

Q1 Results 2011

13 May 2011

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CFO



EADS

Safe Harbour Statement



Disclaimer

This presentation includes forward-looking statements. Words such as “anticipates”, “believes”, “estimates”, “expects”, “intends”, “plans”, “projects”, “may” and similar expressions are used to identify these forward-looking statements. Examples of forward-looking statements include statements made about strategy, ramp-up and delivery schedules, introduction of new products and services and market expectations, as well as statements regarding future performance and outlook. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

These factors include but are not limited to:

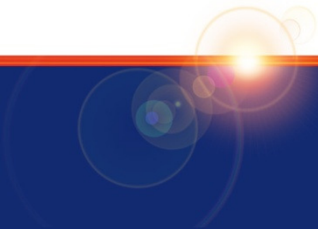
- ▶ Changes in general economic, political or market conditions, including the cyclical nature of some of EADS’ businesses;
- ▶ Significant disruptions in air travel (including as a result of terrorist attacks);
- ▶ Currency exchange rate fluctuations, in particular between the Euro and the U.S. dollar;
- ▶ The successful execution of internal performance plans, including cost reduction and productivity efforts;
- ▶ Product performance risks, as well as programme development and management risks;
- ▶ Customer, supplier and subcontractor performance or contract negotiations, including financing issues;
- ▶ Competition and consolidation in the aerospace and defence industry;
- ▶ Significant collective bargaining labour disputes;
- ▶ The outcome of political and legal processes, including the availability of government financing for certain programmes and the size of defence and space procurement budgets;
- ▶ Research and development costs in connection with new products;
- ▶ Legal, financial and governmental risks related to international transactions;
- ▶ Legal and investigatory proceedings and other economic, political and technological risks and uncertainties.

As a result, EADS’ actual results may differ materially from the plans, goals and expectations set forth in such forward-looking statements. For a discussion of factors that could cause future results to differ from such forward-looking statements, see EADS’ “Registration Document” dated 19 April 2011.

Any forward-looking statement contained in this presentation speaks as of the date of this presentation. EADS undertakes no obligation to publicly revise or update any forward-looking statements in light of new information, future events or otherwise.

Highlights

Divisional Performance
Guidance



- ▶ **Airbus:** benefiting from on-going strong commercial momentum; analysing further increase in Single Aisle production rates
- ▶ **Eurocopter:** keeping the course and seeing the first signs of recovery for civil orders
- ▶ **Cassidian:** transformation initiative underway as defence environment gets more global
- ▶ **Astrium:** robust execution translates into good financial performance
- ▶ **Q1 Earnings highlights:**
 - ▶ Strong operating underlying performance especially from Airbus legacy programmes and favourable cost phasing;
 - ▶ Usual seasonality pattern on Institutional business: Group earnings higher in H2;
 - ▶ Robust cash flow in Q1.

Q1 2011 Financial Highlights

in € bn	Q1 2011	Q1 2010	Change
Revenues	9.9	9.0	+10%
<i>of which Defence</i>	2.0	1.9	+1%
EBIT* before one-off	0.23	0.15	+53%
Order intake	6.3	14.4	-56%
in € bn	Mar. 2011	Dec. 2010	Change
Total Order book**	422.4	448.5	-6%
<i>of which Defence</i>	57.0	58.3	-2%

- ▶ Increase in EBIT* before one-off due to mix effects and favourable cost phasing, despite hedge rate deterioration and higher R&D.

Q1 2011 EBIT* Before One-off

in € bn

EBIT* before one-off 2011

% Revenues

One-off impacts:

▶ \$ PDP mismatch and balance sheet revaluation

EBIT* Reported

	EADS Group	Airbus Division	Airbus Comm.
EBIT* before one-off 2011	0.23	0.16	0.17
<i>% Revenues</i>	<i>2.3%</i>	<i>2.3 %</i>	<i>2.5 %</i>
One-off impacts:			
▶ \$ PDP mismatch and balance sheet revaluation	(0.04)	(0.04)	(0.04)
EBIT* Reported	0.19	0.12	0.13

Q1 2011 Profit & Loss Highlights



	Q1 2011		Q1 2010	
	€ m	in % of Revenues	€ m	in % of Revenues
EBIT*	192	1.9%	83	0.9%
Self-financed R&D**	650	6.6%	572	6.4%
EBIT* before R&D	842	8.5%	655	7.3%
Interest result	(47)	(0.5%)	(53)	(0.6%)
Other financial result	(150)	(1.5%)	130	1.5%
Taxes	5	0.1%	(47)	(0.5%)
Net income (loss)	(12)	(0.1%)	103	1.2%
EPS***	€ (0.01)		€ 0.13	

