

# Information notice

## Annual General Meeting

on Thursday 31 May 2012 at 10:30 a.m.

at Hotel Okura Amsterdam  
Ferdinand Bolstraat 333,  
1072 LH Amsterdam,  
The Netherlands



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# Agenda

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## 1 Opening and general introductory statements

## 2 Presentation by the Chairman and the Chief Executive Officer, including report by the Board of Directors in respect of the:

1. Corporate governance statement
2. Policy on dividend
3. Report on the business and financial results of 2011

## 3 Discussion of all agenda items

## 4 Vote on the resolutions in respect of the:

1. Adoption of the audited accounts for the financial year of 2011
2. Approval of the result allocation, distribution and payment date
3. Release from liability of the Members of the Board of Directors
4. Appointment of Mr Arnaud Lagardère as a Member of the Board of Directors
5. Appointment of Mr Thomas Enders as a Member of the Board of Directors
6. Appointment of Mr Dominique D'Hinnin as a Member of the Board of Directors
7. Appointment of Mr Hermann-Josef Lamberti as a Member of the Board of Directors
8. Appointment of Mr Lakshmi N. Mittal as a Member of the Board of Directors
9. Appointment of Sir John Parker as a Member of the Board of Directors
10. Appointment of Mr Michel Pébereau as a Member of the Board of Directors
11. Appointment of Mr Josep Piqué i Camps as a Member of the Board of Directors
12. Appointment of Mr Wilfried Porth as a Member of the Board of Directors
13. Appointment of Mr Jean-Claude Trichet as a Member of the Board of Directors
14. Appointment of Mr Bodo K. Uebber as a Member of the Board of Directors
15. Appointment of Ernst & Young Accountants L.L.P. as co-auditor for the financial year 2012
16. Appointment of KPMG Accountants N.V. as co-auditor for the financial year 2012
17. Removal of Articles 15, 16 and 17 of the Company's Articles of Association
18. Adoption of the compensation and remuneration policy of the Members of the Board of Directors
19. Delegation to the Board of Directors of powers to issue shares and to set aside preferential subscription rights of existing shareholders
20. Cancellation of shares repurchased by the Company
21. Renewal of the authorisation for the Board of Directors to repurchase shares of the Company

## 5 Closing of the meeting

# Ways of participating in the Meeting

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## How to qualify for participation in the Meeting?

According to the current Dutch law, your depository bank or EADS Securities Department will attest on your behalf your status as a holder of EADS shares as of **Thursday 3 May 2012** (Registration Date) at close of markets, to qualify for participation in the Annual General Meeting. The shares will not be blocked from the Registration Date until the Meeting.

## How to participate?

You can choose one of the following options:

1. **To grant a power of attorney to the Chairman**
2. **To provide voting instructions**
3. **To grant a power of attorney to a specified person**
4. **To attend and to vote at the Annual General Meeting**

You can express your choice:

- A. by using the voting form/attendance card request (the "Form") attached in printed version
- B. or by Internet

### A. In paper Form

#### 1. To grant a power of attorney to the Chairman

If you wish to grant to the Chairman a power of attorney to vote each resolution and amendments or new resolutions, if any, presented during this Meeting, you must shade box **1** on the Form.

#### 2. To provide voting instructions

In order to provide voting instructions to Euroclear France SA, in the name of which your shares are registered in the shareholders' register of EADS, you must shade and fill out box **2** on the Form.

For each resolution, and amendment or new resolution, if any, presented during this Meeting, **you can express your choice as follows:**

- if you wish to vote **FOR**, shade the box **FOR**;
- if you wish to vote **AGAINST**, shade the box **AGAINST**;
- if you wish to vote **ABSTAIN**, shade the box **ABSTAIN**.

#### 3. To grant a power of attorney to a specified person

If you wish to grant a power of attorney to a specified person to vote each resolution, and amendments or new resolutions, if any, presented during this Meeting, you must shade box **3** on the Form.

In this case, only the specified person will be admitted to the Meeting and only upon presentation of an attendance card and a valid proof of identity.

#### 4. To attend and to vote at the Annual General Meeting

If you wish to attend and to vote at the Meeting, you must shade box **4** on the Form in order to receive an attendance card from Deutsche Bank AG.

In this case, you will be admitted to the Meeting only upon presentation of this attendance card and a valid proof of identity.

Whichever your choice is, whether **1, 2, 3** or **4**, just shade and fill out the appropriate items on the Form as indicated above. Then **date and sign** before returning it, as appropriate, to your depository bank which will submit the relevant instruction to Deutsche Bank AG.

Your Form or Document must be received **by your depository bank** no later than the day indicated by such bank.

Any Form or Document received beyond the relevant date will be disregarded.

## B. By Internet

You will be offered the same four options as proposed in the paper Form if you choose to express your choice through the secure website Gisproxo, which is available until **Thursday 24 May 2012**.

The Internet procedure depends on the type of account in which you hold your EADS shares (pure registered, administrated registered or bearer shares) as of **Thursday 3 May 2012** (Registration Date) at close of markets:

### ☉ I hold pure registered shares

The login and password required to connect to the voting platform Gisproxo are the same as those that let you check your registered account on the website *Planetshares – Myshares*. If you have these two items, you can connect to the voting platform Gisproxo and follow the instructions detailed on the screen.

If you forgot your login and/or your password, the login procedure will be identical to that provided for “I hold administrated registered shares”, presented below.

### ☉ I hold administrated registered shares

You will find your login on the paper Form in the box at the right top. With this login, you can connect to the website Gisproxo and request a password. You will then receive by post from EADS Securities department your password and your complete login without delay.

With this login and password, you can connect to the voting platform Gisproxo and follow the instructions detailed on the screen.

\* Your depository bank may charge you a fee for this transfer.

### ☉ I hold bearer shares

If you wish to have access to the voting platform Gisproxo, your shares must be transferred into registered form as soon as possible. In order to transfer your shares\*, you need to complete the relevant form, which is available on our website [www.eads.com](http://www.eads.com) (Investor Relations > Annual General Meeting 2012) or by contacting EADS Securities Department (Tel.: +33 1 57 43 35 00). This form must be transmitted to your depository bank which will contact EADS Securities Department in order to carry out the transfer of your shares.

Once the transfer has been completed, EADS Securities Department will send you the login and password without delay. With these two items, you can connect to the voting platform Gisproxo and follow the instructions detailed on the screen.

