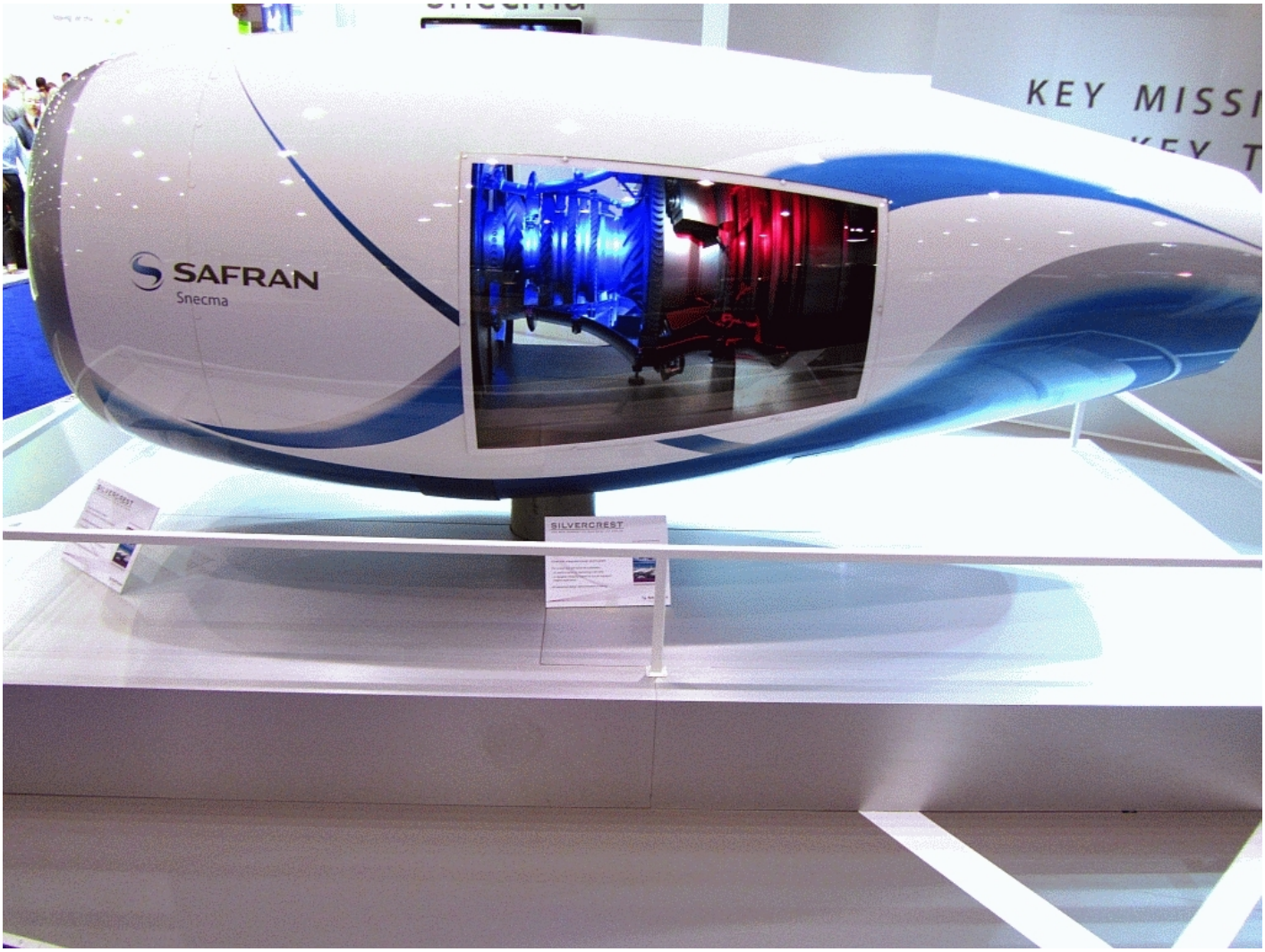
SAFRAN TAKES WRITEDOWN FOR SNECMA SILVERCREST DELAY

News / Business aviation, Manufacturer



Safran will take a €654 million ($720 million) one-off, non-cash charge to cover what it called “the depreciation of program-related tangible and intangible assets” associated with its delayed Silvercrest engine. Announcing otherwise very positive 2015 financial results in Paris today, the French engine maker confirmed that it has agreed to a revised schedule for certifying the engine for Dassault’s Falcon 5X. “The revised schedule provides for engine certification 18 months later than the previous schedule, in line with the indication given in October 2015,” Safran said in a written statement.

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Earlier this month, Dassault announced a new schedule for the Falcon 5X, which it now expects to make its first flight in 2017, followed by EASA and FAA certification in 2019 and service entry in 2020. “Dassault is obviously disappointed,” commented Dassault Aviation chairman and CEO Eric Trappier. “However, what matters is that all of the problems have been identified and [Safran subsidiary] Snecma has a clear path in developing the right solutions.”

It is unclear whether part of the charge incurred by Safran on its 2015 accounts will be paid in compensation to Dassault. However, when asked about possible penalties earlier this month, Trappier said: “There’s a contract and the contract will be applied.”

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