



SAFRAN GROUP CONSOLIDATES POSITIONS IN SECURITY MARKET

Paris, September 26, 2005 – SAFRAN Group today announced its subsidiary Sagem Défense Sécurité has signed an agreement to acquire the German smart card specialist ORGA Kartensysteme GmbH from the Günther group. The acquisition which is subject to approval from regulatory authorities, will create a new major player in the global smart card market, operating as SAGEM ORGA. The combination of the smart card activities of Sagem Défense Sécurité and ORGA would create a unit with aggregate revenues of over 300 million euros in 2006, coupled with a very positive near-term growth outlook.

Sagem Défense Sécurité and ORGA form an excellent strategic fit in terms of geographic coverage, technology and product lines, supporting substantial synergies.

Sagem Défense Sécurité's worldwide leadership in biometric ID systems dovetails with ORGA's penetration in growth markets. SAGEM ORGA will thus be well-positioned to deliver cutting-edge technology solutions in all segments. The new unit will consolidate its leadership in the healthcare, banking and identification markets, especially in fast-growing European markets. Its coverage will allow it to address the needs of customers around the world, particularly in emerging markets with robust development potential.

"Acquiring ORGA is a major step in the development of our division," said Jean-Paul Jainsky, Executive VP and Director of Sagem Défense Sécurité's Security Division. "It will enable us to take advantage of the dynamic growth in the different security markets in which we have consolidated our position. We'll be able to provide comprehensive, innovative solutions that will energize the development of the SAFRAN Group while increasing our market share".

Sagem Défense Sécurité is a worldwide leader in secure biometric ID systems, and a renowned expert in the bank card market and in developing highly secure software masks. It has production and R&D facilities in France and China.

ORGA is a pioneer and major player in the smart card market, namely in telecommunications where it is the fourth largest company worldwide. Based in Paderborn, Germany, ORGA has production and R&D facilities in Germany, Russia and Brazil, as well as a number of subsidiaries in the US, the UAE, the UK, Singapore, Portugal, Russia, Brazil, South Africa and Romania. It also has a joint venture in India. Its workforce is approximately of 1 500 persons with more than 50% outside Germany.

SAFRAN is an international high-technology group with four core businesses: propulsion, communications, equipment, defense security. It has 56,000 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.

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