If your shares are transferred after **Thursday 3 May 2012** (Registration Date) at close of markets, the depository bank, which managed your shares, will have to provide evidence of your status as a holder of EADS shares on that date (a special form is available on our website [www.eads.com](http://www.eads.com) or by contacting EADS Securities Department) to be eligible to vote electronically.

The transfer of your shares from bearer into registered form relies solely on the ability of your depository bank, which shall be the entity exclusively responsible for handling this process, to manage it in due time and in accordance with your request.

The voting platform Gisproxo is available at the following address: <https://gisproxo.bnpparibas.com/eads.pg>

For any question related to the Internet voting, please contact +33 1 57 43 35 00.

## Annual General Meeting documentation

The Annual General Meeting documentation (i.e. agenda and text of the proposed resolutions, Board report, 2011 audited financial statements and Auditors' reports) is available at the EADS headquarters and at the EADS head offices at the following addresses:

- ☉ in **The Netherlands**, Mendelweg 30, 2333 CS, Leiden;
- ☉ in **Germany**, Willy-Messerschmitt-Str. – Tor 1 85521 Ottobrunn;
- ☉ in **France**, 37, boulevard de Montmorency, 75016 Paris;
- ☉ in **Spain**, Avenida de Aragón 404, 28022 Madrid.

or at:

- ☉ **Deutsche Bank AG**, TSS/GES, Post IPO Services, 60262 Frankfurt am Main, Germany (fax :+49/69-910 38794 and E-mail: [core.emfo@db.com](mailto:core.emfo@db.com));

- ☉ **EADS Securities Department**.

This documentation is also available on our website [www.eads.com](http://www.eads.com) (Investor Relations).

**EADS Securities department:**  
 BNP PARIBAS Securities Services  
 CTS Assemblées  
 9, rue du débarcadère  
 93761 Pantin Cedex, France  
 Tel.: +33 1 57 43 35 00  
 Fax: +33 1 55 77 95 01

# Text of the resolutions proposed by the Board of Directors

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## FIRST RESOLUTION

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### Adoption of the audited accounts for the financial year 2011

**RESOLVED THAT** the audited accounts for the accounting period from 1 January 2011 to 31 December 2011, as submitted to the Annual General Meeting by the Board of Directors, be and hereby are adopted.

## SECOND RESOLUTION

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### Approval of the result allocation, distribution and payment date

**RESOLVED THAT** the net profit of €1,033 million, as shown in the income statement for the financial year 2011, shall be added to retained earnings and that a payment of a gross amount of €0.45 per share shall be made to the shareholders from distributable reserves on 7 June 2012.

## THIRD RESOLUTION

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### Release from liability of the Members of the Board of Directors

**RESOLVED THAT** the Members of the Board of Directors be and hereby are granted a release from liability for the performance of their duties during and with respect to the financial year 2011, to the extent that their activity has been reflected in the audited annual accounts for the financial year 2011 or in the report of the Board of Directors.

## FOURTH RESOLUTION

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### Appointment of Mr Arnaud Lagardère as a Member of the Board of Directors

**RESOLVED THAT** effective at the close of this Annual General Meeting, Mr Arnaud Lagardère be appointed as a Member of the Board of Directors for a term of five years, ending at the close of the Annual General Meeting which shall be held in the year 2017.

## FIFTH RESOLUTION

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### Appointment of Mr Thomas Enders as a Member of the Board of Directors

**RESOLVED THAT** effective at the close of this Annual General Meeting, Mr Thomas Enders be appointed as a Member of the Board of Directors for a term of five years, ending at the close of the Annual General Meeting which shall be held in the year 2017.

## SIXTH RESOLUTION

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### Appointment of Mr Dominique D'Hinnin as a Member of the Board of Directors

**RESOLVED THAT** effective at the close of this Annual General Meeting, Mr Dominique D'Hinnin be appointed as a Member of the Board of Directors for a term of five years, ending at the close of the Annual General Meeting which shall be held in the year 2017.

## SEVENTH RESOLUTION

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### Appointment of Mr Hermann-Josef Lamberti as a Member of the Board of Directors

**RESOLVED THAT** effective at the close of this Annual General Meeting, Mr Hermann-Josef Lamberti be appointed as a Member of the Board of Directors for a term of five years, ending at the close of the Annual General Meeting which shall be held in the year 2017.

## EIGHTH RESOLUTION

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### Appointment of Mr Lakshmi N. Mittal as a Member of the Board of Directors

**RESOLVED THAT** effective at the close of this Annual General Meeting, Mr Lakshmi N. Mittal be appointed as a Member of the Board of Directors for a term of five years, ending at the close of the Annual General Meeting which shall be held in the year 2017.

## NINTH RESOLUTION

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### **Appointment of Sir John Parker as a Member of the Board of Directors**

**RESOLVED THAT** effective at the close of this Annual General Meeting, Sir John Parker be appointed as a Member of the Board of Directors for a term of five years, ending at the close of the Annual General Meeting which shall be held in the year 2017.

## TENTH RESOLUTION

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### **Appointment of Mr Michel Pébereau as a Member of the Board of Directors**

**RESOLVED THAT** effective at the close of this Annual General Meeting, Mr Pébereau be appointed as a Member of the Board of Directors for a term of five years, ending at the close of the Annual General Meeting which shall be held in the year 2017.

## ELEVENTH RESOLUTION

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### **Appointment of Mr Josep Piqué i Camps as a Member of the Board of Directors**

**RESOLVED THAT** effective at the close of this Annual General Meeting, Mr Josep Piqué i Camps be appointed as a Member of the Board of Directors for a term of five years, ending at the close of the Annual General Meeting which shall be held in the year 2017.

## TWELFTH RESOLUTION

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### **Appointment of Mr Wilfried Porth as a Member of the Board of Directors**

**RESOLVED THAT** effective at the close of this Annual General Meeting, Mr Wilfried Porth be appointed as a Member of the Board of Directors for a term of five years, ending at the close of the Annual General Meeting which shall be held in the year 2017.

## THIRTEENTH RESOLUTION

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### **Appointment of Mr Jean-Claude Trichet as a Member of the Board of Directors**

**RESOLVED THAT** effective at the close of this Annual General Meeting, Mr Jean-Claude Trichet be appointed as a Member of the Board of Directors for a term of five years, ending at the close of the Annual General Meeting which shall be held in the year 2017.

