

senseFly, a commercial drone specialist, joins Parrot

Majority interest acquired for 5 million Swiss francs

Extension of retail drone activities to cover the commercial drone market

Related market with strong potential

Technology company with first-rate intellectual property

Following the success of the Parrot AR.Drone 1 and 2, the wifi-controlled quadcopter flown with smartphones, with around 300,000 units sold, Parrot is positioning itself on the correlated market for civil drones in commercial environments thanks to the acquisition of a majority stake of senseFly, a Swiss start-up based in Lausanne, which has been selling an ultra-high performance commercial drone since 2010.

The market for civil drones to be used in commercial environments is growing rapidly, supported by recent changes to the regulatory framework for the use of civil drones, notably adopted in the US in April 2012 and France in May 2012. Currently, industry professional estimate that the ultralight civil drone market could reach over 1 billion dollars in 2020.

As Henri Seydoux, Parrot's founder, chairman and CEO, explains: *"We are moving forward with our external growth policy initiated in 2011 and focusing on: new product with high-potential, outstanding and complementary technological expertise, applications for commercial and retail customer segments, strong operational and financial synergies. A framework which senseFly fits into perfectly and which should enable Parrot to meet the needs of professionals moving into the civil drone age. We firmly believe in the commercial potential of this market, on which the Parrot AR.Drone has already enabled us to gain global recognition and I am very pleased that we can also serve the commercial drone market"*.

With significantly lower costs (device, upkeep), operator qualifications (pilots) and risk levels than for piloted devices (plane, helicopter, microlight), as well as being less sensitive to weather conditions (cloud ceiling), commercial civil drone applications are spreading to many different fields including:

- mapping of construction sites, natural or urban land, mines and quarries,
- inspection of transportation and telecommunications infrastructure,
- monitoring of industrial sites (factories, power plants, pipelines, careers ...),
- management of farmland, livestock farming and environment protection (protected species, migrations, etc.),
- pictures of real estate projects (construction, marketing),
- civil protection and crisis management (industrial accident or natural disaster).

The complementary technological expertise developed by Parrot and senseFly support the rapid emergence of a new age of aerial imaging, naturally building on Parrot's success in the retail drone market and bringing it to the professional arena. The acquisition of a majority stake (57%) in senseFly represents an investment of around 5 million Swiss francs (approximately 4.2 million euros), based on a capital increase and securities acquisition. This company's business model is fully compatible with Parrot's financial and operational structure and senseFly will be accounted for in the Group's financial statements from the second half of 2012. In addition, the transaction includes bilateral options exercisable after 2015 on the balance of the capital (43%), at a variable price depending on the revenue and EBIT of senseFly.

With its world-renowned technological solutions and expertise on this emerging and promising market, senseFly is a start-up seeded from the Ecole Polytechnique Fédérale de Lausanne (EPFL). Its founders are among the pioneers of miniature, bio-inspired and intelligent aerial robotics. senseFly has already sold several hundred commercial civil drones worldwide since 2010. Its solution comprises:

- A fixed-wing UAV¹ of only 500 gram, the “swinglet CAM” equipped with a high-definition miniature picture camera (12 MP) and an integrated autopilot created following six years of research at the EPFL and owned today by senseFly;
- A proprietary flight analysis, control and piloting software;
- A professional digital image processing solution producing ultra-precise geotagged maps in 2D or 3D.

The swinglet CAM has a flight time of around 30 minutes, a climb speed of 3 meters per second and a cruising speed of 10 meters per second, making it possible to map regions from a few hectares to several square kilometers in a single flight with a resolution ranging from 3 to 30 cm/pixel. The unit is suitable for an extremely wide range of commercial uses and is easy to deploy and operate thanks to a simple and innovative interface, advanced flight planning technologies and automatic image acquisition. senseFly, which is continuing to focus its R&D on creating the next generations of ultra light civil drones (two new products in finalization phase), is going to benefit from Parrot’s technological expertise, as well as its flawless industrial organization and strong financial foundations to accelerate its distribution around the world.

In 2011, Parrot initiated an external growth strategy looking to further strengthen its potential for development on its historical activities in the retail and professional automotive sector, while accelerating its expansion in new associated markets, drawing on its technological expertise for connectivity, signal processing and mobility. With this in mind, Parrot has integrated DiBcom (multistandard digital radio and television) and Varioptic (adjustable lens solutions), financing these operations without compromising its overall financial balance. Alongside this, the Parrot AR.Drone has proven the relevance of the Group's innovations, as well as its ability to generate strong growth on new markets. In 2012, Parrot is continuing to move forward with its external growth policy on this business segment linked to the Parrot AR.Drone, and aims to become a leading player for commercial and retail civil drones, notably benefiting from the brand awareness and expertise acquired thanks to the Parrot AR.Drone’s success.

More information: www.sensefly.com

ABOUT PARROT

Parrot, a global leader in wireless devices for mobile phones, stands on the cutting edge of innovation. The company was founded in 1994 by Henri Seydoux as part of his determination to drive the inevitable breakthrough of mobile phones into everyday life by creating high-quality, user-friendly wireless devices for easy living.

Parrot has developed the most extensive range of hands-free systems on the market for cars. Its globally recognized expertise in the fields of mobile connectivity and multimedia around Smartphones has positioned Parrot as a key player of in-car infotainment. Additionally, Parrot designs and markets a prestigious line of high-end wireless multimedia products in collaboration with some of the world’s most well-renowned designers. Finally, Parrot is expanding on the UAV market with the Parrot AR.Drone, the first quadcopter piloted via wi-fi and using augmented reality and also with new solutions to address the UAV market for professional use.

Parrot, headquartered in Paris, currently employs more than 700 people worldwide and generates the majority of its sales overseas. Parrot is listed on NYSE Euronext Paris since 2006. (FR0004038263 – PARRO)

For more information: www.parrot.com / www.ardrone.com / www.parrotoem.com

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(1) UAV: Unmanned Aerial Vehicle.