Save The Date
Capital Market Day CMD'13
June 16, 2013 in Paris

Tier 1 supplier in Aerospace, Defence & Security

Investor meetings

/ May 2013 /

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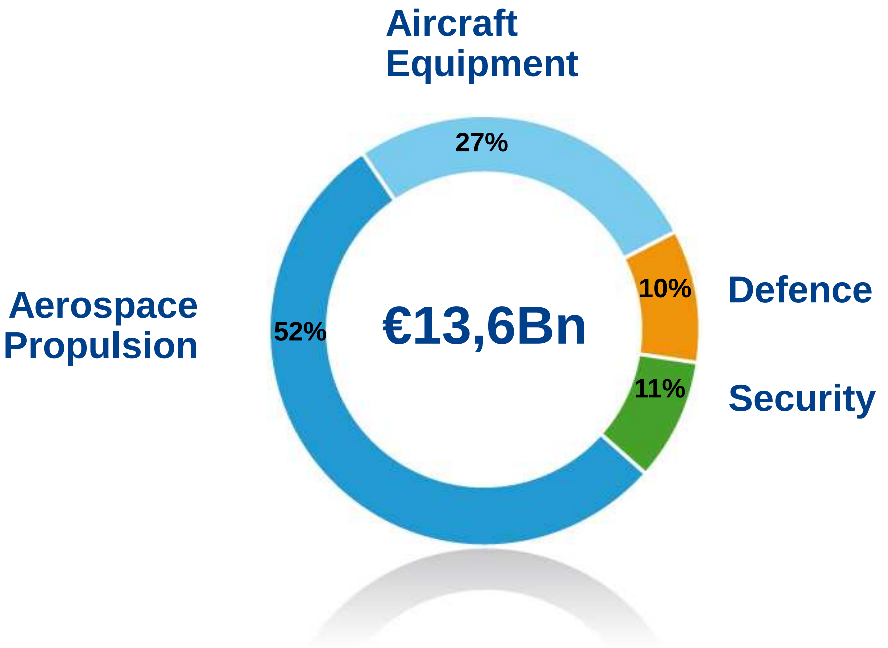
Tier 1 supplier in Aerospace - Defence - Security

2012 revenue by activities



FY 2012

- ➔ **Revenue** — **€13,560M**
- ➔ **Recurring op. income** — **€1,471M** (10.8% of revenue)
- ➔ **Net income - Group share** — **€999M** (€2.41/share)
- ➔ **Free Cash Flow** — **€564M**
- ➔ **Net debt position (Dec. 31)** — **€932M** (15% gearing)

Leading market positions

Aerospace

#1 ww
- Single aisle engines
- Helicopter turbines
- Landing gear
- Wiring
- Power transmission

#2 ww
- Space Propulsion
- Engine nacelles
- Wheels & brakes

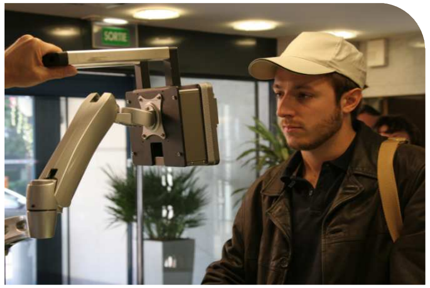
#4 ww
- Military engines

Defence

#1 Europe
- Optronics

#3 ww
- Inertial navigation systems

Security



#1 ww
- Biometric and ID solutions

A leader in aviation markets
- Detection

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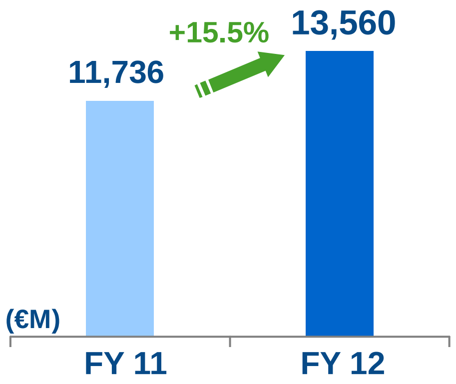
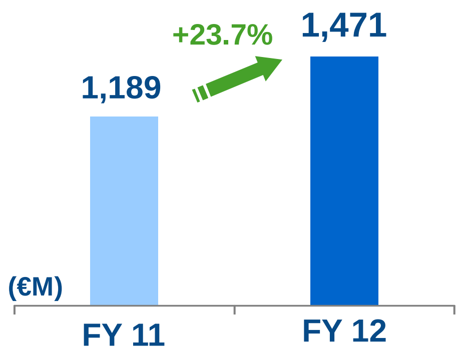
FY 2012 financial highlights

