First-quarter 2013 Revenue

/ April 23, 2013 /

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Q1 2013 business highlights

Narita International Airport Corporation (Japan) purchased an additional 13 high-speed CTX-9800 EDS for hold baggage screening

Turbomeca unveiled its new Arrano 1,100shp helicopter engine which has been selected by the Eurocopter X4 platform

CFM orders momentum continues:
244 CFM56 -5B & -7BE and
229 LEAP-1A & -1B

SYPHAX airlines

GE Capital Aviation Services

CALC

Avianca

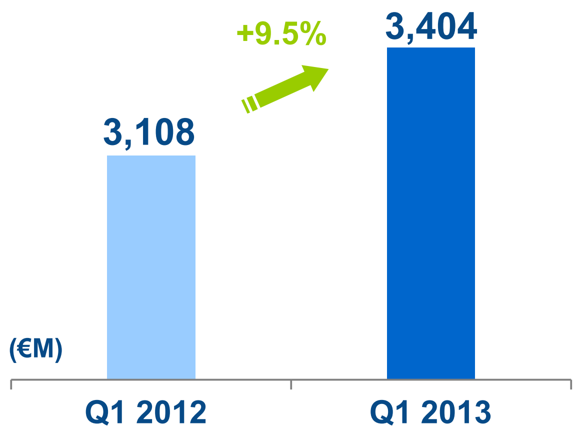
QANTAS

AIR LEASE CORPORATION

ICELANDAIR

More than 4,500 LEAP orders and commitments to date

Q1 2013 financial highlights



- Strong civil aviation business
  - Original equipment up 13% in aerospace (Propulsion and Equipment)
  - Solid growth in civil aftermarket (+10.0% in $) driven by first overhaul of 2nd generation CFM56 and resumption of growth in widebody engines
- Military aviation resumed growth in OE and aftermarket
- Good resilience in Defence thanks to avionics
- Continued momentum in Security (biometric ID)

Further strategic steps

Safran divested part of its stake (12.57% of share capital) in Ingenico for proceeds of €287M. Safran remains a significant shareholder (10.2% of share capital, 16.6% of voting rights)

Safran completed the acquisition of Goodrich Electrical Power Systems for approx. €300M creating a world leader in on-board electrical power systems

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Q1 2013 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

➔ Fx impact during Q1 2013

- **Translation effect: foreign currencies translated into €**
  - ⇒ Negative impact from $, GBP and BRL
  - ⇒ Impact on Revenue and Return on Sales

