



Dassault Aviation

2020 First half-year results

23 July 2020

List of MAIN speakers	Company	Job title
Eric Trappier	Dassault Aviation	CEO

PRESS CONFERENCE

Eric Trappier
CEO

Thank you to everybody for joining us and we're awaiting a few late comers. We will start the press conference.

Given the health crisis, please do wear your mask and also as is our want, we will not have informal interviews with the chairman or the CEO or Chief Operating Officer after the press conference. Please ask your questions during the conference session itself. Therefore, please no informal interviews after it. Thank you, says Mr Trappier. Thank you for joining us.

Everything is under control. Everything is properly monitored. It's nicer to meet in person, isn't it? Now, as is our want, in spite of the current crisis, we will start off with a short film that sums up the first part of the year in pictures.

After consulting and listening to experts, I've decided in conscience to take even stronger measures, even stronger so as to reduce our travel and our contacts to the strict essential needs. All companies must facilitate teleworking and if this is not possible, as from tomorrow, they must adapt their organization to comply with barrier measures to block the virus so as to protect their employees.

In response to the unprecedented COVID-19 crisis and to comply with government directives, Dassault Aviation immediately implemented a plan of emergency measures with the health and safety of its employees and their families as an absolute priority.

Ladies and gentlemen, dear colleagues, I wanted to speak to you as we hold our Executive Committee meeting this morning, as each Friday and of course, like last week, this meeting is being held remotely to comply with the lockdown measures for those at home and the barrier measures for those here at the headquarters or at their plants.

As soon as the crisis began, we took emergency measures. We sent home vulnerable people. We stopped production. We even stopped development work on site while the appropriate measures were worked out. These measures were defined. They were presented to our Labour Unions; our social partners and a Central Works Council meeting was held.

After much discussion and on the condition that are measures be properly enforced, our labour unions approved the restart plan by a large majority, giving us the confidence to set this plan in motion. To support Dassault Aviation, the board decided that no dividends would be paid to shareholders while maintaining profit and our profit sharing agreement for employees.

A crisis management team, chaired by the CEO, met twice daily. It was supported by specific crisis management teams, a multidisciplinary human resource team active since January, including the coordinating Occupational Doctor, a risk management team to establish a business continuity plan in line with the HR team and an industrial team.

So, just under 9% of us were present at the sites with 43% teleworking, which means more than 50% of the workforce active - 52%. Employees quickly adapted to teleworking, which became widespread and increasingly efficient. 1,800 laptops were deployed. More than 1,500 teleconferences were held each day.

To insure the safety of employees on site, all necessary measures were taken. Masks were procured and distributed at our sites. Wearing masks was mandatory. Ensuring support for the armed forces, particularly for operations in progress, and to maintain the permanent posture of security, this was an absolute priority for Dassault Aviation.

The company's efforts and determination to fulfil our essential missions quickly led to the resumption of our aeronautical activities and compliance with our contractual commitments in the military and civil scopes. The Ministry of the Armed Forces visited our headquarters on the 15th of May, a strong symbol of the government's support in this time of crisis.

Thank you all for the work you've been doing, your mobilisation, your diligence, and the trust with which our relations have been maintained. I'm happy to see that you found ways and means of creating totally different working conditions. That is indeed an incredible asset. You were responsive to our urgent priorities. Thank you very much for that and we will continue to work together in great confidence in the weeks and months ahead.

I have two priorities when we look at all this. In the short to medium term, the Rafale, and in the short to medium term extending into the longer term, the NGF. If there are two areas where we really need to work together to make sure they are solid, it is these two. They are what ultimately ensures that we always have a production tool in France and a strong engineering department in cooperation for the future.

Dassault Aviation took part in the offense to contain the public health crisis by providing the armed forces with two Falcons for the resilience operation in order to quickly transport medical personnel. Flights were also operated for the NGO, Aviation Without Borders.

The company provided Regional Health authorities with 130,000 masks at the start of the crisis. Dassault Aviation's employees also played a key part in multiple solidarity operations supported by the company, preparing meals for hospital personnel or making facial shields at all of our industrial sites for those on the front lines in the fight against COVID-19. And also, for dentists in some areas of Greater Paris when restrictions were lifted.

The entire aeronautical industry has been particularly hard hit by this crisis, a sector with hundreds of companies of all sizes and more than 300,000 employees. The government's support is thus vital to avoid the collapse of the strategic sector.

Within the GIFAS [ph 00:08:13], Dassault Aviation has been fully involved in establishing the aeronautical sector support plan with the government. This plan mitigates the disaster that would have taken place without such a plan. Firstly, furlough scheme must continue. Second we created a fund with about 200 million euros from the four main prime contractors, the big four, they're called, and 100 million euros from the government.

With this 200 plus 200, we will raise additional private capital to reach around 1 billion euros, which we will use in part to keep certain companies from going bankrupt and possibly to help them upgrade so that coming out of the crisis, our supply chain is stronger than ever. It needs to be competitive and that is why the plan includes a digital element, for example. We need to accelerate the digital transformation of our supply chain and the four.

The scope is from now for the next one or two years, which is how long the crisis will last, but we are also looking beyond. The future oriented aim is to work with the engineering departments on more digital carbon free aircraft.

Thanks to our cohesive, proactive, and determined teams and constructive dialogue with the labour representatives, Dassault Aviation has every possible asset in its hands to manage this crisis in the short, medium and long term, and thus to continue its activities for the company's future, including the major programmes, such as the Future Combat Air System.

The contract to launch the FCAS demonstrator programme was signed on the 20th of February 2020 at the Ministry of the Armed Forces and Powers by France, Germany and Spain in the presence of the main industrial partners. The goal is in 2026 to fly the technological demonstrator of the next generation fighter, the NGF Jet which is led by Dassault Aviation.

During this first half of 2020, the company also focused on developing the Rafale F4 standard. Training for engine mechanics and pilots continued in Mérignac, as did acceptance of the Rafales produced. A new upgraded ATL2 was delivered in the East. In the civil area, Dassault Aviation prioritised the Falcon 6X. The development schedule for this new aircraft is keeping the target of 2021 for its first flight and 2022 for entry into service.

On the 18th of June, Eric Trappier signed a patronage agreement with Général Baptiste, the national delegate of the *Ordre de la Libération*, founded by General de Gaulle in 1942 to honour those fighting for France's liberation. The order now works to promote the spirit of defence, a cardinal value during this unprecedented global crisis.

