Paris Air Show 2011

/ June 20-26, 2011 /
Agenda

- A strategy delivering success
  - Strategy and end-markets
  - Partner of major aerospace programs

- A more agile Group
  - Corporate governance & management structure
  - Modernization programs

- Investing in the future
  - New engines
  - New technologies
A strategy delivering success
A well-balanced portfolio

2010 revenue by activities

- Aircraft Equipment: 26%
- Aerospace Propulsion: 52%
- Defence: 12%
- Security: 10%

2010 key adjusted figures

- Revenue: €10,760M
- Recurring op. income: €878M (8.2% of revenue)
- Net income - Group share: €508M (€1.27/share)
- Free Cash Flow: €934M
- Net cash position: €24M

Aftermarket services revenue of €4.2bn
An improved business

Adjusted rec. operating margin by activity (in %)

Propulsion

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margin</td>
<td>10.1%</td>
<td>11.1%</td>
<td>11.8%</td>
<td></td>
</tr>
</tbody>
</table>
(* Excludes A400M loss at completion

Equipment

<table>
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<tr>
<th>Year</th>
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<th>2009</th>
<th>2010</th>
<th>2011E</th>
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</thead>
<tbody>
<tr>
<td>Margin</td>
<td>2.1%</td>
<td>2.6%</td>
<td>4.5%</td>
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</table>
(**) Includes PPA amortization

Defence

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009*</th>
<th>2010</th>
<th>2011E</th>
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</thead>
<tbody>
<tr>
<td>Margin</td>
<td>4.0%</td>
<td>4.1%</td>
<td>4.4%</td>
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</table>

Security

<table>
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<tr>
<th>Year</th>
<th>2008**</th>
<th>2009</th>
<th>2010</th>
<th>2011E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margin</td>
<td>4.9%</td>
<td>9.5%</td>
<td>12.3%</td>
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</table>

Backlog (in €bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011E</th>
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</thead>
<tbody>
<tr>
<td>Backlog</td>
<td>21.9</td>
<td>27.9</td>
<td>30.4</td>
<td></td>
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</tbody>
</table>

Cash from op. activities (in €M)

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>936</td>
<td>1,042</td>
<td>1,142</td>
<td></td>
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</tbody>
</table>

Delivering results
Hedge portfolio, May 9, 2011
Total: $13.8bn

Estimated exposure needs
In US$ bn

<table>
<thead>
<tr>
<th>Year</th>
<th>Achieved</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>4.3</td>
<td>4.3</td>
</tr>
<tr>
<td>2010</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>2011</td>
<td>4.5</td>
<td>4.5</td>
</tr>
<tr>
<td>2012</td>
<td>~4.7</td>
<td>~4.7</td>
</tr>
<tr>
<td>2013</td>
<td>~4.7</td>
<td>~4.7</td>
</tr>
<tr>
<td>2014</td>
<td>~4.7</td>
<td>~4.7</td>
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</tbody>
</table>

Hedge rates locked-in for 2011 to 2014

- **2012**: $3.9bn achieved at $1.34 to rise to $4.6bn at $1.34 as long as €/$<1.65 for most of 2011
- **2013**: $3.9bn achieved at $1.30 to rise to $4.6bn at $1.30 as long as €/$<1.52 for most of 2011
- **2014**: $2.8bn achieved at $1.30 through accumulators and forward sales to rise to $4.5bn at $1.28 as long as €/$<1.52 for most of 2011 and 2012

<table>
<thead>
<tr>
<th>€/$ hedge rate</th>
<th>Achieved</th>
<th>Target</th>
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<tr>
<td></td>
<td>1.42</td>
<td>1.38</td>
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<tr>
<td></td>
<td>1.44</td>
<td>1.34</td>
</tr>
<tr>
<td></td>
<td>1.38</td>
<td>1.34</td>
</tr>
<tr>
<td>2012</td>
<td>1.34</td>
<td>1.30</td>
</tr>
<tr>
<td>2013</td>
<td>1.30</td>
<td>1.30</td>
</tr>
<tr>
<td>2014</td>
<td>1.30</td>
<td>1.28</td>
</tr>
</tbody>
</table>
A long-term strategy

aerospace
defence
security

High-tech and mission critical solutions
Selective acquisitions

Finalised on April 5, 2011

Finalised on Nov 22, 2010

Closing pending CFIUS approval
Growing market in commercial aerospace

Intra Europe +4.3%

Intra North America +2.3%

NA to Europe +3.1%

Europe to China +6.4%

Intra China +8%

NA to China +7.6%

Intra South America +6.9%

Intra SEA +6.8%
Preparing for narrow-body OE growth

From 1,260 CFM56 engines in 2010 to just over 1,400 in 2012
Introducing CFM56-7BE and CFM56-5B PIP in 2011

