Communiqué de presse . Press release

Safran's full-year results for 2010 show strong progress

- **Recurring operating margin of 8.2% of revenue**
- **Positive net cash position at year-end**

All figures in this press release represent Adjusted[1] data, except when noted. Restated full-year 2009 income statement is provided in the Annex (see pages 11 to 12 of this press release). Please also refer to definitions and reconciliation between full-year 2010 consolidated income statement and adjusted income statement provided in the Notes on pages 9 to 10 of this press release.

KEY NUMBERS FOR FULL-YEAR 2010

- **Full-year 2010 adjusted revenue was Euro 10,760 million**, up 3.0% year-on-year, or (1.0)% on an organic basis.
- **Adjusted recurring[2] operating income at Euro 878 million (8.2% of revenue)** at a hedge rate of USD1.44 to the Euro, up 20% year-on-year. There were Euro 13 million of one-off items, all related to M&A transaction costs, therefore adjusted profit from operations was Euro 865 million.
- **Adjusted net income - group share up 29%** from FY 2009 restated at **Euro 508 million** (Euro 1.27 per share).
- Consolidated (non adjusted) net income - group share at Euro 207 million (Euro 0.52 per share).
- **Net cash position of Euro 24 million** as of December 31, 2010, thanks to strong free cash flow generation of **Euro 934 million**.
- A **dividend payment of Euro 0.50 per share** will be proposed to the shareholders' vote at the next Annual General Meeting on April 21, 2011.
- **Full-year 2011 guidance**: Safran expects revenue to increase by at least 5%, recurring operating income to increase by at least 20% and free cash flow to represent about a third of the recurring operating income taking into account an expected increase in OWC and R&D investment. This outlook does not include any contribution from L-1 Identity Solutions and SNPE Matériaux Energétiques.

KEY BUSINESS HIGHLIGHTS FOR FULL-YEAR 2010

- **Safran selected to provide the new LEAP-X engine to the A320neo**, as well as the nacelle for LEAP-X A320neo aircraft.
- **Safran and COMAC to create aircraft wiring JV**, strengthening partnership on C919, the new Chinese 150 passenger short-to-medium range aircraft powered by LEAP-X.
- Safran deployed an active strategy to expand its global customer presence and product offering: pending final government approvals, the acquisition of **L-1 Identity Solutions** to consolidate the Group world leadership in biometric solutions and the acquisition of **SNPE Matériaux Energétiques** creating a unified entity in solid rocket propulsion. The acquisition of **Harvard Custom Manufacturing** reinforced Safran's leading position in wire harnessing.

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Paris, February 24, 2011 - The Supervisory Board of Safran (NYSE Euronext Paris: SAF) chaired by Francis Mer met in Paris on February 23, 2011. The financial statements for the full year 2010 approved by the Management Board were submitted to the Supervisory Board.

EXECUTIVE COMMENTARY

CEO Jean-Paul Herteman commented:

" *2010 was more than a time of transition for Safran, it marked our emergence from a challenging period. Most importantly, our customers confirmed their trust in our technology and products: CFM and Safran were selected by Airbus to provide the LEAP-X engine as well as the related nacelle for the A320neo, the first FELIN infantry soldiers equipment units were delivered to the French army, and India delivered the first secure identification numbers to a million and a half residents based on Safran's latest biometric technology. We also initiated strategic moves that are due to close this year pending final government approvals: the acquisition of SNPE Matériaux Energétiques creating a unified entity in solid rocket propulsion and the acquisition of L-1 Identity Solutions to consolidate our world leadership in biometric solutions.*

We have increased the Group's recurring operating income by 20%, demonstrating the robustness of our business model and the effectiveness of our security strategy, as well as the success of the modernization projects that will make Safran an even stronger, more integrated and efficient group. All businesses performed well, and we have seen the first signs of the turnaround in the CFM56 aftermarket during the second half of the year. The Group ended the year cash positive, thanks to a strong improvement in working capital, enhancing strategic capability for the future.

2011 should be another promising and significant step on our way to deliver a 2-digit recurring operating margin as early as 2012. This operating performance should be supported by more favourable hedge rates in 2011-2014, the specific growth potential of the services for our later generation aviation products and of our security businesses, in addition to the expected global growth in original aerospace equipment businesses. "

FULL-YEAR 2010 RESULTS

Safran's delivered operational performance in full-year 2010 show strong progress.

