

## **DASSAULT AVIATION**

**French *société anonyme* with a share capital of EUR 72 980 304**  
**Registered office: 9, Rond-Point des Champs-Élysées Marcel Dassault**  
**75008 PARIS**  
**Registered on the Paris Trade and Company Register**  
**under number 712 042 456**

### **Description of the share buyback program authorized by the Annual Ordinary General Meeting of May 19, 2016**

*In accordance with the provisions of Commission Regulation (EC) No 2273/2003 of December 22, 2003, and with articles 241-1 to 241-8 of the General Regulation of the French Financial Markets Authority, this description aims to set out the objectives, terms and conditions of the share buyback program of DASSAULT AVIATION (the "Company"), a proposal which was authorized by the Annual Ordinary General Meeting of May 19, 2016.*

DASSAULT AVIATION, a major player in the aeronautic industry, both at a European and International level, is the only Group in the world capable of conceiving, producing, realizing and supporting fighter aircraft, political independence instruments, and business jets, instruments for both work and economic development.

In 2015, DASSAULT AVIATION Group's turnover reached EUR 4.18 billion, with an adjusted net income of EUR 482 million.

DASSAULT AVIATION's shares are listed on the Euronext regulated market in Paris (segment A) under DSS. ISIN Code: FR0000121725.

#### **I. General Meeting at which the buyback program was authorized – the legal framework**

This buyback program, which complies with articles L. 225-209 and L. 225-210 to L. 225-212, was authorized by the Annual Ordinary General Meeting of May 19, 2016 (Twelfth resolution).

As from the date of the meeting of the Board of Directors of June 3, 2016, it terminated with respect to the unused portion of the share buyback program authorized by the Extraordinary and Ordinary General Meeting of January 28, 2015, under which the Company has:

- acquired 460,687 shares (representing 5% of its share capital) from AIRBUS GROUP SAS on March 25, 2015 (under an Agreement signed on November 28, 2014 between DASSAULT AVIATION and AIRBUS GROUP SAS),
- allocated to cancellation the above-mentioned 460,687 shares on May 20, 2015; 91,216 of which are capable of being cancelled expeditiously and the remaining 369,471 shares remain in the hands of the Company, such cancellation only capable of taking effect from December 23, 2016, and
- cancelled 0.99% of its share capital on July 24, 2015, the remainder still being held by the Company.

The redeemed shares under this new buyback program will be deprived of voting and dividend rights while they are held by DASSAULT AVIATION.

## **II. Number of shares and percentage of the share capital held by the Company**

As of May 19, 2016, the capital of the Company consists of 9,122,538 shares.

At that time, the Company holds 409,971 of its own shares, representing 4.49% of its share capital.

## **III. Allocation of own shares held by the Company by purpose of own shares held by the Company**

The 409,971 own shares held by the Company were allocated as follows:

- 40,500 shares for the dual purpose of a possible attribution of performance shares and a possible liquidity contract (meeting of the Board of Directors of November 28, 2014) and
- the remaining 369,471 shares allocated for cancellation (meeting of the Board of Directors of May 20, 2015), such cancellation only capable of taking effect upon the expiry of the 24-month period from the cancellation of December 22, 2014.

## **IV. Purposes of the buyback program**

DASSAULT AVIATION envisages repurchasing, or arranging for the repurchase of, its shares, for the following purposes:

- 1°) to cancel shares in order to increase the return on equity and earnings per share;
- 2°) to stimulate the market or the liquidity of DASSAULT AVIATION shares through an investment services provider or through a liquidity contract in compliance with an ethic charter recognized by the French Financial Markets Authority;
- 3°) to sell or assign shares to employees and executive of the Company and/or its companies associated with it, subject to and according to the procedures provided by the law, including the case of exercising share purchase options or free assignment of existing shares, or by disposal and/or employer contribution under the scope of an employee-shareholding transaction based on existing shares;
- 4°) to retain shares with a view to subsequent use, to hand them over as payment or in exchange, including under the scope of potential external growth transactions, up to 5% of the share capital;
- 5°) to hand over shares on exercising rights attached to marketable securities giving access to the share capital of DASSAULT AVIATION;
- 6°) to implement any market practice that would be recognized by the law or by the French Financial Markets Authority.

## **V. Maximum proportion of share capital, maximum number of shares that may be purchased pursuant to the share buyback program**

The maximum proportion of the Company's share capital capable of being bought back as proposed at the Annual Ordinary General Meeting of May 19, 2016 within the framework of the new share buyback program, is 10% of the total number of shares comprising the share capital of the Company, which, based on the total share capital of 9,122,538 shares, amounts to 912,253 own shares (rounded down).

DASSAULT AVIATION reserves the right to implement the entire authorized program.

As provided under the provisions of article L. 225-201 of the French *Code de Commerce*, DASSAULT AVIATION may at no time, directly or indirectly, hold own shares representing more than 10% of the Company's total share capital.

## **VI. Maximum purchase price and maximum amount of funds allocated to the buyback**

The maximum purchase price of the shares was fixed at the Annual Ordinary General Meeting of May 19, 2016, at EUR 1,500 per share, excluding acquisition charges, subject to relevant adjustments linked to dealings with the Company's share capital, including through capitalization of reserves and the allotment of bonus shares and/or a stock split or reverse stock split.

Based on a maximum number of shares that can be held, representing 10% of the Company's share capital as of May 19, 2016, which amounts to a maximum number of 912,253 shares-; the maximum theoretical investment allocated for buybacks, based on the maximum authorized purchase price of EUR 1,500 per share, amounts to EUR 1,368,379,500.

## **VII. Terms and conditions of the buyback**

Within the limits imposed by regulations, shares can be purchased, sold, exchanged or transferred by any means, on any market (regulated or not), on a multilateral trading facility (MTF), via a systematic internalizer, or over-the-counter through a buyback of a block of shares or otherwise, any time that the Board of Directors or the person acting on his behalf so decide, in accordance with the provisions provided by law.

The words "any means" set out in the paragraph above includes the use of available cash as well as the use of all derivative financial instruments, including the use of options or warrants, without any particular limit.

These transactions may take place at any time, in accordance with current legislation, except during a tender offer.

Authorization by the General Meeting does not restrict the parts of the program that may be executed through the acquisition of block shares.

## **VIII. Duration of the buyback program and of the cancellation of shares**

This authorization is valid for a period of eighteen (18) months from the date of the Annual Ordinary General Meeting of May 19, 2016. It shall enter into force as of the date of the meeting of the Board of Directors which approves the entry into force of this new share buyback program.

It will terminate on November 18, 2017.

In accordance with article L. 225-209, paragraph 4 of the *Code de Commerce*, the acquired shares may only be cancelled up to a maximum of 10% of the share capital of the Company over a sliding 24-month period. Taking into account cancellations made so far by DASSAULT AVIATION, the Company will only be entitled to cancel other shares from December 23, 2016.

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During the implementation of the share buyback program, any significant alteration of any of the information mentioned above will, as soon as possible, be made available to the public according to the terms and conditions specified in article 221-3 of the General Regulation of the French Financial Markets Authority.