



Press conference – 2014 first half-year results

25 July 2014

HIGHER TOGETHER™

Eric Trappier, Chairman and CEO



First half-year highlights

FALCON 8X (1/2)



Launch at EBACE 2014

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

- New “Ultra Long Range” FALCON.
- Trijet: safety, flexibility, versatility.
- Lowest operating cost in its segment.

FALCON 8X (2/2)



- **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

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.

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

RAFALE (1/2)



- **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**.

RAFALE (2/2)



- **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)



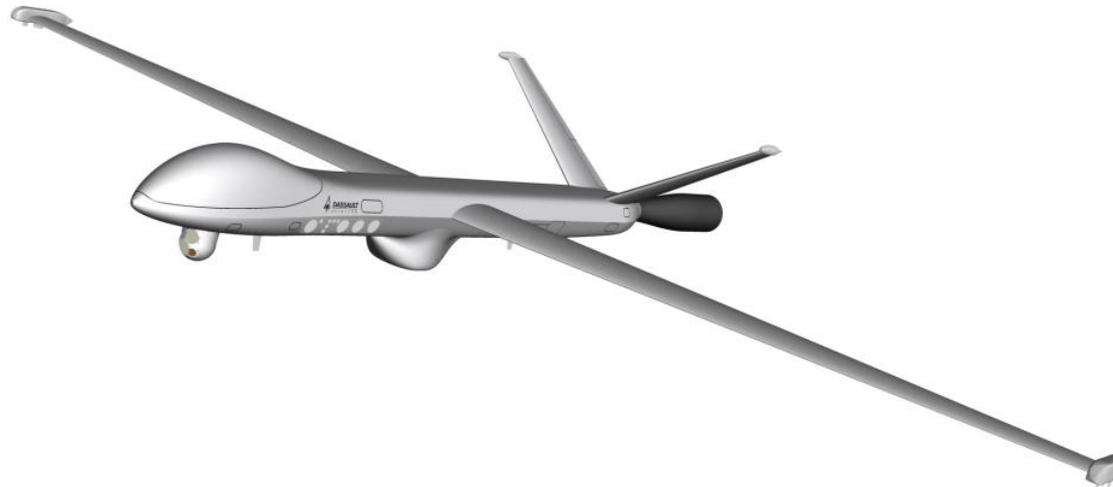
FCAS / SCAF

(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)

