

SAFRAN AN INTERNATIONAL HIGH-TECHNOLOGY GROUP

TIER-1 EQUIPMENT SUPPLIER

Aerospace

Defense

Security

SAFRAN AT A GLANCE

*As of December 31, 2013

- An international **high technology** group
- Revenue of **14.7 billion euros*** (nearly 20 B\$)
- **66,300 employees** in more than 50 countries
- 3 core businesses:

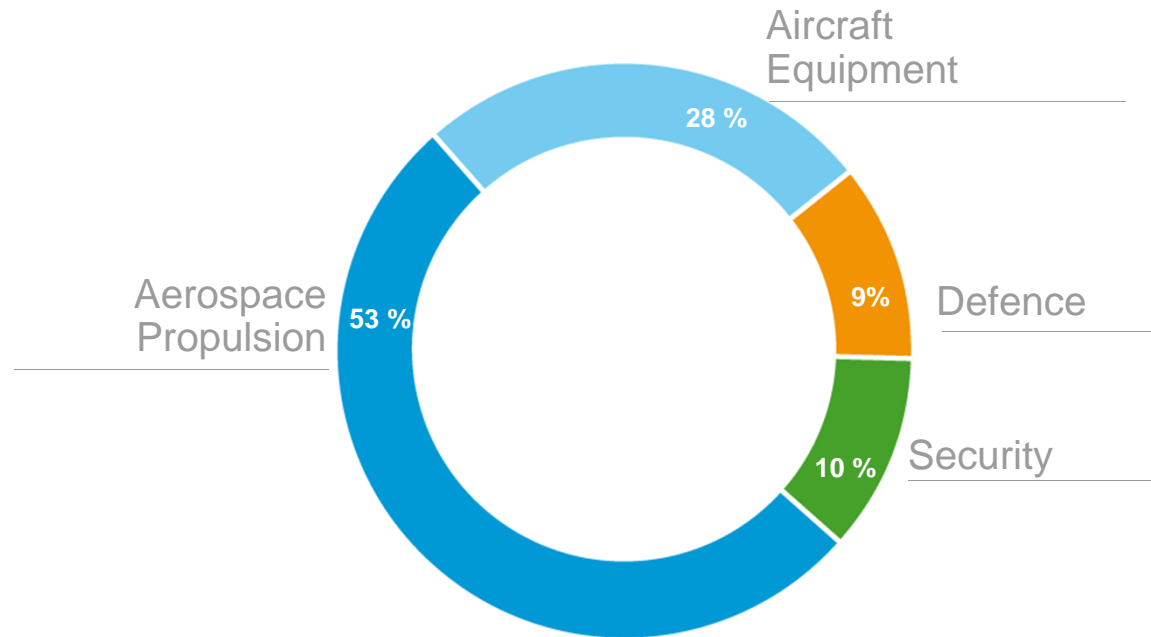
Aerospace

Defence

Security

KEY FIGURES

Revenue breakdown by activity, as of December 31, 2013



- Revenue: **14.7 billion euros**
- Recurring operating income: **1.8 billion euros**
- Net income - Group share: **1.2 billion euros**

SAFRAN CORPORATE GOVERNANCE

Corporate Officers

**Chairman and CEO
Jean-Paul HERTEMAN**

**+ Board of Directors
(#15)**

**Deputy CEO
Corporate Office
Stéphane ABRIAL**

**Deputy CEO
Finance
Ross McINNES**

**Deputy CEO
Operations
Marc VENTRE**

Executive Committee

**Executive VP
Strategy & transformation
Jean-Pierre COJAN**

**Executive VP
EU & International Relations
Bruno COTTE**

**Chairman & CEO's
of rank 1
AFFILIATES
(#10)**

**Corporate Senior VP
Research & Technology
Eric BACHELET**

**Executive VP
Human Resources
Jean-Luc BERARD**

Safran Corporate Purchasing - Materials

Communication to Suppliers

/ June 2014 /

SAFRAN CORPORATE PURCHASING - MATERIALS HISTORY

→ 2005 – Safran Corporate Purchasing (follows Snecma / Sagem merging)

- Central organization to promote common procedures, management tools & metrics across all Safran affiliates to improve operations and performances with suppliers

→ 2008 – Safran Materials & Processes

- Central organization responsible of **Materials** and **Processes** validation (writing & harmonizing technical specifications included).
 - "**Materials**" are metal alloy or composite purchased then processed to manufacture a part.
 - "**Processes**" are special processes or test methods.