Average spot rate

Q1 2012	Q1 2013
$1.31	$1.32

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

Hedge rate

Q1 2012	Q1 2013
$1.32	$1.29

- **Mark-to-market effect**
  - ⇒ Impact on consolidated "statutory" accounts

Spot rate

Mar. 31, 2012	Dec. 31, 2012	Mar. 31, 2013
$1.34	$1.32	$1.28

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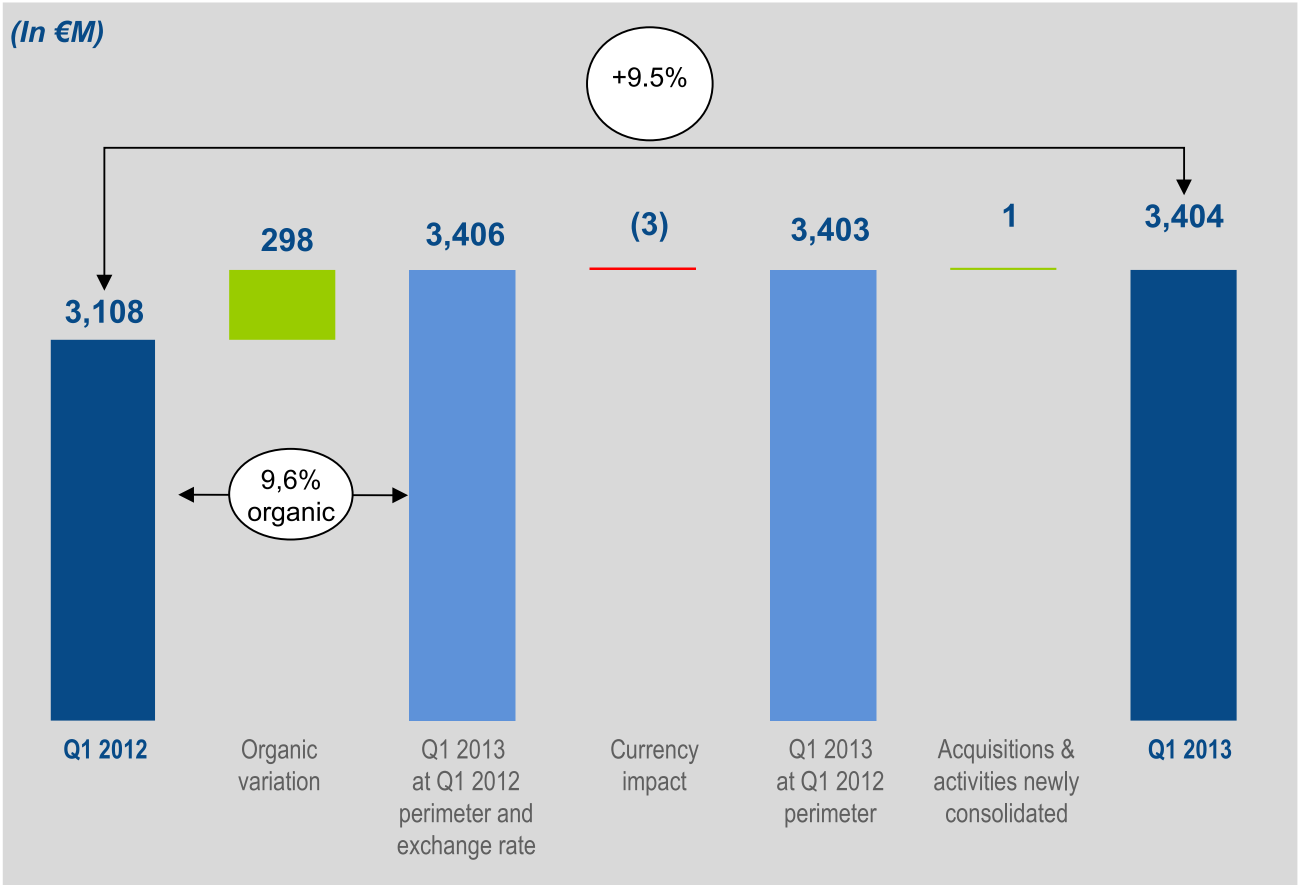
Q1 2013 revenue



Q1 2013 revenue by activity

Adjusted data (in €M)	Q1 2012	**Q1 2013**	*Change reported*	*Change organic*
Aerospace Propulsion	1,585	**1,831**	*15.5%*	*15.3%*
Aircraft Equipment	883	**924**	*4.6%*	*4.8%*
Defence	307	**304**	*(1.0)%*	*(0.7)%*
Security	332	**344**	*3.6%*	*4.8%*
Others	1	**1**	*na*	*na*
Total revenue	3,108	**3,404**	*9.5%*	*9.6%*

Main growth drivers

- Positive aerospace OEM volumes as well as improving aftermarket trends, both in military and civil businesses
- Increase of landing gear (787, A330, A320) and nacelles (OE & services for A330) deliveries
- Solid growth in Avionics (guidance and Flight Control Systems)
- Renewed momentum in biometric identification, notably in emerging countries

