

FULL YEAR 2016 EARNINGS

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Disclaimer

The forecasts and forward-looking statements described in this document are based on the data, assumptions and estimates considered as reasonable by the Group as at the date of this document. These data, assumptions and estimates may evolve or change as a result of uncertainties related in particular to the economic, financial, competitive, tax or regulatory environment. The occurrence of one or more of the risks described in the registration document (document de référence) may also have an impact on the business, financial position, results and prospects of the Group and thus affect its ability to achieve such forecasts and forward-looking statements. The Group therefore neither makes any commitment, nor provides any assurance as to the achievement of the forecasts and forward-looking statements described in this document.

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This communication is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction in connection with the proposed acquisition of Zodiac Aerospace (the "Transaction") or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law.

The tender offer and the merger in connection with the Transaction are subject to consultation of the work's council committees, execution of definitive documentation and obtaining of required regulatory and other customary authorisations. The tender offer and the merger would only be filed after such and other conditions have been fulfilled. These materials must not be published, released or distributed, directly or indirectly, in any jurisdiction where the distribution of such information is restricted by law.

It is intended that Safran and Zodiac Aerospace will file with the French Market Authority ("AMF") a prospectus and other relevant documents with respect to the tender offer to be made in France, and with respect to the merger of Zodiac Aerospace into Safran. Pursuant to French regulations, the documentation with respect to the tender offer and the merger which, if filed, will state the terms and conditions of the tender offer and the merger will be subject to the review by the French Market Authority (AMF). Investors and shareholders in France are strongly advised to read, if and when they become available, the prospectus and related offer and merger materials regarding the tender offer and the merger referenced in this communication, as well as any amendments and supplements to those documents as they will contain important information regarding Safran, Zodiac Aerospace, the contemplated transactions and related matters.

> ADDITIONAL U.S. INFORMATION

Any securities to be issued in connection with the Transaction may be required to be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"). The Transaction will be submitted to the shareholders of Zodiac Aerospace for their consideration. If registration with the U.S. Securities and Exchange Commission (the "SEC") is required in connection with the Transaction, Safran will prepare a prospectus for Zodiac Aerospace's shareholders to be filed with the SEC, will mail the prospectus to Zodiac Aerospace's shareholders and file other documents regarding the Transaction with the SEC. Investors and shareholders are urged to read the prospectus and the registration statement of which it forms a part when and if it becomes available, as well as other documents that may be filed with the SEC, because they will contain important information. If registration with the SEC is required in connection with the Transaction, shareholders of Zodiac Aerospace will be able to obtain free copies of the prospectus and other documents filed by Safran with the SEC at the SEC's web site, <http://www.sec.gov>. Those documents, if filed, may also be obtained free of charge by contacting Safran Investor Relations at 2, Boulevard du Général Martial Valin 75724 Paris Cedex 15 - France or by calling (33) 1 40 60 80 80. Alternatively, if the requirements of Rule 802 under the Securities Act are satisfied, offers and sales made by Safran in the Transaction will be exempt from the provisions of Section 5 of the Securities Act and no registration statement will be filed with the SEC by Safran.

> FORWARD-LOOKING STATEMENTS

This communication contains forward-looking statements relating to Safran, Zodiac Aerospace and their combined businesses, which do not refer to historical facts but refer to expectations based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those included in such statements. These statements or disclosures may discuss goals, intentions and expectations as to future trends, plans, events, results of operations or financial condition, or state other information relating to Safran, Zodiac Aerospace and their combined businesses, based on current beliefs of management as well as assumptions made by, and information currently available to, management. Forward-looking statements generally will be accompanied by words such as "anticipate," "believe," "plan," "could," "estimate," "expect," "forecast," "guidance," "intend," "may," "possible," "potential," "predict," "project" or other similar words, phrases or expressions. Many of these risks and uncertainties relate to factors that are beyond Safran's or Zodiac Aerospace's control. Therefore, investors and shareholders should not place undue reliance on such statements. Factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to: uncertainties related in particular to the economic, financial, competitive, tax or regulatory environment; the ability to obtain the approval of the Transaction by shareholders; failure to satisfy other closing conditions with respect to the Transaction on the proposed terms and timeframe; the possibility that the Transaction does not close when expected or at all; the risks that the new businesses will not be integrated successfully or that the combined company will not realize estimated cost savings and synergies; Safran's or Zodiac Aerospace's ability to successfully implement and complete its plans and strategies and to meet its targets; the benefits from Safran's or Zodiac Aerospace's (and their combined businesses) plans and strategies being less than anticipated; and the risks described in the registration document (document de référence). The foregoing list of factors is not exhaustive. Forward-looking statements speak only as of the date they are made. Safran and Zodiac Aerospace do not assume any obligation to update any public information or forward-looking statement in this communication to reflect events or circumstances after the date of this communication, except as may be required by applicable laws.

> USE OF NON-GAAP FINANCIAL INFORMATION

This press release contains supplemental non-GAAP financial information. Readers are cautioned that these measures are unaudited and not directly reflected in the Group's financial statements as prepared under International Financial Reporting Standards and should not be considered as a substitute for GAAP financial measures. In addition, such non-GAAP financial measures may not be comparable to similarly titled information from other companies.



SUMMARY

2016 HIGHLIGHTS

2016 RESULTS

2017 OUTLOOK

2020 FINANCIAL AMBITION

Q&A

ADDITIONAL INFORMATION



1

2016 HIGHLIGHTS

Philippe PETITCOLIN - CEO

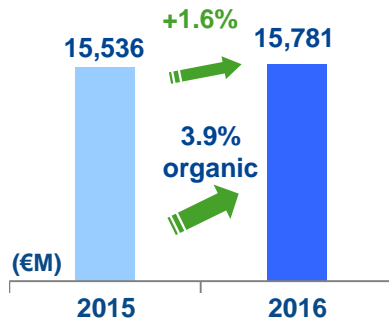
2016: financial objectives met or exceeded

Reminder

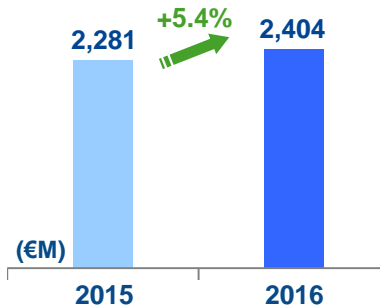
- **2015 figures are restated for the application of IFRS 5**
 - > Security activities classified as discontinued operations
- **H2 2016 sales impacted by equity accounting of ASL from July 1, 2016**
 - > Reduces reported sales growth

2016: financial objectives met or exceeded

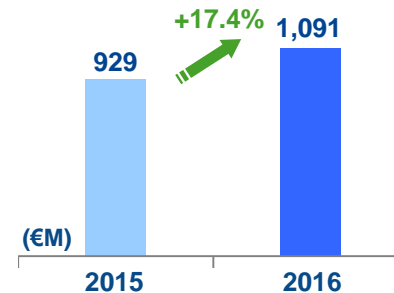
Increase in adjusted revenue* (3.9% organic)
driven by Aerospace



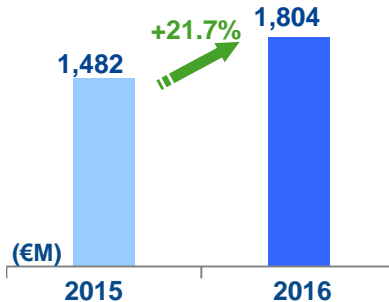
Adjusted recurring operating income* at
15.2% of revenue, with a strong
improvement in Aircraft Equipment



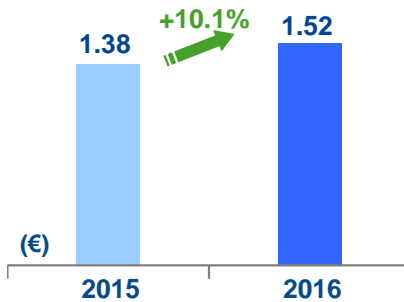
Free cash flow represented 45% of
adjusted recurring operating income