COVID-19 A MAJOR SANITARY AND ECONOMIC CRISIS (1/3)

Thank you for this short film. We're going to present the results. First, let me talk to you about the context. The COVID pandemic hit us just as many others. The aviation was very strongly hit for the commercial airlines, but also the business airlines. We will talk about this later on.

We quickly decided to contribute to take part in the resilience operation. We think that thanks to the Falcon that we had put at the disposal of the armed forces at a critical time for our country and in the Aviation Without Borders organisation people could travel within France swiftly and safely to balance out the health effort in France.

And we rebuilt our operations in the company as you saw in the picture. The production too, but also the tertiary sector because the workstations were redesigned to take into account social distancing. We quickly, and this was demonstrated, we started working from home intensively. To give you an idea, 500 employees at the beginning of the year. From 500, we went to 4,000 employees in just a few days. So, it was a major effort to maintain a certain activity when everything had stopped two days after the 16th of March.

COVID-19 A MAJOR SANITARY AND ECONOMIC CRISIS (2/3)

We immediately launched a continuity plan with one major priority to support the armed forces, especially the French forces, but also the foreign ones to support a few Falcon clients who kept flying during the crisis and to try and maintain a certain level of production and delivery of Rafales and Falcons during this very delicate period.

The development of Falcon 6X, which is a priority to keep on time with our timeline of 2022. We had to coordinate the actions of the different players of the 6X, whether they were in the United States and Canada and France, so that we might not delay this programme, which is the case today.

We also had to deal with the supply chain, identify and adapt the loads with our subcontractors so that we could keep on with our efforts, not only the internal efforts, but efforts with the entire ecosystem contributing to the Rafale and the Falcons.

And the last point, and this was also recalled in the film in the support plan to aeronautics. The CORAC actions - in very little time Dassault Aviation contributed to the CORAC, the Civil Aviation Research Council so that we can have a carbon free roadmap and so as to contribute to the effort of the French authorities and the European authorities. That is to have a carbon free aviation very soon.

COVID-19 A MAJOR SANITARY AND ECONOMIC CRISIS (3/3)

One of the consequences of the COVID, not only health but economic, of course, some of our clients, delayed the time when the aircraft would be delivered. We delivered 30 Falcons by 2020, we will tell you about the details, instead of the 40 planned. So, we've lost ten, which will be carried over next year and the fact that the orders were not up to the mark, we will talk about this later on. So therefore, we still have a few aircraft available this year.

So, beyond this lag in net sales, which is related to the economic impacts with our clients, is also the costs; the costs of the expenses, of all the measures. This expense was immediately taken into account in our cash and luckily so as support from the State, which I'd like to thank for all the measures announced immediately by the State: furloughing, et cetera, et cetera.

So, these effects we will have to deploy them overtime. We will talk about the military and the civil sectors. Maybe you have some questions. We will have to assess the impacts over the longer term of this major crisis.

CRISIS RECOVERY STRATEGY

UNCHANGED AMBITION IN A HARSH AND UNCERTAIN ECONOMIC ENVIRONMENT

Now, in spite of all this, I'd like to tell you that we are preserving an unchanged ambition in terms of our development and in our strategy. We will keep selling our Falcons. We're still selling them. We will keep developing our future projects and we will renew our range, 6X, we will pursue our efforts for the future Falcon. I will not tell you much more about that today.

We are discussing some additional batches with France for the Rafale and with some other countries for exports. We are developing our multi-mission Falcons, whether it's for the Archange programme or the Maritime Albatross programme, that should give way to some new orders at the end of the year.

The technologies within CORAC's efforts in self-funding, self-financing, to prepare future technologies helped by the support from the government for CORAC, the MTF programme, so the launching of the first step at the beginning of this year for the demonstrator. So, we pursued this work.

It was difficult because setting up the physical platforms was not doable, and this was replaced by a lot of exchanges through video conferencing. But we kept intact our development ambitions during this first phase, and we will have a second phase in the coming year.

The contribution to the MALE programme; we have adapted this programme to meet the needs of the [? 00:18:32] and the four countries and we hope that this programme will be able to start in the coming months.

The high level of research and development - I'll tell you more about this later on. The continuity of our transformation plan. We're going to maintain it. More than ever, we will need digital transformation for us and for our supply chain, an extended engineering platform that plans for manufacturing according to the new tools and the new ways of designing aircraft, reducing them and supporting them.

We have just rescheduled things, rescheduled our plans, so we adapt ourselves because of the various constraints. We have adapted our workforce. We had a lower workload: 30 aircraft instead of 40. Will the market evolve or not? That's one of the major questions and according to the assumptions, the additional Rafale orders, the return for Falcon orders, we will see how we will adapt our workforce to this planned workload. All this was done in total transparency with the Trade Union representatives of the company.

RAFALE

As for the activity, you've seen it in the film. We've delivered seven Rafale to India and Qatar in the first half of 2020. We have pursued negotiations with the State on the additional batches or the additional batch. We worked on the F4 standard. It's been delayed a bit because of the COVID. We will have to ramp up with the coming months.

As you know, as I remind you, no deliveries of Rafale France in 2020 or 2021. This is the French military procurement law void so we will have deliveries for exports. France will start resuming deliveries of the Rafale from 2022 onwards until 2024 to keep delivering the 180 aircraft ordered and we have resumed. This was slowed down there at the COVID period. We have started prospecting for exports to win new contracts for the Rafale.

This might take more time because the COVID effect is not helping us speed up the number of contracts because a lot of countries are directly affected, either directly from the health point of view or indirectly from the economic point of view.

FUTURE COMBAT AIR SYSTEM (FCAS)

As for the future combat air system, we are continuing our work with our partners, the major part of the work which was done was to integrate Spain. You know that Spain was not there at the beginning and they joined us later on. The whole issue was to integrate them, and this is underway, and Spain is going to become a full-fledged partner whether it's in the GCS studies or in the definition of the

demonstrators, the various pillars of this major programme that we are pursuing with our partners, and especially with the DGA, which is the leader in this area.

EURODRONE

The Eurodrone, I talked about this. The negotiations are underway. Airbus is the leader in the negotiations with [? 00:22:12] which represents the four countries interested by this programme and Leonardo and Dassault Aviation are the main partners. So, we have a very strong coordination with Airbus to support Airbus in the discussions with [? 00:22:26].

MULTI-MISSION AIRCRAFT

As for the multi-mission aircraft, I talked about this, Archange. We are the first to order two aircraft. A third airplane will be activated. It's an option. This will happen at a later stage. We are defining the technical missions of at the *Albatros 2000*. We delivered or third Falcon [? 00:22:54] equipped with hatches for dropping SARs, search and rescue kits, and we delivered the Falcon 2000LX to DLR, which had been bought during the Berlin Air Show.