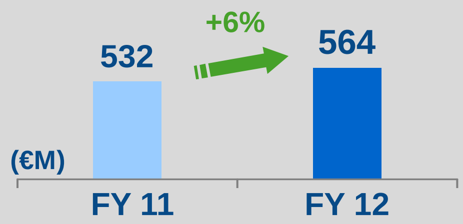
Growing adjusted revenue with strong performance in Aerospace and Security



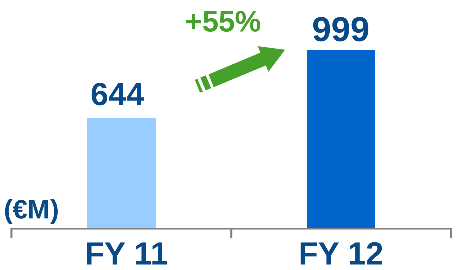
Adjusted recurring operating income at 10.8% of revenue



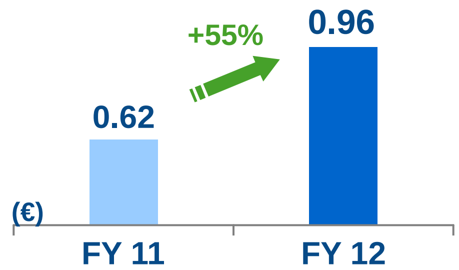
FCF was 38% of adjusted recurring operating income



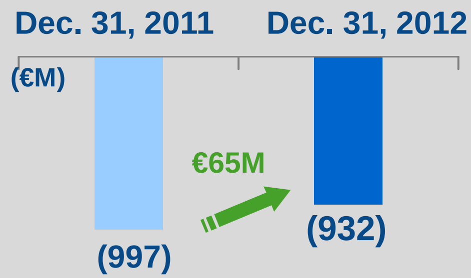
Higher adjusted net profit (group share) at €2.41 per share



Proposed 2012 dividend up 55% vs. 2011 (40% pay-out)



Reduced net debt level (15% gearing)



FY 2012 results by activity

(In €M)	FY 2012	Propulsion	Equipment	Defence	Security	Holding & others
Revenue	**13,560**	**7,005**	**3,691**	**1,315**	**1,546**	**3**
Year-over-year growth in %	*15.5%*	*14.6%*	*19.2%*	*4.0%*	*23.8%*	*na*
Recurring operating income	**1,471**	**1,099**	**287**	**81**	**145**	**(141)**
as a % of revenue	*10.8%*	*15.7%*	*7.8%*	*6.2%*	*9.4%*	*na*

/ 3 key themes /

Q1 2013 highlights & FY 2013 outlook

Investing in technology and capacity

Strategic moves

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Q1 2013 highlights & FY 2013 outlook

Increasing OE production rates

Boeing 737

Airbus A320

Airbus A330

Airbus A380

➔ **Short-to medium-haul aircraft**

- 737: up to 42 aircraft per month
- A320: up to 42 aircraft per month

Main drivers:
air traffic growth and fleet replacement

➔ **Long-haul aircraft**

- A330: up to 120 aircraft per year
- A380: up to 30 aircraft par year

(by 2015)

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CFMI: replacing a blockbuster by another blockbuster

LEAP-1A	LEAP-1B	LEAP-1C
Dual source	Single source	Single western source

A320neo	**737 MAX**	**C919**
2016	2017	2016

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About 10,000 engine orders (firm orders & commitments) of which over 4,500 for LEAP (as of April 2013)

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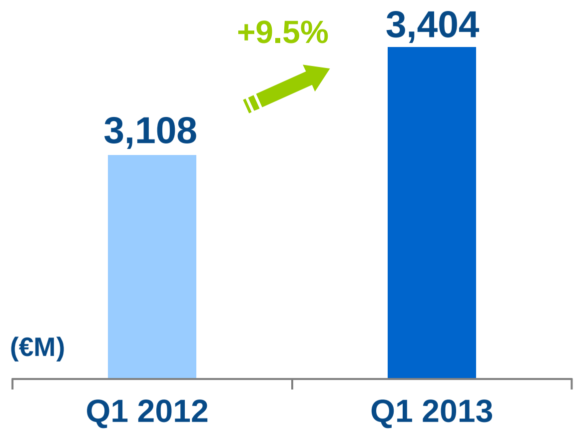
Q1 2013 financial highlights



➔ Strong civil aviation business

- Original equipment up 13% in aerospace (Propulsion and Equipment)
- Solid growth in civil aftermarket (+10.0% in $) driven by first overhaul of 2nd generation CFM56 and resumption of growth in widebody engines

➔ Military aviation resumed growth in OE and aftermarket

➔ Good resilience in Defence thanks to avionics

➔ Continued momentum in Security (biometric ID)

Q1 2013 revenue by activity

Adjusted data (in €M)	Q1 2012	**Q1 2013**	*Change reported*	*Change organic*
Aerospace Propulsion	1,585	**1,831**	*15.5%*	*15.3%*
Aircraft Equipment	883	**924**	*4.6%*	*4.8%*
Defence	307	**304**	*(1.0)%*	*(0.7)%*
Security	332	**344**	*3.6%*	*4.8%*
Others	1	**1**	*na*	*na*
Total revenue	3,108	**3,404**	*9.5%*	*9.6%*