## FOURTEENTH RESOLUTION

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### **Appointment of Mr Bodo K. Uebber as a Member of the Board of Directors**

**RESOLVED THAT** effective at the close of this Annual General Meeting, Mr Bodo K. Uebber be appointed as a Member of the Board of Directors for a term of five years, ending at the close of the Annual General Meeting which shall be held in the year 2017.

## FIFTEENTH RESOLUTION

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### **Appointment of Ernst & Young Accountants L.L.P. as co-auditor for the financial year 2012**

**RESOLVED THAT** the Company's co-auditor for the accounting period being the financial year 2012 shall be Ernst & Young Accountants L.L.P., whose registered office is at Boompjes 258, 3011 XZ Rotterdam, The Netherlands.

## SIXTEENTH RESOLUTION

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### **Appointment of KPMG Accountants N.V. as co-auditor for the financial year 2012**

**RESOLVED THAT** the Company's co-auditor for the accounting period being the financial year 2012 shall be KPMG Accountants N.V., whose registered office is at KPMG Accountants N.V., Rijnzathe 14, 3454 PV De Meern, The Netherlands.

## SEVENTEENTH RESOLUTION

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### **Removal of Articles 15, 16 and 17 of the Company's Articles of Association**

**RESOLVED THAT** Articles 15, 16 and 17 of the Company's Articles of Association are removed and as a consequence the numbering and the cross-referencing (where relevant) in and/or of Articles 10 and Articles 15 up to and including 32 of the Company's Articles of Association will be adjusted accordingly and that both the Board of Directors and the Chief Executive Officer be and hereby are authorised, with powers of substitution, to implement this resolution.

## EIGHTEENTH RESOLUTION

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### **Adoption of the compensation and remuneration policy of the Members of the Board of Directors**

**RESOLVED THAT** the proposed compensation and remuneration policy for the Members of the Board of Directors, including the rights to subscribe for shares for the Executive Director, as included in the Report of the Board of Directors, be and hereby is accepted and adopted.

## NINETEENTH RESOLUTION

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### **Delegation to the Board of Directors of powers to issue shares and to set aside preferential subscription rights of existing shareholders**

**RESOLVED THAT** in accordance with the Articles of Association, the Board of Directors be and hereby is designated, subject to revocation by the General Meeting, to have powers to issue shares and to grant rights to subscribe for shares which are part of the Company's authorised share capital, provided that such powers shall be limited to 0.15% of the Company's authorised capital from time to time and to limit or exclude preferential subscription rights, in both cases for a period expiring at the Annual General Meeting to be held in 2013.

Such powers include without limitation the approval of share-related long-term incentive plans (such as stock option, performance and restricted share plans) and employee share ownership plans. Such powers may also include the granting of rights to subscribe for shares which can be exercised at such time as may be specified in or pursuant to such plans and the issue of shares to be paid up from freely distributable reserves.

## TWENTIETH RESOLUTION

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### **Cancellation of shares repurchased by the Company**

**RESOLVED THAT** the number of shares in the Company held by the Company, up to a maximum of 553,233 shares, be cancelled and both the Board of Directors and the Chief Executive Officer be and hereby are authorised, with powers of substitution, to implement this resolution in accordance with Dutch law.

## TWENTY-FIRST RESOLUTION

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### **Renewal of the authorisation for the Board of Directors to repurchase shares of the Company**

**RESOLVED THAT** the Board of Directors be and hereby is authorised, for a new period of 18 months from the date of this Annual General Meeting, to repurchase shares of the Company, by any means, including derivative products, on any stock exchange or otherwise, as long as, upon such repurchase, the Company will not hold more than 10% of the Company's issued share capital and at a price not less than the nominal value and not more than the higher of the price of the last independent trade and the highest current independent bid on the trading venues of the regulated market of the country in which the purchase is carried out. This authorisation supersedes and replaces the authorisation given by the Annual General Meeting of 26 May 2011 in its tenth resolution.

# Presentation of the resolutions proposed by the Board of Directors

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## FIRST RESOLUTION

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### Adoption of the audited accounts for the financial year 2011

We recommend that this Annual General Meeting (AGM) approve the audited accounts for 2011.

For more information on the audited accounts for 2011, see Sections 5.1 to 5.3 of the Board report.

## SECOND RESOLUTION

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### Approval of the result allocation, distribution and payment date

We recommend that this AGM resolve that the net profit of €1,033 million, as shown in the income statement for the financial year 2011, shall be added to retained earnings and that a payment of a gross amount of €0.45 per share shall be made to the shareholders from distributable reserves on 7 June 2012.

As from 4 June 2012, EADS' shares will be traded ex-dividend on the Frankfurt, Paris and Spanish Stock Exchanges. The dividend payment will be made on 7 June 2012 to holders of EADS' shares as of 6 June 2012.

For more information on dividend policy, see Section 3.5 "Dividend Policy" of the Board report.

## THIRD RESOLUTION

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### Release from liability of the Members of the Board of Directors

We recommend that this AGM discharge the Members of the Board of Directors from their responsibility for the conduct of the Company's business with respect to the financial year 2011.

## FOURTH TO FOURTEENTH RESOLUTION

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### Appointment of Messrs Arnaud Lagardère, Thomas Enders, Dominique D'Hinnin, Hermann-Josef Lamberti, Lakshmi N. Mittal, Sir John Parker, Michel Pébereau, Josep Piqué i Camps, Wilfried Porth, Jean-Claude Trichet and Bodo K. Uebber as Members of the Board of Directors

The mandates of all current Members of the Board of Directors expire at the close of the AGM of 2012. We recommend that this AGM appoint Messrs Arnaud Lagardère, Thomas Enders, Dominique D'Hinnin, Hermann-Josef Lamberti, Lakshmi N. Mittal, Sir John Parker, Michel Pébereau, Josep Piqué i Camps, Wilfried Porth, Jean-Claude Trichet and Bodo K. Uebber as Members of the Board of Directors effective as of the close of this AGM, for a term of five years ending at the close of the AGM which will be held in 2017.

### Mr Arnaud Lagardère

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Mr Arnaud Lagardère (50) was appointed Managing Partner of Lagardère SCA in March 2003 and his appointment was renewed by the Supervisory Board on proposal of the General Partners on 11 March 2009, for a period of six years to run until 11 March 2015. In addition, Mr Lagardère is the Chairman of Lagardère SAS and Lagardère

Capital & Management SAS. He and these two companies held 9.62% of Lagardère SCA's share capital on 31 December 2011. Mr Lagardère holds a DEA higher degree in economics from the University of Paris Dauphine. He was appointed Director and Chief Executive Officer of the Company MMB, which became Lagardère SCA, in 1987. He was Chairman of the US Company Grolier Inc. from 1994 to 1998.



