

Financial Release – July 19, 2018



1. KEY FIGURES FOR THE 1ST HALF OF 2018 (1ST HALF 2017 RESTATED PRO FORMA IFRS 15)

	2018 1 st half	2017 1 st half
Order intake	€ 2,807 million 18 Falcon (incl. F5X cancellation and 1 st F6X orders) 12 Rafale (Qatar)	€ 1,415 million 14 Falcon
<u>Adjusted</u> net sales ^(*)	€ 1,709 million 15 Falcon 2 Rafale (France)	€ 2,068 million 17 Falcon 4 Rafale (3 Egypt + 1 France)
	as of June 30, 2018	as of December 31, 2017
Backlog	€ 20,532 million 55 Falcon (no F5X) 111 Rafale (82 Export + 29 France)	€ 19,460 million 52 Falcon (incl. 5X not canceled) 101 Rafale (70 Export + 31 France)
	2018 1st half	2017 1st half
<u>Adjusted</u> operating income ^(*)	€ 111 million	€ 121 million
<u>Adjusted operating margin</u> ^(*)	6.5% of net sales	5.9% of net sales
Research & Development	€ 143 million 8.4% of net sales	€ 176 million 8.5% of net sales
<u>Adjusted</u> net income ^(*)	€ 186 million	€ 166 million
<u>Adjusted net income</u> ^(*) / share	€ 22.4 per share	€ 20.2 per share
<u>Adjusted net margin</u> ^(*)	10.9% of net sales	8.0% of net sales
	As of June 30, 2018	As of December 31, 2017
Available cash	€ 5,029 million	€ 4,121 million

Note : Dassault Aviation recognizes the Rafale Export contracts in their entirety (including the Thales and Safran parts), whereas for France, only the Dassault Aviation part is recognized.

Main aggregates under IFRS

<u>Consolidated net sales</u> ^(*)	€ 1,720 million	€ 2,082 million
<u>Consolidated operating income</u> ^(*)	€ 124 million	€ 112 million
<u>Consolidated net income</u> ^(*)	€ 125 million	€ 357 million

^(*) See table of reconciliation between the consolidated income statement and the adjusted income statement in appendix.

2. 2018 OUTLOOK

The Group confirms its forecasts published on March 8, 2018, namely the delivery of **40 Falcon** and **12 Rafale** (3 to France and 9 for Export) and 2018 net sales should be close to 2017's.

TRIBUTE TO SERGE DASSAULT

The Board of Directors pays tribute to Serge Dassault, who passed away on May 28 at the age of 93.

Serge Dassault, a graduate of the École Polytechnique and the École Nationale Supérieure de l'Aéronautique, started at the Company's engineering department in 1951 under the direction of Henri Deplante before taking responsibility for flight tests.

In that capacity, he oversaw the development of several aircraft, such as the Super Mystère B2, Mirage III, Etendard and Mirage IV.

After being appointed Military Export Director, he handled the negotiations that led to the purchase of the Mirage III by Switzerland and Australia. He also launched the Mystère 20 sales campaign in the United States.

After his time at Société Electronique Marcel Dassault, which later became Electronique Serge Dassault, he became Chairman and CEO of our Company from the end of 1986 until April 2000.

During that period, under his leadership, our company successfully deployed long-term and large-scale strategies consistent with the long cycles typical of our products.

He was a tenacious and hard worker man with a spirit of conquest.

Aeronautics was his passion.

At last, he anticipated and settled his successorship by appointing Charles Edelstenne, as head of GIMD with the agreement of all of his children.

3. GROUP ACTIVITIES

3.1 Program developments

Falcon programs

Highlights of the first half of 2018 were:

- the order of 18 Falcon including Falcon 5X cancellations and the first Falcon 6X orders, the sale of a 5th Falcon 2000 Maritime Surveillance Aircraft to the Japanese coastguards, and the sale of 1 Falcon 2000LX converted to a testbed airplane to the German Aerospace Research Center (DLR),
- the delivery of 15 Falcon,
- on February 28, 2018, the official launch and start of marketing of the Falcon 6X. The program is unfolding as planned, with the selection of the main partners and the installation of design platforms in Saint-Cloud and Mérignac.
This new aircraft will have a range of 5,500 NM, unequaled comfort with a cabin width of 2.7 m and a volume of 52.2 m³. This twinjet will be equipped with Pratt & Whitney PWC 812D engines and will reach a maximum speed of Mach 0.9,
- the completion of flight tests for the certification of the Falcon Eye system operational gains for the Falcon 8X,
- the announcement of the new Falcon Connect service, an integrated solution for communications management and data exchange between aircraft and ground networks. This service will be available on new aircraft and as a retrofit early 2019,
- concerning mission aircraft, the February 28, 2018 decision by the French Government to choose the Epicure mission Falcon to handle Universal Electronic Warfare Capacity (CUGE), and replace, from 2025 on, the two TRANSALL C-160 Gabriel currently in service,
- the ongoing future Falcon specification.

