PRESS RELEASE

Safran: First half 2016 results

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- *Organic revenue increase of 6.5% thanks to continuing momentum in aerospace services and Security*
- *Record adjusted recurring operating margin rate: 14.6% of sales, with a strong improvement in Aircraft Equipment*
- *Good cash generation thanks to control of working capital*
- *Confirmation of organic outlook for 2016*

All figures in this press release represent adjusted[1] data, except where noted. Please refer to the definitions and reconciliation between first-half 2016 consolidated income statement and adjusted income statement. Comparisons are established against 2015 figures. Please refer to definitions contained in the Notes on page 12 and following of this press statement.

Safran companies now communicate under a single brand names and logo : Safran. All company names now include the Safran brand name along with a description of their business. The announcement of the transition and the correspondence between the former and current names was made on May 19, 2016 and is available on Safran?s website.

Key figures for first-half 2016

- **Adjusted revenue was Euro 8,936 million**, up 6.3% year-on-year. Adjusted revenue **growth** was **6.5% on an organic basis**.

- **Adjusted recurring operating income** [2] at Euro 1,309 million (14.6% of revenue), **up 11.8% year-on-year**. After one-off items totalling Euro (13) million, adjusted profit from operations was Euro 1,296 million.

- **Adjusted net income - Group share at Euro 862 million** (basic EPS of Euro 2.07 per share, diluted EPS of Euro 2.03 per share). Adjusted net income in the year-ago period included a post-tax capital gain from the sale of Ingenico Group shares. Excluding this capital gain, net income grew 15.7%.

- Consolidated (non-adjusted) net income - Group share at Euro 1,818 million, or Euro 4.37 per share including a non-cash profit of Euro 1,015 million, before related deferred tax impact, resulting from the change in fair value of the portfolio of currency derivatives used to hedge future cash flows and a capital gain of Euro 368 million resulting from the transfer of control of assets and investments contributed to Airbus Safran Launchers (see Note 1 on page 12).

- **Free cash flow generation was Euro 566 million** compared with Euro 96 million in the year-ago period due notably to strong control of working capital.

- **Net debt position was Euro 1,015 million** as of June 30, 2016, including a capital subscription of Euro 470 million made by Safran to equalise its share in Airbus Safran Launchers. A second subscription of Euro 280 million will be made during the second half 2016, bringing the total economic compensation to the previously announced amount of Euro 750 million.

- **H1 2016 civil aftermarket [3] was up 8.5%** in USD terms driven notably by recent CFM56, GE90 engines and services.

- **2016 guidance confirmed**[1].

[1] At constant structure**.**

Key business highlights

- CFM56 production totalises 30,000 since the beginning of the program and more than 11,100 LEAP orders and commitments as of the end of the Farnborough airshow.

- Record CFM56 production with 886 engines delivered in H1 2016

- LEAP-1A: CFM has started to ramp-up for the LEAP-1A and delivered 11 engines to Airbus. The first Airbus A320neo equipped with LEAP-1A engines was delivered on July 19, 2016 to Pegasus Airlines

- LEAP-1B: Certification of the LEAP-1B engine was simultaneously awarded by both EASA and the FAA on May 4, 2016, paving the way for entry into commercial service in the first half of 2017. So far four 737 MAX are in test and more than 800 hours of flight tests have been logged on over 300 flights. Measurements show that the engine is fully on track to meet the desired specifications.

- LEAP-1C: Propulsion system ready for first flight scheduled by the end of the year.

- Airbus Group and Safran finalised the creation of their Airbus Safran

Launchers 50/50 Joint Venture, opening a new chapter in the history of the launcher industry. As of July 1, 2016, the JV is a fully integrated world-class company with about 8,400 employees. On July 20, 2016 the European Commission authorised ASL?s acquisition of CNES?s stake in Arianespace.

- Safran Helicopter Engines was selected by Korean Aerospace Industries to power its Light Civil Helicopter and by the Defence Acquisition Program Administration of South-Korea to power its Light Armed Helicopter.

- Safran Landing Systems signed several carbon brakes contracts, notably with Hainan to equip 39 Boeing 787 (on top of the 10 Boeing 787 already equipped) and with Azul for 58 A320neo and 5 A350.

