



PRESS RELEASE

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SAFRAN receives 300 million euro loan from European Investment Bank to develop even cleaner engines

At the 2009 Paris Air Show, European Investment Bank Vice President Philippe de Fontaine Vive and SAFRAN Chief Executive Officer Jean-Paul Herteman signed a contract to provide 300 million euros in financing to the SAFRAN group for the development of a new generation of cleaner aircraft engines.

The EIB loan will be used to finance Research & Development on aircraft engines that use less fuel and are friendlier to the environment. SAFRAN group company Snecma is aiming to develop a successor to the CFM56 engine (jointly produced with General Electric), designed for single-aisle commercial jets with 110 to 210 seats, that will offer a 16% reduction in fuel consumption, 15 to 20 decibel decrease in noise, and 60% reduction in oxides of nitrogen (NOx). At the same time, Snecma is also working on a disruptive technology, the open rotor configuration, that would eventually reduce both fuel consumption and CO₂ emissions by more than 25%. The total cost of the R&D project is estimated at 600 million euros.

This is the first loan granted to the aerospace industry that is in line with the European Clean Transport Facility (ECTF), a financing program launched by the EIB last December to support Europe's economic recovery plan and the long-term fight against climate change. ECTF loans have already been approved for manufacturers of cars and trucks and their suppliers.

"I am delighted that the EIB can support SAFRAN's efforts to develop cleaner aircraft engines," said Philippe de Fontaine Vive, who is in charge of EIB financing programs in France. *"Europe needs to pursue high value-added research activities despite the recession if we want to remain competitive. Making aviation more environmentally friendly will benefit everybody."*

SAFRAN CEO Jean-Paul Herteman said: *"I am very pleased with this latest mark of confidence by the EIB, which will help us finance R&D for a new generation of aircraft engines. The technological breakthroughs in this program, a major one for SAFRAN, are the result of extensive and ongoing basic research. SAFRAN is very proud of our long-term relationship with this prestigious institution, which has already provided financing for several Group projects in the space and civil aviation sectors."*

Background:

EIB is the long-term lending arm of the European Union, and is wholly owned by the 27 EU member states. Its aim is to contribute to the integration, balanced economic development and economic and social cohesion of EU member states. It does this mainly by providing loans from funds raised on capital markets on favourable terms thanks to its AAA credit rating. In 2008 the EIB signed loans totalling EUR 57.6 bn; EUR 51.5 bn was for projects within the European Union, of which 4.7 bn in France.

The Bank permanently adapts its activity to developments in EU policy. In December 2008 the EIB committed itself to increase exceptionally its lending in the EU by 30 percent in 2009 and 2010 to help offset the effects of the global economic crisis, with a focus on SMEs and mid-cap companies, energy and climate change, including clean transport, and convergence regions. In the first five months of 2009 it has signed loans worth more than EUR 20 bn (or 72 percent more than in the same period in 2008) and has approved EUR 5.2 bn in loans for cleaner vehicles, thereof EUR 3.5 bn under ECTF.

SAFRAN is an international high-technology group with leadership positions in its core businesses of aerospace propulsion, aircraft equipment, and defense security. The SAFRAN Group employs about 54,000 people in over 30 countries and generates revenue of more than €10 billion. It comprises many companies with prestigious brand names and holds, alone or in partnership, global or European leadership positions in its markets. SAFRAN is listed on NYSE Euronext Paris and its share is included in the SBF 120 and Euronext 100 indices.

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