DEFENSE programs

Rafale

Highlights of the RAFALE program in the first half of 2018 were:

- the entry into force of the option for 12 additional Rafale for Qatar following the receipt of the first down payment on March 27, 2018,
- delivery of 2 Rafale to France, bringing the total Rafale delivered to the French Forces to 151 out of the 180 aircraft ordered,
- the delivery of the 9th Naval Rafale retrofitted from the F1 to the F3 standard,
- the ongoing development of the F3-R standard,

- the launching of preliminary studies for the development of the F4 standard,
- continued fulfillment of Rafale contracts for Egypt, Qatar and India,
- training of pilots and implementation of support for Qatar prior to the start of the 1st aircraft deliveries,
- the continuation of promotional and prospecting activities related to Rafale Export.

Mirage 2000

For Mirage 2000, it should be noted that in the 1st half of 2018:

- upgrade works for the French Mirage 2000D continued,
- as well as discussions with the United Arab Emirates Armed Forces following their announcement of their intention to upgrade their Mirage 2000-9 fleet.

MARitime SURveillance and MARitime PATrol aircraft

In addition to the sale of a 5th Falcon 2000 Maritime Surveillance Aircraft to the Japanese coastguards, and the choice by the French Government for the Epicure Falcon mission, the 1st half of 2018 was marked by:

- continued system integration tests and flight tests for renovation of the ATL2 combat system,
- the continuation of development works on Falcon 2000 Maritime Surveillance Aircraft for the Japanese coastguards,
- the continuation of works to add capacity for dropping SAR (Search And Rescue) chains for the French Navy's Falcon 50 SURMAR fleet.

Drones:

For drones, highlights in the first half of 2018 included:

- the notification by the French Defense Procurement Agency (DGA) of a new market for stealth flight studies and tests over the period 2018-2020 for nEUROn, and consequently, the preparation of the demonstrator for the 2018 flight test campaign,
- the end of the feasibility study for the UCAS (Unmanned Combat Air System) demonstration program with our French and British partners following the decision of the British government not to continue that demonstration project,
- continuing construction with our partners Airbus Defense and Space and Leonardo of the MALE RPAS (Medium Altitude Long Endurance Remotely Piloted Aircraft System) drone project with European technologies. The intermediate "System Requirements Review" milestone was achieved on January 29, 2018, and a scale 1 model of the aircraft was unveiled on April 26, 2018 at the ILA show in Berlin. Germany is the leader country and Airbus the industrial leader.

Finalization of the "Invitation To Tender" by the OCCAR (Organization for Joint Armament Cooperation) is now expected for the second half of 2018,

- further to the common statement in July 2017 between France and Germany (French President and Chancellor of Germany), both countries signed a Letter Of Intent in June 2018 to launch the Future Air Combat System (SCAF) project to create a combat system around a combat aircraft that combines piloted platforms (future-generation fighter aircraft, tankers, Awacs) and drones : France has been designated as the leading nation. At the same time, Dassault Aviation and Airbus Defense and Space signed an agreement confirming Dassault Aviation's leadership as architect for the combat aircraft (ILA Berlin in April 2018).

We have now to establish the roadmap that shall begin with the studies. Our goal is to obtain the launch of a demonstrator,

- following the initial firm order for the upstream study program "Man Machine Teaming" in 2017 (definition and concept modelling of the Man System relationship in the future combat system) the 1st studies have been implemented during 2018 1st half.

India

Indian needs for combat aircraft are material (Request For Information for 110 aircraft for its Air Force and 57 aircraft for the Navy), the "Make in India" success is a priority.

In this context, the civil and military aeronautical activities of the Dassault Reliance Aerospace Limited Joint Venture (JV DRAL), created in 2017, should enable us to meet our offsets commitments provided for in the contract signed to supply 36 Rafale, to build the foundations to reach our commercial goals with India, and to improve our competitiveness in manufacturing Falcon 2000 parts in India.

