

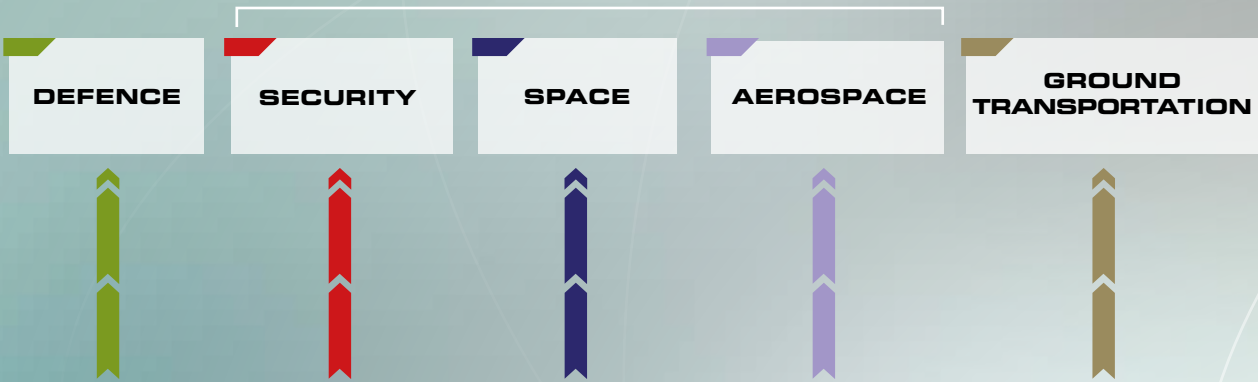
# THALES



OUR  
STRATEGIC  
VISION

# OUR STRATEGIC VISION

OUR DUAL CIVIL/MILITARY MARKETS



## COMMON TECHNOLOGIES AND COMPLEXITY MANAGEMENT

HARDWARE	PROCESSING	SOFTWARE	SYSTEMS
<ul style="list-style-type: none"><li>. Radio frequency electronics and optronics</li><li>. Digital, mechanical and thermal technologies</li></ul>	<ul style="list-style-type: none"><li>. Signal processing</li><li>. Information analysis</li><li>. Decision support</li></ul>	<ul style="list-style-type: none"><li>. Real-time and embedded</li><li>. Distributed and constrained systems</li><li>. Secured systems</li></ul>	<ul style="list-style-type: none"><li>. Architectures</li><li>. Tools and processes</li><li>. Project management</li></ul>

## OUR MISSION

Provide our customers with the capability to decide and act quickly in critical, complex situations to make the world a safer place.

## OUR STRATEGY

Growth | Innovation | Performance

## OUR STRENGTHS

<b>Expertise</b>	<b>Excellence</b>
Common technologies	Shared values

1

2

3

Our strengths

OUR

WORLD

4.



With greater mobility, growing complexity and new vulnerabilities, what does it take to make the right decisions at the right time and act accordingly?

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### Information, lifeblood of modern society

We live in a mobile world. Never have people travelled so much or shared so much information. Faster transport systems have overcome distance, and every day the Internet brings us growing streams of information and new services.

A more open world is inevitably more complex and more vulnerable. The underlying technologies are becoming more sophisticated. New threats – urban terrorism, asymmetric conflicts, cybercrime – continue to surface, and new systemic risks have appeared because of the inherent interdependence of our economies and the networks

that now form the backbone of our societies.

In today's world, the security of citizens, infrastructure and even nations depends on individuals and their ability to make the right decisions at the right time and act accordingly. As complexity increases, these decision-making processes become more difficult to assimilate.

Air traffic controllers, naval commanders, soldiers in the field, policy-makers and infrastructure operators face critical decisions and need full, relevant and reliable information to understand the situation and make the right choices.



OUR  
MISSION



Our mission is to provide our customers with the capability to decide and act quickly in critical, complex situations to make the world a safer place.

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Thales has the operational capacity to fulfil this mission. Specifically, we have a proven ability to:

### Listen to our customers and anticipate their needs

We stay constantly in touch with customers to understand their requirements and support them in their missions. We provide them with the simulation and training resources they need to define and assimilate the solutions that best meet their needs.

