

RECEIVED

SIÈGE SOCIAL

2006 DEC -5 P 2:32

OFFICE OF INTERNATIONAL
CORPORATE FINANCE

Securities and Exchange Commission
Office of International Corporate Finance
450 Fifth Street, N.W.
Washington, D.C. 20549
U.S.A.



06018958

Attention: Paul Dudek, Esq.

SUPPL

SAFRAN
Rule 12g3-2(b) File No. 82-34974

Dear Sirs:

The enclosed information, as set forth in the Annex attached hereto, is being furnished to the Securities and Exchange Commission (the "SEC") on behalf of SAFRAN (the "Company") pursuant to the exemption from the Securities Exchange Act of 1934 (the "Act") afforded by Rule 12g3-2(b) thereunder.

This information is being furnished under paragraph (1) of Rule 12g3-2(b) with the understanding that such information and documents will not be deemed to be "filed" with the SEC or otherwise subject to the liabilities of Section 18 of the Act and that neither this letter nor the furnishing of such information and documents shall constitute an admission for any purpose that the Company is subject to the Act.

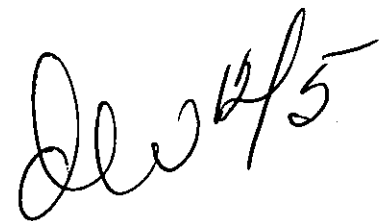
If you have any questions with regard to this information or require additional information, please contact the undersigned in Paris at +33 1 40 60 84 28.

Very truly yours,



Francis de Raimond

cc: Alain Marcheteau
(Safran)

PROCESSEDDEC 11 2006 *E*THOMSON
FINANCIAL**SAFRAN**

Société anonyme à Directoire et Conseil de surveillance
au capital de 83 405 917 euros - 562082909 RCS Paris
2, Bd du Général Martial-Valin - 75724 Paris Cedex 15 - France

Tél. +33 (0)1 40 60 80 80
Fax +33 (0)1 40 60 81 02
www.safran-group.com

RECEIVED

2006 DEC -5 P 2:32

OFFICE OF INTERNATIONAL
CORPORATE FINANCE**I. PRESS RELEASES**

- Nov. 30, 2006 – SAFRAN Investor Day

II. DOCUMENTS PROVIDED TO REGULATORY AUTHORITIES OR STOCK EXCHANGES AND MADE PUBLIC BY SUCH ENTITIES

NO.

III. DOCUMENTS PROVIDED TO SHAREHOLDERS, PUBLISHED OR MADE AVAILABLE TO THE PUBLIC

- Nov. 30, 2006 – SAFRAN Investor Day - Presentations

SAFRAN Investor Day

Paris, November 30, 2006 –

Today in Paris, the SAFRAN Group is organizing an "Investor Day" for financial analysts and investors. The chief executive officer, the executive vice presidents of the branches, the executive vice president, strategy and development, and the executive vice president, economic and financial affairs, will review developments in their respective areas.

These presentations can also be consulted on the SAFRAN corporate website, starting today:
www.safran-group.com Finance/Analysts & Investors

About SAFRAN

SAFRAN is an international high-technology group with four core businesses: aerospace propulsion, aircraft equipment, defense security, communications. It has 60,500 employees in over 30 countries, and annual revenues exceeding 10 billion euros. The SAFRAN group comprises a number of companies with prestigious brand names, and holds, alone or in partnership, global or European leadership positions in all of its markets.

SAFRAN
Direction de la Communication

2, bd du Général Martial Valin
75724 Paris Cedex 15 – France

www.safran-group.com

Press Contact
Jocelyne TERRIEN

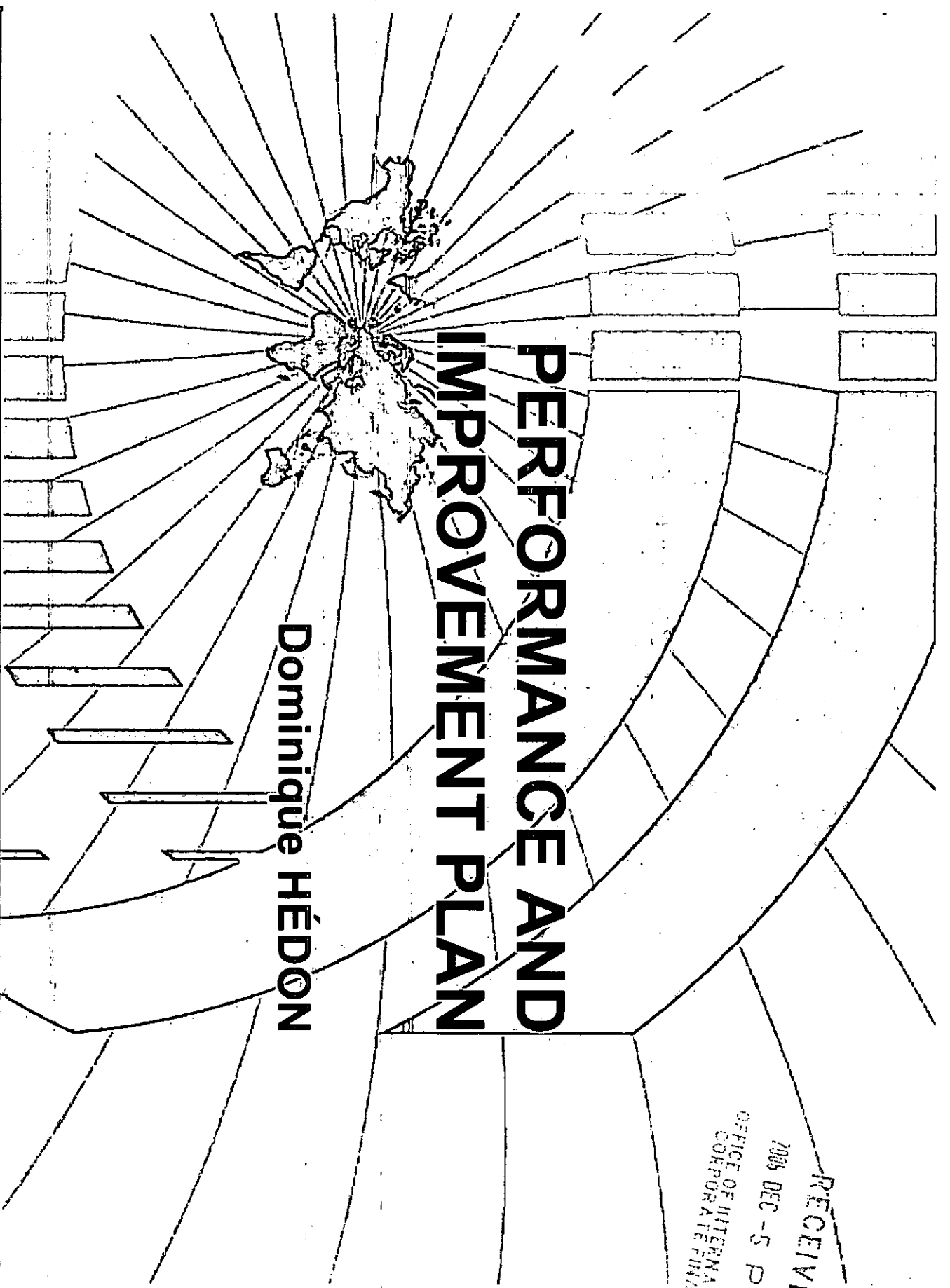
Tel +33 (0)1 40 60 80 28
Fax +33 (0)1 40 60 80 26

jocelyne.terrien@safran.fr

RECEIVED
2006 DEC -5 P 2:33
OFFICE OF INTERNATIONAL
CORPORATE FINANCE

PERFORMANCE AND IMPROVEMENT PLAN

Dominique HÉDON



Investor Day – November 30th, 2006



82-34974

■ ■ ■ ■ Action V

Improvement plan



Objectives

Economic adaptation

- ▶ Dollar
- ▶ Customers
- ▶ Market cycles

Enhance Group performance

- ▶ Economic synergies
- ▶ Technical synergies
- ▶ Human synergies

Target (reminder)
Impact on 2008 EBIT:
€700 million

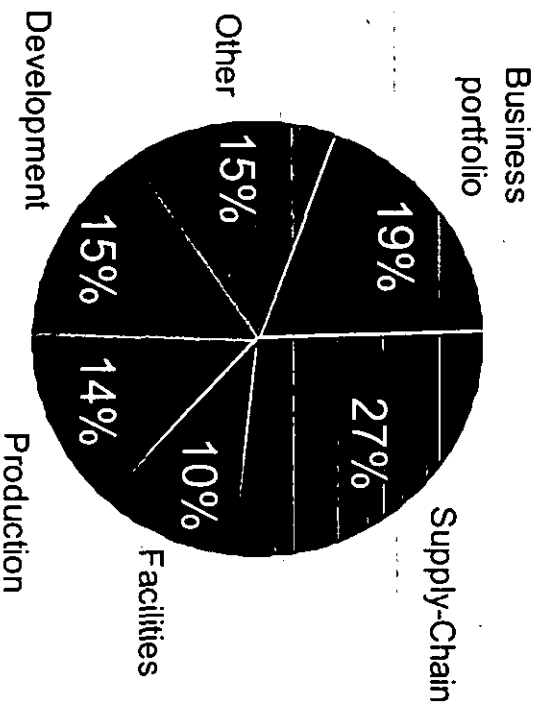
■ ■ ■ ■ Action V

Progress Q3-2006

2008 objective feasible

Levers

- ▶ €841 million identified (€556m locked-in)
- ▶ **Structural actions in place**
- ▶ **Business portfolio**
- ▶ **Operations**



- Supply Chain
- Productivity – operational excellence
- Facilities
- ▶ **Development**

Changes in business portfolio

Identified 2008 EBIT impact: €158 million

Dilutive operations

New or strengthened operations

Examples

Examples

Sagem Com

- ▶ Termination of TV production
- ▶ Sale of cable business
- ▶ Termination of inkjet fax production

Snecma

- ▶ Protection of spare parts – development of services

Messier-Bugatti

- ▶ Sale of actuators business

Sagem DS – Snecma

- ▶ C17 & KC135 brake retrofit opportunity

Hispano Suiza

- ▶ Sensors

- ▶ Moroccan Mirage F1 modernization
- ▶ SaM146 overspeed unit
- ▶ B787 electric brake

Snecma

- ▶ Space mechanisms

- ▶ Acquisition of EADS optronics

Turboméca

- ▶ Termination of land & marine turbine business

- ▶ Decentralized logistics structure

Sagem Com

- ▶ JV fax Photar

Design and Development productivity

Pooled resources	Shared expertise	Shared tools
<ul style="list-style-type: none">▶ Teuchos▶ Safran Aerospace India▶ Teuchos Maroc▶ Smartec	<ul style="list-style-type: none">▶ Composites▶ Materials▶ R&T programs▶ Onboard software	<ul style="list-style-type: none">▶ CAD▶ Configuration

Examples

- Snecma – Aircelle – Turbomeca – Snecma Propulsion Solide
 - ▶ Process efficiency & development tools

Hispano-Suiza

- ▶ Re-design and new products

Snecma

- ▶ Organization in centers of excellence

All Group companies

- ▶ Optimization of research subcontracting
- ▶ Materials and processes

Identified impact on 2008 EBIT: €128 million

■ Purchasing and Supply Chain

Group

All companies

Non Production

- ▶ Centralized purchasing

Specific plans

- ▶ Development of sources in emerging countries
- ▶ Make-and-buy, sourcing review

Production

- ▶ Pooled purchasing

- ▶ Outsourcing

Identified impact on 2008 EBIT: €226 million*

77% locked-in

* Specific plans, excluding market impact

Investor Day – November 30th, 2006

Productivity in manufacturing

- ▶ International facilities
 - Current base: reduced risk, better timetable
 - Transfers to improve current performance
- ▶ Internal productivity energized by new locations
- ▶ Structure more resistant to market cycles

Identified impact on 2008 EBIT: €206 million

(73% locked-in)

Productivity in manufacturing (ctd)

Restructuring in 2006

Aircelle

- ▶ Closure of Meudon

2006

Messier Services

- ▶ Transfer of Sterling → Mexico 2006-2007

Snecma

- ▶ Reorganization of Vernon (space operations)

2006

Labinal

- ▶ Resizing of Corinth (USA)

2006

- ▶ Closure of Villaroche Nord (space operations)

2006

Hispano-Suiza

- ▶ Closure of Bezons

2006

Sagem Com

- ▶ Restructuring of Lannion

2006

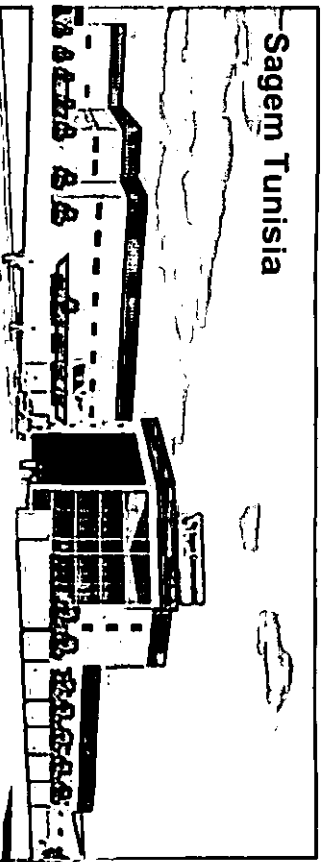
Productivity in manufacturing (ctd)

Facilities: modernization & development

Sagem Com			
▶ Accelerated development of Sagem Tunisia		2005-06	
Hispano-Suiza			
▶ Ramp-up of operations at H-S Polska		2006-07	
Messier-Bugatti			
▶ Increase carbon volume at US plant (Walton, KY)		2006-07	
Aircelle			
▶ Moroccan plant Phase 1 (2006) and phase 2 (2007)		2006-07	
▶ Modernization of Le Havre plant		2007	
Snecma			
▶ Joint ventures in India (HAL), Russia (Volgaero), China (Xinyi)		2006	
▶ Launch of Suzhou, China plant (CPIA project)		2006	
Messier-Dowty – Snecma			
▶ Twin plants – Suzhou		2006	
Labinal			
▶ Ramp-up of Moroccan plants		2006	
Sagem DS			
▶ Renovation of Massy plant		2007	
Turboméca			
▶ Modernization of Bordes plant (EOLE project)		2007-08	
▶ Assembly line set up in US		2007	
Messier-Bugatti			
▶ Walton – new wheels and brakes shop		2007	

■■■■ New facilities... a guided tour

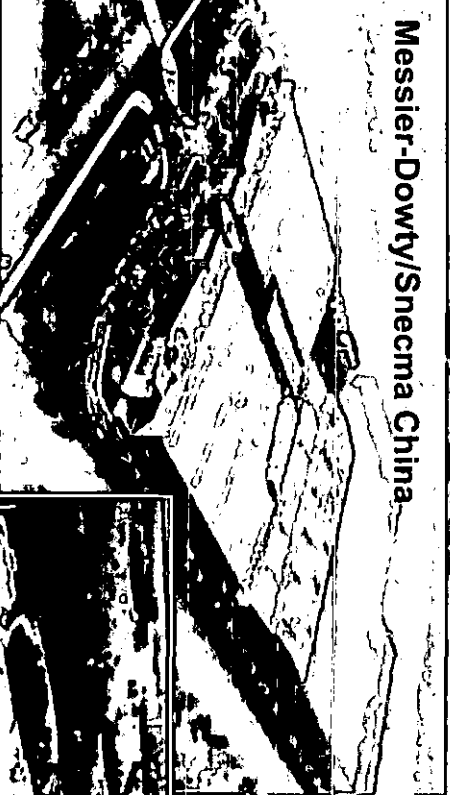
Sagem Tunisia



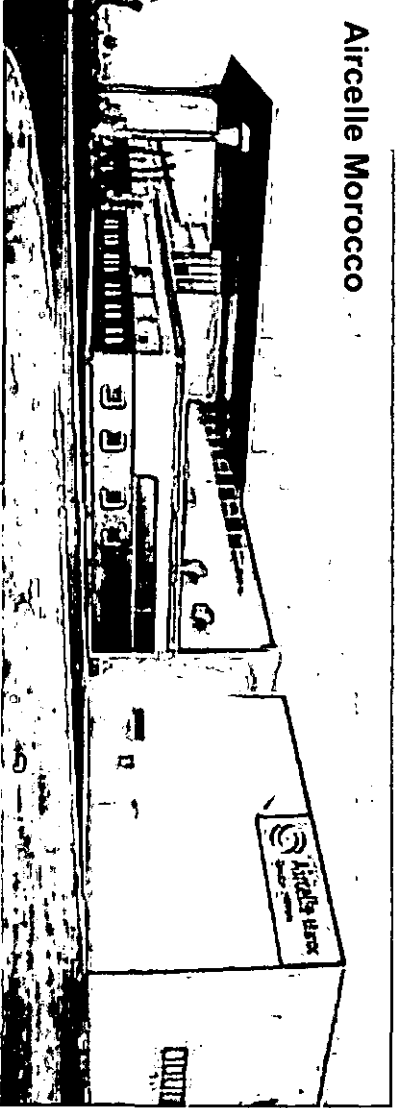
Hispano-Suiza Polska



Messier-Dowty/Snecma China



Aircelle Morocco

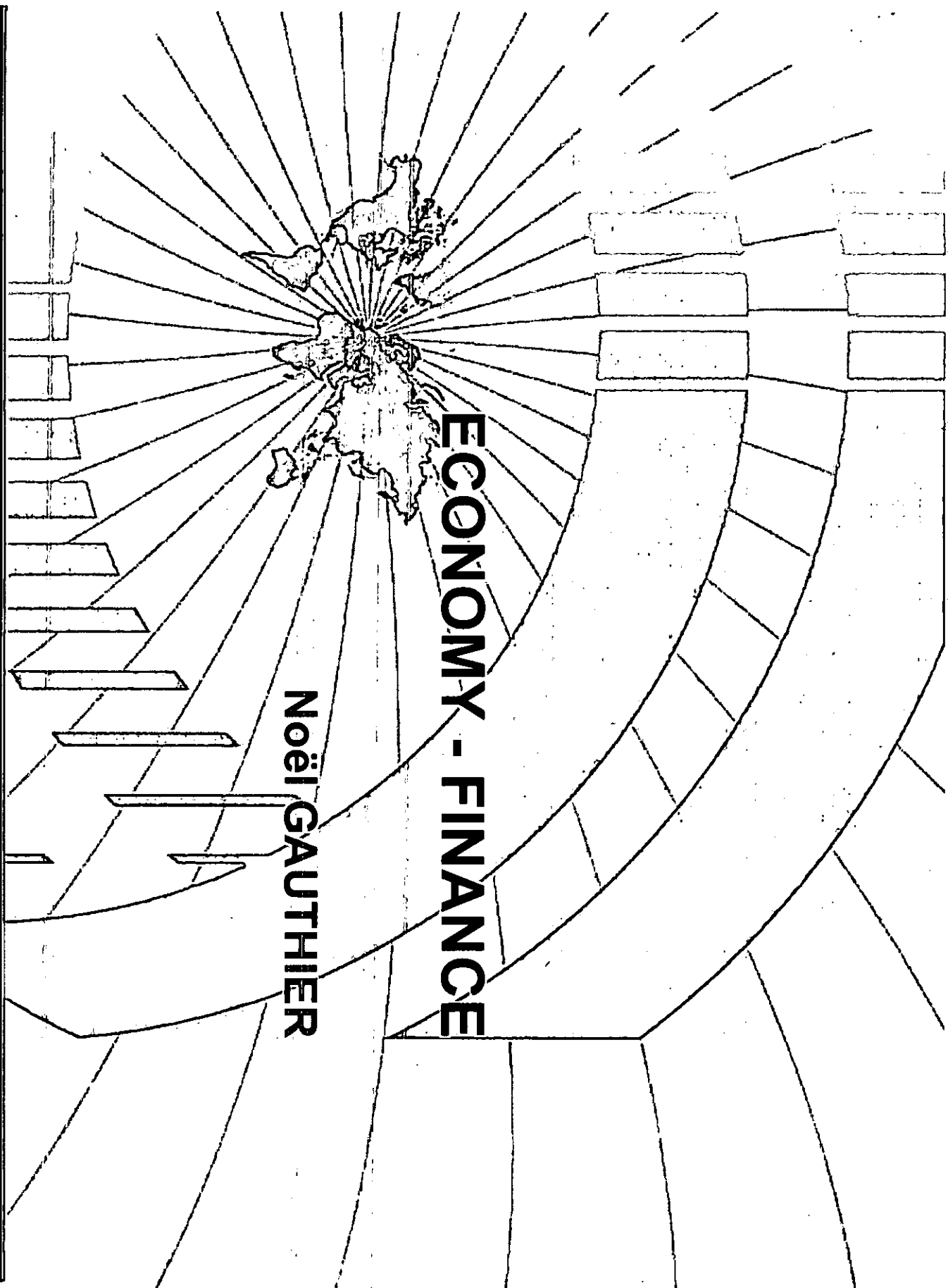


Labinal Morocco



Messier-Bugatti USA





ECONOMY - FINANCE

Noël GAUTHIER



■■■■ Economy – Finance

■ Contents _____

- ▶ SAFRAN's financial structure
- ▶ Exchange rate risks

■■■■ Economy – Finance

- ▶ SAFRAN's financial structure
- ▶ Exchange rate risks

■ ■ ■ ■ Economy – Finance

■ SAFRAN's financial structure

at June 30, 2006

millions of euros

▶ Shareholders' equity	4,730
▶ Net debt:	656
Medium and long-term financing	705
Short-term investments	49
▶ Gearing (%):	14

Economy – Finance

Current medium and long-term financings

at June 30, 2006

	Amount	Term	Rate (%)	Currency
	millions of euros			
Financing	371	5 to 7 years	Fixed 3.2	EUR
Lease-Credit	91	5 to 11 years	Fixed 5.2	EUR/USD
Employee savings	151	5 years	4.0	EUR
Other borrowings	92		3.7	EUR/USD
Total M/L/T financing	705			

Economy – Finance

Short-term financings

at June 30, 2006

▶ Short-term financial assets and liabilities

<i>millions of euros</i>	Assets	Liabilities	Net
Euro	297	431	134
USD	298	103	(195)
GBP - CAD	75	87	12
	670	621	(49)

▶ Terms

- EONIA financing in euros
- FED FUNDS financing in dollars

▶ Short-term financial instruments:

- Commercial paper program, up to €2,000 million

■■■■ Economy – Finance

Potential financing

▶ Credit lines:

€1,295 million

- Term:

most at 5 years

- Bank pool:

7 banks

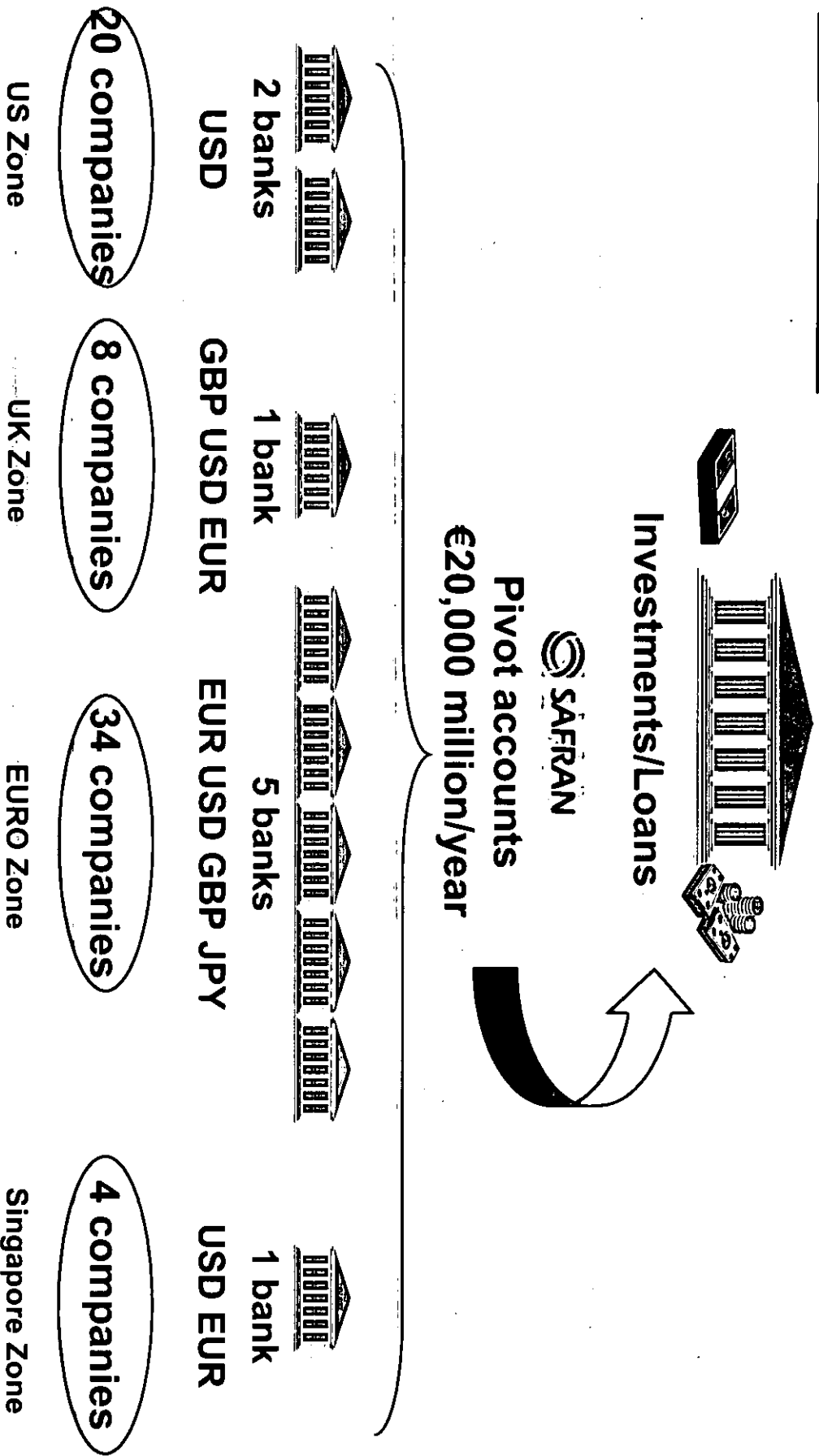
- Drawing rights:

EUR or USD

▶ Not used to date

Economy – Finance

SAFRAN Group cash pool



■ Economy – Finance

- ▶ SAFRAN's financial structure
- ▶ Exchange rate risks

■■■■ Economy – Finance

Exposure to exchange rate risks

- ▶ For 2006, the net EUR-USD exposure should be about \$3.5 billion
 - Annual revenues in USD: \$6 billion
 - Annual expenses in USD: \$2.5 billion
 - Net exposure^(*): \$3.5 billion
- ▶ The total hedging portfolio as of October 31, 2006 is \$3.8 billion at an average rate of 1€ = 1.13 \$
- ▶ Marked to market = €375 million

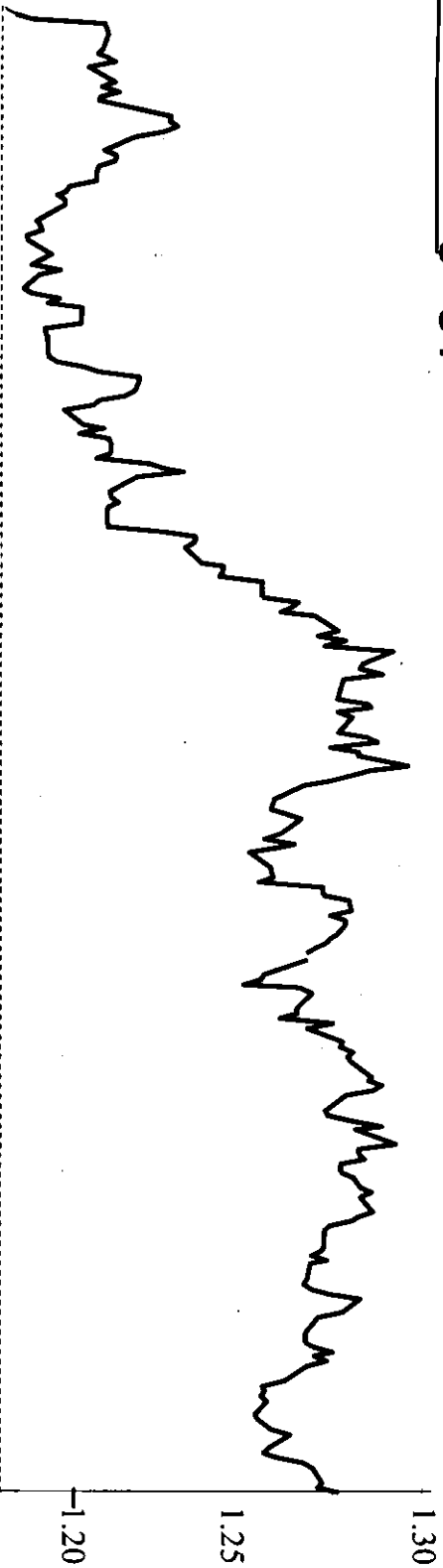
^(*) excluding purchases by Sagem Communication

Investor Day – November 30th, 2006

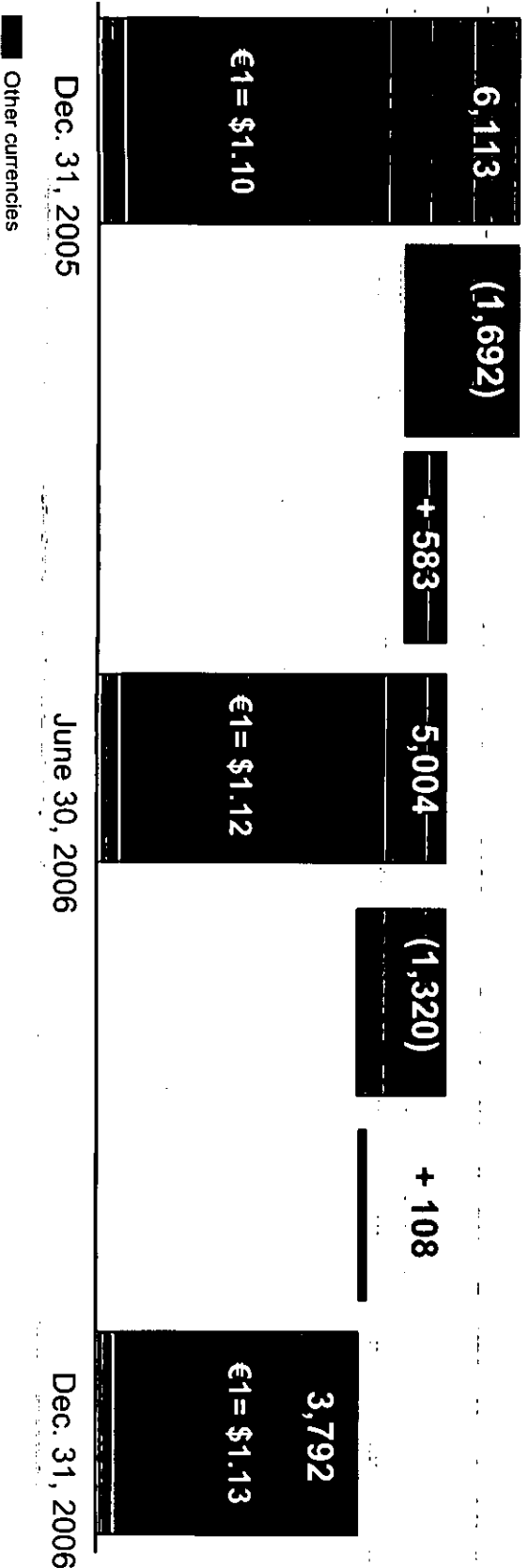
Economy – Finance

Changes in the hedging portfolio

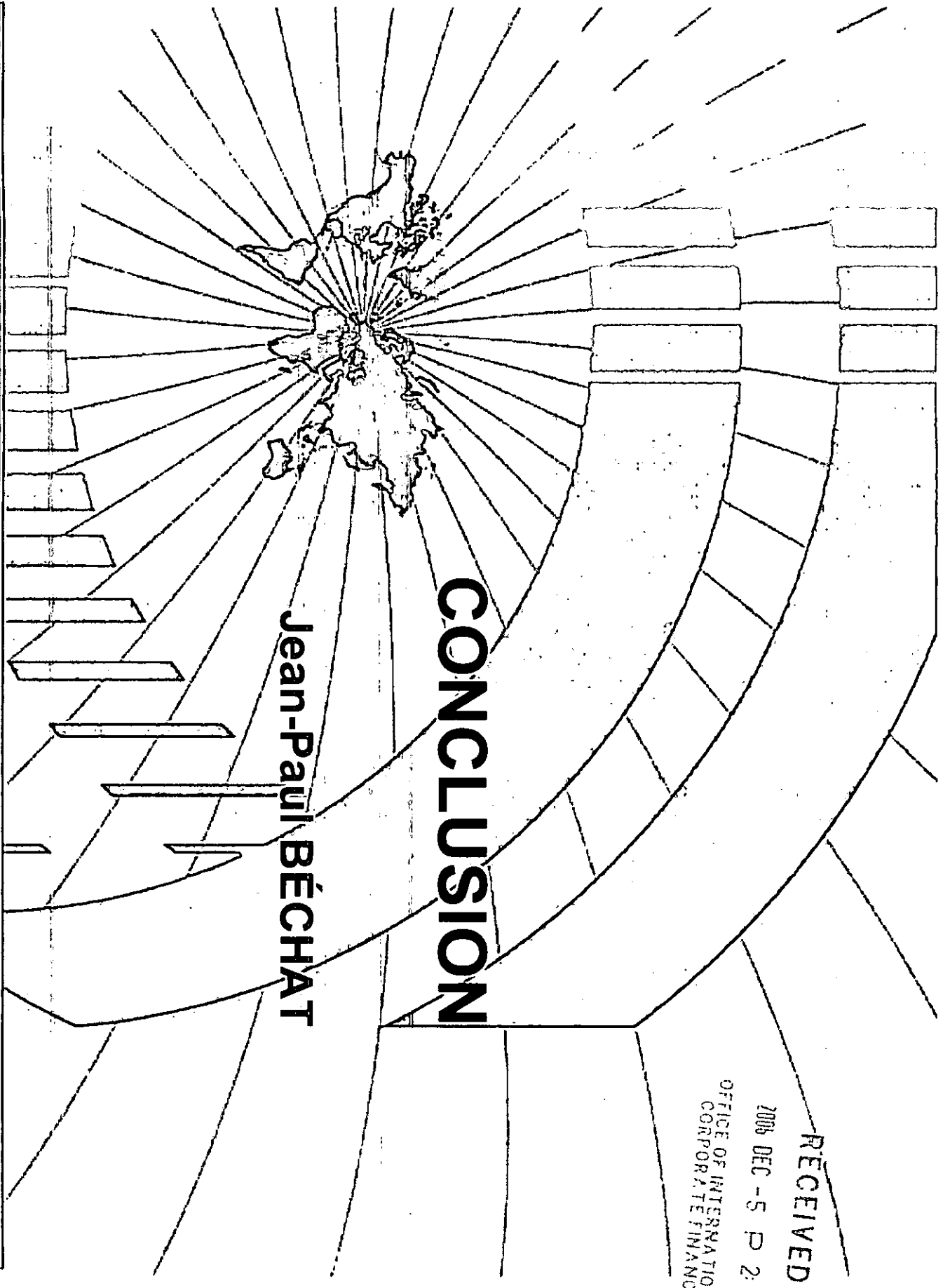
EUR/USD



USD
millions



Investor Day – November 30th, 2006



CONCLUSION

Jean-Paul BÉCHAT

RECEIVED
2006 DEC - 5 P 2:33
OFFICE OF INTERNATIONAL
CORPORATE FINANCE



82-34974

Conclusion

Questions & answers

RECEIVED
2005 DEC -5 P 2:33
OFFICE OF INTERNATIONAL
CORPORATE FINANCE

COMMUNICATIONS BRANCH

Xavier LAGARDE

Investor Day - November 30th - 2006



82-34974

■ Contents

- ▶ **General presentation of Communications Branch**
- ▶ **Focus on digital technology**
- ▶ **Details of Communications Branch positions**



- ▶ **General presentation of Communications Branch**
- ▶ **Focus on digital technology**
- ▶ **Details of Communications Branch positions**

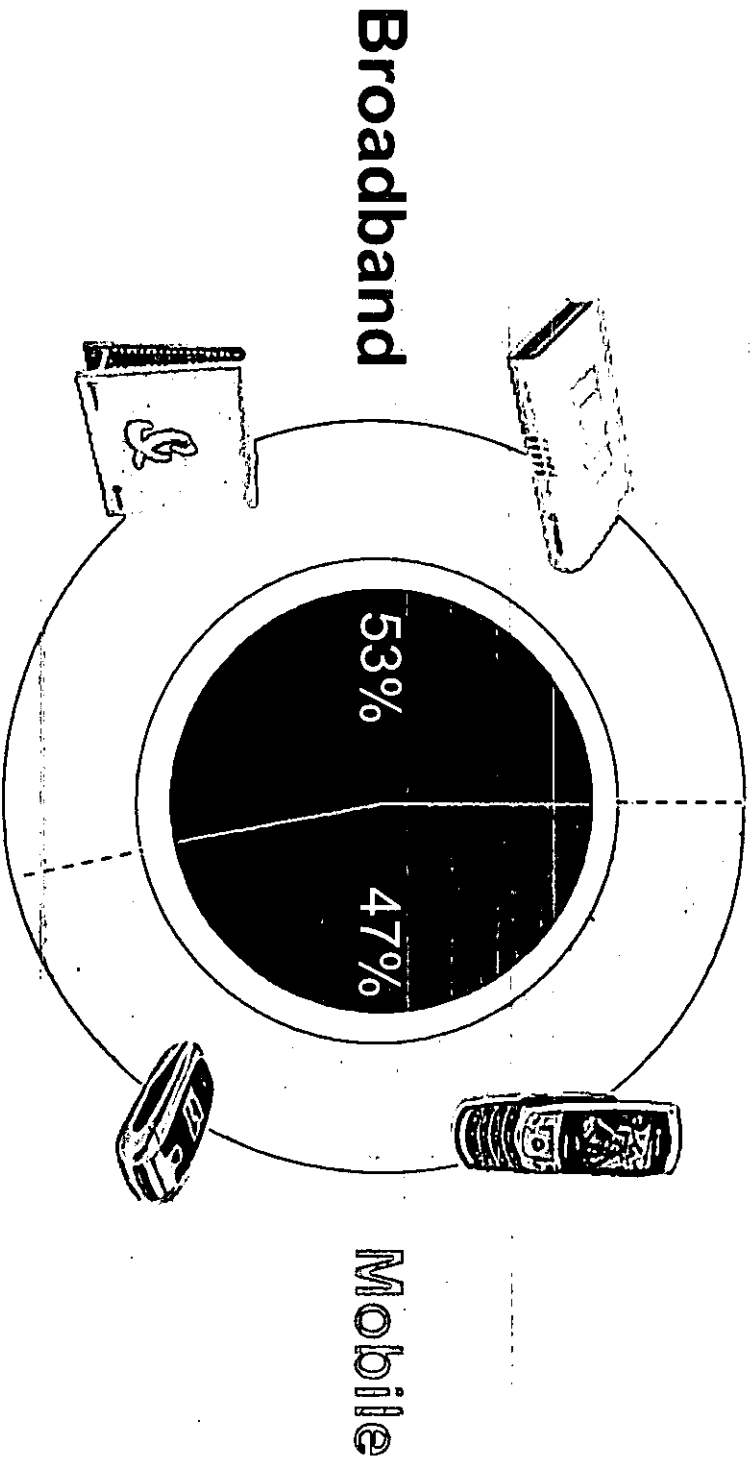
Communications Branch

2005 sales
€2,342 million

Total employees
8,300

France
4,450

International
3,850



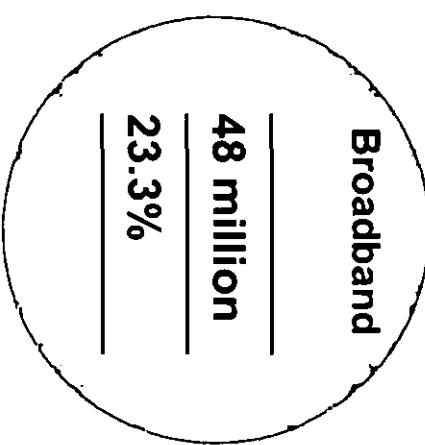
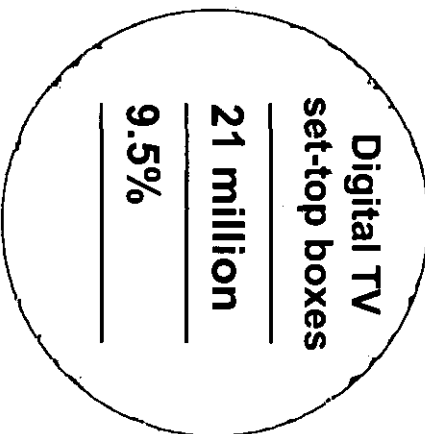
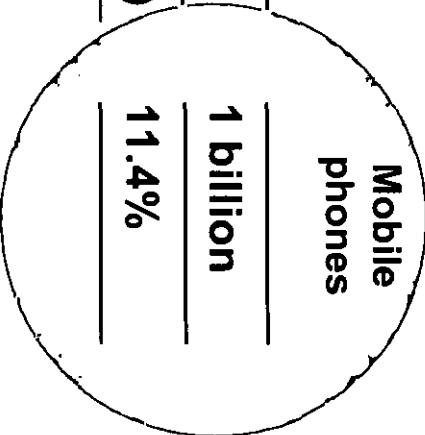
Broadband

Mobile

■■■■ Overview of Communications Branch strategy

- Sagem Communication works with operators to generate new uses (new terminals), unlocking new revenue opportunities
- Main customers see Sagem Communication as a key player in Fixed/Mobile/TV convergence, through technologies in which it has long-standing expertise
- In the Mobile phone market, Sagem Communication delivers the latest technologies to its operator customers (EDGE, 3G, DVB-H, Wi-Fi, etc.) to develop terminals that will generate greater ARPU (Average Revenue Per User)
- In the Broadband market, Sagem Communication, the European leader in broadband access, is developing a range of residential gateways, set-top boxes and printing terminals dedicated to each operator, as well as a range of home and business application terminals

Sagem Communication, key player in dynamic markets

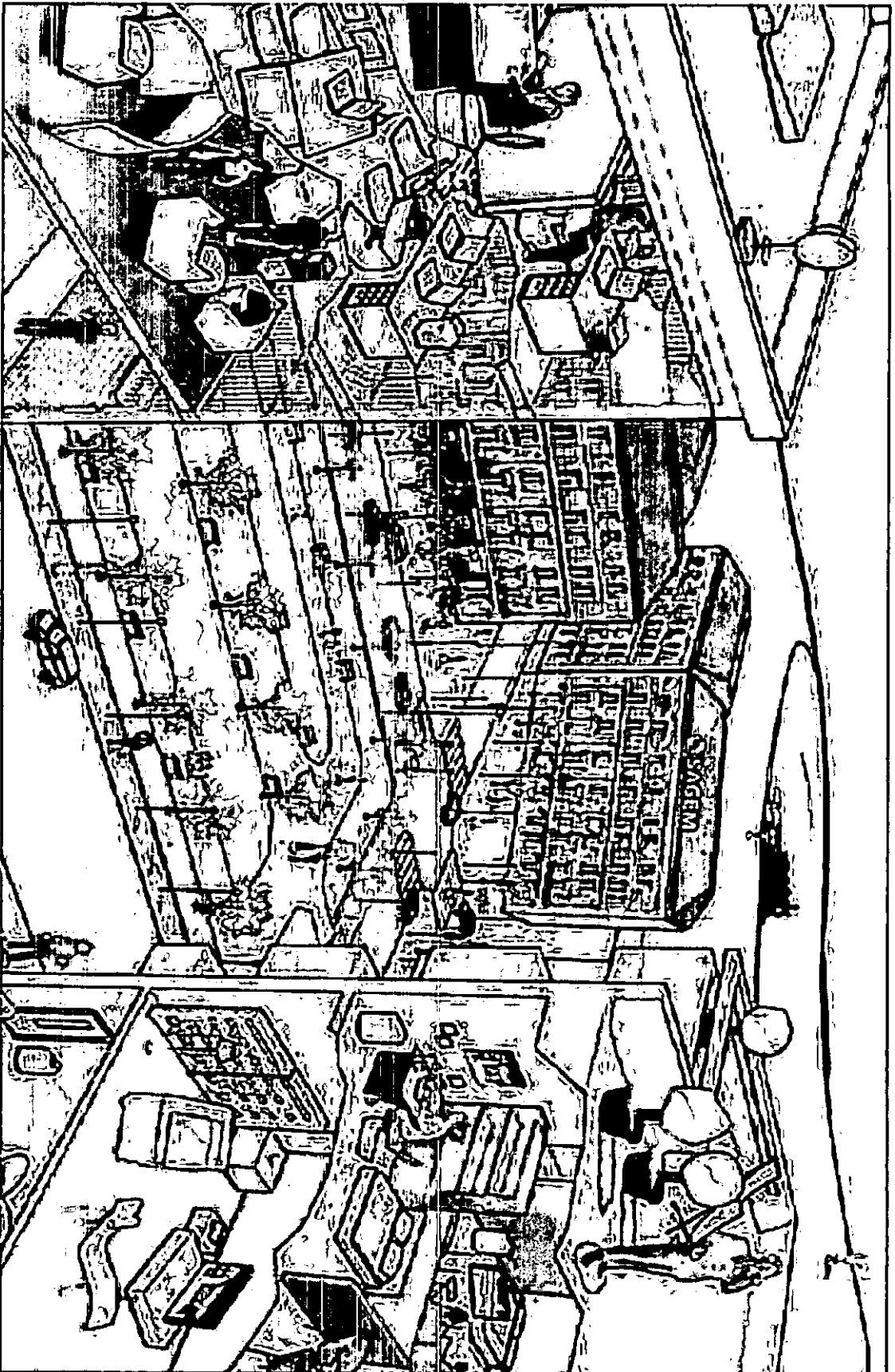


▶ Digital technology is energizing telecom markets, which are enjoying strong growth worldwide.



