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L PRESS RELEASE

This press release does not constitute or form a part of an offer of or solicitation to purchase securities in the United States of America or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the US Securities Act of 1933, as amended (the "Securities Act"). The securities mentioned herein have not been, and will not be, registered under the Securities Act and may not be offered or sold in the United States of America except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act. The Bonds (as defined below) and the shares of the Company to be issued or granted upon conversion of the Bonds will be offered or sold only in offshore transactions outside of the United States of America, in accordance with Regulation S of the Securities Act. Safran does not intend to register any portion of the proposed offering in the United States of America and no public offering will be made in the United States of America. Neither this press release nor anything contained herein shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction.

The Bonds may not be offered or sold or otherwise made available to retail investors (as defined below). No key information document under regulation 1286/2014 (as amended, the "PRIIPs Regulation") has been and will be prepared.

Safran announces the success of its offering of Bonds Convertible into and/or Exchangeable for New and/or Existing Shares (OCEANES) due 21 June 2023 of approximately €700 million

Paris, 18 June 2018

Safran (the "**Company**") has successfully placed today an offering of bonds convertible into and/or exchangeable for new and/or existing shares (OCEANES) due 21 June 2023 (the "**Bonds**") by way of private placement to institutional investors, of a nominal amount of €699,999,983.10 (the "**Offering**").

The net proceeds of the Offering will be used for general corporate purposes.

The Bonds will bear no interest and the issue price has been set at 100% of par, corresponding to an annual gross yield to maturity of 0.00%.

The nominal unit value of the Bonds has been set at €140.10, representing a premium of 37.5% above the reference price of Safran's ordinary shares¹ (the "**Shares**") on the regulated market of Euronext in Paris.

Settlement is expected to take place on 21 June 2018 (the "**Issue Date**")

¹ The reference Share price is equal to the volume-weighted average price of the Shares recorded today on the regulated market of Euronext in Paris between the launch of the Offering and the determination of the final terms and conditions of the Bonds.

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Unless previously converted or exchanged, redeemed or repurchased and cancelled, the Bonds will be redeemed at par on 21 June 2023 (or on the following business day if this date is not a business day).

The Bonds may be redeemed prior to maturity at the discretion of the Company, under certain conditions, and at the discretion of bondholders in case of Change of Control (as defined in the terms and conditions of the Bonds).

An application for the listing of the Bonds on the Open Market ("**Freiverkehr**") of the Frankfurt Stock Exchange will be made. Such listing is expected no later than one month after the Issue Date.

This Offering is managed by Citigroup Global Markets Limited and Société Générale acting as Global Coordinators, Joint Lead Managers and Joint Bookrunners (the "**Global Coordinators**") in relation to the Offering.

CACEIS Corporate Trust will be in charge of the settlement of the Offering and Aether Financial Services will be the Calculation Agent (as defined in the terms and conditions of the Bonds).

Conversion Right

Bondholders may exercise their conversion right (the "**Conversion Right**") at any time from the Issue Date until the 7th trading day (excluded) preceding the maturity date or the early redemption date.

The conversion ratio is set at one Share per Bond subject to subsequent adjustments (as set out in the terms and conditions of the Bonds).

Upon exercise of their Conversion Right, bondholders will receive at the option of the Company new and/or existing Shares of the Company.
The new and/or existing Shares eventually delivered shall carry current dividend rights.

Dilution

Considering a Bond issue of €699,999,983.10, represented by 4,996,431 Bonds of a nominal unit value of €140.10, the maximum dilution would be of 1.13% if the Company decided to pay solely in new shares.

Lock-up

In the context of the Offering, the Company will agree to a lock-up undertaking of 90 calendar days as of the Issue Date, subject to certain customary exceptions or waiver by the Global Coordinators.

Legal Framework of the Issue and Placement

The Bonds will be offered only by way of a private placement, as per the authorization granted by the Company's extraordinary general meeting held on 15 June 2017 (20th resolution), in France and outside France (excluding the United States of America, South Africa, Canada, Australia or Japan) to persons referred to in Article L. 411-2-II of the French monetary and financial code (*Code monétaire et financier*).

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Other financing transaction contemplated by the Company

The Company is also considering, subject to market conditions, a two-year floating rate bond transaction in the coming days for a targeted size of 500 million euros. This transaction would not be managed by the Global Coordinators.

Available Information

The Offering and the admission to trading on the *Freiverkehr* of the Bonds is not subject to a prospectus approved by the French Financial Market Authority (*Autorité des marchés financiers*) (the "**AMF**"). No key information document the PRIIPs Regulation has been and will be prepared.

Detailed information on Safran, including its business, results, prospects and related risk factors are described in the Company's reference document filed with the AMF on 29 March 2018 under number D.18-0225, which is available together with all the press releases and other regulated information about the Company, on Safran's website (<http://www.safran-group.com>).

DISCLAIMER

Important Information

This press release may not be published, distributed or released directly or indirectly in the United States of America, Australia, Canada, South Africa or Japan or in any jurisdiction to whom or in which such offer is unlawful, and the Offering of the Bonds is not an offer to the public in any jurisdiction, including France. The distribution of this press release may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein comes, should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No communication or information relating to the offering may be transmitted to the public in a country where there is a registration obligation or where an approval is required. No action has been or will be taken in any country in which such registration or approval would be required. The issuance or the subscription of the Bonds may be subject to legal and regulatory restrictions in certain jurisdictions; none of Safran and the Global Coordinators assumes any liability in connection with the breach by any person of such restrictions.