Atlantique 2, the third upgraded ATL2 out of the seven to be performed by Dassault Aviation. This was released early April and the Navy is very happy with this revamped ATL2.

FALCON CONTEXT

The Falcon context: the COVID epidemic hit us directly impacting the business jet market. For some of our clients we pursued our support to them, so our client support is active although very slowly.

We've pursued, as you've seen, the delivery of Falcons. You'll see this in our figures, and we pursued the development of the Falcon 6X. So, there was a period where we were startled after the 16th of March, where we completely stopped, and then we started reopening step by step and thanks to remote working, we really managed to work well to keep up with our lead times and to keep up with our objectives.

I just have to note that there's a strong increase in the business jet business. The figures I have are close to 80% if we compare with the same time last year. These are shorter flights intra-US or intra-Europe are intra-Asia and they have really developed in terms of volume since the past few weeks.

Another trend is on the second hand. We hope that there will be more activity in the field of sales of newer aircraft.

FALCON 6X

As for the 6X, you saw a little bit in the film, we are on time in spite of the difficulties because of the closing of the border lines. We had a few difficulties working with our partners, but the aircraft number one is completed now in Mérignac. We powered it up.

The aircraft number two and three are being assembled. The Pratt & Whitney engines are here: nominal development, 2,000 hours of testing plus 16,000 hours for the high pressure system, which are the critical parts of an engine. We have a second test bench with the number one engine which will be the one that will be used on the aircraft.

And of course, we will reduce the CO2 emissions in compliance with the regulations and largely above noise performance required. And the maiden flight will be at the beginning of 2021 and it will enter into service in 2022.

FUTURE FALCON

We are pursuing our future Falcon project but to disappoint you once again, now that I don't want to talk to you about this, we should have made an announcement in this first half of the year as I'd announced at the beginning of the year, but the problem with the COVID is not making me put off the development, but the announcement because if plants cannot come and see us cannot discuss, they cannot contribute to this announcement. So, together with them we would like to put it off at a moment when it would be easier to travel, which is not yet the case for the moment.

ORDER INTAKES, DELIVERIES AND BACKLOGS IN UNITS

And now I'm going to go onto the results. As for the order intakes, we have five Falcons that have entered since the beginning of the year. This was before the COVID crisis, just before this period, compared to the seven last year. We had a little more last year because we had announced our results in September, but the first half of 2019 was a bit flattish too.

In terms of deliveries, we delivered 16 Falcons in the first half of the year. We plan to deliver a 30 this year instead of the 40 that were planned at the beginning of the year and the 17 that had been delivered at the same time last year. So, therefore the backlog is 42 versus 53 at the end of 2019.

As for Rafale export, no new orders. The deliveries: seven Rafales were delivered at the beginning of this year out of a total planned 13 and this objective has not changed in comparison with the 26 which were the deliveries planned in 2019. So, the 13 is what had been planned in the contract underway with our Indian and Qatari friends. So, therefore, the backlog for the Rafale will be 68 Rafales remaining, out of which the 28 of the fourth batch, second part out of the 180 French.

ORDER INTAKE, NET SALES AND BACKLOG IN € BILLION

In terms of figures, the order intake is 1 billion, much under what we had last year. The net sales: 2.6 billion, slightly lower than last year with mainly the delivery of export Rafales which are at 50% of our net sales. Last year, we had deliveries of ATL2s, so you cannot just bank on the number of aircraft. Delivered. One Falcon, two less and few Rafales less, and the backlog is at 16.2 billion compared to the 18 at the end of 2019 with a major part of the backlog which is in export Rafales.

CONSOLIDATED SELF-FUNDED R&D IN € MILLION AND IN % OF NET SALES

Then regarding our consolidated self-funded R&D. You see, we're maintaining our efforts in terms of the development of the 6X and the future Falcon will be around 600. The 600 figure I mentioned to you at the start of the year. As the net sales are going down obviously the percentage proportionally is going up: 9.9% therefore of net sales as you see here compared with last year was 8.4% of net sales and you've got to take account of the results that we would have had if we haven't had COVID.

ADJUSTED CONSOLIDATED INCOME STATEMENT

So, in terms of the adjusted consolidated income statement, you see here the net sales figure with the operating income: 55 million. Operating margin: 2.1%. Financial income: minus 19. Thales [ph 00:30:33] another equity affiliates: 60 million contribution down compared to the previous year.

Thales will be announcing its results to the newspapers [? 00:30:20] tomorrow morning and after deducting taxes then the net income comes out at 87 million. That's a net margin of 3.3%, obviously down compared with the same period last year and down compared with what that result should have been in the absence of COVID.

CONSOLIDATED AVAILABLE CASH

In terms of cash flow then. You know the company decided to forego the payout of a dividend. There was a dip in distribution of dividends from Thales of course too, so drop in cash position mainly because of the working capital requirement.

In the area of Rafale we had a lot of down payments and further to deliveries. This is the situation. There are deliveries being made at the moment.

REVISED 2020 GUIDANCE

So, the guidance for 2020 then, revised guidance that is in an uncertain COVID-19 context, it's very hard to know what's going to happen and it's hard to know how things will evolve, how the COVID virus will evolve.

It's still around quite a lot, heavily so in countries like the United States that's an important market for the global economy and of course for businesses like us too, so it's a delicate context to make forecasts in and it's therefore hard to forecast anything, but nonetheless if our discussions with our clients that are going on at the moment are anything to go by, we think we can forecast the delivery of 30 Falcons if the COVID situation doesn't go downhill too much in the United States.

It's fairly bad but our Little Rock plants are still operating in spite of the COVID crisis, so it's a risk that I'd like to recall there. But this objective, we think, is tenable if there isn't, as I say, a major deterioration due to COVID.

Now Rafales: delivery of 13 Rafales, the same as before the COVID crisis hit and of course decrease of net sales because we will have the drop of ten Falcons going from 40 to 30, but also in the area of support Falcons, support because if the planes haven't flown, well there'll be an immediate impact on the ordering of spare parts and servicing of Falcon aircraft around the world.

PRESS CONFERENCE

So, that's what I had to say halfway through the year now after this harsh crisis that impacts ourselves and our subcontractors, and we've continued doing our job and we're looking to the future with a certain amount of uncertainty but with certain assets, we think, as well to go forward and at this point perhaps we'll take questions if you would like to ask us some questions.