### Mr Thomas Enders



Mr Thomas Enders (53), Chief Executive Officer of Airbus since 2007, studied Economics, Political Science and History at the University of Bonn and at the University of California in Los Angeles. Prior to joining the aerospace industry in 1991 (Messerschmitt-Bölkow-Blohm), he worked, inter alia, as a Member of the Planning Staff of the German

Minister of Defence. At MBB and subsequently DASA he held various positions, including Chief of Staff, Director Corporate Development & Technology, and Head of Defence Systems. Following the creation of EADS in 2000, he was appointed CEO of the EADS Defence and Security Systems Division, holding this position until 2005 when he was appointed co-CEO of EADS. Mr Thomas Enders has been President of BDLI (German Aerospace Industry Association) since 2005.

### Mr Dominique D'Hinnin



Mr Dominique D'Hinnin (52) was appointed Co-Managing Partner of Lagardère SCA in March 2010. He joined Lagardère in 1990 as advisor to the Chairman of the Finance Committee of the Group. After that, he held different positions within the Group, first being appointed as Internal Audit Manager, and then CFO of Hachette Livre in 1993,

before being appointed Executive Vice President of Grolier Inc in the United States and Chief Financial Officer of Lagardère SCA in 1998. Mr D'Hinnin is an alumnus of the École normale supérieure and is an Inspecteur des Finances.

### Mr Hermann-Josef Lamberti



Mr Hermann-Josef Lamberti (56) is a Member of the Management Board of Deutsche Bank AG since 1999 and is the bank's Chief Operating Officer. From 1985, he held various management positions within IBM, working in Europe and the United States, in the fields of controlling, internal application development, sales, personal software, marketing

and brand management. In 1997, he was appointed Chairman of the Management of IBM Germany. He started his career in 1982 with Touche Ross in Toronto, before joining the Chemical Bank in Frankfurt. Mr Lamberti studied business administration at the Universities of Cologne and Dublin, and graduated with a Master's degree.

### Mr Lakshmi N. Mittal



Mr Lakshmi N. Mittal (61) is the Chairman and CEO of Arcelor Mittal. He founded Mittal Steel Company in 1976 and led its 2006 merger with Arcelor to form ArcelorMittal, the world's largest steel maker. He is widely recognised for his leading role in restructuring the global steel industry, and has over 35 years' experience working in steel and

related industries. Among his manifold mandates, Mr Mittal is Member of the Board of Directors of Goldman Sachs, of the World Economic Forum's International Business Council, and of the Advisory Board of the Kellogg School of Management. Furthermore, he has been awarded numerous recognitions from international institutions and magazines and is closely associated with a number of non-profit organisations.

### Sir John Parker



Sir John Parker (69) is Chairman of Anglo American PLC, Deputy Chairman of DP World (Dubai), non-executive Director of Carnival PLC and Carnival Corporation. He stepped down as Chairman of National Grid PLC in December 2011. His career has spanned the engineering, shipbuilding and defence industries, including some 25 years' experience

as a Chief Executive Officer with Harland & Wolff and the Babcock International Group. He has also chaired at the Court of the Bank of England between 2004 and 2009. Sir John Parker studied Naval Architecture and Mechanical Engineering at the College of Technology, Queens University, Belfast.

### Mr Michel Pébereau



Mr Michel Pébereau (70) was BNP Paribas' Chairman of the Board between 2003 and December 2011. He presided over the merger that created BNP Paribas in 2000, becoming Chairman and Chief Executive Officer (CEO). In 1993, he was appointed Chairman and CEO of the Banque Nationale de Paris and privatised it. Previously,

he was Chairman and CEO of the Crédit Commercial de France. He started his career in 1967 at the Inspection Générale des Finances. In 1970, he joined the French Treasury where he held various high ranking posts. Mr Pébereau is an alumnus of the École nationale d'administration and of the École polytechnique.

### Mr Josep Piqué i Camps



Mr Josep Piqué i Camps (57) has been the non-executive Chairman of Vueling since 2007. He started his career as economist of the studies service “la Caixa” and became Director General of the Catalan Industry in 1986. Two years later, he joined the Company Ercros, where he eventually became CEO and Chairman. After serving several

years within the Circle of Economics of Barcelona, he led it as Chairman (1995-1996). Then, Mr Piqué was successively appointed Minister for Industry and Energy (1996-2000), government Spokesperson (1998-2000), Minister of Foreign Affairs (2000-2002) and Minister of Science and Technology (2002-2003). Furthermore to his engagements, he served as Deputy, Senator and President of the Popular Party of Catalonia (2003-2007). Mr Piqué holds a PhD in economic and business studies and is a law graduate from the University of Barcelona in which he also is a Lecturer of economic theory.

Regarding Mr Josep Piqué i Camps, EADS has undertaken a check of possible conflicts of interest between the Company and him, as chairman of an airline operating Airbus aircraft. EADS believes it has adequate policies in place to address any possible conflicts of interest, if and when necessary. Please refer to the Directors’ Charter available on the Company’s website [www.eads.com](http://www.eads.com) (Our Company / Our Governance).

### Mr Wilfried Porth



Mr Wilfried Porth (53) is a Member of the Board of Management of Daimler AG and the Director of Labor Relations, responsible for Human Resources, IT-management and procurement of non-production material and services. Until 2006, he was Executive Vice President MB Van and prior to that, he was Chief Executive Officer of Mitsubishi

Fuso Truck & Bus Corp. He previously held various engineering management positions within the Daimler Group, including several years of experience abroad. Mr Porth graduated in engineering at the University of Stuttgart.

### Mr Jean-Claude Trichet



Mr Jean-Claude Trichet (69) was president of the European Central Bank, president of the European Systemic Risk Board and president of the Global Economy meeting of Central Bank Governors in Basel until the end of 2011. Previously, he was in charge of the French Treasury for six years and was governor of Banque de France for ten years. Earlier in his

career, he held positions within the French Inspection Générale des Finances, as well as the Treasury department, and was advisor of the President of the Republic for microeconomics, energy, industry and research (1978-1981). Mr Trichet graduated from the École des Mines de Nancy, the Institut d’Études Politiques de Paris and the University of Paris in economics, is a *doctor honoris causa* from several universities and an alumnus of the École Nationale d’Administration.