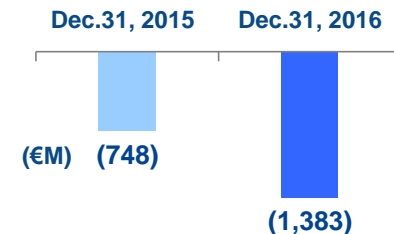
Adjusted net profit** (group share)
at €4.34 per share (basic EPS)



Proposed 2016 dividend per share



Moderate net debt level
(20.3% gearing)



* Continuing operations

** Continuing and discontinued operations

LEAP programme

LEAP commercial success

- ◆ 1,801 orders and commitments received in 2016
- ◆ Total backlog (orders and commitments) of 11,563 engines at December 31, 2016
- ◆ 55% market share on A320neo at December 31, 2016

Executing on production ramp-up

- ◆ 108 engines produced in 2016, 77 LEAP engines delivered
- ◆ All commercial commitments supported
- ◆ Further ramp-up of LEAP production to reach close to 500 units in 2017

LEAP-1A: smooth entry into service

- ◆ Entry into service in July 2016 at Pegasus Airline, as per the schedule set 5 years ago
- ◆ Now in operations at 6 airlines
- ◆ 36,000+ flight hours accumulated at end of January 2017

LEAP-1B: on track for EIS in H1 2017

- ◆ Certification simultaneously awarded by both EASA* and the FAA* on May 4, 2016
- ◆ Four 737 MAX are in test and more than 2,100 hours of flight tests have been logged on over 1,600 flights. Measurements show that the engine is fully on track to meet the desired specifications

LEAP-1C: preparing for first flight expected in H1 2017 by Comac

- ◆ Certification was simultaneously awarded by both EASA* and the FAA* on Dec 21, 2016

*EASA: European Aviation Safety Agency; FAA: Federal Aviation Administration



Pegasus Airline's A320neo powered by LEAP-1A



LEAP Pulse Line
Villaroche, France

Aerospace propulsion – business highlights

Continuing success for CFM56

- ◆ Record deliveries: 1,693 engines in 2016 (+5% vs 2015)
- ◆ Demand for the CFM56 still very robust
 - > 876 orders and commitments received in 2016

Purchase of 36 Rafale aircraft by India

- ◆ Third export contract for Dassault Aviation jet fighter

Helicopter turbines development proceeding to plan

- ◆ 5 first flights including the Arrano 1A for the H160, the Ardiden 1U for the Indian LUH (Light Utility Helicopter), and the Ardiden 3C engine for the Avicopter AC352
- ◆ Signature of a 10-year contract with NAHEMA (NATO Helicopter Management Agency), to support RTM322-powered NH90 operated by French, Belgian and Dutch armed forces

Executing on Silvercrest development

- ◆ 2 applications: Dassault F5X and the Citation Hemisphere of Cessna (announced in October 2016 at NBAA)
- ◆ Tests are proceeding according to schedule, leading to engine certification for the Dassault application in the spring of 2018



CFM56 pulse line
Villaroche, France



First flight of Arrano 1A on Airbus H160

Aircraft Equipment - business highlights

A350: successful ramp-up of deliveries of accessory drive trains, landing and wiring systems

A320ceo and A320neo: rising assembly rates

- ◆ Successful ramp-up of nacelles for LEAP-1A powered A320neo
- ◆ Record production rates of landing gear, wiring and accessory drive trains for A320neo and A320ceo

Maintaining leadership in carbon brakes

- ◆ Safran is the world leader of carbon brakes*
- ◆ Signature of multiple contracts including 737NG/MAX (Hainan, Turkish, TUI), A320neo (Air Asia, Pegasus, Azul), 787 (Hainan, KLM)
- ◆ Installed base of close to 8,200 aircraft at end 2016, up 9.3%
- ◆ Growing production capacity to match rising demand
 - > New facility located at Sendayan (Malaysia) up and running since 2015; delivering on target
 - > Expansion of Walton facility (United States) launched



A350



LEAP powered A320neo operated by AirAsia

*Aircraft > 100pax

Defense – business highlights

Strong order intake in 2016 supporting growth prospects

- ◆ New order from the French defense procurement agency (DGA) for AASM modular precision-guided munitions (“Block 4”)
- ◆ Selected by the US army to supply next-generation laser target locator (LTLM II)
- ◆ Selection of the Patroller system announced in 2016 by the French defense procurement agency (DGA)

Supplying key systems and equipment on Rafale fighters

- ◆ FADEC, inertial navigations and gyros for the fly-by-wire flight control systems
- ◆ AASM Hammer missiles as part of the Rafale’s weapons suite for Egypt and Qatar

Leading expertise in engine control systems

- ◆ Supplying the FADEC 4 for the LEAP engine*



Rafale



FADEC 4 for LEAP

**Developed jointly by Safran and BAE Systems through the joint venture FADEC International*

Continuing momentum in Aerospace services

Growth in Aircraft Equipment services of 10.5% (in €)

- ◆ Growth driven by carbon brakes and services for nacelles

Growth in Propulsion services of 7.3% (in €)

- ◆ Driven by civil aftermarket* and strong growth in services for military engines

Civil aftermarket* up 6.9% in 2016 (in \$)

- ◆ Q1 +8.6%; Q2 +8.3%; Q3 (1.6%); Q4 +12.5% year-over-year
- ◆ Growth driven by recent CFM56, GE90 engines spares and services



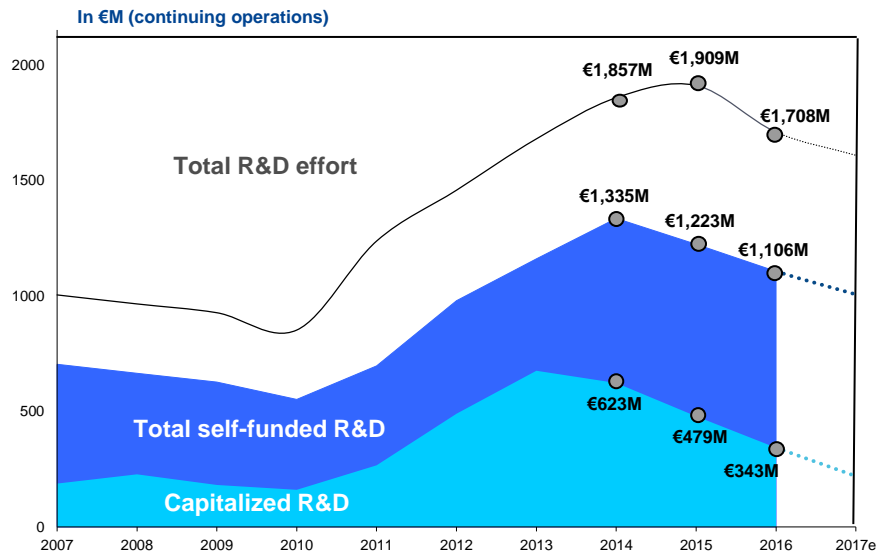
Maintenance of CFM56,
Villaroche, France



Maintenance of carbon brakes,
Molsheim, France

**See definition in additional information*

Investing in our future: sustained R&T spending



2016 total R&D effort of €1.7bn

2016 self-funded R&D decreased by €117M to €1.1bn (7% of sales) in 2016

- ◆ Lower spending on LEAP

2016 split of spending in line with business roadmap:

- ◆ c.60%: development of new programmes
- ◆ c.40%: R&T in preparation of the future (mostly next gen engines and hybrid electrical technologies)

2017 self-funded R&D to drop by €100M and lower capitalization

- ◆ Lower level of capitalized R&D as LEAP entering into service
- ◆ Increase in expensed R&D in the range €50M to 100M