QUESTIONS AND ANSWERS

Thierry Dubois (Aviation Week): Thierry Dubois from Aviation Week. Did you have cancellations of orders and did you bring down the number of Rafales delivered in the first half of the year? You mentioned a total of seven for India and Qatar. Would it have been more without COVID?

Eric Trappier (Dassault Aviation): The answer. Well, on the cancellations of orders, the answer is no, but our plans have been doing. They've been paying down payments. When they have certain difficulties or they're afraid of the future, they postpone for the moment like the 2008 recession. Orders were cancelled quite a lot around then.

No, we haven't had cancellations of orders. I'm not saying we won't have any, but in the first half of the year we didn't have any and therefore the figure of five is net orders but there have been some postponements of deliveries. People will collect their aircraft just next year as opposed to collecting them this year.

On the Rafale, well we're on track. We didn't give guidance in terms of deliveries for the half years, so I can't really tell you if it will be more or less. Obviously work was slowed down a bit by the COVID crisis, but we will be delivering our 13 for the year, so we have managed to stick to our course more or less and our forecast and our schedule. It was mainly India we were aiming at because they really wanted the planes to be transferred to India in the near future and that's next week it'll be happening actually.

Jean-Marc (The Independent): Good afternoon. Jean-Marc [? 00:35:01], The Independent. Aren't you disappointed because you weren't concerned by the military section of the recovery plan which was announced a few weeks ago by the Minister of Armies, the military section? Do you expect something from the recovery plan which is going to be announced in September?

They will have a new military section. You must have read this parliamentary report where they're talking about the possibility of ordering a certain number of Rafale for the Navy and the Air Force. So, are those the ones you talked about earlier on or are there more an out of the seven Albatros, out of the 13, do you think that we can accelerate the rhythm of this programme knowing that you could be concerned by cancellations of Falcon 2000, which are the section of the Albatros?

And the same question for Archange which is concerned by the Falcon 8X sale.

Eric Trappier (Dassault Aviation): So, a lot of questions from the aeronautical point of view. What we had done upon the request of the DGA is to prepare ourselves to set up programmes, anticipate things because it was out of the question to create new programmes only to supply, or to anticipate a recovery.

In this anticipation, the Ministry of Armies decided that it would be, according to the French military programme law and according to the budgets saved, they would be able to anticipate a certain number of things. But the range, as the Minister said, would be around 800 million euros, 600 directly allotted to programmes.

Now the Rafale, if you take 12 aircraft. That is much above these sums. So, it could not be part of this first envelope. So, disappointed or not? Well, we're always disappointed if we don't get the results we hope for, but this envelope didn't allow for this.

Now the second section is this recovery plan. I'd like to remind you that for the profession in general that the defence activities for the defence industry, this is an economic stabiliser for our societies, not only for the major clients, but for the entire supply chain.

This entire supply chain and the clients are highly regional and this net sales, these orders in defence, will be mainly for France. Here, we cannot talk about relocation. These are for locations in France, so this is fundamental for the entire profession.

I just have to make a nuance because the profession is concerned. I am too. Exports will be deferred. You know that economic model is based not only on the State's orders, which is also based on exports, which is actually necessary to have export contracts. That is true for Rafales and for all kinds of defence programmes. So, we can believe that with the COVID crisis that there will be some delay in general and we will certainly see this in 2020.

2020 will not be a record year in terms of export orders, so that's one thing. Now, to precisely answer your question on the Rafale, as the Minister said on the day of the announcement of the air support plan, there are discussions that go back to before the health crisis on an additional batch of Rafale.

There's a fifth batch which is in the French military programme [? 00:39:05], and it goes slightly further. So, we're discussing several options with the Defence Minister. I cannot tell you much more today. Any additional batch is of course welcome for us. Any new export contract will also be welcome, so we're working on both. We're not saying one instead of the other. We hope both and we hope that we will have more orders and more deliveries from 2025 onwards.

On the Falcons, Archange, while there were two, we'd like to have a third, but it is down as an option. Just to have to be committed. We'll see. I'll let the parties concerned see if the option is going to be activated or not, but anyway the defence people. But the third Falcon order should come in. It's part of the programme.

Regarding the Albatros programme, we should start off with seven. The National Navy has additional needs that could go as far as 12 or 13. If the order is placed earlier, well and good. If the need exists, it will come in sooner or later anyway. So, the Falcon 2000s are being sold. There was no cancellation of Falcon 2000, so up to date and the earlier orders would be welcome, but we would like to get in the Rafale orders.

Pierre Tran: Pierre Tran is my name. What about your profit forecasts? Have you got any guidance regarding your profit? The net profit I mean.

Eric Trappier (Dassault Aviation): No, we don't usually disclose that, as you know, I'm sure.

Pierre Tran: What about your sales forecast then? A guidance.

Eric Trappier (Dassault Aviation): Well, it'll be down compared to last year. I can tell you that. It's nothing new, I'm sure to your ears you would have guessed that.

Pierre Tran: Well what about deliveries then? You just mentioned next week deliveries of Rafales to India. How many Rafales will go to India and what will be the financial impact please.

Eric Trappier (Dassault Aviation): Deliveries have been done. The ones that were supposed to be done has been done. Next week, it's the airplanes that are being transported to India so there will be a press release issued and so on and we will tell you how many airplanes will have taken off from Mérignac.

Pierre Tran: Six is it?

Eric Trappier (Dassault Aviation): Well, you'll see. You'll hear when the time comes.

Well, I would like to say the Indians remain present throughout the COVID period. We managed to, with ad hoc measures, maintain the training of the pilots in the mechanics during the whole period to enable the full delivery to take place and we had technical systems provided to the Indians to the handover, you know how difficult things have been in India. The virus is really very active in India as you know.

Speaker 1: Are you very concerned about the survival of your suppliers?

Eric Trappier (Dassault Aviation): Well, at one point we were wondering about all this. Actually, there will be several waves. The first wave was, well, liquidity, liquidity, liquidity. The State acted immediately with guaranteed loans to cover the liquidity issues for some of our suppliers who don't have a lot of cash and it's quite pleasant to have a lot of cash when there is a crisis.

It's good for your own support. So, the first measures of the State towards the supply chain were these guaranteed loans. Now these guaranteed loans, we will have to refund them, so there will be other waves coming behind and then the drop in activity all of a sudden decided because of the quasi-total stopping of the activity and Airbus and Safran had to drastically reduce deliveries.

When I talk about deliveries this means deliveries of planes but deliveries for suppliers towards themselves. So, furloughing allowed us to help these companies that were in major difficulty. So, that was the first wave.

