

CMD'13

/ June 16, 2013 /

Welcome

/ June 16, 2013 /

Agenda

- 2:00** → **Welcome**
- 2:05 - 2:30** → **CEO perspective**
- 2:30 - 3:50** → **Civil engines**
- 3:50 - 4:10** → *Break*
- 4:10 - 5:20** → **Electrical aircraft**
- 5:20 - 6:20** → **Security**
- 6:20 - 6:50** → **Financial review**
- 6:50 - 7:00** → **Conclusion**
- 7:00** → *Dinner cocktail*

Speakers



JP. Herteman
Chairman & CEO



M. Ventre
Deputy CEO, Operations



R. McInnes
Deputy CEO, CFO

Civil engines



P. Fabre
Chairman & CEO
Snecma



O. Andries
Chairman & CEO
Turbomeca



F. Planaud
EVP Commercial Engines
Snecma

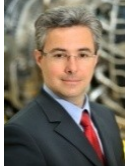


G. Doukhan
VP Material Services
Snecma

Electrical aircraft



C. Plumb
MD Safran Power
UK & USA



O. Savin
EVP EGTS International



O. Le Merrer
EVP, Wheels & Brakes
Messier-Bugatti-Dowty



JP. Cojan
EVP, Strategy
& Transformation



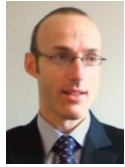
A. Sauret
Chairman & CEO
Messier-Bugatti-Dowty

Q&A

Security



Ph. Petitcolin
Chairman & CEO Morpho



T. Chenevier
VP Products & Markets,
Morpho Identification



B. Cotté
EVP, International

Q&A

Safe Harbor Statement

- These documents contain forward-looking statements. All statements other than statements of historical fact in this presentation, including, without limitation, those regarding our financial position, business strategy, management plans and objectives for future operations, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we expect to operate in the future. Important factors that could cause our actual results, performance or achievements to differ materially from those in the forward-looking statements include, among other factors:
- the cyclical nature of the aviation market;
 - the effects of exceptional and unpredictable events;
 - the impact of changes in competition;
 - fluctuations in exchange rates;
 - our ability to maintain high levels of technology.
- Forward-looking statements speak only as of the date of this presentation and we expressly disclaim any obligation or undertaking to release any update or revisions to any forward-looking statements in this presentation as a result of any change in our expectations or any change in events, conditions or circumstances on which these forward-looking statements are based.

Definitions

All figures in this presentation represent Adjusted data

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

- purchase price allocations with respect to material business combinations. Since 2005, this restatement concerns the amortization charged against intangible assets relating to aeronautical programs that were 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 all material business combinations (and not only those relating to the Sagem-Snecma merger). In particular, this concerns the amortization of intangible assets recognized at the time of the acquisition, and amortized over extended periods, justified by the length of the Group's business cycles;
- 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 hedging rate, i.e., including the costs of the hedging strategy,
 - the recognition of all mark-to-market changes on non-settled hedging instruments at the closing date is neutralized, including the "ineffective" portion, given that the Group's hedging strategy includes optional hedging instruments and optimization measures combined with highly volatile market inputs used to mark to market.

Recurring operating income

- It 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).

KEY MISSIONS, KEY TECHNOLOGIES, KEY TALENTS

Video clip

Safran highlights



Safran: executing our strategy

Jean-Paul Herteman - Chairman & CEO

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Resolutely pursuing our development strategy

2007

- **Reposition the Group**
- **Manage crisis**
- **Prepare CFM56 replacement**
- **Renew GE partnership**
- **Manage OE growth**
- **Invest in Security**

