



## **Planned agreement between Safran and SNPE for the acquisition of SNPE Matériaux Energétiques**

**Paris, October 1, 2010**

Safran (NYSE Euronext Paris: SAF) has announced its intention of setting up a commercial and industrial collaboration framework agreement with SNPE to strengthen the solid propulsion industry, a key to the long-term viability of European launch vehicles and missiles. The project calls for the acquisition by Safran of SNPE Matériaux Energétiques (SME) and its subsidiaries, including a 50% stake in Roxel, and a 40% stake in Regulus, but not including Eurengo. In 2009, these businesses generated sales (non-audited) of 270 million euros.

The businesses to be acquired by Safran represent a total enterprise value of 296 million euros, for an estimated revenue multiple in 2011 of approximately 1x, and an EBITDA (earnings before interest, taxes, depreciation and amortization) multiple of about 6x, excluding subsequent operational synergies.

After completion of discussions between the two groups, and following consultation procedures with employee representative bodies, the transaction could be finalized during the first half of 2011, pending regulatory authorizations based on a favorable recommendation by the French *Commission des Participations et des Transferts* (CPT).

### **Creating a world leader in solid propulsion**

Safran, via its subsidiary Snecma Propulsion Solide (SPS), is the European leader in the design and construction of solid rocket motors (SRM). SNPE, through its subsidiary SME, is the European leader in energetic materials for propulsion. This project is designed to create a world leader in solid propulsion, based on a simplified industrial model.

The combined solid propulsion business consolidated within Safran would represent nearly 3,000 employees, a Research & Development unit with over 600 scientists and engineers, and annual revenues estimated at more than 650 million euros in 2011.

Safran will finance this transaction using available cash. It will have an accretive effect on the Group's results right from the first year, before the accounting entries concerning the purchase price allocation (PPA). SNPE will give Safran a specific guarantee concerning environmental liabilities due to past operations.



Jean-Paul Herteman, CEO of Safran, said: *“I am particularly pleased to announce this project between Safran and SNPE. It should enable us to create a new center of excellence in our Group, one that will have a very positive technological impact on our other businesses, especially concerning solid propulsion and composite materials. We will do everything in our power to ensure that the people in the companies joining the Safran group will be integrated as harmoniously as possible.”*

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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](http://www.safran-group.com)

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