2008 ANNUAL RESULTS

Analysts Presentation | Wednesday February 18, 2009

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an international leader in **technology**

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2008 KEY FIGURES AND SIGNIFICANT EVENTS

2008 FINANCIAL RESULTS

OUTLOOK

2008 KEY FIGURES AND SIGNIFICANT EVENTS

Jean-Paul HERTEMAN

Chief Executive Officer

2008 KEY FIGURES*

- **Revenue** — **€10,329 million**
  Organic growth — **9.4%**

- **Profit from operations** — **€798 million**
  including the **€146 million** gain on the transfer of Monetel business to Ingénico

- **Net profit** — **€256 million**

* Adjusted data

BUSINESS REFOCUSING

- **Withdrawal** from the broadband business in January 2008 and the mobile phone business in December 2008

- **Acquisition** of (i) SDU-I, a leading European supplier of secure identification documents, and (ii) Printrak (Motorola's biometrics business unit)

- **Creation of centers of expertise**, SAFRAN Power and SAFRAN Electronics, and combination services and OE activities in engine business

SAFRAN/GE PARTNERSHIP STRENGTHENED

- Renewal of the 50/50 CFM joint venture until 2040 and launch of the **LEAP-X engine**

- Broadening of the 50/50 joint venture to **services**

- Creation of a 50/50 joint venture for engine **nacelles**

- **Set-up of a technology partnership for electrical systems**

NEW TECHNOLOGIES – NEW MARKETS

- **B787 landing gear**
  - **Certification** of the first composite brace (3D RTM)
  - Other composite applications to come

- **B737 carbon brakes**
  - **Certification** of wheels and carbon brakes for the Boeing 737 NG fleet
  - Potential market: 50% of the current SAFRAN brake fleet, representing between $2 billion and $3 billion

- **Equipment for the A350 XWB**
  - Contracts won for the main landing gear, **brakes** and their control system, and 75% of the **wiring**
  - Potential market of $11 billion

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NEW TECHNOLOGIES – NEW MARKETS

- Helicopter application development of Arrius and Ardiden engines in **China** and **Russia**
  - Potential market of $5 billion over 30 years

Arrius engine for the Kamov 226 (Russia)

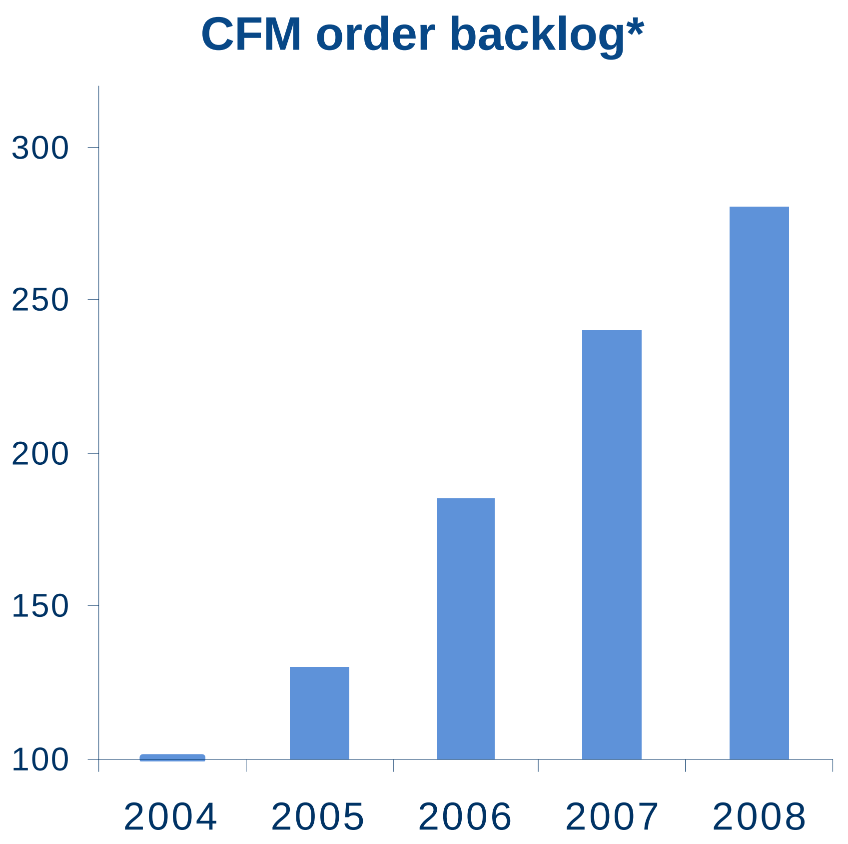
- **Vinci:** confirmation of the Ariane 5 ME program

