



Safran enters into a definitive agreement with L-1 Identity Solutions for the purchase of L-1 biometrics and ID management solutions businesses

Paris, France, September 20 2010 - Safran (NYSE Euronext Paris: SAF) announced today that it has entered into a definitive agreement with L-1 Identity Solutions (NYSE: ID), a leading identity management provider in the United States, for Safran to acquire the operating and holding company of L-1 and its biometric and enterprise access solutions, secure credentialing solutions and enrollment services businesses, for a total cash amount of USD 1.09 billion. These businesses had 2009 revenue of USD 436 million and recorded a backlog of USD 1.1 billion at end of 2009. The transaction would create an industry-leading provider of solutions for the fast-growing high-tech homeland security market and generate strong growth in revenue and earnings, while yielding significant operating synergies.

Prior to this agreement and as a condition to the transaction, L-1 entered into a definitive agreement to sell its government consulting services business for USD 295 million to a third party, and therefore this business would be excluded from the transaction with Safran.

Overview of the transaction

Under the terms of the agreement with L-1, Safran would acquire 100 % of L-1's shares, with the following characteristics:

- L-1 shareholders would receive USD 12.00 per L-1 share in cash, an implied premium of 31.2 % over L-1's 30-day average closing price of USD 9.14 for the period ending on September 17 2010;
- The estimated Enterprise Value of the business acquired by Safran is USD 1.19 billion, taking into account L-1's estimated net debt at closing of approximately USD 100 million which includes the cash proceeds from the prior sale of the government consulting services business;
- The run-rate operating cost synergies are expected to represent approximately USD 30 million, which would be fully realized within 18 months from the closing of the transaction;
- The transaction, thanks to operating synergies, is expected to be accretive to Safran's earnings from year one, excluding non cash and one-off items and purchase accounting adjustments (PPA);
- Safran intends to fully finance the acquisition with existing cash on hand; and
- The boards of directors of both L-1 and Safran have unanimously approved the transaction.



Creates an industry-leading provider of solutions for hightech homeland security

Following the closing, Safran intends to operate L-1 as part of its existing security business, Morpho, in accordance with US national security regulation, to create an industry-leading provider of solutions for high tech homeland security. Benefits would include:

- A highly complementary combination of security technology and products that would offer enhanced ID solutions with best-of-class products in all their offerings;
- A combination of the best ID management solutions and detection of illicit and dangerous materials providing an offer of the highest standards for travel security;
- A broad geographical fit with balanced operations in around 40 countries and approximately Euro 1.35 billion in 2009 pro-forma¹ revenue (comprised of USD 436 million from L-1's businesses);
- A combination of outstanding teams, that would share a strategic vision and be positioned to address the high growth and attractive potential of global biometric and identity management requirements; and
- A combination of deep experience from both firms in serving in the United States and elsewhere, with the highest standards of quality, high profile public and governmental customers.

Commitment to U.S. stakeholders

With more than 4,000 employees working at 40 locations across 18 states, Safran's sales to U.S. customers represented approximately Euro 2.5 billion in 2009 revenue. It should be noted that CFM International, founded in 1974, is a company equally-owned by Safran and GE and the most successful venture in the history of civil aviation. The two companies agreed in 2008 to extend their cooperation until 2040. Safran is a long standing and trusted partner, having served for decades a large spectrum of key contributors to the U.S. economy such as Boeing, Lockheed Martin, as well as eight out of the ten largest U.S. airlines and notable U.S. government agencies, including the U.S. Armed Forces (the Army, Navy, Air Force, Marine Corps and Coast Guard), the FBI, a significant number of law enforcement organizations and entities in U.S. cities and states, and the U.S. Transportation Security Administration - among others. L-1 would benefit from Safran's technology, extended geographical reach, financial and management capabilities to further assist the company in accelerating the growth of its strong business in the United States and expansion in global key territories.

¹ Safran's security business (including annualized Morpho Detection (formerly GE HLP) and MorphoTrak (formerly Printrak) businesses) and Laser biometric and enterprise access solutions, secure credentialing solutions and enrollment services businesses



This transaction builds on Safran's previous successful transactions in 2009 in this sector in the United States: the acquisitions of Motorola's Printrak biometrics business (merged with Morpho US biometrics activities to become MorphoTrak) and of GE's Homeland Protection unit² (rebranded Morpho Detection). The combined activities of Morpho and L-1³ would have generated 2009 pro forma sales to U.S. customers of more than USD 700 million with around 2,200 employees in the United States.

Following this transaction, Safran would continue to strengthen the combined R&D teams. In doing so, the companies expect to build the next generation of excellence in biometrics and ID management and enhance the combined group's competitiveness in all territories, for the benefit of customers.

