

## PRESS RELEASE

### Safran and Zodiac Aerospace announce new terms for the contemplated creation of global leader in aerospace

Paris, Plaisir, May 24, 2017,

Following March 14 and April 28, 2017 releases, Safran and Zodiac Aerospace have continued their exclusive negotiations leading to a new agreement, with a simplified one-step structure and new financial terms. Complementary analyses enabled Safran to confirm the compelling strategic rationale and value creation potential.

The contemplated combination, unanimously approved by Safran's Board of Directors and Zodiac Aerospace's Supervisory Board will create of global aerospace leader, taking into account the interest of shareholders, employees and clients of both groups.

Safran would acquire Zodiac Aerospace through an agreed Tender Offer by Safran for Zodiac Aerospace's shares<sup>1</sup>:

- Primary uncapped cash offer targeting 100% of Zodiac Aerospace's shares<sup>1</sup> at a price of €25 per Zodiac Aerospace share.
- Preferred shares of Safran offered in a subsidiary exchange offer capped at 31.4% of Zodiac Aerospace's shares<sup>1</sup>, bearing the same rights as ordinary shares but not transferable before 3 years after their issuance.
- Exchange ratio, of 0.300 to 0.332 Safran preferred share per 1 Zodiac Aerospace share, reflecting a +5%/-5% collar mechanism<sup>2</sup>.
- Some family shareholders as well as 2 institutional shareholders (FFP and *Fonds Stratégique de Participations*), reference shareholders of Zodiac Aerospace, expected to undertake to tender shares, representing 25% of Zodiac Aerospace's capital, in the Tender Offer.
- Certain family shareholders representing less than 5% of Zodiac Aerospace's capital expected to remain shareholders of Zodiac Aerospace for a specified period of time.
- Safran to exercise exclusive control of Zodiac Aerospace post tender offer.

Confirmed run-rate annual pre-tax cost synergies of €200 million. High single-digit and high double-digit accretive effect on earnings per share as of the first and second year, respectively<sup>3</sup>.

Safran intends to return €2.3 billion to shareholders through an ordinary share buyback program over 2 years following completion of the Tender Offer. Optimized capital structure of the combined group targeting an investment grade profile.

Number of Directors at Safran's Board unchanged (17) with two members of Zodiac Aerospace's Supervisory Board to join Safran's Board of Directors subject to Safran shareholders' approval at 2018 AGM.

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<sup>1</sup> Targeting outstanding fully diluted shares except treasury shares.

<sup>2</sup> Terms and conditions of which are described in the summary of the Business Combination Agreement annexed to this press release.

<sup>3</sup> Assuming full subscription of subsidiary offer and including the full impact of the intended share buyback program and synergies, and excluding purchase price allocation and cost of implementing synergies.

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>4</sup> with:
  - o A primary cash offer targeting 100% of Zodiac Aerospace's shares<sup>5</sup> at a price of €25 per Zodiac Aerospace share
  - o A subsidiary exchange offer targeting a maximum of 31.4% of Zodiac Aerospace's shares<sup>5</sup> 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<sup>5</sup>, resulting in an exchange ratio of 0.300 to 0.332 Safran preferred share per 1 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.

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<sup>4</sup> Targeting outstanding fully diluted shares except treasury shares.

<sup>5</sup> Terms and conditions of which are described in the summary of the Business Combination Agreement annexed to this press release.

- 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.
- A summary of the main terms and conditions of the Business Combination Agreement is annexed hereto.

### **Long-term fundamentals of Zodiac Aerospace and strategic rationale confirmed**

Following the March 14, 2017 and April 28, 2017 releases, Safran and Zodiac Aerospace continued their exclusive negotiations, and the complementary analyses performed enabled Safran to ensure that Zodiac Aerospace's fundamentals would ultimately be preserved in the long-term.

Safran and Zodiac Aerospace anticipate that Zodiac Aerospace's standalone return to normalized profitability may take more time than initially anticipated. The contemplated combination should enable to accelerate the path to recovery of Zodiac Aerospace's activities and to reach profitability levels in line with Safran's mid-term Aircraft Equipment activities ambition.

The acquisition would be fully consistent with Safran's stated strategy to focus on its core aerospace and defense businesses. Zodiac Aerospace would provide leading positions as a Tier 1 supplier to aircraft original equipment manufacturers (OEMs) and airlines in seats, cabin interiors, power generation and distribution, lighting, fuel and oxygen systems and safety equipment.

