Unaudited Condensed IFRS Consolidated Financial Information of EADS N.V. for the nine-month period ended 30 September 2012

Unaudited Condensed IFRS Consolidated Income Statements

	1 January - 30 September 2012		1 January - 30 September 2011		Deviation
	M €	%	M €	%	M €
Revenues	37,258	100	32,687	100	4,571
Cost of sales	-31,710	-85	-28,256	-86	-3,454
Gross margin	**5,548**	**15**	**4,431**	**14**	**1,117**
Selling, administrative & other expenses	-2,159	-5	-1,817	-5	-342
Research and development expenses	-2,145	-6	-2,151	-7	6
Other income	154	0	286	1	-132
Share of profit from associates under the equity method and other income from investments	188	0	84	0	104
Profit before finance result and income taxes	**1,586**	**4**	**833**	**3**	**753**
Interest income	168	0	321	1	-153
Interest expense	-405	-1	-330	-1	-75
Other financial result	-100	0	-203	-1	103
Finance result	**-337**	**-1**	**-212**	**-1**	**-125**
Income taxes	-346	-1	-198	-1	-148
Profit for the period	**903**	**2**	**423**	**1**	**480**
Attributable to:					
Equity owners of the parent **(Net income)**	**903**	**2**	**421**	**1**	**482**
Non-controlling interests	0	0	2	0	-2
Earnings per share	€		€		€
Basic and diluted	1.10		0.52		0.58

Unaudited Condensed IFRS Consolidated Income Statements for the third quarter of 2012 and 2011

	1 July - 30 September 2012		1 July - 30 September 2011		Deviation
	M €	%	M €	%	M €
Revenues	12,324	100	10,751	100	1,573
Cost of sales	-10,507	-85	-9,356	-87	-1,151
Gross margin	**1,817**	**15**	**1,395**	**13**	**422**
Selling, administrative & other expenses	-701	-6	-603	-5	-98
Research and development expenses	-720	-6	-742	-7	22
Other income	70	1	219	2	-149
Share of profit from associates under the equity method and other income from investments	61	0	43	0	18
Profit before finance result and income taxes	**527**	**4**	**312**	**3**	**215**
Interest income	39	0	136	1	-97
Interest expense	-133	0	-48	0	-85
Other financial result	-4	0	66	1	-70
Finance result	**-98**	**0**	**154**	**2**	**-252**
Income taxes	-119	-1	-153	-2	34
Profit for the period	**310**	**3**	**313**	**3**	**-3**
Attributable to:					
Equity owners of the parent **(Net income)**	**309**	**3**	**312**	**3**	**-3**
Non-controlling interests	1	0	1	0	0
Earnings per share	€		€		€
Basic and diluted	0.38		0.38		0.00

Unaudited Condensed IFRS Consolidated Statements of Comprehensive Income

in M €	1 January - 30 September 2012	1 January - 30 September 2011
Profit for the period	**903**	**423**
Foreign currency translation differences for foreign operations	-27	-33
Net change in fair value of cash flow hedges	500	390
Net change in fair value of available-for-sale financial assets	155	-53
Actuarial losses on defined benefit plans	-830	-330
Unrealized changes from investments accounted for using the equity method	-204	137
Tax on income and expense recognized directly in equity	71	-17
Other comprehensive income, net of tax	**-335**	**94**
Total comprehensive income of the period	**568**	**517**
Attributable to:		
Equity owners of the parent	571	512
Non-controlling interests	-3	5
Total comprehensive income of the period	**568**	**517**

Unaudited Condensed IFRS Consolidated Statements of Comprehensive Income for the third quarter 2012 and 2011

in M €	1 July - 30 September 2012	1 July - 30 September 2011
Profit for the period	**310**	**313**
Foreign currency translation differences for foreign operations	-45	26
Net change in fair value of cash flow hedges	1,790	-2,934
Net change in fair value of available-for-sale financial assets	42	-198
Actuarial losses on defined benefit plans	0	-330
Unrealized changes from investments accounted for using the equity method	-4	21
Tax on income and expense recognized directly in equity	-577	1,002
Other comprehensive income, net of tax	**1,206**	**-2,413**
Total comprehensive income of the period	**1,516**	**-2,100**
Attributable to:		
Equity owners of the parent	1,516	-2,106
Non-controlling interests	0	6
Total comprehensive income of the period	**1,516**	**-2,100**

