



2013 Annual Results

Press Conference, March 13, 2014

Eric Trappier, Chairman & CEO



Falcon: an expanded product line

77 Falcon delivered in 2013 :



In development :

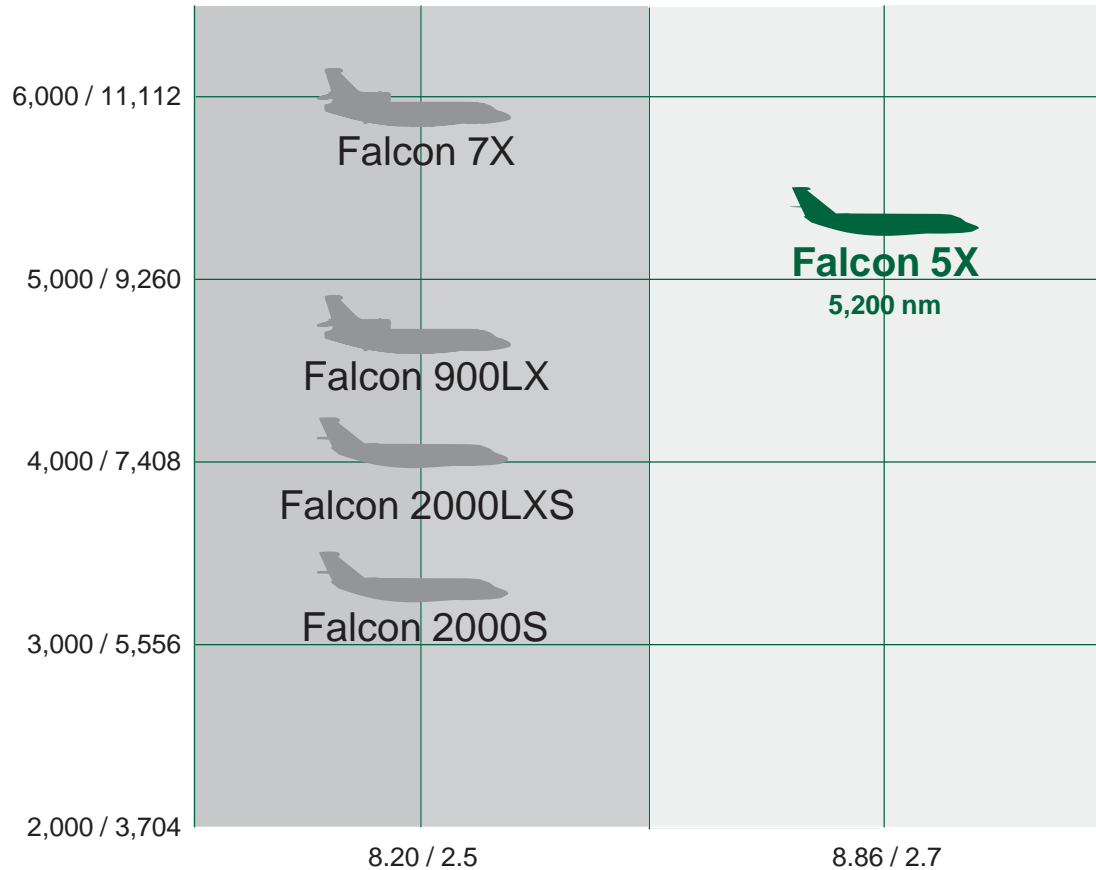


- Falcon 7X
Certification of EASy II cockpit
- Falcon 900LX
Delivery of the 500th Falcon 900
- Falcon 2000LXS and 2000S
Certifications and first deliveries
Delivery of the 500th Falcon 2000

- Falcon 5X
Launch at the NBAA Convention in Las Vegas

Falcon : an expanded product line

Range (nm / km)



Fuselage diameter (ft / m)

Falcon fleet



More than 2 000 FALCON
More than 16 million flight hours



507 FALCON 2000



496 FALCON 900



211 FALCON 7X



152 FALCON 10/100



304 FALCON 20/200



340 FALCON 50

Rafale: a mature program



- 2013 deliveries: 11 Rafales, including the first six “Batch 4” aircraft with AESA radar.
- Continuing negotiations with the Indian authorities and industrial partners.
- Continuing export campaigns.
- Participation in Operation Serval in Mali and Operation Sangaris in the Central African Republic.