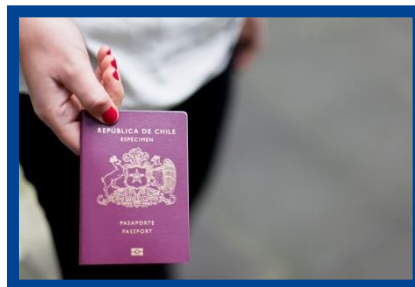
Strategic milestones

Ongoing disposals on track

- ◆ Transaction with Smiths Group PLC (April 2016) to sell Safran's Detection business (for an EV of \$710M) and transaction with Advent International (September 2016) to sell the Identity and Security activities (for a value of €2,425M)
- ◆ Both transactions on track and expected to close in H1-17
- ◆ All Security activities treated as discontinued operations in 2016

Closing of Airbus Safran Launchers (ASL) on June 30, 2016

- ◆ Equally-owned JV uniting the strengths of two leading contributors to modern launch vehicles



Chilean passport



Ariane 6

Strategic milestones

Contemplated acquisition of Zodiac Aerospace: status update

Reminder of key transaction parameters

- ◆ Tender offer to be launched on Zodiac Aerospace at a price of €29.47 per share in cash⁽¹⁾
- ◆ Following the offer, Zodiac Aerospace to be merged with Safran (exchange ratio ex-special dividend of 0.485 Safran share per Zodiac Aerospace share)
- ◆ Prior to the merger and subject to completion of the transaction, existing Safran shareholders would receive a special dividend of €5.5 per share
- ◆ Zodiac Aerospace Family shareholders, FFP and FSP⁽²⁾ undertake to contribute their shares to the merger
 - Together with the French State will own ~22% of Safran post-merger with a 2-year lock-up provision

(1) Targeting all outstanding shares except those shares subject to an undertaking not to tender

(2) Fonds Stratégique de Participations

Status update since January 19, 2017

- ◆ Employee representatives
 - ✓ Works Councils' procedures initiated both at Safran and Zodiac Aerospace
- ◆ Binding agreements
 - ✓ Finalization subject to completion of Safran and Zodiac Aerospace Works Councils' procedures
- ◆ Antitrust and other regulatory approvals
 - ✓ Ongoing preparation works
 - ✓ Filings post signing of binding agreements

2

2016 RESULTS

Bernard DELPIT – Group CFO



Foreword

All figures in this presentation represent adjusted data ⁽¹⁾ and continuing operations ⁽²⁾. All 2015 figures are restated for IFRS5 except for the balance sheet at 31/12/2015.

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

- ◆ purchase price allocations with respect to business combinations. Since 2005, this restatement concerns the amortization charged against intangible assets relating to aircraft programmes revalued at the time of the Sagem-Snecma merger. With effect from the first-half 2010 interim financial statements, the Group has decided to restate the impact of purchase price allocations for business combinations. In particular, this concerns the amortization of intangible assets recognized at the time of the acquisition, and amortized over extended periods, due to the length of the Group's business cycles, along gains or losses remeasuring the Group's previously held interests in an entity acquired in a step acquisition or assets contributed to a JV.
- ◆ 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 hedged rate, i.e., including the costs of the hedging strategy,
 - all mark-to-market changes on foreign currency derivatives hedging future cash flows are neutralized.

The resulting changes in deferred tax have also been adjusted.

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.

(1) See slide 18 for bridge with consolidated revenue

*(2) Continuing operations: Aerospace Propulsion, Aircraft Equipment, Defence, Holding and others
Discontinued operations: Safran Identity & Security*

Ongoing disposal of Safran Identity & Security

- ◆ In April 2016, disposal of the detection business to Smiths Group and in September 2016, entry into exclusive negotiations with Advent International for the sale of Safran's identity and security businesses
- ◆ Application of IFRS 5:
 - > Safran Identity & Security is now classified as discontinued operations
 - > Excluded from Safran revenue and costs
 - > Included in net income group share
 - > Impact on balance sheet: Safran Identity & Security is classified in assets held for sale in 2016

Contribution to 2016 adjusted net income : € 117 M

Airbus Safran Launchers (ASL)

- ◆ Closing of phase 2 on June 30, 2016
- ◆ Application of IFRS 11: the JV equity accounting causes reduction in revenues
 - > €410M in 2016
 - > €312M in H1-2017
- ◆ Safran's share of net income of the JV is included in Propulsion adjusted EBIT
- ◆ The JV contribution is expected to be accretive to Safran's adjusted EBIT starting 2018

**H1 2016: Revenue € 312 M, EBIT € 33 M
H2 2016: Zero Revenue, EBIT € 54 M**

Consolidated and adjusted income statements

2016 reconciliation (continuing operations) (In €M)	Consolidated data	Currency hedging		Business combinations		Adjusted data
		Re-measurement of revenue	Deferred hedging loss/gain	Amortization of intangible assets - Sagem/Snecma merger	PPA impacts - other business combinations	
Revenue	16,482	(701)	-	-	-	15,781
Other operating income and expenses	(13,579)	(21)	10	70	44	(13,476)
Share in profit from joint ventures	87	-	-	-	12	99
Recurring operating income	2,990	(722)	10	70	56	2,404
Other non-recurring operating income and expenses	349	-	-	-	(367)	(18)
Profit (loss) from operations	3,339	(722)	10	70	(311)	2,386
Cost of debt	(51)	-	-	-	-	(51)
Foreign exchange gains (losses)	(943)	722	186	-	-	(35)
Other financial income and expense	(58)	-	-	-	-	(58)
Financial income (loss)	(1,052)	722	186	-	-	(144)
Income tax expense	(398)	-	(58)	(32)	(10)	(498)
Profit (loss) from continuing operations	1,889	-	138	38	(321)	1,744
Profit (loss) from discontinued operations	74	-	-	-	43	117
Attributable to non-controlling interests	(55)	-	-	(2)	-	(57)
Attributable to owners of the parent	1,908	-	138	36	(278)	1,804

FX effects

Translation effect: foreign currencies translated into €

- ◆ Negative impact mainly from GBP
- ◆ Impact on Revenues and Return on Sales

Average spot rate

2015	2016
\$1.11	\$1.11

Transaction effect: mismatch between \$ sales and € costs is hedged

- ◆ Positive impact from hedged \$ as planned
- ◆ Impact on Profits

Hedge rate

2015	2016
\$1.25	\$1.24

Mark-to-Market effect

- ◆ €(186)M on fair value of financial instruments
- ◆ Impact on consolidated “statutory” accounts

Spot rate at close

12/31/2015	12/31/2016
\$1.09	\$1.05

2016 adjusted profit from operations

<i>(In €M)</i>	2015*	2016
Adjusted recurring operating income	2,281	2,404
% of revenue	14.7%	15.2%
<i>Capital gain (loss) on disposals</i>	-	-
<i>Impairment reversal (charge)</i>	(637)	-
<i>Other infrequent & material non operational items</i>	(43)	(18)
Adjusted profit from operations	1,601	2,386
% of revenue	10.3%	15.1%

Transaction and restructuring charges

**Restated for the application of IFRS 5*

2016 adjusted income statement

<i>(In €M)</i>	2015 ⁽¹⁾	2016
Revenue	15,536	15,781
Other recurring operating income and expenses	(13,300)	(13,476)
Share in profit from joint ventures	45	99
Recurring operating income	2,281	2,404
% of revenue	14.7%	15.2%
Total one-off items	(680)	(18)
Profit from operations	1,601	2,386
% of revenue	10.3%	15.1%
Net financial income (expense)	(218)	(144)
Income tax expense	(371)	(498)
Gain on disposal of Ingenico Group shares	421	-
Profit from continuing operations	1,433	1,744
Profit from discontinued operations	99	117
Profit for the period	1,532	1,861
Profit for the period attributable to non-controlling interests	(50)	(57)
Profit attributable to owners of the parent	1,482	1,804
From continuing operations	1,386	1,689
From discontinued operations	96	115
EPS (basic in €)	3.56*	4.34**
From continuing operations	3.33	4.06
From discontinued operations	0.23	0.28
EPS (diluted in €)	3.56***	4.26****
From continuing operations	3.33	3.99
From discontinued operations	0.23	0.27

