DISCLAIMER

> FORWARD-LOOKING STATEMENTS
This document contains forward-looking statements relating to Safran, Zodiac Aerospace and their combined businesses, which do not refer to historical facts but refer to expectations based on management’s current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those included in such statements. These statements or disclosures may discuss goals, intentions and expectations as to future trends, synergies, value accretions, plans, events, results of operations or financial condition, or state other information relating to Safran, Zodiac Aerospace and their combined businesses, based on current beliefs of management as well as assumptions made by, and information currently available to, management. Forward-looking statements generally will be accompanied by words such as “anticipate,” “believe,” “plan,” “could,” “would,” “estimate,” “expect,” “forecast,” “guidance,” “intend,” “may,” “possible,” “potential,” “predict,” “project” or other similar words, phrases or expressions. Many of these risks and uncertainties relate to factors that are beyond Safran’s or Zodiac Aerospace’s control. Therefore, investors and shareholders should not place undue reliance on such statements. Factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to: uncertainties related in particular to the economic, financial, competitive, tax or regulatory environment; the risks that the new businesses will not be integrated successfully or that the combined company will not realize estimated cost savings and synergies; Safran’s or Zodiac Aerospace’s ability to successfully implement and complete its plans and strategies and to meet its targets; the benefits from Safran’s or Zodiac Aerospace’s (and their combined businesses) plans and strategies being less than anticipated; and the risks described in the registration document (document de référence). The foregoing list of factors is not exhaustive. Forward-looking statements speak only as of the date they are made. Safran and Zodiac Aerospace do not assume any obligation to update any public information or forward-looking statement in this document to reflect events or circumstances after the date of this document, except as may be required by applicable laws.

> USE OF NON-GAAP FINANCIAL INFORMATION
This document contains supplemental non-GAAP financial information. Readers are cautioned that these measures are unaudited and not directly reflected in the Group’s financial statements as prepared under International Financial Reporting Standards and should not be considered as a substitute for GAAP financial measures. In addition, such non-GAAP financial measures may not be comparable to similarly titled information from other companies.
2018 HIGHLIGHTS

Philippe PETITCOLIN - CEO
2018 Wrap up

Operations

2018 financial targets met or exceeded

- Safran financial performance (excluding the contribution of Zodiac Aerospace) above targets
  - Organic growth of adjusted revenue\(^{(1)}\) at 10.4%
  - Adjusted recurring operating income up 24.7%
  - Free cash flow representing 62% of adjusted recurring operating income
- 10-month contribution of Zodiac Aerospace in line with targets
  - Revenue: €3,799M / Recurring operating income: €290M / FCF: €92M

CFM56-LEAP transition on track

- Record level of CFM engines deliveries (CFM56 and LEAP): 2,162 units in 2018 (+14%)
- LEAP deliveries at 1,118 units in 2018; LEAP cost of sales reduction plan in line with expectations

Strong operating leverage driving broad-based recurring operating margin improvements

- Propulsion: +230bps / Aircraft Equipment: +250bps / Defense: +140bps

Executing on Zodiac Aerospace operational and financial recovery roadmap, notably Aircraft Interiors

Strategic steps

Zodiac Aerospace acquisition completed: next step will aim at maximizing commercial, technological and product synergies across Safran portfolio of activities

Committed to being the OEM partner of choice thanks to competitiveness and innovation

- Continuation of the sole source contract with Airbus for the LEAP-1A nacelle
- Auxiliary Power Units (APUs): 50-50 JV with Boeing (called Initium Aerospace) for commercial aircraft

\(^{(1)}\) See slide 17 for bridge with consolidated figures
Adjusted revenue\(^{(1)}\) growth of 32.0\% (including €3.8Bn from Zodiac Aerospace)
Strong organic growth of 10.4\%

\[
\begin{array}{c|c|c}
\text{FY 17} & \text{FY 18} & \text{growth} \\
\hline
15,953 & 21,050 & +32.0\% \\
& & +10.4\% \text{org}
\end{array}
\]

Adjusted recurring operating income\(^{(1)}\) growth of 37.9\% (including €290M from Zodiac Aerospace)

\[
\begin{array}{c|c|c}
\text{FY 17} & \text{FY 18} & \text{growth} \\
\hline
2,192 & 3,023 & +37.9\%
\end{array}
\]

Adjusted net profit\(^{(1)}\) (group share)

\[
\begin{array}{c|c|c}
\text{FY 17} & \text{FY 18} & \text{growth} \\
\hline
1,563 & 1,981 & +26.7\%
\end{array}
\]

\[
\begin{array}{c|c|c}
\text{Discontinued activities} & \text{Continuing activities} & \text{growth} \\
\hline
830 & 1,563 & +26.7\%
& 1,981 & +23.9\% \text{org}
\end{array}
\]

Basic earnings per share (group share)

\[
\begin{array}{c|c|c}
\text{FY 17} & \text{FY 18} & \text{growth} \\
\hline
3.81 & 4.60 & +20.7\%
\end{array}
\]

\[
\begin{array}{c|c|c}
\text{Discontinued activities} & \text{Continuing activities} & \text{growth} \\
\hline
2.03 & 3.81 & +20.7\%
& 4.60 & +23.9\% \text{org}
\end{array}
\]

Strong free cash flow generation at €1,781M (including €92M from Zodiac Aerospace)

\[
\begin{array}{c|c|c}
\text{FY 17} & \text{FY 18} & \text{growth} \\
\hline
1,438 & 1,781 & +23.9\%
\end{array}
\]

Net debt position

\[
\begin{array}{c|c|c}
\text{12/31/2017} & \text{12/31/2018} & \text{growth} \\
\hline
294* & (3,269) & +10.4\%
\end{array}
\]

*Excluding €2Bn of securities pledged during the period of the tender offer for the acquisition of Zodiac Aerospace

\(^{(1)}\) See slide 17 for bridge with consolidated figures
CFM56-LEAP transition update

LEAP commercial success
♦ 3,211 orders and commitments logged in 2018
♦ Total backlog (orders and commitments) of 15,620 engines at December 31, 2018
♦ 60% market share on A320neo family at December 31, 2018

LEAP production ramp-up
♦ 1,118 LEAP delivered in FY 2018 compared to 459 engines in FY 2017
♦ LEAP cost of sales decreased by 26% in 2018 compared with 2017
♦ Targeting 1,800+ deliveries LEAP in 2019 and further cut in production cost

