FIRST-QUARTER 2017 REVENUE
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ADDITIONAL U.S. INFORMATION

Any securities to be issued in connection with any Transaction may be required to be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”). The Transaction may be submitted to the shareholders of Zodiac Aerospace for their consideration. If registration with the U.S. Securities and Exchange Commission (the “SEC”) is required in connection with any Transaction, Safran will prepare a prospectus for Zodiac Aerospace’s shareholders to be filed with the SEC, will mail the prospectus to Zodiac Aerospace’s shareholders and file other documents regarding any Transaction with the SEC. Investors and shareholders are urged to read the prospectus and the registration statement of which it forms a part and when and if it becomes available, as well as other documents that may be filed with the SEC, because they will contain important information. If registration with the SEC is required in connection with any Transaction, shareholders of Zodiac Aerospace will be able to obtain free copies of the prospectus and other documents filed by Safran with the SEC at the SEC’s web site, http://www.sec.gov. Those documents, if filed, may also be obtained free of charge by contacting Safran Investor Relations at 2, Boulevard du Général Martial Valin 75724 Paris Cedex 15 – France or by calling (33) 1 40 60 80 80. Alternatively, offers and sales made by Safran in the Transaction may be exempt from the provisions of Section 5 of the Securities Act and no registration statement would be filed with the SEC by Safran.

FORWARD-LOOKING STATEMENTS

This communication contains forward-looking statements relating to Safran, Zodiac Aerospace and their combined businesses, which do not refer to historical facts but refer to expectations based on management’s current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those included in such statements. These statements or disclosures may discuss goals, intentions and expectations as to future trends, plans, events, results of operations or financial condition, or state other information relating to Safran, Zodiac Aerospace and their combined businesses, based on current beliefs of management as well as assumptions made by, and information currently available to, management. Forward-looking statements generally will be accompanied by words such as “anticipate,” “believe,” “plan,” “could,” “estimate,” “expect,” “forecast,” “guidance,” “intend,” “may,” “possible,” “potential,” “predict,” “project” or other similar words, phrases or expressions. Many of these risks and uncertainties relate to factors that are beyond Safran’s or Zodiac Aerospace’s control. Therefore, investors and shareholders should not place undue reliance on such statements. Factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to: uncertainties related in particular to the economic, competitive, financial, regulatory or other environment; the ability to obtain the approval of the Transaction by shareholders; failure to satisfy other closing conditions with respect to the Transaction on the proposed terms and timeframe; the possibility that the Transaction does not close when expected or at all; the risks that the new businesses will not be integrated successfully or that the combined company will not realize estimated cost savings and synergies; Safran’s or Zodiac Aerospace’s ability to successfully implement and complete its plans and strategies and to meet its targets; the benefits from Safran’s or Zodiac Aerospace’s (and their combined businesses) plans and strategies being less than anticipated; and the risks described in the registration document (document de référence). The foregoing list of factors is not exhaustive. Forward-looking statements speak only as of the date they are made. Safran and Zodiac Aerospace do not assume any obligation to update any public information or forward-looking statement in this communication to reflect events or circumstances after the date of this communication, except as may be required by applicable laws.

USE OF NON-GAAP FINANCIAL INFORMATION

This press release contains supplemental non-GAAP financial information. Readers are cautioned that these measures are unaudited and not directly reflected in the Group’s financial statements as prepared under International Financial Reporting Standards and should not be considered as a substitute for GAAP financial measures. In addition, such non-GAAP financial measures may not be comparable to similarly filed information from other companies.
Q1 2017 HIGHLIGHTS

Philippe PETITCOLIN - CEO
Q1 2017 revenue highlights

Strong organic revenue growth in Q1 2017
- Increased contribution from Aerospace activities (+5.5%) notably driven by continuing momentum in services (Propulsion and Aircraft Equipment)
- Defense revenue up 4.5%

Q1 2017 sales impacted by equity accounting of ASL from July 1, 2016

Positive currency impacts mainly due to USD strengthening

Q1 performance supporting annual growth outlook

*Excluding changes in scope and FX impacts
Update on LEAP programme

LEAP commercial success
♦ Total backlog (orders and commitments) of 12,046 engines at March 31, 2017
♦ 55% market share on A320neo at March 31, 2016

Executing on production ramp-up
♦ Increasing deliveries of LEAP supporting commitments to airframers
♦ Further ramp-up of LEAP production to reach close to 500 units in 2017

LEAP-1A: smooth entry into service
♦ Entry into service in July 2016 at Pegasus Airlines
♦ In operations at 9 airlines with 80,000 flight hours accumulated to date
♦ Meeting all performance specifications