### Mr Bodo K. Uebber



Mr Bodo K. Uebber (52) was appointed Chairman of EADS in April 2009. He is a Member of the Board of Management of Daimler AG, responsible for Finance and Controlling (since 16 December 2004) as well as for the Daimler Financial Services division (since 16 December 2003). He previously held various leadership positions in finance within

Dornier Luftfahrt GmbH, DASA AG and MTU Aero Engines GmbH. Mr Uebber was born on 18 August 1959 in Solingen. He graduated in 1985 with a degree in engineering and economics at the Technical University of Karlsruhe. In the same year, he joined Messerschmitt-Bölkow-Blohm GmbH (MBB).

Further information on each of the above-mentioned candidates is published on the Company’s website at [www.eads.com](http://www.eads.com) (Our Company/Our Governance) and is also available, free of charge, at the Company’s head offices.

The Board of Directors is satisfied that all Members being proposed for (re-) appointment shall demonstrate commitment to their roles and perform their duties diligently and effectively. They are each chosen for their broad and relevant experience and international outlook.

Subject to approval of their appointment by this AGM, the newly appointed Board of Directors intends to meet immediately after this AGM to elect Mr Arnaud Lagardère as the new Chairman of the Board of Directors and Mr Thomas Enders as the new Chief Executive Officer of EADS.

## FIFTEENTH AND SIXTEENTH RESOLUTIONS

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### Appointment of the co-auditors for the financial year 2012

We recommend that the Company's co-auditors for the financial year 2012 should be Ernst & Young Accountants L.L.P. whose registered office is at Boompjes 258, 3011 XZ Rotterdam, The Netherlands, and KPMG Accountants N.V. whose registered office is at Rijnzathe 14, 3454 PV De Meern, The Netherlands. Our proposal is thus to renew the appointment of the same co-auditors based on their respective qualifications, performance and independence. They are designated as co-auditors, jointly responsible for auditing the accounts for the financial year 2012. They will put forward a single audit opinion.

## SEVENTEENTH RESOLUTION

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### Removal of Articles 15, 16 and 17 of the Company's Articles of Association

We recommend that this AGM approve the amendment of the Company's Articles of Association by removing the obligations set out in Articles 15, 16 and 17 of the current Articles of Association of the Company to bring the Articles of Association in line with the Dutch statutory mandatory offer rules, which provide that shareholders are required to make a public offer for all issued and outstanding shares in the Company if they – individually or acting in concert, directly or indirectly – have 30% or more of the voting rights in the Company, except if pursuant to current or future applicable laws and regulations such obligation does not exist.

## EIGHTEENTH RESOLUTION

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### Adoption of the compensation and remuneration policy of the Members of the Board of Directors

We recommend that this AGM adopt the compensation and remuneration policy for the Members of the Board of Directors, including the rights to subscribe for shares for the Executive Director, as described in the Board report (see Sections 4.3.1 "EADS' Remuneration Policy" and 4.3.2 "Remuneration of the Members of the Board").

For a report on the remuneration of the Members of the Board of Directors during the year 2011, see:

- ⊙ Note 11 to the Company Financial Statements; and
- ⊙ Notes 35 and 36 to the Consolidated Financial Statements (IFRS).

## NINETEENTH RESOLUTION

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### Delegation to the Board of Directors of powers to issue shares and to set aside preferential subscription rights of existing shareholders

We recommend that this AGM approve the renewal of the authorisation to the Board of Directors to issue shares and to grant rights to subscribe for shares of the Company up to 0.15% of the authorised share capital, *i.e.* 4.5 million shares equivalent to 0.55% of the issued share capital, and to limit or exclude preferential subscription rights, for a period expiring at the AGM to be held in 2013, including specific powers to approve Employee Share Ownership Plans (**ESOP**), since the previous authorisation expires at the end of this AGM. The Company anticipates implementing an ESOP in 2012, which would have to be approved by the Board of Directors.

## TWENTIETH RESOLUTION

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### Cancellation of shares repurchased by the Company

We recommend that this AGM approve the cancellation of the shares repurchased by the Company up to a maximum amount of 553,233 shares, to compensate the dilution effect resulting from the issuance of shares following the exercise of stock options under the 2002 stock option plan.

## TWENTY-FIRST RESOLUTION

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### **Renewal of the authorisation for the Board of Directors to repurchase shares of the Company**

We recommend that this AGM approve the renewal of the authorisation to the Board of Directors to repurchase shares of the Company, for a new 18-month period by any means, including derivative products, on any stock exchange or otherwise. Although Dutch law allows companies to repurchase up to 50% of their share capital, EADS restricts itself to repurchase of up to 10% in accordance with its previous practice and general market practice.

This authorisation will supersede and replace the authorisation granted by the AGM on 26 May 2011.

The purposes of the share buy-back programme to be implemented by EADS will be determined on a case-by-case basis by the Board of Directors based on need. However, the main purpose of the programme is the reduction of share capital by cancellation of all or part of the repurchased shares, to avoid the dilution effect related to certain share capital increases reserved for employees of the EADS Group and/or in the context of the exercise of stock options.

For additional information on EADS' share buy-back programmes including their purposes, characteristics and status, the reader should refer to EADS' website at [www.eads.com](http://www.eads.com) (Investor Relations) and to the Registration Document posted thereon (see in particular Section 3.3.7.5 "Description of the share repurchase programme to be authorised by the Annual General Meeting of Shareholders to be held on 31 May 2012").

# Executive Summary

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## 1. General Overview

With consolidated revenues of €49.1 billion in 2011, EADS is Europe's premier aerospace and defence Company and the second largest aerospace and defence Company in the world. In terms of market share, EADS is among the top two manufacturers of commercial aircraft, civil helicopters, commercial space launch vehicles and missiles, and a leading supplier of military aircraft, satellites and defence electronics.

In 2011, it generated approximately 76% of its total revenues in the civil sector and 24% in the defence sector.

EADS organises its businesses into the following four operating Divisions: (i) Airbus (including Airbus Commercial and Airbus Military), (ii) Eurocopter, (iii) Astrium, and (iv) Cassidian and employed a workforce of some 133,000 employees worldwide.

## 2. Main Events for 2011

2011 was a year of growth and progress for EADS, with strengthening momentum in the commercial aircraft market, reflected in new order and delivery records at Airbus. In the face of pressure on defence and public spending, EADS' Divisions took further steps to strengthen their competitive position by investing in new products and capacities as well as driving efficiency programmes. EADS successfully steered the Group's growth by managing several acquisitions in the services business during the year.