JV DRAL industrial operations were launched in April 2018 in the presence of Loïk Segalen, Chief Operating Officer of Dassault Aviation, and Suresh Kakani, Vice Chairman & Managing Director of the supervisory authority for the development of the free zone where JV DRAL is located.

The ramp-up will take place gradually according to a milestone industrial plan to ensure the performance of JV DRAL at each stage of the transfer.

We have also launched the construction of the initial infrastructure and have begun to recruit and train Indian employees. The first Falcon 2000 subassemblies are expected to come out of production in 2018.

When the Dassault Aviation Executive Committee meeting was held in New Delhi in April 2018, the Directors and Chief Executives of the company went to India to acknowledge the development of JV DRAL and reaffirm Dassault Aviation's commitment to "Make in India".

The GIFAS visit to India led by Eric Trappier, Chairman of GIFAS, also gave a large delegation of French industry leaders the opportunity to go to Nagpur to interact with the JV DRAL management team and promote the development of partnerships between Indian and French Supply Chains. We have also continued to establish a production line in India with the implementation of a local supply chain for pylons, drums, primary parts and engineering.

3.2 Customer support

Civil customer support:

With respect to Falcon customer support, in the first half of 2018, we:

- continued to expand our network with the approval of a new service center in Canada (Toronto),
- marketed new services and technical solutions for the fleet including broadband connectivity (Ka for F900, Ku and 4G for 7X),
- implemented specific support for the FIFA World Cup in Russia and the Olympic Winter Games in Korea,
- organized 8 Maintenance and Operations seminars that brought together more than 750 Falcon operators, representing more than 1,200 people with partners.

Military customer support:

As regards military customer support, we:

- continued supporting Rafale aircraft in service delivered to France and Egypt,
- continued to conduct Major Visits or periodic visits of Mirage 2000 and AlphaJet fleets in Qatar and the Mirage 2000-9 fleet in the United Arab Emirates,
- supported the Mirage 2000 fleet for French and foreign armed forces.

It should be noticed that, in June 2018, the Mirage 2000N was retired from operational service after 30 years in the French forces.

4. ADJUSTED CONSOLIDATED RESULTS OF THE 1ST HALF OF 2018

4.1 Order intake

Order intake in the first half of 2018 was **EUR 2,807 million**, compared with EUR 1,415 million in the 1st half of 2017 (IFRS 15 pro forma). **Export** represented **92%**.

The change in order intake was as follows, in **EUR millions**:

	Defense		Falcon	Total	% Export
	France	Export			
2017 1 st half	221	172	1,022	1,415	83%
	28%		72%		
2018 1 st half	231	1,354	1,222	2,807	92%
	56%		44%		

The order intake item is entirely composed of firm orders.

Falcon programs

During the 1st half of 2018, 18 Falcon were ordered including Falcon 5X cancellations and 1st Falcon 6X orders, compared to 14 orders over the 1st half of 2017.

Falcon orders represented **EUR 1,222 million** in the 1st half of 2018, compared with EUR 1,022 million in the 1st half of 2017 (IFRS 15 pro forma). This rise results from an increase in orders for new aircraft.

Defense programs

Defense orders stood at **EUR 1,585 million** during the first half of 2018, compared to EUR 393 million during the first half of 2017 (IFRS 15 pro forma).

The increase in Defense Export orders, **EUR 1,354 million** during the first half of 2018 compared with EUR 172 million during the first half of 2017 (IFRS 15 pro forma) is mainly due to the entry into force of the 12 Rafale option of Qatar.

4.2 Net sales

Adjusted consolidated net sales for the first half of 2018 were **EUR 1,709 million**, compared to EUR 2,068 million for the first half of 2017 (IFRS 15 pro forma). **Export** represented **80%** in the first half of 2018.

The change in net sales was as follows, in **EUR millions**:

	Defense		Falcon	Total	% Export
	France	Export			
2017 1 st half	226	693	1,149	2,068	86%
	44%		56%		
2018 1 st half	288	234	1,187	1,709	80%
	31%		69%		

Falcon programs

15 Falcon were delivered in the 1st half of 2018, compared to 17 in the 1st half of 2017.

Falcon net sales for the 1st half of 2018 were **EUR 1,187 million**, compared to EUR 1,149 million for the 1st half of 2017 (IFRS 15 pro forma).

Defense programs

2 Rafale were delivered to France in the 1st half of 2018, compared to 3 Rafale to Egypt and 1 Rafale to France in the 1st half of 2017.

