

# **Notice of Meeting**

## **Ordinary and Extraordinary Shareholders' Meeting**

**Wednesday May 28, 2008**

**At 10.30 a.m.**

**Théâtre Marigny  
Avenue de Marigny – 75008 PARIS**





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## HOW TO PARTICIPATE IN THE MEETING

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### **You will need to provide evidence of share ownership**

All shareholders are entitled to take part in this Meeting, in person, by proxy or by casting a postal vote, whatever the number of shares held.

In accordance with French law, for shareholders to be eligible to vote at the Meeting, their shares must be recorded no later than midnight (CET) on the third business day preceding the Meeting<sup>(\*)</sup> as follows:

- For registered shares: in the Company's share register managed by BNP Paribas,
- For bearer shares: in a securities account managed by an authorized financial intermediary.

If your shares are registered in the Company's share register managed by BNP Paribas they are automatically recorded and no further evidence of share ownership is required.

If your shares are held in bearer form you should ask your financial intermediary to issue a certificate stating that the shares are duly recorded in your account. This certificate should be attached to your admittance card request, or the proxy/postal voting form.

### **If you plan to attend the Meeting in person**

#### **Holders of registered shares**

If you hold registered shares and plan to attend the Meeting in person you should request an admittance card from BNP Paribas by filling out the attached proxy/postal voting form as follows:

- Check box A in the upper section of the form;
- Date and sign the form in the section at the bottom;
- Send the form in the enclosed prepaid envelope or by letter addressed to BNP Paribas Securities Services, G.C.T., Services aux Emetteurs/Assemblées, Immeuble Tolbiac, 75450 Paris Cedex 09, France.

You will receive your admittance card. If you do not receive your admittance card in time you will still be able to attend the Meeting subject to providing proof of identity.

#### **Holders of bearer shares**

If you hold bearer shares and plan to attend the Meeting in person you should request an admittance card from the financial intermediary that manages your securities account who will forward your request to BNP Paribas Securities Services, G.C.T., Services aux Emetteurs/Assemblées, Immeuble Tolbiac, 75450 Paris Cedex 09, France, together with the above-described certificate stating that the shares are duly recorded in your account.

If you do not receive your admittance card by midnight (CET) on the third business day preceding the Meeting<sup>(\*)</sup> you should ask your financial intermediary to issue you with a certificate proving that you own the shares and are therefore entitled to attend the Meeting.

### **If you wish to give proxy to the Chairman of the Meeting**

If you wish to give proxy to the Chairman of the Meeting you should fill out the attached proxy/postal voting form as follows:

- Check box B in the upper section of the form;
- Tick the "I hereby give proxy to the Chairman of the Meeting" box;
- Date and sign the form in the section at the bottom;
- Send the form in the enclosed prepaid envelope or by letter addressed to BNP Paribas Securities Services, G.C.T., Services aux Emetteurs/Assemblées, Immeuble Tolbiac, 75450 Paris Cedex 09, France.

NB: If you hold bearer shares you must attach to your proxy/postal voting form the above-described certificate issued by your financial intermediary.

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<sup>(\*)</sup> As this Meeting is due to be held on May 28, 2008, the applicable record date is midnight CET on May 25, 2008.

## HOW TO PARTICIPATE IN THE MEETING

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### **If you wish to give proxy to another shareholder or your spouse**

If you wish to give proxy to another shareholder or your spouse you should fill out the attached proxy/postal voting form as follows:

- Check box B in the upper section of the form;
- Check the "I hereby appoint" box and state the name and address of your spouse or the shareholder who will represent you at the Meeting;
- Date and sign the form in the section at the bottom;
- Send the form in the enclosed prepaid envelope or by letter addressed to BNP PARIBAS Securities Services, GCT Emetteurs / Assemblées, Immeuble Tolbiac, 75450 Paris Cedex 09.

NB: If you hold bearer shares you must attach to your proxy/postal voting form the above-described certificate issued by your financial intermediary.

### **If you wish to cast a postal vote**

In order to cast a postal vote you should fill out the attached proxy/postal voting form as follows:

- Check box B in the upper section of the form;
- Check the "I vote by post" box;
- Complete the postal voting section in accordance with the instructions on the form;
- Date and sign the form in the section at the bottom;
- Send the form in the enclosed prepaid envelope or by letter addressed to BNP PARIBAS Securities Services, GCT Emetteurs / Assemblées, Immeuble Tolbiac, 75450 Paris Cedex 09.

Duly completed and signed postal voting forms must reach BNP Paribas Securities Services at least three days before the Meeting. For holders of bearer shares the above-described certificate issued by your financial intermediary must be attached to your proxy/postal voting form.

NB: If you hold bearer shares you must attach to your proxy/postal voting form the above-described certificate issued by your financial intermediary.

**Once you have cast a postal vote, appointed a proxy or requested an admittance card you will not be able to participate in the Meeting in another way.**

# HOW TO PARTICIPATE IN THE MEETING

To fill out the attached proxy/postal voting form

**You plan to attend the Meeting**  
Check box A

**You can not attend the Meeting**  
Check box B

**You hold bearer shares**  
You must send this form to your financial intermediary.

**IMPORTANT / avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso / Before selecting, please see instructions on reverse side.**

**QUELLE QUE SOIT L'OPTION CHOISIE, DATER ET SIGNER AU BAS DU FORMULAIRE / WHICHEVER OPTION IS USED, DATE AND SIGN AT THE BOTTOM OF THE FORM.**  
Je désire assister à cette assemblée et demande une carte d'admission : dater et signer au bas du formulaire. / I wish to attend the meeting and request an admission card : date and sign at the bottom of the form.  
Je préfère le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes. / I prefer to use the postal voting form or the proxy form as specified below.

**SAFRAN**  
S.A. à Directeur et Conseil de Surveillance  
Au capital de 83.465.917 €  
Siège social : 2, boulevard du Général Martial Valin  
75015 PARIS  
562 682 900 R.C.S. PARIS

**ASSEMBLÉE GÉNÉRALE MIXTE** convoquée le jeudi 28 mai 2009 à 10 heures 30,  
**au Théâtre Marigny, Avenue de Marigny, 75008 PARIS**  
**COMBINED GENERAL MEETING** to be held on Thursday, May 28, 2009 at 10.30 am,  
**at Théâtre Marigny, Avenue de Marigny, 75008 PARIS**

**CADRE RÉSERVÉ / For Company's use only**  
Identifiant / Account  
Nombre d'actions / Number of shares  
Nominatif / Registered  
Posteur / Bearer  
Nombre de voix / Number of voting rights

**JE VOTE PAR CORRESPONDANCE / I VOTE BY POST**  
Cf. au verso verso (2) - See reverse (2)

**JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE**  
Cf. au verso verso (2) - See reverse (2)

**JE DONNE POUVOIR À :** (not to register, not to attend) - Cf. au verso verso (2) pour me représenter à l'assemblée / I GIVE MY PROXY TO: (not to register, not to attend) - See reverse (2) to represent me at the above mentioned meeting.  
M. Mlle ou Mlle / Mr, Ms or Miss  
Adresse / Address

**ATTENTION :** Si il s'agit de titres au porteur, les présentes instructions ne seront valables que si elles sont accompagnées de l'attestation de participation délivrée par votre banque/banquier de vos titres.  
- Attention: If you are voting on bearer securities, the present instructions will only be valid if they are enclosed with an attendance certificate issued by your custodian bank.

