

Press conference

2015 RESULTS

Saint-Cloud – March 10, 2016



ACTIVITIES and PROGRAMS in 2015

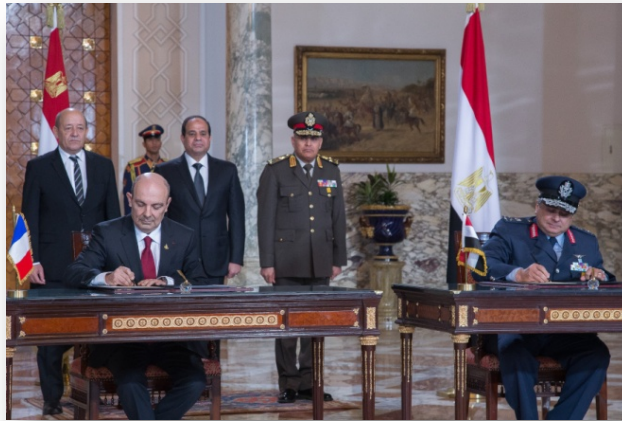


2015 will be remembered above all as a year of instability

- in geopolitical terms:
 - ✓ increased terrorist threat, with the terrible attacks against France in January and November,
 - ✓ tension between Russia and Ukraine,
 - ✓ operations in Africa, Iraq and Syria.
- in economic terms:
 - ✓ fall in oil prices,
 - ✓ the US dollar gained strength against the euro,
 - ✓ economic slowdown in emerging economies.

RAFALE export

- Two export contracts were signed and came into force in 2015:
 - ✓ Egypt: 24 RAFALEs including support (3 aircraft delivered in July 2015, 3 in January 2016),
 - ✓ Qatar: 24 RAFALEs, including support.



- April 2015: India announced its intention to acquire 36 RAFALEs.

RAFALE France



- 5 RAFALEs delivered to France in 2015, bringing total deliveries to 142 out of 180 ordered,
- Delivery of 3 Navy RAFALEs retrofitted to the F3 standard,
- Continued development of the F3-R standard,
- Support for the RAFALE in various out-of-area operations.

MIRAGE 2000



- Delivery of 2 Indian MIRAGE 2000s upgraded in France, and support for HAL in India for subsequent aircraft,
- Continued support for MIRAGE 2000 fleets in all countries,
- Preparation of the MIRAGE 2000 D France upgrade contract.

ATLANTIQUE 2



Continuation of upgrade works on the ATLANTIQUE 2 combat system using a “Systems PLM” process allowing the main participants (SIAé, DCNS, THALES and DASSAULT AVIATION) to collaborate around a V6-type platform.

Maritime surveillance



- March 30, 2015: the Japanese Coast Guards signed a contract for the acquisition of 2 FALCON 2000 Surmar maritime surveillance aircraft.



- Delivery to France of the 3rd and 4th retrofitted FALCON 50 Surmar maritime surveillance aircraft.



- 100th flight at Istres, February 26, 2015,
- Flight envelope opened, including with weapons bay open,
- Munition launched from weapons bay,
- Stealth demonstration flights in the presence of air-air and ground-based air defense systems,
- Discussions with the DGA concerning an additional flight test campaign in 2016.

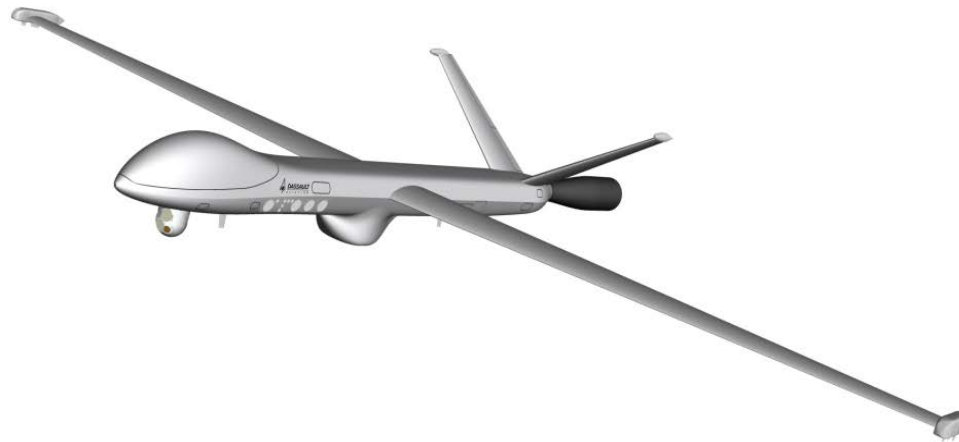


FCAS / SCAF (Future Combat Air System)

- Continuation of studies leading to a Franco-British demonstration program.
- French-UK summit meeting in Amiens (March 3, 2016): joint decision to launch development of an operational demonstrator in 2017.



MALE 2020 (Medium Altitude Long Endurance)



AIRBUS DEFENCE & SPACE, FINMECCANICA and DASSAULT AVIATION submitted an offer to the German, Italian and French defense ministries covering the MALE 2020 definition phase.

OCCAR is responsible for awarding the contract in 2016.

FALCON 8X



- New “Ultra Long Range” FALCON,
- Range: 6,450 NM,
- 1st flight: February 6, 2015,
- Certification expected: mid-2016,
- 1st deliveries expected: 2nd half of 2016.

FALCON 5X



Due to SNECMA's difficulties in the development of the Silvercrest engine and their new related schedule (postponement of the engine certification from 2015 to 2018), we have been, in 2016, forced to readjust the program schedule, with the first deliveries planned during the first-half of 2020.

FALCON RESPONSE

Entry into service of the 2nd FALCON 900



- 116 missions performed,
- 685 flight hours,
- 44 alternative lift flights.