The new entity would offer a comprehensive product range with leading positions across all key aircraft programs fueling organic growth while maintaining strong post-delivery and aftermarket revenue streams.

The combination would improve Safran's exposure to a dollar-denominated cost-base, especially in North America.

### **Creating value**

Through complementary analyses, Safran has had the opportunity to confirm the strategic rationale of the contemplated combination and hence the basis for the approximately €200 million pre-tax annual savings already identified, which should come primarily from savings in procurement and selling, general and administrative expenses. 90% of the synergy run-rate level should be achieved within 3 years of the change of control, while those stemming from the reorganization of Zodiac Aerospace's international footprint would be implemented over 5 years. The one-off synergies implementation costs have been revised at €215m, over 5 years. Beyond identified cost synergies, the acquisition of Zodiac Aerospace by Safran would enable Zodiac Aerospace's seats and interiors business to accelerate their turnaround.

Due to a longer than previously anticipated recovery of Zodiac Aerospace, Safran expects to reach its return on capital employed goal in 3 to 4 years, by 2020 or 2021.

The transaction is expected to have a high single-digit and high double-digit accretive effect on earnings per share in the first and second year, respectively<sup>6</sup>.

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<sup>6</sup> Assuming full subscription of subsidiary offer and including the full impact of the intended share buyback program and synergies, and excluding purchase price allocation and cost of implementing synergies.

### **Cash return to Safran's shareholders and optimized capital structure**

Safran intends to implement a €2.3 billion ordinary share buyback program to run over the two years following completion of the Tender Offer, in accordance with the 15<sup>th</sup> resolution submitted at its June 15, 2017 shareholders' meeting.

Upon completion of the Tender Offer, Safran would target an investment grade profile with an adjusted net debt / adjusted EBITDA ratio below the 2.5x threshold.

After the completion of the Tender Offer, Safran expects to maintain its practice of distributing an annual dividend amounting to approximately 40% of adjusted net income. In the context of the transaction, it would forego payment of an interim dividend with respect to 2017 at the end of this year.

### **Governance of Safran**

Under the new terms of the contemplated acquisition, Safran undertakes to propose two members of Zodiac Aerospace's Supervisory Board to join Safran's Board of Directors, one as a representative of Zodiac Aerospace's family shareholders and the other as an independent director, at Safran's 2018 Annual Shareholders' Meeting at the latest. Safran's Board of Directors would continue to comprise 17 members.

Ross McInnes will be Chairman of the Board. Philippe Petitcolin will be Chief Executive Officer and Bernard Delpit will be Chief Financial Officer.

### **Governance of Zodiac Aerospace**

Upon completion of the Tender Offer, Safran would immediately exercise exclusive control over Zodiac Aerospace and appoint the majority of Zodiac Aerospace's Supervisory Board and Executive Board members.

Those of Zodiac Aerospace's family shareholders who intend to remain shareholders of the company for a specified period of time are expected to undertake to:

- Convert their registered Zodiac Aerospace shares into bearer shares, thereby losing their current double voting rights;
- Cooperate with Safran with regard to the potential implementation of a squeeze-out; and
- Enter into a put/call agreement with respect to their Zodiac Aerospace shares exercisable at various dates between July, 2018 and December, 2022 at a price capped at the primary cash offer price<sup>7</sup>.

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Ross McInnes, Chairman of Safran's Board of Directors stated: *"Safran's Board of Directors is very proud to confirm this fresh start with respect to this planned acquisition. We have carefully*

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<sup>7</sup> And to which will be applied an interest rate of 3% as the case may be.

*listened to our shareholders' reactions since January and taken constructive remarks into consideration. We are absolutely convinced by the strategic rationale of this project and are fully confident in Safran's management team's ability to implement it. We strongly recommend our shareholders to vote in favor of related resolutions at our next AGM."*

Philippe Petitcolin, Chief Executive Officer of Safran said *"I'm convinced that it's time to move decisively onward with the strategic acquisition of Zodiac Aerospace. This is a great opportunity. I have recently personally visited several sites in Europe and in the US to check that Safran's expertise can address Zodiac Aerospace's issues. The businesses possess strong fundamentals and the conclusions of our diligences are embedded in the revised terms of the transaction. As we have now been working on this project for several months, I know, as CEO of the group, that it is compatible with our other priorities and shareholders can be sure that the ramp up of LEAP remains on the top of this list."*