- Safran Electrical & Power was chosen to supply electrical harnesses for the Embraer Legacy 450 & 500.

- Over 3 million people are now enrolled in the TSA?s Pre?? programme for which MorphoTrust is the sole enrolment service provider.

- On April 21, 2016, Safran announced the signing of an agreement to sell Morpho Detection LLC and other detection related activities to Smiths Group for an enterprise value of USD 710 million. The transaction is subject to regulatory approvals and customary closing conditions, and is expected to be completed early in 2017. Please refer to the April 21 press statement for further information.

Paris, July 29, 2016

The Board of Directors of Safran (Euronext Paris: SAF), under the Chairmanship of Ross McInnes, met in Paris on July 28, 2016 to approve the financial statements for the first-half of 2016.

Executive commentary

CEO Philippe Petitcolin commented:

?Safran delivered on all its operational and financial commitments in H1 2016. I am particularly proud that we provided the first podded LEAP-1A engines to Airbus completely on schedule allowing on-time delivery to our launch customer, Pegasus. At the same time, production rates of equipment and engines for current generation aircraft have never been higher. We set a record for CFM56 production and delivered 886 engines in the first six months. Group operating income was up 11.8%, reaching a record 14.6% of sales, driven by services and by improvements in Equipment, Defence and Security as per our objectives.

In the coming months, the challenge of the LEAP ramp up will intensify. The team at Safran is fully mobilised to continue executing on our objectives."

First-Half 2016 results

Safran delivered a very strong performance in first-half 2016.

Solid growth in revenue. For first-half 2016, Safran?s revenue was Euro 8,936 million, up 6.3%, compared to Euro 8,403 million in the same period a year ago. This Euro 533 million increase reflects growth in Aerospace (propulsion and equipment) and in Security.

On an organic basis, Group revenue increased by 6.5%, or Euro 547 million. Organic revenue was determined by applying constant exchange rates and by excluding the effects of changes in scope of consolidation. Hence, the following calculations were applied:

Reported growth			**6.3%**
Impact of changes in scope,	Euro (2) million	(0.0)%	
Currency impact	Euro 16 million	(0.2)%	
Organic growth			**6.5%**

Currency variations unfavourably impacted revenue in the amount of Euro (16) million in the first-half 2016, reflecting a negative translation effect on non-Euro revenues, particularly GBP. The average USD/EUR spot rate was 1.12 to the Euro in the first-half 2016, stable compared to the year-ago period. The Group?s hedge rate improved to USD 1.24 to the Euro in the first-half 2016 from USD 1.25 in the year-ago period.

Recurring operating margin reached 14.6% of revenue. For first-half 2016, Safran?s recurring operating income was Euro 1,309 million, up Euro 138 million, or 11.8%, compared to Euro 1,171 million in the first-half 2015. The improvement on an organic basis was Euro 139 million, as the impact of currency was negligible and that of changes in the scope of consolidation amounted to Euro (1) million.

The improvement in recurring operating income was primarily driven by Aircraft Equipment where growth in aftermarket activities, particularly wheels and brakes, was strong. Defence and Security also contributed to growth.

One-off items totalled Euro (13) million during first-half 2016:

In Euro million	**H1 2015**	**H1 2016**
Adjusted recurring operating income	1,171	1,309
% of revenue	13.9%	14.6%
Total one-off items	**(4)**	**(13)**
Capital gain (loss) on disposals	-	-
Impairment reversal (charge) on intangible assets	-	-
Other infrequent & material non-operational items	*(4)*	*(13)*
Adjusted profit from operations	**1,167**	**1,296**
% of revenue	13.9%	14.5%

Adjusted net income - group share was Euro 862 million (Euro 2.07 per share) compared with Euro 1,164 million (Euro 2.80 per share) in first-half 2015 which included a post-tax capital gain of Euro 419 million from the sale of Ingenico Group shares.

In addition to the rise in profit from operations, this improved performance includes:

- Net financial expense of Euro (59) million, including cost of debt of Euro (24) million.
- Tax expense of Euro (342) million (27.6% apparent tax rate).