Moderate growth in revenue. For full-year 2010, Safran's revenue was Euro 10,760 million, compared to a Euro 10,448 million in the same period a year ago, a 3.0% year-on-year increase. Group revenue slightly declined by 1.0% organically.

Full-year 2010 revenue increased by Euro 312 million on a reported basis, highlighting growth of over 15% in the Defence business (notably in optronics) and in Security (primarily acquisition-driven). It also resulted from a mild decline in aerospace original equipment revenue mostly linked to A380 and B787 ramp-up slippages while services revenue remained resilient. On an organic basis, revenue declined by Euro 104 million as a result of the anticipated run-down of contract execution of a particularly large Identification program in the Ivory Coast.

Organic revenue was determined by deducting from 2010 figures the contribution of Security activities acquired in 2009 when compared to 2009 scope of consolidation and by applying constant exchange rates. Hence, the following calculations were applied:

Reported growth			**3.0%**
Impact of acquisitions & activities newly consolidated	Euro 197 million	(1.9)%	
Currency impact	Euro 219 million	(2.1)%	
Organic growth			**(1.0)%**

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The favourable currency impact in revenue of Euro 219 million for full-year 2010 reflected a global positive translation effect on the revenue exposed to foreign currencies, notably in USD, CAD, Australian dollar and Brazilian real. It was partly offset by a negative transaction impact with a mild deterioration in the Group's hedged rate (USD1.44 to the Euro vs. USD1.42 in the year ago period).

Margin on recurring operating income exceeded guidance. For full-year 2010, Safran's recurring operating income was Euro 878 million (8.2% of revenue), **up 20%** compared to full-year 2009 restated figure of Euro 729 million, 7.0% of revenue. After taking into account the slight adverse currency impact (Euro (25) million) and positive impact from acquisitions and activities newly consolidated (Euro 24 million), organic improvement was Euro 150 million or 21% year-over-year.

All four activities contributed to this solid improvement realizing the benefits of Safran+ savings, as well as SG&A and productivity improvements.

There were few one-off items during the full-year 2010, all related to M&A transaction costs (e.g. HCM, L-1 Identity Solutions, SNPE Matérieux Energétiques, …):

In Euro million	**FY 2009 restated**	**FY 2010**
Recurring operating income	**729**	**878**
% of revenue	7.0%	8.2%
Total one-off items	**(35)**	**(13)**
Capital gain (loss) on disposals	*7*	-
Impairment reversal (charge)	*(70)*	-
Other infrequent & material non operational items	*28*	*(13)*
Profit from operations	**694**	**865**
% of revenue	6.6%	8.0%

Adjusted net income - group share grew by 29% year-over-year. The adjusted net income attributable to equity holders of the parent was Euro 508 million or Euro 1.27 per share, compared to Euro 395 million (Euro 0.99 per share) in 2009 restated. In addition to the rise in recurring operating income, this improved performance reflects:

- Net financial expense of Euro 168 million, including Euro 36 million of cost of net debt.
- Tax expense of Euro 173 million (a 25% effective tax rate).

The reconciliation between FY 2010 consolidated income statement and adjusted income statement is provided in the Notes on page 9.

BALANCE SHEET AND CASH FLOW

Positive net cash position at year-end. The net cash position was Euro 24 million as of December 31, 2010 compared to net debt of Euro 498 million as of December 31, 2009, a significant improvement of Euro 522 million. Free cash flow generation of Euro 934 million was driven by the high level of operating profitability (cash from operations of Euro 1,142 million) and by decreasing working capital needs of Euro 317 million. The Group benefited from a positive cash impact of commercial settlements with airframers, French Government stimulus package which accelerated some tax credits and strong cash receivables collection (including from the French MoD in the second half of the year). The acquisition of HCM caused a Euro 100 million (USD 135 million) cash outflow. A dividend of Euro 152 million was paid in June 2010 (Euro 0.38 per share).

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With cash and marketable securities of Euro 2.1 billion and the availability of committed and undrawn facilities amounting to Euro 2.4 billion as of December 31, 2010, Safran is adequately funded.

