



Safran

First Half 2010 Earnings

Jean-Paul HERTEMAN
CEO

Ross McINNES
CFO

July 28, 2010



Safran

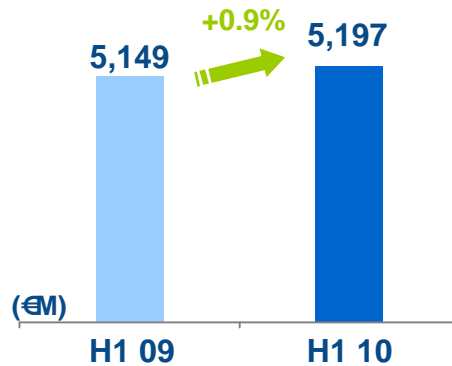
H1 2010 Highlights

Jean-Paul HERTEMAN
CEO

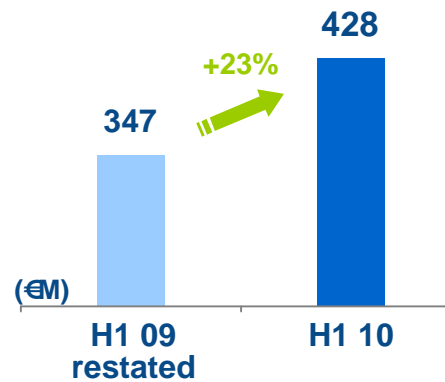
H1 2010 financial highlights

Solid operating leverage

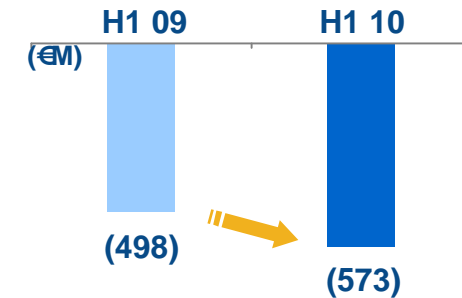
Resilient revenue,
with growth in Defence and Security



Growing recurring operating income
across all four activities



Slight deterioration in net debt due to
dividend payment (€152M) and French
MoD payment delays (€269M)



Business model is performing

Solid performance in improving economic conditions

■ Increasing group margins *towards 8% range*

- Increasing profits in Propulsion despite CFM aftermarket softness
- Recovery plan delivering results in Equipment
- Originating new business in Security at attractive margins
- Benefiting of over 2 years of Safran+ cost savings

■ Foreign exchange effects

- *Tailwind* on revenue and *mild headwind* on profits

■ Investing in world-class capability - *improving productivity*

- Opening of 2 new facilities in Mexico & inauguration of 2 new world-class French facilities

Encouraging economic signs

Fundamentals improving

IATA: traffic above pre-recession levels

- Driven by traffic in emerging countries (Asia, Middle East, Africa, and Latin America) and low cost carriers
- Airlines expected to post profits in 2010

easyJet.com

SOUTHWEST
AIRLINES



| | |
|----------------|---------|
| Passenger | Freight |
| 7.2% | 28.9% |
| (YTD May 2010) | |

Airbus & Boeing announced uplift in narrowbody production rates for 2011/12

- Potential for 130+ CFM56 engines run-rate increment

Continued demand in Security for biometry and detection end-to-end solutions

- €/€ down to 1.25-1.30 range, providing long term opportunity for stronger performance

Farnborough 2010

After a successful air show, total 2010 CFM56 orders now stand at 1,135 engines (July 21)



New orders for SaM146 engines (PowerJet)



Long term maintenance contracts on landing systems (Messier Services)



\$5bn+ of orders for Safran: engine, equipment & services

Aerospace OE

Aerospace OE impacted, but CFM workhorse continued at top rates

| CFM56 engines | H1 2009 | H1 2010 | Change |
|---------------------------------------|---------------|---------------|-----------|
| Total installed base | 19,216 | 20,383 | 6% |
| Share of 2 nd gen. engines | 52% | 55% | 3pts |

■ Increased share of 2nd generation CFM engines in fleet

➔ future flow of high value services

| Number of deliveries | | | |
|---|-----|-----|-------|
| 1. CFM56 engines | 597 | 636 | 39 |
| 2. Helicopter engines | 547 | 422 | (20)% |
| 3. A380 nacelles | 41 | 28 | (32)% |
| 4. Small nacelles (biz & regional jets) | 165 | 121 | (27)% |

1. Strong CFM56 deliveries, above H1 2009 record level
2. Impact of decline in small helicopters
3. Impact of inventory build-up at end 2009 due to Airbus A380 deliveries delay
4. Continued weakness in business & regional jets

| | | | |
|--|-----------------|--------------|---------------|
| OE revenue* Prop. & Equipment (in €M) | 2,380 ** | 2,337 | (1.8)% |
|--|-----------------|--------------|---------------|

* Including revenue from R&D contracts and miscellaneous

** Restated to include leases in Services

Aerospace services

Resilient total services revenue

| Services* revenue (in €M) | H1 2009** | H1 2010 | Change |
|-------------------------------------|--------------|--------------|----------------|
| Aerospace Propulsion | 1,360 | 1,353 | <i>(0.5)%</i> |
| Services share of total revenue | 49.1% | 49.0% | <i>(0.1)pt</i> |
| Aircraft Equipment | 442 | 448 | 1.4% |
| Services share of total revenue | 31.3% | 32.6% | 1.3pt |
| Total services revenue | 1,802 | 1,800 | <i>(0.1)%</i> |

- Services revenue driven by engines aftermarket despite CFM spares sales softness
 - High performance for services to military customers (aircraft and helicopters)
 - Growth in high thrust widebody engine spares (e.g. GE90 on B777)
- CFM spares' softness (-25% in \$)

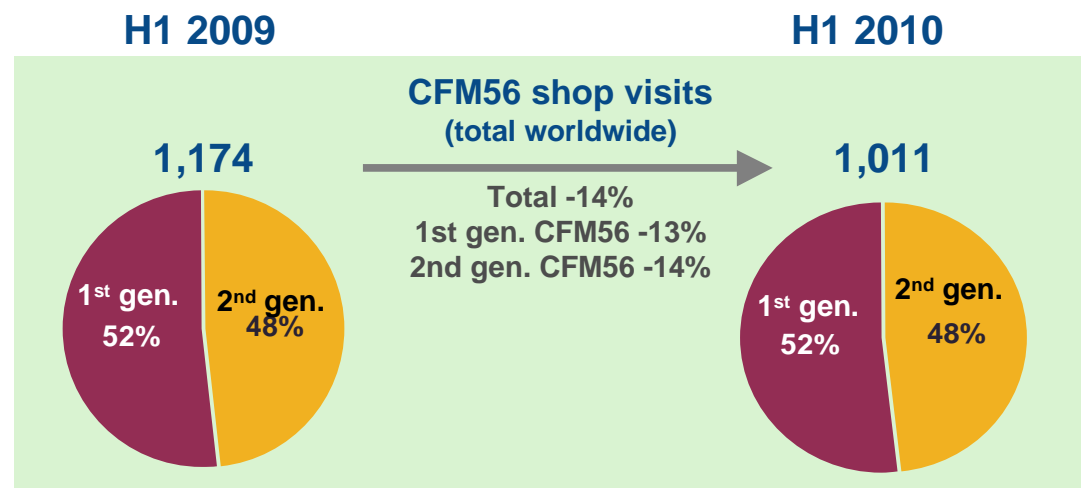
* Including spares and maintenance & repair activities