LEAP-1B: on track for EIS on 737 MAX 8 in Q2 2017
♦ Certification of LEAP-1B simultaneously awarded by both EASA* and the FAA* on May 4, 2016
♦ First flight of 737 MAX 9 completed on April 13, 2017: 737 MAX 9 is the second aircraft model to begin certification flight testing

LEAP-1C: preparing for first flight expected in Q2 2017 by Comac
♦ Certification was simultaneously awarded by both EASA* and the FAA* on Dec 21, 2016

* EASA: European Aviation Safety Agency; FAA: Federal Aviation Administration
Q1 2017 business highlights

Executing on transition in production from CFM56 to LEAP
- Increasing deliveries of LEAP supporting production of A320neo and 737 MAX
- Beginning of CFM56 production ramp down, as expected
  > 345 CFM56 deliveries in Q1 2017, down from Q1 2016

17.7% growth for civil aftermarket in Q1 2017
- Driven by sales of spares and services for second generation CFM56 and GE90 engines

First delivery of the Bell 505 Jet Ranger X powered by the Arrius 2R

Signature of several carbon brakes contracts including:
- Norwegian for 108 Boeing 737 MAX; Singapore Airlines for 47 A350


Completion of the sale of Safran’s detection activities to Smiths Group
- Announced on April 6, 2017
- Safran will record a pre-tax capital gain in its first half 2017 accounts

Contemplated acquisition of Zodiac Aerospace
- Negotiations with Zodiac are ongoing, as we announced on March 14th, 2017
- These negotiations are taking into account the consequences of developments in Zodiac’s operations announced by the company in March 2017.
- Safran and Zodiac will update the market in due course as required.
Q1 2017 REVENUE

Bernard DELPIT – Group CFO
All revenue figures in this presentation represent Adjusted\(^1\) revenue and continuing operations\(^2\).

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.

\(^1\) See annex for bridge with consolidated revenue
\(^2\) Safran Identity & Security is presented as discontinued
Foreign exchange effects

Translation effect: foreign currencies translated into €

- Positive impact mainly from the USD
- Impact on Revenues and Return on Sales

Transaction effect: mismatch between $ sales and € costs is hedged

- Positive impact from hedged $ as planned
- Impact on Profits

<table>
<thead>
<tr>
<th></th>
<th>Q1 2016</th>
<th>Q1 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average spot rate</td>
<td>$1.10</td>
<td>$1.06</td>
</tr>
<tr>
<td>Hedge rate</td>
<td>$1.24</td>
<td>$1.21</td>
</tr>
</tbody>
</table>
### Q1 2017 revenue (continuing operations)

<table>
<thead>
<tr>
<th>(in M€)</th>
<th>Q1 2016</th>
<th>Organic variation</th>
<th>Q1 2017 at Q1 2016 scope and exchange rates</th>
<th>Currency impact</th>
<th>Q1 2017 at Q1 2016 scope</th>
<th>Changes in scope</th>
<th>Q1 2017</th>
<th>Organic change: +5.5%</th>
<th>Currency impact: +2.3%</th>
<th>Scope: (2.8)%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3,791</td>
<td></td>
<td></td>
<td>208</td>
<td>3,999</td>
<td>89</td>
<td>4,088</td>
<td>(106)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Positive translation effect mainly from the strengthening of the USD partially offset by a negative translation impact from the GBP</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Safran’ space launcher activities (contributed to Airbus Safran Launchers starting July 1, 2016) generated revenue of €114M in Q1 2016</td>
<td></td>
</tr>
</tbody>
</table>
### Adjusted data (in Euro million)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Q1 2016</th>
<th>Q1 2017</th>
<th>Change reported</th>
<th>Change organic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace propulsion</td>
<td>2,301</td>
<td>2,360</td>
<td>2.6%</td>
<td>5.2%</td>
</tr>
<tr>
<td>Aircraft equipment</td>
<td>1,219</td>
<td>1,335</td>
<td>9.5%</td>
<td>6.2%</td>
</tr>
<tr>
<td>Defense</td>
<td>269</td>
<td>284</td>
<td>5.6%</td>
<td>4.5%</td>
</tr>
<tr>
<td>Others</td>
<td>2</td>
<td>3</td>
<td>n/s</td>
<td>n/s</td>
</tr>
<tr>
<td><strong>Safran (continuing operations)</strong></td>
<td>3,791</td>
<td>3,982</td>
<td>5.0%</td>
<td>5.5%</td>
</tr>
</tbody>
</table>