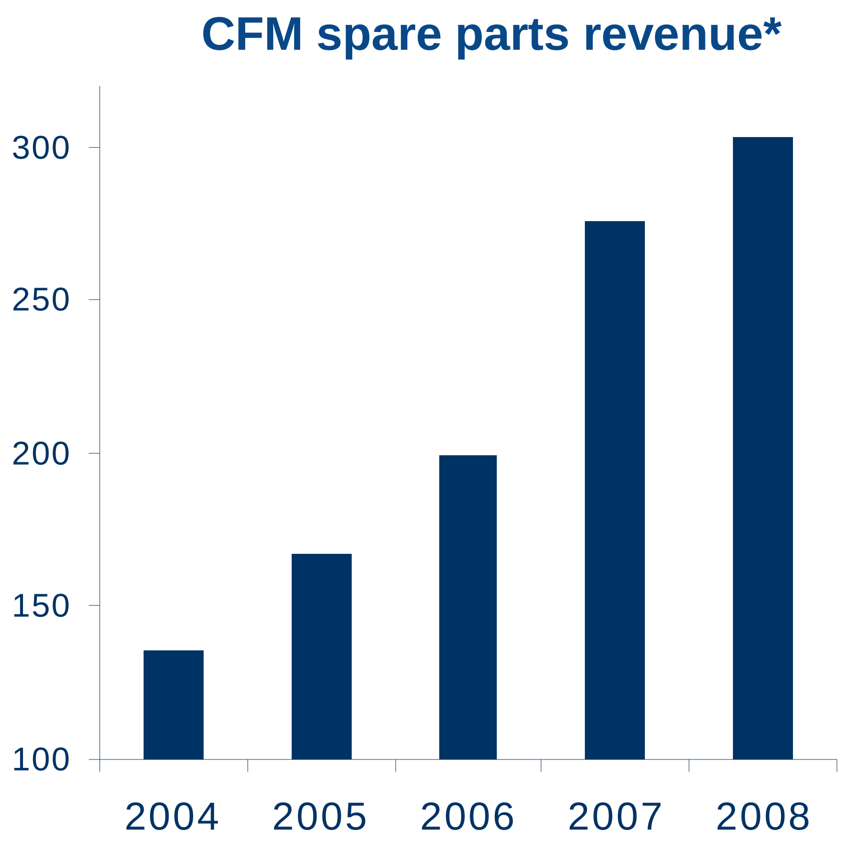
Extendible exit cone for the Vinci motor

- Orders for 5,000 **Felin infantry soldier systems**

Felin infantry soldier system

GROWTH IN ORDER BACKLOG AND SERVICES





* 100 base in 2003 at constant dollar

2008 FINANCIAL RESULTS

Noël GAUTHIER

Executive Vice-President
Economic and Financial Affairs

INCOME STATEMENT*

(In € million)	2007	**2008**
Revenue(1)	10,222	**10,329**
Profit (loss) from operations	787	**652**
% of revenue	*7.7%*	***6.3%***
Including capital gain(2)		**798**
Net finance (costs) income	(54)	**(203)**
Income tax expense	(219)	**(101)**
Profit (loss) from discontinued operations	(97)	**(233)**
Minority interests	(15)	**(15)**
Income from associates	4	**10**
Profit (loss) attributable to equity holders of the parent	406	**256**
Basic Earnings per share (€)	0.99	**0.63**

(1) 2007 including one year of Monetel business revenue for €142 million ; 2008 including one quarter of Monetel business revenue and four months of Sdu-I business revenue for €66 million
(2) €146 million gain arising on the transfer of Monetel business to Ingénico
* Adjusted data

