Press conference – 2014 first half-year results
25 July 2014

HIGHER TOGETHER™

Eric Trappier, Chairman and CEO
First half-year highlights
Launch at EBACE 2014

- Range: 6,450 NM.
- Certification: mid-2016.
- 1\textsuperscript{st} delivery: 2\textsuperscript{nd} half of 2016.

- New “Ultra Long Range” FALCON.
- Trijet: safety, flexibility, versatility.
- Lowest operating cost in its segment.
• Longest FALCON cabin.
• Very wide range of interior completions.
• Remarkable acoustic comfort.
FALCON family

FALCON 2000S
3,350 NM

FALCON 2000LXS
4,000 NM

FALCON 900LX
4,750 NM

FALCON 7X
5,950 NM

FALCON 5X
5,200 NM

FALCON 8X
6,450 NM

PRESS CONFERENCE - 25 JULY 2014 – 1st half-year results - Dassault Aviation Proprietary Data
The new programs make progress

FALCON 5X

- Delivery of the 1st fuselage to Mérignac.
- Maiden flight scheduled for the first half of 2015 with service entry planned for mid-2017.

FALCON 8X

- General assembly in Mérignac.
- Maiden flight scheduled for the first half of 2015 with service entry planned for late 2016.
FALCON fleet

More than 2,000 FALCON jets in service
More than 16 million flight hours

519 FALCON 2000  498 FALCON 900  222 FALCON 7X

146 FALCON 10/100  300 FALCON 20/200  339 FALCON 50
• Development of the F3-R standard, including in particular the METEOR long-range air-to-air missile, the New Generation Laser Designation Pod (PDL - NG), the modular air-to-ground weapon (AASM) with terminal laser guidance. Delivery in 2018.

• Continuing negotiations with the Indian authorities and industry.

• Continuing export campaigns.
• Delivery of 5 aircraft in the first half of 2014, bringing the total delivered to 131 (91 Air and 40 Navy).

• Backlog of 49 RAFALE (180 aircraft ordered - 131 aircraft delivered) as of 30 June 2014, including 6 aircraft to be delivered in the second half of 2014.
Other Defense programs

• Continuing work to upgrade the combat system on the ATLANTIQUE 2.

• Delivery of the 2nd FALCON 50 SURMAR (Maritime Surveillance) to the French Defense Procurement Agency (DGA).

• 1st aircraft enters operational service.
• Flight envelope validated and in line with expectations.

• Continuing electro-optical sensor development flights.

• Preparation for the Low Observable (LO) configuration flights at Istres.

• Preparation for the in-flight LO measurements in Italy and Sweden, and for a weapon release in Sweden.

• In-flight presentation at Istres in the presence of Jean-Yves Le Drian on 12th June 2014.
UAV projects (1/2)

FCAS / SCAF
(Future Combat Air System)

Within the framework of the Lancaster House Treaty, signing of the Franco-British cooperation agreement on the Future Combat Air System on 15th July 2014 in Farnborough.

A 24-month feasibility phase will be launched, with DASSAULT AVIATION and BAE SYSTEMS as lead contractors of an industrial organization comprising SAFRAN, ROLLS-ROYCE, THALES and SELEX.
MALE 2020 (Medium Altitude Long Endurance)

AIRBUS DEFENCE & SPACE, ALENIA-AERMACCHI and DASSAULT AVIATION have submitted a MALE 2020 definition phase proposal to the German, Italian and French Ministries.
First half-year results
FALCON order intake - Group

