THIRD-QUARTER 2011 REVENUE

Jean-Paul Herteman - Chairman & CEO

Ross McInnes - Deputy CEO, CFO

/ October 21, 2011 /
CFMI LEAP selected on 3 programs

- **Exclusive supplier**
  - Boeing 737 MAX

- **Dual source**
  - Airbus A320neo

- **Sole western supplier**
  - COMAC C919

- **1,800 aircraft ordered to date**
  (engines selected on 1,300 aircraft to date)

- **CFM 80% market share to date**
  (> 2,000 engines)

- **Addressable OE market over 10-15 years**
  ≥ 6,000 aircraft
  (assuming 50% market share on A320neo)
Update on MorphoTrust

- **New organisation in place**
  - CEO (Robert Eckel)
  - Proxy Board (expected end of October)

- **Integration team operational**
  - Annual run-rate cost synergies of $30M within 18-24 months, of which headquarter closure (Stamford, CT)

- **Expected 2011 pro-rata contribution** (~5 months)
  - $200-210M revenue
  - $30-35M EBITDA
  - $8M recurring EBIT
  - Transaction & restructuring charge of appx. $40M in 2011 (accounted for as one-off items)
Q3 2011 business highlights

- Trading conditions remained solid in an uncertain economic environment
- Soft areas well identified and temporary
- Negative Fx translation (US$, GBP, CAD)
- External growth (MorphoTrust, SME, Labinal Salisbury)
### CFM56 engines

<table>
<thead>
<tr>
<th></th>
<th>Q3 2010</th>
<th>Q3 2011</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total installed base</td>
<td>20,570</td>
<td>21,814</td>
<td>6.0%</td>
</tr>
<tr>
<td>Share of 2nd gen. engines</td>
<td>55%</td>
<td>59%</td>
<td>+4pts</td>
</tr>
</tbody>
</table>

**Increased share of 2nd generation CFM engines in fleet**

**Future flow of high value services**

**434 new engine orders in Q3 2011**

### Number of deliveries

1. **CFM56 engines**
   - Q3 2010: 294
   - Q3 2011: 350
   - Change: 19%

2. **Helicopter engines**
   - Q3 2010: 163
   - Q3 2011: 220
   - Change: 35%

3. **A380 nacelles**
   - Q3 2010: 17
   - Q3 2011: 21
   - Change: 24%

4. **Small nacelles (biz & regional jets)**
   - Q3 2010: 89
   - Q3 2011: 106
   - Change: 19%

### OE revenue Prop. & Equipment (in €M)

<p>| | | | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td></td>
<td>1,112</td>
<td>1,241</td>
<td>11.6%</td>
</tr>
</tbody>
</table>

1. **Strong CFM56 deliveries**
2. **Resumption of helicopter engines deliveries**
3. **Ramp up of Airbus A380 deliveries**
4. **Improvement of the regional jets segment**
Aerospace services

<table>
<thead>
<tr>
<th>Services* revenue (in Euro million)</th>
<th>Q3 2010</th>
<th>Q3 2011</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace Propulsion</td>
<td>711</td>
<td>693</td>
<td>(2.5)%</td>
</tr>
<tr>
<td>Services share of total revenue</td>
<td>53.5%</td>
<td>47.5%</td>
<td>(6.0)pts</td>
</tr>
<tr>
<td>Aircraft Equipment</td>
<td>202</td>
<td>222</td>
<td>9.9%</td>
</tr>
<tr>
<td>Services share of total revenue</td>
<td>29.0%</td>
<td>31.9%</td>
<td>2.9pts</td>
</tr>
<tr>
<td>Total services revenue</td>
<td>913</td>
<td>915</td>
<td>0.2%</td>
</tr>
</tbody>
</table>

* Including spares and maintenance & repair activities

** Propulsion
- CFM spares’ trends continuing although comparison base changing: Q3 up +4.3% vs. Q3 2010;
- Continued strong 2-digit growth in high thrust widebody engine spares (e.g. GE90 on B777)
- Slowdown in aftermarket services for helicopter turbines and military engines

** Equipment
- Increased civil activity, notably in nacelles and braking systems

Civil aftermarket** grew by 10.1% in 9m 2011 in USD terms (5.1% in Q3 2011)

** Includes CFM and high thrust engines (spares and MRO)
All revenue figures in this presentation represent Adjusted revenue (see Additional information 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 volatility

Continued Fx volatility during Q3 2011

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

<table>
<thead>
<tr>
<th>Average spot rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 2010</td>
</tr>
<tr>
<td>$ 1.29</td>
</tr>
<tr>
<td>Q3 2011</td>
</tr>
<tr>
<td>$ 1.41</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Hedge rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 2010</td>
</tr>
<tr>
<td>$ 1.44</td>
</tr>
<tr>
<td>Q3 2011</td>
</tr>
<tr>
<td>$ 1.38</td>
</tr>
</tbody>
</table>
Q3 2011 revenue

(In €M)

- **Q3 2010**
- **Organic variation**
- **Q3 2011 at constant Q3 2010 perimeter and exchange rate**
- **Currency impact (spot rate)**
- **Q3 2011 at Q3 2010 perimeter**
- **Acquisitions & activities newly consolidated**

**Revenue Comparison**

- **Q3 2010**: 2,593
- **Q3 2011**: 2,728
  - **Organic variation**: + 4.2%
  - **Currency impact (spot rate)**: (93)
  - **Acquisitions & activities newly consolidated**: 110
  - **Total Increase**: + 5.2%

