

PRESS RELEASE

Safran enters into exclusive negotiations with Advent International, associated with Bpifrance, for the sale of its Identity and Security activities

- *Creation of a world champion of identification technologies*
- *Safran's Identity and Security businesses (Safran I&S) valued at Euro 2,425 Million*
- *Transaction expected to close in 2017*

September 29, 2016, Paris

Following an extensive review of the different strategic options to ensure the development of its identity and security activities, Safran (Euronext Paris: SAF) announces having received from Advent International a firm and irrevocable offer to acquire Safran's Identity and Security activities and has entered into exclusive negotiations on this basis.

The industrial project consists in bringing together Safran I&S with Oberthur Technologies to create a world champion with combined revenues of Euro 2.8 billion in the domain of identity technologies, strongly rooted in France. Its headquarters will remain in France, as will its leading R&D activities and key production capacities. The complementarity of this business combination with Oberthur Technologies was an essential criteria in the choice. This transaction would bring to Safran I&S further capacity to meet customers' requirements at a time when security in the digital world and emerging needs for public security are major challenges. The complementarity of Safran I&S' strengths with Oberthur Technologies would create a common, coherent and strong business combination to the benefit of employees.

Bpifrance will take a stake and join the Board.

Safran I&S recorded revenue of approximately Euro 1.6 billion in 2015 and employs 7,800 people in over 50 countries. The enterprise value is indicative of the quality of the asset and the ambition of the industrial project envisaged with Oberthur Technologies. The transaction would result in a pre-tax capital gain for Safran.

The transaction will be submitted to the employee representative bodies and is subject to regulatory approval notably in Europe and in the United States. The transaction is expected to close during 2017.

Ross McInnes, chairman of Safran's Board of Directors declared "upon the closing of this transaction, which would follow our agreement to sell our detection activities, Safran would be a group entirely focused on aerospace and defence and concentrated on its own path of strong growth and high profitability".

Philippe Petitcolin, Safran's CEO, stated "we examined all the options with the

objective of providing new development prospects for Safran's Identity and Security activities in a world in which digitalization and connectivity are accelerating. Their best-in-class technologies and world-leading positions are complementary to Oberthur Technologies and their combination will create a world champion in the technology, industrial and commercial domains”.



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. Working independently or in partnership, Safran holds world or European leadership positions in its core markets. The Group invests heavily in Research & Development to meet the requirements of changing markets, including expenditures of more than 2 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.

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

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