FALCON product line



FALCON 2000S
3,350 NM



FALCON 2000LXS
4,000 NM



FALCON 900LX
4,750 NM



FALCON 5X
5,200 NM



FALCON 7X
5,950 NM



FALCON 8X
6,450 NM

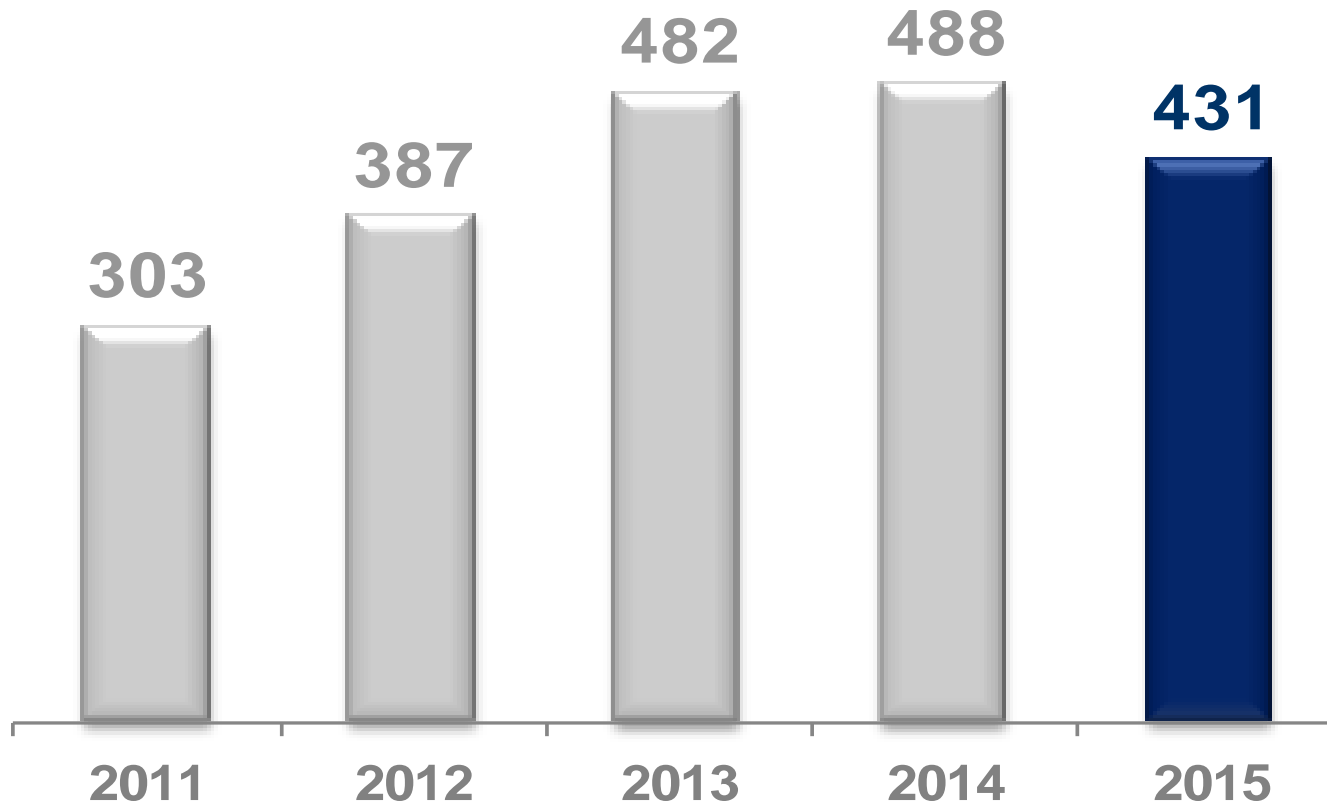


Consolidated self-funded R & D

in € million

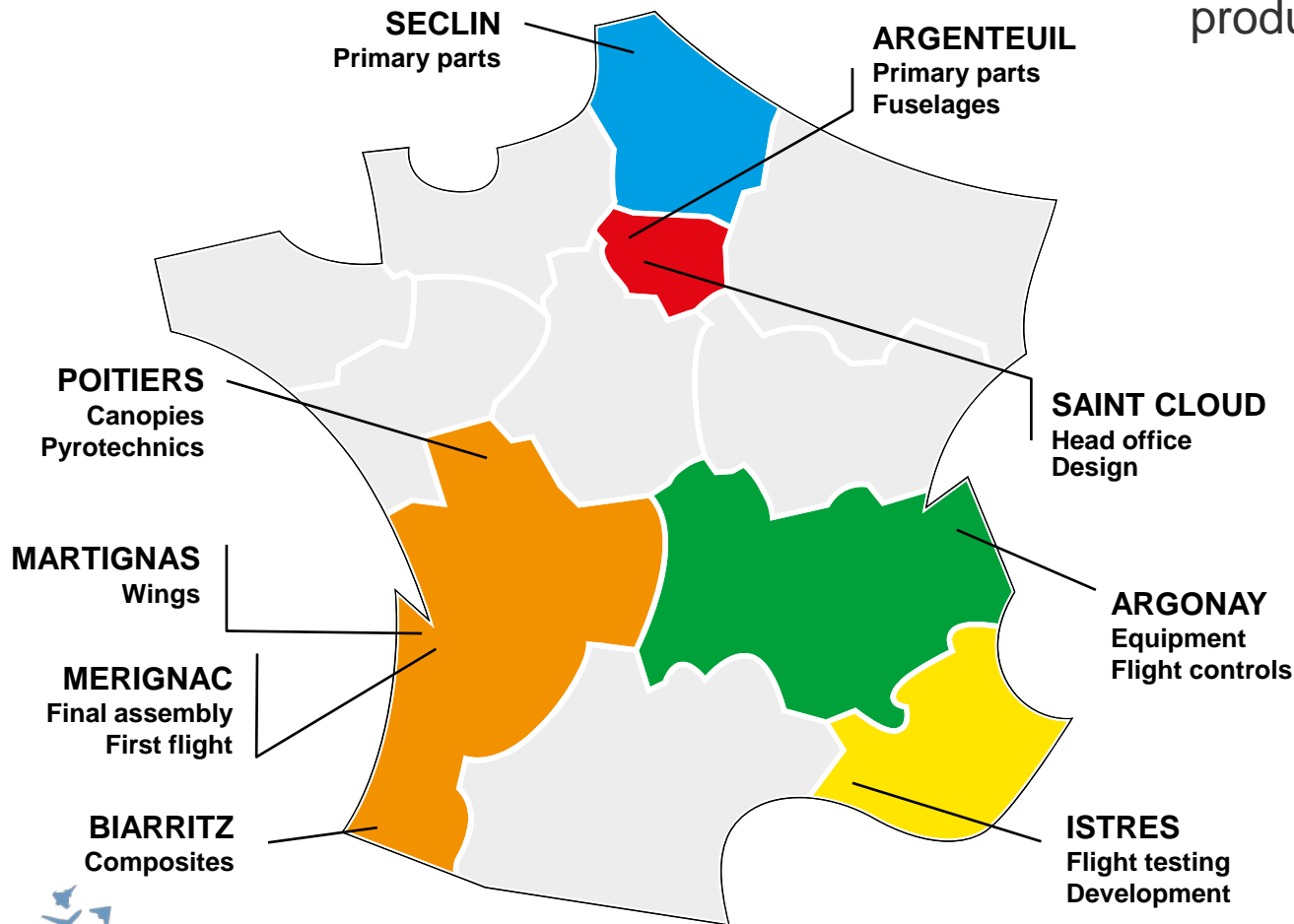


On average over the past five years, DASSAULT AVIATION has devoted **10.6% of their revenue** to self-funded Research & Development.



