

Creating a European-based world leader in aerospace electrical power systems

Acquisition of Goodrich Electrical Power Systems

/ October 16, 2012 /

Key reasons for the transaction

- 1. Create a world leader offering innovative and competitive electrical power systems by combining Safran and GEPS's complementary strengths**
 - **World #2 in electrical power generation**
 - **Leading capabilities in electrical power systems integration (nose-to-tail)**
 - **Strong expertise in electrical wiring components and power electronics**
 - **A decisive breakthrough in “all electric aircraft” strategic roadmap**
- 2. Continue to lead innovation in the electrification of aircraft equipment and closer integration of electrical power systems with the aircraft engine**
- 3. Accelerate time-to-market and save R&D investment**
- 4. Buttress Safran's activities in electrical power systems by recurring revenues derived from a strong installed base and aftermarket business**

The More Electric Aircraft - a deep revolution for the aircraft industry

Aircraft evolution towards a More Electric Aircraft



Boeing 737

1967



Airbus A380

2007



Boeing 787

2009



Next gen aircraft

2025

**Pneumatic
Hydraulic
Mechanical**

- Fuel pump
- Landing gear
- Nacelle
- Wing anti-icing
- Engine start and controls
- Brakes
- Thrust reverser
- Flight controls

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- E-Flight controls
- E-Landing gear
- E-Nacelle
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Electric

- Cabin equipment
- Lighting
- IFE
- Avionics

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 **Electrical equipment**

Safran acquires a complete product portfolio with leading aftermarket services

Power generation

Primary and secondary distribution

Systems integration

Aftermarket services

APU electrical power generation

Primary distribution

Transformer

Secondary distribution

Main electrical power generator

Starter-generator

For large and regional commercial aircraft, business jets, helicopters & military

Creating a European-based world leader in electrical power systems

Electrical power generation

Primary & secondary distribution

Integrated electrical power systems

Power electronics, electrical wiring

 SAFRAN
Hispano-Suiza

 SAFRAN
Labinal

 **GEPS**

 **Safran**

- A world leader in electrical power systems with combined revenues c. € 850 million*
- World #2 in electrical power generation
- Complete offering in power systems
- Strong installed base & recurring aftermarket revenues

* Pro forma 2012E revenues (Labinal wiring systems, Safran Power, GEPS)

Strategic rationale - continue to lead innovation in the electrification of aircraft equipment

Safran / GEPS world class electro-technical know-how



Equipment

- Landing gear & brakes
- Nacelles
- Power transmission
- Flight control

Propulsion

- Airplanes
- Helicopters



Bring to market innovative and competitive electrically powered equipment and closer integration of electrical systems with the aircraft engine



Key figures

Sustainable growth & improving margins

■ 2012E key figures

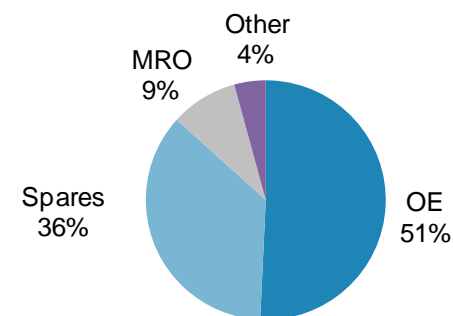
- Revenue: over USD 200 million
- Low single digit operating margins
- Includes GEPS's 60% equity interest in Aerolec (A380 & A400M programs)

■ Growth drivers: OE & Spares

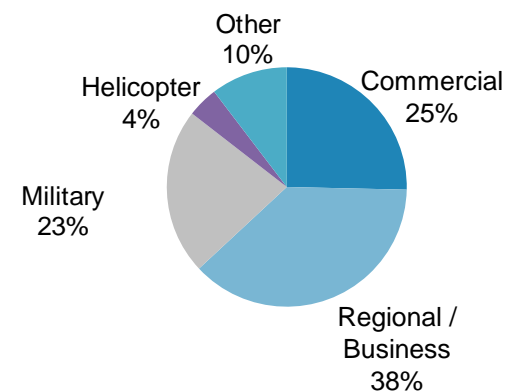
- Strong installed base and sustained aftermarket revenue
- Sole source, platform life on most programs
- Growth from existing platforms and recent OEM wins
- Long term growth potential from future platforms

Balanced revenue profile

2012E Revenue by channel



2012E Revenue by end market



Tremendous business potential

Growth from existing platforms in order book



A320ceo



A380



C130J



Global 5000



Business jets



Boeing CH-47

Growth from new programs in order book



A320neo EIS 2016



A400M 2013



CH53K 2017



S-76 D 2012

Long term growth 2015 - 2030



Cessna Latitude / Longitude



XAC MA700



Helicopters



Regional NG



Single aisle next generation

Positive medium and long term outlook

Medium term

Margin improvement through on-going continuous improvement initiatives

+

Assured growth in aftermarket

+

Rising OEM sales



2015/16 margins should be in line with overall Aircraft Equipment profitability targets

Long term

More competitive positioning in aerospace electrical systems as trend to More Electrical Aircraft accelerates

Capture benefits of closer integration of electrical generation systems with aircraft engines

Continue to lead innovation in the electrification of aircraft equipment

Broader offer: higher shipset value

State of the art facilities

Pitstone Green, UK



- c.460 employees
- State-of-the-art production facility built and opened in 2002
- Design, support, manufacturing, assembly and test and MRO capabilities
- 35 miles from Heathrow Airport
- 125,000 sq. ft. facility with c.70,000 sq. ft. for production

Twinsburg, Ohio, US



- c.100 employees
- Custom designed facility built in 2005
- Focuses on design, development, sales and technical support
- 30 miles from Cleveland Hopkins International Airport
- 44,000 sq. ft. facility

Distinguished heritage : originally Lucas Aerospace

Transaction process & closing

- **Cash consideration of approximately € 310 Million**
- **Transaction expected to close late in 2012 or early in 2013**
- **Subject to regulatory approvals**
- **Satisfaction of other customary closing conditions**

KEY MISSIONS, KEY TECHNOLOGIES, KEY TALENTS