



Safran implements an employee shareholding plan

Paris, November 10, 2011 - Safran (NYSE Euronext: SAF, ISIN code: FR0000073272) implements an employee shareholding plan for the employees of the Group's French entities.

This document constitutes the press release required by the Autorité des marchés financiers ("AMF") in accordance with Article 212-4 5° of its General Regulations and article 14 of instruction n° 2005-11 of December 13, 2005.

Purpose of the transaction - reasons for the offering

The offering of Safran shares is available to the employees of the Group's French entities.

This offering aims to have employees more closely associated with the future objectives, successes and performances of the Group.

This transaction will also allow the employee beneficiaries to allocate the profit-sharing bonus to the acquisition of Safran shares. The relevant securities will be locked-up in an employee shareholding vehicle (a French *FCPE*) within the Group Savings Plan (*Plan d'Epargne Groupe*) for a five-year period. The capital will be guaranteed and the employees will benefit from a possible increase in the Safran security along with a leveraged component and thresholds guaranteeing gains when the security price reaches certain levels.

Securities offered in the transaction

The offering of Safran securities to employees of the Group's French entities will be conducted by a disposal of Safran's treasury shares.

The sale of shares is reserved for employees who are members of the Group savings plan and will be conducted in accordance with articles L. 3332-18 et seq. of the French Labor Code (*Code du travail*). The offering will involve a maximum of 6,000,000 shares.

The purchase price of the Safran shares will be set on December 9, 2011 and will be equal to the average of the closing price of the Safran share on NYSE-Euronext Paris (Reference Price) during November 11 (inclusive) and December 8 (inclusive) to which a discount of 20% will be applied.

Conditions of the offer

§ *Beneficiaries of the share offering reserved for employees:* the beneficiaries of the offering are employees of the Group's French entities who are members of the Group Savings Plan. The employees of the relevant companies are beneficiaries of the offering regardless of the nature of their employment contract (fixed or indefinite term, full or part time employment) subject to being able to justify a three-month seniority within the Group by the last day of the subscription period. Retired employees and employees on early retirement working in the French companies of the Group who were



members of the Group Savings Plan prior to the end of their employment retain their status as beneficiaries subject to their having kept assets in the Group Savings Plan since the effective date of their retirement leave or early retirement leave.

- § *Terms and conditions of participating in the offer:* the shares will be acquired via an FCPE (*fonds commun de placement d'entreprise*).
- § *Formula to acquire Safran shares:* the employees will be able to acquire Safran shares via a subscription formula known as «leveraged», which allow them to benefit from a guarantee on their investment.
- § *Voting rights:* The voting rights associated with the shares will be exercised by the FCPE Supervisory Board.
- § *Subscription threshold:* the personal contributions are capped at Euro 1,000. Moreover, the employees' annual payments made in the Group Savings Plan shall not exceed, in accordance with Article L.3332-10 of the French Labour Code, one-fourth of their gross annual remuneration for the year 2012.
- § *Lock-up applicable to the corresponding FCPE units:* the employees participating in the offering shall hold the corresponding units of the FCPEs for a five year period, except in the occurrence of an early exit event provided for in Article R.3334-22 of the French Labour Code.

Tentative calendar of the transaction

- Announcement of the subscription price: December 9, 2011.
- Subscription period: from December 9 (inclusive) to December 20, 2011 (inclusive).
- Settlement-delivery of the offering: scheduled for January 27, 2012.

These dates are approximate and may be subject to change.

Listing

The Safran shares are listed on NYSE Euronext Paris (ISIN code: FR0000073272).

Hedging transactions

The implementation of the leveraged formula may generate hedging transactions from the financial establishment structuring the offering (Société Générale), as from the date of this press release and during the entire period of the offering.

Employee contact

The beneficiaries may address all questions regarding this offering to their Human Resources contact person and/or to any other person specified in the documentation remitted to beneficiaries of the offer.



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Communiqué de presse - Press release

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 CAC40 index.

For more information, www.safran-group.com.

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