In units

<table>
<thead>
<tr>
<th>Year</th>
<th>2012 1st half-year</th>
<th>2013 1st half-year</th>
<th>2014 1st half-year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Units</td>
<td>58</td>
<td>64</td>
<td>38</td>
</tr>
</tbody>
</table>
Order intake – Group

in € bn

- Defense France
- Defense Export
- FALCON

<table>
<thead>
<tr>
<th>Year</th>
<th>Defense France</th>
<th>Defense Export</th>
<th>FALCON</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012 1st half</td>
<td>0.29</td>
<td>0.08</td>
<td>1.05</td>
</tr>
<tr>
<td>2013 1st half</td>
<td>0.09</td>
<td>0.08</td>
<td>1.24</td>
</tr>
<tr>
<td>2014 1st half</td>
<td>0.13</td>
<td>0.14</td>
<td>1.60</td>
</tr>
<tr>
<td>Total</td>
<td>1.42</td>
<td>0.08</td>
<td>1.87</td>
</tr>
</tbody>
</table>

2012 1st half-year: 6% Defense France, 20% Defense Export, 74% FALCON
2013 1st half-year: 6% Defense France, 6% Defense Export, 88% FALCON
2014 1st half-year: 7% Defense France, 7% Defense Export, 86% FALCON
Deliveries - Group

in units

### FALCON

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deliveries</td>
<td>66</td>
<td>77</td>
<td>70</td>
</tr>
</tbody>
</table>

- **2012 1st half-year**: 34
- **2013 1st half-year**: 29
- **2014 1st half-year**: 25

### RAFALE

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deliveries</td>
<td>11</td>
<td>11</td>
<td>11</td>
</tr>
</tbody>
</table>

- **2012 1st half-year**: 4
- **2013 1st half-year**: 5
- **2014 1st half-year**: 5
Sales - Group

in € bn

2012 1st half-year

2013 1st half-year

2014 1st half-year

Defense France

Defense Export

FALCON

2014 1st half-year results - Dassault Aviation Proprietary Data
Consolidated backlog

As of 30 June 2014: €7.61bn (vs €7.38bn as of 31 December 2013)

- Defense France: 39%
- Defense Export: 12%
- FALCON: 49%
Consolidated self-funded R&D in % of sales

2010 2011 2012 2013

5.6% 9.2% 9.8% 10.5%

2013 1st half-year
€237bn

2014 1st half-year
€213bn

13.0% 14.1%

Consolidated self-funded R&D in % of sales

Consolidated self-funded R&D in % of sales
Less favorable hedging rate:

- 2013 1\textsuperscript{st} half-year: 1.24 $/€,
- 2014 1\textsuperscript{st} half-year: 1.27 $/€.

Reminder: 2013 hedging rate = 1.26 $/€.
## Group adjusted income statement

<table>
<thead>
<tr>
<th></th>
<th>2013 1st half-year</th>
<th>2014 1st half-year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>1,826</td>
<td>1,514</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>187</td>
<td>113</td>
</tr>
<tr>
<td><strong>Operating margin</strong></td>
<td>10.3%</td>
<td>7.5%</td>
</tr>
<tr>
<td><strong>Adjusted financial income</strong></td>
<td>2</td>
<td>17</td>
</tr>
<tr>
<td><strong>Adjusted income tax</strong></td>
<td>-67</td>
<td>-46</td>
</tr>
<tr>
<td><strong>Adjusted net income (excluding THALES)</strong></td>
<td>122</td>
<td>84</td>
</tr>
<tr>
<td><strong>Adjusted net margin (excluding THALES)</strong></td>
<td>6.7%</td>
<td>5.6%</td>
</tr>
<tr>
<td><strong>Share of income of THALES (*)</strong></td>
<td>53</td>
<td>61</td>
</tr>
<tr>
<td><strong>Adjusted net income</strong></td>
<td>175</td>
<td>145</td>
</tr>
<tr>
<td><strong>Adjusted net margin</strong></td>
<td>9.6%</td>
<td>9.6%</td>
</tr>
<tr>
<td><strong>IFRS net income</strong></td>
<td>135</td>
<td>220</td>
</tr>
</tbody>
</table>

(**(*) Adjusted net income of THALES**)
Consolidated available cash

The decrease is mainly due to an increase in inventories and work-in-progress.
End