

**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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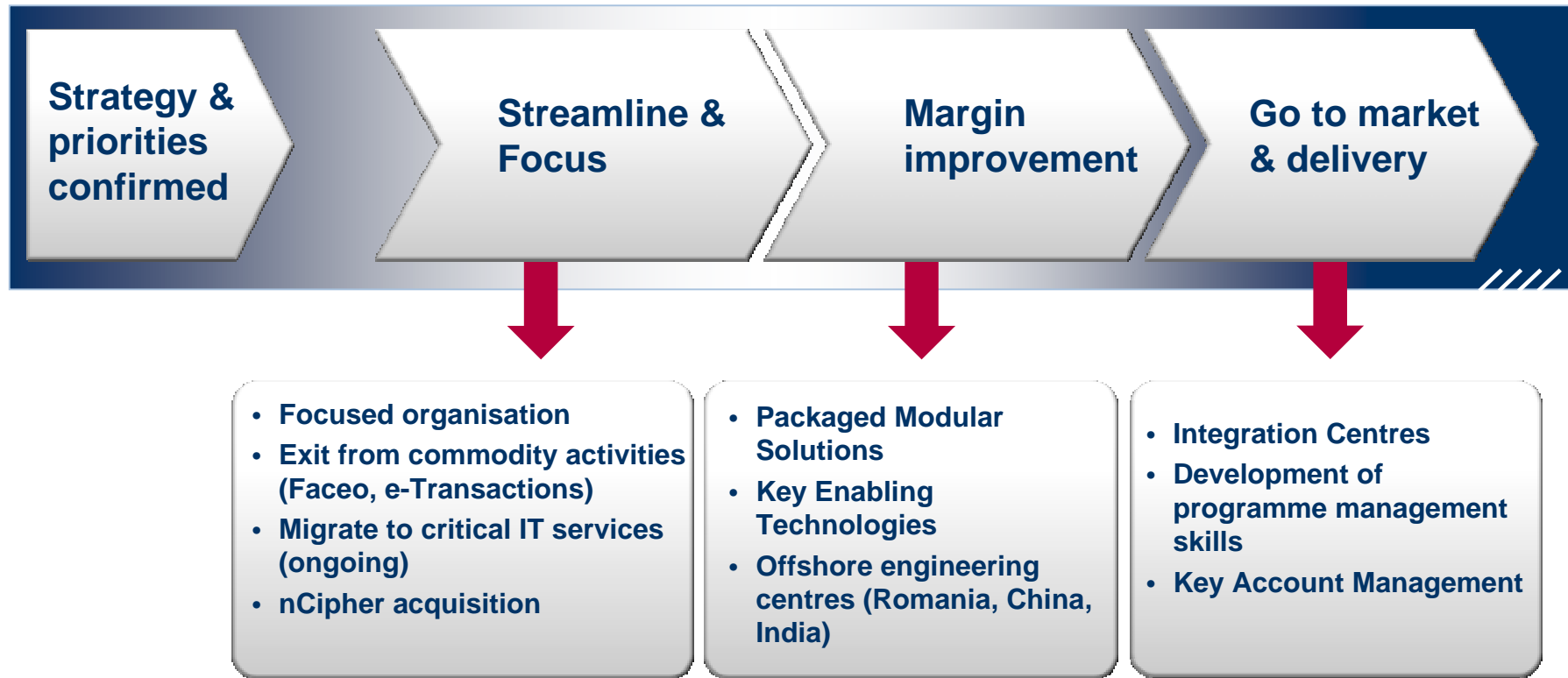
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**AEROSPACE  
DEFENCE  
SECURITY**



**Action Plan  
Outlook**

## //// Achievements versus last year plan



## //// Processes integration

- ⑤ Packaged Modular Solutions implementation
- ⑤ Programme management (Primavera)
- ⑤ Engineering management (Orchestra)
- ⑤ Supply Chain integration
- ⑤ ERP convergence
- ⑤ CRM deployment
- ⑤ CMMI certification

ERP = Enterprise Resource Planning  
CRM = Customer Relationship Management  
CMMI = Capability Maturity Model Integration

## //// Ticketing Programmes



### Denmark and Holland programmes: under control



#### Denmark

- Addendum agreement signed in July with the customer
- First key milestone : 8/12/08 for the delivery of the system under control



#### Holland

- Development phase will end on February 2009 (certification of the system)
- Support phase is starting without major risks with recurring revenue



### Full review of backlog: done



### Transformation plan: defined & started



### Competitiveness plan (new product development)



### Full turnaround completed by 2010

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## //// Key priorities: 2009-2011



