

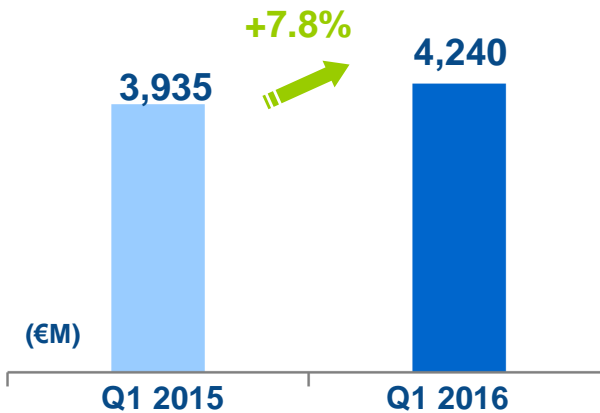
FIRST-QUARTER 2016 REVENUE

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/ April 26, 2016 /

Q1 2016 financial highlights



- Strong revenue growth in Q1 supported by:
 - continuing momentum in Aerospace (Propulsion and Equipment) and in Security activities
 - slight positive currency impacts mainly due to USD strengthening: revenue growth is 6.7% on an organic basis
- Propulsion OE revenue up 14.9% mainly thanks to higher CFM56 volumes
- Services up 10.1% (in €) in Aerospace activities
 - Civil aftermarket up 8.6% in \$
 - Services in Aircraft equipment up 17.2% in €
- Defence reported revenue down 3.2%, as expected
- Continuing momentum in Security with a 10.9% organic growth

On track to meet targets

Excellent progress of LEAP

→ LEAP development proceeding according to plan

- **LEAP-1A:** Engine certified on November 20, 2015 by both the FAA and EASA. Delivery of the first series-production LEAP propulsion systems (including the LEAP-1A and the nacelle) in early April for A320neo, in accordance with the schedule established five years ago. Flawless flight test program on A320neo and A321neo to date. 800 hours logged in 300 flights since May 19, 2015. Zero engine issues - all operating conditions. Engine is on specifications. Commercial deliveries starting summer 2016
- **LEAP-1B:** Engine certification on track. Flawless first flight on 737 MAX on January 29, 2016. Start of one-year flight test certification program. >100 flights , >310 hours of flights – Three 737MAX in flight. Engine is on specifications. EIS in 2017

→ Preparing for EIS and production ramp-up

- First commercial deliveries of LEAP in summer 2016
- LEAP supply chain mostly based on CFM56 supply chain
- Building new and enhanced facilities, including:
 - Ongoing: 3 new assembly lines dedicated to LEAP in Villaroche, France
 - Announced: 3rd production plant of 3D woven carbon composites for fan blades in Querétaro, Mexico, to meet rising production rates and to enhance LEAP supply chain



First series-production LEAP-1A



First flight of the Boeing 737MAX powered by LEAP-1B



A320neo powered by LEAP-1A flying over Villaroche, France

Q1 2016 business highlights

→ Propulsion

- CFM commercial success: 13,949 engines in backlog (firm orders & commitments):
 - Continuing demand for CFM56: 542 orders logged YTD
 - Positive momentum for LEAP: 673 orders & commitments logged YTD; total backlog (orders and commitments) of 10,534 engines at end of March

→ Aircraft equipment

- Selected by Airbus Helicopters to supply the cockpit and rear avionics bays for the H160. These bays are complex cabled structures made of metallic and composite materials that will integrate the helicopter's cockpit electronics and avionics equipment

→ Defence

- “Tactical drone system” programme awarded to Safran based on the Patroller drone system; the military spending programme for 2014-2019 provides for 14 aircraft deliveries

→ Security

- Border control: selected by Changi Airport in Singapore to supply a biometric control system using facial recognition, including functions such as self-bag drop, integrated border clearance and self-boarding gates
- Aadhaar: major milestone reached with 1 billion Indians enrolled since the launch of the program in 2011



LEAP



Patroller



Aadhaar program

Disposal of Morpho Detection

- **Signing of an agreement to sell Morpho Detection LLC and other detection related activities to Smiths Group for enterprise value of \$710 million USD**
- **The transaction will generate a capital gain before tax at current €/€ exchange rate**
- **The transaction is subject to regulatory approvals and customary closing conditions, and is expected to be completed in the first quarter of 2017**

Executing on strategy

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Q1 2016 Financials

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 revenue.