LEAP-1A
♦ In operations at 40 customers with more than 2 million flight hours accumulated to date

LEAP-1B
♦ In operations at 57 customers with more than 1.2 million flight hours accumulated to date

LEAP-1C
♦ CFM International is supporting the flights of the 3 test aircraft

Sustained demand for CFM56 engines
♦ 1,044 units delivered in 2018 compared with 1,444 units in 2017
♦ Ramp down to continue in 2019

Executing on the production transition while addressing the challenges of an unprecedented ramp up
Aerospace propulsion - business highlights

Civil aftermarket indicator strongly up in 2018: +12.2% (in $)

- 2018 yoy change of the indicator: Q1 +16.4%; Q2 +8.8%; Q3 +19.2%; Q4 +5.5%
- Annual growth supported by continuing momentum in spare parts sales
  > Favourable environment, high fleet utilization, high content workscopes

Helicopter turbines development made good progress in 2018

- Certification of the Arriel 2H (selected for the light helicopter AC312E of AVIC) by EASA
- Certification of the Arrano 1A (selected for the medium helicopter H160 of Airbus Helicopter) targeted in 2019
- Successful ground tests of the Safran Hybrid-Electric Propulsion System (HEPS) in 2018
  > Bell announced that its new VTOL aircraft, the Bell Nexus, will be the first application of Safran HEPS

Next-generation European fighter engine

- Partnership between Safran and MTU Aero Engines to jointly lead the development, the production and the after-sales support activities, as part of the Franco-German Future Combat Air System (FCAS)
- Scheduled to enter into service of the aircraft by 2040 to complement the current generation of Eurofighter and Rafale fighter aircraft
Aircraft Equipment - business highlights

Supporting rising assembly rates at customers

- Ramp up of nacelles for A320neo: +203 units compared with 2017
- Start up of A330neo nacelles deliveries: +18 units
- Landing gear for 787 (+7%), for A320 family (+10%)
- Wiring systems for 737 (+11%), for 787 (+8%), for A350 (+7%), for A320 family (+6%)

Broad-based momentum in services

- Aircraft Equipment services grew 9.9% organically driven by carbon brakes, nacelles and landing gear

Commercial success in carbon brakes

- Installed base of close to 9,700 aircraft at end 2018
- New contracts logged in 2018 covering more than 1,000 aircraft
Defense - business highlights

Continuing organic growth thanks to a portfolio of products meeting customers’ requirements

- Military products: AASM, PASEO sighting systems, portable optronics (LTLM II)
- Avionics products: flight control systems, FADEC for LEAP, optics for telescopes

Focus on innovation and technological differentiation supported by sustained R&D spending

- Self funded R&D representing 8.9% of revenue

Finalization of the acquisition of the ElectroMechanical Systems of Collins Aerospace

- Actuators and pilot controls businesses for aircraft
- Sales of $159M in 2018
- 575 employees at four facilities in North America and in Mexicali, Mexico
- Expand the electrical actuation and flight control business lines of Safran Electronic & Defense and Aerosystems to reach critical mass (around €500M of sales)
Aerosystems – business highlights

Safety business

✦ Higher deliveries of emergency slides for the A320neo, 737 MAX and 787
✦ First shipment of evacuation slides systems for the 777X

Electrical & Cockpit systems and Water & Waste systems

✦ Supporting the production ramp up for the A220, A350 and 787 programs
✦ Dassault Aviation selected Safran to supply electrical distribution & cockpit systems as well as fuel control systems for the Falcon 6X

Connected Cabin

✦ Selected by a major Middle East airline to equip its future 50 A321neo aircraft with the RAVE In-Flight Entertainment (IFE) system
✦ Selected by one of the leading European airlines to equip the new cabin of its A350s and A330s in 2019 and the new cabin of its A380s from 2020 with Safran’s IFE
Aircraft Interiors – business highlights

Safran Seats

◆ Improvement of operational performance mainly in the production facilities in France (business class and economy seats) and the US (on-time delivery for both long range and single aisle products)
◆ Top priority is to address the remaining challenges and restore the trust of customers
◆ Commercial success:
  > Selected by Ethiopian Airlines to provide business and economy class seats for its additional A350 order
  > Selected by a major European airline to provide business class, premium economy class and economy class seats for a wide-bodies retrofit project
  > Selected by a major airline to provide business class and economy class seats for a large A220 linefit order

Safran Cabin

◆ Progress of the operational recovery notably for the deliveries of A220 cabin, of the lavatories for the A350 and of the SpaceFlex v2 product for A320 and A321.
◆ Commercial success
  > Selected by Delta Airlines to provide the new Atmosphere cabin for its Bombardier CRJ Series regional jets
  > Selected by Ryanair to provide galleys for its new 737 order
  > Entered into a partnership with Airbus for new lower-deck sleeping facilities
Zodiac Aerospace integration update

The integration work is delivering organizational, functional and operational progress in line with the roadmap updated at Safran Capital Markets Day in November 2018

2018 targets met

- 2018 planned synergies achieved; more to come in 2019
- Improvement of Safran 2018 earnings per share above +5% thanks to the acquisition of Zodiac Aerospace, as indicated at H1 2018 earnings

Safran is on track to meet 2022 targeted synergies. Next steps include:

- Optimization of the industrial footprint and deployment of Shared Service Centers
- Maximizing the return of the integration of Aerosystems and Aircraft Interiors activities into Safran portfolio through an improved business reorganization
- Realizing new R&T synergies
- Investigating further synergies potential to reach a full €250M amount in 2022
Full Year 2018
2018 self-funded R&D increased by €103M, representing 5.8% of sales

- Impact of the integration of Zodiac Aerospace R&D spending for 10 months: €320M

Research & Technology (R&T) spending up €100M to prepare next gen products, in line with business roadmap
- Excluding Zodiac Aerospace, R&T spending was up 8%

Full Year 2019 trends
2019 self funded R&D trending upwards
- Continuing R&T effort
- Catch up for Aerosystems and Aircraft Interiors
- Assumption: Boeing NMA launched

Note: Restated figures for 2014-2016 (exclusion of Space and Security)
* Total R&D effort includes R&D sold to third parties, self-funded R&D and capitalized R&D
2018 RESULTS

Bernard DELPIT – Group CFO
Foreword

Adjusted data

All revenue figures in this presentation represent adjusted data(1) and continuing operations(2) (except where noted). Safran’s consolidated income statement has been adjusted for the impact of:

