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## **SAFRAN DETERMINES THE EXCHANGE RATIO FOR ITS SUBSIDIARY PUBLIC EXCHANGE OFFER ON ZODIAC AEROSPACE'S SHARES**

January 17, 2018, Paris: Safran announces that the exchange ratio for its subsidiary public exchange offer on Zodiac Aerospace's shares is set at **0.300 Safran preferred share for 1 Zodiac Aerospace share**.

The Average Price of Safran's shares, as determined pursuant to the terms of the subsidiary public exchange offer, which are described in section 2.3.2 of Safran's information memorandum, is equal to 88.53 euros, which represents the arithmetic mean of the volume-weighted daily average price of the Safran share on Euronext Paris during the ten (10) trading days chosen at random by a legal officer from among the thirty (30) trading days between December 1, 2017 (included) and January 16, 2018 (included)<sup>1</sup>. The ten trading days chosen at random by the legal officer are: December 4, 5, 7, 8, 11, and 15, 2017 and January 3, 8, 10, and 12, 2018.

Since the Average Price is above the 79.98 euro Upper Limit (as defined in section 2.3.2 of Safran's information memorandum), the Exchange Ratio (as defined in section 2.3.2 of Safran's information memorandum) is equal to (a) twenty-four (24) euros, adjusted for any dividend payouts made or any income whatsoever paid by Zodiac Aerospace to its shareholders between the date on which the Business Combination Agreement is signed and the offer settlement date, in relation to (b) the Upper Limit, which amounts to 0.300 Safran preferred share for each Zodiac Aerospace share tendered to the subsidiary public exchange offer.

As a reminder, a maximum of 88,847,828 Zodiac Aerospace shares will be accepted for tender to the subsidiary public exchange offer (the Limit), *i.e.*, around 30.4% of Zodiac Aerospace's share capital (based on the total number of shares reported by Zodiac Aerospace at October 31, 2017). As a consequence, if the Limit is reached, the subsidiary public exchange offer will be subject to a reduction mechanism to ensure that the number of shares tendered to the subsidiary public exchange offer does not exceed the Limit. This mechanism is described in section 2.3.4 of Safran's information memorandum.

Zodiac Aerospace's shares tendered to the subsidiary public exchange offer but not accepted owing to the reduction mechanism described above will be considered to have been tendered to the principal tender offer.

Zodiac Aerospace's shareholders' attention is drawn to the fact that the Safran preferred shares issued in exchange for the shares tendered to the subsidiary public exchange offer will have the same characteristics as Safran's ordinary shares but will not be transferable for a period of thirty-six (36) months as from their date of issue. Zodiac Aerospace's shareholders are invited to refer to section 1.5

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<sup>1</sup> Which corresponds to the 30 trading days preceding the 10<sup>th</sup> trading day (not included) before the closing date of the offer, set at January 31, 2018.



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“Risk factors relating to the Offer” of the “Other Information” document containing the legal, financial and accounting characteristics of Safran.

As a reminder, Safran’s tender offer on Zodiac Aerospace’s shares (the “Offer”) is subject to reaching (i) the mandatory overall acceptance threshold of 50% of Zodiac Aerospace’s share capital or voting rights, and (ii) a voluntary overall acceptance threshold of 66.67% of the exercisable voting rights of Zodiac Aerospace, which may be waived by Safran (taking into account the loss of double voting rights of Zodiac Aerospace shares tendered into the Offer). Safran, however, reserves the right to waive or lower the voluntary overall acceptance threshold by filing an improved offer at the latest five (5) trading days before the Offer closing date. Safran also reserves the right to waive the voluntary overall acceptance threshold completely after the Offer is closed up until the publication by the AMF of the final results of the Offer. In that case, any tenders made may not be withdrawn and Safran may hold a simple majority of the share capital or voting rights of Zodiac Aerospace but may not have sufficient holdings to determine alone the outcome of corporate decisions that require a two-thirds majority of shareholders votes. Zodiac Aerospace’s tendering shareholders should withdraw tendered securities immediately if their willingness to tender into the Offer would be affected by the reduction or waiver of the voluntary overall acceptance threshold.

All documents relating to the Offer, and in particular Safran’s information memorandum, as approved by the AMF under visa number 17-648 dated December 21, 2017, Zodiac Aerospace’s memorandum in response, as approved by the AMF under visa number 17-649 dated December 21, 2017 and the “Other Information” document containing the legal, financial and accounting characteristics of Safran and Zodiac Aerospace are available on the websites of the AMF ([www.amf-france.org](http://www.amf-france.org)), Safran (<https://www.safran-group.com/safran-zodiac/>) and Zodiac Aerospace (<http://www.projet-zodiacaerospace.com>).

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#### **Warning**

This press release has been prepared for information purposes only. It does not constitute an offer to sell or a solicitation of an offer to purchase any securities and is not intended to be circulated in countries other than France. The circulation of this press release, the Offer and its acceptance may be subject to specific regulations or restrictions in certain countries. In the United States of America, for example, securities may not be offered or sold unless they are registered or exempt from registration under the Securities Act of 1933, as amended, it being specified that Safran’s shares have not been and will not be registered under the U.S. Securities Act, and that Safran does not intend to publicly offer shares or other securities in the United States of America. The Offer is not intended for persons directly or indirectly subject to such restrictions, and no acceptance of it may be received from a country where the Offer would be subject to such restrictions. As a consequence, persons who have this press release in their possession are required to inform themselves of any local restrictions which may be applicable, and to abide by them. Safran declines any liability regarding any violation of these restrictions by any person. Shareholders and other investors are advised to review all documents relating to the Offer before taking a decision on the Offer.