Didier Domange, Chairman of Zodiac Aerospace's Supervisory Board said *"I am pleased with this agreement which promotes the alliance of two French aerospace leaders. It will enable to create a global top player in the aerospace industry and represents an ambitious industrial in which historical family shareholders are proud to participate. I would like to thank Olivier Zarrouati again for its contribution to the development of our group over the last ten years"*

Olivier Zarrouati, Chief Executive Officer of Zodiac Aerospace said *"I am pleased with this new agreement which created a leading global aerospace player. We have reached a balanced agreement, both parties have made this strategic combination possible. By joining Safran, Zodiac Aerospace's activities will participate in creating a global leading player, with significant growth prospects."*

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#### **Next steps and conditions precedent to filing of the Tender Offer**

Safran's Board of Directors unanimously approved the contemplated Tender Offer and Management will inform the group's relevant employee representatives, in accordance with applicable French law. Zodiac Aerospace's Supervisory Board also unanimously approved the contemplated agreed Tender Offer. Zodiac Aerospace will submit it to its relevant employee representatives, in accordance with applicable French law.

Filing of the Tender Offer is notably subject to the approval by Safran's extraordinary shareholders' meeting to be held on June 15, 2017 of the 32<sup>nd</sup> and 33<sup>rd</sup> resolutions authorizing Safran's Board to issue preferred shares and the corresponding change in bylaws of the company and delegating the authority to the Board to issue up to 40m preferred shares in exchange offers, and other customary conditions precedent detailed in the summary of the Business Combination Agreement attached hereto.

Zodiac Aerospace's Supervisory Board appointed Finexsi as independent expert to issue a fairness opinion prior to the filing of the contemplated Tender Offer.

The parties have further agreed on certain termination fees customary in similar transactions and payable to the other party under certain circumstances. These termination fees are detailed in the summary of the Business Combination Agreement attached hereto.

The completion of the Tender Offer is expected by early January 2018. Safran and Zodiac Aerospace will update the market as required.

## Advisors

Bank of America Merrill Lynch and Lazard act as financial advisors to Safran and BDGS and Jones Day serve as its legal counsel. Goldman Sachs Paris Inc. et Cie acted as financial advisor to the Safran Board of Directors and issued on May 24, 2017 an opinion to the Safran Board of Directors as to the fairness to Safran, from a financial standpoint, as of such date and subject to the reserves set forth therein, of the aggregate consideration to be paid pursuant to the Offer<sup>8</sup>. Darrois Villey Maillot Brochier acted as legal advisor to the Safran Board of Directors. BNP Paribas, HSBC France and Rothschild act as financial advisors to Zodiac Aerospace and Bredin Prat serves as its legal counsel. Citigroup acts as financial advisor to Zodiac Aerospace's Supervisory Board. Orrick Rambaud Martel act as legal advisor to Zodiac Aerospace's Supervisory Board

## Analyst and investor conference calls

Safran will host today a conference call open to analysts and qualified investors at 14h00 CET which can be accessed at +33 (0) 1 70 77 09 46 (France) and +44 (0) 203 367 9461 (UK). A replay will be available at +33 (0)1 72 00 15 00 and +44 (0) 203 367 9460 (access code 309169#).

Zodiac Aerospace will host today a conference call open to analysts and qualified investors at 15h00 CET which can be accessed at +33(0)1 76 77 22 22 (France) and + 44(0)20 3427 0503 (UK) and confirmation access code: 5780936. A replay will be available at +33 (0)1 74 20 28 00 and +44 (0)20 3427 0598 (access code 5780936#)

The press release and respective analyst presentations are available on Safran's website at [www.safran-group.com](http://www.safran-group.com) and on Zodiac Aerospace's website: [www.zodiacaerospace.com](http://www.zodiacaerospace.com)

Following their communication to the market, Safran and Zodiac Aerospace will request the resumption of trading in their respective shares on Euronext.

## IMPORTANT ADDITIONAL INFORMATION

This communication 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.

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 after such other conditions have been fulfilled. These materials must not be published, released or

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<sup>8</sup> The full text of such fairness opinion, which sets forth the assumptions made, procedures followed, matters considered and reserves on the analysis undertaken in connection with such opinion, will be made available to the shareholders of Safran in the section of Safran's website relating to the June 15, 2017 Safran shareholders' meeting. The opinion of Goldman Sachs is given to the Safran Board of Directors and not to the holders of Safran shares. As such, the fairness opinion does not contain a recommendation to the holders of Safran shares as to how they should vote or act with respect to the Tender Offer or any other matter.