RAFALE industrial investments

Dassault Aviation is investing to increase Rafale production rates.



FALCON industrial investments



- DASSAULT FALCON JET continued to improve completion processes in Little Rock.



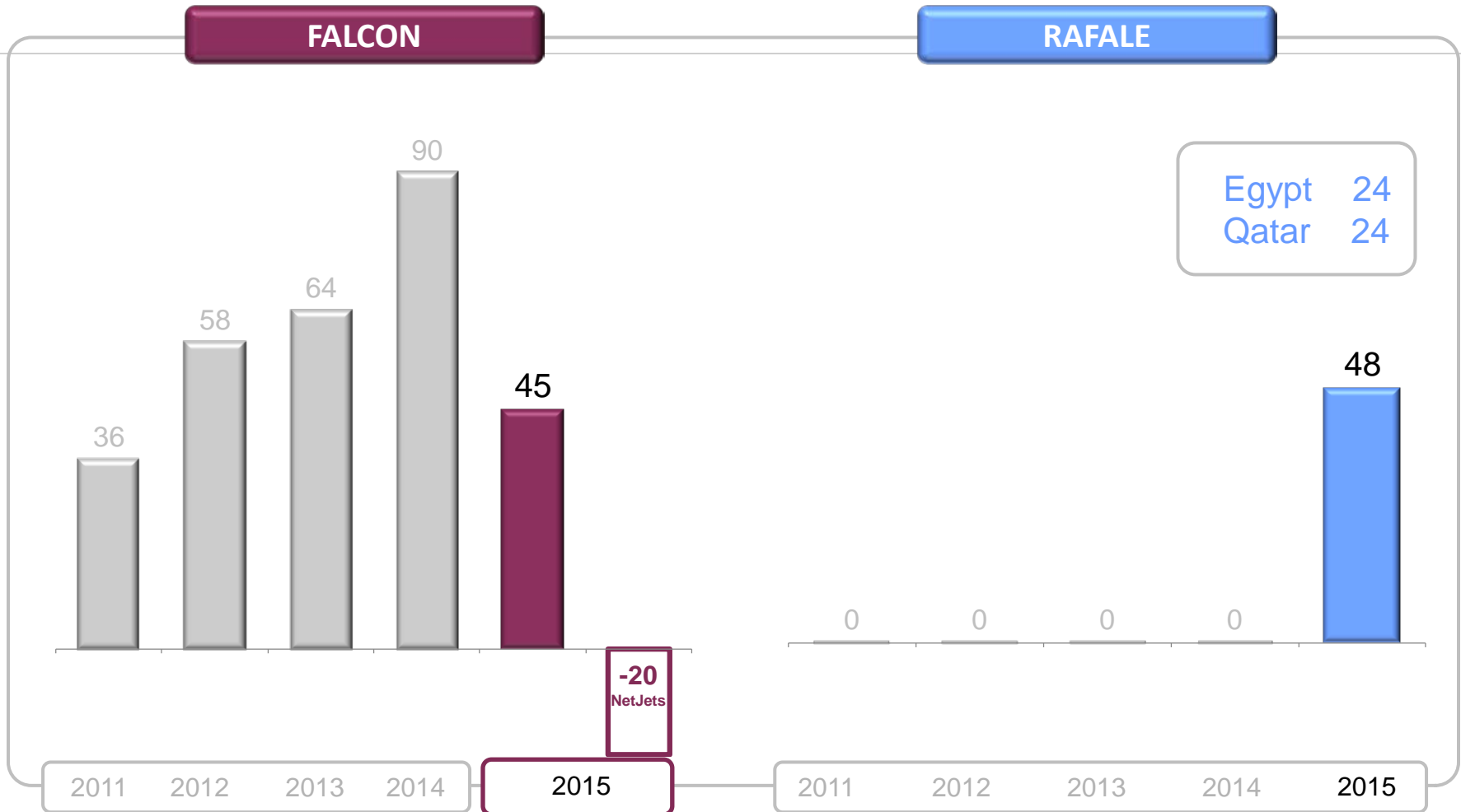
- DASSAULT FALCON SERVICE launched building of new maintenance facilities in Bordeaux Mérignac.