When EADS started the year 2011, it set itself the following "EADS Group Priorities for 2011", which were shared with all employees:

1. Stay focused on employee engagement and reinforce the positive momentum emerging from the survey. Foster trust, empowerment, proximity and innovation, reaching out to all our employees;
2. Deliver and surpass EBIT\* <sup>(1)</sup> and cash flow targets, enabling implementation of Vision 2020 and funding of programmes. Achieve cost saving and transformation programmes;
3. Capitalise on programme management improvements and deliver: stick to milestones on A350 and A400M – improve costs on A380, NH90, Tiger and Ariane 5 – tightly control Saudi Border Surveillance programme, Eurofighter, YahSat and CSO satellites, and tanker programmes;
4. Ensure the successful launch or progress of key programmes: X4 helicopter, A320neo, participation in European drone programmes (Talarion), Ariane 5 Midlife Evolution and preparation of the Next Generation Launcher;

5. Develop activities in services, security and defence through organic growth and acquisitions;
6. Expand our business in North America and set strong and solid foundations in emerging countries through investment, partnerships, sourcing and recruitment;
7. Ensure proper management of risks and opportunities (ERM); guarantee integrity and compliance of business processes, and uphold the new code of ethics;
8. Through "Future EADS", foster integration by leaner functions, centres of competence and Shared Services;
9. Promote eco-efficiency, innovation and quality as key elements of competitiveness through action plans in Divisions and at EADS Group level;
10. Expand mobility in particular for managers and foster diversity on all levels.

Revenues in 2011 reached a new high of €49.1 billion. They increased by 7% thanks to growth from both volume and mix effects at Airbus and the increase of commercial activity at Eurocopter. These increases more than offset a slight decrease at Astrium and Cassidian. The overall 2011 revenue contribution from the first consolidation of the major acquisitions was around €300 million, mainly Vector Aerospace and Satair, while the EBIT\* impact was insignificant.

For the full year 2011, EADS reported an EBIT\* of €1,696 million. The EBIT\* before one-off of around €1.8 billion benefited from the underlying performance in growing Airbus legacy programmes. Also, Airbus Military and especially Eurocopter

(1) Unless otherwise indicated, EBIT\* figures presented in this report are Earning before Interest and Taxes, pre-goodwill impairment and exceptionals.



contributed to the performance improvement. At 31 December 2011, the order book of EADS reached €541 billion. The net cash position of €11.7 billion at year-end is higher than anticipated due to improved performance and higher order intake.

In 2011, order intake amounted to €131 billion, driven by the strong momentum in commercial aviation and the rebound in the commercial helicopter market. Institutional markets including defence and public spending have to be monitored going forward in the context of budget pressure.

Thanks to the Group's good performance and despite depressed stock markets, the EADS share price gained 38% during the year 2011, and was the best performer of the CAC 40 and second-best of the MDAX indices.

The commercial success of the Airbus civil aircraft business with 1,419 net orders represented one of the highlights of the year, an overall industry record. This success was driven mainly by the A320neo (new engine option), which received 1,226 firm orders. The new aircraft will offer up to 15% less fuel burn compared to the current A320 single-aisle family and is due to enter into service in 2015.

The A350 XWB programme progressed, with the first major airframe sections delivered to the A350 XWB final assembly line in Toulouse at the end of 2011. Maturity of the A350 XWB main components at final assembly start remains one of the Group's top priorities. Start of final assembly is scheduled for Q1 2012 and entry-into-service is targeted for H1 2014, with the aim of achieving an appropriate maturity level at each step. As the A380 series production gained in maturity, deliveries on that programme increased to 26, from 18 in 2010. The A400M series production was launched early in 2011 and final assembly of the first aircraft for customer delivery began in November 2011. The A400M as well as the EC175 are flying a strong course towards certification. The Ariane 5 launcher completed its 46<sup>th</sup> consecutive successful take-off. The Eurofighter programme achieved its 300<sup>th</sup> delivery in 2011, making it the only new-generation multi-role aircraft to reach this milestone. Moreover, EADS' subsidiary ATR recorded an exceptional order intake, with 119 firm orders, representing more than 80% of all regional aircraft orders in the range of 50 to 90 seats, according to internal estimates.

In the framework of its Vision 2020 goals, EADS conducted several important acquisitions to expand the services business across its Divisions. Airbus acquired the aviation parts distributor Satair. Astrium acquired Vizada, a leading independent provider of global satellite-based communication services and Eurocopter purchased Canada-based Vector Aerospace, a specialist in helicopter maintenance.

In 2011, the global economic recovery remained uneven, with key issues still to be addressed such as the European sovereign debt crisis, the high level of US public debt and volatile capital inflows to emerging economies. Continued financial market volatility showed how fragile economic recovery still remains in developed markets, with the capital markets questioning the ability of sovereign nations to repay

their debts. Also, despite some short-term exchange rate improvement in 2011, persistent US dollar weakness has continued to disadvantage EU companies with a cost base mainly in euros whereas US manufacturers continue to derive benefit from more attractively priced exports.

In 2011, the commercial aviation business experienced continued growth in passenger demand and positive profitability, despite the effects of the tsunami in Japan, unrest in the Middle East and North Africa and a high oil price level. However, regional differences still exist, with Asian Pacific carriers contributing nearly half of the profit, while profitability amongst European airlines as a whole was lower. Aircraft manufacturers experienced continued high demand for commercial aircraft, driven by growth needs in emerging markets and mature market replacement demand spurred by higher fuel prices. The competitive landscape among manufacturers is intensifying with several emerging players developing aircraft to position themselves in the single aisle market. Further consolidation in the supplier base also occurred due to the need for risk sharing partners and supplier rationalisation.

Defence and public spending faced downward pressure in Europe as well as in the US whereas in areas such as the Middle-East and Asia, defence spending has increased. While US and European defence budgets are expected to experience cuts over the coming years, the full impact on industry is still unclear. The need for some EU countries to reduce public sector spending but still maintain defensive capabilities has driven governments to look for ways to mitigate the impact on defence budgets. Thus, compromises need to be found between maintaining R&D and procurement budgets on the one hand and considering adaptations of the operational budgets on the other. The retirement of platforms, planned cancellation of some procurement orders and a reduction in personnel are driving demand for closer collaboration between industry and end users, particularly in services.

