

NOTICE

OF MEETING

ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING

Thursday April 21, 2011 at 10.00 a.m.

Espace Grande Arche, Haussmann entrance
Parvis de La Défense
92044 Paris – La Défense

CONTENTS

HOW TO PARTICIPATE IN THE MEETING	3
HOW TO GET TO THE ANNUAL GENERAL MEETING	7
AGENDA	8
REPORT ON THE PROPOSED RESOLUTIONS	10
PROPOSED RESOLUTIONS	26
PROPOSED BYLAWS SUBMITTED TO THE ANNUAL GENERAL MEETING FOR APPROVAL	42
THE SAFRAN GROUP IN 2010	55
FIVE-YEAR FINANCIAL SUMMARY	60
REQUEST FOR ADDITIONAL DOCUMENTS AND INFORMATION	63

HOW TO PARTICIPATE IN THE MEETING

YOU WILL NEED TO PROVIDE EVIDENCE OF SHARE OWNERSHIP

All shareholders are entitled to participate in the Meeting whether in person, by proxy or by casting a postal vote, regardless of the number of shares owned, in accordance with French law.

In accordance with article R.225-85 of the French Commercial Code (*Code de commerce*), in order for shareholders to attend the Annual General Meeting, cast a postal vote or appoint a proxy, their shares must be recorded in their name or in the name of an authorized intermediary on their behalf no later than midnight (CET) on the third business day preceding the Meeting (**April 18, 2011**) as follows:

- for registered shares: in the Company's share register managed by BNP Paribas Securities Services;
- for bearer shares: in a securities account managed by an authorized intermediary, as provided for in article L.211-3 of the French Monetary and Financial Code (*Code monétaire et financier*).

The recording of shares in bearer share accounts kept by an authorized intermediary must be certified by a share ownership certificate issued by the latter. This certificate should be attached to your proxy/postal voting form or to your admittance card request drawn up in your name or in the name of the registered intermediary acting on your behalf.

Shareholders may sell their shares at any time:

- if the sale occurs before midnight (CET) on April 18, 2011, the postal vote, proxy, admittance card and any share ownership certificates will be cancelled or modified accordingly. In such an event, the authorized intermediary must notify the Company or BNP Paribas Securities Services of the sale and forward the required information;
- if the sale occurs after midnight (CET) on April 18, 2011, it will not be notified by the authorized intermediary and will not be taken into consideration by the Company, regardless of the means of communication, notwithstanding any agreement to the contrary.

Shareholders may participate in the Annual General Meeting in any of the following ways:

- they may attend the Annual General Meeting in person;
- they may send a proxy form to the Company without specifying their representative, in which case the Chairman of the Meeting will vote to adopt the proposed resolutions presented or approved by the Executive Board and vote against all other proposed resolutions;
- they may cast a postal vote; or
- they may give proxy to another shareholder, their spouse, their partner with whom they have entered into a civil union or any other individual or legal entity of their choice in accordance with the requirements of article L.225-106 of the French Commercial Code.

IF YOU PLAN TO ATTEND THE MEETING IN PERSON

Holders of registered shares

If you hold registered shares and plan to attend the Meeting in person you should request an admittance card from BNP Paribas by filling out the attached proxy/postal voting form as follows:

- check box A in the upper section of the form;
- date and sign the form in the section at the bottom;
- send the form in the enclosed prepaid envelope or by letter addressed to BNP Paribas Securities Services, CTS Assemblées, Grands Moulins de Pantin, 9, rue du Débarcadère, 93761 Pantin Cedex, France.

You will receive your admittance card by return mail. If you do not receive your admittance card in time you will still be able to attend the Meeting subject to providing proof of identity.

Holders of bearer shares

If you hold bearer shares and plan to attend the Meeting in person you should request a share ownership certificate from your authorized intermediary. The latter will forward the certificate to BNP Paribas Securities Services, Services Assemblées, Grands Moulins de Pantin, 9, rue du Débarcadère, 93761 Pantin Cedex, France, who will send you an admittance card.

If you do not receive your admittance card by midnight (CET) on the third business day preceding the Meeting (April 18, 2011) you should ask your authorized intermediary to issue you with a share ownership certificate proving that you own the shares and are therefore entitled to attend the Meeting.

IF YOU WISH TO GIVE PROXY TO THE CHAIRMAN OF THE MEETING

If you wish to give proxy to the Chairman of the Meeting you should fill out the attached proxy/postal voting form as follows:

- check box B in the upper section of the form;
- check the 'I hereby give my proxy to the Chairman of the Meeting' box;
- date and sign the form in the section at the bottom;
- send the form in the enclosed prepaid envelope or by letter addressed to BNP Paribas Securities Services, CTS Assemblées, Grands Moulins de Pantin, 9, rue du Débarcadère, 93761 Pantin Cedex, France.

The Chairman of the Meeting will vote to adopt the proposed resolutions presented or approved by the Executive Board and vote against all other proposed resolutions.

NB: If you hold bearer shares you must attach to your proxy/postal voting form the above-described share ownership certificate issued by your authorized intermediary.

IF YOU WISH TO GIVE PROXY TO ANOTHER PERSON OR ENTITY

You may give proxy to another shareholder, your spouse, your partner with whom you have entered into a civil union or any other individual or legal entity of your choice in accordance with the requirements of article L.225-106 of the French Commercial Code.

In this case you should fill out the attached proxy/postal voting form as follows:

- check box B in the upper section of the form;
- check the 'I hereby appoint' box and state the name and address of the person who will represent you at the Meeting;
- date and sign the form in the section at the bottom;
- send the form in the enclosed prepaid envelope or by letter addressed to BNP Paribas Securities Services, CTS Assemblées, Grands Moulins de Pantin, 9, rue du Débarcadère, 93761 Pantin Cedex, France.

In accordance with the provisions of article R.225-79 of the French Commercial Code, you can send this form electronically, by following the procedure set out below:

Holders of registered shares

- send an email to paris.bp2s.france.cts.mandats@bnpparibas.com with the following information: a signed digital copy of the proxy form stating your name, address and the registered account number, as well as the name and, if possible, address of the representative;
- you must confirm your request by logging on to your account on the PlanetShares/My Shares or PlanetShares/My Plans website. From “My shareholder space – My annual general meetings” click on “Proxy designation or revocation request” and enter the above-described information.

Holders of bearer shares or administered registered shares

- send an email to paris.bp2s.france.cts.mandats@bnpparibas.com with the following information: a signed digital copy of the proxy form stating your name, address and banking details, as well as the name and, if possible, address of the representative;
- you must request your authorized intermediary to send a written confirmation to Assemblées Générales de BNP Paribas Securities Services, Service des Assemblées, Grands Moulins de Pantin, 9, rue du Débarcadère, 93761 Pantin Cedex, France.

Digital copies of the proxy form must be signed in order to be valid.

You can revoke your proxy by written confirmation following the procedure described above. To appoint a new proxy, you must request a «Change of proxy» form from BNP Paribas Securities Services (for holders of registered shares) or from your authorized intermediary (for holders of bearer shares). The completed form must be returned to BNP Paribas Securities Services, Service des Assemblées, Grands Moulins de Pantin, 9, rue du Débarcadère, 93761 Pantin Cedex, France, at the latest three calendar days before the Annual General Meeting, **(i.e., by April 18, 2011)**.

To be valid, the Company must receive confirmation of appointed or revoked proxies notified electronically, **at the latest at 3.00 p.m. (CET) the day before the Annual General Meeting**.

NB: If you hold bearer shares you must attach to your proxy/postal voting form the above-described share ownership certificate issued by your authorized intermediary.

IF YOU WISH TO CAST A POSTAL VOTE

If you wish to cast a postal vote you should fill out the attached proxy/postal voting form as follows:

- check box B in the upper section of the form;
- check the box ‘I vote by post’;
- complete the postal voting section in accordance with the instructions on the form;
- date and sign the form in the section at the bottom;
- send the form in the enclosed prepaid envelope or by letter addressed to BNP Paribas Securities Services, CTS Assemblées, Grands Moulins de Pantin, 9, rue du Débarcadère, 93761 Pantin Cedex, France.

Duly completed and signed postal voting forms must reach BNP Paribas Securities Services at least three days before the Meeting **(i.e., by April 18, 2011)**.

NB: If you hold bearer shares you must attach to your proxy/postal voting form the above-described share ownership certificate issued by your authorized intermediary.

Once you have cast a postal vote, appointed a proxy or requested an admittance card you will not be able to participate in the Meeting in another way.

TO FILL OUT THE ATTACHED PROXY/POSTAL VOTING FORM

If you plan to attend the Meeting Check box A	If you cannot attend the Meeting Check box B	If you hold bearer shares Please send this form to your authorized financial intermediary
---	--	---

IMPORTANT : avant d'exprimer votre choix, veuillez prendre connaissance des instructions situées au verso / Before selecting, please see instructions on reverse side.
QUELLE QUE SOIT L'OPTION CHOISIE, DATER ET SIGNER AU BAS DU FORMULAIRE / WHICHEVER OPTION IS USED, DATE AND SIGN AT THE BOTTOM OF THE FORM

A. Je désire assister personnellement à cette assemblée et demande une carte d'admission : dater et signer au bas du formulaire // I wish to attend the shareholders' meeting personally and request an admission card : date and sign at the bottom of the form.
 B. J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes // I prefer to use the postal voting form or the proxy form as specified below.

SAFRAN
 S. A. à Directeur et Conseil de Surveillance
 Au capital de 83 405 917 €
 Siège social : 2, boulevard du Général Martial Valin
 75015 PARIS
 562 082 909 R.C.S. PARIS

ASSEMBLÉE GÉNÉRALE MIXTE convoquée le jeudi 21 avril 2011 à 10 heures, à L'Espace Grande Arche, entrée Haussmann, Paris de la Défense, 92044 PARIS LA DÉFENSE.
COMBINED GENERAL MEETING to be held on Thursday, April 21, 2011 at 10.00 am, at Espace Grande Arche, entrée Haussmann, Paris de la Défense, 92044 PARIS LA DÉFENSE.

CADRE RESERVE / For Company's use only

Identifiant / Account

Nombre d'actions Nombre of shares

Nominatif Registered VS / single vote
 Porteur / Bearer VD / double vote

Nombre de voix / Number of voting rights

JE VOTE PAR CORRESPONDANCE // I VOTE BY POST
 Cf. au verso renvoi (2) - See reverse (2)

Je vote **OUI** à tous les projets de résolutions présentés ou agréés par le Directoire, à l'**EXCEPTION** de ceux que je signale en noirissant comme ceci ■ la case correspondante et pour lesquels je vote **NON** ou je m'abstiens.

I vote **FOR** all the draft resolutions approved by the Executive Board **EXCEPT** those indicated by a shaded box - like this ■, for which I vote against or I abstain.

1	2	3	4	5	6	7	8	9	Oui/Non/Yes/Abst/No	Oui/Non/Yes/Abst/No
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A <input type="checkbox"/>	F <input type="checkbox"/>
10	11	12	13	14	15	16	17	18	B <input type="checkbox"/>	G <input type="checkbox"/>
19	20	21	22	23	24	25	26	27	C <input type="checkbox"/>	H <input type="checkbox"/>
28	29	30	31	32	33	34	35	36	D <input type="checkbox"/>	J <input type="checkbox"/>
37	38	39	40	41	42	43	44	45	E <input type="checkbox"/>	K <input type="checkbox"/>

JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE
 Dater et signer au bas du formulaire, sans rien remplir
 I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE MEETING
 Date and sign at the bottom of the form without filling it
 cf. au verso renvoi (3) - See reverse (3)

JE DONNE POUVOIR A : cf. au verso renvoi (3)
 I HEREBY APPOINT see reverse (3)
 M., Mme ou Mlle, Nom, Prénom, Raison Sociale /
 Mr, Mrs or Miss, Corporate Name
 Adresse / Address

ATTENTION : S'il s'agit de titres au porteur, les présentes instructions ne seront valides que si elles sont directement retournées à votre gueur de compte.
CAUTION : If it is about bearer securities, the present instructions will be valid only if they are directly returned to your account-keeper.

Nom, Prénom, Adresse de l'actionnaire (si ces informations figurent déjà, les vérifier et les rectifier éventuellement)
 - Surname, first name, address of the shareholder (if this information is already supplied, please verify and correct if necessary)
 Cf. au verso renvoi (1) - See reverse (1)

Please state
 your first name, surname
 and address or
verify that the details
 are correct

Si des amendements ou des résolutions nouvelles étaient présentés en assemblée / In case amendments or new resolutions are proposed during the meeting

- Je donne pouvoir au Président de l'A.G. de voter en mon nom. / I appoint the Chairman of the meeting to vote on my behalf.

- Je m'abstiens (l'abstention équivaut à un vote contre). / I abstain from voting (is equivalent to a vote against)

- Je donne procuration (cf. au verso renvoi 3) à M., Mme ou Mlle, Raison Sociale pour voter en mon nom / I appoint (see reverse (3)) Mr, Mrs or Miss, Corporate Name to vote on my behalf

Pour être pris en considération, ce formulaire doit parvenir au plus tard :
 In order to be considered, this completed form must be returned at the latest

sur 1^{re} convocation / on 1st notification 18/04/2011 / April 18, 2011 sur 2^e convocation / on 2nd notification

à / to BNP PARIBAS SECURITIES SERVICES, CTS Assemblées, Grands Moulins de Pantin, 9 rue du Débarcadere - 93761 PANTIN Cedex

Date & Signature

If you wish to cast a postal vote
 Check this box and follow the instructions

Please date and sign here
 whatever your chosen method of voting

If you wish to give proxy to the Chairman of the Meeting
 Check this box

If you wish to appoint a proxy
 Check this box and state the name and address of your representative

For any further information please contact:

SAFRAN - Investor relations
 2, boulevard du Général-Martial-Valin
 75724 Paris Cedex 15, France

Toll-free number (France only): 0 800 17 17 17
 Fax: +33 (0)1 40 60 84 36
 www.safran-group.com - Finance section

HOW TO GET TO

THE ANNUAL GENERAL MEETING

Espace Grande Arche, Haussmann entrance
Parvis de La Défense – 92044 Paris La Défense
Tel.: +33 (0)1 40 68 22 22

BY ROAD

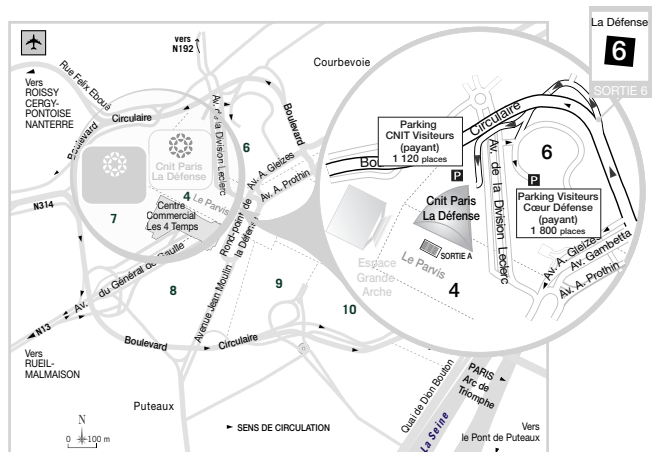
From the Paris Boulevard Périphérique (ring road):

- Exit at Porte Maillot, follow signs to La Défense
- From Neuilly, take Avenue Charles de Gaulle, cross the Pont de Neuilly, then follow Boulevard Circulaire
- Exit at La Défense 6 then follow the signs to the parking lot “Parking Visiteurs ou Exposants CNIT”

Take the Parvis de La Défense pedestrian exit and head towards the entrance of the Espace Grande Arche, as indicated by the sign

There are two other parking lots:

- Exit La Défense 4 Parking Centre
- La Défense 6 Parking Coupole



BY PUBLIC TRANSPORT

Station: “La Défense Grande Arche”:

- Ⓜ Metro: Line 1 (Château de Vincennes/La Défense Grande Arche)
- ⓇⓇ RER A (Boissy-Saint-Léger/Marne-la-Vallée – Poissy/Cergy)
- Ⓣ Tramway T2 (Issy/Val de Seine)
- ⓈⓃⓂⓂ By train: SNCF (Paris Saint-Lazare/Saint-Nom-la-Bretèche or Versailles-RD/Saint-Quentin-en-Yvelines/La Verrière)
- Ⓟ Bus
 - from Paris (No. 73 La Défense/Musée d’Orsay)
 - from western Paris (141, 144, 159, 258, 262, 272, 275, 278, 360, 378)
 - from northern Paris (161, 174, 178)

Exit A “Grande Arche”, follow the sign posts on the “Parvis” to “Espace Grande Arche”.



AGENDA

ORDINARY RESOLUTIONS

First resolution	Approval of the parent company financial statements for the year ended December 31, 2010 – Discharge given to the members of the Executive Board and Supervisory Board for the performance of their duties
Second resolution	Approval of the consolidated financial statements for the year ended December 31, 2010
Third resolution	Appropriation of net profit and approval of the recommended dividend
Fourth resolution	Approval of related-party agreements and commitments governed by articles L.225-86 and L.225-90-1 of the French Commercial Code

EXTRAORDINARY RESOLUTIONS

Amendments to the bylaws

Fifth resolution	Change of management system: adoption of a governance structure with a Board of Directors
Sixth resolution	Approval of the revised bylaws
Seventh resolution	Amendment to the new bylaws to provide for a restriction on voting rights

ORDINARY RESOLUTIONS

Eighth resolution	Appointment of Jean-Paul Herteman as a Director
Ninth resolution	Appointment of Francis Mer as a Director
Tenth resolution	Appointment of Giovanni Bisignani as a Director
Eleventh resolution	Appointment of Jean-Lou Chameau as a Director
Twelfth resolution	Appointment of Odile Desforges as a Director
Thirteenth resolution	Appointment of Jean-Marc Forneri as a Director
Fourteenth resolution	Appointment of Xavier Lagarde as a Director
Fifteenth resolution	Appointment of Michel Lucas as a Director
Sixteenth resolution	Appointment of Élisabeth Lulin as a Director
Seventeenth resolution	Appointment of four Directors representing the French State
Eighteenth resolution	Appointment of Christian Halary as a Director upon the recommendation of the employee shareholders of the Safran Group
Nineteenth resolution	Appointment of Marc Aubry as a Director upon the recommendation of the employee shareholders of the Safran Group
Twentieth resolution	Appointment of Caroline Grégoire-Sainte-Marie as a Board advisor
Twenty-first resolution	Amount of attendance fees
Twenty-second resolution	Authorization for the Board of Directors to implement a share buyback program

EXTRAORDINARY RESOLUTIONS

Financial authorizations

Twenty-third resolution	Authorization for the Board of Directors to increase the share capital through the issue, with pre-emptive subscription rights for existing shareholders, of shares of common stock or securities carrying rights to shares of the Company
Twenty-fourth resolution	Authorization for the Board of Directors to increase the share capital through the issue, without pre-emptive subscription rights for existing shareholders, of shares of common stock or securities carrying rights to shares of the Company, via a public offering
Twenty-fifth resolution	Authorization for the Board of Directors to issue shares of the Company and securities carrying rights to shares of the Company, in the event of a public exchange offer initiated by the Company
Twenty-sixth resolution	Authorization for the Board of Directors to increase the share capital through the issue of shares of common stock or securities carrying rights to the capital, via a private placement as referred to in article L.411-2-II of the French Monetary and Financial Code without pre-emptive subscription rights for existing shareholders
Twenty-seventh resolution	Authorization for the Board of Directors to increase the number of shares to be issued in the event of a share issue with or without pre-emptive subscription rights for existing shareholders
Twenty-eighth resolution	Authorization for the Board of Directors in the event of the issue, without pre-emptive subscription rights for existing shareholders, of shares or any securities carrying immediate or deferred rights to the Company's shares to set the issue price according to the terms and conditions adopted by the General Meeting, within the limit of 10% of the Company's share capital
Twenty-ninth resolution	Delegation of powers for the Board of Directors to increase the share capital through the issue of shares of common stock in consideration for contributions in kind granted to the Company and consisting of capital stock or securities carrying rights to shares
Thirtieth resolution	Authorization for the Board of Directors to increase the share capital by capitalizing reserves, profits or additional paid-in capital
Thirty-first resolution	Authorization for the Board of Directors to increase the share capital through the issue of shares of common stock reserved for employees who are members of the Safran Group employee savings plans
Thirty-second resolution	Authorization for the Board of Directors to grant stock subscription options or stock purchase options to employees and corporate officers of the Company and companies of the Safran Group
Thirty-third resolution	Blanket ceilings on authorizations for share or securities issues
Thirty-fourth resolution	Authorization for the Board of Directors to make free share grants of the Company's existing shares or shares to be issued to employees and corporate officers of the Company and companies of the Safran Group
Thirty-fifth resolution	Authorization for the Board of Directors to reduce the Company's capital by canceling treasury shares
Thirty-sixth resolution	Authorization for the Board of Directors to issue stock warrants without consideration in the event of a tender offer for the Company

POWERS

Thirty-seventh resolution	Powers to carry out formalities
----------------------------------	---------------------------------

REPORT ON THE PROPOSED RESOLUTIONS

REPORT OF THE EXECUTIVE BOARD ON THE PROPOSED RESOLUTIONS PRESENTED TO THE ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF APRIL 21, 2011

Thirty-seven resolutions will be submitted for the approval of the shareholders by the Executive Board at the Ordinary and Extraordinary Shareholders' Meeting to be held on April 21, 2011 ("the General Meeting").

The first four resolutions are ordinary resolutions and refer to the approval of the 2010 parent company and consolidated financial statements, recommended dividend and related-party agreements and commitments.

The following three resolutions are extraordinary resolutions and relate to:

- the approval of a governance structure with a Board of Directors;
- the revision of the Company's bylaws; and
- the inclusion of new provisions in the Company's new bylaws providing for a restriction of voting rights to 30% in General Meetings.

The following fifteen resolutions, submitted to the General Meeting for approval subject to the adoption by the shareholders of the new governance structure and the new bylaws, are ordinary resolutions. They relate to:

- the appointment of thirteen Directors, including four Directors representing the French State;
- the appointment of two Directors representing the employee shareholders, who have been nominated in accordance with the conditions set out in the Company's new bylaws;
- the appointment of a Board advisor;
- the amount of attendance fees allocated to the members of the Supervisory Board and Board of Directors for 2011; and
- the authorization to be granted to the Board of Directors for the purposes of buying or selling the Company's shares.

Finally, fourteen extraordinary resolutions will be submitted to the General Meeting for approval. They relate to the renewal and approval of financial authorizations.

The last resolution will relate to the powers to complete all formalities.

I – APPROVAL OF THE 2010 PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

1st and 2nd resolutions (ordinary resolutions)

The parent company financial statements and the consolidated financial statements of Safran for the year ended December 31, 2010, as well as the expenses recorded during the year that are not deductible for tax purposes and the discharge of the members of the Executive Board and the Supervisory Board for the performance of their duties are submitted to the General Meeting for approval.