Unaudited Condensed IFRS Consolidated Statements of Financial Position

	30 September 2012		31 December 2011		Deviation	
	M €	%	M €	%	M €	%
Non-current assets						
Intangible assets	13,099	15	12,745	14	354	3
Property, plant and equipment	14,699	16	14,233	16	466	3
Investments in associates under the equity method	2,586	3	2,677	3	-91	-3
Other investments and long-term financial assets	2,460	3	2,378	3	82	3
Other non-current assets	2,271	2	1,884	2	387	21
Deferred tax assets	4,511	5	4,309	5	202	5
Non-current securities	6,428	7	7,229	8	-801	-11
	46,054	51	45,455	51	599	1
Current assets						
Inventories	26,166	29	22,563	26	3,603	16
Trade receivables	6,181	7	6,399	7	-218	-3
Other current assets	4,719	5	4,503	5	216	5
Current securities	2,409	3	4,272	5	-1,863	-44
Cash and cash equivalents	4,856	5	5,284	6	-428	-8
	44,331	49	43,021	49	1,310	3
Total assets	**90,385**	**100**	**88,476**	**100**	**1,909**	**2**
Total equity						
Equity attributable to equity owners of the parent						
Capital stock	827	1	820	1	7	1
Reserves	7,955	9	7,990	9	-35	0
Accumulated other comprehensive income	491	0	153	0	338	221
Treasury shares	-84	0	-113	0	29	-26
	9,189	10	8,850	10	339	4
Non-controlling interests	30	0	20	0	10	50
	9,219	10	8,870	10	349	4
Non-current liabilities						
Non-current provisions	9,913	11	9,125	10	788	9
Long-term financing liabilities	3,519	4	3,628	4	-109	-3
Deferred tax liabilities	1,284	2	1,050	1	234	22
Other non-current liabilities	18,360	20	18,297	21	63	0
	33,076	37	32,100	36	976	3
Current liabilities						
Current provisions	5,695	6	5,860	7	-165	-3
Short-term financing liabilities	2,099	2	1,476	2	623	42
Trade liabilities	8,421	9	9,630	11	-1,209	-13
Current tax liabilities	338	1	308	0	30	10
Other current liabilities	31,537	35	30,232	34	1,305	4
	48,090	53	47,506	54	584	1
Total liabilities	81,166	90	79,606	90	1,560	2
Total equity and liabilities	**90,385**	**100**	**88,476**	**100**	**1,909**	**2**

Unaudited Condensed IFRS Consolidated Statements of Cash Flows

	1 January - 30 September 2012	1 January - 30 September 2011*)
	M €	M €
Profit for the period attributable to equity owners of the parent (Net income)	**903**	**421**
Profit for the period attributable to non-controlling interests	0	2
Adjustments to reconcile profit for the period to cash (used for) provided by operating activities		
Depreciation and amortization	1,352	1,192
Valuation adjustments	383	-91
Deferred tax expense	179	112
Change in income tax assets, income tax liabilities and provisions for income tax	-31	-73
Results on disposals of non-current assets	-20	-17
Results of companies accounted for by the equity method	-151	-60
Change in current and non-current provisions *)	167	57
Change in other operating assets and liabilities	-4,578	84
Cash (used for) provided by operating activities	**-1,796**	**1,627**
Investments:		
- Purchases of intangible assets, PPE	-1,894	-1,333
- Proceeds from disposals of intangible assets, PPE	55	65
- Acquisitions of subsidiaries and joint ventures (net of cash)	-43	-439
- Proceeds from disposals of subsidiaries (net of cash)	0	18
- Payments for investments in associates and other investments and long-term financial assets	-274	-179
- Proceeds from disposals of associates and other investments and long-term financial assets	202	46
- Dividends paid by companies valued at equity	43	50
Change of securities	2,920	23
Cash provided by (used for) investing activities	**1,009**	**-1,749**
Change in long-term and short-term financing liabilities	548	478
Cash distribution to EADS N.V. shareholders	-369	-178
Dividends paid to non-controlling interests	-2	-4
Changes in capital and non-controlling interests	138	-57
Change in treasury shares	-5	-1
Cash provided by financing activities	**310**	**238**
Effect of foreign exchange rate changes and other valuation adjustments on cash and cash equivalents	49	-29
Net (decrease) increase in cash and cash equivalents	**-428**	**87**
Cash and cash equivalents at beginning of period	**5,284**	**5,030**
Cash and cash equivalents at end of period	**4,856**	**5,117**

*) In the first nine months of 2012 and 2011, “contribution to plan assets for pensions" is shown in “change in current and non-current provisions” within cash (used for) provided by operating activities. Previously, “contribution to plan assets for pensions" was disclosed in cash provided by (used for) investing activities. It amounts in the first nine months of 2012 to -331 M € (first nine months 2011: -300 M €). Prior period figures have been adjusted accordingly.