A dividend payment of Euro 0.50 per share will be proposed to the shareholders' vote at the next Annual General Meeting on April 21, 2011. Dividend cash outflow is expected to be approximately Euro 200 million in 2011. If approved, the dividend will be paid from April 29, 2011 (ex-dividend date: April 26, 2011).

RESEARCH & DEVELOPMENT

The self-funded R&D effort before research tax credit was Euro 637 million or 5.9% of revenue in 2010. It reflects the tailing off of R&D development programs on the SuperJet 100, Boeing 787 and A400M programs partly offset by new developments taking place on the A350 and C919 programs. The impact on operating income after tax credit was Euro 406 million which compares to Euro 565 million in 2009, which included a one-off depreciation charge of Euro 71 million registered on the B787 program. In 2010, the Group benefited from increased eligibility to credit research tax assets and an increased entitlement carried over from 2009.

OUTLOOK

The full-year 2011 outlook does not include any contribution from L-1 Identity Solutions and SNPE Matériaux Energétiques (transactions pending final government approvals before closing).

Bearing in mind the recovery for CFM aftermarket (as already experienced at end 2010) and OE deliveries and a favourable USD currency hedge, the full-year 2011 guidance is as follows:

- Revenue expected to increase by at least 5% (at an estimated average spot rate of USD 1.33 to the Euro).
- Recurring operating income expected to increase by at least 20% (at a targeted hedge rate of USD 1.38 to the Euro).
- Free cash flow expected to represent about a third of the recurring operating income taking into account the expected increase in working capital requirements (in the wake of the favourable exceptional circumstances of late 2010) and R&D investments.

The full-year 2011 outlook is based on the following underlying assumptions:

- Civil aerospace aftermarket up 10-15%
- Healthy rise in aerospace OE deliveries
- Short term cautiousness on A380 and B787 programs
- Increased R&D effort (net impact of over Euro 50 million on P&L and over Euro 200 million in cash, notably for LEAP-X development)
- Strong and profitable growth for the Security business
- On-going Safran+ plan to enhance profitability and reduce overheads.

CURRENCY HEDGES

Hedging portfolio optimized. The Group has put in place currency hedges for the next 3 years, spanning from 2011 to 2014. At February 18, 2011, the firm hedging portfolio amounted to USD 12.8 billion. Taking advantage of market opportunities, the portfolio has been optimized to increase operational tailwind in 2011 (new target of USD 1.38 to the Euro compared to USD 1.39 previously) and in 2013 (new target of USD 1.30 to the Euro compared to USD 1.31 previously). The 2014 hedging is well advanced: $1.3bn achieved at USD1.29 to rise to USD2.9bn at USD1.25 as long as Euro/USD<1.52 for most of 2011 and 2012.

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BUSINESS COMMENTARY

- **Aerospace Propulsion**

Full-year 2010 revenue was Euro 5,604 million, down 1.2% or a decline of 3.1% on an organic basis, compared to the year-ago period revenue at Euro 5,673 million. Revenue evolution was driven by a growing aftermarket activity in military, helicopter and recent high-thrust civil engines, somewhat offset by a particularly marked softness in CFM56 spare parts revenue for the first part of the year.

OEM CFM56 engine deliveries at 1,251 units were almost flat compared to the same period a year ago. After successful Farnborough and Zuhai air shows, total 2010 CFM56 orders stand at 1,583 engines, double the level recorded in 2009. Revenue from OEM helicopter engines was slightly down, as a result of negative volume conditions. Space & missile propulsion revenue slightly grew as a result of production ramp-up in solid propulsion activity.

On a full-year 2010 basis, service revenue share was up at 50.1%, benefiting from a robust contribution from aftermarket from military and helicopter engines, as well as from recent high-thrust civil engines. This aftermarket revenue growth was however offset by worldwide CFM International spare parts revenue down 17% in USD terms, highlighting soft and volatile airlines spending in maintenance. The estimated* total number of shop visits for CFM-equipped civil aircraft decreased to 2,120 as compared to 2,305 in 2009. Nevertheless, the trend greatly improved since mid-year with worldwide CFM International spare parts revenue for the fourth quarter up 15% from the third quarter following a 16% increase from the second quarter to the third quarter. On a more global basis, for the fourth quarter, the services revenue in Aerospace Propulsion was up by 3% compared to the year ago period and up 4% compared to third quarter 2010.