### Manage profitable growth



#### Ground transportation

- Consolidate leadership
- Organic growth



#### Critical infrastructure protection

- Focus on Oil & Gas and airports
- Middle East



#### Government

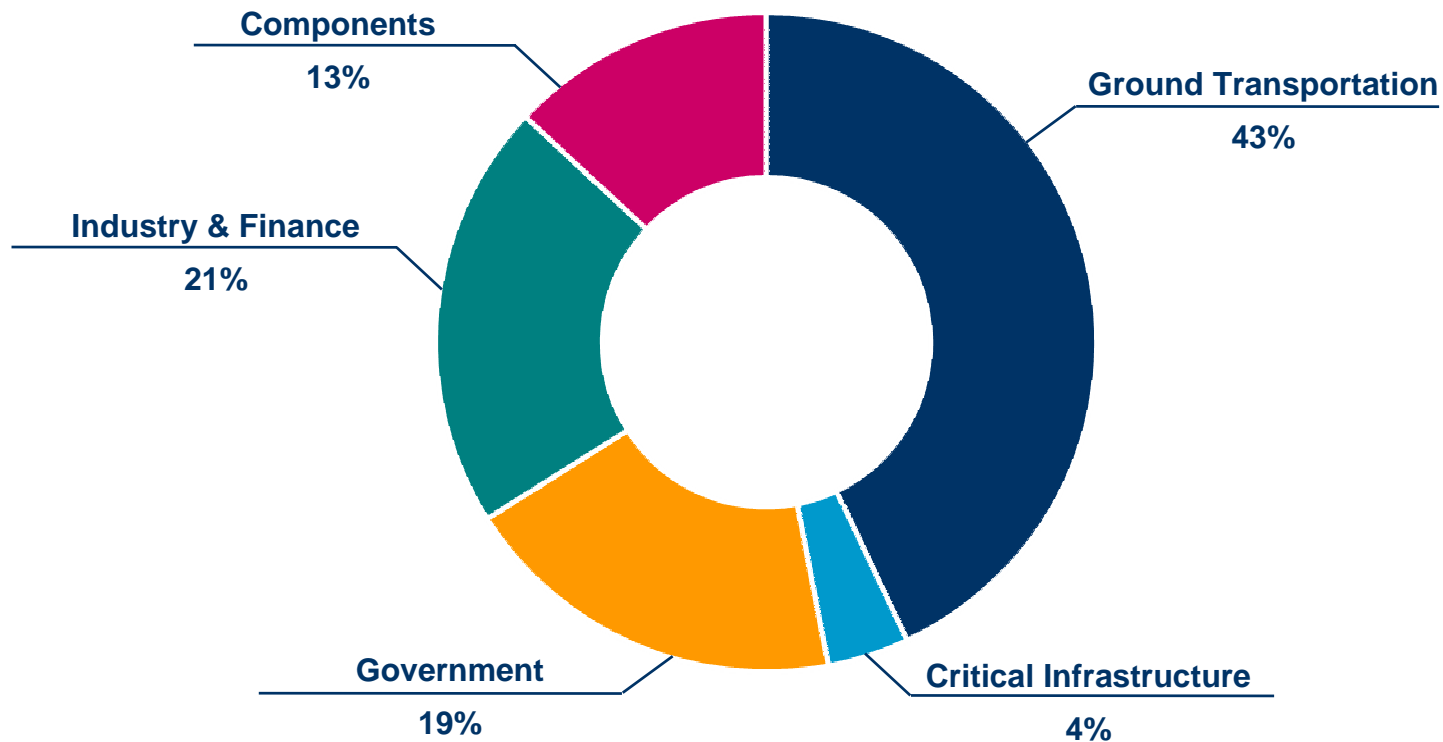
- Digital ID
- Large urban security



#### Industry & Finance

- Migrate to Mission Critical Services
- Secured by Thales

## //// Security domain: 2007 sales by market segment





## //// Critical Components



### Security

- Inspection & identification systems for the immediate checking of baggage / cargo



### Space & telecom

- More than half of all images & data transmitted worldwide go through a Thales tube