Main growth drivers

- Positive aerospace OEM volumes as well as improving aftermarket trends, both in military and civil businesses
- Increase of landing gear (787, A330, A320) and nacelles (OE & services for A330) deliveries
- Solid growth in Avionics (guidance and Flight Control Systems)
- Renewed momentum in biometric identification, notably in emerging countries

FY 2013 revenue outlook is upgraded

The FY 2013 outlook revenue guidance is upgraded to take into account Q1 revenue dynamics and the contribution of the newly-acquired business of Goodrich Electrical Power Systems (€120M in revenue for 9 months in 2013)

New

➔ **Adjusted revenue expected to increase by a percentage *in the mid to high single digits (previously 5%)* at an estimated average rate of USD 1.29 to the Euro**

Unchanged

➔ **Adjusted recurring operating income expected to increase by a percentage *in the mid-teens* at a hedge rate of USD 1.29 to the Euro**

Unchanged

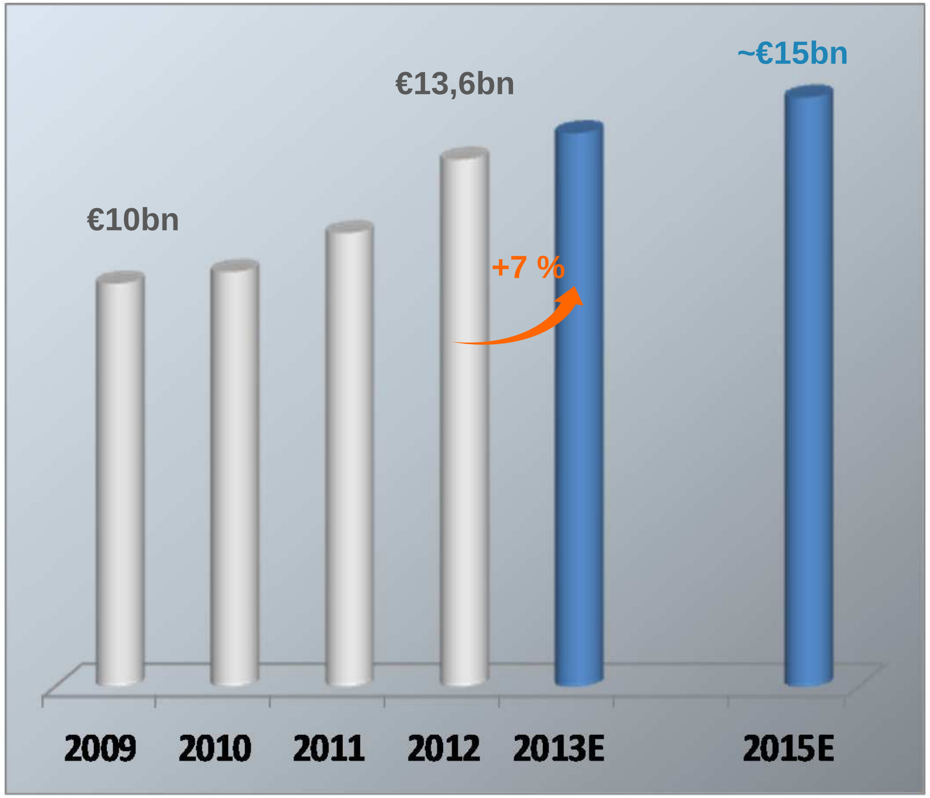
➔ **Free cash flow expected to represent *about 40%* of the adjusted recurring operating income taking into account the expected increase in capex and R&D to cope with rising production rates and new business opportunities**