→ 2011 – Safran Corporate Purchasing – Non-Production commodities

- Central organization in charge of all non-production commodities :
 - Globalization of needs of all Safran affiliates and their subsidiaries
 - Including consumables, buildings, infrastructure & facility management, capital goods, logistics, consulting, IT & telecom, studies & testing works, tools & specific tools.

→ 2014 – Safran Corporate Purchasing – Materials

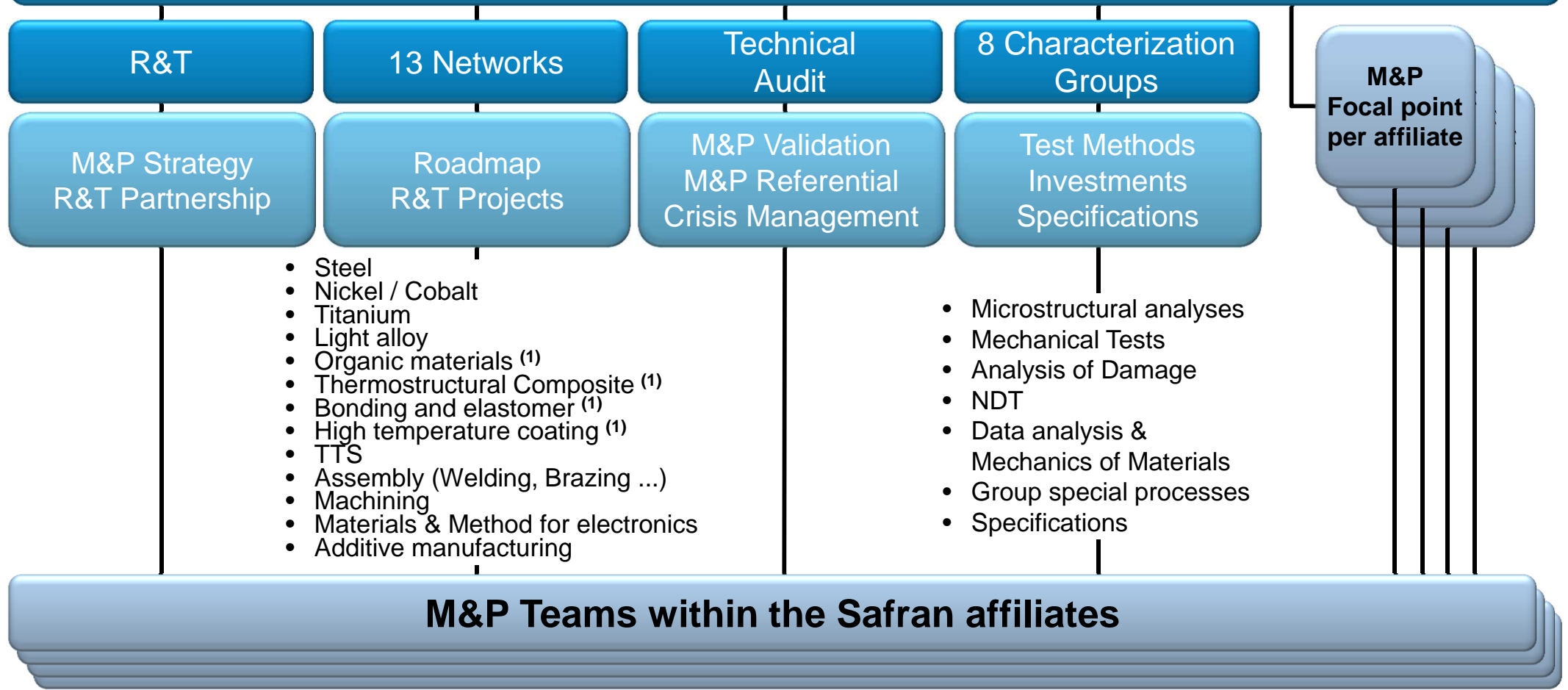
- Central organization in charge of all type of materials Purchasing :
 - Globalization of needs of all Safran affiliates based on Safran M&P Technical Specifications
 - Including materials for forging, casting, machining, forming, additive technologies & composites

SAFRAN MATERIALS & PROCESSES ORGANIZATION

R&T Safran – Corporate Senior VP Eric BACHELET

Safran Materials & Processes – Ludovic MOLLIEUX

More than 800 people, including 40 experts, from technical, industrial or quality organizations