Boeing 737
Airbus A320
Expanding CFM56 installed base

2010 : 20,000 engines / 500 million flight hours

2020 : 30,000 engines / 1,000 million flight hours

CFM56 spare parts revenue potentially to double by 2020

Increasing aftermarket revenue opportunity
Civil aftermarket - narrowbody lagging widebody

**CFM56: 2009-10 crisis deeper than 9/11**

Global CFM56 spare parts revenue
- Basis 100 - 9/11/2001
- Basis 100 - Sept. 2008

**Narrowbody engines stay longer under the wing vs. widebody engines**

- Narrowbody: ~20,000 cycles
- Widebody: ~3,000 cycles

**Civil aftermarket expected to be up 10-15% in 2011 (in $)**
Partner of major aerospace programs

Airbus A380

Safran on board: $20-30M (list price, depending on engine)
(Compressors for GP7200 engine, Nacelles, Landing and braking system, Nose landing gear, Wiring, Components for onboard information system and flight control system)

Order book: 230+ aircraft
**Partner of major aerospace programs**

**É Boeing B787**

**Safran on board: $4-7M (list price, depending on engine)**
(Fan blades, booster and Fadec on GEnx engine, Landing gear, Wheels and carbon brakes, Electric brake actuation controller (EBAC), Wiring)

**Order book: 850 aircraft**
Partner of major aerospace programs

Airbus A350

- Safran on board: $5M (list price)
  (Integrated landing and braking system, Main landing gear, Wheels and carbon brakes, Fuselage and engine pylon wiring, Components for onboard information system and flight control system)

- Order book: 570+ aircraft
Partner of major aerospace programs

Airbus A320neo (LEAP engine)

Safran on board: $15M (list price)
(LEAP engine through CFM International, Nacelles, Wiring, Avionics)
Partner of major aerospace programs

- **COMAC C919**

- **Safran on board:** $14M (list price)
  (LEAP engine and nacelles through CFM International, Wiring)

- **Order book:** 100 aircraft

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Paris Air Show, Investors meeting, June 20-26, 2011
Partner of major aerospace programs

**Airbus A400M**

- **Safran on board: €6-7M (list price)**
  
  (TP400 turboprop engine through EPI, Landing gear and systems, Wheels and carbon brakes, Navigation system, Wiring)

- **Order book: 170 aircraft**
A more agile Group
Recent changes in governance

AGM approved to replace the former dual structure by an unitary structure with a Board of Directors as of April 21, 2011

Membership structure of the Board of Directors

- 15 members including 4 representatives of the French State, 5 independent members (incl. 2 members with international credentials) and 2 representatives of employees shareholders

Focus on new directors
- Giovagni Bisignani - Chairman & CEO of IATA
- Jean-Lou Chameau - President of CalTech
- Odile Desforges - EVP, Engineering & Quality of Renault
- Elisabeth Lulin - CEO of Paradigmes et caetera

- 1 Board advisor
  Caroline Grégoire Sainte Marie - Chairman & CEO of Frans Bonhomme

More effective in today’s competitive business environment
More international expertise
A new management structure

Jean-Paul Herteman
Chairman & CEO

Dominique-Jean Chertier
Deputy CEO, Corporate Office

Ross McInnes
Deputy CEO, CFO

Marc Ventre
Deputy CEO, COO

Jean-Pierre Cojan
EVP, Strategy

Bruno Cotté
EVP, International

Yves Leclère
EVP, Transformation

Philippe Petitcolin
President of Defence Security
Investing in productivity: €350M

- AGM World class excellence centre in Europe
- Growing low cost & $ base

Bordes - June 2010

Queretaro - March 2010

Montluçon - H2 2011
Positioning for profitable growth

2005* employees 49,900
International
France

2010 employees 54,300
International
France

(*) at comparable perimeter with 2010

Investing in high tech and capital intensive facilities in France (Montluçon, Bordes, Massy, Bidos) bringing technological & productivity step-change …

… while continuing to globalize our industrial footprint with opening of 2 new facilities in Mexico in 2010

Purchases in $ / emerging zones (BUY)