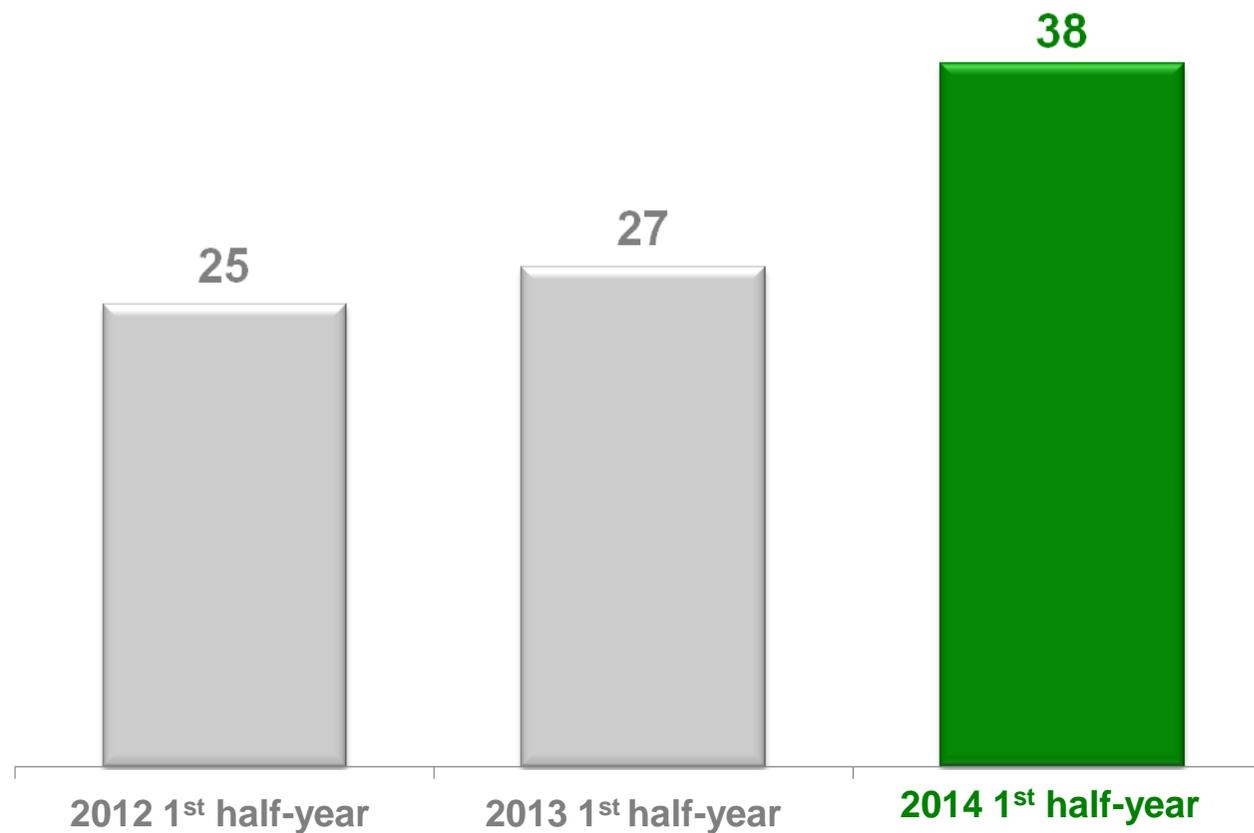
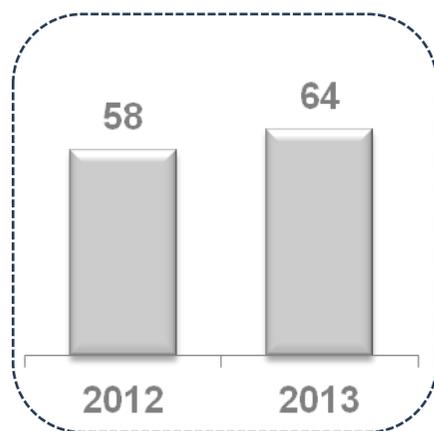


AIRBUS DEFENCE & SPACE, ALENIA-AERMACCHI and DASSAULT AVIATION have submitted a MALE 2020 definition phase proposal to the German, Italian and French Ministries.