Dividend to shareholders

A dividend of Euro 1.38 per share was approved by the shareholders at the Annual General Meeting of May 19, 2016. An interim payment having been made in December 2015 (Euro 0.60 per share), a final payment of Euro 0.78 per share was made in May 2016.

Balance sheet and cash flow

Operations generated Euro 566 million of Free Cash Flow. The net debt position was Euro 1,015 million as of June 30, 2016 compared to a net debt position of Euro 748 million as of December 31, 2015. Free cash flow generation was driven by cash from operations of Euro 1,359 million, devoted principally to capital expenditures (stable at Euro 360 million) and to a controlled increase in working capital needs of Euro 64 million.

Outflows in the semester included notably the subscription to a first capital increase at ASL amounting to Euro 470 million with respect to the finalisation of Airbus Safran Launchers and a 2015 final dividend payment of Euro 325 million (Euro 0.78 per share) to parent holders.

As of June 30, 2016, Safran had cash & cash equivalents of Euro 2.4 billion and Euro 2.5 billion of secured and undrawn facilities available.

Capital expenditure

Capital expenditure amounted to Euro 360 million in the first half of 2016, equivalent to the year-ago period. As previously stated, 2016 should be another year of sustained capital expenditure as to ensure production transitioning and ramp-up, notably of LEAP engines.

Research & Development

Total R&D expenditures, including customer-funded, reached Euro 969 million.

The self-funded R&D effort before research tax credit was Euro 613 million or 6.9% of revenue in first-half 2016, a decrease of Euro 68 million compared to first-half 2015. Capitalised R&D fell 75 million Euros to 168 million, as expected, due mainly to lower expenditure on the LEAP programmes. In addition, following delivery to Airbus of the first engines for commercial aircraft, spending on the LEAP-1A programme is fully expensed since May 1, 2016 and amortisation of capitalised R&D has commenced. Thus, the impact on recurring operating income of expensed R&D was Euro 419 million, an increase of Euro 12 million compared to last year.

Technofan

On June 15, 2016, the Autorit? des March?s Financiers (AMF ? French financial markets regulator) authorised Safran?s public tender offer followed by a squeeze-out on the shares of Technofan not already held by Safran. Safran thus acquired the 30 495 shares in Technofan it did not already own, representing 4.85% of Technofan?s share capital, at a price of Euro 245 per share for an aggregate amount of Euro 7.5 million. Technofan was subsequently delisted from the Euronext Paris stock market.

Finalisation of phase 2 of Airbus Safran Launchers

On June 30, 2016, Safran contributed to ASL all the assets and liabilities relating to the design, development, production and commercial activities related to launcher propulsion systems for civil and military applications. To respect the 50-50 balance between both partners, Safran will make a Euro 750 million economic compensation based on the value of both groups? contributions to date. On June 30, 2016, concomitantly with the contribution of its assets, Safran subscribed to a Euro 470 million reserved capital increase in ASL Holding SAS. Airbus Group and Safran will finalize the adjustments relating to their respective contributions and undertake reclassifications of the joint-venture?s shares within both groups during second half 2016. Upon completion of these intragroup transactions, Safran will subscribe to a second Euro 280 million reserved capital increase in ASL Holding SAS, bringing the aggregate economic compensation to the Euro 750 million required to hold 50% of ASL Holding SAS

Full-year 2016 outlook

Safran?s expectation for growth on an organic basis is reaffirmed. With reference to the Group structure at end-2015, Safran expects for 2016 on a full-year basis:

- Adjusted revenue to increase by a percentage rate in the low single digits compared to 2015 (at an estimated average rate of USD 1.11 to the Euro).
- Adjusted recurring operating income likely to increase by around 5% with a further increase in margin rate compared to 2015 (at a hedged rate of USD 1.24 to the Euro). The hedging policy largely isolates adjusted recurring operating income from current EUR/USD variations except for the part generated in USD by activities located in the US, subject to the translation effect when converted into Euro.
- Free cash flow representing more than 40% of adjusted recurring operating income, an element of uncertainty being the rhythm of payments by state-clients.

