

Order intake	58 FALCON compared to 36 in 2011
Deliveries	66 FALCON and 11 RAFALE compared to 63 FALCON and 11 RAFALE in 2011
Net sales	EUR 3,941 million , up by 19%
Adjusted net income*	EUR 524 million , up by 25%
Adjusted net margin*	13.3% (+0.6 point)

* From 2012 and on, in order to enable a better monitoring and benchmarking of its economic performance, DASSAULT AVIATION presents **an adjusted net income**. The Group consolidated net income is adjusted with :

- neutralizing amortization of THALES purchase price allocation (PPA),
- neutralizing change in fair value of derivative exchange instruments not eligible to hedge accounting.

Cf. Appendix 1: Table of reconciliation between consolidated net income and adjusted net income.

Saint-Cloud, 14 March 2013 – The Board of Directors, chaired by Mr. Éric TRAPPIER, closed yesterday the financial statements for the year 2012. These consolidated financial statements were certified by the Statutory Auditors who expressed an unqualified conclusion.

Éric TRAPPIER, Chairman and CEO of DASSAULT AVIATION, stated :

«The year 2012 started well with the RAFALE selection by India. This choice based on technical, operational and financial criteria confirms our aircraft superiority.

The technical success of the nEUROn was added to this RAFALE selection. We marked the history of aeronautics with the flight of the first European furtive aircraft. With the nEUROn, we show at the same time our technical skills and our know-how as prime contractor in a multinational partnership.

These skills and this know-how are also implemented in the manner we currently develop our SMS. Technologically and commercially very ambitious, this new business jet will be released within a few months.

In France, an important Defense budget cut is announced, due to the national debt crisis. This reduction of the military budgets, which is observed in many other countries, reinforces the aggressiveness of our competitors, especially Americans.

Concerning business jets, the uncertain evolution of the world economy and in particular of our historical markets, United States and Western Europe, encourages us to remain vigilant.

Finally, the dollar weakness remains a strong and not easily controllable constraint because of the spasms of the international financial system».

Order intake and backlog

2012 orders amounted to EUR **3,325 million** compared to EUR 2,863 millions in 2011. Export represented 78 % of the total order intake.

New orders, net of cancellations, stood at **58 FALCON** in 2012 compared to 36 FALCON in 2011.

Commercial activity increased compared to 2011, in particular at the end of the year. Asia remained very active, as well as South America. North America market showed some encouraging signs, but wait and see policy still applies.

Defense orders amounted to EUR **793 million** in 2012 compared to EUR 931 million in 2011 and corresponded to support and development. They decreased by 15% compared to 2011 which included, in particular, the contract for the upgrade of the Indian Air Force's MIRAGE 2000 fleet.

As of December 31st, 2012 consolidated backlog amounted to EUR **7,991 million** compared to EUR 8,751 million as of December 31st, 2011, down by 9%.

Net sales

Consolidated net sales increased by 19% to EUR **3,941 million** in 2012 from EUR 3,305 million in 2011. **Export net sales** represented **75%** of the 2012 total net sales.

FALCON net sales increased by 16% reaching EUR 2,797 million in 2012 from EUR 2,415 million in 2011. **66 FALCON were delivered in 2012** (compared to 63 in 2011).

FALCON net sales represented 71% of the 2012 total net sales.

11 RAFALE were delivered to the French Air Force and Navy in 2012, as in 2011. Defense net sales showed an upturn of 29% due to an increase in RAFALE development activity.

The book-to-bill ratio reached 0.84.

Operating income

2012 operating income reached EUR **547 million** compared to EUR 377 million in 2011, up by 45%.

Operating margin improved to **13.9%** from 11.4% in 2011.

This improvement is due to the increase of net sales and a better currency hedging.

Adjusted financial income

In 2012, **adjusted financial income** amounted to EUR 16 million, compared to EUR 32 million in 2011. This fall-off results mainly from the following factors :

- the Group made a profit of EUR 12 million on the sale of some available-for-sale marketable securities compared to a profit of EUR 38 million in 2011,
- borrowing costs are EUR 2 million compared to EUR 13 million in 2011.

Adjusted net income

Adjusted net income stood at EUR **524 million** compared to EUR 419 million in 2011, up by 25%. **Adjusted net margin** reached **13.3%**, versus 12.7% in 2011.