Safran's consolidated revenue has been adjusted for the impact 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 hedged rate, i.e., including the costs of the hedging strategy,
- all mark-to-market changes on foreign currency derivatives hedging future cash flows are neutralized.

Fx impact

→ Fx impacts during Q1 2016

- **Translation** effect: foreign currencies translated into €
 - ⇒ Positive impact from USD
 - ⇒ Impact on Revenue and Return on Sales
 - ⇒ Positive impact to profit from USD-native subsidiaries

Average spot rate

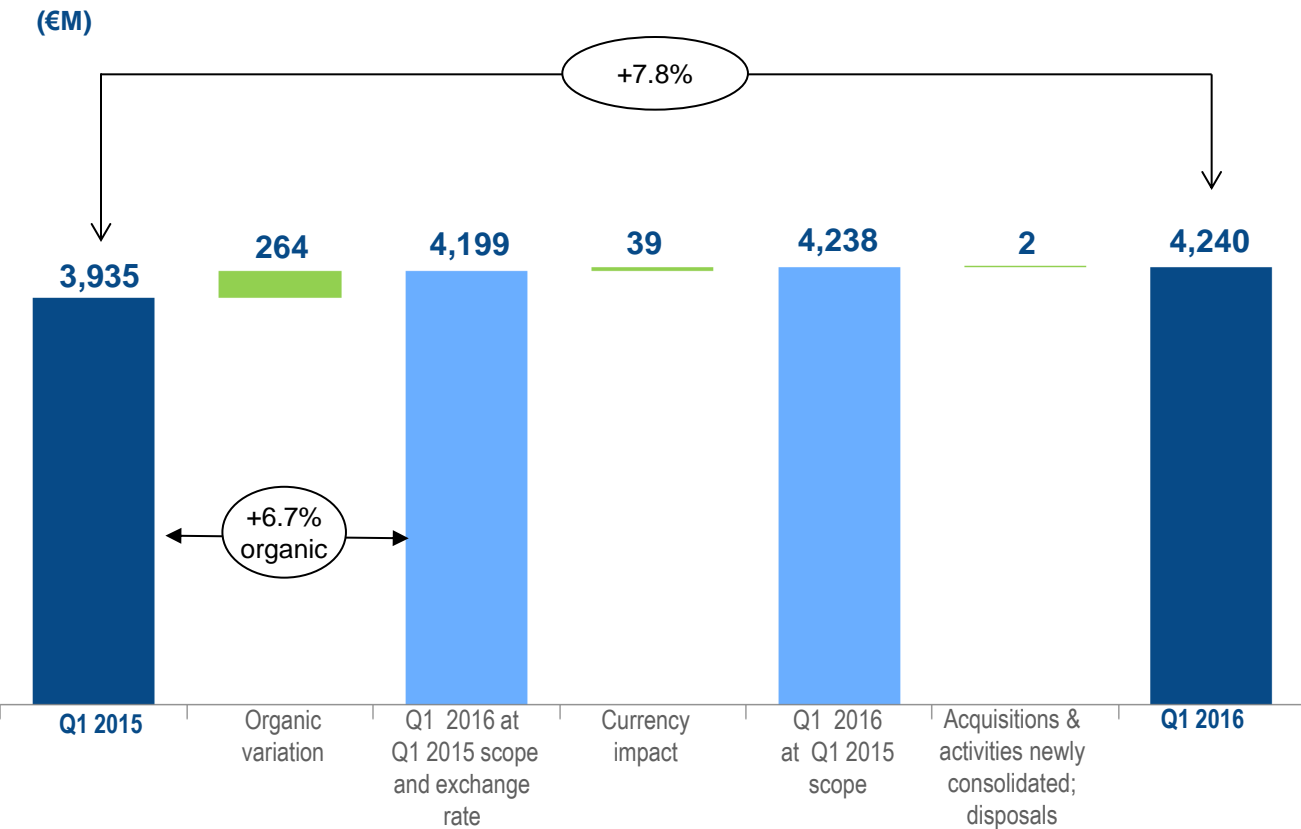
Q1 2015	Q1 2016
\$1.13	\$1.10

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

Hedge rate

Q1 2015	Q1 2016
\$1.25	\$1.24

Q1 2016 revenue



- Organic growth: +6.7%
- Currency impact: +1.0%
 - Positive translation effect of USD
 - Negative translation effect mainly from BRL, COP and ZAR impacting the Security division
- External growth: +0.1%