2013

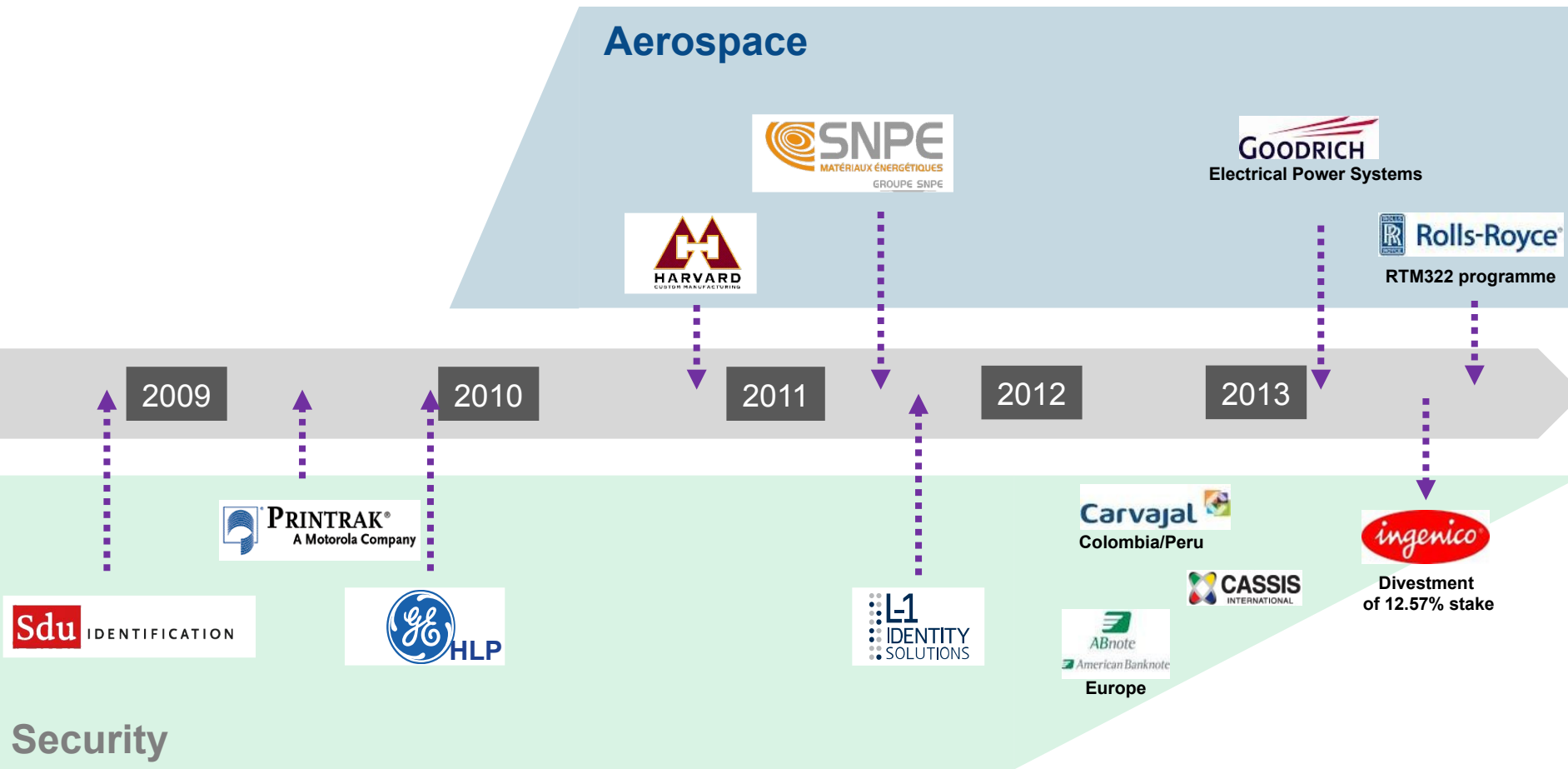


2020

- **Boost innovation**
- **Increase industrial capacity**
- **Deliver LEAP**
- **Grow services**
- **Deliver in Security**

Accelerate growth and deliver

Selective M&A aiming at profitable growth



2008-2011: built a security franchise



Dutch government printing office

Strong lever to win new ID deals: Albania, Chili, Mauritania, Kenya...
Renewed contract for all travel documents in the Netherlands
Achieved industrial synergies



Motorola biometric activities

Provided increased US footprint in the AFIS domain (notably with FBI)
Strong technical synergy between Printrak (architecture) and Morpho (biometric engine)
Achieved significant revenue synergies



General Electric detection systems

Acquisition of technology and strong US installed base generating recurring revenues
Positions Morpho for technology upgrade in Europe (regulatory implementation delayed to 2014)
Highest contribution margin within Morpho



Biometric access solutions, secure credentialing and enrolment services

Proxy structure operational; full costs synergies in 2013 (\$30M target)
Renewed driving licence contracts (still covering 80% of US drivers) generating recurring revenues
Financial performance below expectations initially due to protracted authorization period but now firmly on track to meet initial targets and growth opportunities thanks to non-government businesses

MorphoTrust (L-1 ID under proxy) current momentum provides confidence to achieve expected performance in 2013

