

SAFRAN

an international
Technology Leader

Acquisition of GE Homeland Protection
Creation of the leading global detection
platform

Notice

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 - the effects of exceptional and unpredictable events;
 - the impact of changes in competition;
 - fluctuations in exchange rates;
 - our ability to maintain high levels of technology.
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Key terms of the transaction

Structure

- ▶ Acquisition by Safran of 81% of GE Homeland Protection (“HLP”) in cash
- ▶ GE to retain a 19% stake in HLP

Consideration

- ▶ Enterprise value of USD715m for 100% of share capital

Financing

- ▶ USD580m financed with available cash on the balance sheet

Partnership with GE

- ▶ Access to GE Research Center (GRC) and to GE Healthcare intellectual property
- ▶ GE ownership for a minimum of 3 years

Governance

- ▶ GE entitled to appoint one member of HLP board of directors

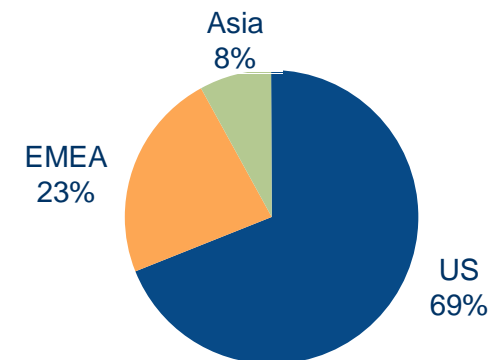
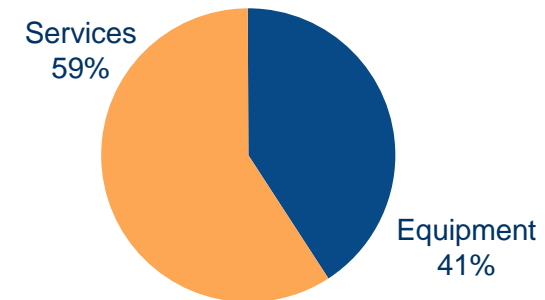
Next steps

- ▶ Filing for regulatory approvals, mainly:
 - Antitrust and competition approval
 - CFIUS clearance
- ▶ Expected closing: mid-year 2009

Overview of HLP

- ▶ Global leader in baggage screening equipment with #1 position in the US
- ▶ CT¹ worldwide installed base > 1,600 units or 63% of the CT installed base
- ▶ Comprehensive product offering for the detection of potential threats in aviation / non aviation markets
- ▶ Best-in-class technology
- ▶ Resilient and growing business with major opportunities: US stimulus package and new regulation in Europe
- ▶ c.800 employees in 4 locations (3 in the US and 1 in Germany)

2008 Sales breakdown approximately USD260m



2009 EBITDA margin c.25%
2010 EBITDA margin c.30%
2008-2010E Sales CAGR > 15%

Notes:

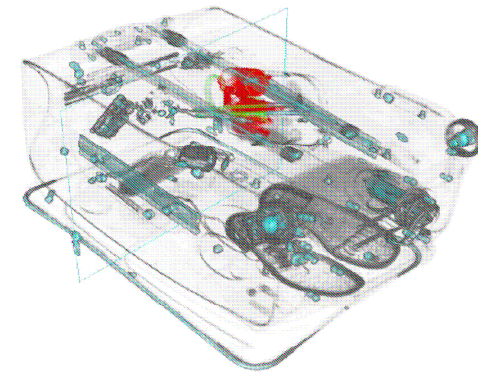
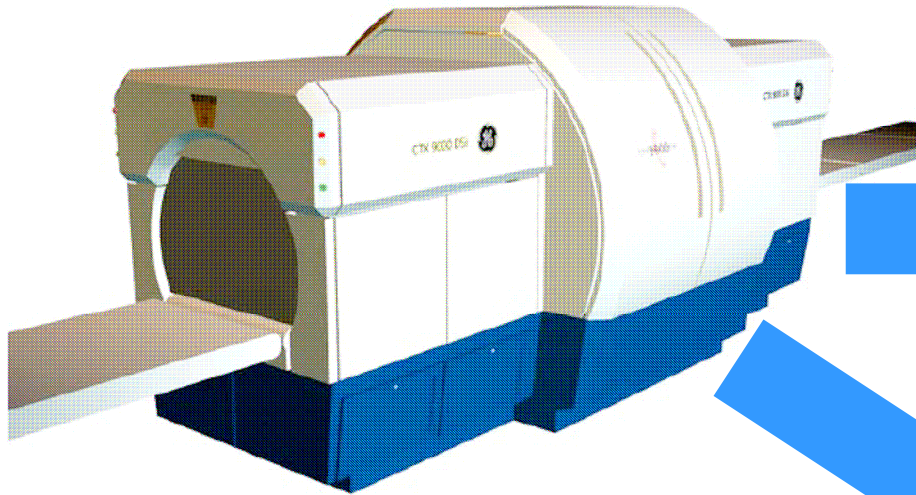
1. Computed Tomography (technology generating a 3D image of the inside of an object from a large series of 2D X-ray images taken around a single axis of rotation. Next generation baggage detection technology)



