

## **PRESS RELEASE**

### **Safran announces the success of its offering of Bonds Convertible into and/or Exchangeable for New and/or Existing Shares (OCEANEs) of approximately €650 million**

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**Paris, 5 January 2016**

Safran (the **Company**) has today successfully realized an offering of bonds convertible into and/or exchangeable for new and/or existing shares (**OCEANEs**) due 31 December 2020 (the **Bonds**) by private placement, of a nominal amount of ?649,999,950.60 (the **Offering**).

The net proceeds of the Offering will be used for general corporate purposes.

The Bonds will bear a coupon of 0% and the issue price has been set at 104% of par, corresponding to an annual gross yield to maturity of -0.78%.

The nominal unit value of the Bonds has been set at ?89.32 representing a premium of 45% above the reference share price<sup>1</sup> on the regulated market of Euronext in Paris.

Settlement is expected to take place on 8 January 2016.

Unless previously converted, redeemed or purchased and cancelled, the Bonds will be redeemed at par on 31 December 2020 (or on the following business day if this date is not a business day).

The Bonds may be redeemed prior to maturity at the discretion of the Company, under certain conditions, and at the discretion of bondholders in case of Change of Control.

An application for the listing of the Bonds on the Open Market (**Freiverkehr**) of the Frankfurt Stock Exchange will be made. Such listing is expected on 8 January 2016.

This Offering has been managed by BofA Merrill Lynch, BNP Paribas and Cr?dit Agricole Corporate and Investment Bank acting as Global Coordinators, Joint Lead Managers and Joint Bookrunners in relation to the Offering.

## Conversion Right

Bondholders may exercise their conversion right at any time from the issue date and until the 7th trading day preceding the maturity date or the early redemption date.

The conversion ratio is set at one share per Bond subject to adjustments in certain cases.

Upon exercise of their conversion right, bondholders will receive at the option of the Company new and/or existing Safran shares.

The Safran new shares and/or existing eventually delivered shall carry current dividend rights.

## Dilution

Considering a Bond issue of ?649,999,950.60, represented by 7,277,205 Bonds of a nominal unit value of ?89.32, the maximum dilution would be of 1.7% if the Company decided to pay solely in new shares.

## Lock-up

In the context of the Offering, the Company has agreed to a lock-up undertaking of 90 days as of the issue date, subject to certain exceptions.

## Legal framework of the issue and placement

The Bonds have been offered only by way of a private placement, as per the authorization granted by the Company's extraordinary general meeting held on 23 April 2015 (21<sup>st</sup> resolution), in France and outside France (excluding the United States of America, Canada, Australia or Japan) to persons referred to in Article L. 411-2-II of the French monetary and financial code (*Code monétaire et financier*).

## Available information

The Offering of the Bonds is not subject to a prospectus approved by the French Financial Market Authority (*Autorité des marchés financiers*) (the **AMF**).

Detailed information on Safran, including especially its business, results, prospects and related risk factors are described in the Company's reference document filed with the AMF on 19 March 2015 under number D.15-0172, which is available together with all the press releases and other regulated information about the Company, on Safran's website (<https://www.safran-group.com>).

## Important information

This press release does not constitute or form part of any offer or solicitation to purchase or subscribe for or to sell securities to any person in the United States, Australia, Canada or Japan or in any jurisdiction to whom or in which such offer is unlawful, and the Offering of the Bonds is not an offer to the public in any jurisdiction, including France.

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No communication or information relating to the issuance by Safran of bonds convertible into and/or exchangeable for new and/or existing shares (the **Bonds**) may be transmitted to the public in a country where there is a registration obligation or where an approval is required. No action has been or will be taken in any country in which such registration or approval would be required. The issuance or the subscription of the Bonds may be subject to legal and regulatory restrictions in certain jurisdictions; none of Safran, Merrill Lynch International, BNP Paribas and Cr dit Agricole Corporate and Investment Bank assumes any liability in connection with the breach by any person of such restrictions.

The information contained in this press release is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this press release or its accuracy or completeness. The information in this press release is subject to change.

This press release is an advertisement and not a prospectus within the meaning of Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003 as amended, as implemented in each member state of the European Economic Area (the **Prospectus Directive**).

This press release is not an offer to the public, an offer to subscribe or designed to solicit interest for purposes of an offer to the public in any jurisdiction, including France.

The Bonds will be offered only by way of a private placement in France and outside France (excluding the United States of America, Canada, Australia or Japan) to persons referred to in Article L.411-2-II of the French monetary and financial code (*Code mon taire et financier*), without an offer to the public in any country (including France).

This press release may include statements that are, or may be deemed to be, forward-looking statements. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms believes, estimates, plans, projects, anticipates, expects, intends, may, will or should or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's business, results

of operations, financial position, liquidity, prospects, growth or strategies. Forward-looking statements speak only as of the date they are made.

Each of the Company, Merrill Lynch International, BNP Paribas and Cr?dit Agricole Corporate and Investment Bank and their respective affiliates expressly disclaims any obligation or undertaking to update, review or revise any forward looking statement contained in this press release whether as a result of new information, future developments or otherwise.