2015 RESULTS



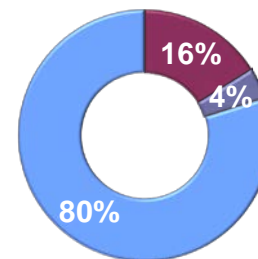
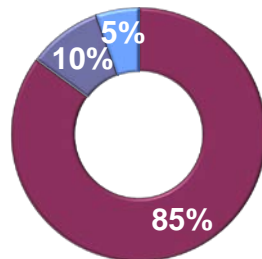
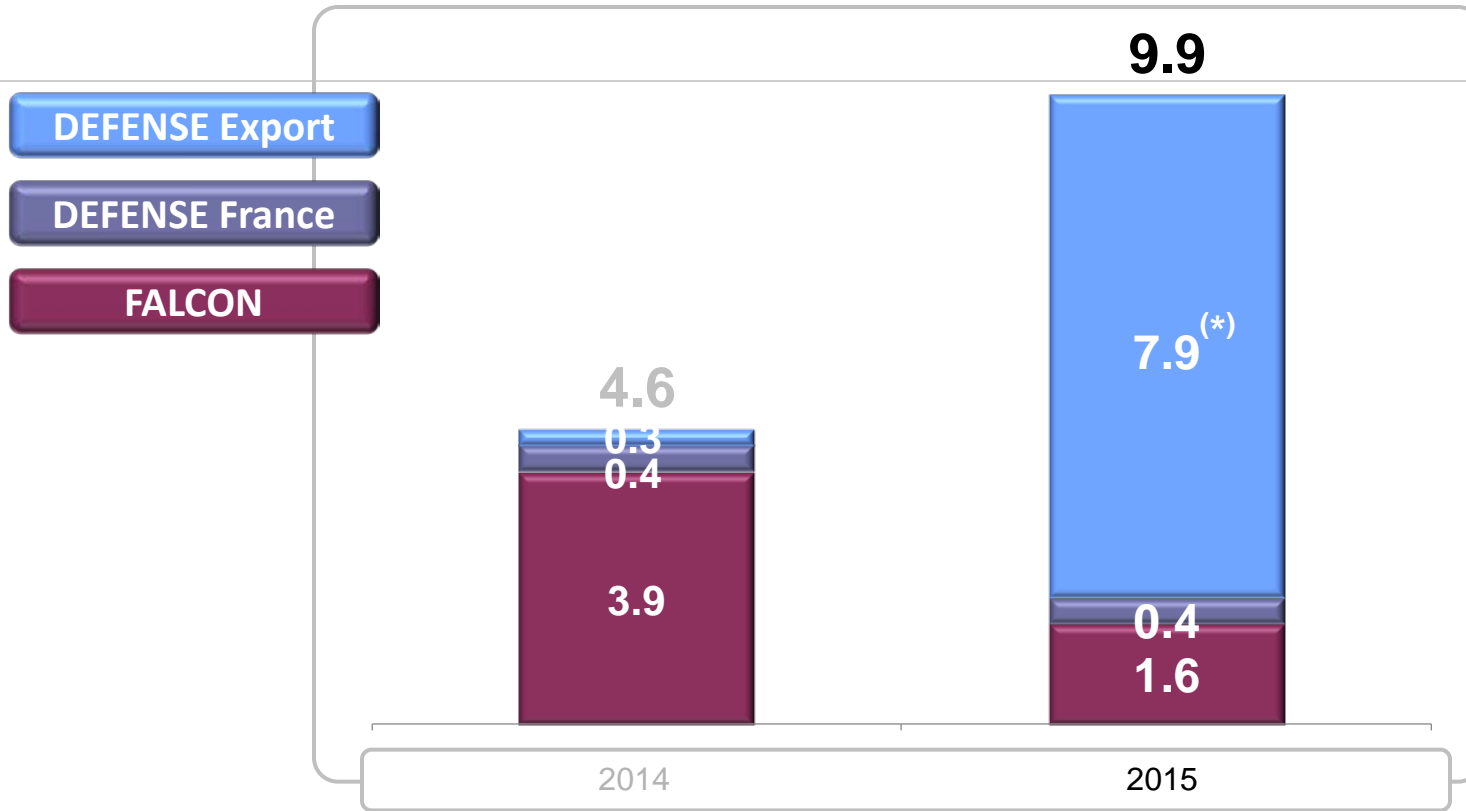
Group order intake

