

## Safran reports nine-month revenue 2009 (ended September 30, 2009)

- Solid performance in an uncertain civil aerospace environment with **nine-month revenue 2009 at Euro 7.5 billion**, up 1.2% year-on-year on a reported basis.
- **Services** (spares and MRO) **share of revenue increased** to 49% in Aerospace Propulsion and 32% in Aircraft Equipment.
- **Security delivered strong organic and acquisition-driven growth** resulting in a reported sales increase of more than 30% at Euro 640 million.
- **Outlook for full year 2009 is confirmed.**

**Paris, October 16, 2009** - Safran (NYSE Euronext Paris: SAF) today reported its revenue for the first nine months of 2009.

All figures in this press release represent adjusted data. In order to reflect the actual economic performance of the Group and enable this performance to be monitored and compared, statutory revenue has been adjusted for the accounting impact of application of hedge accounting to currency financial instruments in order to better reflect the result of the Group's overall foreign currency risk management.

Third quarter 2009 revenue is provided in Note [1].

### Nine-month revenue 2009

<i>In Euro millions</i>	<b>Nine months 2008 reported</b>	<b>Nine months 2008 pro-forma</b> (see Note [2])	<b>Nine months 2009</b>	<b>% change reported</b>	<b>% change pro-forma</b>	<b>% change organic</b>
Aerospace Propulsion	4,217	4,210	<b>4,113</b>	-2.5%	<b>-2.3%</b>	-6.2%
Aircraft Equipment	2,084	2,024	<b>2,021</b>	-3.0%	<b>-0.1%</b>	-4.4%
Defence	660	712	<b>727</b>	10.2%	<b>2.1%</b>	0.5%
Security	485	445	<b>640</b>	32.0%	<b>43.8%</b>	15.7%
Holding	-	15	<b>32</b>	nm	<b>nm</b>	nm
<b>Total revenues</b>	<b>7,446</b>	<b>7,406</b>	<b>7,533</b>	<b>1.2%</b>	<b>1.7%</b>	<b>-3.5%</b>

For the first nine months of 2009, Safran's revenue was Euro 7,533 million, compared to a pro-forma Euro 7,406 million, a 1.7% year-over-year increase. Group revenue organically declined by 3.5%. Organic revenue was determined by deducting from 2009 pro-forma figures the contribution of Security activities acquired in 2008 and 2009 and by applying constant exchange rates. Hence, the following calculations were applied:

<b>Reported growth</b>		<b>1.2%</b>
Sale of Monetel business	Euro (40) million	0.5%
<b>Pro-forma growth</b>		<b>1.7%</b>
Impact of acquisitions	Euro 133 million	-1.8%
Currency impact	Euro 252 million	-3.5%
<b>Organic growth</b>		<b>-3.5%</b>

Acquisitions had an impact of Euro 133 million during the first nine months of 2009, which mainly included the consolidation of:

- Nine months of Sagem Identification (formerly SDU): Euro 86 million
- Six months of Printrak (now MorphoTrack): Euro 22 million
- One month of GE Homeland Protection (now MorphoDetection): Euro 19 million

The favourable currency impact of Euro 252 million for nine months 2009 was mostly a combination of an improvement in the Group's hedged rate (USD1.43 to the Euro vs. USD1.46 in the year ago period) and of the improved spot rate (USD1.35 to the Euro vs. USD1.52) on sales which are naturally hedged (sales and purchases in the same currency).

## Executive commentary

CEO Jean-Paul Herteman commented:

*“ Safran recorded a solid performance for the first nine months of 2009 against the backdrop of a weak civil aerospace environment, which demonstrates the resilience of the Group's business model.*

*Early in October, we reached the historic landmark of 20,000 CFM engines delivered, making it by far the world's best selling aircraft engine. In what remains a long cycle industry, we are well positioned to deliver profitable organic growth with more than 6,000 CFM engines in the order book and a large installed base of CFM engines yet to receive their first service.*

*During the third quarter of 2009, we completed the 81% acquisition of the GE Homeland Protection business, a new milestone in our strategic move into fast growing and profitable Security activities.*

*Based on the performance for the first nine months of the year, we reiterate our full-year guidance for 2009.”*

## Outlook

For full-year 2009, the Group expects revenue to be on the same scale as for 2008 and operating margin to come in at about 6% of revenue.

These objectives are based on several assumptions, unchanged as compared to the end of July (See Note [3]).

## Business commentary

### ▪ Aerospace Propulsion

Revenue for the first nine months of 2009 was down 2.3% pro-forma at Euro 4,113 million, or -6.2% on an organic basis, compared to the year-ago period. After record deliveries in the past two years, OEM CFM engine deliveries stabilized at 918 units compared to 1,013 units in the year ago period, a decline attributed to the impact of the Boeing strike in late 2008 and to the current market environment. The order flow remained satisfactory by historic standards for the nine-month period.

