

First-quarter 2012 Revenue

/ April 26, 2012 /

Q1 2012 business highlights



10-year contract with Chile's national records administration



Safran to supply wheels and carbon-brakes for 63 737NG aircraft of leading Malaysian airline Firefly



Selected to supply JIM LR binoculars to British Army



easyJet first airline to trial electric green taxiing system



LEAP engine selected by Qantas to power 78 A320neo aircraft



LEAP engine selected by Alafco to power 35 A320neo aircraft

LEAP engine: more than 3,500 orders and commitments to date, with 54%* market share on A320neo

(*) As of April 19, 2012

Q1 2012 financial highlights



- è Original equipment up 22% in aerospace (Propulsion and Equipment)
- è Solid growth in civil aftermarket (+15.1% in \$)
 - § Strength in the narrowbody segment (Global CFM56 spares revenue up 24.2% in \$) mainly driven by 2nd generation engines
- è 2-digit revenue contribution from:
 - § Propulsion
 - § Equipment (nacelles, electrical harnesses, landing systems)
 - § Security (Detection and e-Documents)
- è Military aviation revenue (original equipment and spares) was conjuncturely down (programme timing)

Aerospace OE

CFM56 engines	Q1 2011	Q1 2012	Change
Total installed base	21,144	22,402	5.9%
Share of 2 nd gen. engines	58%	60%	+2 pts

è 429 CFM56 and 266 LEAP new engine orders as of April 19, 2012

è Continuing rise of installed base and increased share of 2nd generation CFM engines in fleet

Number of deliveries			
1. CFM56 engines	322	378	17.4%
2. Helicopter engines	199	198	(0.5)%
3. A380 nacelles	24	32	33.3%
4. Landing gear	249	318	27.7%

è Strong CFM56 delivery growth

è Stable helicopter deliveries

è Ramp up of Airbus A380 deliveries

è Growth of landing gear deliveries

OE* revenue Prop. & Equipment (in €M)	1,179	1,437	21.9%
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* All revenue except services

Achieving record production rates for CFM56 and equipment

Aerospace services

Services* revenue <i>(in €M)</i>	Q1 2011	Q1 2012	Change
Aerospace Propulsion	738	789	6.9%
Services share of total revenue	51.8%	52.1%**	0.3pt
Aircraft Equipment	235	242	3.0%
Services share of total revenue	32.3%	27.4%	(4.9)pts
Total services revenue	973	1,031	5.9%

* Including spares and maintenance & repair activities

** 49.8% including SME

è Propulsion

§ Global CFM56 spares revenue growth:
Q1 2012 up 24.2% vs. Q1 2011
Q1 2012 up 1.3% vs. Q4 2011

§ Flattish high thrust widebody engine spares

§ Modest increase in aftermarket services for helicopter turbines

è Equipment

§ Growth mainly driven by nacelles, landing systems and electrical harnesses

Civil aftermarket grew by 15.1% in Q1 2012 in USD terms**

** Includes CFM, high thrust and SaM146 engines (spares and MRO)

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Q1 2012 Financials

Foreword

All revenue figures in this presentation represent Adjusted revenue (see annex for bridge with consolidated revenue)

To reflect the Group's actual economic performance and enable it to be monitored and benchmarked against competitors, Safran prepares an adjusted income statement alongside its consolidated financial statements.

Particularly, Safran recognizes, all changes in the fair value of its foreign currency derivatives in "financial income (loss)", in accordance with the provisions of IAS 39 applicable to transactions not qualifying for hedge accounting.

Accordingly, Safran's consolidated income statement is adjusted for the impact in financial income (loss) of the mark-to-market of foreign currency derivatives, in order to better reflect the economic substance of the Group's overall foreign currency risk hedging strategy:

- § revenue net of purchases denominated in foreign currencies is measured using the effective hedging rate, i.e., including the costs of the hedging strategy;
- § the recognition of the mark-to market of unsettled hedging instruments at the closing date is neutralized.