- The parent company financial statements show net profit of €497.1 million, compared with €249.5 million for the previous year.
- The consolidated financial statements show profit for the period attributable to owners of the parent of €207 million (€0.51 per share) compared with €641 million (€1.60 per share) for the previous year.

II – APPROPRIATION OF NET PROFIT – APPROVAL OF THE RECOMMENDED DIVIDEND

3rd resolution (ordinary resolution)

The parent company's net profit for 2010 which amounts to €497.1 million plus €6.5 million in retained earnings, gives a total net profit available for distribution of €503.6 million.

The Executive Board recommends the payment of a total dividend of €208.5 million, corresponding to an increase of 31.6% for 2010 to €0.50 per share.

The payout rate corresponds to 40% of consolidated revenue (adjusted data).

The dividend will be paid on April 29, 2011 (with an ex-dividend date of April 26, 2011).

Out of the remaining balance of net profit available for distribution, €294 million will be allocated to available reserves and €1.1 million to retained earnings.

III – RELATED-PARTY AGREEMENTS AND COMMITMENTS

4th resolution (ordinary resolution)

In this resolution shareholders are invited to approve the related-party agreements and commitments entered into during 2010, as described in the statutory auditors' special reports.

Agreements governed by article L.225-86 of the French Commercial Code

Related-party agreements include non-routine agreements entered into between the Company and (i) entities which have executives in common with the Company or (ii) a shareholder owning more than 10% of the Company's voting rights. These agreements require prior authorization by the Supervisory Board and are described in a special report drawn up by the statutory auditors.

Two new agreements meeting the above definition were entered into in 2010, as follows:

Draft agreement between Safran and SNPE to purchase SNPE Matériaux Énergétiques (SME)

The representatives of the French State on the Supervisory Board (Pierre Aubouin and Christophe Burg, also representatives of the French State on the Board of Directors of SNPE, as well as Patrick Gandil and Jean-Bernard Pène) were not party to the discussions and did not participate in the Supervisory Board's vote on this agreement.

The draft agreement refers to the acquisition by Safran of SNPE Matériaux Énergétiques (SME SA) and its subsidiaries, including a 50% stake in Roxel, and SNPE SA's 40% stake in Regulus SA, but not including Eurengo.

The Supervisory Board meeting of July 27, 2010 confirmed its agreement in principle on the possible transaction and authorized the Executive Board to continue negotiations and propose a price of no more than €300 million, the seller having to confirm its agreement before September 15, 2010.

Safran and SNPE agreed on an enterprise value of €296 million for all the businesses acquired. SNPE agreed to grant a 30-year environmental guarantee (extended to 40 years for site-closure costs) for an amount of €240 million with a counter-guarantee from the French State for an amount of €216 million, and standard warranties for an amount of €25 million for standard legal matters and other specific matters.

The draft agreement between Safran and SNPE was confirmed by a letter of intent signed on October 5, 2010.

Agreement concerning a syndicated credit facility entered into with a pool of international banks, including Crédit Industriel et Commercial (Crédit Mutuel-CIC group)

Michel Lucas, Vice-Chairman of the Supervisory Board of Safran and Chairman of the Executive Board of CIC and François de Combret, Senior Advisor at Crédit Agricole CIB, were not party to the discussions and did not participate in the Supervisory Board's vote on this agreement.

This agreement, authorized by the Supervisory Board on December 2, 2010, was signed on December 8, 2010.

This agreement refers to a five-year revolving credit facility of €1.6 billion, set to mature in December 2015, granted by a pool of 13 banks, including five French banks (CIC, also acting as agent, BNP Paribas, also acting as documentation agent, Société Générale, Crédit Agricole CIB and Crédit Agricole Ile-de-France), two German banks (Deutsche Bank and Commerzbank), two British banks (Royal Bank of Scotland and HSBC), one Spanish bank (Santander), one Belgian bank (ING), one Japanese bank (Bank of Tokyo-Mitsubishi) and one American bank (Citibank).

This new credit facility supplements the current credit facility of €800 million which is set to mature in January 2012. It will be used to meet the Group's general financing requirements.

The credit facility's financial conditions are as follows: if not drawn, an average all-in rate of 0.31% per year will apply, i.e., an average cost of €4.96 million per year; if fully drawn, an all-in rate of 1% above Euribor will apply.

Commitments governed by article L.225-90-1 of the French Commercial Code

Commitments given by the Company – or entities over which it exercises control – to members of the Executive Board concerning benefits due or payable as a result of their duties being terminated or changed are subject to the same procedures as those applicable to related-party agreements.

No new commitments meeting this definition were given during 2010.

IV – CHANGE IN THE GOVERNANCE STRUCTURE OF THE COMPANY

5th resolution (extraordinary resolution)

The terms of office of all the members of the Executive Board and the Supervisory Board expire at the close of the General Meeting.

The Supervisory Board and the Executive Board decided to use this opportunity to propose to the shareholders the change in the governance structure of Safran, as reflected in the new bylaws submitted to the General Meeting for approval.

It is proposed to change the current governance structure – a company with a Supervisory Board and an Executive Board – to a company with a Board of Directors, a Chief Executive Officer and Chief Operating Officers, if necessary.

The current structure is the result of the 2005 merger between Sagem and Snecma, which led to the formation of Safran.

In order to involve the greatest possible number of former executives of the two entities in the success of the business combination, it was decided at the time to maintain the same governance structure for the Company as that of the surviving company.

Six years after the merger, the business combination has been completed and Safran is now a unified company. The reasons which led to maintaining the governance structure with a Supervisory Board and an Executive Board are no longer applicable.

This structure is not adapted to the changing environment of the Company which requires increased proactive management and decision-making.

In accordance with the regulations in force, the proposed adoption of a governance structure with a Board of Directors was subject to prior consultation with the Works Council.

On March 4, 2011, the Supervisory Board and the Executive Board decided to submit to the General Meeting for approval the change to a governance structure with a Board of Directors, in accordance with the recommendations of the Appointments and Compensation Committee.

V – APPROVAL OF THE NEW BYLAWS

6th resolution (extraordinary resolution)

The new bylaws, attached to the Notice of Meeting, which will govern the operation of the Company in the form of a French *société anonyme* (corporation) with a Board of Directors as from the close of the Meeting, subject to the approval of the change in the governance structure proposed under the 5th resolution, are submitted to the General Meeting for approval.

In addition to the amendment related to the approval of a governance structure with a Board of Directors, the following amendments to the new bylaws are submitted to the General Meeting for approval:

Amendment of the corporate purpose (Article 3 of the new bylaws)

Part of the revision of the bylaws, the amendment of the corporate purpose to reflect the Group's current activities is submitted to the General Meeting for approval.

Cancelation of the provisions in the bylaws providing for a first dividend and a surplus dividend

Safran's current bylaws provide for the payment of a first dividend if profits are generated, equal to 5% of the par value of the paid-up and non-redeemed shares, i.e., €0.01 per share in 2010.

The dividend paid to the shareholders in excess of this €0.01 dividend is currently treated as a surplus dividend.

These provisions are unusual for listed companies and irrelevant in view of the Company's dividend policy over the last fiscal years.

Under the Company's new bylaws, submitted to the General Meeting for approval, the first dividend/surplus dividend mechanism would be replaced by a standard dividend in line with the practices of listed companies such as Safran.

Exercising of voting rights for shares with both a legal and a beneficial owner (Article 10 of the new bylaws)

Under the applicable laws and regulations, where shares have both a legal owner and a beneficial owner, the voting rights attached to shares are usually exercised by the beneficial owner at Ordinary Shareholders' Meetings and by the legal owner at Extraordinary Shareholders' Meetings.

The Company's new bylaws are at variance with these provisions. Under the new bylaws, beneficial owners may exercise voting rights at both Ordinary and Extraordinary Shareholders' Meetings, unless agreed otherwise by the beneficial and legal owners. In such a case, the Company must comply with said agreement for any meeting held after the expiration of a one-month period following the date of receipt of the registered letter notifying the Company of said agreement.

Disclosure thresholds (Article 13 of the new bylaws)

Under the Company's current bylaws, the shareholders are required to notify the Company whenever they cross the threshold of a multiple of 2.5% of the Company's share capital or voting rights upward or downward; notification is no longer required once the shareholder holds 32.5% of the Company's share capital or voting rights.

In order to closely monitor on a more regular basis any changes in the Company's ownership structure, tighter thresholds corresponding to any multiple of 1% of the Company's share capital or voting rights, as well as the removal of the threshold above which disclosures are no longer required, are submitted to the General Meeting for approval.

Setting the number of Directors at no more than thirteen, plus where appropriate, the representatives of the employee shareholders (Article 14, § 14.1 of the new bylaws)

The Company is currently a French *société anonyme* (corporation) with a Supervisory Board and an Executive Board.

The Executive Board is composed of up to seven members. The Supervisory Board is composed of at least three and no more than eighteen members, including the representatives of the employee shareholders.

A change in the Company's governance structure is submitted to the General Meeting for approval. Under the new bylaws, the current governance structure would be changed and the Executive Board and Supervisory Board would be replaced by a Board of Directors.

The Company would be managed by a smaller number of persons: under the Company's new bylaws, the Board of Directors would have at least three and no more than thirteen members (i.e., five less than the legal maximum number), plus two representatives of employee shareholders.

Representation of employee shareholders on the Board of Directors (Article 14, § 14.8 of the new bylaws)

The Supervisory Board has two members representing employee shareholders appointed by the Supervisory Board in April 2006 in their capacity as Chairmen of the Safran Group Corporate Mutual Funds (FCPE) that held the largest number of Safran shares, and these appointments were ratified by the Annual General Meeting of May 18, 2006.

The French Act of December 30, 2006 for the development of profit-sharing and employee shareholding amended the provisions governing the representation of employee shareholding on Boards of Directors or Supervisory Boards of listed companies. The employee shareholders vote for candidates for appointment as a Director or Supervisory Board member, in accordance with the bylaws, before their appointment is submitted to the General Meeting for approval.

The Company's new bylaws would take into account these legislative and regulatory amendments and include additional practical information.

Directors' terms of office and staggered election of Directors (Article 16 of the new bylaws)

The Supervisory Board members of Safran currently hold office for a six-year term. The terms of office of these members will expire at the close of the General Meeting.

In order for the Company to comply with the corporate governance principles of the AFEP-MEDEF Code, the (i) reduction of the terms of office of all the Board members and (ii) staggered election of Directors, are submitted to the General Meeting for approval.

Shorter term of office for Directors (Article 16, § 16.1 of the new bylaws)

The AFEP-MEDEF Code recommends a maximum four-year term of office for Directors.

Notwithstanding this recommendation and given the long cycle of most of the Company's activities, a five-year term of office is submitted to the General Meeting for approval.

Staggered election of Directors (Article 16, § 16.4 of the new bylaws)

The AFEP-MEDEF Corporate Governance Code recommends staggering the election of Directors.

For this purpose, under the Company's new bylaws, subject to approval by the General Meeting, the term of office of the Company's first Directors, other than the Directors representing the employee shareholders whose term of office would be five years, would have different durations in order to implement a staggered election system for Board members:

- the Directors who were members of the Supervisory Board during the twelve months preceding the General Meeting (in particular representatives of the French State) will be elected for a two-year term;
- two-thirds of the Directors who were not members of the Supervisory Board during the twelve months preceding the General Meeting will be elected for a six-year term and the remaining one-third for a four-year term. Lots have been drawn to decide which term will apply for each Director.

Setting the age limit for the (i) Directors (Article 16, § 16.3 of the new bylaws), (ii) Chairman and Vice-Chairman of the Board of Directors (Article 15, § 15.1 and 15.3 of the new bylaws), and (iii) Chief Executive Director and Chief Operating Officers (Article 25 of the new bylaws)**Age of Directors**

Under the current bylaws, the proportion of members of the Supervisory Board over the age of 70 may not exceed one third.

The reduction of this proportion to one fourth of the Board members is submitted to the General Meeting for approval.

Age of the Board of Directors' Chairman and Vice-Chairman

Under the current bylaws, the age of the Chairman and Vice-Chairman of the Supervisory Board is limited to 70, which may be extended to 73.

The proposed bylaws extend the age limit of the Chairman and Vice-Chairman of the Board of Directors to 75 without the possibility of extending it to 78.

Age of the Chief Executive Officer and Chief Operating Officers

Under the current bylaws, the age limit for the Chairman of the Executive Board and for Executive Board members to perform their duties is 66.

Under the new bylaws, the age limit for the Chief Executive Officer and the Chief Operating Officers is reduced to 65.

Requirement in the bylaws to appoint a Vice-Chairman of the Board of Directors when the duties of Chairman and Chief Executive Officer are not separated (Article 15, § 15.3 of the new bylaws)

Under the Company's new bylaws, submitted to the General Meeting for approval, a Vice-Chairman of the Board of Directors must be appointed if the same person holds the positions of Chairman and Chief Executive Officer.

Board advisors (Article 20 of the new bylaws)

Under the Company's current bylaws, the Supervisory Board shall appoint two Board advisors for a term of four years; the age limit to fulfill the duties as Board advisor being 66.

Under the Company's new bylaws, submitted to the General Meeting for approval, two Board advisors may be appointed to the Board of Directors, one of which may be appointed by the French State in specific cases (see below). The General Meeting may appoint the Board advisors for a four-year term of office. Their age limit is increased to 70.

In light of the Company's activity in the defence and security sectors, the Company's new bylaws provide that the French State may appoint a Board advisor if it were to hold less than 10% of the Company's share capital and voting rights.

Introduction of E-voting for shareholders (Article 30, § 30.2 of the new bylaws)

Under the Company's new bylaws, the shareholders can cast their votes online, subject to the relevant decision of the Board of Directors published in the Notice of Meeting.

Amended bylaws

At its meeting on March 4, 2011, the Supervisory Board unanimously recommended the approval of the Company's new bylaws, including the adoption of a governance structure with a Board of Directors and other amendments as described above.

The amended bylaws were provided to the shareholders on March 7, 2011 on the day of publication of the Notice of Meeting in the French legal gazette (*Bulletin des annonces légales obligatoires* - BALO) and were incorporated into the Company's Reference Document.

VI – AMENDMENTS TO THE NEW BYLAWS**7th resolution (extraordinary resolution)**

The inclusion in Article 31 of the new bylaws of an additional paragraph (§ 31.12) providing for a restriction on voting rights when voting on resolutions at General Meetings, either in person or by proxy is submitted to the General Meeting for approval, subject to the approval of the 6th resolution.

This restriction, determined by reference to the threshold for a mandatory tender offer, would be set at 30% of the total number of voting rights attached to the Company's shares.

This restriction provided in the bylaws of the number of voting rights which can be exercised at General Meetings would become null and void if one or more shareholders, acting alone or in concert, were to hold two-thirds of the Company's share capital or voting rights following a tender offer.

This mechanism, which is proposed in view of a certain number of the Group's strategic activities, is intended to safeguard shareholders' interests. It aims at preventing creeping tender offers or any other transactions that prevent shareholders' interests from being valued at a level consistent with their interests. It means that a shareholder or group of shareholders that does not hold 66% of the share capital or voting rights following a tender offer can only exercise 30% of the voting rights attached to all of the Company's shares.

In light of the specific nature of this amendment to the bylaws, which is not related to the change in the governance structure or other amendments drafted in accordance with the most recent recommendations on corporate governance, the inclusion in the new bylaws of this restriction mechanism on the number of voting rights which can be exercised at General Meetings is submitted to the General Meeting for approval under a separate resolution.

VII – APPOINTMENT OF DIRECTORS**8th to 20th resolutions (ordinary resolutions)**

Subject to the adoption of the proposed resolutions related to the change in the Company's governance structure and new bylaws governing the Company in its new legal form (5th and 6th resolutions), the appointment of the Board members, effective from the close of the General Meeting, is submitted to the General Meeting for approval.

If the shareholders approve the resolutions submitted by the Executive Board, which have been approved by the Supervisory Board, the Board of Directors of the Company would be composed of 15 members, as follows:

- nine Directors, including five independent Directors;
- four Directors representing the French State; and
- two Directors representing the employee shareholders, selected by a vote of the members of the Supervisory Boards of the corporate mutual funds in accordance with the new legal provisions to which the amended bylaws refer.

These appointments would be effective from the close of the General Meeting.

The appointment of a Board advisor, who will attend Board meetings to ensure the smooth running of these meetings, and who will not have a vote, is also submitted to the General Meeting for approval. As indicated above, if the French State were to hold less than 10% of the Company's share capital, it would be entitled to appoint an additional advisor to the Board of Directors.

The Board of Directors thus created would meet at the close of the General Meeting to (i) determine the terms and conditions in which it would carry out its duties (separation or combination of the duties of the Chairman and Chief Executive Officer), (ii) appoint the Chairman of the Board and the Chief Executive Officer of the Company and (iii) adopt the Board of Directors' Internal Rules.

VIII – AMOUNT OF ATTENDANCE FEES

21st resolution (ordinary resolution)

The following recommendation is submitted to the General Meeting for approval:

- to set the amount of attendance fees allocated to the Supervisory Board for the first part of 2011, up until the date of this General Meeting at €203,700; and
- to set the amount of attendance fees allocated to the Board of Directors for the second part of 2011, starting on the date of this General Meeting at €466,300.

IX – AUTHORIZATION FOR THE COMPANY TO TRADE IN ITS OWN SHARES

22nd resolution (ordinary resolution)

The General Meeting is invited to authorize the Board of Directors to implement a share buyback program.

Under this share buyback program, the number of shares that could be bought back would not exceed 10% of the Company's total outstanding shares, i.e., 41,702,958 shares based on the capital at December 31, 2010. In addition, the Company may not hold, directly or indirectly, more than 10% of its capital.

The shares may be purchased, sold or transferred at any time and by any method allowed under the laws and regulations applicable at the transaction date, including during a tender offer for the Company's shares and through block trades, as well as via the use of derivatives.

The maximum purchase price would be €35 per share, the total authorized investment in the program would not exceed €1.4 billion.

The share buyback program would be used for the purposes authorized by the applicable laws and regulations, including the purchase of shares:

- for allocation or sale to employees or officers of the Company, notably in connection with a profit-sharing plan, share grant plan, or employee stock ownership plan;
- for cancellation;
- to maintain a liquid market in the Company's shares through an investment services firm under a liquidity contract;
- to tender shares in connection with the exercise of rights attached to securities that give access to the Company's capital by redemption, conversion, exchange, presentation of a warrant or by any other means; and
- to tender shares as payment or exchange for external growth transactions.

This authorization would be granted for the maximum legal period of 18 months.

Summary of the use in 2010 of the previous share buyback programs authorized by the Annual General Meeting (Annual General Meetings of May 28, 2009 and May 27, 2010)

In 2010, the share buyback programs were used only under the liquidity contract that complies with the code of ethics approved by the French financial markets authorities (*Autorité des marchés financiers* - AMF).

1,060,465 shares, representing 0.25% of the share capital were bought back for €21,656,000, and 1,060,465 shares were sold for €21,945,000.

No shares previously acquired under a share buyback program were canceled in 2010.

At December 31, 2010, the Company directly and indirectly held 17,455,168 shares in treasury, representing 4.19% of the total capital, breaking down as follows:

- 14,196,061 shares owned directly (3.41% of the share capital);
- 3,259,107 shares held indirectly through two subsidiaries (0.78% of the share capital);

The 14,196,061 directly-owned shares were held for the purpose of:

- granting shares free of consideration to employees of the Group (5,694,700 shares);

- holding shares in treasury for subsequent delivery as payment or exchange for external growth transactions (6,255,443 shares);
- for allocation on exercise of options held under Sagem group stock option plans, the last of which expired on April 21, 2009 (2,245,918 shares).

X – FINANCIAL AUTHORIZATIONS

23rd to 36th resolutions (extraordinary resolutions)

The financial authorizations granted to the Executive Board by the shareholders at the Annual General Meetings of May 28, 2008, May 28, 2009 and May 27, 2010 are due to expire. They were not used in 2010.

The General Meeting is invited, subject to the approval of the change to a governance structure with a Board of Directors proposed under the 5th resolution and the adoption of the new bylaws proposed under the 6th resolution, to renew the past authorizations and reinforce the current system in order to enable the Board of Directors to carry out the operations deemed necessary for the smooth running and development of the Company and the Group.