Jean-Paul Herteman, Chief Executive Officer of Safran, said: *" I have a deep respect for L-1's business and its contribution to the security industry. We are all highly impressed with the quality and expertise of L-1's teams throughout the United States and we are looking forward to working with them to bring L-1 and Morpho together. This will allow us to grow L-1's business, while expanding the reach of L-1's services to other key territories around the world. With this acquisition, Safran's pro forma 2011 revenues from its security business, focused on detection, biometrics and identity management is likely to exceed 15% of the Safran's global revenue. The expected organic growth of these activities should enable the group to reach its 20% revenue target for its security business swiftly. Furthermore, this constitutes a significant step in the implementation of Safran's clearly defined strategy to be a leader in the field of mission critical high tech tier one players in the group's three businesses: Aerospace, Defence and Security. "*

"I am extremely proud of L-1's accomplishments and the role we have played in the development of multi-modal biometric technologies and in helping establish the identity management market over the last four years," said Robert V. LaPenta, Chairman, President and CEO of L-1 Identity Solutions. *"Safran will provide a strong global reach and a more comprehensive portfolio of solutions and services in order to leverage the industry's best set of collective experience and solutions, all to the benefit of our customers and partners worldwide. Safran's commitment to furthering the standards of quality and excellence in engineering innovation will ensure that we can continue to lead the market in developing superior identity management solutions."*

² Morpho Detection is co-owned by Safran (81% stake) with GE (19% stake)

³ Excluding the government consulting services business, to be sold prior to the acquisition



The transaction is subject to L-1' shareholder and regulatory approvals, including review by the U.S. Antitrust Authorities, the Committee on Foreign Investment in the United States (CFIUS), as well as the satisfaction of other customary closing conditions.

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RBC Capital Markets Corporation and Société Générale Corporate and Investment Banking are acting as joint financial advisors and Weil, Gotshal, Manges and Kaye Scholer are acting as international legal counsels to Safran. The Chertoff Group is serving as a strategic advisor to Safran. The complete terms and conditions of the agreement will be filed with the U.S. Securities and Exchange Commission.

Safran will host a conference call today open to analysts and journalists at 9:00 am CET which can be accessed at +33 1 72 00 09 82 from France, +44 207 107 1613 from the U.K. and + 1 866 907 5923 from the US. A replay will be available at +33 1 72 00 15 00 (access code 270935#).

The press release and the presentation are available on the website at www.safran-group.com.

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About Safran

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 55,000 employees and generated sales exceeding 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. With a market capitalization of approximately USD 10 billion, Safran is listed on NYSE Euronext Paris and its share is part of the SBF 120 and Euronext 100 indexes.

For more information: www.safran-group.com

About Morpho

Morpho, a high-technology company in the Safran group, is one of the world's leading suppliers of identification, detection and e-document solutions. Morpho is specialized in personal rights and flow management applications, in particular based on biometrics, a sector in which it is the world leader, as well as secure terminals and smart cards. In the US, Morpho develops various biometric technologies for both law enforcement and civil agencies such as New York State Division of Criminal Justice Services, U.S. Drug Enforcement Agency, New York Police Department Central Records Division, FBI Latent Laboratory, FBI Criminal Justice Information Services, U.S. Army Crime Lab.

For more information: www.morpho.com

About L-1

L-1 Identity Solutions, Inc. (NYSE: ID) protects and secures personal identities and assets. Its divisions include Biometrics / Enterprise Access and Secure Credentialing solutions, as well as Enrollment and Government Consulting services. With the trust and confidence in individual identities provided by L-1, international governments, federal and state agencies, law enforcement and commercial businesses can better guard the public against global terrorism, crime and identity theft fostered by fraudulent identity. L-1 Identity Solutions has more than 2,200 employees worldwide and is headquartered in Stamford, CT.

For more information, visit www.L1ID.com



Disclaimers

These documents contain forward-looking statements. All statements other than statements of historical fact in this presentation, including, without limitation, those regarding our financial position, business strategy, management plans and objectives for future operations, are forward-looking statements. These forward looking statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we expect to operate in the future. Important factors that could cause our actual results, performance or achievements to differ materially from those in the forward-looking statements include, among other factors:

- ✓ *the cyclical nature of the businesses;*
- ✓ *the effects of exceptional and unpredictable events;*
- ✓ *the impact of competition and regulations;*
- ✓ *fluctuations in exchange rates;*
- ✓ *our ability to maintain high levels of technology.*

Forward-looking statements speak only as of the date of this presentation and we expressly disclaim any obligation or undertaking to release any update or revisions to any forward-looking statements in this presentation as a result of any change in our expectations or any change in events, conditions or circumstances on which these forward-looking statements are based.

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