French defence core: Rafale, ATL2



Rafale

- Rafale F3-R development contract award, including the “Meteor” missile in the 2018 timeframe (Dec. 30, 2013).
- “Rafale Care” support contract award (Dec. 31, 2013).
- Confirmation of future Rafale “Batch 5”.
- Confirmation of minimum production rate of one Rafale/month.
- *“France believes that the industry of combat aviation is of strategic importance” (Jean-Yves Le Drian).*

ATL2

- ATL2 mission system upgrade contract award (October 4, 2013).

Preparation of future: nEUROn



- Success of radar signature measurement campaign.
- Further flight testing in Istres to validate the flight envelope.
- AJPAE « Icare International » award
- Aviation week « Defense » award

Preparation of future: FCAS, MALE



FCAS (Future Combat Air System):

- On January 31, 2014, the British and French Defence ministers signed a letter of intent confirming the launch of a study in the unmanned combat aircraft sector.
- Dassault Aviation and BAE Systems are leading this project.



MALE (Medium-Altitude Long-Endurance):

- Airbus Defence & Space, Alenia Aermacchi and Dassault Aviation submitted a proposal to the German, Italian and French ministers concerning a definition study for a MALE unmanned aircraft system.

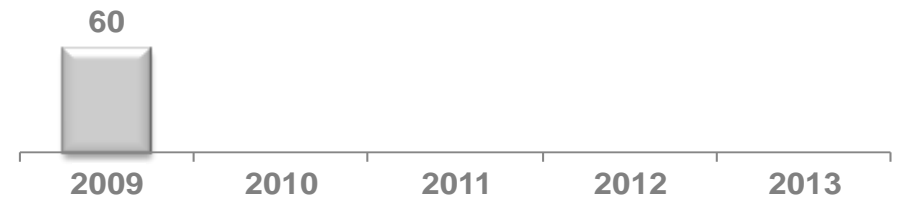
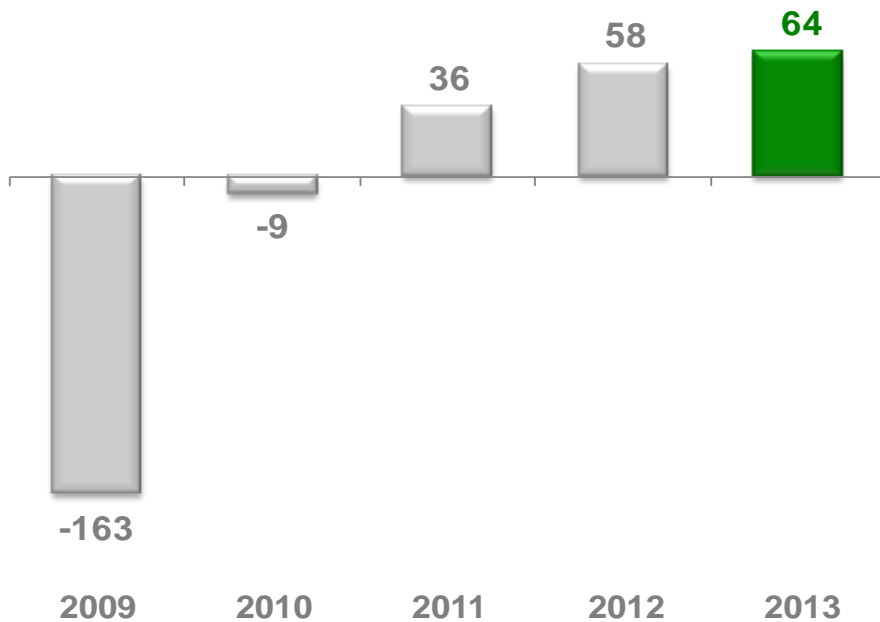
Order intake - Group

