



Neuilly-sur-Seine, 3 May, 2010

Thales: Result of the arbitration with the Republic of China (Taiwan)

Thales has been notified of the award handed down on 3 May, 2010, in the arbitration against the Republic of China (Taiwan). This award has been made as a result of an alleged breach of the terms pertaining to the use of intermediaries contained in a contract entered into in 1991 by Thomson-CSF (now Thales) for the supply of six Lafayette frigates to Taiwan.

The total amount of the award is set to 482 million US dollars and 82 million euros, bearing interest as from August 2001; as well as around 15 million euros, bearing interest as from today, i.e. a total of around 630 million euros (including interest).

Thales disputes the very grounds of this decision. The company will initiate all available proceedings and actions against this award, and will in particular file petition for nullity in front of the Paris Court of Appeal.

The share of Thales in this litigation represents 27.463% of the total, and corresponds to its industrial share in the supply contract. Taking into account the provisions previously booked, an additional provision of about 35 million euros (pre-tax) will be booked on a protective basis in the company's accounts as of 30 June, 2010.

About Thales

Thales is a global technology leader for the Aerospace and Space, Defence, Security and Transportation markets. In 2009, the company generated revenues of 12.9 billion euros with 68,000 employees in 50 countries. With its 25,000 engineers and researchers, Thales has a unique capability to design, develop and deploy equipment, systems and services that meet the most complex security requirements. Thales has an exceptional international footprint, with operations around the world working with customers as local partners. www.thalesgroup.com

Press Contact:

Thales, Corporate Communications

Tel. +33 1 57 77 86 26

press.office@thalesgroup.com

NEWS

DIRECTION DE LA COMMUNICATION | CORPORATE COMMUNICATIONS

45, rue de Villiers – 92526 Neuilly-sur-Seine Cedex – France – Tel: +33 (0)1 57 77 86 26 – Fax: +33 (0)1 57 77 87 44

www.thalesgroup.com