First half-year results

FALCON order intake - Group

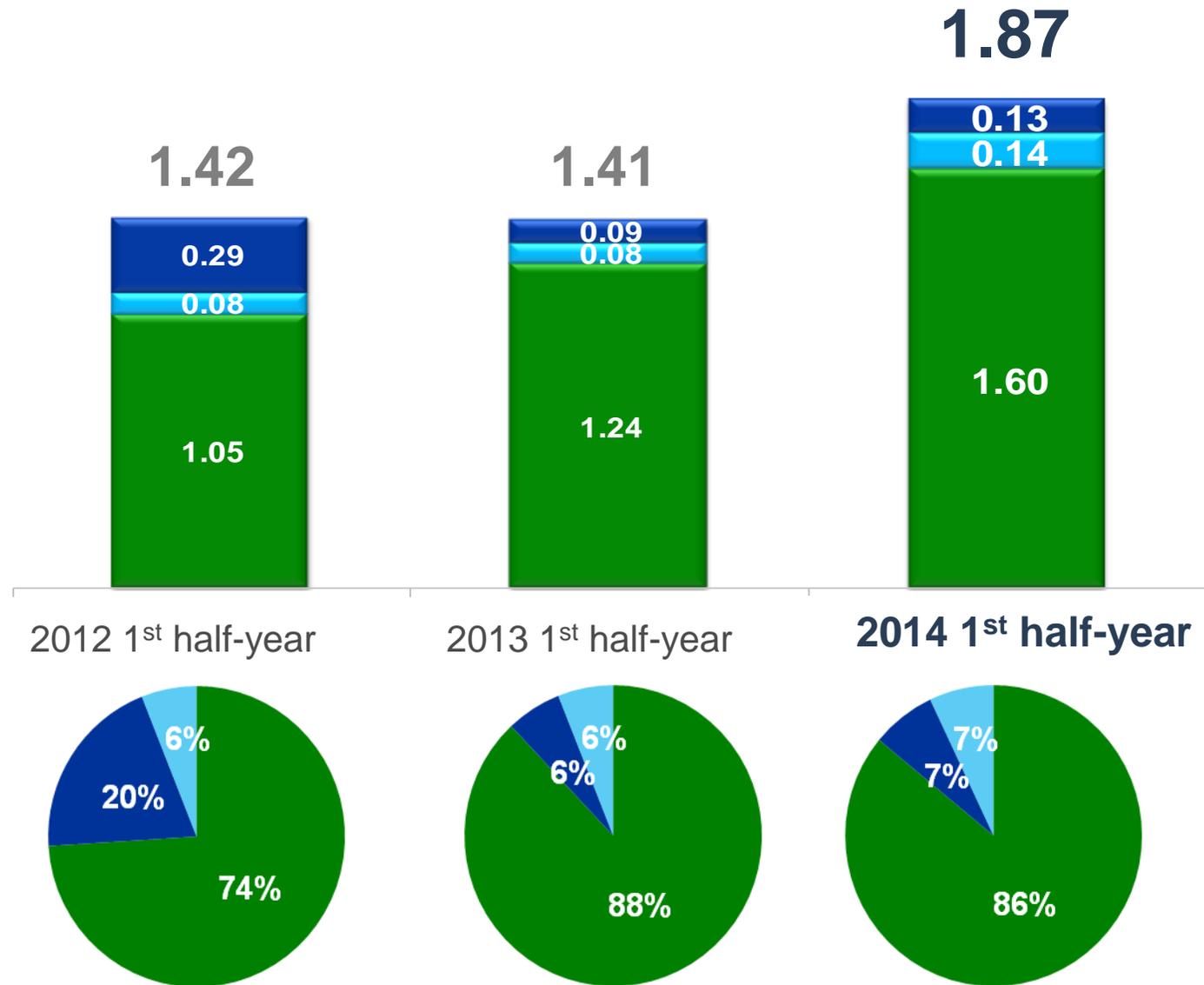
In units



Order intake – Group

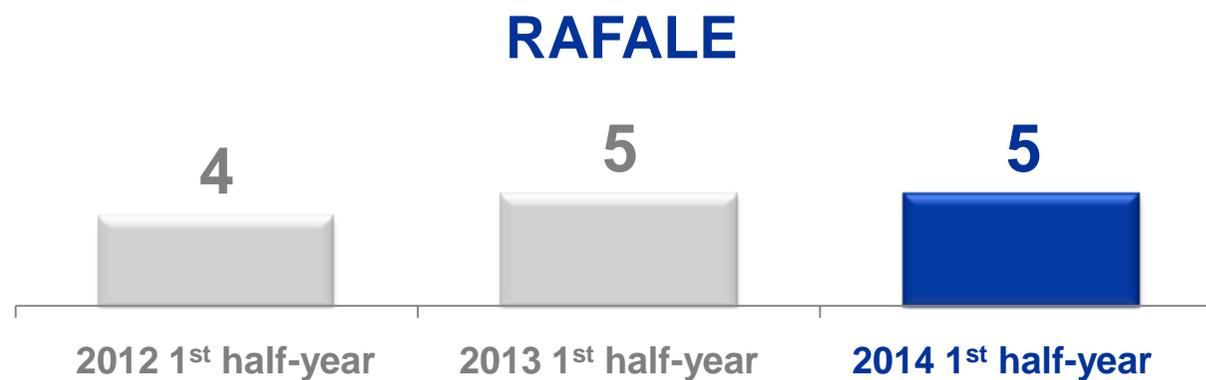