#### Growth drivers

- **Aerospace services up 14.4% (in €)**
  - Propulsion services up 15.9% thanks to civil aftermarket (+17.7% in $) and increased contribution from military engines
  - Aircraft equipment services up 9.3% mostly driven by carbon brakes and sales of spare parts for nacelles (including for A320neo-LEAP airline customers)

- **Aircraft equipment OE revenue up 9.6%**
  - Higher volumes of A350 shipsets (landing gear: +11 units; wiring: +12 units), A330 (landing gear: +4 units; thrust reversers: +6 units), A320neo (+41 nacelles), A320 family (landing gear: +17 units)

- **Ramp up of LEAP : 81 engines delivered to Airbus and Boeing**

- **Defense**: higher volumes of guidance kits and infrared goggles, positive contribution of the tactical drone programme (Patroller)

#### Offsetting impacts

- **Ramp down of CFM56 deliveries, as planned: 97 fewer deliveries in Q1**

- **First impact of declining assembly rate of A380: 13 nacelles delivered in Q1 2017 compared to 25 in Q1 2016**

- **Lower helicopter turbines sales (-6%)**
  - Continuing headwinds in OE (mix effect) and in services (fall in flight hours and grounding of part of the H225 Super Puma fleet)
**FX Hedging: $18.1bn hedge portfolio***(April 11, 2017)***

**Yearly exposure: $7.5bn to $8.0bn**

*Increasing level of net USD exposure for 2017-20 in line with the growth of businesses with exposed USD revenue*

---

**2017 & 2018 fully hedged**

<table>
<thead>
<tr>
<th>Year</th>
<th>Exposure ($bn)</th>
<th>Hedge Rate</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>7.5</td>
<td>1.24</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>7.5</td>
<td>1.21</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>7.7</td>
<td>1.18</td>
<td>5.3</td>
<td>2.7</td>
<td>2.0</td>
</tr>
<tr>
<td>2019</td>
<td>1.15-1.18</td>
<td>1.13-1.18</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>1.13-1.18</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

**2018**
- Fully hedged at 1.18

**2019**
- $2.7bn 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 $1.18 as long as €/$<1.25 up to end 2017
- Knock out options barriers set at various levels between $1.16 and $1.45 with maturities up to one year

**2020**
- $2.0bn achieved through forward sales and short dated knock out option strategies to rise to a maximum of $6.4bn at a target rate between $1.13 and $1.18 as long as €/$<1.25 up to mid 2018
- Knock out options barriers set at various levels between $1.16 and $1.45 with maturities up to 2 years

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

Philippe PETITCOLIN - CEO
2017 key assumptions unchanged

Increase in aerospace OE deliveries

Civil aftermarket growth at the same level as 2016

Transition CFM56 – LEAP: overall impact on Propulsion adjusted recurring operating income in the range € 300 to 350 million

- Lower CFM56 OE volumes
- Negative margin on LEAP deliveries and depreciation of inventory and WIP related to future deliveries

Reduction of self-funded R&D of the order of € 100 million

- Less spending on LEAP, A320neo

Falling capitalisation, rising amortisation of capitalised R&D: impact on recurring operating income in the range € 50 to 100 million

Sustained level of tangible capex, including expansions, new production capacity and tooling, around € 850 million, to support production transitioning and ramp-up

Continued benefits from productivity improvement
In the first quarter of 2017, all the businesses comprising the Security activities are classified as “discontinued operations”. As a result, the comparison to 2016 and guidance for 2017 are based on continuing operations: Propulsion, Aircraft Equipment, Defense, Holding & Others.

In addition, starting on July 1, 2016, Safran accounts for its share in Airbus Safran Launchers using the equity method and no longer records revenue from space activities. In 2017 the change is expected to impact revenue by €312 million corresponding to the first half of 2016 (of which €114 million euros in the first quarter) when these activities had been fully consolidated.

Safran expects for 2017 on a full-year basis:

- Adjusted revenue to grow in the range 2% to 3% (at an estimated average rate of USD 1.10 to the Euro). Excluding the effect of the equity accounting of ASL from July 1, 2016 revenue growth is expected to be in the low to mid single digits.

- Adjusted recurring operating income close to the 2016 level.

- Free cash flow representing above 45% of adjusted recurring operating income, an element of uncertainty being the rhythm of payments by state-clients.
## Q1 2017 consolidated and adjusted revenue

<table>
<thead>
<tr>
<th>Q1 2017</th>
<th>Consolidated revenue</th>
<th>Hedge accounting</th>
<th>Business combinations</th>
<th>Adjusted revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>(In Euro million)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>4,181</td>
<td>(199)</td>
<td>na</td>
<td>3,982</td>
</tr>
</tbody>
</table>

Hedge accounting:
- Re-measurement of revenue
- Deferred hedging gain (loss)

Business combinations:
- Amortization of intangible assets - Sagem/Snecma
- PPA impacts - other business combinations
- Other business combinations
## Aerospace OE / Services revenue split

### Reported change of Propulsion OE revenue

From July 1, 2016, the space launcher business no longer contributes to Aerospace propulsion OE revenue whereas it had done so in 2016 (Euro 114 million in Q1 2016).

