

March 22, 2012

Financial information



2011 annual results

Order intake	36 FALCON compared to - 9 in 2010 MIRAGE 2000 upgrade contract in India
Deliveries	63 FALCON and 11 RAFALE compared to 95 FALCON and 11 RAFALE in 2010
Net sales	EUR 3,305 million , down by 21%
Net income	Excluding THALES, EUR 282 million , down by 29% Including THALES *, EUR 407 million , up by 10%
Net margin	Excluding THALES, 8.5% (- 0.9 point) Including THALES *, 12.3% (+ 3.4 points)

* before amortization of Purchase Price Allocation.

Saint-Cloud, March 22, 2012 - The Board of Directors, chaired by Mr. Charles EDELSTENNE, closed yesterday the financial statements for the year 2011. These consolidated financial statements were certified by the Statutory Auditors who expressed an unqualified opinion.

Charles EDELSTENNE, Chairman and CEO of the Group, stated :

" 2011 is marked, as expected, by a net sales significant decrease. This decrease results from a noticeably lower number of business jets deliveries compared to 2010, our Falcon historical delivery record.

However, 2011 net income is improving, thanks to Thales contribution. Thales 2011 good results are in line with their forecast.

2011 orders show favourable trend despite the crisis. However, order intake is lower than net sales. Consequently, consolidated backlog is decreasing.

Regarding the prospects, the Group is pleased with the Indian Government decision to select the RAFALE in the frame of the MMRCA program, in order to equip the Indian Air Force with 126 aircraft. Our teams keep mobilized into obtaining the signature of the contract.

Moreover, in 2011, we have seen positive enhancement in our strategy of development of our drone activities."



Order intake and backlog

2011 orders amounted to EUR **2,863 million (*)**, compared to EUR 1,266 million in 2010. Export represented 83% of the total new orders in 2011.

Regarding business jets, commercial activity significantly improved compared to 2010. However, it remained contrasted, China being the most dynamic market while a recovery is still expected in North America. Europe shows encouraging signs, especially on pre-owned business jets market, but as a whole, wait-and-see policy still applies. New orders, net of cancellations, stood at 36 FALCON in 2011. They were negative by - 9 FALCON in 2010. FALCON order intake reached EUR 1,932 million in 2011 compared to EUR 474 million in 2010.

Defense orders rose to EUR 931 million in 2011 compared to EUR 792 million in 2010. They include, in particular, the Indian Air Force's MIRAGE 2000 fleet upgrade contract signed by DASSAULT AVIATION and THALES in July.

As of December 31, 2011, **consolidated backlog** amounted to EUR **8,751 million** compared to EUR 9,401 million as of December 31, 2010, down by 7%.

() From now on, the Group is in line with other listed Groups practice as it no longer posts on order intake the annual variation of the €/€ exchange rate on the backlog.*

Net sales

Consolidated net sales amounted to EUR **3,305 million** in 2011 compared to EUR 4,187 million in 2010, down by 21%. Export net sales represent **74%** of total net sales.

FALCON net sales decreased by 25% between the two periods, reaching EUR 2,415 million in 2011 compared to EUR 3,228 million in 2010. 63 brand new aircraft were delivered in 2011, compared to 95 in 2010.

11 RAFALE were delivered to French Air Force and Navy in 2011, unchanged from 2010. Defense net sales showed a downturn of 7%, due to a decrease in export support and development activities.

The book-to-bill ratio reached 0.87.

Results

DASSAULT AVIATION **operational income** amounted to EUR **377 million** in 2011 compared to EUR 591 million in 2010, down by 36%. Operational margin stood at **11.4%** compared to 14.1% in 2010, mainly explained by a net sales decrease and an increase of Research and Development expenses reaching EUR 303 million in 2011 compared to EUR 233 million in 2010.

Excluding THALES, 2011 **net income** was EUR **282 million** compared to EUR 395 million in 2010, down by 29%. Net margin excluding THALES was **8.5%** compared to 9.4% in 2010. 2011 profit included a financial income of EUR 14 million, compared to a financial loss of EUR 27 million in 2010.

Including THALES, 2011 **net income**^(*) amounted to EUR **407 million**, up by 10% compared to 2010. Net margin including THALES reached **12.3%** compared to 8.9% the year before. THALES contribution to the Group net income, before amortization of Purchase Price Allocation, was EUR 125 million in 2011 compared to a contribution of EUR - 24 million in 2010.

() net income before amortization of Purchase Price Allocation ; after amortization of PPA, 2011 net income amounted to EUR 323 million compared to EUR 267 million in 2010.*



Financial situation

Consolidated available cash, indicator of the Group's total liquidities net of borrowings, reached EUR **3,274 million** as of December 31, 2011 compared to EUR 3,064 million as of December 31, 2010.

Attributable equity amounted to EUR 4,462 million as of December 31, 2011 compared to EUR 4,410 million as of December 31, 2010.

The Board of Directors will submit for approval at the General Meeting of shareholders, the payment of a dividend of EUR 86 million, representing EUR **8.50 per share** (compared to EUR 10.70 per share in 2010).

Group activities

Concerning FALCON programs, 2011 significant event was the launch of a new FALCON 2000 version, the FALCON 2000S.

DASSAULT AVIATION also received certifications for both FALCON 900LX EASy II cockpit and FALCON 7X Enhanced Flight Vision System (EFVS). Moreover, the Group launched the EASy III cockpit development and the development of a new generation Head Up Display (HUD) and EFVS.

Regarding military activity, 2011 was marked by the participation of Air and Navy RAFALE in several campaigns (particularly Harmattan campaign in Libya) during which they demonstrated their « omnirole » aptitude and their efficiency. DASSAULT AVIATION is pursuing negotiations for export sales of this aircraft.

Concerning nEUROn program, the Unmanned Combat Aircraft Vehicule demonstrator, ground tests began in Istres (southern of France) and system integration tests are in progress, with the objective of a first flight in 2012. nEUROn program, with DASSAULT AVIATION as prime contractor, involves five European industrial partners.

Furthermore, DASSAULT AVIATION and BAE Systems have signed a cooperation agreement and submit a joint proposal for a MALE (Medium Altitude Long Endurance) Unmanned Aerial Vehicle, dubbed TELEMOS, to the French and UK MoDs. BAE Systems will be prime contractor and DASSAULT AVIATION will be responsible for the mission system.

In addition, an offer has been made to the French MoD for the supply in 2014 of a new MALE drone system based on a French version of the HERON-TP made by IAI.

2012 Outlook

Business jets market recovery is initiated but its evolution remains uncertain for the year 2012.

Regarding military aircraft, decisive opportunities exist for both RAFALE export sales and drones.

On January 31, 2012, Indian Government announced the final selection of the RAFALE in the frame of the MMRCA program in order to equip the Indian Air Force with 126 new aircraft. This decision is a decisive step in the MMRCA tender. Still, the negotiation to finalize and sign the contract has to be completed successfully.

DASSAULT AVIATION Group expects to deliver around 65 FALCON and 11 RAFALE in 2012. Net sales should consequently remain even.



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