### Transform data into relevant information

We understand that huge volumes of data from high-performance sensors need to be turned into actionable information that helps users make decisions and take timely action. Thales solutions are developed not only for the people they are designed to protect but also for the people who use them on an everyday basis.

### Ensure optimum levels of security in critical situations

We know that every solution needs to perform dependably because the physical safety and security of a nation's citizens and critical infrastructure is paramount. The technologies we develop ensure the highest levels of safety and security and provide timely intelligence under any circumstances and at all phases of the decision/action cycle, causing minimal disruption to the flow of people and information.

### Manage complex systems

Customers need our expertise when they have to decide and act in complex situations – situations that call for effective interaction between the many elements of a large-scale system and seamless coordination between systems of different kinds. We manage these systems over the long term, providing tailored services and support solutions to match our customers' specific needs.



### What makes us different?

We design all levels of decision support into our equipment, systems, solutions and services so that the human element retains its vital position in the decision-making loop.

This concept of decision support underpins our recent innovations and technological developments in large-scale software-driven systems, secure

communications, sensors (radar, sonar, optical), supervision and onboard electronics. Importantly, all our sectors of activity share common technologies and capabilities.

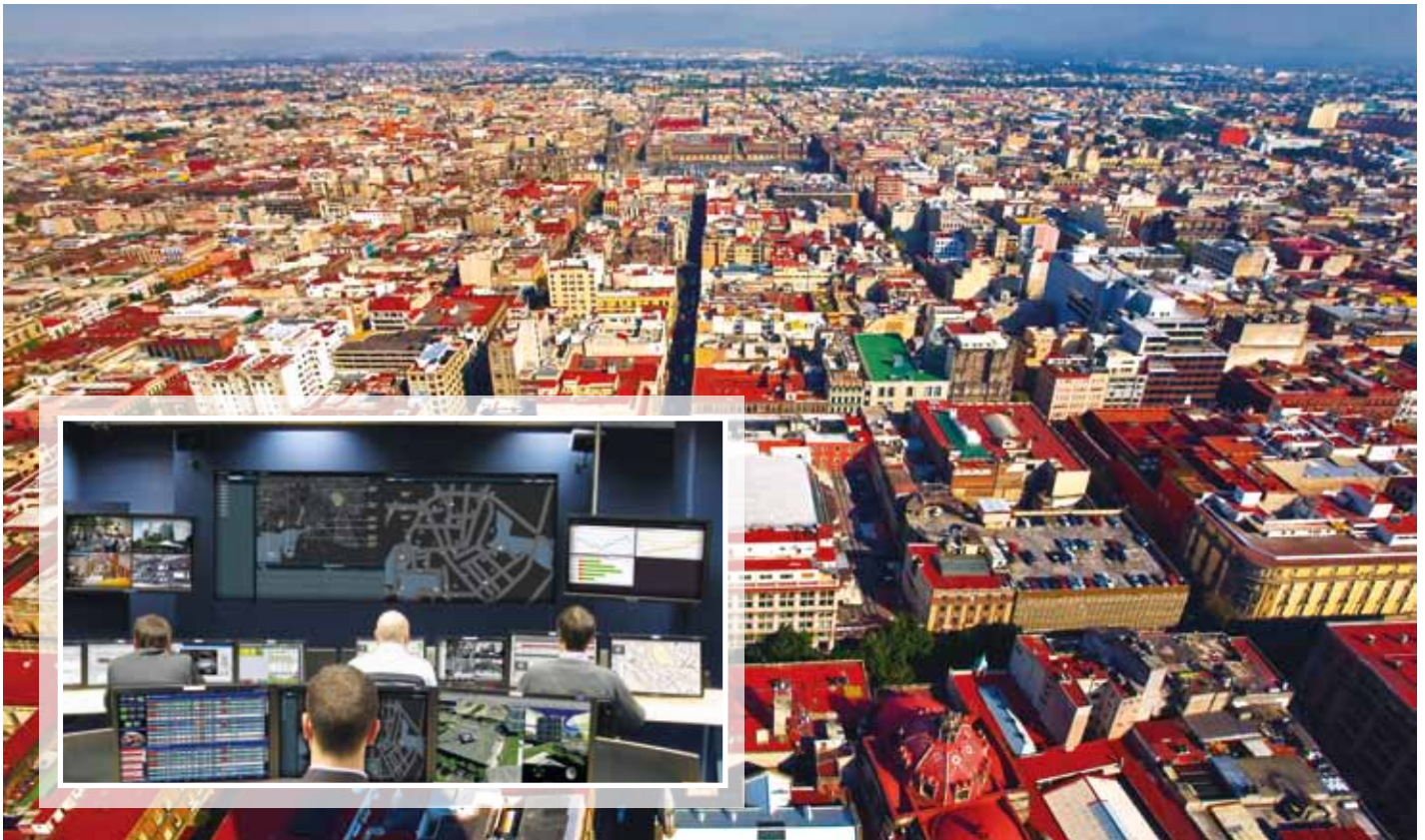
Over time, we have also built up an in-depth knowledge of the markets we serve, leveraging decades of experience to grasp the intricacies of our customers' operational decision-making processes and propose the best solutions for every situation.