in units



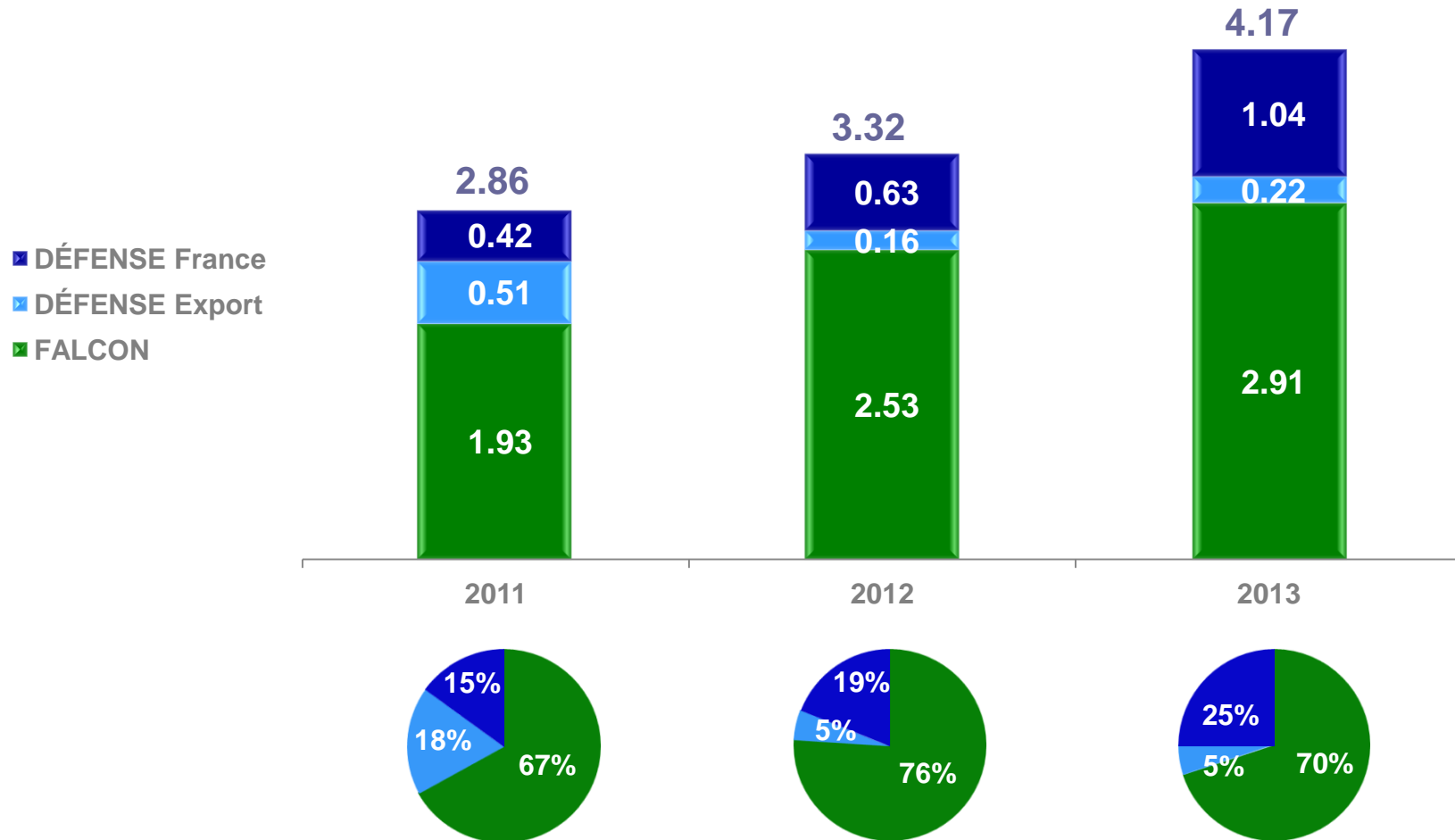
FALCON

RAFALE



Order intake - Group

in Euro bn

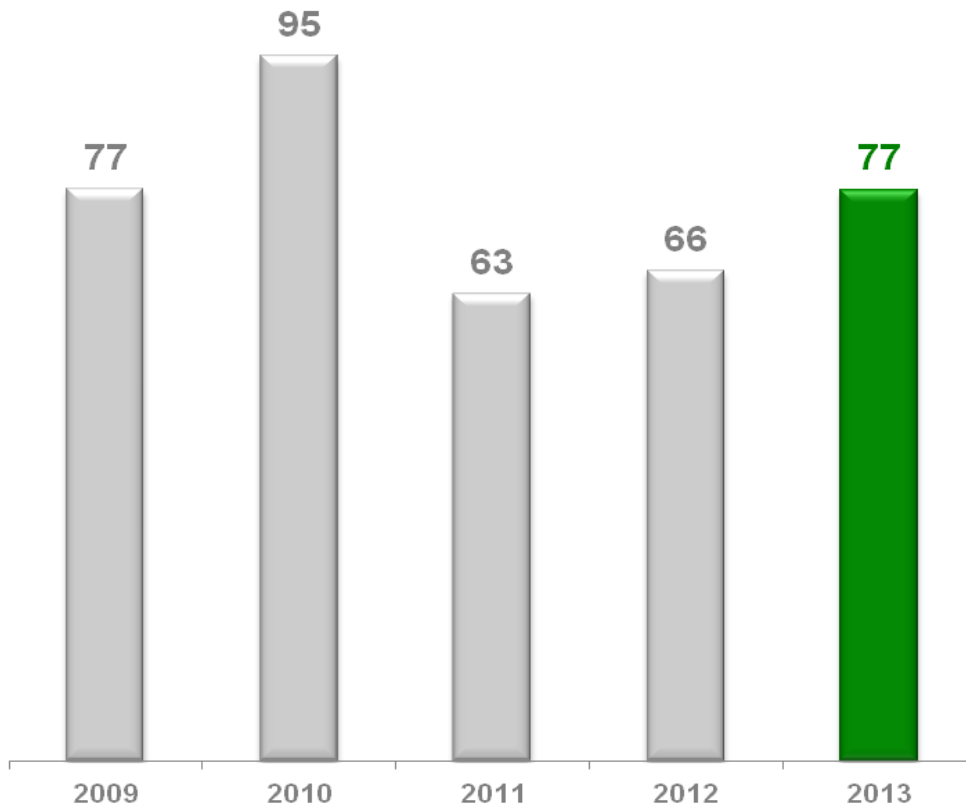


Deliveries - Group

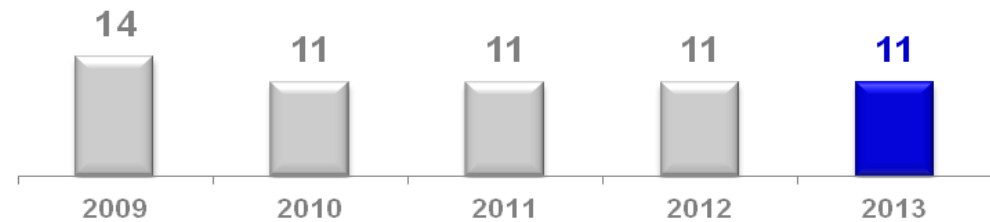
in units



FALCON

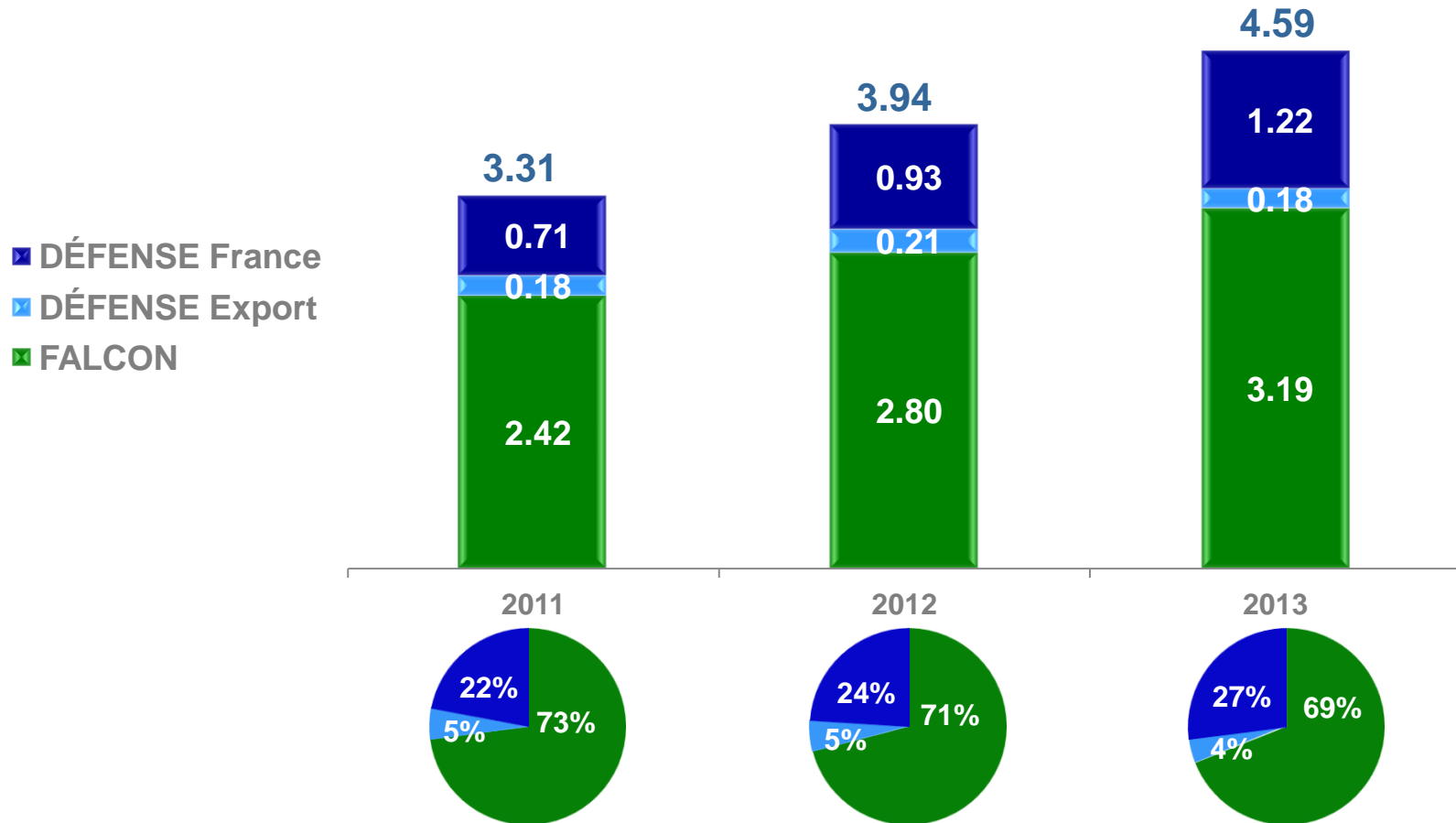


RAFALE



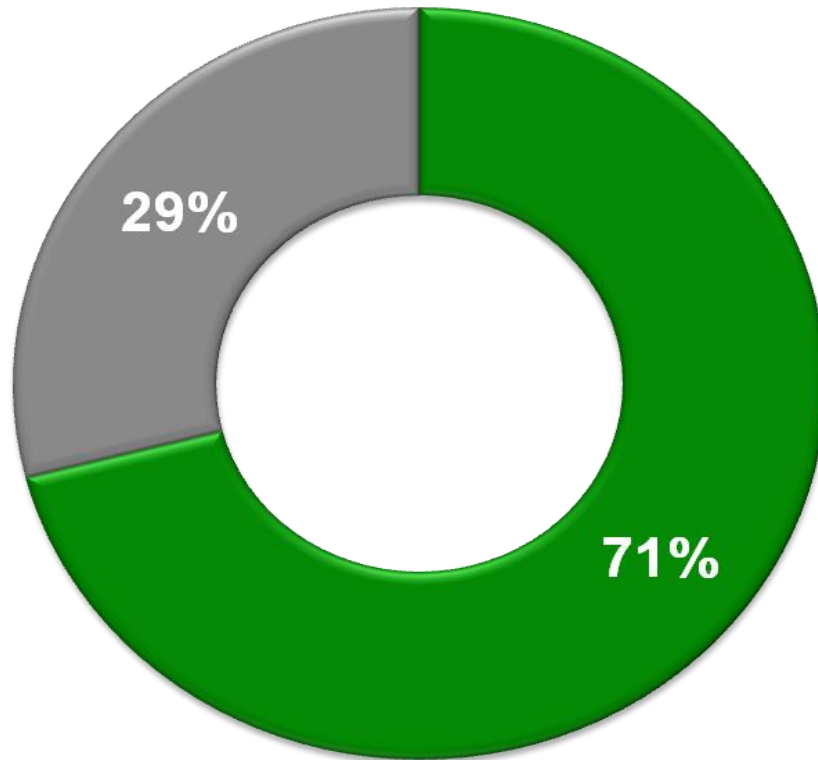
Sales - Group

in Euro bn

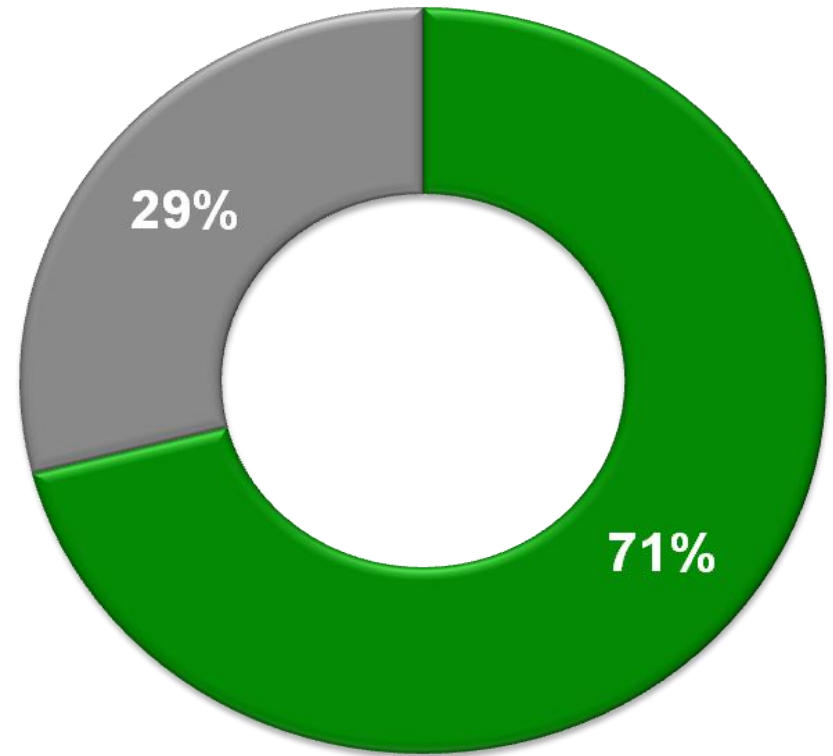


2013 export

Order intake



Sales

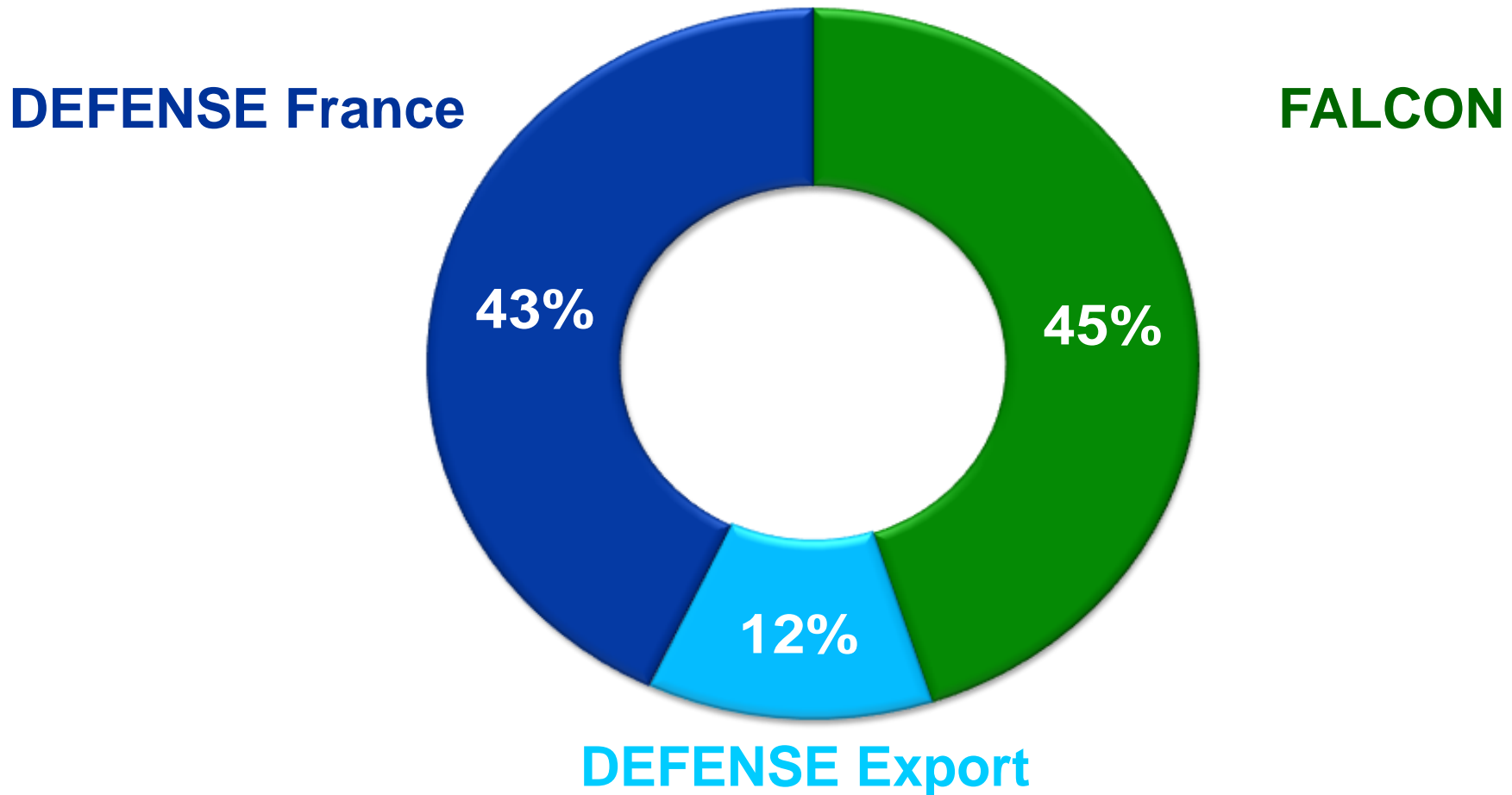


 **France**

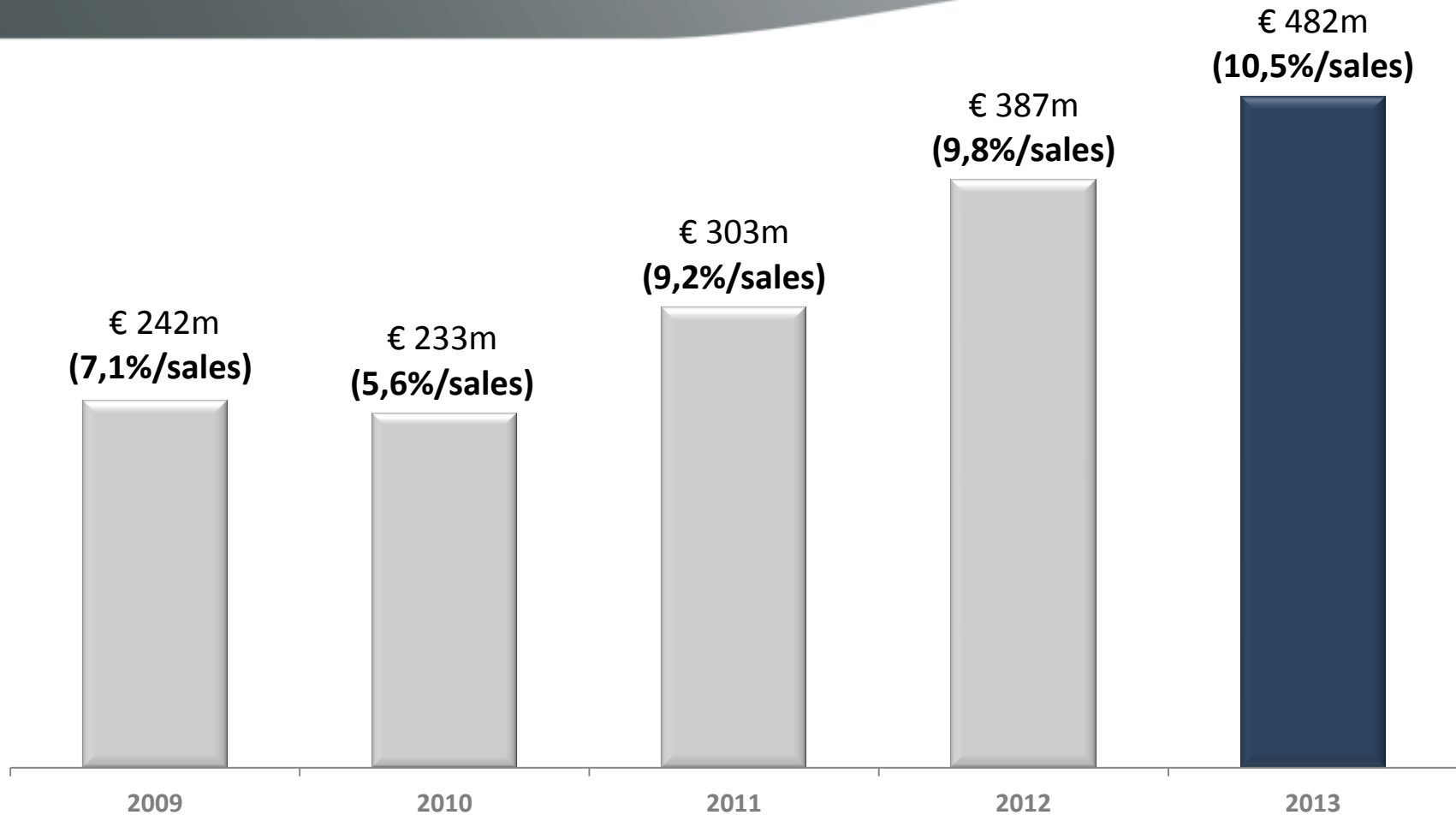
 **Export**

Consolidated backlog