[*(*) shop visit numbers are estimates; these can be revised marginally in the future as airlines finalise reports*].

Full-year 2010 recurring operating income was Euro 663 million (11.8% of revenue), up 5.6% on a restated basis compared to Euro 628 million in the year-ago period (11.1% of revenue). This significant improvement despite a soft CFM aftermarket environment resulted from a strong military and recent high-thrust engines activity in spares, as well as from increased unit revenues on original equipment. Profits were also largely driven by better-than-expected Safran+ cost reduction efforts and productivity improvements (supply-chain, industrial process efficiency). The currency impact had a slight adverse impact on profitability.

- **Aircraft Equipment**

The segment reported full-year 2010 revenue of Euro 2,834 million, up 2.4%, or stable on an organic basis, compared to the year-ago period at Euro 2,767 million.

The increase in revenue resulted from production ramp-up, albeit slower than expected, on some programs, notably the B787 for landing systems and harnessing. It was slightly offset by a temporary decline in the nacelle activity which recorded lower deliveries of large nacelles (74 A380 units in the full-year 2010 compared to 84 nacelles in the year-ago period, A340 program tailing off) while the small nacelles deliveries were almost flat.

On a full-year 2010 basis, service share of revenue decreased very slightly from 31.8% to 31.3%.

Full-year 2010 recurring operating income was Euro 127 million (4.5% of revenue), up 74% on a restated basis compared to Euro 73 million in the year-ago period (2.6% of revenue). The improvement mainly resulted from tangible turnaround in the nacelle activity: notably improved production costs on A380, improved commercial terms and a favourable product mix. The nacelle activity achieved operating breakeven during the fourth quarter of 2010. It was also driven by a robust contribution from Messier Services (Repair & Overhaul on landing systems).

Labinal Salisbury (ex-Harvard Customs Manufacturing) was consolidated for a month in 2010.

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- **Defence**

Full-year 2010 revenue was up 17% at Euro 1,240 million, or up 12.4% on an organic basis, compared to the previous year. The performance was mainly driven by 30%+ revenue growth in the Optronics activity on the basis of a robust order backlog (Felin soldier integrated equipment suites for French Army, long-range infra-red goggles for France and export markets). This trend was partly mitigated by a mild decline in Avionics revenue with lower volume in flight control systems for helicopter and regional jets.

Full-year 2010 recurring operating income was Euro 55 million (4.4% of revenue) compared to a restated Euro 9 million (0.8% of revenue) in full-year 2009 which included a Euro 35 million loss at completion on A400M navigation program. The improvement was also driven by significantly higher profits in Optronics while Avionics suffered from lower volume in flight control systems.

- **Security**

The Security activity reported full-year 2010 revenue of Euro 1,041 million, up 15.2% compared to the year-ago period. On an organic basis, it was down 6.0% due, as anticipated, to the lower revenue booked for the identification contract in Ivory Coast compared to 2009. Apart from the Ivory Coast contract, revenue has increased organically by 7% in 2010. Revenue growth also benefited from a favourable translation currency impact from Brazilian real and Australian dollar. The smart cards activity recorded double-digit growth in volume, partly mitigated by pricing pressure.

Full-year 2010 recurring operating income was Euro 128 million (12.3% of revenue), up 49% compared to a restated Euro 86 million (9.5% of revenue) in the year-ago period. The improvement is due to the contribution of newly-acquired activities but also to a strong performance of Identification activities in emerging countries that offset the impact of lower margin recognition from the identification government contract in Ivory Coast. The smart cards activity benefited from higher volume and improved production costs compared to unit price increases. The Group continued to develop its position in India and successfully issued the first unique and secure 12-digit UIDAI number (Unique Identification Authority of India) in summer 2010 with dual biometry. It now registered its first million and a half residents.

