

ZODIAC FACES COURT ACTION OVER DELIVERY DELAYS

News / Manufacturer



French aerospace supplier **Zodiac** has confirmed it **faces court** action and the possible loss of some business from American Airlines **over delays** in aircraft seat production, but said it was seeking a negotiated solution.

The company said American Airlines had filed a petition in the District Court of Tarrant County in Texas asking judges to allow it to share a contract to buy business class seats from Zodiac with an alternative supplier.

In a statement, Zodiac said it was "in discussion with American Airlines to assess the possibility of a negotiated issue."

However, it insisted it was meeting its latest commitments.

"Zodiac Seats regrets this situation, especially since the revised delivery agenda established a few months ago was met," it added.

Zodiac has issued a series of profit warnings, most recently earlier this month, after problems at one of its US factories caused it to miss deadlines on delivering seats to aircraft assembly lines.

The delays have caused disruption to some deliveries and irked airlines that buy seats directly from cabin suppliers.

Analysts say any switch could boost Zodiac's main rival B/E Aerospace, which has said it expects to benefit from Zodiac's production problems.

Industry sources have said Airbus and Boeing are no longer offering Zodiac seats as standard, though airlines can order them at their own risk.

The company says it has restructured its seat business and carried out management changes to tackle the problems.

Earlier this month it said its 2014/15 full-year profit could fall 40 percent because of the cost of tackling the crisis.

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SOURCE: REUTERS

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