



## PRESS RELEASE

### Safran and Zodiac Aerospace announce new terms for the contemplated business combination transaction

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO CANADA, AUSTRALIA OR JAPAN.**

Paris, Plaisir, May 24, 2017: Safran (Euronext Paris: SAF) and Zodiac Aerospace (Euronext Paris: ZC) announced today that they have withdrawn the previously agreed transaction structure announced on January 19, 2017 and have entered into a Business Combination Agreement under the below new terms.

#### Under the terms of the new agreement:

- The contemplated transaction structure consists of a Tender Offer by Safran for Zodiac Aerospace's shares<sup>[1]</sup> with:
  - A primary cash offer targeting 100% of Zodiac Aerospace's shares at a price of €25 per Zodiac Aerospace share
  - A subsidiary exchange offer targeting a maximum of 31.4% of Zodiac Aerospace's shares under which Zodiac Aerospace shareholders would receive a number of Safran preferred shares determined on the basis of a ratio between a value of €24 per Zodiac Aerospace share and the market price of Safran ordinary shares, within a +5%/-5% collar mechanism, resulting in an exchange ratio of 0.300 to 0.332 Safran preferred share per Zodiac Aerospace share, leading to the issuance of 26.7 to 29.5 million preferred shares, respectively. Preferred shares would bear the same rights as ordinary shares but would not be transferable and would convert into ordinary shares 3 years after their issuance upon completion of the Tender Offer.
- The Tender Offer would not be open to the public in the United States of America or any jurisdiction other than France where action to permit the offer is required.
- The subsidiary exchange offer is subject to a pro-rata reduction mechanism so that the overall number of Zodiac Aerospace shares tendered in the subsidiary exchange offer does not exceed 31.4% of the targeted share capital. The primary cash offer would not be subject to any limitation or reduction mechanism.
- The completion of the Tender Offer would be subject to reaching (i) the mandatory overall acceptance threshold of 50% of Zodiac Aerospace's share capital or voting rights, and (ii) a voluntary overall acceptance threshold of two-thirds of the exercisable voting rights of Zodiac Aerospace.
- Certain Zodiac Aerospace's family shareholders and two institutional investors (FFP and *Fonds Stratégique de Participations*) are expected to undertake to tender their shares into either the principal cash offer and / or the subsidiary exchange offer, representing in total approximately 25% of Zodiac Aerospace's share capital.
- Certain family shareholders of Zodiac Aerospace representing less than 5% of Zodiac Aerospace's share capital are expected to remain shareholders of Zodiac Aerospace for a specified period of time.
- Following completion of the Tender Offer, Safran intends to provide that Zodiac Aerospace would distribute no dividend and reserves its rights to consider the possibility of a squeeze-out or a merger.

\*\*\*\*\*

#### IMPORTANT ADDITIONAL INFORMATION

This press release is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an offer to purchase or the solicitation of an offer to sell any securities or the solicitation of any vote or approval in any jurisdiction in connection with the proposed acquisition of Zodiac Aerospace (the "Transaction") or otherwise; nor shall there be any sale, issuance, purchase or transfer of securities in any jurisdiction in contravention of applicable law.

This press release, issued pursuant to Rule 135c under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), and the information it contains do not, and will not, constitute an offer to purchase or the solicitation of an offer to sell, securities of Zodiac Aerospace, Safran or any other entity in the United States of America or any other jurisdiction where restrictions may apply. Securities may not be offered or sold in the United States of America absent registration or an applicable exemption from registration under the U.S. Securities Act, it being specified that the securities of Safran have not been and will not be registered under the U.S. Securities Act. Safran does not intend to register securities or conduct a public offering in the United States of America.

The tender offer in connection with the Transaction is subject to obtaining of required regulatory and other customary authorizations. The tender offer documentation would only be filed in France after such other conditions have been fulfilled. These materials must not be published, released or distributed, directly or indirectly, in any jurisdiction where the distribution of such information is restricted by law.

It is intended that Safran and Zodiac Aerospace will file with the French Market Authority ("AMF") a prospectus and other relevant documents with respect to the tender offer to be made in France. Pursuant to French regulations, the documentation with respect to the tender offer which, if filed, will state the terms and conditions of the tender offer will be subject to the review by the AMF. Investors and shareholders in France are strongly advised to read, if and when they become available, the prospectus and related offer materials regarding the tender offer referenced in this press release, as well as any amendments and supplements to those

documents as they will contain important information regarding Safran, Zodiac Aerospace, the contemplated transactions and related matters.

This press release may not be published, forwarded or distributed, directly or indirectly, in Canada, Australia or Japan.

The distribution of this press release may be subject to legal or regulatory restrictions in certain jurisdictions. Any person who comes into possession of this press release must inform him or herself of and comply with any such restrictions.

[1] Targeting outstanding fully diluted shares except treasury shares, which would be subject to an undertaking not to tender, and subject to restrictions set forth below.



**Safran** is a leading international high-technology group with three core businesses: Aerospace, Defence and Security (ongoing divestiture of Security business). Operating worldwide, the Group has 66,500 employees (Security included) and generated sales of 15.8 billion euros in 2016 (excluding Security). 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 1.7 billion euros in 2016 (excluding Security expenditures). 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](http://www.safran-group.com) / Follow [@Safran](https://twitter.com/Safran) on Twitter