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# Thales Taps into Canada's Opportunities

At a time when the world economic order is experiencing severe difficulties and turmoil, it is reassuring to see that Canada continues to offer a safe, welcoming and profitable environment for world-class firms. With this affirmation in sight, Thales Canada chooses to enhance its presence in Canada to take advantage of the favourable investment climate and of the immense opportunities that Canada presents.

Thales Canada announced in March 2009 that its Toronto-based worldwide Center of Excellence, specializing in advanced train control technology for urban rail transit systems, was awarded CAD \$12.8 million 'Next Generation' R&D grant, which will create 500 jobs.

"Thales is committed to developing the highest quality technologies and skills in Canada," said Marcel de Picciotto, President of Thales Canada. "The awarding of this grant also marks an important step in the life of Thales Canada, it marks the renewal of a partnership established between the province and our rail signalling business over three decades ago."

The same month, Thales Canada Land & Joint division was awarded the Land Command Support System (LCSS) Long-term Software Support (LTSS) Contract by the Government of Canada. This five-year \$185 million contract is one of the largest Command and Control support contracts ever led by the

Department of National Defence. This contract follows on the supply to the government of the first generation system from 2001 to 2008. The division also opened an office in the City of Québec, at the same time, to



Advanced Train Control Technology - Thales

carry out activities in military communications areas as well as activities in the civil areas.

"The dynamism of the economy in the Québec region, the high levels of competencies of the labour force and the proximity of first class universities, research centres, as well as high technology companies are all part of our rationale for choosing this region" said Mr. Marcel de Picciotto.

In February 2008, Thales Canada inaugurated new facilities in Montréal for its aerospace activities. The expansion helped the company hone and enhance continued growth of its aerospace expertise in onboard electronics for civil aircraft. From Montréal, the company addresses the worldwide regional and business aircraft market with customers ranging from ATR to Sukhoi.

"The Thales Aerospace headquarters are located in Ville St-Laurent and the location was specifically chosen to be in close proximity with Bombardier, one of our main clients," said de Picciotto.

Thales Canada has been designing and manufacturing specialized equipment in Canada for almost 28 years, first with the creation by Thomson-CSF in 1981 of Sextant Avionics Canada in 1997, with the acquisition of Allied Signal in 1999 and the acquisition of Alcatel's urban Rail & Signalling activities in Toronto in 2007. The company assembles an equal set of competencies in complementary and growing markets resulting in the above three announcements between 2008 and 2009.



It is in Canada where Thales saw the potential for three major centres of Excellence, for flight controls, for optronics "uncooled" technology and for urban railway signalling technology. The Thales's technology in these three areas is now defined by Canadian teams having world mandates for their assigned technologies.



## Why Canada?

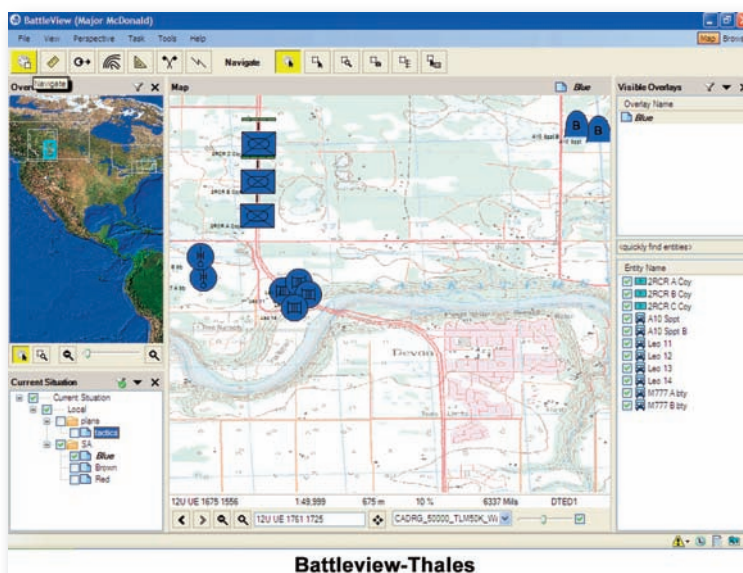
It is no surprise that Thales, a high-technology oriented company with 18 percent of its activities devoted to R&D, has chosen Canada for the establishment of three Centres of Excellence. Canada excels in the aerospace, defence and security systems sectors and Canada's policies aim at the establishment and healthy growth of firms in these and other high technology areas. Despite competition from firms either benefiting from generous government assistance, or experiencing lower labour costs, and the potential for fluctuating exchange rates, Thales saw the benefits of being in Canada.

The company appreciates the Canadian business market, innovation and economic and government policies. In return, as a good corporate citizen, Thales has significantly contributed the advancement of the Canadian environment through active collaboration with R&D organizations, partnerships with universities and other educational institutions. This is well demonstrated through the high export surplus. Thales continues to forge ahead with a particular focus on research & technology and innovation mirroring the innovative culture of Canada and the "intelligent" industrial policies of the federal and provincial governments.

## About Thales

Thales, originally based in France, is a global leader in critical information systems with a worldwide presence of some 68,000 employees (25,000 research engineers) in over 50 countries. The company claims some 300 inventions annually, was awarded more than 15,000 patents, and has over 30 cooperation agreements with universities and research laboratories worldwide. As an example, Albert Fert, the "Nobel Prize in Physics 2007" is the scientific director of a joint laboratory between the Centre

defence and security systems and expanded its range of operations in several regions of Canada including Avionics (Montréal), Optronics (Montréal), Naval Services (Halifax), Systems (Ottawa, Québec, Kingston), rail signalling systems (Toronto, Vancouver). Thales currently employs 1,350 employees in Canada in 6 main locations and generated revenues in excess of \$420 million in 2008.



national de la recherche scientifique of France (National Scientific Research Centre) and has been a Thales employee ever since. Since the initial investment in 1981, Thales has continued to make inroads in Canada through organic growth and through further acquisitions and gradually established a significant presence in several high technology areas of aerospace,

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