Nom, Prénom, Adresse de l'actionnaire (si ces informations figurent déjà, les vérifier et les rectifier éventuellement) - Surname, first name, address of the shareholder (if this information is already supplied, please verify and correct if necessary).  
Cf. au verso verso (1) - See reverse (1)

**Date & Signature**

SAFRAN SECURITIES SERVICES, SGT Assemblée, Immeuble Tolibac, 75450 PARIS Cedex 09

**You will cast a postal vote**  
Check this case and follow the instructions.

**Date and sign**  
Whatever your choice.

**You give proxy to the Chairman of the Meeting**  
Check this box

**You give proxy to another shareholder or your spouse**  
State the name and address of your representative

For any further information please contact:  
**Safran – Investor relations**  
2, boulevard du Général Martial-Valin  
75724 Paris Cedex 15, France  
**Toll free number (France only): 0 800 17 17 17**  
Fax: +33 (0)1 40 60 83 53  
[www.safran-group.com/shareholder's corner](http://www.safran-group.com/shareholder's%20corner)

# AGENDA

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## ORDINARY MEETING

- Approval of the parent company financial statements for the year ended December 31, 2008. Discharge given to the members of the Executive Board and Supervisory Board for the performance of their duties.
- Approval of the consolidated financial statements for the year ended December 31, 2008.
- Appropriation of net profit and approval of the recommended dividend.
- Approval of related-party agreements and commitments governed by Article L.225-86 of the French Commercial Code.
- Ratification of the appointment of two new Supervisory Board members.
- Appointment of a new Alternate Statutory Auditor.
- Authorization for the Executive Board to implement a share buyback program

## EXTRAORDINARY MEETING

- Authorization for the Executive Board to issue shares and/or securities carrying rights to shares of the Company, with pre-emptive subscription rights for existing shareholders.
- Authorization for the Executive Board to issue shares and/or securities carrying rights to shares of the Company, without pre-emptive subscription rights for existing shareholders.
- Authorization for the Executive Board to carry out employee rights issues.
- Blanket ceilings on financial authorizations.
- Powers to carry out formalities.

### **REPORT OF THE EXECUTIVE BOARD ON THE RESOLUTIONS TABLED AT THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 28, 2009**

You have been called to this Ordinary and Extraordinary Shareholders' Meeting in order to vote on resolutions concerning the following:

- I. Approval of the parent company and consolidated financial statements for the year ended December 31, 2008 (first and second ordinary resolutions).
- II. Appropriation of net profit and approval of the recommended dividend (third ordinary resolution).
- III. Approval of related-party agreements and commitments (fourth ordinary resolution).
- IV. Ratification of the appointment of two new Supervisory Board members (fifth and sixth ordinary resolutions).
- V. Appointment of a new Alternate Statutory Auditor (seventh ordinary resolution).
- VI. Renewal of the Company's share buyback program (eighth ordinary resolution).
- VII. Financial authorizations to be given to the Executive Board:
  - authorization to issue shares and/or securities carrying rights to shares of the Company, with pre-emptive subscription rights for existing shareholders in the ninth extraordinary resolution and without pre-emptive subscription rights in the tenth extraordinary resolution;
  - renewal of the authorization to carry out employee rights issues (eleventh extraordinary resolution);
  - blanket ceilings on authorized issues (twelfth extraordinary resolution).

The draft resolutions were presented to and approved by the Supervisory Board on April 15, 2009.

#### **I. APPROVAL OF THE 2008 FINANCIAL STATEMENTS** (first and second resolutions)

Based on the reports of the Executive Board, the Supervisory Board and the Statutory Auditors, shareholders are invited to approve:

- The parent company financial statements of SAFRAN for the year ended December 31, 2008 which show net profit of €151.2 million. The expenses recorded during the year that are not deductible from SAFRAN's profit for tax purposes correspond to (i) depreciation on personal vehicles concerning the portion of their price or lease payments that exceed a certain ceiling, and (ii) a portion of Supervisory Board attendance fees.
- The consolidated financial statements of the SAFRAN Group for the year ended December 31, 2008.

*Detailed information on the 2008 financial statements and the Group's operations during that year and early 2009 is provided in the Executive Board's management report contained in the 2008 Reference Document that has been filed with the Autorité des Marchés Financier and published in accordance with the applicable laws and regulations. This Reference Document can be viewed on the Group's website at [www.safran-group.com](http://www.safran-group.com).*

#### **II. APPROPRIATION OF NET PROFIT AND APPROVAL OF THE RECOMMENDED DIVIDEND** (third resolution)

The Executive Board recommends the payment of a total dividend of €0.25 per share, including the €0.08 interim dividend paid on December 15, 2008, representing a total payout of €104.3 million.

If the full dividend is approved by shareholders, the remaining balance (€0.17 per share) would be paid on June 8, 2009 following an ex-dividend date of June 5, 2009.

Individuals domiciled for tax purposes in France will be entitled to claim the 40% tax allowance provided for under Article 158.3.2 of the French Tax Code, unless they have elected to pay the flat-rate dividend withholding tax provided for under Article 117 *quater* of said Code.

Out of the remaining balance of net profit available for distribution, €48 million would be allocated to ordinary reserves and €0.47 million to retained earnings.

### III. RELATED-PARTY AGREEMENTS AND COMMITMENTS (fourth resolution)

In the fourth resolution shareholders are invited to approve the related-party agreements and commitments described in the Statutory Auditors' special report.

*The Statutory Auditors' special report on related-party agreements and commitments is provided in section 5.8 on page 203 of the 2008 Reference Document.*

#### Related-party agreements

Related-party agreements include non-routine agreements entered into between the Company and (i) its own executives, or (ii) entities which have executives in common with the Company. Such agreements require prior authorization by the Supervisory Board in accordance with Article L. 225-86 of the French Commercial Code and are described in a special report drawn up by the Statutory Auditors.

No new agreements meeting the above definition were entered into during 2008.

Two agreements that were authorized and entered into in prior periods remained in force during the year:

- *Agreement concerning a credit facility granted by a pool of five banks including Crédit Mutuel-CIC*

This agreement was authorized by the Supervisory Board on December 13, 2007 and signed on January 18, 2008. Such prior authorization was required as a member of SAFRAN's Supervisory Board – Michel Lucas – is Chairman of the Management Board of CIC.

SAFRAN made two €50 million drawdowns under this credit facility in 2008 (on October 13, and October 17), which are repayable on January 16, 2009.

- *Three-way agreement between the French State, Sagem and Snecma*

This agreement – which was entered into on December 21, 2004 between the French State and Sagem SA and Snecma (both now merged into SAFRAN) – remained in force in 2008 but had no legal or financial impact during the year.

#### Related-party commitments

In accordance with the provisions of Article L. 225-90-1 of the French Commercial Code, the procedure governing related-party agreements must be applied to commitments given by companies to members of their Executive Boards concerning benefits due or payable as a result of their duties being terminated or changed.

No new commitments meeting this definition were given during 2008.

The following commitments authorized and given in 2007 remained in force in 2008:

- *Commitments given to Jean-Paul Herteman, Chief Executive Officer, in the event that his term of office is terminated*

These commitments were given by the Supervisory Board on October 18, 2007 as part of the process for setting the compensation of Jean-Paul Herteman who was appointed Chief Executive Officer with effect from September 3, 2007. They concern (i) the compensation payable to the Chairman on the expiry of his term of office or if his position is terminated in advance of said expiry, and (ii) the conditions applicable in the event that he loses his corporate office as a result of a merger with or into another company.

In accordance with the French "TEPA" Act of August 21, 2007 any amounts payable pursuant to these commitments are contingent on Jean-Paul Herteman fulfilling certain performance conditions whose achievement will be assessed by the Supervisory Board. For 2008 individual targets accounted for one third of these performance conditions and the other two thirds comprised financial targets defined by reference to the Group's free cash flow (1/3) and EBIT (1/3) and the SAFRAN share price (1/3).

These commitments were approved by way of a specific resolution tabled at the May 28, 2008 Shareholders' Meeting.

#### IV. RATIFICATION OF THE APPOINTMENT OF TWO NEW SUPERVISORY BOARD MEMBERS (fifth and sixth resolutions)

##### **Pierre Aubouin**

In the fifth resolution shareholders are asked to ratify the July 30, 2008 appointment by the Supervisory Board of Pierre Aubouin as a member of the Supervisory Board representing the French State, to replace Jean-Yves Leclercq, who has stepped down. Pierre Aubouin would hold office for the remainder of his predecessor's term, expiring at the close of the Annual Shareholders' Meeting to be held in 2011 to approve the 2010 financial statements.

Pierre Aubouin was nominated for this position by way of an Order of the French Ministry of the Economy, Industry and Employment on June 2, 2008.

*A resume of Pierre Aubouin's professional experience is provided on page 22 of this Notice of Meeting.*

##### **Areva**

On April 15, 2009, Anne Lauvergeon stepped down from her position as a member of SAFRAN's Supervisory Board that she held in her personal capacity as an executive of the Company's shareholder Areva. Following her resignation she recommended Luc Oursel – a member of Areva's Executive Board and Chairman and Chief Executive Officer of Areva NP – as her replacement to represent Areva.

At its April 15, 2009 meeting, the Supervisory Board appointed Areva itself as a corporate member of the Supervisory Board and Areva appointed Luc Oursel as its representative.