As of 31 December 2013 : €7.38bn (vs €7.99bn as of 31 December 2012)



Consolidated self funded R&D



- In May 2009, DASSAULT AVIATION became the prime industrial shareholder.
- THALES has entered into a process of margins enhancement, in order to increase its competitiveness, while investing in R&D and controlling the development of its programs.
- In 2011, THALES has increased its equity stake in DCNS to 35%.
- Evolution of net adjusted income since 2009 is:

<i>in Euro million</i>	2009	2010	2011	2012	2013
Net sales	12,882	13,125	13,028	14,158	14,194
Adjusted net income	-128	-46	566	570	644

Target: make THALES a worldwide leader in its fields of competence.

Group Adjusted Income Statement



<i>in EUR million</i>	2012	2013
Net Sales	3,941	4,593
Operating income	547	498
<i>operating margin</i>	13.9%	10.9%
Adjusted financial income/expense	16	15
Adjusted corporate income tax	-197	-179
Adjusted net income (excluding THALES)	366	334
<i>Adjusted net margin (excluding THALES)</i>	9.3%	7.3%
Share of income/loss of THALES (*)	146	153
Adjusted net income	512	487
<i>Adjusted net margin</i>	13.0%	10.6%
<i>Note : IFRS net income</i>	502	459
<i>(*) before PPA amortization, with THALES adjusted net income</i>		