The table below provides a summary of the financial authorizations to be granted to the Board of Directors for a period of 26 months (except for the authorization under the 35th and 36th resolutions, which would be granted for 24 months and 18 months respectively), and which are submitted to the General Meeting for approval:

Type of authorization	Ceiling(s) provided for in the resolution concerned (nominal amount for shares and principal amount for debt securities)	Ceilings applicable to several resolutions (nominal amount for shares and principal amount for debt securities)	Blanket ceiling (nominal amount)
23rd resolution		33rd resolution	33rd resolution
Issue with pre-emptive subscription rights: <ul style="list-style-type: none"> • of shares of common stock; • of securities (including debt securities) carrying rights to shares of the Company. 	Share capital increases: €25 million (30% of the share capital) Debt securities carrying rights to shares: €1 billion (9.2% of the share capital on the basis of €26 per share)	Share capital increases Carried out <u>with</u> or <u>without</u> pre-emptive subscription rights under the 23 rd and 24 th resolutions (and related resolutions): €35 million Against which: <ul style="list-style-type: none"> • the amount of €25 million referred to in the 23rd resolution • the amount of €15 million referred to in the 24th resolution will be counted Issue of debt securities carrying rights to shares Carried out <u>with</u> or <u>without</u> pre-emptive subscription rights under the 23 rd and 24 th resolutions (and related resolutions): €1.4 billion Against which: <ul style="list-style-type: none"> • the amount of €1 billion referred to in the 23rd resolution • the amount of €600 million referred to in the 24th resolution will be counted	Total share capital increases: €60 million

Type of authorization	Ceiling(s) provided for in the resolution concerned (nominal amount for shares and principal amount for debt securities)	Ceilings applicable to several resolutions (nominal amount for shares and principal amount for debt securities)	Blanket ceiling (nominal amount)
24th resolution		33rd resolution	
<p>Issue <u>without</u> pre-emptive subscription rights:</p> <ul style="list-style-type: none"> of shares of common stock; of securities (including debt securities) carrying rights to shares of the Company of which <p>- via a public offering (24th resolution)</p> <p>- in the event of a public exchange offer (25th resolution)</p> <p>- via a private placement (26th resolution)</p>	<p>Share capital increases: €15 million (18% of the share capital)</p> <p>Debt securities carrying rights to shares: €600 million (5.5% of the share capital on the basis of €26 per share)</p> <p>(no sub-ceiling)</p> <p>Sub-ceiling (included in the 24th resolution)</p> <p>Share capital increases: €15 million Counted against the ceiling of €15 million set in the 24th resolution</p> <p>Sub-ceilings (included in the 24th resolution)</p> <p>Share capital increases: €10 million (12% of the share capital) Counted against the ceiling of €15 million set in the 24th resolution</p> <p>Debt securities carrying rights to shares €600 million Counted against the ceiling of €600 set in the 24th resolution</p>	<p>Share capital increases carried out <u>with</u> or <u>without</u> pre-emptive subscription rights under the 23rd and 24th resolutions (and related resolutions): €35 million</p> <p>Against which:</p> <ul style="list-style-type: none"> the amount of €25 million referred to in the 23rd resolution the amount of €15 million referred to in the 24th resolution <p>will be counted</p> <p>Issues of debt securities carrying rights to shares Carried out <u>with</u> or <u>without</u> pre-emptive subscription rights under the 23rd and 24th resolutions (and related resolutions): €1.4 billion</p> <p>Against which:</p> <ul style="list-style-type: none"> the ceiling of €1 billion set in the 23rd resolution the ceiling of €600 million set in the 24th resolution <p>will be counted</p>	<p>33rd resolution</p> <p>Total share capital increases: €60 million</p>
27th resolution			
<p>Increase in the number of shares to be issued in the event of a share issue <u>with</u> or <u>without</u> pre-emptive subscription rights (within the limit of 15% of the initial share issue) (applicable to the 23rd, 24th and 26th resolutions)</p>	<p>NB:</p> <p>The ceilings applicable to the 23rd, 24th and 26th resolutions (see above) still apply if the option provided for in the 27th resolution is exercised.</p>		
28th resolution			
<p>Setting of an issue price lower than the usual minimum price, within the limit of 10% of the Company's share capital (applicable to the 24th and 26th resolutions)</p>	<p>NB:</p> <p>The ability to set the price applies, within the limit of 10% of the Company's share capital, for issues made pursuant to the 24th and 26th resolutions.</p> <p>The ceilings applicable to these issues (see above) still apply regardless of the issue price.</p>		

Type of authorization	Ceiling(s) provided for in the resolution concerned (nominal amount for shares and principal amount for debt securities)	Ceilings applicable to several resolutions (nominal amount for shares and principal amount for debt securities)	Blanket ceiling (nominal amount)
29th resolution			33rd resolution
Increase of the share capital through the issue of shares of common stock in consideration for contributions of unlisted securities	10% of the share capital on the date of the decision	-	Total share capital increases: €60 million
30th resolution			
Capitalizing of reserves, profits or additional paid-in capital	€15 million	-	
31st resolution			
Issue of shares reserved for employees who are members of the Safran Group employee savings plans	1.5% of the number of shares making up the share capital on the date of the decision	-	
32nd resolution			
Granting of options to subscribe for new shares or to purchase existing shares	1.5% of the number of shares making up the share capital on the date of the decision	-	
33rd resolution			
Blanket ceilings for share or securities issues	Share capital increase with or without pre-emptive subscription rights: €35 million Against which the ceilings set in the 23 rd , 24 th and 26 th resolutions are counted Total share capital increases: €60 million Against which the ceilings set in the 23 rd , 24 th , 26 th , 29 th , 30 th , 31 st and 32 nd resolutions are counted Issue of debt securities: €1.4 billion Against which the ceilings set in the 23 rd , 24 th and 26 th resolutions are counted	The 33 rd resolution sets the blanket ceilings for all share or securities issues	The 33 rd resolution sets the blanket ceilings for all share or securities issues
34th resolution			
Free share grants of the Company's existing shares or shares to be issued to employees of the Safran Group	1.5% of the number of shares making up the share capital on the date of the decision	-	-
35th resolution			
Cancelation of treasury shares	10% of the share capital per 24-month period	-	-
36th resolution			
Issue of stock warrants to shareholders in the event of a tender offer for the Company	€40 million	-	-

In order to enable the Company to raise the necessary funds to finance the Group's operations and development, and select the most suitable financial instruments based on market conditions, in a timely manner and with the required flexibility, shareholders are invited to grant the Board of Directors the necessary authorizations for a period of twenty-six months to issue common stock and securities carrying immediate or deferred rights to the Company's shares. The authorization relating to the cancelation of treasury shares would be granted for a period of 24 months and the authorization for the issue of stock warrants without consideration in the event of a tender offer for the Company would be granted for a period of 18 months.

In the event that these resolutions are approved by the General Meeting, these authorizations would replace and supplement the authorizations that were previously granted to the Executive Board at the 2008, 2009 and 2010 Annual General Meetings.

Please note that the 23rd to 36th resolutions presented below are subject to the approval of the 5th and 6th resolutions relating to the adoption of a governance structure with a Board of Directors and of the new bylaws.

In the event that the 5th and 6th resolutions are not approved, the 23rd to 36th resolutions would be irrelevant.

Description of the authorizations which the General Meeting is asked to give the Board of Directors

23rd resolution

Authorization for the Board of Directors to increase the share capital through the issue, with pre-emptive subscription rights for existing shareholders, of shares of common stock or securities carrying rights to shares of the Company

This resolution authorizes issues of shares of common stock or securities carrying rights to shares of the Company, with pre-emptive subscription rights for existing shareholders. This right is severable from the shares held and transferable throughout the entire subscription period.

The pre-emptive subscription rights enable their holder to subscribe, for a minimum period of five trading days as from the beginning of the subscription period, for a number of new shares that is proportional to the number of pre-emptive rights held.

The nominal amount of the capital increases that may be carried out (either immediately or in the future in the event of the issue of securities carrying rights to the shares) pursuant to this resolution may not exceed €25 million (i.e., approximately 30% of the share capital amount).

This amount will be counted against the ceilings set in the 33rd resolution, namely:

- the sub-ceiling of €35 million applicable to capital increases with or without pre-emptive subscription rights carried out pursuant to the 23rd, 24th and 26th resolutions; and
- the blanket ceiling of €60 million applicable to all capital increases that may be carried out by the Board of Directors.

The principal amount of debt securities issued may not exceed €1 billion and will be counted against the blanket ceiling of €1.4 billion set in the 33rd resolution.

This authorization will supersede, as of the date of the General Meeting, the authorization granted to the Executive Board for the same purpose by the Annual General Meeting of May 28, 2009 (9th resolution).

24th resolution

Authorization for the Board of Directors to increase the share capital through the issue, without pre-emptive subscription rights for existing shareholders, of shares of common stock or securities carrying rights to shares of the Company, via a public offering

This resolution authorizes issues of shares of common stock or securities carrying rights to shares, pursuant to a public offering, but without pre-emptive subscription rights for existing shareholders.

The Board of Directors may however choose to grant the shareholders a priority subscription right which can be exercised for at least three trading days, but this right will not be transferable.

Elimination of pre-emptive subscription rights makes for easier placement of the securities to the public, in particular when the speed of executing transactions is an essential condition for their success, or when the issues are made on the financial markets in France and abroad.

As is the case for the 23rd resolution, the nominal amount of the capital increases that may be carried out (either immediately or in the future in the event of the issue of securities carrying rights to the shares) pursuant to this resolution may not exceed €15 million (i.e., approximately 18% of the share capital amount).

This amount will be counted against the ceilings set in the 33rd resolution, namely:

- the sub-ceiling of €35 million applicable to capital increases with or without pre-emptive subscription rights carried out pursuant to the 23rd, 24th and 26th resolutions; and
- the blanket ceiling of €60 million applicable to all capital increases that may be carried out by the Board of Directors.

The principal amount of debt securities issued may not exceed €600 million and will be counted against the blanket ceiling of €1.4 billion set in the 33rd resolution.

The issue price of the shares will be set in accordance with the provisions of the laws and regulations in force at the time of the issue (i.e., at the date of the General Meeting, a price at least equal to the weighted average trading price for the last three trading days prior to the setting of the price, less a maximum potential discount of 5%).

However, pursuant to the 28th resolution presented below, and subject to adoption of such resolution, the Board may set, within the limit of 10% of the Company's share capital, the issue price of the shares and securities issued pursuant to the 24th resolution according to the terms and conditions set in the 28th resolution.

This authorization will supersede, as of the date of the General Meeting, the authorization granted to the Executive Board for the same purpose by the Annual General Meeting of May 28, 2009 (10th resolution).

25th resolution

Authorization for the Board of Directors to issue shares of the Company and securities carrying rights to shares of the Company, in the event of a public exchange offer initiated by the Company

Pursuant to this resolution, which falls within the scope of the 24th resolution, the shareholders authorize the Board of Directors to issue shares of the Company or securities carrying rights to shares of the Company, in consideration for the shares tendered to a public exchange offer initiated in France or abroad by the Company with regard to the shares of another company.

The nominal amount of the capital increases that may be carried out (either immediately or in the future in the event of the issue of securities carrying rights to shares in the Company) pursuant to this resolution may not exceed €15 million (i.e., approximately 18% of the share capital amount).

This amount will be counted against the ceiling of €15 million set in the 24th resolution and, consequently:

- the ceiling of €35 million applicable to capital increases with or without pre-emptive subscription rights carried out pursuant to the 23rd, 24th and 26th resolutions; and
- the blanket ceiling of €60 million applicable to all capital increases that may be carried out by the Board of Directors.

If no specific ceiling is set, the principal amount of debt securities issued may not exceed the ceiling of €600 million set in the 24th resolution, and will be counted against the blanket ceiling of €1.4 billion set in the 33rd resolution.

The issue price of the shares will be set in accordance with the provisions of the laws and regulations in force at the time of the issue (i.e., at the date of the General Meeting, a price at least equal to the weighted average trading price for the last three trading days prior to the setting of the price, less a maximum potential discount of 5%), and the exchange ratio will be determined by the Board of Directors.

This authorization will supersede, as of the date of the General Meeting, the authorization granted to the Executive Board for the same purpose by the Annual General Meeting of May 28, 2009 (10th resolution).

26th resolution

Authorization for the Board of Directors to increase the share capital through the issue, without pre-emptive subscription rights for existing shareholders, of shares of common stock or securities carrying rights to shares of the Company, via a private placement as referred to by article L.411-2-II of the French Monetary and Financial Code

This resolution will enable the Board of Directors to issue shares of common stock or securities carrying rights to shares of the Company, pursuant to a private placement which will be exclusively intended for qualified investors or a restricted circle of investors, without pre-emptive subscription rights for existing shareholders.

This method of placement, which is subject to a more simplified procedure than a public offering, enables the Company to be more responsive where required in order to take up market opportunities to raise funds quickly.

The nominal amount of the capital increases that may be carried out (either immediately or in the future in the event of the issue of securities carrying rights to the shares) pursuant to this resolution may not exceed €10 million (i.e., approximately 12% of the share capital amount).

This amount will be counted against the ceiling of €15 million set in the 24th resolution and, consequently:

- the ceiling of €35 million applicable to capital increases with or without pre-emptive subscription rights carried out pursuant to the 23rd, 24th and 26th resolutions; and
- the blanket ceiling of €60 million applicable to all capital increases that may be carried out by the Board of Directors.

It will moreover be capped at 20% of the share capital per year in accordance with the law.

The principal amount of debt securities issued may not exceed €600 million.

This amount will be counted against the ceiling of €600 million set in the 24th resolution and, by construction, the ceiling of €1.4 billion set in the 33rd resolution.

The issue price of the shares will be set in accordance with the provisions of the laws and regulations in force at the time of the issue (i.e., at the date of the General Meeting, a price at least equal to the weighted average trading price for the last three trading days prior to the setting of the price, less a maximum potential discount of 5%).

However, pursuant to the 28th resolution presented below, and subject to its adoption, the Board may set, within the limit of 10% of the Company's share capital, the issue price of the shares and securities issued pursuant to the 26th resolution according to the terms and conditions set in the 28th resolution.

This authorization will supersede, as of the date of the General Meeting, the authorization granted to the Executive Board for the same purpose by the Annual General Meeting of May 28, 2009 (10th resolution).

27th resolution

Authorization for the Board of Directors to increase the number of shares to be issued in the event of a share issue with or without pre-emptive subscription rights for existing shareholders

Pursuant to this resolution, the shareholders authorize the Board of Directors to increase the number of securities to be issued in the event of a capital increase of the Company with or without pre-emptive subscription rights for existing shareholders, decided by the Board of Directors acting in accordance with the authorization given by the shareholders under the 23rd, 24th or 26th resolution described above.

The Board of Directors may use this authorization in particular to grant an overallocation option.

Any issue carried out pursuant to this 27th resolution must be carried out:

- at the same price as the initial issue which it follows, and
- within the time periods and the limits set by the provisions of the laws and regulations applicable at the time of the issue (i.e., at the date of the General Meeting, within thirty days of the close of the subscription period and within the limit of 15% of the initial share issue).

28th resolution

Authorization for the Board of Directors in the event of the issue, without pre-emptive subscription rights for existing shareholders, of shares or any securities carrying immediate or deferred rights to the Company's shares to set the issue price according to the terms and conditions adopted by the General Meeting, within the limit of 10% of the Company's share capital

Pursuant to this resolution, the Board of Directors will be authorized to set the issue price for the issues without pre-emptive subscription rights for existing shareholders made under the 24th and 26th resolutions described above, within the limit of 10% of the Company's share capital per year (including the issues made pursuant to the 27th resolution).

The price that may be set by the Board of Directors would be at least equal to the weighted average trading price of the share on Euronext Paris for the last three trading days prior to the setting of the price, less a maximum potential discount of 10%, it being specified that the minimum price of the securities carrying rights to shares of the Company will be established at the time of the issue of these securities on the basis of the minimum price of the shares to which they carry rights.

29th resolution

Delegation of powers for the Board of Directors to increase the share capital through the issue of shares of common stock in consideration for contributions in kind granted to the Company and consisting of capital stock or securities carrying rights to shares

Through this resolution, the shareholders delegate the necessary powers to the Board of Directors to increase the capital by issuing shares of the Company in consideration for contributions consisting of unlisted capital stock or unlisted securities carrying rights to shares.

The amount of the issues carried out pursuant to this resolution will be capped at 10% of the share capital as of the date of the decision made by the Board of Directors and will be counted against the blanket ceiling of €60 million set in the 33rd resolution.

30th resolution

Authorization for the Board of Directors to increase the share capital by capitalizing reserves, profits or additional paid-in capital

Through this resolution, the shareholders authorize the Board of Directors to increase the share capital by capitalizing reserves, profits or additional paid-in capital.

The nominal amount of the capital increases that may be carried out pursuant to this resolution may not exceed a par value of €15 million and will be counted against the blanket ceiling of €60 million set in the 33rd resolution.

This authorization will supersede, as of the date of the General Meeting, the authorization granted to the Executive Board for the same purpose by the Annual General Meeting of May 27, 2010 (10th resolution).

31st resolution

Authorization for the Board of Directors to increase the share capital through the issue of shares of common stock reserved for employees who are members of the Safran Group employee savings plans

The purpose of this resolution is to enable the Board of Directors to offer employees who are members of the Group employee savings plan or any company employee savings plan existing in the Group the possibility to subscribe for shares of the Company in order to involve them more closely in the Group's development.

It moreover fulfills the obligation provided for by article L.225-129-6, paragraph 1 of the French Commercial Code, pursuant to which the shareholders must make a decision with regard to a proposed resolution relating to a capital increase reserved for the employees who are members of a company employee savings plan when they decide on a capital increase in cash or authorize the Board to decide on such an increase.

This authorization necessarily entails the elimination of the pre-emptive subscription rights of existing shareholders in favor of the employees concerned.

The capital increases that may be carried out pursuant to this resolution would be capped at 1.5% of the share capital, it being specified that this amount would be counted against the blanket ceiling for capital increases set in the 33rd resolution.

The subscription price for the shares, which would be set in accordance with the provisions of article L.3332-19 of the French Labor Code, may not be lower than the average closing trading price for the twenty trading days prior to the date when the Board of Directors makes its decision setting the opening date of the subscription period, less the maximum discount provided for by law on the date of the Board of Directors' decision.

This authorization will supersede, as of the date of the General Meeting, the authorization granted to the Executive Board for the same purpose by the Annual General Meeting of May 28, 2009 (11th resolution).

32nd resolution

Authorization for the Board of Directors to grant stock subscription options or stock purchase options to employees and corporate officers of the Company and companies of the Safran Group

This resolution is aimed at enabling the Board of Directors to give the employees and corporate officers (who are eligible for option grants pursuant to law) of the Company and companies of the Group, stock options granting entitlement to subscribe for new shares of the Company issued via an increase in its share capital, or the purchase of existing shares of the Company resulting from the share buybacks carried out by the Company under the conditions provided for by law.

This authorization necessarily entails the elimination of the pre-emptive subscription rights of existing shareholders in favor of the employees concerned.

The capital increases that may be carried out pursuant to this resolution would be capped at 1.5% of the share capital, it being specified that this amount would be counted against the blanket ceiling for capital increases set in the 33rd resolution.

The subscription price of the shares (as regards the stock subscription options) may not be lower than the average closing trading price for the twenty trading days prior to the date on which the options are granted.

The purchase price of the shares (as regards the stock purchase options) may not be lower than (i) either the average closing trading price for the twenty trading days prior to the date on which the options are granted, (ii) or the average purchase price of the treasury shares held by the Company.

This authorization will supersede, as of the date of the General Meeting, the authorization granted to the Executive Board for the same purpose by the Annual General Meeting of May 28, 2008 (12th resolution).

33rd resolution

Blanket ceilings on authorizations for share or securities issues

This resolution sets the ceilings for the share or securities issues that may be made by the Board of Directors pursuant to the authorizations given by the shareholders:

- a blanket ceiling of a nominal amount of €60 million (representing approximately 71.9% of the share capital) would be set for all the capital increases that may be carried out by the Board of Directors pursuant to the authorizations granted by the shareholders, under the 23rd, 24th, 26th, 29th, 30th, 31st and 32nd resolutions;
- a sub-ceiling of a nominal amount of €35 million, that will be counted against the blanket ceiling of €60 million, would be applicable to the capital increases carried out pursuant to the 23rd, 24th and 26th resolutions;
- with regard to debt securities that may be issued pursuant to the 23rd, 24th and 26th resolutions, the blanket ceiling would be set at an aggregate principal amount of €1.4 billion.

34th resolution

Authorization for the Board of Directors to make free share grants of the Company's existing shares or shares to be issued to employees and corporate officers of the Company and companies of the Safran Group

This resolution authorizes the Board of Directors to make free grants of existing shares or shares to be issued in the Company, (i) to employees or certain categories of employees, or (ii) to corporate officers who are entitled to benefit from free share grants pursuant to law, or some of them, whether they are officers of the Company or of companies of the Group.

The shares concerned will be new shares issued pursuant to a capital increase or existing shares previously bought back by the Company under the share buyback programs authorized by the shareholders.

The Board of Directors will determine the identity of the beneficiaries of the share grants and the conditions and, where applicable, the criteria for the grant of the shares.

The total number of free shares granted may not exceed 1.5% of the share capital on the date of the decision by the Board of Directors.

The free grant of shares to their beneficiaries will only become definitive at the end of a vesting period set by the Board of Directors, which may not be less than two years. The beneficiaries will have the obligation to hold the shares for a minimum period set by the Board of Directors, which may not be less than two years, as from the date of definitive grant; however the length of this holding period may be reduced or abolished if the vesting period is at least four years.

This authorization will supersede, as of the date of the General Meeting, the authorization granted to the Executive Board for the same purpose by the Annual General Meeting of May 28, 2008 (14th resolution).

35th resolution

Authorization for the Board of Directors to reduce the Company's capital by canceling treasury shares

The shareholders are asked to authorize the Board of Directors to cancel, by reducing the share capital, some or all of the treasury shares held by the Company, both as a result of implementation of the share buyback programs previously authorized by the shareholders, or under the share buyback program which it is proposed that you authorize pursuant to the 22nd resolution of the Ordinary General Meeting.

In accordance with the legal provisions, the shares may only be canceled within a limit of 10% of the share capital per 24-month period.

This authorization will supersede, as of the date of the General Meeting, the authorization granted to the Executive Board for the same purpose by the Annual General Meeting of May 27, 2010 (11th resolution).

36th resolution

Authorization for the Board of Directors to issue stock warrants without consideration in the event of a tender offer for the Company

This resolution authorizes the Board of Directors to grant the shareholders stock warrants without consideration in the event that a tender offer with regard to the Company's shares is filed within 18 months as from the General Meeting, solely in the event that the initiator of the tender offer is an entity that does not itself have the obligation to obtain the approval of its General Meeting of shareholders to adopt defensive measures during an offer period or is controlled by an entity that is not subject to this obligation (the "reciprocity exception provided for by law").

The possibility of issuing stock warrants in the event of a tender offer with regard to the shares of the Company is not aimed at causing a hostile takeover bid to fail and would be in line with the Company's interests and those of its shareholders. This possibility (i) is in fact a mechanism aimed at ensuring the full valuation of the Company in the event of a tender offer by inciting the initiator to increase its offer price if it is considered insufficient and (ii) will only be used by the Board of Directors in the event of an offer which is considered to be contrary to the interests of the Company and its shareholders.

This issue would be carried out under the conditions set by the provisions of the French Commercial Code and by those of the AMF's General Regulations that strictly govern this mechanism.

The Board of Directors will be able to consult any outside expert it chooses in order to assist it in assessing the offer and in order to determine whether or not the reciprocity exception provided for by law is applicable in this case.

In the event of use of this authorization, the Board of Directors will report to the shareholders, at the time of issuance of the warrants, on the circumstances and reasons why it considers that the offer is not in the interests of the Company or its shareholders, which justify the issue of such warrants, as well as the criteria and methods pursuant to which the terms and conditions for determining the exercise price of the warrants are set.

The number of warrants to be issued would in any event be limited to the number of shares making up the share capital at the time of the issuance of such warrants and the nominal amount of the capital increase which would result from the exercise of the warrants would be capped at €40 million, i.e., approximately 48% of the Company's share capital. This amount would be set independently of any other ceiling relating to issues of capital stock or securities carrying rights to the shares of the Company.

This authorization may be used by the Board of Directors in the event of an offer filed within 18 months of the General Meeting.

XI – POWERS TO CARRY OUT FORMALITIES

37th resolution

The 37th resolution concerns the powers necessary to carry out the publication and legal formalities relating to the resolutions adopted by the General Meeting in both ordinary and extraordinary sessions.

PROPOSED RESOLUTIONS

ORDINARY RESOLUTIONS

First resolution

Approval of the parent company financial statements for the year ended December 31, 2010 – Discharge given to the members of the Executive Board and Supervisory Board for the performance of their duties

Deliberating in accordance with the rules of quorum and majority applicable to ordinary general meetings, having considered the Management Report prepared by the Executive Board and the report of the statutory auditors on the parent company financial statements, and having noted that the Supervisory Board issued no observations concerning said Executive Board report or the parent company financial statements, the shareholders approve the financial statements of the parent company for the year ended December 31, 2010 as presented – showing net profit for the year of €497,099,620.77 – together with the transactions reflected in these financial statements and referred to in these reports.