** Restated to include leases

Aerospace - CFM aftermarket

Soft CFM aftermarket

- Worldwide CFM spares revenue in \$: -25% in H1 2010 vs. H1 2009
 - Q2 trends broadly similar to Q1 - the low point?
 - Airlines consume their inventory, delay shop visits & decrease scope of overhauls - optimizing their engine fleet
 - 68 CFM56 powered aircraft returned to service
 - Impact of island volcano traffic disruption?
- 46% of CFM active fleet still to have their first shop visit (>80% of the 2nd generation engines)



Shop visit numbers are estimates; these can be revised marginally as airlines finalise reports

Identification

- **Successful integration of Printrak and SDU-I leading to new contract awards**
(secure driver license system for the state of North Carolina (USA), secure identity documents in Mauritania)
- **Major new contract awards**
 - Identification: Secure travel documents for Dutch government (7 years)
 - Criminal Investigation Police: AFIS extension or upgrade (Argentina, Mexico, Calgary)
 - Border control: Replacement of IRS recognition system in the EAU

Detection

- Solid orders intake in EDS (TSA, India...)
- XRD 3500, the first detection equipment compliant with ECAC Standard 3 level - the standard to be required in Europe from 2012
- Contract awards for Computed Tomography systems (Hong Kong, Nassau, Chongqing...) and inauguration of San Jose, CA Terminal B airport with state-of-the-art CTX 9800



EDS: Explosive Detection System
ECAC: European Civil Aviation Conference

Robust niches in Defence matching asymmetric threat needs

Strong dynamic in Optronics: 2-digit revenue growth

- Felin: last milestone reached before 1st Regiment delivery in July
- Portable optronics: new contract awards, notably for the US Army



Avionics

- Reached a technical & commercial agreement with Airbus on A400M GADIRS
- Navigation activities stable and slowdown in flight controls



Safran Electronics

- Established as the Group's world-class expertise in electronics and safety-critical software
- Inaugurated Sagem's new facility, the main R&D centre in Massy, near Paris



Safran

First Half 2010 Results

Ross McINNES
CFO

All figures in this presentation represent Adjusted data (see “Additional Information” for bridge with consolidated accounts)

Safran's interim consolidated income statement has been adjusted for the impact of:

- purchase price allocations with respect to material business combinations. Since 2005, this restatement concerns the amortization charged against intangible assets relating to aeronautical programs that were revalued at the time of the Sagem-Snecma merger. With effect from the first-half 2010 interim financial statements, the Group has decided to restate the impact of purchase price allocations for all material business combinations (and not only those relating to the Sagem-Snecma merger). In particular, this concerns the amortization of intangible assets recognized at the time of the acquisition, and amortized over extended periods, justified by the length of the Group's business cycles;
- the mark-to-market of foreign currency derivatives, in order to better reflect the economic substance of the Group's overall foreign currency risk hedging strategy:
 - revenue net of purchases denominated in foreign currencies is measured using the effective hedging rate, i.e., including the costs of the hedging strategy,
 - the recognition of all mark-to-market changes on non-settled hedging instruments at the closing date is neutralized, including the “ineffective” portion with effect from the publication of the 2009 financial statements, given that the Group's hedging strategy includes optional hedging instruments and optimization measures combined with highly volatile market inputs used to mark to market.

Recurring operating income

- It excludes income and expenses which are largely unpredictable because of their unusual, infrequent and/or material nature such as: impairment losses/reversals, capital gains/losses on disposals of operations and other unusual and/or material non operational items).

H1 2009 restated income statement

| Income Statement <i>(in Euro million)</i> | H1 2009 Reported | PPA (i) | Pension Financial Component (ii) | Hedging (iii) | One off Items (iv) | H1 2009 Restated |
|---|---------------------------|------------|---|------------------|--------------------------|---------------------------|
| Revenue | 5,149 | | | | | 5,149 |
| Recurring operating income <i>% of revenues</i> | 324 6.3% | 7 | 10 | - | 6 | 347 6.7% |
| Other non-current charges/income | | | | | (6) | (6) |
| Profit from operations <i>% of revenues</i> | 324 6.3% | | | | | 341 6.6% |
| Net financial income (expense) | 48 | - | (10) | (121) | - | (83) |
| Income tax expense | (99) | (2) | - | 42 | - | (59) |
| Profit (loss) from discontinued op. | 6 | | | | | 6 |
| Minority interests | (5) | | | | | (5) |
| Share in profit from associates | 7 | | | | | 7 |
| Net income – group share <i>EPS (in €)</i> | 281 0.70 | 5 | - | (79) | - | 207 0.52 |

Fx volatility

Diverse impacts on P&L

Increased Fx volatility during H1 2010

- **Translation** effect: foreign currencies translated into €
 - ⇒ Strong positive impact AUD, BRL in H1, almost neutral from \$
 - ⇒ Impact on Revenue and Return on Sales

Average spot rate

| H1 2009 | H1 2010 |
|---------|---------|
| \$ 1.33 | \$ 1.33 |

- **Transaction** effect: mismatch between \$ sales and € costs is hedged
 - ⇒ Mild negative impact from \$
 - ⇒ Slight positive impact from other currencies (\$/CAD, \$/GBP)
 - ⇒ Impact on Profits

Hedge rate

| H1 2009 | H1 2010 |
|---------|---------|
| \$ 1.43 | \$ 1.45 |

- **Mark-to-market** effect
 - ⇒ €(1.8)bn on fair value of financial instrument
 - ⇒ Impact on consolidated “statutory” accounts

Spot rate

| Dec 31, 2009 | June 30, 2010 |
|--------------|---------------|
| \$ 1.44 | \$ 1.23 |

Hedging management - continuing policy

- Capturing better rates to optimize portfolio
- Rolling 3-year hedging policy

Consolidated and adjusted income statements

H1 2010 reconciliation

| (In €M) | Consolidated income statement | Hedge accounting | | Business combinations | | Adjusted consolidated income statement |
|---|-------------------------------|---------------------------|------------------------------|--|---|--|
| | | Re-measurement of revenue | Deferred hedging gain (loss) | Amortization of intangible assets - Sagem/Snecma | PPA impacts - other business combinations | |
| Revenue | 5,367 | (170) | | | | 5,197 |
| Other operating income / expense | (4,817) | 2 | (56) | 79 | 23 | (4,769) |
| Recurring operating income | 550 | (168) | (56) | 79 | 23 | 428 |
| Other non current operating income / expense | | | | | | |
| Profit (loss) from operations | 550 | (168) | (56) | 79 | 23 | 428 |
| Cost of debt | (20) | | | | | (20) |
| Foreign exchange financial income (loss) | (1,987) | 168 | 1,781 | | | (38) |
| Other finance costs /income | (78) | | | | | (78) |
| Net finance costs / income | (2,085) | 168 | 1,781 | - | - | (136) |
| Income from associates | 7 | | | | | 7 |
| Income tax expense | 559 | | (594) | (27) | (8) | (70) |
| Profit (loss) from continuing operations | (969) | | 1,131 | 52 | 15 | 229 |
| Profit (loss) from discontinuing operations | - | | | | | - |
| Minority interests | (4) | 3 | (2) | (1) | (2) | (6) |
| Parents | (973) | 3 | 1,129 | 51 | 13 | 223 |

H1 2010 profit from operations

Recurring operating income: €428M in H1 2010 (8.2% of revenue)

| <i>(In €M)</i> | H1 2009 restated | H1 2010 |
|--|---------------------------|---------------------------|
| Revenue | 5,149 | 5,197 |
| Recurring operating income <i>% of revenue</i> | 347 6.7% | 428 8.2% |
| Total one-off items | (6) | - |
| <i>Capital gain (loss) on disposals</i> | - | - |
| <i>Impairment reversal (charge)</i> | (6) | - |
| <i>Other infrequent & material non operational items</i> | - | - |
| Profit from operations <i>% of revenue</i> | 341 6.6% | 428 8.2% |