Best-in-class technology – overview of the CTX 9800 (baggage screening)

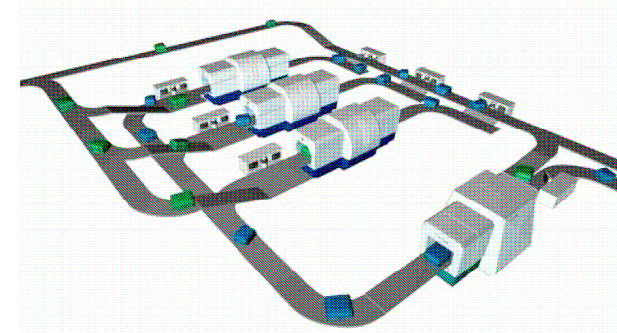
Currently seeking EU Standard 3 certification.
Certified by the TSA¹ in March 2009

Unique next-gen imaging quality



Plan to integrate in in-line system of systems²

- ▶ High throughput approximately 700 bags per hour (bph) with plans to reach 1000 bph
- ▶ Highest throughput system certified to date
- ▶ High reliability
- ▶ Full 3D imaging
- ▶ Highest resolution in the industry



“The CTX 9800 will change our 5 year strategic roadmap dramatically”

CEO of a major air transport authority - October 2008

Notes:

1. Transportation Security Administration – US Department of Homeland Security
2. Integration of CT equipment with XRD equipment as currently with CTX 9000 and 9400