Including the contribution of the equity accounting of the ASL JV starting in H2 2016

Of which cost of debt of €(51)M

Apparent tax rate of 22.2% (lower corporate tax rate in France and continued future reductions lead to reduction in differed taxes)

(1) Restated for the application of IFRS 5

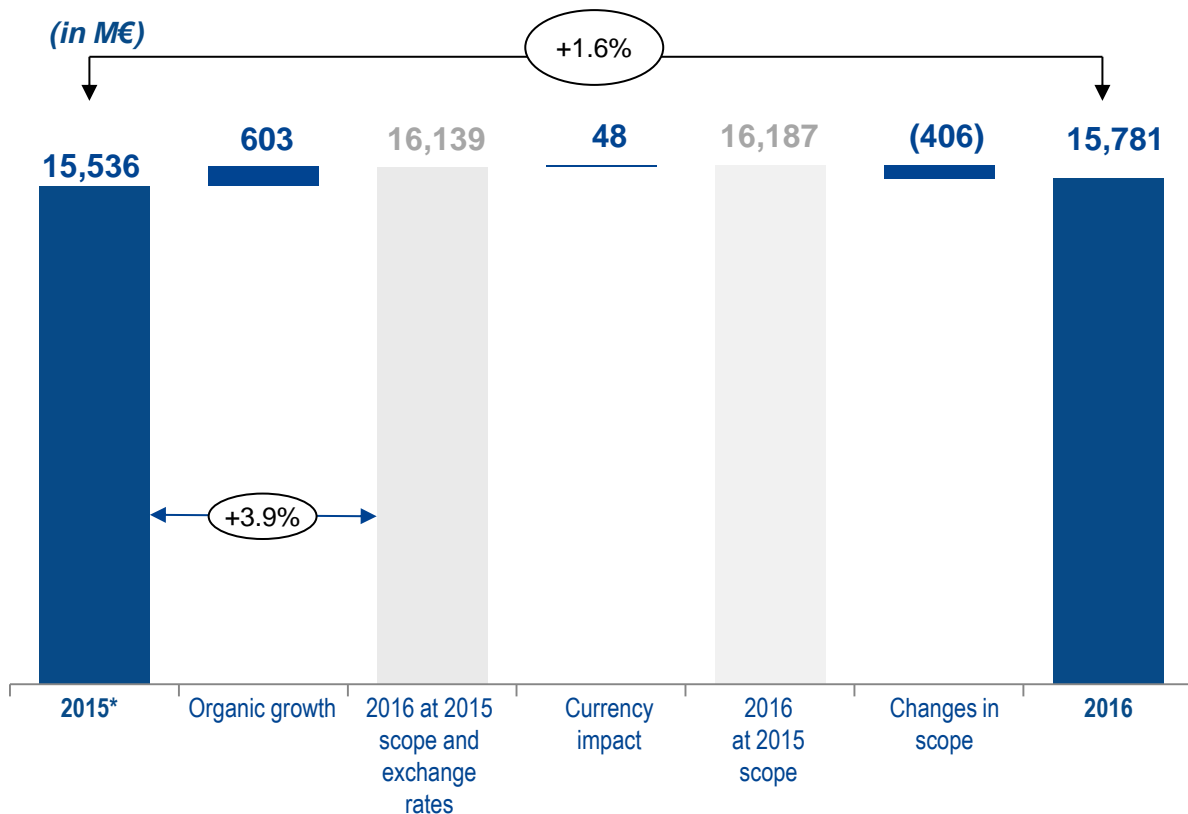
** Based on the weighted average number of shares of 416,428,144 as of Dec 31, 2015*

*** Based on the weighted average number of shares of 416,325,118 as of Dec 31, 2016*

**** Based on the weighted average number of shares after dilution of 416,428,144 as of Dec 31, 2015*

***** Based on the weighted average number of shares after dilution of 423 618 948 as of Dec 31, 2016*

2016 adjusted revenue



Organic growth: +3.9%

◆ Driven by Aerospace (notably services)

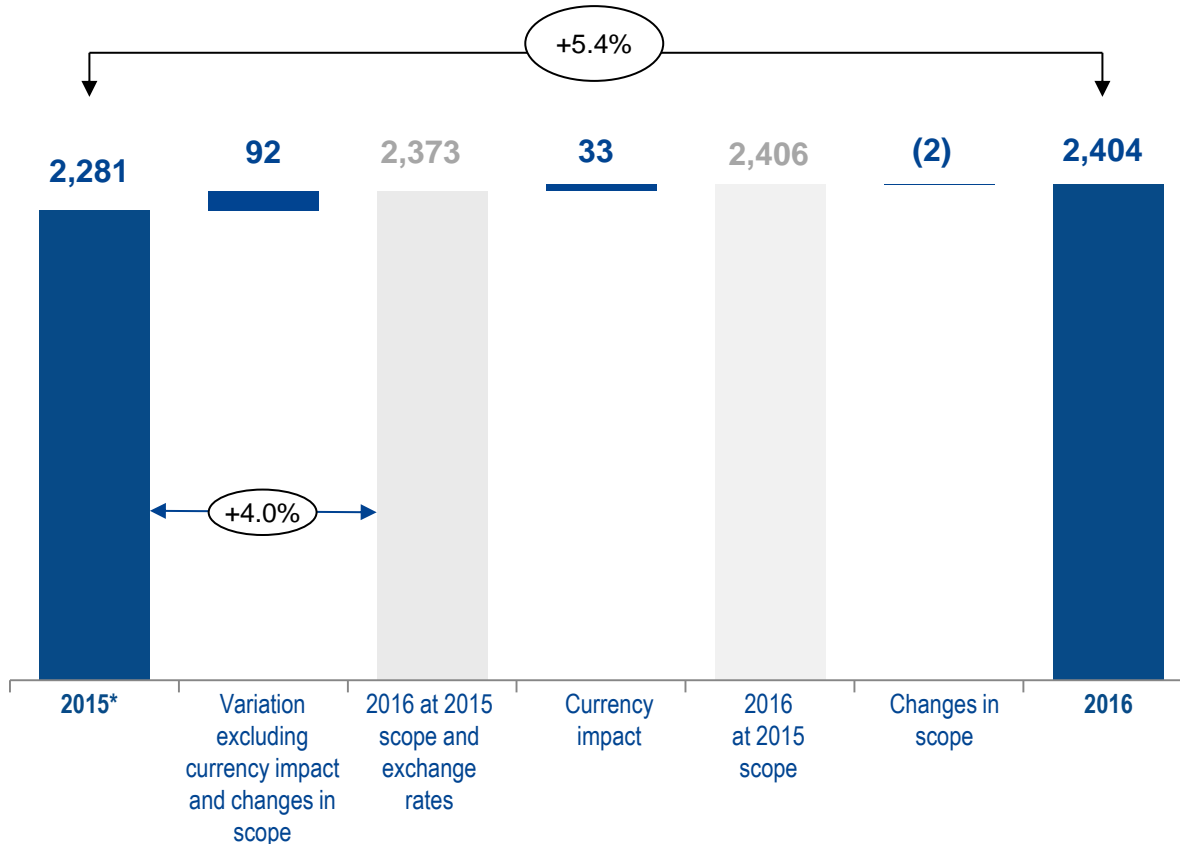
Currency impact: +0.3%

Changes in scope: (2.6)%

◆ Contribution of Safran's space launcher activities to ASL starting July 1, 2016: €(410)M in H2 2015

*Restated for the application of IFRS 5

2016 adjusted recurring operating income



Main profitability drivers

- ◆ Broad-based growth in Aerospace services
- ◆ Contribution of CFM56 OE
- ◆ Productivity gains and cost reductions