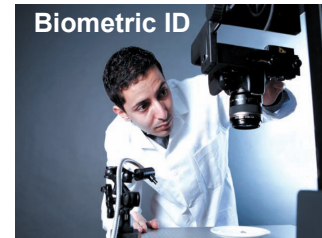
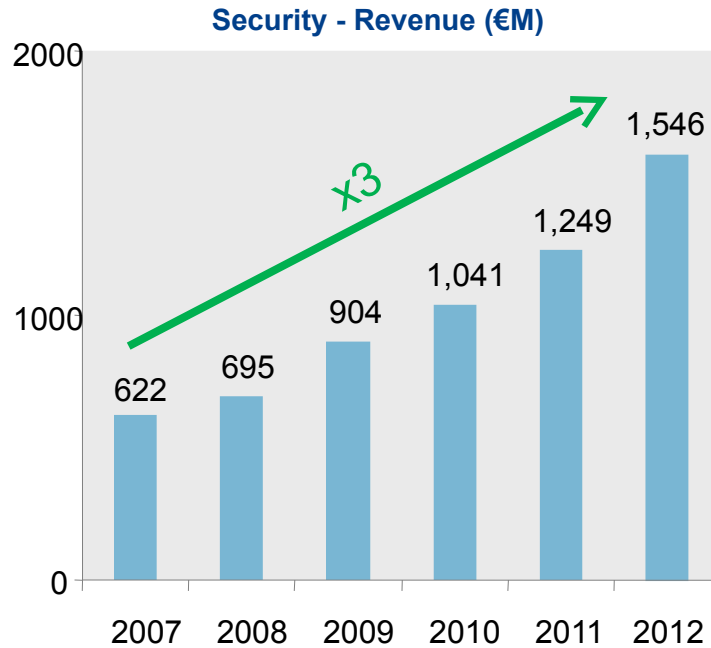
Ingenico: supporting development strategy while creating value for Safran shareholders

- Sagem acquired Ascom, a Swiss secure payment company, in 2002 for €23M
- Sagem Monetel profitably grew this business through 2008 (CAGR 15%) differentiating through a defence electronics technology and then contributed it to Ingenico in exchange for a 21% stake (book value of ~€200M)
- Based on Sagem Monetel technology and Ingenico global footprint:
 - Sales doubled in 5 years (€568M in 2007 to €1,206M in 2012)
 - EBITDA margin grew from 15% to 18.5% over the same period
 - R&D centre in Valence grew its staff by 50% in 5 years
- Ingenico share price grew from €14 to €45 at end 2012
- Ambitious 2016 roadmap: €1.8bn revenue and 20%+ EBITDA margin
- Safran sold 12.57% of its 22.8% stake in March 2013 for €287M
- Safran remains a strategic shareholder with 10.3% stake and 16.7% voting rights



Value x25 in 10 years
What differentiation in security technology can bring

Established global, world-class high-tech Security business



Biometric ID

N°1 worldwide in Automated Fingerprint Identification Systems (AFIS) & iris/face recognition



e-Documents

Over 800 million cards produced every year used for passports, ID cards, driving licenses, and banking cards



Detection

N°1 worldwide in Explosive Detection Systems (EDS) for Hold Baggage

€1.5bn revenue and 7,700 employees (of which 2,200 in the U.S.)

2010-today: complementary add-ons in aerospace



SNPE Matériaux Energétiques

Created a world leader in solid propulsion combined with Safran SPS assets
Provides very long term visibility and benefits from customer funding
On-going synergies



Electrical wiring systems

Extended customer presence in the US (civil/military, aircraft/helicopters)
Fully integrated into Labinal and producing high returns



Goodrich electrical power systems

Creating a European-based world leader in aerospace electrical power systems
Strong installed base and recurring aftermarket revenue