Starting on July 1, 2016, Safran will account for its share in ASL using the equity method and thus no longer record revenue from space activities. In 2016, the change is expected to reduce revenue by approximately Euro 400 million and to have a slightly positive impact on adjusted recurring operating income.

Safran confirms the assumptions on which the guidance is based.

The full-year 2016 outlook is based on the following underlying assumptions:

- Healthy increase in aerospace OE deliveries
- Civil aftermarket growth at the low end of the initial range
- Start up costs of series Leap production
- Reduction of self-funded R&D of the order of Euro 100 million with a greater drop in capitalised amounts as spending declines on Leap, A350, helicopter turbines as they come closer to certification and entry into service. As a result of decreasing capitalisation and increasing amortisation of R&D costs, expensed R&D is expected to rise by around Euro 100 million.
- Sustained level of tangible capex, including expansions, new production capacity and tooling, around Euro 850 million, as requested by production transitioning and ramp-up
- Profitable growth for the Security business
- Continued benefits from productivity improvement.

Currency hedges

Safran?s hedging portfolio totalled USD 18.2 billion on July 27, 2016.

During the second quarter of 2016, coverage of 2018 net USD/EUR exposure increased to USD 5.7 billion (previously USD 4.3 billion). The total coverage to be ultimately achieved is unchanged at USD 8 billion, and the target hedge rate remains in the range USD 1.17 -1.20. Accumulator conditions and knock out options barriers and maturities are unchanged.

No other significant changes to the Group?s foreign exchange coverage are to be noted since the publication of first quarter revenue on April 26, 2016.

Business commentary for first-half 2016

Aerospace Propulsion

Revenue was Euro 4,857 million, up 8.3% (8.2% on an organic basis) compared to Euro 4,486 million in the year-ago period. Civil OE and service business on both civil and military programmes drove revenue growth.

OE revenues from civil engines grew driven notably by higher deliveries of CFM56 engines (886 units were delivered in H1 2016, up 8.6% compared to H1 2015). The second quarter saw the very first deliveries of Leap engines: revenue was recognised on 11 units. Military OE revenues also increased due to higher volumes of M88 and TP400 engines compared to the first half of 2015. Nine deliveries of M88 engines were recognised in the first-half, of which 7 were destined for export customers.

Helicopter turbines revenues declined in the high-single digit range impacted by lower OE sales and softer services activity, principally at customers in the Oil & Gas sector and as a result of the grounding of the H-225 helicopter fleet during the second quarter.

Overall service revenue in Propulsion was up 9.8% in Euro terms and represents a 55.1% share of revenue in the first-half. Civil aftermarket revenue grew by 8.5% in USD terms compared to H1 2015, still driven by overhauls of recent CFM56 and GE90 engines as well as services, including a positive, non-recurring contribution in the second quarter. Military aftermarket grew at a healthy rate.

Recurring operating income, at 19.4% of revenue, was Euro 942 million, flat compared to Euro 944 million (21.0% of revenue) in the year-ago period. Strong service activity as well as increased OE deliveries of CFM56 engines contributed positively. Headwinds to Propulsion margin included a decline in helicopter turbines, negative margin linked to first LEAP engines delivered and in production, as well as a higher level of expensed R&D than in 2015. R&D related to the LEAP-1A is expensed since May 2016 following the first delivery of series engines. The improvement in the hedged rate had a slight positive impact on profitability. Safran is executing a strong action plan to progressively reduce the production cost of LEAP engines and achieve breakeven at gross margin level before the end of the decade, as previously indicated.

Aircraft Equipment

Revenue of Euro 2,542 million, up 5.3% compared to the year-ago period. On an organic basis, revenue was up 4.9%.

Deliveries of wiring shipsets and landing gear to Airbus for the A350 programme doubled compared to the year-ago period. Those for the 787 programme showed increases again this year. Lower deliveries of A330 thrust reversers are the reflection of the announced assembly rate drop of that aircraft. Volumes of A320ceo thrust reversers attained record levels and deliveries of nacelles for A320neo commenced in the second quarter (8 units). 56 nacelles for A380 were delivered in the first half, seven more than in the year-ago period.