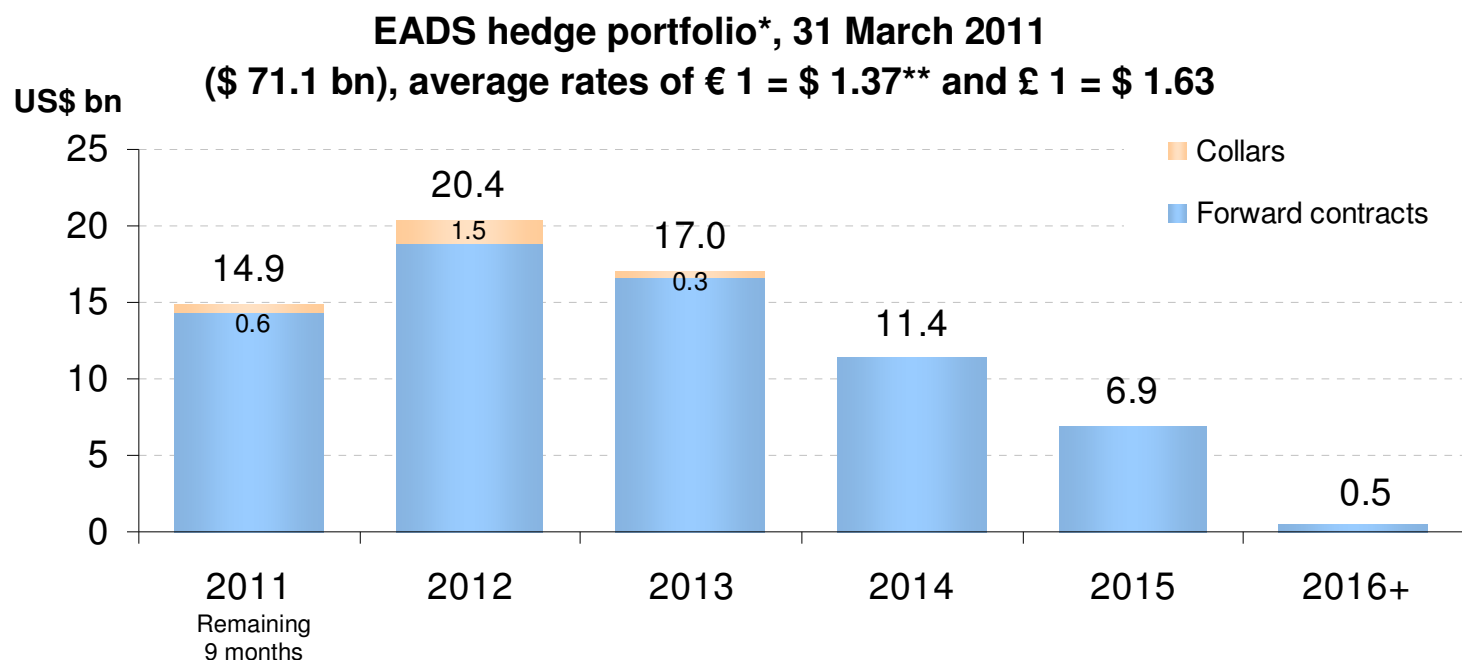
* Pre-goodwill impairment and exceptionals

** IAS 38: € 23 m capitalised during Q1 2011; € 17 m capitalised during Q1 2010

*** Average number of shares outstanding: 810,699,249 in Q1 2011; 810,894,262 in Q1 2010

Currency Hedge Policy

- ▶ Approximately 50% of EADS' US\$ revenues naturally hedged by US\$ procurement;
- ▶ In Q1 2011, hedges of \$ 4.2 bn* matured at an average hedge rate of € 1 = \$ 1.37;
- ▶ In Q1 2011, new hedge contracts of \$ 5.1 bn were added at an average rate of € 1 = \$ 1.35**.



Average hedge rates

€ vs \$**	1.38	1.37	1.38	1.38	1.40	1.38
£ vs \$	1.74	1.62	1.57	1.57	1.61	1.57

Mark-to-market value = € +0.7 bn
 Closing rate @ 1.42 € vs. \$

* Total hedge amount contains \$/€ and \$/£ designated hedges

** Includes collars at their least favourable rates

Free Cash Flow

in € m	Q1 2011	Q1 2010
Net cash position at the beginning of the period	11,918	9,797
Gross Cash Flow from Operations*	568	386
Change in working capital	112	(1,112)
of which Customer Financing	101	(152)
Cash used for investing activities**	(371)	(398)
of which Industrial Capex (additions)	(367)	(345)
of which Others	(4)	(53)
Free Cash Flow**	309	(1,124)
Free Cash Flow before customer financing**	208	(972)
Change in capital and non-controlling interests	7	(2)
Change in treasury shares	(14)	(1)
Contribution to plan assets of pension schemes	(8)	(1)
Others	(40)	84
Net cash position at the end of the period	12,172	8,753

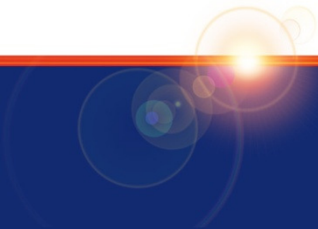
* Gross Cash Flow from operations, excluding working capital change

