THIRD-QUARTER 2013 REVENUE

Jean-Paul Herteman - Chairman & CEO

Ross McInnes - Deputy CEO, CFO

/ October 24, 2013 /
LEAP program status

Launch of a 3-year certification programme
- 3 applications
- 60 test engines
- Simulation of 15 years of operation
- 40,000 cycles
- Certification of LEAP-1A in 2015, EIS 2016

Preparing for production readiness
- CFM has a world-class supply chain
- LEAP ramp-up supported by CFM56 success
- Investments in new and enhanced manufacturing facilities and technology

1,131 firm orders and commitments received so far in 2013
- Bringing total backlog to 5,483 engines

Commencement of ground testing: a critical milestone achieved
Silvercrest program status

- **Safran will provide a complete propulsion system for the Dassault Falcon 5X**
  - Previously signed but unnamed customer

- **Testing commenced in 2012**
  - Ground tests
  - Dedicated flying test bed
  - Certification of Silvercrest in 2015, EIS of Falcon 5X in 2017

- **Silvercrest has also been chosen by Cessna**
  - Selected to equip its Citation Longitude business jet

Today’s most advanced business jet engine now powering the Falcon 5X
Q3 2013 business highlights

**Security: detection**

Nice Côte d’Azur International Airport in Nice, France purchased four high-speed CTX 9800 DSI™ explosives detection systems.

**Morpho: biometry**

Agreement with INTERPOL to provide automated biometric identification systems, security solutions and to collaborate on the subject of border security.

**Helicopter turbines: service contract**

Turbomeca will support the fleet of RTM 322 engines powering the UK MoD Merlin and Apache helicopters under a 6-year, £367 million contract.

**Defence: laser gyro inertial navigation**

Modernization of the navigation and alignment system on Charles-de-Gaulle aircraft carrier.
Q3 2013 and 9m 2013 financial highlights

- Q3 organic growth was 10.9%: contribution of acquisitions (principally GEPS) offset by translation impact of weaker forex, notably USD, GBP, CAD, BRL and INR.

- Aerospace (Propulsion and Equipment) activities continue to benefit from civil aftermarket growth and original equipment momentum.

- Civil aftermarket was up 45.2% in Q3 in USD terms, comparing the robust level of revenue in Q3 2013 to the dip in activity in Q3 2012. Maintenance of recent CFM56 and GE90 engines drove revenue growth. Year-to-date growth was 25.5%: favourable positioning to achieve low-teens annual guidance despite a tough comparison base in Q4.

- Defence revenues were slightly up in Q3; Security declined due to adverse currency variations.
Q3 2013 Financials
All revenue figures in this presentation represent Adjusted revenue (see annexe for reconciliation 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**

**Fx impact during Q3 2013**

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

<table>
<thead>
<tr>
<th></th>
<th>Average spot rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q3 2012</td>
</tr>
<tr>
<td>$</td>
<td>$ 1.25</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>Hedge rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q3 2012</td>
</tr>
<tr>
<td>$</td>
<td>$ 1.32</td>
</tr>
</tbody>
</table>

1.28 USD achieved for FY 2013
Q3 2013 revenue bridge

(Q3 2013 at Q3 2012 perimeter and exchange rate)

Cash bridge:

+10.9% organic

+ 9.7%

Q3 2013

3,477

3,389

3,437

3,134

343

(88)

48

Q3 2012

Organic variation

Currency impact

Acquisitions & activities newly consolidated
## Q3 2013 revenue by activity

### Main growth drivers

- **Positive OE volumes:**
  - **Propulsion:** increasing rates of assembly of narrowbody aircraft (CFM56) and favourable volume and mix in high thrust engine modules (GE90)
  - **Equipment:** increased deliveries of landing and wiring systems (787, A320, A330), of thrust reversers (A320, A330) and of nacelles (A380, regional and business jets)

- **Continued momentum in civil aftermarket, thanks to the contribution of recent CFM56 and GE90 engines**

- **Growth in Avionics, primarily due to the strength in the inertial navigation activity**