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 communication, 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 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 exemption from registration under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), it being specified that the securities of Safran have not been and will not be registered within the U.S. Securities Act. Safran does not intend to register securities or conduct a public offering in the United States of America.

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.

## **FORWARD-LOOKING STATEMENTS**

This communication contains forward-looking statements relating to Safran, Zodiac Aerospace and their combined businesses, which do not refer to historical facts but refer to expectations based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those included in such statements. These statements or disclosures may discuss goals, intentions and expectations as to future trends, synergies, value accretions, plans, events, results of operations or financial condition, or state other information relating to Safran, Zodiac Aerospace and their combined businesses, based on current beliefs of management as well as assumptions made by, and information currently available to, management. Forward-looking statements generally will be accompanied by words such as "anticipate," "believe," "plan," "could," "would," "estimate," "expect," "forecast," "guidance," "intend," "may," "possible," "potential," "predict," "project" or other similar words, phrases or expressions. Many of these risks and uncertainties relate to factors that are beyond Safran's or Zodiac Aerospace's control. Therefore, investors and shareholders should not place undue reliance on such statements. Factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to: uncertainties related in particular to the economic, financial, competitive, tax or regulatory environment; the ability to obtain shareholder approval; failure to satisfy other closing conditions with respect to the transaction on the proposed terms and timeframe; the possibility that the transaction does not close when expected or at all; the risks that the new businesses will not be integrated successfully or that the combined company will not realize estimated cost savings and synergies; Safran's or Zodiac Aerospace's ability to successfully implement and complete its plans and strategies and to meet its targets; and the benefits from Safran's or Zodiac Aerospace's (and their combined

businesses) plans and strategies being less than anticipated. The foregoing list of factors is not exhaustive. Forward-looking statements speak only as of the date they are made. Safran and Zodiac Aerospace do not assume any obligation to update any public information or forward-looking statement in this communication to reflect events or circumstances after the date of this communication, except as may be required by applicable laws.

Pursuant to the commission implementing regulation (EU) 2016/1055 of June 29, 2016 laying down implementing technical standards with regard to the technical means for appropriate public disclosure of inside information and for delaying the public disclosure of inside information in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council, this press release may contain inside information and has been sent to the authorized broadcaster of both companies on May 24th 2017 at 1.30 pm CET.



## Summary of the Business Combination Agreement and other agreements

### 1. Main terms of the Tender Offer

- Uncapped cash tender offer, at a price of €25.0 per Zodiac Aerospace share.
  - o The price of the primary cash offer would be adjusted for any Zodiac Aerospace distribution before settlement of the tender offer
- Subsidiary exchange offer capped at 31.4% of Zodiac Aerospace's shares, with a consideration in preferred shares bearing the same rights as ordinary shares but not transferable for a period of 3 years as from their issuance.
- Exchange ratio of the subsidiary exchange offer based on the arithmetic volume weighted average price per Safran share during the 10 trading days randomly selected by a court officer out of the 30 trading days preceding the 10th trading day (not included) prior to the closing of the Tender Offer ("the average price"):
  - o If the average price is above €79.98, the exchange ratio will be fixed at 0.300 preferred shares of Safran for each share of Zodiac Aerospace share;
  - o If the average price is below €72.36, the exchange ratio will be fixed at 0.332 preferred shares of Safran for each Zodiac Aerospace share;
  - o If the average price is between €72.36 and €79.98 during such period, the exchange ratio will be equal to the ratio between a value of €24.0 per Zodiac Aerospace share and the average price (as defined above).
  - o Exchange ratio to be adjusted for any distribution by Zodiac Aerospace and any distribution by Safran, except for the balance of its 2016 dividend, until the settlement of the Tender Offer.
- 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, which may be waived by Safran.
- Filing of the Tender Offer is subject to:
  - (i) the approval by Safran's extraordinary shareholders' meeting to be held on June 15, 2017 of the 32nd resolution authorizing Safran's Board to issue preferred shares and the corresponding change in bylaws of the company and 33rd resolution concerning the delegation of authority to the Board to issue up to 40 million preferred shares in the event of an exchange offer;
  - (ii) the obtaining by Zodiac Aerospace of an opinion from an independent expert confirming the fairness of the cash tender offer ;

- (iii) the recommendation of the Tender Offer by Zodiac Aerospace's Supervisory Board and the absence of change or withdrawal of such recommendation;
  - (iv) the obtaining of the relevant antitrust and regulatory approvals before the filing of the Tender Offer;
  - (v) the absence of material adverse change impacting Safran or Zodiac Aerospace and resulting from one or more events that affect the general state of the economy and/or the financial markets or the aeronautics industry;
  - (vi) the signature before June 9, 2017 of tender undertakings by Zodiac Aerospace's founding family shareholders representing around 25% of Zodiac Aerospace's capital; and
  - (vii) the obtaining of resignation letters from certain members of the Supervisory Board of Zodiac Aerospace.
- Settlement of the Tender Offer expected to occur after January 1, 2018
  - Following completion of the Tender Offer, Safran reserves its rights to consider, without any undertaking, the possibility of a squeeze-out or a merger.