### Brussels: a decision every two seconds

Air traffic controllers at the national en-route control centre at Brussels airport manage 40,000 km<sup>2</sup> of airspace. On the busiest days in the summer, they guide up to 3,000 flights a day through seven control sectors using the Eurocat air traffic management system from Thales.

## Mexico City: a decision every four minutes

In the metropolis of Mexico City, Thales is setting up an intelligent urban videosurveillance system to prevent and respond to terrorist threats, crime and natural disasters. The integrated system is extraordinarily complex, with more than 8,000 CCTV cameras installed in the streets and in the 175 stations on the city's 11 metro lines, 25 emergency calls coming in every day from help points around the city, 5 regional command and control centres, 20 emergency response centres, 2 mobile command centres and 2 surveillance drones mobilised around the clock.





OUR

# STRATEGY



Our strategic objective is to generate sales of €20 billion a year by 2020, balanced equally between civil and military markets, and to span the entire value chain from equipment to systems-of-systems, with services accounting for 25% of our business.

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Underpinning our vision of the future is a clear strategy based on some key strengths: dual civil/military capabilities, an involvement in several highly complementary markets, and an exceptional international footprint. The **three planks** of our strategy are as follows:

### Growth

Most of today's **growth markets** are in Asia, Latin America and the Middle East. We intend to further expand our local industrial operations to meet the demands of local customers – most of them national governments – who want their countries to benefit directly from the skills and technologies that a company like Thales can provide.

Under this new approach to its markets, Thales has empowered local entities, in their areas of specialisation and in line

with their capacities and potential, to develop and grow their businesses. This is one of the key principles behind Thales's new organisation, which aims first and foremost to keep us in touch with our customers as closely as possible.

Key Account Managers provide a single point of contact for major customers around the world and develop unique, long-term relationships with each account.

**Europe** remains Thales's historical core market. As a key player in the defence community, with a significant industrial presence in many European countries, we are playing a leading role on some of Europe's largest programmes, most of them conducted on a cooperative basis, in areas as varied as equipment and systems for land forces, aerospace, naval defence, satellites, missile systems and C4I<sup>1</sup> – a

role that strengthens our positions in these domestic markets and adds prominence to the part we may play in any further industry consolidation. In civil aviation, space and ground transportation, Thales is a major player on some of today's largest strategic projects. With the expansion of air traffic, growing use of satellites and plans to upgrade ground transportation infrastructure, this experience is an important asset for the future.

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1. Computerized Command, Control, Communications and Intelligence.

### Divisions and Areas

The Group's operations are organised by division and by geographical area.

**Divisions** are responsible for defining global market strategies, setting research and development priorities, product policy and industrial policy, to meet long-term profitability targets set at corporate level. Thales has seven divisions: Defence & Security C4I Systems, Defence Mission Systems, Land Defence, Air Operations, Avionics, Transportation Systems, and Space]

**Geographical areas** are responsible for implementing these global strategies and policies in line with Thales's short-term profitability objectives. They also have responsibility for managing commercial relationships with local customers, order intakes, revenues and financial performance.