2013 key assumptions are unchanged

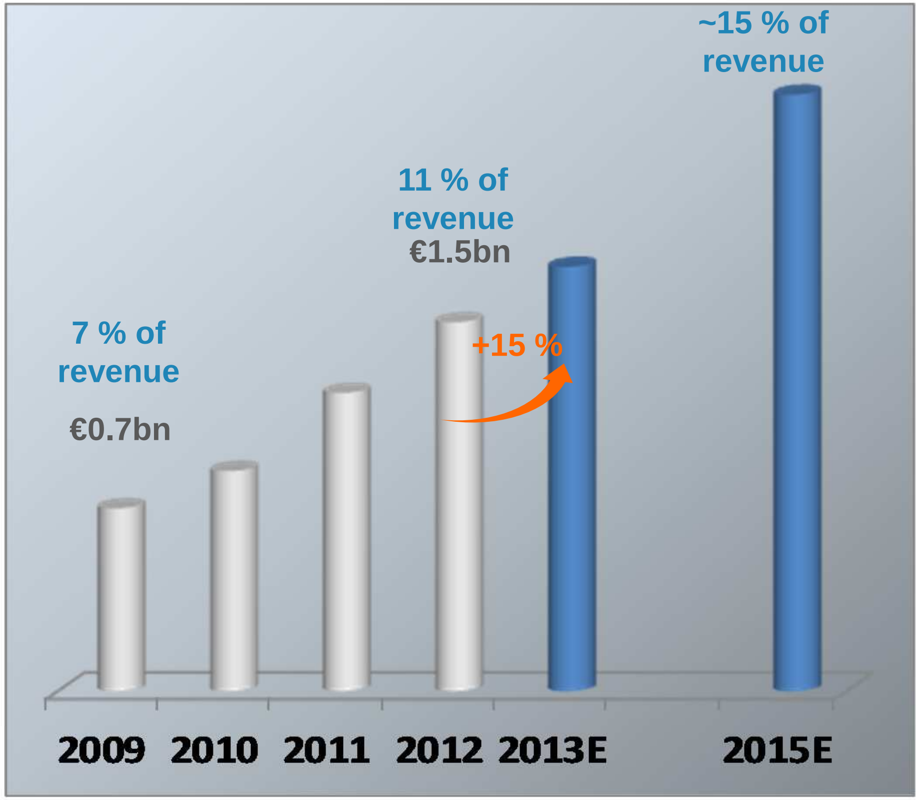
- Healthy increase in aerospace OE deliveries
  - Boeing 737, A330, regional jets...
- Civil aftermarket increase in the high single digits
  - Mainly driven by recent CFM56 engines
- Incremental R&D cash effort of around €200M (vs. 2012)
  - Mainly LEAP and Silvercrest development (all capitalized)
- Increase in tangible capex of around €200M (vs. 2012)
- Continued margin improvement in Equipment
- Stable profitability in defence
- Profitable growth for the security business
- On-going Safran+ plan to enhance the cost structure and reduce overhead

Healthy prospects

Revenue



Recurring operating income



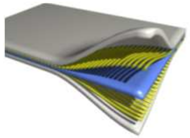
Healthy investment (capex/R&D) opportunities

/02/

Investing in technology and capacity

Investing in technology and capacity

- **3D woven composite fan blades for the LEAP engine**
  - Joint facilities with Albany in Rochester (US) and in Commercy (France) to start operations in 2015

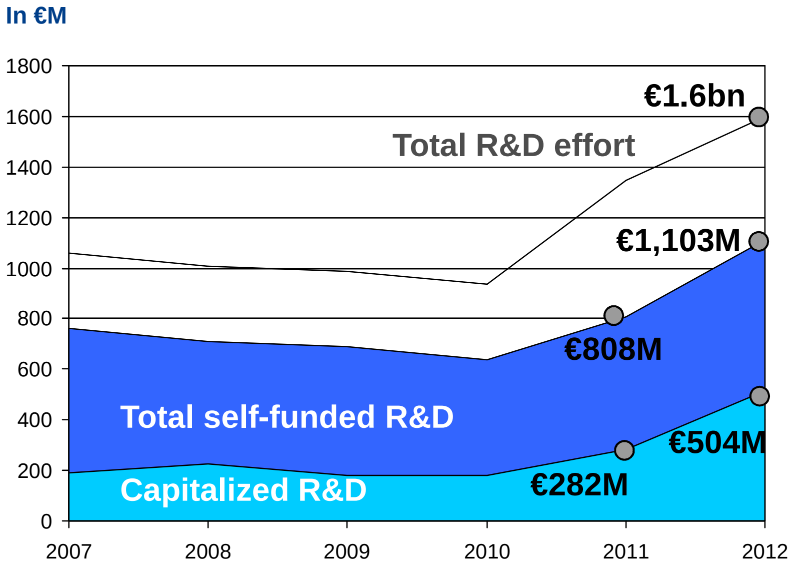


- **Safran Composites R&T centre**
  - New R&T site in Le Bouchet (France) adjacent to Herakles R&T centre
- **Modernisation of industrial assets**
  - Bidos: milling of large size Titanium landing gear components, new green surface treatment processes
  - Montluçon (Coriolis): new production facility for inertial navigation systems

- **Carbon brakes (from a 5,000 aircraft fleet in 2010 toward 10,000 in 2020)**
  - Increasing capacity in Walton (US) by 2014
  - Adding capacity by 2015 with a new facility in Asia
- **Mutualisation of all support functions**
  - Grouping of all Shared Service Centres in Issy-les-Moulineaux (France)

Tangible capex of €419M in 2012 (to rise in 2013)**; adjusting to higher production rates and new technologies**