RECONCILIATION BETWEEN STATUTORY AND ADJUSTED CONSOLIDATED STATEMENT

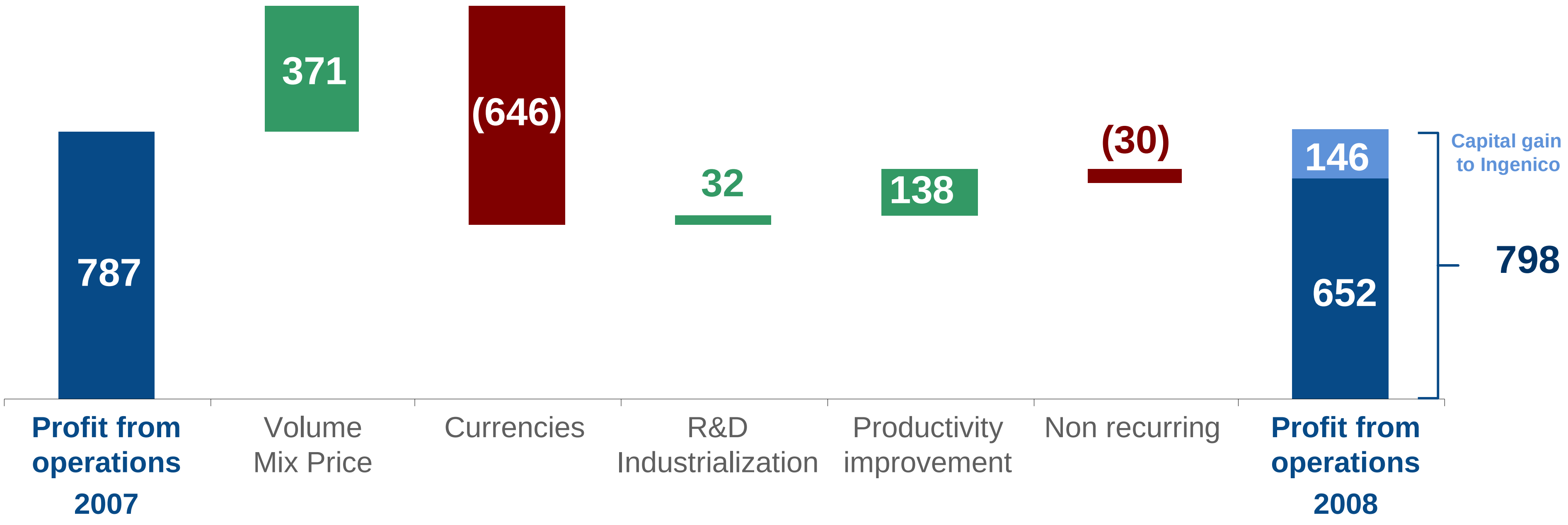
Year ended december 31, 2008 *(in € million)*	Statutory consolidated statements	Hedge accounting		Intangible assets depreciation and amortisation	Adjusted consolidated statements
		Remeasurement of the revenue	Deferred hedge gain (loss)		
Revenue	**10,281**	**48**			**10,329**
Profit (loss) from operations	**603**	**49***	**(15)**	**161**	**798**
Net finance (costs) income	(716)	(49)	562		(203)
Income tax expense	142		(188)	(55)	(101)
Profit (loss) from discontinued operations	(233)				(233)
Minority interest and associates accounted	(1)		(1)	(3)	(5)
Profit (loss) attributable to equity holders of the parent	**(205)**		**358**	**103**	**256**

The audit of the consolidated financial statements has been completed. Specific procedures and the review of subsequent events after February 17th, 2009 will be performed after the Supervisory Board's meeting on April 15th, 2009.
The reader is reminded that only the consolidated financial statements are audited by the Group's statutory auditors and that adjusted financial data is verified with respect to an overall reading of the information that will be provided in the 2008 Reference Document.