UPCOMING EVENTS

AGM	April 21, 2011
Q1 2011 revenue	April 28, 2011
H1 2011 results	July 28, 2011

* * * * *

Safran will host today an analysts and investors meeting at 8:45 a.m. Paris time at Pavillon Kléber, 7 rue Cimarosa in Paris. The conference can also be accessed by call at +33 8 05 11 93 20 from France and +44 808 238 1773 from the UK. A replay will be available until March 4, 2011 at +33 1 72 00 15 00 and +44 203 367 9460 or +1 877 642 3018 (access code 272200#).

Safran will also host today a press meeting open to journalists only at 10:45 a.m. Paris time at Pavillon Kléber, 7 rue Cimarosa in Paris.

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

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KEY FIGURES

Adjusted income Statement *(In Euro million)*	FY 2009 reported	FY 2009 restated	FY 2010	% change restated
Revenue	**10,448**	**10,448**	**10,760**	3.0%
Recurring operating income	**698**	**729**	**878**	20.4%
% of revenue	6.7%	7.0%	8.2%	+1.2pt
Other non current operating income (expense)	(35)	(35)	**(13)**	
Profit from operations	**663**	**694**	**865**	24.6%
% of revenue	6.3%	6.6%	8.0%	+1.4pt
Net financial income (expense)	(174)	(174)	(168)	
Income tax expense	(98)	(108)	(173)	
Profit (loss) from discontinued op.	(4)	(4)	(5)	
Minority interests	(14)	(16)	(20)	
Income from associates	3	3	9	
Net income - group share	**376**	**395**	**508**	29%
EPS* (in €)	0.94	0.99	1.27	+28 cents

(*) based on a weighted average number of shares of 399,552,920 as of December 31, 2010

Balance sheet - Assets *(In Euro million)*	Dec 31, 2009	Dec 31, 2010
Goodwill	2,126	2,298
Intangible assets and PPE	5,418	5,383
Other non-current assets	722	657
Financial instruments at fair value	63	128
Inventories and WIP	3,382	3,508
Trade and other receivables	4,158	4,219
Cash and cash equivalents	2,080	2,062
Other current assets	220	256
Total Assets	**18,169**	**18,511**

Balance sheet - Liabilities *(In Euro million)*	Dec 31, 2009	Dec 31, 2010
Equity	4,501	4,705
Provisions	2,354	2,424
Borrowings subject to sp. conditions	696	701
Interest bearing liabilities	2,575	2,051
Other non-current liabilities	1,041	871
Trade and other payables	6,936	7,236
Other current liabilities	66	523
Total Equity & Liabilities	**18,169**	**18,511**

Cash Flow Highlights *(In Euro million)*	FY 2009 restated	FY 2010
Adjusted attributable net profit	**395**	**508**
Depreciation, amortization and provisions	576	462
Other	78	167
Elimination of discontinued operations	(1)	5
Cash flow from operations	**1,048**	**1,142**
Changes in working capital	355	317
Capex (tangible assets)	(293)	(271)
Capex (intangible assets)	(292)	(254)
Free cash flow	**818**	**934**
Dividends paid	(73)	(161)
Divestments/acquisitions and others	(608)	(251)
Net change in cash and cash equivalents	**137**	**(522)**
Net cash (debt) at beginning of period	(635)	(498)
Net cash (debt) at end of period	**(498)**	**24**

Segment breakdown of revenue *(In Euro million)*	FY 2009	FY 2010	% change reported	% change organic
Aerospace Propulsion	5,673	5,604	(1.2)%	(3.1)%
Aircraft Equipment	2,767	2,834	2.4%	0.0%
Defence	1,061	1,240	16.9%	12.4%
Security	904	1,041	15.2%	(6.0)%
Others	43	41	Na	na
Total Group	**10,448**	**10,760**	**3.0%**	**(1.0)%**

Breakdown of segment recurring operating income *(In Euro million)*	FY 2009 reported	FY 2009 restated	FY 2010	% change restated
Aerospace Propulsion % of revenue	**628** 11.1%	**628** 11.1%	**663** 11.8%	5.6%
Aircraft Equipment % of revenue	**73** 2.6%	**73** 2.6%	**127** 4.5%	74%
Defence % of revenue	**9** 0.8%	**9** 0.8%	**55** 4.4%	511%
Security % of revenue	**55** 6.1%	**86** 9.5%	**128** 12.3%	49%
Others	(67)	(67)	(95)	na
Total Group % of revenue	**698** 6.7%	**729** 7.0%	**878** 8.2%	**20%**

