

THALES



Thales Security activities
Investor Day
Velizy, 28 November 2008

//// Agenda

Vision/Strategy

Focus on our vertical markets

- Ground Transportation
- Critical Infrastructure
- Government
- Industry & Finance

Action plan & Outlook

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//// Thales Group Profile



**World leader for
mission-critical Systems** ////



Three core businesses

- Aerospace & Space
- Defence
- **Security**



€12.3bn annual revenues

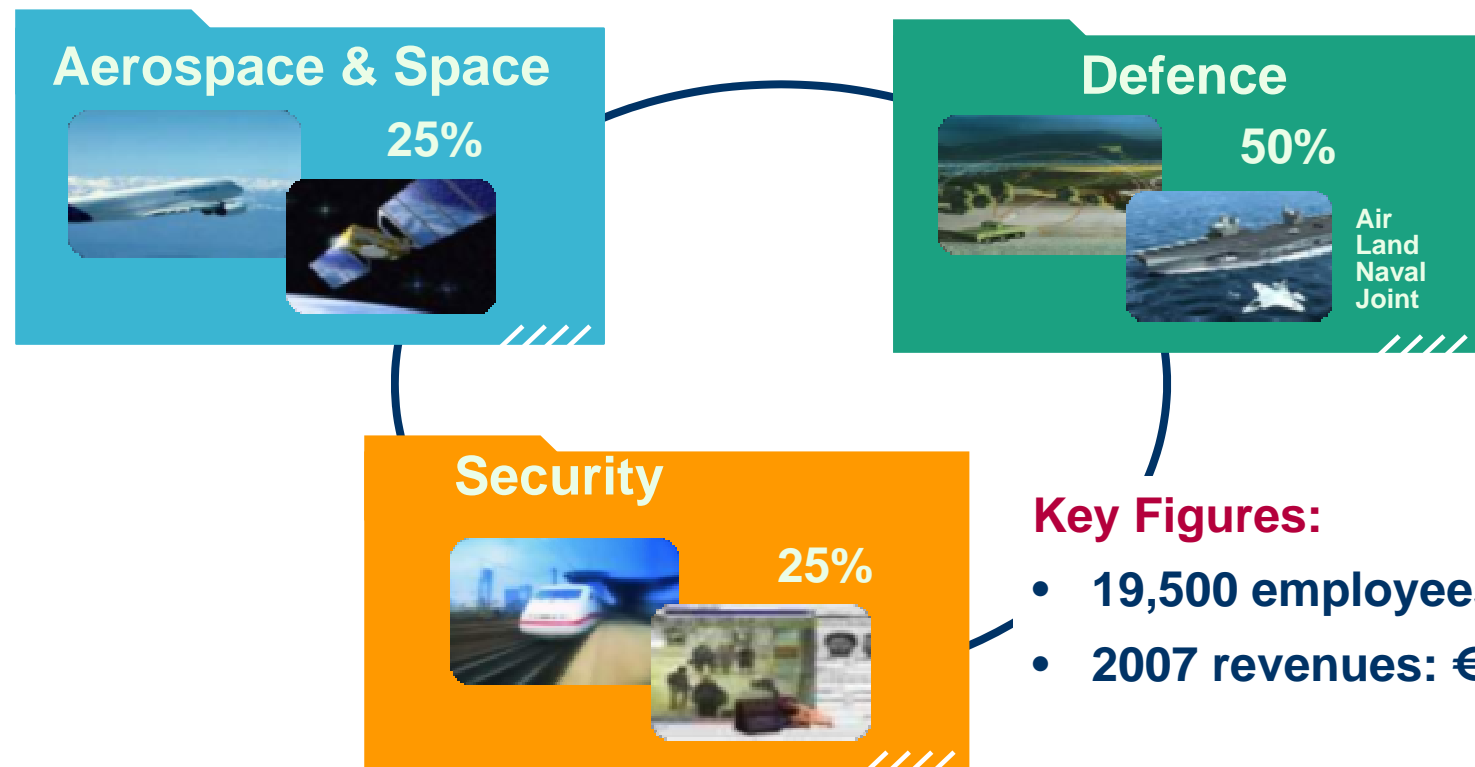


A Worldwide Group

- 68,000 employees worldwide
- Presence in 50 countries

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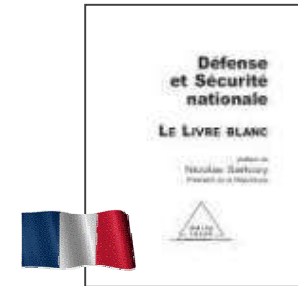
//// Three core businesses