The second wave that is arriving is this drop in activity which is going to last. And since it's going to last well we have to be able to support it. So, we please it a lot for long-term furloughing. So, this was set up by the State and it was discussed with the Trade Union organisations in all the different divisions and the supply chain will therefore be able to prepare for the future, so long as there is a resuming of the activity

So, that was the second wave. The third wave, which is the most important one and which is the longest: when there will be a recovery, when there will be sales of commercial planes or Falcons again, this supply chain will have to be even stronger than it was before. It has to become more modern. It has to upgrade and in order to do so, it needs to have funds so as to help its capital so that there can be a matching sum so that they might have equity to allow for this upgrading or there has to be help from the State in the framework of the support plan to revamp when the calling here is to have more environmental aircraft that consume less energy, et cetera, et cetera, and be able to upgrade the digital systems because our supply chains and clients, we have to pursue our integration with the new digital tools.

We saw during the crisis, it's digital that allowed us to pursue our activity. So, this data battle with the tools must be won in the major companies with the supply chain and the funds will help. We're creating this supply chain. It is underway. We've selected fund as a priority and the negotiations are taking place and they're going to be completed and this operational fund should be ready by the end of this month or at the beginning of August.

But this is underway and this fund, it's the four partners that will provide 200 million euros. The State via BPI will also provide 200 million and the fund we've chosen will also put in a certain amount and together, we will raise the funds, private investment funds, so that we have a good substantial envelope and the GIFAS provided, with the task force, a mapping of all the companies in difficulty in this supply chain.

So, we have the identification of all the issues, and we have a tool that should help us normally meet the needs of these companies. And of course, there will be several compartments: one, to help the technological companies and one to help consolidation if that is wished by the companies so they can consolidate in all these different areas and the fund will be there to meet all these needs for SMEs.

Speaker 2 (EFP): Yes, I'm from EFP. I have a question please. Are you going to use furlough measures in the longer term and to what extent and what will have been the crisis impact on your research and development expenditure for the future?

Eric Trappier (Dassault Aviation): Well, in the slides I showed, says Mr. Trappier, you'll see we've maintained the self-funding of research and development for the development of the future Falcon range: 6X and NX that we didn't talk about today. But you see the self-funding as you saw this slide, it's running at a high level, remaining at a high level, because we're hoping that when we exit from this crisis, whether it be in six months or in 2022, whenever, you will need new aircraft and we will be around to provide them.

We don't want to drop our guard; we want to make the necessary efforts. It will cost us something out of our margin, but the Board of Directors has decided to do this. We want to upgrade our range, in a difficult period, it is true, but it's become key, it's become essential, so we have to upgrade our [? 00:48:50] tooling. And it's the same thing there.

We're halfway through it now, we've a lot of workstreams up and running in our manufacturing plants, as you know. And obviously some matters have been postponed because for the last three or four months, certain things couldn't be done. But the third main workstream then is digital and we've got to reschedule certain things timewise, cost-wise. We might spend a little bit less here or there, but we're not slackening in our ambitions to have digital tools we will need in the future.

We're working with our friends in Dassault Systèmes so as to put together those new tools for future development needs. And when I say future development, I'm thinking of the aircraft that are currently being developed but also production-wise. Don't forget digital tools will be part of our means of production as well because the key is to manage that so as to manage the company well so we shouldn't drop our guard in terms of this kind of spending.

So, self-funding, R&D, industrial investments, physical investments. We will be maintaining our efforts there. Won't make a lot of savings, but at times like this, it is not maybe the right time to start saving if you want to get out of the crisis, so you'll see that in the figures, even better at the end of the year, I think.

Oh, the long term furlough. Yeah we will be using that possibility. I can't tell you to what extent. We're still halfway through the process between the Falcon ordering. That should pick up again and then the talks on the Rafale going on. We will adapt accordingly when we have more visibility over the future, we've the best case scenario, worst case scenario, we've got simulations and projections that we've been doing.

We have worked for 2020. We think it's the years thereafter we will have to see what the workload will be in those coming years and the need for labour force, the need to use part time working arrangements for the coming number of months or years so as to come back to resumption of a more normal business volume later. We're still working this out totally transparently with the Trade Union organisations in the company.

Speaker 3: I'd like to go back to the [? 00:51:19]. So, has it been signed finally. And what is the role of this European aircraft, what is the role of the European Defence Agency in all this, and are there other partners in front of the door or are you going to stick to the three you already have?

Eric Trappier (Dassault Aviation): So first you should never say never, so I don't know if there won't be some new partners in the future. We must not exclude them. This is a programme that will take a lot of time. It is ambitious and we're not going to exclude that.

However, to come up with the result and the result is to be able to deliver combat aircraft, remote carriers, as we say, and engines and an ad hoc system for 2040, we mustn't waste any time and so as not to waste time, we have to organise this cooperation today.

This is what we are doing with our German partners and we have to learn to work well together and this is what we are doing, and this is not only Dassault and Airbus but a certain number of companies in Germany and a certain number of companies in France. We have to get to know each other and share our work together and we've decided, since this was the will of the two States, to make space for the Spanish who have joined the programme. So, we're already three.

Now if we change partners every six months, I can tell you that we will not reach 2040. So, what is important is to properly design this programme. Then we can see, we can accept new partners, but the architecture of the programme, that has to be done now. So, is it European when there are three European countries? For me it is yes.

Now a European project. Do we have to be 27? I don't think so because we cannot manage except for some projects that are directly steered by the Commission. But in the field of defence it's the different States that have the upper hand.

Speaker 4 (Capital): Hello I'm from Capital. On the FCS, have you any comments to make on the fact that Tempest and the FCS seem to be incompatible as was said recently and [? 00:53:40] about the FCAS?

Eric Trappier (Dassault Aviation): Well, we should never say never. But in 2020/2021/2022 there is no doubt that there won't be a merger of FCS and Tempest. If we were to see that, we'd have to reset to zero and go back two years. So, there would be a British partner that would have ambitions and for the moment, there is an FCS project. One FCS project.

I can't say about the Tempest one, how it's funded or anything, or ambitions or programmes for that. All I know about is the FCAS. I can talk about the NGF within FCS, of course, and that's progressing nicely. It's never as fast as you want it to be, of course, but the time we're spending at the moment in building it up, I think it's important. To build up their trust, we need to bring us all to fruition with this.

So, I'm happy the Spanish have joined up. It's brought in people who are really skilled into this, and it was complicated to get them to join up kind of halfway through, but it was feasible. So, the senatorial report you mentioned, it's got its own ideas on what you're saying, but the result is, firstly, it's existential for the combat aircraft in Europe. Otherwise we'd all have F35s in 20 years' time and secondly a three party cooperation is what enables us to launch the programme and we need to have a Demonstrator flying in 2026.