- purchase price allocations with respect to business combinations. Since 2005, this restatement concerns the amortization charged against intangible assets relating to aircraft programs revalued at the time of the Sagem-Snecma merger. With effect from the first half 2010 interim financial statements, the Group decided to restate:
  - the impact of purchase price allocations for business combinations, particularly amortization and depreciation charged against intangible assets and property, plant and equipment recognized or remeasured at the time of the transaction and amortized or depreciated over extended periods due to the length of the Group’s business cycles and the impact of remeasuring inventories, as well as gains on remeasuring any previously held equity interests in the event of step acquisitions or asset contributions to joint ventures;
  - the mark-to-market of foreign currency derivatives, in order to better reflect the economic substance of the Group’s overall foreign currency risk hedging strategy:
    - revenue net of purchases denominated in foreign currencies is measured using the effective hedged rate, i.e., including the costs of the hedging strategy
    - all mark-to-market changes on instruments hedging future cash flows are neutralized
- The resulting changes in deferred tax have also been adjusted.

Application of IFRS 15

All figures are presented in application of IFRS 15 and comparisons are established against 2017 figures restated for the application of IFRS 15.

Consolidation of Zodiac Aerospace

Zodiac Aerospace is fully consolidated in Safran’s financial statements starting March 1, 2018.

Organic growth

Organic variations were determined by excluding the effect of changes in scope of consolidation (notably the ten-months contribution of Zodiac Aerospace) and the impact of foreign currency variations.

Recurring operating income

Operating income before capital gains or losses on disposals /impact of changes of control, impairment charges, transaction and integration costs.

2019 Outlook

2019 outlook is established considering the application of the new IFRS16 standard.

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(1) See slide 17 for bridge with consolidated and adjusted income statements
(2) Continuing operations: Aerospace Propulsion, Aircraft Equipment, Defense, Zodiac Aerospace, Holding and others / Discontinued operations: Safran Identity & Security
Translation effect: foreign currencies translated into €
- Negative impact mainly from USD in H1
- Impact on Revenues and Return on Sales

Transaction effect: mismatch between $ sales and € costs is hedged
- Positive impact from hedged $ as planned
- Impact on Profits

Mark-to-Market effect
- €(232)M loss on fair value of financial instruments in consolidated accounts
- Restated in adjusted consolidated accounts

<table>
<thead>
<tr>
<th>Average spot rate</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1.13</td>
<td>$1.18</td>
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<table>
<thead>
<tr>
<th>Hedge rate</th>
<th>2017</th>
<th>2018</th>
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<tr>
<td></td>
<td>$1.21</td>
<td>$1.18</td>
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<table>
<thead>
<tr>
<th>Spot rate at close</th>
<th>12/31/2017</th>
<th>12/31/2018</th>
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<tbody>
<tr>
<td></td>
<td>$1.20</td>
<td>$1.15</td>
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</table>
## Consolidated and adjusted income statements

<table>
<thead>
<tr>
<th>FY 2018 reconciliation (In €M)</th>
<th>Consolidated data</th>
<th>Currency hedging</th>
<th>Business combinations</th>
<th>Adjusted data</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>21,025</td>
<td>25</td>
<td></td>
<td>21,050</td>
</tr>
<tr>
<td></td>
<td>Other operating income and expenses</td>
<td>(18,934)</td>
<td>(14)</td>
<td>(2)</td>
</tr>
<tr>
<td></td>
<td>Share in profit from joint ventures</td>
<td>189</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Recurring operating income</td>
<td>2,280</td>
<td>11</td>
<td>(2)</td>
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<tr>
<td></td>
<td>Other non-recurring operating income and expenses</td>
<td>(115)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Profit (loss) from operations</td>
<td>2,165</td>
<td>11</td>
<td>(2)</td>
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<tr>
<td></td>
<td>Cost of debt</td>
<td>(67)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Foreign exchange gains (losses)</td>
<td>(351)</td>
<td>33</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other financial income and expense</td>
<td>(58)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Financial income (loss)</td>
<td>(476)</td>
<td>33</td>
<td>232</td>
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<tr>
<td></td>
<td>Income tax expense</td>
<td>(348)</td>
<td>(14)</td>
<td>(80)</td>
</tr>
<tr>
<td></td>
<td>Profit (loss) from continuing operations</td>
<td>1,341</td>
<td>30</td>
<td>150</td>
</tr>
<tr>
<td></td>
<td>Attributable to non-controlling interests</td>
<td>(58)</td>
<td>(2)</td>
<td></td>
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<tr>
<td></td>
<td>Attributable to owners of the parent</td>
<td>1,283</td>
<td>28</td>
<td>150</td>
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</tbody>
</table>

(1) Remeasurement of foreign-currency denominated revenue net of purchases (by currency) at the hedged rate (including premiums on unwound options) through the reclassification of changes in the fair value of instruments hedging cash flows recognized in profit or loss for the period. However, the use of the outstanding portfolio of currency derivatives held by Zodiac Aerospace at the acquisition date gave rise to the partial reclassification of changes in the fair value of currency hedges to financial income (loss) for a six-month transition period.

(2) Changes in the fair value of instruments hedging future cash flows that will be recognized in profit or loss in future periods (€232 million excluding tax), and the negative impact of taking into account hedges when measuring provisions for losses on completion (€2 million) at December 31, 2018.

(3) Cancellation of amortization/impairment of intangible assets relating to the remeasurement of aircraft programs resulting from the application of IFRS 3 to the Sagem-Snecma merger.

