

If you are in any doubt about the merits of the Offer or the action you should take, you are recommended to contact a duly authorised independent financial adviser.

THALES

THALES EMPLOYEE SHARE PLAN 2002

COUNTRY ADDENDUM

UNITED KINGDOM

You have been invited to participate in the Thales Group Employee Share Plan 2002 (the "Offer"). You will find below summary information relating to the Offer in the UK. This Country Addendum should be read in conjunction with the Reservation and Subscription Form, the All About the Offer Brochure and the Tax Information for Employees documents relating to the Offer. If you would like further information on how to participate in the Offer, please contact Michael Seabrook, Assistant Corporate Secretary, Thales Plc, 2 Dashwood Lang Road, The Bourne Business Park, Addlestone, Nr. Weybridge, Surrey KT15 2NX, or your local Share Scheme Representative or TUES Representative.

Subscription Price

The Offer subscription price will be calculated by reference to the average opening market price of a Thales share on the French stock exchange over the 20 trading days preceding a date to be set by the Board of Directors. A 20% discount will be made to this price and this discounted price will represent the subscription price.

The subscription price will not be known during the reservation period. The subscription price will be calculated after the reservation period has closed and will be communicated to you after it is set. Once the subscription price is set, you will have a three-day revocation period to cancel your reservation if you wish. Please refer to the All About the Offer Brochure for further information on the timetable for the Offer and in particular the dates for the reservation period, the revocation period and the setting of the subscription price.

The Thales shares that have been issued pursuant to the Offer will be held in a FCPE (a French collective investment vehicle) and you will be issued units in the FCPE in accordance with the value of your subscription. Except in certain circumstances you will not be able to redeem your units until April 2007.

The subscription price is denominated in euros, the currency of the European Union. However, you will make payment in pounds sterling which will be converted to euros at an exchange rate that will be fixed and guaranteed from the date the subscription price is set, up until the subscription price has been fully paid. At the time the subscription price is set, your employer will communicate to you the subscription price in pounds sterling.

It is important to note that your investment in the Offer is denominated in euros. The value of your investment at redemption (April 2007 or earlier in the case of an early redemption event) will be based in euros. Consequently, fluctuations between the euro currency rate and that of the pound sterling may affect the value of your investment on redemption.

Payment

Once the subscription price has been set and all of the the reservation and subscription forms processed, you will receive a statement informing you of the number of FCPE World Classic 2002 and FCPE World Leverage 2002 units that were issued in your favour and the dates for payment. In order for Thales to process your reservation and subscription form, you must elect your preferred method of payment on that form.

Payment for your units will be by way of Direct Debit. However, you may choose to pay for your units either by way of a lump sum or by 12 monthly instalment payments. You will be asked to specify your preferred payment method on the Reservation and Subscription Form.

Taxation

Please see the Tax Information for Employees for more details about your liability to taxation.

Declarations and Obligations

You must acknowledge that in participating in the Offer you are not relying on any financial, tax or other advice from the Thales Group or any of its officers, employees, agents or representatives.

You must also acknowledge that the Offer and the terms of the Reservation and Subscription Form and this Country Addendum are governed by French law.

In the event of your failure to pay the full amount for your units and Thales invokes its rights as set out in the Representations and Warranties on the back of the Reservation and Subscription Form, any balance arising from a sale of your units (to cover the payment of sums owed by you and the 5% lump-sum of sale proceeds for costs incurred due to your failure to pay) shall be repaid to you in such manner as Thales shall deem appropriate.

Maximum Subscription Amount

Your total combined contribution to the Thales World Classic 2002 Plan and the Thales World Leverage 2002 Plan and any other company savings plan that you are invited to participate in by the Thales Group during the same period cannot exceed 25% of your annual gross remuneration. Please note that if you choose to contribute to the Thales World Leverage 2002 Plan the bank's contribution under this plan is included for the purposes of calculating the amount of your subscription. This means that if you were to only contribute to the Thales World Leverage 2002 Plan your total contribution could not exceed 2.5% of your annual gross remuneration because of the leverage effect of the additional bank contribution on the value of your subscription.

Ceasing Employment

In the event that you cease to be employed by the Thales Group, the total balance owing in respect of the units allocated to you will become due and payable immediately. If you fail to pay the total amount due, Thales and your employer shall have the right to sell your units as set out above and in the case of your employer, the right to deduct any amounts owing from any entitlements or benefits that you would otherwise be entitled to upon ceasing to be employed by the Thales Group.

Redemption

You will not be able to redeem your units until April 2007 other than in the circumstances prescribed by French law described below. You will be informed of the availability of your units two months prior to April 2007. Redemption shall be in cash or in shares.

If you choose not to redeem your units at that time, any shares attributable to your units will be automatically transferred to or remain (depending whether you elect to participate in the World Leverage 2002 Plan or the World Classic 2002 Plan) in the World Classic 2002 section of the FCPE Actionnariat Salarié Thales. You may then subsequently redeem your units on demand.

Early Redemption

Under French law, you may be permitted to redeem your units before April 2007 in the event that you cease to be employed by the Thales Group by reason of (i) death, (ii) injury, (iii) disability or ill-health, (iv) retirement, (v) redundancy or (vi) the company or business unit which employs you ceases to be part of the Thales Group.

In the event of any such early redemption of your units, you must authorise Thales to deduct from your redemption monies any sums owed to Thales in respect of your units.

Before relying or attempting to rely on any of these early redemption events, you should consult with your local employer to make sure that your case meets the necessary requirements. If you leave the employment of the Thales Group prior to the end of the lock-up period in circumstances which do not fall within one of the above exemptions you will not be able to redeem your units until after the lock up-period ends.

Revocation

Following the subscription period there will be an opportunity for you to withdraw your application once the offer price is known. This withdrawal period will be from 11th to 13th December and you will need to complete the enclosed Revocation Form at that time. Revocation Forms will only be accepted if transmitted by fax to the numbers indicated on the Revocation Form.

Change of Circumstances

If any of the circumstances set out in the Change of Circumstances Form accompanying this Country Addendum change whilst you hold units in the World Classic 2002 or the World Leverage sections of the FCPE Actionnariat Salarié Thales, you must immediately complete and submit a Change of Circumstances Form to Mourant ECS Trustees Limited. Additional copies of the form can be obtained from your employer's human resources department.

Local Thales Representative

You may address any questions you have in connection with the Offer, or the related documents that you have received to Michael Seabrook, Assistant Corporate Secretary, Thales Plc, michael.seabrook@uk.thalesgroup.com, telephone number 01932 824800, fax number 01932 824922, or Mourant ECS Trustees Limited at the address below.

The Reservation and Subscription Form must be completed, signed, dated and, *having taken a copy for your records*, returned together with your direct debit form in the reply paid envelope to Mourant ECS Trustees Limited at the address set out below no later than 17 October 2002. Forms that are post-marked after this date will not be accepted.

*Mourant ECS Trustees Limited
4th Floor
35 New Bridge Street
Blackfriars
London
EC4V 4PL*

Helpline: 020 8667 3210

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