So, we don't want to sit around and talk anymore. We've got to just go and do it and design and bear in mind that we want to have that airplane flying in 2026 and we're not ahead of time. Six years for that kind of ambition to develop combat aircraft like that is pretty ambitious.

Speaker 5: Good evening. I have four questions. The first two go back to your comment on the hope of recovery for Falcons. We do see an increase in the number of transactions on the secondary market. Can you tell us more about this optimism on the market?

The second question is on the Falcon support. Can you give us an order of magnitude of this drop and what can you anticipate for the whole fiscal 2020?

The third question is on the supply chain and specifically on your own supply chain. How many suppliers are at risk, are in major difficulty, on your own supply chain?

And last question, which is a bit more strategic on the future world on the business jets, don't you think that the mix is going to change, that there will be more property share fractioned ownership and fewer jets?

Eric Trappier (Dassault Aviation): I will try not to forget any of your questions. As for the Falcon, well I am very cautious because I'm worried. I think that the health crisis is starting again. It's continuing. Here we're talking about starting again, but in the United States it's not starting again. It's a constant progress of this pandemic.

It's not stopping work there, but it is disturbing it and it is disturbing all the traveling. And if the virus would get slower, I think that business jets, particularly in this environment, where there are health risks, I think the business jets will start again because there are fewer people in the aircraft, they can go to airports that are less crowded than big commercial airports so those that can do that by preowned aircraft or new aircraft. This is done a lot in the United States and it can be a driver for recovery.

But let's be cautious because we still haven't come out of this health issue. I remind you that in the United States there is this health issue and there is this economic issue related to this health issue, but you also have elections in United States and that is never very good for a recovery of the activity in a delicate context.

In Asia, things are more modest. People are flying again with their business jets, of course, but the activity in terms of purchasing new aircraft that can still be discussed. Discussions doesn't mean new contracts. I want my salespeople to come back with contracts rather than having them have a lot of discussions, but the links with our existing clients, with our future clients, is such that there are a lot of discussions underway.

And I'd like to go on straight to your last question because it's related to this one. Fractioned aviation is not very easy. It's not an easy model. I'm not sure it's going to develop. We could all believe that it is going to develop but finally, I don't think that that is really developing. I'm not sure that the net jet competitors are in good financial health.

So, it's a difficult market and I'm not sure that it would really work, but people do want to rent planes, people who buy planes and rent them in companies that are specialised like we can have at DFS, well, it just something that can be done, but it's a bit early. When we meet again at the beginning of next year, we will be able to better assess this recovery.

As for the Falcon support, really not going to give any figures. It was allotted, since the fleet was not flying anymore, the need to buy spare part, et cetera, all that went down the Falcon service stations, the loads went down overnight. But it did have an impact on the accounts as well the supply chain. I must not confuse with what I have with the GIFAS. I have two hats and I confuse between the two.

There are some ten companies affected, at risk, in our direct Falcon supply chain, so we're going to keep an eye on them so we can support them and it was much more for the GIFAS if you take the Airbus supply chain, Airbus, Safran, et cetera, and as for the Rafale, well they are suffering because of the Airbus effect or the Falcon effect.

So, this is why we need to strengthen our orders in the Rafales so as to balance this loss in the number of orders in civil aviation. Not only Falcons but also Airbus, because a lot of subcontractors in France are Airbus, Falcon, Rafale, et cetera.

And I think that's it. I hope I haven't forgotten anything. Thank you.

Speaker 6: Yeah, I'm from La Lettre de l'Entreprise. You said that the transformation of the company will require you to go digital, especially for the supply chain. What are the new business lines that are emerging now within Dassault Aviation please in that regard?

Eric Trappier (Dassault Aviation): The answer. It's not totally new business lines or job lines. It's for conventional job lines, business lines, producing aircraft, taking account of the fact that there are digital tools around. So, if I could give you an image, it's like a gardener using this or that kind of fertiliser or soil and he knows the exposure to the sunlight and so on. But if you give him more professional tools, if you give him something that bores holes better so as to plant plants, he's got to redesign the win, which he does using different tools, you'll see.

So, our engineers are used to designing in a certain way, producing in a certain way, supporting aircraft in a certain way. So, it's a question of getting used to different tools. That's why we talk about the extended design offers that the people designing aircraft will be designing aircraft but designing an aircraft that must be produced and supported and so on down the line taking account of aerodynamics and materials, and there are all sorts of specialists who take care of those technical areas.

But the people designing the aircraft therefore must say to themselves in the choices I'm making, they're architects after all, in the choices I make, I've got to bear in mind that someday this has got to be manufactured as easily as possible, at as low a cost as possible to make it price competitive and that it can be supported as easily as possible. So, it's to factor in those items at the design stage, to design them in when those planes come to the service stations and so on later on.

So, when you set things up people say, well that's what we do, but people know it's got to be done but they don't always do it and these modern digital tools will enable us to do it more efficiently. It is better plant management, reporting data more efficiently, PLM arrangements, I can advertise 3D experience from Dassault Systèmes, for example.

You can do digital mock-ups, but also simulate manufacturing plants and also model up value chains and do the costing and so on and get the balance right, make the right decisions, if you have all the data to hand. So, the idea is to have a digital mock-up of the plane, of its production, of its efficiency, technically speaking production-wise and also in terms of cost.

So, that's where we're going to have to win this data battle. Also protect the data because obviously we will have to focus our data on certain clouds that will be well protected, virtually physically and so on. So, all of that battle has got to be waged and we're doing it with the armed forces too because in the context of the Rafale project to support the Rafales, we have been setting up a cloud between the army and ourselves that'll be secured, that'll take account of the data of the industries and of the military people.

So, we've got to protect these data. We remain owners, by the way, of the data. Given the US regulations and the European regulations, it's a bit complex, but we've got to retain the ownership of the data. So, this is the whole digital revolution that's going on. It is not just our company that's concerned, the data coming from our company, but also from our cooperation partners, from our subcontractors, and so on.

And we're doing this with Airbus, for example, in the context of the FCAS programme. We are adjusting our tools together, calibrating them together using 3D experience from Dassault Systèmes. Airbus recognises it's a good tool, by the way, so we have to see how we can protect our data from Airbus and Dassault. How we can work together and how we can exchange and especially how we will protect ourselves together from outside attacks that don't exist but that you see on the horizon every day.

You know a lot of cyberattacks go on too in this area.