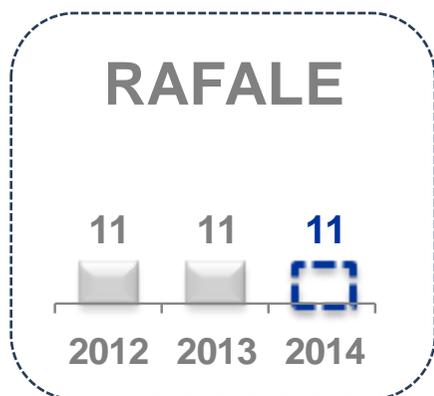
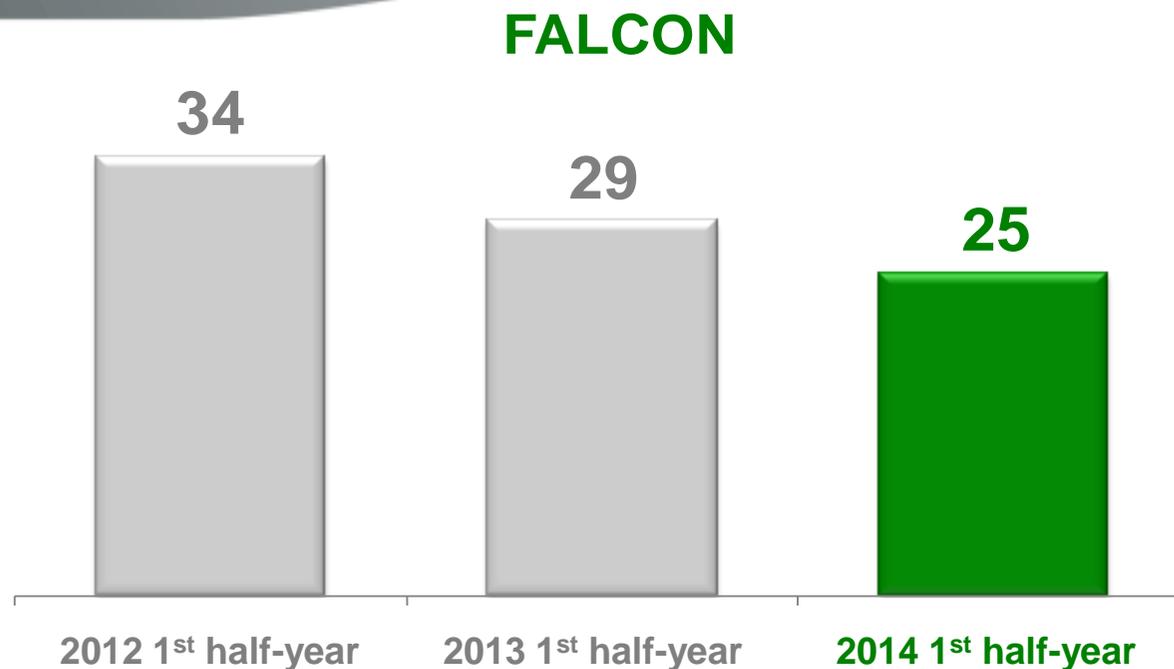
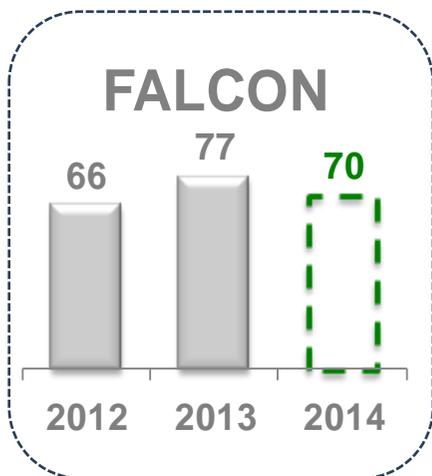
in € bn