In the sixth resolution shareholders are invited to ratify the appointment of Areva as a member of the Supervisory Board for the remainder of Anne Lauvergeon's term, expiring at the close of the Annual Shareholders' Meeting to be held in 2011 to approve the 2010 financial statements.

*A resume of Luc Oursel's professional experience is provided on page 22 of this Notice of Meeting.*

#### V. APPOINTMENT OF A NEW ALTERNATE STATUTORY AUDITOR (seventh resolution)

Jean-François Serval, the Alternate Statutory Auditor for Constantin Associés, has stepped down from his position as from 2009. Shareholders are therefore invited to appoint BEAS as an Alternate Statutory Auditor to replace him. BEAS – which would be represented by Alain Pons – is registered with the Compagnie Régionale des Commissaires aux Comptes de Versailles and is a member of the international Deloitte Touche Tohmatsu network.

BEAS would be appointed for the remainder of Jean-François Serval's term, expiring at the close of the Annual Shareholders' Meeting to be held in 2010 to approve the 2009 financial statements.

BEAS has confirmed that it would accept this engagement if approved by the shareholders and the French securities regulator (Autorité des Marché Financiers), which has been informed of the proposed appointment as required by law, has not expressed any reservations.

#### VI. AUTHORIZATION FOR THE EXECUTIVE BOARD TO IMPLEMENT A SHARE BUYBACK PROGRAM (eighth resolution)

At the Ordinary and Extraordinary Meeting of May 28, 2008, the Company's shareholders gave the Executive Board an eighteen-month authorization to implement a share buyback program which is due to expire in November 2009. The maximum purchase price under the program was set at €30 per share, the total authorized investment in the program was €1,250 million, and the maximum number of shares bought back could not result in the Company holding more than 10% of its total capital.

Between May 28, 2008 and March 31, 2009 the Executive Board used this authorization to buy back 13,982,891 shares at an average price of €12.12, including 2,031,448 purchased under a liquidity agreement entered into on June 6, 2008 with Exane BNP Paribas. During the same period the Company sold 1,616,801 shares in connection with the liquidity agreement. The total amount invested in the program was €174 million.

## EXECUTIVE BOARD REPORT CONCERNING THE DRAFT OF RESOLUTIONS

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*A detailed breakdown of these transactions is provided in section 6.6.4.2 on page 220 of the 2008 Reference Document.*

At March 31, 2009, the Company directly and indirectly held 17,871,115 SAFRAN shares, representing 4.28% of the total capital, breaking down as follows:

- 14,612,008 shares held directly (3.50% of the capital)
- 3,259,107 shares held indirectly through two subsidiaries (0.78% of the capital).

The purpose of the eighth resolution is to renew this share buyback authorization.

The maximum authorized purchase price under the new share buyback program is €20 per share and the maximum amount that may be invested in the program is €834 million. The number of shares that may be bought back may not exceed 10% of the Company's total outstanding shares (e.g. 41,702,958 shares based on the issued capital at December 31, 2008).

The Executive Board may use this authorization during a public tender offer for the Company's shares subject to the conditions set out in Article 232-17 of the General Regulations of the Autorité des Marchés Financiers.

The new share buyback program would be used for the purposes authorized by the applicable laws and regulations as set out in the eighth resolution.

The authorization would be given for a maximum period of eighteen months as allowed by law, and would cancel, with immediate effect, the unused portion of the previous share buyback authorization.

*A detailed description of the share buyback program submitted for shareholder approval is provided in section 6.6.4.3 on page 221 of the 2008 Reference Document.*

### VII. FINANCIAL AUTHORIZATIONS

In order to enable the Company to raise the necessary funds to finance the Group's development and select the most suitable financial instruments based on market conditions, shareholders are invited to grant the Executive Board the necessary authorizations for a period of twenty-six months to issue ordinary shares and/or securities carrying immediate or deferred rights to shares of the Company.

*The Statutory Auditors' reports on these financial authorizations are set out on pages 23 to 25 of this Notice of Meeting.*

#### **Authorization for the Executive Board to issue shares and/or securities carrying rights to shares of the Company, with pre-emptive subscription rights for existing shareholders (ninth resolution)**

In the ninth resolution shareholders are invited to authorize the Executive Board to issue, on one or more occasions, ordinary shares and/or securities carrying immediate or deferred rights to shares of the Company, with pre-emptive subscription rights for existing shareholders and subject to the following ceilings:

- The aggregate par value of any ordinary shares issued may not exceed €20 million (i.e. around 25% of the Company's current capital).
- The maximum aggregate nominal value of any debt securities issued may not exceed €850 million.

In accordance with Article 19 of the Company's bylaws, the Executive Board would require the prior approval of the Supervisory Board to use this authorization.

## EXECUTIVE BOARD REPORT CONCERNING THE DRAFT OF RESOLUTIONS

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### **Authorization for the Executive Board to issue shares and/or securities carrying right to shares of the Company, without pre-emptive subscription rights for existing shareholders (tenth resolution)**

In the tenth resolution shareholders are invited to authorize the Executive Board to issue, on one or more occasions, ordinary shares and/or securities carrying immediate or deferred rights to shares of the Company, without pre-emptive subscription rights for existing shareholders. These issues may be carried out through a public offering and/or a placement with qualified investors pursuant to the conditions set out in the French governmental Order 2009-80 dated January 22, 2009, and would be subject to the same ceilings as set in the ninth resolution.

The Executive Board would be entitled to offer existing shareholders a priority right to subscribe for all or part of any issues carried out under this authorization. Such priority rights would not be transferrable and would be exercisable pro rata to shareholders' existing interests and, if the Board so decides, for any securities not taken up by other shareholders exercising their priority rights.

The securities issued may be used as payment for securities of another company tendered to a public exchange offer.

The price of the securities issued using this authorization would be set in accordance with the applicable laws and regulations in force at the issue date (the currently applicable minimum issue price is the weighted average price of SAFRAN shares quoted during the last three trading days prior to the pricing date, less a maximum discount of 5%).

In accordance with Article 19 of the Company's bylaws, the Executive Board would require the prior approval of the Supervisory Board to use this authorization.

### **Authorization for the Executive Board to carry out employee rights issues (eleventh resolution)**

In the eleventh resolution of the May 28, 2008 Shareholders' Meeting, the Company's shareholders granted the Executive Board a twenty-six month authorization to carry out rights issues for members of an employee stock ownership plan set up within the Group. The maximum par value of shares issued in accordance with this authorization – which is due to expire in July 2010 – was set at the equivalent of 1.5% of the Company's capital.

The Executive Board has not used this authorization to carry out any employee rights issues.

Under French law, the period of validity of this financial authorization must be the same as that applicable to authorizations to increase the Company's capital (submitted for approval in the ninth and tenth resolutions). Therefore, shareholders are invited to renew the authorization relating to employee rights issues on the same terms as previously, for a twenty-six month period.

In accordance with the applicable laws, the newly-issued shares may not be offered at a price lower than the average of the closing prices quoted for the Company's shares over the twenty trading days preceding the Executive Board's decision setting the opening date of the offer period, less the maximum discount provided for by law at the date of the Executive Board's decision.

This new authorization would supersede the previous authorization given in the eleventh resolution of the May 28, 2008 Shareholders' Meeting.

### **Blanket ceilings on financial authorizations (twelfth resolution)**

#### Debt securities

Shareholders are invited to set at €1.4 billion the maximum aggregate nominal value of debt securities that may be issued by the Executive Board pursuant to the authorizations given in the ninth and tenth resolutions of this Meeting.

## EXECUTIVE BOARD REPORT CONCERNING THE DRAFT OF RESOLUTIONS

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### Capital increases

#### *Blanket ceiling for capital increases carried out pursuant to the ninth and tenth resolutions*

In the twelfth resolution shareholders are invited to set at €35 million the maximum aggregate nominal amount of any capital increases that may be carried out by the Executive Board pursuant to the authorizations given in the ninth and tenth resolutions of this Meeting, either directly and/or on conversion, exchange, redemption or exercise of securities carrying rights to shares.

#### *Blanket ceiling for all capital increases*

At the Shareholders' Meeting of May 28, 2008, shareholders set a blanket ceiling of €110 million for all capital increases authorized during said Meeting.

In the twelfth resolution of this Meeting, shareholders are invited to set at €110 million the maximum aggregate nominal amount of any capital increases that may be carried out by the Executive Board either directly and/or on conversion, exchange redemption or exercise of securities carrying rights to shares pursuant to (i) the new authorizations given at this Meeting, and (ii) the authorizations granted at the May 28, 2008 Meeting that are still in force.