<table>
<thead>
<tr>
<th>Year</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
</table>
| Products in $ / emerging zones (MAKE)

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>People</td>
<td>16000</td>
<td>14000</td>
<td>12000</td>
<td>10000</td>
<td>8000</td>
</tr>
<tr>
<td>Emerging zones</td>
<td>7000</td>
<td>10000</td>
<td>13000</td>
<td>16000</td>
<td>19000</td>
</tr>
<tr>
<td>$ zones</td>
<td>9000</td>
<td>4000</td>
<td>15000</td>
<td>25000</td>
<td>35000</td>
</tr>
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</table>

Paris Air Show, Investors meeting, June 20-26, 2011
Improving productivity in equipment

- Grow services (carbon brakes, landing systems, nacelles) as fleet usage continues to pick-up and as installed base continues to grow

- Nacelle activity to provide positive contribution in 2011

- Expected volume recovery from 2011 in business and regional jets

- Continue to improve productivity and reduce cost base
Investing in the future
New engines for commercial & corporate jets

LEAP - Narrowbody aircraft

Ardidden 3 - 6/8t helicopters

Silvercrest - Corporate jets and other applications
Introducing a new advanced engine: LEAP

- Provides superior performance vs. latest upgrade of CFM56
  - Burn 15% less fuel
  - Produce 15% less CO2 emission
  - Produce 50% less NOx
  - Reduce noise by up to 15 EPNdB

- Market potential: 18,000 engines
  - 4,000 A320neo aircraft
  - 2,000 C919 aircraft
  - 3,000 B737 aircraft

- R&D investment for LEAP (incl. the nacelle)
  - Total cash R&D of c.$1bn (Safran’s share for 2011-2016)
LEAP-powered aircraft

COMAC C919

Airbus A320neo

Proposed Boeing B737

Paris Air Show, Investors meeting, June 20-26, 2011
Silvercrest

- A 9,500- to 12,000-pound thrust turbofan

- Designed to power super mid-size to large cabin business jets or 40 to 60-seat regional jets

- Designed for environmental performance
  - Up to 20 EPNdB margin vs. Stage 4 requirements
  - 50% margin vs. Caep/6 emission standards
  - 15% lower specific fuel consumption than current engines

The new generation business jet engine
New technologies for existing fleets

Delivering world-class technology innovations

- Electrically-actuated A380 thrust reverser
- Electrically-actuated B787 carbon brake
- Electric Green Taxiing System
Electric Green Taxiing System

Concept that allows an aircraft to taxi without having to use its main jet engines

- Electric motors located in the wheels on the main landing gear, powered by the APU, allow the plane to move forward or backward

Main benefits for the airlines

- Up to 4% reduction in block fuel
- Significant reduction in ground emissions (CO2, Nox)
- Eliminates the need for tractors for ground operations
- Less use of the brakes during the taxi phase
- Noise reduction at the gate area
- Improved safety for ground personnel
- Reduced engine maintenance by avoiding ingestion of damaging debris
- Facilitated manoeuvring of the aircraft during maintenance operations

A green and innovative concept
A 50/50 Safran/Honeywell JV

Honeywell and Safran have signed a MoU on Electric Green Taxiing system development

- Provides an accelerated time to market for Electric Green Taxiing system
- Partnership includes joint system development, production, marketing and support
- JV to provide a superior product and global customer support

Partnership provides systems expertise

- Honeywell Avionics and APU system breadth
- Safran landing gear systems breadth
- Complementary capabilities in electric power products and systems integration

Early availability of Electric Green Taxiing

- Vast breadth of aftermarket support from two major suppliers
- One interface to operators
- Integrating two capable suppliers brings the best Electric Green Taxiing system to market

Combining the strength of two market leaders
The best time to market

Potential market for narrow body (2016-30)

- Between 8,500 and 9,000 aircraft (forward fit and retrofit)
- Corresponding to approximately $5bn market opportunity

Estimated schedule

Ready for EIS in 2016
A significant milestone in aviation history

- A more electric airplane breakthrough innovation
- A step forward to carbon footprint emission reduction
- A significant Direct Operating Cost reduction for the airlines

A new transatlantic win win win partnership
Conclusion
A strategy delivering success

- LEAP selected by major airlines for A320neo and C919
- Growing installed base, increasing aftermarket revenue opportunity
- Major new programmes, improving market share
- Stronger than ever innovation
- Strong balance sheet