- **Acquisitions & activities newly consolidated**: 118
## Q3 2011 revenue

<table>
<thead>
<tr>
<th></th>
<th>Q3 2010</th>
<th>Q3 2011</th>
<th>Change reported</th>
<th>Change organic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace propulsion</td>
<td>1,329</td>
<td>1,459</td>
<td>9.8%</td>
<td>8.7%</td>
</tr>
<tr>
<td>Aircraft equipment</td>
<td>696</td>
<td>697</td>
<td>0.1%</td>
<td>3.2%</td>
</tr>
<tr>
<td>Defence</td>
<td>280</td>
<td>251</td>
<td>(10.4)%</td>
<td>(5.4)%</td>
</tr>
<tr>
<td>Security</td>
<td>279</td>
<td>317</td>
<td>13.6%</td>
<td>(2.9)%</td>
</tr>
<tr>
<td>Others</td>
<td>9</td>
<td>4</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>2,593</td>
<td>2,728</td>
<td>5.2%</td>
<td>4.2%</td>
</tr>
</tbody>
</table>

### Positive impacts
- Positive civil aftermarket and original equipment dynamics in Propulsion
- Equipment (A380, regional jets, civil services)
- Security (e-Document)
- Acquisitions

### Negative impacts
- Defence (avionics)
- Security (identification, detection)
- Fx translation
Fx: securing hedge rates

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

Hedge portfolio, Oct. 20, 2011
Total: $14.6bn

Estimated exposure needs
In US$ bn

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>€/$ hedge rate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Achieved</td>
<td>1.44</td>
<td>1.37</td>
<td>1.33</td>
<td>1.29</td>
<td>1.29</td>
<td>1.30</td>
</tr>
<tr>
<td>Target</td>
<td></td>
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</tr>
</tbody>
</table>

Hedge rates locked-in for 2011 to 2014

- 2012: $4.5bn achieved at $1.33 to rise to $4.7bn as long as €/$<1.65 for most of 2011
- 2013: $4.2bn achieved at $1.29 to rise to $4.8bn as long as €/$<1.52 for 2011 and H1 2012
- 2014: $3.5bn achieved at $1.29 to rise to $4.8bn at $1.28 as long as €/$<1.52 for most of 2011 and 2012
- 2015 hedging has already begun
  - $1.2bn achieved at $1.30 to rise to $2.5bn at $1.29 as long as €/$<1.52 from 2011 to H1 2013
Conclusion
Equity shareholding

As of Dec. 31, 2010

- Public: 47.6%
- French State: 30.2%
- Areva: 2.0%
- Treasury shares: 4.2%
- Employees: 16.0%

As of Sept. 30, 2011

- Public: 50.3%
- French State: 30.2%
- Areva: 1.9%
- Treasury shares: 1.5%
- Employees: 16.1%

Safran entered the CAC40 index on Sept. 19
2011 outlook is confirmed

This outlook now includes:
- the expected pro rata contribution of L-1 Identity Solutions (now MorphoTrust)
- the cost of the employee profit-sharing bonus (~€25M)

Revenue
- Increase in the mid to high single digits

Recurring operating income
- Progression should be comfortably in the upper twenties

Free cash flow
- About a third of the recurring operating income
Additional information
Employee profit-sharing bonus

- New French legislation applicable in 2011 to companies whose dividends paid in the current year increased vs. the average of two previous years

- Agreement to pay a €500 bonus for each eligible employee

- Finalising a structure which would offer employees at French entities who would receive the bonus as well as to all other employees, the opportunity to acquire Safran treasury shares, notably through a dedicated leveraged fund.

- Estimated economic impact
  - 2011: approximately €(25)M in recurring operating income
## 9M 2011 revenue

<table>
<thead>
<tr>
<th>Adjusted data (in Euro million)</th>
<th>9m 2010</th>
<th>9m 2011</th>
<th>Change reported</th>
<th>Change organic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace propulsion</td>
<td>4,092</td>
<td>4,436</td>
<td>8.4%</td>
<td>6.9%</td>
</tr>
<tr>
<td>Aircraft equipment</td>
<td>2,070</td>
<td>2,201</td>
<td>6.3%</td>
<td>7.0%</td>
</tr>
<tr>
<td>Defence</td>
<td>838</td>
<td>875</td>
<td>4.4%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Security</td>
<td>758</td>
<td>826</td>
<td>9.0%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Others</td>
<td>32</td>
<td>12</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Total revenue</td>
<td>7,790</td>
<td>8,350</td>
<td>7.2%</td>
<td>6.2%</td>
</tr>
</tbody>
</table>
## Q3 & 9M 2011 consolidated and adjusted revenue

<table>
<thead>
<tr>
<th></th>
<th>Consolidated income statement</th>
<th>Hedge accounting</th>
<th>Business combinations</th>
<th>Adjusted consolidated income statement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Q3 2011</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>(In Euro million)</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>2,703</td>
<td>25</td>
<td>N/A</td>
<td>2,728</td>
</tr>
<tr>
<td><strong>9m 2011</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>(In Euro million)</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>8,288</td>
<td>62</td>
<td>N/A</td>
<td>8,350</td>
</tr>
</tbody>
</table>
KEY MISSIONS, KEY TECHNOLOGIES, KEY TALENTS