Offsetting factors

- ◆ Negative margin on LEAP
- ◆ Higher expensed R&D

*Restated for the application of IFRS 5

Research & Development

<i>(In €M)</i>	2015*	2016	Change
Total R&D	(1,909)	(1,708)	201
External funding	686	602	(84)
Total self-funded cash R&D	(1,223)	(1,106)	117
<i>as a % of revenue</i>	7.9%	7.0%	(0.9) pt
Tax credit	149	139	(10)
Total self-funded cash R&D after tax credit	(1,074)	(967)	107
Gross capitalized R&D	479	343	(136)
Amortised R&D	(88)	(104)	(16)
P&L R&D in recurring EBIT	(683)	(728)	(45)
<i>as a % of revenue</i>	4.4%	4.6%	0.2 pt

Decrease of self-funded cash R&D intensity at 7% of 2016 revenue

- ◆ Decline of self-funded R&D driven notably by lower LEAP
- ◆ Falling capitalization of costs, as expected, driven by lower LEAP spending; LEAP-1A fully expensed since May 2016 and amortisation has commenced

*Restated for the application of IFRS 5

2016 results by activity

<i>(In €M)</i>	2016	Aerospace Propulsion	Aircraft Equipment	Defense	Holding & others
Revenue	15,781	9,391	5,145	1,238	7
<i>Year-over-year reported growth in %</i>	1.6%	0.8%	4.1%	(2.2)%	na
Year-over-year organic growth in %	3.9%	4.9%	3.5%	(2.2)%	na
Recurring operating income	2,404	1,786	567	76	(25)
<i>as a % of revenue</i>	15.2%	19.0%	11.0%	6.1%	na
<i>recurring operating margin evolution (vs 2015)</i>	+0.5pt	(0.7)pt	+1.6pt	+1pt	na

Improvement in performance of Holding & others

- ◆ Cost control measures and rationalisation, as well as lower provisions and a limited increase in corporate fees charged back to subsidiaries

Aerospace Propulsion

<i>(In €M)</i>	2015	2016	Change	Organic Change
Revenue	9,319	9,391	+0.8%	+4.9%
Recurring operating income	1,833	1,786	(2.6)%	
<i>% of revenue</i>	19.7%	19.0%	(0.7)pt	
<i>One-off items</i>	(619)	3		
Profit (loss) from operations	1,214	1,789		
<i>% of revenue</i>	13.0%	19.0%		

Revenue

- ◆ Civil OE sales up 4.9% organically thanks to LEAP deliveries (77 in 2016) and increase in CFM56 shipments (1,693 units, +5%)
- ◆ Services grew 7.3% driven by civil aftermarket (+6.9% in USD) and support activities for military engines
- ◆ Helicopter revenues down 6%: OE sales were impacted by a negative mix effect and services revenue declined due to a fall in flight hours at O&G customers and the grounding of part of the H225 Super Puma fleet

Recurring operating income

- ◆ Positive impact of services
- ◆ Higher contribution of CFM56 OE
- ◆ Negative margin and depreciations on LEAP deliveries, inventory and work in progress
- ◆ Higher expensed R&D, notably as amortisation of capitalised R&D of LEAP -1A commenced
- ◆ Positive effect of hedged rate

Aircraft Equipment

<i>(In €M)</i>	2015	2016	Change	Organic Change
Revenue	4,943	5,145	+4.1%	+3.5%
Recurring operating income	466	567	+21.7%	
<i>% of revenue</i>	9.4%	11.0%	+1.6pt	
<i>One-off items</i>	(43)	(5)		
Profit (loss) from operations	423	562		
<i>% of revenue</i>	8.6%	11.0%		

Revenue

- ◆ OE grew by 1.4%:
 - > Deliveries of 65 nacelles for LEAP-1A powered A320neo, increased shipments of landing gear and wiring for A350 as well as A320neo and A320ceo
 - > Shipments for Boeing 787 were broadly stable
 - > Lower volumes for A330 and A380
- ◆ Services up 10.5% driven by carbon brakes and nacelles (including initial provisioning with A320neo-LEAP airline customers)

Recurring operating income

- ◆ Positive contribution of higher volumes in OE and services
- ◆ Cost reduction and productivity actions
- ◆ Improved hedged rate
- ◆ Higher expensed R&D

Defense

<i>(In €M)</i>	2015	2016	Change	Organic Change
Revenue	1,266	1,238	(2.2)%	(2.2)%
Recurring operating income	64	76	+18.8%	
<i>% of revenue</i>	5.1%	6.1%	+1pt	
<i>One-off items</i>	(10)	(7)		
Profit (loss) from operations	54	69		
<i>% of revenue</i>	4.3%	5.6%		

Revenue

- ◆ Decline in Optronics (-5.4%): lower volumes of sighting systems and the end of the contribution of the FELIN program partially offset by higher volumes of infrared goggles and the start-up of the contribution of the Patroller program
- ◆ Decline in Avionics (-1.6%): drop in volumes of helicopter flight control systems partially compensated by increased shipments of guidance kits notably for export
- ◆ Electronics sales were up 5.6% driven by the ramp-up of FADEC volumes notably for CFM56 and LEAP

Recurring operating income

- ◆ Improved industrial performance and strong cost control measures
- ◆ Higher capitalised R&D; sustained self-funded R&D level (9.1% of sales) to support the development of newly awarded contracts

FX hedging: \$19.2bn hedge portfolio* (February 6, 2017)

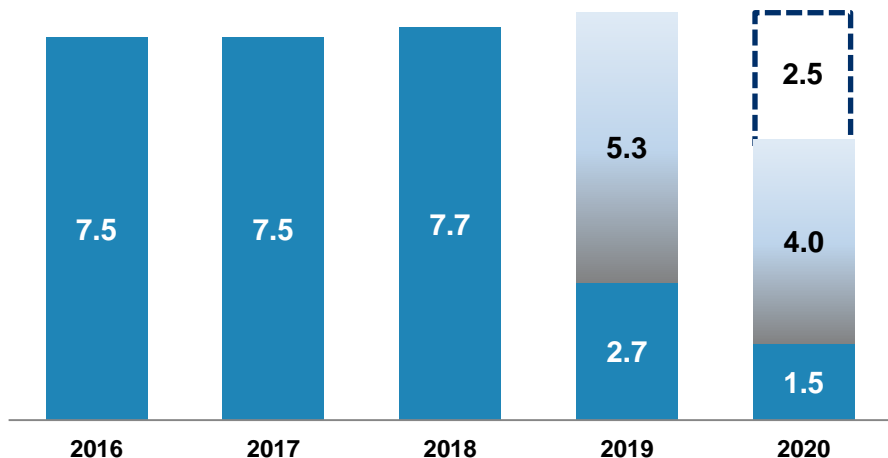
Yearly exposure: \$7.5bn to \$8.0bn

Increasing level of net USD exposure for 2017-20 in line with the growth of businesses with exposed USD revenue



2017 & 2018 fully hedged

(\$bn)