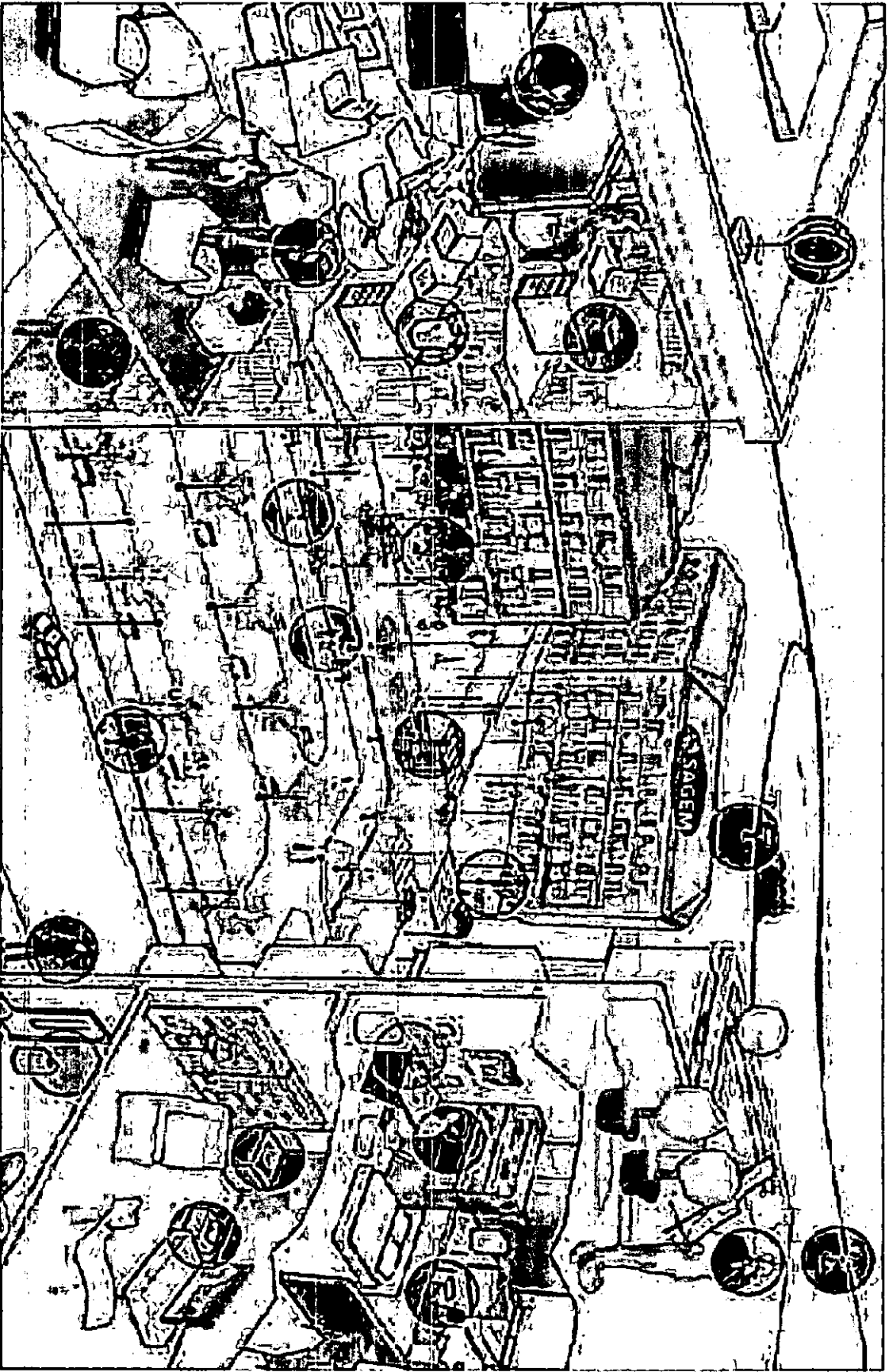
- ▷ **General presentation of Communications Branch**
- ▶ **Focus on digital technology**
- ▷ **Detailed Communications Branch positions**

Focus on Digital

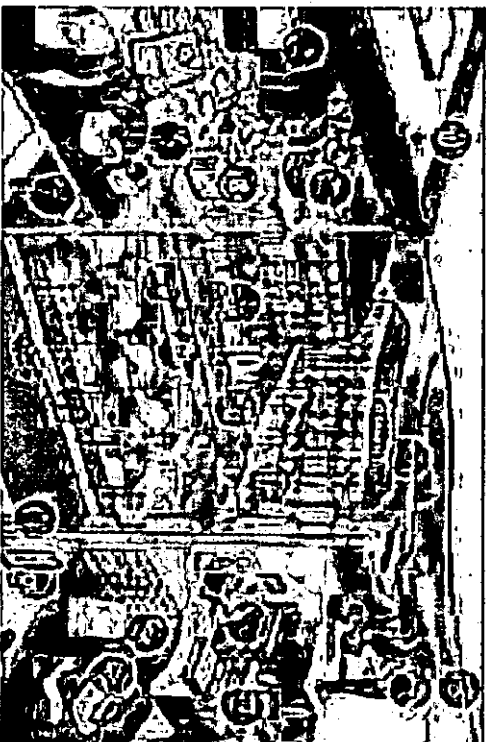


Investor Day – November 30th, 2006

■■■■ SAGEM and digital technology



■ SAGEM and personal communications



▶ Home

- DECT cordless or WiFi phones
- WiFi units with telephone and videotelephone functions
- Residential gateways with VoIP function
- Fax with SMS functions

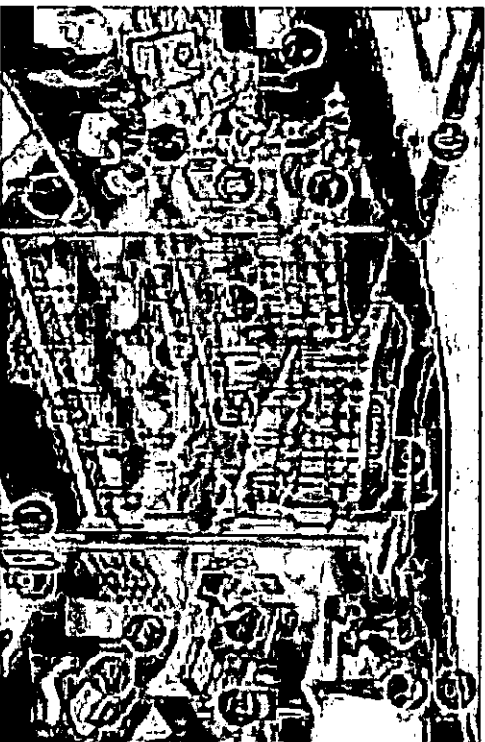
▶ Mobile

- Joining watches and pens, the mobile phone has become a ubiquitous personal accessory

▶ Everywhere

- Mobile phones for convergence: a single phone for both fixed-line (WiFi) and mobile communications, to access a single directory at any given moment, plus the best rate.

■■■■ SAGEM, information and entertainment



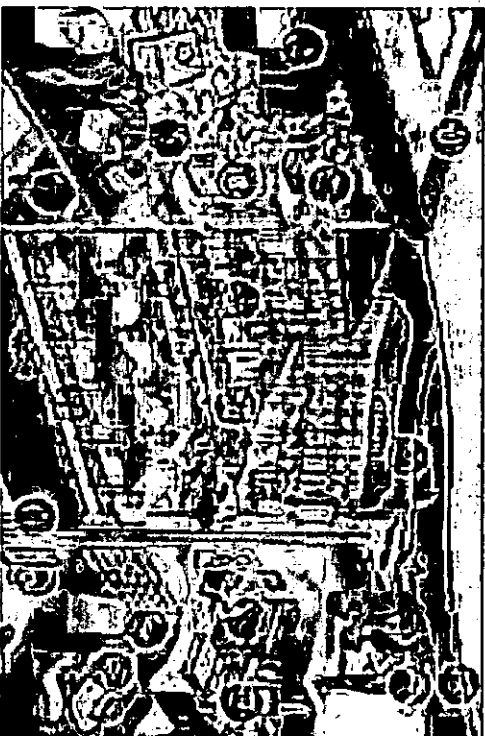
▶ Home

- TV signal transmission (TV transmitters, microwave)
- TV over IP receivers (residential Triple Play - Box)
- WiFi devices
- Digital TV set-top boxes (DTTV, Satellite, Cable, IP), with optional hard disk
- Photo printers, frames
- Internet Radio, etc.

▶ Mobile

- Transmission of DVB-H TV signals (TV transmitters, microwave)
- Mobile phones with TV: myMobileTV
- Multimedia mobiles with external memory
- Mobiles integrating payment and contactless solutions (NFC technology), etc.

■■■■ SAGEM: improving workplace efficiency



▶ Home:

- Professional printing terminals (fax and multifunction)
- Communications servers, multiservice terminals (Quadrige)
- WiFi cordless phones
- Professional broadband access (Box)

▶ Mobile:

- GSM+WiFi mobile phones
- Mobile phones for professional applications (GSM-R, GSM-T)

Technological expertise

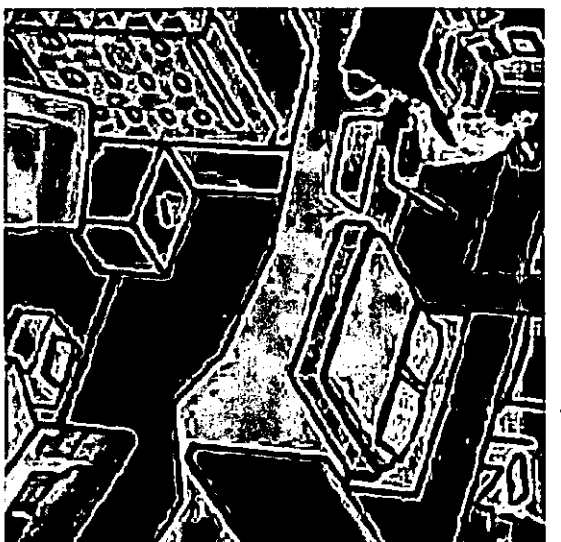
- ▶ **Radio communications:**
 - HSDPA, 3G, EDGE: products recognized for their quality right from market entry
 - Wireless communications: DECT, WiFi, Wimax, NFC/RFID, etc.
 - Radio positioning (GPS, etc.)
- ▶ **Digital TV:**
 - Video image decoding and processing (leader in MPEG4 decoders): high definition
 - Network infrastructures for TV broadcasting
 - Key player in Mobile TV: DVB-H technology and corresponding access control management (SAGEM involved in a number of trials, for both mobile terminals and networks), and the DVB-H mobile TV via satellite program
- ▶ **Access technologies:**
 - Broadband networks: ADSL, VDSL2, FTTH
 - Triple play solutions/quadruple play (box)
- ▶ **Image processing (Crystal Image) :**
 - Image enhancement in printing applications (fax and photos) and in mobile phones with camera
- ▶ **Secure payment technologies**
- ▶ **Printing and scanning technologies**

Products highly customizable to operator requirements



- ▷ **General presentation of Communications Branch**
- ▷ **Focus on digital technology**
- ▷ **Details of Communications Branch positions**
 - **Broadband**
 - **Mobile**

Broadband access



▶ Market

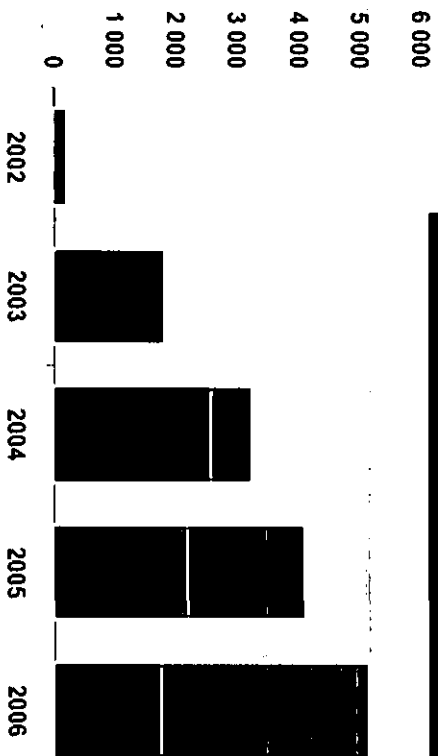
- Growth exceeding 50%
- 45 million European households with ADSL

▶ SAGEM

- 15 million broadband products delivered by SAGEM
- No. 2 in Europe for ADSL
- No. 1 in Europe for residential gateways
 - Livebox, Alicebox, Neufbox, Dartybox, etc.

▶ Outlook

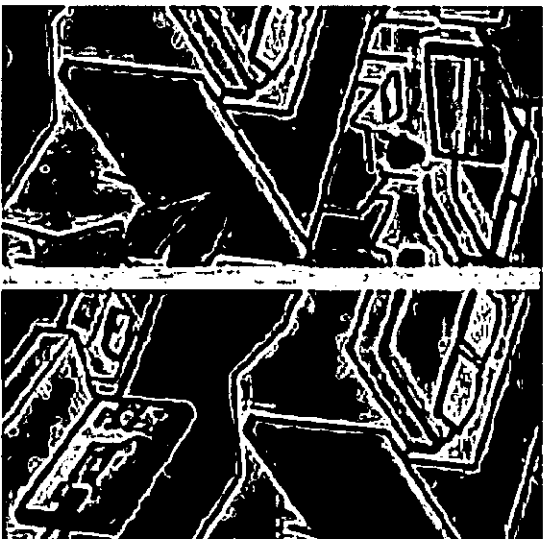
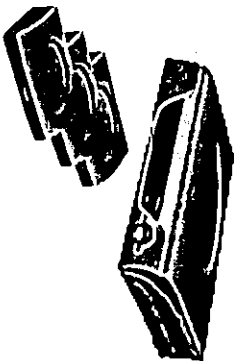
- Bolster positions thanks to leadership in the set-top box market
- Incorporate new standards and emerging technologies: HSDPA, Wimax, FTTH (GPON, Ethernet actif, etc.)



Volumes delivered (x1000)

■ Boxes ■ ADSL modem

Digital TV



- ▶ Market
 - Growth of 15% per year (45% on DTTV)
 - 63 million digital households in Europe* (95 million in 2009)

- ▶ SAGEM
 - 9.5 million Sagem terminals delivered to date
 - No. 1 in Europe for DTTV and IPTV
 - No. 1 in Europe for MPEG4 and MPEG4 HD
 - No. 1 in Europe for DVR (Digital Video Recorder)
- ▶ Outlook
 - Widespread use of High Definition in all products
 - Develop wireless products
 - Deliver first Multiroom solutions (H1 2007)
 - Develop new DVR Slim models (H1 2007)

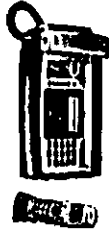


*Source: Data Monitor

Consumer printers



SAGEM



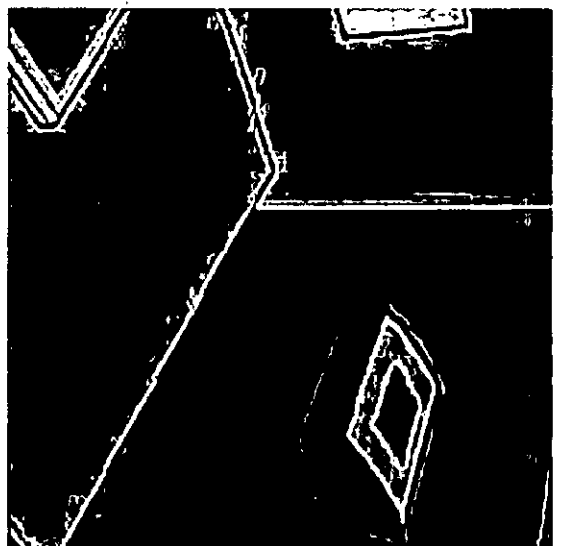
PHILIPS



Photar Sagem
SAGEM PHOTAR



AGFAPHOTO

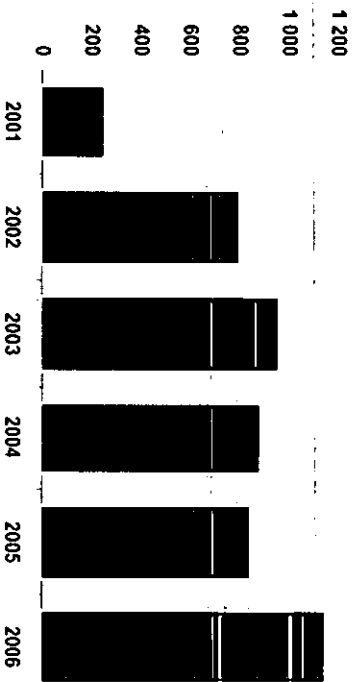


Market

- 5 million fax machines in Europe
- Boom in digital photography (photo printers = 60% growth in 2006)

SAGEM

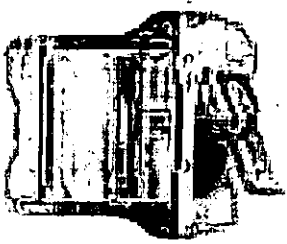
- No. 1 in Europe for TT Fax
 - No. 2 in China for Phonefax (Photar Sagem JV)
 - License for Philips (fax) and Agfa (photo)
- ## Outlook
- Penetrate new markets, as in China (Brazil, Russia, etc.)
 - Develop new products: Phonefax IP, photo frames, etc.



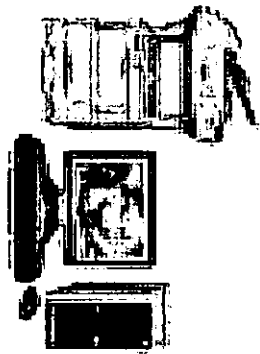
Volumes delivered (x1000)

Fax, Europe
 Fax, China (Photar JV)
 Photo printing

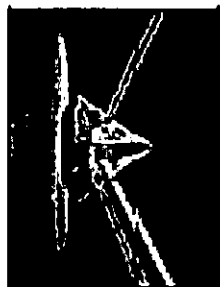
Professional systems and terminals



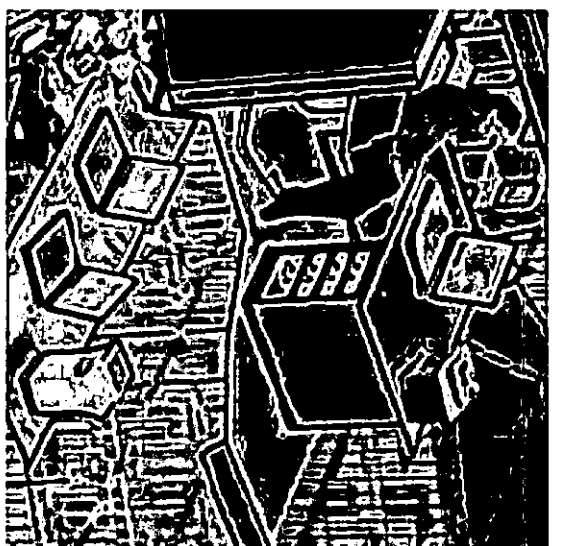
MF Laser



Fax Server



Communications software



▶ Market

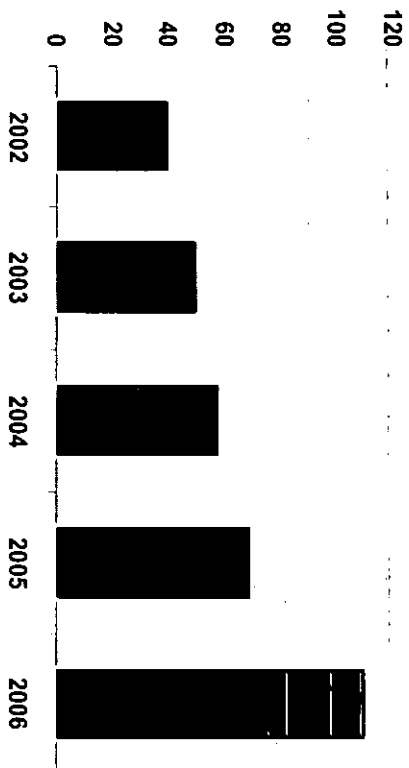
- Multifunction laser machines growing in Europe
- Gradual shift of corporate telecom systems to IP

▶ SAGEM

- A number of agreements with OEMs in Europe (Ricoh) or international (Oki, Xerox)
- World No. 1 in software for IP fax servers (acquisition of Canadian company Interstar in 2006)

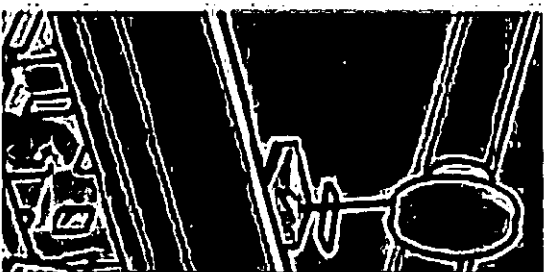
▶ Outlook

- Develop new products: IP Fax, color, etc.