- Defense France
- Defense Export
- FALCON



Deliveries - Group

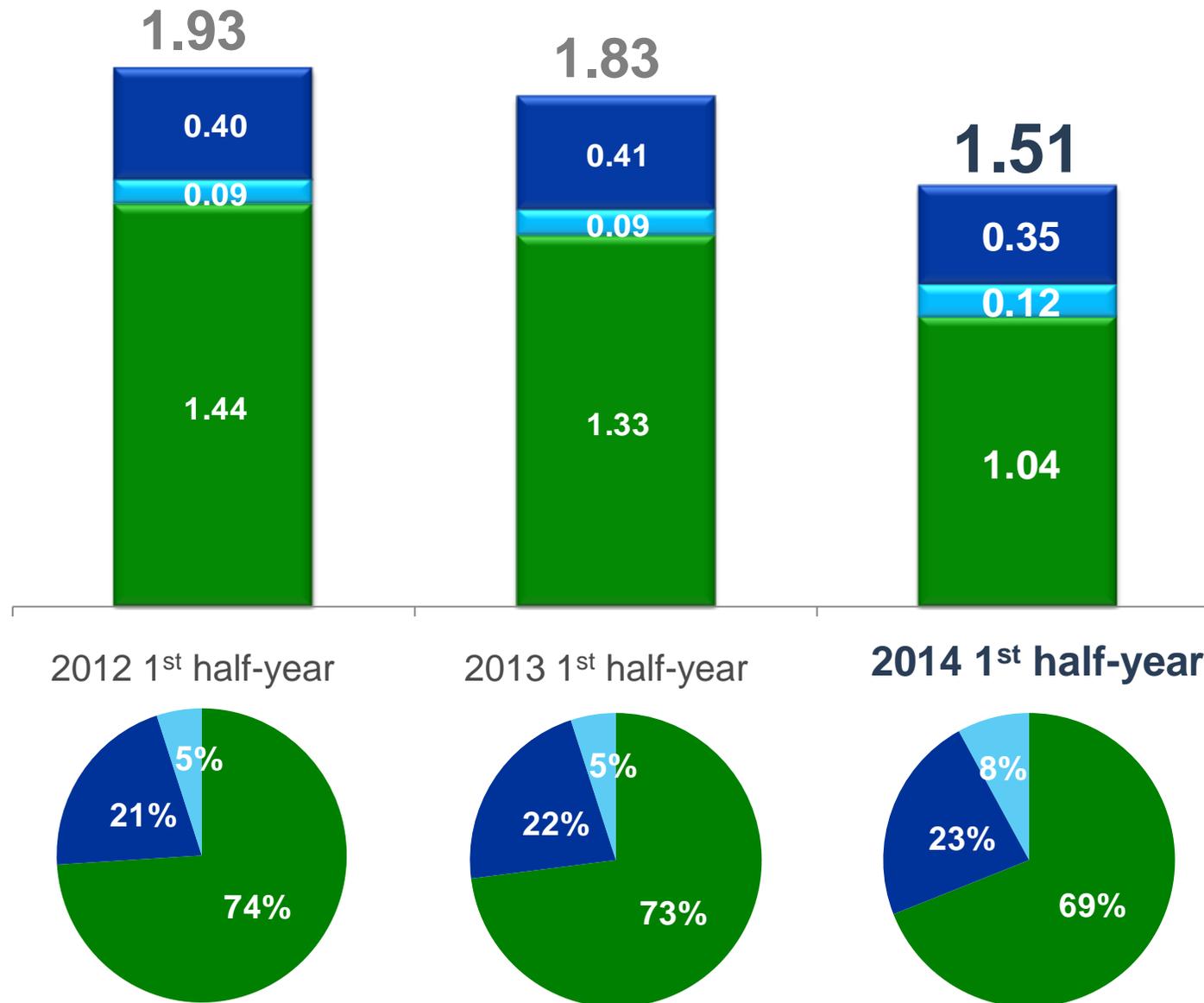
in units