Key Figures:

- 19,500 employees
- 2007 revenues: € 3.4bn

//// From Defence to Nation Security



National Security ////

Intelligence

**Critical Infrastructure
Control & Protection**

**Border Surveillance
& Control**

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//// Market Positioning Confirmed

Ground
Transportation



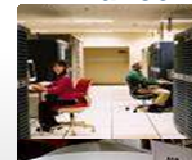
Critical
Infrastructure



Government



Industry &
Finance



**Mission Critical
Solutions**

Security & Safety Markets

- Growth is confirmed as security & safety needs develop for **mission critical systems**
- Clear differentiators confirm Thales as a strong Value-Add systems integrator
- Thales provides a much needed coherence to a still fragmented market

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//// Target market = € 38bn



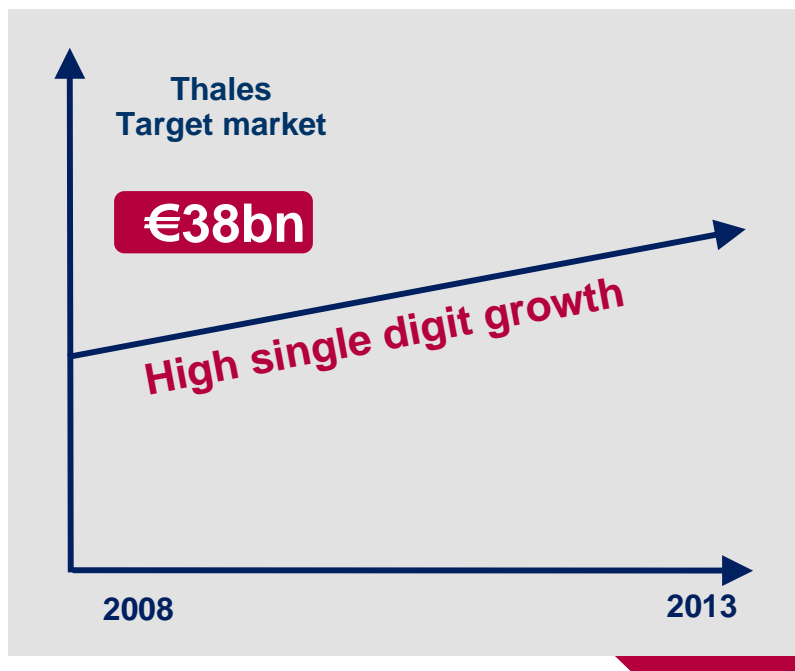
Source: Thales sub-segment analysis
and competitors analysis

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//// Safety & Security markets = Attractive markets



Large fast growing markets



Well identified drivers



The new priorities of our society

- Intelligent transportation networks
- Energy demand / security of supply
- The world is going mobile
- Increasing threats and increasing anxiety of citizens
- Information security & privacy
- E-commerce and electronic value bearing transactions



Technological trend

- move to IP networks
- ICT* convergence
- Defence security continuum

*Information & Communication Technologies

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//// Strategic Positioning 2009 - 2011



Strong focus on 4 mission critical markets ////



reinforcing our **differentiators**

- **Key Enabling Technologies**
- **Key Enabling Competences**
- **Packaged Modular Solutions**

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//// “Key Enabling Technologies” for our Customers



- **ICT Security**
- **Supervision**

//// ICT Security



Products / Components Portfolio

- Application security
→ **Payment security, authentication & ID management**
- Network security
- Secured telephony
- Cryptographic components of security products



For Defence, Banking & Enterprise



nCipher acquisition perfectly complements:

- our encryption Portfolio
 - Application security
→ **Data security & key management**
- our 'Go To Market'



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Intelligent modular SUPERVISION system Powerful, efficient command & control

A highly optimized & powerful control toolset
For transportation operation centres and Critical Infrastructure
management & protection