As of 30 September 2012, EADS’ cash position (stated as cash and cash equivalents in the Unaudited Condensed IFRS Consolidated Statements of Cash Flows) includes 628 M € (710 M € as of 31

December 2011), which represents EADS' share in MBDA's cash and cash equivalents deposited at other shareholders. These funds are available for EADS upon demand.

Unaudited Condensed IFRS Consolidated Statements of Changes in Equity

in M €	Equity attributable to equity owners of the parent	Non-controlling interests	total
Balance at 1 January 2011	**8,841**	**95**	**8,936**
Profit for the period	421	2	423
Other comprehensive income	91	3	94
Cash distribution to shareholders/ dividends to non-controlling interests	-178	-4	-182
Equity transaction (IAS 27)	-45	-70	-115
Capital increase	57	4	61
Change in treasury shares	-1	0	-1
Others	15	-1	14
Balance at 30 September 2011	**9,201**	**29**	**9,230**
Balance at 1 January 2012	**8,850**	**20**	**8,870**
Profit for the period	903	0	903
Other comprehensive income	-332	-3	-335
Cash distribution to shareholders/ dividends to non-controlling interests	-369	-2	-371
Capital increase	139	5	144
Equity transactions (IAS 27)	-15	10	-5
Change in treasury shares	-5	0	-5
Others	18	0	18
Balance at 30 September 2012	**9,189**	**30**	**9,219**

Explanatory notes to the Unaudited Condensed IFRS Consolidated Financial Statements as at 30 September 2012

1. The Company

The accompanying Unaudited Condensed IFRS Consolidated Financial Statements present the operations of **European Aeronautic Defence and Space Company EADS N.V.** and its subsidiaries ("EADS" or the "Group"), a Dutch public limited liability company (Naamloze Vennootschap) legally seated in Amsterdam (current registered office at Mendelweg 30, 2333 CS Leiden, The Netherlands), and are prepared and reported in Euros ("€"). EADS' core business is the manufacturing of commercial aircraft, civil and military helicopters, commercial space launch vehicles, missiles, military aircraft, satellites, defence systems and defence electronics and rendering of services related to these activities. The Unaudited Condensed IFRS Consolidated Financial Statements for the nine-month period ended 30 September 2012 were authorized for issue by EADS' Board of Directors on 7 November 2012.

2. Accounting policies

These Unaudited Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting (amended 2010) as adopted by the European Union (EU). EADS' Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and as endorsed by the European Union (EU) as at 30 September 2012 and Part 9 of Book 2 of the Netherlands Civil Code. They comprise (i) IFRS, (ii) International Accounting Standards ("IAS") and (iii) Interpretations originated by the IFRS Interpretations Committee ("IFRIC") or former Standards Interpretation Committee ("SIC").

These Unaudited Condensed IFRS Interim Consolidated Financial Statements should be read in conjunction with EADS' Consolidated Financial Statements as of 31 December 2011. Except for the amended Standards to be applied for the first time in the first nine months 2012 (mentioned below in the next section), EADS' accounting policies and techniques are unchanged compared to 31 December 2011.

Financial reporting rules applied for the first time in the first nine months 2012

The following amended Standard was applied for the first time in the first nine months 2012 and is effective for EADS as of 1 January 2012. If not otherwise stated, it does not have a material impact on EADS' Consolidated Financial Statements as well as its basic and diluted earnings per share.

The IASB issued amendments to IFRS 7 "Financial Instruments: Disclosures" as part of its comprehensive review of off balance sheet activities relating to transfers of financial assets. The amendments shall help users of financial statements evaluating the risk exposures relating to such transfers and the effect of those risks on an entity's financial position and require additional disclosures.

3. Acquisitions and other M&A transactions

On 3 April 2012, Astrium acquired 66.8% of Space Engineering, Rome (Italy), a specialist in digital telecommunications, RF and antenna equipment engineering for both space and ground based applications.

