

SAFRAN

2014 BUSINESS AND CORPORATE SOCIAL RESPONSIBILITY REPORT





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CHALLENGES

INNOVATE TO RISE
TO THE CHALLENGES
OF A FAST-CHANGING
WORLD

Safran is a leading international high-technology group and Tier-1 supplier of systems and equipment for aerospace, defense and security. Operating worldwide, Safran has 69,000 employees and generated sales of 15.4 billion euros in 2014. Through its global presence Safran not only enhances competitiveness, but also builds industrial and commercial relations with the world’s leading prime contractors and operators, while providing fast, local service to customers around the world. Working alone or in partnership, Safran holds world or European leadership positions in its core markets. To keep pace with these changing markets and rise to current and future challenges, Safran invents incisive technology solutions, and undertakes extensive research and development programs, representing expenditures of 2 billion euros in 2014.



EXPANDING
MOBILITY
MODES

Safran invents solutions that improve the circulation and security of people, goods and data, while also enhancing the economic and environmental performance of the air transport industry.

SUPPORTING
SOCIAL
PROGRESS

Preserve natural resources and protect the environment, support modernization of countries and contribute to stable societies...
In today’s fast-changing world, Safran delivers concrete solutions to adapt the way we live to these major social challenges.



SHAPING
TOMORROW’S
WORLD

Maintain leadership, design new ways of working and collaborating, explore new horizons... Safran is investigating new paths for research and experimentation, marking a break with today’s technologies, so that we can conceptualize the full range of possibilities.

A NEW GOVERNANCE STRUCTURE FOR SAFRAN

ON APRIL 23, 2015, DURING THE BOARD OF DIRECTORS MEETING FOLLOWING THE ANNUAL GENERAL MEETING OF SHAREHOLDERS, PHILIPPE PETITCOLIN WAS NAMED CHIEF EXECUTIVE OFFICER OF SAFRAN, AND ROSS McINNES WAS NAMED CHAIRMAN OF THE BOARD. THEY SUCCEED JEAN-PAUL HERTEMAN, WHO HELD BOTH FUNCTIONS.



From left to right: Ross McInnes, Jean-Paul Herteman and Philippe Petitcolin.

“SAFRAN HAS THE ASSETS NEEDED TO RISE TO MAJOR CURRENT AND FUTURE CHALLENGES”

PHILIPPE PETITCOLIN
CHIEF EXECUTIVE OFFICER



After 27 years with our Group, you are now replacing Jean-Paul Herteman as Chief Executive Officer. What’s your state of mind as you take on this task?

It’s with both pride and confidence that I succeed Jean-Paul Herteman. I’m proud because I am inheriting a powerful group in great health, with a wealth of exceptional technologies that make a difference to our daily lives. Safran boasts excellent results, as shown by our order backlog of 64 billion euros, plus a very healthy financial situation and the exemplary performance of our share. Our revenues continue to grow, rising 7% over 2014, and our profit margin jumped 17% from the previous year. I am confident because Safran has the assets needed to rise to major current and future challenges: the all-out commitment of our 69,000 employees, investments in R&D equal to 13% of sales, state-of-the-art industrial facilities, a full slate of continuous improvement actions and more. I am also fully aware of my own responsibilities. Because of my career that took me to a number of Safran companies, I discovered the strong values that are shared by our different

businesses, including respect for customers, a focus on innovation, and the strength of teamwork. Today, it’s up to me to perpetuate the values inherited from my predecessors, while also bolstering Safran’s performance and competitiveness, to ensure the growth of our enterprise for everyone’s benefit.

How do you see Safran today?

Safran has confirmed its position as a technology benchmark and leader in our core markets. Our aviation business is posting strong growth. While the CFM56® engine still has a backlog of 4,169 orders and commitments, and dynamic service business, its successor, the advanced LEAP® turbofan, is already the best-selling engine while still under development in the history of aviation, with more than 8,900 orders and commitments at April 30, 2015. Systems and equipment from Safran are used on all current major aircraft programs, especially Airbus and Boeing jetliners, and our aircraft equipment service business is also showing sustained growth. Our security business has resumed profitable growth. Thanks in particular to our unrivaled expertise in biometric identification systems, we won

several major contracts for national ID programs. We are continuing to invest in the defense business to maintain our technological differentiation against the backdrop of a demanding geopolitical context. The first export contracts for the Dassault Aviation Rafale fighter, for instance, guarantee sustained business in the coming years. We have also started the process to merge our space propulsion business with Airbus Group’s launcher business to help ensure the long-term viability of Europe’s independent access to space. Our recent major successes in each of our core markets clearly illustrate the strength of Safran.

What are the main challenges that face Safran?

First, we have to ensure on-time delivery of current products, while handling the ramp-up for new products and successfully completing developments in progress. In particular, we have to gear up for production and then the delivery of our new LEAP and Silvercrest® engines, as well as equipment and systems chosen for a number of new aircraft, such as the nacelles on the Airbus A330neo. We also have to develop our complete


offering of aircraft electrical systems, and meet our strategic goal of achieving a presence in all aspects of secure identification, both physical and digital. We will continue to invest heavily in research and innovation so we can offer our customers the breakthrough, and even disruptive technologies that add significant value, while carving out a position on upcoming programs. With the recent opening of our corporate Research and Technology center, Safran Tech, we now have a powerful facility that allows us to centralize and direct our research efforts, and thus accelerate breakthroughs in strategic markets. Furthermore, we have created an entity dedicated to big data, Safran Analytics, to support the development of innovative and personalized services in all of our business lines. Working in concert with our partners and shareholders, my aim is to further improve Safran’s performance and competitiveness, so we can deliver even better service to our customers, in line with the corporate social responsibility values that underpin our strategy.

CORPORATE GOVERNANCE


EXECUTIVE COMMITTEE

The Safran Executive Committee comprises the following persons (as from June 15, 2015).


01




02




03




04




05




06




07




08




09




10




11




12




13




14




15



16



17



- 01

PHILIPPE PETITCOLIN
CHIEF EXECUTIVE OFFICER

02

STÉPHANE ABRIAL
SENIOR EXECUTIVE VP,
INTERNATIONAL
AND PUBLIC AFFAIRS

03

BERNARD DELPIT
SENIOR EXECUTIVE VP,
FINANCE

04

PIERRE FABRE
SENIOR EXECUTIVE VP,
R&T AND INNOVATION

05

ALEX FAIN
CORPORATE SECRETARY
- 06

JEAN-PAUL ALARY
CEO, AIRCELLE

07

OLIVIER ANDRIÈS
CEO, SNECMA

08

ANNE BOUVEROT
CEO, MORPHO
(as from August 1, 2015)

09

BRUNO EVEN
CEO, TURBOMECA

10

VINCENT MASCRÉ
CEO, MESSIER-BUGATTI-DOWTY

11

ALAIN SAURET
CEO, LABINAL POWER SYSTEMS

12

PHILIPPE SCHLEICHER
CHAIRMAN AND CEO, HERAKLES

13

MARTIN SION
CEO, SAGEM
- 14

JEAN-LUC BÉRARD
EXECUTIVE VP,
HUMAN RESOURCES

15

ÉRIC DALBIÈS
EXECUTIVE VP,
STRATEGY AND M&A

16

PASCALE DUBOIS
EXECUTIVE VP,
COMMUNICATIONS

17

JEAN-JACQUES ORSINI
EXECUTIVE VP,
PERFORMANCE AND
COMPETITIVENESS

“THE CEO AND I WILL BE WORKING HAND IN HAND TO ENSURE SAFRAN’S CONTINUOUS GROWTH AND IMPROVEMENT”

ROSS McINNES
CHAIRMAN OF THE BOARD

In its succession plan for Jean-Paul Herteman, the Safran Board of Directors has opted for a two-pronged governance structure, splitting the positions of the Chief Executive Officer and the Chairman of the Board. The Board’s responsibility is to define our corporate strategy, designate corporate officers, control management and oversee the quality of the information provided to shareholders and markets, via financial statements, or concerning major operations.

This type of management structure is applied by nearly one-third of the companies in the French stock market index CAC 40 and about 90% of companies in the British index FTSE 100. It also addresses Safran’s current needs, namely to maintain the required continuity, consolidate our stability, and perpetuate our successes.

Philippe Petitcolin and I have very complementary career paths and an in-depth knowledge of Safran that facilitates communications and decision-making. We will be working hand in hand to ensure Safran’s continuous growth and improvement.



BOARD OF DIRECTORS

The Safran Board of Directors comprises 17 members offering a wide range of complementary areas of expertise in Safran’s strategic business sectors. The members of the Board include: one State representative and two directors proposed by the State; two employee shareholder representatives and two employee representatives. More than half⁽¹⁾ of the directors are independent and one-third⁽¹⁾ are women.



- 01

ROSS McINNES,
CHAIRMAN
OF THE BOARD
- 02

CHRISTIAN STREIFF,
VICE CHAIRMAN
OF THE BOARD
- 03

PHILIPPE PETITCOLIN,
CHIEF EXECUTIVE
OFFICER
- 04

MARC AUBRY
- 05

GIOVANNI BISIGNANI
- 06

FRÉDÉRIC BOURGES
- 07

JEAN-LOU CHAMEAU
- 08

MONIQUE COHEN
- 09

ODILE DESFORGES,
CHAIRMAN OF THE
AUDIT AND RISK
MANAGEMENT
COMMITTEE
- 10

JEAN-MARC FORNERI,
CHAIRMAN OF THE
NOMINATION AND
REMUNERATION
COMMITTEE
- 11

PATRICK GANDIL
- 12

CHRISTIAN HALARY
- 13

VINCENT IMBERT
- 14

XAVIER LAGARDE
- 15

ÉLISABETH LULIN
- 16

DANIEL MAZALTARIM
- 17

ASTRID MILSAN

BOARD COMMITTEES

Two committees prepare the Board’s deliberations and submit proposals for consideration by the Board.

Audit and Risk Management Committee

The Audit and Risk Management Committee examines financial statements and provides follow-up on questions concerning the generation and control of financial and accounting data. In addition, it oversees the efficiency of the Group’s internal control and risk management systems.

Committee members:

- ODILE DESFORGES
(CHAIRMAN)
- MARC AUBRY
- MONIQUE COHEN
- CHRISTIAN HALARY
- ÉLISABETH LULIN
- DANIEL MAZALTARIM
- ASTRID MILSAN

Nomination and Remuneration Committee

The Nomination and Remuneration Committee assists the Board in selecting its members and corporate officers, and draws up recommendations concerning the compensation of corporate officers.

Committee members:

- JEAN-MARC FORNERI
(CHAIRMAN)
- GIOVANNI BISIGNANI
- FRÉDÉRIC BOURGES
- JEAN-LOU CHAMEAU
- XAVIER LAGARDE
- ASTRID MILSAN
- CHRISTIAN STREIFF

(1) According to the calculation criteria in the AFEF-MEDEF code.

LEADERSHIP POSITIONS IN EACH OF OUR CORE BUSINESSES

AIRCRAFT PROPULSION AND SPACE

No. 1 worldwide

in engines for mainline commercial jets with more than 100 seats (in partnership with GE)

No. 1 worldwide

in helicopter turbine engines

No. 1 worldwide

in launch vehicles⁽¹⁾

No. 4 worldwide

in military aircraft engines



Aircraft engines: After the best-selling CFM56, Safran and GE, through CFM International, the 50/50 joint company between Snecma (Safran) and GE, have launched the LEAP, which will power the Airbus A320neo, Boeing 737 MAX and Comac C919. Our SaM146 regional jet engine⁽²⁾ powers the Sukhoi Superjet 100 and we are developing the Silvercrest® for business jets. In the military sector, Safran makes the M88 engine for the Rafale fighter and the TP400 turboprop for the Airbus A400M military transport, through the Europrop International GmbH consortium. Safran also offers complete maintenance, repair and overhaul (MRO) services for its engines.

Helicopter turbine engines: Safran makes the Arrius and Arriel turboshaft engines for light to medium helicopters and is developing the Arrano for helicopters in the 4- to 6-ton class (H160). Our engines power the Tiger and the Dhruv, and we have designed the Ardiden 3 for new helicopters in the 6- to 8-ton class (Ka-62 and AC352). We also make the Makila and RTM322 engines for heavy helicopters (Super Puma and NH90). Safran makes turbine engines for all major helicopter manufacturers (Airbus Helicopters, Bell Helicopter, Sikorsky, AgustaWestland, HAL, Kamov, AVIC, etc.), and provides associated MRO services.

Space: Safran makes the European launcher Ariane 5⁽¹⁾ and is developing its successor, Ariane 6⁽¹⁾. We are prime contractor, along with Avio, for the rocket motors on the first stage of Vega⁽¹⁾. Safran also makes satellite equipment, including plasma thrusters, liquid propellants, pyrotechnic devices, etc.

AIRCRAFT EQUIPMENT

No. 1 worldwide

in landing gear, wheels and carbon brakes⁽³⁾

No. 1 worldwide

in aircraft electrical interconnection systems

No. 1 worldwide

in power transmissions⁽³⁾

A world leader

in aircraft engine nacelles



Landing and braking systems: Safran designs, produces and supports landing gear, wheels, carbon brakes and related systems for civil and military fixed and rotary-wing aircraft. These systems are used on many different aircraft, including the Airbus A320, A350 XWB, A380 and A400M, the Boeing Next-Generation 737, 737 MAX, 767, 777 and 787 Dreamliner, the Rafale, Eurofighter Typhoon, F-18, etc.

Engine systems and equipment: Safran provides all the nacelles for the Airbus A380. Working alone or in partnership with GE, Safran is developing nacelles for LEAP engines (Airbus A320neo and Comac C919), for the Airbus A330neo engines and for the Silvercrest® and GE Passport business jet engines.

We also offer mechanical power transmission systems for civil and military airplanes, as well as helicopters.

Electrical systems and engineering: Safran has developed expertise in all aircraft electrical systems, including power generation, distribution and conversion, wiring, load management and ventilation. We provide wiring harnesses and electrical cabinets for many different Airbus and Boeing models, and we are developing the electrical distribution system for Embraer's KC-390 transport. We also offer engineering services, covering aerostructures, mechanical systems and onboard software.

DEFENSE

No. 1 worldwide

in helicopter flight controls

No. 1 worldwide

in engine control units⁽¹⁾

No. 1 in Europe

for tactical drones, optronic systems and inertial navigation



Optronics: Safran is in charge of the FELIN infantry soldier modernization system, offering enhanced observation, communications, mobility and other capabilities. We design portable observation systems and optronic (electro-optical) systems for land vehicles, aircraft and submarines. We also make the Sperwer tactical drone, we're developing the Patroller™ long-endurance drone, and we offer high-performance space optics (for Helios, Meteosat, Spot and other satellites).

Avionics: Safran offers inertial or hybrid navigation systems, along with sensors. We are the prime contractor for the AASM Hammer guided missile, deployed by Rafale fighters. We also supply the seekers for the Mistral and MICA IR missiles, and we are developing the seeker and sight for the upcoming MMP medium-range missile system. Safran is developing various flight control systems for Airbus Helicopters' new H160. Our Cassiopée offering groups a wide range of flight data analysis services.

Electronics and safety-critical software: Safran provides processing units and printed circuit boards for the Airbus A380 and A400M, Boeing 787, Rafale, the NH90 and Caracal helicopters, and other aircraft, which handle engine control, flight control, landing and braking functions and more. We are developing sophisticated new safety-critical software for different onboard systems.

SECURITY

No. 1 worldwide

in biometric ID solutions (based on fingerprint, iris and facial recognition)

No. 1 worldwide

in automated fingerprint identification systems (AFIS)

No. 1 worldwide

in computed-tomography (CT) explosive detection systems (EDS) for checked luggage

No. 4 worldwide

in smart cards



Civil identification: Safran helps governments protect citizens' unique identity through complete identity management solutions and secure ID documents. We are also developing authentication platforms to provide secure online services.