Pursuant to article 223 *quater* of the French Tax Code (*Code général des impôts*), the shareholders approve the non-deductible expenses governed by article 39-4 of said code, which totaled €118,769.73 and gave rise to a tax charge of €40,892.42.

Consequently, the shareholders give discharge to the members of the Executive Board and the Supervisory Board for the performance of their management duties during 2010.

Second resolution

Approval of the consolidated financial statements for the year ended December 31, 2010

Deliberating in accordance with the rules of quorum and majority applicable to ordinary general meetings, having considered the Management Report prepared by the Executive Board and the report of the statutory auditors on the consolidated financial statements, and having noted that the Supervisory Board issued no observations concerning said Executive Board report or the consolidated financial statements, the shareholders approve the consolidated financial statements for the year ended December 31, 2010 as presented, together with the transactions reflected in these financial statements and referred to in these reports.

Third resolution

Appropriation of net profit and approval of the recommended dividend

Deliberating in accordance with the rules of quorum and majority applicable to ordinary general meetings, the shareholders, voting on the proposal made by the Executive Board, resolve to appropriate net profit for the year ended December 31, 2010 as follows:

• Net profit for 2010	€497,099,620.77
• Retained earnings ⁽¹⁾	€6,557,530.79
• Net profit available for distribution	€503,657,151.56
Appropriation:	
• Dividend ⁽²⁾	€208,514,792.50
• Optional reserves	€294,000,000.00
• Retained earnings	€1,142,359.06

(1) including €5,394,655.18 corresponding to the 2009 dividend due on shares held in treasury at the dividend payment date.

(2) Including the dividend provided for in the Company's bylaws equal to 5% of the par value of the shares.

Accordingly, the dividend paid will be €0.50 per share.

The dividend will be paid out on April 29, 2011. The ex-dividend date will be April 26, 2011.

Individuals domiciled for tax purposes in France are eligible for the 40% tax relief on the dividend, as provided for under article 158-3-2 of the French Tax Code, unless they have elected to pay the 19% dividend withholding tax provided for under article 117 *quater* of said Code.

The shareholders further resolve that shares held in treasury at the dividend payment date will not carry dividend rights and the amounts corresponding to the dividends on these shares will be credited to retained earnings.

The shareholders note that dividends paid for the past three years were as follows:

Year	Number of shares carrying dividend rights ⁽¹⁾	Net dividend per share	Total payout ⁽³⁾
2009	402,833,124	€0.38	€153,076,587.12
2008	402,443,027 ⁽²⁾	€0.25	€100,610,160.59
2007	414,783,667	€0.40	€165,913,466.80

(1) Total number of shares making up the Company's capital (417,029,585) less the number of Safran shares held in treasury at the dividend payment date.

(2) An interim dividend (€0.08) was paid on 402,435,575 shares and the final dividend (€0.17) was paid on 402,443,027 shares.

(3) Fully eligible for the 40% tax relief provided for under article 158.3.2 of the French Tax Code.

Fourth resolution

Approval of related-party agreements and commitments governed by articles L.225-86 and L.225-90-1 of the French Commercial Code

Deliberating in accordance with the rules of quorum and majority applicable to ordinary general meetings and having considered the statutory auditors' special reports on related-party agreements and commitments governed by articles L.225-86 and L.225-90-1 of the French Commercial Code, the shareholders approve the new agreements entered into in 2010 as presented in these reports.

EXTRAORDINARY RESOLUTIONS

Amendments to the bylaws

Fifth resolution

Change of management system: adoption of a governance structure with a Board of Directors

Deliberating in accordance with the rules of quorum and majority applicable to extraordinary general meetings and having considered the report of the Executive Board, the shareholders decide, subject to the approval of the 6th resolution below, to change the management system of the Company by adopting a governance structure with a Board of Directors governed by the provisions of articles L.225-17 to L.225-56 of the French Commercial Code.

This decision will be effective from the close of this Meeting.

Consequently, subject to the approval of the 6th resolution below, the shareholders:

- note that the terms of office of the Supervisory Board members, Board advisors and Executive Board members are due to expire at the close of this Meeting;
- resolve that the financial statements for the year starting January 1, 2011 will be closed and presented in accordance with the legal and statutory rules applicable to French *sociétés anonymes* (corporations) with a Board of Directors.

Sixth resolution

Approval of the revised bylaws

Deliberating in accordance with the rules of quorum and majority applicable to extraordinary general meetings and having considered the report of the Executive Board and the new bylaws submitted for approval, subject to the approval of the 5th resolution above, the shareholders approve the new revised bylaws of the Company, which – in addition to the amendment related to the Company's governance structure with a Board of Directors – include:

- the amendment of the corporate purpose (Article 3 of the new bylaws);
- the cancellation of the provisions in the bylaws providing for a first dividend and a surplus dividend;
- exercising of voting rights for shares with both a legal and a beneficial owner (Article 10 of the new bylaws);
- the amendment of rules relating to disclosure thresholds (Article 13 of the new bylaws);

- setting the number of Directors at no more than thirteen, plus, where appropriate, the representatives of the employee shareholders (Article 14, § 14.1 of the new bylaws);
- representation of employee shareholders on the Board of Directors (Article 14, § 14.8 of the new bylaws);
- Directors' terms of office and staggered election of Directors (Article 16 of the new bylaws);
- setting the age limit for the (i) Directors (Article 16, § 16.3 of the new bylaws), (ii) the Chairman and Vice-Chairman of the Board of Directors (Article 15, § 15.1 and 15.3 of the new bylaws), and (iii) the Chief Executive Director and Chief Operating Officers (Article 25 of the new bylaws);
- requirement in the bylaws to appoint a Vice-Chairman of the Board of Directors when the duties of Chairman and Chief Executive Officer are not separated (Article 15, § 15.3 of the new bylaws);
- the ability for the French State to appoint a Board advisor if it were to hold less than 10% of the share capital (Article 20 of the new bylaws); and
- incorporation of e-voting for shareholders (Article 30, § 30.2 of the new bylaws).

Accordingly, the General Meeting resolves to approve the new bylaws article by article and in their entirety, which will govern the Company in the form of a French *société anonyme* (corporation) with a Board of Directors as from the close of the Meeting. The text of the bylaws will be attached to the minutes of this Meeting.

Seventh resolution

Amendment to the new bylaws to provide for a restriction on voting rights

Deliberating in accordance with the rules of quorum and majority applicable to extraordinary general meetings and having considered the report of the Executive Board, subject to the approval of the 6th resolution above, the shareholders decide to include an additional paragraph (§31.12) to Article 31 of the new bylaws submitted for approval under the previous resolution, as follows:

“Restriction on Voting Rights

- 31.12 By way of an exception to the provisions of Articles 31.7 and 31.8 here above, no shareholder at a given General Meeting may exercise more than 30% of the total voting rights attached to all of the Company's shares. The voting rights exercised by a shareholder for this purpose shall include the voting rights exercised directly by the shareholder himself and in the capacity as proxy for another shareholder that are attached to shares (i) that he holds directly or indirectly and (ii) that are owned by another shareholder for which he is acting as proxy.

For the purposes of these provisions:

- The total number of voting rights attached to the Company's shares taken into account shall be calculated as at the date of the General Shareholders' Meeting concerned and the shareholders shall be informed thereof at the start of the Meeting.
- The number of voting rights held directly or indirectly shall mean those voting rights attached to shares held by
- (i) a private individual, either personally or as part of jointly-owned property, or (ii) a company, group of entities, association or foundation, as well as voting rights attached to shares held by a company that is controlled – within the meaning of article L.233-3 of the French Commercial Code – by a company, private individual, association, group of entities or foundation.
- The restrictions set out above shall not include voting rights exercised by the Chairman of a General Shareholders' Meeting when said voting rights are (i) attached to shares for which a proxy form has been returned to the Company without any named proxy and (ii) do not individually infringe the specified restrictions.

The above-mentioned restrictions shall not affect the calculation of the total number of voting rights – including double voting rights – attached to the Company's shares and which must be taken into account for the application of any legal or regulatory provisions or the provisions of these bylaws that set out specific obligations based on the number of the Company's outstanding voting rights or the number of shares with voting rights attached.

The restrictions provided for above shall automatically become null and void, without the requirement for a new decision by shareholders in an Extraordinary General Meeting, in the event that an individual or entity – acting alone or in concert with one or more other individuals or entities – acquires an interest in the Company representing two-thirds of the Company's capital or voting rights following a public tender offer for all of the Company's shares. In such a case, the Board of Directors shall place on record that the above-mentioned restrictions are null and void and shall amend the bylaws accordingly.

RESOLUTIONS 8 TO 36 ARE SUBMITTED TO THE GENERAL MEETING FOR APPROVAL SUBJECT TO THE APPROVAL OF THE 5TH AND 6TH RESOLUTIONS ABOVE.

ORDINARY RESOLUTIONS

Eighth resolution

Appointment of Jean-Paul Herteman as a Director

Deliberating in accordance with the rules of quorum and majority applicable to ordinary general meetings and having considered the report of the Executive Board, the shareholders appoint Jean-Paul Herteman as a Director for a four-year term expiring at the close of the Annual General Meeting to be held to approve the financial statements for the year ending December 31, 2014.

Ninth resolution

Appointment of Francis Mer as a Director

Deliberating in accordance with the rules of quorum and majority applicable to ordinary general meetings, and having considered the report of the Executive Board, the shareholders appoint Francis Mer as a Director for a two-year term expiring at the close of the Annual General Meeting to be held to approve the financial statements for the year ending December 31, 2012.

Tenth resolution

Appointment of Giovanni Bisignani as a Director

Deliberating in accordance with the rules of quorum and majority applicable to ordinary general meetings, and having considered the report of the Executive Board, the shareholders appoint Giovanni Bisignani as a Director for a six-year term expiring at the close of the Annual General Meeting to be held to approve the financial statements for the year ending December 31, 2016.

Eleventh resolution

Appointment of Jean-Lou Chameau as a Director

Deliberating in accordance with the rules of quorum and majority applicable to ordinary general meetings and having considered the report of the Executive Board, the shareholders appoint Jean-Lou Chameau as a Director for a four-year term expiring at the close of the Annual General Meeting to be held to approve the financial statements for the year ending December 31, 2014.

Twelfth resolution

Appointment of Odile Desforges as a Director

Deliberating in accordance with the rules of quorum and majority applicable to ordinary general meetings and having considered the report of the Executive Board, the shareholders appoint Odile Desforges as a Director for a six-year term expiring at the close of the Annual General Meeting to be held to approve the financial statements for the year ending December 31, 2016.

Thirteenth Resolution

Appointment of Jean-Marc Forneri as a Director

Deliberating in accordance with the rules of quorum and majority applicable to ordinary general meetings and having considered the report of the Executive Board, the shareholders appoint Jean-Marc Forneri as a Director for a two-year term expiring at the close of the Annual General Meeting to be held to approve the financial statements for the year ending December 31, 2012.

Fourteenth resolution

Appointment of Xavier Lagarde as a Director

Deliberating in accordance with the rules of quorum and majority applicable to ordinary general meetings and having considered the report of the Executive Board, the shareholders appoint Xavier Lagarde as a Director for a six-year term expiring at the close of the Annual General Meeting to be held to approve the financial statements for the year ending December 31, 2016.

Fifteenth resolution

Appointment of Michel Lucas as a Director

Deliberating in accordance with the rules of quorum and majority applicable to ordinary general meetings and having considered the report of the Executive Board, the shareholders appoint Michel Lucas as a Director for a two-year term expiring at the close of the Annual General Meeting to be held to approve the financial statements for the year ending December 31, 2012.

Sixteenth resolution

Appointment of Élisabeth Lulin as a Director

Deliberating in accordance with the rules of quorum and majority applicable to ordinary general meetings and having considered the report of the Executive Board, the shareholders appoint Élisabeth Lulin as a Director for a six-year term expiring at the close of the Annual General Meeting to be held to approve the financial statements for the year ending December 31, 2016.

Seventeenth resolution

Appointment of four Directors representing the French State

Deliberating in accordance with the rules of quorum and majority applicable to ordinary general meetings and having considered the report of the Executive Board, the shareholders note that four Directors representing the French State will be appointed by ministerial decree for a term of two years expiring at the close of the Annual General Meeting to be held to approve the financial statements for the year ending December 31, 2012 in accordance with the provisions of Article 16.4 of the new bylaws of the Company submitted for approval under the 6th resolution.

Eighteenth resolution

Appointment of Christian Halary as a Director upon the recommendation of the employee shareholders of the Safran Group

Deliberating in accordance with the rules of quorum and majority applicable to ordinary general meetings and having considered the report of the Executive Board, the shareholders appoint Christian Halary as a Director for a five-year term expiring at the close of the Annual General Meeting to be held to approve the financial statements for the year ending December 31, 2015.

Nineteenth resolution

Appointment of Marc Aubry as a Director upon the recommendation of the employee shareholders of the Safran Group

Deliberating in accordance with the rules of quorum and majority applicable to ordinary general meetings and having considered the report of the Executive Board, the shareholders appoint Marc Aubry as a Director for a five-year term expiring at the close of the Annual General Meeting to be held to approve the financial statements for the year ending December 31, 2015.

Twentieth resolution

Appointment of Caroline Grégoire-Sainte-Marie as a Board advisor

Deliberating in accordance with the rules of quorum and majority applicable to ordinary general meetings and having considered the report of the Executive Board, the shareholders appoint Caroline Grégoire-Sainte-Marie as a Board advisor for a four-year term expiring at the close of the Annual General Meeting to be held to approve the financial statements for the year ending December 31, 2014.

Twenty-first resolution

Amount of attendance fees

Deliberating in accordance with the rules of quorum and majority applicable to ordinary general meetings and having considered the report of the Executive Board, the shareholders set:

- the amount of attendance fees allocated to the Supervisory Board for the first part of 2011, up until the date of this Meeting at €203,700; and
- the amount of attendance fees allocated to the Board of Directors for the second part of 2011, starting on the date of this Meeting at €466,300.

Twenty-second resolution

Authorization for the Board of Directors to implement a share buyback program

Deliberating in accordance with the rules of quorum and majority applicable to ordinary general meetings and having considered the report of the Executive Board, the shareholders authorize the Board of Directors, which may delegate under the conditions set by law, to purchase or have purchased the Company's shares in accordance with the conditions set out in articles L.225-209 *et seq.* of the French Commercial Code, EC Regulation 2273/2003 dated December 22, 2003, the AMF's General Regulations, and any other laws and regulations that may be applicable in the future.

The authorization may be used to purchase shares:

- for allocation or sale to employees or officers of the Company or of other Group companies, in accordance with the law, notably in connection with a profit-sharing plan, share grant plan, stock option plan or an employee stock ownership plan;
- for cancellation subject to the approval of the 35th resolution below;
- to maintain a liquid market in the Company's shares via a liquidity contract that complies with the code of ethics drawn up by the French Association of Financial and Investment Firms (*Association Française des Marchés Financiers – AMAFI*) approved by the AMF, entered into with an investment services firm;
- to deliver shares in connection with the exercise of rights attached to securities that give access to the Company's capital by reimbursement, conversion, exchange, presentation of a warrant or by any other means; and
- to hold shares in treasury for subsequent delivery as payment or exchange for external growth transactions.

The shares may be purchased, sold, or transferred by any method allowed under the laws and regulations applicable at the transaction date, on one or more occasions, including over-the-counter and through a block trade for all or part of the program, as well as via the use of derivative financial instruments.

The Board of Directors may use this authorization at any time subject to the limitations set down by the applicable regulations, including during a tender offer for the Company's shares, subject to strict compliance with article 232-15 of the AMF's General Regulations, and solely for the purpose of enabling the Company to respect commitments made prior to the launch of such tender offer.

The number of shares that may be bought back under this authorization may not exceed 10% of the Company's total outstanding shares (e.g., 41,702,958 shares based on the issued capital at December 31, 2010). This ceiling is reduced to 5% for shares acquired for the purpose of being held in treasury for subsequent delivery as payment or exchange for external growth transactions. When shares are bought back for the purpose of maintaining a liquid market in the Company's shares under a liquidity contract, the number of shares included for the calculation of the 10% ceiling corresponds to the number of shares purchased less any shares sold during the authorization period.

Under no circumstances may the use of this authorization have the effect of increasing the number of Safran shares held by the Company, either directly or indirectly, to more than 10% of its share capital.

The shares may not be purchased at a price of more than €35 per share and the maximum amount that may be invested in the program is €1.4 billion. The Board of Directors may adjust the maximum purchase price to reflect the impact on the share price of any share capital transactions carried out by the Company.

The shareholders give the Board of Directors full powers, which may delegate under the conditions set by law, to implement this share buyback program, to set the applicable terms and conditions, make the required adjustments as a result of any share capital transactions, place any and all buy and sell orders, enter into any and all agreements notably for the keeping of registers of share purchases and sales, make any and all filings with the AMF and any other organizations, carry out all other formalities, and generally do everything necessary.

This authorization is given for a period of eighteen months from the date of this Meeting.

It supersedes the authorization given to the Executive Board for the same purpose in the 9th resolution of the Annual General Meeting held on May 27, 2010.

EXTRAORDINARY RESOLUTIONS

Financial authorizations

Twenty-third resolution

Authorization for the Board of Directors to increase the share capital through the issue, with pre-emptive subscription rights for existing shareholders, of shares of common stock or securities carrying rights to shares of the Company

Deliberating in accordance with the rules of quorum and majority applicable to extraordinary general meetings and having considered the report of the Executive Board and the statutory auditors' special report, in accordance with the applicable provisions of the law, and in particular articles L.225-129-2, L.225-132 and the provisions of articles L.228-91 *et seq.* of the French Commercial Code, and having noted that the share capital has been paid up in full, the shareholders:

1. authorize the Board of Directors, which may delegate under the conditions set by law, to decide to carry out in France or abroad, in euros, or in any other currency or monetary unit determined by reference to a basket of currencies, share capital increases through the issue, with pre-emptive subscription rights for existing shareholders, on one or several occasions, in the proportions and at the times it will determine:
 - of shares of common stock of the Company, or
 - of securities carrying immediate or deferred rights by any means, to existing shares of common stock of the Company or shares of common stock to be issued, with or without consideration;
2. resolve to set the authorized amounts in the event of use by the Board of Directors of this authorization as follows:
 - the maximum nominal amount of the capital increases that may be carried out immediately or in the future pursuant to this authorization is set at €25 million, it being specified that (i) this amount will be counted against the blanket ceilings set in paragraphs 1 and 2 of the 33rd resolution of this General Meeting and (ii) the nominal amount of the shares to be issued in accordance with the laws and regulations and applicable contractual provisions, to preserve the rights of the holders of securities carrying rights to shares will be added to the above amount, and
 - the maximum principal amount of debt securities that may be issued pursuant to this authorization is set at €1 billion (or the equivalent value on the issue date of such amount in any other currency or any other monetary unit determined by reference to a basket of currencies) it being specified that (i) this amount will be counted against the blanket ceiling set in paragraph 3 of the 33rd resolution of this General Meeting and (ii) this amount is independent and separate from the amount of the debt securities which the Board of Directors may decide to issue or have issued in accordance with article L.228-40 of the French Commercial Code;
3. resolve that existing shareholders will have a pre-emptive right to subscribe for the securities issued pursuant to this authorization, in proportion to their existing holdings;
4. note that the Board of Directors may moreover, in accordance with the law, grant the shareholders the right to subscribe for a number of securities in excess of those to which they are entitled as of right in proportion to their subscription rights, within the limit of their requests;
5. resolve that if the subscriptions as of right and, where applicable, those for excess shares have not covered the entire amount of the issue, the Board of Directors may use one or more of the following courses of action in accordance with the conditions provided for by law and in the order it chooses:
 - limit the increase in capital to the amount of the subscriptions received provided that they reached at least three-quarters of the share issue decided,
 - freely allocate all or some of the unsubscribed shares or securities carrying rights to shares that the Board has decided to issue,
 - offer some or all of the unsecured securities to the public, either in France or abroad;
6. resolve that issues of stock warrants of the Company may be offered for subscription, but also by allocation without consideration to the holders of the shares of the Company, it being specified that the Board of Directors will have the possibility to decide that rights to fractional shares will not be transferable and the corresponding shares will be sold;
7. resolve that the Board of Directors may suspend the exercise of the rights attached to the securities carrying rights to shares of the Company for a maximum period of three months, and take all useful measures in respect of the adjustments to be made in accordance with the laws and regulations in force and, applicable contractual provisions to protect the holders of rights attached to the securities carrying rights to shares of the Company;
8. note that this authorization will automatically entail a waiver by the shareholders of their pre-emptive rights to subscribe for the shares to which these securities may grant rights of entitlement in favor of the holders of the securities carrying rights to shares of the Company.

The shareholders give full powers to the Board of Directors, which may delegate under the conditions set by law, to:

- use this authorization, and in particular set the terms and conditions of the share issues, set the dates and the terms and conditions of the issues as well as the terms and conditions of the securities issued, set the opening and closing dates of the subscription periods, the price and the date of entitlement to dividend and other rights with regard to the shares issued, the methods of payment of the shares, the methods by which the securities issued on the basis of this resolution will give a right to the Company's shares and, in the case of debt securities, their subordination level;
- deduct the costs of the share issue from the amount of the related additional paid-in capital and withhold from this amount the necessary sums to set aside to the legal reserve; and more generally
- take all appropriate steps and enter into all agreements to successfully complete the proposed issues, place on record the completion of the capital increases, amend the Company's bylaws accordingly and carry out all required formalities for admission to trading of the shares issued.

This authorization is given for a period of twenty-six months from the date of this General Meeting.

It supersedes, as of that date, the authorization granted to the Executive Board for the same purpose by the Annual General Meeting of May 28, 2009 (9th resolution).