On 28 May 2012, Cassidian reduced its current shareholding of 87.4% in Grintek Ewation (Pty) Ltd., Pretoria, South Africa, to 75% to comply with local black economic empowerment (BEE) requirements.

On 1 July 2012, Cassidian acquired 51% of Rheinmetall Airborne System GmbH, Bremen (Germany), to pursue Rheinmetall's activities related to Unmanned Aerial Systems (UAS) as well as cargo loading systems (CLS) together with Rheinmetall within a new entity.

On 30 July 2012, Cassidian signed an agreement to acquire 100 % of Netasq, Villeneuve d'Ascq, France, a leading expert and pioneer in the IT security market. Closing of this acquisition is subject to customary regulatory approvals.

All transactions are considered to be not material for EADS – neither individually nor collectively.

4. Segment information

The Group operates in five reportable segments which reflect the internal organizational and management structure according to the nature of the products and services provided.

- *Airbus Commercial* — Development, manufacturing, marketing and sale of commercial jet aircraft of more than 100 seats; aircraft conversion and related services.
- *Airbus Military* — Development, manufacturing, marketing and sale of military transport aircraft and special mission aircraft and related services.

The reportable segments Airbus Commercial and Airbus Military form the Airbus Division.

- *Eurocopter* — Development, manufacturing, marketing and sale of civil and military helicopters; provision of helicopter related services.
- *Astrium* — Development, manufacturing, marketing and sale of satellites, orbital infrastructures and launchers; provision of space related services.
- *Cassidian* — Development, manufacturing, marketing and sale of missiles systems, military combat aircraft and training aircraft; provision of defence electronics and of global security market solutions such as integrated systems for global border security and secure communications solutions and logistics; training, testing, engineering and other related services.

The following table presents information with respect to the Group's business segments. "Other Businesses" mainly comprises the development, manufacturing, marketing and sale of regional turboprop aircraft, aircraft components as well as the Group's activities managed in the US. Consolidation effects, the holding function of EADS Headquarters and other activities not allocable to the reportable segments are disclosed in the column "HQ / Conso.".

in M €	Airbus Commer-cial	Airbus Military	Euro-copter	Astrium	Cassidian	Other Busines-ses	Total segments	HQ/ Conso.	**Consoli-dated**
Nine-month period ended 30 September 2012									
Revenues	24,725	1,194	4,116	3,934	3,484	1,067	38,520	-1,262	**37,258**
Research and development expenses	-1,660	-12	-204	-85	-165	-10	-2,136	-9	**-2,145**
Profit before finance result and income taxes	798	7	276	188	151	15	1,435	151	**1,586**
EBIT pre-goodwill imp. and exceptionals (see definition below)	816	8	277	191	156	15	1,463	152	**1,615**
Nine-month period ended 30 September 2011									
Revenues	21,120	1,747	3,458	3,440	3,419	833	34,017	-1,330	**32,687**
Research and development expenses	-1,690	-15	-154	-60	-174	-7	-2,100	-51	**-2,151**
Profit before finance result and income taxes	286	4	156	162	153	10	771	62	**833**
EBIT pre-goodwill imp. and exceptionals (see definition below)	306	5	157	165	170	20	823	62	**885**

5. EBIT pre-goodwill impairment and exceptionals

EADS uses EBIT pre-goodwill impairment and exceptionals as a key indicator of its economic performance. The term “exceptionals” refers to such items as depreciation expenses of fair value adjustments relating to the EADS merger, the Airbus combination and the formation of MBDA, as well as impairment charges thereon. It also comprises disposal impacts related to goodwill and fair value adjustments from these transactions. EBIT pre-goodwill impairment and exceptionals is treated by management as a key indicator to measure the segments’ economic performances.

The reconciliation from profit before finance result and income taxes to EBIT pre-goodwill impairment and exceptionals is set forth in the following table (in M €):

in M €	1 January - 30 September 2012	1 January - 30 September 2011
Profit before finance result and income taxes	**1,586**	**833**
Goodwill and exceptionals:		
Disposal of goodwill	0	22
Exceptional depreciation (fixed assets in cost of sales)	29	30
EBIT pre-goodwill impairment and exceptionals	**1,615**	**885**

6. Significant income statement items

Revenues of 37,258 M € (first nine months 2011: 32,687 M €) increase by +4,571 M €, mainly at Airbus Commercial (+3,605 M €), Eurocopter (+658 M €) and Astrium (+494 M €). Except for Airbus Military, all segments contributed positively to the increase of revenues. Airbus Military includes revenues related to the A400M programme of 282 M € (first nine months 2011: 635 M €). Companies, which were acquired in 2011, contributed to the increase of revenues by 1,141 M €.

