

Samtel and Thales seal their cooperation with the signature for the creation of Samtel Thales Avionics Ltd

New Delhi, 8 May 2008 – Samtel Display Systems Ltd and Thales announced today that they have signed an agreement for the creation of the Joint Venture Company, Samtel Thales Avionics Pvt. Ltd. Leveraging on the track record and domain expertise of both companies, Thales and Samtel will work, towards the local development, production, sale and maintenance of Helmets Mounted Sight & Display (HMSD) and other Avionics Systems destined for the Indian market.

Samtel and Thales will hold respectively 74% and 26% of the company, which will be headquartered in New Delhi and managed by an Executive Committee of 5 members.

The HMSD systems will be developed and produced in India with the aim of producing a true Indian product destined for the local market. The advantage of such Indian system would include support over the lifetime of the product, which is extremely important for the end user, the Indian Air Force. The resulting Indian avionics systems and Helmet Mounted Sight and Displays will serve both Thales' and Samtel's requirements, and the Joint Venture Company will ensure local added value support and integrated maintenance services for the systems it produces for the Indian market. The products made in India would also be eligible to help meet Thales' offset obligations for their various supplies to the Indian MoD.

Samtel is a key player internationally within the sector of avionics display systems, and the two companies are already working together on the supply of Head Mounted Sight & Displays for the MiG 29K combat aircraft for the Indian Naval Forces. Samtel has also begun to provide Thales with cathode tubes for its avionics displays and several other products are being considered. Thales enjoys a long experience and strong expertise in this domain, with over 1500 Helmet Mounted Sight Displays and thousands of Multi Function Displays and Head Up Displays in service worldwide.

Mr. Satish Kaura, Chairman and Managing Director, Samtel Display Systems Ltd., commented, "*Samtel is delighted with the creation of this Joint Venture. This company's principal objective is to develop and produce a high quality, high performance Indian system for our customers.*"

"Samtel and Thales have created this Joint Venture in avionics systems to combine the engineering and manufacturing expertise of both companies. This is an extremely positive step forward, which reinforces the Group's presence here and positions Thales as a true local player in India. The next step to solidify this cooperation will be winning the first contract!" stated Mr François Quentin, Thales Senior Vice President in charge of aerospace activities.

About Thales in India

Thales has been operating in India since 1953, and has stepped up its presence in India over recent years. With sales of € 200 million annually, the Group is a long-term partner of the Indian Armed Forces: its equipment and systems have been selected for various types of platforms in service with the Army, Air Force and Navy such as air defence radars, avionics for military and civil aircraft, optronics and sonars. Thales also won a major contract through its subsidiary, Armaris, in 2005 with the Indian Navy for the supply and technology transfer of six Scorpene submarines. Thales is equally present in the civil domain and is partner and supplier to many Indian companies within the fields of aerospace and security.

Thales aims to reinforce partnerships with Indian industries through transfers of technology and joint ventures; and to work with local industry to meet India's growing defence needs, through programmes such as the Mirage 2000 upgrade programme for the Indian Air Force, electronic warfare projects and tactical radio networks for the Indian Army.

About Thales

Thales is a leading international electronics and systems group, addressing defence, aerospace and security markets worldwide. Thales's leading-edge technology is supported by 22,000 R&D engineers who offer a capability unmatched in Europe to develop and deploy field-proven mission-critical information systems. To this end, the group's civil and military businesses develop in parallel and share a common base of technologies to serve a single objective: the security of people, property and nations. The group builds its growth on its unique multi-domestic strategy based on trusted partnerships with national customers and market players, while leveraging its global expertise to support local technology and industrial development. Thales employs 68,000 people in 50 countries with 2007 revenues of €12.3 billion.

About Samtel

SAMTEL is the largest integrated manufacturer of displays for entertainment, professional and avionics applications in India. An undisputed leader in the Indian market for television displays, it employs 6000 people in nine world-class factories and has a turnover of approximately US\$ 300 million. Samtel's ruggedised naval and avionics displays meet stringent MIL standards. Over the years, Samtel has built strong alliances with its global leaders, customers and suppliers. The group has continuously taken initiatives to develop its knowledge infrastructure to meet future challenges and has grown through products developed in its R&D centres. Its engineering services division has evolved from its manufacturing experience and knowledge to provide effective solutions and technology services in CAD, CAM and CAE.