* Impact on purchases: €1 million

YEAR-ON-YEAR CHANGE IN PROFIT FROM OPERATIONS* 2007 - 2008

(in € million)



* Adjusted data excluding discontinued operations

US DOLLAR: HEDGING PORTFOLIO

- **Full year 2008**
  - **USD 5,142 million for EUR at a rate of EUR 1 = USD 1.45**
  - **USD 115 million for GBP at a rate of GBP 1 = USD 1.86**
  - **USD 165 million for CAD at a rate of 1 USD = CAD 1.00**

- **Hedging portfolio as of December 31, 2008: M$ 15,712**

  at an average rate for the EUR/USD tranche of:
  - **EUR 1 ≤ USD 1.45 in 2009 including 25% of option**
  - **EUR 1 ≤ USD 1.525 in 2010 including 40% of option**
  - **EUR 1 ≤ USD 1.43 in 2011 including 30% of option**

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RESEARCH AND DEVELOPMENT*

(in € million)	2007	**2008**	*Change*
Internally-financed R&D(1)			
Recorded as operating expenses	572	480	*(92)*
Capitalised	188	228	*+40*
Amortisation / depreciation	84	58	*(26)*

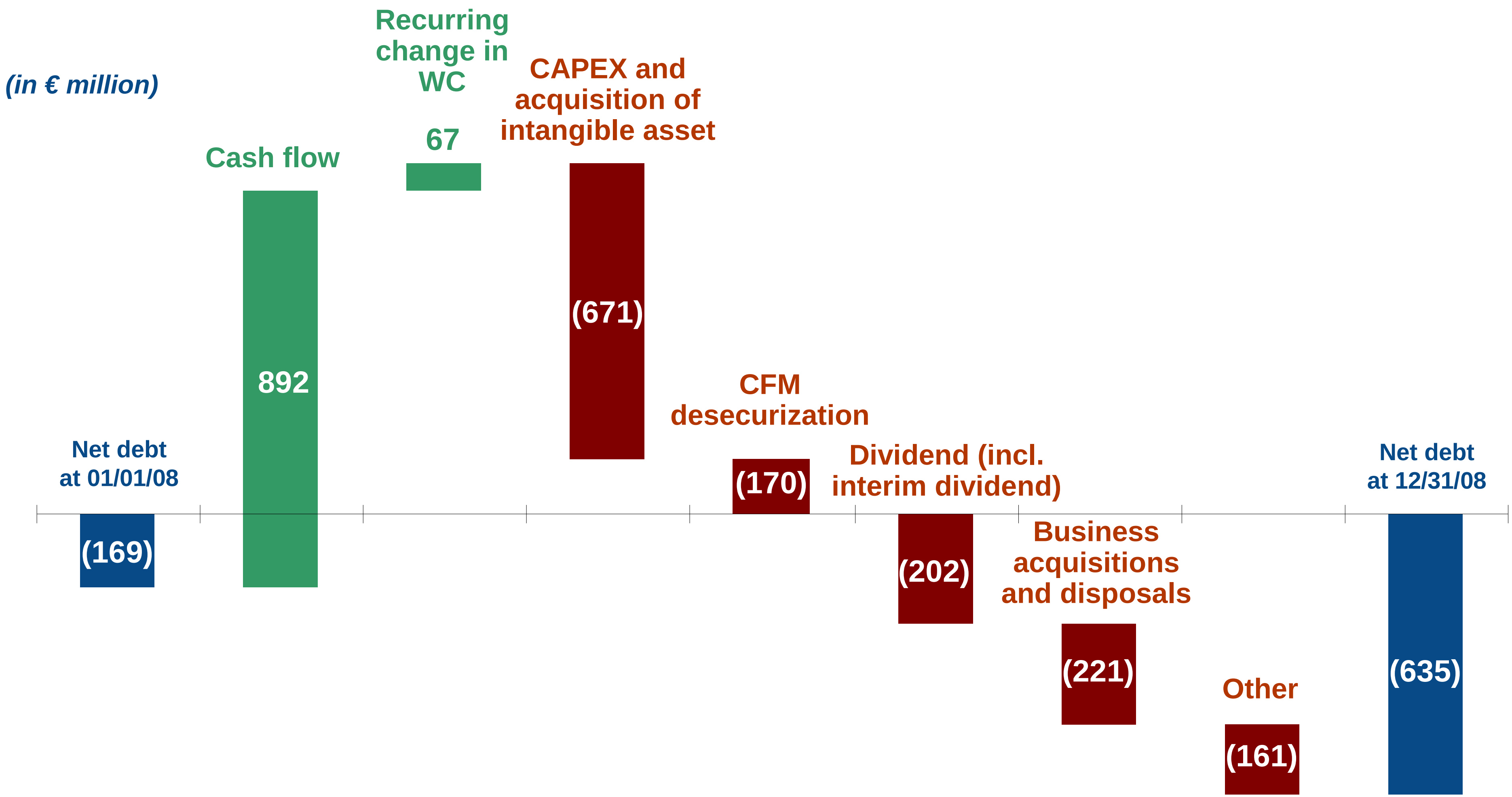
(1) Before R&D credit tax
* Adjusted data excluding discontinued operations