RTM322 engine programme

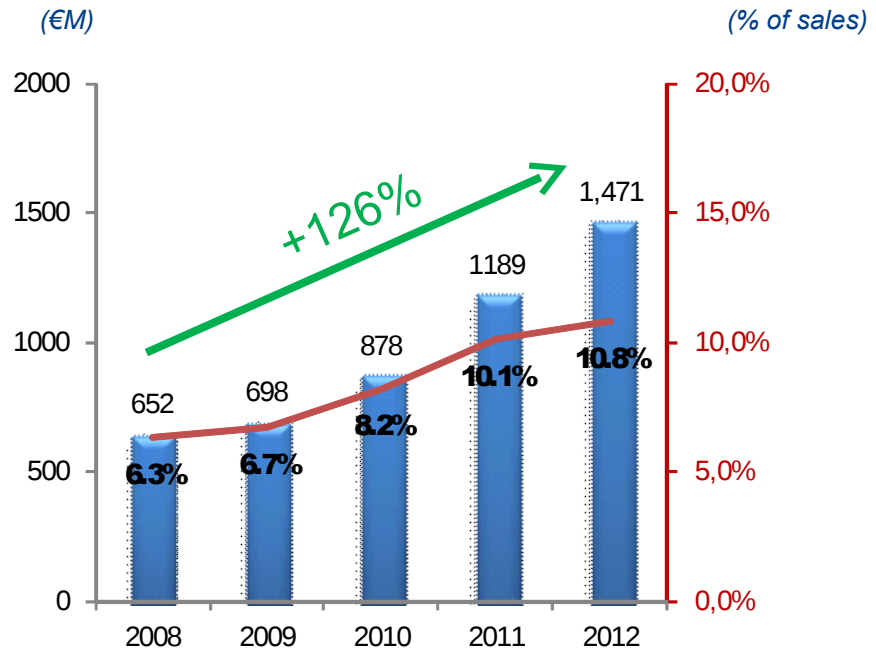
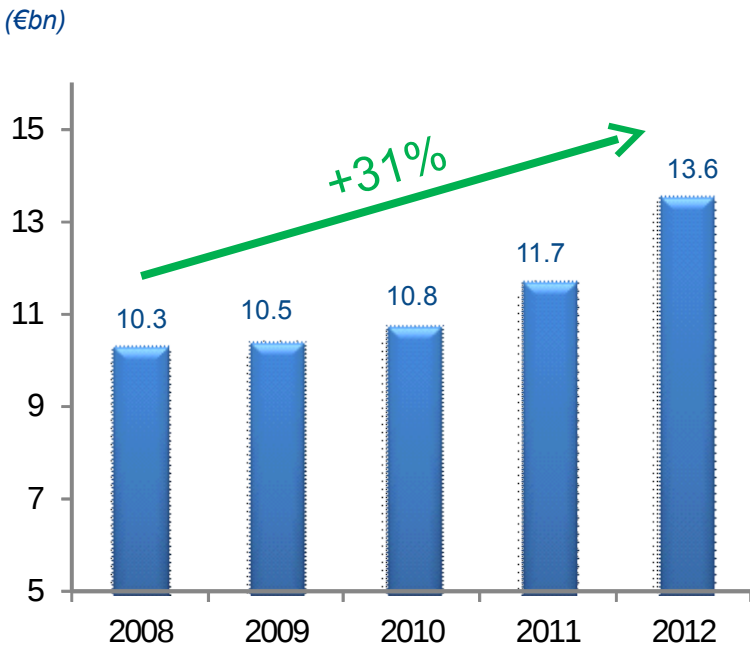
Safran announced the signing of a definitive agreement for the purchase of the
Rolls-Royce share of their RTM322 helicopter engine programme
Closing expected before year end 2013

Investing in core aerospace: engines and electrical systems

Safran: strategy delivering results

→ Revenue

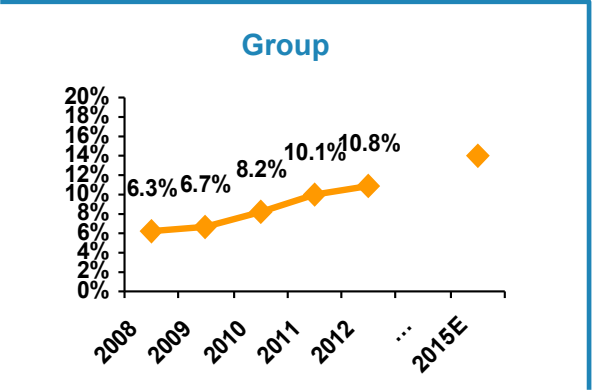
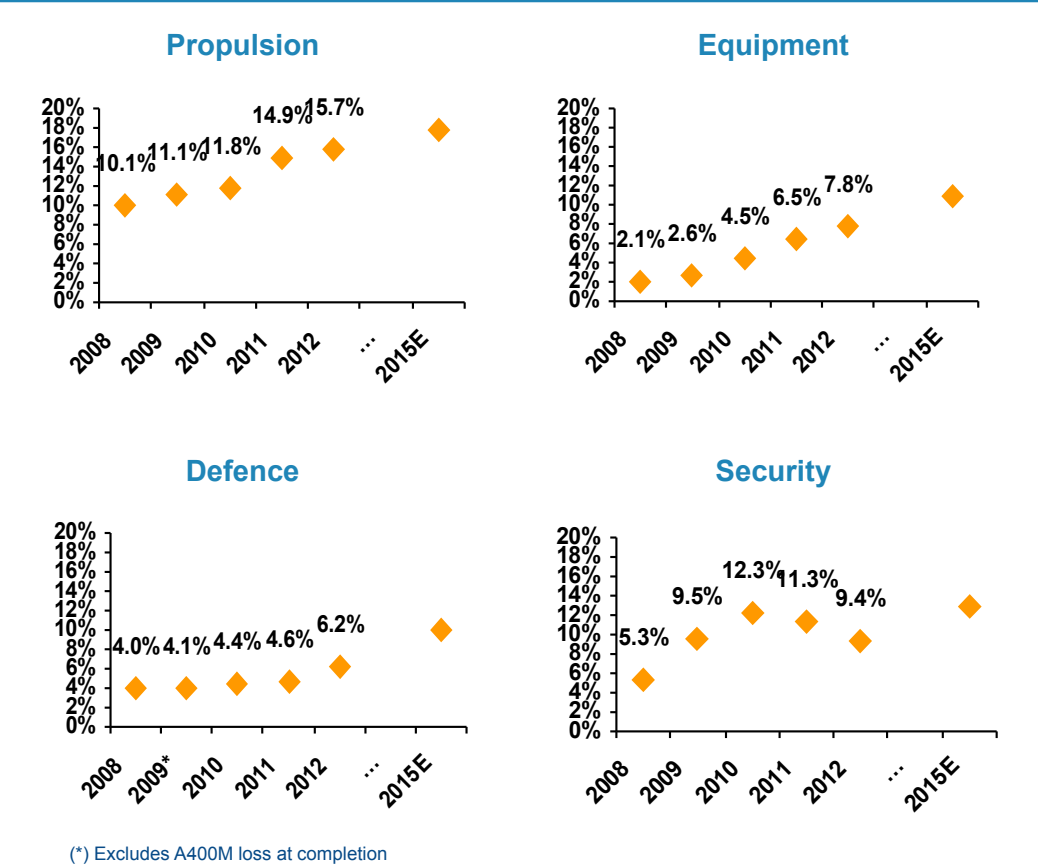
→ Recurring EBIT