Volumes delivered (x1000)

Telecom systems and equipment



▶ Market

- Accelerated digitization, rates and applications (Mobile TV, communicating intersections, communicating electricity meters)
- Development of convergence markets

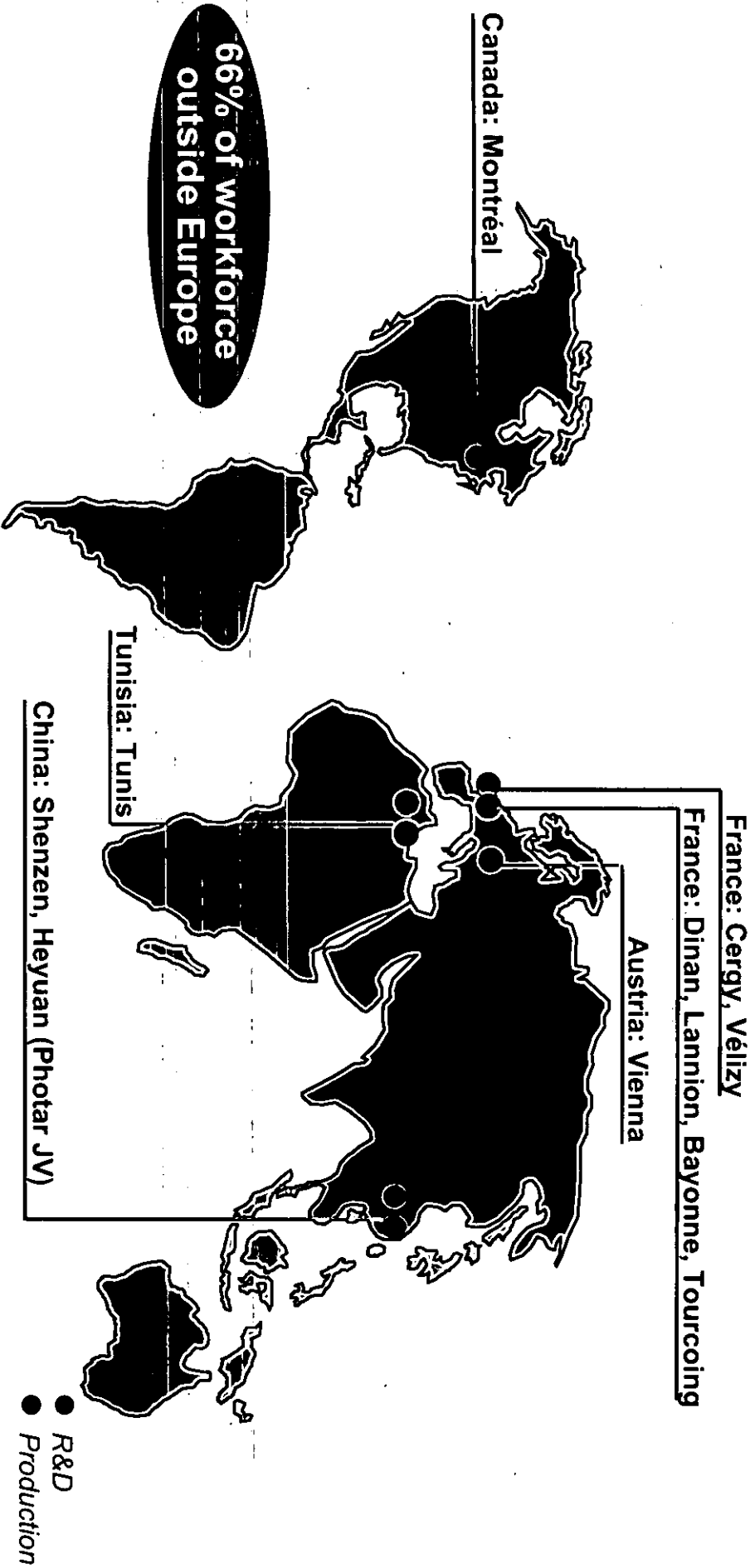
▶ SAGEM

- Telecom equipment maker, involved in a number of projects with both legacy operators and emerging countries
- No. 1 worldwide in professional GSM-R/T mobile phones

▶ Outlook

- Develop FTTx solutions (GPON, active Ethernet, etc.) and convergence products
- Deploy vertical applications (e.g., in the energy sector)

R&D organization and flexible production



- ▶ R&D combining technical expertise, local support for customers and cost reduction
- ▶ Production engineering of new technologies in France and of mature products in emerging countries
- ▶ Local customer services for each market

Photar: a successful partnership in China



Photar Sagem
Groupe SAFRAN

→ Photar Sagem (printing terminals):

- Sagem Photar JV (450 people - 70/30)
- Operational startup: January 2006
- Business: R&D, manufacture, sales
- At September 30, Photar Sagem is No. 2 in Chinese Phonefax market, with 25% market share



- ▶ **General presentation of Communications Branch**
- ▶ **Focus on digital technology**
- ▶ **Details of Communications Branch positions**
 - **Broadband**
 - **Mobile**

Mobile phones



my215X



my401Z



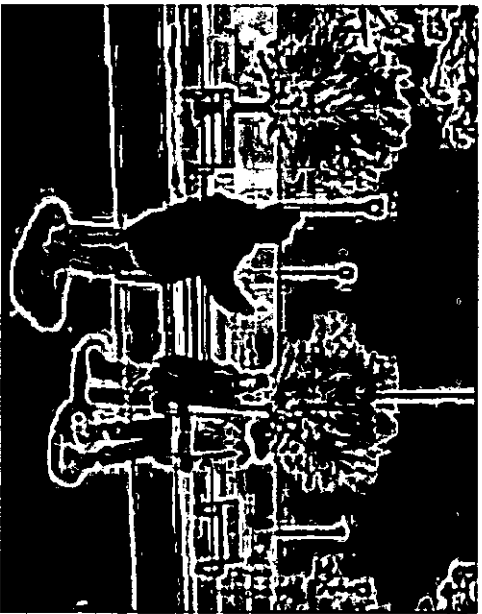
my501C



my700X



my800X



- **Market:**
- General growth
 - New technologies in developed countries (3G: 33% of Western European sales in 2006)
 - GSM entry level in emerging countries

► **SAGEM**

- Strategic partner of major European operators
- 7th worldwide
- 3G, EDGE products starting in H2 2006

► **Outlook**

- Focus Sagem range on expectations of European operators:
 - Continue deployment of our Multimedia range
 - Renew our Camera product line
 - Simplified, targeted entry-level offering (voice)

Volumes delivered (millions of units)



Mobile phones: access to convergent services



myMobileTV



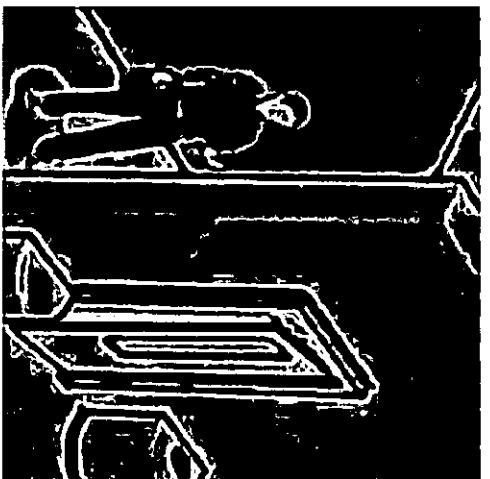
GSM + WiFi



myMobileTV2 - DVB-H



mobile NFC/RFID



▶ Booming market

- Offer access to voice, music, video, TV services at home or outside
- First product rollouts in H2 2006:
 - UMA convergence (Orange, TIM, etc.) GSM/Wifi
 - Mobile TV using DVB-H technology.
- At the heart of operators' strategy

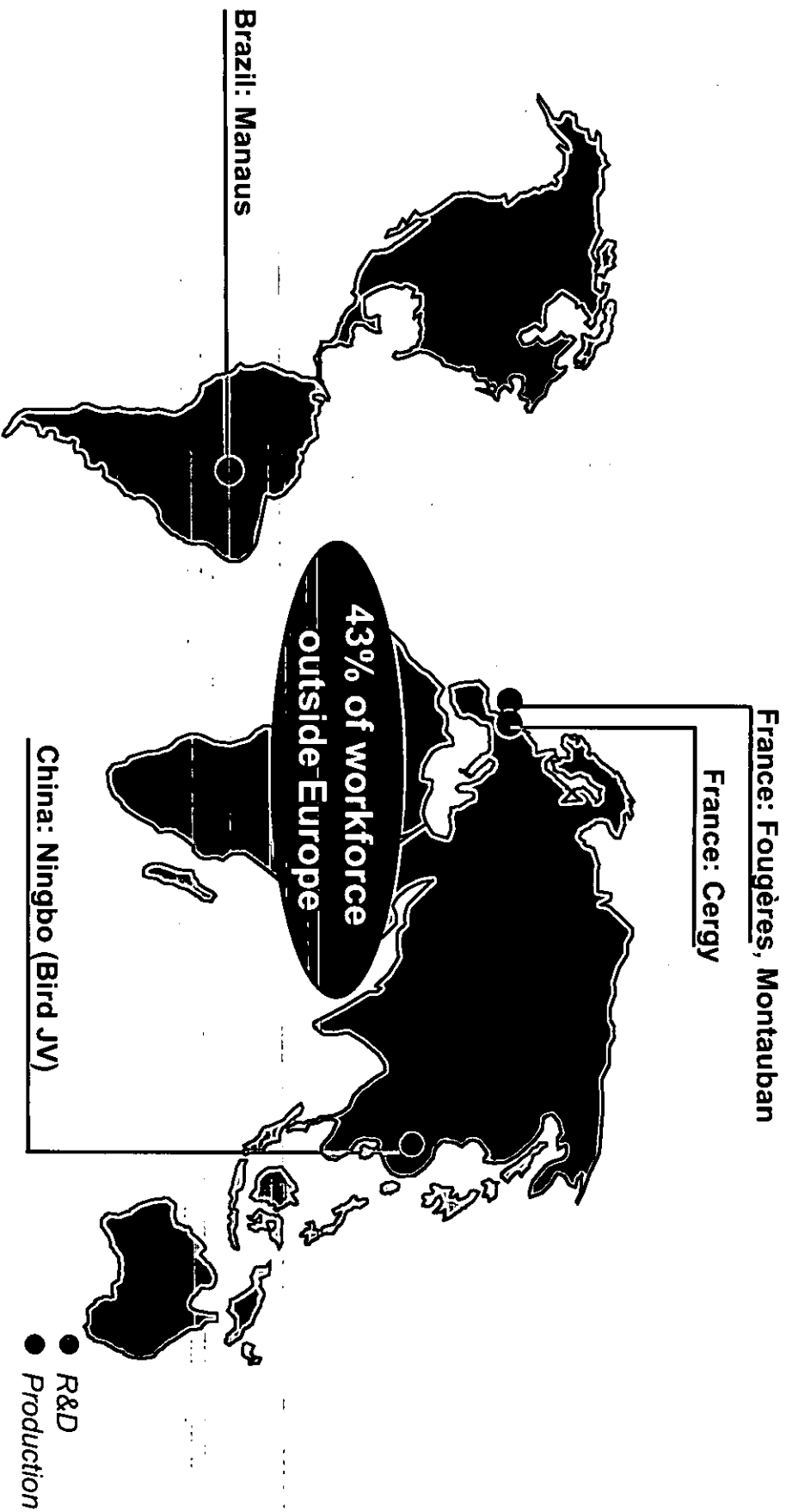
▶ SAGEM

- Mobile TV – DVB-H :
 - participation in a number of trials (Turin Olympics, Football World Cup, etc.)
 - first products marketed in South Africa and Italy
- Payment via mobile phone – NFC/RFID: contactless connection and payment experiments

▶ Outlook

- Renew the Mobile TV offering with a new product featuring a rotating screen
- Launch GSM+WiFi mobile phones with UMA (in partnership with operators)

R&D organization and flexible production

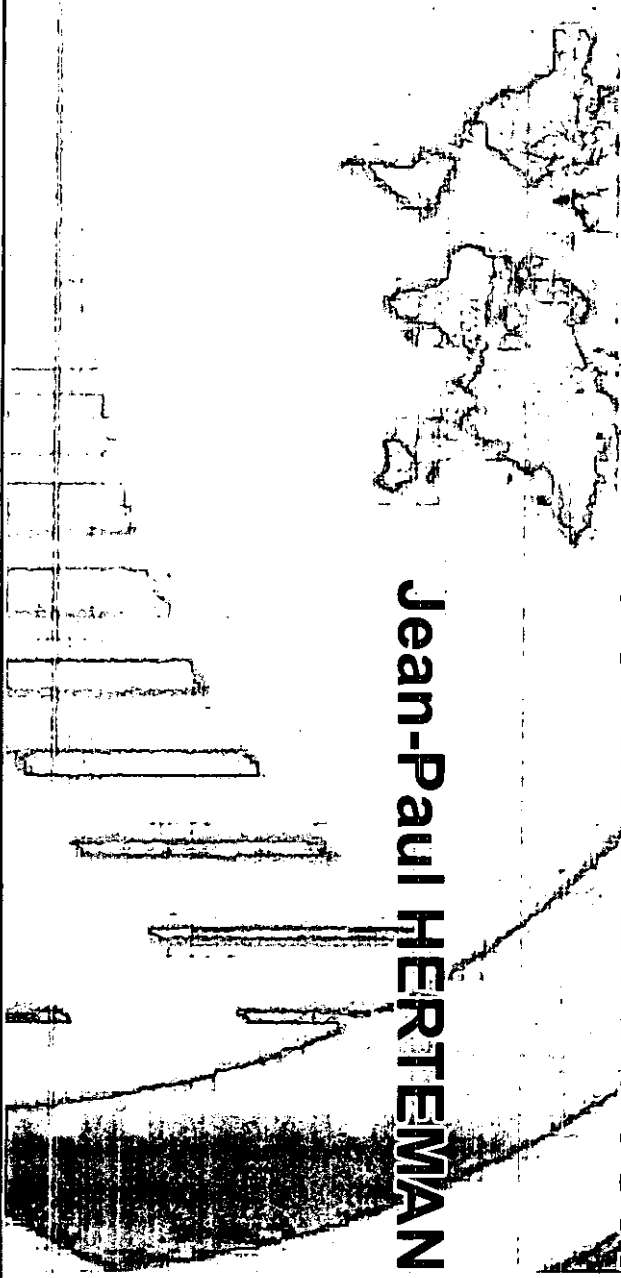


- ▶ New Technologies in France
- ▶ 2G products mainly designed and manufactured in emerging countries

RECEIVED
2005 DEC -5 P 2:33
OFFICE OF INTERNATIONAL
CORPORATE FINANCE

DEFENSE SECURITY BRANCH

Jean-Paul HERTEMAN



Investor Day - November 30th, 2006



82-34974

Defense Security

Branch profile

2005 Sales*
€1,232 million

Total employees
9,000

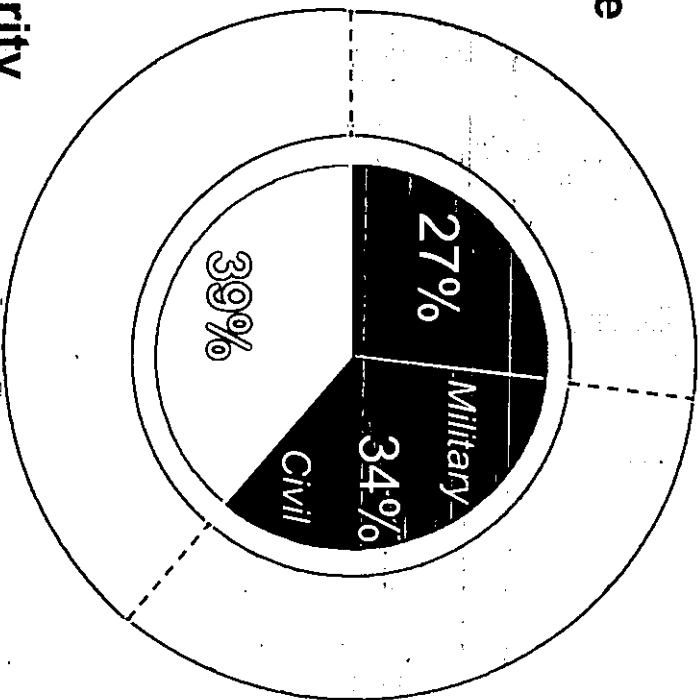
France
6,800

International
2,200

* Including 1 month of business for Orga

Defense

Security

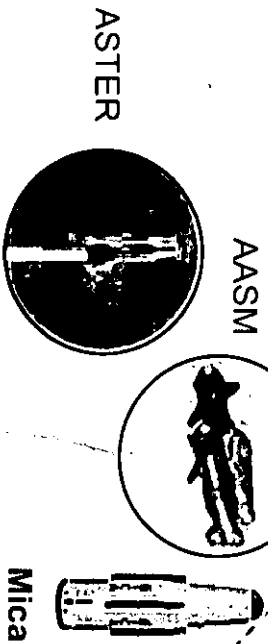


Aerospace

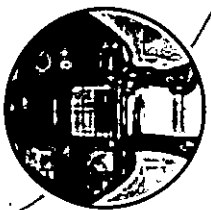
Defense Security

Civil and Military Aerospace (in % of 2006e sales)

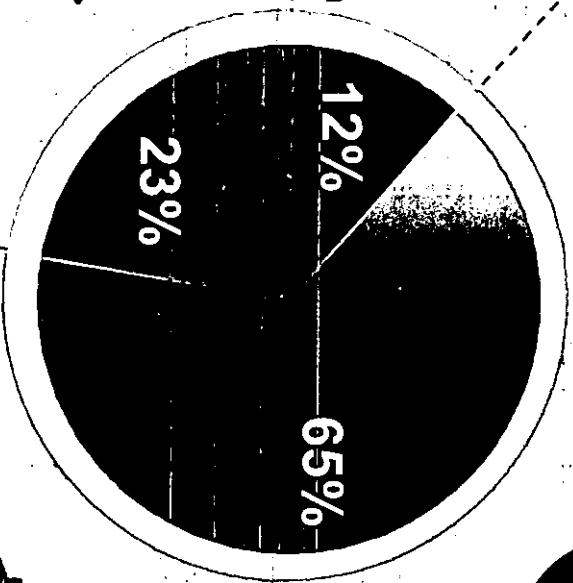
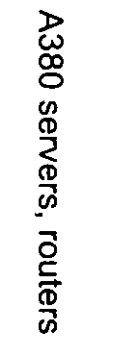
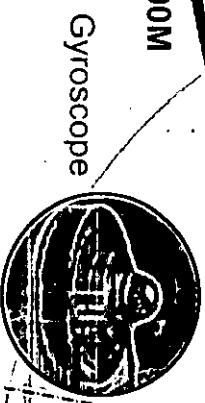
Weapon Guidance



Equipment and Avionics Systems



Navigation and sensors



■ ■ ■ ■ Defense Security

■ Civil and Military Aerospace

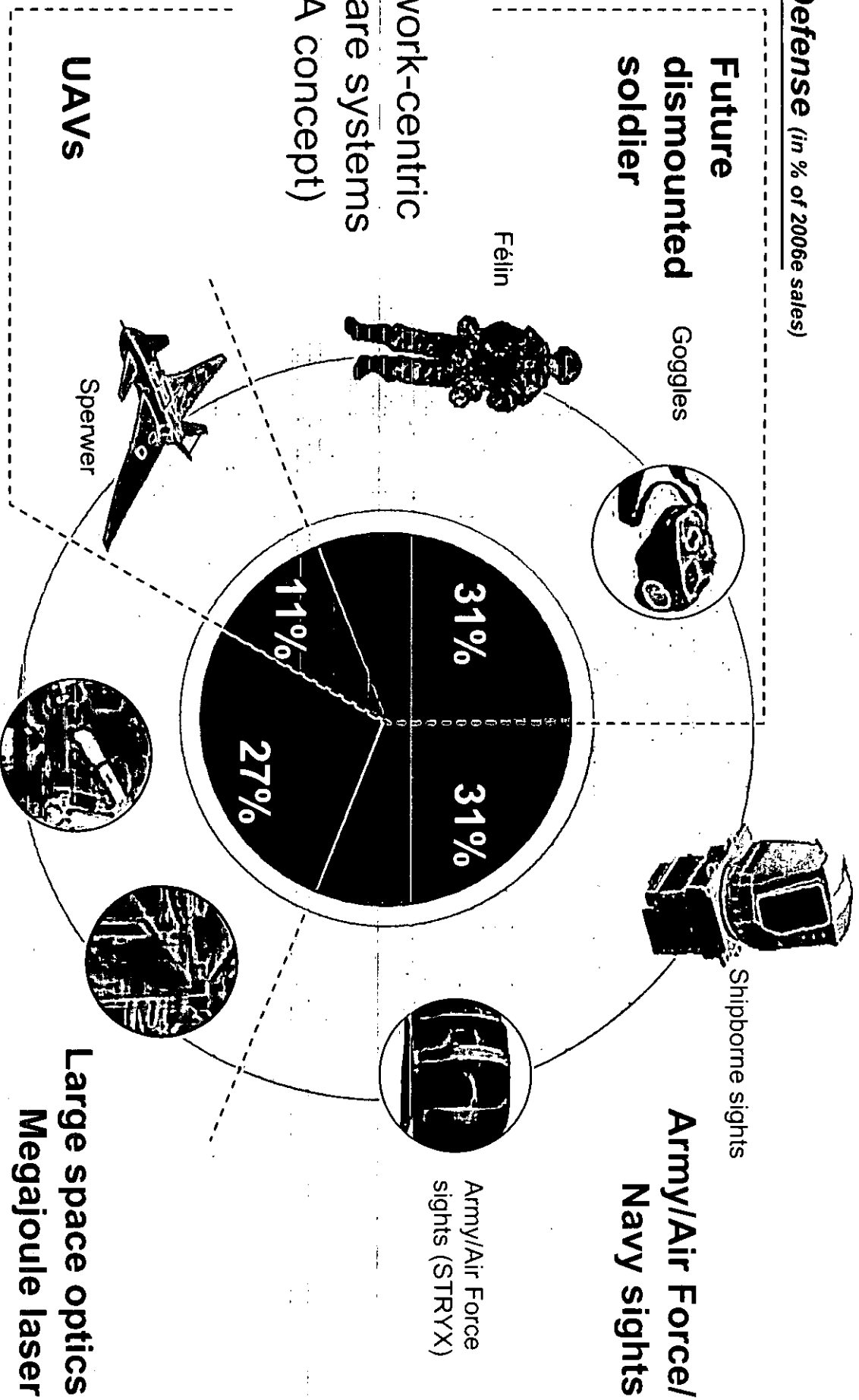
- ▶ Technologies which are differentiating (inertial sensors, flight controls, fly-by-wire controls, onboard information systems, etc.) and highly complementary
- ▶ SAFRAN synergies already generating results (787 electric brake), and to be amplified

▶ Growth factors:

- helicopter avionics
- “more electric” aircraft
- “wired” aircraft
- precision navigation/guidance/control

Defense Security

Defense (in % of 2006e sales)



Network-centric warfare systems (BOA concept)

■ ■ ■ ■ Defense Security

Defense

- ▶ Technologies which are differentiating (IR sensors, image processing, broadband networks, cryptology) and highly complementary
- ▶ Growth factors:
 - network-centric warfare systems (BOA concept)
 - helicopter optronics

Defense Security

Security (in % of 2006e sales)

Secure terminals

Biometric terminals

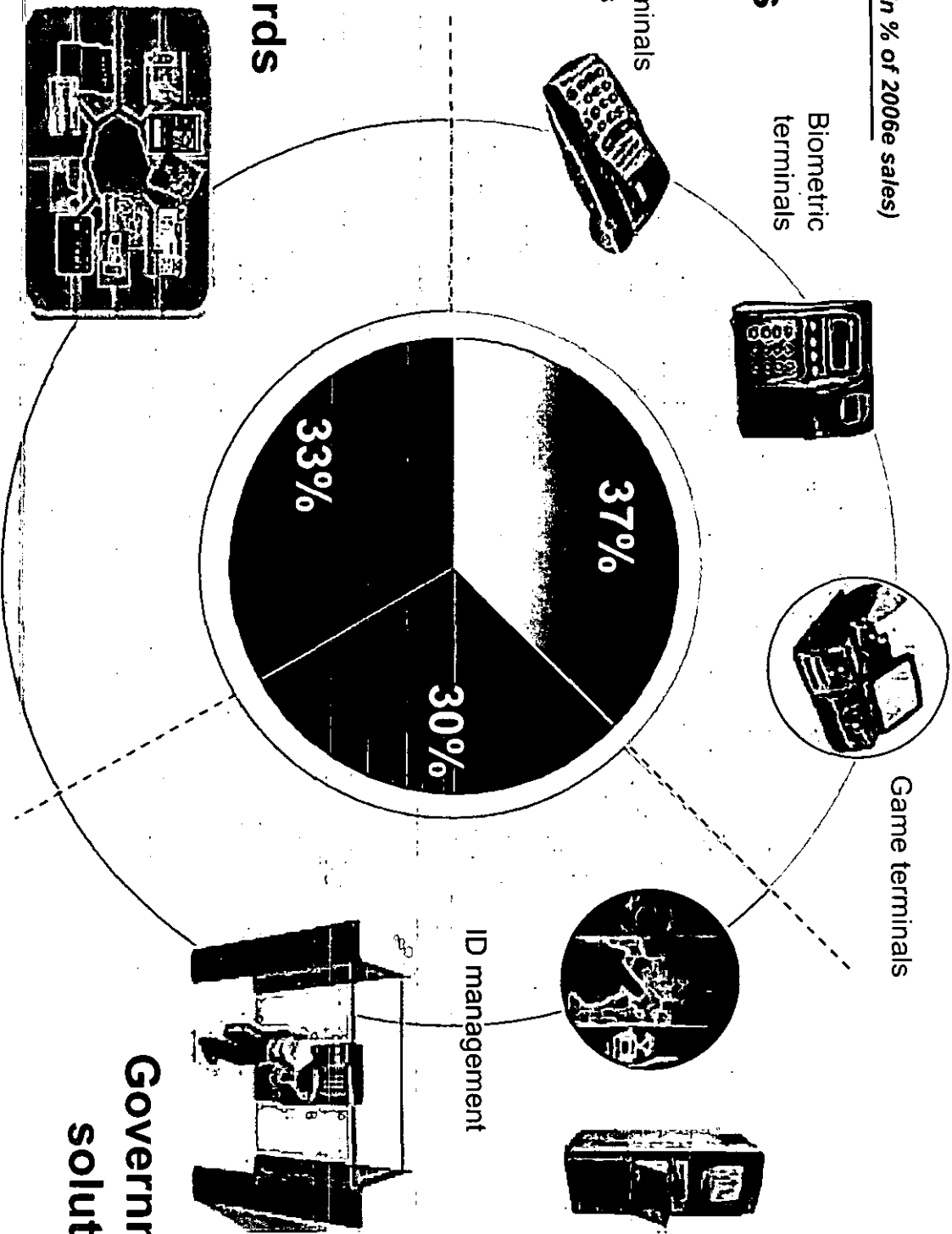
Payment terminals and solutions

Smart cards

Game terminals

ID management

Government solutions



Defense Security

Security

▶ Technologies which are differentiating (biometric algorithms, cryptography) and highly complementary (key role of smart cards)