(4) Cancellation of the impact of reasuring assets at the time of the Zodiac Aerospace acquisition for a negative €601 million excluding deferred tax (see Note 4, “Scope of consolidation”) and cancellation of amortization/impairment of assets identified during other business combinations.
## 2018 income statement

<table>
<thead>
<tr>
<th>(In €M)</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>15,953</td>
<td>21,050</td>
</tr>
<tr>
<td>Other recurring operating income and expenses</td>
<td>(13,928)</td>
<td>(18,254)</td>
</tr>
<tr>
<td>Share in profit from joint ventures</td>
<td>167</td>
<td>227</td>
</tr>
<tr>
<td>Recurring operating income</td>
<td>2,192</td>
<td>3,023</td>
</tr>
<tr>
<td>% of revenue</td>
<td>13.7%</td>
<td>14.4%</td>
</tr>
<tr>
<td>Total one-off items</td>
<td>(90)</td>
<td>(115)</td>
</tr>
<tr>
<td>Profit from operations</td>
<td>2,102</td>
<td>2,908</td>
</tr>
<tr>
<td>% of revenue</td>
<td>13.2%</td>
<td>13.8%</td>
</tr>
<tr>
<td>Net financial income (expense)</td>
<td>7</td>
<td>(211)</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(485)</td>
<td>(638)</td>
</tr>
<tr>
<td>Profit from continuing operations</td>
<td>1,624</td>
<td>2,059</td>
</tr>
<tr>
<td>Profit from discontinued operations</td>
<td>831</td>
<td>-</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>2,455</td>
<td>2,059</td>
</tr>
<tr>
<td>Profit for the period attributable to non-controlling interests</td>
<td>(62)</td>
<td>(78)</td>
</tr>
<tr>
<td>Profit attributable to owners of the parent</td>
<td>2,393</td>
<td>1,981</td>
</tr>
<tr>
<td>From continuing operations</td>
<td>1,563</td>
<td>1,981</td>
</tr>
<tr>
<td>From discontinued operations</td>
<td>830</td>
<td>-</td>
</tr>
<tr>
<td>EPS (basic in €)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>From continuing operations</td>
<td>3.81</td>
<td>4.60</td>
</tr>
<tr>
<td>From discontinued operations</td>
<td>2.03</td>
<td>-</td>
</tr>
<tr>
<td>EPS (diluted in €)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>From continuing operations</td>
<td>3.74</td>
<td>4.54</td>
</tr>
<tr>
<td>From discontinued operations</td>
<td>1.99</td>
<td>-</td>
</tr>
</tbody>
</table>

### Of which
- Impairment charge of €(34)M of a program
- Other non recurring items of €(77)M, in relation with the restructuring and remaining transaction costs at Zodiac Aerospace
- Apparent tax rate of 23.7%

* Based on the weighted average number of shares of 410,241,043 as of Dec 31, 2017
** Based on the weighted average number of shares of 430,911,810 as of Dec 31, 2018
*** Based on the weighted average number of shares after dilution of 417,518,248 as of Dec 31, 2017
**** Based on the weighted average number of shares after dilution of 436,335,631 as of Dec 31, 2018
2018 revenue

In €M

Organic growth: +10.4%
- Propulsion: +13.6%
- Aircraft Equipment: +5.6%
- Defense: +6.5%

Currency impact: (2.1)%
- Negative translation impact mainly from the weakening of the USD versus the Euro in H1 2018

Changes in scope: +23.7%
- Consolidation of Zodiac Aerospace activities starting March 1, 2018: €3,799M (10 months)

*Restated for the application of IFRS 15
2018 recurring operating income

In €M

2017*  2018

Variation excluding currency impact and changes in scope

2,192  2,192

2018 at 2017 scope and exchange rates

2,561  2,561

Currency impact

175   175

2018 at 2017 scope

2,736  2,736

Changes in scope

287   287

2018

3,023  3,023

3,023

Variation excluding currency impact and changes in scope

369  369

+37.9%

Main organic drivers

- Positive volume effect in Aerospace activities, notably civil aftermarket, and in Defense
- Positive impact of the CFM56-LEAP transition on profitability in 2018 vs 2017
- Productivity gains and cost reductions
- Lower expensed R&D
- Lower M88 and A380 volumes

FX

- Improved €/$ hedge rate (1.18 vs 1.21)

Scope

- Contribution of €290M from Zodiac Aerospace activities (10 months)

*Restated for the application of IFRS 15
# Research & Development

<table>
<thead>
<tr>
<th>(In €M)</th>
<th>2017(^{(1)})</th>
<th>2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total R&amp;D</td>
<td>(1,367)</td>
<td>(1,472)</td>
<td>(105)</td>
</tr>
<tr>
<td>Customer funded R&amp;D</td>
<td>244</td>
<td>246</td>
<td>2</td>
</tr>
<tr>
<td>Total self-funded R&amp;D</td>
<td>(1,123)</td>
<td>(1,226)</td>
<td>(103)</td>
</tr>
<tr>
<td>as a % of revenue</td>
<td>7.0%</td>
<td>5.8%</td>
<td>(1.2)pt</td>
</tr>
<tr>
<td>Tax credit</td>
<td>140</td>
<td>151</td>
<td>11</td>
</tr>
<tr>
<td>Total self-funded R&amp;D after tax credit</td>
<td>(983)</td>
<td>(1,075)</td>
<td>(92)</td>
</tr>
<tr>
<td>Gross capitalized R&amp;D</td>
<td>345</td>
<td>320</td>
<td>(25)</td>
</tr>
<tr>
<td>Amortisation and depreciation of R&amp;D</td>
<td>(202)</td>
<td>(218)</td>
<td>(16)</td>
</tr>
<tr>
<td>P&amp;L R&amp;D in recurring operating income</td>
<td>(840)</td>
<td>(973)</td>
<td>(133)</td>
</tr>
<tr>
<td>as a % of revenue</td>
<td>5.3%</td>
<td>4.6%</td>
<td>(0.7)pt</td>
</tr>
</tbody>
</table>

## Self-funded R&D
- €1,226M in 2018 including €320M related to Zodiac Aerospace (10 months)
- Excluding Zodiac Aerospace, decrease in self funded R&D of €217M compared with 2017

## Gross capitalized R&D
- €320M in 2018 including €64M related to Zodiac Aerospace
- Excluding Zodiac Aerospace, decrease in capitalized R&D of €89M

## P&L R&D in recurring operating income
- €973M in 2018 including €275M related to Zodiac Aerospace
- Excluding Zodiac Aerospace, decrease in R&D charged to the P&L of €142M