## **2. Governance**

### **2.1 Governance of Safran**

At Safran's 2018 Annual Shareholders' Meeting at the latest, two members of Zodiac Aerospace's Supervisory Board would join Safran's Board of Directors:

- One as a representative of Zodiac Aerospace's family shareholders;
- The other as an independent director.

Upon completion of these changes, Safran's Board of Directors would continue to comprise 17 members.

### **2.2 Governance of Zodiac Aerospace**

Upon completion of the Tender Offer, Safran would immediately exercise exclusive control over Zodiac Aerospace:

- (i) 6 members proposed by Safran would be appointed at Zodiac Aerospace's Supervisory board (representing a majority of the members);
- (ii) A new president of the Supervisory Board would be appointed among the family shareholders;
- (iii) Appointment of a new Executive Board composed of members chosen by Safran.

### **2.3 Termination fee**

- €150 million termination fee payable by Safran to Zodiac Aerospace if Safran fails to file the Tender Offer when the conditions precedent to such filing are met, except in case of success of a competing tender offer or in case of withdrawal of the Tender Offer due to a *change of substance* of Zodiac Aerospace.
- €150 million termination fee payable by Zodiac Aerospace to Safran if (i) Zodiac Aerospace fails to obtain the report from an independent expert as per AMF. Reg 262-1, or to recommend the Tender Offer, (ii) in case of success of a competing tender offer or (iii) in case of withdrawal of the Tender Offer due to a change of substance of Zodiac Aerospace.

### **3. Various commitments of Zodiac Aerospace and Safran**

- Until completion of the Tender Offer, Zodiac Aerospace shall operate in the ordinary course of business consistent with past practices and in this respect shall refrain from undertaking any unusual or exceptional transaction until settlement of the Tender Offer and in particular not engage in certain transactions without Safran's prior approval.
- Zodiac Aerospace could pay an interim dividend in the event settlement of the Tender Offer occurs after the date upon which the coupon of the dividend paid by Safran in respect of financial year 2017 is detached, in which case the price of the cash offer and the exchange ratio of the exchange offer would be adjusted accordingly.
- Safran undertakes not to pay an interim dividend in respect of financial year 2017 and not to pay a special dividend before completion of the Tender Offer.

### **4. Commitments from certain family shareholders to remain shareholders of Zodiac Aerospace**

Those of Zodiac Aerospace's family shareholders who intend to remain shareholders of Zodiac Aerospace for a specified period of time are expected to undertake to:

- Convert their registered Zodiac Aerospace shares into bearer shares, thereby losing their current double voting rights;
- Cooperate with Safran with regard to the potential implementation of a squeeze-out; and
- Enter into a put/call agreements on their Zodiac Aerospace shares exercisable at various dates between July, 2018 and January, 2022 at a price capped at the price of the primary cash offer<sup>9</sup>.

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<sup>9</sup> And to which will be applied an interest rate of 3% as the case may be

Conversely, Safran would undertake to obtain a fairness opinion from an independent expert in relation to:

- (i) Any transfer of asset, subsidiary or branch of activity of Zodiac Aerospace's group to Safran's group the value or turnover of which exceeds a defined threshold, unless the French related-party agreement procedure applies, and
- (ii) The implementation of any merger of Safran and Zodiac Aerospace more than one year after completion of the tender offer.



**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 on Twitter

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#### **About Zodiac Aerospace**

Zodiac Aerospace is a world leader in aerospace equipment and systems for commercial, regional and business aircraft and for helicopters and spacecraft. It develops and manufactures state-of-the-art solutions to improve comfort and facilities on board aircraft and high-technology systems to increase aircraft performance and flight safety. Zodiac Aerospace has 35,000 employees worldwide and generated revenue of €5.2bn in 2015/2016.

[www.zodiacaerospace.com](http://www.zodiacaerospace.com)

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