## DRAFT OF RESOLUTIONS

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*The English language version of these resolutions is a free translation from the original resolutions, which were prepared in French. All possible care has been taken to ensure that the translation is an accurate representation of the original resolutions. However, in all matters of interpretation the original French language version of the resolutions takes precedence over this translation.*

### **ORDINARY RESOLUTIONS**

#### **FIRST RESOLUTION**

##### **Approval of the parent company financial statements for the year ended December 31, 2008 Discharge given to the members of the Executive Board and the Supervisory Board for the performance of their duties**

Deliberating in accordance with the rules of quorum and majority applicable to ordinary general meetings, having considered the Management Report prepared by the Executive Board and the report of the Statutory Auditors, and having noted that the Supervisory Board issued no observations concerning said Executive Board report or the parent company financial statements, the shareholders approve the financial statements of the parent company for the year ended December 31, 2008 as presented – showing net profit for the year of €151,150,969.08 – together with the transactions reflected in these financial statements and referred to in these reports.

Pursuant to Article 223 *quater* of the French Tax Code, the shareholders approve the non-deductible expenses governed by Article 39-4 of said Code, which totaled €58,469 and gave rise to a tax charge of €20,131.

Consequently the shareholders give discharge to the members of the Executive Board and the Supervisory Board for the performance of their management duties during 2008.

#### **SECOND RESOLUTION**

##### **Approval of the consolidated financial statements for the year ended December 31, 2008**

Deliberating in accordance with the rules of quorum and majority applicable to ordinary general meetings, having considered the Management Report prepared by the Executive Board and the report of the Statutory Auditors on the consolidated financial statements, and having noted that the Supervisory Board issued no observations concerning said Executive Board report or the consolidated financial statements, the shareholders approve the consolidated financial statements for the year ended December 31, 2008 as presented, together with the transactions reflected in these financial statements and referred to in these reports.

#### **THIRD RESOLUTION**

##### **Appropriation of net profit and approval of the recommended dividend**

Deliberating in accordance with the rules of quorum and majority applicable to ordinary general meetings, the shareholders, voting on the proposal made by the Executive Board, resolve to appropriate net profit for the year ended December 31, 2008 as follows:

- Net profit for 2008.....	€151,150,969.08
- Retained earnings brought forward <sup>(*)</sup> .....	€1,574,197.46
- Net profit available for distribution.....	€152,725,166.54

(\*) Including €898,367.20 corresponding to the 2007 dividend payable on the 2,245,918 shares held in treasury at the dividend payment date.

Appropriation:

- Dividend <sup>(*)</sup> .....	€104,257,396.25
- Ordinary reserves.....	€48,000,000.00
- Retained earnings.....	€467,770.29

(\*) Including the dividend provided for in the Company's bylaws equal to 5% of the par value of shares

## DRAFT OF RESOLUTIONS

Accordingly, the shareholders resolve to pay a dividend of €0.25 on each of the 417,029,585 shares making up the Company's capital.

An interim dividend of €0.08 per share was paid on December 15, 2008 and the €0.17 remaining balance will be paid on June 8, 2009. The ex-dividend date on Euronext Paris will be June 5, 2009.

The full amount of the dividend (including the interim dividend payment) qualifies for the 40% tax allowance provided for under Article 158.3.2 of the French Tax Code for individuals domiciled in France for tax purposes.

SAFRAN shares held in treasury at the payment date of both the interim and final dividend do not carry dividend rights and the corresponding sums will therefore be transferred to retained earnings.

The shareholders note that the dividends paid for the past three years were as follows:

Year	Number of shares carrying dividend rights <sup>(*)</sup>	Net dividend per share	Total payout (**)
2007	414,783,667	€0.40	€165,913,466.80
2006	414,356,567	€0.22	€91,158,444.74
2005	413,036,015	€0.36	€148,692,965.40

(\*) Total number of shares making up the Company's capital (417,029,585) less the number of SAFRAN shares held in treasury at the dividend payment date.

(\*\*) Fully eligible for the 40% tax allowance provided for under Article 158.3.2 of the French Tax Code.

### FOURTH RESOLUTION

#### **Approval of related-party agreements and commitments governed by Article L.225-86 of the French Commercial Code**

Deliberating in accordance with the rules of quorum and majority applicable to ordinary general meetings and having considered the Statutory Auditors' special report on related-party agreements and commitments governed by Article L.225-86 of the French Commercial Code, the shareholders note that no such agreements or commitments were authorized during 2008 and approve the content of said report relating to agreements and commitments authorized in prior years.

### FIFTH RESOLUTION

#### **Ratification of the appointment of Pierre Aubouin as a Supervisory Board member representing the French State**

Deliberating in accordance with the rules of quorum and majority applicable to ordinary general meetings, the shareholders ratify the July 30, 2008 appointment by the Supervisory Board of Pierre Aubouin as a member of the Supervisory Board representing the French State, to replace Jean-Yves Leclercq, who has stepped down. This appointment followed Pierre Aubouin's nomination by way of an Order of the French Ministry of the Economy, Industry and Employment on June 2, 2008.

Pierre Aubouin will hold office for the remainder of his predecessor's term, expiring at the close of the Annual Shareholders' Meeting to be held to approve the 2010 financial statements.

### SIXTH RESOLUTION

#### **Ratification of the appointment of Areva as a member of the Supervisory Board**

Deliberating in accordance with the rules of quorum and majority applicable to ordinary general meetings, the shareholders ratify the April 15, 2009 appointment by the Supervisory Board of Areva as a member of the Supervisory Board to replace Anne Lauvergeon who has stepped down. Areva will hold office for the remainder of its predecessor's term, expiring at the close of the Annual Shareholders' Meeting to be held to approve the 2010 financial statements.

## DRAFT OF RESOLUTIONS

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### SEVENTH RESOLUTION

#### Appointment of a new Alternate Statutory Auditor

Deliberating in accordance with the rules of quorum and majority applicable to ordinary general meetings, and having noted that Jean-François Serval has stepped down as an Alternate Statutory Auditor, the shareholders appoint BEAS to replace him.

- BEAS is a closely-held company (société à responsabilité limitée) with a share capital of €8,000, whose registered office is located at 7-9 villa Houssay, Neuilly-sur-Seine (92200), France, and which is registered in Nanterre under number 315 172 445. It will be represented by Alain Pons and will act as an Alternate Statutory Auditor for the Company for the remainder of its predecessor's term, expiring at the close of the Annual Shareholders' Meeting to be held to approve the 2009 financial statements.

### EIGHTH RESOLUTION

#### Authorization for the Executive Board to implement a share buyback program

Deliberating in accordance with the rules of quorum and majority applicable to ordinary general meetings and having considered the report of the Executive Board and the description of the share buyback program drawn up pursuant to Articles 241-1 *et seq.* of the General Regulations of the Autorité des Marchés Financiers (AMF), the shareholders authorize the Executive Board to purchase the Company's shares in accordance with the conditions set out in Articles L.225-209 *et seq.* of the French Commercial Code, EC Regulation 2273/2003 dated December 22, 2003, the AMF's General Regulations, and any other laws and regulations that may be applicable in the future.

The authorization may be used for the following purposes:

- To purchase shares for allocation or sale to employees and/or officers of the Company or of other Group companies, in accordance with the law, notably in connection with a profit-sharing plan, share grant plan, stock option plan or an employee stock ownership plan.
- To purchase shares for cancellation in accordance with the authorization given in the fifteenth resolution of the Shareholders' Meeting held on May 28, 2008.
- To maintain a liquid market in the Company's shares via a liquidity contract that complies with the code of ethics drawn up by the French Financial Markets Association (AMAFI) approved by the AMF, entered into with an investment services firm.
- To hold shares in treasury for subsequent delivery as payment or exchange for external growth transactions, provided that the total number of shares used for such transactions does not represent over 5% of the Company's capital.
- To carry out any other transactions authorized by applicable current or future laws and regulations.

The shares may be purchased, sold, or transferred at any time and by any method allowed under the laws and regulations applicable at the transaction date, in one or several installments, including over-the-counter and through a block trade for all or part of the program, as well as via the use of derivative financial instruments.

The Executive Board may use this authorization at any time in accordance with the conditions provided for under the applicable regulations, including during a public tender offer for the Company's shares subject to strict compliance with Article 232-17 of the AMF's General Regulations and solely for the purpose of enabling the Company to respect commitments made prior to the launch of such public tender offer.