THALES contribution to the Group net income, before amortization of Purchase Price Allocation amounted to EUR 158 million in 2012 compared to EUR 125 million in 2011.

2012 consolidated net income amounted to EUR 510 million compared to EUR 323 million in 2011.

Financial situation

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

Consolidated available cash reached EUR **3,760 million as of December 31st, 2012** compared to EUR 3,274 million as of December 31st, 2011, up by EUR 486 million.

This rise is notably due to consolidated net cash from operating activities (+ EUR 500 million), and to a decrease in working capital (+ EUR 109 million) partially offset by investments (- EUR 66 million) and dividends payment (- EUR 86 million).

Apart from working capital, the balance sheet structure is impacted by the repayment of the EUR 400 million loan subscribed in the framework of the acquisition of THALES shares.

The Board of Directors will submit for approval at the General Meeting of shareholders in May 15th, 2013, the payment of a dividend of EUR 94 million, representing EUR 9.30 per share (versus EUR 8.50 per share in 2011).

Group activities

Regarding business jets, 2012 was marked by the launch at NBAA of a new FALCON 2000 version, FALCON 2000LXS, and by the progress of the FALCON 2000S flight tests, with in particular the demonstration of "low speed" performances better than expected.

Regarding military activities, 2012 was marked by the RAFALE selection by India as the winner of MMRCA competition and the start of exclusive negotiations with Indian Air Force. The contract has to be finalized.

Concerning other programs, it has to be noted :

- the maiden flight of the Unmanned Combat Air Vehicle demonstrator nEUROn, in Istres (France) on December 1st, 2012. This program, with DASSAULT AVIATION as prime contractor, involves five European industrial partners,
- the notification by the French DGA and the UK Ministry of Defense of the preparatory study for the launch of a FCAS (Future Combat Air System) demonstrator in cooperation with BAE Systems.

2012 annual results

Financial information

14 March 2013



2013 outlook

Business jets market remains convalescent but we hope for a recovery, especially in the United States.

Regarding military aircraft, we have to capitalize on export opportunities related to the RAFALE.

With the signature of the French-British UCAS agreement, the Group aims at preparing the future with drones.

Since the Indian authorities announced, at the end of January 2012, the RAFALE final selection in the frame of the MMRCA program in order to equip the Indian Air Force with 126 new aircraft, DASSAULT AVIATION keep mobilized into finalizing the contract.

DASSAULT AVIATION Group expects to deliver around 70 FALCON and 11 RAFALE in 2013. 2013 net sales should be higher than 2012 net sales.

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Appendix 1: table of reconciliation between consolidated income and adjusted income

In 2012, the impact of the change in fair value of derivative exchange instruments adjustment and the THALES PPA amortization adjustment on income statement is detailed below :

(EUR thousands)	2012 Consolidated data	THALES PPA amortization (1)	Change in fair value of derivative exchange instruments (2)	2012 Adjusted data
Financial income	97,897		-82,154	15,743
Share of income of equity affiliates	90,436	67,967		158,403
Income tax	-225,441		28,286	-197,155
Net income	509,878	67,967	-53,868	523,977

(1) neutralization of THALES Purchase Price Allocation (PPA) amortization, net of income tax.

(2) neutralization of the change in fair value, net of income tax, of derivative exchange instruments which do not qualify for hedge accounting under the specific rules of IAS 39 «Financial Instruments».

In 2011, the impact of the change in fair value of derivative exchange instruments adjustment and the THALES PPA amortization adjustment on income statement is detailed below:

(EUR thousands)	2011 Consolidated data	THALES PPA amortization (1)	Change in fair value of derivative exchange instruments (2)	2011 Adjusted data
Financial income	13,979		18,425	32,404
Share of income of equity affiliates	41,064	83,858		124,922
Income tax	-108,879		-6,344	-115,223
Net income	322,665	83,858	12,081	418,604

(1) neutralization of THALES Purchase Price Allocation (PPA) amortization, net of income tax.

(2) neutralization of the change in fair value, net of income tax, of derivative exchange instruments which do not qualify for hedge accounting under the specific rules of IAS 39 «Financial Instruments».

Readers are reminded that only the consolidated financial statements are audited by the Group's statutory auditors. Adjusted financial data are subject to the verification procedures applicable to all of the information provided in this press release.