### Offsetting impacts

- **Currency variations, affecting Security activities (translation effect)**

### Table: Q3 2012 vs Q3 2013 revenue by activity (in Euro million)

<table>
<thead>
<tr>
<th>Adjusted data</th>
<th>Q3 2012</th>
<th>Q3 2013</th>
<th>Change reported</th>
<th>Change organic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace propulsion</td>
<td>1,635</td>
<td>1,815</td>
<td>11.0%</td>
<td>12.9%</td>
</tr>
<tr>
<td>Aircraft equipment</td>
<td>850</td>
<td>990</td>
<td>16.5%</td>
<td>14.9%</td>
</tr>
<tr>
<td>Defence</td>
<td>276</td>
<td>278</td>
<td>0.7%</td>
<td>2.2%</td>
</tr>
<tr>
<td>Security</td>
<td>371</td>
<td>354</td>
<td>(4.6)%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Others</td>
<td>2</td>
<td>0</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>3,134</td>
<td>3,437</td>
<td>9.7%</td>
<td>10.9%</td>
</tr>
</tbody>
</table>
## 9M 2013 revenue by activity

<table>
<thead>
<tr>
<th>Adjusted data (in Euro million)</th>
<th>9m 2012</th>
<th>9m 2013</th>
<th>Change reported</th>
<th>Change organic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace propulsion</td>
<td>4,901</td>
<td>5,588</td>
<td>14.0%</td>
<td>14.7%</td>
</tr>
<tr>
<td>Aircraft equipment</td>
<td>2,637</td>
<td>2,951</td>
<td>11.9%</td>
<td>9.9%</td>
</tr>
<tr>
<td>Defence</td>
<td>916</td>
<td>876</td>
<td>(4.4)%</td>
<td>(3.7)%</td>
</tr>
<tr>
<td>Security</td>
<td>1,090</td>
<td>1,087</td>
<td>(0.3)%</td>
<td>1.7%</td>
</tr>
<tr>
<td>Others</td>
<td>3</td>
<td>1</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td><strong>9,547</strong></td>
<td><strong>10,503</strong></td>
<td><strong>10.0%</strong></td>
<td><strong>10.1%</strong></td>
</tr>
</tbody>
</table>
Fx hedging: improving rate in 2014

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

Hedge portfolio, October 15, 2013
Total: $14.7bn

Estimated exposure needs
In US$ bn

<table>
<thead>
<tr>
<th>Year</th>
<th>Achieved</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>4.3</td>
<td>1.37</td>
</tr>
<tr>
<td>2012</td>
<td>5.0</td>
<td>1.32</td>
</tr>
<tr>
<td>2013</td>
<td>5.3</td>
<td>1.28</td>
</tr>
<tr>
<td>2014</td>
<td>5.4</td>
<td>1.27</td>
</tr>
<tr>
<td>2015</td>
<td>~5.4</td>
<td>1.25</td>
</tr>
<tr>
<td>2016</td>
<td>~5.4</td>
<td>1.25</td>
</tr>
</tbody>
</table>

→ 2013 and 2014 are fully hedged

→ 2015 hedging almost finalized

- $5.1bn achieved at $1.25 to rise to $5.4bn at $1.26 as long as €/$<1.42 in 2013 and 2014

→ Further increase in 2016 hedging

- $3.4bn achieved at $1.25 to rise to $4.9bn at $1.25 as long as €/$<1.42 up to end of 2014
Fx hedging: benefiting margins over 2013-2016

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

Cumulative €210M tailwind in profits over 2013-2016E
Conclusion
FY 2013 outlook

The full-year 2013 adjusted revenue and adjusted EBIT outlook is confirmed:

- Adjusted revenue to increase by a percentage in the *mid-to-high single digits* on the basis of an average spot rate of €/$ 1.29

- Adjusted recurring operating income to increase by *around 20%* at a hedged rate of €/$ 1.28

- Regarding free cash flow, cash flow linked to business performance is likely to be consistent with objectives, while uncertainty remains concerning the rhythm of payments (including advance payments) by State-customers in the fourth quarter

Healthy prospects beyond 2013 as well
Additional information
### Q3 & 9M 2013 consolidated and adjusted revenue

<table>
<thead>
<tr>
<th></th>
<th>Q3 2013</th>
<th>9m 2013</th>
<th>Hedge accounting</th>
<th>Business combinations</th>
<th>Adjusted consolidated income statement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(In Euro million)</td>
<td>(In Euro million)</td>
<td>Re-measurement of revenue</td>
<td>Deferred hedging gain (loss)</td>
<td>Amortization of intangible assets - Sagem/Snecma</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>3,404</td>
<td>10,424</td>
<td>33</td>
<td>-</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>10,424</td>
<td>10,503</td>
<td>79</td>
<td>-</td>
<td>n/a</td>
</tr>
</tbody>
</table>
### Aerospace OE* / Services revenue split