The **Gross Margin** increases by +1,117 M € to 5,548 M € compared to 4,431 M € in the first nine months of 2011. This improvement is mainly related to better performance of the long range and single aisle programs in Airbus Commercial and of the governmental helicopter programmes and service activities in Eurocopter and to Astrium.

Based on an updated technical solution concept to fix permanently the retrofit of the A380 wing rib issue, an additional amount of -199 M € is recognized in the first nine months 2012 for the repair costs on delivered aircraft. Contractually, Airbus Commercial is not liable versus airlines for loss of use, revenue or profit or for any other direct, incidental or consequential damages related to wing ribs issue. However, in view of overall commercial relationship, contracts adjustments may occur, and be considered on a case by case basis. As disclosed in the half-year 2012 notes, the A350 XWB Entry Into Service has moved into the second half of 2014. Airbus Commercial booked in the first half-year 2012 a charge of -124 M €, which accounts for an actual delay incurred of around three months. In relation to the end of the Hawker 900 business jet programme where Airbus Commercial was a subcontractor, a charge of -76 M € was recorded in the third quarter 2012. Eurocopter is continuing its high stake discussions with several NH90 and Tiger customers seeking to reduce deliveries, the outcome of which is still open. A400M IOC (Initial Operating Clearance) is targeted in the first quarter 2013 on a configuration to be agreed with OCCAR, allowing the first delivery to France in the second quarter 2013.

Research and development expenses decrease by +6 M € to -2,145 M € (first nine months 2011: -2,151 M €) mainly reflecting programs of Airbus Commercial. The main contribution to the expenses comes from the A350 XWB programme.

Share of profit from associates under the equity method and other income from investments of 188 M € (first nine months 2011: 84 M €) mainly comprises the consistently estimated share of the result of Dassault Aviation of 144 M € (first nine months 2011: 67 M €).

Other income decreases by -132 M € to 154 M € (first nine months 2011: 286 M €) mainly due to a release of refundable advances of +192 M € in the third quarter 2011, which were related to the termination of the A340 programme.

Finance result amounts to -337 M € (first nine months 2011: -212 M €) comprising interest result of -237 M € (first nine months 2011: -9 M €). Other financial result amounts to -100 M € (first nine months 2011: -203 M €) and mainly includes charges from the unwinding of discounted provisions (-118 M €, first nine months 2011: -108 M €), the negative revaluation of financial instruments (-60 M €, first nine months 2011: -54 M €), compensated by the positive impact from foreign exchange valuation of monetary items (+98 M €, first nine months 2011: +37 M €).

The **income tax** expense of -346 M € (first nine months 2011: -198 M €) corresponds to an effective income tax rate of 28% (first nine months 2011: 32%).

7. Significant items of the statement of financial position

Non-current assets

Intangible assets of 13,099 M € (prior year-end: 12,745 M €) include 10,832 M € (prior year-end: 10,760 M €) of goodwill. This mainly relates to Airbus Commercial (6,660 M €), Cassidian (2,600 M €), Astrium (1,177 M €) and Eurocopter (333 M €). Except for an impairment charge in Other Businesses of -20 M €, the last annual impairment tests, which were performed in the fourth quarter of 2011, did not lead to any impairment charges. Capitalization for development costs of the A350 XWB programme started in the second quarter 2012. Since 1 April 2012, a total amount of 251 M € was capitalized.

Eliminating foreign exchange-rate effects of +132 M €, **property, plant and equipment** increase by +334 M € to 14,699 M € (prior year-end: 14,233 M €), including leased assets of 560 M € (prior year-end: 574 M €). Property, plant and equipment also comprise “Investment property” amounting to 74 M € (prior year-end: 74 M €).

Investments in associates under the equity method of 2,586 M € (prior year-end: 2,677 M €) mainly include the equity investment in Dassault Aviation, amounting to 2,464 M € (prior year-end: 2,552 M €). The change in Dassault Aviation is affected by the recognition of a negative catch-up regarding EADS’ 2011 share in other comprehensive income of -101 M €.