** Excluding change in securities and contribution to plan assets of pension schemes

Highlights

Divisional Performance

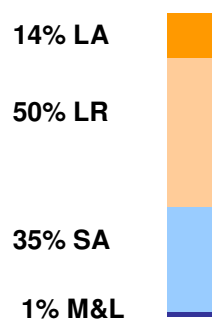
Guidance



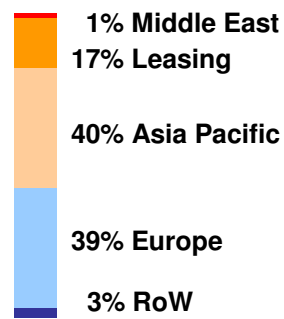
Airbus Division

in € m	Airbus Division (after elimination)		Airbus Commercial (excl. A400M)		Airbus Military (Former MTAD, incl. A400M)	
	Q1 2011	Q1 2010	Q1 2011	Q1 2010	Q1 2011	Q1 2010
Deliveries	121 a/c ^{a)}	123 a/c ^{a) b)}	119 a/c	122 a/c ^{b)}	3 a/c	2 a/c
Revenues	7,013	6,264	6,707	5,989	434	384
R&D self-financed**	525	433	516	431	9	2
<i>in % of revenues</i>	7.5%	6.9%	7.7%	7.2%	2.1%	0.5%
EBIT*	115	7	125	6	1	1
<i>in % of revenues</i>	1.6%	0.1%	1.9%	0.1%	0.2%	0.3%
Order book***	374,891	366,051	353,574	346,182	22,487	21,155
in units***			3,434	3,426	239	248
Net orders***			1 a/c	60 a/c	1 a/c	0 a/c

Gross Orders by Programme



Gross Orders by Region



- a) Excluding 1 green aircraft delivered to Airbus Military
- b) 3 A320 without revenue recognition in Q1 2010

- * Pre-goodwill impairment and exceptionals
- ** Capitalised R&D: € 9 m in Q1 2011 and € 10 m in Q1 2010
- *** Commercial a/c valued at list prices, units excl. freighter conversions

Airbus Commercial (excl. A400M)

Revenues +12%

- Favourable mix effect: +3 LR, -4 SA, +1 A380 with revenue recognition;
- Pricing improvement, net of escalation.

EBIT* before one-off ~ + 113%

- Favourable mix, pricing improvement net of escalation;
- Favourable cost phasing, mainly non-series;
- Hedge rate deterioration (€ - 0.11 bn);
- Higher R&D;
- A380 loss stable with Q1 2010.

Airbus Military (incl. A400M)

Revenues +13%

- A400M revenue recognition (€ +0.2 bn);
- Lower volume on Medium & Light and Tankers.

EBIT* Stable

- Favourable cost phasing;
- Higher R&D expenditure.

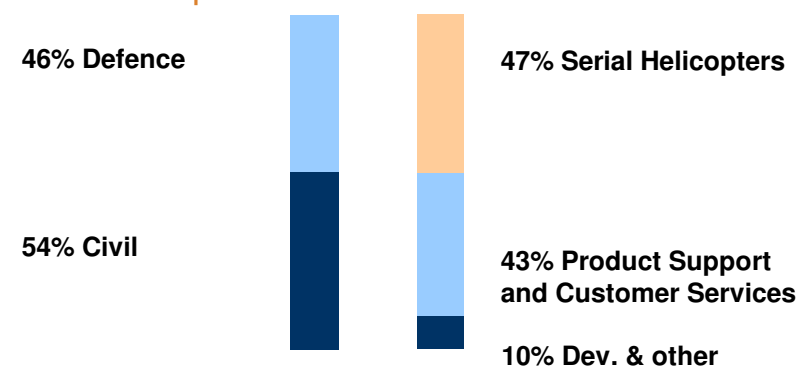
Key Achievements

- Early market success for the A320neo with commitments >330 a/c. EIS advanced to October 2015;
- A350 XWB: largest carbon fibre fuselage panel completed. FAL is still targeted for the end of the year and EIS for the second half of 2013. The programme remains challenging;
 - A400M: contract amendment signed in early April. Series production commenced;
 - MRTT: 1st Royal Saudi Air Force aircraft successfully completed its maiden flight.

in € m

	Q1 2011	Q1 2010
Revenues	823	798
R&D self-financed**	44	47
<i>in % of revenues</i>	5.3%	5.9%
EBIT*	31	26
<i>in % of revenues</i>	3.8%	3.3%
Order book	14,506	15,324
in units	1,140	1,301

Revenue split



based on Q1 2011 EADS external revenues

* Pre-goodwill impairment and exceptionals

** Capitalised R&D: € 4 m in Q1 2011 and € 5 m in Q1 2010

Overview

- 99 new net orders booked, above the Q1 2010 level. Cancellation trend slowing. First signs of recovery in the US civil market.

Revenues

- 81 deliveries compared to 86 h/c in Q1 2010.

EBIT

- Favourable mix effect;
- R&D ramp-up backloaded.

Key achievements

- Heli-Expo 2011:
 - 68 contracts and commitments including 15 EC175 for UTAir;
 - Innovation strategy underlined with roll out of new and enhanced product range including EC145 T2.
- Expansion in international services with the agreement to acquire Vector Aerospace Corporation, a global leading provider of MRO services for multi-platform helicopters and aircraft and helicopter engines.

in € m

	Q1 2011	Q1 2010
Revenues	1,171	924
R&D self-financed	13	18
<i>in % of revenues</i>	1.1%	1.9%
EBIT*	52	41
<i>in % of revenues</i>	4.4%	4.4%
Order book	15,282	14,961

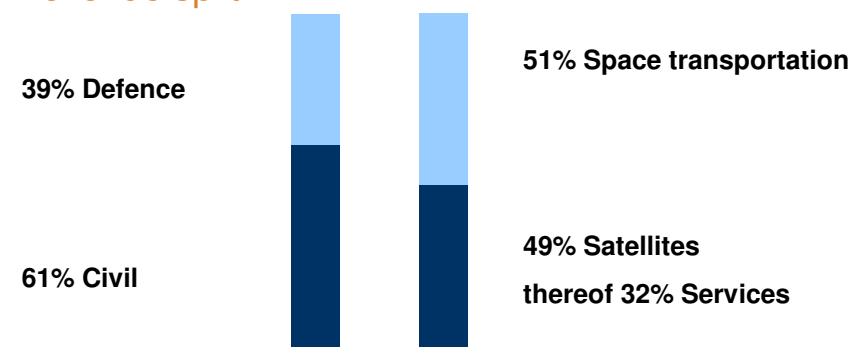
Revenues +27% :

- Higher volume from launchers, positive contribution from earth observation and telecommunication satellites.

