Communiqué de presse . Press release

Safran first quarter revenue 2010 in line with full-year outlook for stable revenue

All figures in this press release represent Adjusted[1] data. Please refer to definition provided in the Notes on page 6 of this press release.

KEY NUMBERS FOR THE FIRST QUARTER 2010

- **First-quarter 2010 revenue was Euro 2,426 million**, down 2.5% on a reported basis, down 3.0% on an organic basis, compared to a first quarter 2009 base which was strong in aerospace.
- **Solid revenue contribution** from **Defence** (Optronics) and **Security** (Detection).
- Aerospace Propulsion reported fairly stable revenue. Decline in revenue of Aircraft Equipment was primarily attributable to lower volumes in nacelles and landing systems, in particular in business and regional jet segments and as a consequence of A380 aircraft delivery slippages.
- Services (spares and MRO) share of revenue remained stable at 48% in Aerospace Propulsion and increased to 34% in Aircraft Equipment.
- **Outlook for full-year 2010 is confirmed**.

KEY BUSINESS HIGHLIGHTS FOR THE FIRST QUARTER 2010

- **Safran inaugurated two new plants in Queretaro, Mexico** to produce parts for the CFM56 engines powering the B737, and main parts for the landing gear on the A320, A330 and B787.
- **Positive trends in services for Aerospace Equipment**. Messier-Bugatti carbon brakes chosen to retrofit Aeromexico B737NG fleet. Aircelle signed a comprehensive thrust reverser maintenance contract for Trent700 engines on Garuda Indonesia's A330 jetliners.
- **Continued commercial momentum in Defence**, notably in portable optronics equipment such as infrared binoculars and sight equipment.
- **Security driven by cutting-edge technologies:** TSA-certified explosive trace detection system now commercially available for identification of complex explosive substances. Safran announced the deployment of the world's first automatic narcotics detection system at London's Heathrow Airport. The Group was also selected by Israeli Airport Authority for new generation integrated Computed Tomography and diffraction X-ray inspection.

Paris, April 20, 2010 - Safran (NYSE Euronext Paris: SAF) today reported its revenue for the first quarter of 2010.

For the first quarter of 2010, Safran's revenue was Euro 2,426 million, compared to Euro 2,487 million in the year-ago period, a 2.5% year-over-year decrease. Group revenue organically declined by 3.0%. Organic revenue was determined by deducting from 2010 figures the contribution of Security activities acquired in 2009 and by applying constant exchange rates. Hence, the following calculations were applied:

Reported growth			**(2.5)%**
Impact of acquisitions	Euro 51 million	(2.1)%	
Currency impact	Euro (37) million	1.6%	
Organic growth			**(3.0)%**

Acquisitions had an impact of Euro 51 million on revenue in the first quarter of 2010, which mainly included the consolidation of:

§ MorphoTrak (formerly Printrak): Euro 8 million
§ MorphoDetection (formerly GE Homeland Protection): Euro 44 million

The adverse currency impact of Euro (37) million for first-quarter 2010 was mostly a combination of a mild deterioration in the Group's hedged rate (USD1.46 to the Euro vs. USD1.45 in the year ago period) and a significant deterioration of the average spot rate (USD1.38 to the Euro vs. USD1.32) on sales which are naturally hedged (sales and purchases in the same currency).

EXECUTIVE COMMENTARY

CEO Jean-Paul Herteman commented:

" *Safran recorded first quarter revenue in line with our annual forecast of broadly stable sales in 2010. As expected, the aerospace market remained volatile in the first three months of the year. However we believe that improvements are definitely on the horizon: renewed traffic growth for passenger and freight, aircraft manufacturers plans to increase narrowbody airplanes production rates in outer quarters and a return to service of a significant number of CFM56-equipped aircraft.*

Based on the performance for the first quarter of the year and current positive trends in our markets, we confirm our full-year guidance for 2010 and our renewed confidence in our outlook for 2011 and beyond. "

BUSINESS COMMENTARY

§ **Aerospace Propulsion**

Revenue for the first quarter of 2010 was down 1.7% at Euro 1,311 million, and in fact fairly stable on an organic basis (-0.4%), compared to the year-ago period. Revenue evolution was driven by a higher pace of CFM56 and space engines deliveries, as well as a fast-growing aftermarket activity in both military engines and high-thrust recent civil engines. It was offset by a mildly adverse currency impact, lower helicopter engine deliveries and CFM56 spare parts revenue compared to an exceptionally high first quarter last year.

OE CFM56 engine deliveries were up 8% at 324 units compared to 301 units in first quarter 2009 which represented a low volume base following the Boeing strike. CFM56 orders saw a robust first-quarter 2010 at 282 units. OE high-thrust engines deliveries were up 4% driven by the commercial success of the GE115 engine that powers the B777 aircraft. OE deliveries were slightly down in both military and helicopter engines.