Other investments and other long-term financial assets of 2,460 M € (prior year-end: 2,378 M €) are related to Airbus for an amount of 1,582 M € (prior year-end: 1,659 M €), mainly concerning the non-current portion of aircraft financing activities.

Other non-current assets mainly comprise non-current derivative financial instruments and non-current prepaid expenses. The increase by +387 M € to 2,271 M € (prior year-end: 1,884 M €) is mainly caused by the positive variation of the non-current portion of fair values of derivative financial instruments (+309 M €).

Deferred tax assets increase by +202 M € to 4,511 M € (prior year-end: 4,309 M €). The increase is mainly due to the variation of actuarial losses in pension obligations.

The fair values of **derivative financial instruments** are included in other non-current assets (795 M €, prior year-end: 486 M €), in other current assets (264 M €, prior year-end: 404 M €), in other non-current liabilities (2,046 M €, prior year-end: 2,140 M €) and in other current liabilities (1,028 M €, prior year-end: 995 M €) which corresponds to a total net fair value of -2,015 M € (prior year-end: -2,245 M €). The volume of hedged US dollar-contracts increases from 75.1 billion US dollar as at 31 December 2011 to 86.4 billion US dollar as at 30 September 2012. The US dollar spot rate remained stable (USD/ € spot rate of 1.29 at 30 September 2012 and at 31 December 2011). The average US dollar hedge rate for the hedge portfolio of the Group improves from 1.37 USD/ € as at 31 December 2011 to 1.35 USD/ € as at 30 September 2012.

Current assets

Inventories of 26,166 M € (prior year-end: 22,563 M €) increase by +3,603 M €. This is mainly driven by the phasing of deliveries and a ramp-up reflected in the increase of unfinished goods and services for Airbus (+2,315 M €), Eurocopter (+519 M €) and Cassidian (+327 M €) programmes.

Trade receivables decrease by -218 M € to 6,181 M € (prior year-end: 6,399 M €), mainly caused by Astrium (-129 M €), Cassidian (-84 M €) and Eurocopter (-73 M €), being partly offset by Airbus (+59 M €).

Other current assets include "Current portion of other long-term financial assets", "Current other financial assets", "Current other assets" and "Current tax assets". The increase of +216 M € to 4,719 M € (prior year-end: 4,503 M €) comprises among others an increase of +201 M € in receivables from related parties.

Cash and cash equivalents decrease from 5,284 M € to 4,856 M € (see also note 8 "Significant cash flow items").

Total equity

Equity attributable to equity owners of the parent (including purchased treasury shares) amounts to 9,189 M € (prior year-end: 8,850 M €). The increase in equity is mainly due to a net income of +903 M € and a capital increase of +139 M € from the exercise of stock options and the Employee Stock Ownership Plan, partly compensated by a cash distribution to shareholders of -369 M € and the other comprehensive income for the period of -332 M €.

Non-controlling interests increased to 30 M € (prior year-end: 20 M €).

Non-current liabilities

Non-current provisions of 9,913 M € (prior year-end: 9,125 M €) comprise the non-current portion of pension provisions with an increase of +631 M € to 6,259 M € (prior year-end: 5,628 M €). Compared to year-end 2011, the discount rates applied to the calculation of pension provisions decrease from 4.5 % to 3.4 % (Germany), from 4.75 % to 3.5 % (France) and from 4.8 % to 4.4 % (UK), leading to an increase of the pension provision with a corresponding effect in deferred tax assets and actuarial losses in equity.

Moreover, other provisions are included in non-current provisions, which increase by +157 M € to 3,654 M €. This mainly reflects the increase of the onerous contract provision for the A350 XWB, where a charge of 124 M € has been recorded in the first half-year 2012.

Long-term financing liabilities, mainly comprising bonds and liabilities to financial institutions, decrease by -109 M € to 3,519 M € (prior year-end: 3,628 M €).

Other non-current liabilities, comprising "Non-current other financial liabilities", "Non-current other liabilities" and "Non-current deferred income", increase in total by +63 M € to 18,360 M € (prior year-end: 18,297 M €), mainly due to an increase in refundable government advances (+252 M €) which was offset by a decrease in non-current deferred income (-172 M €).

Current liabilities

Current provisions decrease by -165 M € to 5,695 M € (prior year-end: 5,860 M €) and comprise the current portions of pensions (266 M €) and of other provisions (5,429 M €).