in units



Group order intake

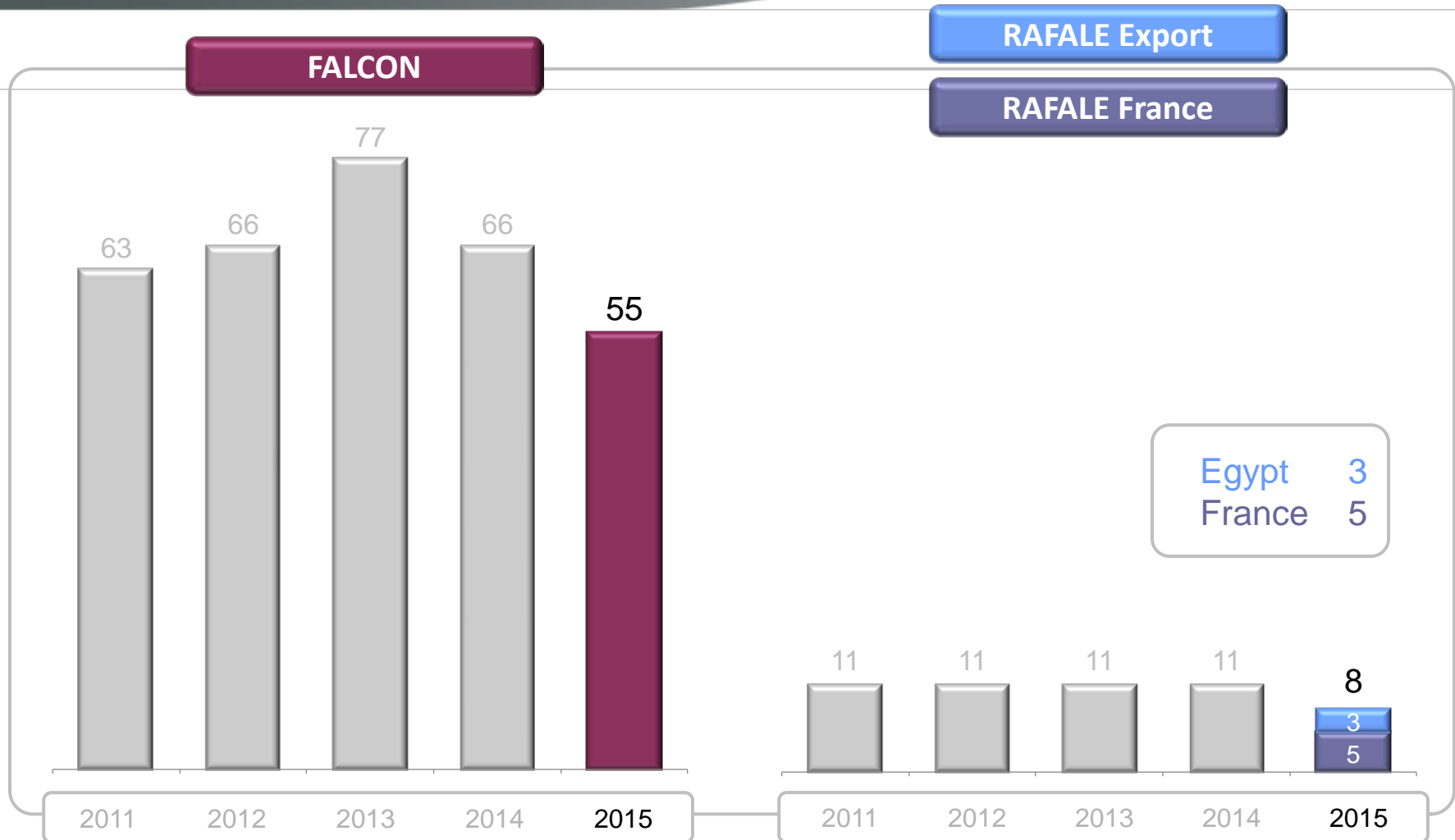
en €bn



(*) RAFALE Export : total amount including THALES and SNECMA parts, whereas for France, only DASSAULT AVIATION part is recognized

Group deliveries

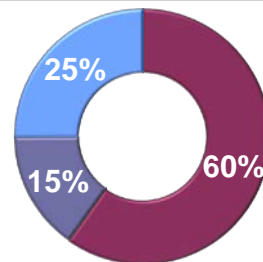
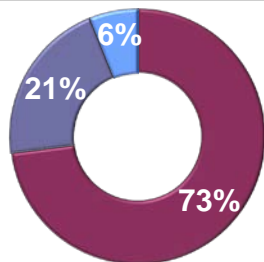
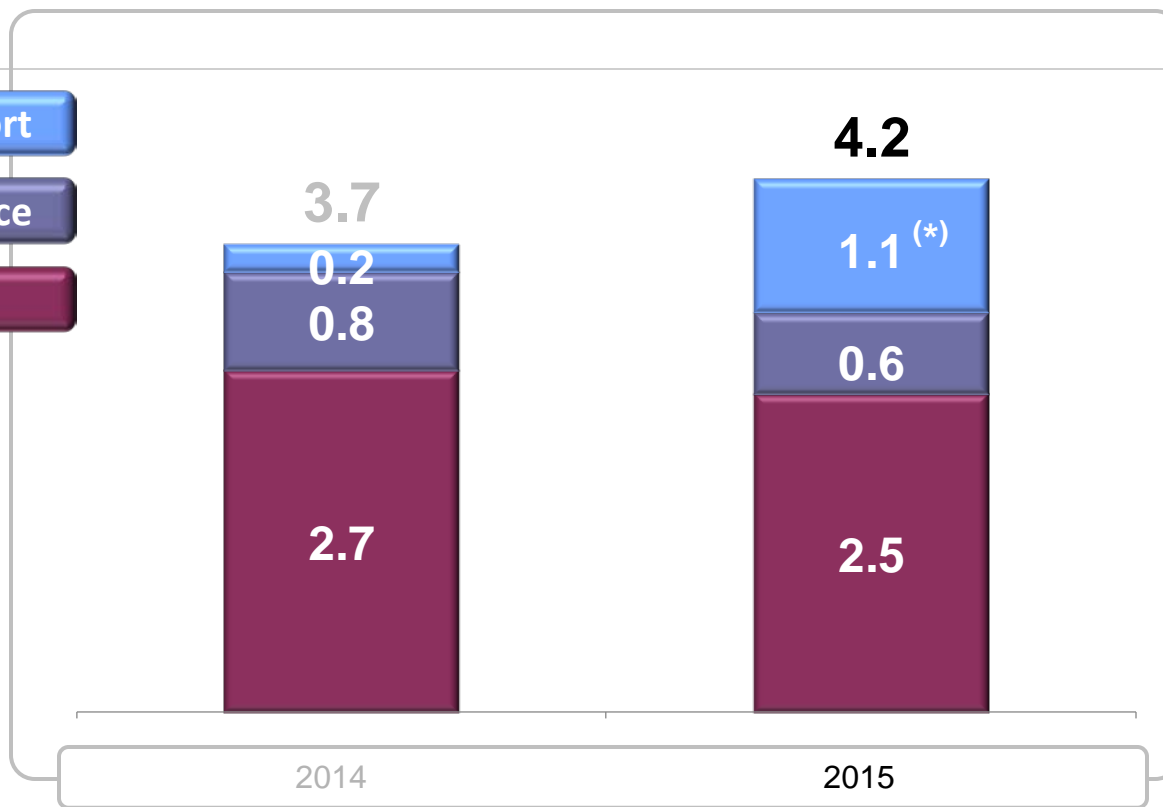
in units