### Defense

- At the source of defense & communications excellence for over thirty years



### X- Ray imaging

- One out of every two medical exams in the world uses a Thales detector

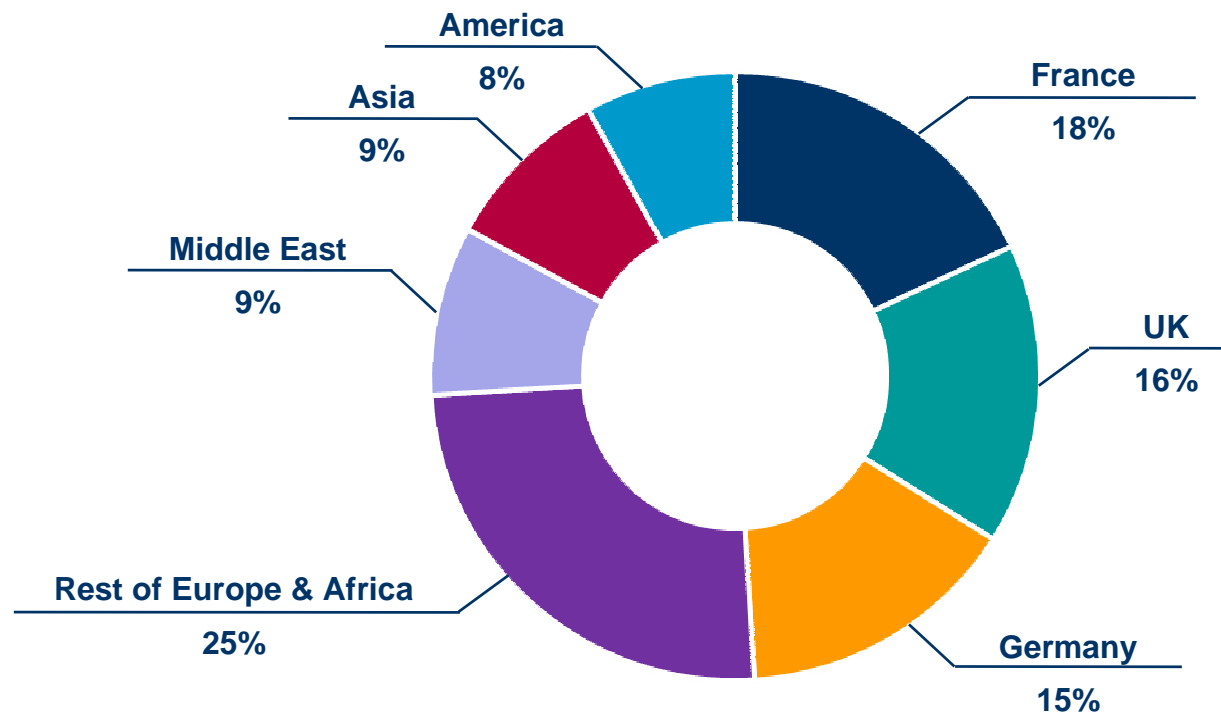


### Non destructive testing



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## //// Security domain: 2007 sales by destination



**A balanced international base** ////

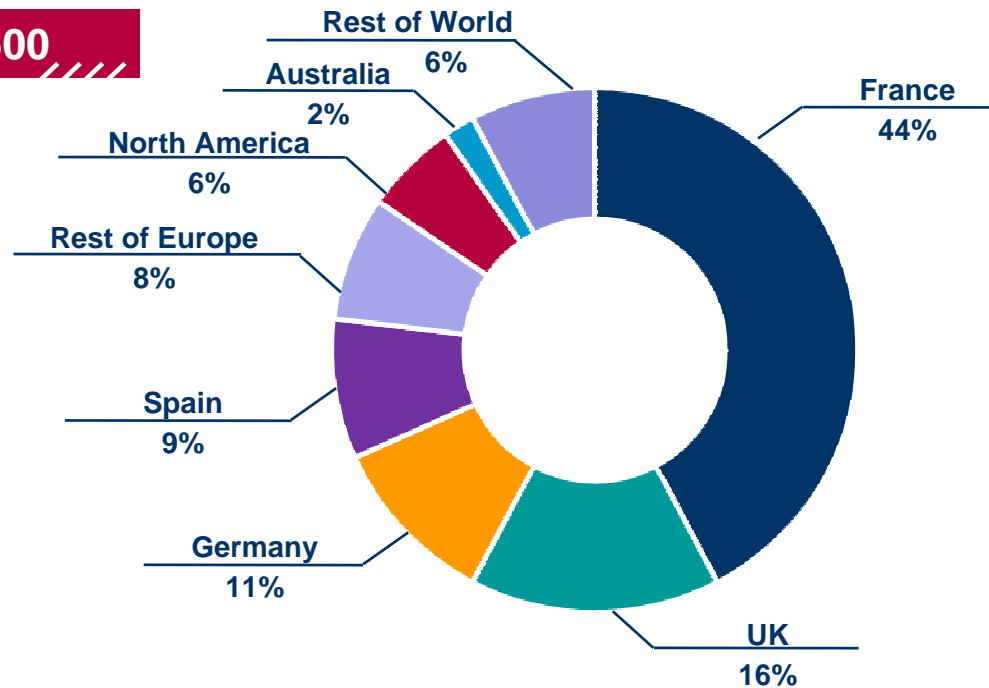
Note : 2007 Ex-Group Sales

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## //// Security domain: 2007 headcount by country



**Total Headcount : 19 500**



**A wide international presence**

Note : JV's at 100%

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## //// Security domain outlook (1/2)



**2007** ////

- Revenues: €3.4bn (+9% organic growth)
- EBIT: 6.6%



**2008** ////

- Backlog 1st January: €5 bn
- Order Intakes: double-digit growth
- Flat revenues (streamlining, ticketing issues)
- EBIT
  - H1: 3.7% (€45m impact of ticketing programmes)
  - H2: Return to « normal » levels

## //// Security domain outlook (2/2)



**2009-11** ////

- **Revenues: resume growth**
  - Objective: mid-single digit in 2009 to high single digit by 2011
- **EBIT**
  - Limited impact of global economic crisis in 2009
  - 2009-2010: continuing improvement despite impact of low-margin programmes in Ticketing
  - Objective: in line with Group average by 2011


## //// The team




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EVP Thales  
SVP Security  
Solutions &  
Services




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Training & Simulation




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**Justin Walker**  
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**Klaus Wustrack**  
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VP, Managing  
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Components

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**Delivering  
Security Solutions & Services**

**you can trust**