The service growth for recent engine programs (CFM56 –5B/-7) partly offset the quicker than anticipated erosion of services for older generation engines (CFM56 –2/-3/-5A/-5C). The total number of shop visits for CFM-equipped civil aircraft decreased to 1,745 as compared to 1,856 in 2008, the sales impact of which was partly offset by a favourable mix towards a higher proportion of second generation engines with higher material revenue per shop visit.

The slowdown in the service business remains limited with worldwide CFM International spare parts revenue down 2.6% in USD terms.

For the first nine months of 2009, service revenue increased from 45.0% to 49.0% of Aerospace Propulsion sales, benefiting from a robust contribution from military and helicopter engines, as well as from high-thrust recent civil engines.

▪ **Aircraft Equipment**

The Aircraft Equipment segment reported nine-month 2009 revenue of Euro 2,021 million, almost flat on a pro-forma basis (-0.1%), or 4.4% lower on an organic basis, compared to the year-ago period. Revenue was affected by the depressed market conditions in the business aircraft segment, which account for 10% of Aircraft Equipment business. The number of deliveries of small nacelles fell to 256 units from 450 in 2008.

These impacts were partially mitigated during the period by a continued ramp-up in deliveries of A380 nacelles from 44 units in 2008 to 64 units this year, and a solid performance in services particularly in Asia (landing gear, brakes, wheels).

For the first nine months of 2009, service revenue increased from 31.5% to 31.9% of Aerospace Equipment sales, benefiting from a strong contribution from landing gear and braking systems.

▪ **Defence**

Nine-month 2009 revenue was up 2.1% pro-forma at Euro 727 million, showing 0.5% organic growth, compared to the same period last year.

▪ **Security**

The Security branch reported nine-month 2009 revenue of Euro 640 million, up 43.8% on a pro-forma basis, which was partly due to the consolidation of Sagem Identification, Printrak and GE Homeland Protection. Organic growth was 15.7% thanks to ID solutions (French and international contracts). An organic slowdown was registered in the third quarter of 2009 compared to the same period a year ago, however, this was not unexpected considering the lumpy nature of the phasing of certain long-term government contracts.

**Upcoming events**

Full year 2009 results	February 25, 2010
Annual Shareholders Meeting	May 27, 2010

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Safran will host today an audio webcast for analysts and investors at 9:00 a.m. Paris time (8:00 a.m. London), which can be accessed at +33 1 72 28 08 88 from France and +44 161 601 8912 from the UK. A replay will be available until October 30, 2009 at +44 207 075 3214 or +1 866 828 2261; access code is 302044#.

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## Notes

### [1] Revenue for the third quarter 2009

In Euro millions	Third quarter 2008 reported	Third quarter 2008 pro-forma	Third quarter 2009	% change reported	% change pro-forma	% change organic
Aerospace Propulsion	1,365	1,360	<b>1,344</b>	-1.5%	<b>-1.2%</b>	-4.6%
Aircraft Equipment	658	639	<b>608</b>	-7.8%	<b>-4.9%</b>	-7.5%
Defence	202	219	<b>216</b>	6.9%	<b>-1.4%</b>	-2.7%
Security	164	164	<b>206</b>	25.6%	<b>25.6%</b>	-9.8%
Holding	-	7	<b>10</b>	nm	<b>nm</b>	nm
<b>Total revenues</b>	<b>2,389</b>	<b>2,389</b>	<b>2,384</b>	<b>-0.2%</b>	<b>-0.2%</b>	<b>-5.4%</b>

### [2] Pro-forma data

The pro-forma data reflects

- The exit of the Monetel business (Security branch) for the first quarter 2008 revenue (Euro 40 million).
- The reclassification of certain activities further to the internal reorganization realized between the branches in the first quarter 2009

### [3] Underlying assumptions for the full year 2009 outlook

- A forecast 4-5% reduction in air traffic
- An hedged rate of USD1.43 to the Euro
- A slight decrease in original equipment business on a constant dollar basis
- Sales of services at constant dollars remaining stable or edging back slightly
- Strong and profitable growth for the Security business
- On-going measures to enhance profitability and reduce overheads

### [4] 2009 revenue data by quarter

In Euro millions	First quarter 2009 reported	Second quarter 2009 reported	Third quarter 2009 reported
Aerospace Propulsion	1,334	1,435	1,344
Aircraft Equipment	700	713	608
Defence	238	273	216
Security	204	230	206
Holding	11	11	10
<b>Total revenues</b>	<b>2,487</b>	<b>2,662</b>	<b>2,384</b>

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**Safran** is a leading international high-technology group with three core businesses: Aerospace (propulsion and equipment), Defence and Security. Operating worldwide, the Safran group has 54,500 employees and generated sales exceeding 10 billion euros in 2008. Working alone 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 1.2 billion euros in 2008. Safran is listed on NYSE Euronext Paris and is part of the SBF 120 and Euronext 100 indexes. For more information, [www.safran-group.com](http://www.safran-group.com)

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