\(^{(1)}\) Restated for the application of IFRS 15
## 2018 results by activity

<table>
<thead>
<tr>
<th>(In €M)</th>
<th>2018</th>
<th>Propulsion</th>
<th>Equipment</th>
<th>Defense</th>
<th>Aerosystems</th>
<th>Aircraft Interiors</th>
<th>Holding &amp; others</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>21,050</td>
<td>10,452</td>
<td>5,395</td>
<td>1,386</td>
<td>1,785</td>
<td>2,014</td>
<td>18</td>
</tr>
<tr>
<td>Year-over-year growth in %</td>
<td>32.0%</td>
<td>11.7%</td>
<td>2.6%</td>
<td>5.3%</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Year-over-year organic growth in %</td>
<td>10.4%</td>
<td>13.6%</td>
<td>5.6%</td>
<td>6.5%</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Recurring operating income</td>
<td>3,023</td>
<td>1,929</td>
<td>770</td>
<td>118</td>
<td>266</td>
<td>20</td>
<td>(80)</td>
</tr>
<tr>
<td>as a % of revenue</td>
<td>14.4%</td>
<td>18.5%</td>
<td>14.3%</td>
<td>8.5%</td>
<td>14.9%</td>
<td>1.0%</td>
<td>na</td>
</tr>
<tr>
<td>Recurring operating margin variation (vs FY 2017)</td>
<td>+0.7pt</td>
<td>+2.3pts</td>
<td>+2.5pts</td>
<td>+1.4pt</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
</tbody>
</table>

**Broad-based margin improvements in line with financial roadmap**
**Aerospace Propulsion**

<table>
<thead>
<tr>
<th>(In €M)</th>
<th>2017*</th>
<th>2018</th>
<th>Change</th>
<th>Organic Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>9,357</td>
<td>10,452</td>
<td>11.7%</td>
<td>13.6%</td>
</tr>
<tr>
<td>Recurring operating income</td>
<td>1,516</td>
<td>1,929</td>
<td>27.2%</td>
<td></td>
</tr>
<tr>
<td>% of revenue</td>
<td>16.2%</td>
<td>18.5%</td>
<td>+2.3pts</td>
<td></td>
</tr>
<tr>
<td>One-off items</td>
<td>(40)</td>
<td>(31)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit (loss) from operations</td>
<td>1,476</td>
<td>1,898</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of revenue</td>
<td>15.8%</td>
<td>18.2%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Restated for the application of IFRS 15

**Revenue**
- Higher volumes of narrowbody engines (CFM56 and LEAP): +13.6% to 2,162 units driven by LEAP ramp up (+659 deliveries) partially offset by CFM56 progressive ramp down (-400 deliveries)
- Positive contribution of helicopter turbines OE, driven by higher volumes
- Lower military OE sales
- Growth in services sales thanks to civil aftermarket (+12.2% in $) and helicopter turbines maintenance activities, partially offset by lower military support activities

**Recurring operating income**
- Tailwind of €15M on profitability from the CFM56-LEAP transition in 2018 vs 2017
- Positive drivers: civil aftermarket; helicopter turbines activities; lower expensed R&D and positive impact of hedged $
- Offsetting factor: lower military sales
Aircraft Equipment

<table>
<thead>
<tr>
<th>(In €M)</th>
<th>2017*</th>
<th>2018</th>
<th>Change</th>
<th>Organic Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>5,260</td>
<td>5,395</td>
<td>2.6%</td>
<td>5.6%</td>
</tr>
<tr>
<td>Recurring operating income</td>
<td>619</td>
<td>770</td>
<td>24.4%</td>
<td></td>
</tr>
<tr>
<td>% of revenue</td>
<td>11.8%</td>
<td>14.3%</td>
<td></td>
<td>+2.5pts</td>
</tr>
<tr>
<td>One-off items</td>
<td>(14)</td>
<td>(11)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit (loss) from operations</td>
<td>605</td>
<td>759</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of revenue</td>
<td>11.5%</td>
<td>14.1%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Restated for the application of IFRS 15

Revenue

- OE (+3.6% org): higher shipments of equipment (landing gear and wiring) for A320 family and 787 and of nacelles for A320neo (+203 units vs 2017). Beginning of A330neo nacelles deliveries (18 units). Headwinds included A380 nacelles volumes
- Service (+9.9% org.): growth driven by the higher contribution of carbon brakes as well as by nacelle and landing gear support activities

Recurring operating income

- Higher volumes (notably in services)
- Cost reduction and productivity actions
- Improved EUR/USD hedge rate
### Defense

<table>
<thead>
<tr>
<th>(In €M)</th>
<th>2017*</th>
<th>2018</th>
<th>Change</th>
<th>Organic Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,316</td>
<td>1,386</td>
<td>5.3%</td>
<td>6.5%</td>
</tr>
<tr>
<td>Recurring operating income</td>
<td>93</td>
<td>118</td>
<td>26.9%</td>
<td></td>
</tr>
<tr>
<td>% of revenue</td>
<td>7.1%</td>
<td>8.5%</td>
<td>+1.4pt</td>
<td></td>
</tr>
<tr>
<td>One-off items</td>
<td>(14)</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit (loss) from operations</td>
<td>79</td>
<td>121</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of revenue</td>
<td>6.0%</td>
<td>8.7%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Restated for the application of IFRS 15

### Revenue
- Military sales: growth driven by increases in guidance and sighting systems as well as by portable optronics for the US army (LTLM II)
- Avionics: up thanks to electronics (FADEC for LEAP), optics equipment for telescopes and support activities

### Recurring operating income
- Positive impact of growing volumes
- Continuing implementation of production cost reductions
**Zodiac Aerospace: Aerosystems & Aircraft Interiors**

<table>
<thead>
<tr>
<th>10-month contribution 2018 (in €M)</th>
<th>Aerosystems</th>
<th>Aircraft Interiors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,785</td>
<td>2,014</td>
</tr>
<tr>
<td>Recurring operating income</td>
<td>266</td>
<td>20</td>
</tr>
<tr>
<td>% of revenue</td>
<td>14.9%</td>
<td>1.0%</td>
</tr>
<tr>
<td>One-off items</td>
<td>(4)</td>
<td>(36)</td>
</tr>
<tr>
<td>Profit (loss) from operations</td>
<td>262</td>
<td>(16)</td>
</tr>
<tr>
<td>% of revenue</td>
<td>14.7%</td>
<td>na</td>
</tr>
</tbody>
</table>

**Revenue**
- **Aerosystems**: growth coming from OE sales, notably for Electrical & Cockpit systems and Connected Cabin activities, partially offset by lower services sales
- **Aircraft Interiors**: organic decrease driven by lower volumes in Seats; organic growth in Cabin

**Recurring operating income**
- **Aerosystems**: adverse currency variations and higher expensed R&D partially offset by the positive contribution of growing organic sales
- **Aircraft Interiors**: first benefits of operational performance improvement plans and cost reduction programs
FX Hedging: $25.9bn hedge portfolio* (February 22, 2019)