Twenty-fourth resolution

Authorization for the Board of Directors to increase the share capital through the issue, without pre-emptive subscription rights for existing shareholders, of shares of common stock or securities carrying rights to shares of the Company, via a public offering

Deliberating in accordance with the rules of quorum and majority applicable to extraordinary general meetings and having considered the report of the Executive Board and the statutory auditors' special report, in accordance with the provisions of articles L.225-129 *et seq.* of the French Commercial Code, and in particular articles L.225-129-2, L.225-135 and L.225-136, and the provisions of articles L.228-91 *et seq.* of such code, and having noted that the share capital has been paid up in full, the shareholders:

1. authorize the Board of Directors, which may delegate under the conditions set by law, to carry out on one or several occasions, in the proportions and at the times it will determine in France or abroad, in euros, or in any other currency or monetary unit determined by reference to a basket of currencies, an increase in the share capital of the Company through the issue and public offering:
 - of shares of common stock of the Company, or
 - of securities carrying immediate or deferred rights, by any means to existing shares of common stock of the Company or shares of common stock to be issued, with or without consideration;
2. resolve to set the authorized amounts in the event of use by the Board of Directors of this authorization as follows:
 - the maximum nominal amount of the capital increases that may be carried out immediately or in the future pursuant to this authorization is set at €15 million, it being specified that (i) this amount will be counted against the blanket ceilings set in paragraphs 1 and 2 of the 33rd resolution of this General Meeting and (ii) the nominal amount of the additional shares to be issued to preserve the rights of the holders of securities carrying rights to shares will be added to the above amount where applicable, and
 - the maximum principal amount of debt securities that may be issued pursuant to this authorization is set at €600 million (or the equivalent value on the issue date of this amount in any other currency or any other monetary unit determined by reference to a basket of currencies) it being specified that (i) this amount will be counted against the blanket ceiling set in paragraph 3 of the 33rd resolution of this General Meeting and (ii) this amount is independent and separate from the amount of the debt securities which the Board of Directors may decide to issue or have issued in accordance with article L.228-40 of the French Commercial Code;
3. resolve to eliminate the existing shareholders' pre-emptive rights to subscribe for the shares and securities issued under the authorization. However, the Board of Directors may decide, pursuant to articles L.225-135 paragraph 2 and R.225-131 of the French Commercial Code, to give the shareholders a priority subscription period not giving rise to the creation of negotiable rights and which must be exercised in proportion to the number of shares held by each shareholder;
4. resolve that if the subscriptions, including, where applicable, those of the shareholders do not cover the entire share issue, the Board of Directors may use one or more of the following courses of action in accordance with the conditions provided for by law and in the order it chooses:
 - limit the increase in capital to the amount of the subscriptions received provided that they reached at least three-quarters of the share issue decided,
 - freely allocate all or some of the unsubscribed shares or securities carrying rights to shares that the Board has decided to issue.
5. note that this authorization will automatically entail the waiver by the shareholders of their pre-emptive rights to subscribe for the shares to which the securities may grant rights of entitlement in favor of the holders of the securities carrying rights to shares of the Company;
6. resolve that the issue price of the shares or securities carrying rights to shares will be at least equal to the minimum authorized by the laws and regulations in force on the date of the issue (i.e., for information purposes, on the date of this General Meeting, a price at least equal to the weighted average trading price for the last three trading days prior to the setting of the price, less a maximum potential discount of 5%).

The shareholders give full powers to the Board of Directors, which may delegate under the conditions set by law, to:

- use this authorization, and in particular set the terms and conditions of the share issues, set the dates and the terms and conditions of the issues as well as the terms and conditions of the securities issued, set the opening and closing dates of the subscription periods, the price and the date of entitlement to dividend and other rights with regard to the shares issued, the methods of payment of the shares, the methods by which the securities issued on the basis of this resolution will give a right to the Company's shares and, in the case of debt securities, their subordination level;
- deduct the costs of the share issue from the amount of the related additional paid-in capital and withhold from this amount the necessary sums to set aside to the legal reserve; and more generally
- take all appropriate steps and enter into all agreements to successfully complete the proposed issues, place on record the completion of the capital increases, amend the Company's bylaws accordingly and carry out all required formalities for admission to trading of the shares issued.

This authorization is given for a period of twenty-six months from the date of this General Meeting.

It supersedes, as of that date, the authorization granted to the Executive Board for the same purpose by the Annual General Meeting of May 28, 2009 (10th resolution).

Twenty-fifth resolution

Authorization for the Board of Directors to issue shares of the Company and securities carrying rights to shares of the Company, in the event of a public exchange offer initiated by the Company

Deliberating in accordance with the rules of quorum and majority applicable to extraordinary general meetings and having considered the report of the Executive Board and the statutory auditors' special report, in accordance with the provisions of articles L.225-129-2, L.225-148 and L.228-92 of the French Commercial Code, and subject to the adoption of the 24th resolution, the shareholders:

1. authorize the Board of Directors, on the basis of the 24th resolution submitted to this General Meeting and under the conditions provided for by that resolution, to issue shares of the Company or securities carrying immediate or deferred rights to the Company's shares by any means, in consideration for the shares tendered to a public exchange offer initiated in France or abroad, by the Company with regard to another company whose shares are admitted for trading on one of the regulated markets referred to in the above-mentioned article L.225-148 and decide, where necessary, to eliminate the pre-emptive right of the shareholders to subscribe for the shares and securities in favor of the holders of such shares;
2. record that this authorization entails in accordance with the provisions of article L.225-132 of the French Commercial Code, a waiver by the shareholders of their pre-emptive right to subscribe for the shares to which the securities carrying immediate or deferred rights to shares in the Company which would be issued on the basis of this authorization, may grant rights of entitlement;
3. resolve that the maximum limit on the nominal amount of the capital increase to be carried out immediately or in the future, resulting from all the issues carried out pursuant to this authorization is set at €15 million, it being specified that this amount will be counted against the ceiling of €15 million provided for by the above-mentioned 24th resolution and the blanket ceilings provided for in paragraphs 1 and 2 of the 33rd resolution submitted to this General Meeting and that it does not include the nominal value of the shares of the Company to be issued, where applicable, in respect of the adjustments made in accordance with the law and, applicable contractual provisions, to protect the holders of the rights attached to securities carrying rights to shares of the Company;
4. resolve that the Board of Directors will have full powers in order to implement the public exchange offers covered by this resolution and in particular to:
 - set the exchange ratio as well as, where applicable, the amount of the cash adjustment to be paid,
 - record the number of securities tendered in the exchange,
 - determine the dates, conditions of issue, in particular the price and date of entitlement to dividend and other rights, possibly with retroactive effect, of the new shares, or, where applicable, the securities carrying immediate or deferred rights to the shares of the Company,
 - record the difference between the issue price of the new shares and their par value in an "additional paid-in capital" account in the balance sheet liabilities to which all the shareholders will have rights,
 - deduct from such "additional paid-in capital" account where applicable all the costs and expenses incurred in respect of the transaction concerned, and
 - more generally, take all appropriate steps and enter into all agreements to successfully complete the transaction concerned, place on record the resulting increase(s) in share capital and amend the bylaws accordingly;
5. authorize the Board of Directors, within the limits that have previously been set, to delegate to the Chief Executive Officer or, in agreement with him, to one or more Chief Operating Officers, the authorization which is given to it pursuant to this resolution.

This authorization is given for a period of twenty-six months from the date of this General Meeting.

It supersedes, as of that date, the authorization granted to the Executive Board for the same purpose by the Annual General Meeting of May 28, 2009 (10th resolution).

Twenty-sixth resolution

Authorization for the Board of Directors to increase the share capital through the issue of shares of common stock or securities carrying rights to the capital, via a private placement as referred to in article L.411-2-II of the French Monetary and Financial Code without pre-emptive subscription rights for existing shareholders

Deliberating in accordance with the rules of quorum and majority applicable to extraordinary general meetings and having considered the report of the Executive Board and the statutory auditors' special report, in accordance with the provisions of articles L.225-129 *et seq.* of the French Commercial Code, and in particular articles L.225-129-2, L.225-135 and L.225-136, the provisions of articles L.228-91 *et seq.* of such code, and the provisions of article L.411-2-II of the French Monetary and Financial Code, the shareholders:

1. authorize the Board of Directors, which may delegate under the conditions set by law, to increase the capital on one or several occasions, in the proportions and at the times it will determine in France or abroad, in euros, or in any other currency or monetary unit determined by reference to a basket of currencies, through an issue and private placement meeting the conditions set in article L.411-2, II of the French Monetary and Financial Code:
 - of shares of common stock of the Company, or
 - of securities carrying immediate or deferred rights, by any means to existing shares of common stock of the Company or shares of common stock to be issued, with or without consideration;
2. resolve to set the authorized amounts in the event of use by the Board of Directors of this authorization as follows:
 - the maximum nominal amount of the capital increases that may be carried out immediately or in the future pursuant to this authorization is set at €10 million, it being specified that (i) this amount will be counted against the ceiling applicable to capital increases without pre-emptive subscription rights set in paragraph 2 of the 24th resolution of this General Meeting and the blanket ceilings set in paragraphs 1 and 2 of the 33rd resolution of this General Meeting, (ii) the nominal amount of the additional shares to be issued to preserve the rights of the holders of securities carrying rights to shares will be added to the above amount where applicable and (iii) in any event, the issues of shares and securities made pursuant to this authorization are limited in accordance with the law to 20% of the share capital per year,
 - the maximum principal amount of debt securities that may be issued pursuant to this authorization may not exceed €600 million (or the equivalent value on the issue date of this amount in any other currency or any other monetary unit determined by reference to a basket of currencies), it being specified that (i) this amount will be counted against the ceiling set in paragraph 2 of the 24th resolution of this General Meeting for the issue of debt securities without pre-emptive subscription rights and the ceiling set in paragraph 3 of the 33rd resolution of this General Meeting and (ii) this amount is independent and separate from the amount of the debt securities which the Board of Directors may decide to issue or have issued in accordance with article L.228-40 of the French Commercial Code;
3. resolve to eliminate the existing shareholders' pre-emptive rights to subscribe for the shares and securities issued under this authorization;
4. resolve that if the subscriptions do not cover the entire amount of the share issue, the Board of Directors may limit the capital increase to the amount of the subscriptions received provided that they reached at least three-quarters of the share issue decided;
5. note that this authorization will automatically entail a waiver by the shareholders of their pre-emptive rights to subscribe for the shares to which the securities may grant rights of entitlement in favor of the holders of the securities carrying rights to the shares of the Company;
6. resolve that the issue price of the shares or securities carrying rights to shares will be at least equal to the minimum authorized by the laws and regulations in force on the date of the issue (i.e., for information purposes, on the date of this General Meeting, a price at least equal to the weighted average trading price for the last three trading days prior to the setting of the price, less a maximum potential discount of 5%).

The shareholders give full powers to the Board of Directors, which may delegate under the conditions set by law, to:

- use this authorization, and in particular set the terms and conditions of the share issues, adopt the dates and the terms and conditions of the issues as well as the terms and conditions of the securities issued, set the opening and closing dates of the subscription periods, the price and the date of entitlement to dividend and other rights with regard to the shares issued, the terms and conditions of paying them in, the methods by which the securities issued on the basis of this resolution will give a right to the Company's shares and, in the case of debt securities, their subordination ranking;
- deduct the costs of the share issue from the amount of the related additional paid-in capital and withhold from this amount the necessary sums to set aside to the legal reserve; and more generally;
- take all appropriate steps and enter into all agreements to successfully complete the proposed issues and private placements, place on record the completion of the capital increases, amend the Company's bylaws accordingly and carry out all required formalities for admission to trading of the shares issued.

This authorization is given for a period of twenty-six months from the date of this General Meeting.

It supersedes, as of that date, the authorization granted to the Executive Board for the same purpose by the Annual General Meeting of May 28, 2009 (10th resolution).

Twenty-seventh resolution

Authorization for the Board of Directors to increase the number of shares to be issued in the event of a share issue with or without pre-emptive subscription rights for existing shareholders

Deliberating in accordance with the rules of quorum and majority applicable to extraordinary general meetings and having considered the report of the Executive Board and the statutory auditors' special report, in accordance with the laws and regulations governing commercial companies and in particular articles L.225-135-1 and R.225-118 of the French Commercial Code, and subject to the adoption of the 23rd, 24th and 26th resolutions, the shareholders:

1. authorize the Board of Directors, which may delegate under the conditions set by law, to increase the number of securities to be issued in the event of an increase in the Company's share capital with or without pre-emptive subscription rights decided by the Board of Directors pursuant to the 23rd, 24th or 26th resolution of this General Meeting, at the same price as that adopted for the initial share issue, within the time periods and the limits provided for by the provisions of the laws and regulations in force on the date of the share issue (at the date of this meeting, within thirty days of the close of the subscription period and within the limit of 15% of the initial share issue), in particular with a view to granting an overallocation option in accordance with market practices;
2. resolve that the nominal amount of the capital increases decided under this resolution will be counted against the ceiling provided for in the resolution pursuant to which the initial issue is decided.

This authorization is given for a period of twenty-six months from the date of this General Meeting.

Twenty-eighth resolution

Authorization for the Board of Directors in the event of the issue, without pre-emptive subscription rights for existing shareholders, of shares or any securities carrying immediate or deferred rights to the Company's shares to set the issue price according to the terms and conditions adopted by the General Meeting, within the limit of 10% of the Company's share capital

Deliberating in accordance with the rules of quorum and majority applicable to extraordinary general meetings and having considered the report of the Board of Directors and the statutory auditors' special report, in accordance with the provisions of the French Commercial Code, and in particular article L.225-136, the shareholders:

1. authorize the Board of Directors, which may delegate under the conditions set by law, subject to (i) the adoption of the 24th and 26th resolutions put to the vote of this General Meeting and (ii) compliance with the ceiling(s) provided for in the resolution pursuant to which the issue is decided, for each of the issues decided on the basis of such 24th and 26th resolutions, to set the issue price according to the terms and conditions set out below, within the limit of 10% of the Company's share capital per year, including the share issues made pursuant to the 27th resolution of this General Meeting (this percentage of 10% applies to the capital as adjusted as a result of capital transactions that may have been carried out after this General Meeting):
 - the issue price of the shares of common stock will be at least equal to the weighted average trading price of the share on Euronext Paris for the last three trading days prior to the setting of the price, less a maximum potential discount of 10%,
 - the issue price of the securities carrying rights to shares other than shares of common stock will be such that the amount received immediately by the Company, plus, where applicable, that liable to be received subsequently by the Company is, for each share of common stock issued as a result of the issue of these securities, at least equal to the amount referred to in the above paragraph, after adjustment, where applicable, of this amount to take account of the difference in the date of dividend rights; and
2. resolve that the Board of Directors will prepare an additional report, certified by the statutory auditors, describing the definitive conditions of the transaction and providing elements for assessment of the actual impact on the shareholders' situation.

This authorization is given for a period of twenty-six months from the date of this General Meeting.

Twenty-ninth resolution

Delegation of powers for the Board of Directors to increase the share capital through the issue of shares of common stock in consideration for contributions in kind granted to the Company and consisting of capital stock or securities carrying rights to shares

Deliberating in accordance with the rules of quorum and majority applicable to extraordinary general meetings and having considered the report of the Executive Board and the statutory auditors' special report, in accordance with the provisions of articles L.225-129 *et seq.* of the French Commercial Code, and in particular article L.225-147 paragraph 6 of such code, the shareholders:

1. delegate to the Board of Directors, which may delegate them in turn under the conditions set by law, the necessary powers to increase the capital on one or several occasions, through the issue of shares of capital stock of the Company in consideration for contributions in kind made to the Company consisting of capital stock or securities carrying rights to shares where the provisions of article L.225-148 of the French Commercial Code are not applicable;
2. resolve to set the ceiling for the nominal amount of the capital increases that may be carried out within the scope of this delegation at 10% of the share capital as of the date of the decision made by the Board of Directors, it being specified that the nominal amount of the capital increases made pursuant to this authorization will be counted against the blanket ceiling applicable to capital increases set in paragraph 2 of the 33rd resolution of this General Meeting.

The shareholders give the Board of Directors full powers, which may be delegated under the conditions set by law, to use this authorization and in particular to approve the valuation of the contributions, decide on the share issues to be made in consideration for the contributions, set the terms and conditions under which the preservation of the rights of holders of securities carrying rights to shares will be ensured, where applicable, deduct the costs of the share issue from the additional paid-in capital and withhold from such additional paid-in capital the sums required to set aside to the legal reserve, and more generally take all appropriate steps and enter into all agreements to complete the proposed issues successfully, place on record the completion of the capital increases, amend the bylaws accordingly and carry out all the formalities required for the admission to trading of the shares issued.

This authorization is given for a period of twenty-six months from the date of this General Meeting.

Thirtieth resolution

Authorization for the Board of Directors to increase the share capital by capitalizing reserves, profits or additional paid-in capital

Deliberating in extraordinary session and in accordance with the rules of quorum and majority applicable to ordinary general meetings and having considered the report of the Executive Board and the statutory auditors' special report, in accordance with the provisions of articles L.225-129-2 and L.225-130 of the French Commercial Code, the shareholders:

1. authorize the Board of Directors, which may delegate under the conditions set by law, to increase the Company's share capital, on one or several occasions, by successive or simultaneous capitalization of reserves, profits, additional paid-in capital or other amounts that may be capitalized in accordance with the applicable laws and the Company's bylaws, through issuing bonus shares to the shareholders or increasing the par value of the existing shares of common stock. The amounts and timing of such transactions shall be determined at the Board's discretion;
2. resolve to set the maximum nominal amount of the capital increases that may be carried out pursuant to this authorization at €15 million, it being specified that the amount of the capital increases carried out using this authorization will be counted against the blanket ceiling applicable to capital increases set in paragraph 2 of the 33rd resolution of this General Meeting;
3. resolve that the fractional share rights will not be tradable or transferable and that the corresponding shares will be sold, with the proceeds from the sales being allocated to the holders of the rights under the conditions of the regulations in force.

The shareholders give the Board of Directors full powers, which may be delegated under the conditions set by law, to use this authorization, take any and all measures and carry out any and all formalities required for the capital increase(s) to be effective, as well as to place on record the completion of the capital increase(s) and amend the Company's bylaws accordingly.

This authorization is given for a period of twenty-six months from the date of this General Meeting.

It supersedes, as of that date, the authorization granted to the Executive Board for the same purpose by the Annual General Meeting of May 27, 2010 (10th resolution).

Thirty-first resolution

Authorization for the Board of Directors to increase the share capital through the issue of shares of common stock reserved for employees who are members of the Safran Group employee savings plans

Deliberating in accordance with the rules of quorum and majority applicable to extraordinary general meetings and having considered the report of the Executive Board and the statutory auditors' special report, in accordance with the provisions of articles L.225-129-2, L.225-129-6 and L.225-138-1 of the French Commercial Code, and the provisions of articles L.3332-18 *et seq.* of the French Labor Code, the shareholders:

1. authorize the Board of Directors, which may delegate under the conditions set by law, to increase the Company's share capital, on one or several occasions, by issuing shares of common stock of the Company, the subscription of which will be reserved for employees of the Company and the French or foreign companies affiliated with it within the meaning of article L.225-180 of the French Commercial Code, who are members of the Group employee savings plan or any company employee savings plan existing in the Safran Group. The amounts and timing of such transactions shall be determined at the Board's discretion;
2. resolve to set the ceiling for the nominal amount of capital increases that may be made pursuant to this authorization at 1.5% of the existing share capital on the date of the decision made by the Board of Directors, it being specified that the nominal amount of the capital increases carried out pursuant to this authorization will be counted against the blanket ceiling applicable to capital increases set in paragraph 2 of the 33rd resolution of this General Meeting;
3. resolve that the subscription price of the shares may not be lower than the average closing trading price on the twenty trading days prior to the date when the Board of Directors makes its decision setting the opening date of the subscription period, less the maximum discount provided for by law on the date of the Board of Directors' decision;
4. record that this authorization entails a waiver by the shareholders of their pre-emptive subscription rights in favor of the employees for whom the capital increase is reserved.

The shareholders give the Board of Directors full powers, which may be delegated under the conditions set by law, to use this authorization, and in particular to set the terms and conditions of the capital increases, adopt the list of companies of which the

employees will be entitled to benefit from the share issue, set the conditions, particularly in terms of length of service, that the beneficiaries will have to meet in order to be able to subscribe, on an individual basis or through an investment fund, for the shares which will be issued pursuant to this authorization, set the dates and terms and conditions of the share issues, set the opening and closing dates of the subscription periods, the price and date when the shares issued will grant entitlement to dividend and other rights and the methods of payment of the shares, deduct the costs of the capital increase from the amount of related additional paid-in capital and withhold from such amount the necessary sums to set aside to the legal reserve, and more generally take all appropriate measures and enter into any agreements to complete the proposed share issues successfully, place on record the completion of the capital increases, amend the bylaws accordingly and carry out all the formalities required for the admission to trading of the shares issued.

This authorization is given for a period of twenty-six months from the date of this General Meeting.

It supersedes, as of that date, the authorization granted to the Executive Board for the same purpose by the Annual General Meeting of May 28, 2009 (11th resolution).

Thirty-second resolution

Authorization for the Board of Directors to grant stock subscription options or stock purchase options to employees and corporate officers of the Company and companies of the Safran Group

Deliberating in accordance with the rules of quorum and majority applicable to extraordinary general meetings and having considered the report of the Executive Board and the statutory auditors' special report, in accordance with the provisions of articles L.225-177 *et seq.* of the French Commercial Code, the shareholders:

1. authorize the Board of Directors to grant, on one or several occasions, (i) to employees or certain employees and (ii) to corporate officers who are entitled to benefit from grants of stock options pursuant to law, or some of them, whether they are officers of the Company or of companies that are affiliated with it within the meaning of article L.225-180 of the French Commercial Code, stock options granting entitlement to:
 - the subscription of new shares of the Company issued pursuant to an increase in its share capital, or
 - the purchase of existing shares of the Company resulting from the share buybacks made by the Company under the conditions provided for by law;
2. resolve that the stock subscription options and the stock purchase options granted pursuant to this authorization may not grant entitlement to a total number of shares exceeding 1.5% of the number of shares making up the Company's share capital on the date of the decision by the Board of Directors to grant the stock options, it being specified that the nominal amount of the capital increases resulting from the exercise of stock subscription options will be counted against the blanket ceiling applicable to capital increases set in paragraph 2 of the 33rd resolution of this General Meeting;
3. resolve with regard to the Chairman of the Board of Directors, the Chief Executive Officer and, where applicable, the Chief Operating Officers of the Company:
 - that the Board of Directors will be responsible for determining, on the recommendation of the Appointments and Compensation Committee, (i) the number of stock options to be granted and (ii) the terms and conditions of implementation of the provisions of the fourth paragraph of article L.225-185 of the French Commercial Code,
 - that the exercise of these stock options will be linked to performance conditions that will be set by the Board of Directors, on the recommendation of the Appointments and Compensation Committee, at the time of the stock option grants;
4. resolve that the subscription or purchase price of the shares by the beneficiaries will be set by the Board of Directors on the date when the options are granted, according to the following terms and conditions:
 - in the event that stock subscription options are granted, the subscription price of the shares may not be lower than the average closing trading price for the twenty trading days prior to the date on which the stock subscription options are granted,
 - in the event that stock purchase options are granted, the purchase price of the shares may not be lower than either the average closing trading price for the twenty trading days prior to the date on which the stock purchase options are granted or lower than the average purchase price of the treasury shares held by the Company pursuant to articles L.225-208 and L.225-209 of the French Commercial Code.