Considering the increase in self-funded Research and Development outlay and the uncertainty of the market, the Board of Directors has decided to recommend to the Annual General Meeting the distribution, in 2014, of a dividend of **EUR 90 million**.

DASSAULT AVIATION **employees** will receive, under **the profit-sharing and incentive plans**, **EUR 109 million**.

Non distributed part of the net income will be kept in the company, to enable preparation of the future.

Consolidated balance sheet

<i>in EUR million</i>	31.12.2012	31.12.2013
Non-current assets	5,601 (*)	5,457
Inventories and work-in-progress	2,917	2,686
Trade and other receivables	490	551
Advances and progress payments to suppliers	185	79
Hedging instruments	248	312
Cash and cash equivalents	950	983
Total Assets	10,391	10,068
Total equity	4,747 (*)	5,112
Non-current liabilities	264	205
Trade and other payables	768	826
Tax and employee-related liabilities	243	262
Customer advances and progress payments	3,043	2,294
Other current liabilities	1,326	1,369
Total Equity and liabilities	10,391	10,068

(*) after IAS 19 revised restatements

Consolidated available cash



Available cash = cash and cash equivalents (at market value)
+ available for sale marketable securities (at market value)
- borrowings

- Increase our sales and backlog, thanks to our expanded FALCON product line,
- Finalise a RAFALE export contract,
- In a context of market on recovery, competitors' aggressiveness and weakness of the US dollar, we have to combine quality and costs control, and continue implementing of new numerical processes in order to maintain our competitiveness,
- Continue expending the FALCON product line and prepare the future of combat aircraft by innovation.



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