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Q3 2012</th>
<th>Q3 2013</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>OE</td>
<td>Services</td>
<td>OE</td>
</tr>
<tr>
<td>Propulsion</td>
<td>903 (55.2%)</td>
<td>732 (44.8%)</td>
<td>913 (50.3%)</td>
</tr>
<tr>
<td>Equipment</td>
<td>590 (69.4%)</td>
<td>260 (30.6%)</td>
<td>700 (70.7%)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenue</th>
<th>9m 2012</th>
<th>9m 2013</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>OE</td>
<td>Services</td>
<td>OE</td>
</tr>
<tr>
<td>Propulsion</td>
<td>2,625 (53.6%)</td>
<td>2,276 (46.4%)</td>
<td>2,899 (51.9%)</td>
</tr>
<tr>
<td>Equipment</td>
<td>1,878 (71.2%)</td>
<td>759 (28.8%)</td>
<td>2,094 (71.0%)</td>
</tr>
</tbody>
</table>
# Quantities of major aerospace programs

<table>
<thead>
<tr>
<th></th>
<th>Q3 2012</th>
<th>Q3 2013</th>
<th>%</th>
<th>9m 2012</th>
<th>9m 2013</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>CFM56 engines</td>
<td>333</td>
<td>373</td>
<td>12%</td>
<td>1,056</td>
<td>1,145</td>
<td>8%</td>
</tr>
<tr>
<td>High thrust engines</td>
<td>142</td>
<td>146</td>
<td>3%</td>
<td>385</td>
<td>450</td>
<td>17%</td>
</tr>
<tr>
<td>Helicopter engines</td>
<td>241</td>
<td>225</td>
<td>(7%)</td>
<td>671</td>
<td>713</td>
<td>6%</td>
</tr>
<tr>
<td>M88 engines</td>
<td>8</td>
<td>2</td>
<td>(75%)</td>
<td>16</td>
<td>16</td>
<td>-</td>
</tr>
<tr>
<td>A380 nacelles</td>
<td>12</td>
<td>20</td>
<td>67%</td>
<td>72</td>
<td>72</td>
<td>-</td>
</tr>
<tr>
<td>A330 thrust reversers</td>
<td>36</td>
<td>58</td>
<td>61%</td>
<td>105</td>
<td>124</td>
<td>18%</td>
</tr>
<tr>
<td>A320 thrust reversers</td>
<td>106</td>
<td>138</td>
<td>30%</td>
<td>342</td>
<td>399</td>
<td>17%</td>
</tr>
<tr>
<td>Small nacelles (biz &amp; regional jets)</td>
<td>135</td>
<td>143</td>
<td>6%</td>
<td>370</td>
<td>400</td>
<td>8%</td>
</tr>
</tbody>
</table>
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
Silvercrest: the new standard in the business jets market

The **most advanced** Business Jet engine…

…for the **highest potential** market segment in business jet aviation …

…already selected on **2 platforms**.
Silvercrest

The new generation business jet engine

Designed to power Super Midsize up to Long Range Business Jets

Delivering significant performance benefits

A Snecma engine, based on the company’s long-standing expertise in commercial and military aircraft engines
Business jets current fleet: 19,259 aircraft

2012 world fleet, distribution by segments

- SMS
- Large and Super Large/Long Range

- Early 60s
- Early 70s
- Early 90s
- Early 00s

Competitive engine technologies

15,032 aircraft

1,747 aircraft

1,455 aircraft

1,830 aircraft

Source: Amstat, Nov 2012

SMS, Large and Super Large/Long Range represent 26% of the global fleet
Market dynamics and deliveries forecast

- Demand drivers: range and speed, cabin comfort, environmentally friendly

- Market shifting towards higher-end segments: more resilient to cycles, driven by globalisation requiring long range trips

- Strong growth expected in new and emerging markets

Deliveries: 20 year outlook (2012-2031E)

- Total: 22,300 deliveries
- 8,000+ aircraft (36% of total aircraft) to be delivered in SMS to Super Large segments
- Generating 46% of sales
Silvercrest differentiating technologies

