Thales is a global organisation focused on helping civil and military customers to perform difficult tasks in critical environments.

We bring them world-class technical expertise, well-established local teams and a commitment to long-term service, quality and continuous improvement.

We have a unique value proposition and play a central role in supporting their ability to protect people, property and information.

All our businesses draw on the same key technologies to deliver programmes efficiently. They are driven by the same quest for performance and innovation and guided by a Group-wide corporate responsibility policy that is recognised as one of the most stringent and proactive in the industry.

This is the world we live in. It’s changing constantly and becoming ever more complex. Thales believes that technology can make it a safer place, and we’re proud to be part of that process.

Chairman’s message

Wherever safety and security are critical, Thales delivers. Together, we innovate with our customers to build smarter solutions. Everywhere.
Collective intelligence for a safer world

With 61,000 employees in 56 countries, Thales plays a key role in keeping the public safe and secure, guarding vital infrastructure and protecting national security interests.

Wherever safety and security are critical, Thales delivers. Together, we innovate with our customers to build smarter solutions. Everywhere.

In all its markets – aerospace, space, ground transportation, defence and security – Thales helps customers to make the right decisions at the right time and operate efficiently.

Revenues in 2014
€13 bn

Order intake in 2014
€14.3 bn

Order book at 31 December 2014
€27.2 bn

EBIT(1) in 2014 (excluding DCNS)
€1.1 bn

Company-funded research and development
€675 M

Employees
61,000
(under management at 31 December 2014)

Balanced sources of revenues

Shareholders (at 31 December 2014)

French State
26.4%

Dassault Aviation
25.3%

Defence
35.7%

Civil
48.3%, of which employees: 2%

A shared vision

Together, Safer, Everywhere: three words that convey a vision shared by Thales employees all over the world:

. Together > Working together is our response to the complexity of our customers’ requirements and the key to our success.

. Safer > Safety and security are the common denominators of all our markets and the ultimate purpose of our technologies.

. Everywhere > Our global approach ensures that customers all over the world have access to the best expertise.

The leadership team

The Thales Executive Committee with Patrice Caine, Chairman & Chief Executive Officer.
**HISTORY OF A GLOBAL LEADER**

**COMPAGNIE FRANÇAISE THOMSON-HOUSTON (CFTH)** founded in France to produce and operate power generation and distribution systems and electric tram networks using technology patented by the US company Thomson-Houston Electric Corp.

1893

**Founding of CSF (Compagnie Générale de la Télégraphie Sans Fil)**

1919

**Formation of Thomson-CSF through the merger of CSF and the professional electronics businesses of Thomson-Brandt, successor to CFTH**

1968

**Nationalisation of Thomson SA**

1982

**Refocusing on professional electronics and defence electronics 1983-1987**

1987-1996

**Actif policy of external growth in the European defence sector**

1989

**Introduction of the defence electronics businesses of PHILIPS**

1998

**Privatisation and sale of the consumer electronics activities**

1998

**Alcatel becomes major shareholder**

2000

**Creation of ThalesAlenia Space European leader in satellites**

2007

**Acquisition of the transportation, security and space businesses of Alcatel**

2007

**Acquisition of RACAL**

2009

**Dassault becomes main industry shareholder**

2009

**Thales is now a global technology leader in aerospace, space, transportation, defence and security**

**Operations in 56 countries**

For many years, Thales’s international strategy has revolved around local country operations, making the Group a major industry player in its traditional countries of operation and now helping to expand its business in economies where growth is strong.

This strategy embodies Thales’s focus on customers and long-term customer satisfaction. It brings Thales access to major local programmes and opportunities for partnerships with local industries and research institutes, and is supported by a worldwide network of key account managers, competence centres and integration centres. / 01 /

**Inventing tomorrow’s products today**

Thales defines innovation as anything that breaks with the past and creates value, as perceived by customers, in terms of processes, organisational models, technical solutions or the way a company does business.

Many of Thales’s business activities are technology-intensive, making innovation a strategic priority and the driving force behind the long-term development of the Group. Thales research programmes help operating units to differentiate the Group’s products and solutions and gain a competitive advantage.

Thales is recognised for its expertise in all the key technologies needed to design and develop the mission-critical information systems its customers demand: large-scale software systems, onboard electronics for all types of platforms, secure communications and electronic transactions, sensors (radar, sonar, optical), supervision and satellite technologies.