The date of listing of the Bonds may be influenced by things such as market conditions. There is no guarantee that listing will occur and you should not base your financial decisions on the Company?s intentions in relation to listing of the Bonds at this stage. Acquiring investments to which this press release relates may expose an investor to a significant risk of losing all of the amount invested. Persons considering making such investments should consult an authorised person specialising in advising on such investments. This press release does not constitute a recommendation concerning the Offering. The value of Bonds and shares can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of the Offering for the person concerned.

## European Economic Area

With respect to the Member States of the European Economic Area which have implemented the Prospectus Directive (the **?Relevant Member States?**), no action has been undertaken or will be undertaken to make an offer to the public of the Bonds requiring a publication of a prospectus in any Relevant Member State. As a result, the Bonds may only be offered in Relevant Member States:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive.

For the purposes of this paragraph, the expression **?offer to the public of Bonds?** in any Relevant Member States, means any communication, to individuals or legal entities, in any form and by any means, of sufficient information on the terms and conditions of the Offering and on the Bonds to be offered, thereby enabling an investor to decide to purchase or subscribe for the Bonds, as the same may be varied in that Member State.

These selling restrictions with respect to Member States apply in addition to any other selling restrictions which may be applicable in the Member States who have implemented the Prospectus Directive.

## France

The Bonds have not been and will not be offered or sold or cause to be offered or sold, directly or indirectly, to the public in France. Any offer or sale of the Bonds and distribution of any offering material relating to the Bonds have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d?investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors

(*investisseurs qualifiés*) and/or a restricted circle of investors (cercle restreint d'investisseurs) acting for their own account, as defined in, and in accordance with, Articles L. 411-2, D.411-1 and D.411-4 of the French monetary and financial code (*Code monétaire et financier*).

## **United Kingdom**

This press release is addressed and directed only (i) to persons located outside the United Kingdom, (ii) to investment professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"), (iii) to people designated by Article 49(2) (a) to (d) of the Order or (iv) to any other person to whom this press release could be addressed pursuant to applicable law (the persons mentioned in paragraphs (i), (ii), (iii) and (iv) all deemed relevant persons ("**Relevant Persons**"). The Bonds and, if applicable, the shares of Safran to be delivered upon exercise of the conversion rights (the "**Financial Instruments**") are intended only for Relevant Persons and any invitation, offer of contract related to the subscription, tender, or acquisition of the Financial Instruments may be addressed and/or concluded only with Relevant Persons. All persons other than Relevant Persons must abstain from using or relying on this document and all information contained therein.

This press release is not a prospectus which has been approved by the Financial Conduct Authority or any other United Kingdom regulatory authority for the purposes of Section 85 of the Financial Services and Markets Act 2000.

## **United States of America**

This press release may not be published, distributed or transmitted in the United States of America (including its territories and dependencies, any State of the United States of America and the district of Columbia). This press release does not constitute or form a part of any offer or solicitation to purchase for securities in the United States of America. The securities mentioned herein have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), the law of any state of the United States of America and may not be offered or sold in the United States of America to U.S. persons, or for the account or benefit of U.S. persons, except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act or the law of the above states. The Bonds will be offered or sold only outside of the United States of America and to people who are not some "U.S. persons" and in offshore transactions, in accordance with Regulation S of the Securities Act. Safran does not intend to register any portion of the proposed Offering in the United States of America and no public offering will be made in the United States of America.

## **Canada, Australia and Japan**

The Bonds may not and will not be offered, sold or purchased in Canada, Australia or Japan. The information contained in this press release does not constitute an offer of securities for sale in Canada, Australia or Japan.

The distribution of this press release in certain countries may constitute a breach of applicable law.

Merrill Lynch International, BNP Paribas and Crédit Agricole Corporate and Investment Bank are acting exclusively on behalf of Safran and no-one else in connection with the Offering and the Bonds. They will not regard any other person as their respective clients in relation to the Offering and will not be responsible to anyone other than Safran for providing the same protections as to any of their clients or to provide advice in connection with the Offering, the Bonds, the contents of this press release or any other transaction, arrangement or other matter described in this press release.

In connection with the Offering, Merrill Lynch International, BNP Paribas and Crédit Agricole Corporate and Investment Bank and any of their affiliates, may take up a portion of the Bonds in the Offering as a principal position and in that capacity may subscribe for, acquire, retain, purchase, sell, offer, offer to sell or negotiate for their own account such Bonds and other securities of Safran or related investments in connection with the Offering, the Bonds or the Company or otherwise. Accordingly, references to securities issued, offered, subscribed, acquired, placed or dealt should be read as including any issue, offer, subscription, acquisition, placement, dealing or negotiation made by Merrill Lynch International, BNP Paribas and Crédit Agricole Corporate and Investment Bank and any of their affiliates acting as investors for their own account. Merrill Lynch International, BNP Paribas and Crédit Agricole Corporate and Investment Bank do not intend to disclose the extent of any such above mentioned investments or transactions otherwise than in accordance with any applicable legal or regulatory requirements.

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<sup>1</sup>*The reference share price is equal to the volume-weighted average price of the Company's shares recorded on the regulated market of Euronext in Paris between the launch of the Offering until the determination of the final terms and conditions of the Bonds.*



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