Average annual exposure now estimated at $9.4bn to $10.0bn going forward reflecting the growth of USD-exposed businesses

(in $Bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual</th>
<th>2019e</th>
<th>2020e</th>
<th>2021e</th>
<th>2022e</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>8.9</td>
<td>9.4</td>
<td>6.0</td>
<td>8.0</td>
<td>2.5</td>
</tr>
</tbody>
</table>

2019
- $9.4bn is fully hedged at a target rate of $1.18
  - Knock out options barriers set at various levels between $1.23 and $1.32 with maturities up to end 2019

2020
- Firm coverage of $6.0bn achieved through forward sales and knock out options to rise to $9.6bn at a target rate between $1.16 and $1.18
  - Knock out options barriers set at various levels between $1.27 and $1.32 with maturities up to mid-2020

2021
- Firm coverage of $8.0bn achieved through knock out options to rise to $9.8bn at a target rate between $1.15 and $1.18
  - Knock out options barriers set at various levels between $1.21 and $1.33 with maturities up to mid-2020

2022
- Coverage of $2.5bn through knock out options
  - Knock out options barriers set between $1.22 and $1.25 with maturities up to early 2020

*Approx. 45% of Safran US$ revenue are naturally hedged by US$ procurement
## 2018 Free Cash Flow

<table>
<thead>
<tr>
<th>(in €M)</th>
<th>2017 Restated for IFRS 15</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recurring operating income</td>
<td>2,192</td>
<td>3,023</td>
</tr>
<tr>
<td>One-off items</td>
<td>(90)</td>
<td>(115)</td>
</tr>
<tr>
<td>Amortization, provisions and depreciation (excl. financial)</td>
<td>995</td>
<td>838</td>
</tr>
<tr>
<td>EBITDA</td>
<td>3,097</td>
<td>3,746</td>
</tr>
<tr>
<td>Income tax and non cash items</td>
<td>(1,036)</td>
<td>(648)</td>
</tr>
<tr>
<td>Cash from operating activities before change in WC</td>
<td>2,061</td>
<td>3,098</td>
</tr>
<tr>
<td>Change in WC</td>
<td>691</td>
<td>(27)</td>
</tr>
<tr>
<td>Cash from operating activities after change in WC</td>
<td>2,752</td>
<td>3,071</td>
</tr>
<tr>
<td>Capex (tangible assets)</td>
<td>(740)</td>
<td>(780)</td>
</tr>
<tr>
<td>Capex (intangible assets)*</td>
<td>(574)</td>
<td>(510)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>1,438</td>
<td>1,781</td>
</tr>
</tbody>
</table>

* Of which €327M capitalised R&D in 2018 vs €349M capitalised in 2017

- Of which
  - Amortization €854M
  - Provisions €1M
  - Depreciation €(17)M

- 21% increase in EBITDA, driven by strong organic momentum and the contribution of Zodiac Aerospace

- Slight increase of working capital, including the benefits of advance payments, in the context of the CFM56-LEAP transition and the integration of Zodiac Aerospace

- Drop in CAPEX reflecting lower development spending partially offset by the integration of Zodiac Aerospace activities

- 24% increase of FCF including the contribution of €92M from Zodiac Aerospace
Net debt position

(in €M)

2017 dividend of €1.60 per share to parent holders
> Entirely paid in May 2018

Share buybacks
> Two tranches announced on March 27th and June 29th: repurchased €522M of shares

Acquisitions & divestments notably:
> €(4,480)M related to the cash outflow for the acquisition of Zodiac Aerospace

Consolidation of Zodiac Aerospace net debt: €(1,039)M

Others include:
> €(128)M related to the repurchase of the convertible bonds maturing December 2020 and to the issuance in June 2018 of new convertible bonds maturing 2023
> €(250)M related to the reimbursement of Zodiac Aerospace hybrid debt

* Includes €(26)M of dividends to minority interests

Net cash at Dec 31, 2017

Cash flow from ops 3,098
R&D and Capex (1,290)
Change in WC (27)
Release of the securities pledged 2,000
Dividends* (522)
Share buybacks (721)
Acquisitions & Divestments (4,536)
Zodiac net debt (1,039)
Others (526)

Net debt at Dec 31, 2018

(3,269)

€1,781M Free Cash Flow
### Balance sheet highlights as of December 31, 2018

<table>
<thead>
<tr>
<th>(In €M)</th>
<th>Dec 31, 2017*</th>
<th>Dec 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>1,831</td>
<td>5,173</td>
</tr>
<tr>
<td>Tangible &amp; Intangible assets</td>
<td>9,114</td>
<td>14,211</td>
</tr>
<tr>
<td>Investments in joint ventures and associates</td>
<td>2,127</td>
<td>2,253</td>
</tr>
<tr>
<td>Other non current assets</td>
<td>575</td>
<td>811</td>
</tr>
<tr>
<td>Operating Working Capital</td>
<td>(3,112)</td>
<td>(2,131)</td>
</tr>
<tr>
<td>Net cash (debt)</td>
<td>294</td>
<td>(3,269)</td>
</tr>
<tr>
<td>Shareholders’ equity - Group share</td>
<td>9,347</td>
<td>11,955</td>
</tr>
<tr>
<td>Minority interests</td>
<td>301</td>
<td>346</td>
</tr>
<tr>
<td>Non current liabilities (excl. net cash (debt))</td>
<td>1,251</td>
<td>2,249</td>
</tr>
<tr>
<td>Provisions</td>
<td>2,188</td>
<td>2,777</td>
</tr>
<tr>
<td>Other current liabilities / (assets) net</td>
<td>(2,258)</td>
<td>(279)</td>
</tr>
</tbody>
</table>

*Restated for the application of IFRS 15

- **Of which €3.3Bn after the allocation of Zodiac PPA**
- **Higher operating working capital including Zodiac Aerospace and within the context of the CFM56-LEAP transition**
- **Net debt position at December 31, 2018, reflecting the impact of the acquisition of Zodiac Aerospace**
- **Higher differed taxes due to the consolidation of Zodiac Aerospace**
- **Lifting of pledge on €2Bn of marketable securities at the end of the offer on Zodiac Aerospace**
2018 dividend and share buyback program

2018 dividend

- A proposal for a dividend payment to parent holders of €1.82 at next AGM
  - To be entirely paid in 2019
  - Ex-dividend date: May 27, 2019
  - Payment date: May 29, 2019