EBIT* +27%

- Growth and productivity in launchers;
- Higher margin in earth observation and telecommunication satellites;
- Lower volume in geo-information services;
- Implementation of AGILE will trigger some Non Recurring Costs and higher R&D later this year.

Revenue split



based on Q1 2011 EADS external revenues

Key Achievements

- 42nd successful Ariane 5 launch with the Astrium built Automated Transfer Vehicle (ATV) "Johannes Kepler" which later performed a perfect automatic dock-on manoeuvre with the International Space Station;
- Export contract awards:
 - Kazakhstan: Satellite Integration and Test Centre equipping;
 - Vietnam: Earth observation satellite VNREDSat-1.
- Work continues on the transformation programme, AGILE, to increase efficiency and prepare for a challenging competitive environment.

in € m

	Q1 2011	Q1 2010
Revenues	878	928
R&D self-financed	53	57
<i>in % of revenues</i>	6.0%	6.1%
EBIT*	8	21
<i>in % of revenues</i>	0.9%	2.3%
Order book	16,721	18,864

Changing business environment

- Defence budget pressure:
 - Delayed order intake; high R&D expenses.
- Preparation of transformation programme ongoing and development of global growth strategy, particularly in security.

Revenues -5%

- Unfavourable phasing of Eurofighter volume;
- Lower revenues from Secure Communication Solutions.

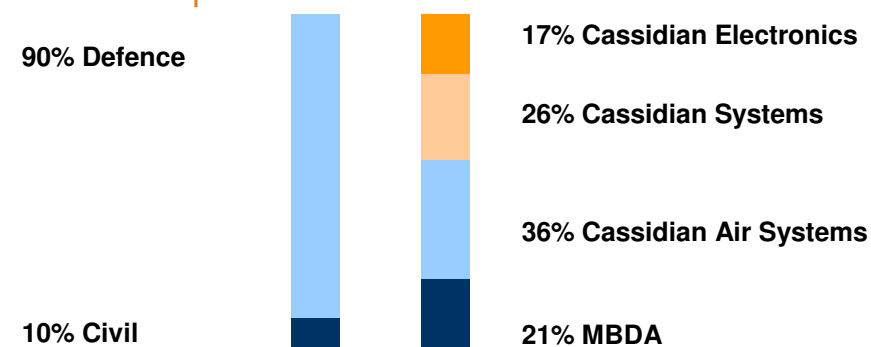
EBIT* -62%

- Lower volume.

Key Achievements

- Eurofighter Campaign continues in India;
- EMIRAJE Systems, a Cassidian and C4 Advanced Solutions JV, awarded the first phase of the UAE Command and Control System (ECCS);
- Foundation of Signalis, the world's leading provider of maritime safety and security solutions with Atlas Elektronik.

Revenue split



based on Q1 2011 EADS external revenues

Other Businesses

in € m

	Q1 2011	Q1 2010
Revenues	246	246
R&D self-financed	2	1
<i>in % of revenues</i>	0.8%	0.4%
EBIT*	(3)	(1)
<i>in % of revenues</i>		
Order book	2,566	1,990

Revenues stable

- LUH delivery ramp up and higher Sogerma revenues offset lower ATR deliveries.

EBIT* negative

- Lower ATR deliveries mitigated by the recovery in the jet engine MRO business at Sogerma.

ATR

- 25 net orders;
- 6 deliveries compared to 13 in Q1 2010, in line with expectations;
- Backlog at 178 a/c.

North America

- 13 LUH deliveries compared to 6 in Q1 2010;
- Contract from Lockheed Martin to supply its TRS-3D radar for the U.S. Navy's Littoral Combat Ships.

Revenue split

36% Defence



31% Sogerma

33% ATR

64% Civil

36% EADS NA

based on Q1 2011 EADS external revenues

Highlights
Divisional Performance
Guidance



2011 guidance is based on €:\$ 1.35

Airbus Orders & Deliveries:

Airbus deliveries : 520 – 530 commercial aircraft; Book to bill > 1

Revenues:

EADS revenues above the 2010 level

EBIT* before one-off:

EADS expects 2011 EADS EBIT* before one-off to remain stable compared to the 2010 level, at around €1.3bn. Increasing volume and price improvement at Airbus Commercial are roughly compensated by the deterioration of hedge rates, increasing R&D and less favourable mix of activities at Cassidian

EBIT*/EPS:

- Going forward, the reported EBIT* and EPS performance of EADS will be dependent on the Group's ability to execute on the A400M, A380 and A350 XWB programmes, in line with the commitments made to its customers
- Reported EBIT* and EPS also depend on exchange rate fluctuations
- At € 1 = \$ 1.35, EADS expects 2011 EPS to be above the 2010 level of € 0.68

Free Cash Flow:

Free Cash Flow is expected to be positive

2012 EBIT* before one-off:

Should materially improve thanks to Airbus with volume increase, better pricing and A380 improvement

Appendix



EADS

Q1 2011 Forex EBIT* Impact Bridge

in € m

Forex impact on EBIT*

- ▶ Deterioration of hedge rates (€: \$ 1.32 to 1.37)
out of which Airbus
- ▶ Other one-off forex effect including PDP reversal

*Compared to Q1 2010
out of which Airbus Division*

BRIDGE

(0.11)

(0.11)

0.03

(0.08)

(0.08)

Q1 2010 EBIT* Before One-off

in € bn	EADS Group	Airbus Division	Airbus Comm.
EBIT* before one-off Q1 2010	0.15	0.08	0.08
<i>% Revenues</i>	<i>1.7%</i>	<i>1.3%</i>	<i>1.3%</i>
One-off impacts:			
▶ \$ PDP reversal and balance sheet revaluation	(0.07)	(0.07)	(0.07)
EBIT* Reported	0.08	0.01	0.01

Q1 2011 Financial Highlights

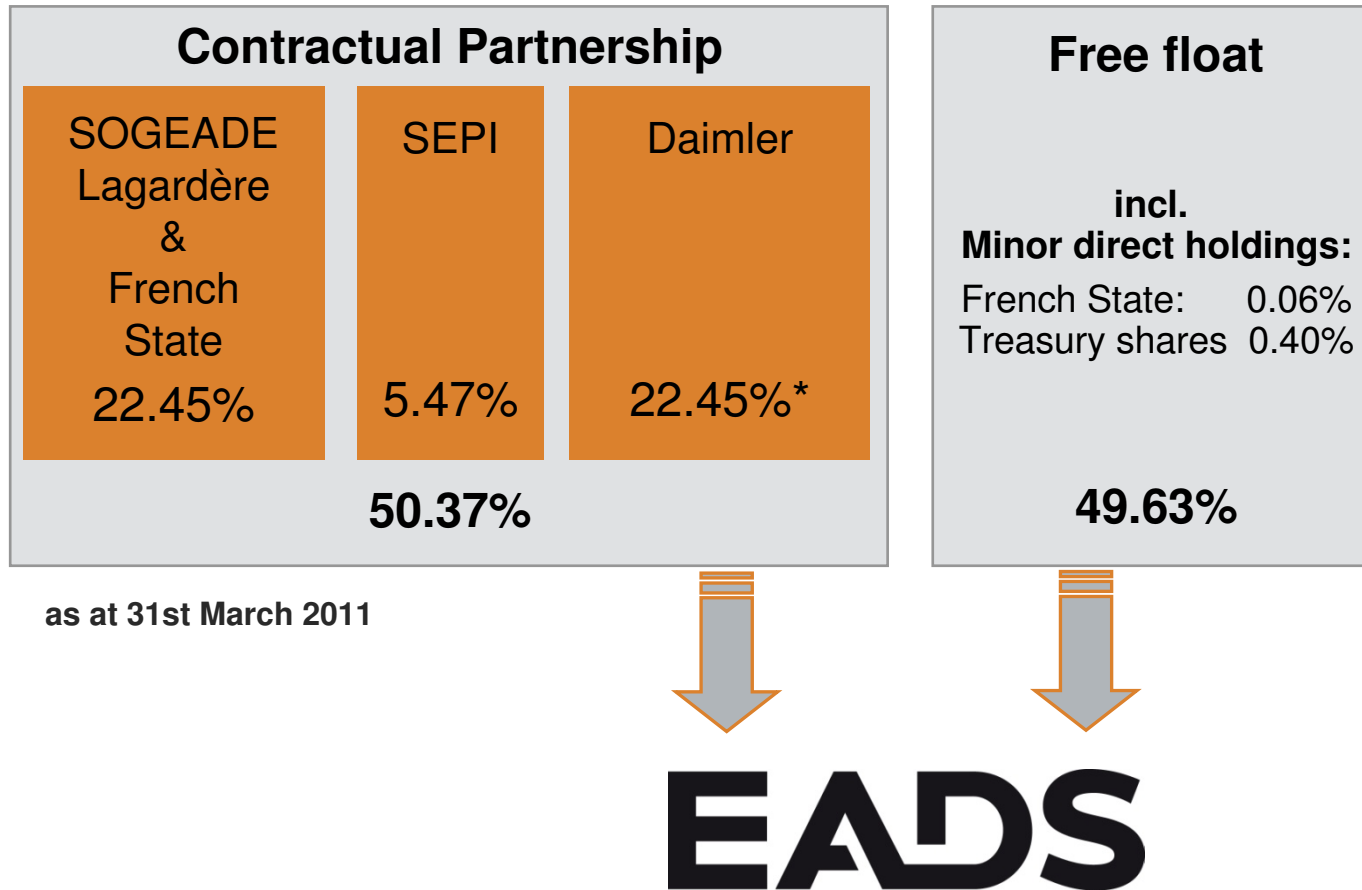
	Q1 2011		Q1 2010	
	€ m	in % of Revenues	€ m	in % of Revenues
Revenues	9,854		8,950	
self-financed R&D**	650	6.6%	572	6.4%
EBITDA*	589	6.0%	457	5.1%
EBIT*	192	1.9%	83	0.9%
EBIT* before R&D	842	8.5%	655	7.3%
Net income (loss)	(12)	(0.1%)	103	1.2%
EPS***	€ (0.01)		€ 0.13	
Net Cash position at the end of the period	12,172		8,753	
Free Cash Flow	309		(1,124)	