Digital ID and smart transactions: Safran is a world leader in digital identity solutions and secure online transactions, thanks to our strong authentication software platforms, smart cards and secure elements. These technologies are used by the banking and telecom sectors.

Public safety: Because of our unrivaled expertise in multibiometric identification technologies, explosives and narcotics detection systems and road safety solutions, Safran helps police forces and other law enforcement organizations protect people.

Critical infrastructures: Safran helps protect high-risk facilities by offering advanced detection and biometric access control systems.

Transport and border control: Safran ensures the security of airports and other transportation sites through our detection and border control solutions.

(1) Through Airbus Safran Launchers, the 50/50 joint company between Safran and Airbus Group, announced in 2014 and officially created in January 2015.
(2) Through PowerJet, a 50/50 joint company between Snecma (Safran) and NPO Saturn. (3) For mainline commercial jets with more than 100 seats.

(1) For commercial aircraft, in partnership with BAE Systems.

SAFRAN AT A GLANCE

An aircraft takes off every 2 seconds

somewhere in the world powered by CFM56 engines from Snecma and GE⁽¹⁾.

17,000 nacelles

produced by Aircelle outfit jet engines in service.

More than 40,000 landings per day

performed by aircraft with Messier-Bugatti-Dowty landing systems.

About 500 km of electrical wiring

from Labinal Power Systems for each Airbus A380.

63rd successful mission in a row for Ariane 5

at the end of 2014, thanks to Herakles and Snecma's engines.

More than 2 million smart cards

a day produced by Morpho.

3,000 combat aircraft

worldwide use inertial navigation systems from Sagem.

1 out of every 4 turbine helicopters

worldwide powered by Turbomeca⁽²⁾.

Over 700 million flight-hours

logged by Hispano-Suiza power transmissions.

12,000 propulsion components

made by Techspace Aero have been launched into space, with 100% reliability.

(1) Through CFM International, a 50/50 joint company.
(2) Estimated figure from Turbomeca.

REDUCING THE ENVIRONMENTAL IMPACT OF AIR TRANSPORT

Safran develops cutting-edge materials and technologies to help reduce the environmental footprint of air transport and address the world's growing demand for mobility. We're a partner in large-scale research programs, such as Clean Sky, to develop aircraft that are quieter, cleaner and more economical. These programs are designed to meet the requirements of airlines and the ambitious objectives set by the Advisory Council for Aviation Research and innovation in Europe (ACARE).

01

“MORE ELECTRIC” AIRCRAFT

Birth of a world leader

Safran created Labinal Power Systems in January 2014 to consolidate our expertise in aircraft electrical systems and meet the economic and ecological challenge of air transport in the 21st century. The expanded new company comprises Goodrich Electrical Power Systems, a leading supplier in power generation, acquired in 2013, and a key new acquisition in 2014, Eaton Aerospace's electrical distribution business, allowing Safran to cover all aspects of aircraft electrical systems.

EGTS™: electric taxiing system picks up speed

Developed by Safran and Honeywell, the EGTS electric taxiing system allows aircraft to taxi without having to use their jet engines. This system is already supported by Airbus, Air France, easyJet and other partners, and new agreements were signed in 2014, for instance with Indian airline Go Air, which is taking part in EGTS assessments, and Mexican carrier Interjet, which is studying its performance at high-altitude airports. The partners also signed an agreement with China Aviation Energy and Emissions Solutions (CAEES) to deploy this system on the Chinese market.

Electricity gains ground in the air

Labinal Power Systems supplies the primary and secondary electrical distribution systems on Embraer's latest military transport, the KC-390. Xi'an Aircraft also chose Labinal Power Systems to develop the main and auxiliary power generation systems on its upcoming MA700 turboprop. In addition, Safran provides the ground and flight propulsion systems for the Airbus E-Fan 2.0 electric aircraft. And Hispano-Suiza (Safran) is teaming up with GE to develop the IGGB® (Integrated Generator GearBox), which combines an electrical power generator and transmission in a single unit.



PILOT DAYS: A SUCCESSFUL FIRST FOR EGTS™

Safran organized its first Pilot Days from March 4 to 6, 2014, bringing together representatives of partner airlines, Airbus and about 30 pilots from around the world. The aim was to demonstrate the operational advantages of the EGTS electric taxiing system, and allow these pilots to test a system prototype on Safran's own Airbus A320 test aircraft. Forward, reverse, tight turns and even pirouettes... pilots checked out the functions of this new electric taxiing system under real conditions. During subsequent workshops they shared their impressions and suggestions, which will be used to further enhance the system. According to Messier-Bugatti-Dowty's CEO Vincent Mascré, "Their very positive feedback clearly indicates the growing interest in this technology, and confirms the strategic importance and business outlook for our innovative system."

UP TO
75%
REDUCTION IN CO₂ EMISSIONS
DURING TAXIING WITH EGTS.

UP TO
4%
FUEL SAVINGS PER
FLIGHT CYCLE WITH EGTS.



SCAN THE QR CODE
TO LEARN MORE
ABOUT PILOT DAYS

1. Demonstration of the electric taxiing system during Pilot Days in Toulouse.

2. In May 2014, Safran finalized the acquisition of Eaton Aerospace's electrical distribution business.

3. Roll-out of the Embraer KC-390.



“The ‘more electric’ aircraft addresses a dual societal and economic challenge, namely to reduce the environmental footprint of air transport and allow airlines to reduce their costs. With the creation of Labinal Power Systems, Safran is now organized to maintain its position as a leader in this transformation during the upcoming decades.”

ALAIN SAURET, CEO OF LABINAL POWER SYSTEMS



CFM INTERNATIONAL CELEBRATES 40TH ANNIVERSARY

In February 2014, Safran and GE celebrated the 40th anniversary of CFM International, the 50/50 joint company between Snecma (Safran) and GE. The ceremony was attended by Jean-Paul Herteman, Chairman and CEO of Safran*, David Joyce, President and CEO of GE Aviation and Jean-Paul Ebanga, President and CEO of CFM International. The two major engine-makers signed the original agreement creating CFM International in 1974, then in 2008 renewed their agreement until 2040. This partnership has proven decisive, in particular giving birth to one of the most striking success stories in the history of aviation, the CFM56 turbofan engine. With the upcoming LEAP engine, this unique partnership is about to start a new chapter in its long history.

*Until April 23, 2015.

15%

reduction in fuel
consumption with LEAP.

LEAP TAKES OFF!

It was another record year for the CFM56 and LEAP aircraft engines. With more than 26,500 CFM56 turbofans already delivered, this engine still recorded over 1,500 orders in 2014, and production reached an all-time high of 1,550.

Its successor, the LEAP, is now the best-selling aircraft engine under development in history. It recorded over 2,700 orders in 2014, bringing the total to nearly 8,500 at the end of the year. New customers include Comair, Delta, Flydubai, Lufthansa, Nok Air, SunExpress, Turkish Airlines and VietJetAir. Powering the Airbus A320neo, Boeing 737 MAX and Comac C919, the LEAP will start production in 2015, and by 2020 it will reach an unprecedented production rate of 1,800 per year. Ground tests of the first complete engine started in September 2013 and the LEAP made its first flight on October 6, 2014 on a Boeing 747 flying testbed (FTB) in California. The results of these initial tests show that performance and reliability are fully in line with commitments. Certification is scheduled for 2015.



SAFRAN CHOSEN AS SUPPLIER ON AIRBUS A330NEO

Aircelle (Safran) will supply the nacelles on the Airbus A330neo, the reengined version of the Airbus A330ceo widebody twin, for the Trent 7000 engine developed by Rolls-Royce. This new program will call on Aircelle's long-standing experience in the design and production of large nacelles for the Airbus A330ceo and A380, along with its proven expertise in composite materials, acoustic treatments and system architecture. In the words of Aircelle's CEO Martin Sion*, "This major business win confirms Aircelle's status as a world leader in aircraft engine nacelles."

*Until June 14, 2015.



FIRST FLIGHT OF AIRBUS A320NEO

The first production Airbus A320neo, equipped with landing gear by Messier-Bugatti-Dowty (Safran), was rolled out on July 1, 2014 and made its first flight in late September, from the Toulouse-Blagnac airport. The A320neo's landing gear offers higher performance thanks to new surface treatments (anti-corrosion coatings and paint), increasing mean time between overhauls to 12 years. This new landing gear has also been fitted to the "classic" Airbus A320ceo since the end of 2014. Nacelles by Aircelle (Safran) will outfit the LEAP-powered version of the Airbus A320neo.

A NEW LARGE TURBOFAN FOR THE BOEING 777X

Safran is participating in the design of the GE9X engine that will power the 777X, Boeing's new long-range widebody twin. Snecma will make the fan and exhaust cases of 3D woven RTM (Resin Transfer Molding) composites, along with the composite fan blades (via CFAN, its 50/50 joint company with GE). Techspace Aero will make the low-pressure compressor and fan disk. "Our participation in the GE9X program confirms GE's confidence in Techspace Aero, already a partner on the GENx, F110, CF34-10 and Passport engines," said Yves Prete, President and CEO of Techspace Aero. Aircelle will also provide the titanium exhausts for the new engine.

NEW-GENERATION ACTIVE SIDE STICK UNIT

Sagem (Safran) unveiled the prototype of its new active side stick control unit for civil airplanes and helicopters at the NBAA business aviation trade show in the United States. Incorporating a number of innovative solutions, this side stick unit features high reliability and robustness. It has been undergoing testing for several months in conjunction with leading airlines and aircraft manufacturers, confirming that it matches crew training and flight safety requirements.

FIRST FLIGHT TESTS OF SILVERCREST® BIZJET ENGINE

Following a successful maiden flight in May 2014, the Silvercrest® business jet engine is continuing flight tests in San Antonio, Texas on a Gulfstream GII flying testbed. Ground and flight tests are used to validate the engine's performance and support the development of the aircraft. This is a flagship program for Safran, as Snecma CEO Pierre Fabre* explains: "We have carved out a major position in the super-midsize segment of the business jet market, representing potential sales of 8,000 aircraft from now until 2030."

*Until June 14, 2015.



SAFRAN AND AVIC BOLSTER PARTNERSHIP

In November 2014, Snecma (Safran) and South Aviation Industry Co. Ltd. (part of the AVIC group) signed a framework agreement in Zhuhai, China to create a joint venture concerning turboprop engines for commercial airplanes. Eventually counting about 50 engineers, this 50/50 joint venture will design, test and produce power turbines and flame rings. It joins the many partnerships established by Safran and AVIC over the last 30 years.



SAFRAN AND ROLLS-ROYCE TEAM UP ON POWER TRANSMISSIONS

In October 2014, Hispano-Suiza (Safran) and Rolls-Royce signed the definitive agreement to create a joint venture specialized in the design, development, production and support of power transmissions for all of Rolls-Royce's future commercial aircraft engines. In particular, the company will contribute to the Trent 7000 engine that will power the Airbus A330neo. "This agreement is strategic for both partners, and it will enable Hispano-Suiza to ensure its long-term position in the power transmission market," says Hélène Moreau-Leroy, CEO of Hispano-Suiza.

FIRST DELIVERY OF AIRBUS A350 XWB

The Airbus A350 XWB was certified by the European and American aviation authorities, respectively EASA and FAA, and the first aircraft was delivered to Qatar Airways in 2014. As a lead supplier to Airbus, Safran contributes to the performance of this new long-range widebody twinjet. Four Safran companies are major suppliers: Messier-Bugatti-Dowty for the landing and braking systems; Sagem for the onboard information system; Labinal Power Systems for the electrical interconnection system for the fuselage, engine pylons and tail; and Hispano-Suiza for the power transmission on the Rolls-Royce Trent XWB engine, in partnership with Rolls-Royce.



THANKS TO SAFRAN AN AIRCRAFT LANDS SOMEWHERE IN THE WORLD EVERY TWO SECONDS

Messier-Bugatti-Dowty (Safran) delivered its 6,000th single-aisle commercial jet landing gear set to Airbus in 2014. It was also selected by Boeing as one of the wheel and carbon brake suppliers on the 737 MAX, which has already recorded more than 1,750 orders. A number of airlines have also chosen these Messier-Bugatti-Dowty products: Zhejiang Loong Airlines and Spirit Airlines for their Airbus fleets; China Eastern Airlines for 165 Airbus A320s; Garuda Indonesia for 25 ATR 72s; Lion Air for 60 Airbus A320neos; Qantas, Xiamen Airlines and SilkAir for their Boeing 737 Next-Generation jets, etc. Air Canada and Thai Airways opted for Messier-Bugatti-Dowty's electric brakes on their Boeing 787s.



ARRIUS 2R: FIRST FLIGHT

The new Arrius 2R turboshaft engine from Turbomeca (Safran), intended for the Bell 505 Jet Ranger X helicopter, logged its first ground test in April and its first flight in November 2014. Rated in the 500 shaft horsepower (shp) class, the Arrius 2R promises high reliability – up to 3,000 hours between overhauls – and a twin-module design that reduces fuel consumption and operating costs. Certification is slated for the end of 2015.



40%

Estimated share of the global helicopter fleet to be replaced by 2035.
Source: Turbomeca (Safran).

ARRANO CONFIRMS PERFORMANCE POTENTIAL

The Turbomeca (Safran) Arrano turboshaft engine, designed for single-engine helicopters in the 2-3 ton class, and twin-engine machines in the 4-6 ton class, and selected by Airbus Helicopters as the exclusive engine on the H160, logged a successful first ground test in February 2014. "The Arrano is the most innovative turboshaft engine in its class," claims Olivier Andriès, CEO of Turbomeca*. "It reduces fuel consumption by 10 to 15%, decreases the environmental footprint in general, optimizes maintenance operations and reduces total cost of ownership."

*Until June 14, 2015.



SFCO2®: REDUCING FLEET MANAGEMENT COSTS

Safran companies Snecma and Sagem have teamed up to offer airlines an innovative new service called SFCO2®, designed to reduce their fuel consumption and CO₂ emissions, and therefore operating costs. Snecma is offering this service under its EngineLife® brand, while Sagem has included it in Cassiopée, an innovative “constellation” of flight data services designed to optimize fleet management and reduce maintenance costs.

CUSTOMER SERVICE

Our service business keeps us in close contact with customers. We offer a wide range of specific and comprehensive service packages to guarantee our customers' business continuity and reduce their operating costs.

In the maintenance, repair and overhaul (MRO) sector, Aircelle (Safran) signed in 2014 a 10-year support contract for the nacelles on Airbus A330 jetliners operated by Hawaiian Airlines. It was also chosen to provide support services for the nacelles and thrust reversers on SaM146 engines powering Interjet's Sukhoi Superjet 100 regional jets. To keep pace with this growing business, Aircelle Europe Services (AES) opened a new 4,500 square meter facility in France, doubling its operational capacity. Messier-Bugatti-Dowty (Safran) will also bolster its position in the landing gear maintenance market, after the acquisition of Hydrep, a leader in MRO services for the landing gear on regional and business aircraft, as well as helicopters. Messier-Bugatti-Dowty also signed a 10-year contract with British Airways in 2014 to handle landing gear overhauls on its entire Airbus A320 fleet.

We continue to support our differentiation-based strategy by offering increasingly innovative services. For example, Turbomeca's (Safran) SBH® (support-by-the-hour) service offering is posting strong growth, notably with the signature of a major agreement with ADAC Luftfahrt Technik GmbH. British helicopter operator Bristow has adopted the same business model for its AgustaWestland AW189 helicopters fitted with the e-APU60 auxiliary power unit from Microturbo (Safran), designed to meet the power needs of the new generation of more electric aircraft.

Given the massive data flows between interconnected aircraft systems, Safran's engines and equipment are now very much a part of the digital maintenance generation. For example, several Group companies have set up a platform, within the scope of the Monitoring Services program, to host operating data and offer new secure, online support applications to customers. Turbomeca's BOOST™ – Bank Of Online Services and Technologies – service calls on this platform to help helicopter operators optimize maintenance schedules for more efficient fleet management.



