

DASSAULT AVIATION Group
Quarterly information as of September 30th, 2014

Order intake	67 FALCON compared to 41 as of September 30 th , 2013
Deliveries	38 FALCON and 7 RAFALE compared to 41 FALCON and 7 RAFALE as of September 30 th , 2013
Net sales	EUR 2,229 million , down by 14%

NB: quarterly figures do not reflect the annual figures.

Order intake

2014 first nine months orders amounted to **EUR 3,261 million** compared to EUR 2,195 million over 2013 same period, up by 49%. **Export** represented **94%** of the total order intake.

New orders stood at **67 FALCON** over 2014 first nine months, vs. 41 FALCON over 2013 same period. FALCON order intake reached EUR 2,910 million as of September 30th, 2014 compared to EUR 1,965 million as of September 30th, 2013.

Defense orders amounted to EUR 351 million over 2014 first nine months compared to EUR 230 million as of September 30th, 2013 and corresponded to development and Maintenance and Operational Support Program (MCO). They increased, in particular following the signing of a MCO contract for the MIRAGE 2000 France and after-sales related to the MIRAGE 2000-9 United Arab Emirates.

Net sales

Consolidated net sales amounted to **EUR 2,229 million** as of September 30th, 2014 compared to EUR 2,588 million as of September 30th, 2013, down by 14%.

(EUR million)	2013	2014	Variation
First quarter	662	586	-11 %
Second quarter	1,164	928	-20 %
Third quarter	762	715	-6 %
TOTAL	2,588	2,229	-14 %

FALCON net sales decreased by 17% compared to last year same period. FALCON net sales reached EUR 1,579 million as of September 30th, 2014 compared to EUR 1,904 million as of September 30th, 2013. **38 FALCON** were delivered in 2014 first nine months, compared to 41 as of September 30th, 2013.

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Defense net sales amounted to EUR 650 millions as of September 30th, 2014 compared to EUR 684 million as of September 30th, 2013, down by 5%. In particular, **7 RAFALE** were delivered to French Air Force and Navy in 2014 first nine months, as over 2013 same period.

Backlog

As of September 30th, 2014, consolidated backlog amounted to **EUR 8,325 million** compared to EUR 7,379 million as of December 31st, 2013, **representing an increase of 13%**.

The "book to bill" (order intake / net sales ratio) reached 1,46 over the 2014 first nine months.

Financial situation

The Group has defined a specific indicator, "available cash", that reflects the Group's total liquidities net of borrowings.

Consolidated available cash was **EUR 3,148 million** as of September 30th, 2014 compared to EUR 3,708 million as of December 31st, 2013, down by EUR 560 million. Consolidated available cash is stable compared to June 30th, 2014 (EUR 3,147 million).

Group activities

FALCON programs

2014 first nine months were marked by:

- the launching in May, during the EBACE Exhibition in Geneva, of the FALCON 8X which completes our commercial offer. It has an operating range of 12,000 km (6,450 Nm), the longest passengers' cabin of the FALCON family and a low operating cost. Final assembly took place in our Mérignac facility, electrical power up was performed in July and ground tests results are very positive. Entry into service is scheduled at the end of 2016,
- the continuation of the FALCON 5X development, with initial power on performed in August, in our Mérignac facility, quickly followed by successful ground tests. Entry into service is scheduled for mid 2017,
- the roll out of the 250th FALCON 7X in Mérignac,
- the continuation of the expansion and upgrade of the DASSAULT FALCON JET completion facility in Little Rock (Arkansas, USA). On September 2nd, DASSAULT FALCON JET broke ground on the future infrastructures dedicated to FALCON 5X and 8X,
- the purchase of a land in Mérignac, as part of a joint agreement signed with SABENA TECHNICS. Thanks to this land, which has a direct access to Mérignac airport taxiway, DASSAULT FALCON SERVICE will be able to develop its FALCON 7X maintenance capacity, its facilities in Le Bourget being saturated.

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DEFENSE programs

During 2014 first nine months, the RAFALE program was marked by:

- the launching of the F3-R standard development, following the notification of the market at the end of 2013; this standard, which is to be delivered in 2018, includes in particular the METEOR long range air-to-air missile, the New-Generation Laser Designator Pod (PDL - NG) and the modular air-to-ground weapon with terminal laser guidance,
- the continuation of exclusive negotiations with the Indian authorities and Indian industrial partners to finalize the contract of 126 RAFALE,
- the pursuit of the prospection and promotion efforts in other countries.

Concerning other military aircraft programs, we can mention:

- the continuation of work and modernization testing of the Indian MIRAGE 2000,
- the continuation of the development and the renovation of the ATLANTIQUE 2 combat system standard,
- the delivery of the 2nd FALCON 50 SURMAR to the French Navy and the operational entry into service of the 1st aircraft,
- the completion of the flight envelop clearance campaign for the nEUROn Uninhabited Combat Air System (UCAS), along with the integration of the embedded electro-optical sensor, and the preparation of the in-flight low observability demonstration in Istres,
- the signing, on July 15th, by the French and British governments, of the cooperation agreement for a Future Combat Air System (FCAS). A two-year feasibility phase will be launched, with DASSAULT AVIATION and BAE SYSTEMS as lead contractors of an industrial organization including SAFRAN, ROLLS-ROYCE, THALES and SELEX. The key technologies, the simulation methods and the concepts of use of a future uninhabited combat air system will be studied during this phase. The specifications and cost of a technico-operational demonstrator will also be evaluated,
- the submission to the French, German and Italian Ministries of Defense, in May, by DASSAULT AVIATION, AIRBUS DEFENCE AND SPACE and ALENIA/AERMACCHI of a common proposal for a definition phase of a European MALE (Medium Altitude Long Endurance) drone program. This proposal is supported by an agreement on industry worksharing and by a cooperation agreement.

2014 outlook

In 2014, DASSAULT AVIATION Group expects to deliver around 70 FALCON and 11 RAFALE. 2014 net sales should be lower than 2013 net sales.

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