>
<thead>
<tr>
<th></th>
<th>Year ended August 31, 2012</th>
<th>Year ended August 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(404,992)</td>
<td>(210,421)</td>
</tr>
</tbody>
</table>

### CASH FLOW from investments in continuing operations

<table>
<thead>
<tr>
<th></th>
<th>Year ended August 31, 2012</th>
<th>Year ended August 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>(560,712)</strong></td>
<td><strong>(319,369)</strong></td>
</tr>
</tbody>
</table>

### CASH FLOW from investments in businesses being sold

<table>
<thead>
<tr>
<th></th>
<th>Year ended August 31, 2012</th>
<th>Year ended August 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-</td>
<td><strong>(97)</strong></td>
</tr>
</tbody>
</table>

### CASH FLOW from investments in assets held for sale(4)

<table>
<thead>
<tr>
<th></th>
<th>Year ended August 31, 2012</th>
<th>Year ended August 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>27,418</strong></td>
<td>-</td>
</tr>
</tbody>
</table>

### CASH FLOW from investments in continuing operations and businesses being sold

<table>
<thead>
<tr>
<th></th>
<th>Year ended August 31, 2012</th>
<th>Year ended August 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>(533,294)</strong></td>
<td><strong>(319,466)</strong></td>
</tr>
</tbody>
</table>

### Financing activities:

#### Change in financial debt

<table>
<thead>
<tr>
<th></th>
<th>Year ended August 31, 2012</th>
<th>Year ended August 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>182,158</td>
<td>133,974</td>
</tr>
</tbody>
</table>

#### Change in financial instruments

<table>
<thead>
<tr>
<th></th>
<th>Year ended August 31, 2012</th>
<th>Year ended August 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-</td>
<td><strong>(3,751)</strong></td>
</tr>
</tbody>
</table>

#### Change in equity

<table>
<thead>
<tr>
<th></th>
<th>Year ended August 31, 2012</th>
<th>Year ended August 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>14,974</td>
<td>15,069</td>
</tr>
</tbody>
</table>

#### Treasury stock

<table>
<thead>
<tr>
<th></th>
<th>Year ended August 31, 2012</th>
<th>Year ended August 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,261</td>
<td><strong>(1,599)</strong></td>
</tr>
</tbody>
</table>

#### Ordinary dividends paid by parent company

<table>
<thead>
<tr>
<th></th>
<th>Year ended August 31, 2012</th>
<th>Year ended August 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(64,751)</td>
<td>(53,393)</td>
</tr>
</tbody>
</table>

#### Dividends paid to minority interests

<table>
<thead>
<tr>
<th></th>
<th>Year ended August 31, 2012</th>
<th>Year ended August 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### CASH FLOW from the financing of continuing operations

<table>
<thead>
<tr>
<th></th>
<th>Year ended August 31, 2012</th>
<th>Year ended August 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>134,642</strong></td>
<td><strong>90,300</strong></td>
</tr>
</tbody>
</table>

### CASH FLOW from the financing of businesses being sold

<table>
<thead>
<tr>
<th></th>
<th>Year ended August 31, 2012</th>
<th>Year ended August 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-</td>
<td><strong>(28)</strong></td>
</tr>
</tbody>
</table>

### CASH FLOW from the financing of continuing operations and businesses being sold

<table>
<thead>
<tr>
<th></th>
<th>Year ended August 31, 2012</th>
<th>Year ended August 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>134,642</strong></td>
<td><strong>90,272</strong></td>
</tr>
</tbody>
</table>

### Currency translation adjustments at beginning of period

<table>
<thead>
<tr>
<th></th>
<th>Year ended August 31, 2012</th>
<th>Year ended August 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>35,257</td>
<td><strong>(30,442)</strong></td>
</tr>
</tbody>
</table>

### INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

<table>
<thead>
<tr>
<th></th>
<th>Year ended August 31, 2012</th>
<th>Year ended August 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>(63,189)</strong></td>
<td><strong>66,699</strong></td>
</tr>
</tbody>
</table>

### CASH AT BEGINNING OF PERIOD

<table>
<thead>
<tr>
<th></th>
<th>Year ended August 31, 2012</th>
<th>Year ended August 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>212,084</strong></td>
<td><strong>145,385</strong></td>
</tr>
</tbody>
</table>

### CASH AT END OF PERIOD

<table>
<thead>
<tr>
<th></th>
<th>Year ended August 31, 2012</th>
<th>Year ended August 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>148,895</strong></td>
<td><strong>212,084</strong></td>
</tr>
</tbody>
</table>

---

(1) The Group did not record any transactions between shareholders during the period.

(2) At August 31, 2012, this includes the capital gain from the disposal of the Issy-les-Moulineaux building and of a Driessen repair business.

(3) At August 31, 2012, this involves mainly the purchase of Heath Tecna and Contour Aerospace.

(4) At August 31, 2012, this includes the sale price, exclusive of taxes, of the Issy-les-Moulineaux building and of a Driessen repair business. These assets were presented as a held-for-sale assets at August 31, 2011.
### EUROPE

#### 2010/2011
- **ENERGY (thousands of kW)**
  - Electricity: 42,009
  - Gas: 46,340
  - Fuel oil: 2,550
  - **TOTAL**: 90,899

#### 2011/2012
- **ENERGY (thousands of kW)**
  - Electricity: 52,834
  - Gas: 56,373
  - Fuel oil: 3,427
  - **TOTAL**: 112,634

#### WATER (thousands of m³)
- **TOTAL**: 104

#### WASTE (metric tons)
- **Sent to landfill**: 1,376
- **Materials recycling**: 2,286
- **Other recovery treatment**: 938
- **TOTAL**: 4,600

#### % Reclaimed
- **72%**

### NORTH AMERICA

#### 2010/2011
- **ENERGY (thousands of kW)**
  - Electricity: 78,857
  - Gas: 33,590
  - Fuel oil: -
  - **TOTAL**: 112,447

#### 2011/2012
- **ENERGY (thousands of kW)**
  - Electricity: 84,401
  - Gas: 34,111
  - Fuel oil: -
  - **TOTAL**: 118,512

#### WATER (thousands of m³)
- **TOTAL**: 270

#### WASTE (metric tons)
- **Sent to landfill**: 3,419
- **Materials recycling**: 2,474
- **Other recovery treatment**: 558
- **TOTAL**: 6,451

#### % Reclaimed
- **47%**

### SOUTH AMERICA/AFRICA/MIDDLE EAST/ASIA

#### 2010/2011
- **ENERGY (thousands of kW)**
  - Electricity: 27,297
  - Gas: 1,800
  - Fuel oil: -
  - **TOTAL**: 29,097

#### 2011/2012
- **ENERGY (thousands of kW)**
  - Electricity: 27,450
  - Gas: 1,553
  - Fuel oil: -
  - **TOTAL**: 29,003

#### WATER (thousands of m³)
- **TOTAL**: 21

#### WASTE (metric tons)
- **Sent to landfill**: 1,155
- **Materials recycling**: 1,614
- **Other recovery treatment**: 531
- **TOTAL**: 3,300

#### % Reclaimed
- **65%**