FREE CASH FLOW*

(in € million)	2007	**2008**
Cash flow	1,251	**892**
Changes in working capital -excluding CFM desecuritization	(133)	**67**
-CFM desecuritization		**(170)**
Acquisition of intangible assets	(252)	**(230)**
Capital expenditures (CAPEX)	(384)	**(441)**
Free cash flow		**118**
-excluding CFM desecuritization	482	**288**

* Adjusted data

CHANGE IN NET DEBT



RESULTS BY BRANCH*

(in € million)	2007	2008
AEROSPACE PROPULSION		
Revenue	5,917	**5,803**
Profit (loss) from operations	636	**584**
% of revenue	*10.7%*	***10.1%***
EQUIPMENT		
Revenue	2,703	**2,856**
Profit (loss) from operations	112	**60**
% of revenue	*4.1%*	***2.1%***
DEFENSE SECURITY		
Revenue	1,596	**1,646**
Profit (loss) from operations	75	**72** (1)
% of revenue	*4.7%*	***4.4%***

(1) Excluding the €146 million gain arising on the transfer of the Group's Monetel business to Ingénico
* Adjusted data

CUSTOMER FINANCIAL COMMITMENTS

(in USD million)	12/31/2007	**12/31/2008**
Total commitments	377	**257**
Estimated value of pledges	214	**133**
Net exposure on these commitments	163	**124**

Provisions	120	**110**

BALANCE SHEET AT DECEMBER 31, 2008

(in € million)

ASSETS		LIABILITIES	
Goodwill	1,756	Shareholders' equity	3,874
Fixed assets	5,219	Provisions	2,356
Other assets	751	Borrowings subject to specific conditions	698
Fair value of financial instruments and derivatives	138	Interest bearing liabilities	1,554
Inventories, net	3,673	Other liabilities	757
Trade and other receivables	4,319	Trade and other payables	6,981
Cash and cash equivalents	919	Fair value of financial instruments and derivatives	577
Assets held for sale	61	Liabilities held for sale	39
TOTAL ASSETS	**16,836**	**TOTAL LIABILITIES**	**16,836**

DIVIDEND

	2007	**2008**
Dividend per share (€)	0.40	**0.25***
Pay out ratio	40%	**40%**

* Including a €0.08 of interim dividend paid in December 2008

OUTLOOK

Jean-Paul HERTEMAN

Chief Executive Officer

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CURRENT CONTEXT FOR THE AVIATION INDUSTRY

Cancellations of orders for single-aisle aircraft*

- 125 aircraft fitted with CFM engines, representing ~ 4% of the order book for CFM engines
- Order backlog still representing over 5 years' worth of production
  Market share: 71% (short to medium haul market)

Parked and grounded single-aisle aircraft*

- Over 400 aircraft fitted with CFM engines, representing ~ 4% of the total CFM engine fleet
- CFM engines concerned: mainly 1st generation CFM 56-3 engines

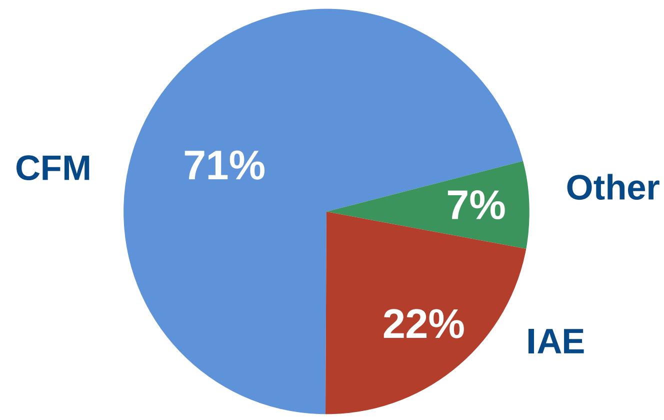
Confirmation of financial support from the US and European public authorities for airline companies to purchase aircraft