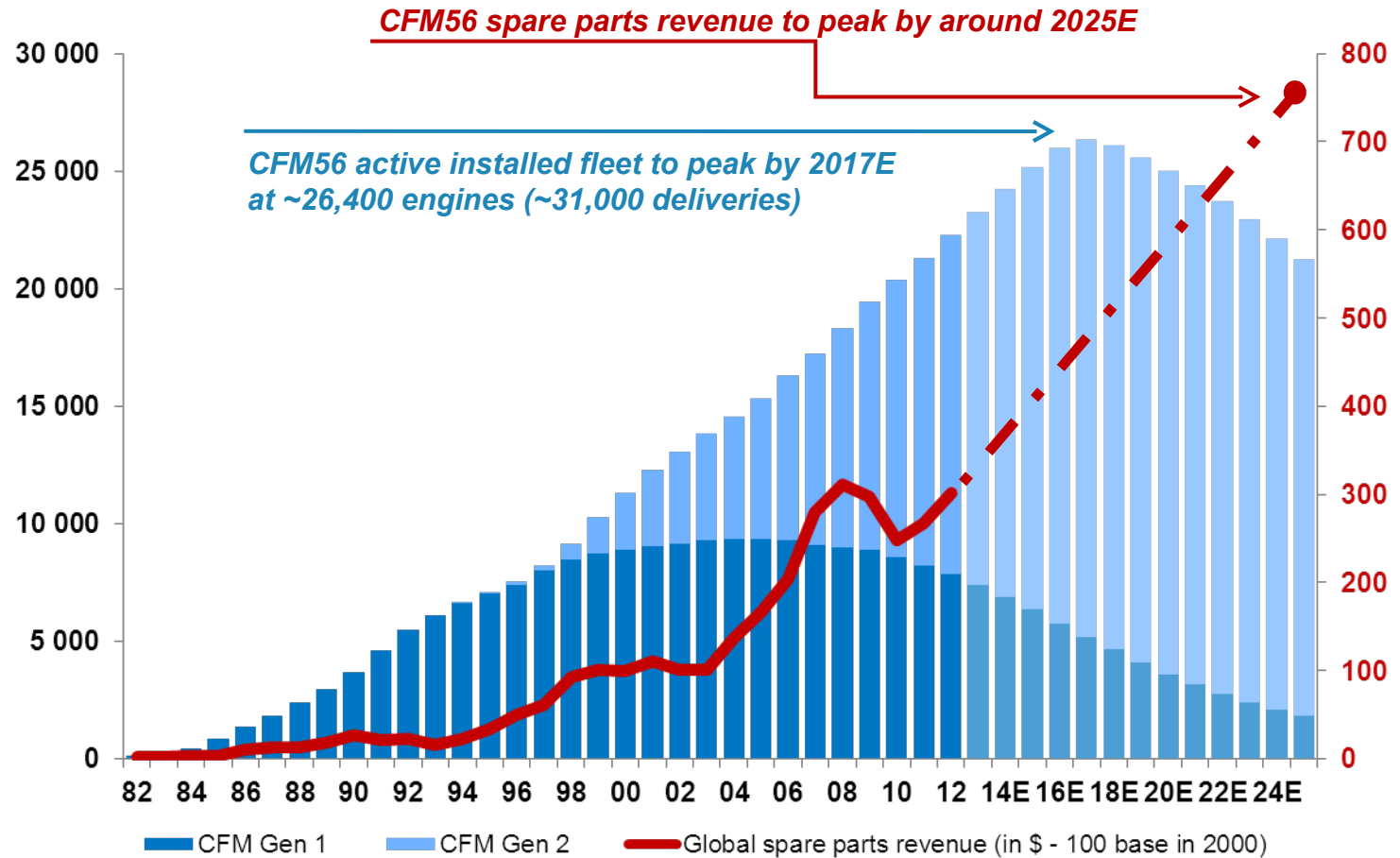
Operating profit more than doubled in 5 years