€/\$ hedge rate

Target	2016	2017	2018	2019	2020
	1.24	1.21	1.18	1.15-1.18	1.13-1.18

NEW

NEW

NEW

*Approx. 45% of Safran US\$ revenue are naturally hedged by US\$ procurement

2018

- Fully hedged at 1.18

2019

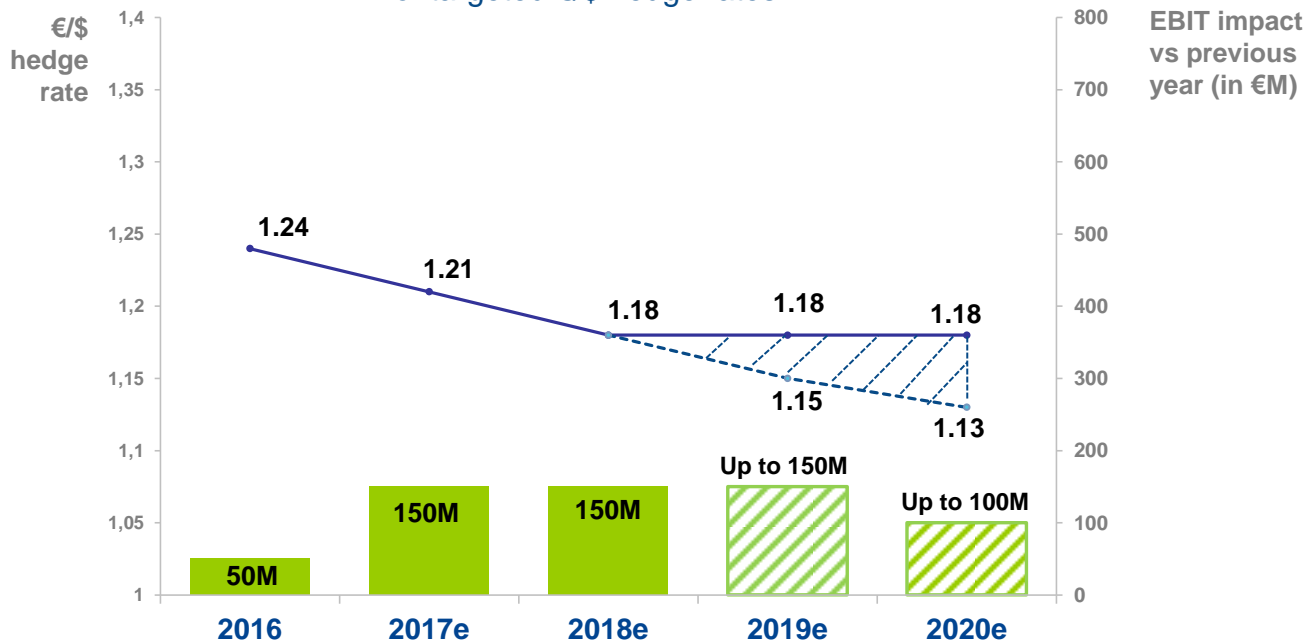
- \$2.7bn achieved through forward sales and short dated knock out option strategies to rise to a maximum of \$8.0bn at a target rate between \$1.15 and \$1.18 as long as €/\$ < 1.25 up to end 2017
- Knock out options barriers set at various levels between \$1.18 and \$1.45 with maturities up to one year

2020

- \$1.5bn achieved through forward sales and short dated knock out option strategies to rise to a maximum of \$5.5bn at a target rate between \$1.13 and \$1.18 as long as €/\$ < 1.25 up to mid 2018
- Knock out options barriers set at various levels between \$1.18 and \$1.45 with maturities up to 2 years

FX hedging: benefiting margins over 2016-2020e

Estimated impact on recurring operating income
of targeted €/€ hedge rates



€300M to €550M of tailwind over 2017-2020e

2016 Free Cash Flow

<i>(in €M)</i>	2015*	2016
Adjusted attributable net profit	1,482	1,804
Depreciation, amortization, provisions and others	1,144	847
Cash from operating activities before change in WC	2,626	2,651
Change in WC	5	(168)
Capex (tangible assets)	(705)	(704)
Capex (intangible assets)**	(997)	(688)
Free cash flow	929	1,091

Of which amortization of tangibles and intangibles for €612M, provisions (net) for €(46)M and depreciation for €237M

Controlled increase of working capital requirement due to higher inventory in relation with new programs ramp-up

- Sustained tangible CAPEX to support production transition and ramp-up
- Lower intangible CAPEX driven by decrease in capitalised R&D

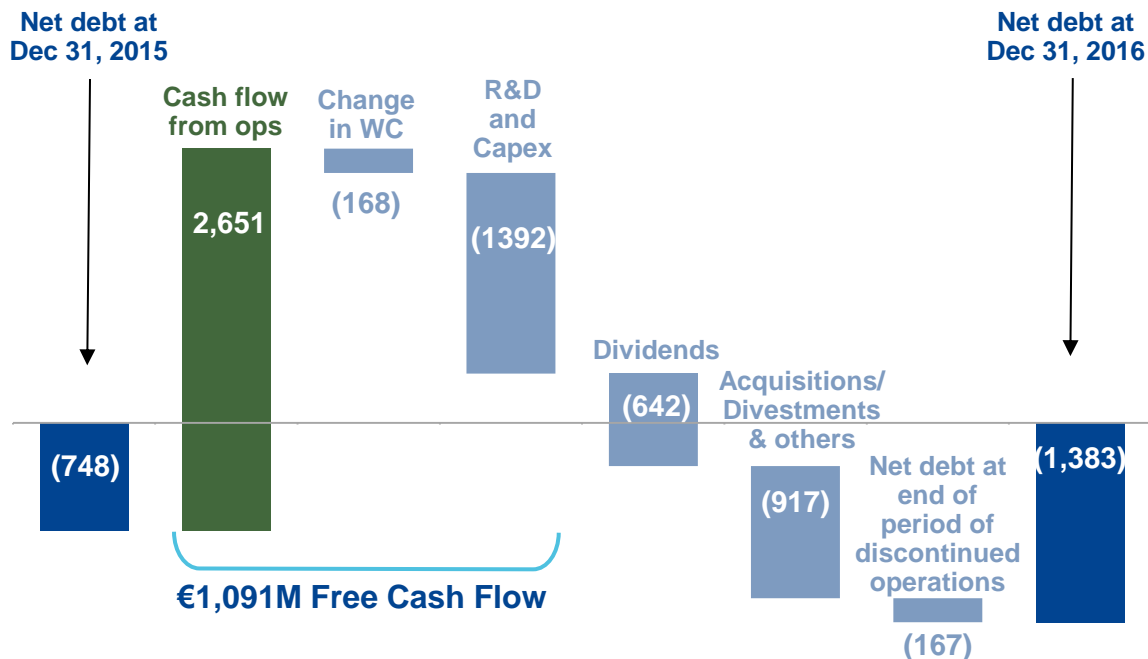
Free cash flow generation 17% higher than in 2015

* Restated for the application of IFRS 5

** of which €364M capitalised R&D in 2016 vs €502M capitalised in 2015

Net debt position

(in €M)



Cash flow from operations equals 1.1x recurring EBIT

“Acquisitions/Divestments & Others” include:

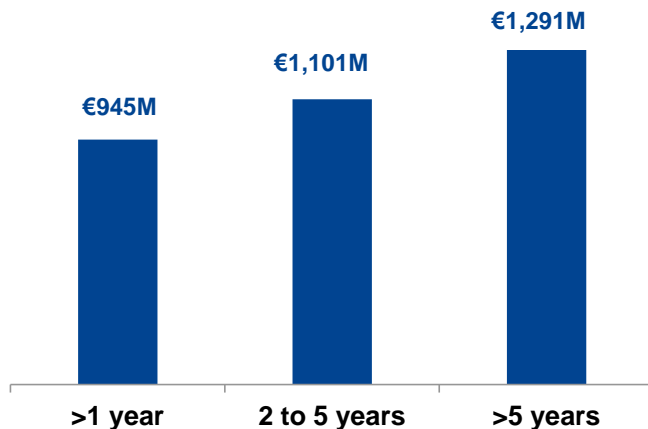
- ◆ Balancing payment of €(750)M related to Airbus Safran Launchers.