*No one-off items
during the period*

H1 2010 income statement

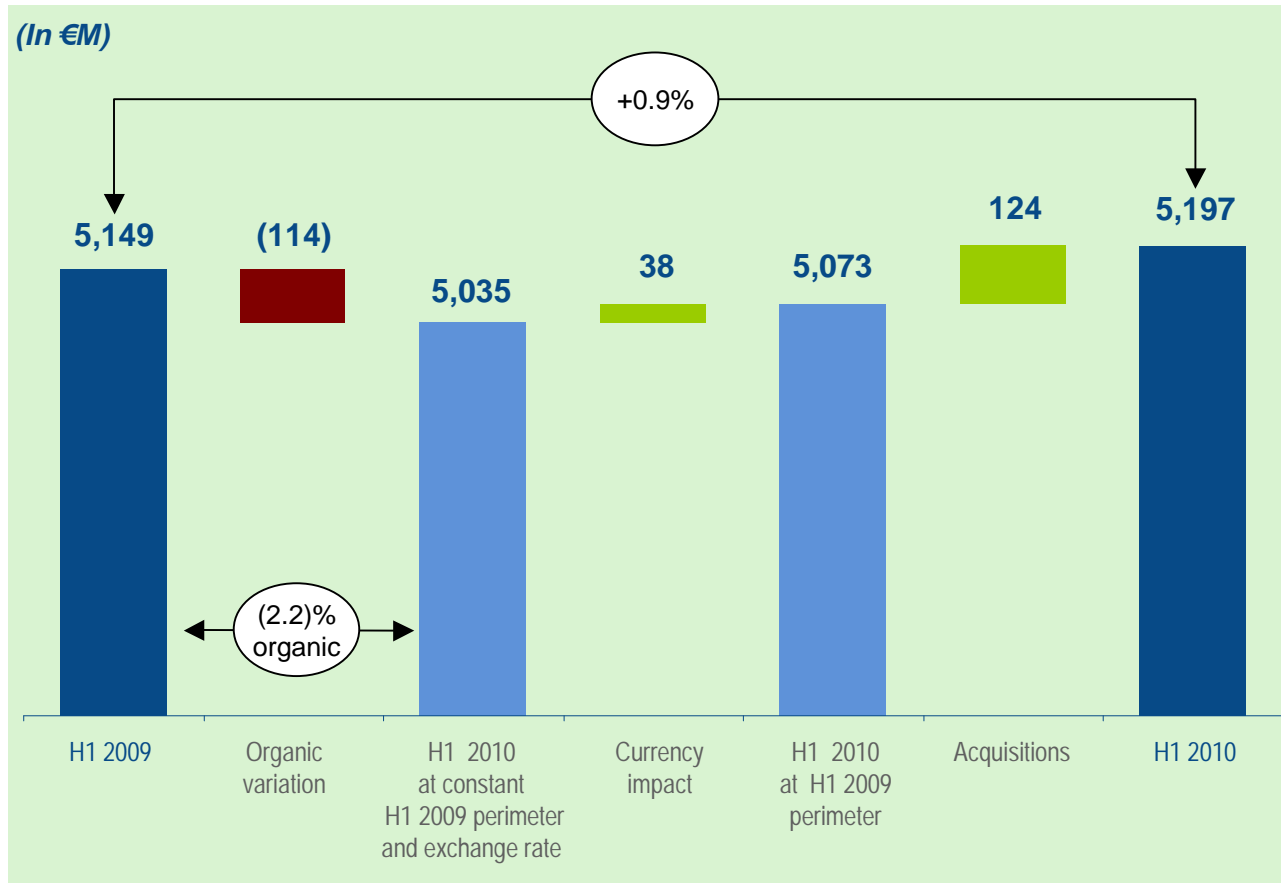
EPS growth of 8%

| <i>(In €M)</i> | H1 2009 reported | H1 2009 restated | H1 2010 |
|--|---------------------|---------------------|--------------|
| Revenue | 5,149 | 5,149 | 5,197 |
| Recurring operating income | na | 347 | 428 |
| <i>% of revenue</i> | <i>na</i> | <i>6.7%</i> | <i>8.2%</i> |
| Profit from operations | 324 | 341 | 428 |
| <i>% of revenue</i> | <i>6.3%</i> | <i>6.6%</i> | <i>8.2%</i> |
| <i>Net finance (cost) income</i> | <i>48</i> | <i>(83)</i> | <i>(136)</i> |
| <i>Income tax expense</i> | <i>(99)</i> | <i>(59)</i> | <i>(70)</i> |
| <i>Profit (loss) from discontinued op.</i> | <i>6</i> | <i>6</i> | <i>-</i> |
| <i>Minority interests</i> | <i>(5)</i> | <i>(5)</i> | <i>(6)</i> |
| <i>Share in profit from associates</i> | <i>7</i> | <i>7</i> | <i>7</i> |
| Profit - group share | 281 | 207 | 223 |
| Basic EPS (in €) | 0.70 | 0.52 | 0.56 |