▶ **Growth factors:**

- border checks
- contactless payment solutions
- convergence solutions (multi-application biometric terminals and cards)

■ ■ ■ ■ ■ Defense Security

■ 2006 highlights: *development across our three business lines*

▶ **Aerospace**

- **Qualification:**
 - First M51 launch
 - 49 AASM launches
 - A380 NSS
- **New contracts:**
 - Gulfstream II avionics
 - AASM and Moroccan Mirage F1 upgrade
 - Mistral RMV seeker

▶ **Defense**

- Sperwer deployments
- Delivery of Félin prototypes
- Tiger sights and deployment of support services

▶ **Security**

- Sales of electronic payment terminals up 18% and biometric terminals up 76%
- 30 civil and police ID systems sold
- Orga starts recovery

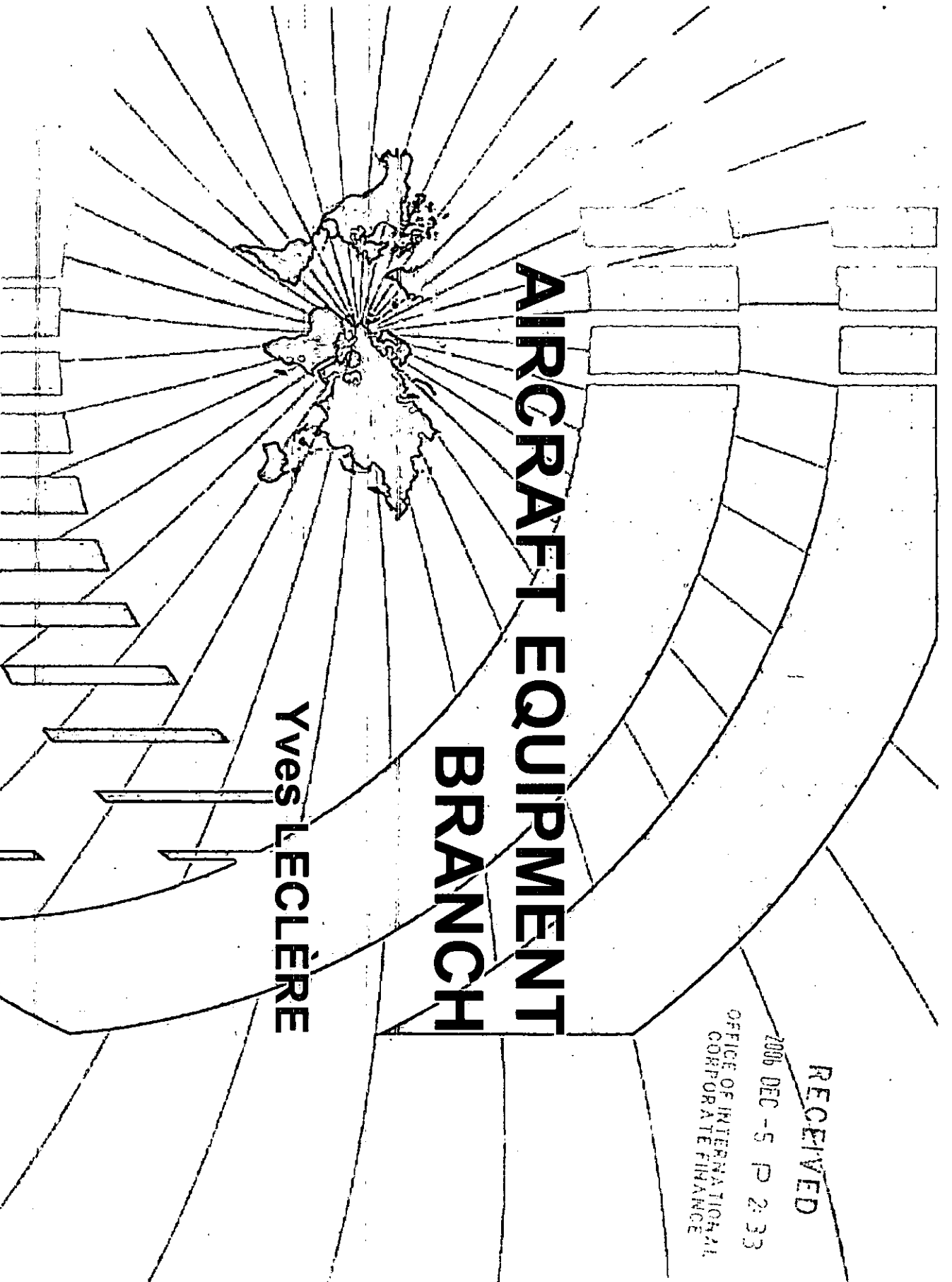
RECEIVED

2006 DEC -5 P 2:33

OFFICE OF INTERNATIONAL
CORPORATE FINANCE

AIRCRAFT EQUIPMENT BRANCH

Yves LECLÈRE



Aircraft Equipment

Branch profile

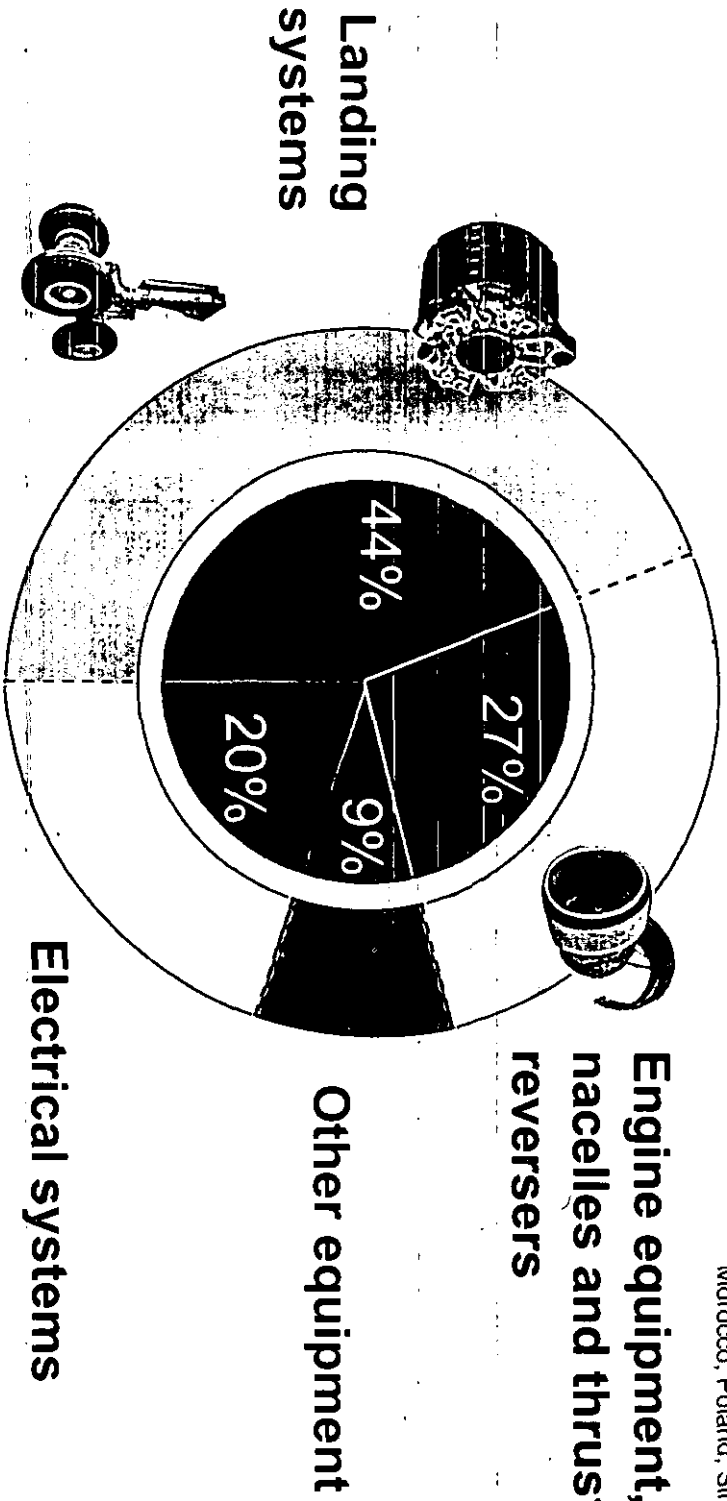
2005 Sales
€2,510 million*

Total employees
18,800

France
10,000

International (1)
8,800

(1) Mexico, Canada, USA, China, UK, Morocco, Poland, Singapore, India



■ ■ ■ ■ Aircraft Equipment

Our characteristics

- ▶ **System integrators, professional expertise**
 - Differentiating technologies, shared
 - Sustained R&D effort
- ▶ **Higher productivity**
 - Lean manufacturing approach
 - International deployment
- ▶ **Robust growth driven by new programs**
 - Establishing a balanced portfolio: Airbus-Boeing
 - Growing fleets in service

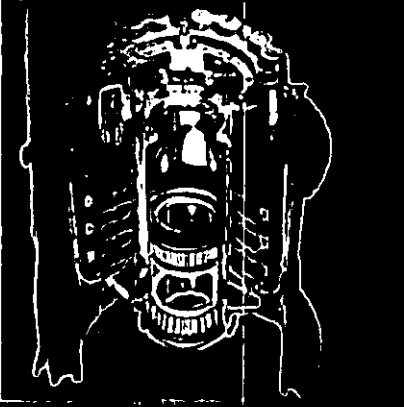
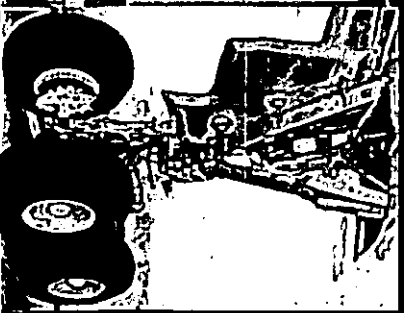
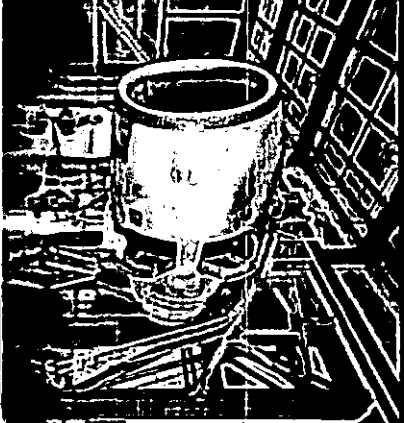
■ Aircraft Equipment

Our characteristics

- ▶ **System integrators, professional expertise**
 - Differentiating technologies, shared
 - Sustained R&D effort
- ▷ **Higher productivity**
 - Lean manufacturing approach
 - International deployment
- ▷ **Robust growth driven by new programs**
 - Establishing a balanced portfolio: Airbus-Boeing
 - Growing fleets in service

Aircraft Equipment

Competitive situation



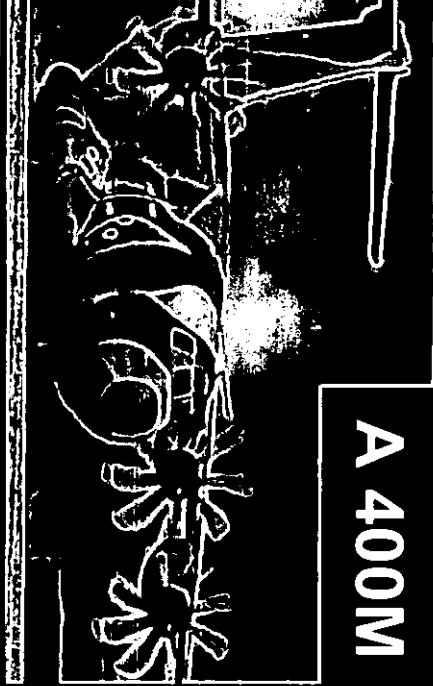
▶ Face to face with Goodrich
on 2/3 of total business

▶ Prime integrator on
80% of total business



Aircraft Equipment

Landing and braking systems

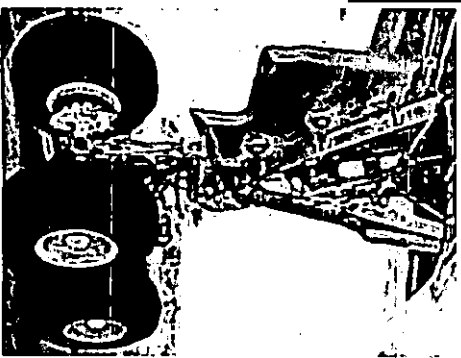


A 400M

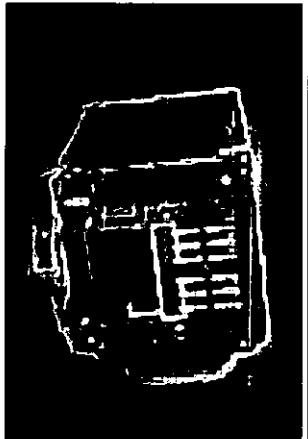
▶ Landing system integrator

Messier-Dowty

Landing gear

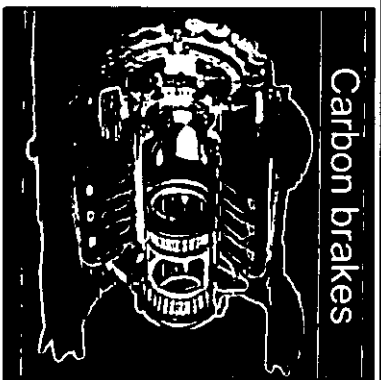


Messier-Bugatti



Control/monitoring systems

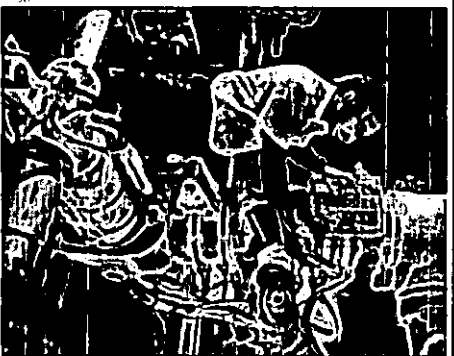
Carbon brakes



Wheels & Brakes

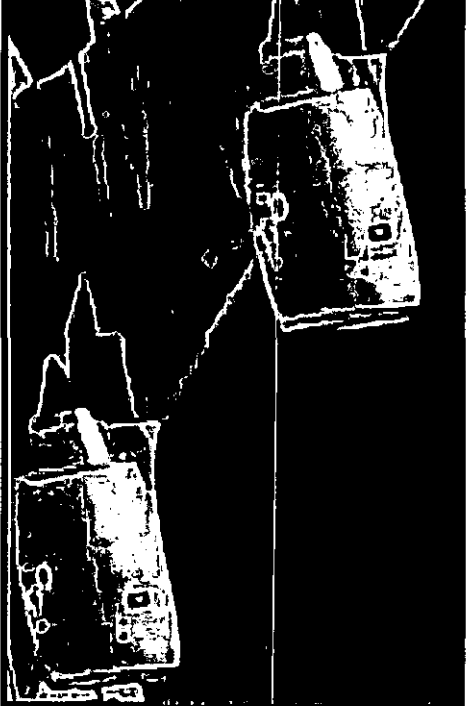
Messier-Services

MRO



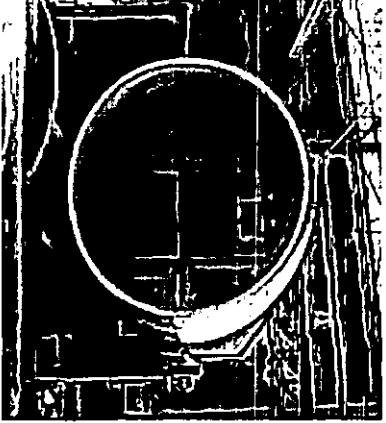
■ ■ ■ ■ Aircraft Equipment

Aircelle: nacelles

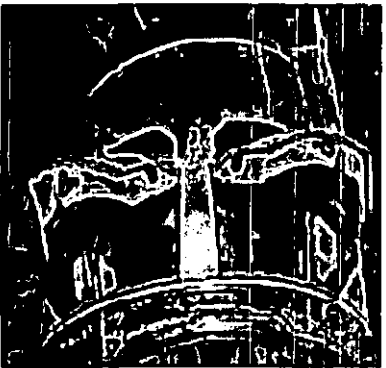


▶ Nacelle system integrator

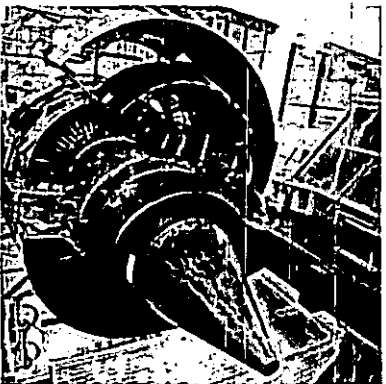
Major systems integrator, from business jets to the A380



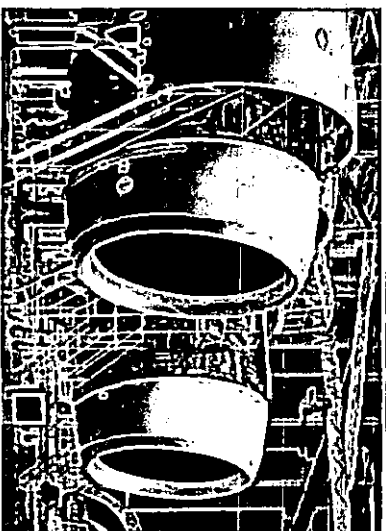
Air inlet



Thrust reverser



Afterbody Nozzle



EBU / Podding

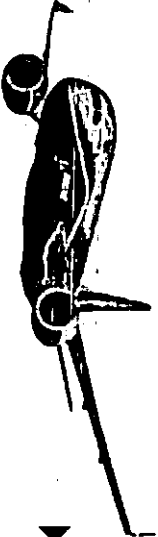
■ ■ ■ ■ Aircraft Equipment

Differentiating and disruptive technologies, for a global head start



▶ Installed on the A380: composite nacelle, electrically-driven thrust reverser, full authority braking control, digital cabin ventilation

▶ Soon to be certified on the B787: composite landing gear sidestay, electric brake, lightened wheel, integrated electrical wiring system



▶ Now being demonstrated for next-generation programs:

- New steps towards the “electric” aircraft: Snecma-Sagem synergies
- Moving up the value chain

■ Aircraft Equipment

Our characteristics

- ▶ **System integrators, professional expertise**
 - Differentiating technologies, shared
 - Sustained R&D effort
- ▶ **Higher productivity**
 - Lean manufacturing approach
 - International deployment
- ▶ **Robust growth driven by new programs**
 - Establishing a balanced portfolio: Airbus-Boeing
 - Growing fleets in service

■ ■ ■ ■ ■ Aircraft Equipment

International deployment across the branch

Joint Snecma//Messier-Dowty facility – 2007

2005

2006

Messier-Dowty : expansion in Suzhou (China)

Joint project with Snecma. Production startup 2007-2008

Messier-Services

New facility in Queretaro (Mexico). Production startup 2007

Messier-Bugatti

Third expansion at Kentucky plant. Production startup 2007

Aircelle : New facility in Casablanca

Plant in operation

Labinal : Expansion in Chihuahua (Mexico)

Plant in operation

New facility in Témara (Morocco)

Plant in operation

Hispano-Suiza : Facility in Poland

Plant in operation

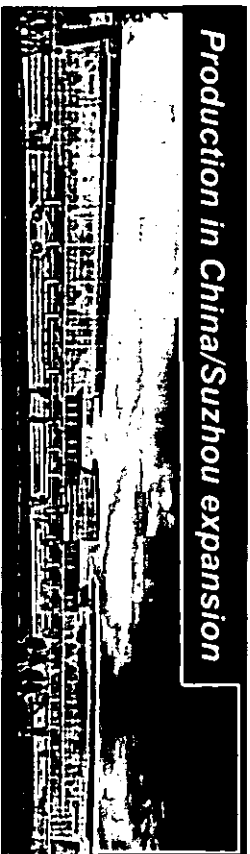
Teuchos : Facility in Bangalore (India)

Production ramp-up completed

Facility in Casablanca (Morocco)

Production ramp-up starting

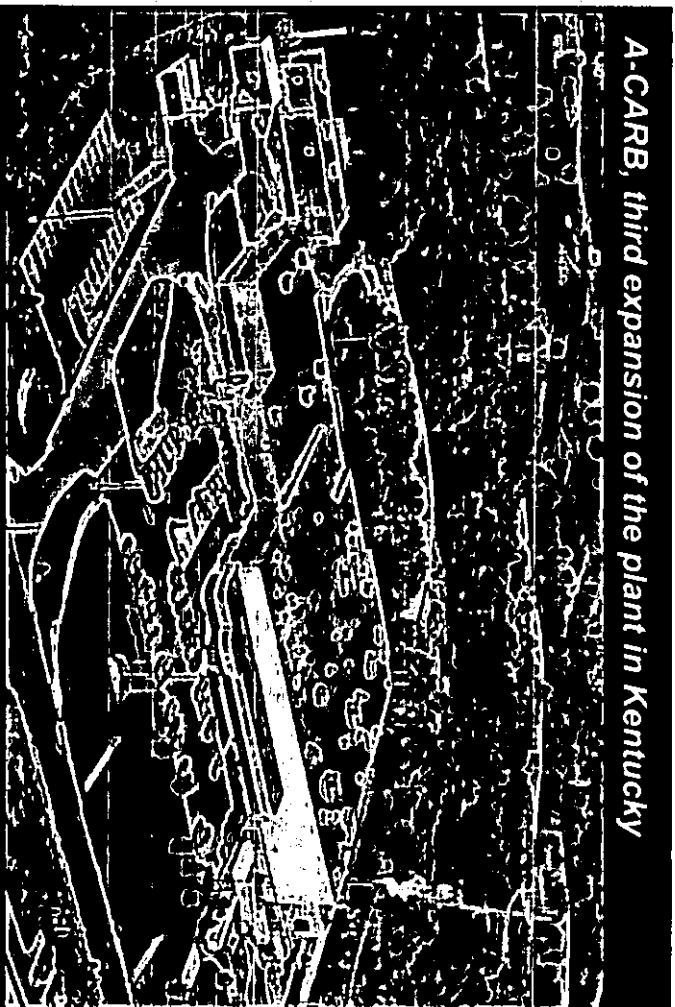
Production in China/Suzhou expansion



■ Aircraft Equipment

▶ Enhanced competitiveness

- Lean manufacturing
- International deployment
- Group purchasing
- Mobility and sharing skills across all SAFRAN companies



■ ■ ■ ■ Aircraft Equipment

Our characteristics

- ▷ System integrators, professional expertise
 - Differentiating technologies, shared
 - Sustained R&D effort
- ▷ Higher productivity
 - Lean manufacturing approach
 - International deployment
- ▶ **Robust growth driven by new programs**
 - Establishing a balanced portfolio: Airbus-Boeing
 - Growing fleets in service

■ ■ ■ ■ Aircraft Equipment

New aircraft programs

	Nacelles	Landing gear Nose	Main	Wheels – brakes	Wiring	Engine equipment	Aircraft equipment
A380	✓	✓			✓	✓	✓
A400M		✓	✓	✓	✓	✓	✓
B787		✓	✓	✓	✓	✓	
Falcon 7X	✓	✓	✓		✓		✓
Sukhoi Superjet	✓	✓	✓			✓	
A350 XWB		?	✓	?	?	?	?

