

PRESS RELEASE

Safran hosts Capital Markets Day for Investors and Analysts

Paris, March 14, 2016 – Safran (Euronext Paris: SAF) is holding its Capital Markets Day event in London today for investors and financial analysts.

Ross McInnes, Chairman of the Board of Directors, will open the event, which will be hosted by Philippe Petitcolin, Chief Executive Officer, and see the participation of members of Safran's Executive Committee and the management team.

Summary of the presentations :

- **Strategy:** Safran will focus its development on the aviation and defense markets.
 - The CFM partnership will be the primary growth driver in the commercial engine business in the coming decades. Targeted opportunities for collaboration could be considered outside the scope of CFM, concerning helicopters, military engines, business and regional aviation, to support the development of these business lines.
 - Strengthen organically current aircraft equipment business lines with an interest in additions if they are consistent with Safran's identity and in strict compliance with Safran's financial objectives.
 - Maintain Safran's technology leadership in its current defense business lines.
 - Divestment under way of the detection business, and review of strategic options to ensure the development of the identity and security businesses.
- **Commercial engines:** update on the LEAP program, especially the resources engaged to ensure a successful introduction and production ramp-up.
- **CFM support services:** presentation of the outlook for growth in spare parts sales and MRO (maintenance, repair and overhaul) services for CFM engines, as well as the service offerings, especially "rate per flight hour" contracts that address customers' changing requirements.
- **On-board electrical systems:** description of the business model for the wiring and electrical systems business lines. Presentation of the measures being applied in order to improve competitiveness and profitability.

- **Landing systems, wheels & brakes:** presentation of the business model for these product lines for which the growth and profit outlook is ensured by investments to increase capacity, coupled with technological developments.
- **Innovation:** presentation of Safran Tech, the Group's Research & Technology center, designed to pool and intensify efforts to pave the way for major technological breakthroughs, illustrated by the product development plan for helicopter engines. Update on the creation of the new Safran Analytics unit.
- **Finance:** a review of the Group's accounting practices and preliminary views of the potential impact of the changes in standards expected in 2018. Explanation of the advantages offered by a medium-term hedging policy. Confirmation of a disciplined approach to capital allocation. Review of key trends and objectives for the period 2016-2020.

Safran reiterates its outlook for 2016, identifies trends and specifies objectives for the following years.

The period 2016-2020 will see several trends, on which Safran will keep investors current, in particular concerning currency exchange rates, as follows:

- Renewal of the Group's flagship product with the transition from CFM56 to LEAP, the effect of which on OE margins will be visible from 2016 to 2020, while maintaining an overall margin for this segment in the mid to high teens, in particular thanks to the momentum of the civil aftermarket activity.
- Improvement of about one point per year in the operational performance of the Aircraft Equipment, Defense and Security activities.
- During the transition period, the Group margin (adjusted recurring operating income as a percentage of adjusted sales) should remain consistent with the record set in 2015.
- Average free cash flow for the period at 50% of adjusted recurring operating income.

Safran has three main objectives for 2020, exiting this transition period:

- adjusted consolidated sales in excess 21 billion euros;
- adjusted recurring operating margin trending above 15%;
- a very strong increase in free cash flow compared with 2015.

These trends are in line with the goals outlined in 2013, reflecting a solid and predictable business model, along with high-quality execution, a top priority for management.

These trends assume current accounting standards. They include the advantages of a medium-term hedging policy that enables Safran to benefit from the improvement in the EUR/USD exchange rate, at least until 2020, under the conditions specified in the Group's latest publications. They also take into account the average spot rate assumption given in the presentations published on March 14, 2016. Safran is assuming that ASL will be consolidated using the equity method as a joint venture in 2016, with full-year consolidation starting in 2017. The free cashflow objective is subject to the usual uncertainties regarding the rhythm of payments by state-clients.

Live webcast and replay

The event will commence at 13:00 GMT in London on March 14, 2016.

A phone conference will be organized so analysts and investors may follow the event and participate in the Q&A session. The dial-in numbers are: +33 1 70 77 09 36 (France), +44 203 367 9459 (United Kingdom), and +1 855 402 7763 (United States).

The presentations may be downloaded and subsequently a replay will be made available at: www.safran-group.com/finance



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