Of which cost of net debt of €(20)M

H1 2010 revenue

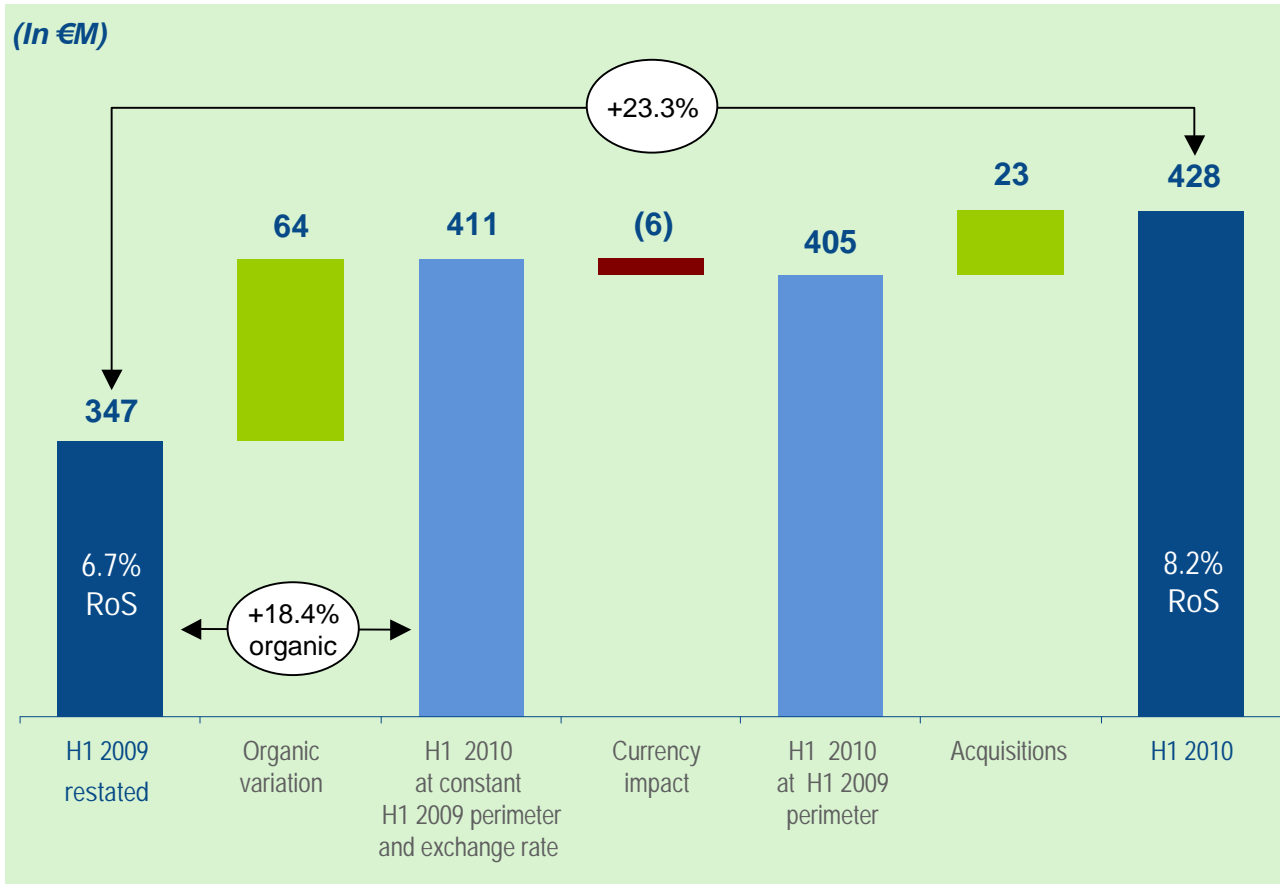
0.9% increase



- Defence (optronics) and Security (detection) up
- Mild decline in OE aerospace with resilient services
- Favourable currency impact
 - Translation: positive impact \$, AUD, BRL
 - Transaction: negative impact of \$ (\$1.45 in H1 2010 vs. \$1.43 in H1 2009)
- Changes in the scope of consolidation include:
 - 6 months of MorphoDetection (GE HLP): €101M
 - 3 months of MorphoTrak (Printrak): €8M

H1 2010 recurring operating income

Recurring operating margin improved by 1.5 point



Improved profitability driven by:

- OE CFM volume and price
- “Non-CFM” aftermarket (military, helicopters, high-thrust engines)
- Lower production costs on nacelles
- External growth in Security
- Safran+ productivity improvements and costs efficiency
- Lower R&D impact

Research & Development

R&D effort maintained, lower impact on EBIT

| <i>(In €M)</i> | H1 2009 | H1 2010 | Change |
|---|------------|------------|---------|
| Total self-funded R&D (before tax credit*) | 294 | 291 | (3) |
| <i>% of revenue</i> | 5.7% | 5.6% | (0.1)pt |
| Recorded as operating expenses | 218 | 207 | (11) |
| Capitalized expenses | 76 | 84 | 8 |

■ Tailing off of R&D developments on SaM146 and TP400 engines

■ Tax credit* impact of €61M in H1 2010 vs. €48M in H1 2009

| <i>(In €M)</i> | H1 2009 | H1 2010 | Change |
|---|------------|------------|-------------|
| Recorded as operating expenses | 218 | 207 | (11) |
| Amortisation / depreciation | 47 | 35 | (12) |
| Ebit impact before R&D tax credit * | 265 | 242 | (23) |
| Ebit impact after R&D tax credit * | 217 | 181 | (36) |

* "Crédit Impôts Recherche" in France

H1 2010 Earnings - July 28, 2010

Aerospace Propulsion

Key figures

| (In €M) | H1 2009 restated | H1 2010 | Change | Organic Change |
|-----------------------------------|---------------------|--------------|--------|-------------------|
| Revenue | 2,769 | 2,763 | (0.2)% | (0.7)% |
| Recurring operating income | 271 | 311 | 14.8% | |
| <i>% of revenue</i> | 9.8% | 11.3% | +1.5pt | |
| <i>One-off items</i> | (6) | - | | |
| Profit (loss) from op. | 265 | 311 | | |
| <i>% of revenue</i> | 9.6% | 11.3% | | |

| (In €M) | H1 2009 | H1 2010 |
|--|------------|------------|
| Capex (tangible assets) | 69 | 40 |
| Total self-funded R&D before tax credit | 139 | 132 |
| <i>% of revenue</i> | 5.0% | 4.8% |
| Recorded as opex | 103 | 90 |
| Capitalized expenses | 36 | 42 |

- Stable revenue
 - Growth in services for military, helicopters & high trust engines
 - Strong deliveries in OE CFM and space engines
 - Offset by soft CFM aftermarket
- Growing profits despite CFM aftermarket softness
 - Impact of better CFM volume/price
 - Aftermarket except CFM
 - Good cost control
 - R&D efficiency
 - Slight adverse currency effect
- R&D: tailing off of SaM146 and TP400; increasing efforts on Leap-X and Silvercrest

Aircraft Equipment

Key figures

| (In €M) | H1 2009 restated | H1 2010 | Change | Organic Change |
|-----------------------------------|---------------------|--------------|--------|-------------------|
| Revenue | 1,413 | 1,374 | (2.8)% | (4.4)% |
| Recurring operating income | 47 | 68 | 44.7% | |
| <i>% of revenue</i> | 3.3% | 4.9% | +1.6pt | |
| <i>One-off items</i> | - | - | | |
| Profit (loss) from op. | 47 | 68 | | |
| <i>% of revenue</i> | 3.3% | 4.9% | | |

| (In €M) | H1 2009 | H1 2010 |
|--|-----------|-----------|
| Capex (tangible assets) | 44 | 19 |
| Total self-funded R&D before tax credit | 65 | 64 |
| <i>% of revenue</i> | 4.6% | 4.7% |
| Recorded as opex | 40 | 38 |
| Capitalized expenses | 25 | 26 |

- Strong deliveries of large nacelles (A320, A330)
- Impact of business and regional jets crisis on Equipment activities (small nacelles, wiring and landing systems)
- Recovery plan delivering results
 - Sustained growth of services in landing systems, brakes and wheels
 - A 380 : lower volumes, improved production costs
 - B 787 : higher volumes, first benefits of new conditions (harnessing)
- R&D: tailing off of B787; increasing efforts on A350

Key figures

| (In €M) | H1 2009 restated | H1 2010 | Change | Organic Change |
|-----------------------------------|---------------------|------------|--------|-------------------|
| Revenue | 511 | 558 | 9.2% | 8.7% |
| Recurring operating income | 19 | 28 | 47.4% | |
| <i>% of revenue</i> | 3.7% | 5.0% | +1.3pt | |
| <i>One-off items</i> | - | - | | |
| Profit (loss) from op. | 19 | 28 | | |
| <i>% of revenue</i> | 3.7% | 5.0% | | |

■ Over 20% growth in Optronics with a favourable volume/price impact on EBIT

■ Night visions goggles, thermal cameras, ...

■ Avionics: flattish revenue and profits still impacted by industrialization issues

■ Further incremental costs to put in place Safran Electronics

| (In €M) | H1 2009 | H1 2010 |
|--|-----------|-----------|
| Capex (tangible assets) | 10 | 38 |
| Total self-funded R&D before tax credit | 65 | 56 |
| <i>% of revenue</i> | 12.7% | 10.0% |
| Recorded as opex | 50 | 45 |
| Capitalized expenses | 15 | 11 |

Key figures

| (In €M) | H1 2009 restated | H1 2010 | Change | Organic Change |
|-----------------------------------|---------------------|------------|---------|-------------------|
| Revenue | 434 | 479 | 10.4% | (17.7)% |
| Recurring operating income | 40 | 61 | 52.5% | |
| <i>% of revenue</i> | 9.2% | 12.7% | +3.5pts | |
| <i>One-off items</i> | - | - | | |
| Profit (loss) from op. | 40 | 61 | | |
| <i>% of revenue</i> | 9.2% | 12.7% | | |

■ Revenue and profit growth are acquisition-driven (Detection)

■ Negative organic growth (-17.7%)

■ ID solutions in emerging countries (Ivory Coast)