Investing in our future



- **2012 total R&D effort of €1.6bn**
- **Self-financed R&D of €1.1bn (8.1% of sales)**
  - Acceleration of LEAP milestones
  - Development of 2nd Silvercrest application
- **Split of programs reflects upcoming opportunities**
  - c.30%: LEAP (3 applications) and Silvercrest (2 applications)
  - c.40%: A350, helicopter next gen turbines, flight control, infrared matrix, biometric ID engines…)
  - c.30%: R&T in preparation of the future (mostly next gen engines and electrical technologies)
- **Self-financed R&D to rise again in 2013**
  - Peak investment for LEAP and Silvercrest engines preparing FETT and certification
- **HR integration and training are critical**

Long term amortization of capitalized R&D remains sustainable at less than 1% of sales

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Main R&D increase from 2 engines development

➔ LEAP engine

- Development on track, on schedule, on cost
  (First engine to test (FETT) expected in H2 2013)
- Over 4,500 orders and commitments to date
  (1,096 in 2012, of which half for Boeing 737 MAX)

➔ Silvercrest engine

- FETT in November 2012; flight tests in 2014
- Selected by 2nd customer (Cessna's Citation Longitude)

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/03/

Strategic moves

Further strategic steps

Safran divested part of its stake (12.57% of share capital) in Ingenico for proceeds of €287M. Safran remains a significant shareholder (10.2% of share capital, 16.6% of voting rights)

Electrical Power Systems

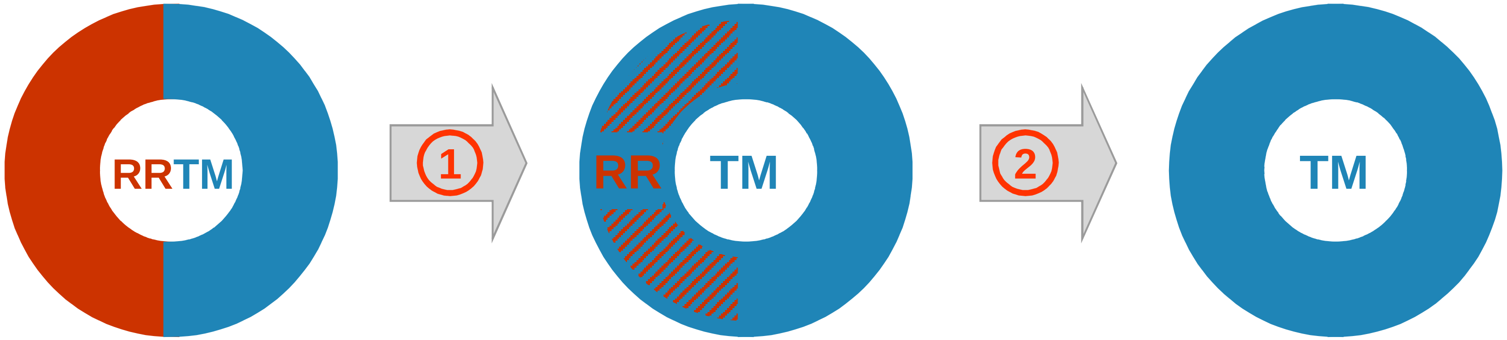
Safran completed the acquisition of Goodrich Electrical Power Systems for approx. €300M creating a world leader in on-board electrical power systems

Safran announced the signing of a definitive agreement for the purchase of the Rolls-Royce share of their RTM322 helicopter engine programme

Key terms of the Safran/Rolls-Royce transaction

1. **Safran to acquire:**
   - Rolls-Royce's 50% share in the RTM322 programme
   - Intellectual property rights (IPR) related to this programme
   - Rolls-Royce's 50% share in the RRTM joint-venture

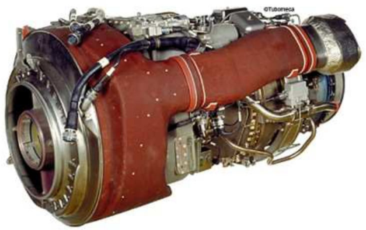
2. **A transition period to ensure continuity of service**
   - Upon closing, Turbomeca will assume full responsibility for the design, production and product support for the RTM322 engine. Rolls-Royce will provide full support during a transition phase enabling progressive transfer of all their activities under this programme



RR Rolls-Royce
TM Turbomeca

The RTM322 programme

- A 2,100-2,600 shp engine
- 1,100 engines delivered (end 2012)
- Backlog of 260 engines (end 2012)
- 900,000 Eq. Flying Hours (end 2012)
- In service with 21 operators



EH-101 MERLIN

APACHE

NH90

RTM322 engine on 3 platforms - Extensive on-field experience

Potential opportunities for Turbomeca

Growth from existing military platforms

Existing platforms
(NH90, EH101 Merlin, Apache)