### Innovation

To provide customers with high-tech solutions and services that meet their future requirements, Thales needs to innovate constantly. The purpose of all our innovations is to **create value for customers**, sometimes by using technology but also by finding new ways of doing business or organising ourselves, better ways to manage our processes and combine our talents. The effectiveness of Thales's R&D effort hinges largely on the **decentralised nature of our operations**, with **centralised coordination** around strategic priorities. R&D teams are based in all the company's main countries of operation.





One of the priorities of Thales's R&D policy is to develop **technological synergies across the organisation**, particularly by leveraging our dual civil/military capabilities, so that all our markets benefit from the full potential of our expertise and experience. Key projects in areas including command and control, hypervisors, high-grade computer security and active-array radar antennas are being conducted on a multi-divisional basis for this reason.

Thales is stepping up its policy of **open innovation** with the academic community, research institutes and innovative SMEs.

We are also speeding up our investments in the resources needed to create **global product lines** in areas including tactical software radio, radar, sonar, optronics, maritime surveillance, cybersecurity, air traffic control and rail signalling.

## Performance

Only high-tech businesses that continuously improve their operational performance, simplifying their processes and optimising the way they manage projects and risks, will have the enduring investment capacity they need to develop state-of-the-art solutions for their customers over the long term.

Setting best-in-class standards, sharing best practices and learning how to work even more cohesively as a team – these are the objectives of the Probasis performance plan for 2010-14 and our new business process baseline, the Chorus 2.0 reference system.

This comprehensive set of measures is steadily enhancing our ability to meet the commitments we make to our customers.

# OUR STRENGTHS

SHARED  
VALUES [p15.](#)

DUAL CIVIL/MILITARY  
MARKETS [p16.](#)



## OUR VALUES

Focus on customers

Innovate

Enhance performance  
through teamwork

Develop our people

GLOBAL  
PRESENCE p18.

## DEFENCE



### RANKINGS

- # 1 worldwide in sonar
- # 2 worldwide in military tactical radio
- # 3 worldwide in naval electronics
- # 3 worldwide in surface radar
- # 4 worldwide in C4I systems
- # 5 worldwide in optronics

### CREDENTIALS

Thales provides all branches of the armed forces with a complete range of equipment, systems and services fully integrated into land, air and naval platforms to meet new demand for interoperability, C4ISTAR (computerised command, control, communications, intelligence, surveillance, target acquisition, reconnaissance), unmanned air systems and other critical capabilities. By making it simpler to coordinate joint and coalition operations and deliver the right effect at the right time, Thales systems and solutions help deployed forces maintain decision superiority under all circumstances.

## SECURITY



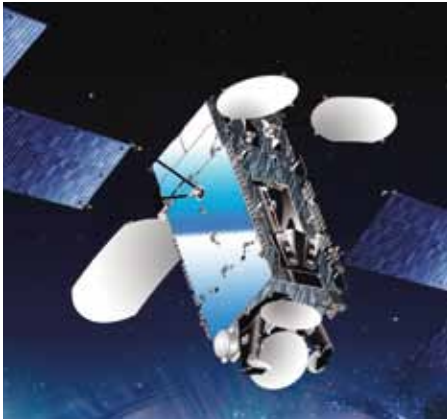
### RANKINGS

- # 1 worldwide in interbank transaction software security
- # 3 worldwide in hardware encryption systems

### CREDENTIALS

Time-honoured expertise in the defence sector underpins our ability to design, develop and deploy integrated, resilient solutions to meet national security and public safety requirements. State-of-the-art solutions from Thales protect complex infrastructure (airports, harbours, borders), sensitive data (encryption, network security management) and information systems.

## SPACE



### RANKINGS

- # 1 in Europe and
- # 3 worldwide in commercial/civil satellites

### CREDENTIALS

Thales provides commercial, institutional and military customers with end-to-end systems, satellites, payloads and ground segments for telecommunications, Earth observation, navigation and scientific research. The Group is playing a leading role on the largest civil and military space programmes, including the Iridium Next constellation, the International Space Station, Cosmo-SkyMed, Meteosat and Helios, and is also involved in exploring the planet Mars – possibly the most exciting space adventure of our time.