Dividend per share (€)
- Final Dividend distribution (€M)
  - 2011: 0.62
  - 2012: 0.96
  - 2013: 1.12
  - 2014: 1.20
  - 2015: 1.38
  - 2016: 1.52
  - 2017: 1.60
  - 2018: 1.82

Interim dividend distribution (€M)
- Total dividend distribution (€M)
  - 2011: 102
  - 2012: 129
  - 2013: 200
  - 2014: 233
  - 2015: 250
  - 2016: 287
  - 2017: 695
  - 2018: 793

Total dividend distribution (€M)
- 2011: 256
- 2012: 400
- 2013: 467
- 2014: 500
- 2015: 575
- 2016: 627
- 2017: 695
- 2018: 793

Dividend of €1.82 per share represents a 41% pay out ratio

Update on the share buyback program

Safran contributed 11.4 million shares for a total €1.2bn to the €2.3bn share buyback program in 2018

- €522M (5.16 million shares) through 2 buyback tranches announced on March 27 and June 29, 2018
- Reassignment to the share buyback program of 6.25 million shares worth €702M initially acquired to cover the potential dilution of the convertible bonds (issued in January 2016 and repurchased in November 2018)
- Cancellation of the 11.4 million shares on December 17, 2018 following up on the decision of the Board

€1.1bn to go in the next 12/18 months

- Launch of a follow on share buyback tranche up to €600M no later than May 10, 2019: €212 million executed at February 22, 2019
2019 OUTLOOK

Philippe PETITCOLIN - CEO
2019 key assumptions

2019 outlook is based on the following assumptions:

- Increase in aerospace OE deliveries and notably of military engines
- Civil aftermarket growth in the high single digits
- Transition CFM56 – LEAP: overall negative impact on Propulsion adjusted recurring operating income variation in the range €50 to 100 million.
  - Lower CFM56 OE volumes
  - Negative margin on LEAP deliveries
- Aircraft Interiors: 2019 to be a transition year for sales as time is required for new orders to drive stronger revenue growth. Continuing improvement of recurring operating income margin.
- Increase of self-funded R&D in the range of €150 to 200 million
  - Negative impact on recurring operating income after activation and amortization of capitalized R&D
- Increase in tangible investments
Full-year 2019 outlook

Compared with FY 2018 figures, Safran expects for FY 2019:

- At an estimated average spot rate of $1.18 to the Euro in 2019 (as in 2018), adjusted revenue is expected to grow in the range 7% to 9% notably including the two additional months of contribution from Aerosystems and Aircraft Interiors (former Zodiac Aerospace activities) in 2019 compared with 2018. On an organic basis, adjusted revenue is expected to grow by around 5%.

- Adjusted recurring operating income to grow in the low teens (at a hedged rate of USD 1.18 to the Euro, as in 2018).

- Free cash flow to be around 55% of adjusted recurring operating income, a usual element of uncertainty being the rhythm of payments by state-clients.
Q&A
5

ADDITIONAL INFORMATION
Shareholding status 12/31/18 (versus 12/31/17)

**Equity as of December 31, 2017**
Number of shares: 417,029,585

- Public: 76.7%
- French State: 14%
- Employees: 7.4%
- Treasury shares: 1.9%

**Voting rights as of December 31, 2017**
Number of exercisable voting rights: 508,465,912

- Public: 66.1%
- French State: 23%
- Employees: 10.9%

**Equity as of December 31, 2018**
Number of shares: 435,767,951

- French State: 11.0%
- Former Zodiac Aerospace shareholders: 6.1%
- Employees: 6.9%
- Treasury shares: 0.3%

**Voting rights as of December 31, 2018**
Number of exercisable voting rights: 522,668,418

- Public: 65.9%
- French State: 18.4%
- Former Zodiac Aerospace shareholders: 5.1%
- Employees: 10.6%
## 2018: R&D by activity

<table>
<thead>
<tr>
<th>(In €M)</th>
<th>2018</th>
<th>Propulsion</th>
<th>Equipment</th>
<th>Defense</th>
<th>Zodiac Aerospace</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total self-funded cash R&amp;D</strong></td>
<td>(1,226)</td>
<td>(537)</td>
<td>(246)</td>
<td>(123)</td>
<td>(320)</td>
</tr>
<tr>
<td><strong>as a % of revenue</strong></td>
<td>5.8%</td>
<td>5.1%</td>
<td>4.6%</td>
<td>8.9%</td>
<td>8.4%</td>
</tr>
<tr>
<td>Tax credit</td>
<td>151</td>
<td>58</td>
<td>46</td>
<td>35</td>
<td>12</td>
</tr>
<tr>
<td><strong>Total self-funded cash R&amp;D after tax credit</strong></td>
<td>(1,075)</td>
<td>(479)</td>
<td>(200)</td>
<td>(88)</td>
<td>(308)</td>
</tr>
<tr>
<td>Gross capitalized R&amp;D</td>
<td>320</td>
<td>102</td>
<td>109</td>
<td>45</td>
<td>64</td>
</tr>
<tr>
<td>Amortised R&amp;D</td>
<td>(218)</td>
<td>(101)</td>
<td>(67)</td>
<td>(19)</td>
<td>(31)</td>
</tr>
<tr>
<td><strong>P&amp;L R&amp;D in recurring EBIT</strong></td>
<td>(973)</td>
<td>(478)</td>
<td>(158)</td>
<td>(62)</td>
<td>(275)</td>
</tr>
<tr>
<td><strong>as a % of revenue</strong></td>
<td>4.6%</td>
<td>4.6%</td>
<td>2.9%</td>
<td>4.5%</td>
<td>7.2%</td>
</tr>
</tbody>
</table>
## 2017: R&D by activity (restated for IFRS15)