Defense net sales for the 1st first half of 2018 were **EUR 522 million**, compared to EUR 919 million for the 1st first half of 2017 (IFRS 15 pro forma).

The “book to bill” ratio (order intake/net sales) was 1.64 in the first half of 2018.

4.3 Backlog

The consolidated backlog as of June 30, 2018 was **EUR 20 532 million**, compared to EUR 19,460 million as of December 31, 2017 (IFRS 15 pro forma). The increase is mainly due to the entry into force of the 12 Rafale option of Qatar

The Falcon backlog stood at **EUR 2,466 million**, compared to EUR 2,457 million as of December 31, 2017 (IFRS 15 pro forma). In particular, it includes **55 Falcon** with no more Falcon 5X (compared with 52 as of December 31, 2017, including Falcon 5X not canceled).

The French Defense backlog stood at **EUR 2,982 million**, compared to EUR 3,039 million as of December 31, 2017 (IFRS 15 pro forma). It includes in particular **29 Rafale** (compared to 31 as of December 31, 2017).

The Defense Export backlog stood at **EUR 15,084 million**, compared to EUR 13,964 million as of December 31, 2017 (IFRS 15 pro forma). It includes, in particular, **10 Rafale Egypt**, **36 Rafale Qatar** and **36 Rafale India** (compared to 10 Rafale Egypt, 24 Rafale Qatar and 36 Rafale India as of December 31, 2017).

4.4 Results

IFRS 15 impacts – Revenue Recognition

The financial statements for the first half of 2017 were restated in accordance with the application of IFRS 15, which sets out standards for revenue recognition.

The most material impact of applying this standard is the inclusion of a financing component when it is significant, to reflect a “cash sale price” for the service provided. The financing component exists when there is, for a given contract, a significant difference between the moment when cash is received and the moment when the revenue is recognized.

Future revenue and therefore the operating income, from the relevant contracts will be increased by this financing component, offset by a financial expense recognized along the duration of the contract.

The IFRS 15 impacts on adjusted net income for the 1st half of 2017 are as follows:

<i>In € millions</i>	H1 2017 Adjusted Published	IFRS 15 impact	H1 2017 Adjusted Restated
NET SALES	2,050	18	2,068
OPERATING RESULT	123	-2	121
<i>Operating margin</i>	6.0%		5.9%
FINANCIAL RESULT	16	-34	-18
THALES and shares in other equity associate	106	-9	97
INCOME TAXES	-46	12	-34
NET RESULT	199	-33	166
<i>Net margin</i>	9.7%		8.0%

Operating income

Adjusted operating income for the 1st half of 2018 was **EUR 111 million**, compared to EUR 121 million during the 1st half of 2017 (IFRS 15 pro forma).

The operating margin was **6.5%**, compared to 5.9% for the 1st half of 2017 (IFRS 15 pro forma). This increase is mainly explained by the improvement of the 1st half hedging rate at 1,19 €/€ compared to 1,23 €/€.

Financial result

Adjusted financial income for the 1st half of 2018 was **EUR -38 million**, compared to EUR -18 million in the 1st half of 2017 (IFRS 15 pro forma) as a result of the financing component booked related to Rafale contracts.

Net income

Adjusted net income in the 1st half of 2018 was **EUR 186 million**, compared to EUR 166 million in the 1st first half of 2017. The contribution of Thales to the Group's net income was EUR 132 million, compared to EUR 95 million during the 1st half of 2017 (IFRS 15 pro forma).

Adjusted net margin stood at **10.9%** in the 1st half of 2018, compared to 8.0% in the 1st half of 2017 (IFRS 15 pro forma).

5. FINANCIAL STRUCTURE

5.1 Available cash

The Group uses a specific indicator called “Available Cash” defined in appendix.

The Group’s **available cash** stood at **EUR 5,029 million** as of June 30, 2018, compared to EUR 4,121 million as of December 31, 2017, up by EUR 908 million mainly due to Rafale Export down payments received partly balanced by the increase of the Rafale export inventories and work-in-progress.

5.2 Balance sheet

Note that the balance sheet impacts of IFRS 9 and 15 restatements are detailed in the appendix of our consolidated financial statements.

Total equity amounted to **EUR 3,819 million** as of June 30, 2018, compared to EUR 3,721 million as of December 31, 2017. This increase is mainly explained by the consolidated IFRS net income over the period.