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
Others	11	11	10	11	43
Total revenue	**2,487**	**2,662**	**2,384**	**2,915**	**10,448**

2010 revenue by quarter *(In Euro million)*	First quarter 2010	Second quarter 2010	Third quarter 2010	Fourth quarter 2010	Full year 2010
Aerospace Propulsion	1,311	1,452	1,329	1,512	5,604
Aircraft Equipment	633	741	696	764	2,834
Defence	245	313	280	402	1,240
Security	223	256	279	283	1,041
Others	14	9	9	9	41
Total revenue	**2,426**	**2,771**	**2,593**	**2,970**	**10,760**

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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.

Safran's consolidated income statement has been adjusted for the impact of:

- purchase price allocations with respect to material business combinations. Since 2005, this restatement concerns the amortization charged against intangible assets relating to aeronautical programs that were revalued at the time of the Sagem-Snecma merger. With effect from the 2010 interim financial statements, the Group has decided to restate the impact of purchase price allocations for all material business combinations (and not only those relating to the Sagem-Snecma merger). In particular, this concerns the amortization of intangible assets recognized at the time of the acquisition, and amortized over extended periods, justified by the length of the Group's business cycles;

- 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 all mark-to-market changes on non-settled hedging instruments at the closing date is neutralized in the net result, including the "ineffective" portion with effect from the publication of the 2009 financial statements, given that the Group's hedging strategy includes optional hedging instruments and optimization measures combined with highly volatile market inputs used to mark to market.

Full-year 2010 reconciliation between consolidated income statement and adjusted consolidated income statement:

Full-year 2010 consolidated net result was a net profit of Euro 207 million.

FY 2010 (In Euro million)	**Consolidated income statement**	Hedge accounting		Business combinations		**Adjusted consolidated income statement**
		Remeasurement of revenue	Deferred hedging gain (loss)	Amortization intangible assets - Sagem-Snecma	PPA impacts - other business combinations	
Revenue	**11,028**	**(268)**				**10,760**
Other operating income (expense)	(10,077)	8	(15)	159	43	(9,882)
Recurring operating income	**951**	**(260)**	**(15)**	**159**	**43**	**878**
Other non current operating income (expense)	(13)					(13)
Profit (loss) from operations	**938**	**(260)**	**(15)**	**159**	**43**	**865**
Cost of debt	(36)					(36)
Foreign exchange financial income (loss)	(531)	260	275			4
Other finance costs / income	(136)					(136)
Net finance costs / income	**(703)**	**260**	**275**			**(168)**
Income from associates	9					9
Income tax expense	(14)		(90)	(54)	(15)	(173)
Profit (loss) from continuing operations	**230**		**170**	**105**	**28**	**533**
Profit (loss) from discontinued operations	(5)					(5)
Attributable to non-controlling interests	**(18)**	4		(3)	(3)	**(20)**
Attributable to equity holders of the parent	**207**	**4**	**170**	**102**	**25**	**508**

The reader is reminded that consolidated financial statements are audited by the Group's statutory auditors, including Adjusted revenue and Adjusted profit from operations provided in the note to consolidated financial statements related to operating segments. Adjusted data, other than Adjusted revenue and Adjusted profit from operations, are verified with respect to an overall reading of the information that will be provided in the 2010 reference document.

The audit procedures on the consolidated financial statements have been completed. Audit opinion will be issued after the Supervisory board's meeting on March 4, 2011, once verification of the board's report and review of subsequent events after February 24, 2011 have been performed.

[2] Recurring operating income
In order to better reflect the current economic performance, this subtotal named “recurring operating income” excludes income and expenses which are largely unpredictable because of their unusual, infrequent and/or material nature such as: impairment losses/reversals, capital gains/losses on disposals of operations and other unusual and/or material non operational items.