Fx impact

è Fx positive impact during Q1 2012

- n **Translation** effect: foreign currencies translated into €
 - ⇒ Positive impact from \$
 - ⇒ Impact on Revenue and Return on Sales

Average spot rate

Q1 2011	Q1 2012
\$1.37	\$1.31

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

Hedge rate

Q1 2011	Q1 2012
\$1.38	\$1.32

- n **Mark-to-market** effect
 - ⇒ Impact on consolidated “statutory” accounts

Spot rate

Mar. 31, 2011	Dec. 31, 2011	Mar. 31, 2012
\$1.42	\$1.29	\$1.34

Favourable impact on revenue

Q1 2012 revenue

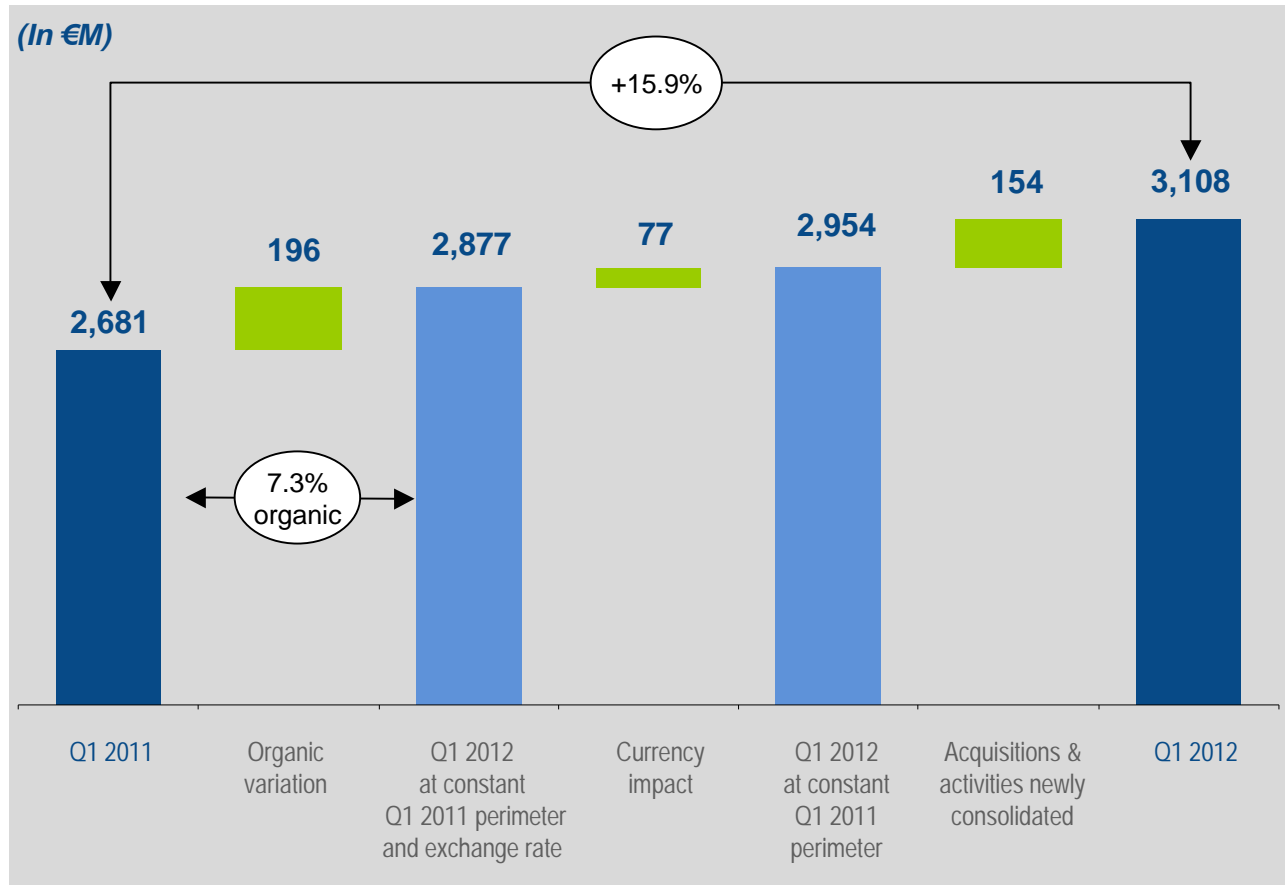
Adjusted data (in €M)	Q1 2011	Q1 2012	Change reported	Change organic
Aerospace Propulsion	1,423	1,585	11.4%	3.5%
Aircraft Equipment	729	883	21.1%	17.1%
Defence	292	307	5.1%	3.1%
Security	233	332	42.5%	6.4%
Others	4	1	na	na
Total revenue	2,681	3,108	15.9%	7.3%

Main drivers

- è Positive aerospace OEM volumes as well as improving aftermarket trends, except for military business (programme timing)
- è Increase of nacelles (A380, A320, regional jets) and landing gear deliveries
- è Double digit growth in Avionics
- è Security
 - § Favourable product-mix in Detection
 - § Strong activity in e-Documents