Service revenue grew by 14.9% and accounts for 31.2% of total sales. Growth was broad-based: the carbon brakes, landing gear and nacelles activities contributed positively.

Recurring operating income was Euro 271 million, an increase of 36.2% compared to Euro 199 million in the year-ago period. Return on sales increased 2.5 points to 10.7%, driven by increased volume and the first benefits of the strong cost reduction and productivity actions put in place to drive profitability improvements, mostly in landing systems and electrical systems. Lower R&D costs as programmes reach entry into service also favourably impacted profitability.

Defence

Revenue was down 5.2% at Euro 584 million compared to the year-ago period, as expected for the first-half of the year.

Optronics revenue declined due to lower sales of sighting systems and the end of the contribution of the FELIN programme. This drop was partially offset by increases in avionics (higher volumes of flight control systems and guidance kits, notably for export) and electronics (stronger FADEC sales).

Recurring operating income, at 3.8% of revenue, was nevertheless up at Euro

22 million compared to Euro 15 million (2.4% of revenue) in first-half 2015. Volume-driven increases in avionics and electronics more than offset a decline in Optronics. The level of expensed R&D dropped significantly compared to first half 2015. Self-funded R&D remains above 10% of sales in order to maintain technological leadership in the context of the end of the FELIN deliveries.

Security

First-half 2016 revenue of Euro 949 million increased 7.2% compared to Euro 885 million in the year-ago period. Excluding the conversion effect of currency variations, revenue grew by 10.4% on an organic basis.

Identity & Security and Detection businesses both contributed to revenue growth. Identity solutions grew strongly, particularly Federal contracts in the US, government solution in Middle-East Africa and Asia-Pacific, and law enforcement in Europe. Smart chip sales increased organically thanks to higher volumes with banking and telco customers.

Recurring operating income was up 19.7% at Euro 79 million (8.3% of revenue) compared to Euro 66 million (7.5% of revenue) in first-half 2015. The increased contribution of government ID projects, principally in the US, Digital Security & Authentication and the positive impact of cost reduction actions drove this growth, although partially offset by the adverse translation forex effect.

Holding and others

The reporting segment ?Holding and others? includes costs of general management as well as transverse services provided for the Group and its subsidiaries including central finance, tax and foreign currency management, Group legal, communication and human resources. In addition, the holding invoices subsidiaries for shared services including administrative service centres (payroll, recruitment, IT, transaction accounting), a centralised training organisation and Safran?s R&T centre.

The strong decrease (Euro 48 million) of Holding and others? impact on Group recurring operating income reflects strong cost reduction measures and rationalisation as well as the reversal of provisions.

Agenda

- Q3 2016 revenue : October 24, 2016

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Safran will host today a conference call open to analysts, investors and media at 8:30 am CET which can be accessed at +33 (0)1 70 77 09 36 (France), +44 (0) 203 367 9461 (UK) and +1 855 402 7764 (US). A replay will be available at +33 (0)1 72 00 15 00, +44 (0) 203 367 9460 and +1 877 642 3018 (access code 302147#).

The press release, presentation and consolidated financial statements are available on the website at www.safran-group.com.

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Key figures

Adjusted income statement *(In Euro million)*	H1 2015	H1 2016	% change
Revenue	**8,403**	**8,936**	**6.3%**
Other recurring operating income and expenses	(7,248)	(7,646)	
Share in profit from joint ventures	16	19	
Recurring operating income	**1,171**	**1,309**	**11.8%**
% of revenue	13.9%	14.6%	+0.7 pt
Other non-recurring operating income and expenses	(4)	(13)	
Profit from operations	**1,167**	**1,296**	**(11.1)%**
% of revenue	13.9%	14.5%	0.6pt
Net financial income (expense)	(39)	(59)	
Income tax expense	(353)	(342)	
Share in profit from associates	4	0	
Gain on disposal of Ingenico Group shares	419	-	
Profit for the period attributable to non-controlling interests	(34)	(33)	
Profit for the period attributable to owners of the parent	**1,164**	**862**	**(25.9%)**
EPS (basic in ?)	2.80*	2.07**	(0.73)%
EPS (diluted in ?)	2.80*	2.03**	(0.77)%