Over 300 additional engines

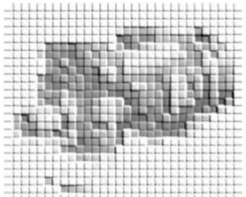
RTM322 engine

Mid- to long-term growth 2015 - 2030

New market penetration
in the 8-13t range

Growth from new civilian and military platforms

Around 3,500 engines



New engine design

Strategic rationale for Safran

Strong rationale

- Allow a more streamlined organization, more efficient business processes and greater agility in the market place to the benefit of customers
- Provide business development autonomy benefit allowing strengthening market penetration with existing and future engines
- Accelerate time-to-market towards a broader offer in heavier helicopters. Engine power growth potential allowing new market penetration in the 8-13t range

A strategic business for Safran

Financial aspects and transaction process

Financial aspects

- Rolls-Royce RTM322 programme share: annual revenue of approx. €85M; majority services

- After this transition period, Safran expects the benefits of owning the entire programme to represent an additional contribution of over €30M per annum operating income
  - Synergies: 100% programme ownership gives opportunity to streamline processes and organisation
  - New commercial opportunities
  - Improving mix - share of services to grow to 2/3 of revenue

Transaction process

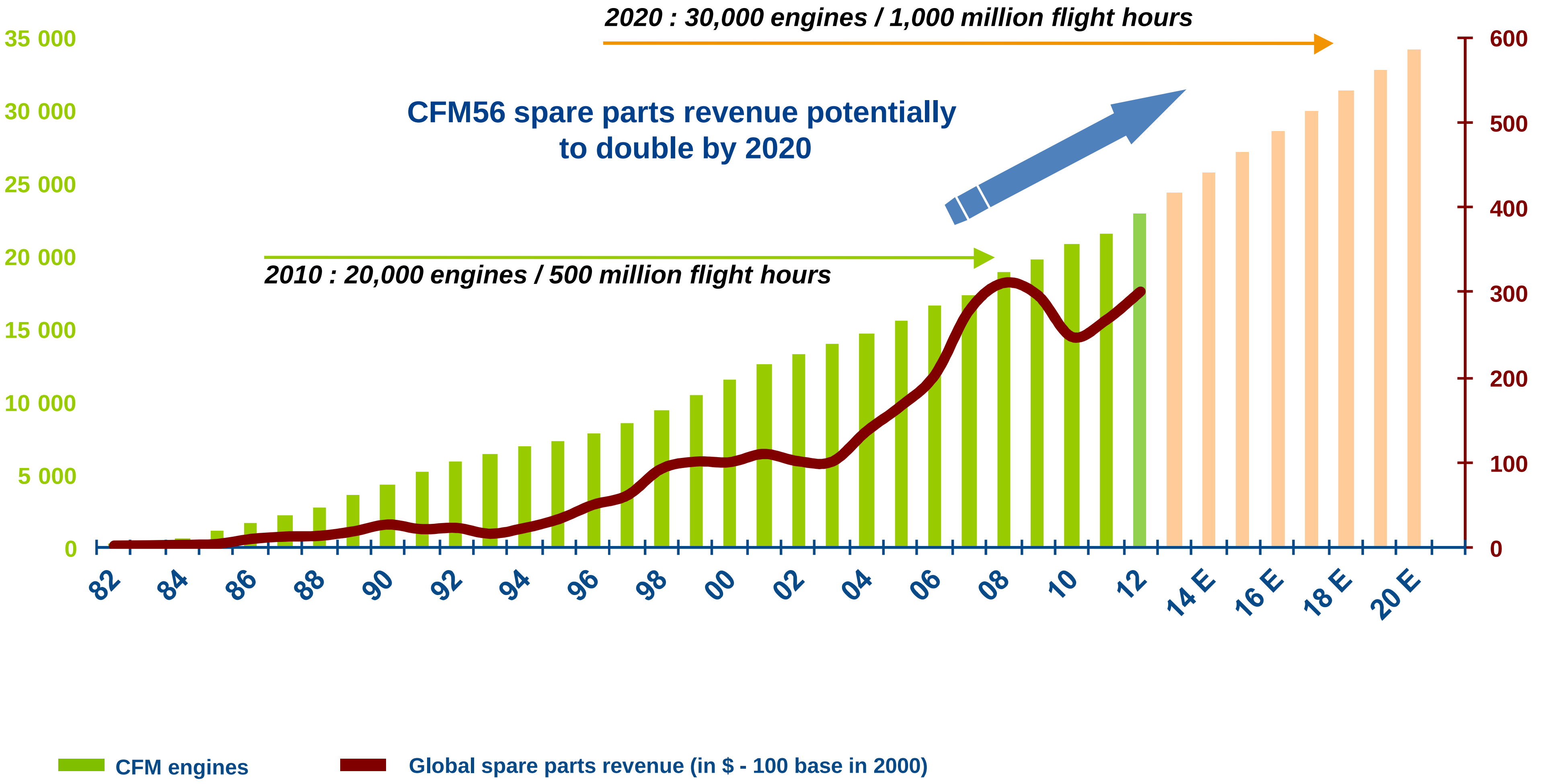
- Cash consideration of €293M
- Transaction expected to close before year-end
- Subject to regulatory approvals & satisfaction of other customary closing conditions