The number of shares that may be bought back under this authorization may not exceed 10% of the Company's total outstanding shares (e.g. 41,702,958 shares based on the issued capital at December 31, 2008), and the use of this authorization may not have the effect of increasing the number of SAFRAN shares held by the Company, either directly or indirectly, to more than 10% of its total capital at any time.

The shares may not be purchased at a price of more than €20 per share and the maximum amount that may be invested in the program is €834 million.

The above maximum amounts and number of shares will be adjusted to reflect the impact of any corporate actions carried out by the Company.

## DRAFT OF RESOLUTIONS

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The shareholders give full powers to the Executive Board to implement this share buyback program, to set the applicable terms and conditions, make the required adjustments as a result of any corporate actions, place any and all buy and sell orders, enter into any and all agreements notably for the keeping of registers of share purchases and sales, make any and all filings with the Autorité des Marchés Financiers and any other organizations, carry out all other formalities, and generally do everything necessary. These powers may be delegated by the Board.

This authorization is given for a period of eighteen months as from the date of this Meeting and supersedes the authorization given to the Executive Board for the same purpose in the ninth resolution of the Ordinary Shareholders' Meeting held on May 28, 2008.

### **EXTRAORDINARY RESOLUTIONS**

#### **NINTH RESOLUTION**

##### **Authorization for the Executive Board to issue shares and/or securities carrying rights to shares of the Company, with pre-emptive subscription rights for existing shareholders**

Deliberating in accordance with the rules of quorum and majority applicable to extraordinary general meetings and having considered the report of the Executive Board and the Statutory Auditors' special report, in accordance with Articles L. 225-129 *et seq.* – notably Articles L.225-129-2 and L.228-91 *et seq.* – of the French Commercial Code, the shareholders:

1. Authorize the Executive Board – or any representative duly empowered in accordance with the law – to issue, on one or more occasions, ordinary shares and/or securities carrying immediate or deferred rights to shares of the Company (either with or without consideration), with pre-emptive subscription rights for existing shareholders and subject to the prior approval of the Supervisory Board in accordance with Article 19 of the Company's bylaws. The Executive Board shall have full discretionary powers to determine the amount and timing of said issue(s), which may be carried out in France or abroad and may be denominated in euros, foreign currencies or any monetary unit determined by reference to a basket of currencies.
2. Resolve that:
  - The aggregate par value of any shares issued under this authorization, directly and/or on conversion, exchange, redemption or exercise of securities carrying rights to shares, may not exceed €20 million. This amount does not include the par value of any additional shares to be issued in order to protect the rights of holders of securities carrying rights to shares. It is, however, included in the blanket ceiling set for capital increases in the twelfth resolution below.
  - The aggregate nominal value of any debt securities issued under this authorization may not exceed €850 million or the equivalent of this amount at the issue date in the case of securities denominated in foreign currency or a monetary unit determined by reference to a basket of currencies. This amount does not include any redemption premiums but is included in the blanket ceiling set in relation to debt securities in the twelfth resolution below.
3. Resolve that existing shareholders will have a pre-emptive right to subscribe for the shares and/or other securities issued pursuant to this resolution, pro-rata to their existing holdings.
4. Note that in accordance with the law, the Executive Board may grant shareholders a pre-emptive right to subscribe for any securities not taken up by other shareholders, pro rata to their subscription rights.
5. Resolve, in accordance with Article L.225-134 of the French Commercial Code, that if an issue is not taken up in full by shareholders exercising their pre-emptive rights, the Executive Board may take one or other of the following courses of action, in accordance with the law and in the order of its choice:
  - limit the issue the subscriptions received, provided that at least three-quarters of the issue is taken up;
  - freely allocate all or some of the unsubscribed securities;
  - offer all or some of the unsubscribed securities to the public, either in France or abroad.

## DRAFT OF RESOLUTIONS

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6. Resolve that SAFRAN stock warrants may be offered for subscription on the above basis or allocated among without consideration to existing shareholders. In such a case the Executive Board may decide that rights to fractions of shares will not be transferrable and that the corresponding shares will be sold.

7. Note that this authorization will automatically entail the waiver of shareholders' pre-emptive rights to subscribe for the shares to be issued on conversion, exchange, redemption or exercise of any securities carrying rights to shares of the Company issued in accordance with this resolution.

The shareholders give full powers to the Executive Board – or any representative duly empowered in accordance with the law – to use this authorization, including to take any and all measures and carry out any and all formalities required for the issue(s) to be effective, as well as to place on record the completion of the issue(s) and amend the Company's bylaws to reflect the new capital.

This authorization is given for a period of twenty-six months from the date of this Meeting.

### TENTH RESOLUTION

#### **Authorization for the Executive Board to issue shares and/or securities carrying rights to shares of the Company, without pre-emptive subscription rights for existing shareholders**

Deliberating in accordance with the rules of quorum and majority applicable to extraordinary general meetings and having considered the report of the Executive Board and the Statutory Auditors' special report, in accordance with Articles L. 225-129 *et seq.* – notably Articles L.225-129-2, L.225-135, L.225-136 and L.228-91 *et seq.* – of the French Commercial Code, the shareholders:

1. Authorize the Executive Board – or any representative duly empowered in accordance with the law – to issue, on one or more occasions, ordinary shares and/or securities carrying immediate or deferred rights to shares of the Company (either with or without consideration) through a public offering and/or a placement governed by section II of Article L.411-2 of the French Monetary and Financial Code (as amended by Order 2009-80 dated January 22, 2009) and subject to the prior approval of the Supervisory Board in accordance with Article 19 of the Company's bylaws. The Executive Board shall have full discretionary powers to determine the amount and timing of said issue(s), which may be carried out in France or abroad and may be denominated in euros, foreign currencies or any monetary unit determined by reference to a basket of currencies.

The securities issued may be used as payment for securities of another company tendered to a public exchange offer carried out in France or abroad in accordance with local regulations, subject to the conditions set out in Article L. 225-148 of the French Commercial Code.

2. Resolve that:

- The aggregate par value of the shares issued under this authorization, directly and/or on conversion, exchange, redemption or exercise of securities carrying rights to shares, may not exceed €20 million. This amount does not include the par value of any additional shares to be issued in order to protect the rights of holders of securities carrying rights to shares. It is, however, included in the blanket ceiling set for capital increases in the twelfth resolution below. The ceilings provided for by law will apply to any issues carried through an offer governed by section II of Article L.411-2 of the French Monetary and Financial Code (as amended by Order 2009-80 dated January 22, 2009).
- The aggregate nominal value of any debt securities issued under this authorization may not exceed €850 million or the equivalent of this amount at the issue date in the case of securities denominated in foreign currency or a monetary unit determined by reference to a basket of currencies. This amount does not include any redemption premiums but is included in the blanket ceiling set in relation to debt securities in the twelfth resolution below.

3. Resolve to waive shareholders' pre-emptive rights to subscribe for the securities to be issued under this authorization. However, in accordance with paragraph 2 of Article L.225-135 of the French Commercial Code, the Executive Board may offer existing shareholders a priority right to subscribe for all or part of any issue(s) carried out under this authorization on terms and during a period to be set by the Board. Such priority rights will not be transferrable and will be exercisable pro rata to shareholders' existing interests and, if the Board so decides, for any securities not taken up by other shareholders exercising their priority rights.

## DRAFT OF RESOLUTIONS

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4. Note that if an issue is not taken up in full, the Executive Board may take one or other of the following courses of action, in accordance with the law and in the order of its choice:

- limit the amount of the issue to the subscriptions received, provided that at least three-quarters of the issue is taken up;
- freely allocate all or some of the unsubscribed securities.

5. Note that this authorization will automatically entail the waiver of shareholders' pre-emptive rights to subscribe for the shares to be issued on conversion, exchange, redemption or exercise of any securities carrying rights to shares of the Company issued in accordance with this resolution.

6. Resolve that the price of the securities issued under this authorization shall be at least equal to the minimum amount provided for in the applicable laws in force on the issue date.

The shareholders give full powers to the Executive Board – or any representative duly empowered in accordance with the law – to use this authorization, including to take any and all measures and carry out any and all formalities required for the issue(s) to be effective, as well as to place on record the completion of the issue(s) and amend the Company's bylaws to reflect the new capital.

This authorization is given for a period of twenty-six months from the date of this Meeting.