MAKING OUR LIVES SAFER AND EASIER

Biometric identification, secure ID documents and transactions, detection of hazardous or illicit substances... Safran's innovative solutions enhance people's daily lives, improve the security of countries, airports and high-value sites, and facilitate police work. We also make vital contributions to the efficiency of many countries' armed forces – air, land and sea – based on our proven expertise in the enabling technologies needed for optronics, avionics, navigation and safety-critical software.

02

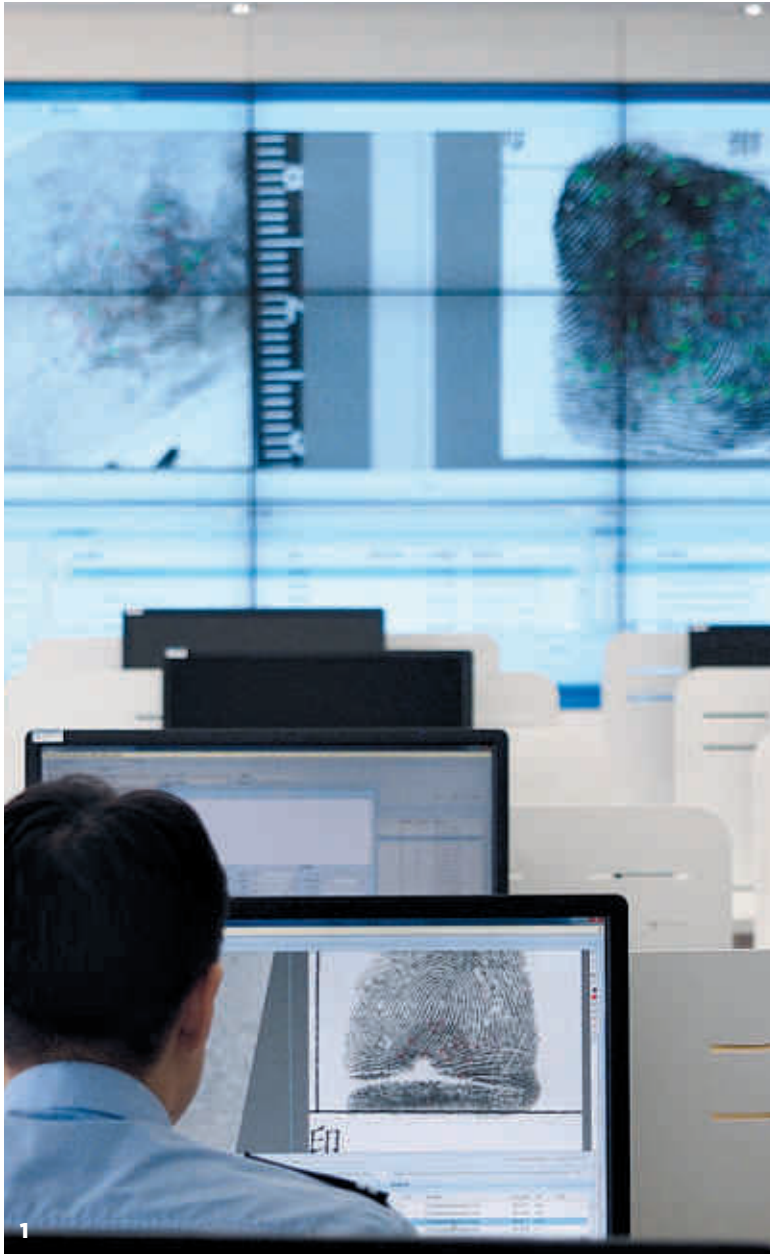
IDENTITY SECURITY ACROSS THE BOARD

Morpho, world leader in biometric identification and ID documents

Morpho (Safran) is the long-standing world leader in biometric identification systems, with proven expertise in individual identity protection through systems that have amply proven their reliability. We have worked with INTERPOL since 1999, and in the last two years we supplied the international police organization with our latest-generation automatic fingerprint identification system (AFIS). We have also won a number of contracts in the ID document production market. In Chile, for example, we produced secure ID documents that allow citizens of this country to travel to the United States without a visa. And in India, within the scope of the Aadhaar program, more than 700 million residents have now received a unique ID number, providing secure access to a number of services, including opening a bank account, receiving a passport, social benefits, etc.

Even more secure digital identity

To deliver digital security on a par with its physical counterpart, in 2014 Morpho acquired Dictao, a French software publisher and supplier of secure online transaction solutions. In the booming mobile payment sector, Morpho received EMVCo security certification for its “SIMply NFC Evolution” family of NFC (near field communications) SIM contactless products, making it a safe, reliable platform, compatible with all leading NFC payment systems and applications.



1

MORPHO (SAFRAN) ACQUIRES DICTAO

Morpho finalized the acquisition of Dictao, a software publisher recognized for its security and digital trust applications, in August 2014. This acquisition reflects Safran's development strategy for its security business. The two companies' business lines are highly complementary, enabling them to offer complete, secure digital identity solutions for both the public and private markets, including banks, insurance firms and other companies. The combination of these strengths generates strong growth potential, especially in international markets because of Morpho's global network.



2

“We now cover the entire range of identity security, whether physical or digital, and we aim to offer the same security and ease-of-use when checking a passport as when authenticating an online transaction.”

PHILIPPE PETITCOLIN, CEO OF MORPHO*

*Until July 31, 2015.



1. Morpho, the world leader in automatic fingerprint identification systems (AFIS).
2. August 2014: acquisition of Dictao is finalized.
3. The new Chilean passport, produced by Morpho.

NEARLY
3.2 BILLION

ELECTRONIC ID DOCUMENTS SHOULD BE ISSUED WORLDWIDE IN THE NEXT FIVE YEARS (2015-2019).
Source: ABI Research.



SAFRAN HEADS THE CIVIL DRONE PROJECT IN FRANCE

“In 2014, Sagem was named head of a ‘civil drone’ project under the auspices of the French Ministry for the Economy, Industry and Digital Data, designed to structure and develop the national industry for civil drones. Sagem brings to the table its experience as both a drone manufacturer and leading contributor to commercial aircraft, especially production of guidance and flight control systems, as well as safety-critical, mission-specific equipment, integration of drones in civil airspace, and certification.”

BRUNO EVEN, CEO OF SAGEM*

*Until June 14, 2015.

PATROLLER™ DRONE INTEGRATES CIVIL AIRSPACE

From October 26 to November 7, 2014, Sagem (Safran) carried out nearly two dozen flight tests of the new Patroller™ drone, validating its integration in civil airspace in compliance with civil aviation regulations. These tests also helped demonstrate the drone’s ability to perform airport approaches under air traffic control procedures, without impacting either traffic or flight safety — a first in Europe! The Patroller™ is a multi-sensor, 1-ton class drone, combining safety and

high performance, and designed for both military and homeland security missions (police, customs, border patrol, civil security, etc.). Fitted with an advanced “see and avoid” system, it combines traffic sensors (including an infrared opto-nic sensor) and a collision risk estimation system capable of commanding automatic avoidance flight paths. This secure, autonomous system is a key to drones being able to share civil airspace with their manned counterparts.

RAFALE EXPORT CONTRACTS TAKE OFF

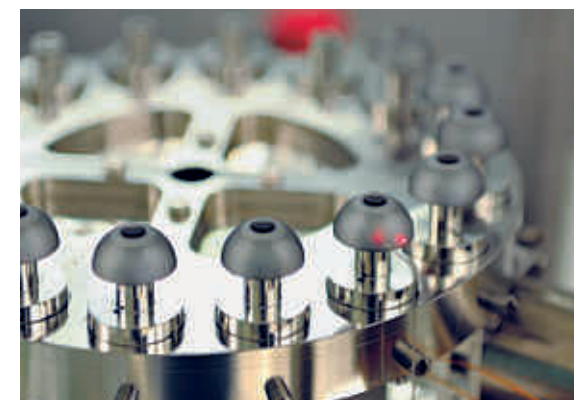
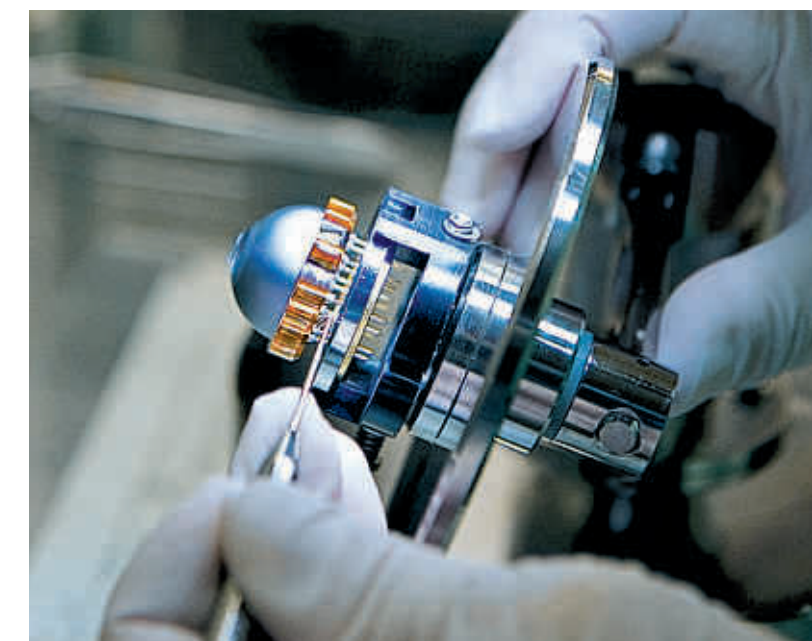
Dassault Aviation chalked up its first export contracts for the Rafale fighter, with orders for 24 Rafales each from Egypt and Qatar during the first half of 2015. India has also announced its intention of acquiring 36 Rafales. Safran provides a wide range of systems and equipment on France’s front-line multirole fighter: the M88 engine from Snecma, landing systems from Messier-Bugatti-Dowty, inertial navigation system from Sagem, wiring from Labinal Power Systems, etc.

AN EXPANDED MARKET FOR JIM LR INFRARED BINOCULARS

Developed and produced by Sagem (Safran), JIM LR (long range) binoculars include a number of functions in a single, portable package: day/night infrared vision, rangefinding, magnetic compass, GPS, laser pointer and data transmission. With the latest contracts won in 2014, there are now more than 7,000 JIM LR binoculars in service or under order worldwide.

INERTIAL NAVIGATION SYSTEMS FOR THE INDIAN NAVY

Sagem (Safran) applies a wide range of advanced technologies – gyros, accelerometers, MEMS (micro-electromechanical systems), etc. – to develop and produce the inertial sensors that are key to today’s navigation and stabilization systems. At the 2014 Defexpo trade show in New Delhi, Sagem and the Indian state-owned company BEL (Bharat Electronic Limited) signed a Memorandum of Understanding for the joint production of navigation sensors, inertial navigation systems and optronic systems for surface ships and submarines deployed by the Indian navy. At the end of the year, Sagem signed a development contract with French defense procurement agency DGA (*Direction générale de l’armement*) covering MEMS-based inertial navigation sensors.



BLUENAUTE® CONQUERS THE SEAS

Sagem (Safran) delivered its 200th BlueNaute® shipborne inertial navigation system, mainly designed for commercial ships and governmental missions, in 2014. Based on patented hemispherical resonator gyro (HRG) technology, BlueNaute® offers proven high reliability and flawless operational availability. This rugged new system is especially appreciated for some of today’s most demanding missions, including offshore oil exploration and maritime policing. The Royal Norwegian Navy selected BlueNaute® last year to modernize six coast guard vessels.

MORPHO,
FIRST COMPANY
IN THE WORLD CERTIFIED
TO ISO 14298

A Morpho (Safran) production site in the Netherlands received the highest certification level from Intergraf in 2014 for the management of secure printing procedures. A number of steps are required to meet the requirements of the ISO 14298 standard: logical security, physical security, quality and financial security. This world first is further proof of Morpho's ongoing commitment to guaranteeing the highest level of security and reliability throughout the printing process for all customers, whether private or public.



STEREO LASER IMAGE AND
MULTIBIOMETRICS TO ENSURE
ID DOCUMENT SECURITY

INTERPOL now counts some 40 million fake passports in its database, mainly produced by substituting photos. To fight this threat, Morpho (Safran) has developed an innovative security feature, the Stereo Laser Image (SLI®). This technology reproduces a 3D photo of the ID holder on the document, thereby making it impossible to copy. The Dutch government chose this technology in March 2014 for all new ID cards and passports for Dutch citizens. And in November 2014 Morpho signed a contract with AOI Electronics to manufacture Egypt's national e-ID cards. These cards will offer a host of features, including an electronic signature and biometric authentication, using the integrated "Match-on-Card" technology, which checks that the user's fingerprints match those on the data embedded in the card.

2.8 billion
ID documents delivered by Morpho (Safran)
as of December 31, 2014.



POLYCARBONATE
TO FIGHT FAKE ID
DOCUMENTS

Morpho (Safran) delivered latest-generation e-passports to Panama in 2014, featuring a datapage in polycarbonate, now the most secure material on the market. Panamanian citizens will enjoy secure identity documents, combined with protection of their personal data. The Slovak Republic also chose Morpho to handle its national e-ID card program. Morpho will turn out some two million polycarbonate-based cards over the next three years. Featuring an integrated, contact-based cryptographic controller, these cards will enable citizens to take advantage of online government services with full security.



A SECURE BIOMETRIC TABLET

Morpho (Safran) officially launched MorphoTablet™ at the Mobile World Congress in Barcelona in February 2014. A secure, multifunction biometric terminal, developed by France and India within the scope of the Aadhaar program, MorphoTablet™ features the latest biometric ID technologies, in particular a high-definition camera for facial recognition, and a fingerprint reader certified by the FBI. MorphoTablet™ also reads contact or contactless smart cards, and offers 3G, Wi-Fi and Bluetooth connectivity. Its integrated cryptographic and security options heighten its protection of both transactions and sensitive data. MorphoTablet™ was designed for a host of applications, including: ID checks in public, elections, payment distributions, school and medical exams, access control, etc. It addresses many different markets as well, including governments, police forces, banks, insurance firms and service providers. In 2014, Egypt made widespread use of MorphoTablets™ for its constitutional referendum and presidential election, to authenticate eligible voters, as well as to calculate voter participation rates in real time.



SECURE MOBILE
NFC PAYMENTS
FOR CAIXABANK

CaixaBank customers can now use their mobile phones to make payments, thanks to Morpho's (Safran) Trusted Service Management (TSM) services. With this system, remote transactions are secure and, for the first time in Europe, they can integrate the Visa payment application, and bank card data in customers' SIM cards, all with very high-level security. This marks the largest commercial deployment of a mobile NFC payment system in Europe, in terms of customer coverage and the number of contactless payments.



CONTACTLESS
IDENTIFICATION IN LESS
THAN A SECOND

At the Global Identity Summit in September 2014, Morpho (Safran) announced the market launch of Finger On the Fly®, the fastest contactless fingerprint reader in the world. Using advanced imaging technologies, this innovative system can simultaneously read the fingerprints on four fingers of a moving hand in less than a second – a technology that could well revolutionize ID checks at borders, in airports and at heavily frequented high-value venues.



SAFRAN ONCE AGAIN SELECTED BY TSA

E-CAT (Credential Authentication Technology), the latest ID document authentication system developed by MorphoTrust USA, was chosen by the Transportation Security Administration (TSA) of the United States in August 2014, for the country's airports. This new technology is used to scan passengers' ID documents, automatically check the different embedded security elements, and compare that data with data from Secure Flight, the TSA's own surveillance system.

DETECTION: SAFRAN'S SYSTEMS ENSURE AIR TRANSPORT SAFETY

In 2014, Morpho (Safran) launched Itemiser® 4DX, a new-generation explosive trace detector (ETD) that was evaluated by the European Civil Aviation Conference (ECAC) and declared compliant with European Union standards. Using a non-radioactive source, it offers advanced explosive detection capabilities. Itemiser® 4DX is light, portable, user-friendly and easy to install. Morpho has already delivered more than 5,000 Itemiser® DX family explosive trace detectors worldwide.

