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Communiqué de presse - Press release

Safran and Thales sign optronics partnership agreement

Paris, December 20, 2011 – Thales and Safran today signed a Memorandum of Understanding to create an equally-owned joint venture for optronics (electro-optical) systems and equipment. French defence minister Gérard Longuet attended the signing ceremony.

Through this joint venture Thales and Safran will combine their respective areas of expertise in optronics, and expand their offering of products and services to cover emerging needs for new defence systems, including both modernization programs and original equipment. The new systems under consideration include the optronics pod for the modernized Atlantique 2 maritime patrol aircraft, the imaging system for the upcoming French-British MALE (medium altitude, long endurance) drone, modular optronics systems for army land vehicles, and optronics for tomorrow's helicopters. The partnership will be in the form of a joint venture covering technical, commercial and program aspects, with the industrial assets remaining under the control of the two parent companies.

Through this partnership, Thales and Safran are aiming to strengthen the national technology base for infrared (IR) detectors, whose cost-effectiveness is a key to the competitiveness of optronic systems. They also intend to strengthen their jointly owned subsidiary Sofradir, in which each company has a 40% stake, to meet their own strategic needs, as well as to expand its presence in the open international market, which remains a key to ensuring the economic viability of this technology. Safran and Thales will eventually transfer to this new partnership the infrared detector technologies that they are currently developing within their own units.

Thales Chairman and CEO Luc Vigneron paid tribute to "a win-win partnership which will deliver best-in-class technologies to our customers, and bolster our position in international markets."

Safran Chairman and CEO Jean-Paul Herteman added: "I am delighted to sign this future-looking partnership, which enables us to avoid duplicating major funding, and also brings together the top skills in this field, fostering dynamic synergies between our teams."

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Thales is a global technology leader for the Defence & Security and the Aerospace & Transport markets. In 2010, the company generated revenues of € 13.1 billion with 68,000 employees in 50 countries. With its 22,500 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.

For more information, www.thalesgroup.com

Safran is a leading international high-technology group with three core businesses: Aerospace (propulsion and equipment), Defence and Security. Operating worldwide, the Safran group has more than 54,000 employees and generated sales of 10.8 billion euros in 2010. Working alone or in partnership, Safran holds world or European leadership positions in its core markets. The Group invests heavily in Research & Development to meet the requirements of changing markets, including expenditures of 1.2 billion euros in 2010. Safran is listed on NYSE Euronext Paris and its share is part of the CAC 40 index.

For more information, www.safran-group.com / Follow @SAFRAN on Twitter

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