(*) based on a weighted average number of shares of 416,432,773 as of June30, 2015

(**) Based on a weighted average number of shares of 416,388,893 as of June30, 2016

(***) Based on a weighted average number of shares after dilution of 423,666,098 as of June30, 2016

Balance sheet - Assets *(in Euro million)*	Dec. 31, 2015	June 30, 2016
Goodwill	3,590	2,987
Tangible & Intangible assets	8,593	8,461
Investments in joint ventures and associates	765	1,864
Other non-current assets	1,403	860
Derivatives assets	408	551

Balance sheet - Assets (in Euro million)	**Dec. 31, 2015**	**June 30, 2016**
Invetories and WIP	4,518	4,356
Trade and other receivables	6,515	6,107
Cash and cash equivalents	1,845	2,353
Other current assets	870	800
Assets held for sale	-	639
Total Assets	28,507	28,978

Balance sheet - Liabilities (in Euro million)	**Dec. 31, 2015**	**June 30, 2016**
Equity	5,893	7,259
Provisions	3,456	3,199
Borrowings subject to sp. conditions	708	712
Interest bearing liabilities	2,628	3,459
Derivatives liabilities	4,108	3,139
Other non-current liabilities	703	593
Trade and other payables	10,602	9,967
Other current liabilities	409	550
Liabilities held for sale	-	100
Total Equity &aamp; Liabilities	**28,507**	**28,978**

Cash Flow Highlights (in Euro million)	**H1 2015**	**FY 2015**	**H1 2016**
Adjusted attributable net profit	**1,164**	**1,482**	**862**
Depreciation, amortization and provisions	458	1,688	298
Others	(127)	(357)	199
Cash flow from operations	**1,495**	**2,813**	**1,359**
Changes in working capital	(529)	(60)	(64)
Capex (tangible assets)	(359)	(758)	(360)
Capex (intangible assets)	(252)	(500)	(188)
Capitalisation of R&D*	(259)	(521)	(181)
Free Cash flow	**96**	**974**	**566**
Dividends paid	(285)	(540)	(351)
Divestments/acquisitions and others	193	321	(482)
Net change in cash and cash equivalents	**4**	**755**	**(267)**
Net debt at beginning of period	(1,503)	(1,503)	(748)
Net debt at end of period	**(1,499)**	**(748)**	**(1,015)**

* In first-half 2016, this includes ?(13) million in capitalized interest compared to ?(16) million in first-half 2015.

Segment breakdown of adjusted revenue *(in Euro million)*	H1 2015	H1 2016	% change	% change organic
Aerospace propulsion	4,486	4,857	8.3 %	8.2 %
Aircraft Equipment	2,414	2,542	5.3 %	4.9 %
Defence	616	584	(5.2) %	(5.2) %
Security	885	949	7.2 %	10.4 %
Others	2	4	-	-
Total Group	**8,403**	**8,936**	**6.3 %**	**6.5 %**

Segment breakdown of recurring operating income *(in Euro million)*	H1 2015	H1 2016	% change
Aerospace Propulsion	**944**	**942**	(0.2) %
% of revenue	21.0 %	19.4 %	
Aircraft Equipment	**199**	**271**	36.2 %
% of revenue	8.2 %	10.7 %	
Defence	**15**	**22**	46.7 %
% of revenue	2.4 %	3.8 %	
Security	**66**	**79**	19.7 %
% of revenue	7.5 %	8.3 %	
Others	(53)	(5)	Na
Total Group	**1,171**	**1,309**	**11.8 %**
% of revenue	13.9 %	14.6 %	

2015 adjusted revenue by quarter *(in Euro million)*	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015
Aerospace Propulsion	2,070	2,416	2,220	2,613	9,319
Aircraft Equipment	1,172	1,242	1,180	1,349	4,943
Defence	278	338	266	384	1,266
Security	414	471	474	519	1,878
Others	1	1	1	5	8
Total revenue	**3,935**	**4,468**	**4,141**	**4,870**	**17,414**