The price set for the subscription or purchase of the shares may not be modified, unless during the period in which the stock options can be exercised, the Company carries out one of the financial transactions provided for by law; in such case, the Board of Directors will make an adjustment, under the conditions provided for by the regulations, to the subscription or purchase price, as applicable, or the number of shares that may be obtained by exercising the stock options granted in order to take into account the impact of that transaction;

5. resolve, subject to application by the Board of Directors of the provisions of the fourth paragraph of article L.225-185 of the French Commercial Code, that the stock options must be exercised within a maximum time period of ten years as from the date on which they are granted although the Board of Directors may reduce this time period, particularly for beneficiaries who are residents of countries in which a shorter period is provided for by law;
6. resolve that the Board of Directors may impose a prohibition on the immediate resale of the shares subscribed or purchased on exercise of the stock options granted, although the time period for which the beneficiaries may be required to retain their shares may not exceed three years as from the option exercise date;
7. record that this authorization entails a waiver by the shareholders of their pre-emptive rights to subscribe for the shares which will be issued as and when the stock options are exercised in favor of the beneficiaries of stock subscription options.

The shareholders give the Board of Directors full powers, which may be delegated under the conditions set by law, to determine all the other terms and conditions of the stock option grants and the exercise thereof, within the limits set by the laws and regulations in force and in particular to:

- adopt the list or categories of beneficiaries and the number of stock options granted to each of them;
- set the dates or option exercise periods, it being specified that the Board of Directors may (i) bring forward the option exercise dates or periods, (ii) maintain the exercisable nature of the options or (iii) change the dates or periods during which the shares obtained on exercise of the stock options cannot be transferred or converted to bearer shares;
- where applicable, limit, suspend, restrict or prohibit the exercise of the stock options or the sale or conversion to bearer shares of the shares obtained as a result of exercise of the stock options, during certain periods or as from certain events, and its decision may relate to some or all of the stock options or shares and concern some or all of the beneficiaries;
- set the date of entitlement to dividend and other rights with regard to the new shares resulting from the exercise of the stock subscription options, place on record the capital increases resulting from exercise of the stock options, amend the bylaws accordingly and more generally do everything that may be necessary.

This authorization is given for a period of twenty-six months from the date of this General Meeting.

It supersedes, as of that date, the authorization granted to the Executive Board for the same purpose by the Annual General Meeting of May 28, 2008 (12th resolution).

Thirty-third resolution

Blanket ceilings on authorizations for share or securities issues

Deliberating in accordance with the rules of quorum and majority applicable to extraordinary general meetings and having considered the report of the Executive Board, the shareholders resolve:

1. to set at €35 million the maximum aggregate nominal amount of any capital increases, that may be carried out immediately or in the future pursuant to the authorizations granted to the Board of Directors in the 23rd, 24th and 26th resolutions of this General Meeting, it being specified that the nominal amount of the shares to be issued to preserve the rights of holders of securities carrying rights to shares in accordance with the laws and regulations and, applicable contractual situations will be added to this ceiling where applicable;
2. to set at €60 million the maximum aggregate nominal amount of any capital increases, that may be carried out immediately or in the future pursuant to the authorizations granted to the Board of Directors in the 23rd, 24th, 26th, 29th, 30th, 31st and 32nd resolutions of this General Meeting, it being specified that the nominal amount of the shares to be issued to preserve the rights of holders of securities carrying rights to shares in accordance with the laws and regulations and, applicable contractual situations will be added to this ceiling where applicable;
3. to set at €1.4 billion the maximum aggregate principal amount of debt securities to be issued pursuant to the authorizations given to the Board of Directors in the 23rd, 24th and 26th resolutions of this General Meeting, it being specified that this amount is independent and separate from the amount of debt securities, which the Board of Directors may decide to issue or have issued in accordance with article L.228-40 of the French Commercial Code.

Thirty-fourth resolution

Authorization for the Board of Directors to make free share grants of the Company's existing shares or shares to be issued to employees and corporate officers of the Company and companies of the Safran Group

Deliberating in accordance with the rules of quorum and majority applicable to extraordinary general meetings and having considered the report of the Executive Board and the statutory auditors' special report, in accordance with the provisions of articles L.225-197-1 *et seq.* of the French Commercial Code, the shareholders:

1. authorize the Board of Directors to make, on one or several occasions, free grants of existing shares or shares to be issued (i) to employees or certain categories of employees and (ii) to corporate officers who are entitled to benefit from free share grants pursuant to law, or some of them, whether they are officers of the Company or of companies that are affiliated with it within the meaning of article L.225-197-2 of the French Commercial Code. The amounts and timing of such free share grants shall be determined at the Board's discretion;
2. resolve that the total number of free shares granted pursuant to this authorization may not exceed 1.5% of the number of shares making up the Company's share capital at the date of the decision to grant free shares made by the Board of Directors;
3. resolve that the grant of shares to their beneficiaries will only become definitive at the end of a vesting period the duration of which will be set by the Board of Directors, but which may not be less than two years, and that the beneficiaries will have the obligation to hold such shares for a minimum period set by the Board of Directors, which may not be less than two years, as from the date of definitive grant; however:

- if the vesting period covers a term of at least four years for some or all of the shares granted, the shareholders authorize the Board of Directors to reduce or abolish the mandatory holding period for such shares,
 - in the event of disability of the beneficiary corresponding to classification in the second or third categories provided for in article L.341-4 of the French Social Security Code (*Code de la sécurité sociale*), the shares will be definitively granted to him before the expiration of the vesting period and will furthermore be immediately transferable;
4. resolve that the shares granted pursuant to this authorization may be made, under the conditions provided for by law, to the Chairman of the Board of Directors, the Chief Executive Officer and, where applicable, the Chief Operating Officers of the Company if they are granted to them subject to performance conditions and if the number of such shares does not represent a percentage of over 0.1% of the number of shares making up the Company's capital on the date of the decision to grant the shares made by the Board of Directors.

The shareholders give the Board of Directors full powers, which may be delegated under the conditions set by law, to use this authorization within the limits set by the laws and regulations in force and in particular to:

- determine whether the free shares granted are existing shares or shares to be issued;
- decide on the list or categories of beneficiaries of the shares;
- set the conditions and, where applicable, the criteria for the grant of shares, and in particular the length of the vesting period and the duration of the holding period required for each beneficiary;
- provide for the possibility to provisionally suspend the rights to the grant;
- place on record the dates of definitive grant and the dates as from which the shares may be freely disposed of, in light of the legal restrictions;
- make, where applicable during the vesting period, the adjustments to the number of free shares granted needed in order to preserve the rights of beneficiaries;
- in the event of the issue of new shares, deduct, where applicable, from the reserves, profits or additional paid-in capital, the sums necessary to pay in the shares, place on record the completion of the capital increases carried out pursuant to this authorization, make the corresponding amendments to the bylaws; and generally
- take all appropriate measures and enter into any agreements to complete the proposed grants of shares successfully.

This authorization is given for a period of twenty-six months from the date of this General Meeting.

It supersedes, as of that date, the authorization granted to the Executive Board for the same purpose by the Annual General Meeting of May 28, 2008 (14th resolution).

Thirty-fifth resolution

Authorization for the Board of Directors to reduce the Company's capital by canceling treasury shares

Deliberating in accordance with the rules of quorum and majority applicable to extraordinary general meetings and having considered the report of the Executive Board and the statutory auditors' special report, in accordance with the provisions of article L.225-209 of the French Commercial Code, the shareholders:

1. authorize the Board of Directors to reduce the Company's capital on one or several occasions, in the proportions and at the times it shall determine, by canceling all or some of the treasury shares held by the Company as a result of the implementation of a share buyback program, within the limit of 10% of the Company's capital per 24-month period and to reduce the share capital accordingly, it being specified that the 10% limit applies to the amount of the Company's capital which will be adjusted, where applicable, to take into consideration the capital transactions that may potentially be carried out after this General Meeting;
2. resolve that the Board of Directors will have full powers, which may be delegated under the conditions set by law, to implement this resolution and in particular to:
 - set the definitive amount of the reduction in capital,
 - set the terms and conditions of the reduction in capital and carry it out,
 - charge the difference between the carrying amount of the canceled shares and their par value against all available reserves and additional paid-in capital accounts,
 - place on record the completion of the capital reduction and amend the bylaws accordingly, and
 - carry out any formalities, take all steps and generally do whatever is necessary to make the capital reduction effective.

This authorization is given for a period of twenty-four months from the date of this General Meeting. It cancels and supersedes, as of that date, the unused portion of the previous authorization granted by the Annual General Meeting of May 27, 2010 in its 11th resolution.

Thirty-sixth resolution

Authorization for the Board of Directors to issue stock warrants without consideration in the event of a tender offer for the Company

Deliberating in extraordinary session and in accordance with the rules of quorum and majority applicable to ordinary general meetings and having considered the report of the Executive Board and the statutory auditors' special report, and in accordance with articles L.233-32 II and L.233-33 of the French Commercial Code, the shareholders:

1. authorize the Board of Directors to decide in the event of a tender offer for the Company on:
 - the issue, on one or several occasions of warrants making it possible to subscribe, under preferential conditions, for one or more shares of the Company, with the possibility of deferring the exercise thereof or waiving the right thereto. The amounts and timing of such warrant issues shall be determined at the Board's discretion,
 - the free grant of these warrants to all the shareholders of the Company who have such capacity before the expiration of the tender offer period, and
 - the conditions for exercise of these warrants and their features, such as their exercise price, and generally the terms and conditions of any issue of stock warrants made pursuant to this resolution;
2. resolve that the total nominal amount of the capital increase that may result from the exercise of these warrants may not exceed €40 million, it being specified that this ceiling (i) is set independently of any other ceiling relating to the issues of capital stock or securities carrying rights to the shares of the Company authorized by this General Meeting and (ii) does not include the par value of the shares of the Company to be issued, where applicable, in respect of adjustments made in accordance with the law and, applicable contractual provisions to protect the holders of rights attached to securities carrying rights to the Company's shares;
3. resolve that the maximum number of stock warrants that may be issued may not in any event exceed the number of shares making up the share capital at the time of issue of the warrants;
4. resolve that this authorization may only be used in the event of a tender offer for the Company and that these stock warrants will automatically lapse as soon as the tender offer and, where applicable, any potential rival offer fail, lapse or are withdrawn;
5. resolve that in the event of use of this authorization, the Board of Directors will report to the shareholders at the time of issue of the warrants on:
 - the circumstances and reasons for which it considers that the offer is not in the interests of the Company and its shareholders and which justify the issue of such warrants,
 - and the criteria and methods pursuant to which the terms and conditions for determining the exercise price of the warrants will be determined;
6. resolve that the Board of Directors, which may delegate within the limits set by law, will have full powers to use this authorization under the conditions provided for by law.

This authorization is given to the Board of Directors for a term expiring at the end of the offer period in respect of any tender offer for the Company filed within eighteen months as from this General Meeting.

Powers

Thirty-seventh resolution

Powers to carry out formalities

The shareholders give full powers to the bearer of an original, extract or copy of the minutes of this General Meeting to carry out any and all filing, publication, declaration and other formalities required by the applicable laws and regulations.

PROPOSED BYLAWS SUBMITTED TO THE ANNUAL GENERAL MEETING FOR APPROVAL

THE USE OF THE MASCULINE PRONOUN IN THIS DOCUMENT IS FOR CONVENIENCE ONLY AND ALL REFERENCES TO THE MASCULINE GENDER SHOULD BE UNDERSTOOD AS INCLUDING THE FEMININE WHERE APPROPRIATE.

Chapter I – Legal Form – Company Name – Corporate Purpose – Registered Office – Term

Article 1 – Legal Form of the Company

The Company is a French *société anonyme* (corporation) with a Board of Directors, governed by the laws and regulations applicable in France and these bylaws.

Article 2 – Company Name

2.1. The Company's name is Safran.

2.2. In all deeds and documents issued by the Company for the attention of third parties, the Company's name shall be preceded or immediately followed by the words "*société anonyme*" or "SA" and by the amount of the issued capital.

Article 3 – Corporate Purpose

The Company's purpose is to engage in the following activities in any and all countries, for its own account, on behalf of third parties, or directly or indirectly in conjunction with third parties:

1) To carry out research, design, development, testing, manufacturing, sales, maintenance and support operations for high-technology activities, and notably for:

- All aviation and aerospace activities for the civilian and military markets, particularly those related to (i) aviation and aerospace propulsion solutions, including the operation of systems that produce or use energy, and equipment designed to be used with such systems, and (ii) equipment and sub-systems used in aircraft, helicopters, launch vehicles and missiles.
- All air, land and naval defense activities, particularly those related to (i) optronics, avionics and navigation solutions and services, and (ii) electronics and critical software for aviation and defense applications.
- All security activities, particularly those related to (i) multi-biometric identification solutions, identity management solutions, smart cards and secure transactions, and (ii) detection solutions for explosives and illicit substances.

2) And generally, to conduct any and all transactions of a commercial, industrial or financial nature or involving moveable assets or real estate that relate directly or indirectly to the above corporate purpose or to anything incidental or conducive to the achievement of said corporate purpose.

Article 4 – Registered Office

4.1. Safran's registered office is located at 2, boulevard du Général-Martial-Valin, 75015 Paris, France.

4.2. In accordance with the applicable laws and regulations, the Board of Directors may transfer the registered office to another location in the same *département* or a neighboring *département*, subject to ratification of the Board's decision at the Ordinary General Meeting following said decision. The transfer of the registered office to any other location shall be subject to a decision by shareholders in an Extraordinary General Meeting.

If the Board of Directors decides to transfer the registered office, it shall be authorized to amend the bylaws accordingly.

Article 5 – Term

The Company's term has been set at ninety-nine years from the date of registration with the Trade and Companies Registry, i.e., expiring on August 28, 2023, unless said term is extended or wound up in advance.

Chapter II – Share Capital – Shares**Article 6 – Share Capital**

The Company's share capital amounts to €83,405,917, divided into 417,029,585 shares with a par value of €0.20 each, all in the same class.

Article 7 – Amendments to the Company's Share Capital

- 7.1. The Company's share capital may be increased or reduced by way of a decision taken in a General Shareholders' Meeting in accordance with the applicable laws and regulations and these bylaws.
- 7.2. The shareholders may grant the Board of Directors the necessary powers to carry out such a capital increase or reduction and may also authorize the Board to decide to carry out a capital increase at its own initiative.

Article 8 – Paying up Shares

- 8.1. In the event of a capital increase, the newly issued shares shall be paid up pursuant to the applicable laws and regulations and in accordance with the decisions taken by the Board of Directors and by shareholders in an Extraordinary General Meeting.
- 8.2. Any remaining sums to be paid for the shares in cash shall be called by the Board of Directors, which shall also determine the dates and amounts concerned.
- 8.3. Any shareholder who does not pay up their shares by the required date(s) shall be automatically subject to late payment interest, calculated as from the due date of the payment concerned at the legal interest rate in force plus three basis points.
- 8.4. If any payable amounts are not settled, the Company shall sell the shares that have not been paid up, in accordance with the conditions provided for in the applicable laws and regulations.

Article 9 – Form of Shares

- 9.1. Fully paid-up shares may be held either in registered or bearer form, at the shareholder's discretion, subject to compliance with the provisions of the applicable laws and regulations and the Board of Directors' Internal Rules concerning the form of shares held by certain categories of shareholder.
- 9.2. In accordance with the applicable laws and regulations the Company shall be entitled to request details of the identity of the holders of securities carrying immediate or deferred rights to vote at General Shareholders' Meetings, as well as the number of securities held.

Article 10 – Indivisibility of Shares – Legal Ownership and Beneficial Ownership

- 10.1. Shares are indivisible vis-à-vis the Company.
- 10.2. Joint owners of shares that are indivisible shall be represented at General Shareholders' Meetings by one of the owners or by a jointly appointed representative. In the event of disagreement, said representative shall be appointed by the Court at the request of the first joint owner to enter a petition. Where shares have both a legal owner (*nu-proprétaire*) and a beneficial owner (*usufruitier*), the voting rights attached to the shares shall be exercisable by the beneficial owner at all General Shareholders' Meetings, both Ordinary and Extraordinary.
- 10.3. However, the legal owner and the beneficial owner may agree on any other form of division for the purpose of exercising their voting rights at General Shareholders' Meetings.

In such a case, the owners concerned shall inform the Company of their agreement by way of a registered letter with recorded delivery. The Company shall then be required to respect said agreement for all General Shareholders' Meetings held after the expiry of a one month period following the date of receipt of the registered letter.

- 10.4. The rights granted to shareholders to obtain or view documents issued by the Company may be exercised by each of the joint owners of jointly-owned shares and both by the legal and beneficial owners of shares that have such forms of ownership rights.

Article 11 – Share Transfers

- 11.1. The Company's shares shall be freely transferable, unless otherwise provided for under the applicable laws and regulations.
- 11.2. All shares shall be recorded in securities accounts and ownership shall be transferred by way of inter-account transfers in accordance with the applicable laws and regulations.

Article 12 – Rights and Duties Attached to Shares

- 12.1. Each share shall entitle its holder to a proportion of the Company's profits, net assets and any liquidation surplus equal to the proportion of capital represented by the share.
- 12.2. Share ownership shall automatically entitle shareholders to participate in General Meetings and to vote on resolutions, in accordance with the applicable laws and regulations and these bylaws.
- In addition, all shareholders shall be entitled to be informed of the Company's performance and to obtain copies of certain corporate documents at the times and under the conditions provided for by the applicable laws and regulations.
- 12.3. Shareholders shall be liable for losses only up to the amount of their capital contributions.
- 12.4. Where a shareholder must own a specific number of shares to exercise a particular right, notably in the event of an exchange or allocation of shares, a stock split, reverse stock-split, a capital increase or reduction, a merger, demerger, partial asset transfer, dividend payment or any other corporate action, any shares held that fall below the required number shall not confer any rights on their holders with respect to the Company, and the shareholders concerned shall be personally responsible for obtaining the necessary number of shares or rights, including through purchases or sales of shares or rights where required.
- 12.5. Share ownership shall automatically require shareholders to comply with these bylaws and the decisions made at General Shareholders' Meetings.
- 12.6. The rights and duties attached to shares shall be transferred with title to the shares.

Article 13 – Disclosure Thresholds

- 13.1. In addition to the disclosures required under the applicable laws and regulations when certain ownership thresholds are crossed, any person or legal entity, acting alone or in concert with others, that becomes the owner – directly or indirectly through one or more companies controlled by said person or entity within the meaning of article L.233-3 of the French Commercial Code (*Code de commerce*) – of 1% or more of the Company's capital or voting rights or any multiple thereof, as calculated in accordance with articles L.233-7 and L.233-9 of the French Commercial Code, must notify the Company of the total number of shares and voting rights held as well as the total number of securities held that carry deferred rights to the Company's capital and the potential voting rights attached thereto. Said notification shall be sent to the Company by registered letter with recorded delivery within four trading days of the relevant threshold being crossed.
- 13.2. The same disclosures are required – within the same timeframe and in accordance with the same conditions – in cases where a shareholder's interest falls below any of the thresholds referred to in Article 13.1 above.
- 13.3. The sanctions provided for by law in the event of a failure to comply with the disclosure requirements applicable when a legal threshold is crossed shall also apply if a shareholder does not comply with the disclosure requirements applicable in these bylaws, where requested by one or more shareholders holding at least 5% of the Company's capital or voting rights (with said request duly recorded in the minutes of the relevant General Shareholders' Meeting).

Chapter III – Administration and Management**Board of Directors**

Article 14 – Membership Structure of the Board of Directors

- 14.1. The Company shall be administered by a Board of Directors with at least three and no more than thirteen members, including any representatives of the French State appointed in application of article 12 of Act 49-985 dated July 25, 1949. The French State shall be entitled to have at least two representatives on Safran's Board for as long as it holds at least 10% of the Company's capital.
- 14.2. The maximum number of thirteen Board members may be increased to allow for the inclusion of any Directors representing employee shareholders, elected in accordance with the conditions specified in Article 14.8 below.
- 14.3. Directors may be either individuals or legal entities. Legal entities elected to the Board of Directors are required to appoint a permanent representative who shall be subject to the same conditions and duties and have the same responsibilities as if he were a Director in his own name, without prejudice to the joint and several liability of the legal entity he represents.

- 14.4. Directors shall be elected, re-elected and removed from office in accordance with the conditions set down in the applicable laws and regulations.
- 14.5. Each Director – other than the representatives of the French State and Directors representing employee shareholders – shall be required to own a certain number of shares in the Company in accordance with the terms and conditions set down in the Board of Directors' Internal Rules. If a Director no longer holds the required number of shares, he will have a specific period of time (as set out in the Board of Directors' Internal Rules) to remedy the situation, after which he will be automatically deemed to have resigned.
- 14.6. Directors shall be subject to the applicable laws and regulations concerning multiple directorships.
- 14.7. In accordance with the applicable laws and regulations, and subject to compliance with the conditions concerning combining directorships with an employment contract, the number of Directors holding an employment contract with the Company (not including Directors representing employee shareholders) must not exceed one third of the Board's members.
- The employment contract of a Director shall not be automatically terminated when his term of office as a Director expires or if he is removed from office.
- 14.8. If the report presented by the Board at the Annual General Meeting in accordance with article L.225-102 of the French Commercial Code shows that the shares held by employees of the Company – or of companies related to it within the meaning of article L.225-180 of said Code – represent more than 3% of the share capital, then two Directors representing employee shareholders shall be elected at an Ordinary General Meeting in accordance with the terms and conditions set down in the applicable laws and regulations as well as in these bylaws. This requirement shall not, however, apply if the Board's members already include (i) one or more Directors who are employee representative members of the Supervisory Board of a corporate mutual fund or (ii) one or more employee Directors elected in application of article L.225-27 of the French Commercial Code.

Prior to the Ordinary General Meeting at which Directors representing employee shareholders are to be elected, the Chairman of the Board of Directors shall contact the Supervisory Boards of the corporate mutual funds set up as part of the Group's employee share ownership program – whose investments mainly comprise shares in the Company – in order to carry out a consultation procedure with the employee shareholders in accordance with the conditions set down in these bylaws.

Candidate Directors representing employee shareholders shall be selected as follows:

- When the voting rights attached to the shares held by the employees concerned are exercised on their behalf by the members of the Supervisory Board of a corporate mutual fund, said Supervisory Board may select two candidates from among its members who represent employees. When there are several corporate mutual funds, the Supervisory Boards of these funds may agree together to present two joint candidates, selected from among all of their members representing employees.
- When the voting rights attached to the shares held by the employees concerned are exercised directly by the employees, candidates may be selected through consultation procedures organized by the Company. These consultations, which must be preceded by calls for candidates, may be organized by the Company using any technical means that offer a secure voting process, including electronic or postal voting systems. In order to be eligible, candidate applications must be presented by a group of shareholders representing at least 5% of the shares held by employees who exercise their voting rights directly.

A special-purpose electoral committee set up by the Company may be tasked with ensuring that the overall process is properly conducted.