“Dividends” include:

- ◆ €(30)M of dividends to minority interests
- ◆ €(325)M 2015 final dividend in May 2016
- ◆ €(287)M of interim payment in Dec 2016

Gross debt and liquidity

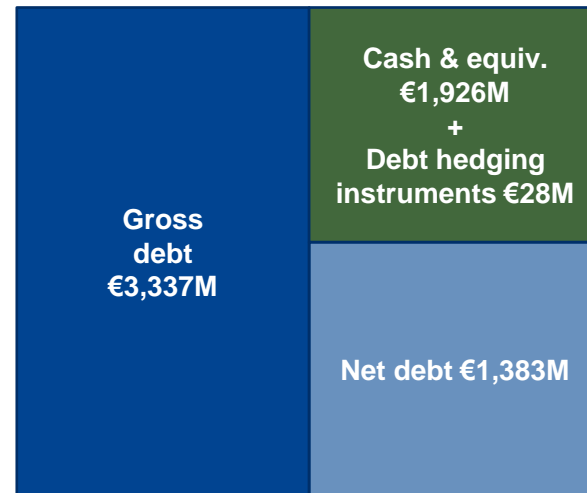
Gross debt repayment schedule
(December 31, 2016)



April 2014 private placement - €200M, maturity 2024, no covenant

USPP - \$1.2bn, maturities 2019, 2022 & 2024; subject to 1 covenant (net debt/EBITDA <2.5)

OCEANE (issued on January 8, 2016) - €650M, maturity 2020, zero coupon



Committed & undrawn financing resource:

◆ Credit line - €2.52Bn, maturity Dec. 2020 – no covenant

2017: bridge loan €4bn committed and syndicated to prepare Zodiac Aerospace cash tender offer

Balance sheet highlights

<i>(In €M)</i>	Dec 31, 2015	Dec 31, 2016
Goodwill	3,590	1,864
Tangible & Intangible assets	8,593	8,347
Investments in joint ventures and associates	765	2,175
Other non current assets	1,403	1,733
Operating Working Capital	1,042	700
Net cash (debt)	(748)	(1 383)
Assets available for sale	-	2,440
Shareholders' equity - Group share	5,627	6,521
Minority interests	266	288
Non current liabilities (excl. net cash (debt))	1,411	1,691
Provisions	3,456	3,264
Other current liabilities / (assets) net	3,885	4,112

Morpho Detection and Safran I&S goodwill classified as assets held for sale in 2016

Closing of ASL increases investments in JVs

Good control of Operating Working Capital (4.4% of last 12 months sales)

Lower provisions notably due to the closing of Airbus Safran Launchers

Customer financial guarantees

<i>(In \$M)</i>	Dec. 31, 2015	Dec.31, 2016
Total guarantees	50	31
Estimated value of pledges	19	7
Net exposure on these guarantees	32	25
Provisions	23	14

- ◆ **Decrease of the level of total guarantees**
- ◆ **Outstanding risk of the portfolio (net exposure) well covered by the provisions booked in Safran's accounts**

Preparing for implementation of IFRS 15

IFRS 15 implementation on track

IFRS 15 mandatory from 2018

Full retrospective approach: restatement of comparative 2017 results with opening impact on Equity at 01/01/2017

Project making good progress

Key items

- ◆ Identification of performance obligations
- ◆ Timing of transfer of control
- ◆ Opening Balance Sheet

No changes expected on

- ◆ OE deliveries (engines and equipment)
- ◆ Spare parts deliveries
- ◆ Maintenance provided on a «time and materials » basis

Preliminary assessment

Deep analysis of the impacts. Main areas affected:

- ◆ Long term service agreements: revenue to be recognised as services are performed based on costs
- ◆ Contracts with multiple elements: identification of separate performance obligations if appropriate

Some classification changes in the P&L

- ◆ Some transactions with customers booked as deductions from revenue (e.g. special warranties, penalties...)

No significant impact on the level of annual revenue at constant structure and no impact on the associated cash flows

Confirmation of the orientations presented at CMD in Q1 2016



3

2017 OUTLOOK

Philippe PETITCOLIN - CEO

2017 key assumptions

Increase in aerospace OE deliveries

Civil aftermarket growth at the same level as 2016

Transition CFM56 – LEAP: overall impact on Propulsion adjusted recurring operating income in the range € 300 to 350 million

- ◆ Lower CFM56 OE volumes
- ◆ Negative margin on LEAP deliveries and depreciation of inventory and WIP related to future deliveries

Reduction of self-funded R&D of the order of € 100 million

- ◆ Less spending on LEAP, A320neo

Falling capitalisation, rising amortisation of capitalised R&D: impact on recurring operating income in the range € 50 to 100 million

Sustained level of tangible capex, including expansions, new production capacity and tooling, around € 850 million, to support production transitioning and ramp-up

Continued benefits from productivity improvement

Full-year 2017 outlook

All the businesses comprising Safran Identity & Security, including Detection, are classified as “discontinued operations”. As a result, 2017 guidance and the 2016 comparison are based on continuing operations: Aerospace propulsion, Aircraft Equipment, Defense, Holding & Others.

In addition, starting on July 1, 2016, Safran accounts for its share in Airbus Safran Launchers using the equity method and no longer records revenue from space activities. In 2017 the change is expected to impact revenue by Euro 312 million compared to 2016.

Safran expects for 2017 on a full-year basis:

- **Adjusted revenue to grow in the range 2% to 3% (at an estimated average rate of USD 1.10 to the Euro). Excluding the effect of the equity accounting of ASL from July 1, 2016 revenue growth is expected to be in the low to mid single digits.**
- **Adjusted recurring operating income close to the 2016 level.**
- **Free cash flow representing above 45% of adjusted recurring operating income, an element of uncertainty being the rhythm of payments by state-clients.**



4

2020 FINANCIAL AMBITION

Philippe PETITCOLIN - CEO

2017-2020 financial ambition re-affirmed

As indicated at its investor meeting of March 14, 2016, Safran has updated its medium term trends and reaffirms its 2020 financial ambition.

- *On the basis of “continuing operations” as of January 1, 2017, i.e. before any acquisition and considering that the Security activities, classified as “discontinued operations”, will leave the scope of consolidation as planned in 2017, **Group adjusted recurring operating margin* was 14.7% in 2015.***

Safran confirms the previously indicated trend for an annual Group adjusted recurring operating margin* consistent with this level over the transition period.

- *Other assumptions are updated as follows:*
 - *These trends assume current accounting standards. The impacts of IFRS 15 on Group revenue are expected to be limited. Further indications on these impacts will be given during 2017.*
 - *An average EUR/USD spot rate of 1.10 is assumed for 2017, and 1.14 over 2018-20, as well as the advantages of a medium-term hedging policy that enables Safran to benefit from the improvement in the EUR/USD exchange rate at least until 2020 (in the range USD 1.13-1.18 in 2020) as specified in the 2016 annual results presentation.*
 - *The trends include updated key assumptions for major programmes, notably CFM56 and LEAP. The free cashflow objective is subject to the usual uncertainties regarding the rhythm of payments by state clients.*

The objectives for 2020 are for adjusted consolidated sales in excess of Euro 19 billion, an adjusted recurring operating margin trending towards 16% and for average free cashflow for the period at 50% of adjusted recurring operating income.