### ELEVENTH RESOLUTION

#### **Authorization for the Executive Board to carry out employee rights issues**

Deliberating in accordance with the rules of quorum and majority applicable to extraordinary general meetings and having considered the report of the Executive Board and the Statutory Auditors' special report, in accordance with paragraph 1 of Article L. 225-129-6 of the French Commercial Code and Article L.3332-18 *et seq.* of the French Labor Code, the shareholders:

1. Authorize the Executive Board to increase the Company's capital – subject to the Supervisory Board's prior approval – on one or more occasions, by issuing new shares to employees of SAFRAN and any French and foreign entities related to the Company within the meaning of Article L. 225-180 of the French Commercial Code, who are members of an employee stock ownership plan set up within the Group. The Executive Board will determine the timing and amounts of any such issue(s).

2. Resolve that the aggregate par value of the shares issued under this authorization may not represent over 1.5% of the Company's capital at the date the Executive Board decides to carry out the issue(s) and that the amount of any capital increase(s) carried out using this authorization will be included in the blanket ceiling applicable to capital increases set in the twelfth resolution.

3. Resolve that the newly-issued shares may not be offered at a price lower than the average of the closing prices quoted for the Company's shares over the twenty trading days preceding the Executive Board's decision setting the opening date for the offer period, less the maximum discount provided for by law at the date of the Executive Board's decision.

4. Note that this authorization automatically entails the waiver by shareholders of their pre-emptive rights to subscribe for the shares to be offered to employees.

The shareholders give the Executive Board full powers to use this authorization, including the power to take any and all measures and carry out any and all formalities required for the issue(s) to be effective, as well as to place on record the completion of the issue(s) and amend the Company's bylaws to reflect the new capital.

This authorization is given for a period of twenty-six months from the date of this Meeting. It supersedes the authorization granted to the Executive Board for the same purpose in the eleventh resolution of the Extraordinary Shareholders' Meeting held on May 28, 2008.

## DRAFT OF RESOLUTIONS

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### TWELFTH RESOLUTION Blanket ceilings on financial authorizations

Deliberating in accordance with the rules of quorum and majority applicable to extraordinary general meetings and having considered the report of the Executive Board the shareholders resolve:

- To set at €1.4 billion the maximum aggregate nominal value of debt securities to be issued pursuant to the authorizations given to the Executive Board in the ninth and tenth resolutions above. Said ceiling does not include the value of any redemption premiums.
- To set at €35 million the maximum aggregate nominal amount of any capital increases carried out pursuant to the authorizations given to the Executive Board in the ninth and tenth resolutions above, either directly and/or on conversion, exchange, redemption or exercise of securities carrying rights to shares. This ceiling does not include the par value of any additional shares to be issued to protect the rights of holders of securities carrying rights to shares.
- To set at €110 million the maximum aggregate nominal amount of any capital increases carried out pursuant to the authorizations given to the Executive Board in (i) the ninth, tenth and eleventh resolutions of this Shareholders' Meeting; and (ii) the tenth and twelfth resolutions of the May 28, 2008 Shareholders' Meeting, either directly and/or on conversion, exchange, redemption or exercise of securities carrying rights to shares. This ceiling does not include the par value of any additional shares to be issued to protect the rights of holders of securities carrying rights to shares.

This resolution supersedes the thirteenth resolution of the May 28, 2008 Shareholders' Meeting.

### THIRTEENTH RESOLUTION Powers to carry out formalities

The shareholders give full powers to the bearer of an original, extract or copy of the minutes of this Meeting to carry out any and all filing and other formalities required by the applicable laws and regulations in relation to the resolutions set out above.

## SUPERVISORY BOARD NEW MEMBERS

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### Pierre Aubouin

Head of Investments, Services, Aerospace and Defense at the French Investments Agency (APE)  
(38 years old)

**Pierre Aubouin was co-opted as a member of the Supervisory Board representing the French State by the Board meeting of July 30, 2008, following his appointment by decision of the Ministry of Economy, Trade and Employment on June 2, 2008, to replace Jean-Yves Leclercq.**

Term of office end date: AGM 2011  
Number of SAFRAN shares held as of 12/31/2008: nil  
Address : 139 rue de Bercy, 75012 Paris

#### Other current offices

SAFRAN group: None

Non-Group:

*Director representing the French State:* DCNS; Etablissement Public de Financement et de Restructuration (EPFR); Imprimerie Nationale; SNPE; Société de Gestion de Participations Aéronautiques (SOGEPA); Sogead Gérance SAS

#### Offices that expired during the last five years

SAFRAN group: None

Non-Group:

*Director representing the French State:* La Monnaie de Paris up to October 2008; Civi.Pol Conseil, Giat Industries, TSA (formerly Thomson SA) up to July 2008;

#### Management expertise and experience

*Graduate of the ESSEC Business School – Holder of a diploma in further accounting and finance studies (DESCF)*

1992 – 1994	Financial Auditor at KPMG Audit, Trust Department for France
1994 – 1995	Air Commission Headquarters, Audit Office (national service)
1995 – 2000	Senior Financial Auditor and then Manager at KPMG Audit France
2000 – 2006	Consultant, Project Manager and then Project Director at McKinsey & Co. Inc. France. Member of Global High Technology, Media and Corporate Finance divisions
12/2006–05/2008	Head of Aerospace and Defense at the State Investments Agency
Since 06/2008	Head of Investments, Services, Aerospace and Defense at the State Investments Agency

## SUPERVISORY BOARD NEW MEMBERS

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### Areva

A French *Société Anonyme* (corporation) with an Executive Board and a Supervisory Board and share capital of € 1,346,822,638, having its principal place of business at 33 Rue La Fayette, 75009 Paris and registered with the Paris Trade and Companies Registry under number 712 054 923.

**Areva was co-opted as a member of the Supervisory Board at the Board meeting of April 15, 2009, to replace Anne Lauvergeon who resigned.**

Term of office end date: AGM 2011

Number of SAFRAN shares held as of 12/31/2008: 30 772 945

### **Information on Areva's permanent representative on the Supervisory Board of SAFRAN: Luc Oursel**

Member of the Areva Executive Board, member of the Executive Committee and Nuclear Executive Committee of Areva  
(49 years old)

#### Other current offices

SAFRAN group: None

Non-Group:

*Chairman and CEO: Areva NP*

*Member of the Executive Board: Areva*

#### Offices that expired during the last five years

SAFRAN group: None

Non-Group:

*Member of the Executive Board: Sidel, up to 2004*

*CEO: Geodis, up to 2006*

#### Management expertise and experience

*Engineering graduate of the prestigious Corps des Mines engineering school*

1984 – 1988	Head of the Underground Energy Division at the Rhône-Alpes Regional Department for Industry and Research, Ministry of Research and Industry Lecturer on the economics of natural resources at the Saint-Etienne Ecole des Mines
1988 – 1991	Head of the Electricity Department and then Deputy Head of the Department for Gas, Electricity and Coal (DIGEC), Ministry of Industry
1991 – 1993	Technical Advisor responsible for industrial affairs, armament programs and research at the Ministry of Defense
1993 – 1996	CEO of SAE Gardy, Schneider Group
1996 – 1998	CEO of Schneider Shanghai Industrial Control
1998 – 2001	Chairman and CEO of Schneider Electric Italia
2001	Industrial Director at Schneider Electric
2002 – 2003	Vice-President of Sales and Services and member of the Executive Board of Sidel
2003 – 2004	Executive Vice-President and member of the Executive Board of Sidel, head of Sidel Solutions
2005 – 2006	Vice-President of the Geodis Group
Since 01/02/2007	Chairman of Areva NP, member of the Executive Committee and the Nuclear Executive Committee of Areva
Since 03/22/2007	Member of the Executive Board of Areva

**STATUTORY AUDITORS' REPORTS ON THE RESOLUTIONS TABLED AT THE ORDINARY AND  
EXTRAORDINARY SHAREHOLDERS' MEETING OF MAY 28, 2009  
(ninth, tenth, eleventh and twelfth resolutions)**

*These are free translations into English of the original Statutory Auditors' reports issued in the French language and are provided solely for the convenience of English-speaking readers. These reports should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the shareholders,

In our capacity as Statutory Auditors of SAFRAN, we present below our reports on the proposed issues of shares and/or securities carrying rights to shares submitted for your approval.

