Supporting the UK Supply chain….
……as we face the challenges in the Global aerospace market

→ Meeting the challenges of the Market place & industry
  ▪ Rapid increase in Production volumes
  ▪ Hunger for new technologies
  ▪ Supply chain management
  ▪ Demand for high level of OTD & Quality
  ▪ Requirement for cost reductions & increased Profit

→ Demands of our Customers and what we do to support them

→ What we must do to support the Parent company & Shareholders

→ What we need from the supply chain & how we can support you

→ How the supply chain can support us

→ Why we need to support each other!
MESSIER-BUGATTI-DOWTY

World Leader in Landing and Braking Systems

November 2012
• An international **high technology** group
• Revenue of **11.7 billion Euros**
• Close to **60,000 employees** worldwide
• 3 core businesses:
  • Aerospace
  • Defence
  • Security
Safran Aircraft Equipment activities

2011 revenue

- Engine equipment, nacelles and thrust reversers: 27%
- Landing systems: 47%
- Electric systems and engineering: 24%
- Other equipment: 2%
4 OPERATIONAL DIVISIONS

% of turnover

- Landing Gear & Systems Integration: 49%
- Wheels & Brakes: 20%
- MRO: 16%
- Systems Equipment: 15%

Turnover 2012 - estimated at 1.75 billion euros
World Leader in Landing Gear Systems

- 23,000 aircraft equipped
- 30 airframer customers
- More than 800 airlines
- Over 40,000 landings per day
- One landing every 2.2 seconds
Landing Gear Division industrial footprint

- **MACHINING**
- **SPECIAL PROCESSES**
- **HEAT & SURFACE TREATMENTS**
- **FINAL ASSEMBLY**

- **Montreal, Canada**
  - 18,000 m²

- **Gloucester, UK**
  - 51,000 m²

- **Toronto, Canada**
  - 19,000 m²

- **Queretaro, Mexico**
  - 25,000 m²

- **Bidos, France**
  - 52,000 m²

- **Suzhou, China**
  - 16,000 m²
UK - Gloucester site

- **Location:** Gloucester
- **Company Founded:** 1931
- **Site Established:** 1937
- **Size:**
  - Site 100,000 m² (25 acres)
  - Buildings 51,000 m²
- **No. of employees:** Approx 900
- **Full life cycle activities**
  - Design, development, test, manufacture, processing, assembly, programme management, commercial, procurement, finance & in-service support
Safran footprint in UK

Safran group companies in the UK play a significant part in the UK’s manufacturing output, contributing to solutions for the future requirements of the aerospace, defence and security industries.

~ key products ~ 2,800 people
The Market
World Economic Situation Remains Fragile

- **Reduced world growth forecasts**
  - 2012: 2.6% versus 2.7%  
    - Asia: 4.5%
  - 2013: 2.9% versus 3.2%  
    - Asia: 4.9%

- **World economic situation remains under strain**
  - Negative growth in Europe
  - Unemployment
    - > 11% in Europe
    - 8% in the US
  - Competitiveness problem in Western world

- **Asian growth impacted**

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Chinese Exports by Destination, Year on Year Growth
World Economic Situation Remains Fragile

- Oil prices will continue to rise

1999: 20-25%  2012: >50%  

% of operating costs: 
Source Boeing

- Supporting sales of new, more efficient aircraft and new development programs

- 787-10, A320neo, 737-Max, NGTP, etc.

Aerospace industry remains a patch of blue sky
Airlines

- Increase in profits for 2012, but profitability remains structurally weak
  - $4.1B versus $3B target in 2012 → $7.5B target for 2013

- Traffic

- Growth in capacity inferior to growth in demand in Europe and North America. It’s the opposite in India and China.

- Increase in parked aircraft
  - World fleet = 22,247 aircraft
  - 10.3% parked