Improving margins

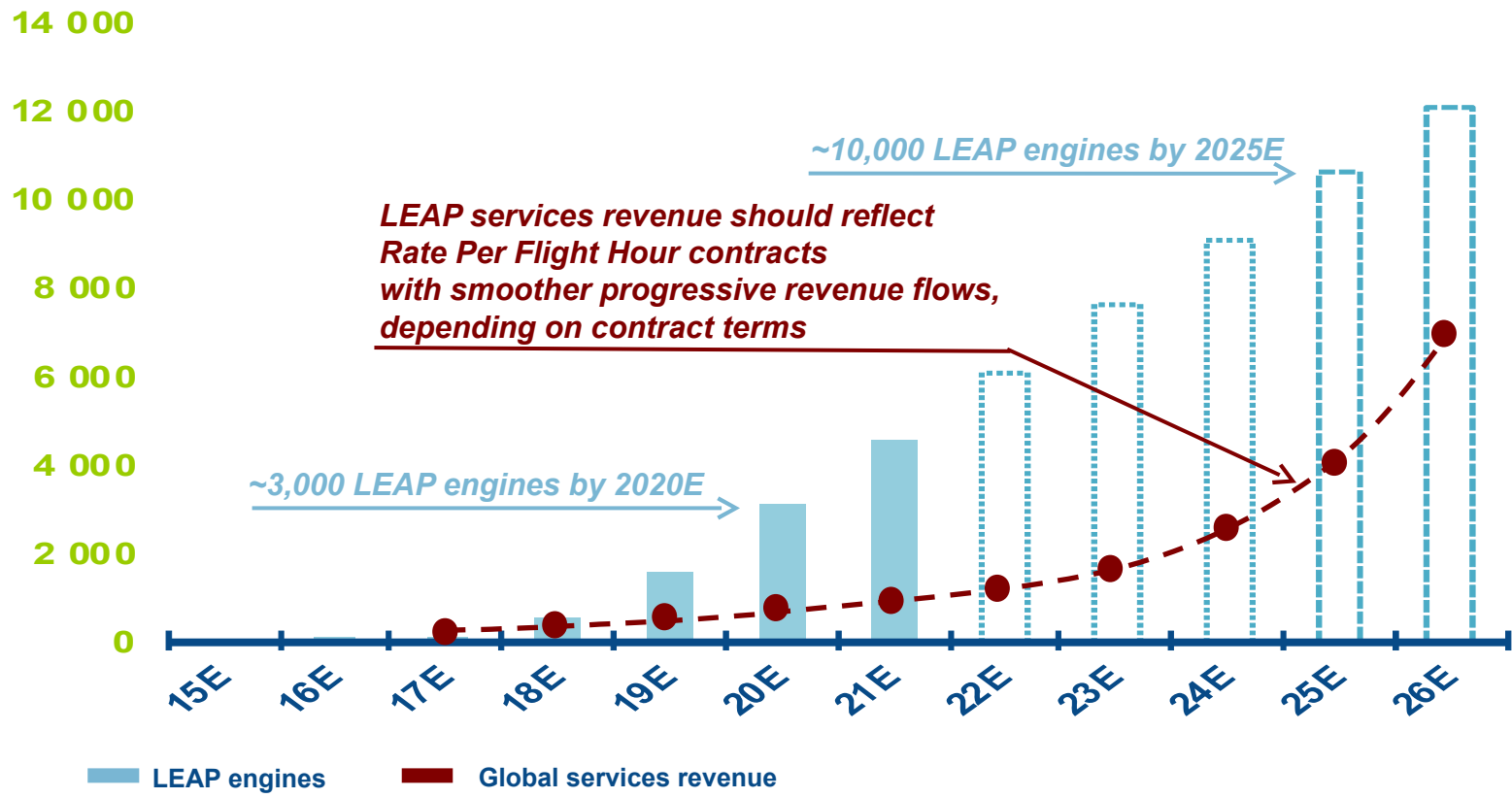
Adjusted recurring operating margin (in %)