Positive growth across all businesses

Q1 2012 revenue



è Higher OEM volumes and improving trends in civil aerospace aftermarket and growing momentum in security

è Favourable currency impact

§ Positive translation and transaction impact on \$

è Changes in the scope of consolidation mainly include:

§ 3 months of MorphoTrust: €75M
 § 3 months of SME: €71M

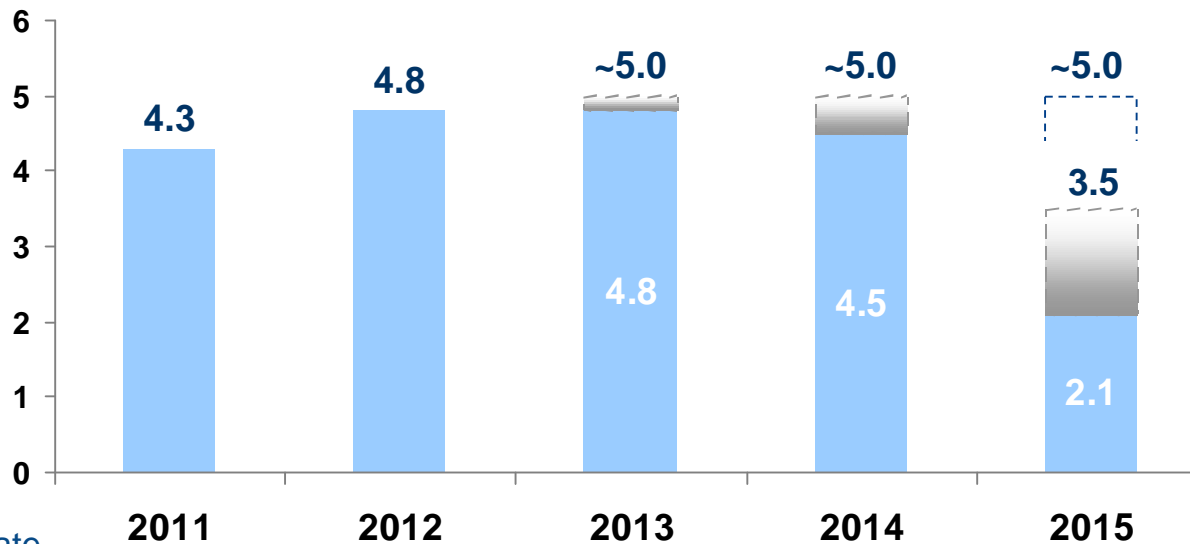
Fx: increasing the hedge book

Appx. 50% of Safran' USD revenue naturally hedged by USD procurement

Hedge portfolio, April 15, 2012

Total: \$15.2bn

Estimated exposure needs
In US\$ bn



€/\$ hedge rate

	2011	2012	2013	2014	2015
Achieved	1.37	1.32	1.29	1.29	1.30
Target				1.28	< 1.30

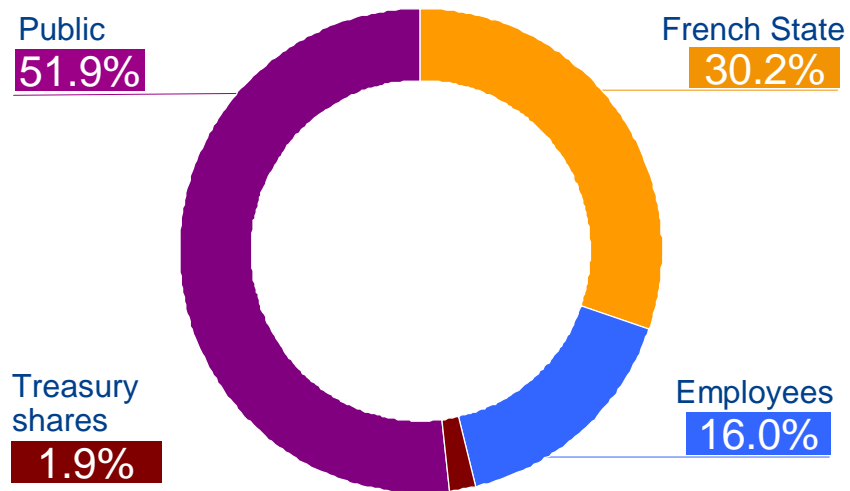
- è 2012 and 2013 are fully hedged
- è 2014 is almost completed
 - n \$4.5bn achieved at \$1.29 to rise to \$5.0bn at \$1.28 as long as €/\$ < 1.52 for 2012
- è 2015 hedging is well advanced
 - n \$2.1bn achieved at \$1.30 to rise to \$3.5bn at \$1.29 as long as €/\$ < 1.46 in 2012 and H1 2013