- **High efficiency Fan**
  - 42.5” - Wide Chord Blades
  - 3D Aero design

- **Booster**
  - 3D Aero design

- **High Pressure Turbine**
  - Single Stage - 3D Aero design
  - Advanced cooling
  - Active Clearance Control

- **Low Pressure Turbine**
  - High efficiency 3D Aero design
  - 4 stages

- **High Pressure Compressor**
  - High pressure ratio – 3D Aero design
  - Low stage count: 4 axial blisks, 1 new generation impeller

- **Fadecc**
  - New generation Engine Control Unit

- **Operations**
  - CFM reliability and maintenance standards
  - Real time health monitoring
Delivering significant performance benefits

Thrust range: 9,500 - 12,000 lbf

Fuel efficiency and CO₂ emissions
15% Lower than current engines

NOx
50% margin versus CAEP/6 standards

Noise
New regulation compliant (Chapter 14)

Support services
24/7 worldwide
Real time in-flight monitoring
Silvercrest timeline

2006
Core design & development

2008
Core testing

2010
Full-scale engine development

2012
First engine ground test

2013
Start of flight tests

2014
Production starts

2015
Engine certification

2017
Falcon 5X Certification

Powering Dassault Falcon 5X

Selected by Cessna for Citation Longitude

Selected by Cessna for Citation Longitude
Program status

4 engines under test, component/subassembly tests completed

<table>
<thead>
<tr>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>- All thrust levels demonstrated</td>
</tr>
<tr>
<td>- Full takeoff thrust exceeded</td>
</tr>
<tr>
<td>- Acceleration to full thrust in 3.6 seconds</td>
</tr>
<tr>
<td>- Performance and operability demonstrated</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dynamic behavior</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Quiet operation</td>
</tr>
<tr>
<td>- Excellent vibration and balancing characteristics</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Endurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>- First test phase completed, allowing Permit to Fly</td>
</tr>
</tbody>
</table>
Engine test plan overview

- **8 engines** for ground and flight tests at Snecma

- **1 core engine**

- **30+ different** test campaigns

- **7 test benches**
  - closed, outdoor, high altitude

- **Engine control system**
  - dry and wet rigs

- **Flight tests**

- **20 engines** for aircraft OEM flight tests
Acquired in 2011

Dedicated **testbed** for the Silvercrest

Covers full business jet flight envelope

**Snecma flight test center** in Istres, southern France
Gearing up for production

Production organization
- Engine assembly/testing at Snecma’s Villaroche plant
- 95% of manufacturing suppliers selected

World-class partners

<table>
<thead>
<tr>
<th>Company</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aircelle (Safran)</td>
<td>Nacelle and thrust reverser</td>
</tr>
<tr>
<td>Techspace Aero (Safran)</td>
<td>Lubrication unit, booster, forward sump</td>
</tr>
<tr>
<td>Sagem (Safran)</td>
<td>Electronic control unit</td>
</tr>
<tr>
<td>Liebherr Aerospace</td>
<td>Bleed air system</td>
</tr>
<tr>
<td>Hamilton Sundstrand (UTC AS)</td>
<td>Accessory gear box</td>
</tr>
<tr>
<td>Woodward</td>
<td>Fuel pump metering unit, actuators</td>
</tr>
</tbody>
</table>

and Meggitt, Triumph, Hutchinson Aerospace…
Regional Service Hubs will provide direct support to customers

United States: North & South America

France: Europe, Africa, Middle East, India

Asia & South Pacific

Capabilities: 24/7 customer support, spare parts distribution, Mobile Maintenance Teams, training, etc.
Silvercrest: main elements of business model

- **Target 25-30% market share**
  - 2,000+ aircraft (4,000+ Silvercrest engines)

- **Business jet aviation specifics**
  - Typical utilisation profiles (annual cycles) are different from commercial aviation. This is reflected in engine sales conditions agreed with airframers
  - Aftermarket sales mainly through long term per the hour maintenance contracts

- **Total self-funded R&D to reach ~ €700M**
  - For 2 applications (2010-2017E)
  - Already spent 50%+ of these costs; most of it being capitalised

- **IRR in line with global Group targets**
Silvercrest: the new standard in business aviation

Today’s most advanced business jet engine, now powering the Falcon 5X