■ Stable organic profits

■ Improvements in Identification and smart cards offset by volume effect on Ivory Coast

| (In €M) | H1 2009 | H1 2010 |
|--|-----------|-----------|
| Capex (tangible assets) | 2 | 16 |
| Total self-funded R&D before tax credit | 24 | 39 |
| <i>% of revenue</i> | 5.5% | 8.1% |
| Recorded as opex | 24 | 34 |
| Capitalized expenses | - | 5 |

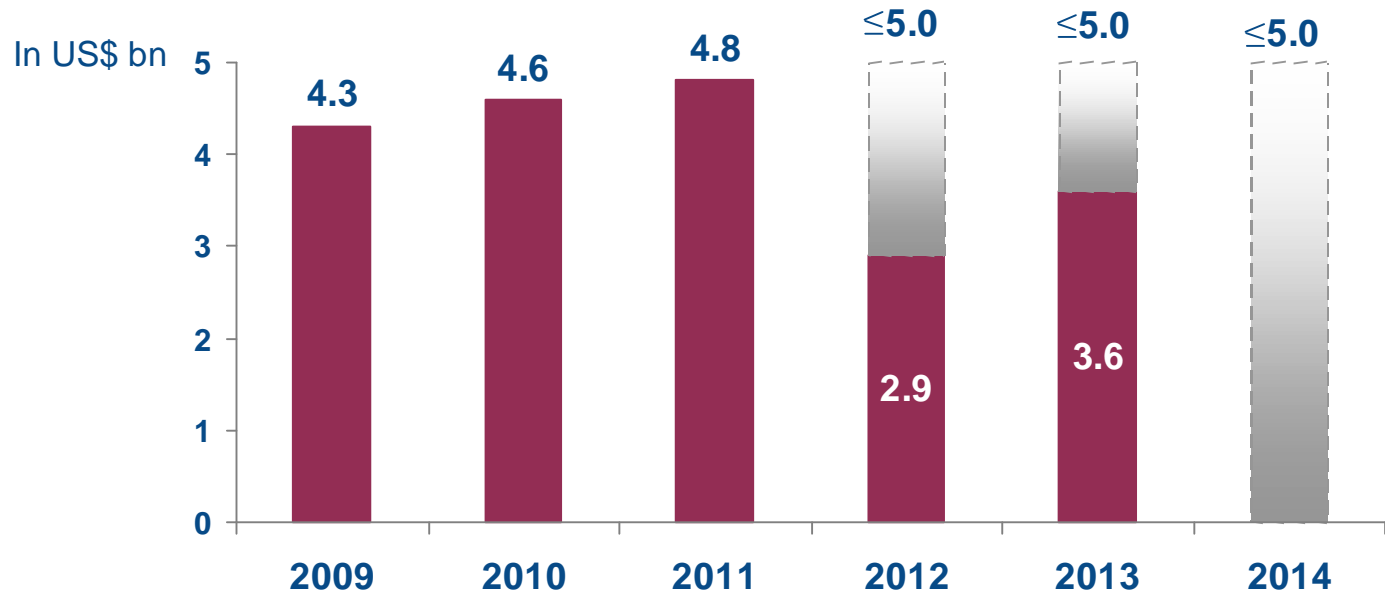
Note: PPA is now adjusted [€23M in H1 2010]

3-year hedging policy

Safran continued to optimize its hedging portfolio

Hedge portfolio, July 26, 2010

Total: \$13.7bn



- 2010: \$1.45 achieved reducing headwind (new target at \$1.44)
- New target for 2012 (\$1.34) and 2013 (\$1.31)
- Mid term target lowered to \$1.30 (instead of \$1.35)

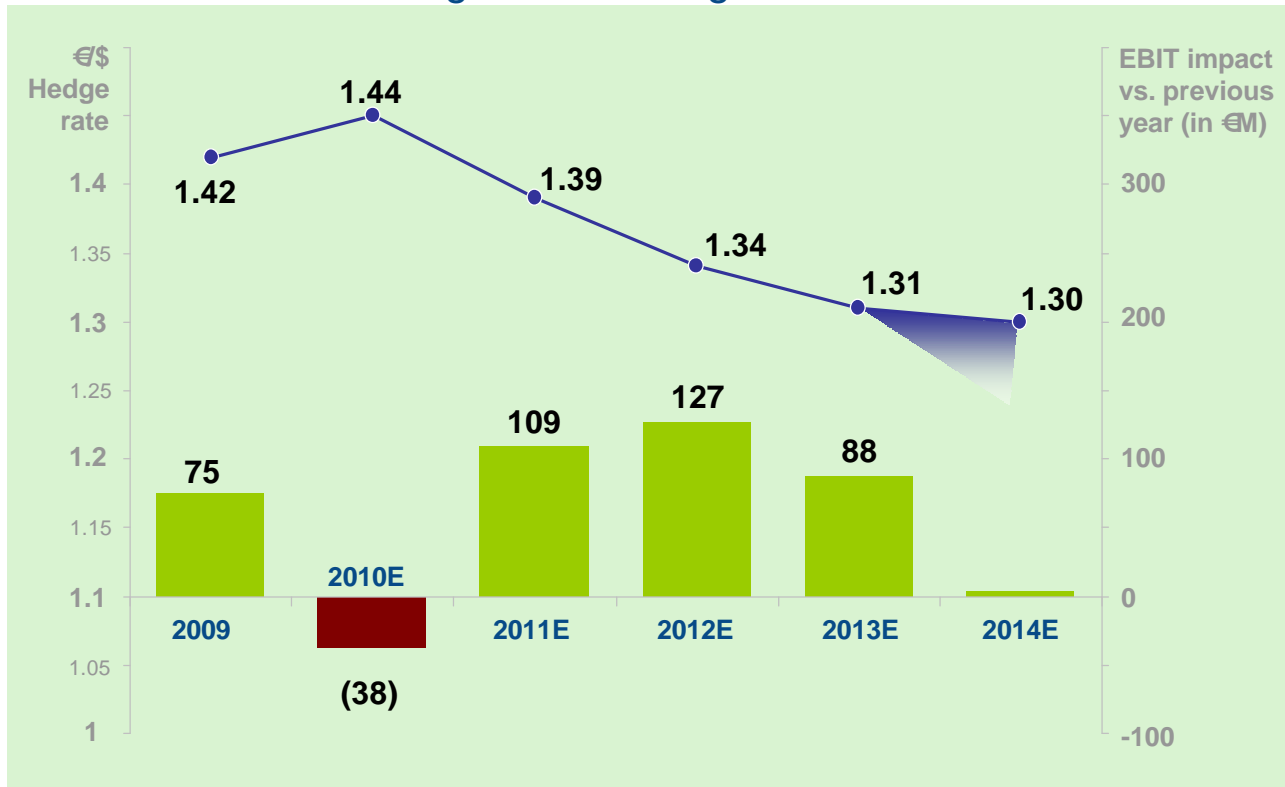
€/ \$ hedge rate

| | | | | | | |
|-----------------|------|------|------|------|------|---|
| Achieved | 1.42 | 1.45 | 1.39 | 1.34 | 1.30 | - |
| Target | - | 1.44 | - | 1.34 | 1.31 | - |

3-year hedging policy

Strategy is to reduce future swings in profits

Estimated impact on recurring operating income of targeted €/€ hedge rates



- Currency impact on profitability is around 2/3rd in Propulsion and 1/3rd in Equipment; non material for Defence and Security businesses
- Headwind reduced in 2010 and material tailwind expected from 2011 onwards