## **1. Statutory Auditors' report on the proposed issue(s) of shares and/or securities carrying rights to shares of the Company, with and without pre-emptive subscription rights for existing shareholders (ninth and tenth resolutions)**

As required by the French Commercial Code, including Articles L.225-135, L.225-136 and L.228-92, we present below our report on the resolutions tabled at the Extraordinary Shareholders' Meeting to authorize the Executive Board to issue shares and/or securities carrying rights to shares of the Company, with and without pre-emptive subscription rights for existing shareholders.

As explained in its report, the Executive Board is seeking a 26-month authorization – which may be delegated – to carry out the issues described below, subject to the prior approval of the Supervisory Board as specified in Article 19 of the Company's bylaws. Shareholders are invited to grant the Board full powers to determine the terms and conditions of the issues and to waive their pre-emptive subscription rights where applicable.

- In the ninth resolution, the Executive Board is seeking an authorization to issue, on one or more occasions, ordinary shares and/or securities carrying immediate or deferred rights to either existing or newly-issued ordinary shares of the Company. Existing shareholders would have a pre-emptive right to subscribe for the securities.
- In the tenth resolution, the Executive Board is seeking an authorization to issue, on one or more occasions, by way of a public offer and/or an offer governed by Article L.411-2 II of the French Monetary and Financial Code, ordinary shares and/or securities carrying immediate or deferred rights to shares. Under this authorization, existing shareholders would not have a pre-emptive right to subscribe for the securities. The securities issued may be used as payment for securities of another company tendered to a public exchange offer, subject to the conditions set out in Article L 225-148 of the French Commercial Code.

The nominal values of issues carried out under these authorizations may not exceed:

- €20 million for shares issued directly and/or on conversion, exchange, redemption or exercise of securities carrying rights to shares pursuant to each of the ninth and tenth resolutions. This maximum amount would be included in the €35 million blanket ceiling set in the twelfth resolution but would not include the par value of any additional shares to be issued to protect the rights of holders of securities carrying rights to shares.
- €850 million for debt securities issued under each of the ninth and tenth resolutions. This maximum amount would be included in the €1.4 billion blanket ceiling set in the twelfth resolution, which does not include the value of any redemption premiums.

The maximum aggregate par value of shares to be issued directly or on conversion, exchange, redemption or exercise of securities carrying rights to shares pursuant to the authorizations granted to the Executive Board in the ninth, tenth and eleventh resolutions of this Shareholders' Meeting, as well as in the tenth and twelfth resolutions of the Shareholders' Meeting of May 28, 2008 is set at €110 million. This ceiling would not include the par value of any additional shares to be issued to protect the rights of holders of securities carrying rights to shares (twelfth resolution).

## AUDITOR'S REPORT

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The Executive Board is responsible for drawing up a report in accordance with Articles R. 225-113, R. 225-114 and R. 225-117 of the French Commercial Code. Our responsibility is to express an opinion on the fairness of the financial information taken from the financial statements, on the proposal to waive shareholders' pre-emptive subscription rights and on certain other information about the proposed issue(s) given in the Executive Board's report.

We performed all the procedures that we considered necessary in accordance with the professional standards applicable in France. Those procedures consisted of verifying the information contained in the Executive Board's report on the proposed issue(s) and the method used to determine the issue price of the securities concerned.

Subject to the subsequent review of the final terms and conditions of any such issue(s), we have no comments to make on the method to be used to set the issue price as described in the section of the Executive Board's report on the tenth resolution.

As the Executive Board's report does not describe the method to be used to set the price of any issue(s) carried out pursuant to the ninth resolution, we are not in a position to express an opinion on the amount of said issue price or how it will be calculated.

As the issue price has not yet been set we cannot and do not express any opinion on the final terms and conditions of the issue(s) or on the proposal made in the tenth resolution for shareholders to waive their pre-emptive subscription rights.

As required by Article R.255-116 of the French Commercial Code, we will draw up a further report if and when the Board uses these authorizations to issue securities without pre-emptive subscription rights or securities carrying rights to shares.

### **2. Statutory Auditors' report on the proposed employee rights issue(s) (eleventh resolution)**

In accordance with Articles L.225-135 *et seq.* of the French Commercial Code, we present below our report on the resolution tabled at the Extraordinary Shareholders' Meeting to authorize the Executive Board to increase the Company's capital on one or more occasions by issuing ordinary shares to employees of SAFRAN and any French and foreign entities related to the Company within the meaning of Article L. 225-180 of the French Commercial Code, who are members of an employee stock ownership plan set up within the Group. Said shares would be issued without pre-emptive subscription rights for existing shareholders.

This resolution is presented for shareholder approval in compliance with Article L.225-129-6 of the French Commercial Code and Article L.3332-18 of the French Labor Code.

The aggregate par value of the shares issued under this authorization may not represent over 1.5% of the Company's capital at the date the Executive Board decides to carry out the issue(s). The amount of any capital increase(s) carried out using this authorization will be included in the blanket ceiling applicable to capital increases set in the twelfth resolution of this Shareholders' Meeting which states that capital increases carried out either directly or on conversion, exchange, redemption or exercise of securities carrying rights to shares under the authorizations given in (i) the ninth, tenth and eleventh resolutions of this Shareholders' Meeting and (ii) the tenth and twelfth resolutions of the May 28, 2008 Shareholders' Meeting may not represent an aggregate nominal amount of more than €110 million.

As explained in its report, the Executive Board is seeking full powers to determine the terms and conditions of the issue(s) – subject to the Supervisory Board's prior approval – which may be carried out within a 26-month period and would entail the waiver of shareholders' pre-emptive subscription rights.

The Executive Board is responsible for drawing up a report in accordance with Articles R.225-113 and R.225-114 of the French Commercial Code. Our responsibility is to express an opinion on the fairness of the financial information taken from the financial statements, on the proposal to waive shareholders' pre-emptive subscription rights and on certain other information about the proposed issue(s) given in the Executive Board's report.

We performed all the procedures that we considered necessary in accordance with the professional standards applicable in France. Those procedures consisted of verifying the information contained in the Executive Board's report on the proposed issue(s) and the method used to determine the issue price of the shares concerned.

## AUDITOR'S REPORT

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Subject to the subsequent review of the final terms and conditions of any such rights issue(s), we have no comments to make on the method to be used to set the issue price, as described in the Executive Board's report.

As the issue price has not yet been set we cannot and do not express any opinion on the final terms and conditions of the issue(s) or on the proposal made to shareholders to waive their pre-emptive subscription rights.

As required by Article R.225-116 of the French Commercial Code, we will draw up a further report if and when the Executive Board carries out any issues pursuant to this authorization.

Paris and Courbevoie, April 23 2009  
The Statutory Auditors

**CONSTANTIN ASSOCIES**

Thierry Benoit

**MAZARS**

Jean-Marc Deslandes

**2008 KEY FIGURES** <sup>(\*)</sup>

<i>(en € millions)</i>	<b>2007</b>	<b>2008</b>
<b>Revenue</b>	10,222	<b>10,329</b>
<b>Profit from operations</b>	787	<b>798</b>
<i>% of revenue</i>	7.7%	6.3%
<b>Loss from discontinued operations</b>	(97)	<b>(233)</b>
<b>Net profit attributable to equity holders of the parent</b>	406	<b>256</b>
<b>Earning per share</b>	0.99 €	0.63 €

(\*) in adjusted data

**GROUP ACTIVITY AND RESULTS**

The economic and strategic objectives set by the Group for 2008 were achieved. Profit from operations was €652 million, after a negative currency impact of €646 million. Order levels remained high and major milestones were reached in the implementation of the refocusing and development strategy in the aviation, defense and security equipment manufacturing business:

- Definitive withdrawal from our broadband and mobile phone communications businesses in line with scheduled terms and conditions.
- Streamlining of Group entities to consolidate expertise in onboard IT and electronics and power electronics and merge service and original equipment activities in the civil engines sector.
- Target acquisitions in the security sector, with Sdu-I, now known as Sagem Identification, European leader in secure identification documents and Printrak, Motorola's biometric activities in the United States.

The size of SAFRAN's installed fleet, the competitive position of its products and technologies and the excellent nature of its transatlantic partnership with GE (renewed last summer until 2040) represent key assets in the current climate. These are compounded by a strengthened action plan aimed at reducing overheads and improving industrial productivity..

The CFM56 order book contains 6,600 engines, representing over 5 years of production. Revenue from aviation services increased in 2008 and represents 46% of Propulsion revenue and 31% of Equipment revenue.

