

PRESS RELEASE

Safran enters into an agreement for the sale of Morpho Detection

Paris, April 21, 2016 - Safran (Euronext Paris: SAF) today announced that it has reached an agreement to sell Morpho Detection LLC, a US-based subsidiary of Safran, and other detection related activities to Smiths Group plc for an enterprise value of \$710 million.

Headquartered in Newark, California, Morpho Detection provides solutions for detecting and identifying chemical, biological, radiological, nuclear and explosive ("CBRNE") threats as well as other illicit items to improve security at airports, borders, and sensitive sites and events. Morpho Detection is part of Safran's Morpho business within its Security segment, and recorded revenue of \$320 million in 2015.

Morpho Detection will become part of Smiths Group plc's Detection segment, which designs and manufactures sensors that detect and identify explosives, weapons, chemical agents and other contraband.

"Morpho Detection is in a number of detection segments and global markets and very well positioned to benefit from attractive trends in its end markets. We believe it will be a very valuable addition to Smiths Group's portfolio" said Philippe Petitcolin, Chief Executive Officer of Safran. "This transaction is in line with our announced strategy to focus our development on the aerospace and defense markets", he continued.

"The threat environment for people and critical infrastructure around the world is constantly evolving and becoming more complex and sophisticated. The response, to keep people safe and the world running, demands cutting-edge technology and cost-efficient solutions" said Andrew Reynolds Smith, Chief Executive of Smiths Group plc.

He added: "Morpho Detection is a high quality business with a strong management team, and I am convinced that this combination provides a compelling competitive platform for product, service and technology leadership. The acquisition is consistent with our approach to increasingly focus investment in highly attractive technology-led markets, and will create significant value for shareholders and position us for long-term growth."

The transaction will generate a capital gain before tax at the current €/ \$

exchange rate.

The transaction is subject to regulatory approvals and customary closing conditions, and is expected to be completed early in 2017.



Safran is a leading international high-technology group with three core businesses: Aerospace (propulsion and equipment), Defence and Security. Operating worldwide, the Group has 70,000 employees and generated sales of 17.4 billion euros in 2015. Safran is listed on Euronext Paris and is part of the CAC40 index, as well as the Euro Stoxx 50 European index.

Safran Electronics & Defense is a world leader in optronics, avionics, electronics and critical software for both civil and defense applications. The company's products are deployed worldwide on more than 500 ships, 7,000 armored vehicles and 10,000 aircraft.

For more information: www.safran-group.com and www.safran-electronics-defense.com / Follow @Safran and @SafranElecDef on Twitter

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