Q1 2016 revenue by activity

Adjusted revenue (in €M)	Q1 2015	Q1 2016	Change reported	Change organic
Aerospace Propulsion	2,070	2,301	11.2%	10.0%
Aircraft Equipment	1,172	1,219	4.0%	1.9%
Defence	278	269	(3.2)%	(3.6)%
Security	414	449	8.5%	10.9%
Others	1	2	Na	Na
Total revenue	3,935	4,240	7.8%	6.7%

Main growth drivers

- Civil engines OE, notably CFM56 volumes (+10% vs Q1'15)
- Military engines OE thanks to higher volumes of M88 and TP400 engines
- Continued momentum in Aerospace services:
 - Propulsion: services up 8.2% (in €), driven by civil aftermarket (up 8.6% in USD) and increased military engines aftermarket (up mid-teens)
 - Equipment: services up 17.2% (in €) supported by continuing momentum in carbon brakes and landing gear as well as increased contribution of nacelles
- Ramp up of A350 and 787 programs (landing gear, wiring)
- Defence: higher sales of sighting systems, infrared goggles and guiding systems
- Security: all activities contributing to broad-based growth

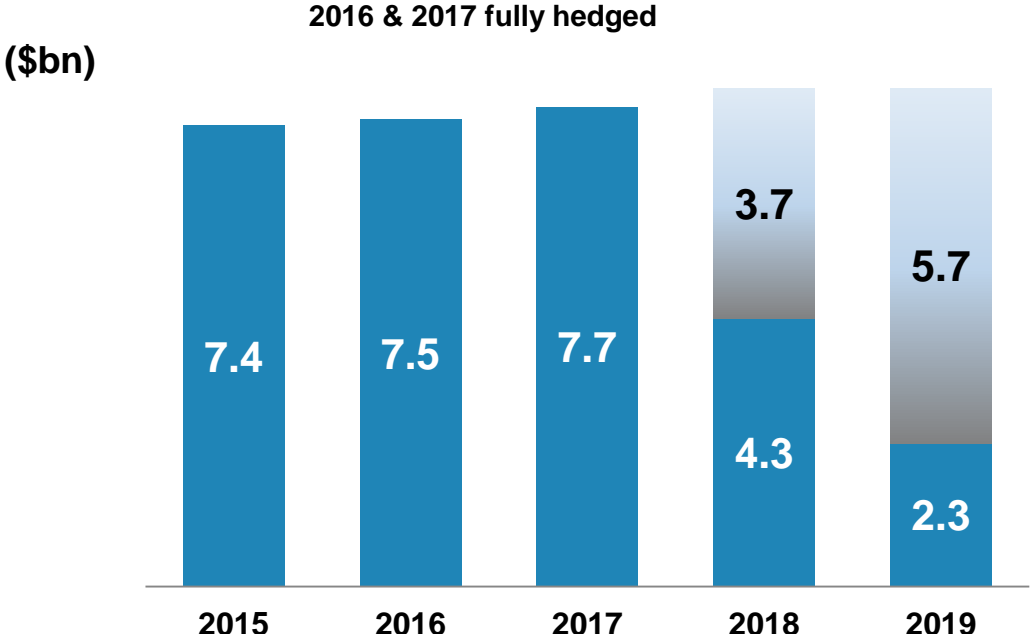
Offsetting impacts

- Lower helicopter turbines sales due to a decline in OE volumes and softer spares and support revenue, principally at customers in the Oil & Gas sector
- Lower production rate of A330 (thrust reversers, landing gear)
- Defence: ending contribution of the FELIN program, lower volumes of inertial navigation systems