Borrowings and financial debts amounted to EUR 1,046 million as of June 30, 2018, compared to EUR 1,095 million as of December 31, 2017. They include loans taken out by the Group in 2014 and 2015 for EUR 925 million (EUR 25 million having been paid back during the 1st half 2018) and locked-in employee profit-sharing funds.

Inventories and work-in-progress increased by EUR 334 million and stood at EUR 3,806 million as of June 30, 2018. This increase is notably explained by the increase in Rafale Export work-in-progress.

Advances and progress payments received from customers net of advances and progress payments paid to suppliers were up by EUR 1,204 million as of June 30, 2018, due primarily to progress payments received under the scope of Rafale Export contracts.

Derivative financial instruments had a market value of EUR 70 million at June 30, 2018, compared to EUR 161 million as of December 31, 2017. This increase is connected to changes in the €/exchange rate between June 30, 2018 and December 31, 2017 (€/ \$ 1.17 vs. €/ \$ 1.20).

6. SHAREHOLDER INFORMATION

In order to allow the Company to act at any time with regard to its own shares, the General Meeting of May 24, 2018 approved the implementation of a new share buyback program. The program authorizes the acquisition of a number of shares representing up to 10% of the Company’s capital at a maximum price of EUR 1,700 per share over a period of 18 months beginning on May 24, 2018. This program enters into force on July 19, 2018.

The General Meeting of May 24, 2018 also decided to offer shareholders the opportunity to opt for a payment in shares of all or part of the dividend to which they were eligible for the year ended December 31, 2017.

Due to the option exercised by certain shareholders to receive payment of the dividend in shares, the Chairman and Chief Executive Officer recorded on June 22, 2018 the creation of 36,782 new shares. The capital of the Company has therefore increased from EUR 66,495,368 to EUR 66,789,624. These transactions took effect on June 27, 2018.

Capital structure

The Company's share capital totaled EUR 66,789,624 as of June 30, 2018. It is divided into 8,348,703 shares, each with a par value of EUR 8. The shares are listed on the regulated "Euronext Paris" market – Compartment A – International Securities Identification Numbers (ISIN Code): FR0000121725. They are eligible for deferred settlement.

As of June 30, 2018, Dassault Aviation shareholders are as follows:

Shareholders	Number of shares	%	Exercisable voting rights	%
GIMD	5,196,076	62.2	10,314,316	76.8
Free-Float	2,289,624	27.4	2,293,195	17.1
Airbus	825,828	9.9	825,828	6.1
Dassault Aviation	37,175	0.5		
TOTAL	8,348,703	100.0	13,433,339	100.0

It should be noted that by law, shares held in registered accounts for more than two years have been entitled to double voting rights since April 3, 2016.

7. CONCLUSION

The global economic environment in the first half of 2018 was marked by sharp trade tensions between the United States and China and between the United States and Europe, the United States' withdrawal from the agreement with Iran, conflicts in the Middle East, and instability in Europe, which included Brexit, the volatility of the dollar, and rising oil prices.

Besides, the French Defense Procurement 2019-2025 law was discussed and voted in the 1st half of 2018, the military partnership between France and Germany was reaffirmed and the European Defense Fund was launched by European Union.

The positive trend in the business jet market was confirmed, with a recovery in North America and the Asia Pacific region for new aircraft (despite continued competitive pressure) and a decrease in the pre-owned aircraft available for sale (but still at low prices).

In this context, Dassault Aviation is to face four major challenges: establishment in India, preparation for the Future Air Combat System (SCAF), development of the Falcon 6X, and enhancement of the Company's transformation.

"Make in India" shall be our priority with ambitious goals: obtaining new Rafale orders, gaining competitiveness in business aviation, multiplying high technology projects.

We are also fully engaged in SCAF project, which aims to create a network combat system based on a combat aircraft that combines drones and surveillance devices. We are starting to develop this aircraft, with Airbus, as part of a Franco-German cooperative effort.

The implementation of the Dassault Systèmes 3DEXPERIENCE™ collaborative engineering platform will be one of the solutions for meeting our future challenges, in the frame of our transformation plan "Leading our Future".