CFM56: strong prospects until 2025 and beyond



LEAP: a gradual build up starting in 2016



Optimising the organisation

- **Consolidation of the Group's electrical activities within a single industrial entity** (Labinal, Safran Power, GEPS)
 - Single industrial entity for a successful strategic breakthrough in the market for "more electric" aircraft

- **Creation of a Corporate Research Center**
 - ~300 scientists & high level engineers to focus on key research, including materials, sensors, advanced propulsion and energetics, electrical and electronic systems

- **Advancement of 12 key operational managers**
 - Safran University Top Executives trainees reach key manager positions at 45

Attract and retain talents - the Safran way

→ Target candidates to meet significant recruitment needs

- Employer brand campaign
- Partnerships with engineering schools and universities
- Launch of safran-talents.com

→ Aid integration of new hires

- Investment in work-study programs & internships
- Targeted integration measures at Group and company level

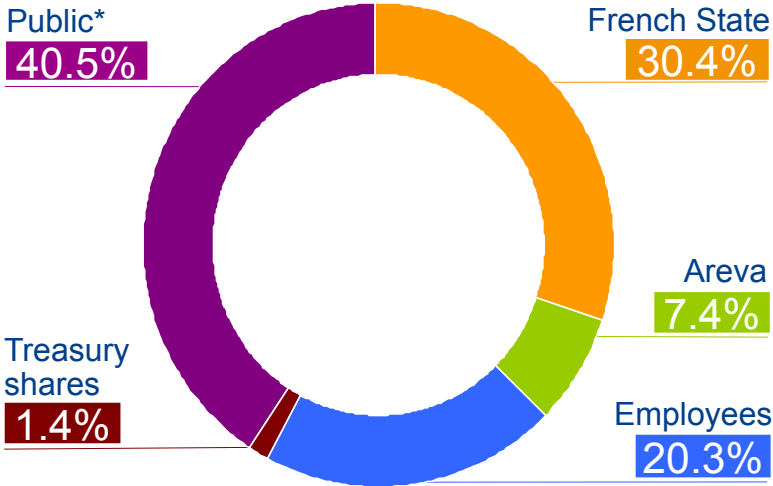
→ 26,000 people (40% of the total) will have joined Safran over 2011-13E

- 21,000 from direct recruitments
- 5,000 from acquired companies



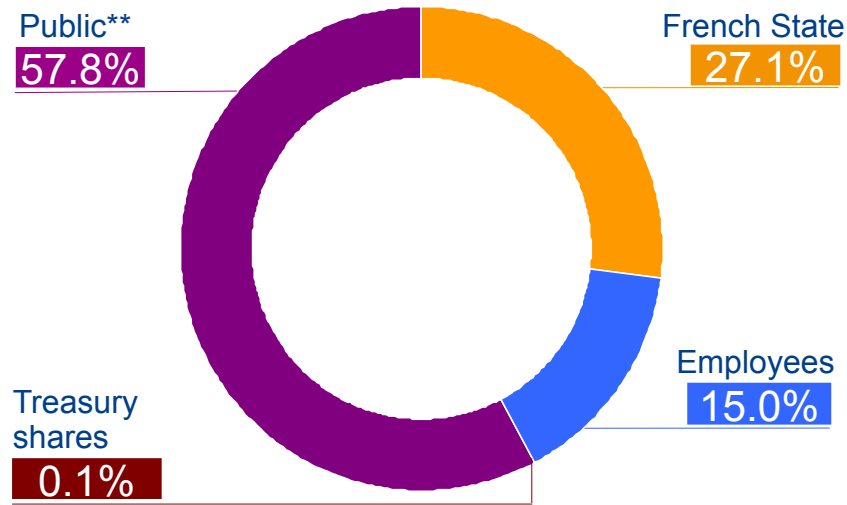
More diversified and international equity shareholding