Airlines such as Lufthansa and airports such as Frankfurt chose Morpho security solutions once again in 2014 to improve their detection capability without disturbing passenger or cargo traffic. The airline JetBlue acquired MobileTrace® portable explosive and narcotics trace detectors to improve passenger throughput.

Morpho's family of CTX™ computed-tomography explosive detection systems (EDS) for checked luggage continues to be the most widely used in the world, with nearly 2,000 units in service.



POWERING ACCESS TO SPACE

Safran powers access to space, a strategic market that ensures national independence, global telecommunications, scientific progress (from Earth observation to space exploration) and much more.

03

THE CONQUEST OF SPACE

To ensure the competitiveness of Europe's space industry, Safran and Airbus Group announced the creation of a 50/50 joint venture on December 3, 2014, called Airbus Safran Launchers (ASL). This new company will develop lower-cost launchers to consolidate Europe's leadership in the space transport industry. This initiative is largely supported by the French president.

A full-fledged industrial challenge

Each partner brings specific areas of expertise to this venture: launchers for Airbus Group and rocket propulsion systems for Safran. The primary aims of ASL are to maintain the Ariane 5 launcher's exceptional quality and reliability, while also developing a more competitive family of launch vehicles. Initially, Airbus Safran Launchers will consolidate civil launcher programs, and eventually the company will combine all industrial assets of Safran and Airbus Group concerning propulsion and launchers, along with the associated employees and stakes in related companies ⁽¹⁾.

Ariane 6, Airbus Safran Launchers' primary focus

The Ariane 6 launcher program, officially approved by the European Space Agency (ESA) on December 2, 2014, will be at the heart of this new alliance. Following a five-year development period, the first launch is planned for 2020. The design of this new launcher has been optimized: the boosters are based on P120 solid rocket motors produced by Herakles (Safran)⁽²⁾ and Avio through their 50/50 joint venture, Europropulsion. This same rocket motor will also be used on the first stage of a new version of the Vega light launcher. Ariane 6's main stage will feature a cryogenic propulsion system inspired by that on the current Ariane 5 ECA, powered by the upgraded Vulcain® 2.1+ engine made by Snecma (Safran)⁽²⁾. The upper stage will be fitted with a restartable cryogenic engine, Vinci®. This principle of leveraging synergies on all stages is one of the key factors that should enable reducing the average cost per Ariane 6 launch by 40%, versus its predecessor.

(1) Pending regulatory authorizations and consultations with employee unions.
(2) Through Airbus Safran Launchers, the 50/50 joint company between Safran and Airbus Group, announced in 2014 and officially created in January 2015.

“The creation of Airbus Safran Launchers and the start of the Ariane 6 program mark a decisive turning point in the history of the European space industry. They set the foundations for a major industrial and strategic project, the only guarantee of sustained independence and competitive access to space for Europe.”

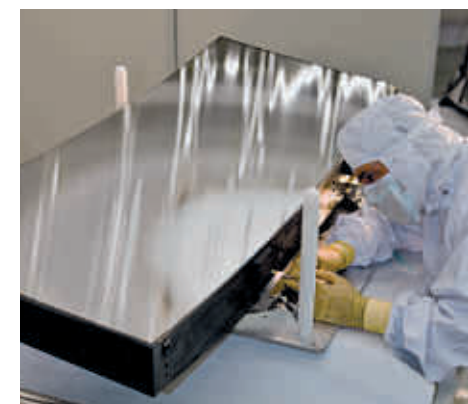
MARC VENTRE,
DEPUTY CHIEF EXECUTIVE OFFICER,
OPERATIONS OF SAFRAN*, AND
CHAIRMAN OF THE BOARD OF AIRBUS
SAFRAN LAUNCHERS

*Until April 23, 2015.



6 OUT OF 6 FOR ARIANE 5 IN 2014

The Ariane 5 launch on December 6, 2014, lofting two telecommunications satellites from the Guiana Space Center in Kourou, French Guiana, marked the sixth launch of the year and the 63rd successful mission in a row for Europe's heavy launcher. Safran contributes to every stage of this launcher, including a number of key technologies: cryogenic propulsion, solid propulsion, inertial reference unit, pressure transducers, etc.



SAFRAN, ROSETTA AND PHILAE ON A COMET LANDING MISSION

Safran's technologies contributed to the success of the European Space Agency's Rosetta mission, which sent the Philae lander to the surface of the comet 67P/Churyumov-Gerasimenko on November 12, 2014, more than 500 million kilometers from Earth. The mission actually started back on March 2, 2004, when an Ariane 5 rocket, powered by three Safran powerplants, including the Vulcain® main stage cryogenic engine, boosted the Rosetta space probe into a liberation trajectory. Reosc, a subsidiary of Sagem (Safran), supplied infrared filters for the probe and the lander, used in the photos taken by both of these spacecraft. Philippe Schleicher, Chairman and CEO of Herakles (Safran), adds: “We made the silicon carbide coating for the mirrors on Rosetta's Osiris camera, the pressure transducers for its propellant tanks, and the high-gain antenna deployment systems, via our subsidiary Pyroalliance.”



HIGH-PERFORMANCE MIRRORS FOR GAIA

Europe's Gaia satellite has been operational in orbit since January 8, 2014, fulfilling its mission of mapping a billion stars in 3D to an unprecedented accuracy of 1/100,000 of an arc-second. This impressive feat is made possible by the two main silicon carbide mirrors, polished by Reosc, a subsidiary of Sagem (Safran). Because of the extreme hardness of silicon carbide, this marked a world first: it took nearly a year and a half to polish the two concave mirrors, each measuring 150 cm long by 60 cm wide, to a surface precision of less than 10 nanometers. Reosc then deposited a silver-based coating on the substrate to provide reflectivity, amply demonstrating its expertise in advanced fabrication processes, and consolidating its leadership in high-performance space optics.

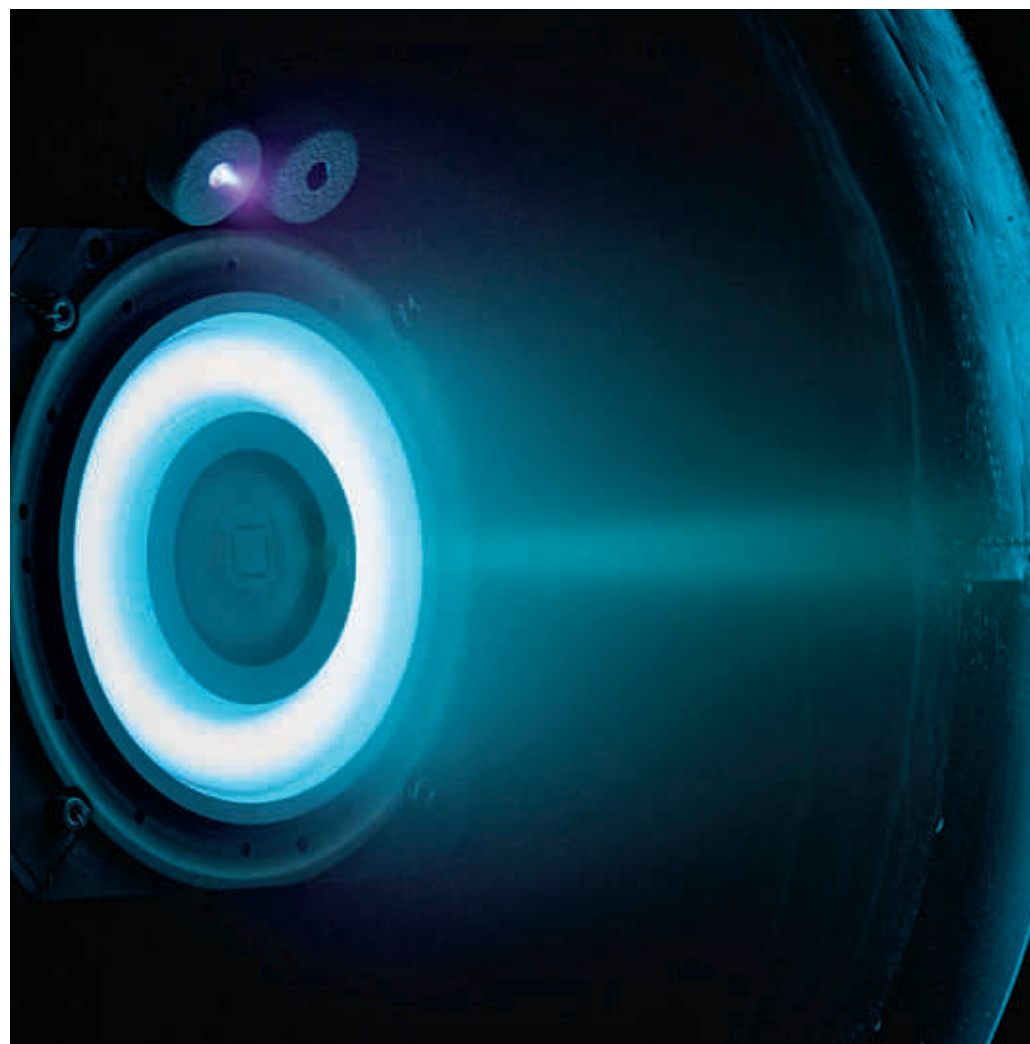


SAFRAN AND THALES ALENIA SPACE SIGN AGREEMENT FOR PPS®5000 THRUSTER

With support from French space agency CNES and the general investment commission CGI, Snecma is now developing the latest-generation PPS®5000 thruster, rated at 5 kW, for next-generation satellites. This new thruster will handle propulsion duties on the new-generation Spacebus satellite platforms with “all electric” propulsion, following a contract signed with Thales Alenia Space France in May 2014. The PPS®5000 was also chosen last year by Airbus Defence and Space to handle orbital maneuvers on the Eurostar 3000 platform.

WORLD RECORD FOR A SATELLITE PLASMA THRUSTER

The PPS®1350-E plasma thruster from Snecma (Safran) set a new world record with an endurance test totaling 6,700 hours, completed in July 2014. The stakes are huge for Safran, which has developed and produced these electric propulsion systems for satellites for over twenty years. For a given payload, electric propulsion reduces the weight of a telecommunications satellite by 40%, which means that the satellite can use smaller and less expensive launchers, a decisive business criteria these days. Unlike conventional chemical propulsion systems, geostationary telecom satellites fitted with these plasma thrusters use electrical energy from their solar arrays to handle stationkeeping and/or orbital positioning duties. Safran’s PPS®1350 family of plasma thrusters has already been chosen for the Alphabus satellite platform, a collaborative European program.



AIMING FOR TECHNOLOGICAL AND OPERATIONAL EXCELLENCE

Safran maintains a razor-sharp focus on excellence to consolidate our leadership positions and spur growth. We continuously focus on R&D, new partnership arrangements and continuous improvement across all functions, along with significant capital expenditures in France and around the world to make sure we deliver local support to all our customers.

04

TOMORROW'S FACTORY

State-of-the-art production plants

We invest heavily to develop our production facilities and incorporate advanced technologies. For instance, the Turbomeca (Safran) plant in Bordes is organized by product lines and centers of expertise to reduce production cycles. And new digital technologies are naturally revolutionizing our plants. The robots have landed at Aircelle (Safran), improving both quality and working comfort. Snecma's (Safran) plant in Villaroche, near Paris, has introduced tablets, robots, electronically-controlled bolt tighteners, etc., innovations which will shortly be expanded to other plants. These new tools and methods are also transforming job requirements, but Safran University provides the training courses needed for employees to adapt to these changes.

Investing in the future

Safran invests in the development of innovative services and production processes, the key to our drive to build tomorrow's factory. For example, the Fab Lab, launched by Snecma in June 2014, is dedicated to the development of innovative services for airlines, based on digital data. It reflects Safran "big data" development strategy, which represents a concrete growth driver. By processing this wealth of data, generated by wired production plants and a vast fleet of products in service, Safran can improve internal processes and product quality and offer customers personalized new services that will reduce their operating costs. We created a corporate division in 2015, Safran Analytics, tasked with helping all of our companies deploy this strategy.



1

2015

PLANNED DATE FOR MAKING THE FIRST PRODUCTION-STANDARD PARTS USING THE ADDITIVE MANUFACTURING PROCESS.

ADDITIVE MANUFACTURING CAN REDUCE DEVELOPMENT TIME BY 60%!

Additive manufacturing is a process that makes parts by building up successive layers, based on a 3D model. For metal parts, a metallic powder is sintered, or melted, by a laser beam. Safran is firmly convinced of the advantages of this technology, and is expanding its application across the Group. In 2014, for example, Microturbo (Safran) used the process to make prototypes of complex parts — rotating parts in particular — for the hot section of a gas turbine. The engine made with these parts underwent its first bench firing test in just 18 months, versus 24 to 30 months with a conventional development process. Snecma, Turbomeca and other Group companies are also taking advantage of this very promising technology.



2



3

- 1. Aircelle plants are expanding the use of robots.
- 2. High-pressure compressor guide vanes in the Silvercrest® regional jet engine, produced by the additive manufacturing process.
- 3. Using a tablet to simplify assembly at Snecma's Villaroche plant.

“Digitized, robotized, wired . . . tomorrow’s plant will take full advantage of automation and digital tools to enhance performance, flexibility and competitiveness. From design to production, the entire value chain will be transformed. And Safran is already gearing up for this revolution.”

MARC VENTRE, DEPUTY CHIEF EXECUTIVE OFFICER, OPERATIONS*

*Until April 23, 2015.



SENSORS: SAFRAN TEAMS UP WITH THE CEA

Safran has teamed up with the French Alternative Energies and Atomic Energy Commission CEA to create a joint lab with about 20 engineers and researchers, some based at Safran Tech, others at CEA-Tech in Grenoble. One of their main challenges is to develop innovative sensors for aerospace, defense and security applications. For example, this research team will be working on fingerprint detection, navigation systems and temperature, vibration, crack and corrosion monitoring.

€2 billion

R&D expenditures in 2014 equaled 13% of sales.

SAFRAN TECH, A CENTER OF RESEARCH & TECHNOLOGY EXCELLENCE

In 2014, Safran completed the installation in Saclay (near Paris) of a new site. It mainly hosts Safran Tech, the Group's new Research & Technology center, inaugurated in early 2015. Safran Tech is designed to accelerate breakthroughs in three main areas: aircraft systems; digital technology; and materials, processes and sensors.

Safran Tech is a state-of-the-art facility featuring a materials characterization lab, additive manufacturing cell, computer center, simulation bench and more. It will eventually house some 300 researchers, and is tasked with fostering the emergence of disruptive technologies that can be applied in Safran's businesses.

Located in the heart of France's leading science and technology cluster, this new site will also house major R&T partners, from academia and industry, working through joint labs or in shared platforms.



OPEN INNOVATION, THE KEY TO SUCCESS

To encourage research and collective performance, we work with top-flight academic partners in France and worldwide.

In 2014, for example, we renewed our framework agreement with three French research institutions, CNRS (scientific research center), Onera (aerospace research center) and the CEA (atomic and alternative energies commission), ensuring privileged access to the best scientific resources in France. Our network of partners also encompasses universities and engineering schools. We have stepped up our collaboration with these institutions, especially via the creation of chairs at the *École des Mines de Paris* and *Télécom ParisTech* engineering schools, while creating new links with institutions such as *Pierre et Marie Curie* University. We also partner two newly created technology research centers, *Antoine de Saint-Exupéry* (aerospace) and *M2P* (advanced metallurgy).

We continue to form partnerships in international markets, for example in Italy with the *Scuola Normale Superiore di Pisa*, for exoskeleton technologies, and in India with two leading microelectronics institutes, for research into new-generation digital cores, and fault identification modules embedded in chips. In Morocco, we're working with the government to develop R&T capabilities and support the development of an aviation industry. Last but not least, in 2014 Safran created an investment fund to support innovative startups in our areas of excellence.