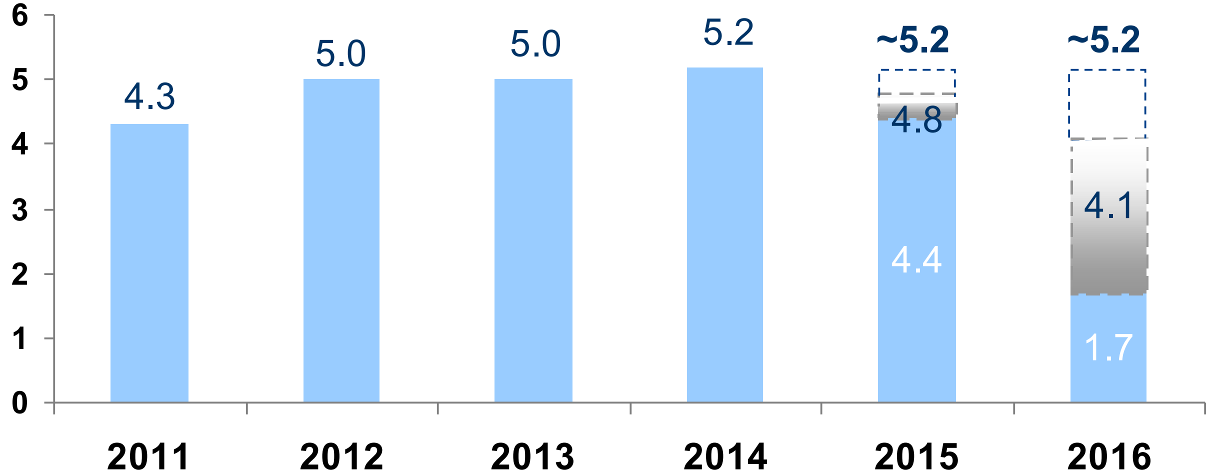
Fx hedging: finalising 2015 and further increasing 2016

Approx. 50% of Safran US$ revenue naturally hedged by US$ procurement

Hedge portfolio, April 15, 2013

Total: $15.2bn

Estimated exposure needs
In US$ bn



€/$ hedge rate

	2011	2012	2013	2014	2015	2016
Achieved	1.37	1.32	1.29	1.28	1.25	1.25
Target					1.26	1.26

- ➔ 2013 and 2014 are fully hedged
- ➔ 2015 hedging almost finalized
  - $4.4bn achieved at $1.25 to rise to $4.8bn at $1.25 as long as €/$<1.40 in 2013
- ➔ Further increase in 2016 hedging
  - $1.7bn achieved at $1.25 to rise to $4.1bn at $1.25 as long as €/$<1.39 up to end of 2014

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Acquisition of Rolls-Royce share in RTM322 programme

The RTM322 programme

- A 2,100-2,600 shp engine
- 1,100 engines delivered (end 2012)
- Backlog of 260 engines (end 2012)
- 900,000 Eq. Flying Hours (end 2012)
- In service with 21 operators