As of Dec. 31, 2007



* Public: 2/3rd France, 1/3rd International

As of May 31, 2013

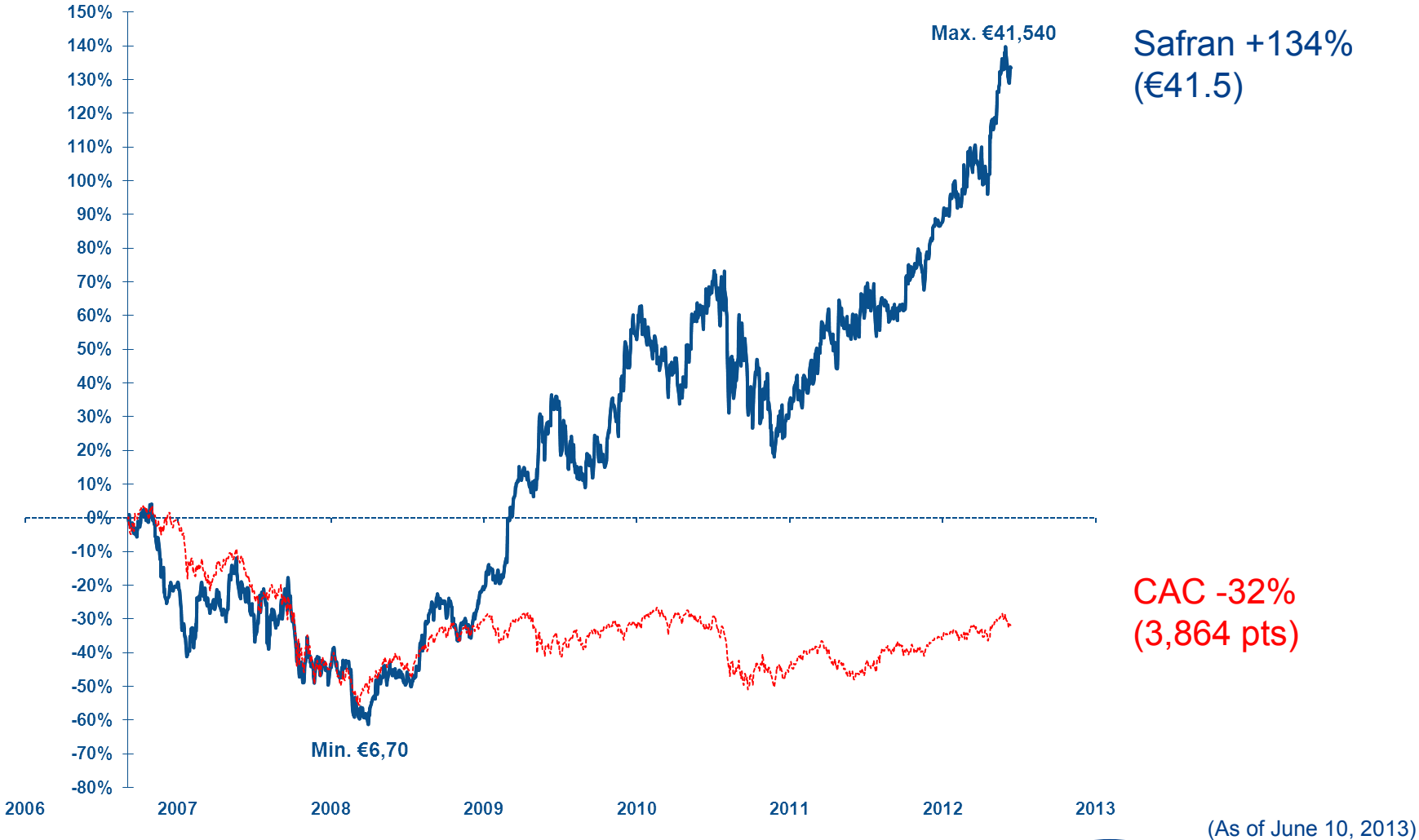


** Public: 40% US, 30% UK, <30% France, others

Increasing & globalising free float

Creating value for shareholders

Share price evolution since September 2007



2013 outlook and 2015 view

2013 outlook is confirmed

- Adjusted revenue expected to increase by a percentage in the mid to high single digits
- Adjusted recurring operating income expected to increase by a percentage in the mid-teens
- Free cash flow expected to represent about 40% of the adjusted recurring operating income

2015 view

- Organic adjusted revenue above €15bn
- Adjusted recurring operating margin heading to the mid-teens
- Free cash flow generation trending to 50% of adjusted recurring operating income

- Cash: dividend distribution to shareholders

There's more to come!

- **Despite uncertainties of current macro economic environment, Safran has great prospects building on solid achievements and keeps singularly high level of visibility on its short and long term perspectives**
- **Demand for air transport will continue to grow ahead of GDP**
- **Reaping the benefits of 30 years of investment (CFM)**
- **Investing for the next 30 years, locked into successful programs**
- **Security: satisfying growing demand through technology**

KEY MISSIONS, KEY TECHNOLOGIES, KEY TALENTS