* * * * *

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 more than 54,000 employees and generated sales of 10.8 billion euros in 2010. 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 2010. 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*

Press
Catherine Malek +33 (0)1 40 60 80 28 catherine.malek@safran.fr

Investor Relations
Pascal Bantegnie +33 (0)1 40 60 80 45 pascal.bantegnie@safran.fr
Antoine-Pierre de Grammont +33 (0)1 40 60 80 47 antoine-pierre.degrammont@safran.fr

Safran group
2, bd du Général Martial Valin
75724 Paris Cedex 15 - France

ANNEX

As a consequence of the changes in definition and in presentation of Adjusted data as of June 30, 2010, the full-year 2009 adjusted income statements have been restated in order to provide comparable data for future results. This restatement aims to meet investors expectations and provide better transparency.

In the first half 2010, the Group decided to adjust its consolidated income statement for the impacts of the purchase price allocation entries for all major business combinations (especially those related to the acquisitions in the Security business) and not only those related to the Sagem-Snecma merger. In accordance with IFRS 3 and IFRS 3R standards, the Group recognizes, among other impacts, material intangible assets with a long useful life, justified by the long economic cycles of the Group's activities, what doesn't enable to reflect the Group's actual economic performance and be benchmarked against competitors.

Therefore, full-year 2009 adjusted results which shall serve as a basis of comparison have been restated for (i) purchase price allocation entries impacts for major acquisitions (especially in the Security business).

KEY ADJUSTED FIGURES: FY 2009 RESTATED

Income Statement *(In Euro million)*	**2009 reported**	PPA (i)	**2009 restated**
Revenue	**10,448**		**10,448**
Recurring operating income	**698**	31	**729**
% of revenue	6.7%		7.0%
Other non-current charges/income	(35)		(35)
Profit from operations	**663**	31	**694**
% of revenue	6.3%		6.6%
Net financial income (expense)	(174)		(174)
Income tax expense	(98)	(10)	(108)
Profit (loss) from discontinued op.	(4)		(4)
Minority interests	(14)	(2)	(16)
Income from associates	3		3
Net income - group share	**376**	19	**395**
EPS (in €)	0.94		0.99

Segment breakdown of revenue *(In Euro million)*	**2009 reported**	PPA (i)	**2009 restated**
Aerospace Propulsion	5,673		5,673
Aircraft Equipment	2,767		2,767
Defence	1,061		1,061
Security	904		904
Others	43		43
Total Group	**10,448**		**10,448**

Breakdown of segment recurring operating income *(In Euro million)*	**2009 reported**	PPA (i)	**2009 restated**
Aerospace Propulsion	**628**		**628**
% of revenue	11.1%		11.1%
Aircraft Equipment	**73**		**73**
% of revenue	2.6%		2.6%
Defence	**9**		**9**
% of revenue	0.8%		0.8%
Security	**55**	31	**86**
% of revenue	6.1%		9.5%
Others	(67)		(67)
Total Group	**698**	31	**729**
% of revenue	6.7%		7.0%

Full-year 2009 reconciliation between consolidated income statement and adjusted consolidated income statement.

FY 2009 (In Euro million)	Consolidated income statement	Hedge accounting		Business combinations		Adjusted consolidated income statement
		Remeasurement of revenue	Deferred hedging gain (loss)	Amortization intangible assets - Sagem-Snecma	PPA impacts - other business combinations	
Revenue	**10,559**	**(111)**	**-**	**-**	**-**	**10,448**
Other operating income (expense)	(9,930)	6	16	158	31	(9,719)
Recurring operating income	**629**	**(105)**	**16**	**158**	**31**	**729**
Other non current operating income (expense)	(35)					(35)
Profit (loss) from operations	**594**	**(105)**	**16**	**158**	**31**	**694**
Cost of debt	(38)					(38)
Foreign exchange financial income (loss)	479	105	(575)	-		9
Other finance costs / income	(145)					(145)
Net finance costs / income	**296**	**105**	**(575)**	**-**	**-**	**(174)**
Income from associates	3					3
Income tax expense	(235)	-	191	(54)	(10)	(108)
Profit (loss) from continuing operations	**658**	**-**	**(368)**	**104**	**21**	**415**
Profit (loss) from discontinued operations	(4)					(4)
Attributable to non-controlling interests	**(13)**	2	-	(3)	(2)	**(16)**
Attributable to equity holders of the parent	**641**	**2**	**(368)**	**101**	**19**	**395**