* Based on public announcements of airline companies in the last twelve months concerning B737 and A320 aircraft

SERVICES REVIEW

- **Largest worldwide fleet: 18,600 CFM 56 engines**
  - 1 take-off every 2 to 3 seconds
  - 1 shop-visit every 5,000 take-off

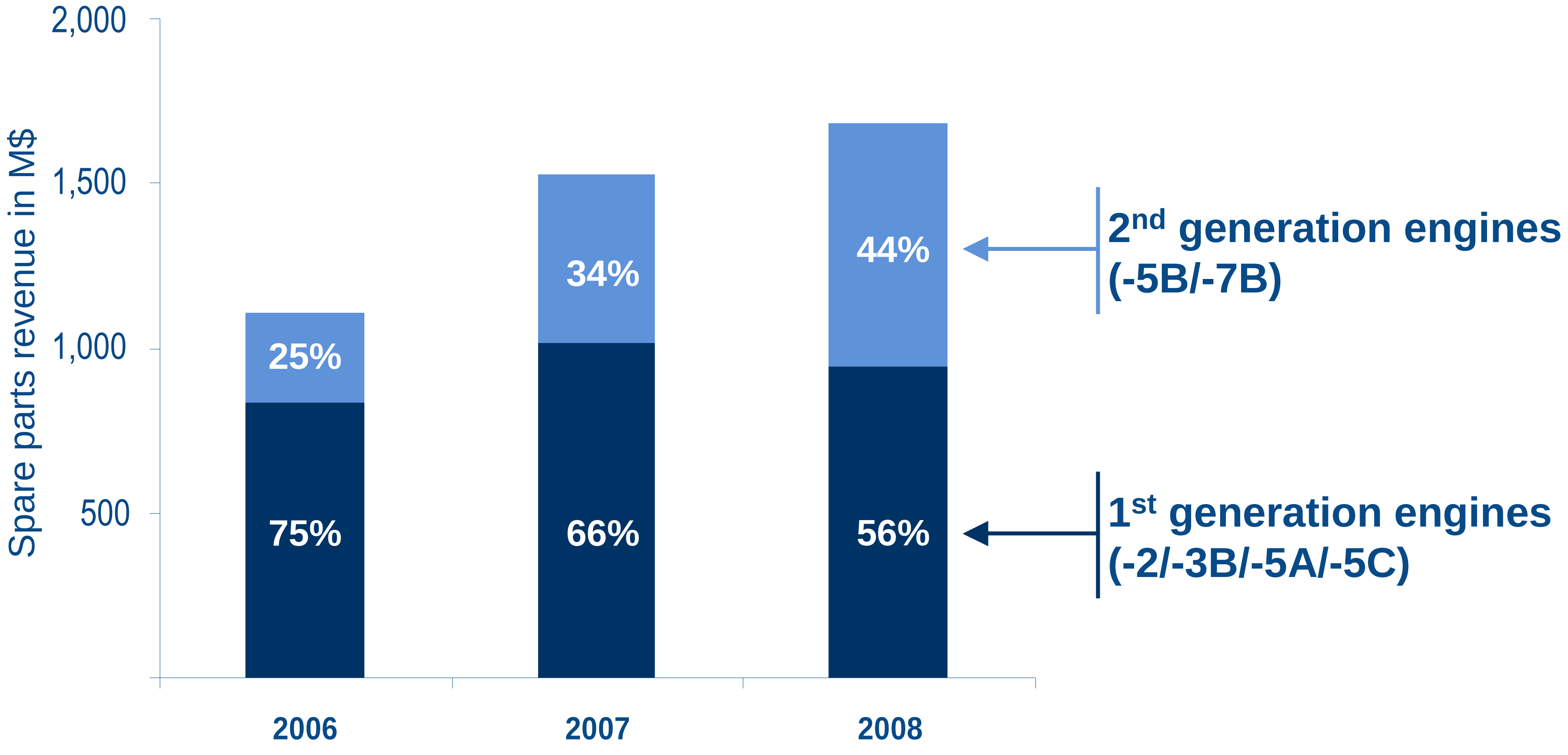
Engine market share
(short to medium haul aircraft)