Group net sales

in €bn

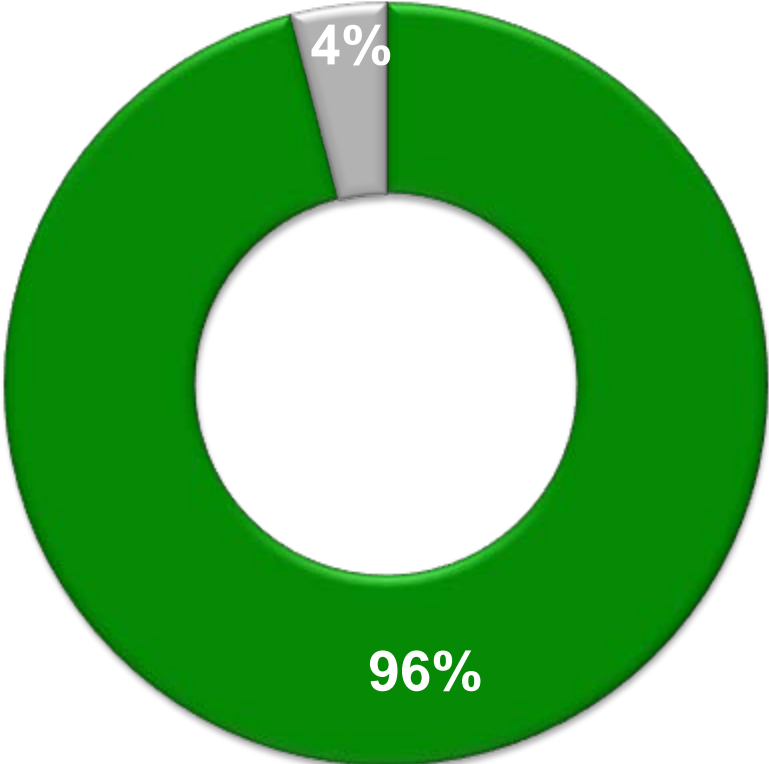
- DEFENSE Export
- DEFENSE France
- FALCON



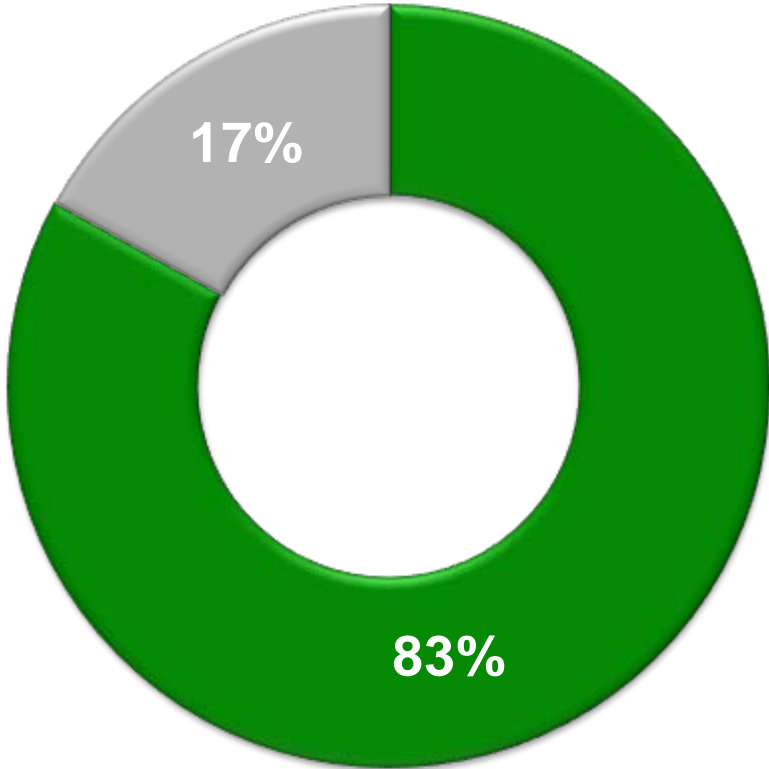
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2015 Export part