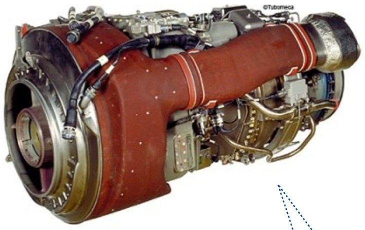
EH-101 MERLIN

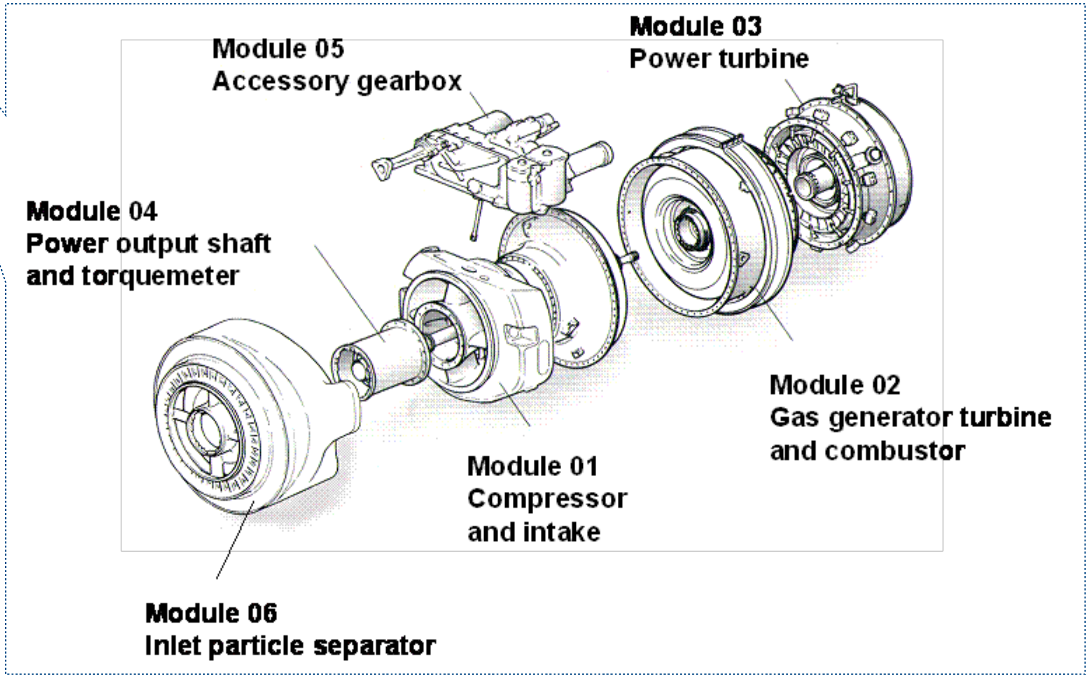
APACHE

NH90

RTM322 engine on 3 platforms - Extensive on-field experience

The RTM322 programme





SAFRAN Turbomeca

Module 1
Module 4
Module 5

Rolls-Royce

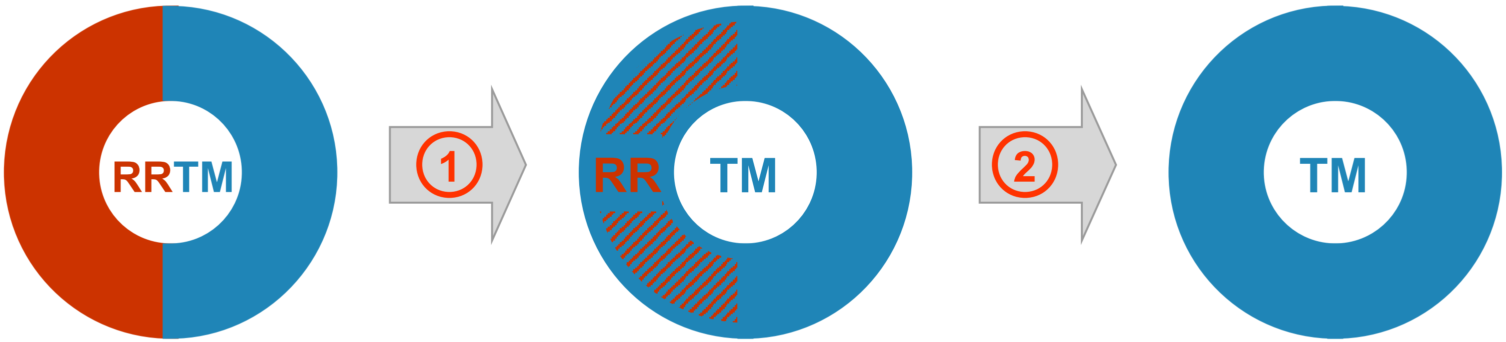
Module 2
Module 3
Module 6

A 50/50 sharing between Turbomeca and Rolls-Royce

Key terms of the Safran/Rolls-Royce transaction

1. **Safran to acquire:**
   - Rolls-Royce's 50% share in the RTM322 programme
   - Intellectual property rights (IPR) related to this programme
   - Rolls-Royce's 50% share in the RRTM joint-venture

1. **A transition period to ensure continuity of service**
   - Upon closing, Turbomeca will assume full responsibility for the design, production and product support for the RTM322 engine. Rolls-Royce will provide full support during a transition phase enabling progressive transfer of all their activities under this programme



RR Rolls-Royce
TM Turbomeca

Potential opportunities for Turbomeca

Growth from existing military platforms

Existing platforms
(NH90, EH101 Merlin, Apache)

