

THALES

THE ALL EMPLOYEE SHARE PLAN 2002 OFFER

FREQUENTLY ASKED QUESTIONS -- CHARGES ON MATURITY

Please note that the following questions and answers have been collated to answer some of the most commonly asked queries for the end of lock-in of the 2002 Employee Share Plan. This document is not contractually or legally binding and must be used alongside the official 2002 Employee Share Plan documentation that was issued to you during initial application. Thales is not responsible for any errors in the below and all employees are advised to undertake independent financial and tax advice.

LEVERAGE

Q1. What charges will I incur if I choose to take cash for my Leverage units on maturity?

A. There is no charge for liquidating your Leverage units. However, the following charges will apply to all transfers of funds:

International wire transfer: €25
Receiving bank charge: Varies from bank to bank

Q2. What charges will I incur if I choose to convert my Leverage units into Classic units?

A. Reinvestment into Classic units will not incur a charge.

If you do nothing on maturity (or if you miss the 28 February deadline to submit the redemption form to HBOS), your cash proceeds will automatically be converted into Classic units and transferred into the Classic compartment of the FCPE fund at the FCPE Fund World Classic unit price until you decide to sell. Your units will be available to sell at any time thereafter.

Q3. How is the unit/share price calculated on maturity and when will I be informed?

A. By calculating the average share price over a 6-month period from 4 September 2006 to 28 February 2007. This is expected to be posted on notice boards at Thales UK sites during March.

Q4: When will I know the exact value of my Leverage units?

A. If you hold Leverage units you would have received a letter in February from CREELIA which stated a provisional asset value as at 29 December 2006. Whether you choose to sell your units or reinvest into Classic units, you will be sent a Statement of Account by CREELIA in May 2007.

CLASSIC

Q1: When will I know the exact value of my Classic units?

A. You will receive your 2006 Annual Statement by the end of February/early March 2007 which will indicate the total value of your Classic units as at 31 December 2006. You will receive the current unit price when you sell. If you want to keep track of this, please log on to www.epe.ca-assetmanagement.com using your account number and password on your statement.

GENERAL

Q1. Will I incur only one €25 wire transfer charge if I want to sell both my Leverage and Classic units on 2 April?

A. It may not be possible for the proceeds from the Leverage to be combined with sales proceeds from the Classic and therefore you may incur a €25 charge for each transaction. We are investigating with CREELIA whether this will be possible.

Q2. Will I be liable for tax?

A. Due to the 5-year lock in period of the 2002 Employee Share Plan, the Inland Revenue agreed at the start of the offer that neither Income Tax nor National Insurance would apply on maturity.

However, Capital Gains Tax may apply on your units becoming cash. This is our understanding of what will be applicable but for definitive tax advice, please contact an independent tax adviser.

Q3. What are the key dates?

A. CREELIA send Leverage Redemption Letter to all participants	9 February
Participants to return redemption form to HBOS, UK by:	28 February
CREELIA process requests and convert into cash by:	2 April
CREELIA transfer funds by bank transfer directly to participants:	13 April

For further information and help please refer to the following:

HBOS Thales Helpline on +44 (0) 20 8409 2629 (8 a.m. to 8 p.m.) or email at thales-ess@hbosees.com

The Thales UK intranet Share Schemes website:

<http://intranet.uk.corp.thales/> From the Corporate Services left hand links, please select 'Human Resources' and then 'Share Schemes'.

The TUES (Thales UK Employee Shareholders) web site: <http://www.tues.org.uk/>