* Pre-goodwill impairment and exceptionals

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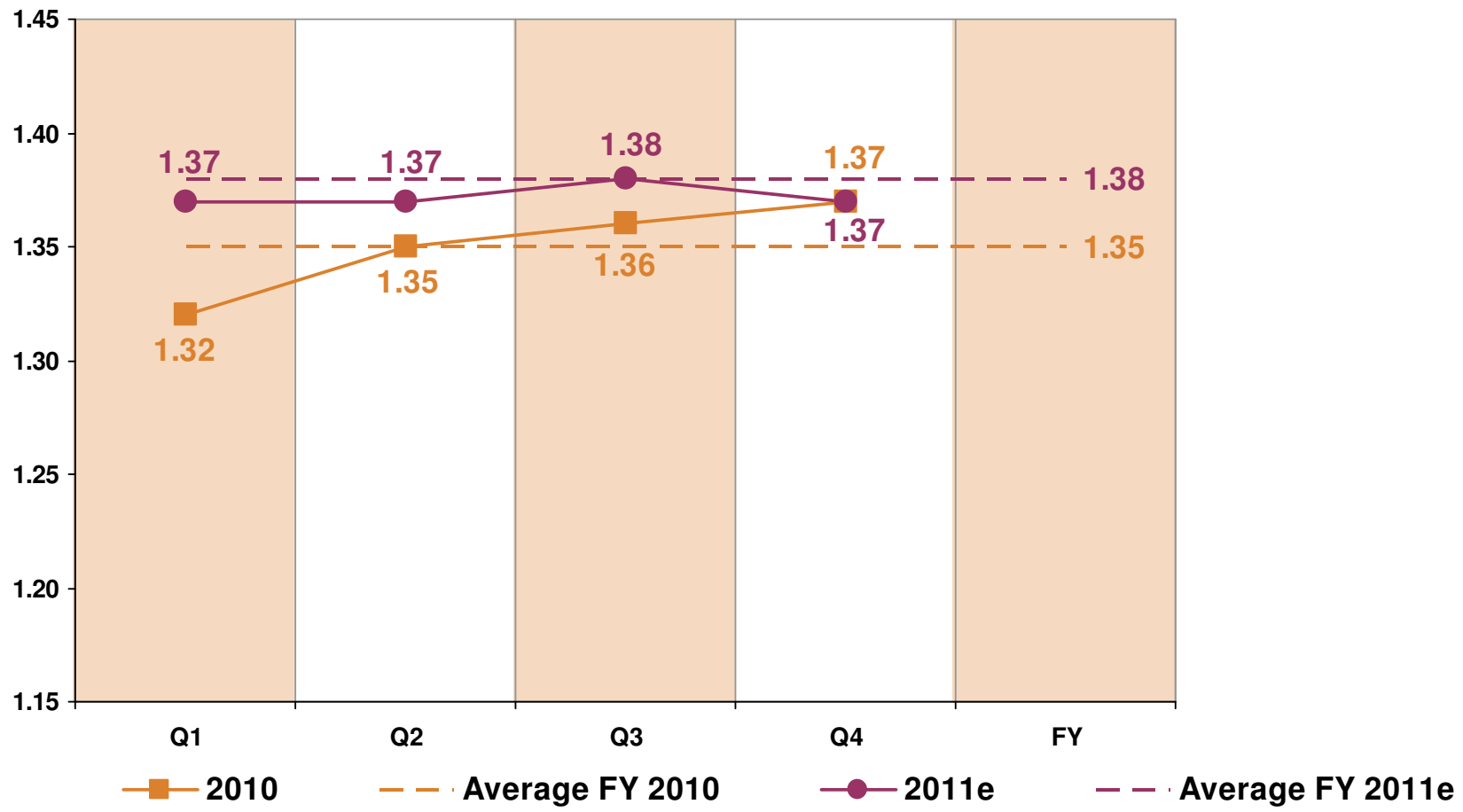
Shareholding structure



* On 9 February 2007, Daimler reached an agreement with a consortium of private and public-sector investors by which it effectively reduced its shareholding in EADS by 7.5%, while retaining its voting rights over the entire 22.5% package of EADS shares.