Over 300 additional engines

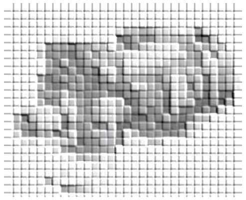
RTM322 engine

Mid- to long-term growth 2015 - 2030

New market penetration
in the 8-13t range

Growth from new civilian and military platforms

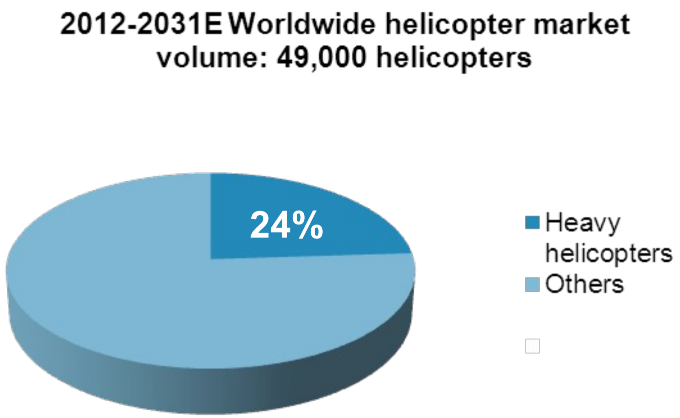
Around 3,500 engines

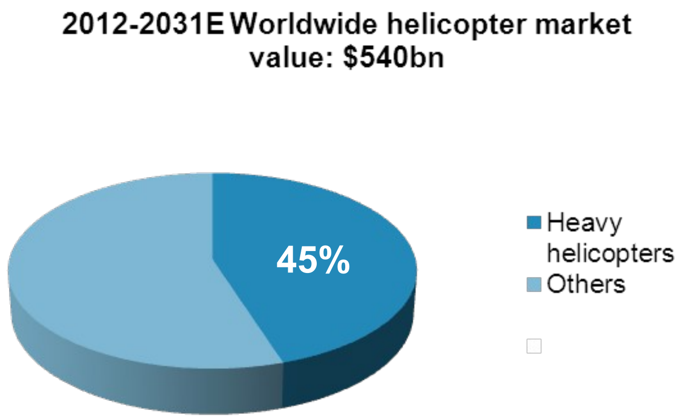


New engine design

Heavy helicopters: strategic market

- **Heavy helicopter sales to represent 45% of worldwide helicopter market in value (2012-2031E)**
- **Aircraft manufacturers will need engines above 3,000 shp**





Heavy helicopters will be the highest value segment

Strategic rationale for Safran

Strong rationale

- Allow a more streamlined organization, more efficient business processes and greater agility in the market place to the benefit of customers
- Provide business development autonomy benefit allowing strengthening market penetration with existing and future engines
- Accelerate time-to-market towards a broader offer in heavier helicopters. Engine power growth potential allowing new market penetration in the 8-13t range

A strategic business for Safran

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Financial aspects and transaction process

Financial aspects

- Rolls-Royce RTM322 programme share: annual revenue of approx. €85M; majority services
- After this transition period, Safran expects the benefits of owning the entire programme to represent an additional contribution of over €30M per annum operating income
  - Synergies: 100% programme ownership gives opportunity to streamline processes and organisation
  - New commercial opportunities
  - Improving mix - share of services to grow to 2/3 of revenue

Transaction process

- Cash consideration of €293M
- Transaction expected to close before year-end
- Subject to regulatory approvals & satisfaction of other customary closing conditions

Gradual transition reduces risks

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Outlook

FY 2013 revenue outlook is upgraded

The FY 2013 outlook revenue guidance is upgraded to take into account Q1 revenue dynamics and the contribution of the newly-acquired business of Goodrich Electrical Power Systems (€120M in revenue for 9 months in 2013)

New

➔ **Adjusted revenue expected to increase by a percentage *in the mid to high single digits (previously 5%)* at an estimated average rate of USD 1.29 to the Euro**

Unchanged

➔ **Adjusted recurring operating income expected to increase by a percentage *in the mid-teens* at a hedge rate of USD 1.29 to the Euro**

Unchanged

➔ **Free cash flow expected to represent *about 40%* of the adjusted recurring operating income taking into account the expected increase in capex and R&D to cope with rising production rates and new business opportunities**