For the first quarter 2010, service revenue share remained stable at 48% of Aerospace Propulsion sales, with a robust contribution from military, as well as from high-thrust recent civil engines. Worldwide CFM International spare parts revenue was down 25% in USD terms, but compared to a very strong first quarter 2009.

With international traffic growth in the high single digits for passenger and in the mid twenties for freight in first-quarter 2010, the total number of grounded planes equipped with CFM56 engines reduced from 468 at end of December 2009 to 416 at the end of March 2010, confirming a return to active service of a significant number of CFM56-equipped aircraft during the quarter.

§ **Aircraft Equipment**

The Aircraft Equipment segment reported first-quarter 2010 revenue of Euro 633 million, down 9.6%, or 6.5% lower on an organic basis, compared to the year-ago period. The decline in revenue was primarily attributable to a continuing decline starting in second-quarter 2009 of the business and regional jet segments which impacted the nacelle, landing system and harnessing businesses. The nacelle activity recorded a significant drop in small nacelles deliveries (down 38%), as well as lower deliveries of A380 nacelles (9 units in the first quarter 2010 compared to 19 nacelles in the year-ago period) due to aircraft delivery slippages. A volume drop of 26% in landing systems deliveries, notably due to a weak business jet segment, was recorded over the period. These impacts were partially mitigated in first-quarter 2010 by a solid performance in services (landing gear, brakes, wheels) in both military and civil activities.

For the first three months of 2010, service revenue share increased to 34% of Aerospace Equipment sales, benefiting from a strong contribution from landing gear and carbon-brakes systems.

§ **Defence**

First quarter 2010 revenue was up 2.9% at Euro 245 million, showing 3.7% organic growth, compared to the same period last year. The performance was mainly driven by 2-digit growth in the Optronics activity on the basis of a robust order backlog (Felin soldier integrated equipment suites, long-range infra-red goggles). This trend was partly mitigated by a mild decline in the Avionics activity with less volume in navigation programs.

§ **Security**

The Security activity reported three-month 2010 revenue of Euro 223 million, up 9.3% on a reported basis, which was partly due to the consolidation of Printrak and GE Homeland Protection. Organic slowdown of 17.5% was registered as a result of the expected phasing of certain long-term government contracts in the Identification activity, notably the contract related to the electoral census of the population for the Ivory Coast and the passport contract in France. The smart cards activity recorded slightly growing revenue driven by a healthy volume increase in the banking and telecommunication market segments.

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UPCOMING EVENTS

Annual General Meeting	May 27, 2010
H1 2010 results	July 28, 2010

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Safran will host today an audio webcast for analysts and investors at 8:00 a.m. Paris time (7:00 a.m. London), which can be accessed at +33 1 72 26 06 12 from France and at +44 161 601 8912 from other countries. A digital replay will be available until July 20, 2010 at +33 1 72 28 01 39, +44 207 075 3214 or +1 866 828 2261; access code is 317008#.

The press release is available on the website at www.safran-group.com.

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KEY FIGURES

First quarter revenue (In Euro million)	First quarter 2009	First quarter 2010	% change	% change organic
Aerospace Propulsion	1,334	1,311	(1.7)%	(0.4)%
Aircraft Equipment	700	633	(9.6)%	(6.5)%
Defence	238	245	2.9%	3.7%
Security	204	223	9.3%	(17.5)%
Holding	11	14	n.m.	n.m.
Total revenue	**2,487**	**2,426**	**(2.5)%**	**(3.0)%**

2009 revenue by quarter (In Euro million)	First quarter 2009	Second quarter 2009	Third quarter 2009	Fourth quarter 2009	Full year 2009
Aerospace Propulsion	1,334	1,435	1,344	1,560	5,673
Aircraft Equipment	700	713	608	746	2,767
Defence	238	273	216	334	1,061
Security	204	230	206	264	904
Holding	11	11	10	11	43
Total revenue	**2,487**	**2,662**	**2,384**	**2,915**	**10,448**

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NOTES

[1] Adjusted data

To reflect the Group's actual economic performance and enable it to be monitored and benchmarked against competitors, Safran prepares an adjusted income statement alongside its consolidated financial statements.

Particularly, Safran recognizes, all changes in the fair value of its foreign currency derivatives in "financial income (loss)", in accordance with the provisions of IAS 39 applicable to transactions not qualifying for hedge accounting.

Accordingly, Safran's consolidated income statement is adjusted for the impact in financial income (loss) of the mark-to-market of foreign currency derivatives, in order to better reflect the economic substance of the Group's overall foreign currency risk hedging strategy:

§ revenue net of purchases denominated in foreign currencies is measured using the effective hedging rate, i.e., including the costs of the hedging strategy;

§ the recognition of the mark-to market of unsettled hedging instruments at the closing date is neutralized.

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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 54,900 employees and generated revenue of 10.4 billion euros in 2009. 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 1.1 billion euros in 2009. 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*

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