(1) Operated by Safran Composites

SAFRAN CORPORATE PURCHASING - MATERIALS ORGANIZATION

Operations Safran – Deputy CEO Marc VENTRE

Safran Corporate Purchasing

Safran Corporate Purchasing - Materials

Materials for forging & casting

Materials for machining & forming

Materials for composite

Safran Materials & Processes

Safran Composite

CRT
Research & Technology center

R&T, Materials Design Office & Technical Support for Purchasing

Main Purchasing Activities

- Marketing & strategy
- Selection of suppliers
- Agreements:
 - NDA, GCP,
 - Contracts
 - Quality
- Performance improvements:
 - OTD,
 - ppm,
 - cost,
 - innovation

Safran affiliates (#10)

Affiliate 1

Parts Purchase

CoE's
Center of Excellence

Parts and Materials Procurement

Affiliate 2

Parts Purchase

CoE's
Center of Excellence

Parts and Materials Procurement

Affiliate 10

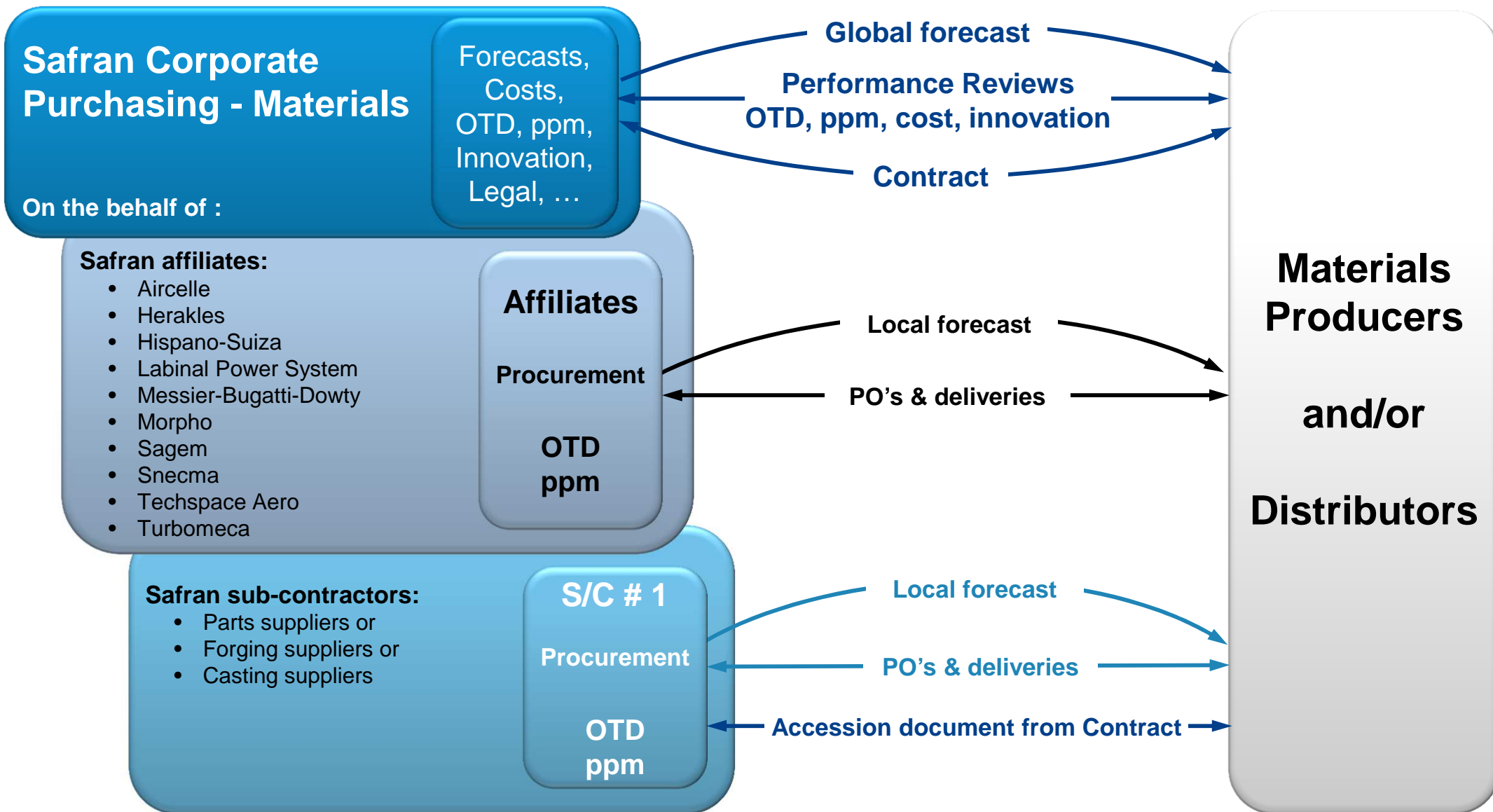
Parts Purchase

CoE's
Center of Excellence

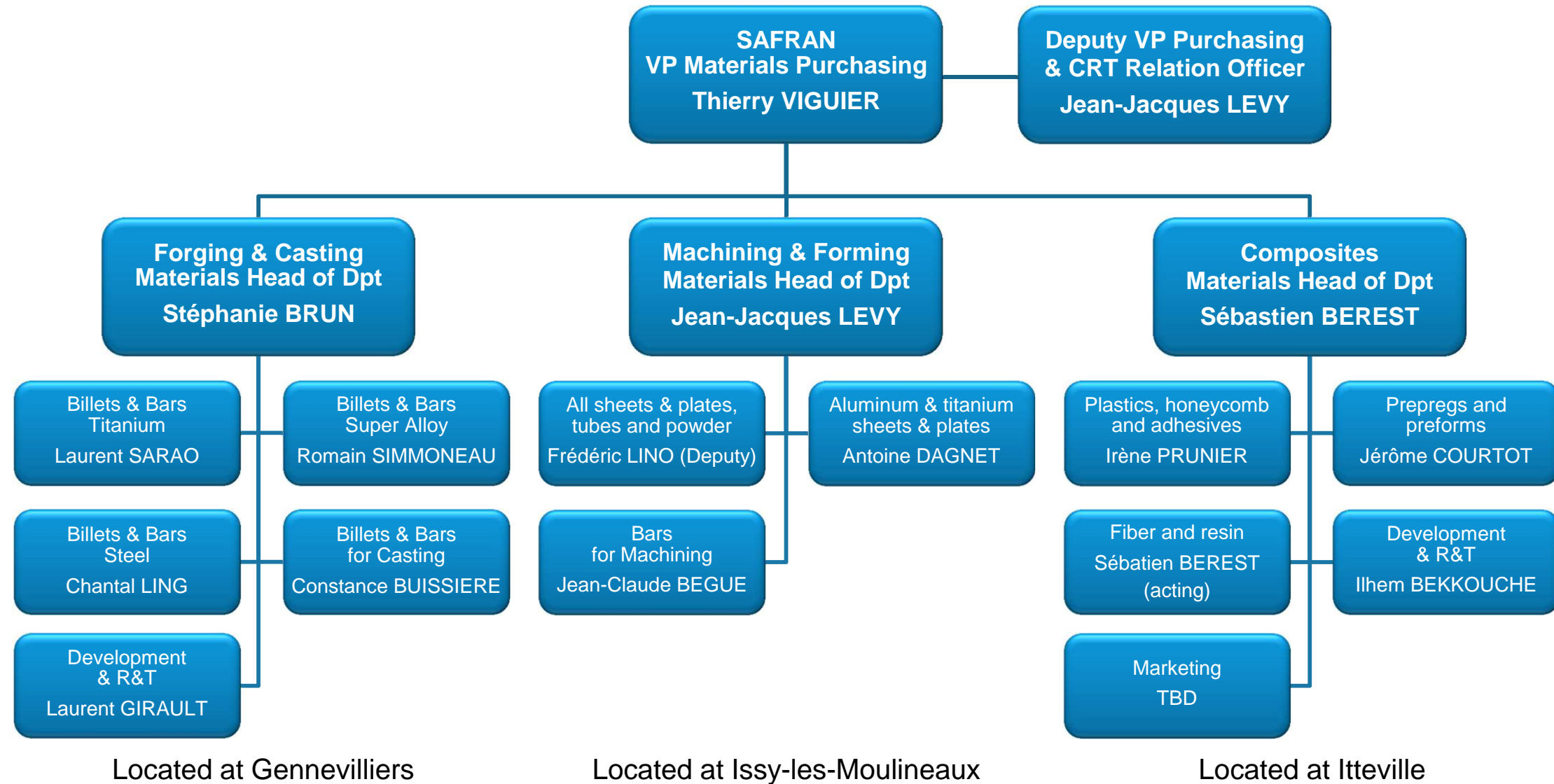
Parts and Materials Procurement

R&T, Parts Design Office, Quality & Parts Production (make or buy)