Open innovation: Thales teams throughout the world are driven by the same quest for customer-focused innovation. The research facilities of Thales Research & Technology apply a model of open innovation designed to maximise interaction with the academic research community, Thales’s operating units and other technology providers. Concept development and evaluation environments offer new opportunities to work with customers on real-life scenarios and to develop solutions tailored to their current and future operational needs. At the same time, innovative product policies are being implemented at Thales entities to systematically shorten development cycles and limit programme risks.

The effectiveness of Thales’s R&D organisation hinges largely on decentralisation at the operational level. R&D teams based at more than 80 locations in the company’s main countries of operation are closely coordinated and focus their efforts on a few key strategic themes. / 02 /
Between 2007 and 2014, Thales cut its CO2 emissions by 67% and was listed among the top ten companies in France by the Carbon Disclosure Project (CDP) in 2014.

The Thales strategic vision is anchored in the culture of integrity that is one of our most cherished assets and underpins the trust and support of our stakeholders. For the last 15 years, Thales has pursued a policy of corporate responsibility and ethical business conduct based on transparency and constructive dialogue with customers, suppliers, employees, shareholders, financial markets and civil society.

Anticipation and risk prevention/ Strict compliance with applicable laws and regulations is the cornerstone of all of our business processes, but our corruption prevention and export control policies go well beyond compliance. Thales tries to stay a step ahead of regulations, playing an active role in the working groups that set ethical standards for our industry, and adapting our internal processes proactively, in particular through our Code of Ethics and a dedicated Group-wide ethics organisation, to stay aligned with global best practice. Corruption prevention is one of the pillars of our corporate responsibility policy(1), and we believe this policy gives us a competitive advantage that drives the Group’s long-term performance.

Investing in people/ Recognising that business success hinges on the creativity, expertise and teamwork of our employees around the world, Thales is committed to building sustainable, responsible relationships with employees as well as customers. Our human resources policy is designed to ensure that Thales employees everywhere share a distinctive set of values that set us apart from our competitors and enhance our performance as a company.

The fundamentals of this strategic commitment to people were laid out in the Thales Code of Ethics in 2001. They include fostering constructive dialogue with employees, supporting professional development, providing a safe and healthy workplace, promoting gender equality and diversity, and fighting all forms of discrimination.

Environment: a long-standing commitment/ For Thales, ethical business conduct includes taking active measures to protect the planet and build a companywide culture of environmental responsibility. We have adopted a structured approach aimed at reducing our overall environmental footprint, fighting climate change, protecting biodiversity and natural heritage, and anticipating future environmental challenges and emerging risks.

Thales also leverages its unique potential for innovation to reduce the environmental impact of the company’s products throughout the life cycle, from design to disposal or recycling. We are actively developing environmentally responsible solutions for customers, in particular to improve the environmental performance of public transport systems and monitor climate data.

(1) Transparency International ranked Thales in Band B of the Defence Companies Anti-corruption Index 2015, on a scale ranging from A (highest) to F (lowest), in recognition of the transparency and quality of the Group’s ethics and anti-corruption programmes. companies.defenceindex.org
Meeting the needs of the air transport sector

Thales is the only company in the world with leadership positions in both onboard equipment — for both cockpit and cabin — and ground equipment (radar, air traffic management systems, etc.). Market leadership in avionics, air traffic management and space systems makes Thales the world’s only company with the capacity to provide a comprehensive end-to-end response to the needs of the air transport sector.

We are contributing to the future prosperity of the civil aerospace industry by providing equipment, systems and services — in the air and on the ground — to support aircraft manufacturers, airlines, air traffic controllers, airports and civil aviation authorities in meeting the challenges of growth, safety, economic and environmental performance, security and passenger comfort.

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**01**
Two out of three aircraft in the world take off and land using Thales equipment.

**02**
Thales has equipped over 160 control centres around the world, which together cover more than 40% of global airspace.

**03**
More than 750,000 passengers use Thales inflight entertainment systems every day, equivalent to almost 274 million users per year.

**04**
Thales provides avionics systems for all Airbus airliners as well as aircraft built by ATR, Boeing, Bombardier, Dassault, Gulfstream and Sukhoi.
Supporting critical space programmes

Space systems play a vital role in modern societies, particularly for telecommunications, Earth observation (radar and optical), satellite navigation and deep-space exploration. Thales continues to set the global standard in each of these areas through two joint ventures with Finmeccanica of Italy: Thales Alenia Space and Telespazio.

