

July 26, 2012

Financial information



2012 first half year results

Order intake	25 FALCON compared to 22 in the first half year 2011
Deliveries	34 FALCON and 4 RAFALE compared to 19 FALCON and 6 RAFALE in the first half year 2011
Net sales	EUR 1,929 million , up by 46%
Net income	Excluding THALES, EUR 179 million Including THALES *, EUR 223 million
Net margin	Excluding THALES, 9.3% (+2.2 points) Including THALES *, 11.6% (+1.8 point)

* before amortization of Purchase Price Allocation.

Saint-Cloud, July 26, 2012 - The Board of Directors, chaired by Mr. Charles EDELSTENNE, closed yesterday the financial statements for the first half year 2012. These consolidated condensed interim financial statements were reviewed by the Statutory Auditors who expressed an unqualified opinion.

Charles EDELSTENNE, Chairman and CEO of the Group, stated:

"Regarding Defense activities, first half year was marked by the presentation, in January, of the nEUROn - European Unmanned Combat Air Vehicle demonstrator - to the Officials and by the RAFALE selection by India within the framework of the "MMRCA" program for the supply of 126 aircraft.

These two events are promising. nEUROn has no equivalent in Europe. In addition to the technological challenge it represents, it places us in good position for the new generation of combat aircraft which France and the United Kingdom are considering in cooperation (UCAS project). The Indian choice, on technical, operational and financial criteria, confirms the RAFALE superiority as soon as the influence of the United States is not the criteria.

However, both these successes are to be confirmed: nEUROn must pass successfully its test schedule and RAFALE negotiation is to be finalized.

The weight of the crisis on French Defense budget is also to be mentioned.

Regarding business jets, the market is still overall convalescent. The return to a positive balance of FALCON sales is not sufficient enough to stabilize our backlog which continues to decrease. The activity is strong in China where we invest massively for the promotion and the support of our products. But, main challenge stands in the United States and in Western Europe where the crisis lasts. Very equipped with business jets, these two areas are particularly sensitive to the pre-owned aircraft market trends. This market remains very slightly active."



Order intake and backlog

2012 first half year orders amounted to EUR **1,424 million (*)**, compared to EUR 953 million in the first half year 2011, up by 49 %. **Export** represented **78%** of the total new orders in the first half year 2012.

New orders, net of cancellations, stood at 25 FALCON in the first half year 2012 compared to 22 in the first half year 2011. FALCON order intake reached EUR 1,048 million in the first half year 2012 compared to EUR 806 million in the first half year 2011.

Defense orders rose to EUR 376 million in the first half year 2012 compared to EUR 147 million in the first half year 2011. They include, in particular, support and development contract for the French Army.

As of June 30, 2012, **consolidated backlog** amounted to EUR **8,188 million** compared to EUR 8,751 million as of December 31, 2011, down by 6%.

() from then on, the Group is in line with other listed Groups practice as it no longer posts up order intake with the annual variation of the €/€ exchange rate in the backlog.*

Net sales

Consolidated net sales amounted to EUR **1,929 million** in the first half year 2012, up by 46%, compared to EUR 1,317 million in the first half year 2011. **Export net sales** represented **77%** of total net sales in the first half year 2012.

FALCON net sales increased by 72% between the two periods, reaching EUR 1,437 million in the first half year 2012 compared to EUR 837 million in the first half year 2011. **34 FALCON** were delivered in the first half year 2012, compared to 19 in the first half year 2011.

FALCON net sales represented 74% of total net sales in the first half year 2012 compared to 64% in the first half year 2011.

4 RAFALE were delivered to French Air Force and Navy in the first half year 2012 versus 6 in the first half year 2011. Nevertheless, Defense net sales showed an upturn of 2%, due to an increase in support and development activities.

The book-to-bill ratio reached 0.74.

Results

DASSAULT AVIATION **consolidated operating income** amounted to EUR **244 million** in the first half year 2012 compared to EUR 99 million in the first half year 2011. Operating margin stood at **12.7%** compared to 7.5% in the first half year 2011. Those improvements are mainly explained by the increase of sales.

Excluding THALES, 2012 first half year **net income** was EUR **179 million** compared to EUR 94 million in the first half year 2011, up by 91%. Net margin excluding THALES was **9.3%** compared to 7.1% in the first half year 2011.

Including THALES, 2012 first half year **net income**^(*) amounted to EUR **223 million** compared to EUR 129 million in the first half year 2011, up by 74%. Net margin including THALES reached **11.6%** compared to 9.8% in last year same period.

() net income before amortization of Purchase Price Allocation ; after amortization of PPA, 2012 first half year net income amounted to EUR 191 million compared to EUR 88 million in the first half year 2011.*



Financial situation

Consolidated available cash, indicator of the Group's total liquidities net of borrowings, reached EUR **3,726 million** as of June 30, 2012 compared to EUR 3,274 million as of December 31, 2011.

Attributable equity amounted to EUR 4,372 million as of June 30, 2012 compared to EUR 4,462 million as of December 31, 2011.

Group activities

Regarding business jets, 2012 first half year was marked by the progress of the FALCON 2000S flight tests, with in particular the demonstration of low speed performances better than expected, and the FALCON 900LX "steep approach" certification.

Regarding military activities, 2012 first half year was marked by the RAFALE selection by India as the winner of MMRCA competition and the start of exclusive negotiations with the Indian Air Force. Indian MIRAGE 2000 modernization has continued in the first half year 2012.

Concerning UCAV (Unmanned Combat Air Vehicle):

- ground tests continued in Istres for the Unmanned Combat Air Vehicle nEUROn, as well as software integration tests in order to achieve the maiden flight in 2012. nEUROn program, with DASSAULT AVIATION as prime contractor, involves five European industrial partners,
- a preparatory study proposal for the launch of a UCAS (Unmanned Combat Air System) combat drone demonstrator was submitted to the French DGA and to the UK Ministry of Defense.

Concerning UAV MALE (Medium Altitude Long Endurance), 2012 first half year was marked by:

- the proposal to the French Government of an interim MALE drone system, based on the HERON-TP developed by IAI,
- the submission to the French DGA and the UK Ministry of Defense of a proposal for a preparatory study for a MALE drone system in cooperation with BAE Systems.

2012 Outlook

DASSAULT AVIATION Group expects to deliver around 65 FALCON and 11 RAFALE in 2012. Net sales should remain even to 2011 net sales.

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