Sales - Group

in € bn

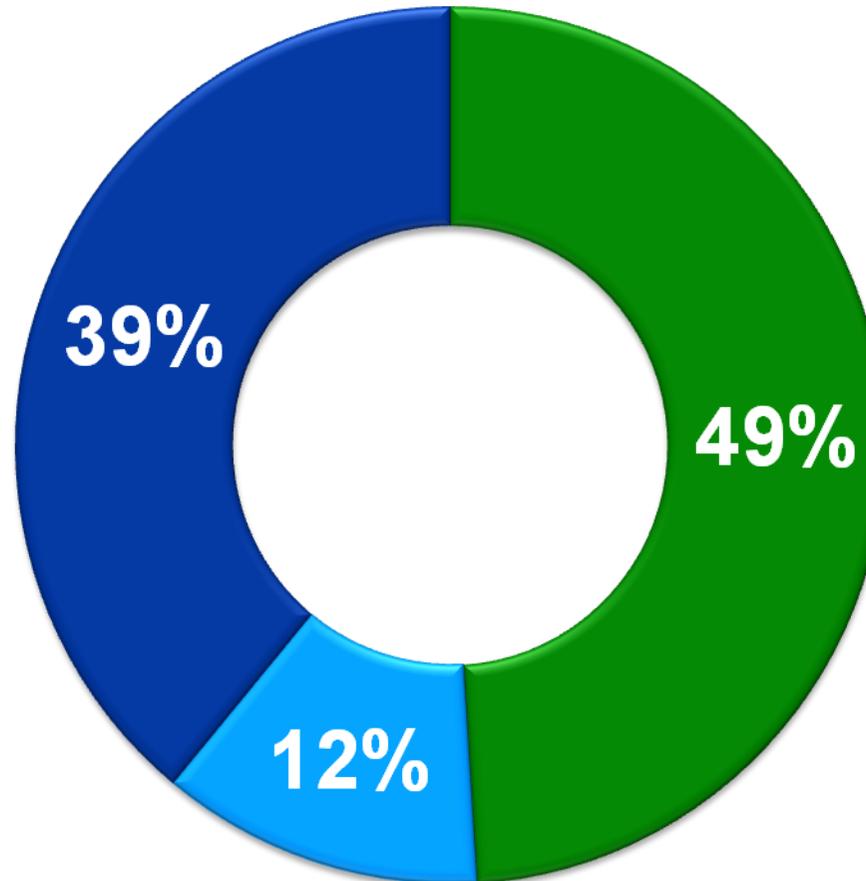
- Defense France
- Defense Export
- FALCON