SAFRAN AND VALEO: ENHANCING TRANSPORT SAFETY

The 2014 Eurosatory defense show and the *Mondial de l'automobile* (international auto show) provided excellent opportunities to present the first concrete results of the partnership inked in 2013 by Safran and auto parts giant Valeo. At Eurosatory, Safran showcased a sensor array designed for armored vehicles, giving optimized all-weather vision. At the auto show, Valeo introduced the InBlue "smart key", embedded in a smartphone, which offers remote unlocking, starting, geo-location and fuel level and tire pressure monitoring of cars.

Sagem (Safran), Valeo and Ulys were also selected by the French inter-ministerial fund to develop a low-cost camera allowing the safe driving of all types of vehicles. Their task is to design a sensor capable of detecting obstacles even under the worst weather conditions for both civil applications (automobiles) and military use (combat vehicles, robots, drones).





TWO PLANTS DEDICATED TO COMPOSITES

Twin plants have been built in Rochester, New Hampshire (United States) and Commercy (France), to make composite parts for LEAP, the new-generation engine from CFM International, the 50/50 joint company between Snecma (Safran) and GE, set to power the new generation of single-aisle commercial jets. Built by Safran and the U.S. company Albany International as partners, each of these plants spans some 28,000 square meters and will employ 400 to 500 persons when they hit cruise speed. They make the 3D woven composite fan blades and cases for this new engine, innovative parts that help reduce the LEAP's fuel consumption by 15% compared with the latest CFM56 models.

SAFRAN WEAVES A COMPOSITE WEB – IN 3D!

Composites are lighter and stronger than previously used materials, driving a revolution in aviation, especially by improving environmental performance. At Safran, we have been exploiting these advantages since the 1980s, especially for aircraft engine nacelles, and we continue to expand their scope of use. In 2014 we opened three new facilities dedicated to composites. One is a research center, Safran Composites, located in Itteville (France), and dedicated to the design and development of tomorrow's composite parts, enabling us to maintain our leading position in this area. The state-of-the-art machinery and equipment at this research center, including the fabrication of prototypes, will help us continue the development of our proprietary 3D woven composite technology, and explore new paths to innovation.



SAFRAN'S EXPERTS

Safran has established a network of 900 experts, appointed because of their proven scientific excellence, who play a major role in implementing the Group's innovation strategy. At an experts convention in October 2014, they reviewed their role in the Group and discussed the three major advances to which the network made a major contribution: hemispherical resonator gyros (HRG), 3D woven composite fan blades, and computed-tomography detection systems.



WHEN INNOVATION GOES HAND IN HAND WITH TALENT

The 2014 Innovation Awards was once again a highlight in Safran's innovation drive. This annual contest rewards the most promising innovations from all Safran employees and facilities around the world. From employee-driven innovation to disruptive technologies, for both products and services, all initiatives are encouraged and spotlighted. In 2014, 70,400 employee ideas were implemented, more than one per employee! Furthermore, for the second year in a row, reflecting its open innovation strategy, Safran invited suppliers to participate in this contest. The Grand Prize went to Snecma (Safran) and partner Aubert & Duval for the creation of a new, ultra-high-performance material for the turbine shafts on the LEAP and Silvercrest® engines. The company LISI AEROSPACE earned the Lean-Sigma award for its performance management system, which helped optimize Safran's supply chain.

A NEW TECHNOLOGY BREAKTHROUGH FOR THE LEAP ENGINE!

Snecma (Safran) has signed a contract with Mecachrome for production of low-pressure turbine blades of titanium aluminide (TiAl) for the LEAP engine. Stronger and lighter than the nickel-based alloys traditionally used on these parts, TiAl is one of the breakthrough technologies on this engine, along with 3D woven composites.



CLOSER TO OUR CUSTOMERS

A wide range of local services is a top priority for Safran, which invested in both industrial and commercial capabilities in 2014. For example, Microturbo enhanced its responsiveness last year by opening a new facility in Toulouse (France) for repairs and surface treatment. Messier-Bugatti-Dowty built a new plant for carbon brake disk production and refurbishment in Malaysia, Aircelle opened a nacelle integration facility for the Airbus A320neo in Germany, and Safran opened two sales offices, in Malaysia and South Korea, helping us move even closer to our customers.



TOP 100

For the fourth year in a row, in 2014 Safran was named one of the Top 100 Global Innovators by Thomson Reuters.

NETWORKING

Share knowledge and best practices, facilitate information access, operate in project mode... the enterprise network set up by Safran in 2014, using a social network type technology, will foster collaborative working across the Group. First results are very promising: more than 20,000 employees are now connected, *via* some 400 communities.

SHARED SERVICES CENTERS EXPAND

Safran's Shared Services Centers (SSC), designed to improve the efficiency of our support functions, are spreading both in France and worldwide. The Recruiting-Careers-Mobility SSC recruited some 80% of the new Group's management staff in France in 2014. And the cornerstone for a new building in Blagnac, southwest France, was laid in September, to group several entities, including some SSC branches in this region.



THE LEAN-SIGMA CULTURE

Safran has long applied the Lean-Sigma approach, underpinning continuous improvement across the Group. This approach combines the Lean management system and the Six Sigma quality improvement method. It applies to all areas of our enterprise. In addition to the Green Belts and Black Belts who manage projects, fully two-thirds of our employees have now taken an introductory course in the Lean-Sigma approach. Safran's maturity in this area makes it a leader in Lean Engineering and Lean Office among all French companies. Several associated initiatives have also been implemented to improve our agility and thereby simplify operations. For example, a new system dubbed "Safran Way" will be deployed to support excellence in all processes.

CREATING VALUE WITH OUR STAKEHOLDERS

At Safran, we have long made corporate social responsibility (CSR) an integral part of our development strategy, because our growth depends on both our operational performance and satisfying all our stakeholders. We aim for exemplary corporate behavior on a par with the excellence of our products, to help create value in all countries where we operate.

05

A GLOBAL, RESPONSIBLE CORPORATE CITIZEN

Corporate social responsibility (CSR) is a pivotal part of Safran's corporate strategy. Perfectly complementing our technological excellence, CSR underpins our sustainable, harmonious growth, to benefit everybody concerned by our activities.

Dedicated CSR governance

Safran's CSR policy is embodied at the very highest level by Philippe Petitcolin, CEO. It is formally expressed through six strategic CSR objectives, and is deployed under the direction of Stéphane Abrial, the Deputy Chief Executive Officer, Corporate Office*, who sponsors this policy within the Executive Committee. Safran's Diversity and CSR manager is the corporate coordinator, and chairs a steering committee with members from the departments concerned. Correspondents at all Group entities support the policy's deployment.

Challenges diagram

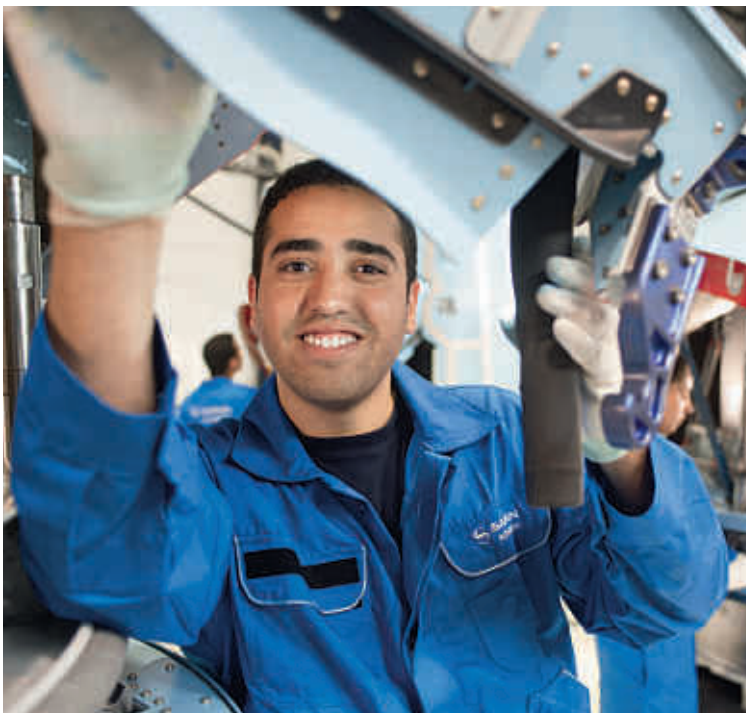
To ensure continuous improvement, in 2014 Safran drew up a diagram summarizing all CSR challenges, to prioritize these challenges in terms of their pertinence for Safran and its stakeholders.

A global commitment

Having signed the United Nations Global Compact, Safran achieved an advanced ranking right from the first year (3 out of 4). Signing the Global Compact confirms our commitment to environmental protection and responsible business practices.



*Until April 23, 2015.



“For Safran, exemplary performance is more than just a goal. It’s an imperative every step of the way. Our training and accident reduction actions in 2014, along with our efforts to increase diversity, reflect our firm resolve to apply this commitment at all of our facilities around the world.”

STÉPHANE ABRIAL, DEPUTY CHIEF EXECUTIVE OFFICER, CORPORATE OFFICE*

*Until April 23, 2015.

6 OBJECTIVES TO GUIDE SAFRAN'S CSR STRATEGY

Safran has defined six strategic objectives, based on major actions identified in the ISO 26000 standard concerning the social responsibility of organizations:

- Develop innovative products and processes with minimal environmental impact.
- Aim for excellence in the safety and protection of people and property.
- Develop people's potential.
- Foster the involvement of suppliers and partners in this initiative.
- Sustain a culture of integrity.
- Guarantee optimum communications with all stakeholders.



SCAN THE QR CODE TO LEARN MORE ABOUT SAFRAN'S CSR CHALLENGES DIAGRAM

SAFRAN CREATES VALUE WITH ITS STAKEHOLDERS

Figures at December 31, 2014 (unless specified otherwise)

CUSTOMERS

- Safran posted sales of **€15.4 billion** in 2014, with nearly 85% in export markets.
- High-tech solutions meeting the needs of a **wide variety of customers**:
 - civil and military airplane and helicopter manufacturers;
 - airlines;
 - space agencies;
 - armed forces (army, navy, air force) and police forces;
 - telecom operators;
 - airports, public transport;
 - banks, etc.
- Our roots and technology/industrial core are in France and Europe, with extensive deployment in the Americas, Africa and the Asia-Pacific. Because of this global presence, we give our customers **fast, local service**, with best-in-class expertise.
- **Customer satisfaction**, Safran's primary goal: listening carefully to our customers, and anticipating, understanding and addressing their requirements.

SHAREHOLDERS

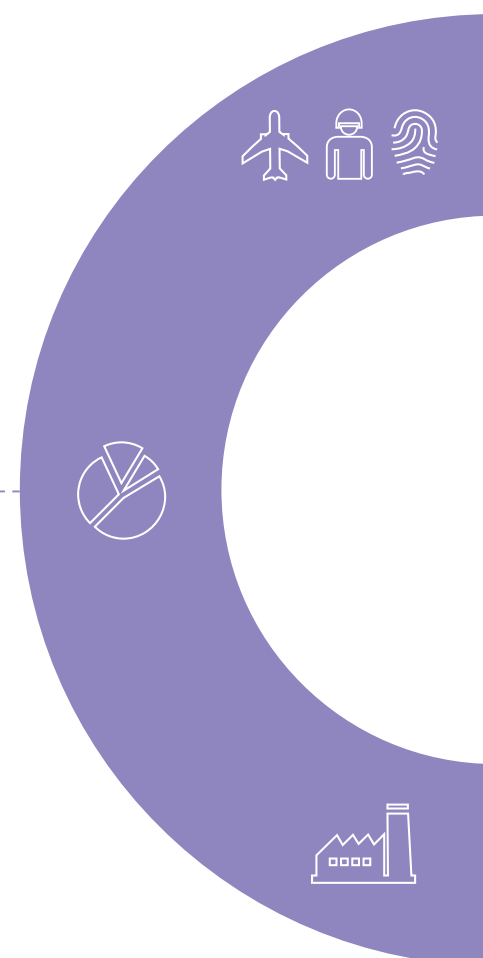
(Institutional, individual and employee shareholders)

- Capital shareholding at March 31, 2015:
 - Public 67.8%
 - French State: 18%
 - Employees: 14.1%
 - Treasury shares: 0.1%
- **More than 500 meetings and conference calls** with portfolio managers and financial analysts in 2014, in France and abroad.
- Safran ranks **2nd among CAC 40 companies** according to its level of employee shareholding.
- **3 meetings for individual shareholders organized in 2014**, in addition to the Annual General Meeting and **6 plant visits**.

SUPPLIERS, SUBCONTRACTORS AND PARTNERS

- Purchasing volume: **€9.2 billion** in 2014, equal to **60%** of sales.
- Support for suppliers to **help adapt their organization and facilities** to changing market requirements.
- Improved workload visibility to **allow suppliers to plan ahead**.

PLUS: Insurance firms, trade associations (Gifas, UIMM, ICAO), professionals in the same sector.

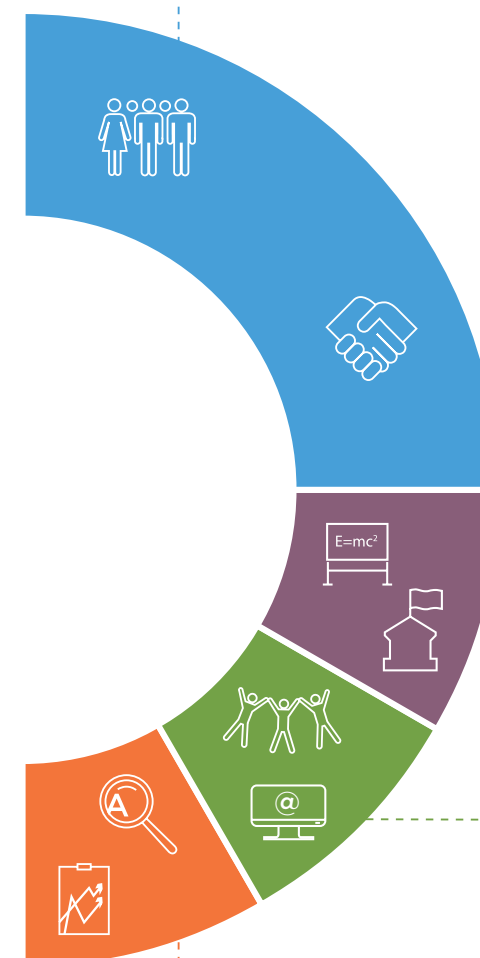


EMPLOYEES

- **69,000 employees** in nearly **60 countries**.
- Steady growth in workforce since 2011: **15%**.
- **More than 8,200 persons** hired in 2014, including **over 2,200 net jobs created**.
- **Women** account for 26% of the total workforce and 34% of new hires in 2014.
- **Over 1.6 million hours of training** provided in 2014.
- In Europe, **1 out of every 6 employees takes responsibility for a young person** being trained (intern or student in work-study program).
- 60% of employees are **Safran shareholders**.

SOCIAL PARTNERS

- Three new Group-wide agreements were signed in France in 2014, concerning: **professional training**; **coverage for accidental death and invalidity**; **the hiring and continued employment of disabled persons**.



SCHOOLS, UNIVERSITIES, LABORATORIES

- **Safran has solid Research & Technology partnerships** with the CNRS, CEA and Onera research organizations in France, and we work with several technology research institutes and a number of university laboratories worldwide.
- **More than 280 Safran employees act as "ambassadors"** to their alma maters (37 schools and universities).

LOCAL, FEDERAL, REGIONAL GOVERNMENTS

- **€674 million** capital expenditures in 2014.
- Safran helps energize the regions where it operates, in conjunction with **local training and placement organizations**.

PLUS: Local communities.

ASSOCIATIONS

- Since 2005 Safran has provided support for **nearly 480 philanthropy projects**, either directly or through our corporate foundations.

MEDIA

- Safran fosters relations with a wide **network of journalists**, with **international media accounting for a growing share**.
- Starting a few years ago, Safran and its companies communicate directly with their communities via **social networks** (Twitter, Facebook, LinkedIn, Viadeo, YouTube).