■ ■ ■ ■ Aircraft Equipment

■ *A380: sustained momentum*

- ▶ **Innovation: accomplished**
- ▶ **Certification: accomplished**
- ▶ **Production: set up**
- ▶ **Sales: delayed**



- **For Safran, the A380 remains an opportunity for growth, and represents a new step forward in management of business lines**

Aircraft Equipment

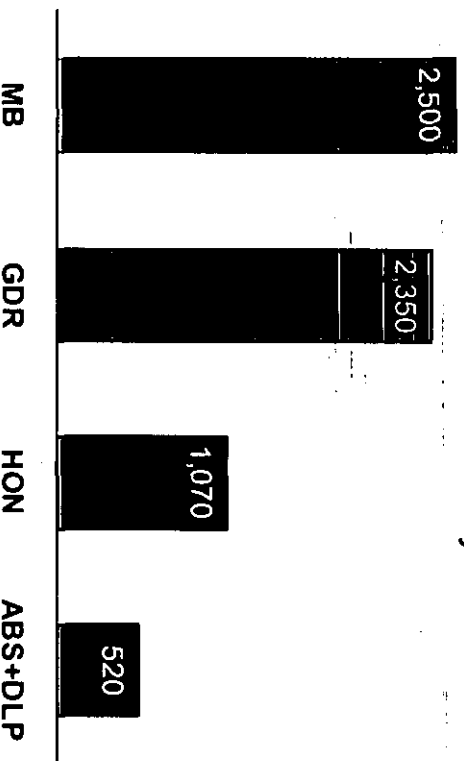
Robust service business

▶ Carbon brake refurbishment:

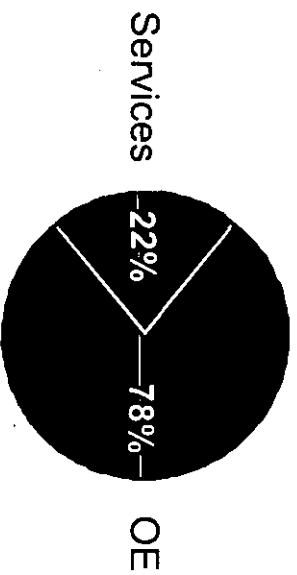
- Global leadership
- Fleet in service will double by 2010

Installed base (carbon brakes)

Mainline jets (over 100pax)
 — Fleets at year-end 2005

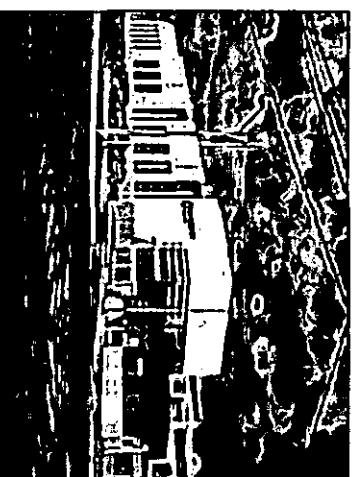


2005 sales



▶ Landing gear maintenance:

- New aircraft models in service
- Redeployment of repair sites



Messier Services in
 Querétaro, Mexico

■ Aircraft Equipment

Conclusion

- ▶ **Productivity improvement and industrial redeployment in line with objectives**
- ▶ **Sustained effort on innovation for differentiation**
- ▶ **Safran's aircraft equipment offering meets the objectives announced by aircraft-makers, who want to count on partners capable of supplying complete systems**

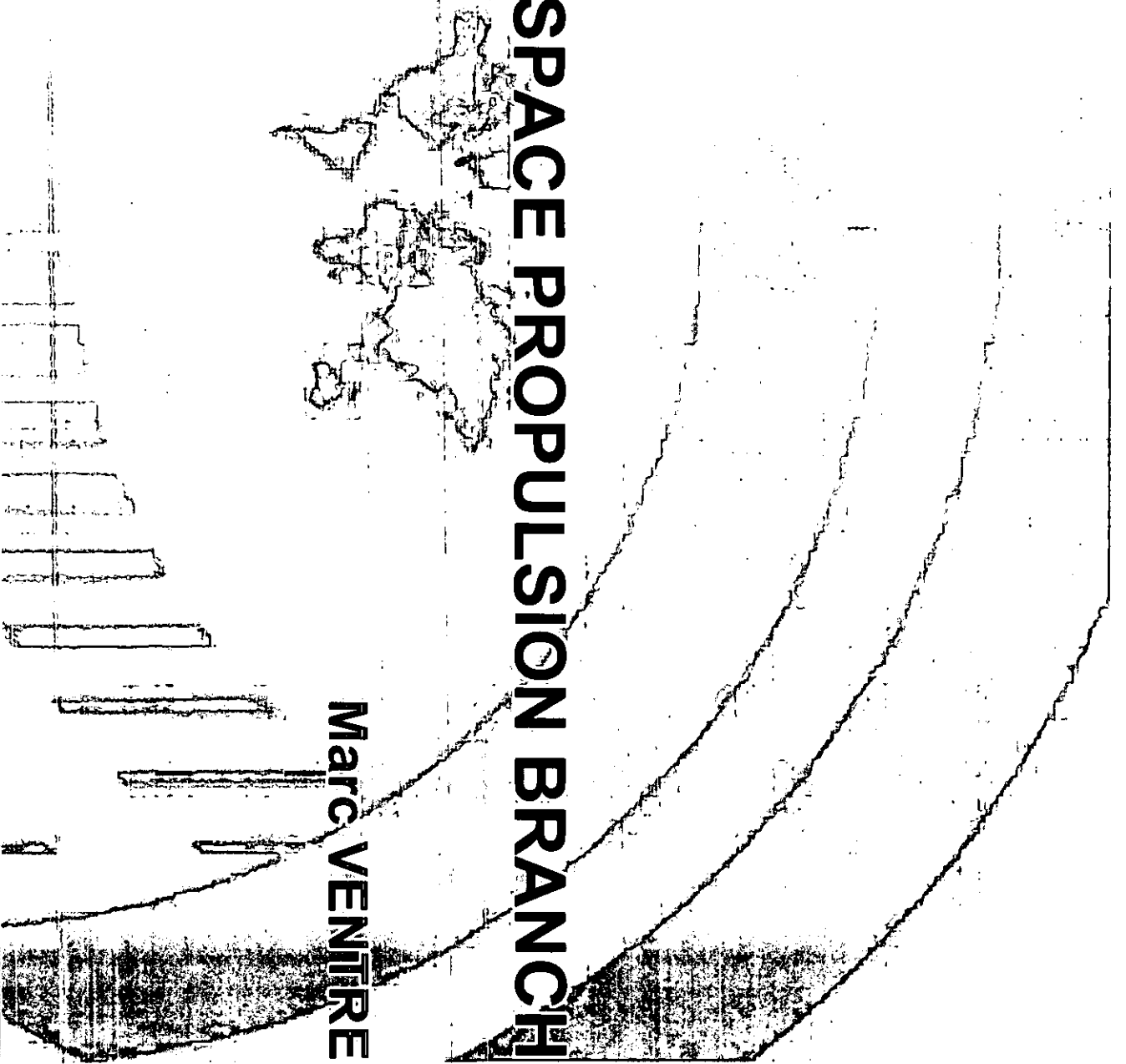
RECEIVED

2006 DEC -5 P 2:33

OFFICE OF INFORMATION
CORPORATE FINANCE

AEROSPACE PROPULSION BRANCH

MARC VENTURE



||||| Aerospace Propulsion

Contents

- ▶ **General presentation**
- ▶ **Strong market growth**
- ▶ **Investing in technology**
- ▶ **Growing the installed base and service revenues**
- ▶ **Industrial policy**

Aerospace Propulsion

- ▶ **General presentation**
- ▶ **Strong market growth**
- ▶ **Investing in technology**
- ▶ **Growing the installed base and service revenues**
- ▶ **Industrial policy**

Aerospace Propulsion

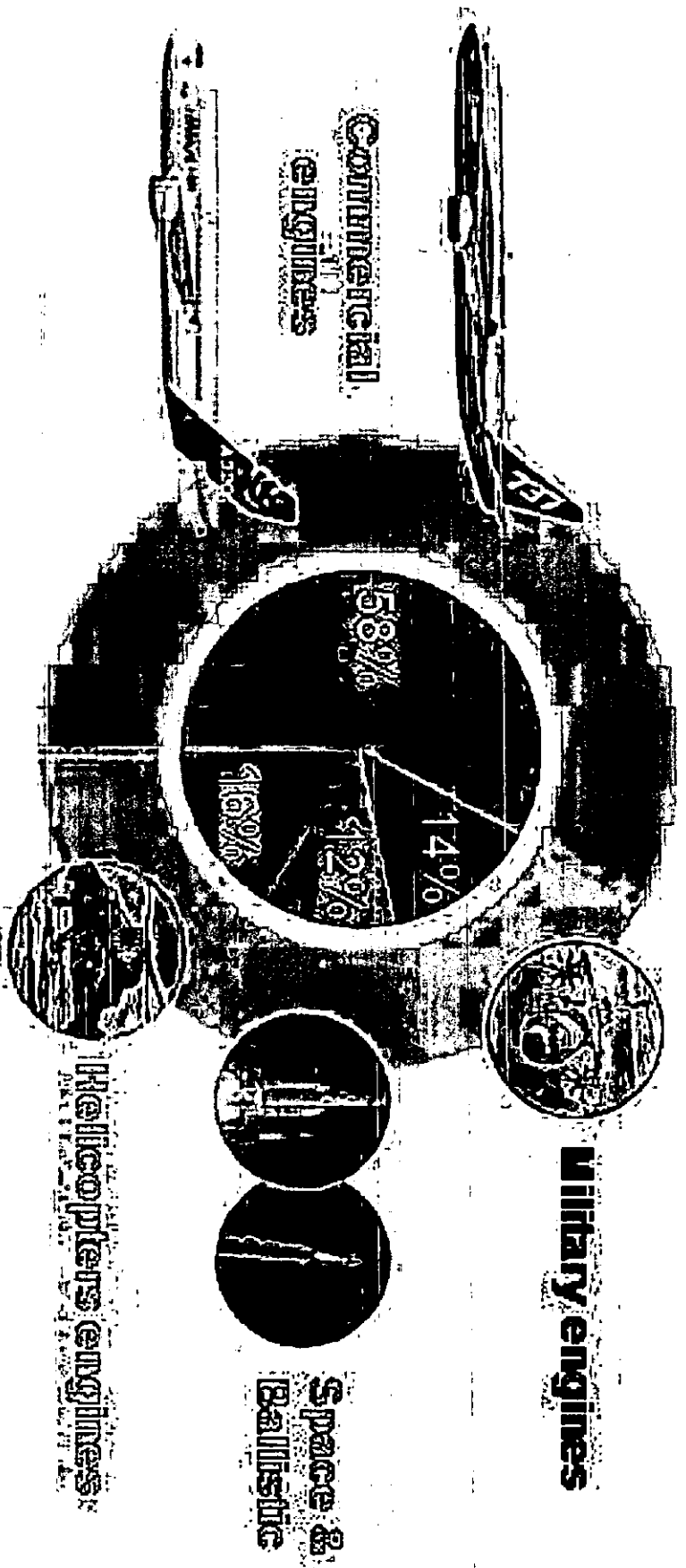
Branch profile

2005 Sales
€4,493 million

Total employees
21,400

France
18,200

International
3,200

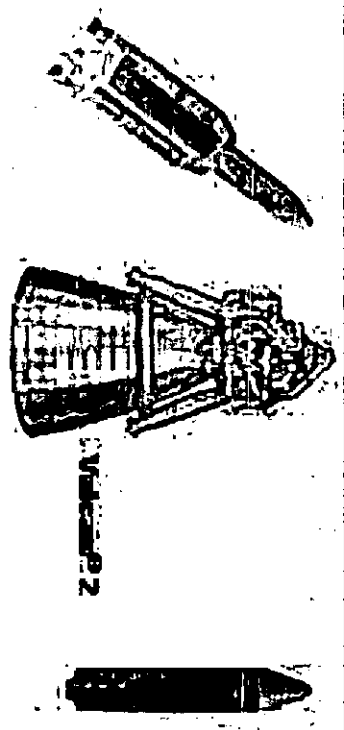


■ Aerospace Propulsion

CFM56 the best seller



Engine manufacturer for Airbus and SIAI Marchetti



World's leading helicopter engine manufacturer



Europe's second leading military aircraft engine maker



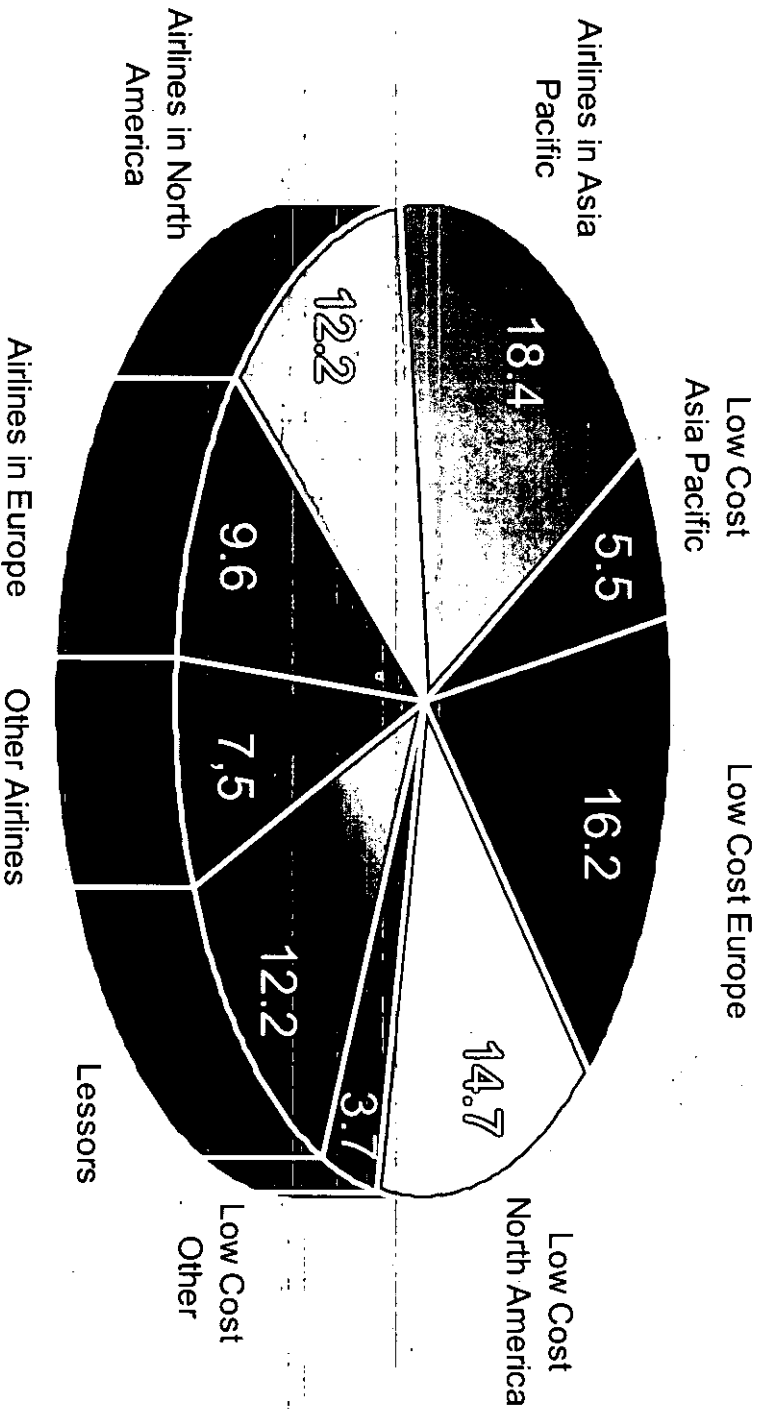
■ ■ ■ ■ Aerospace Propulsion

- ▷ General presentation
- ▶ Strong market growth
- ▷ Investing in technology
- ▷ Growing the installed base and service revenues
- ▷ Industrial policy

Aerospace Propulsion

Aircraft backlog as of June 2006

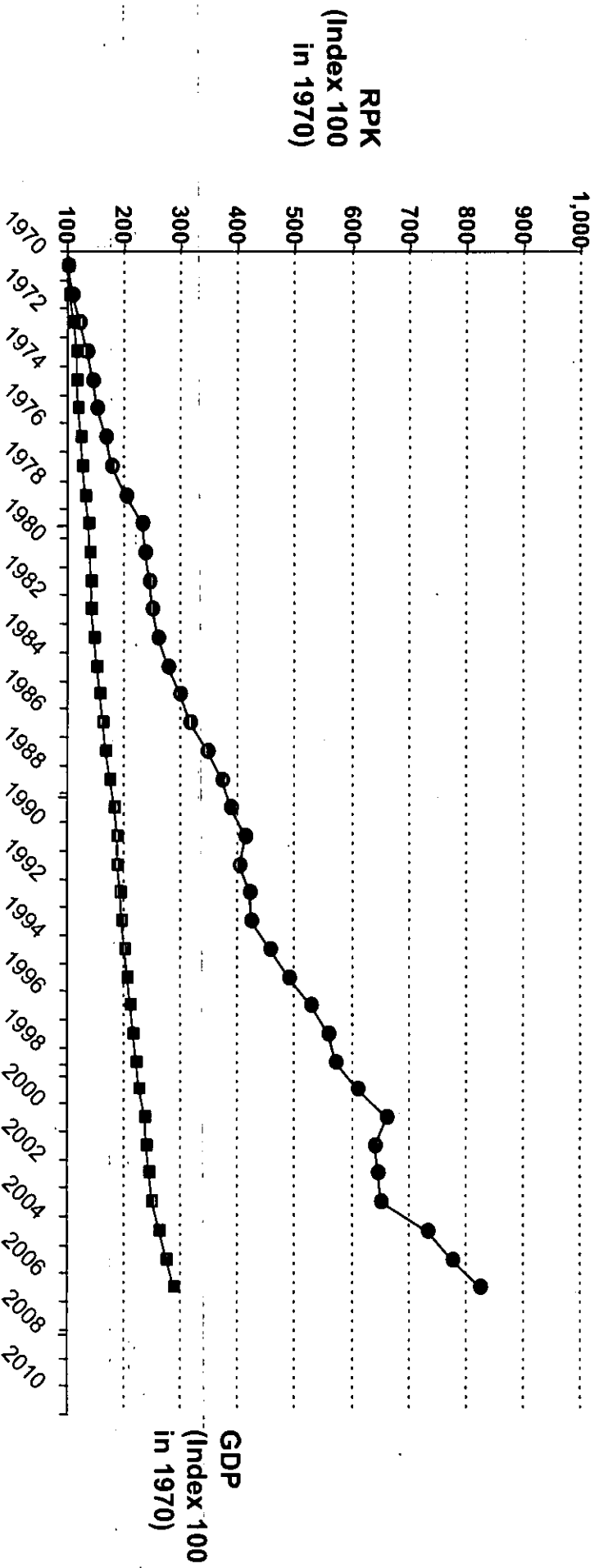
In % of the total Boeing/Airbus aircraft



Source: Boeing & Airbus data

Aerospace Propulsion

World traffic and GDP



Air traffic:

- steady growth outpacing GDP
- despite turbulences

Driven by:

- market expansion (Asia)
- low cost carriers

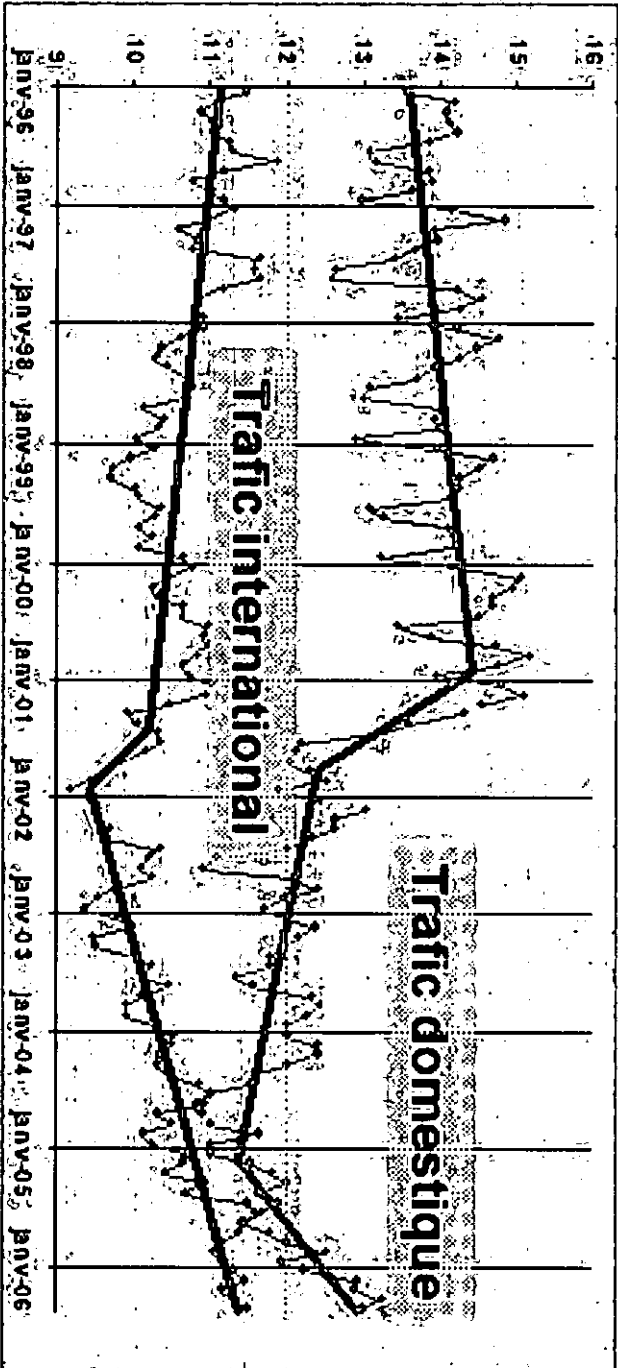
Source : IMF & OACI

Investor Day - November 30th, 2006

Aerospace Propulsion

Improving airline financial performance

USA fare recovery



Source : ATA

Historically high load factors in 2006 (in %):

Region	Load Factor (%)
USA	80.9
Asia	75.2
Europe	75.5

||||| Aerospace Propulsion

| CFM56: the industry standard

Boeing 737-300, 400 and 500 (Classic)

Boeing 737 MAX

Boeing 787-9, 787-8, 787-9, 787-9, 787-9, 787-9

Boeing 737-600, 700, 800 and 900 (Next Generation)