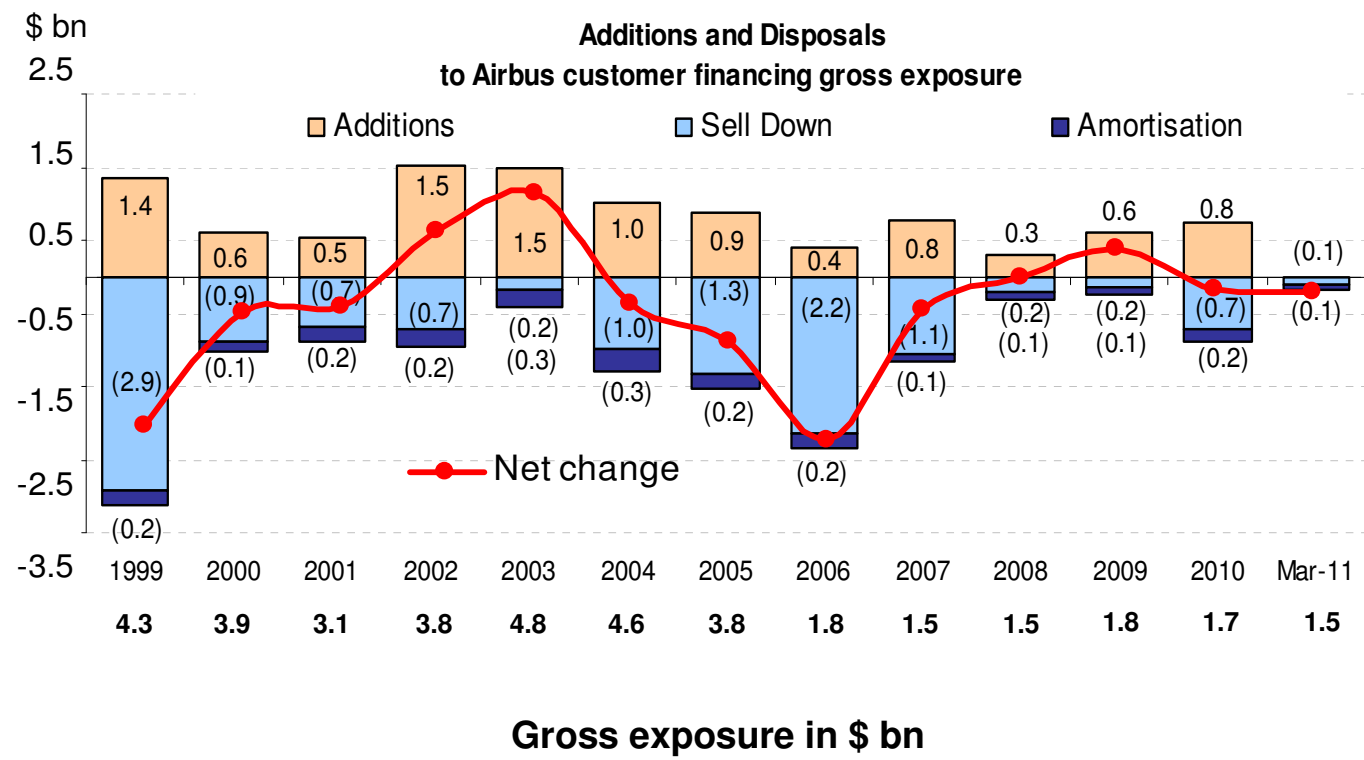
Expected EADS Average Hedge Rates € vs. \$

Average hedge rates € vs. \$



Airbus Customer Financing

Active exposure management



Net Exposure fully provisioned

Gross Exposure € 1.1 bn (\$ 1.5 bn)	 Net Exposure € 0.5 bn
Estimated Collateral € 0.6 bn	

31 March 2011

Customer Financing Exposure

in € m	100% AIRBUS		50% ATR		100% EC	
	Mar. 2011	Dec. 2010	Mar. 2011	Dec. 2010	Mar. 2011	Dec. 2010
Closing rate € 1 =	\$ 1.42	\$ 1.34				
Total Gross exposure	1,064	1,266	101	115	89	89
<i>of which off-balance sheet</i>	<i>283</i>	<i>333</i>	<i>43</i>	<i>46</i>	<i>48</i>	<i>48</i>
Estimated value of collateral	(591)	(759)	(92)	(105)	(62)	(62)
Net exposure	473	507	9	10	27	27
Provision and asset impairment	(473)	(507)	(9)	(10)	(27)	(27)
Net exposure after provision	0	0	0	0	0	0

EBIT* Calculation

in € m

EBIT*

Exceptionals:

Fair value depreciation

**Profit before finance cost
and income taxes**

Q1 2011	Q1 2010
192	83
(11)	(10)
181	73

Net Income (loss) pre-exceptionals

in € m

Net income (loss)*

EPS* (1)

Exceptionals:

Fair value adjustment

Related tax impact

Net income (loss)

EPS (1)

	Q1 2011	Q1 2010
	(4)	110
	€ 0	€ 0.14
	(11)	(10)
	3	3
	(12)	103
	€ (0.01)	€ 0.13

* Pre-goodwill impairment and exceptionals; the term “exceptionals” refers to such items as depreciation expenses of fair value adjustments relating to the EADS merger, the Airbus creation and the formation of MBDA.

(1) Average number of shares outstanding: 810,699,249 in Q1 2011; 810,894,262 in Q1 2010.

Net Cash Position

in € m	Mar. 2011	Dec. 2010
Gross cash	16,405	16,196
Financing Debts		
<i>Short-term Financing Debts</i>	<i>(1,346)</i>	<i>(1,408)</i>
<i>Long-term Financing Debts</i>	<i>(2,887)</i>	<i>(2,870)</i>
Reported Net cash	12,172	11,918
Airbus non-recourse debt	486	532
Net cash excl. non-recourse	12,658	12,450

EADS: Strong Liquidity Position as at 31 March 2011

€ 3 bn Credit Facility		<ul style="list-style-type: none"> ▶ Maturity 2012 ▶ Undrawn ▶ Fully committed by 32 banks ▶ No financial covenants ▶ No MAC clause
€ 16.4 bn Total Gross Cash Invested in highly rated securities	€ 4.2 bn Financing Liabilities (incl. € 1.5 bn liabilities of EMTN)	
	€ 12.2 bn Net Cash	

