

## Important Notice - Closing price - Share Incentive Plan 2011

The Accumulation period ended on 31st October 2011

Thales share price on 31st October was €25.610 (approx £22.36)

The applicable exchange rate was 0.87310 for €1

Participants have therefore purchased shares at the lower price: **€25.610 x 0.87310 = GBP 22.36**

Participants have also been awarded 1 matching share for every 5 partnership shares acquired.

The total number of shares available for the Thales UK SIP 2011 was 52,000 (including matching shares)

As the offer was over subscribed, all subscriptions up to the average (57 partnership shares + 11 matching shares) will be honoured in full. Excess amounts above the average will be scaled down by up to 50%.

Statements will be sent to each participant in December 2011

## Notice to all participants

The last page of the Partnership Share Agreement that you signed contains a statutory notice to participants regarding what effect the deductions from pay to buy partnership shares may have on participants' entitlement to or level of some contributory social security benefits, statutory maternity pay and statutory sick pay. HMRC, who governs the rules and regulations regarding Share Incentive Plans, have requested that we make all concerned aware that the reference to "wife or husband" in this notice should instead be a reference to "spouse or civil partner" and should be read in that context. Please contact the persons mentioned in the Offer Explanatory Guide if you have any questions in relation to this matter.

## Update to Important Figures & Dates

Please be aware that we need to amend the previously announced exchange rate as the one we published on the morning of 22nd June was actually the exchange rate for the 21st June. The true exchange rate for the 22nd June is: 1.1197

Therefore the Figures and dates should now read:

The accumulation Period started on 22nd June 2011

The share price of Thales S.A. shares on that date was €28.555 (approximately £25.50)

The exchange rate was €1.1197

The total number of shares available for the Thales UK Share Incentive Plan is: 52,000 (consisting of 43,500 Partnership shares and 8,500 Matching Shares)

Please note that the final price will be announced within 30 days of 31st October 2011

## Important Figures & Dates

For those employees that have applied for participation here are some important dates and figures:-

The Accumulation Period started on 22nd June 2011

The share price of Thales S.A. shares on that date was **€28.555** (approximately £25.32)

The exchange rate was: €1.1278

The total number of shares available for the Thales UK Share Incentive Plan is: 52,000 (consisting of 43,500 Partnership Shares and 8,500 Matching Shares)

Please note that the final price will be announced within 30 days of 31st October 2011

## Overview

The Company is pleased to invited you to invest in shares of Thales SA through the Thales 2011 offer.

### *Explanatory Guide*

The key features of this scheme are:-

- You have the opportunity to buy Thales SA shares using pre-Tax and pre-National Insurance Contributions Salary
- You can invest at a level that suits you with a minimum of £10 and a maximum of £1500 (or 10% of your Salary whichever is the lowest).
- Your contributions are made through payroll deductions over 4 months (starting in July 2011).
- You will be awarded 1 matching share for every 5 partnership shares purchased

- The share purchase price will be the lower of:-  
 The market price of the shares at the beginning of the accumulation period  
 or  
 The market price on the date on which the shares are acquired by the Trustees on your behalf

The Plan is a Share Incentive Plan ("SIP") currently the most tax effective method of share plans in the UK.

The Plan is open to all employees, regardless of length of service, who satisfy all of the following criteria;  
 You must:

- Work for a UK Participating Company as at 6th April 2011.
- Be ordinarily resident in the UK for tax purposes.

Dividends received on the Partnership and Matching Shares will be paid cash to you, directly to your bank account.

Partnership and Matching Shares are 'effectively' locked-in for 5 years (unless you leave for defined special reasons).

Generally, you cannot sell shares tax effectively for at least three years from the date of the offer. Please refer to the 2011 Thales Explanatory Guide published on this site for more details.

### Key Dates

6th May 2011	Launch of Share Offer
11th May 2011 to 24th May 2011	Reservation Period
22 June 2011	Start of the Accumulation Period
July	1st instalment from salary
August	2nd instalment from salary
Sept	3rd instalment from salary
October	4th instalment from salary
14th October 2011	Last day to change your mind
within 30 days of 31st October 2011	Shares purchased and final price announced

### What happens now?

Packs are being posted to your home address on 6th May. It will include, a **Partnership Share Agreement** which you need to complete and return using the Reply Paid Envelope, so that Computershare receives it **NO LATER THAN 24TH MAY 2011**.

Your pack will also contain the **Thales 2011 Offer Explanatory Guide** designed to give you all the details of this offer and also available at the top of this page.

We have included a **Plan Change Form** as once you have participated you have the right to change your mind up to 14th October 2011. This form allows you to suspend deductions from your salary and either use what has already been paid to acquire Partnership Shares or return all sums to you (after deduction of Income Tax and National Insurance Contributions).

### On Maturity - 2016

All shares are available to employees to sell free of Income Tax, NI and Capital Gains Tax. As with the previous offers, Computershare is the Trustee/Custodian of the shares. **See Contacts**.

Earlier withdrawals (Between 3 and 5 years) will attract Income tax and NICs.

### Need for Information?

Please refer to the **Frequently Asked Questions on this site or alternatively contact the Share Scheme Helpline on 0208 676 2571**