SAFRAN CORPORATE PURCHASING - MATERIALS WORK FLOW



SAFRAN CORPORATE PURCHASING - MATERIALS WORK FORCE



SAFRAN CORPORATE PURCHASING - MATERIALS BUSINESSES

500 MUSD / 25 000 t
per year (ROM)

Power Systems:
Labinal Power Systems

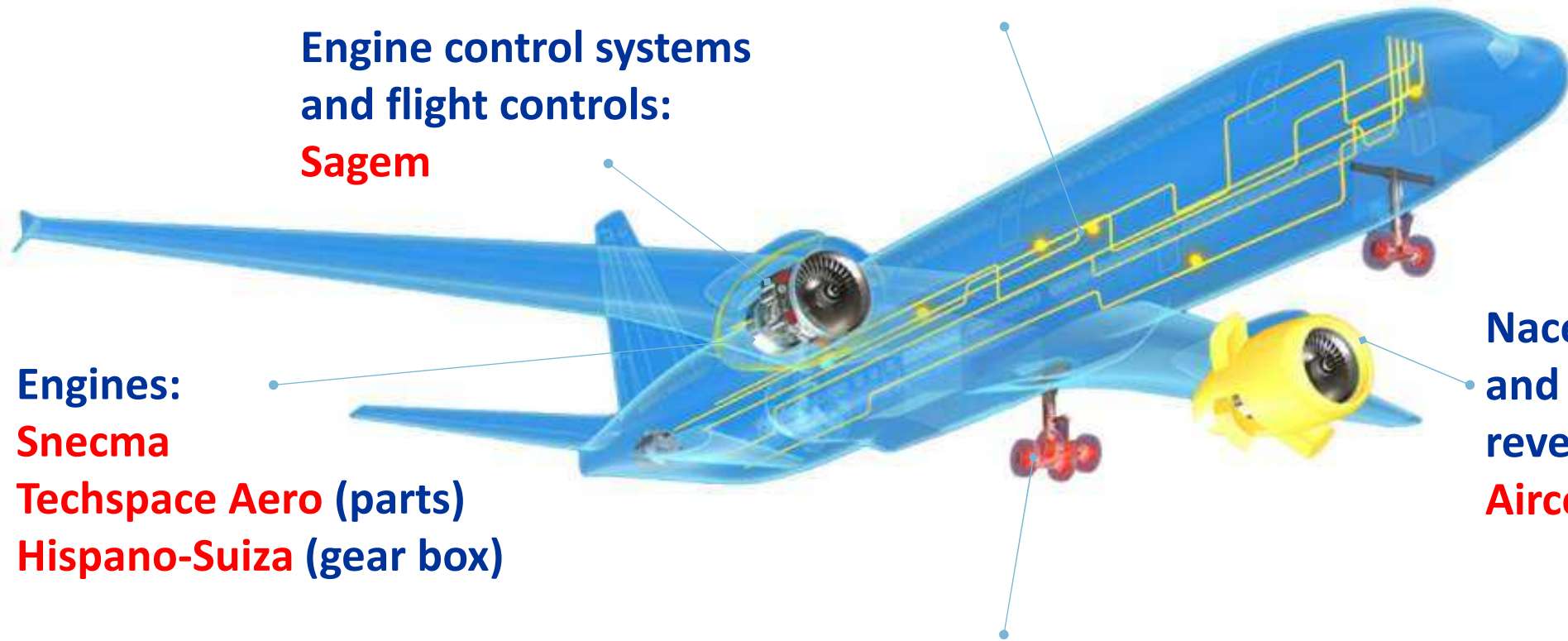
Engine control systems
and flight controls:
Sagem

Engines:
Snecma
Techspace Aero (parts)
Hispano-Suiza (gear box)

Turbomeca (helicopter)
Herakles (space)

Landing gears, wheels and Braking systems:
Messier-Bugatti-Dowty

Nacelles
and Thrust
reversers:
Aircelle



PREPARING THE FUTUR

→ SAFRAN'S FULL-FLEDGED COMMITMENT

- Safran is a major player in the research program Clean Sky (Joint Technology Initiative), jointly financed by the European Commission and industry
 - Fundamental European organization for aeronautics research with a total budget of 1.6 billion euros over seven years
 - Goal is to develop innovative and even disruptive technologies, enabling the development of environmentally-friendlier air transport systems, featuring full-scale demonstrators

→ AT THE HEART OF OUR STRATEGY

- R&D investment: 1.8 billion euros in 2013, more than 12% of revenue
- R&D calls more than 21% of the Group's workforce, and 150 doctoral candidates work at Safran
- 800 patents filed by Safran in 2013

→ SOLID ACADEMIC LINKS

- 4 jointly-owned research labs (Safran/CNRS + other companies)
- 14 external research centers (long term)
- Extended research networks