Governments may therefore pursue further outsourcing of defence related services to industry players in order to achieve better value for money. Additionally, sustained growth in security spending both from government and private sectors has been driven by the need to respond effectively to emergency response requirements such as large-scale natural disasters, fires, flooding and earthquakes, as well as asymmetric terrorist threats and increasingly sophisticated cyber-attacks.

**Airbus** generated revenues of €33.1 billion in 2011, representing an increase of 10% compared to 2010. With 534 commercial aircraft deliveries to 88 customers in 2011, Airbus beat its previous record set last year by 24 aircraft. Deliveries included 421 A320 family aircraft, 87 A330 and 26 A380. Airbus Military also delivered a record number of 29 aircraft consisting of 6 A330 MRTT, 20 light and medium military transport aircraft (C212, CN235 and C295) and three P-3 conversions. Airbus outperformed its order intake target by recording a total of 1,608 gross commercial aircraft orders,

representing a 64% gross worldwide market share. Of these orders, the A320neo received 1,226 firm orders, confirming its title as the “fastest selling airliner ever”. Airbus also successfully completed the first flight-test of a Sharklet-fitted A320 at year-end. The first major sub-assemblies of the A350 XWB were delivered to Toulouse in 2011, ahead of the final assembly. In order to focus on preparing a robust and efficient production process, Airbus re-scheduled the start of final assembly to early 2012, with the first delivery planned for the first half of 2014. Deliveries ramped-up on the A380, rising to 26 for the year, while the programme received 29 new gross orders. At the end of 2011, a total of 67 A380 had been delivered to seven customers. The A400M programme is delivering results, having completed more than 2,600 flight hours in over 900 test flights up to the end of 2011, with a fifth aircraft joining the flight test programme. Finally, six A330-MRTT were delivered to customers in 2011, including the four first MRTT to the Royal Australian Air Force.

**Eurocopter** generated revenues of €5.4 billion in 2011, representing an increase of 12% compared to 2010. 503 helicopters were delivered to customers in 2011, including the 1,000<sup>th</sup> Dauphin and the 1,000<sup>th</sup> EC135. New net orders totalled 457 helicopters. These orders, mostly from outside Eurocopter’s home countries, included key EC175 and EC225 contracts and confirm the recovery of the civil market, in particular in the US and in the light helicopters segment. The robust support and service activities were enhanced through the acquisition of Vector Aerospace and accounted for 38% of revenues in 2011. Despite a tough business environment, Eurocopter remained a leader on the worldwide civil and parapublic market with a 43% market share according to internal estimates. 32 NH90 and 16 Tiger helicopters were delivered in 2011. Five new customers took delivery of their first NH90 helicopter during the year, while the 100<sup>th</sup> NH90 was recently delivered. 2011 was also a year of innovation for Eurocopter with the achievement of speed records with the X3 hybrid high-speed demonstrator aircraft, the presentation of the new EC145 T2 version and the launch of the future X4 helicopter intended to replace the Dauphin by the end of the decade.

At €5.0 billion, **Astrium**’s revenues remained stable in 2011 despite a challenging economic climate in institutional markets and increasing competition. New orders amounted to €3.5 billion and demonstrated continued momentum. At year-end the order book stood at €14.7 billion, equivalent to three years’ worth of work. The Ariane 5 launcher continued to prove its reliability by completing five launches in one year,

achieving its 46<sup>th</sup> successful launch in a row. Under an ESA initiative, Astrium is currently preparing the next generation of launchers, through the Ariane 5 ME (Mid-life Evolution), an expected programme due to enter into service in 2017. During 2011, Astrium delivered 13 satellites including the first two Galileo IOV and signed contracts for six new satellites: four for telecommunication and two for Earth observation, representing 20% of the commercial satellite market. 2011 also saw the launch of the second Automated Transfer Vehicle (“**ATV**”) space craft, Johannes Kepler, which successfully docked with the International Space Station. Finally, Astrium Services was awarded a contract for implementation of the European Data Relay System, the future data highway in space.

**Cassidian** achieved stable revenues of €5.8 billion in 2011 and booked €4.2 billion of new orders whereas its market environment remains very challenging. The Eurofighter programme and MBDA missile programmes continued to be key revenue drivers, while new security programmes also contributed. Profitability declined slightly in line with expectations, due to higher self-funded Research and Development for future business and a restructuring charge. With the implementation of its transformation programme in 2011, the Division is adapting to the changing defence market by targeting growth outside Europe and developing new offerings in the security field. The Division also re-shaped its organisation to better address new markets and facilitate customer proximity. In core programmes, a major milestone was passed in 2011 with the delivery of the 300<sup>th</sup> Eurofighter, and production of Eurofighter Tranche 3A was secured until 2017. Within the field of unmanned aircraft systems (“**UAS**”), 2011 was marked by the successful ferry flight of the Euro Hawk from California to Germany in July. Cassidian also progressed with its self-funded Medium-Altitude Long-Endurance UAS initiative by further extending its international collaboration with Turkish Aerospace Industries, and Alenia Aermacchi and more recently formed a UAS partnership with RheinMetall. Finally, Cassidian signed a letter of intention with partner nations to continue full scale development of the next generation of e-scan radar, and reinforced its leading position in the radar market with the introduction of the next generation of naval radar TRS-4D and the Spexer<sup>TM</sup> 1000 security radar.

EADS turned 2011 into a year of growth and improved performance, despite the European sovereign debt crisis and downward pressure on defence and public spending. EADS will seek to use this success to pave the way for further development in its second decade.

## 3. Corporate Governance

### 3.1 Management and control

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#### Board of Directors meetings

The Board of Directors met 9 times during 2011 and was regularly informed of developments through business reports from the Chief Executive Officer, including rolling forecasts as well as strategic and operational plans. The average attendance rate at such meetings improved to 86%.

Throughout 2011, the Board of Directors monitored the progress of significant programmes, such as A350 XWB, A320neo, A400M, A380, Ariane 5, Paradigm, Eurofighter, Talarion, and Saudi Border Security. It was kept regularly informed about the A350 XWB programme development progress and reviewed the status of the programme management improvement initiative throughout the Group.

Furthermore, the Board of Directors addressed EADS' strategy (including the competitive environment and M&A strategy) and in line with the objectives set forth in the Vision 2020 approved the acquisitions of Vector Aerospace, Satair and Vizada, which strengthened EADS' position internationally in general and in the services market segment in particular.