## AEROSPACE



### RANKINGS

- # 1 worldwide in air traffic control
- # 2 worldwide in in-flight entertainment
- # 3 worldwide in avionics

### CREDENTIALS

Thales provides both onboard electronic equipment and ground systems for air navigation and air traffic control. The company is a first-tier supplier of avionics to leading aircraft manufacturers. In air traffic management, our solutions span the entire flight-plan surveillance and security chain. Thales is playing a central role on major modernisation programmes in this sector, including Europe's future air traffic management infrastructure.

## GROUND TRANSPORTATION



### RANKINGS

- # 2 worldwide in rail traffic control
- # 1 worldwide in supervision solutions

### CREDENTIALS

Thales has developed a structured portfolio of solutions and services dedicated to mainline and urban rail transport and urban toll road management. This positioning sets Thales apart from more broad-based suppliers with offerings dominated by rolling stock, and from smaller specialised businesses, which tend to focus on a single area of expertise. In each of its market segments, Thales is a recognised specialist and leader. The company's international footprint is also exceptional, with six competence centres and fifteen integration centres on five continents.



## NORWAY

- 
- > 180 people
- > Main location: Oslo

## ITALY

- ● ● ● ●
- > 2,800 people
- > Main locations: Rome, Turin, Florence, Chieti, Milan, L'Aquila
- > Thales Alenia Space and Telespazio, joint ventures with Finmeccanica, make up the Space Alliance.

## NETHERLANDS

- ●
- > 2,030 people
- > Main locations: Hengelo, Huizen, Delft
- > R&D: cooperation with Delft University of Technology and TNO.

## BELGIUM

- ●
- > 820 people
- > Main locations: Charleroi, Tubize, Liege, Brussels.

## SWITZERLAND

- ●
- > 240 people
- > Main location: Zurich.

## GERMANY

- ● ● ● ●
- > 2,980 people
- > Main locations: Stuttgart, Frankfurt, Laupheim, Ulm, Koblenz, Kiel, Pforzheim
- > Competence centre in mainline rail signalling
- > Competence centre in tubes and amplifiers for satellites
- > Joint ventures with Diehl in avionics (Diehl Aerospace) and cabin systems (Diehl AirCabin).

## AUSTRIA

- 
- > 320 people
- > Main location: Vienna.

## ROMANIA

- 
- > 190 people
- > Main location: Bucarest.

## SOUTH KOREA

- 
- > 1,820 people (STC)
- > Main locations: Seoul, Gumi, Daejeon, Bundang, Yongin
- > Samsung Thales Co. (STC) Ltd, a joint venture formed in 2000 with Samsung in the defence sector.

## CHINA

- ● ● ● ●
- > 630 people
- > Main locations: Beijing, Shanghai, Nanjing, Kunming, Hong Kong
- > Research cooperation agreements with Beijing Jiaotong University and Tongji University (Shanghai)
- > Several joint ventures in air traffic management (Beijing Easy Sky Technology Ltd, Thales Tianjin Radar Technologies), transportation, optronics and tubes for medical applications (Shanghai Thales Electron Tubes).

## SINGAPORE

- ● ●
- > 480 people
- > Joint laboratory with CNRS and Nanyang Technological University.

## SAUDI ARABIA

- ● ● ●
- > 880 people
- > Main locations: Riyadh, Jeddah
- > Joint venture with AEC in simulation
- > R&D: framework cooperation agreement with King Saud University.

## INDIA

- ● ● ●
- > 250 people
- > Main locations: Delhi, Bombay, Chennai, Cochin, Vishakapathnam, Gwalior
- > Joint venture with Samtel in avionics.

## AUSTRALIA

- ● ● ● ●
- > 3,330 people
- > Main locations: Sydney, Melbourne, Bendigo, Benalla, Rydalmere
- > Competence centre in air traffic management systems
- > Competence centre in military vehicles.

● Security ● Defence ● Research facility

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