Speaker 7: So, it is a major project. Hello, [? 01:06:21], Times Aerospace. I have a question on business jets. You talked about the American market, which is impacted by the COVID, but according to the analysts, there is saturation of the long range jet. That market is saturated. Do you think that there are any prospects for Falcons, especially the 6X, in the Middle East because it is a buoyant market? And what is your state of mind when you will go to the Dubai show next December?

Eric Trappier (Dassault Aviation): Well, we'll see. As for the air shows, everything is getting cancelled. As for the Middle Eastern market for Falcon, until today there aren't many business jets in the Middle East. Why? Because traveling is done with all kinds of different environments. They take large aircraft so they can take large delegations, a lot of people actually.

The more this business is going to develop in the Middle East, in all the countries in the Middle East, the better. So, we already have some. We have some major clients in the Middle East who are well known who use business jets. So, we believe that more particularly, maybe this is to answer one of the questions I did not answer beforehand, the mid-range.

I don't know what is exactly a mid-range, but a 6X 1500 nautical. In the Middle East. you can do quite a bit with that. You can go to Asia. You could go to Europe. You can go to the Eastern Coast with a stopover. You can go right up to the West Coast or to South America.

So, will it be at the expense of the ultra-long range? I don't think so. I think there is a market that exists for both. What we're continuing to do is to improve the cabin, so the cabin might be an efficient working place; problems with communication, digital tools, and a nice place to live in because a lot of the businessmen spend days and nights, for some of them. Half of the year there are in an aircraft, so they need a minimum amount of comfort to sleep well and feel well.

So, we're going to enlarge the cabins. We're going to have something more comfortable when you have a 12 hour flight. So, both are due to develop. Both are top of the range. The 6X or an ultra-long range and 8X or anything else. These are top of the range aircraft. It isn't mid-range which are the mid-sizes for our friends from other companies.

Is there a saturation? I don't think so. I don't think there's a saturation. There is a lot of competition between the three or four majors in this area, but each one has its own beauty, and I think that when you have fighter aircraft and business jets, this gives you more performance, better performance, more security, more modernity, a better management of all the flights compared to other companies.

Speaker 8: Hello, [? 01:10:01] from Mission SOS. Thank you for everything you've been doing throughout the crisis and thank you for your support to your subcontractors, industrial subcontractors, that are in the extreme difficulties that don't even know what's going to happen in the future.

But you talked about innovation, modernising, revamping, upgrading digital, and you mentioned Dassault Systèmes, your friends, as you said. They have actually made a move some years ago, they went to the customer Consumer Electronics Show in Las Vegas regarding new technologies. Now what Dassault Aviation via GIFAS maybe - are you going to go towards that kind of policy, let's say, these big shows.

These days we see more and more progress of new technologies. You talked about it yourself when it comes to the developments of carbon neutrality and so on and the contributions we've all got to make, and this is something that our French President has been asking people to make efforts on.

Last week you talked - I think it was last week - you talked about the hydrogen powered aircraft, a new form of energy and new systems there. Do you think that you could provide support to all of those start-up companies that are trying to enter this universe, that is the aviation universe, via new technologies? Delta Airlines last year had a prototype that was quite an [? 01:11:42] at that event I mentioned, and do you think you might do something similar, in other words?

Eric Trappier (Dassault Aviation): To avoid what's happening for Arianespace [ph 01:11:56] at the moment for example. When look at Tesla from the automotive environment, sending people directly into space, maybe there's something that could be done that would be totally ground-breaking that would be part of this digital revolution and be a huge piece of innovation and development.

Yeah, there's lots to be done. You've put your finger on this, says Mr. Trappier, but to pick up your last point. Regarding Elon Musk, he operates in the US. And that's meaningful to say that. In other words, you can raise private funds more easily than in France, for example, because private funds aren't stigmatised over there. So that's one thing.

Second thing is the US administration can mobilise its efforts if a project is a good project. So, when Elon Musk succeeds thanks to another third party for the US, its mobility of knowledge and knowhow, people can be mobilised easily around ideas that are hard. You can have a whole family category of launches with totally new digital methods and so on. He mobilises those teams and manages to recruit top-notch engineers from different backgrounds because his genius is to be able to mobilise these energies and do this innovation and he got massive support from NASA, from certain US administrations that helped to provide him with their own knowhow too. So, it was a win-win situation.

Now, can we do that in France? That's the real question that we should ask. Our French President, I think, has been wondering about that kind of thing, but we're not American. We don't have the same culture as they have in the US, but what is very certain is that in the area of innovation, we've got to move forward.

Now small entities, yes, I agree with you, there are some golden nuggets out there that it would be nice to cultivate. There are incubators that do that and look at the artificial intelligence with Thales. Energies have been harnessed to mobilise the whole ecosystem around what we wish to do for the future and in the area of innovation, there are funds that are being set up outside of defence and aviation, and that's got to be done.

I think it's a question of mindset. You've got to believe in innovation. You've got to believe in industry for a start. Obviously, I would plead myself in favour of industry being from Dassault, but you've got

to believe in your industry. You've got to believe in your industry, your defence industry, you've got to believe in your industry in general.

Everybody is saying it, but you've got to go and do it. I'm not saying the States isn't doing it, but it's a state of mind. It's about the mindset, the state of mind that France has got to want to innovate and develop its industry and services. I'm not criticising services around thing but industry because the jobs battle will be important. It's important services too, but you've got to have new business models. You've got to foster your industry and create the jobs there.

But if you look at [? 01:15:28] you mentioned [? 01:15:28], it's also due to the mobilisation of the public players in the US that believe in this, that are ordering things and so on. It's a new model. I don't know if it will work in France. It's a moot point.

Our president injected some 4 billion euros to help innovation vis-a-vis start-ups and in France we have always - you've created the Rafale. We've created and all kinds of sectors. We are pioneers. We are leaders. Everybody recognises that about the French. Everybody knows that the French are always complaining. They're never happy, but we are the champions in terms of quality and innovation.

So, Dassault Aviation [? 01:16:31] you talked about the finance of PPIs for the subcontractors, 200 million. So why should there be this will to have golden nuggets, to have new golden nuggets to set up all this and to show. What we, the French, don't know what to do is to have an influence because we have a good quality in our projects.

That's our system. Take an example of Dassault Systèmes. It's a very small company. It was very small a few years ago with a few people from Dassault Aviation and now it has really surged, and it's become a major player in industrial software solutions. It's become maybe the major global player, but you need to have people who believe in this.