Key benefits for the customer

- High level of integration, information fusion, automated decision support features
- Intuitive “web” style man machine interface
- Service Oriented Architectures (SOA) supports convergence of users
- Security (« Secured by Thales »)



Key benefits for Thales

- Improved Thales competitiveness: modular building block systems secure life-cycle evolution upgrade

//// Supervision



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//// Strategic Positioning 2009 - 2011



Strong focus on 4 mission critical markets ////



reinforcing our **differentiators**

- Key Enabling Technologies
- **Key Enabling Competences**
- Packaged Modular Solutions

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//// “Key Enabling Competences” for our Customers



- Mission Critical Outsourcing
- Training & Simulation
- Global system integration capability

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//// Mission Critical Outsourcing



- Focus on core markets
- Focus on mission critical services
- "Best of breed" solutions
- Competence centre for Thales

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//// Training & Simulation (1/2)



Training operators is Critical



Command & Control systems are increasingly powerful



Proven capabilities in pilots training

70,000 hours of training delivered annually by Thales in UK, France and Germany



Competence centre to extend training capabilities to other verticals



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//// Training & Simulation (2/2)



45 years of leading simulator design and production



**N.1 in Europe
N.2 worldwide**



- Civil & Military Aviation**
- Helicopters**
- Land**
- Crisis Management**



Competence centre for Synthetic Environment



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//// Global system integration capability



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//// Global system integration capability



Integration Centres Mission

Combining system
integration capabilities



The right way
for profitable
growth

- Manage bids and deliver programmes
- Manage and optimise local resources (system integration and support functions)
- Host and coordinate locally-based sales teams

//// Strategic Positioning 2009 - 2011



Strong focus on 4 mission critical markets ////



reinforcing our **differentiators**

- Key Enabling Technologies
- Key Enabling Competences
- **Packaged Modular Solutions**

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//// Packaged Modular Solutions

Ground
Transportation



Critical
Infrastructure



Government



Industry &
Finance



**Mission Critical
Solutions**

Thales Value Add

Security & Safety

Packaged Modular Solutions

PMS

A market driven defined generic package of products and services

- **Benefits**
 - Maximum re-use (generic solutions)
 - Increased customer confidence (proven solutions)
 - Leverage Integration Centres capabilities to customise solutions
 - More added value and greater margins
- **40 PMS available by 09 Q1**

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//// Packaged Modular Solutions



Main Line Control Solution

- European Train Control Systems (ETCS)
- « Secured by Thales »



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//// Packaged Modular Solutions



E-Ticketing / Integrated Fare Solution for Metro

- Multi-modal, multi-operator
- « Secured by Thales »



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//// Packaged Modular Solutions



Road Tolling/ Free Flow Tolling Solution

- Simultaneously manages several lanes
- Collect fees without impeding the flow of traffic



//// Packaged Modular Solutions



Critical Infrastructure Protection Solution

- Integrated security monitoring & supervision
- « Secured by Thales »



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//// Packaged Modular Solutions



Large Urban Security Solution

- Prevention and management of incidents and emergencies
- Multi-agencies interoperability

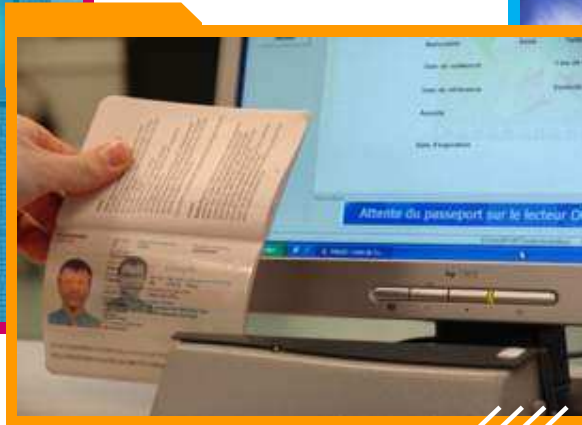


//// Packaged Modular Solutions



End-to-end Identity Management Solution

- From data acquisition to ID document personalisation and delivery
- « Secured by Thales »



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//// Packaged Modular Solutions



Product & Asset Lifecycle Management Solution

- Provided to companies such as Turbomecca, Alstom and Airbus
- Consultancy, solution design, implementation and application management