The only candidates submitted for election at the Ordinary General Meeting shall be the two candidates presented either by the Supervisory Boards of the corporate mutual funds or by the groups of employee shareholders as described above.

The reports presenting the candidates drawn up by the Supervisory Boards of the corporate mutual funds or by the special-purpose electoral committee must be given to the Board of Directors at least eight days before it meets to approve the resolutions to be proposed at the Annual General Meeting at which Directors representing employee shareholders will be elected.

In order to be valid, each candidate file put forward must include a proposed position holder and a deputy. The deputy, who must meet the same eligibility criteria as the position holder, will be appointed by the Board of Directors to replace the representative elected at the Annual General Meeting in the event that this representative has to terminate his duties before the end of his term of office. Any such appointment by the Board would be subject to ratification at the following General Shareholders' Meeting.

If the deputy Director representing employee shareholders also has to step down before the end of his term, in order to ensure that employee shareholders continue to be represented, the Chairman of the Board of Directors shall request the body that originally presented the candidate (i.e., the Supervisory Board of the corporate mutual fund or the group of employee shareholders) to select a new candidate Director to be put forward for election at the following Shareholders' Meeting.

Any terms and conditions for selecting candidates that are not provided for in the applicable laws and regulations or in these bylaws shall be determined by the Chairman of the Board of Directors, notably the timeframe for the candidate selection process.

Directors representing employee shareholders shall be elected at an Ordinary General Meeting in accordance with the same conditions as for electing other Directors.

Directors who represent employee shareholders shall not be included for the purpose of determining the minimum and maximum number of Directors referred to in Article 14.1 above.

Directors representing employee shareholders shall be elected for a five-year term, expiring at the close of the Ordinary General Meeting held during the year in which their term expires in order to approve the financial statements for the previous year. However, the term of a Director representing employee shareholders shall automatically be terminated and the Director shall be deemed to have resigned if he ceases to be either (i) an employee of the Company (or of a company or inter-company partnership related to the Company within the meaning of article L.225-180 of the French Commercial Code), or (ii) a shareholder (or member of a corporate mutual fund holding shares in the Company).

If a position of Director representing employee shareholders falls vacant for any reason, it shall be filled in accordance with the conditions described above, and the new Director shall be elected by shareholders in an Ordinary General Meeting for the remainder of his predecessor's term of office. In such a case, the Board of Directors may meet and validly conduct business until the new Director(s) representing employee shareholders is/are replaced.

The provisions set out in the first paragraph of Article 14.8 above shall cease to apply if, at the end of a fiscal year, the above-mentioned report drawn up in accordance with article L.225-102 of the French Commercial Code shows that the shares held by employees of the Company – or of companies related to it within the meaning of article L.225-180 of said Code – represent less than 3% of the share capital. However, the term of office of Directors representing employee shareholders elected in application of the first paragraph of Article 14.8 above shall continue to run until their expiry date.

The provisions of Article 14.5 relating to the number of the Company's shares that must be held by a Director shall not apply to Directors representing employee shareholders. However, each such Director shall be required to hold – either individually or through a corporate mutual fund set up as part of the Group's employee share ownership program – at least one share or a number of units in the fund equivalent to at least one share.

Article 15 – Organization of the Board of Directors

15.1. The Board of Directors shall appoint from among its members a Chairman who must be an individual.

The Board shall determine the compensation payable to the Chairman in addition to his portion of the aggregate amount of attendance fees paid to Board members.

The Chairman shall be appointed for a term not to exceed his term as a Director. He may be re-elected and may be removed from office at any time by the Board.

The age limit for acting as Chairman of the Board shall be set at seventy-five. Consequently, no Director may be appointed as Chairman if he has already reached the age of seventy-five and if a Chairman in office reaches this age he shall be deemed to have resigned from his position at the close of the Annual General Meeting following his seventy-fifth birthday.

15.2. The Chairman of the Board of Directors shall be responsible for organizing and managing the work of the Board and shall report thereon to shareholders at the Annual General Meeting. He shall also be tasked with ensuring that the Company's corporate governance structures function effectively and that Directors are in a position to properly perform their duties.

15.3. The Board of Directors may appoint from among its members a Vice-Chairman who must be an individual.

If the Board decides to appoint a Vice-Chairman his term of office must not exceed his term as a Director. He may be re-elected and may be removed from office at any time by the Board.

The age limit for acting as Vice-Chairman of the Board shall be seventy-five. Consequently, no Director may be appointed as Vice-Chairman if he has already reached the age of seventy-five and if a Vice-Chairman in office reaches this age he shall be deemed to have resigned from his position as Vice-Chairman at the close of the Annual General Meeting following his seventy-fifth birthday.

The Vice-Chairman shall replace the Chairman if he is temporarily unable to perform his duties or in the event of the Chairman's death. In the case of temporary absence, the Vice-Chairman shall stand in for the Chairman until the Chairman is once again able to perform his duties, and in the event of the Chairman's death the Vice-Chairman shall act as Chairman until a new Chairman is elected.

As an exception to the above, a Vice-Chairman must be appointed if the same person holds the positions of Chairman and Chief Executive Officer.

15.4. The Board of Directors may appoint a Secretary of the Board, who need not be a Director or a shareholder.

15.5. The Board of Directors shall set up an Audit and Risk Committee, whose members must be Directors. The Board may also set up other specialist committees tasked with examining issues submitted to them for their opinion by the Board of Directors or its Chairman, notably concerning nominations, compensation, strategy and major projects.

The membership structure, operating procedures, and the roles and responsibilities of these committees shall be set down in the Board of Directors' Internal Rules.

Article 16 – Term of Office – Age Limit

- 16.1. Directors shall be elected for a five-year term, except as provided otherwise in the laws and regulations applicable in the case of provisional directorship appointments. Their duties shall cease at the close of the Ordinary General Meeting held during the year their term of office expires to approve the financial statements for the previous year.
- 16.2. Directors may be re-elected.
- 16.3. Notwithstanding the provisions set out in Articles 16.1 and 16.2 above:
- The number of Directors (both individuals and permanent representatives of legal entities) over the age of seventy may not exceed one quarter of the total number of Directors in office, rounded up to the nearest whole number where appropriate.
 - No Director over the age of seventy may be elected if such election would raise the number of Directors over the age of seventy to more than one quarter of the total number of Directors in office, rounded up to the nearest whole number where appropriate.
 - If the number of Directors over the age of seventy exceeds one quarter of the total number of Directors in office, and if no Director over the age of seventy resigns, the oldest Board member shall automatically be deemed to have resigned.
- 16.4. By way of an exception to the provisions contained in Article 16.1 above, the following terms of office shall be set at the Annual General Meeting to be held on April 21, 2011 for the sole purpose of implementing a staggered election system for Board members:
- The terms of Directors who were members of the Company's Supervisory Board during the twelve months preceding the April 21, 2011 Annual General Meeting shall be set at two years. This term shall apply for individuals as well as permanent representatives of legal entities and State representatives, even in the event of a change in these representatives during the term of office concerned.
 - The terms of Directors who were not members of the Company's Supervisory Board during the twelve months preceding the April 21, 2011 Annual General Meeting shall be set at four years for one third of these Directors and at six years for the remaining two thirds, with lots drawn to decide which term will apply for each Director.

Article 17 – Directors' Compensation

- 17.1. At the Annual General Meeting, the Company's shareholders shall set an annual aggregate amount of attendance fees, effective for the current year and subsequent years until the shareholders decide otherwise.
- 17.2. The Board of Directors shall allocate the attendance fees among its members as it deems fit, in accordance with the rules set out in the Board's Internal Rules. It may allocate a higher portion of fees to the Board Chairman and members of the committees referred to in Article 15.5 above and in the Board's Internal Rules.
- 17.3. The Board of Directors may award exceptional fees to Directors as compensation for specific tasks or assignments undertaken at the Board's request.

Article 18 – Operating Procedures of the Board of Directors

- 18.1. This Article sets out the main operating procedures of the Board of Directors, which are described in further detail in a set of Internal Rules drawn up by the Board of Directors itself.
- 18.2. The Board of Directors shall meet as often as required in the interests of the Company and at least four times a year. Meetings shall be called by the Chairman, or if he is unable to do so, by the Vice-Chairman.
- 18.3. If the Board has not met for more than two months, a group of at least one third of the Directors may ask the Chairman to call a meeting to discuss a specific agenda.
- The Chief Executive Officer or the Chief Operating Officer(s) may also request that the Chairman call a Board meeting to consider a specific agenda.
- In both of these cases the Chairman is required to call a Board meeting within seven days of receiving the request (or within a shorter timeframe in the event of urgency).
- 18.4. Notices to Board meetings may be issued in writing by any appropriate method, at least ten calendar days prior to the scheduled meeting date. This notice period may, however, be reduced in the event of urgency, which must be duly justified.
- The Board may validly hold a meeting without notice if all of its members are present or represented.
- Board meetings shall be held at the Company's registered office, or at any other venue stated in the Notice of Meeting.
- 18.5. Directors may give written proxy to another Director to represent them at Board meetings, provided that no Director holds more than one proxy at any single meeting.

- 18.6. Board meetings shall only be validly constituted if at least half of the Directors are present.
- 18.7. Directors who participate in Board meetings by videoconference or any other telecommunications media that comply with the technical criteria set in the applicable laws and regulations shall be considered as being physically present for the purposes of calculating the quorum and voting majority, in accordance with the terms and conditions set out in the Board of Directors' Internal Rules.
- 18.8. Decisions of the Board of Directors shall be made based on a majority vote of the members attending or represented.
In the event of a split decision, the Chairman shall have the casting vote.
- 18.9. Board meetings shall be chaired by the Chairman of the Board of Directors or, in his absence, by the Vice-Chairman.
If both the Chairman and Vice-Chairman are absent the Board shall appoint one of its members to chair the meeting.
- 18.10. An attendance register shall be kept at all Board meetings which shall be signed by all Board members attending personally or representing another Director by proxy.
- 18.11. Issues discussed in Board meetings shall be recorded in minutes, which shall be signed by the Chairman of the meeting and at least one other participating Director and shall be kept in a special register. If the Chairman of the meeting is unable to sign the minutes they shall be signed by at least two Directors.

Article 19 – Powers of the Board of Directors

- 19.1. The Board of Directors shall determine the Company's overall business strategy and oversee its implementation. Except for those powers directly vested in shareholders, the Board shall be responsible for dealing with all matters concerning the efficient running of the Company and for making all related decisions, within the scope of the Company's corporate purpose.
- 19.2. Subject to the applicable laws and regulations and the terms and conditions set out in the Board of Directors' Internal Rules the roles and responsibilities of the Board of Directors shall include, but shall not be limited to:
- calling the Annual Shareholders' Meeting and drawing up its agenda;
 - approving the Group's annual budget presented by the Chief Executive Officer as well as any amendments thereto;
 - approving the Group's medium-term business plan;
 - approving the financial statements of the Company and the Group and drawing up the annual management report;
 - authorizing related-party agreements governed by article L.225-38 of the French Commercial Code;
 - selecting the Company's management structure in accordance with Articles 21.1 and 21.4 of these bylaws;
 - appointing and removing from office (i) the Chairman of the Board of Directors, and the Vice-Chairman (if any), and (ii) the Chief Executive Officer and, on the recommendation of the Chief Executive Officer, the Chief Operating Officer(s) (if any);
 - determining the powers of the Chief Executive Officer and, in agreement with the Chief Executive Officer, of the Chief Operating Officer(s) (if any);
 - appointing Directors prior to ratification by shareholders;
 - setting the compensation payable to (i) the Chairman of the Board of Directors and the Vice-Chairman (if any), and (ii) the Chief Executive Officer and the Chief Operating Officer(s) (if any);
 - appointing the members of the Audit and Risk Committee and the members of any other Board committees set up in accordance with the provisions of these bylaws and the Board of Directors' Internal Rules;
 - allocating attendance fees among the Board members, in accordance with the Board of Directors' Internal Rules;
 - approving the report of the Chairman of the Board of Directors on the organization of the Board's work and internal control and risk management procedures;
 - deciding on issues of debt securities not carrying rights to shares;
 - deciding whether to allocate compensation to any Board advisors;
 - giving the Chief Executive Officer authorization (which may be delegated) to grant guarantees and endorsements in the Company's name, setting an overall ceiling for each fiscal year and, where appropriate, a maximum amount per transaction;
 - Authorizing in advance any transactions that would result in exceeding the above-mentioned overall ceiling or maximum amount per transaction set by the Board.
- 19.3. In addition to the legal and regulatory requirements concerning prior authorizations that have to be obtained from the Board of Directors, a number of specific transactions also have to be approved by the Board before they can be carried out by the Chief Executive Officer or a Chief Operating Officer, as required by the internal procedures of the Company and Group. These transactions are listed in the Board of Directors' Internal Rules.
- 19.4. The Board of Directors shall perform any checks and controls that it deems appropriate. Each Director shall be provided with all the information required to carry out his duties and may request any documents he deems useful.

Board Advisors

Article 20 – Board Advisors

- 20.1. Shareholders in an Ordinary General Meeting may elect Board advisors to attend Board meetings in an advisory capacity. Board advisors may or may not be shareholders.
- 20.2. The number of Board advisors may not exceed two.
- 20.3. However, if the French State's interest in the Company's capital falls below 10%, the French State would automatically be entitled to appoint a Board advisor and the maximum number would be increased to three.
- 20.4. Board advisors shall be appointed for a four-year term but their office may be terminated at any time by shareholders in an Ordinary General Meeting. Their duties shall cease at the close of the Ordinary General Meeting held during the year their term of office expires to approve the financial statements for the previous year.
- 20.5. Board advisors may be re-elected.
- 20.6. Any Board advisor reaching the age of seventy shall be deemed to have resigned.
- 20.7. The roles and responsibilities of Board advisors as well as the terms and conditions of any compensation payable to them shall be set out in the Board of Directors' Internal Rules.

Executive Management

Article 21 – Forms of Management Structure

- 21.1. The Company's management shall be placed under the responsibility of either (i) the Chairman of the Board of Directors or (ii) another individual appointed by the Board, who shall hold the title of Chief Executive Officer and who may or may not be a Director.
- 21.2. The Board of Directors shall determine the duration of the Chief Executive Officer's term of office when he is appointed, subject to the provisions of Article 21.3 below.
- 21.3. If a Director holds the position of Chief Executive Officer he shall be deemed to have resigned as Chief Executive Officer on the expiry of his term as a Director.
- 21.4. The Board of Directors – voting in accordance with the quorum and majority rules set out in Article 18 above – shall be solely responsible for deciding whether to combine or separate the positions of Chairman and Chief Executive Officer. This management structure shall subsequently apply until decided otherwise by the Board.
- 21.5. If the Board decides to combine the positions of Chairman and Chief Executive Officer, all of the applicable laws and regulations and the following Articles of these bylaws concerning the Chief Executive Officer shall also apply to the Chairman.
- 21.6. Any change in the management structure of the Company shall not require an amendment to these bylaws.

Article 22 – Powers of the Chief Executive Officer

- 22.1. The Chief Executive Officer shall have the broadest powers to act in all circumstances in the Company's name.
- 22.2. The Chief Executive Officer shall exercise these powers within the scope of the Company's corporate purpose and subject to:
- the powers expressly vested by the applicable laws and regulations in Shareholders' Meetings and the Board of Directors;
 - and
 - any restrictions placed on his powers and any matters that require the prior approval of the Board of Directors in accordance with the Board of Directors' Internal Rules.
- 22.3. The Board of Directors shall be entitled to restrict the Chief Executive Officer's powers in certain circumstances, notably for specific transactions.
- 22.4. The Chief Executive Officer shall represent the Company in its relations with third parties.

The Company shall be bound by the actions of the Chief Executive Officer with respect to third parties even when they fall outside the scope of the corporate purpose, unless it can be proven that the third party knew, or under the circumstances could not have failed to know, that the action exceeded the corporate purpose.

Any restrictions placed on the powers of the Chief Executive Officer by these bylaws or a decision of the Board of Directors shall not be binding on third parties.

Article 23 – Chief Operating Officer(s)

23.1. At the proposal of the Chief Executive Officer, the Board of Directors may appoint up to three Chief Operating Officers (who may or may not be Directors) to assist the Chief Executive Officer in his duties.

23.2. In agreement with the Chief Executive Officer, the Board of Directors shall determine the scope and duration of the powers vested in the Chief Operating Officer(s).

The Chief Operating Officer(s) shall have the same powers as the Chief Executive Officer with respect to third parties.

Article 24 – Compensation

The Board of Directors shall determine the compensation payable to the Chief Executive Officer and the Chief Operating Officer(s).

Article 25 – Age Limit

25.1. The age limit for holding office as Chief Executive Officer or Chief Operating Officer shall be sixty-five.

25.2. No-one over the age of sixty-five may be appointed as Chief Executive Officer or Chief Operating Officer.

25.3. When the Chief Executive Officer or a Chief Operating Officer reaches the age of sixty-five during his term of office, he will be deemed to have resigned from his position at the close of the first Annual General Meeting held after the date of his sixty-fifth birthday.

Article 26 – Removal from Office and Prevention from Exercising the Duties of Chief Executive Officer

26.1. The Chief Executive Officer may be removed from office by the Board of Directors at any time.

The same applies to the Chief Operating Officer(s) following a recommendation by the Chief Executive Officer.

26.2. If the Chief Executive Officer ceases to perform his duties or is prevented from doing so, the Chief Operating Officer(s) shall remain in office and continue to exercise his/their responsibilities until a new Chief Executive Officer is appointed, unless otherwise decided by the Board of Directors.

When the Board appoints the new Chief Executive Officer it shall also decide whether or not the Chief Operating Officer(s) should remain in office, on the recommendation of the new Chief Executive Officer.

Chapter IV – General Shareholders' Meetings**General Provisions**

Article 27 – Effect of Shareholders' Decisions

27.1. Validly constituted General Shareholders' Meetings shall represent all of the Company's shareholders.

27.2. Any decisions taken by shareholders in General Meetings in accordance with the applicable laws and regulations and the provisions of these bylaws shall be binding on all shareholders, including any absent or dissenting shareholders and any that were incapable of voting.

Article 28 – Notice and Venue of General Shareholders' Meetings

28.1. General Shareholders' Meetings shall be called in accordance with the applicable laws and regulations.

28.2. General Shareholders' Meetings may be held at the Company's registered office or any other venue in mainland France stated in the Notice of Meeting.

Article 29 – Agenda

- 29.1. The agenda for General Shareholders' Meetings shall generally be determined by the person who issues the Notice of Meeting.
- 29.2. One or more shareholders representing the portion of the Company's capital required by the applicable laws and regulations may, however, ask for specific items or draft resolutions to be included in the agenda of a General Shareholders' Meeting.
- 29.3. Shareholders may not deliberate on any issues that are not included in the agenda of a General Meeting.
- However, as an exception to this rule, shareholders shall always be entitled to remove from office one or more members of the Board of Directors and elect their replacements.

Article 30 – Participating in General Shareholders' Meetings

- 30.1. All shareholders shall be entitled to participate in General Meetings, regardless of the number of shares they own.
- 30.2. All shareholders shall be entitled to vote at General Meetings in accordance with the terms and conditions set down by the applicable laws and regulations.
- Proxy/postal voting forms for General Shareholders' Meetings may be sent in paper form or, by decision of the Board of Directors published in the Notice of Meeting, by electronic mail in accordance with the applicable laws and regulations.
- Where a shareholder electronically submits a proxy or postal voting form, the shareholder's signature must be a secure electronic signature or a reliable identification procedure to ensure signature security, for example by registering a unique identification code and password.
- 30.3. Shareholders who have not paid up the amounts due on their shares within thirty days of a notice to pay issued by the Company shall not be entitled to participate in General Shareholders' Meetings and the shares concerned shall be deducted from the total of the Company's outstanding shares for the purposes of calculating the quorum.

Article 31 – Organization of General Shareholders' Meetings**Officers and Secretary of General Shareholders' Meetings**

- 31.1. General Shareholders' Meetings shall be chaired by the Chairman of the Board of Directors or, in his absence, by a Director specifically authorized to act in this capacity by the Board of Directors.
- Failing this, the Meeting shall elect its own Chairman.
- 31.2. The role of Scrutineer (*scrutateur*) of the Meeting shall be carried out by the two shareholders present who hold the largest number of voting rights and who agree to act in this capacity.
- 31.3. The Meeting officers shall appoint a Secretary who does not need to be a shareholder.
- 31.4. An attendance sheet shall be kept at each General Shareholders' Meeting, which shall be duly signed by the participants and certified as accurate by the Meeting officers.

Minutes

- 31.5. Minutes of General Shareholders' Meetings shall be drawn up in accordance with the applicable laws and regulations.
- 31.6. The minutes shall be signed by the Meeting officers. Copies or excerpts of the minutes shall be certified by the Chairman of the Board of Directors or by the Secretary of the Meeting concerned.

Voting Rights

- 31.7. Each shareholder shall have a number of votes corresponding to the number of shares held or represented by proxy, unless otherwise provided for in the applicable laws or regulations.
- 31.8. However, all fully paid-up shares registered in the name of the same holder for at least two years as at the date of the General Shareholders' Meeting shall carry double voting rights.
- 31.9. In the event of a capital increase paid up by capitalizing retained earnings, profits or additional paid-in capital, the registered bonus shares allocated in respect of shares carrying double voting rights shall also carry double voting rights.
- 31.10. Double voting rights shall be forfeited if registered shares are converted into bearer shares or transferred. However, registered shares shall not be stripped of double voting rights and the qualifying period shall continue to run following a transfer of shares included in the estate of a deceased shareholder, or in connection with the settlement of the marital estate, or an inter vivos gift to a spouse or a relative in the direct line of succession.

31.11. Any merger or demerger of the Company shall have no impact on double voting rights, which may be exercised in the surviving company if its bylaws so provide.

Ordinary General Meetings

Article 32 – Quorum – Majority

32.1. Ordinary General Meetings held on first call shall only be validly constituted if the shareholders present or represented hold at least one fifth of the Company's voting rights.

32.2. An Ordinary General Meeting held on second call shall be validly constituted irrespective of the number of shares held by shareholders present or represented.

32.3. Resolutions shall be adopted by a straight majority of the votes cast by shareholders present or represented at Ordinary General Meetings.

Article 33 – Powers

33.1. Shareholders in Ordinary General Meetings may discuss and vote on any matters that are not exclusively reserved for Extraordinary General Meetings.

33.2. Shareholders in Ordinary General Meetings may notably:

- hear the reports of the Board of Directors and the Statutory Auditors;
- discuss, approve, amend or reject the annual financial statements of the Company and the Group, determine the dividends to be paid and set the sums to be appropriated to retained earnings;
- decide to set up any reserves and determine any deductions from or distributions to be made out of such reserves;
- set the aggregate amount of attendance fees to be allocated by the Board among its members in accordance with the Board of Directors' Internal Rules;
- elect or re-elect Directors or remove them from office;
- ratify provisional directorship appointments made by the Board of Directors;
- appoint the Statutory Auditors and approve any special reports drawn up by said Auditors in accordance with the law.