End markets scope of technology

**Global Homeland Security
Market–Detection¹**
USD2.4bn

Market size of
USD200m



Market size of
USD200-300m

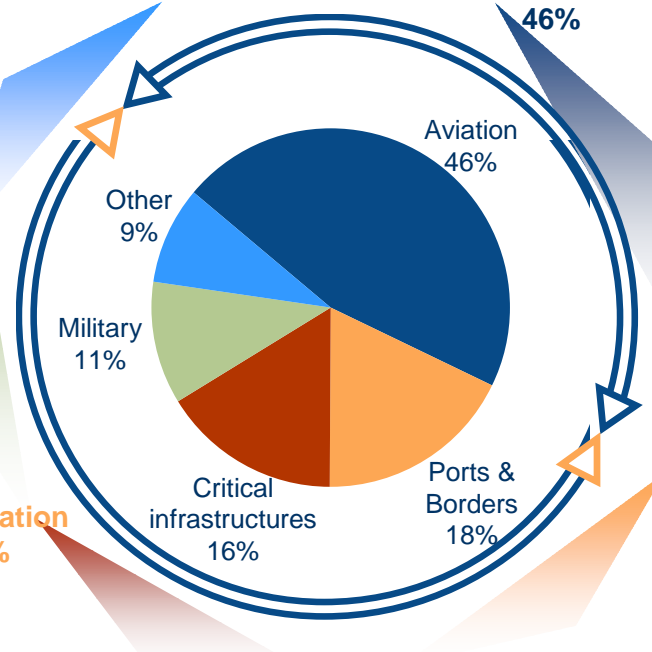


**Non-aviation
54%**



Market size of USD300-400m

**Aviation
46%**



Market size of c.USD1bn

- ▶ Check baggage: 50%
- ▶ Carry-on baggage: 30%
- ▶ Trace: 20%



Market size of USD300-500m

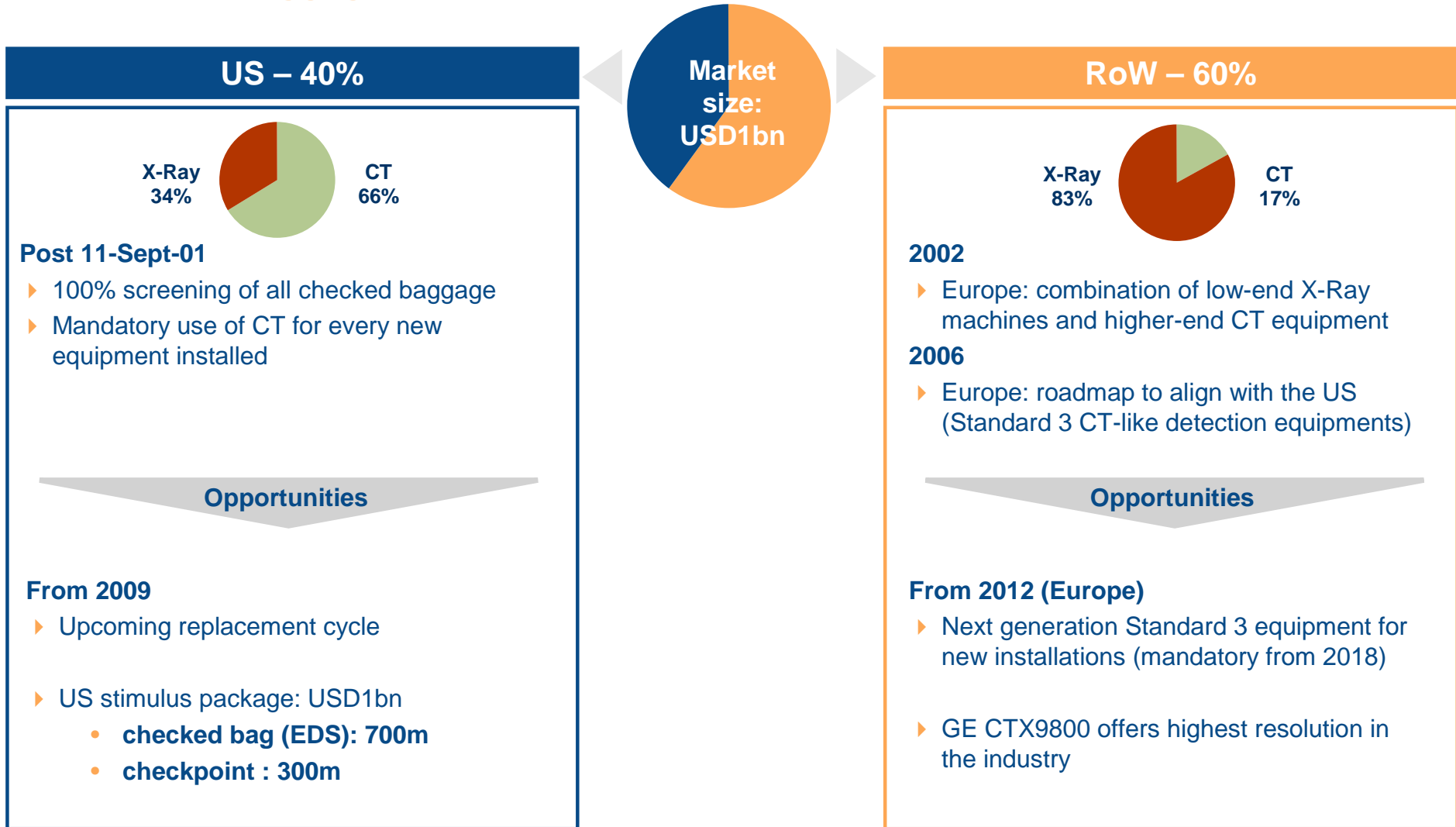
Sources : TSA data, Sector publicly available information, Sagem Sécurité estimates

Notes :

1. Explosive and Narcotics Detection markets

Aviation security: major opportunities

CT: highest resolution technology ensuring reliable detection of explosive sheets in luggages



■ Strategic rationale

Transforming transaction leading to the creation of...