Free Cash Flow

Cash from operations greater than recurring operating income

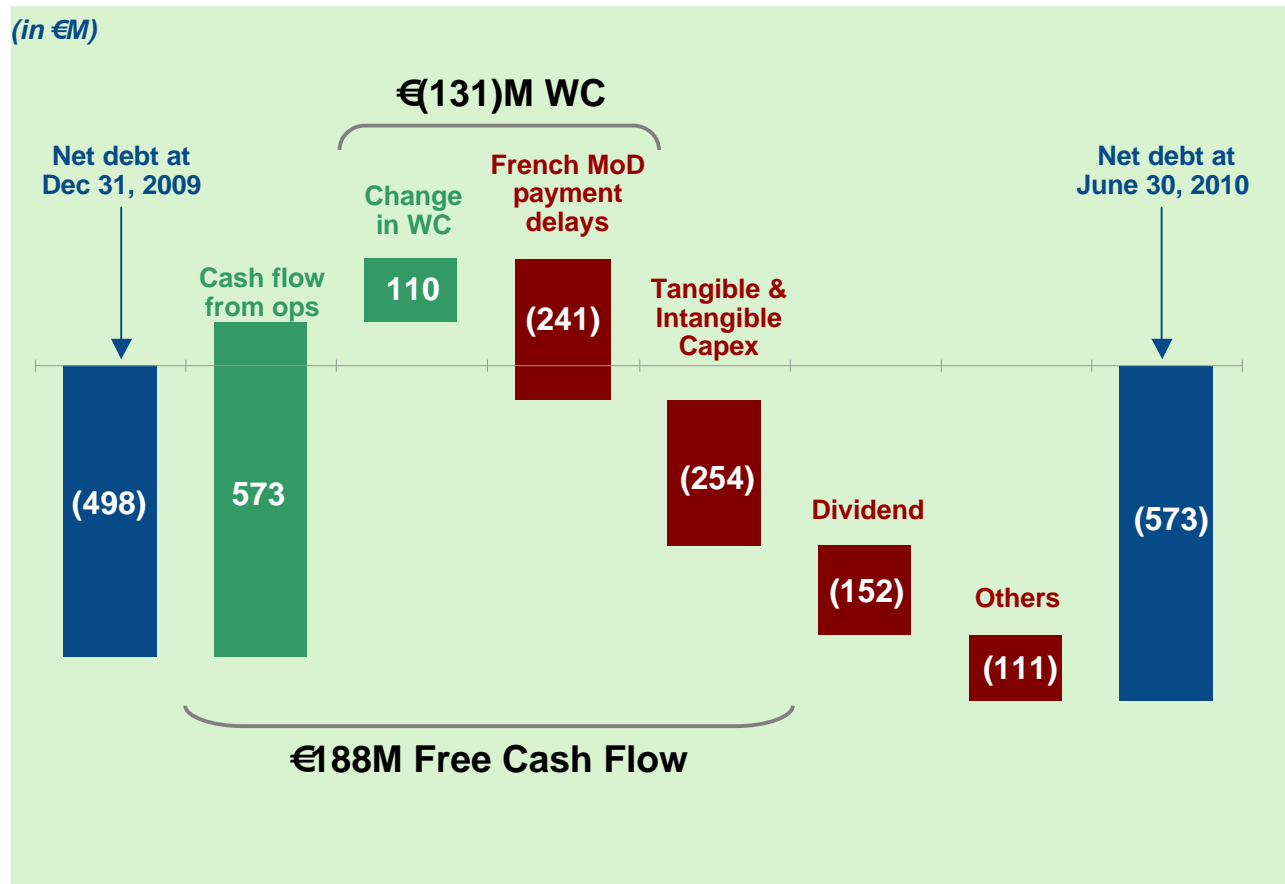
| <i>(in €M, at June. 30)</i> | H1 2009 restated | H1 2010 |
|---|---------------------|------------|
| Adjusted net profit (loss) | 207 | 223 |
| Depreciation, amortization and provisions | 297 | 212 |
| Others | 120 | 138 |
| Elimination of discontinued operations | 4 | - |
| Cash from operating activities | 628 | 573 |
| Working capital | (242) | 110 |
| French MoD payment delays | 21 | (241) |
| Capex (tangibles assets) | (132) | (122) |
| Capex (intangible assets) | (111) | (132) |
| Free cash flow | 164 | 188 |

■ Growing FCF generation

- Sizeable reduction of WC, excluding French MoD payment delays (€269M at end June 2010 vs. €28M at end 2009)
- Tight control of capex of tangible assets

Net debt

Preserving our financial flexibility



- Strong cash flow from operations
- WC improved by €110M before French State payment delays
- Dividend payment of €152M (€0.38 per share)
- Gearing of 16%

Gross cash & debt

The Group is adequately funded

Available financing resources: Committed & undrawn = €1.1bn

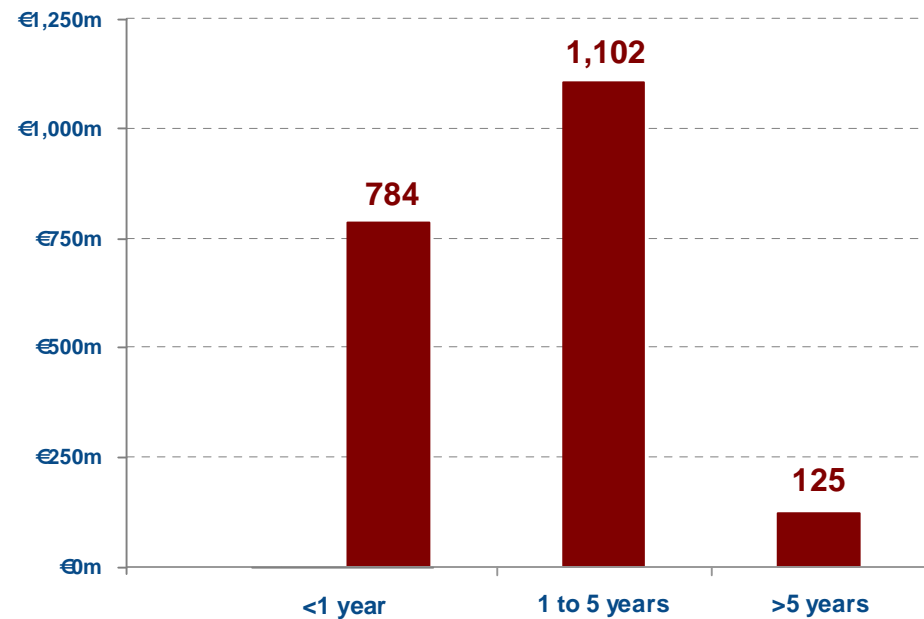
■ **EIB loan** - €300M, undrawn, maturity 2020; subject to 2 covenants (net debt/EBITDA <2.5 and Gearing <1; respectively 0.48 and 0.16 at June 30, 2010)

■ **Credit line** - €800M, undrawn, maturity Jan. 2012; no covenants

Bond

■ **Bond** - €750M, maturity Nov. 2014; 4% annual coupon, no covenants.