Trade liabilities decrease by -1,209 M € to 8,421 M € (prior year-end: 9,630 M €), mainly at Astrium (-493 M €), Airbus (-449 M €) and Cassidian (-414 M €), partly offset by Eurocopter (+154 M €).

Other current liabilities include "Current other financial liabilities", "Current other liabilities" and "Current deferred income". They increase by +1,305 M € to 31,537 M € (prior year-end: 30,232 M €). Other current liabilities mainly comprise current customer advance payments of 25,904 M € (prior year-end: 25,006 M €), increasing by +898 M €.

8. Significant cash flow items

Cash (used for) provided by operating activities decreases by -3,423 M € to -1,796 M € (first nine months 2011 adjusted by -300 M € to +1,627 M € - please refer to the footnote to the cash flow statements). Gross cash flow from operations (before changes in other operating assets and liabilities) of +2,782 M € increases compared to the prior period's level (first nine months 2011 adjusted by -300 M € to +1,543 M €). Changes in other operating assets and liabilities amount to -4,578 M € (first nine months 2011: +84 M €), mainly reflecting back-loaded deliveries as well as a ramp-up and thus a strong increase in inventories across most divisions, which are partly offset by customer advance payments received.

Cash provided by (used for) investing activities amounts to +1,009 M € (first nine months 2011 adjusted by +300 M € to -1,749 M €). This mainly comprises a change in securities of +2,920 M € (first nine months 2011: +23 M €), partly offset by purchases of intangible assets and property, plant and equipment of -1,894 M € (first nine months 2011: -1,333 M €), mainly in Airbus.

Cash provided by financing activities increases by +72 M € to +310 M € (first nine months 2011: +238 M €). Changes in long-term and short-term financing liabilities of +548 M € (first nine months 2011: +478 M €) reflecting the resumption of the commercial paper programme and changes in capital and non-controlling interests of +138 M € (first nine months 2011: -57 M €) mainly related to the issuance of new shares due to the exercise of stock options and due to the 2012 Employee Stock Ownership Plan are partly offset by a cash distribution to shareholders of -369 M € (first nine months 2011: -178 M €).

9. Number of shares

The total number of shares outstanding is 821,870,560 and 814,822,229 as of 30 September 2012 and 2011, respectively. EADS' shares are exclusively ordinary shares with a par value of 1.00 €.

During the first nine months of 2012, the number of treasury shares held by EADS decreased from 5,585,780 as of 31 December 2011 to 5,231,065 as of 30 September 2012.

In the first nine months of 2012, EADS issued 4,995,464 new shares (in the first nine months of 2011: 1,372,167 new shares) as a result of the exercise of stock options in compliance with the implemented stock option plans. Under the 2012 Employee Stock Ownership Plan, which was granted in June 2012, 2,177,103 shares were issued in July 2012. For the 2011 Employee Stock Ownership Plan 2,445,527 shares were issued.

10. Earnings per share

Basic earnings per share are calculated by dividing profit for the period attributable to equity owners of the parent (Net income) by the weighted average number of issued ordinary shares during the period, excluding ordinary shares purchased by the Group and held as treasury shares:

	1 January to 30 September 2012	1 January to 30 September 2011
Net income attributable to equity owners of the parent	903 M €	421 M €
Weighted average number of ordinary shares outstanding	818,525,740	811,713,726
Basic earnings per share	1.10 €	0.52 €

For calculation of the **diluted earnings per share**, the weighted average number of ordinary shares is adjusted to assume conversion of all potential ordinary shares. The Group's only category of dilutive potential ordinary shares is stock options. Since the average price of EADS shares exceeded the exercise price of the 5th, 6th and 8th stock option plan in the first nine months of 2012 (in the first nine months of 2011: the 4th and the 5th stock option plan), 1,291,765 potential shares (in the first nine months 2011: 1,257,453 shares) were considered in the calculation of diluted earnings per share.