Order intake



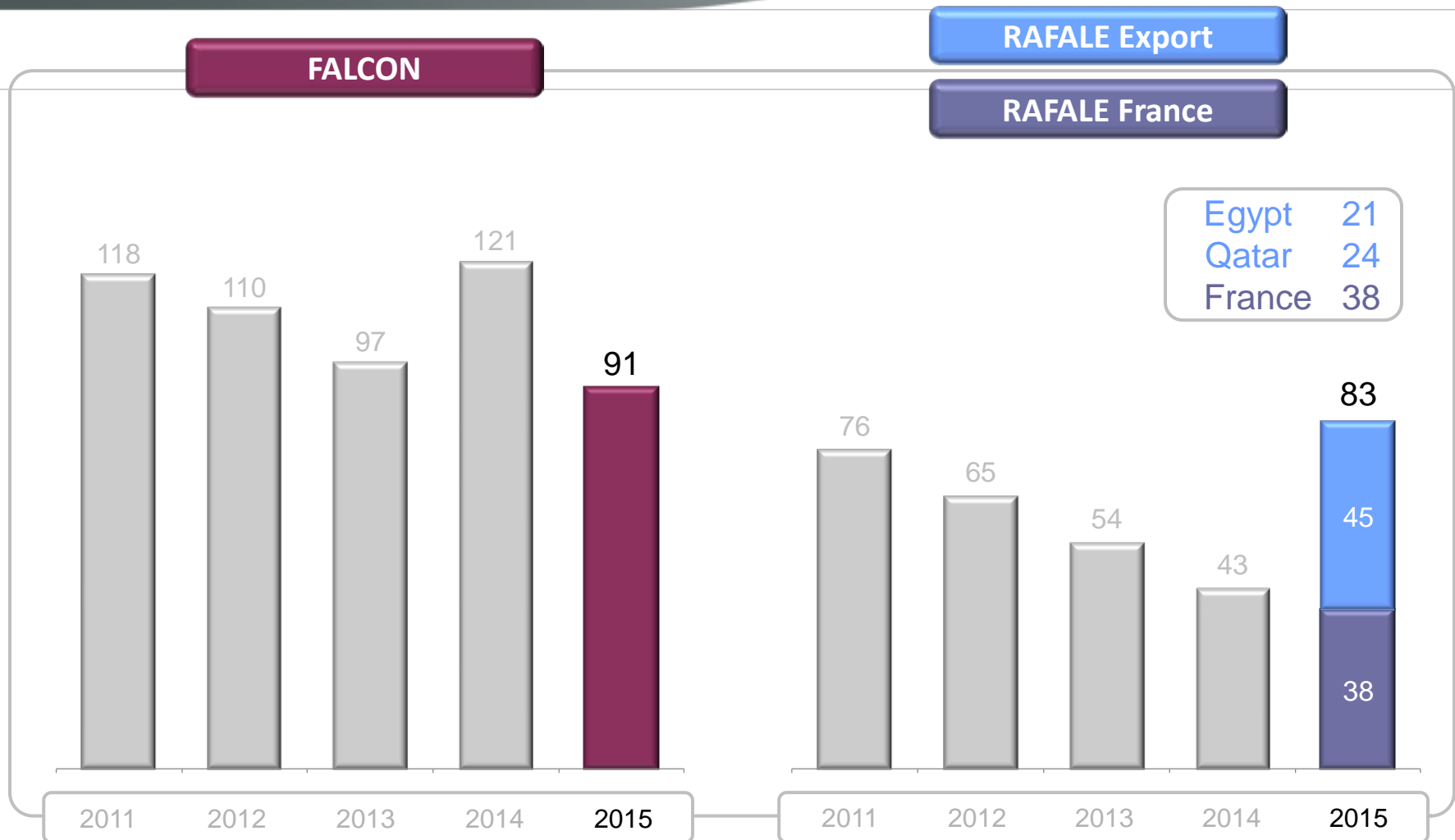
Net sales



 **Export**  **France**

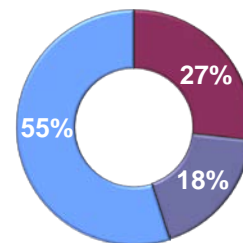
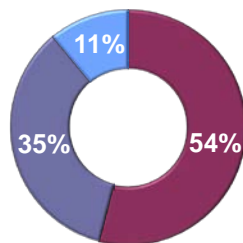
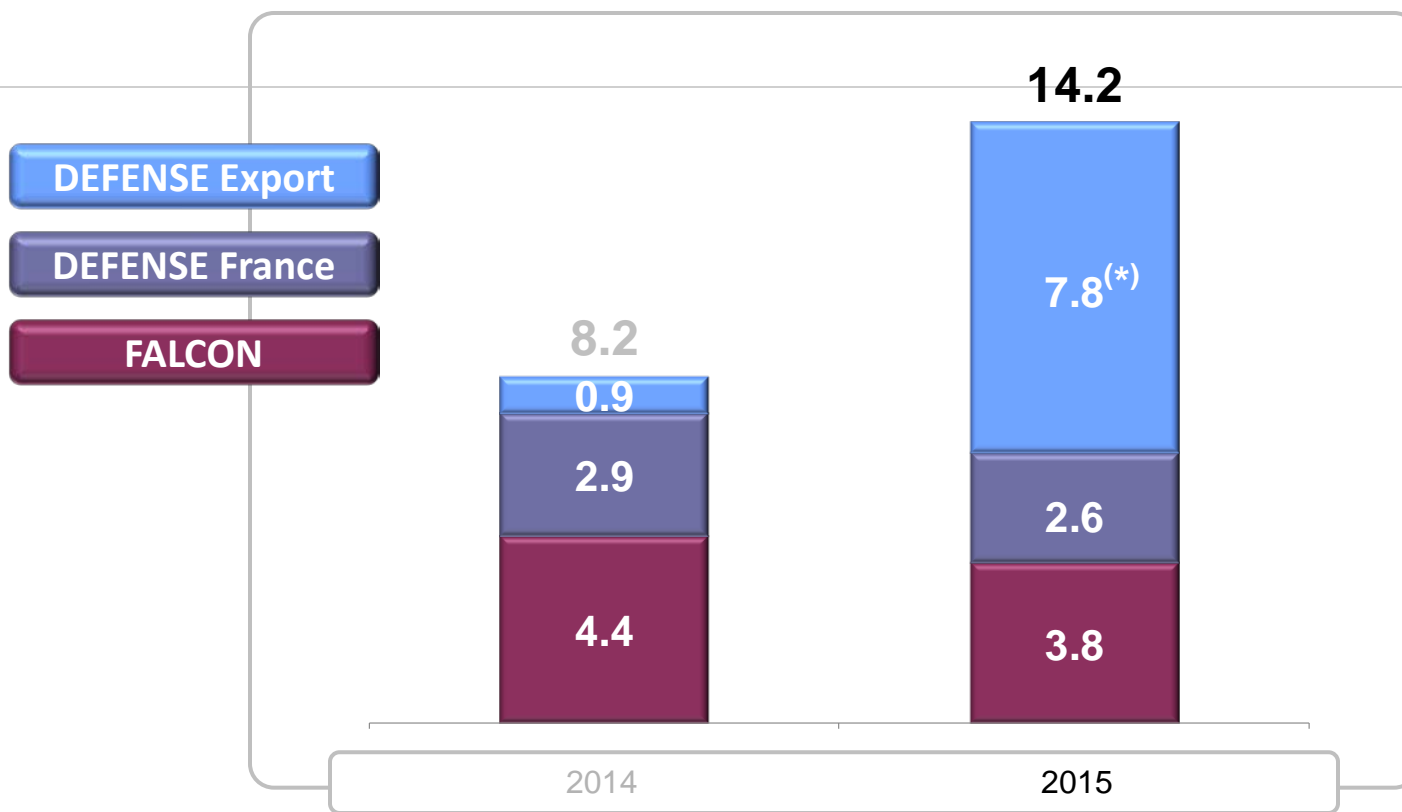
Group backlog

as of december 31 - in units



Group backlog

as of december 31 – in €bn



(*) RAFALE Export : total amount including THALES and SNECMA parts, whereas for France, only DASSAULT AVIATION part is recognized

- DASSAULT AVIATION entered THALES capital in 2009 and, as the prime industrial shareholder, signed a shareholder agreement with the french public sector,
- THALES continues its action plan to improve its margin while keeping R&D efforts and managing their programs development.
- The chart hereunder shows the adjusted net income since 2009 :

in € million

	2009	2010	2011	2012	2013	2014	2015
Adjusted net income	-128	-45	517	570	642	562	809

- EBIT growth since 2011: +62% (€1 216M vs. €749M)

Challenges and outlook 2016

- **Delivery forecast in 2016 :**

- ✓ **60 FALCON** (vs 55 in 2015),
- ✓ **9 RAFALE : 6 France and 3 Egypt** (vs 8 in 2015: 5 France and 3 Egypt).