Gradual transition reduces risks

/ Annexe /

Additional information

Short term volatility, short/medium term inevitable catch-up



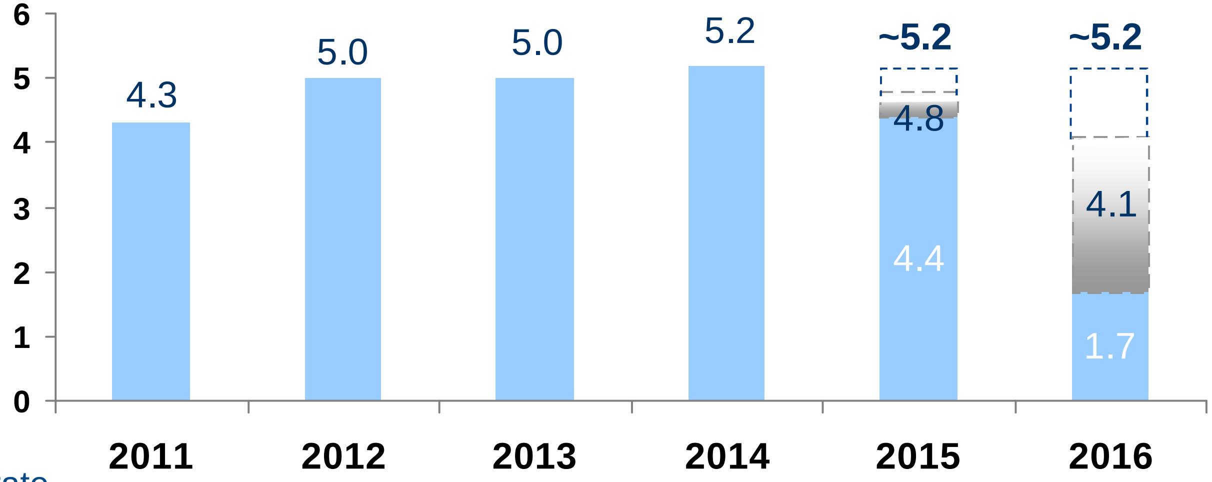
Fx hedging: finalising 2015 and further increasing 2016

Approx. 50% of Safran US$ revenue naturally hedged by US$ procurement

Hedge portfolio, April 15, 2013

Total: $15.2bn

Estimated exposure needs
In US$ bn



€/$ hedge rate

	2011	2012	2013	2014	2015	2016
Achieved	1.37	1.32	1.29	1.28	1.25	1.25
Target					1.26	≤ 1.26

- ➔ 2013 and 2014 are fully hedged
- ➔ 2015 hedging almost finalized
  - $4.4bn achieved at $1.25 to rise to $4.8bn at $1.25 as long as €/$<1.40 in 2013
- ➔ Further increase in 2016 hedging
  - $1.7bn achieved at $1.25 to rise to $4.1bn at $1.25 as long as €/$<1.39 up to end of 2014