	1 January to 30 September 2012	1 January to 30 September 2011
Net income attributable to equity owners of the parent	903 M €	421 M €
Weighted average number of ordinary shares outstanding (diluted)	819,817,505	812,971,179
Diluted earnings per share	1.10 €	0.52 €

11. Related party transactions

The Group has entered into various transactions with related companies in the first nine months of 2012 and 2011 that have all been carried out in the normal course of business. As it is the Group's policy, related party transactions have to be carried out at arm's length. Transactions with related parties include the French government and its related entities, Daimler AG, Lagardère group and the Spanish government (SEPI). Except for the transactions with the French and Spanish government, such transactions are not considered material to the Group either individually or on aggregate. The transactions with the French government include mainly sales from Eurocopter, Astrium, Cassidian and Airbus Military. The transactions with the Spanish government include mainly sales from Airbus Military and Cassidian. The French and Spanish government are also customers of the A400M programme.

12. Number of employees

The number of employees as at 30 September 2012 is 137,415 as compared to 133,115 as at 31 December 2011.

13. Litigation and claims

EADS is involved from time to time in various legal and arbitration proceedings in the ordinary course of its business, the most significant of which are described below. Other than as described below, EADS is not aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened), during a period covering at least the previous twelve months which may have, or have had in the recent past significant effects on EADS' or the Group's financial position or profitability.

Regarding EADS' provisions policy, EADS recognises provisions for litigation and claims when (i) it has a present obligation from legal actions, governmental investigations, proceedings and other claims resulting from past events that are pending or may be instituted or asserted in the future against the Group, (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and (iii) a reliable estimate of the amount of such obligation can be made. EADS believes that it has made adequate provisions to cover current or contemplated general and specific litigation risks.

WTO - Although EADS is not a party, EADS is supporting the European Commission in litigation before the WTO. Following its unilateral withdrawal from the 1992 EU-US Agreement on Trade in Large Civil Aircraft, the US lodged a request on 6 October 2004 to initiate proceedings before the WTO. On the same day, the EU launched a parallel WTO case against the US in relation to its subsidies to Boeing. On 1 June 2011, the WTO adopted the final report in the case brought by the US assessing funding to Airbus from European governments. On 1 December 2011, the EU informed the WTO that it had taken appropriate steps to bring its measures fully into conformity with its WTO obligations, and to comply with the WTO's recommendations and rulings. Because the US did not agree, the matter is now under WTO panel review pursuant to WTO rules. On 23 March 2012, the WTO adopted the Appellate Body's final report in the case brought by the EU concerning subsidies to Boeing. The EU has cited the failure by the US to implement the findings prior to the due date of 23 September 2012 in commencing a new proceeding on the adequacy of US compliance. Exact timing of further steps in the WTO litigation process is subject to further rulings and to negotiations between the US and the EU. Unless a settlement, which is currently not under discussion, is reached between the parties, the litigation is expected to continue for several years.

Securities litigation - Following the dismissal of charges brought by the French Autorité des marchés financiers for alleged breaches of market regulations and insider trading rules with respect primarily to the A380 delays announced in 2006, proceedings initiated in other jurisdictions have also been terminated. Nevertheless, following criminal complaints filed by several shareholders in 2006 (including civil claims for damages), a French investigating judge is still carrying out an investigation based on the same facts. It cannot be excluded that he may open the criminal trial against certain individuals.

CNIM - On 30 July 2010, Constructions Industrielles de la Méditerrannée ("CNIM") brought an action against EADS and certain of its subsidiaries before the commercial court of Paris, alleging anti-competitive practices, breach of long-term contractual relationships and improper termination of pre-contractual discussions. CNIM is seeking approximately €115 million in damages on a joint and several basis. On 12 January 2012, the court rejected all of CNIM's claims, following which CNIM filed for appeal.

GPT - The Director of the UK Serious Fraud Office has opened a formal criminal investigation into allegations concerning GPT Special Project Management Ltd., an EADS subsidiary, and certain aspects of the conduct of its business in the Kingdom of Saudi Arabia. EADS is cooperating fully with this investigation, the conclusions of which are not yet available.

14. Subsequent events

On 1 October 2012, Cassidian acquired 75.1% of the shares of Carl Zeiss Optronics GmbH, Oberkochen, Germany, (CZO) with the intention to run the optics and optronics activities of CZO together with Carl Zeiss AG. CZO is a manufacturer of optronic, optic and precision-engineered products for military and civil applications and reported revenues of approximately 123 M € for its last fiscal year 2011/2012.

Following the announcements made by BAE Systems plc ("BAE Systems") and EADS N.V. ("EADS") on 12 September 2012 in relation to a possible combination of their businesses through a dual listed company structure, BAE Systems and EADS announced on 10 October 2012 that they have decided to terminate their discussions.