2016 adjusted revenue by quarter *(in Euro million)*	Q1 2016	Q2 2016	H1 2016
Aerospace Propulsion	2,301	2,556	4,857
Aircraft Equipment	1,219	1,323	2,542
Defence	269	315	584
Security	449	500	949
Others	2	2	4

2016 adjusted revenue by quarter (in Euro million)	Q1 2016	Q2 2016	H1 2016
Total revenue	**4,240**	**4,696**	**8,936**

Euro/USD rate	H1 2015	FY 2015	H1 2016
Average spot rate	1.12	1.11	1.12
Spot rate (end of period)	1.12	1.09	1.11
Hedged rate	1.25	1.25	1.24

Notes

[1] Adjusted data

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.

Safran?s consolidated income statement has been adjusted for the impact of:

- purchase price allocations with respect to business combinations. Since 2005, this restatement concerns the amortization charged against intangible assets relating to aircraft programmes revalued at the time of the Sagem-Snecma merger. With effect from the first-half 2010 interim financial statements, the Group has decided to restate the impact of purchase price allocations for business combinations. In particular, this concerns the amortization of intangible assets recognized at the time of the acquisition, and amortized over extended periods, due to the length of the Group's business cycles, along gains or losses remeasuring the Group?s previously held interests in an entity acquired in a step acquisition or assets contributed to a JV.
- 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.

The resulting changes in deferred tax have also been adjusted.

H1 2016 reconciliation between consolidated income statement and adjusted consolidated income statement:

H1 2016 *(in Euro million)*	Consolidated data	Currency hedging: Remeasurement of revenue	Currency hedging: Deferred hedging gain / loss	Business combinations: Amortization of intangible assets - Sagem-Snecma merger	Business combinations: PPA impacts - other business combinations	Adjusted data
Revenue	**9,255**	(319)	-	-	-	**8,936**
Other operating income and expenses	(7,761)	(3)	11	36	71	(7,646)

H1 2016 *(in Euro million)*	Consolidated data	Currency hedging Remeasurement of revenue	Deferred hedging gain / loss	Business combinations Amortization of intangible assets - Sagem-Snecma merger	PPA impacts - other business combinations	Adjusted data
Share in profit from joint ventures	19	-	-	-	-	19
Recurring operating income	**1,513**	**(322)**	**11**	**36**	**71**	**1,309**
Other non-recurring operating income and expenses	355	-	-	-	(368)	(13)
Profit (loss) from operations	**1,868**	**(322)**	**11**	**36**	**(297)**	**1,296**
Cost of debt	(24)	-	-	-	-	(24)
Foreign exchange gains (losses)	718	322	(1,015)	-	-	25
Other financial income and expense	(60)	-	-	-	-	(60)
Financial income (loss)	**634**	**322**	**(1,015)**	-	-	**(59)**
Income tax expense	(652)	-	345	(12)	(23)	(342)
Profit (loss) from continuing operations	**1,850**	-	**(659)**	**24**	**(320)**	**895**
Attributable to non-controlling interests	**(32)**	-	-	**(1)**	-	**(33)**
Attributable to owners of the parent	**1,818**	-	**(659)**	**23**	**(320)**	**862**

Readers are reminded that only the consolidated financial statements are reviewed by the Group?s statutory auditors. The consolidated financial statements include revenue and operating profit indicators set out in the adjusted data in Note 4, ?Segment information? of the half-year consolidated financial statements.

Adjusted financial data other than the data provided in Note 4, ?Segment information? of the consolidated financial statements, are subject to verification procedures applicable to all of the information provided in the half-year financial report.

[2] Recurring operating income

In order to better reflect the current economic performance, this subtotal named ?recurring operating income? excludes income and expenses which are largely unpredictable because of their unusual, infrequent and/or material nature such as: impairment losses/reversals, capital gains/losses on disposals of operations and other unusual and/or material non operational items.

[3] **Civil aftermarket** (agr?gat exprim? en USD)

This non-accounting indicator (non-audited) comprises spares and MRO (Maintenance, Repair & Overhaul) revenue for all civil aircraft engines for Safran Aircraft Engines and its subsidiaries and reflects the Group?s performance in civil aircraft engines aftermarket compared to the market.

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