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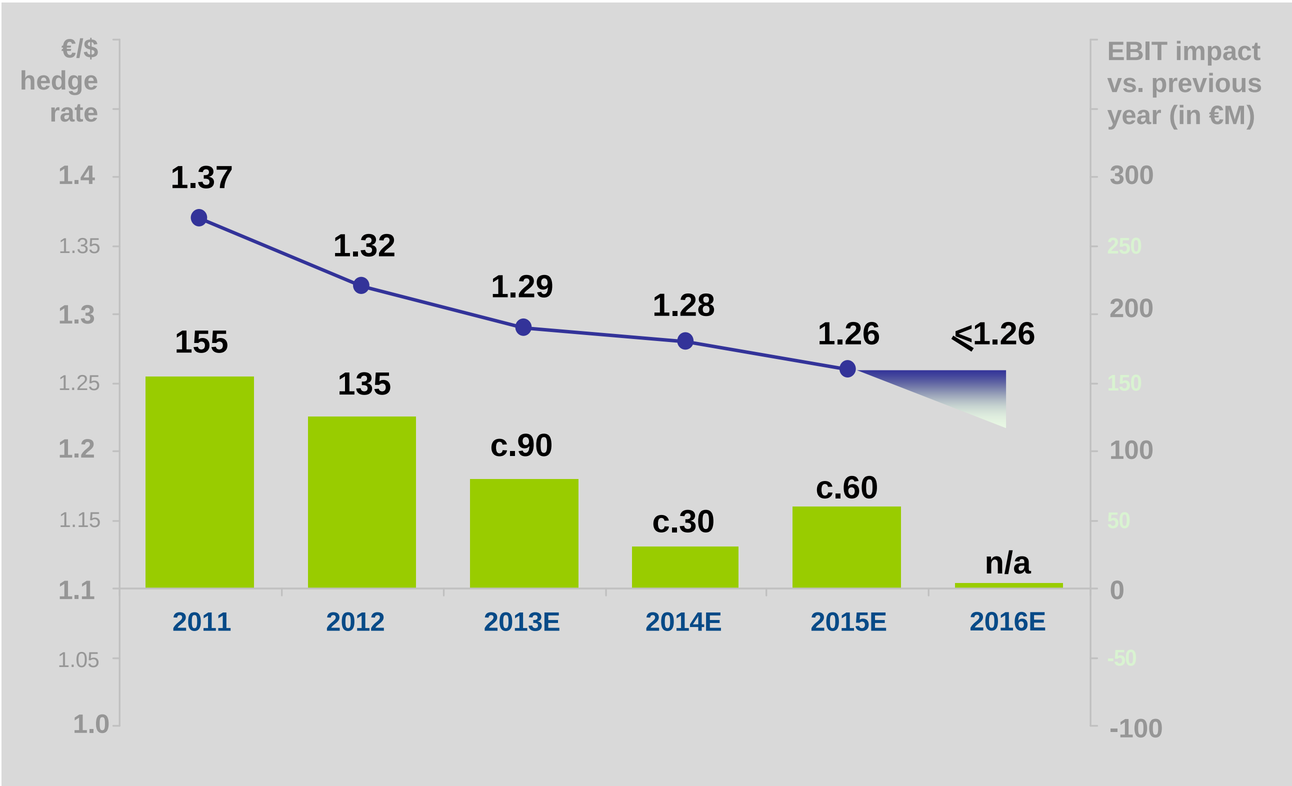
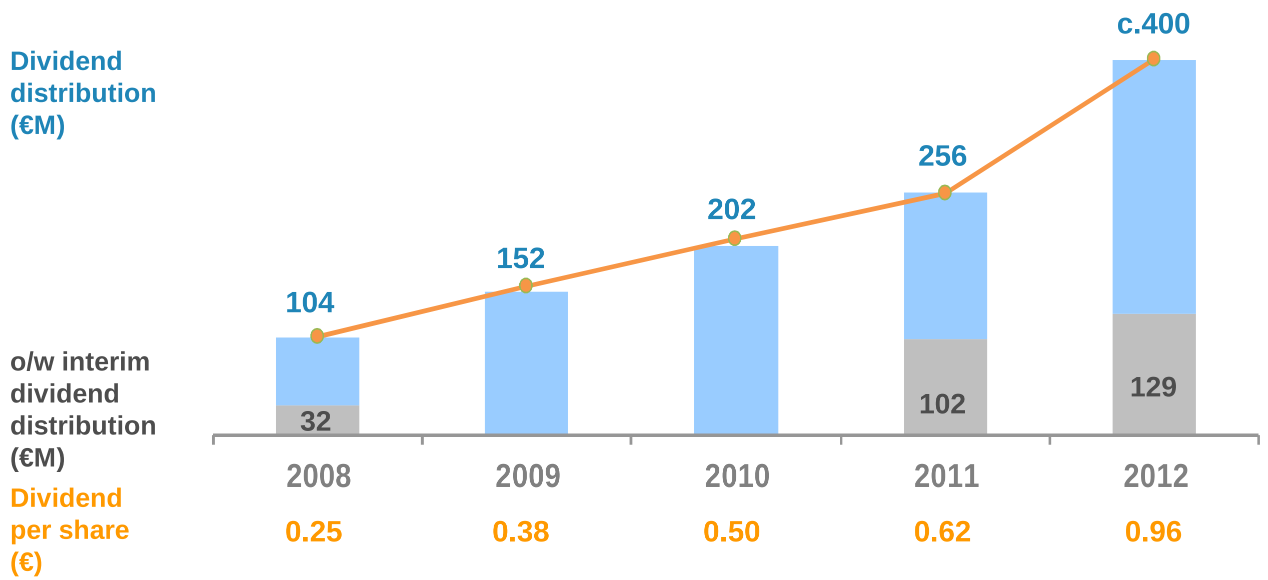
Fx hedging: benefiting margins over 2013-15

Estimated impact on recurring operating income

of targeted €/$ hedge rates



2012 dividend



- ➔ A proposal for a dividend payment to parent holders of €0.96 at next AGM on May 28, 2013
  - €0.31 interim dividend already paid in 2012 (€129M)
  - €0.65 to be paid in 2013 (c.€270M)
- ➔ Ex-dividend date: June 3, 2013
- ➔ Payment date: June 6, 2013

€0.96/share dividend payment subject to shareholders approval

KEY MISSIONS, KEY TECHNOLOGIES, KEY TALENTS