- **1/3 of the CFM 56 fleet**, i.e. 6,700 engines have not yet undergone their first shop visit (representing an underlying CFMI revenue of between $10 billion and $15 billion for this first shop visit alone)

CHANGE IN THE SERVICE MIX

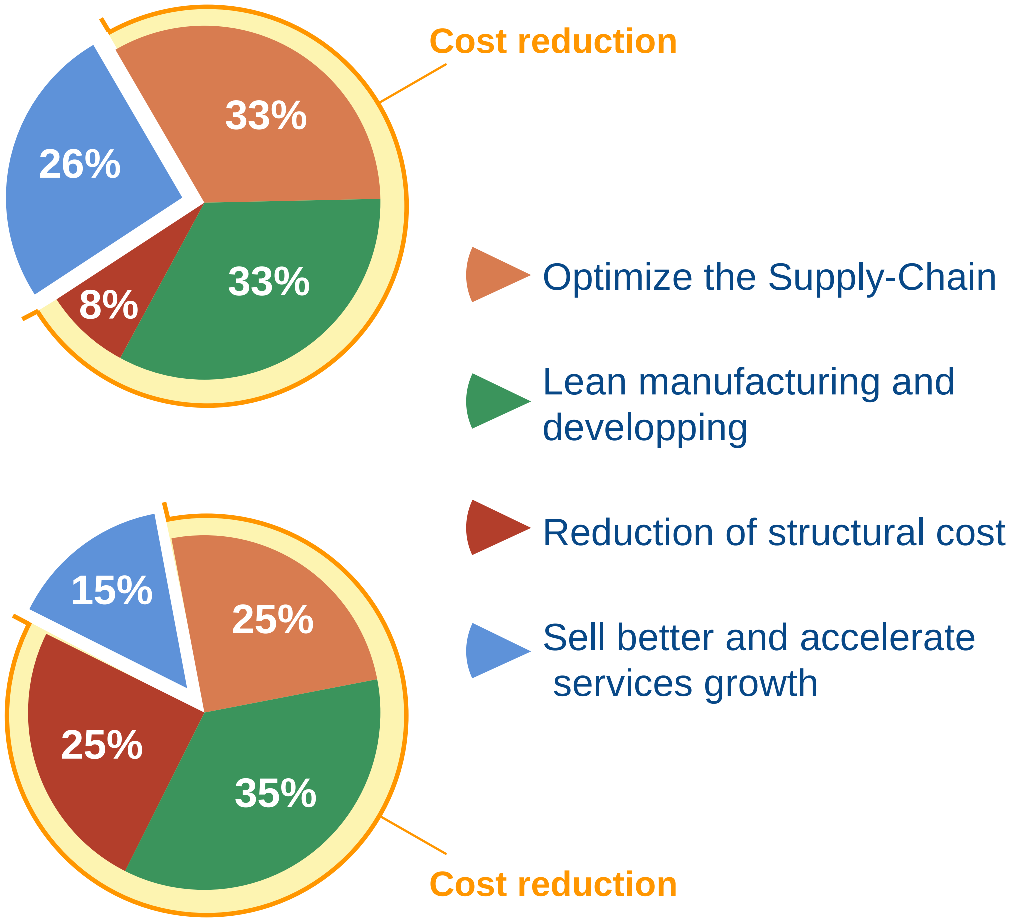
Increased part of 2nd generation engines (-5B / -7B)



PROGRESS PLAN

ACTION V

- **Split of productivity gains by drivers**



SAFRAN + : reinforced progress plan

- Rolling out a standard Lean Sigma approach Group-wide
- Reducing structural costs/pooling functions and overheads
- Action plan on working capital requirement

OUTLOOK

- **Barring major deterioration of the backdrop, SAFRAN envisages for 2009:**
  - Revenue to be on the same scale as for 2008
  - Profit from operations to represent around 5% to 6% of revenue

As things currently stand and in view of the current economic environment, SAFRAN is not announcing any target for 2010

CONCLUSION

- **In an unprecedented context**
  - **2008 : a positive year**
  - **2009 : a challenge we will come through successfully**

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