Fx hedging: \$19.7bn Hedge portfolio* (April 18, 2016)

Yearly exposure: \$7.4bn to \$8.0bn

Increasing level of net USD exposure for 2016-19 in line with the growth of businesses with exposed USD revenue



€/\$ hedge rate

Target	1.25	1.24	1.22	1.17-1.20	1.15-1.20
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2018

- \$4.3bn achieved through forward sales and short dated knock out option strategies to rise to a maximum of \$8.0bn at a target rate between \$1.17 and \$1.20 as long as €/\$ < 1.25 up to end 2016
- Knock out options barriers set at various levels between \$1.20 and \$1.45 with maturities up to 2 years

2019

- \$2.3bn achieved through forward sales and short dated knock out option strategies to rise to a maximum of \$8.0bn at a target rate between \$1.15 and \$1.20 as long as €/\$ < 1.25 up to end 2017
- Knock out options barriers set at various levels between \$1.19 and \$1.45 with maturities up to 1 year

*Approx. 45% of Safran US\$ revenue are naturally hedged by US\$ procurement



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Outlook

2016 targets – outlook confirmed

- Adjusted revenue expected to increase by a percentage in **low single digits** at an estimated average rate of USD 1.11 to the Euro
- Adjusted recurring operating income likely to increase by **around 5%** and a further **increase in margin rate** at a hedge rate of USD 1.24 to the Euro
The hedging policy largely isolates adjusted recurring operating income from current EUR/USD variations except for the part generated in USD by activities located in the US, subject to the translation effect when converted into Euro
- Free cash flow expected to represent **more than 40%** of the adjusted recurring operating income, an element of uncertainty being the rhythm of payments by state-clients

Safran's 2016 outlook is applicable to the Group's structure as of December 31, 2015, including Morpho Detection, the sale of which is expected early in 2017. In addition, it does not take into account the impact in 2016 of the finalisation of the regrouping of its space launcher activities with those of Airbus Group in their joint venture, Airbus Safran Launchers (ASL). Guidance will be revised as necessary upon finalisation of Phase 2 of the operation. Safran expects the contribution of its space launchers activities to ASL to be accretive to adjusted recurring operating margin.

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Questions & Answers

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Additional information

Consolidated and adjusted revenue

Q1 2016 (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	4,412	(172)	n/a	n/a	n/a	4,240

Aerospace OE* / Services revenue split

Revenue	Q1 2015		Q1 2016		% change	
	OE	Services	OE	Services	OE	Services
Adjusted data (in Euro million)						
<i>Propulsion</i>	911	1,159	1,047	1,254	14.9%	8.2%
<i>% of revenue</i>	44.0%	56.0%	45.5%	54.5%		
<i>Equipment</i>	852	320	844	375	(0.9)%	17.2%
<i>% of revenue</i>	72.7%	27.3%	69.2%	30.8%		

* All revenue except services

Quantities of major aerospace programs

<i>Number of units delivered</i>	Q1 2015	Q1 2016	%
CFM56 engines	402	442	10%
High thrust engines	160	186	16%
Helicopter engines	159	133	(16)%
M88 engines	3	7	x2.3
A350 landing gear	6	10	67%
787 landing gear	31	33	7%
A380 nacelles	25	25	-
A330 thrust reversers	39	17	(56)%
A320 thrust reversers	127	131	3%
Small nacelles (<i>biz & regional jets</i>)	156	158	1%

→ **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.

Disclaimer

The forecasts and forward-looking statements described in this document are based on the data, assumptions and estimates considered as reasonable by the Group as at the date of this document. These data, assumptions and estimates may evolve or change as a result of uncertainties related in particular to the economic, financial, competitive, tax or regulatory environment. The occurrence of one or more of the risks described in the registration document (*document de référence*) may also have an impact on the business, financial position, results and prospects of the Group and thus affect its ability to achieve such forecasts and forward-looking statements. The Group therefore neither makes any commitment, nor provides any assurance as to the achievement of the forecasts and forward-looking statements described in this document

KEY MISSIONS, KEY TECHNOLOGIES, KEY TALENTS