On a constant exchange rate and Group structure basis, **revenue growth** was 9.4%.

**Profit from recurring operations** came to €652 million compared with €787 million in 2007. It included a €646 million negative US dollar currency impact (€1 = \$1.45 in 2008 versus €1 = \$1.21 in 2007).

**Net profit** totaled €256 million vs €406 million in 2007. It has been negatively impacted by a €233 million expense arising on the divestment of the mobile phones business.

**Net debt** amounted to €635 million compared with €169 million at December 31, 2007. This increase was mainly due to the share buyback program and the acquisition of SDU Identification

A **dividend** of €0.25 per share (including an €0.08 interim dividend paid in December 2008) will be submitted to shareholders for approval at the Annual General Meeting to be held on May 28, 2009.

**ACTIVITY AND RESULTS BY BRANCH**

<b>Revenue (in € millions)</b>	<b>2007</b>	<b>2008</b>
Aerospace Propulsion	5,917	<b>5,803</b>
Aircraft Equipment	2,703	<b>2,856</b>
Defense Security	1,596	<b>1,646</b>
Holding and other	6	<b>24</b>
<b>Total</b>	<b>10,222</b>	<b>10,329</b>

**Aerospace Propulsion branch**

In 2008, **adjusted consolidated revenue** of the branch was €5,803 million, down 1.9% on last year. On a constant exchange rate and Group structure basis, 2008 revenue increased 5.5%.

The fiscal year was marked by two key factors: substantial growth in spare part sales volume and, as such, related margins and efficiency and productivity gains. Combined, these two factors partially offset the impact of a less favorable U.S. dollar exchange rate.

This growth is mainly attributable to spare parts activities (+12% despite a less buoyant environment in the second half). Original equipment deliveries of engines remained at the high levels enjoyed in 2007, for both civil aircraft and helicopters. U.S. dollar sales of spare parts for civil aircraft engines reported growth of 12% for the full year, with maintenance activities commencing on recent models. Overall, service activities continued to develop and represented 46% of branch revenue. This demonstrates both the potential of our in-service installed engine base (currently around 18,600 CFM56 engines) and the increased maturity of this fleet which generates substantial spare parts revenue.

Orders recorded during the year increased 3% on 2007, which was already an exceptional year.

**Profit from operations** amounted to €584 million, representing 10.1% of revenue, taking into account a negative currency effect of €422 million, vs €636 million in 2007, representing 10.7% of revenue.

**Aircraft Equipment Branch**

In 2008, **adjusted consolidated revenue** of the branch was €2,856 million, up 5.7% on last year. On a constant exchange rate and Group structure basis, 2008 revenue increased 17.5%.

Deliveries of equipment relating to new programs (primarily nacelles, thrust reversers and landing systems) were stepped up in 2008. This increase was nonetheless slowed down by further delays impacting these programs and the industrial action at Boeing in the fourth quarter.

These events, combined with negative currency effects, weighed heavily on **profit from operations**, which totaled €60 million in 2008 compared to €112 million in 2007.

**Defense Security Branch**

In 2008, **adjusted consolidated revenue** of the branch was €1,646 million, up 3.1% on last year. On a constant exchange rate and Group structure basis, branch revenue increased 9.2%, primarily due to changes in the scope of Security activities.

- The Defense sector reported steady growth (2.8%), mainly due to leading positions in the land combat (FELIN program) and optronic sights sectors, which enjoyed growth of 23% and 17%, respectively.

- In the Security sector, 2008 was marked by the sale of payment terminal activities to Ingenico on March 31 and the acquisition of Sdu-Identification on September 1. Revenue increased 3.6% and 16% on a constant Group structure basis: momentum was particularly strong in the areas of government solutions, biometrics, gaming terminals and smart cards.

**Profit from operations** totaled €72 million (excluding €146 million gain arising on the transfer of Monetel business to Ingenico) representing 4.4% of revenue, vs €75 million in 2007, representing 4.7% of revenue.

### OUTLOOK FOR 2009

In an unprecedented economic environment and barring a major deterioration in the situation, SAFRAN foresees for 2009:

- adjusted revenue in line with 2008,
- adjusted profit from operations of 5 to 6% of revenue.

These forecasts assume:

- a drop of 4 to 5% in air traffic,
- sales of services stable or slightly down on 2008 in volume,
- original equipment volumes in line with aircraft manufacturer forecasts published at the beginning of 2009,
- an exchange rate of U.S.\$1.45 to the euro (currency hedges have been implemented for the next three years),
- "SAFRAN +" progress plan engaging new measures particularly with regard to overheads and industrial productivity

## FIVE YEAR FINANCIAL SUMMARY

<i>(in euros)</i>	2004	2005	2006	2007	2008
Share capital	35,500,000	83,405,917	83,405,917	83,405,917	83,405,917
Number of ordinary shares outstanding	177,500,000	417,029,585	417,029,585	417,029,585	417,029,585
<b>FINANCIAL RESULTS</b>					
Net profit before tax, statutory employee profit-sharing, depreciation, amortization and provisions	238,577,114	264,715,285	224,572,080	278,589,207	404,777,762
Income tax expense	51,820,536	(71,790,444)	(118,622,179)	(125,473,595)	(189,316,880)
Statutory employee profit-sharing for the fiscal year	15,470,000	0	5,288,647	1,467,529	0
Net profit after tax, statutory employee profit-sharing, depreciation, amortization and provisions	110,055,539	302,595,258	216,429,174	204,555,304	151,150,969
Dividend distribution	91,746,509	150,130,650	91,746,509	166,811,834	100,087,100
	(1)				
<b>PER SHARE DATA</b>					
Net profit after tax and statutory employee profit-sharing but before depreciation, amortization and provisions – divided by the number of shares outstanding	0.96	0.81	0.81	0.97	1.42
Net profit after tax, statutory employee profit-sharing, depreciation, amortization and provisions - divided by the number of shares outstanding	0.62	0.73	0.52	0.49	0.36
Net dividend per ordinary share outstanding	0.22	0.36	0.22	0.40	0.25
<b>EMPLOYEES</b>					
Average number of employees during the fiscal year	11,780	334	374	391	403
Total payroll	422,760,011	41,110,233	46,674,831	50,594,640	51,314,080
Social security and other social welfare contributions	215,406,137	23,301,207	22,686,116	22,080,412	21,184,366

(1) This amount was calculated based on a number of shares equal to 417,029,585, representing the maximum number of shares comprising the share capital of SAGEM SA after the takeover bid for shares and cash for SNECMA and after the merger/absorption of SNECMA by SAGEM SA

(2) These figures are not comparable with prior year figures as activities in 2005 correspond to the holding company activities of SAFRAN, while activities in 2004 correspond to the operational activities of SAGEM SA





# Request for additional documents and information

(Article R. 225-83 of the French Commercial Code)<sup>(1)</sup>

## Ordinary and Extraordinary Shareholders' Meeting May 28, 2008

Request to be sent to:

**BNP PARIBAS Securities Services**  
G.C.T.  
Services aux Emetteurs/Assemblées  
Immeuble Tolbiac  
75450 Paris Cedex 09  
France

I, the undersigned,

Name (or corporate name): .....

Address:.....

.....

Owner of:

..... registered shares

..... bearer shares recorded in an account held with<sup>(2)</sup>

.....

hereby request the Company to send to the above address the documents and information referred to in Article R.225-83 of the French Commercial Code, for the purposes of Safran's Ordinary and Extraordinary Shareholders' Meeting to be held on May 28, 2008.

Signed in....., on.....2009

Signature:

In accordance with Article R. 225-88 of the French Commercial Code, holders of registered shares may make a one-time request for the Company to send the documents and information referred to in Articles R. 225-81 and R. 225-83 of said Code prior to all future Shareholders' Meetings. Please tick this box if you wish to lodge this request

(1) The documents and information referred to in Article R. 225-83 of the French Commercial Code include the parent company and consolidated financial statements, the Management Report drawn up by the Executive Board and the Statutory Auditors' reports. These documents and information can also be downloaded from the Company's website at [www.safran-group.com](http://www.safran-group.com).

(2) For holders of bearer shares, please state the name and address of the authorized financial intermediary responsible for managing your shares



*Société Anonyme* with an Executive Board and a Supervisory Board  
Share capital: €83,405,917  
Registered office: 2 Boulevard du Général Martial-Valin, 75015 Paris, France  
Registered in Paris under no. 562 082 909