2016 net sales should however be lower than in 2015 given other activities (2015 was favorably impacted in particular by the upgrade of Indian MIRAGE 2000).

Furthermore, we shall in 2016 :

- ✓ sell our FALCONS and sign new Export RAFALE contracts.
- ✓ make the entry into service of the FALCON 8X a success,
- ✓ ensure the progress of the new FALCON 5X schedule,
- ✓ consolidate the French roadmap for RAFALE and Drones,
- ✓ prepare the technological building blocks of the future FALCON,
- ✓ ensure the company's transformation to improve our industrial tool and our competitiveness.

Group adjusted income statement

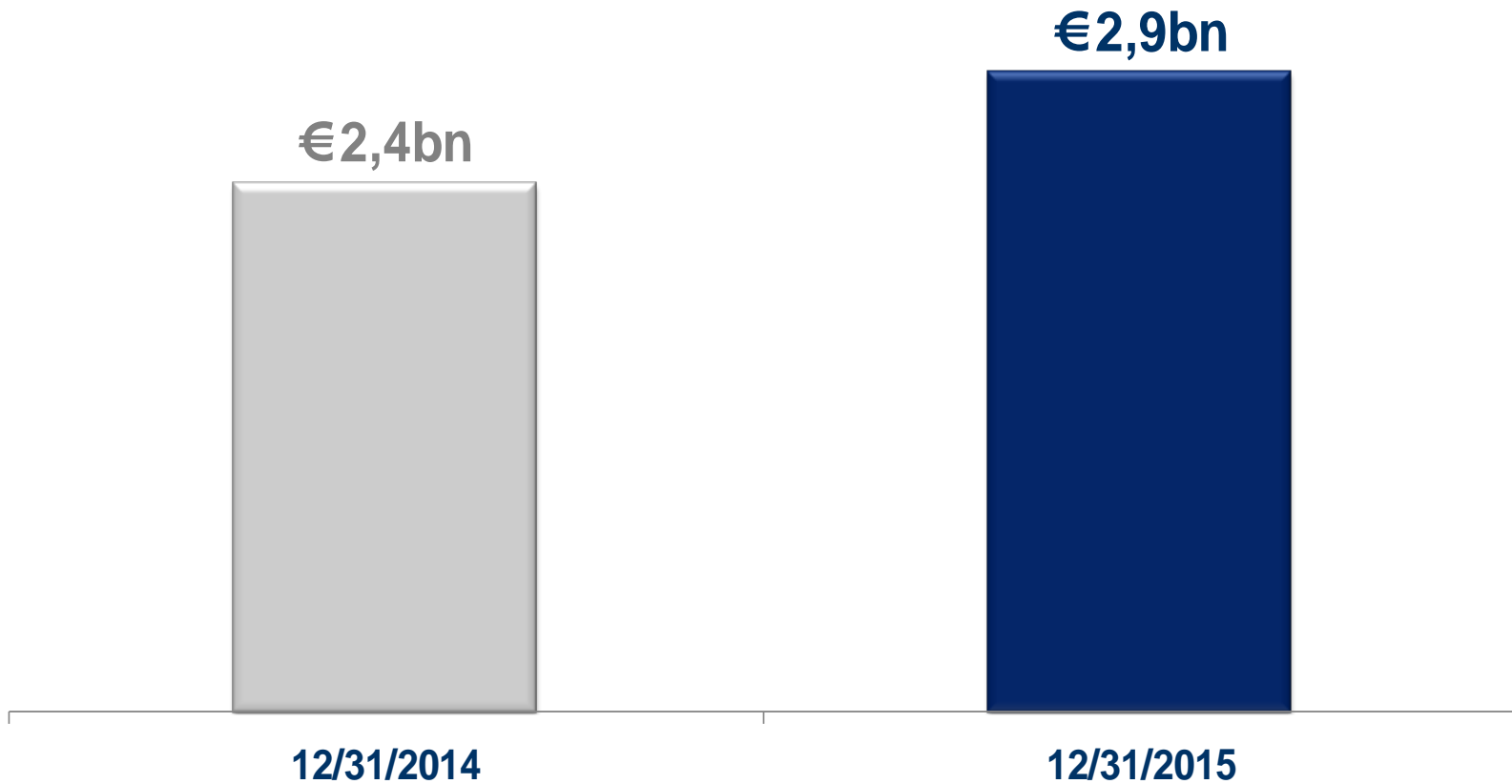
<i>in € million</i>	2014	2015
Net Sales	3 680	4 176
Operating income	353	361
<i>operating margin</i>	9.6%	8.6%
Adjusted financial income	43	19
income tax	-137	-91
THALES and other equity affiliates	139	193
Adjusted net income	398	482
<i>Adjusted net margin</i>	10.8%	11.5%
<i>for the record : adjusted net income per share</i>	39.7 €	54.6 €

Group available cash


in €bn



+€0.5bn in 2015 : downpayments of RAFALE Egypt and Qatar partially offset by the share buy-back.



Shares and voting rights change:



	Shares	% Interests	% voting rights	Shares	% Interests	% voting rights
GIMD	5 118 240	55.55%	55.79%	5 118 240	56.11%	58.74%
AIRBUS	3 880 235	42.11%	42.3%	2 152 656	23.6%	24.71%
FREE FLOAT	174 779	1.90%	1.91%	1 441 671	15.8%	16.55%
DASSAULT AVIATION	40 500	0.44%		409 971	4.49%	
TOTAL	9 213 754	100.00%	100.00%	9 122 538	100.00%	100.00%

NB : as of April 3rd 2016, double voting rights for all shares registered in nominal accounts for more than two years

**Dividend's proposal €12.1 per share
to be submitted to the Annual General Meeting on May 19, 2016.**

	2014	2015
Adjusted net result (Group)	€398 M	€482 M
<i>Dividends</i>	€92 M	€110 M
<i>Payout</i>	23%	23%
<i>Dividend per share</i>	€10.0	€12.1

NB : in terms of earnings distribution policy, Group employees will receive, under profit-sharing and incentives schemes, € 92 millions (whereas the legal formula would have led to an amount of €1 million).

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