Balance Sheet Highlights: Assets

in € m	Mar. 2011	Dec. 2010
Non-current Assets	41,620	41,197
of which Intangible & Goodwill	11,246	11,299
of which Property, plant & equipment	13,271	13,427
of which Investments & Financial assets	4,902	4,837
of which positive hedge mark-to-market	1,291	602
of which Non-current securities	5,759	5,332
Current Assets	43,527	41,990
of which Inventory	22,564	20,862
of which Cash	4,958	5,030
of which Current securities	5,688	5,834
of which positive hedge mark-to-market	658	364
Total Assets	85,147	83,187
Closing rate €/€	1.42	1.34

Balance Sheet Highlights: Liabilities

in € m

	Mar. 2011	Dec. 2010
Total Equity	10,802	8,936
of which OCI (Other Comprehensive Income)	2,331	446
of which Non-controlling interests	95	95
Total Non-current liabilities	29,445	30,481
of which pensions	5,053	5,037
of which other provisions	3,034	3,176
of which financing debts	2,887	2,870
of which European governments refundable advances	5,931	5,968
of which Customer advances	8,788	8,817
of which negative hedge mark-to-market	984	2,109
Total Current liabilities	44,900	43,770
of which pensions	184	184
of which other provisions	5,634	5,582
of which financing debts	1,346	1,408
of which European gvts refundable advances	104	52
of which Customer advances	24,413	23,285
of which negative hedge mark-to-market	479	821
Total Liabilities and Equity	85,147	83,187

Quarterly Revenues Breakdown (cumulative)

in € m	Q1		H1		9m		FY	
	2011	2010	2011	2010	2011	2010	2011	2010
Airbus Division	7,013	6,264	...	13,853	...	21,740	...	29,978
Thereof Airbus Comm.*	6,707	5,989	...	12,965	...	20,446	...	27,673
Thereof Airbus Military	434	384	...	1,007	...	1,540	...	2,684
Eurocopter	823	798	...	2,109	...	3,085	...	4,830
Astrium	1,171	924	...	2,110	...	3,226	...	5,003
Cassidian	878	928	...	2,183	...	3,470	...	5,933
HQ & others	(31)	36	...	53	...	33	...	8
<i>of which other BUs</i>	246	246	...	554	...	805	...	1,182
<i>of which HQ & elim.</i>	(277)	(210)	...	(501)	...	(772)	...	(1,174)
Total EADS	9,854	8,950	...	20,308	...	31,554	...	45,752

Quarterly EBIT* Breakdown (cumulative)

in € m	Q1		H1		9m		FY	
	2011	2010	2011	2010	2011	2010	2011	2010
Airbus Division	115	7	...	104	...	296	...	305
Thereof Airbus Comm.**	125	6	...	241	...	328	...	291
Thereof Airbus Military	1	1	...	(161)	...	(35)	...	21
Eurocopter	31	26	...	71	...	121	...	183
Astrium	52	41	...	106	...	158	...	283
Cassidian	8	21	...	110	...	204	...	457
HQ & others	(14)	(12)	...	15	...	5	...	3
<i>of which other BUs</i>	(3)	(1)	...	0	...	(6)	...	25
<i>of which HQ & elim.</i>	(11)	(11)	...	15	...	11	...	(22)
Total EADS	192	83	...	406	...	784	...	1,231

* Pre-goodwill impairment and exceptionals

** Airbus Commercial incl. EFW and excludes A400M

Quarterly Order intake Breakdown (cumulative)

in € m	Q1		H1		9m		FY	
	2011	2010	2011	2010	2011	2010	2011	2010
Airbus Division	3,748	11,158	...	24,542	...	47,949	...	68,223
Thereof Airbus Comm.*	3,647	11,035	...	24,302	...	47,384	...	68,210
Thereof Airbus Military	105	146	...	285	...	626	...	152
Eurocopter	779	1,057	...	1,785	...	3,050	...	4,316
Astrium	781	1,234	...	2,667	...	3,803	...	6,037
Cassidian	821	964	...	1,856	...	2,581	...	4,312
HQ & others	139	(31)	...	(82)	...	339	...	259
<i>of which other BUs</i>	394	199	...	372	...	1,008	...	1,668
<i>of which HQ & elim.</i>	(255)	(230)	...	(454)	...	(669)	...	(1,409)
Total EADS	6,268	14,382	...	30,768	...	57,722	...	83,147

Quarterly Order book Breakdown (cumulative)

in € m	Q1		H1		9m		FY	
	2011	2010	2011	2010	2011	2010	2011	2010
Airbus Division	374,891	366,051	...	405,027	...	377,325	...	400,400
Thereof Airbus Comm.*	353,574	346,182	...	385,677	...	358,110	...	378,907
Thereof Airbus Military	22,487	21,155	...	20,773	...	20,586	...	22,819
Eurocopter	14,506	15,324	...	14,740	...	15,029	...	14,550
Astrium	15,282	14,961	...	15,524	...	15,300	...	15,760
Cassidian	16,721	18,864	...	18,548	...	17,763	...	16,903
HQ & others	962	592	...	659	...	933	...	880
of which other BUs	2,566	1,990	...	2,007	...	2,228	...	2,519
of which HQ & elim.	(1,604)	(1,398)	...	(1,348)	...	(1,295)	...	(1,639)
Total EADS	422,362	415,792	...	454,498	...	426,350	...	448,493