PLUS: Surrounding communities, non-governmental organizations (NGO).

FINANCIAL ANALYSTS

- **More than 20 financial analyst firms** track the Safran share on a regular basis.

RATINGS AGENCIES

- **Safran sends concrete data and the results of its CSR actions** to non-financial ratings agencies.

TRADE COMPLIANCE: A HIGH-LEVEL IMPERATIVE

Safran's unstinting commitment to honesty and integrity provides a decisive competitive advantage.

Rigorous internal processes

Safran's zero tolerance policy towards corruption is reflected in a risk prevention and trade compliance program that spans the full range of laws, organizations, products and markets. The principles and procedures underpinning the fight against corruption are formally expressed in our Ethical Guidelines and a Responsible Lobbying Charter. We also deploy an *ad hoc* program that includes procedures for approving and monitoring Group business partners, as well as rules concerning gifts and hospitality given or received by employees. A network of 38 trade compliance officers (TCO) and 83 trade compliance managers oversees the strict application of these procedures in all Group companies. Employees

receive appropriate training and timely information, with seminars organized to foster the sharing of best practices. The TCOs act as "ethical authorities", working closely with the Group's anti-fraud committee.

A commitment without borders

Safran has signed the UN Global Compact, clearly illustrating our total commitment to promoting ethics and integrity in our trade relations, and encouraging this mindset among all employees and partners. Safran is also a member of the steering committee of the International Forum on Business Ethical Conduct (IFBEC) for the Aerospace and Defense Industry and the consultative committee of the Business and Industry Advisory Committee (BIAC) to the OECD. We are also a partner in Safeguarding Aviation & Travel Value Chains, a project implemented by the World

Economic Forum's Partnering Against Corruption Initiative (PACI). Safran chairs the international ethics committee at Medef (the French employers' association) and we take part in various working groups for the French aerospace industry association Gifas, the Aerospace and Defence Industries Association of Europe (ASD), the international chamber of commerce (ICC), the circle of business ethics, etc. All Safran companies have signed the "Common Industry Standards for Anti-Corruption" protocol, under the auspices of the ASD.



A PROACTIVE COMMITMENT

The UN Global Compact, signed by Safran, brings together companies from around the world, united by a shared commitment to the fundamental principles behind sustainable development and fair trade. As a signatory to this pact, in December 2014 Safran took part in the 10th anniversary celebration of the 10th principle, concerning the fight against corruption. This event was an excellent opportunity to review the results of actions already applied and talk about upcoming challenges, including the fight against corruption in emerging countries, harmonizing international standards, pooling actions and more.



CORINNE LAGACHE
SAFRAN VICE PRESIDENT, TRADE COMPLIANCE
AND EXPORT CONTROL

"The effectiveness of our trade compliance and ethics program was underscored in 2014 during the certification audits. But we remain extremely vigilant, and we continue to apply a zero-tolerance policy, which depends on the consolidation of our internal and external structures, and the total commitment of corporate management."

**RAISING AWARENESS
AT ALL LEVELS**

All employees concerned have taken Safran's "fight against corruption" training courses, which are backed by an e-learning tool and newsletters tracking legal changes. Safran's trade compliance department has provided extensive information on this subject to both corporate management and management committees at all subsidiaries.



NEW CERTIFICATIONS

In December 2012, Safran was the first company in the French stock market index CAC 40 to be certified to anti-corruption standards by French agency ADIT (*Agence pour la diffusion de l'information technologique*). Two Group companies - Sagem and Morpho - were then certified in 2014, and four more expect certification in 2015: Snecma, Turbomeca, Messier-Bugatti-Dowty and Herakles.

EXPORT CONTROL IN COMPLIANCE WITH REGULATIONS

With nearly 85% of our sales generated in international markets, Safran is subject to a wide range of regulations concerning our import and export activities, along with strict compliance with all sanctions and embargos.

An effective organization

Safran deploys an oversight organization to ensure legal compliance, defined and supervised by the corporate Trade Compliance and Export Control department. This organization is based on nine areas of compliance, including deployment of an *ad hoc* organization, development by each company of an internal control program, training and information, authorization request management, technology transfer control, processing of non-compliance with applicable

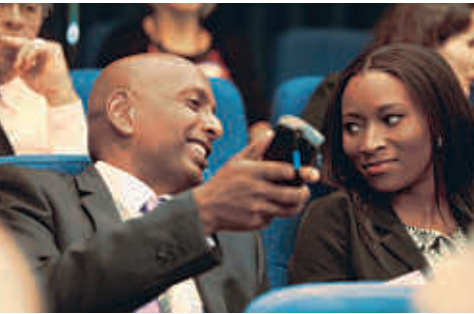
regulations, etc. From the operational standpoint, it is applied in all Group companies and their own subsidiaries, *via* a network of more than 520 specialized staff, who meet for a seminar once every two years.

Demanding standards

Safran’s demanding oversight standards are a solid advantage for our companies in earning certification from the French defense procurement agency DGA (*Direction générale de l’armement*) following the transposition into French law of the European directive concerning defense equipment transfers within the European Union. Three Safran companies have already been certified, and two more certifications are under way. Audits are regularly performed to ensure that the compliance standards for export

control are correctly applied and that the commitments made by Safran corporate management are met. However, Safran must continually adapt to changes in regulations. For example, we take an active role in Gifas and ASD working groups, which involve all entities concerned.

NEARLY
85%
OF SAFRAN’S SALES ARE
GENERATED IN EXPORT MARKETS.



**AN EXPANDING
NETWORK**

At December 31, 2014, Safran counted 69 entities handling imports or exports, with 70 export control officers and more than 500 managers and correspondents in all operating departments concerned.



RUSS SPITTLER
COUNSEL, GLOBAL TRADE & COMPLIANCE,
SAFRAN USA

“Ensuring transparency and integrity in global trade are central to Safran’s mission and customers. That’s why Safran and its subsidiaries work together with governments and customers to create a transparent and therefore secure marketplace.”



**EVERYBODY’S
BUSINESS!**

More than 12,000 Safran employees have already taken training courses about our export control standards. All new hires take an online course as soon as they join Safran.

BOLSTERING RELATIONS WITH SHAREHOLDERS

Safran simultaneously provides complete and accurate information to all shareholders, in strict compliance with all current laws and regulations.

Diversified institutional shareholding

Safran’s institutional shareholding structure is more international than the average at companies in the CAC 40 (French stock market index). Our institutional shareholders are distributed as follows: 39% in North America, 25% in the United Kingdom and Ireland, 23% in France and 13% in the rest of the world. Safran regularly organizes events so that financial analysts and institutional investors can meet corporate management. This is especially the case during publications of annual, half-year and quarterly financial results. In addition, Safran organizes special “Capital Market Days” for financial analysts and institutional investors, allowing

corporate management, members of the Executive Committee and heads of operations to present Safran’s strategy and recent developments. The latest “Capital Market Day” was held in June 2013, just before the Paris Air Show. Throughout 2014, Safran organized more than 500 meetings and conference calls in France and abroad with both financial analysts and portfolio managers.

Local support for individual shareholders

A majority of individual shareholders, who held 6% of Safran’s share capital at the end of 2014, are French. Safran organizes frequent information meetings and plant visits, reserved to these shareholders.

Employee shareholding, a pillar of the Safran model

Safran stands out through its high rate of employee shareholding

(including former employees): 14.4% of total share capital at December 31, 2014, the second highest rate among CAC 40 companies. Furthermore, 60% of employees own shares. Over the last few years, Safran has promoted employee shareholding as a pillar of its culture. This policy is built on both permanent employee savings plans, including employer matching funds, and occasional actions, such as the “Safran Sharing” operation rolled out in 13 countries in 2014.



A PIVOTAL PART OF CORPORATE STRATEGY

A new Safran/Albany International plant dedicated to the production of composite parts for new-generation aircraft engines was inaugurated in Rochester, New Hampshire in March 2014. Both institutional shareholders and financial analysts were invited to this event, a major milestone in the run-up to the start of LEAP engine production. This inauguration reflected the importance of Safran’s capital investments to build foundations for the future, and provided an excellent opportunity for discussions on our strategy.



PETER CAMPBELL
SAFRAN VICE PRESIDENT, INVESTOR RELATIONS

“The job of the Investor Relations department is to foster relations of mutual trust with the financial community and individual shareholders. We regularly organize events that allow analysts and institutional shareholders to meet corporate management. In addition, to develop local relations with individual shareholders, Safran organizes meetings and plant visits solely for these shareholders.”

EMPLOYEE SHAREHOLDING: SAFRAN RANKED 2ND AMONG CAC 40 COMPANIES

In line with French law, Safran employees benefitted from a shareholding offer in 2014, “Safran Sharing”, entitling them to purchase 10% of the shares divested by the French government in 2013. This operation maintained Safran’s employee shareholding rate at over 14%, consolidating the Group’s 2nd place in this area among CAC 40 companies.



MEETING INDIVIDUAL SHAREHOLDERS

In addition to the Annual General Meeting in Paris, Safran organized three special meetings for individual shareholders in 2014, in Bordeaux, Lyon and Caen. Continuing our annual tradition, Safran also offered plant visits to members of the Shareholders’ Club so they could get a first-hand look at the diversity of our business sectors.



SCAN THE QR CODE
TO LEARN MORE
ABOUT SAFRAN
DISCOVERY DAY

RECRUITING AND DEVELOPING TALENT

Since 2011 Safran has added more than 30,000 new employees. Enriched by this new talent pool, we are now tackling the challenge of integrating them and overseeing their professional development.

Talent, a guarantee of future success

Safran continued to recruit in 2014, with over 8,200 new hires, for all business sectors and job categories in our Group, and at all levels of qualification. In late 2014 Safran launched a communications campaign spotlighting our technicians and line workers, to facilitate hiring in these sectors. We are highly focused on earning the loyalty of our employees and supporting their career development.

Favoring the employment of young people

Safran welcomes a number of interns and apprentices every year, and we have also undertaken a “shared apprenticeship” program, allowing these young people to split their work time between a Group company and a subcontractor. Through the association *Frateli*, Safran supports employees who mentor promising youngsters. These efforts are being deployed both in France and in our international markets, in particular thanks to a European agreement on the professional integration of young people, signed by Safran in 2013, as well as through special partnerships in countries where Safran is a major player, such as Brazil and Morocco. In Europe, nearly 6,400 young people were welcomed

for training programs in 2014, and one out of every six employees has been involved in welcoming them and supporting their development.

OVER
8,200
NEW EMPLOYEES WORLDWIDE IN 2014.

NEARLY
6,400
YOUNG PEOPLE WELCOMED FOR TRAINING PROGRAMS IN EUROPE IN 2014.



KÉVIN ANQUETIN
APPRENTICE MACHINE OPERATOR, MESSIER-BUGATTI-DOWTY

“The shared apprenticeship program was both enriching and rewarding. It allowed me to discover the machine operator’s job from several angles, and taught me about different facets of this job, which is great for an apprentice.”



MARILYN BISHOP
HR DIRECTOR, POWER DIVISION, LABINAL POWER SYSTEMS UK

“The Safran Discovery Day gave me an unprecedented opportunity to meet a number of colleagues. It also helped me to better understand Safran’s past, present and future. I’m impressed at being part of an enterprise with such a wealth of potential.”



ONBOARDING NEW HIRES

Safran Discovery Day 2014 was held on the new Safran Campus in Massy, near Paris, and welcomed more than 2,000 recently hired employees from around the world to give them a better understanding of the Group. Roundtable discussions addressed different professions, technologies, markets, values, career opportunities and more, and included meetings with management and talks between employees. In addition to this flagship event, Safran has also set up an integration program to help new employees deepen their understanding of the Group.



ENGINEERING STUDENTS LIKE SAFRAN!

In 2014, Safran was ranked the second and fifth most preferred employer of French engineering students in surveys by Trendence and Universum, respectively.



SAFRAN AMBASSADORS

With new agreements signed in 2014, Safran’s network of “ambassadors” now works with 37 schools and universities in France, and numbers more than 280 Group employees. Their mission is to promote Safran and its job opportunities, and detect top talents at their alma maters.



SCAN THE QR CODE
TO LEARN MORE
ABOUT WOMEN
AT SAFRAN

CONSOLIDATING AND DEPLOYING OUR SOCIAL MODEL

As a responsible employer, Safran has made human development a top priority. Our diversity policy, our commitment to promoting gender equality and a strengthened social model underpin this strategy.

Diversity, a source of wealth

We consider diversity a key driver for performance and innovation, a firm conviction expressed day after day by a concrete commitment to equal opportunity. Safran encourages the social and professional integration of people from underserved communities. For example, we signed the Enterprises & Neighborhoods Charter initiated by the French Ministry for Urban Affairs, and we are involved in projects launched by various associations and institutes of higher education. Based on our awareness of the importance of transmitting knowledge, especially in technical

professions, we support the hiring and continued employment of seniors. We are also actively involved in the professional integration of disabled persons. In 2014, some 3.7% of our workforce in France were people with disabilities.

Supporting gender equality

Safran’s commitment to equal opportunity is applied internationally, in line with the non-discrimination principles of the International Labour Organization and the United Nations Global Compact. We promote gender equality in recruiting and career development. These in-house actions are extended through initiatives with outside organizations, such as the association *Elles bougent* (“Women on the Move”) in France, and the Women’s Forum, Women in Engineering network and IAWA (International Aviation Womens Association) on a global scale.

Affirming our social model

Firmly convinced that employees are our primary asset, we give them a stake in our growth through a constructive labor-management dialog, and an equitable system for sharing the fruits of performance, including profit-sharing and incentive payments, and employee shareholding.

34%

OF NEW HIRES IN 2014
WERE WOMEN.



WOMEN IN INDUSTRY AWARD WINNERS

Two Safran employees won Women in Industry awards at the ceremony held in September 2014. Organized by the business and industry magazine *L’Usine Nouvelle*, these awards recognize exceptional women in a sector where men are still a large majority. Aurore Ferrant, winner of the Rising Star award for her rapid progression through the ranks, and Fabienne Lacorre, winner of the Woman in R&D award for her deep investment in the development of the LEAP engine, clearly symbolize the success of Safran’s long-standing policy in favor of gender equality and equal opportunity.



AURORE FERRANT
ROCKET MOTOR TEST AND INTEGRATION DEPARTMENT MANAGER, HERAKLES
NAMED RISING STAR IN THE WOMEN IN INDUSTRY AWARDS FOR 2014

“Difference is enriching! Cultivating, or even better promoting our difference will bolster our future innovation. As Albert Camus said, ‘diversity is the home of art’.”



GUILLAUME MORNAND
PLANT GENERAL MANAGER, SNECMA XINYI AIRFOIL CASTINGS CO.
LTD, CHINA

“Safran’s social responsibility applies worldwide. So we have to set an example in China, where we hired disabled employees at Guiyang, who were experts in their field.”



**RENEWED AGREEMENT
ON EMPLOYMENT
OF DISABLED PERSONS**

Safran signed a new Group-wide agreement in 2014 concerning the employment of disabled persons. This agreement is designed to bolster actions launched in 2012, mainly concerning hiring, support and continued employment.



SCAN THE QR CODE
TO LEARN MORE
ABOUT SAFRAN
UNIVERSITY

ALLOWING ALL EMPLOYEES TO SHAPE THEIR OWN CAREER PATH

Operational excellence and the ongoing enhancement of employee skills are two major drivers of Safran’s competitiveness, which is why we greatly encourage both training and mobility.

A training policy keyed to Safran’s challenges

Safran University is the cornerstone of our ambitious training policy. Based in Massy (near Paris), Dallas and Beijing, Safran University offers employees the world over training courses that match their current and future career development plans. Three types of programs are offered, allowing employees to bolster their professional expertise, maintain their employability, and develop their

leadership and management capabilities. The use of digital applications, including online lectures and virtual classes, facilitates the acquisition of knowledge and helps reconcile the concurrent need for training and business continuity.