- ▶ **Complementary with Sagem Security existing business**
 - Strong geographical fit
 - Combine all the bricks necessary to the development of integrated checkpoint of the future

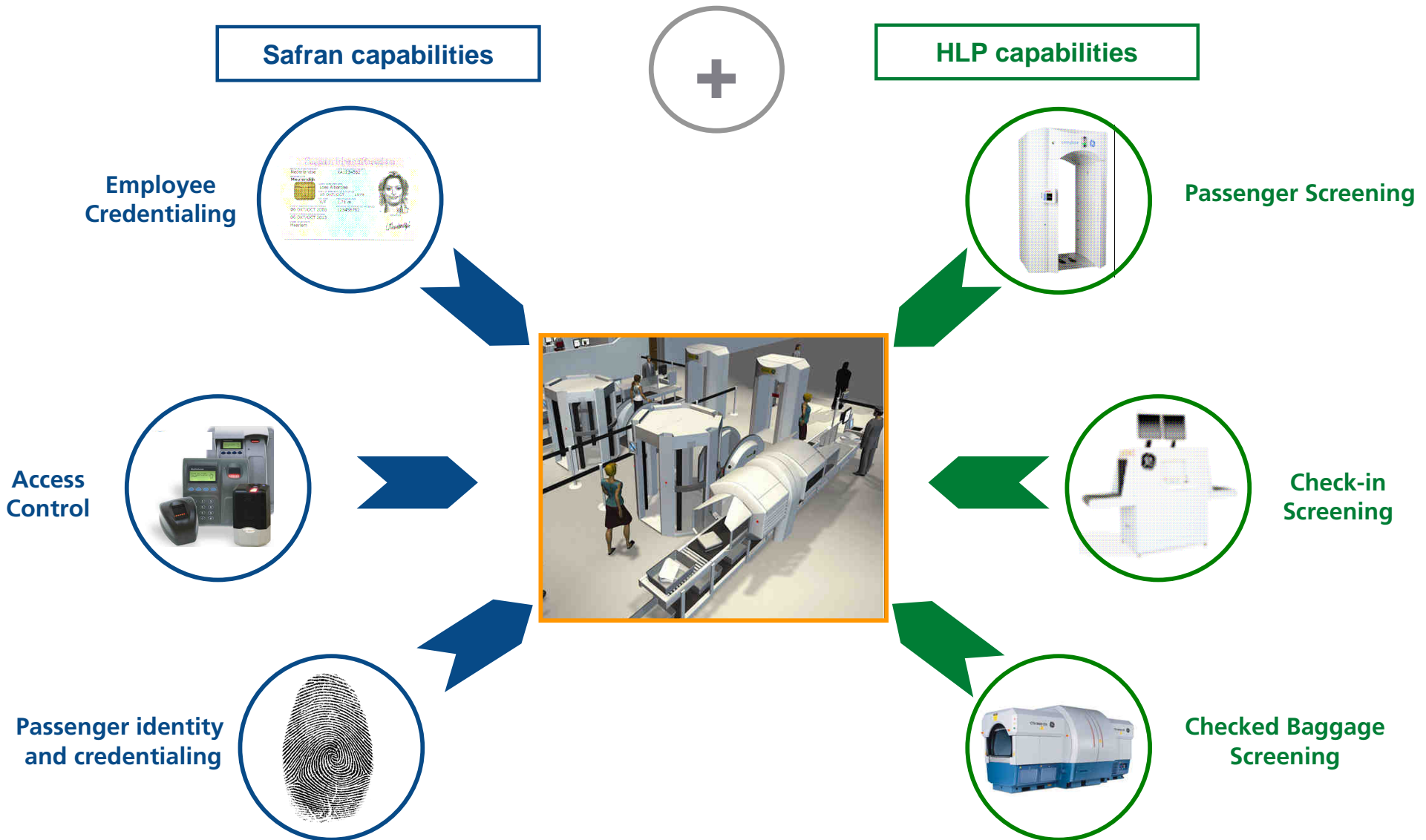
- ▶ **High growth potential in the short and medium term in aviation and non-aviation fields**
 - Equipment cycle and US stimulus package
 - Regulatory change

- ▶ **Resilient business with attractive margin**
 - Increasing demand for improved security
 - Balanced split between sale of equipment and services revenues of installed base

- ▶ **Best-in-class technology**

...a global leading player in detection and passenger flow control

■ A unique integrated offering along the security chain



■ ■ ■ ■ ■ Safran's Objectives

1. To be a major Tier 1 global player in Aerospace, Defence and Security

2. To concentrate on businesses characterised by:
 - ▶ High and sustainable technological barrier to entry
 - ▶ Balanced split between OEM and Spare Parts & Services
 - ▶ And ranking among top 3 worldwide players

3. To generate 20% of total sales through its security business
 - ▶ Non-cyclical
 - ▶ Value-added
 - ▶ Double-digit growth

Q&A