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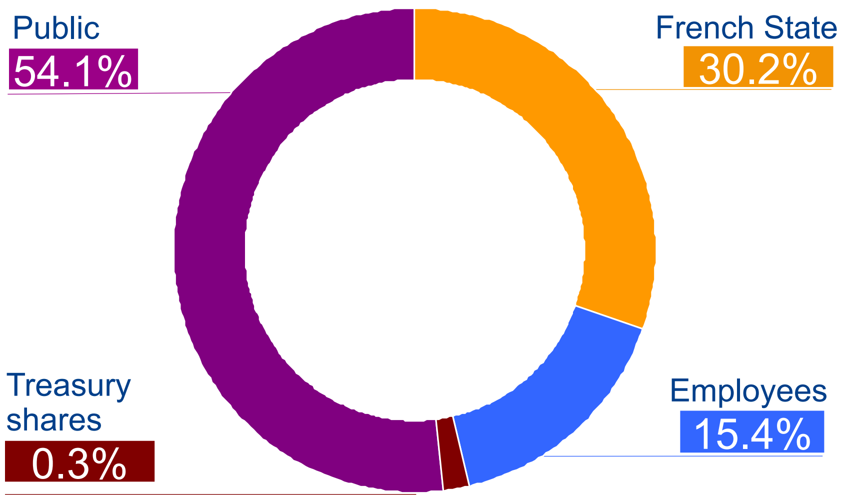
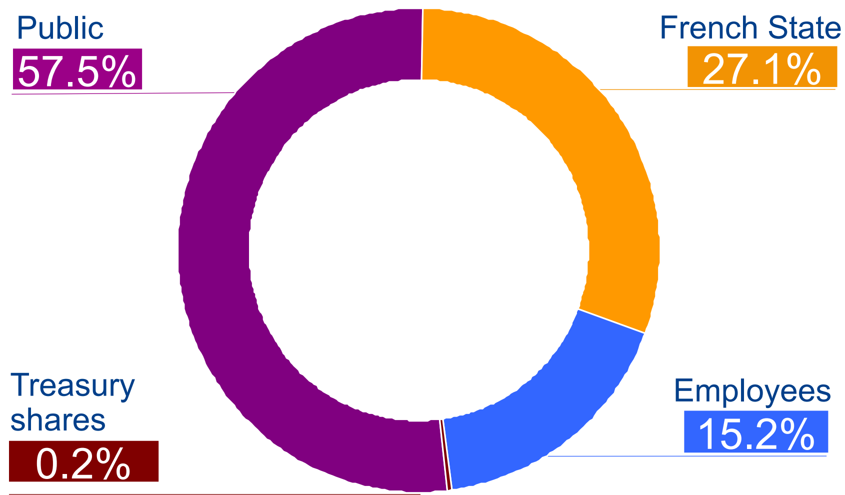
Equity shareholding

As of Dec. 31, 2012



As of April 5, 2013



March 27: the French state sold 13 million shares in Safran, representing 3.12% of the Group's capital

April 3: delivery of 420,000 shares to international employees (free shares granted in 2009)

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Questions & Answers

/06/

Additional information

Consolidated and adjusted revenue

Q1 2013 *(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	**3,378**	**26**	**-**	**n/a**	**n/a**	**3,404**

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Aerospace OE* / Services revenue split

Revenue Adjusted data *(in Euro million)*	**Q1 2012**		**Q1 2013**		**% change**	
	OE	Services	OE	Services	OE	Services
Propulsion	*796*	*789*	*953*	*878*	*19.7%*	*11.3%*
% of revenue	*50.2%*	*49.8%*	*52.0%*	*48.0%*		
Equipment	*641*	*242*	*665*	*259*	*3.7%*	*7.0%*
% of revenue	*72.6%*	*27.4%*	*72.0%*	*28.0%*		

* All revenue except services

Quantities of major aerospace programs

Number of units delivered	Q1 2012	**Q1 2013**	%
CFM56 engines	378	**390**	*3%*
High thrust engines	116	**134**	*16%*
Helicopter engines	198	**246**	*24%*
M88 engines	-	**5**	*n/s*
TP400 engines	-	**11**	*n/s*
A380 nacelles	32	**28**	*(13)%*
A330 thrust reversers	33	**39**	*18%*
A320 thrust reversers	125	**124**	*(1)%*
Small nacelles *(biz & regional jets)*	104	**92**	*(12)%*

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 Snecma and its subsidiaries and reflects the Group's performance in civil aircraft engines aftermarket compared to the market.

KEY MISSIONS, KEY TECHNOLOGIES, KEY TALENTS