Balancing people’s professional objectives and Safran’s needs

Quite simply, mobility enhances adaptability, fosters an open mind and facilitates skills development. Safran therefore offers all employees a multitude of professional opportunities, including mobility between different countries, companies and job families – all possible in a global enterprise like ours.

At Safran, each employee shapes his or her own career path. We have deployed a job forum for our employees, covering all Group companies and all countries in which we have a significant presence. Furthermore, a Europe-wide framework agreement covering skills and career development is now being negotiated, for an expected signing in 2015.



CARLOS URURAHY
HEAD OF QUALITY, SMS, RISK & HSE, TURBOMECA ASIA-PACIFIC

“My transfer from Brazil to Singapore really enhanced my career path. Between the opportunities offered by my company, the encouragement from my managers and great ideas and tips from my colleagues, my job gets more interesting by the day. I’m proud to work for Safran!”



**SAFRAN CAMPUS,
A UNIFYING VENUE**

The Safran Campus in Massy, near Paris, opened its doors in September 2014, mainly as the home of Safran University. With an amphitheater holding up to 450, plus a hotel with 80 guest rooms, the Campus is an unexcelled venue for meetings, discussions and learning. It now hosts a number of key Group events, including “Discovery Days” to orient new hires, conferences for our teams and customer seminars. The Campus is a veritable melting pot that fosters diversity and mobilizes our employees around shared values.



HIGH MANAGEMENT STANDARDS

Safran has unveiled its Leadership Model: a set of leadership standards listing the behaviors expected of Group management staff. We have asked all managers to position themselves in relation to this model and to develop their managerial skills to maximize team performance and thus contribute to collective success.



ONLINE TRAINING

Safran has gone digital, offering employees a host of innovative learning tools (online lectures, virtual classes, etc.), along with traditional classroom training. The online trend facilitates learning, as well as the international deployment of Safran’s training courses.



ÉLODIE DE RIDDER
PRODUCTION LINE MANAGER, SAGEM

“The Gateway training courses at Safran University helped me develop my cross-functional skills and consolidate my professional future. I found that it enhanced my working methods, and my personal and team performance. Today, I have more confidence in myself.”

ANTICIPATE
AND PROTECT

Anticipation and protection are the foundations of Safran’s health, safety and environment (HSE) policy. Our commitments are set down in an HSE charter supported at the highest level of the Group, by Philippe Petitcolin, CEO.

Safety is everybody’s business

Safran met its 2014 goal of reducing the lost-time accident rate, based on proactive measures, greater awareness by managers and everybody’s continuous efforts. We also emphasize continuous improvement at all levels by grading our facilities according to their HSE maturity, as “gold”, “silver” or “bronze”, based on regular audits.

Closely tracking occupational health

Safran works closely with the French agency for improved working

conditions, Anact, and oversees its employees’ health. In fact, the Group’s own HSE guidelines incorporate Anact’s requirements. One of the major initiatives in this area, the agreement signed by Safran concerning prevention of stress in the workplace, gave rise to an observatory dedicated to the detection and monitoring of individual and collective psychosocial risks. An ergonomics plan concerning adapted workstations is strictly applied, and nearly 150 coordinators were trained in 2014. One specific target is musculoskeletal problems due to repetitive gestures, which account for some 70% of workplace illnesses. These actions are also being developed in international facilities to guarantee the same strict risk management approach wherever Safran operates.

Limiting environmental impact

Safran is stepping up to reduce the environmental footprint of our industrial activities. From eco-design to recycling, and from reducing energy consumption to reusing waste, we are rolling out improvement plans at all facilities, reflecting our focus on environmental excellence and confirming our position as a responsible enterprise.

1,000

MANAGERS RECEIVE HSE TRAINING
EVERY YEAR.



SUMIT CHAKRAVARTY
HUMAN RESOURCES MANAGER, MORPHO NOIDA, INDIA

“As a result of consistent and boundless efforts to commit to the highest HSE standards, the Morpho Noida production plant in India was awarded Safran’s bronze maturity ranking in November 2014. Noida is the first Morpho factory in the Asia-Pacific region to earn this certification.”



OCCUPATIONAL HEALTH AND SAFETY:
A TOP PRIORITY

Within the scope of the improvement plan, “ExcellenSSE” (SSE is the French acronym for HSE), Safran organized a first HSE convention in December 2014, bringing together HSE managers and professionals from all Group companies. This international convention focused on two main subjects, namely ergonomics and the daily role of managers. Highlights included the signature by all participants of three commitments inspired by the Safran Leadership Model, and HSE awards given to facilities that have reached the highest maturity level in their region, according to the 28 standards in Safran’s HSE reference system.



REACH, AN ENVIRONMENTAL PRIORITY

Safran anticipated the application of the European regulation REACH – Registration, Evaluation, Authorization and restriction of Chemicals – covering the use of chemical substances. In particular, we are studying possible replacements for substances such as hexavalent chrome and cadmium, which will shortly be banned. Some solutions are already being deployed.



WASTE-EATING BACTERIA

In April 2014, Herakles (Safran) inaugurated a new biological waste treatment station, the only one of its kind in Europe, using bacteria to break down into harmless byproducts ammonium perchlorate, the main ingredient in solid propellants powering launch vehicles and missiles.



JEAN-FRANÇOIS THIBAUT
GROUP ADVISOR, ERGONOMICS PROGRAM, SAFRAN

“Just two years after launching our Ergonomics program, most of our industrial facilities worldwide have now reached level 2 out of 4 in our standard. This achievement clearly shows our ability to make ergonomics a timely part of the drive for excellence designed to protect employee health and contribute to Safran’s industrial performance.”



SCAN THE QR CODE
TO LEARN MORE
ABOUT SAFRAN
INNOVATION
AWARDS 2014
GRAND PRIZE

TEAMING UP TO BUILD SUSTAINABLE PERFORMANCE

Safran's purchasing policy reflects our focus on industrial excellence and establishing sustainable, balanced and mutually beneficial relations with our suppliers.

Working towards a common goal

We are fully aware that suppliers play an important role in our success. We therefore foster relations based on mutual trust, demanding reciprocal expectations and a joint striving for performance. We involve our suppliers right from the outset of new programs so we can develop innovative solutions together and plan ahead for workloads. We also work with them to develop improvement and development plans, and encourage them to deploy proven improvement initiatives, such as QRQC (Quick Response Quality Control), a method used to resolve quality issues. Our suppliers are also partners in Safran's open innovation approach, and are eligible to participate in our "Innovation

Awards", an annual contest that recognizes the most promising innovations and the best improvement initiatives at Safran. We also organize regular "Tech Days", enabling suppliers to talk with our experts.

Maximizing potential

While we have the same demanding performance requirements for all subcontractors, we provide special support to encourage the development of our high-potential suppliers, especially the small and medium-size (SME) businesses in France that represent nearly half of all suppliers. As a member of the association *Pacte PME* ("SME Pact"), which seeks to strengthen ties between small and large companies, we also contribute to investment funds that support the French aerospace industry.

Responsible purchasing

Safran has asked suppliers to embrace our CSR policy, and to make

a commitment by signing the Responsible Purchasing charter. We encourage our suppliers to design environmentally-friendly products and processes, and to pay attention to security, transparency and integrity. Since the end of 2013, about 200 buyers have received training in these areas. Furthermore, as part of a Group-wide agreement designed to support the employment of disabled persons, Safran has pledged to develop its business with the sheltered sector. By 2017, this agreement should reach total purchases of 8 million euros⁽¹⁾.

(1) Sales to sheltered workshops and adapted enterprises, excluding raw materials.

€9.2 BILLION

PURCHASING VOLUME IN 2014,
EQUAL TO 60% OF SALES.

"A supplier to Safran for nearly 20 years, we formed a partnership with them for the development of the LEAP. This co-innovation agreement reflects the spirit of teamwork between our two companies."

SYLVAIN ACCORSINI
CHAIRMAN AND CEO OF MÉCAFI



"We were pleased to sign Safran's 'First Circle' charter to bolster our relationship of mutual trust and respect. This type of special link really helps create shared and sustainable value."

DENIS HUGELMANN
CEO, AUBERT & DUVAL

"We decided to set up our first European polyacrylonitrile (PAN) precursor⁽¹⁾ plant in France to guarantee supply and meet growing demand for carbon fibers. Hexcel is supporting Safran for the ramp-up in LEAP production rates."

(1) The raw material in carbon fibers.

THIERRY MERLOT
VICE CHAIRMAN AND CEO OF HEXCEL
EUROPE, ASIA AND MIDDLE EAST



SAFRAN RECOGNIZED FOR SUPPLIER RELATIONS

Safran launched an initiative in 2013 to earn the "Responsible Supplier Relations" label for all of our companies. The following year, the aircraft engine production purchasing department at Snecma was the first Safran entity to receive this label from the French Ministry of the Economy, Industry and Digital Data, clear recognition of the sustainable, balanced relations established with our suppliers.

"FIRST CIRCLE", A NEW SUPPLIER INITIATIVE

In 2014, a dozen suppliers joined our "First Circle", designed to establish a preferred relationship between Safran and selected industrial partners. They will participate in various strategic projects, ranging from R&T to production.



A FIRST IN MOROCCO

Safran has operated in Morocco for 15 years and is supporting the development of a strong aviation industry. In 2014, for the first time, Safran organized a meeting of 100 current or potential suppliers in Casablanca, attended by the Moroccan Minister of Industry, Commerce, Investment and Digital Economy.

PHILANTHROPY AND FOUNDATIONS



SUPPORTING THE INTEGRATION OF YOUNG PEOPLE

A dozen young adults sponsored by the **Frateli** association visited Aircelle's (Safran) plant in Le Havre (France). This association, supported by Safran's Foundation for Integration for the last seven years, allows Safran employees to mentor promising students from modest backgrounds as they start university.



DEVELOPING EXPERTISE

The Safran Foundation for Integration is a partner in the association **Watever**, which helps unqualified young adults develop their expertise in composite materials for naval construction in Bangladesh.



RECOGNIZING MUSICAL TALENT

Young pianist Selim Mazari was awarded the Safran Foundation for Music prize in 2014 based on a competition organized in conjunction with the **Armed Forces Museum**. This distinction recognizes the most promising artists from the national conservatory for music and dance in Paris.



INSPIRING CALLINGS

In conjunction with the association **Planète Sciences**, Safran has created fun and educational workshops to raise interest in science and promote aerospace and technical jobs among youngsters. In 2014, these workshops welcomed nearly 1,800 participants.

SUPPORTING EQUAL OPPORTUNITY

For the third year in a row, Safran sponsored the Performance Series of Legends, a concert to benefit the **Duke Ellington School of the Arts**, the only public high school in Washington, DC offering professional arts training to talented students, combined with academic courses to prepare them for higher education.



EMPOWERING MUSIC STUDENTS

Safran supports the association **Le Poème Harmonique** in the creation of a string orchestra composed of grammar school students in Rouen (France).

SPONSORSHIP



L'OISEAU BLANC:
THE SEARCH CONTINUES

Safran participated in the sixth series of searches for *L'Oiseau Blanc*. Flown by famous aviators Nungesser and Coli, this aircraft disappeared in 1927 while attempting to make the first transatlantic flight from Paris to New York. The “White Bird” is a strong symbol for Safran, because it was powered by an engine made by Lorraine-Dietrich, one of Safran’s predecessor companies.

LAST RACE...
AND A NEW BEGINNING

After nine years of adventure, emotions and success with Safran, skipper Marc Guillemot – one victory and two second place finishes in the *Transat Jacques Vabre*, two third-place finishes in the *Route du Rhum*, third in the *Vendée Globe*, holder of the record for a North Atlantic crossing – flew the Group’s colors for the last time during the *Route du Rhum* race, from mainland France to Guadeloupe, in November 2014. His successor is Morgan Lagravière, and Marc Guillemot will work with this young skipper to help him prepare for the 2016 *Vendée Globe* solo, round-the-world race, aboard a brand-new Open 60 IMOCA class monohull racing yacht. This transition reflects Safran’s values of engagement, teamwork and transmitting knowledge. The Safran Sailing Team has also expanded, adding the young skipper Gwénolé Gahinet, co-sponsored by Safran and the clothing company Guy Cotten on the Figaro Bénéteau circuit.



SCAN THE QR CODE
TO LEARN MORE
ABOUT SAFRAN
SAILING TEAM



BENCHMARKS

Higher sales, improved profitability, record order book, a healthy cash flow to debt ratio... Safran’s performance is truly exceptional. Building on our business and technological success, plus 69,000 highly motivated people around the world, Safran maintains a razor-sharp focus on bolstering our market positions, meeting future challenges and delivering sustainable growth.

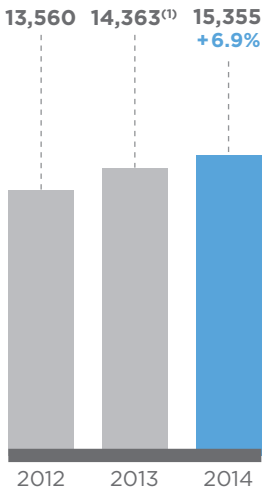
FINANCIAL INDICATORS

RECORD RESULTS IN 2014

SALES
(adjusted data, millions of euros)

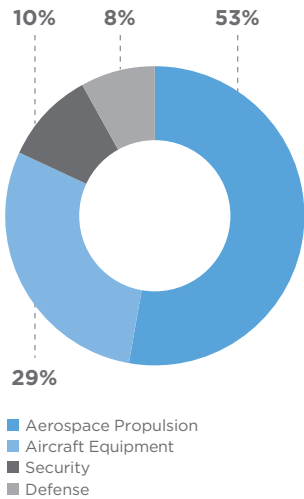
Safran posted adjusted sales of 15,355 million euros in 2014, a year-to-year increase of 6.9% (5.8% on an organic basis). This strong growth reflects performance in the aerospace business (original equipment and services), a resilient performance by the defense business (avionics), and a dynamic security business (identification).

(1) Restated to reflect impact of IFRS 11.



SALES BY BUSINESS SECTOR

The aviation and space businesses logged strong growth in 2014, including a 7.4% increase for propulsion and 8.7% for aircraft equipment. The defense and security businesses returned to the growth path last year, after a slight decrease in 2013, rising 2% and 3.2%, respectively.

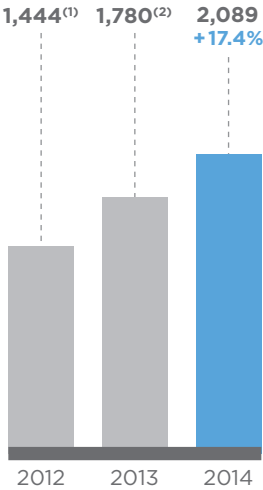


A STEADY INCREASE IN PROFITABILITY

RECURRING OPERATING INCOME
(adjusted data, millions of euros)

Safran posted adjusted recurring operating income of 2,089 million euros in 2014, an increase of 17.4% and equal to 13.6% of adjusted sales. This rise was mainly due to strong growth in our aerospace business (propulsion and equipment) and profitable growth in the security sector.

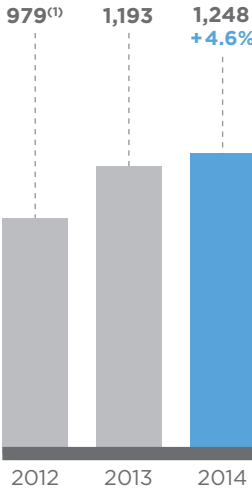
(1) Restated to reflect impact of revised IAS19 standard.
(2) Restated to reflect impact of IFRS 11.



NET INCOME (GROUP SHARE)
(adjusted data, millions of euros)

The Group share of adjusted net income amounted to 1,248 million euros in 2014, or 3.00 euros per share, compared with 1,193 million euros in 2013 (2.87 euros per share), which included a 131 million euro capital gain from the sale of Ingenico shares. In addition to the growth in recurring operating income, this total also includes net financial fees of 165 million euros and a tax charge of 522 million euros.

(1) Restated to reflect impact of revised IAS19 standard.



