

Thales: option to receive the 2010 dividend payment in shares

Neuilly-sur-Seine, 18 May 2011 – The Annual General Meeting of Thales (NYSE Euronext Paris : HO) met on 18 May 2011 and approved the proposed payment of the 2010 dividend for an amount of 0.50 euro per share. It also decided that each shareholder would be entitled to elect for the payment of such dividend either in cash or in new Thales shares.

The ex-dividend date will be 26 May 2011 and the payment date will be 21 June 2011. The option to receive the payment of the dividend in new Thales shares will have to be exercised between 26 May and 9 June 2011 inclusive. After that date, of if the shareholder elects not to exercise the option to receive the payment of the dividend in new Thales shares, the dividend will be paid in cash.

The price of the new shares issued to shareholders electing to receive their dividend in shares was set at 25.98 euros, representing 90% of the average opening prices listed on NYSE Euronext Paris over the twenty trading days preceding the date of the Annual General Meeting, less the amount of the dividend and rounded up to the next euro cent.

If the amount of the dividends for which the option is exercised does not correspond to a round number of shares, each shareholder will have two possibilities: (i) receive the immediately *lower* round number of shares and the balance in cash, or (ii) receive the immediately *higher* round number of shares and pay in cash (by cheque or bank transfer) the appropriate amount to obtain an additional share.

The issued shares will carry dividend rights as from 1 January 2011, ranking pari passu with existing shares, and will be immediately tradable with existing shares on NYSE Euronext Paris (compartment A –ISIN code: 0000121329).

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The option to receive the payment of the 2010 dividend in shares described herein is not available to shareholders in Australia, Japan and any country in which such an option would require registration with, or approval by, local securities regulators. Shareholders are expected to inform themselves of any conditions related to this option that may apply under any local law.

In deciding to elect for the dividend payment in shares or not, shareholders should take into consideration the risks associated with an investment in shares. Thales's registration document ("document de référence"), filed with AMF and also available on the company's website (<http://www.thalesgroup.com>) describes, inter alia, the businesses of Thales, its results and the risk factors related to its activity.

This press release constitutes the information required in accordance with Articles 212-4 (4^a) and 212-5 (5^a) of AMF General Regulations and is available at the company's registered office and on its website (<http://www.thalesgroup.com>).