We confirm the objectives for 2018 as they appeared in the annual publication in March 2018:

- obtain qualification of the F3-R standard,
- conclude a contract for the Rafale F4 standard,
- sign with France the CUGE order for the Epicure mission Falcon,
- contribute in the definition of the proposal for a contract to launch the MALE program before the end of 2018,
- pursue nEUROn development and tests (additional batch of works),
- launch technico-operational studies to define the roadmap for the airborne warfare of the future,
- conclude with United Arab Emirates the upgrade of their Mirage 2000-9,
- continue promotion and sale of our Falcon and Rafale,
- perform the Falcon and Rafale contracts in terms of quality, time and cost objectives,
- pursue our efforts in fleet support, key to customers' loyalty,
- develop the Falcon 6X,
- design and engineer the future Falcon (phase A),
- make the start of the "Make in India" industrial line successful, from the production of the very first parts,
- ensure good execution of the Transformation Plan.

We also confirm our 2018 guidance : 40 Falcon deliveries, 12 Rafale deliveries (9 Export and 3 France) and 2018 net sales close to 2017's.

The Board of Directors that chaired today closed the financial statements of the first half of 2018. The statutory auditors performed a limited review of these consolidated financial statements and expressed an unqualified opinion.

Eric Trappier, CEO

APPENDIX

Financial reporting

The IFRS 8 “operational sectors” standard requires the presentation of information per segment according to internal management criteria.

The entire activity of the Dassault Aviation Group relates to the aviation and aerospace domain. The internal reporting made to the Chairman and CEO, and to the Chief Operating Officer, as used for the strategy and decision-making, includes no performance analysis, under the terms of IFRS 8, at a level subsidiary to this domain.

Definition of alternative performance indicators

To reflect the actual economic performance of the Group, and for monitoring and comparability reasons, the Group presented an adjusted income statement, adjusted for the impact of:

- gains and losses resulting from the exercise of hedging instruments which do not qualify for hedge accounting under IFRS standards. This income, presented as financial income in the consolidated income statement, is reclassified as net sales and thus as operating income in the adjusted income statement,
- the value of foreign exchange derivatives which do not qualify for hedge accounting, by neutralizing the change in fair value of these instruments (the Group considering that gains and losses on hedging should only impact income as commercial flows occur), with the exception of derivatives allocated to hedge balance-sheet positions whose change in fair value is presented as operating income,
- the amortization of the Thales purchase price allocation (PPA),
- the adjustments made by Thales in its financial reporting.

The Group also presents an “available cash” indicator that reflects the amount of the Group’s total liquidities, net of financial debt. It covers the following balance sheet items:

- cash and cash equivalents,
- available-for-sale marketable securities (at their market value),
- financial debts.

We recall that only the interim condensed consolidated financial statements are reviewed by the Statutory Auditors. The adjusted financial data is subject to the verification procedures applicable to all information provided in the half-yearly financial report.

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Impact of the adjustments

The impact in the first half of 2018 of the adjustments to income statement aggregates is presented below:

<i>(in EUR thousands)</i>	Consolidated income statement H1 2018	Foreign exchange derivatives		Thales PPA	Adjustments applied by Thales	Adjusted income statement H1 2018
		Foreign exchange gain/loss	Change in fair value			
Net sales	1,720,122	-8,024	-2,898			1,709,200
Operating income	124,096	-8,024	-5,020			111,052
Financial income/expense	-82,610	8,024	36,702			-37,884
Share in net income of equity associates	93,601			19,775	20,097	133,473
Income tax	-10,406		-10,520			-20,926
Net income	124,681		21,162	19,775	20,097	185,715
<i>Group share of net income</i>	<i>124,665</i>		<i>21,162</i>	<i>19,775</i>	<i>20,097</i>	<i>185,699</i>
Group share of net income per share <i>(in euros)</i>	15.1					22.4

The impact in the first half of 2017 of the adjustments to income statement aggregates is presented below:

<i>(in EUR thousands)</i>	Consolidated income statement H1 2017 restated	Foreign exchange derivatives		Thales PPA	Adjustments applied by Thales	Adjusted income statement H1 2017 restated
		Foreign exchange gain/loss	Change in fair value			
Net sales	2,081,633	-13,392				2,068,241
Operating income	112,461	-13,392	22,017			121,086
Financial income/expense	345,123	13,392	-376,632			-18,117
Share in net income of equity associates	55,523			19,847	21,783	97,153
Income tax	-156,241		121,866			-34,375
Net income	356,866		-232,749	19,847	21,783	165,747
<i>Group share of net income</i>	<i>356,857</i>		<i>-232,749</i>	<i>19,847</i>	<i>21,783</i>	<i>165,738</i>
Group share of net income per share <i>(in euros)</i>	43.4					20.2