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Q1 2016</th>
<th>Q1 2017</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Adjusted data</strong> (in Euro million)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Aerospace Propulsion</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OE</td>
<td>1,047</td>
<td>907</td>
<td>(13.3)%</td>
</tr>
<tr>
<td>% of revenue</td>
<td>45.5%</td>
<td>38.4%</td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td>1,254</td>
<td>1,453</td>
<td>15.9%</td>
</tr>
<tr>
<td>% of revenue</td>
<td>54.5%</td>
<td>61.6%</td>
<td></td>
</tr>
<tr>
<td><strong>Aircraft Equipment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OE</td>
<td>844</td>
<td>925</td>
<td>9.6%</td>
</tr>
<tr>
<td>% of revenue</td>
<td>69.2%</td>
<td>69.3%</td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td>375</td>
<td>410</td>
<td>9.3%</td>
</tr>
<tr>
<td>% of revenue</td>
<td>30.8%</td>
<td>30.7%</td>
<td></td>
</tr>
</tbody>
</table>
## Quantities of major aerospace programs

<table>
<thead>
<tr>
<th>Number of units delivered</th>
<th>Q1 2016</th>
<th>Q1 2017</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>CFM56 engines</td>
<td>442</td>
<td>345</td>
<td>(22)%</td>
</tr>
<tr>
<td>LEAP engines</td>
<td>-</td>
<td>81</td>
<td>-</td>
</tr>
<tr>
<td>High thrust engines</td>
<td>186</td>
<td>137</td>
<td>(26)%</td>
</tr>
<tr>
<td>Helicopter engines</td>
<td>133</td>
<td>147</td>
<td>11%</td>
</tr>
<tr>
<td>M88 engines</td>
<td>7</td>
<td>7</td>
<td>-</td>
</tr>
<tr>
<td>787 landing gear sets</td>
<td>33</td>
<td>32</td>
<td>(3)%</td>
</tr>
<tr>
<td>A350 landing gear sets</td>
<td>10</td>
<td>21</td>
<td>x2</td>
</tr>
<tr>
<td>A380 nacelles</td>
<td>25</td>
<td>13</td>
<td>(48)%</td>
</tr>
<tr>
<td>A330 thrust reversers</td>
<td>17</td>
<td>23</td>
<td>35%</td>
</tr>
<tr>
<td>A320neo nacelles</td>
<td>-</td>
<td>41</td>
<td>-</td>
</tr>
<tr>
<td>A320ceo thrust reversers</td>
<td>131</td>
<td>119</td>
<td>(9)%</td>
</tr>
<tr>
<td>Small nacelles (biz &amp; regional jets)</td>
<td>158</td>
<td>96</td>
<td>(39)%</td>
</tr>
</tbody>
</table>
FX hedging: benefiting margins over 2016-2020e

Estimated impact on recurring operating income of targeted €/$ hedge rates

- **2016:** 1.24
- **2017e:** 1.21
- **2018e:** 1.18
- **2019e:** 1.18
- **2020e:** 1.18

€/$ hedge rate

EBIT impact vs previous year (in €M)

- Up to 50M: 0€
- Up to 100M: 0€
- Up to 150M: 100€
- Up to 200M: 200€

€300M to €550M of tailwind over 2017-2020e
Civil aftermarket (expressed in USD)

◆ This unaudited performance indicator comprises spares and MRO (Maintenance, Repair & Overhaul) revenue for all civil aircraft engines for Safran Aircraft Engines and its subsidiaries only and reflects the Group's performance in civil aircraft engines aftermarket.

Discontinued operations

◆ Safran entered into exclusive negotiations with Advent International/Oberthur Technologies to sell Safran’s identity and security activities (announced September 29, 2016). Following this decision, all the businesses comprising Safran’s Identity & Security activities have been classified as “discontinued operations” at the end of September 2016, including Detection activities which had been classified as assets and liabilities held for sale since the announcement on April 21, 2016 of the signing of an agreement for their sale to Smiths Group. The contribution of the I&S activities to Safran’s financial statements is therefore presented separately from Safran’s continuing operations: Propulsion, Aircraft Equipment, Defense and Holding & Others. The sale of Safran’s Detection activities to Smiths Group was finalised on April 6, 2017.
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