SUSTAINED INVESTMENT IN THE FUTURE

INCREASE IN USD-DENOMINATED COMMERCIAL ENGINE SERVICE BUSINESS

+11.3%

The sustained momentum of the commercial engine service business is driven in large part by the first shop visits of more recent CFM56 engines, and the GE90.

A SHARP RISE IN OPERATING CASH FLOW

+27%

Safran posted operating cash flow of 2.5 billion euros in 2014, a sharp rise from the previous year, mainly due to dynamic performance by its aerospace business. Because of this significant increase, Safran was able to increase its free cash flow, while also making unprecedented investments in its development.

INCREASE IN CAPITAL EXPENDITURES

+38%

Safran invested 674 million euros in 2014 to gear up for the transition to the LEAP engine, to support the production startup of new technologies and to augment our production capacity.

TOTAL RESEARCH & DEVELOPMENT EXPENDITURES

€2 billion

Safran's R&D spending hit a peak in 2014, equal to 13% of sales. The increase over the previous year's total of 1.8 billion euros primarily reflects the ramp-up in LEAP engine development and testing.

“Safran once again posted a strong increase in sales and income in 2014, primarily driven by our dynamic commercial aviation business, especially services. A pertinent hedging policy also contributed to these good results.”

ROSS McINNIS, DEPUTY CHIEF EXECUTIVE OFFICER, FINANCE*

*Until April 23, 2015.

FINANCIAL INDICATORS

NEW STRATEGIC ACQUISITIONS,
A HEALTHY CASH FLOW TO DEBT RATIO

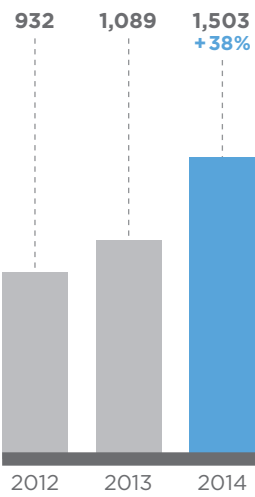
ACQUISITION OF EATON AEROSPACE’S ELECTRICAL DISTRIBUTION
AND INTEGRATED COCKPIT SOLUTIONS BUSINESSES

€197 million

With the acquisition of Eaton Aerospace’s capabilities in electrical distribution, Safran extends its expertise in aircraft electrical systems and can now offer manufacturers complete packages for tomorrow’s “more electric” aircraft. These businesses were consolidated in Safran’s financial statements starting on May 9, 2014. The electrical distribution business was consolidated within the Aircraft Equipment branch, while integrated cockpit solutions were included in the Defense branch. The two businesses have about 350 employees at two main locations in the United States: Costa Mesa, California, and Sarasota, Florida.

NET DEBT
(adjusted data, millions of euros)

Safran offers very solid financial foundations, enabling us to finance our development. We generated free cash flow of 740 million euros last year, equal to 35% of recurring operating income, despite unprecedented investments to meet the operational challenges resulting from our business success. At December 31, 2014, Safran had cash and cash equivalents of 1.63 billion euros, as well as confirmed and non-drawn credit facilities for 2.55 billion euros. Our net debt stood at 1.5 billion euros at December 31, 2014.

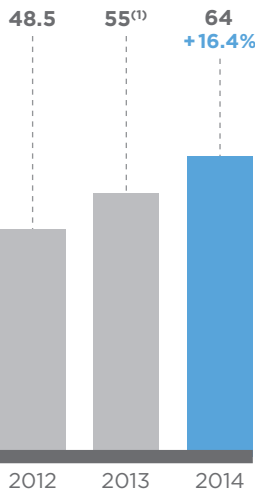


EXCEPTIONAL BUSINESS PERFORMANCE

ORDER BOOK AT ALL-TIME HIGH
(billions of euros)

Safran booked 23 billion euros worth of orders in 2014, 2.2 billion euros more than in 2013, reflecting the market’s dynamic performance. The Group’s consolidated order book stood at 64 billion euros at December 31, 2014, versus 55⁽¹⁾ billion euros the previous year, an increase exceeding 16%. This figure does not include the future business to be generated by CFM56 spare parts and services (when supplied on the basis of Time & Material contracts). The service business will generate significant revenues and margins over the coming years.

(1) Restated to reflect the impact of IFRS 11.



CFM INTERNATIONAL’S
UNPRECEDENTED ORDER BOOK

NEARLY
13,000
ENGINES

CFM International logged 2,717 firm orders and commitments for the LEAP in 2014, along with 1,527 for the CFM56. The total order book now amounts to nearly 13,000 engines, including almost 8,500 LEAPs.

OUTLOOK FOR 2015

For the financial year 2015, Safran forecasts the following⁽¹⁾:

- A rise in adjusted sales of 7 to 9% (at an estimated average exchange rate of \$1.20/€1.00).
- An increase in adjusted recurring operating income of slightly over 10% (at a hedged currency exchange rate of \$1.26/€1.00).
- Free cash flow equal to 35 to 45% of adjusted recurring operating income.

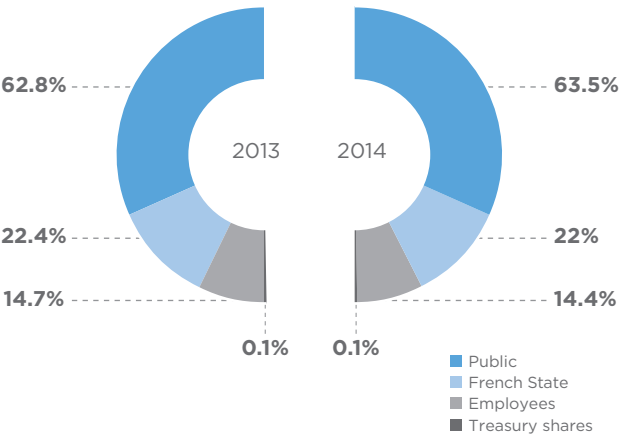
(1) The outlook for 2015 concerns the Group in its current structure, and does not take account of the potential impact in 2015 of the finalization of the consolidation of our launch vehicle operations with those of Airbus Group in the 50/50 joint company, Airbus Safran Launchers.

STOCK MARKET INDICATORS

CHANGE IN SHAREHOLDING STRUCTURE FROM 2013 TO 2014

CAPITAL SHAREHOLDING STRUCTURE
at December 31

Following the divestment of shares by the French State in 2013, and in compliance with French law, 3.6 million shares were proposed to Safran employees in 2014 within the scope of a special “Safran Sharing” subscription offer. A total of 16,000 persons in 13 countries purchased 1.7 million shares. Safran’s large number of employee shareholders, which boosts employee motivation and loyalty, is a factor in ensuring our stability. The Group also benefitted from a new increase in its float and improved liquidity.



SAFRAN SHARE PRICE
January 1, 2010 to February 25, 2015



SAFRAN SHARE

The Safran share is listed in Compartment A of Euronext Paris, and is eligible for Deferred Payment Service (SRD).

Name: SAFRAN

ISIN code: FRO000073272

Abbreviation: SAF

Index: CAC 40

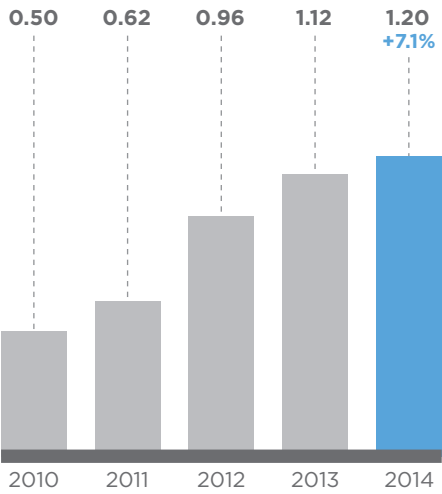
CAPITAL SHAREHOLDING STRUCTURE AS OF MARCH 31, 2015

On March 3, 2015, the French State sold 4% of Safran’s share capital, bringing its current stake to 18%.



DIVIDEND PER SHARE
(euros)

The payment of a dividend of €1.20/share (an increase of 7.1% over 2013) was submitted for a vote by the Annual General Meeting of Shareholders on April 23, 2015. In line with general practice at Safran, the payout rate was approximately 40% of adjusted net income. An interim payment of €0.56/share was made in December 2014, with the balance of €0.64/share to be paid as from April 29, 2015.



SAFRAN INVESTOR RELATIONS

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75724 Paris Cedex 15 - France

Investor and Analyst contact
E-mail: investor.relation@safran.fr

Individual shareholder and Shareholders’ Club contact
E-mail: actionnaire.individuel@safran.fr

For further information on the Shareholders’ Club, go to:
www.safran-group.com

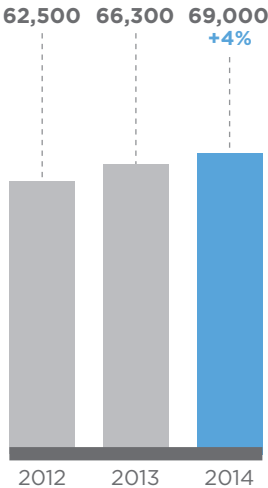
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(France only)

CSR INDICATORS

STRONG GROWTH IN THE WORKFORCE,
IN FRANCE AND WORLDWIDE

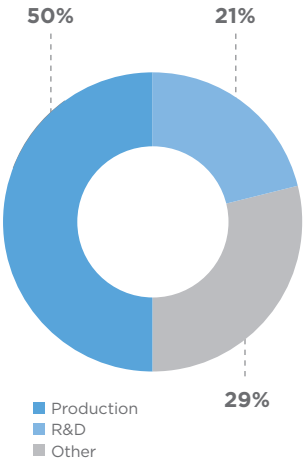
TOTAL WORKFORCE

Safran created more than 2,200 net jobs in 2014, including 1,150 in France. More than 8,200 new employees joined the Group in 2014. This sustained pace of hiring supports the launch of new programs, and also ensures the transition between generations.

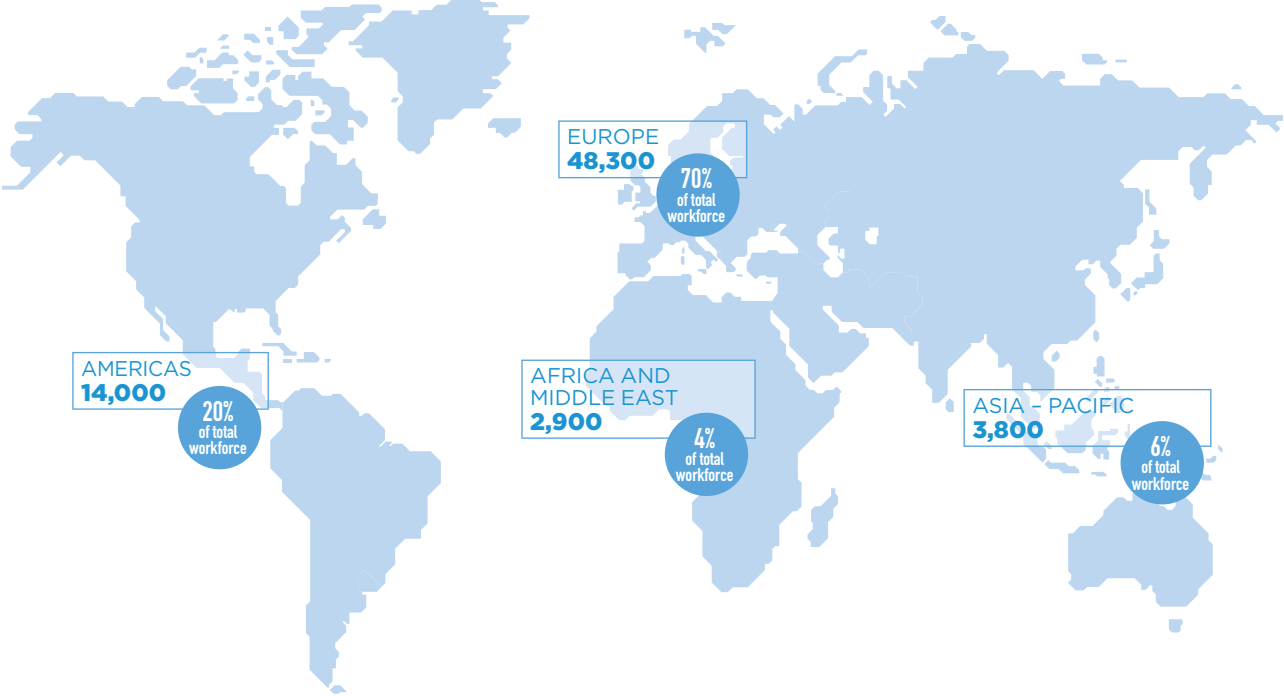


EMPLOYEES BY
JOB TYPE

The breakdown by job type reflects Safran's industrial foundations and the extensive resources dedicated to Research & Development. Our people leverage their excellence and innovative mindsets not only in production and design, but also in support functions.



69,000 EMPLOYEES
IN NEARLY 60 COUNTRIES

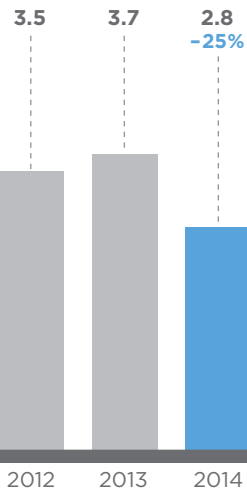


ONGOING EFFORTS TO SUPPORT
RESPONSIBLE PRACTICES

LOST-TIME ACCIDENT
RATE⁽¹⁾

Safran has set a goal since 2008 of significantly improving its occupational safety record, aiming for a lost-time accident rate of less than 3 in 2014 and under 2 by 2017. The deployment of the continuous improvement plan "ExcellenSSE" enabled us to meet the first objective, as the rate of accidents involving more than a day off work dropped to 2.8 in 2014, a 25% reduction over 2013.

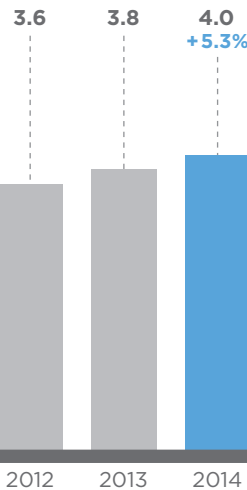
(1) Ratio of the number of accidents with more than a day off work to a million hours worked.



RESPONSIBLE
PURCHASING ⁽¹⁾
(millions of euros)

In France, Safran is steadily increasing its purchasing volume from sheltered workshops and adapted enterprises. The development of responsible purchasing practices is an integral part of our CSR policy.

(1) Amounts purchased from sheltered workshops and adapted enterprises, excluding raw materials.



NEARLY 26%

women in the Group's total workforce, and 34% women among new hires in 2014.

OVER 1.6 MILLION

hours of training provided in 2014.

OVER 12,000

employees given local export control training worldwide since 2010.

60%

of employees worldwide are shareholders, including 87% in France.

NEARLY 480

projects supported by Safran's corporate foundations for integration and music, or by direct corporate philanthropy actions since 2005.

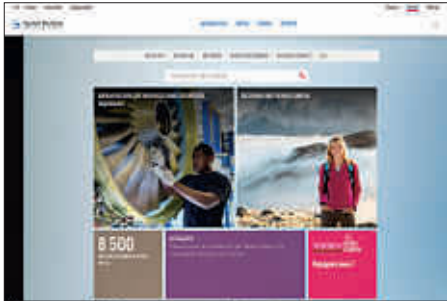
LEARN MORE ABOUT SAFRAN



PUBLICATIONS

Fundamentals
See Safran's key figures and businesses in a concise handbook.

Safran Magazine
Printed twice a year, the Group's magazine features expert viewpoints, insights on our businesses, interviews, photo reports and much more.



WEBSITE

We have revamped the corporate website, go to:
www.safran-group.com

JOIN US ON SOCIAL NETWORKS



Safran Corporate Communications

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KEY MISSIONS, KEY TECHNOLOGIES, KEY TALENTS

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