<table>
<thead>
<tr>
<th>(In €M)</th>
<th>2017</th>
<th>Aerospace Propulsion</th>
<th>Aircraft Equipment</th>
<th>Defense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total self-funded cash R&amp;D</td>
<td>(1,123)</td>
<td>(754)</td>
<td>(237)</td>
<td>(132)</td>
</tr>
<tr>
<td>as a % of revenue</td>
<td>7.0%</td>
<td>8.1%</td>
<td>4.5%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Tax credit</td>
<td>140</td>
<td>58</td>
<td>45</td>
<td>37</td>
</tr>
<tr>
<td><strong>Total self-funded cash R&amp;D after tax credit</strong></td>
<td>(983)</td>
<td>(696)</td>
<td>(192)</td>
<td>(95)</td>
</tr>
<tr>
<td>Gross capitalized R&amp;D</td>
<td>345</td>
<td>181</td>
<td>110</td>
<td>54</td>
</tr>
<tr>
<td>Amortised R&amp;D</td>
<td>(202)</td>
<td>(90)</td>
<td>(90)</td>
<td>(22)</td>
</tr>
<tr>
<td><strong>P&amp;L R&amp;D in recurring EBIT</strong></td>
<td>(840)</td>
<td>(605)</td>
<td>(172)</td>
<td>(63)</td>
</tr>
<tr>
<td>as a % of revenue</td>
<td>5.3%</td>
<td>6.5%</td>
<td>3.3%</td>
<td>4.8%</td>
</tr>
</tbody>
</table>
### Aerospace OE / Services revenue split (excluding Zodiac Aerospace)

<table>
<thead>
<tr>
<th>Revenue</th>
<th>2017*</th>
<th>2018</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>OE</td>
<td>Services</td>
<td>OE</td>
</tr>
<tr>
<td>Adjusted data</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(in Euro million)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Propulsion</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of revenue</td>
<td>41.7%</td>
<td>58.3%</td>
<td>42.7%</td>
</tr>
<tr>
<td><strong>Equipment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of revenue</td>
<td>68.3%</td>
<td>31.7%</td>
<td>66.9%</td>
</tr>
</tbody>
</table>

*Restated for the application of IFRS15*
### Quantities of major aerospace programs

<table>
<thead>
<tr>
<th>Number of units delivered</th>
<th>2017</th>
<th>2018</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>CFM56 engines</td>
<td>1,444</td>
<td>1,044</td>
<td>(28)%</td>
</tr>
<tr>
<td>LEAP engines</td>
<td>459</td>
<td>1,118</td>
<td>x2.4</td>
</tr>
<tr>
<td>High thrust engines</td>
<td>486</td>
<td>435</td>
<td>(10)%</td>
</tr>
<tr>
<td>Helicopter engines</td>
<td>672</td>
<td>773</td>
<td>15%</td>
</tr>
<tr>
<td>M88 engines</td>
<td>33</td>
<td>23</td>
<td>(30)%</td>
</tr>
<tr>
<td>A350 landing gear sets</td>
<td>81</td>
<td>80</td>
<td>(1)%</td>
</tr>
<tr>
<td>787 landing gear sets</td>
<td>134</td>
<td>144</td>
<td>7%</td>
</tr>
<tr>
<td>A380 nacelles</td>
<td>49</td>
<td>36</td>
<td>(27)%</td>
</tr>
<tr>
<td>A330 thrust reversers</td>
<td>106</td>
<td>76</td>
<td>(28)%</td>
</tr>
<tr>
<td>A320neo nacelles</td>
<td>235</td>
<td>438</td>
<td>86%</td>
</tr>
<tr>
<td>A320 thrust reversers</td>
<td>504</td>
<td>310</td>
<td>(38)%</td>
</tr>
<tr>
<td>Small nacelles (biz &amp; regional jets)</td>
<td>477</td>
<td>648</td>
<td>36%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of units delivered</th>
<th>10 months (March to December)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lavatories A350</td>
<td>551</td>
</tr>
<tr>
<td>Spaceflex V2 A320 (lavatories + galleys)</td>
<td>426</td>
</tr>
<tr>
<td>Business class seats</td>
<td>3,414</td>
</tr>
<tr>
<td>Emergency slides A320</td>
<td>3,626</td>
</tr>
<tr>
<td>Primary power distribution system 787</td>
<td>720</td>
</tr>
</tbody>
</table>
Gross debt and liquidity

Gross debt repayment schedule (December 31, 2018)

- €2,221M (≤1 year)
- €2,688M (1 to 5 years)
- €696M (>5 years)

OCEANE (issued on June 21, 2018) - €700M, zero coupon

Two-year floating rate notes (issued on July 13, 2018) - €500M, coupon of 3-month Euribor + 33bps per annum

Cash & equiv. €2,330M
+ Debt hedging instruments €6M

Gross debt €5,605M

Net debt €3,269M

Committed & undrawn financing resource:

- Credit line - €2.52Bn, maturity Dec. 2022 – no covenant
Customer financial guarantees

<table>
<thead>
<tr>
<th>(In $M)</th>
<th>Dec. 31, 2017</th>
<th>Dec. 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total guarantees</td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td>Estimated value of pledges</td>
<td>16</td>
<td>23</td>
</tr>
<tr>
<td>Net exposure on these guarantees</td>
<td>19</td>
<td>12</td>
</tr>
<tr>
<td>Provisions</td>
<td>6</td>
<td>4</td>
</tr>
</tbody>
</table>

Total guarantees remaining at a historically low level
Definition

Civil aftermarket (expressed in USD)

- This non-accounting indicator (non-audited) comprises spares and MRO (Maintenance, Repair & Overhaul) revenue for all civil aircraft engines for Safran Aircraft Engines and its subsidiaries and reflects the Group’s performance in civil aircraft engines aftermarket compared to the market.

Discontinued operations

- Safran entered into exclusive negotiations with Advent International/Oberthur Technologies to sell Safran’s identity and security activities (announced September 29, 2016). Following this decision, all the businesses comprising Safran’s identity & security activities have been classified as “discontinued operations” at the end of September 2016, including detection activities which had been classified as assets and liabilities held for sale since the announcement on April 21, 2016 of the signing of an agreement for their sale to Smiths Group. The contribution of the I&S activities to Safran’s financial statements is therefore presented separately from Safran’s continuing operations: Propulsion, Aircraft Equipment, Defense, Zodiac Aerospace and Holding & Others. Safran finalized the sale of its detection activities on April 7, 2017 and of its identity and security activities on May 31, 2017.

Recurring operating income

- In order to better reflect the current economic performance, this subtotal named “recurring operating income” excludes income and expenses which are largely unpredictable because of their unusual, infrequent and/or material nature such as: impairment losses/reversals, capital gains/losses on disposals of operations and other unusual and/or material non-operational items.

Free cash flow

- Free cash flow represents cash flow from operating activities less any disbursements relating to acquisitions of property, plant and equipment and intangible assets.