We provide commercial, institutional and military customers with an exceptional combination of expertise spanning the entire value chain: equipment, payloads, satellites, systems and services. Our space businesses complement other Thales activities, and vice versa, giving us a distinct competitive advantage and enabling us to offer our customers complete end-to-end solutions and play a central role on some of the largest civil and military programmes.

In defence, for example, space systems are a key component of C4ISTAR (Command, Control, Communications, Computers, Intelligence, Surveillance, Target Acquisition and Reconnaissance). The space component is also prominent in most of the programmes now defining the future of air traffic management, and in rail and road traffic projects around the world.
Ground Transportation

Leading the way in transport solutions

Thales helps transport operators and infrastructure managers to get the most out of their investments by optimising their operational performance, offering better passenger services and managing the growing complexity of their networks. Thales systems and services make it possible to operate transport infrastructures at higher capacity and allow passengers and goods to get to their destinations more quickly, more safely and at lower cost.

We are one of the world’s foremost players in rail signalling systems and control and surveillance systems for urban and mainline rail networks, and also provide advanced fare collection and road tolling solutions.

A unique systems approach/ Most of the other players in the transportation sector have a background as rolling stock providers.

In contrast, Thales adopts a systems approach to develop complete, innovative solutions based on all the latest technologies and designed to integrate seamlessly with systems developed by most of the major market players. This approach leaves transport operators and network managers greater freedom and flexibility in the choice of rolling stock suppliers and other project stakeholders.

Thales is one of the pioneers of the de facto standards that are structuring the rail transport sector today: CBTC systems (Communications-Based Train Control) for metros, ETCS systems (European Train Control System) for mainline rail, contactless smartcards, nationwide multi-modal, multi-operator fare collection systems, integrated supervision systems, etc.

01 Thales’s SelTrac® CBTC system currently operates on 56 lines in 30 of the world’s largest cities, carrying three billion passengers annually.

02 Some 15,700 km of railway lines around the world are equipped with the ETCS solution (European Train Control System) from Thales.

03 Every day, Thales fare collection systems around the world handle more than 50 million transactions.

04 The 75 km Dubai metro system — the longest driverless metro system in the world — is equipped with a complete solution supplied by Thales.
Defence

more efficiently and working with them to provide the best possible protection in the field. We support the armed forces in accomplishing their missions in the traditional defence environments — land, air, sea and space — as well as the emerging environments of urban operations and cyberspace. Our systems detect and assess threats, manage information, speed command decisions, control engagements and neutralise threats with maximum reliability. By making it simpler to coordinate joint and coalition operations, Thales systems help deployed forces maintain decision superiority.

Optimum operational performance

From system design to through-life support and personnel training, Thales provides a range of services to ensure that its solutions deliver optimum performance over the long term.

Thales is a long-standing partner of defence forces worldwide, helping them operate more effectively and more efficiently and working with them to provide the best possible protection in the field. We support the armed forces in accomplishing their missions in the traditional defence environments — land, air, sea and space — as well as the emerging environments of urban operations and cyberspace. Our systems detect and assess threats, manage information, speed command decisions, control engagements and neutralise threats with maximum reliability. By making it simpler to coordinate joint and coalition operations, Thales systems help deployed forces maintain decision superiority.

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Optimum operational performance

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With growing threats from terrorism, organised crime, trafficking and cyberattacks, defence organisations alone are not fully equipped to contend with the changing risk environment. This convergence between defence and security is driving demand for new solutions and technologies that enable organisations to share existing information and communication systems while protecting their networks and infrastructure from attack.

**Integrated, resilient solutions**/ Drawing on our experience in the defence sector, we work with government agencies, local authorities and civil operators to develop and deploy integrated, resilient solutions to protect citizens, sensitive data and infrastructure. The main priorities today are cybersecurity, telecom network security, urban security, airport security, border protection and infrastructure security.

One of our distinctive strengths is the ability to integrate large-scale, complex systems and leverage the legacy solutions of each customer. In addition, we offer specialised expertise in all the key components and technologies included in those systems: sensors, secure networks and information systems, 4G, secure cloud computing, data processing algorithms, data fusion, Big Data and analysis of large volumes of video, voice, text and data.

**Managing new risks**

01 Thales offers a full spectrum of services to counter the growing cyber threat.

02 Thales has been awarded a 30-year contract to operate the secure information and communication systems at the French defence ministry’s new headquarters in Paris.

03 Since 2005, Thales has provided security for millions of Muslims making the Haj pilgrimage to Mecca.

04 Thales has provided Mexico City (population 20 million) with the world’s most extensive urban security system.