Gross debt repayment schedule (June 30, 2010)



Balance sheet highlights

Solid balance sheet

| <i>(In €M)</i> | Dec. 31, 2009 | June 30, 2010 |
|---|------------------|------------------|
| Goodwill | 2,126 | 2,243 |
| Tangible & Intangible assets | 5,418 | 5,501 |
| Other non current assets | 722 | 863 |
| Operating Working Capital | 965 | 1,266 |
| Net cash (debt) | (498) | (573) |
| Shareholders' equity - Group share | 4,353 | 3,417 |
| Minority interests | 148 | 151 |
| Non current liabilities (excl. net debt) | 1,739 | 1,300 |
| Provisions | 2,354 | 2,344 |
| Other current liabilities / (assets) net | 139 | 2,088 |

- Shareholders' equity down by €936M
- Net debt slightly increased by €75M
- OWC increased by €301M at €1,266M (12,1% of revenue), reflecting French MoD payment delays and other non-cash items
- Provisions remained stable

Customer financial guarantees

Reduced level of total guarantees

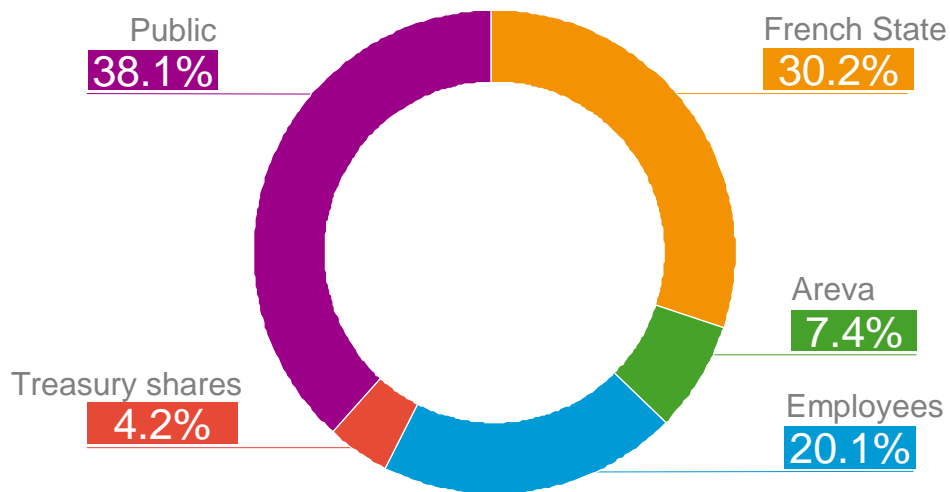
| <i>(In \$M)</i> | Dec. 31, 2009 | June 30, 2010 |
|----------------------------------|------------------|------------------|
| Total guarantees | 237 | 169 |
| Estimated value of pledges | 120 | 94 |
| Net exposure on these guarantees | 117 | 75 |
| | | |
| Provisions | 110 | 69 |

- Marginal Safran outstanding risk on Aircraft financing, representing less than 2% of Safran revenue on an annual basis
- Reduced level of total guarantees reflecting a low participation of manufacturer financial support despite the proximity of the 2008/2009 bank crisis
- Outstanding risk of the portfolio covered by the conservative estimated value of the assets securing the financing and the provisions booked in Safran account

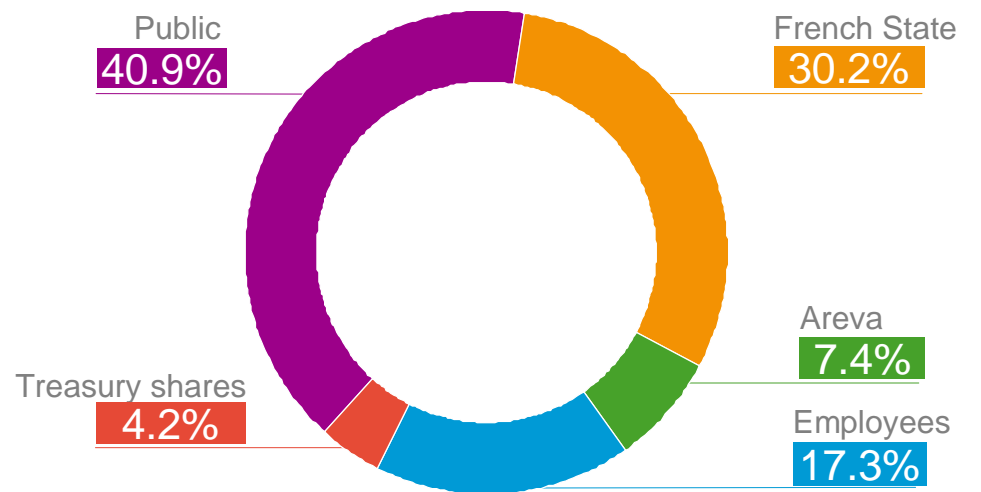
Equity shareholding

Free float increased by 3 points over H1

As of Dec. 31, 2009



As of June 30, 2010





Safran

Outlook

Jean-Paul HERTEMAN
CEO

Investing in productivity

World class operations

World-class expertise in electronics and safety-critical software



50% reduction of development and manufacturing cycles



World-class manufacturing facility for sensors and inertial measurements



30 to 40% production cost reduction on some pieces for CFM56-7



Improving industrial efficiency

Investing on platforms for growth

While managing short-term volatility

Airbus A380



Boeing B787



Airbus A400M



Sukhoi Superjet 100



Comac C919



Airbus A350XWB



Growing installed base with higher shipset value

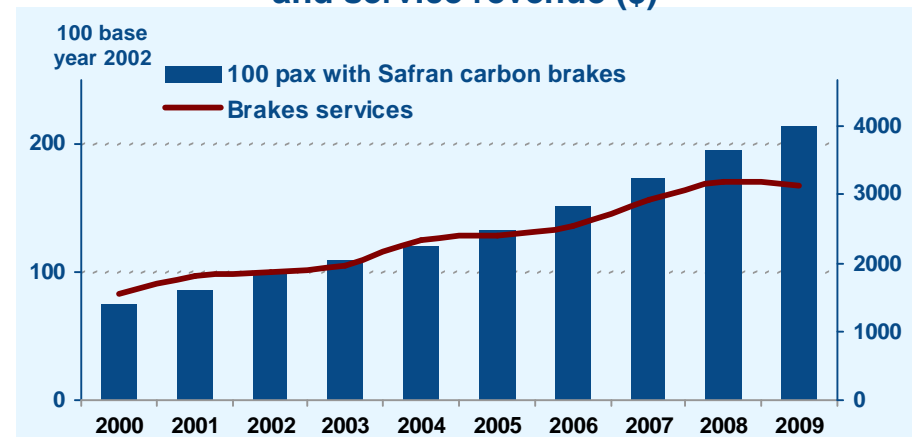
Improving productivity in equipment

While expecting higher volumes on new programs

Action plan in Aircraft Equipment

- Grow services (carbon brakes, landing systems, nacelles)
- Specific plan for the Nacelle activity to reach recurring operating breakeven by mid-2011
- Expected volume recovery from 2011 in business and regional jets
- Continue to improve productivity and reduce cost base

100 pax fleet equipped with Safran carbon brakes and service revenue (\$)