Consolidated backlog

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

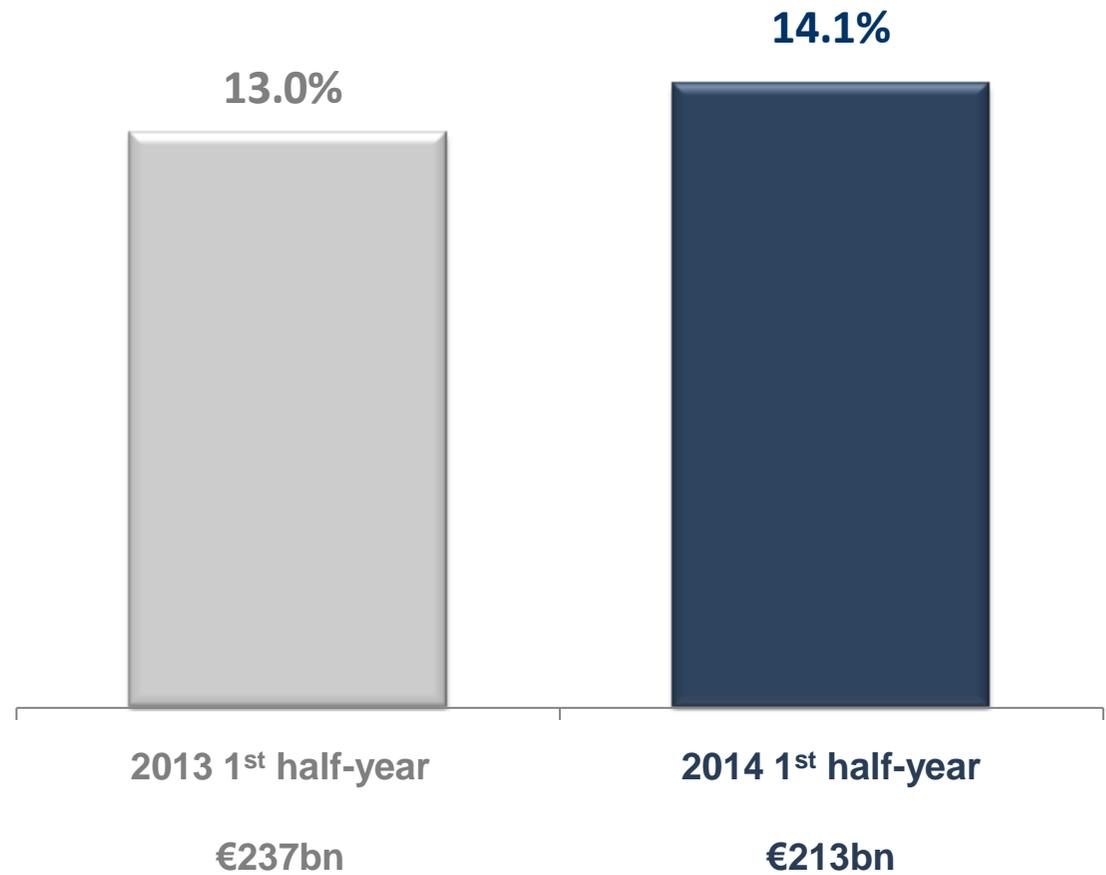
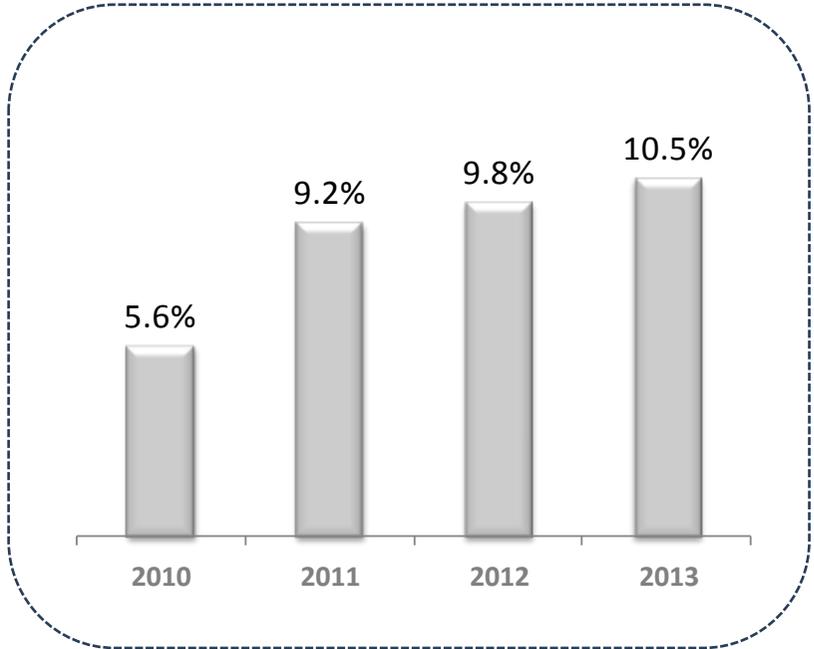
Defense France