Extraordinary General Meetings

Article 34 – Quorum – Majority

34.1. Extraordinary General Meetings shall only be validly constituted if the shareholders present or represented hold at least (i) one quarter of the Company's voting rights for a meeting held on first call, or (ii) one fifth of the voting rights on second call.

34.2. Resolutions shall be adopted by a two-thirds majority of the votes cast by shareholders present or represented at Extraordinary General Meetings.

34.3. In Extraordinary General Meetings held to approve a transfer of assets or the granting of specific benefits, if the transferor or beneficiary is a shareholder of the Company, said shareholder shall not be entitled to vote on the related resolutions, either directly or as a proxy, and his shares shall not be taken into account for the purposes of calculating the quorum and majority.

Article 35 – Powers

35.1. Shareholders in an Extraordinary General Meeting may amend any of the provisions of the Company's bylaws and may decide to convert the Company into a different legal form, subject to the requirement specified in Article 35.2 below.

35.2. The unanimous approval of all shareholders shall be required in order to make any decisions that increase shareholders' commitments or affect the equality of their rights.

Chapter V – Annual Financial Statements – Appropriation of Profit – Statutory Auditors

Article 36 – Fiscal Year

36.1. The Company shall keep proper accounts of its operations in accordance with the applicable laws and regulations.

36.2. The Company's fiscal year shall begin on January 1 and end on December 31 of each calendar year.

Article 37 – Annual Financial Statements

At the end of each fiscal year, the Board of Directors shall prepare financial statements for the Company and, where appropriate, the Group, in accordance with the applicable laws and regulations.

Article 38 – Appropriation of Profit

- 38.1. Shareholders at the Annual General Meeting shall have full discretionary powers to decide on the appropriation of profit available for distribution (as defined by the applicable laws and regulations), except for the appropriations required by law
- 38.2. In accordance with the applicable laws and regulations, the Annual General Meeting may also decide to offer shareholders the option of receiving all or part of the dividend or any interim dividend in the form of shares.
- 38.3. The Board of Directors shall have the power to pay an interim dividend before the annual financial statements are approved, as provided for by the applicable laws and regulations.
- 38.4. No dividends may be paid if the Company's equity represents – or would represent after the planned dividend payment – less than half of its share capital plus any reserves which, according to the law or the bylaws, are not available for distribution.

Article 39 – Statutory Auditors

- The Company's financial statements shall be audited by either one or two Statutory Auditors, backed by one or two alternate Auditors, who shall be appointed and carry out their engagement in accordance with the applicable laws and regulations.

Chapter VI – Winding up the Company – Liquidation – Dispute Resolution**Article 40 – Equity that has Fallen to Below Half of the Company's Share Capital**

- 40.1. If, as a result of losses recorded in the accounts, the Company's equity falls to below half of the share capital, the Board of Directors shall call an Extraordinary General Meeting in order to decide if the Company should be wound up in advance of term. Said Meeting must be called within four months of the approval of the accounts in which the losses concerned are recorded.
- 40.2. If the shareholders resolve not to wind up the Company in advance of term, its equity must be restored to an amount representing at least half of its share capital by the end of the second year following the year during which the above-mentioned losses were recorded. If the Company's equity is not restored to such a level within this timeframe, subject to the applicable laws and regulations, the Company must reduce its capital by an amount at least equal to the amount of any losses that could not be offset against reserves.
- 40.3. In both of these cases, the resolution adopted at the Extraordinary General Meeting shall be published in accordance with the applicable laws and regulations.

Article 41 – Winding up in Advance of Term – Extension of Term

- 41.1. Shareholders in an Extraordinary General Meeting may resolve to wind up the Company in advance of term at any time.
- 41.2. The Board of Directors shall call an Extraordinary General Meeting at least one year prior to the expiration of the Company's term in order for the shareholders to decide if said term should be extended.

Article 42 – Winding up the Company – Liquidation

- 42.1. Upon expiration of the Company's term or in the event that the Company is wound up in advance of term, shareholders in a General Meeting shall decide on the method of liquidation and shall appoint one or more liquidators and determine their powers and compensation.
- 42.2. The appointment of the liquidator(s) shall automatically result in the termination of the duties of the Directors, the Chairman of the Board of Directors, the Chief Executive Officer and the Chief Operating Officer(s).
- 42.3. Shareholders in General Meetings shall retain the same powers throughout the duration of the liquidation process.
- 42.4. The net proceeds of the Company's liquidation after all of the liabilities have been settled shall be used in priority to settle the amount of the Company's paid-up unredeemed shares, with the surplus divided between all shareholders in proportion to the shares held.
- 42.5. At the end of the liquidation process a General Shareholders' Meeting shall be called to approve the final accounts, as well as to give the liquidator(s) discharge for the performance of their duties and to place on record the completion of the liquidation. Notice of completion of the liquidation shall be published as provided for by law.

Article 43 – Dispute Resolution

The Commercial Court in the town where the Company's registered office is located shall have exclusive jurisdiction over any claims or disputes concerning the interpretation or performance of these bylaws or the Company's affairs in general that may arise during the Company's term or during the liquidation process, either (i) between shareholders and the Company, its Directors, Board advisors or Statutory Auditors, (ii) between the Company and its Directors, Board advisors or Statutory Auditors, or (iii) between the shareholders themselves.

AMENDMENTS TO THE NEW BYLAWS

If the shareholders adopt the new bylaws set out above they will also be asked to vote on a specific resolution (the seventh resolution) in order to amend Article 31 of the new bylaws by adding the following new Article:

Restriction on Voting Rights

By way of an exception to the provisions of Articles 31.7 and 31.8 above, no shareholder at a given General Meeting may exercise more than 30% of the total voting rights attached to all of the Company's shares. The voting rights exercised by a shareholder for this purpose shall include the voting rights exercised directly by the shareholder himself and in the capacity as proxy for another shareholder that are attached to shares (i) that he holds directly or indirectly and (ii) that are owned by another shareholder for which he is acting as proxy.

For the purposes of these provisions:

- The total number of voting rights attached to the Company's shares taken into account shall be calculated as at the date of the General Shareholders' Meeting concerned and the shareholders shall be informed thereof at the start of the Meeting.
- The number of voting rights held directly or indirectly shall mean those voting rights attached to shares held by (i) a private individual, either personally or as part of jointly-owned property, or (ii) a company, group of entities, association or foundation, as well as voting rights attached to shares held by a company that is controlled – within the meaning of article L.233-3 of the French Commercial Code – by a company, private individual, association, group of entities or foundation.
- The restrictions set out above shall not include voting rights exercised by the Chairman of a General Shareholders' Meeting when said voting rights are (i) attached to shares for which a proxy form has been returned to the Company without any named proxy, and (ii) do not individually infringe the specified restrictions.

The above-mentioned restrictions shall not affect the calculation of the total number of voting rights – including double voting rights – attached to the Company's shares and which must be taken into account for the application of any legal or regulatory provisions or the provisions of these bylaws that set out specific obligations based on the number of the Company's outstanding voting rights or the number of shares with voting rights attached.

The restrictions provided for in this Article shall automatically become null and void, without the requirement for a new decision by shareholders in an Extraordinary General Meeting, in the event that an individual or entity – acting alone or in concert with one or more other individuals or entities – acquires an interest in the Company representing two-thirds of the Company's capital or voting rights following a public tender offer for all of the Company's shares. In such a case, the Board of Directors shall place on record that the above-mentioned restrictions are null and void and shall amend the bylaws accordingly.

THE SAFRAN GROUP

IN 2010

ADJUSTED 2010 KEY FIGURES

<i>(in € millions)</i>	2009 restated	2010
Revenue	10,448	10,760
Recurring operating income	729	878
% of revenue	7.0%	8.2%
Profit from operations	698	865
Profit for the period attributable to owners of the parent	395	508
Earnings per share <i>(in €)</i>	0.99	1.27

Adjusted data.

Definitions

2009 restated

In light of changes in the definition and presentation of adjusted data at June 30, 2010, the adjusted income statement for full-year 2009 has been restated in order to provide comparable data for future results. These restatements aim to meet investors' expectations and provide better transparency.

In the first half of 2010, the Group decided to restate the impacts of purchase price allocation entries for all material business combinations (especially those related to acquisitions in the Security business) and not only those related to the Sagem-Snecma merger.

Accordingly, the adjusted income statement for full-year 2009 to be used as a basis for comparison in future periods, has been restated for the impacts of purchase price allocation entries for all material business combinations (especially in the Security business).

Adjusted data

To reflect the Group's actual economic performance and enable it to be monitored and benchmarked against competitors, Safran prepares an adjusted income statement alongside its consolidated financial statements.

The Group's income statement is adjusted for the impact of:

- purchase price allocations with respect to material business combinations. Since 2005, this adjustment has concerned the amortization charged against intangible assets relating to aviation programs that were revalued at the time of the Sagem-Snecma merger. With effect from the 2010 interim financial statements, the Group decided to restate the impact of purchase price allocations for all material business combinations (and not only those relating to the Sagem-Snecma merger). 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;
- the mark-to-market of foreign currency derivatives, in order to better reflect the economic substance of the Group's overall currency risk hedging strategy:
 - revenue net of purchases denominated in foreign currencies is measured using the exchange rate effectively obtained over the period, including the costs of the hedging strategy,
 - all changes in the fair value of hedging instruments not yet settled at year-end are neutralized, including the ineffective portion of such hedges, with effect from the publication of the 2009 financial statements, given that the Group's hedging strategy includes options and derivative optimization measures and in light of the volatility of market inputs used to determine fair value.

Recurring operating income

To make the Group's operating performance more transparent, Safran includes an intermediate operating indicator known as "Recurring operating income" in its reporting.

This sub-total excludes income and expenses which are largely unpredictable because of their unusual, infrequent and/or material nature, such as:

- impairment losses recognized against goodwill, impairment losses or reversals of impairment losses recognized against intangible assets relating to programs, projects or product families as a result of an event that substantially alters the economic profitability of such programs, projects or product families (e.g., negotiated sales agreements or changes in production processes);
- capital gains and losses on disposals of operations;
- other unusual and/or material items not directly related to the Group's ordinary operations.

2010 BUSINESS REVIEW

Safran delivered a solid operating performance in 2010, exceeding the three objectives it had set for the year. **Revenue** climbed 3.0% year-on-year from €10,448 million to €10,760 million, with the proportion of revenue generated by aircraft services increasing to 50.1% for Aerospace Propulsion and 31.3% for Aircraft Equipment. **Recurring operating income** outperformed forecasts, coming in at €878 million for 2010, or 8.2% of revenue versus a target of 8% for the year. Profit from operations totaled €865 million (8.2% of revenue), after taking into account non-recurring items for €13 million recognized in 2010 in respect of business combination expenses (HCM, L-1 Identity Solutions, SME, etc.).

The Group's customers showed renewed confidence in its technologies and products during the year. CFM and Safran were selected by Airbus to fit the LEAP-X engine and nacelle to the new A320neo, the first equipment suites for the FELIN infantry system were delivered to the French armed forces, and India used the Group's leading-edge biometric technology to assign an individual secure ID number to one and a half million inhabitants. Safran also carried out strategic transactions that it expects to finalize in 2011 pending government approval. The transactions include (i) the acquisition of SNPE Matériaux Énergétiques aimed at creating an integrated entity specializing in solid propulsion, and (ii) L-1 Identity Solutions, in order to cement the Group's worldwide leadership in the biometric solutions market.

At end-2010, the CFM56 backlog represented 6,263 engines, or around five years of production.

Profit for the period attributable to owners of the parent rose 29% year-on-year based on restated figures to €508 million, representing earnings per share of €1.27.

The Group's financial position improved significantly. There was a **surplus cash position** of €24 million at December 31, 2010 compared to a net debt position of €498 million at December 31, 2009. The improved financial position reflects the higher level of **free cash flow** (€934 million) generated in 2010, driven by strong profitability gains and a fall in working capital requirement. The performance also reflects the Group's ability to generate cash over the long term.

REVENUE AND RESULTS BY ACTIVITY

Revenue (in € millions)	2009 restated	2010
Aerospace Propulsion	5,673	5,604
Aircraft Equipment	2,767	2,834
Defence	1,061	1,240
Security	904	1,041
Holding company and other	43	41
Total	10,448	10,760

Recurring operating income (in € millions)	2009 restated	2010
Aerospace Propulsion	628	663
Aircraft Equipment	73	127
Defence	9	55
Security	86	128
Holding company and other	(67)	(95)
Total	729	878

Aerospace Propulsion

Revenue for 2010 fell 1.2% year-on-year (down 3.1% like-for-like), to €5,604 million from €5,673 million in 2009. Revenue was boosted by fast-paced growth of service activities for military engines, leading-edge high-thrust civil engines and helicopters. However, weak sales of spare parts for the CFM56 aircraft during the first half of the year weighed heavily on the revenue performance. Original equipment deliveries dropped slightly across virtually all civil and military Aerospace Propulsion activities. Deliveries of new CFM56 engines remained largely stable year-on-year, at 1,251 units. Following the success of the Farnborough and Zhuhai air shows, 1,583 orders were taken for the CFM56 engine, a two-fold increase on 2009.

Over the year as a whole, service revenue as a proportion of total Aerospace Propulsion revenue was up 50.1%, buoyed by a strong contribution from services for military engines and helicopters, and for leading-edge high-thrust civil engines. This demonstrates both the potential of our in-service installed engine base (currently around 21,000 CFM56 engines) and the growing maturity of this fleet which generates substantial spare parts revenue.

The overall number of **orders** recorded during the year surged 19% compared to 2009.

Recurring operating income for 2010 came in at €663 million (11.8% of revenue), up 5.6% compared to €628 million in 2009 (11.1% of revenue) based on restated figures. The sharp improvement in performance despite a deterioration in the market for CFM56 engine services reflects vigorous sales of spare parts for military engines and leading-edge high-thrust civil engines, as well as unit price increases in engines for new aircraft (i.e., original equipment). Performance was also driven by the Safran+ cost-cutting program and by productivity gains (supply chain, lean manufacturing). Currency fluctuations had a slight negative impact on earnings.

The Group is playing an active role in the current shake-out of the market for solid propellant engines through its tie-up with state-owned SNPE Matériaux Énergétiques (SME). This transaction was agreed in principle by the French government and will lead to Group subsidiary Snecma Propulsion Solide and to SME merging within a single Safran-owned entity. The development and production of solid propulsion engines will therefore be merged with the development and production of the underlying propellants.

Aircraft Equipment

The Aircraft Equipment business posted **revenue** totaling €2,834 million in 2010, up 2.4% year-on-year (€2,767 million). Like-for-like, revenue for the business remained stable. Revenue growth was driven by an increase in billings, although this was less than forecast for certain programs—namely landing and wiring systems for the Boeing B787. However, this upward momentum was slightly offset by a contraction in deliveries of large nacelles (74 units for the A380 in 2010, versus 84 in 2009, with the A340 program terminated during the year). Deliveries of small nacelles remained stable.

Over 2010 as a whole, service revenue as a proportion of total Aircraft Equipment revenue slipped from 31.8% to 31.3%.

The overall number of **orders** recorded during the year surged 35% compared to 2009.

Recurring operating income for 2010 came in at €127 million (4.5% of revenue), up 74% compared to €73 million in 2009 (2.6% of revenue) based on restated figures. The increase largely reflects a fledgling recovery in the nacelles business, thanks chiefly to the sharp fall in manufacturing costs for the A380, better commercial conditions and a favorable product mix. The nacelles business reached operating break-even in fourth-quarter 2010. Advances in the Aircraft Equipment business were also driven by a strong performance from Messier Services (maintenance and repair of landing gear).

Labinal Salisbury (formerly Harvard Custom Manufacturing) was consolidated over one month in 2010.

Defence

The Defence business reported **revenue** of €1,240 million in 2010, up 17% year-on-year (up 12.4% on a like-for-like basis). This performance was mainly driven by growth of more than 30% in the optronics business on the back of a robust backlog (FELIN integrated equipment suites for the French armed forces, long-range infrared goggles for French and export markets). However, this upward momentum was dampened by a slight contraction in the avionics sector, spurred by a fall in volumes of flight control systems for helicopters and regional jets.

After an exceptional year in 2009, **orders** taken by the Defence business fell 29% in 2010, although they remained at around the same level as 2010 revenue.

Recurring operating income for 2010 came in at €55 million (4.4% of revenue), compared to €9 million in 2009 (0.8% of revenue) based on restated figures. The 2009 figure had been hit by a €35 million loss on completion under the A400M navigation systems program. The improvement in 2010 was also powered by significant earnings growth for the optronics business. In contrast, the avionics business saw a fall in volumes for flight control systems.

Security

The Security business delivered a 15.2% increase in **revenue year-on-year**, up to €1,041 million. Like-for-like, revenue slipped 6%. The like-for-like decrease stems from the expected fall in revenue under the identification solutions contract in Côte d'Ivoire. Excluding the impacts of this contract, like-for-like revenue climbed 7% in 2010, boosted by a positive impact from changes in exchange rates for the Brazilian real and Australian dollar. The smart card business reported double-digit volume growth, partly offset by a less attractive pricing environment.

The overall number of **orders** recorded during the year surged 18% compared to 2009.

Recurring operating income for 2010 came in at €128 million (12.3% of revenue), up 49% compared to €86 million in 2009 (9.5% of revenue) based on restated figures. Growth in recurring operating income was powered by recently acquired businesses and by a strong performance from identification businesses in emerging countries, which offset the adverse impact of the contract in Côte d'Ivoire. The smart card business saw higher volumes and a fall in production costs that exceeded the decline in unit prices. The Group continued to expand its footprint in India, and successfully issued the first 12-digit UIDAI identification number in summer 2010. Since then, one and a half million inhabitants have been assigned a unique ID number using a dual biometric security system.

In 2010, the Group signed an agreement with the leading US firm L-1 Identity Solutions. Under this agreement and pending approval by the US administration and the fulfillment of certain conditions precedent, Safran will pay a total of US\$1.09 billion to acquire the company along with its secure credentialing solutions, biometric and enterprise access solutions and enrollment services businesses.

OUTLOOK FOR 2011

The outlook for 2011 does not take into account contributions from the acquisitions of L-1 Identity Solutions and SME, which are due to be finalized once the final government approvals have been obtained.

Given the expected recovery of CFM engine services and original equipment deliveries along with a favorable USD hedging policy, the 2011 outlook is for:

- revenue growth of at least 5% (based on an average spot exchange rate of US\$1.33 for one Euro);
- recurring operating income growth of at least 20% (based on a target hedging rate of US\$1.38 for one Euro);
- free cash flow representing around one-third of recurring operating income, taking into account the forecast rise in working capital requirement (following particularly favorable conditions at the end of 2010) and R&D investments.

These forecasts are based on the following underlying assumptions:

- a rise of between 10% and 15% in civil aviation services;
- a sharp rally in original equipment deliveries in the Aerospace sector;
- a cautious short-term approach with respect to A380 and B787 programs;
- a rise in R&D expenditure (net impact of over €50 million on the income statement and of more than €200 million on cash, particularly in connection with the development of the LEAP-X engine);
- robust profitable growth for the Security business;
- continued implementation of the Safran+ initiatives to enhance profitability and cut overheads.

2011 should mark another big step towards Safran's goal of a double-digit recurring operating margin by 2012. The Group's performance in 2011-2014 will be underpinned by more favorable currency hedging conditions, high growth potential for services provided in connection with new-generation aerospace products, ongoing development in the Security business, and the expected worldwide recovery of the original equipment business in the Aerospace industry.

FIVE-YEAR FINANCIAL SUMMARY

<i>(in €)</i>	2006	2007	2008	2009	2010
Capital at December 31					
Share capital	83,405,917	83,405,917	83,405,917	83,405,917	83,405,917
Number of ordinary shares outstanding	417,029,585	417,029,585	417,029,585	417,029,585	417,029,585
Financial results					
Net profit before tax, statutory employee profit-sharing, depreciation, amortization and provisions	224,572,080	278,589,207	404,777,762	259,026,592	460,950,316
Income tax expense	(118,622,179)	(125,473,595)	(189,316,880)	(130,569,281)	(81,337,666)
Statutory employee profit-sharing for the fiscal year	5,288,647	1,467,529	0	0	0
Net profit after tax, statutory employee profit-sharing, depreciation, amortization and provisions	216,429,174	204,555,304	151,150,969	249,519,112	497,099,621
Dividend payment	91,746,509	166,811,834	100,087,100	158,471,242	208,514,793
Per share data					
Net profit after tax and statutory employee profit-sharing but before depreciation, amortization and provisions – divided by the number of shares outstanding	0.81	0.97	1.42	0.93	1.30
Net profit after tax, statutory employee profit-sharing, depreciation, amortization and provisions – divided by the number of shares outstanding	0.52	0.49	0.36	0.60	1.19
Net dividend:					
Net dividend per ordinary share outstanding	0.22	0.40	0.25	0.38	0.50
Employees					
Average number of employees during the fiscal year	374	391	403	426	475
Total payroll	46,674,831	50,594,640	51,314,080	52,628,948	64,261,911
Social security and other social welfare contributions	22,686,116	22,080,412	21,184,366	23,727,951	31,003,789

REQUEST FOR ADDITIONAL DOCUMENTS AND INFORMATION

Article R.225-83 of the French Commercial Code ⁽¹⁾

Ordinary and Extraordinary Shareholders' Meeting
April 21, 2011

Request to be sent to:
BNP Paribas Securities Services
GCT Assemblées
Grands Moulins de Pantin
9, rue du Débarcadère
93761 Pantin Cedex, France

I, the undersigned,

Name (or corporate name):

Address:

Owner of:

..... registered shares

..... bearer shares recorded in an account held with⁽²⁾

hereby request the Company to send to the above address the documents and information referred to in article R.225-83 of the French Commercial Code, for the purposes of Safran's Ordinary and Extraordinary Shareholders' Meeting to be held on April 21, 2011.

Signed in, on 2011

Signature :

In accordance with article R.225-88 of the French Commercial Code, holders of registered shares may make a one-time request for the Company to send the documents and information referred to in articles R.225-81 and R.225-83 of said Code prior to all future Shareholders' Meetings.

Please check this box if you wish to lodge this request

(1) The documents and information referred to in article R.225-83 of the French Commercial Code include the parent company and consolidated financial statements, the Management Report drawn up by the Executive Board and the statutory auditors' reports. These documents and information can also be downloaded from the Company's website at www.safran-group.com.

(2) For holders of bearer shares, please state the name and address of the authorized financial intermediary responsible for managing your shares.



KEY MISSIONS, KEY TECHNOLOGIES