Airbus A320

Airbus A320, A321, A320neo, A321neo

CFM56

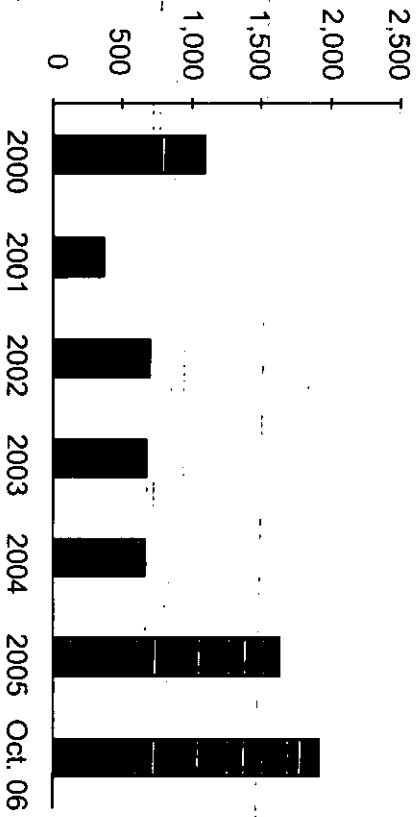
CFM56: 50% Snecma - 50% GE

- 330 million flight-hours
- Over 16,500 engines in service
- 430 operators worldwide

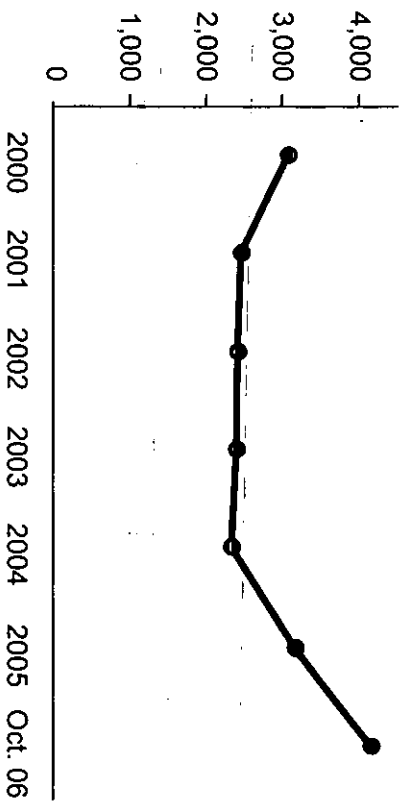
Aerospace Propulsion

CFM56 engine orders as of October 31, 2006

Orders



Backlog



■ ■ ■ ■ Aerospace Propulsion

■ **CFM market share as of October 31, 2006**

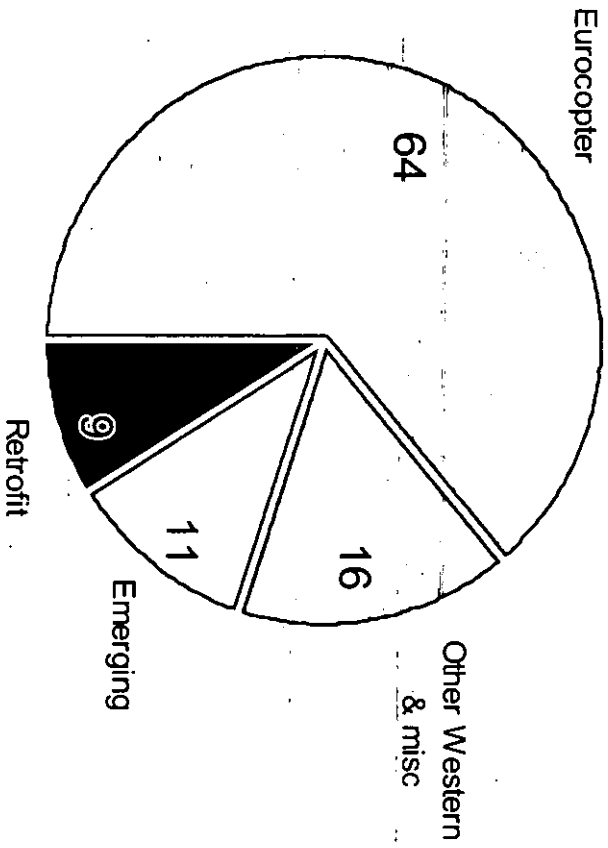
	Single aisle > 100Pax CFM Market Share	A318 / A319 / A320 / A321 CFM Market Share
1984 to October 2006	7,851 71%	2,322 55%
January to October 2006	882 88%	240 67%

Main Driver : Lower Maintenance Cost

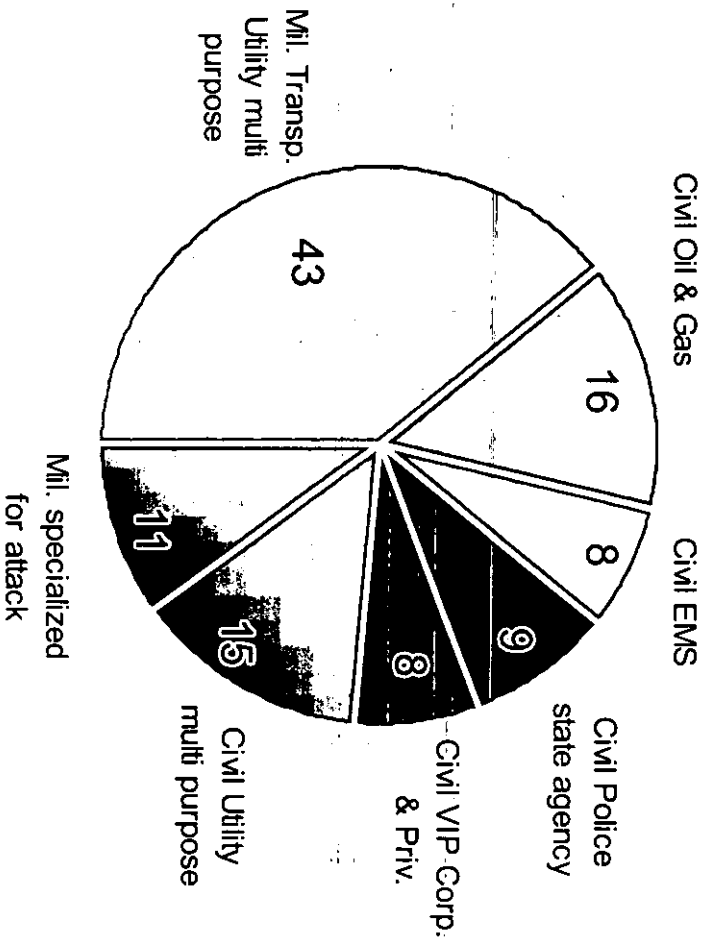
Aerospace Propulsion

Turbomeca Helicopter turbine backlog

Breakdown by Airframer
(in %)



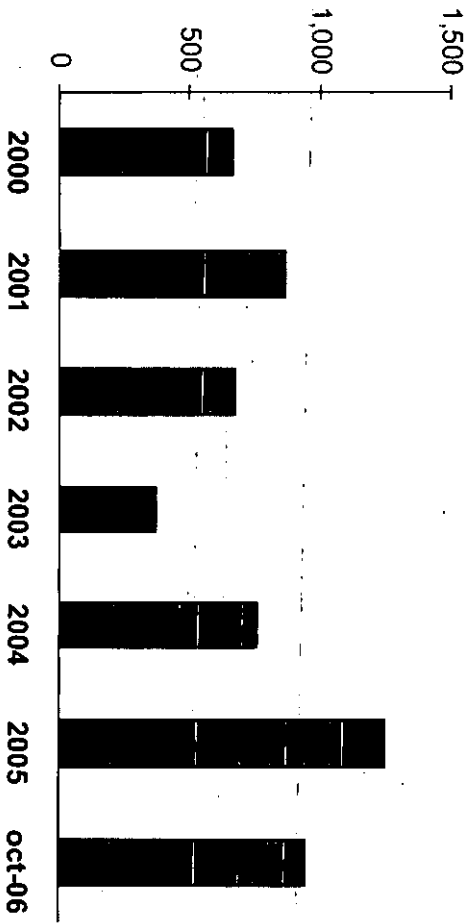
Breakdown by end user
(in %)



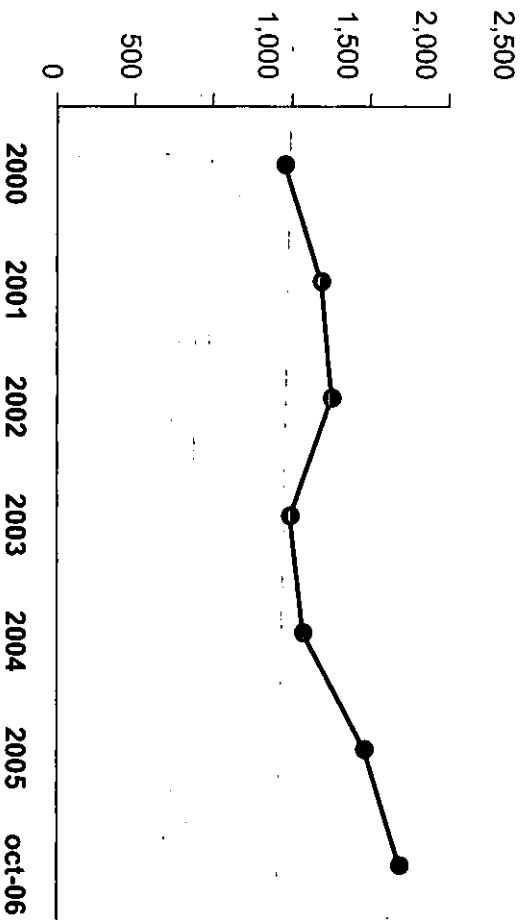
Aerospace Propulsion

Turbomeca Helicopter turbine backlog

Orders



Backlog



Aerospace Propulsion

- ▷ General presentation
- ▷ Strong market growth
- ▷ Investing in technology
- ▷ Growing the installed base and service revenues
- ▷ Industrial policy

Aerospace Propulsion

R&D Upgrade existing products, prepare next generation, extend current market

1995

2000

2005

2010

Certification Year

CIVIL



WINDMILLS



GEN (2N)



GEN (2N)



GEN (2N)

Single-aisle



CRJ 2 (2N) CRJ 2 (2N)



CRJ 2 (2N)



CRJ 2 (2N) CRJ 2 (2N)

Regional



Bizjet



MILITARY



HELICOPTERS



Film on RTM technology

■ ■ ■ ■ ■ Aerospace Propulsion

■ SaM146: aiming for leadership in the regional jet market

- ▶ **Market segment showing strong growth**
 - 7%/year, combining growth and replacement
- ▶ **Market opened to new players**
- ▶ **Only one recent engine currently available**
- ▶ **First application: Sukhoi RRJ**
 - Designed for Western certification, growing interest from global market
- ▶ **Possible subsequent applications**
 - Mid-life upgrade of Embraer/Bombardier families
 - Large business jets



■ ■ ■ ■ ■ Aerospace Propulsion

■ Silvercrest engine

- ▶ A profitable market niche, enjoying strong growth
 - 13,000 business jets worldwide, a fleet growing 8%/year
 - High margin business, mainly as original equipment
- ▶ Synergy between business jets/regional jets with 30-60 seats
 - Complements our access to the regional jet market
- ▶ Silvercrest, the Snecma engine entry in the 10,000-lb-thrust class
 - Current engines in this thrust class based on previous-generation designs
 - New aircraft projects concentrated towards 2010-2013
- ▶ Excellent image inherited from the CFM56
 - Advanced technology and reliability
- ▶ Encouraging contacts with aircraft-makers
 - Core demonstration launched in January 2006
 - Cessna, Dassault



SILVERCREST

■ ■ ■ ■ ■ Aerospace Propulsion

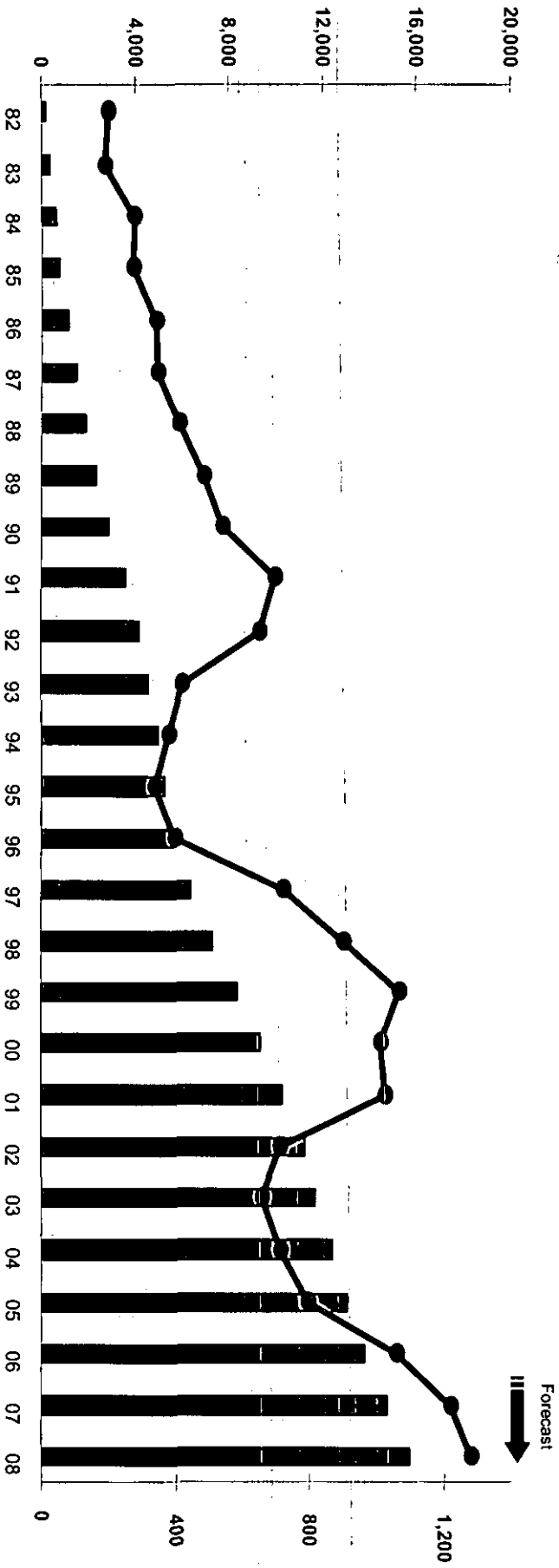
- ▶ General presentation
- ▶ Strong market growth
- ▶ Investing in technology
- ▶ Growing the installed base and service revenues
- ▶ Industrial policy

Aerospace Propulsion

Installed base

CFM 56 – A fast-growing installed base

Engine installed base



Engine deliveries



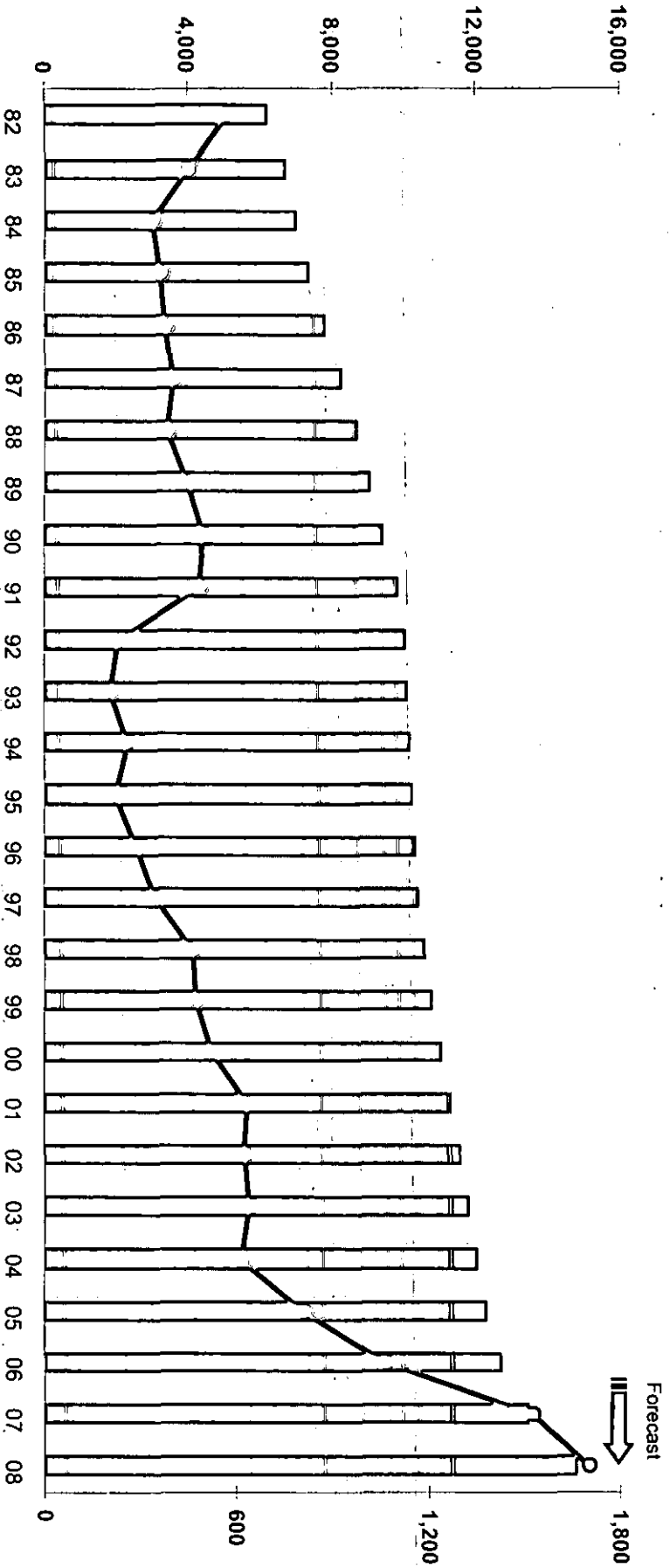
Aerospace Propulsion

Installed base

Helicopter engines: A booming market

Engine installed base

Engine deliveries

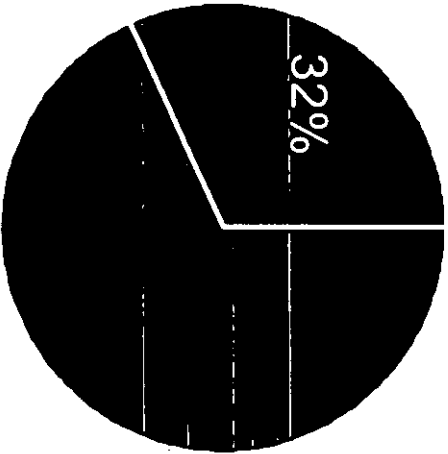


Aerospace Propulsion

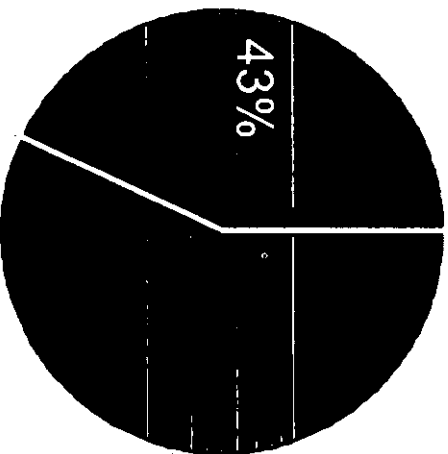
Growing service revenues

Service Revenues as % of Total Sales

2000



2006 (estimated)



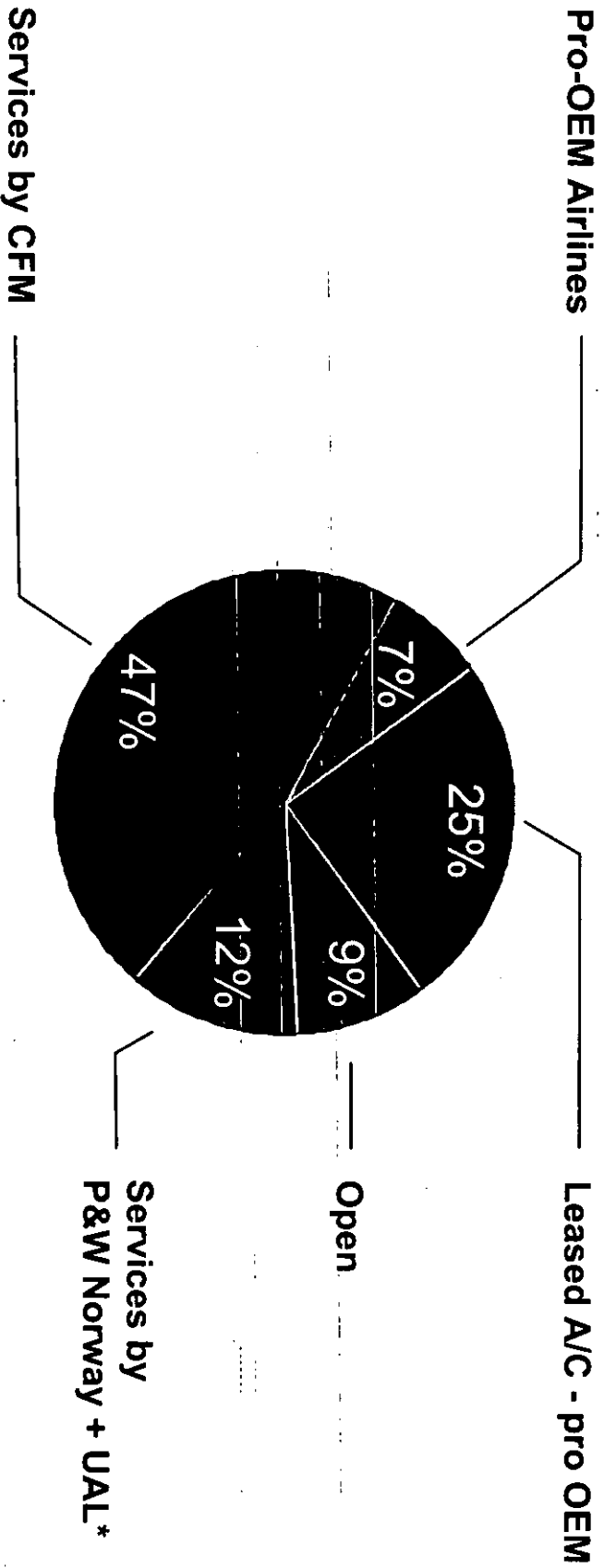
OE Revenues

Services Revenues

Aerospace Propulsion

PMA: P&W initiative, a real threat?

Potential impact is limited



* UAL = United Airlines

||||| Aerospace Propulsion

PMA: P&W initiative, a real threat?

▶ Actions to minimize the impact

- Patenting activity increased (5B – 7B – Tech Insertion)
- Safety concerns documented to EASA and endorsed by EC commissioner J. Barrot – Same process with FAA
- On critical parts, promote need for Supplementary Type Certificate which is well accepted by agencies
- Provide information to lessors and financial community concerning impact on residual value of assets
- Provide information to airlines: CFM no longer in a position to guarantee the engine if PMA installed
- Supplier base will not participate (18 out of 19)
- CFM material management solution

■ Aerospace Propulsion

PMA: P&W initiative, a real threat?

What could be the maximum impact* on 2010 SAFRAN revenues?