**Group adjusted recurring operating income / adjusted revenue*

5

Q&A

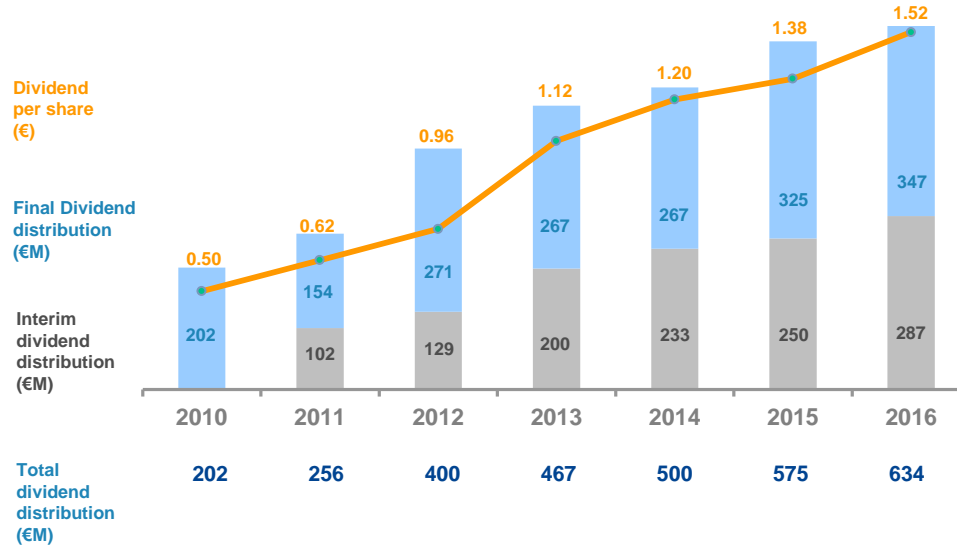




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ADDITIONAL INFORMATION

2016 dividend



→ A proposal for a dividend payment to parent holders of €1.52 at next AGM on June 15, 2017

- €0.69 interim dividend already paid in 2016 (€287M)
- €0.83 to be paid in 2017 (€347M)

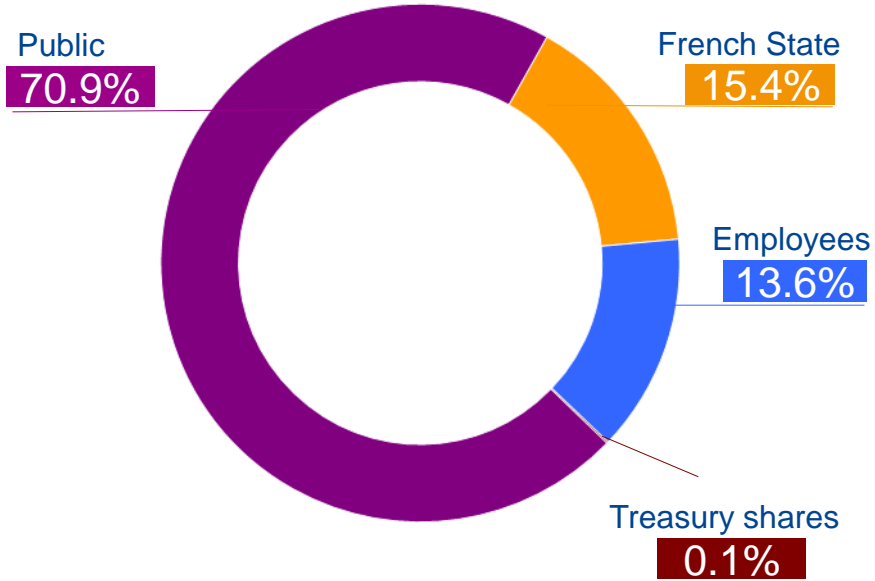
→ Ex-dividend date: June 19, 2017

→ Payment date: June 21, 2017

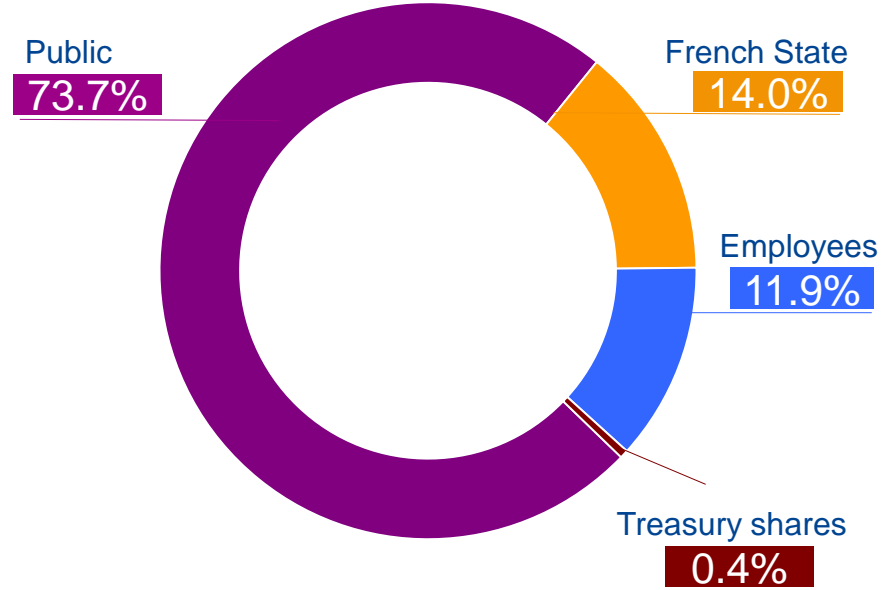
€1.52/share dividend payment subject to shareholders' approval, up 10.1%

Equity shareholding

As of Dec. 31, 2015



As of Dec 31, 2016



2016: R&D by activity

<i>(In €M)</i>	2016	Aerospace Propulsion	Aircraft Equipment	Defense
Total self-funded cash R&D	(1,106)	(775)	(218)	(113)
<i>as a % of revenue</i>	<i>7.0%</i>	<i>8.3%</i>	<i>4.2%</i>	<i>9.1%</i>
Tax credit	139	59	44	36
Total self-funded cash R&D after tax credit	(967)	(716)	(174)	(77)
Gross capitalized R&D	343	218	82	43
Amortised R&D	(104)	(46)	(41)	(17)
P&L R&D in recurring EBIT	(728)	(544)	(133)	(51)
<i>as a % of revenue</i>	<i>4.6%</i>	<i>5.8%</i>	<i>2.6%</i>	<i>4.1%</i>

2015: R&D by activity

<i>(In €M)</i>	2015*	Aerospace Propulsion	Aircraft Equipment	Defense
Total self-funded cash R&D	(1,223)	(875)	(229)	(119)
<i>as a % of revenue</i>	7.9%	9.4%	4.6%	9.4%
Tax credit	149	66	46	37
Total self-funded cash R&D after tax credit	(1,074)	(809)	(183)	(82)
Gross capitalized R&D	479	357	98	24
Amortised R&D	(88)	(27)	(40)	(21)
P&L R&D in recurring EBIT	(683)	(479)	(125)	(79)
<i>as a % of revenue</i>	4.4%	5.1%	2.5%	6.2%

* Restated for the application of IFRS 5

Aerospace OE / Services revenue split

Reported change of Propulsion OE revenue

- ◆ From July 1, 2016, the space launcher business no longer contributes to Aerospace propulsion OE revenue whereas it had done so in 2015 (Euro 410 million in H2 2015).

Revenue	2015		2016		% change	
	OE	Services	OE	Services	OE	Services
Adjusted data (in Euro million)						
<i>Aerospace Propulsion</i>	4,334	4,985	4,041	5,350	(6.8)%	7.3%
<i>% of revenue</i>	46.5%	53.5%	43.0%	57.0%		
<i>Aircraft Equipment</i>	3,463	1,480	3,510	1,635	1.4%	10.5%
<i>% of revenue</i>	70.1%	29.9%	68.2%	31.8%		

Quantities of major aerospace programs

<i>Number of units delivered</i>	2015	2016	% change
CFM56 engines	1,612	1,693	5%
LEAP engines	-	77	na
High thrust engines	695	686	(1)%
Helicopter engines	625	714	14%
M88 engines	12	11	(8)%
A350 landing gear sets	32	56	75%
787 landing gear sets	127	128	1%
A380 nacelles	104	99	(5)%
A330 thrust reversers	130	91	(30)%
A320neo nacelles	-	65	na
A320 thrust reversers	564	548	(3)%
Small nacelles <i>(biz & regional jets)</i>	711	600	(16)%

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.

Civil aftermarket (expressed in USD)

- ◆ This unaudited performance indicator comprises spares and MRO (Maintenance, Repair & Overhaul) revenue for all civil aircraft engines for Safran Aircraft Engines and its subsidiaries only and reflects the Group’s performance in civil aircraft engines aftermarket.