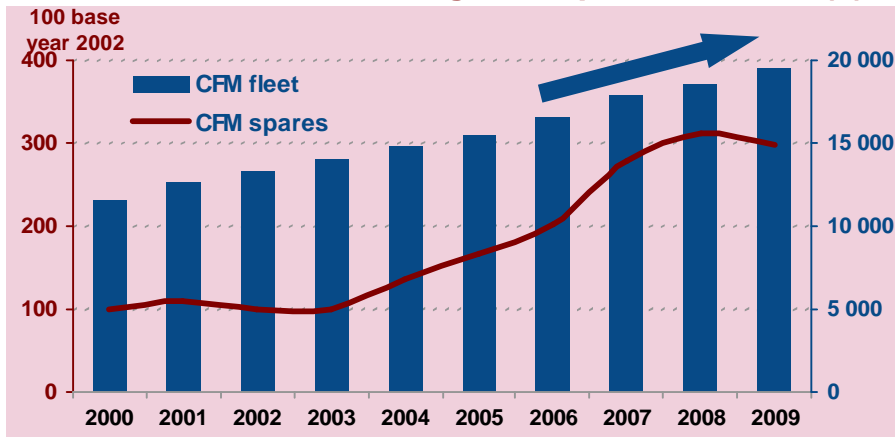


Confident to deliver higher operating margin in Aircraft Equipment by 2012-2013

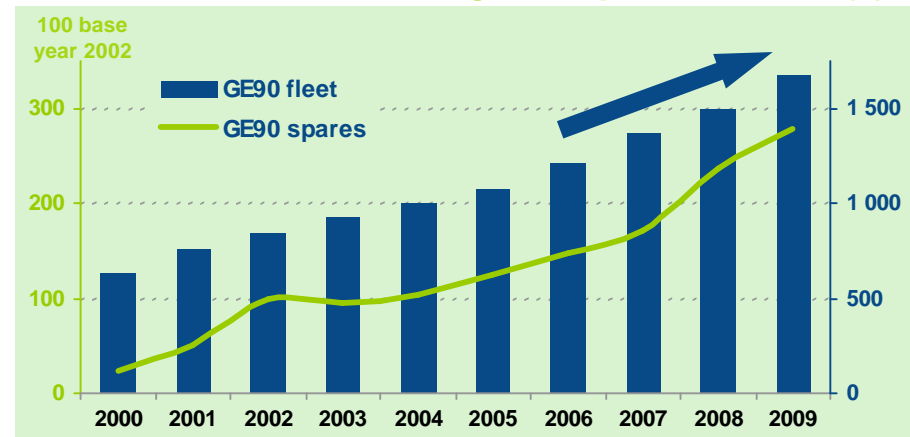
Growing installed base in propulsion

Fuelling aerospace aftermarket growth

CFM fleet in service and global spares revenue (\$)



GE90 fleet in service and global spares revenue (\$)



- Services in military, helicopters and high thrust engines to continue to grow
- CFM aftermarket to improve in H2 2010 vs. H1 2010

Overall aftermarket in Propulsion expected to grow moderately in 2010

Upgraded 2010 outlook

- Revenue expected to be *similar* to 2009
- Recurring operating margin expected to trend *towards the 8% range* (at a targeted hedge rate of USD 1.44 to the Euro)
- Free cash flow expected to represent *at least half* of the recurring operating income (assuming that French MoD payment delays are significantly resorbed)

Underlying assumptions

- A 5%+ increase in global air traffic
- A stabilization in original equipment commercial aviation business
- A moderate growth in sales in aerospace services, back ended (H2 2010)
- Strong and profitable growth for the Security business
- On-going Safran+ plan to enhance profitability and reduce overheads

Aerospace equipment consolidation

The merits of a combination are strong

■ Creating a global Tier 1 equipment manufacturer

- Global business model is moving towards fewer and stronger, more diversified equipment manufacturers (as demonstrated by the industry leaders GE, UTC, Honeywell, Goodrich, etc. as well as Zodiac Aerospace)
- Broadening and diversifying the offering is a critical step on the path to sustainable growth and margins
- Taking advantage of outstanding technologies fit will create breakthrough long term value on « more electrical aircraft »

■ Beyond costs synergies, scale & strategic fit provide revenue synergies

- Synergies are not limited to specific product overlap or industrial duplication
 - **Technical**
 - **Commercial**
 - **In service support and logistics**

Aerospace equipment consolidation

Beyond costs synergies, scale & strategic fit provide revenue synergies

- Commercial synergies: covering 75% of an aircraft value, providing access to top-level decision-makers, will allow to systematically secure a significant value share of new programs
- Critical mass is required to develop and fund a fast growing services and after-sales global platform
- High technological complementarities in electrical power, real-time calculators, de-icing, fuel and hydraulic systems
- Costs synergies (to be jointly explored), similar as in any combination (support, purchasing, R&D, etc)

Any transaction would be value-enhancing to all stakeholders

- We are convinced by the strategic rationale of a combination
- Any contemplated transaction would be financially attractive to all shareholders while preserving the financial flexibility of the combined entity



Safran

Questions & Answers

Except for historical information, all other information in this presentation consists of forward-looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995, as amended. These forward looking statements include statements regarding the future financial and operating results of Safran such as (i) expected revenue for full year 2010, (ii) expected profit from operations for the full year 2010 and (iii) free cash flow for the full year 2010. Words such as "expects," "anticipates," "targets," "projects," "intends," "plans," "believes," "estimates," variations of such words and similar expressions are intended to identify such forward-looking statements which are not statements of historical facts. These forward-looking statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to assess. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. These risks and uncertainties are based upon a number of important factors including, among others: our ability to operate effectively in a highly competitive industry with many participants; our ability to keep pace with technological advances and correctly identify and invest in the technologies that become commercially accepted; difficulties and delays in achieving synergies and cost savings; fluctuations in the aerospace market; exposure to the pricing pressures in the regions in which we sell; the pricing, cost and other risks inherent in long-term sales agreements; exposure to the credit risk of customers; reliance on a limited number of contract manufacturers to supply products we sell; the social, political and economic risks of our global operations; the costs and risks associated with pension and postretirement benefit obligations; the complexity of products sold; changes to existing regulations or technical standards; existing and future litigation; difficulties and costs in protecting intellectual property rights and exposure to infringement claims by others; compliance with environmental, health and safety laws; the economic situation in general (including exchange rate fluctuations) and uncertainties in Safran's customers businesses in particular; customer demand for Safran's products and services; control of costs and expenses; international growth; conditions and growth rates in the aerospace industry; and the impact of each of these factors on sales and income. For a more complete list and description of such risks and uncertainties, refer to Safran's Document de Référence for the year ended December 31, 2008. Safran disclaims any intention or obligation to update any forward-looking statements after the distribution of this news release, whether as a result of new information, future events, developments, changes in assumptions or otherwise.

* Adjusted data

H1 2010 Earnings - July 28, 2010

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Additional Information

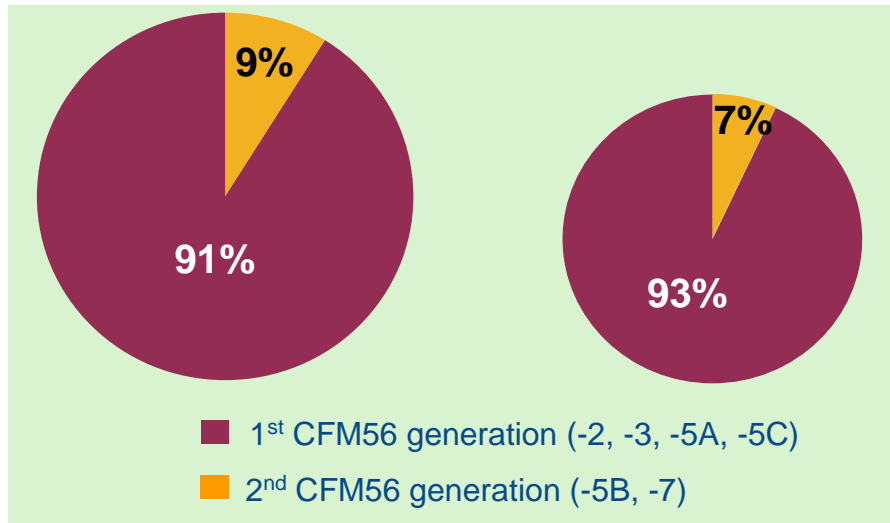


68 CFM56 powered aircraft returned to service in H1 2010

Number of grounded planes powered by CFM56 engines

Dec 31, 2009
468 aircraft

June 30, 2010
400 aircraft



■ Grounded CFM-equipped aircraft represent 4% of the total CFM fleet

■ vs. 12% for the total active aircraft market*

■ A majority of B737NG returned to traffic

* Source : UBS

H1 2010 Earnings - July 28, 2010

H1 2007-2010 Security revenue

- 2008 perimeter: excluding Monetel business, excluding Printrak & GE HLP acquisitions, and including SDU-I
- Excluding revenue from Identification governmental contract in Ivory Coast