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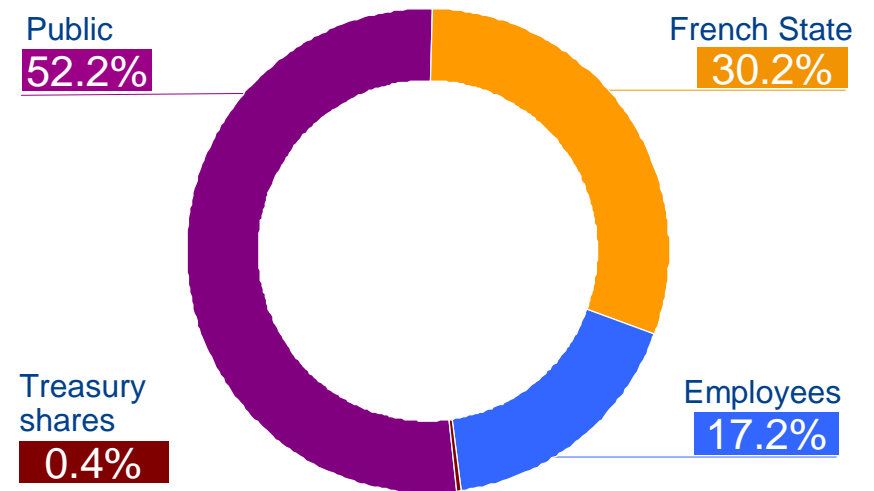
Outlook

Equity shareholding

As of Dec. 31, 2011



As of March 31, 2012



FY 2012 outlook is confirmed

- è Revenue expected to increase by ***around 10%***
at an estimated average spot rate of USD 1.37 to the Euro
- è Recurring operating income expected to increase by ***around 20%***
at a hedge rate of USD 1.32 to the Euro
- è Free cash flow expected to represent ***about a third*** of the recurring
operating income taking into account expected increase in R&D and Capex

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Questions & Answers

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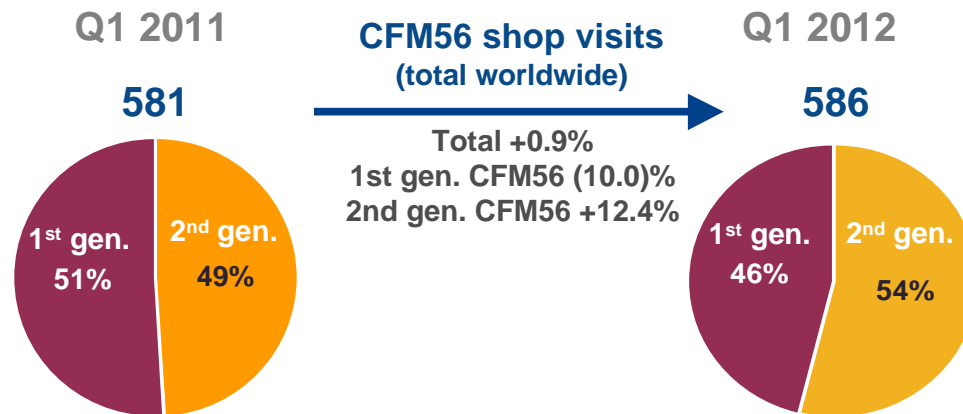
Additional information

Consolidated and adjusted income statements

Q1 2012 (In €M)	Consolidated revenue	Currency hedging		Business combinations		Adjusted revenue
		Re- measurement of revenue	Deferred hedging gain (loss)	Amortization of intangible assets - Sagem/Snecma merger	PPA impacts - other business combinations	
Revenue	3,110	(2)	-	N/A	N/A	3,108

Aerospace - CFM56 aftermarket

- è Global CFM spares revenue in \$: +24.2% in Q1 2012 vs. Q1 2011
 - § +1.3% vs. Q4 2011
 - § 69 new CFM56 powered aircraft parked since December 31, 2012
- è 46% of CFM active fleet still to have their first shop visit (65% of the 2nd generation engines)



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

KEY MISSIONS, KEY TECHNOLOGIES, KEY TALENTS