- ▶ **Analysts' estimates (average from 2 studies) :**
 - \$50 million (\$105 million for CFM)
- ▶ **SAFRAN's estimate :**
 - \$40 million, representing 0.2 to 0.3% of SAFRAN revenues

Not significant for SAFRAN revenues

* on the PMA impact on CFM56 engines

Investor Day - November 30th, 2006

■ ■ ■ ■ ■ Aerospace Propulsion

- ▶ General presentation
- ▶ Strong market growth
- ▶ Investing in technology
- ▶ Growing the installed base and service revenues
- ▶ Industrial policy

■ ■ ■ ■ ■ Aerospace Propulsion

Industrial policy

- ▶ Domestic capacities in France sized for bottom of aviation cycles focused on core technology
- ▶ During high points in cycle, increase in production rates handled via supplier networks and investments in facilities located in countries selected according to one or more criteria:
 - Lower costs
 - Reduced USD exposure
 - Fast-growing market

Aerospace Propulsion

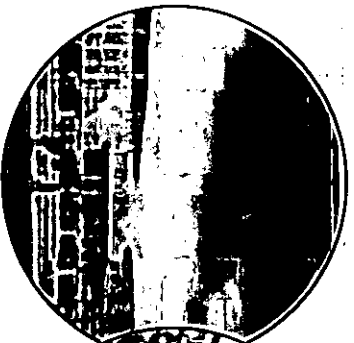
New projects

2005 Status

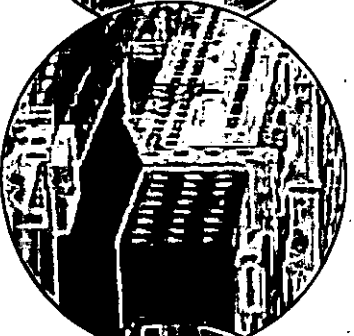
6	international sites operational
8	under study or under construction

2006 Status

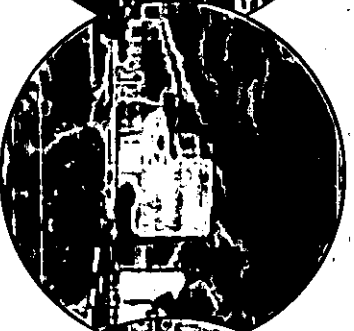
12	sites operational (among which 3 existing once have been extended)
2	under construction
1	new under study



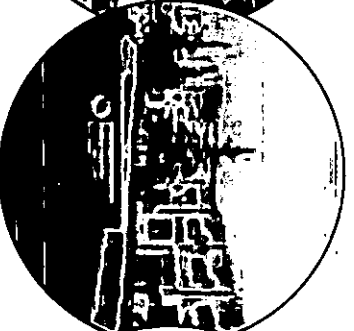
Snecma Suzhou



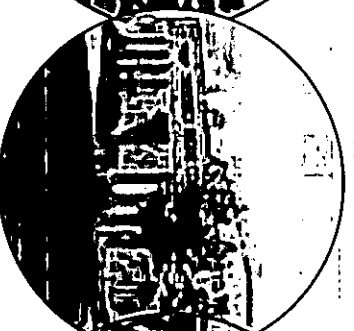
Volgaero



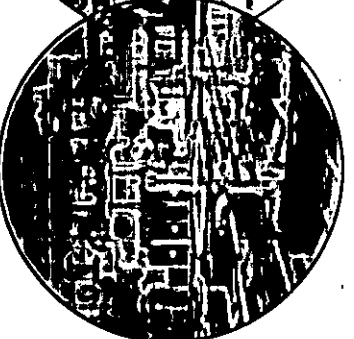
SnS in Morocco



SnS Chengdu

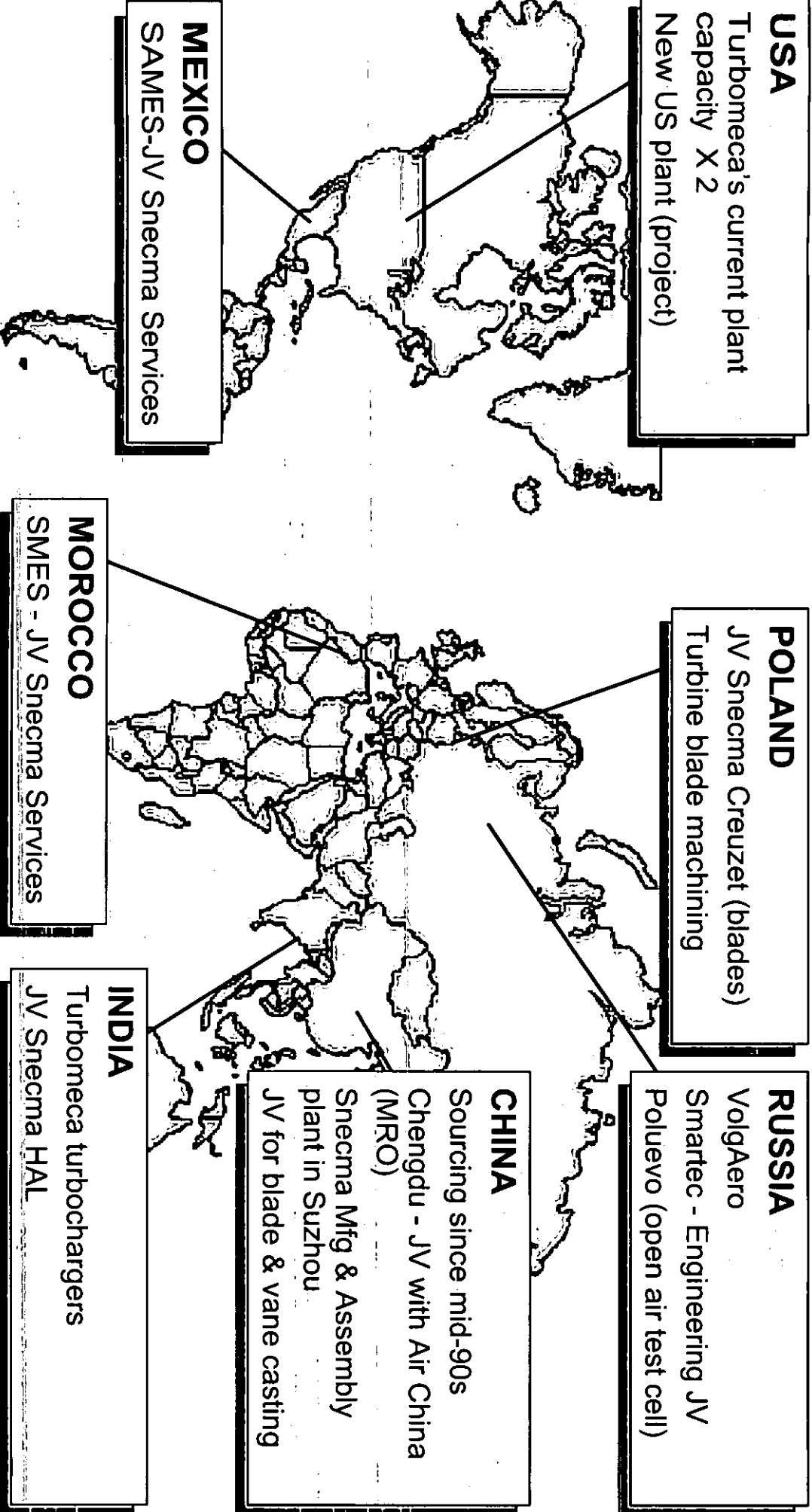


Turbomeca USA



Creuzet Polska

Safran Propulsion



■■■■ Propulsion

Conclusion

- ▶ **Strong growth in commercial aircraft and helicopter engine markets**
- ▶ **Strong, steadily growing installed base – generates spares sales**
- ▶ **Investments in differentiating technologies and growth market segments**
- ▶ **Optimization of industrial facilities**

RECEIVED

2006 DEC -5 P 2:53

OFFICE OF INTERNATIONAL
CORPORATE FINANCE

SAFRAN

an international technology

leader



SAFRAN

88-34974

Notice

▶ These documents contain forward-looking statements. All statements other than statements of historical fact in this presentation, including, without limitation, those regarding our financial position, business strategy, management plans and objectives for future operations, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we expect to operate in the future. Important factors that could cause our actual results, performance or achievements to differ materially from those in the forward-looking statements include, among other factors:

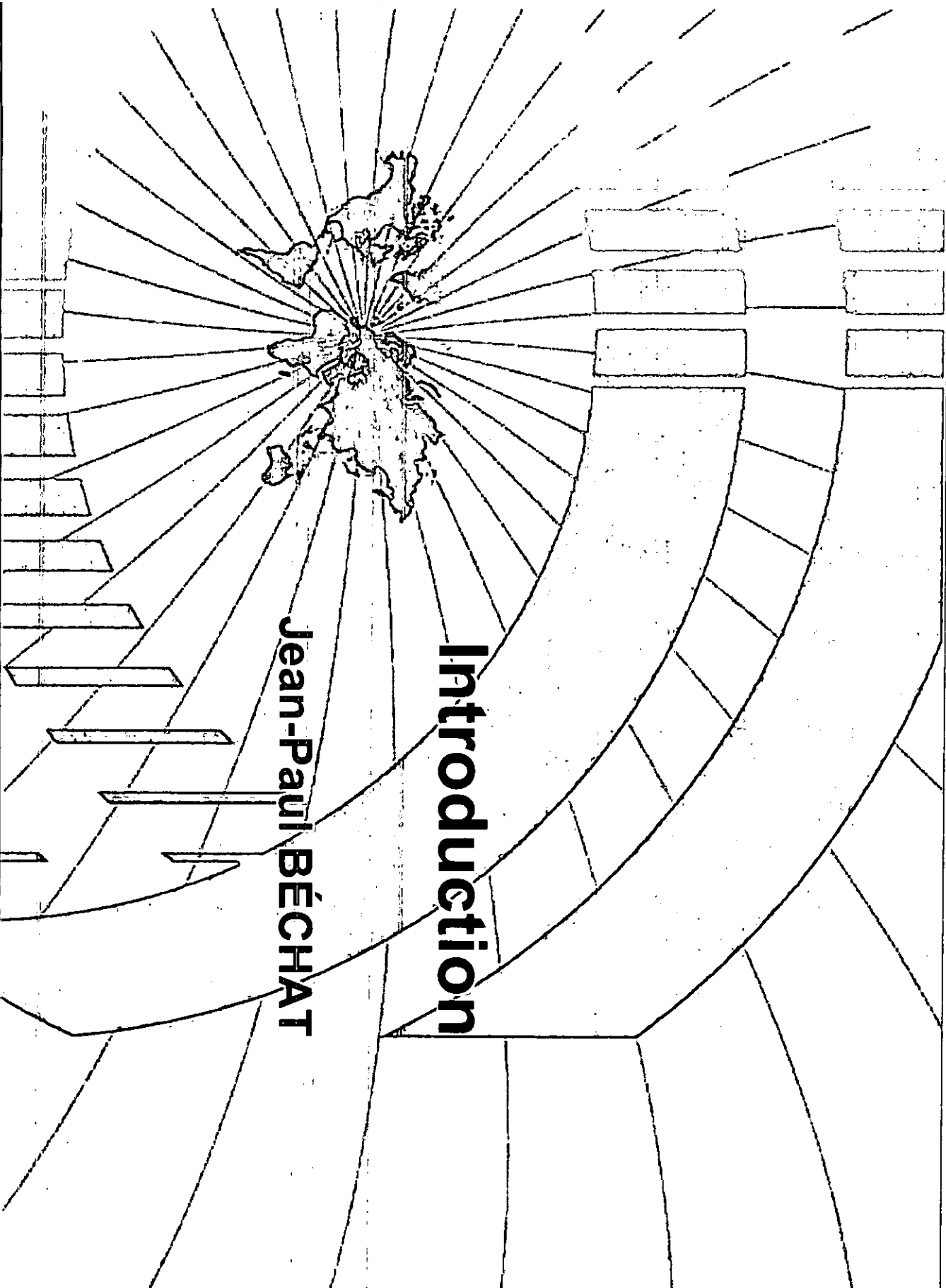
- the cyclical nature of the aviation market;
- the effects of exceptional and unpredictable events;
- the impact of changes in competition;
- fluctuations in exchange rates;
- our ability to maintain high levels of technology.

Forward-looking statements speak only as of the date of this presentation and we expressly disclaim any obligation or undertaking to release any update or revisions to any forward-looking statements in this presentation as a result of any change in our expectations or any change in events, conditions or circumstances on which these forward-looking statements are based.

- "The English language version of this document is a free translation from the original, which was prepared in French. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions expressed therein, the original language version of the document in French takes precedence over the translation."

Program

9:00 – 9:30am	Introduction	Jean-Paul BÉCHAT	Chairman of the Executive Board of SAFRAN Group
9:30 – 10:30am	Aerospace Propulsion / Q&A	Marc VENTRE	Executive Vice President, Aerospace Propulsion branch
10:30 – 11:00am	Coffee break		
11:00 – 12:00am	Aircraft Equipment/ Q&A	Yves LECLÈRE	Executive Vice President, Aircraft Equipment branch
12 Noon – 1:00pm	Defense Security / Q&A	Jean-Paul HERTEMAN	Executive Vice President, Defense Security branch
1:00 – 2:30pm	Lunch		
2:30 – 3:30pm	Communications / Q&A	Xavier LAGARDE	Executive Vice President, Communications branch
3:30 – 4:00pm	Performance and improvement plan / Q&A	Dominique HÉDON	Executive Vice President, Strategy and Development
4:00 – 4:30pm	Economy-Finance/ Q&A	Noël GAUTHIER	Executive Vice President, Economic and Financial Affairs
4:30 – 5:00pm	Conclusion / Q&A	Jean-Paul BÉCHAT	Chairman of the Executive Board of SAFRAN Group



Introduction

Jean-Paul BÉCHAT

An international technology leader

- ▶ A world leader with four core businesses:
 - Aerospace Propulsion
 - Aircraft Equipment
 - Defense Security
 - Communications

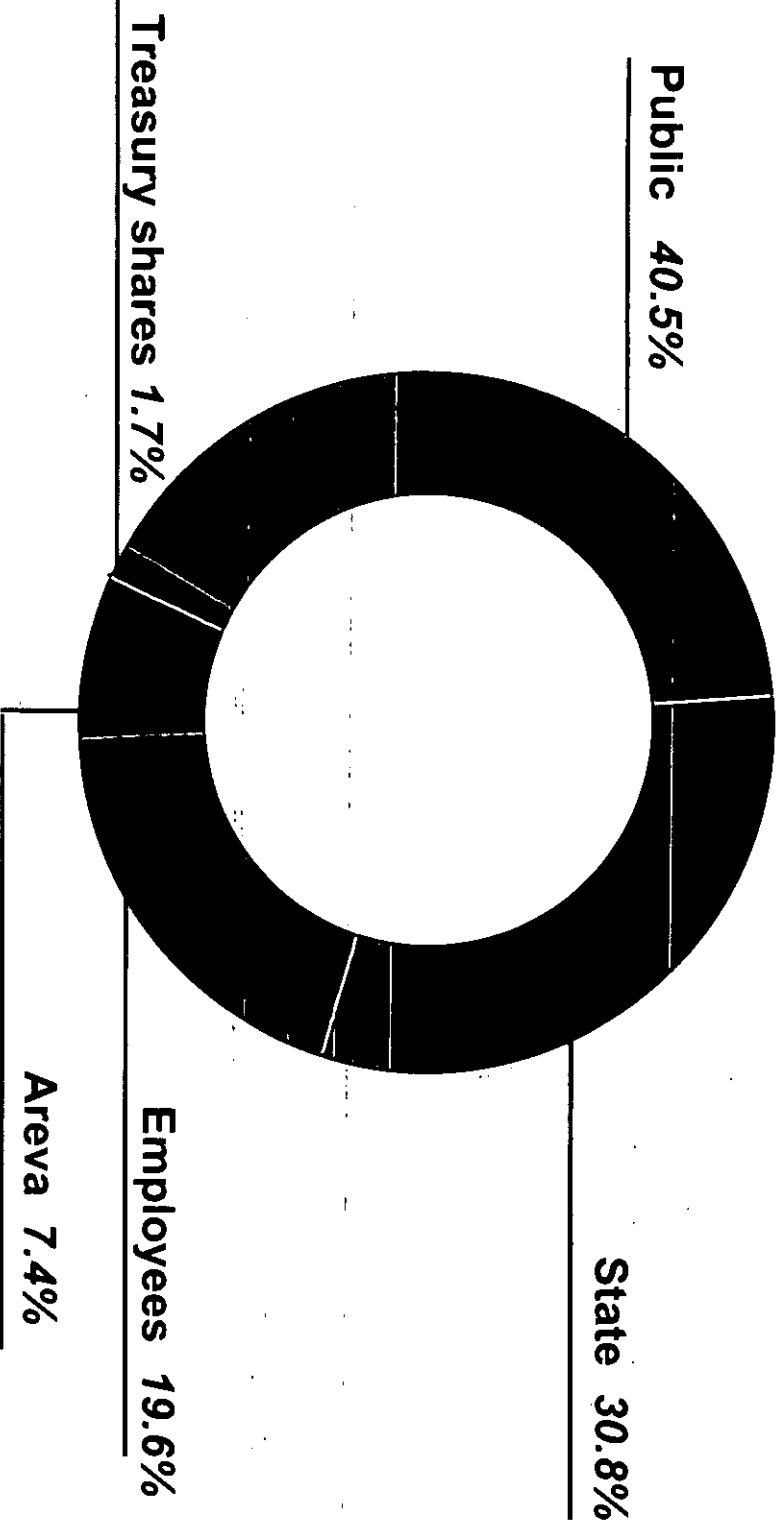
- ▶ 2005 sales: 10.58 billion euros

- ▶ Backlog at June 30, 2006: 19 billion euros

- ▶ More than 60,000 employees, including 20,000 outside France, in more than 30 countries around the world

SAFRAN capital structure

At 30 June, 2006



SAFRAN Group branches

Aerospace Propulsion

- ▶ Snecma
- ▶ Snecma Services
- ▶ Turbomeca
- ▶ Microturbo
- ▶ Snecma Propulsion Solide
- ▶ Techspace Aero

Aircraft Equipment

- ▶ Aircelle
- ▶ Labinal
- ▶ Hispano-Suiza
- ▶ Teuchos
- ▶ Messier-Dowty
- ▶ Messier-Bugatti
- ▶ Messier Services

Communications

- ▶ Sagem Communication
 - Broadband
 - Mobile

Defense Security

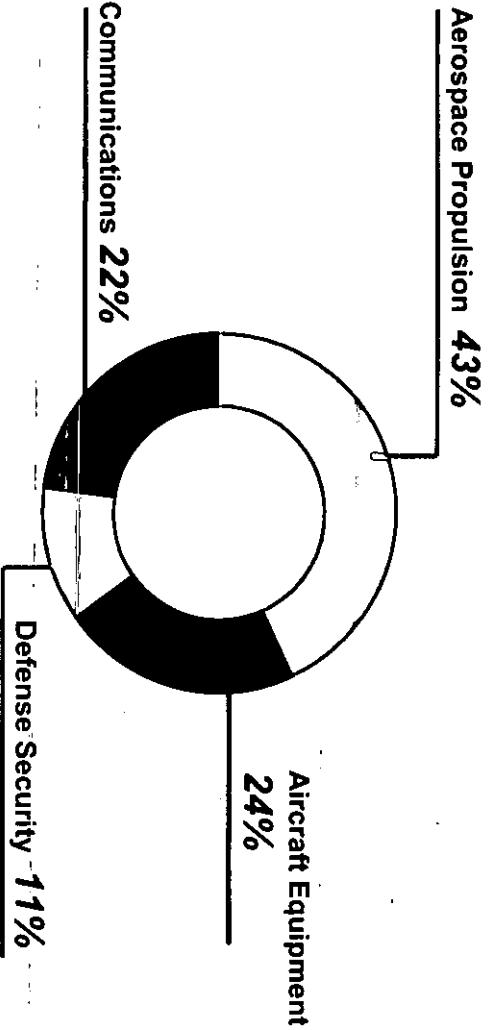
- ▶ Sagem Défense Sécurité
 - Navigation and Aircraft Systems
 - Sagem Avionics
 - Optronics and Air-Land Systems
 - Vectronix
 - Security
 - Sagem Orga
 - Sagem Monetel
 - Sagem Morpho

(Principales sociétés)

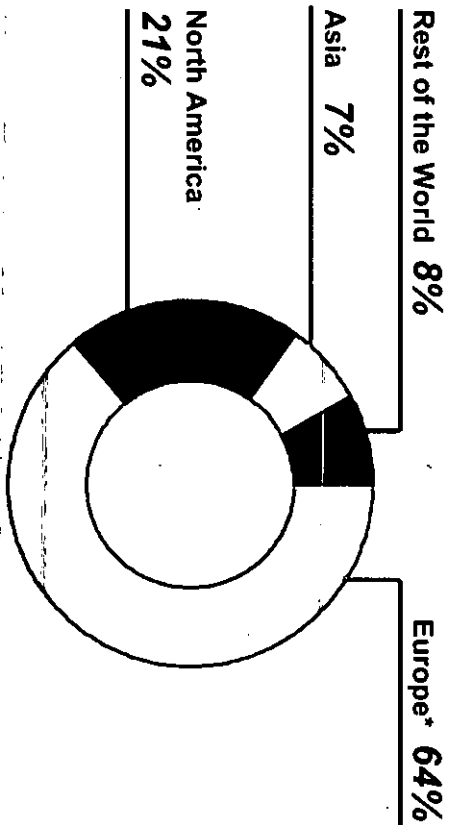
Investor Day – November 30th, 2006

2005 sales: 10.58 billion euros

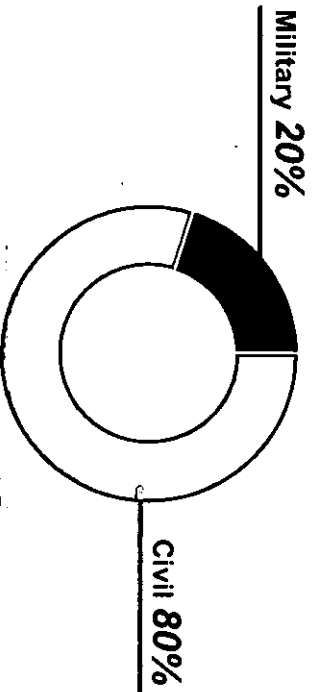
BY BRANCH



BY REGION



CIVIL/MILITARY SHARES



* Reexported in large part by prime contractor customers

LEADERSHIP POSITIONS

▶ No. 1 worldwide

- Engines for mainline commercial jets (over 100 seats) (50/50 with General Electric)
- Civil and military helicopter engines
- Landing gear
- Digital fingerprint-based biometrics
- Space optics

▶ No. 2 worldwide *

- Liquid rocket propulsion

▶ Top two worldwide

- Aircraft engine nacelles
- Carbon brakes for mainline commercial jets

▶ World leader

- Onboard power electronics

▶ No. 4 worldwide

- Military aircraft engines

▶ World leader

- Helicopter flight controls
- Aircraft wiring

▶ No. 1 in Europe

- Digital TV set-top boxes
- Residential broadband gateways
- Thermal transfer fax machines
- Solid rocket propulsion

▶ No. 2 in Europe

- ADSL terminals

▶ European leader

- Defense and security electronics
- Inertial navigation
- Optronic systems
- Tactical UAVs

(*) excluding Russia

SAFRAN WORLDWIDE

Industrial and commercial facilities in more than 30 countries