This press release is an advertisement and not a prospectus within the meaning of Directive 2003/71/EC of the European Parliament and the Council of November 4, 2003 as amended (the "**Prospectus Directive**").

The Bonds will be offered only by way of a private placement in France to persons referred to in Article L.411-2-II of the French monetary and financial code (*Code monétaire et financier*) and outside France (excluding the United States of America, Australia, Canada, South Africa and Japan), and there will be no public offering in any country (including France). This press release does not constitute a recommendation concerning the issue of the Bonds. The value of the Bonds and the Shares can decrease as well as increase. Potential investors should consult a professional adviser as to the suitability of the Bonds for the person concerned.

Prohibition of sales to European Economic Area retail investors

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No action has been undertaken or will be undertaken to make available any Bonds to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
 - (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and
- (b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds.

Consequently, no key information document required by the PRIIPs Regulation for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

France

The Bonds have not been and will not be offered or sold or cause to be offered or sold, directly or indirectly, to the public in France. Any offer or sale of the Bonds and distribution of any offering material relating to the Bonds have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*), other than individuals, acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D. 411-1 of the French monetary and financial Code (*Code monétaire et financier*).

United Kingdom

This press release is addressed and directed only (i) to persons located outside the United Kingdom, (ii) to investment professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"), (iii) to people designated by Article 49(2) (a) to (d) of the Order or (iv) to any other person to whom this press release could be addressed pursuant to applicable law (the persons mentioned in paragraphs (i), (ii), (iii) and (iv) all deemed relevant persons ("**Relevant Persons**")). The Bonds and the new shares or the existing shares of the Company to be delivered upon exercise of the Conversion Right are intended only for Relevant Persons and any invitation, offer of contract related to the subscription, tender, or acquisition of the Bonds may be addressed and/or concluded only with Relevant Persons. All persons other than Relevant Persons must abstain from using or relying on this document and all information contained therein.

This press release is not a prospectus which has been approved by the Financial Conduct Authority or any other United Kingdom regulatory authority for the purposes of Section 85 of the Financial Services and Markets Act 2000.

United States of America

This press release may not be published, distributed or transmitted in the United States of America (including its territories and dependencies, any State of the United States of America and the

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District of Columbia). This press release does not constitute or form a part of any offer or solicitation to purchase for securities in the United States of America or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act). The securities mentioned herein have not been, and will not be, registered under the Securities Act, the law of any state of the United States of America and may not be offered or sold in the United States of America except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act or the law of the above states. The Bonds and the shares of the Company to be issued or granted upon conversion of the Bonds will be offered or sold only in offshore transactions outside of the United States of America, in accordance with Regulation S of the Securities Act. Safran does not intend to register any portion of the proposed offering in the United States of America and no public offering will be made in the United States of America.

Australia, Canada, South Africa and Japan

The Bonds and the new shares or the existing shares of the Company to be delivered upon exercise of the Conversion Right may not and will not be offered, sold or purchased in Australia, Canada, South Africa or Japan. The information contained in this press release does not constitute an offer of securities for sale in Australia, Canada, South Africa or Japan.

The distribution of this press release in certain countries may constitute a breach of applicable law. The Global Coordinators are acting exclusively on behalf of Safran and no-one else in connection with the offering. They will not regard any other person as their respective client in relation to the offering and will not be responsible to anyone other than Safran for providing the same protections as to any of their clients or to provide advice in connection with the offering, the Bonds, the contents of this press release or any other transaction, arrangement or other matter described in this press release.

In connection with the offering, the Global Coordinators and any of their respective affiliates, may take up a portion of the Bonds as a principal position and in that capacity may subscribe for, acquire, retain, purchase, sell, offer, offer to sell or negotiate for their own account such Bonds and other securities of Safran or related investments in connection with the offering, the Bonds, Safran or otherwise.

Accordingly, references to securities issued, offered, subscribed, acquired, placed or dealt should be read as including any issue, offer, subscription, acquisition, placement, dealing or negotiation made by the Global Coordinators and any of their affiliates acting as investors for their own account. The Global Coordinators do not intend to disclose the extent of any such above mentioned investments or transactions otherwise than in accordance with any applicable legal or regulatory requirements.

None of the Global Coordinators or any of their respective affiliates accept any responsibility whatsoever which could result from the use of this press release with respect to its inaccuracy or completeness.

MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS TARGET MARKET – Solely for the purposes of each manufacturer’s product approval process in respect of the Bonds, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients, each as defined in MiFID II; and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a “distributor”) should take into consideration the manufacturers’ target market assessment. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels. Distributors should note that the product approval process and target market assessment of a product similar to the

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Bonds by a manufacturer may, in other circumstances, lead to the conclusion that such a product may be compatible for retail investors (as defined in MIFID II).



Safran is an international high-technology group, operating in the aircraft propulsion and equipment, space and defense markets. Safran has a global presence, with more than 58,000 employees and sales of 16.5 billion euros in 2017. Working alone or in partnership, Safran holds world or European leadership positions in its core markets. Safran undertakes Research & Development programs to meet fast-changing market requirements, with total R&D expenditures of around 1.4 billion euros in 2017. Safran is listed on the Euronext Paris stock exchange, and is part of the CAC 40 and Euro Stoxx 50 indices.

In February 2018, Safran took control of Zodiac Aerospace, significantly expanding its aircraft equipment activities. Zodiac Aerospace has 32,500 employees and generated sales of 5.1 billion euros for its fiscal year ended August 31, 2017

For more information : www.safran-group.com / Follow @Safran on Twitter 

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