FALCON

Defense Export

Consolidated self-funded R&D in % of sales



Hedging rate \$ / €

Less favorable hedging rate:

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

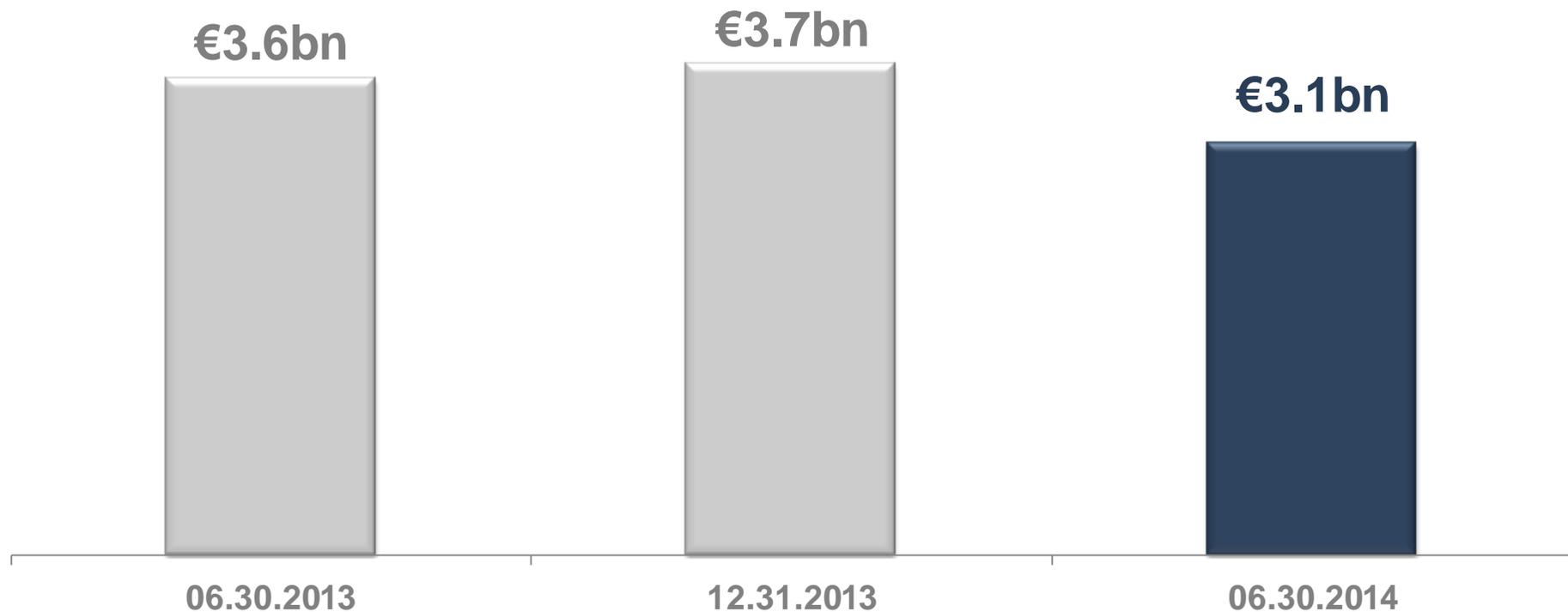
Reminder: 2013 hedging rate = 1.26 \$/€.

Group adjusted income statement

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

(*) *Adjusted net income of THALES*

Consolidated available cash



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



End

HIGHER TOGETHER™

Eric Trappier, Chairman & CEO