You need to have a project, a business plan of course. You have to put in money, of course. You have to grow. In a business plan you have to make strategic choices, but we, Dassault Aviation, our problem right now is to prepare for the future. We are highly mobilised for the future aircraft, whether it's a Falcon or the NGF, and our design office is strongly mobilised. It's busy, not to mention all the development developmental work. We have a very busy design office.

Get the help of certain start-ups. Yes, we have some experience in that area. Thales also has an incubator and the answer is yes, we have to do this, but of course it has to work also. It has to be successful.

I'm sorry people are talking off-mic. The interpreters cannot hear the comments made off-mic. Sorry.

We are in favour of innovation in any case.

Speaker 9: You were talking about the cancellation of trade shows one after the other. What ones would you think would take place this year?

Eric Trappier (Dassault Aviation): Well, wearing my hat as a GIFAS person, of course, we'd like people to come to the [? 01:19:00] air show. But in terms of purchase of space and so on well people would have to put money on the table if they wanted to make their pre-bookings and then they might lose the money because COVID might not have gone away so we haven't got much time ahead of us.

We're trying to get things organised for the [? 01:19:22] air show and our business models are long-term ones in these areas because the surface areas are huge for the [? 01:19:31] air show, but we don't know. Look at Farnborough, totally digital. In a years' time we don't know what will happen.

A lot of trade shows have been cancelled recently. Look at the naval show. Two weeks ago, everybody was saying there's no COVID in France anymore, no problem, but if there's a new surge, the newspapers like yourselves. You write the articles in the newspapers, so it's still around and it will remain around a bit more after the summer holidays because people have been moving around and traveling and will have slackened in their efforts, in a way too. So, we don't know.

The [? 01:20:11] air show is in a years' time. At the end of the year, the decision will have to be taken. We will have to talk about that later on. If it's as it is right now, it might be feasible. But other countries would want to see things the same way. If you hold the [? 01:20:26] air show right now, the Americans won't come, and certain other countries might not come either.

And if you go to a trade show, it costs as well. Look at the economic and financial crisis following on the heels of the health crisis. So, it cost people to go on the [? 01:20:43] and they might do without it for one year, so in GIFAS we're wondering about all this because it's a lot of monies to be committed and we just don't know how we would be covered if there were cancellations, so we just don't know yet.

Corine Marnier (BNP Paribas): Corine Marnier, BNP Paribas. I have two questions. One on the evolution of R&D, the midterm envelope. It has remained unchanged. Were you talking about the possible changes? What are the possibilities in 2020 and in the future years? Will the peak be in 2021?

And the second question is on defence. You talked about the concern of the industry on the delays in exports. Is it because you have trouble advancing in discussions when you cannot travel or is it rather an economic issue for the countries?

Eric Trappier (Dassault Aviation): Well, R&D, yes, that's the first question. Would you give you an indication? The financials from Dassault are going to get worst. The indication is that we have two programmes that we're developing right now. Once is the 6X and the other one is the NX. I haven't said anything about the NX.

I did not tell you when it will be operational. What I can tell you is that in 2022 we will deliver the 6X. We will stop the development of the 6X. So, the peak is right now because we have two programmes at the same time, which is not logical because the plan was to have a 5X delivered in 2017 and then we had this famous NX. So, we are over self-funded in R&D because we have two simultaneous programmes which is not really logical, and this will last until 2022 at least.

Now it doesn't give you an idea after 2022, but until 2022 we will have a high level of development. A new programme ramps up until the programme reaches maturity and then it goes down. So, two curves. You can carry out your simulations, but you have a certain number of elements missing to have a proper simulation.

As for your second question. It was the gap in exports. Well, there are two things there for three/four months, although the phone did work, countries were mobilising and fighting against the virus. So, it did not accelerate. Then there are economic consequences because of the pandemic. So, it's very difficult to say [? 01:23:40] country.

Each country has its own issues and we're not coming out of the crisis in the same way as we've all entered. So, we've had to carry out this analysis. We feel we can carry out the analysis now because Frances come out of the crisis, but it's not yet totally over. There are some European recovery plans. It's a new world. We have to carry out this analysis in all the countries.

It's about too early to know, but it is not accelerating this discussion movement in this area, but we will see what the future has to offer. There are just a certain number of countries that are accelerating their discussions. When they are European they are buying American. For them, there's no problem.

Speaker 10: Concerning the 13 Rafales to be delivered. How many for India and how many for Qatar please?

Eric Trappier (Dassault Aviation): We won't give you the details on that now. We're delivering 13 this year. There's Qatar and India.

Speaker 11: Can I ask another question on business jets? We have too many players in that sector. We have a player who is very strong who is focusing on business jets, Bombardier. He has disposed his train business. So, what's your vision about the number of players in this area? Your vision about Bombardier's a strategy.

Eric Trappier (Dassault Aviation): I'll try not to answer your question. I'd rather talk about Dassault rather than Bombardier or [? 01:25:31].

Speaker 12: Concerning the COVID consequences on NGF, you talked about teleworking. Do you think that there was a delay accrued by the programme, and how much?

Eric Trappier (Dassault Aviation): Yes, there was a delay, obviously, because we thought we'd have physical platforms. We more or less replaced them using digital tools, and so on, replaced them by virtual platforms, but people would have to come in person to work on the spot to go forward faster.

Now between [? 01:26:12] and Saint-Cloud we've reduced staff, most of the team would be in Saint-Cloud but it's not the size of the team that we planned initially, so we'll see how the COVID develops, how the virus develops or what.

But the tube for communication that will be secured between ourselves and Airbus between [? 01:26:32] and Dassault will be made available so that we have capabilities of working in a protected way between States and industrialists.

It wasn't really totally provided for. So, in the digital revolution that we're going through, I have the major contractors, the supply chain in Defence, you've got to say, and clients and that's what we're doing ourselves with our military friends in Ravel [ph 01:26:57]: exchanging very sensitive data among ourselves.

And that will be, with France and Spain as well additionally so we've got to avail of this window of opportunity to put together the right way of working together and have the tools to work properly and efficiently together.

SMS question from Giovanni Briganti. When was the last offer made for the European MALE drawn?

The last offer submitted, it was today, this morning actually, from Dassault towards Airbus and from Airbus to [? 01:27:42] in the coming hours. That was the latest. There were some others before, but this is normal. This is a negotiation. So, the offer is improving seen from our side or seen from [? 01:27:54]. So, improving day by day.

Well, if there's no other question, I would like to wish you happy holidays if you're going on holidays shortly. Enjoy your Holidays, have a good rest, and we will be ready for new adventures after the summer holidays. Thank you. See you soon.