The Board also focused on possible consequences resulting from the European sovereign debt crisis, the Group's financial results and forecasts, asset management, compliance in key business processes, and efficiency and innovation initiatives. It reviewed Enterprise Risk Management ("ERM") results, export control regulations, investor relations and financial communication policy, and legal risks. Moreover, the Board discussed further actions for the improvement of EADS employee engagement.

Finally, the Board of Directors focused on governance issues and succession planning in order to facilitate a smooth Board and management transition in 2012. The recommendations for the appointments were prepared diligently by the Board, applying the succession process under the governance of EADS, which was updated in October 2007. The process aims at identifying the best possible candidates for the composition of the Board of Directors as well as the top Executive management positions.

(For more information, please refer to the relevant press release of 26 January 2012, available on the Company's website [www.eads.com](http://www.eads.com))

#### Board self-assessment 2011

The Board of Directors carries out a self-assessment of its performance annually and a more thorough assessment is conducted every three years by independent consultants (as in 2010).

The Corporate Secretary conducted the latest self-assessment in early 2012, based on one-to-one discussions with each Director; it explored the role of the Board of Directors, its operations, whether it fulfils its mission, how its composition is suited to EADS strategy, and the documentation and processes that influence its performance.

The Directors unanimously find that the Board has matured; its work as a team is efficient, allowing it to explore new domains and tackle relevant matters in the best interest of the Group, very openly and professionally. Discussions are uninhibited and differing views are both encouraged and constructive. The Directors feel that the Board work allows them to fulfil their fiduciary duty. Moreover, the working relationship between the Board and the Members of the Executive Committee is smooth and efficient, due to the experience of mutual exchanges. Occasional meetings on industrial sites are considered beneficial and the practice will be continued.

Since the last self-assessment, in 2011, the discussions of financial strategy in the light of the European sovereign debt crisis, of succession planning, of organisational matters and of ways to protect the Company in case of core shareholder disinvestment are the most tangible improvements.



## 3.2 Dutch Corporate Governance Code

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In accordance with Dutch law and with the provisions of the Dutch Corporate Governance Code as amended at the end of 2008 (the “**Dutch Code**”), which includes a number of non-mandatory recommendations, the Company either applies the provisions of the Dutch Code or, if applicable, explains and gives sound reasons for their non-application. While EADS, in its continuous efforts to adhere to the highest standards, applies most of the current recommendations of the Dutch Code,

it must, in accordance with the “apply or explain” principle, provide the explanations in Section 4.2 “Dutch Corporate Governance Code” of its Board report which is part of the documentation for the General Meeting.

For the full text of the Dutch Code, please refer to [www.commissiecorporategovernance.nl](http://www.commissiecorporategovernance.nl).

## 3.3 Ethics and Compliance Programme

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The EADS Group Chief Compliance Officer (“**CCO**”) is in charge of the design and implementation of the EADS Ethics and Compliance Programme, which supports the Group’s commitment to adhering to the highest ethical and compliance standards in order to sustain the Group’s global competitiveness.

The EADS Ethics and Compliance Programme seeks to ensure that Group business practices conform to applicable laws and regulations as well as to ethical business principles endorsed

by the Group. It also seeks to promote a culture of integrity and transparency. A key programme element consists of the Group Ethics Code, “Integrity & Transparency” (updated in 2010 and available on the Company’s website [www.eads.com](http://www.eads.com)), which seeks to guide the daily behaviour of all EADS employees.

In 2011, programme progress reports were presented four times to the Board of Directors and the Audit Committee.

## 3.4 EADS’ Remuneration policy

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### 3.4.1 General principles

#### 3.4.1.1 Non-executive Members of the Board of Directors

Each non-executive Member of the Board of Directors receives an annual fixed fee of €80,000, as well as a fee for participation in Board meetings of €5,000 per meeting attended. The Chairman of the Board receives an annual fixed fee of €180,000 for carrying out this role, as well as a fee for participation in Board meetings of €10,000 per meeting attended.

The Chairmen of each of the Board Committees receive an additional annual fixed fee of €30,000. The Members of each of the Board Committees receive an additional annual fixed fee of €20,000 for each Committee membership. Committee chairmanship and committee membership annual fees are cumulative if the concerned non-executive Members of the Board belong to two different Committees.

Non-executive Members of the Board of Directors are not entitled to variable remuneration or grants under EADS’ Long-Term Incentive Plan.

### 3.4.1.2 Chief Executive Officer

The Chief Executive Officer, the sole Executive Member of the Board of Directors, does not receive fees for participation in Board meetings or any dedicated compensation as Member of the Board. Rather, the remuneration policy for the Chief

Executive Officer for 2011 (as well as the other Members of the Executive Committee) is designed to balance short-term operational performance with the mid- and long-term objectives of the Company and consists of the following main elements:

Remuneration Element	Main drivers	Performance measures	% of total target remuneration/% of vesting
Base salary	Reward market value of job/position	Not applicable	<ul style="list-style-type: none"> <li>EADS CEO: 45% of total target remuneration</li> <li>Other Members of the Executive Committee: 50% of total target remuneration</li> </ul>
Annual variable remuneration	Reward annual performance based on achievement of Company performance measures and individual/team objectives, including financial and non-financial targets and behaviours	Collective part (50% of target variable remuneration): EBIT* (50%), Cash (50%)	<ul style="list-style-type: none"> <li>EADS CEO: 55% of total target remuneration (range from 0% to 200%)</li> <li>Other Members of the Executive Committee: 50% of total target remuneration (range from 0% to 200%)</li> </ul>
		Individual part (50% of target variable remuneration): achievement of annual individual objectives	
Long term incentive plan	Reward long-term Company performance and engagement on financial targets	The number of performance units which will vest is based on 3 year absolute average earnings per share at EADS level	Vested performance units will range from 50% to 150% of initial grant <sup>(1)</sup>

(1) In case of absolute negative results during the performance period, the Board of Directors can decide to review the vesting of the performance units including the 50% portion which is not subject to performance conditions (additional vesting condition).

The individual performance targets of the Chief Executive Officer for 2011 were the “EADS Group Priorities for 2011” (see Section 2 of this document). The Board of Directors determined that the performance of the CEO towards these priorities has been generally excellent, impacting the Individual Part of the Annual Variable Remuneration (see description above). In that respect the Board emphasised the determining influence of the CEO on the transition of EADS culture, including through his commitment to risk management and compliance. The Collective Part of the Annual Variable Remuneration 2011 for the Chief Executive Officer was based on the EADS Group financial targets for EBIT\* of € 1.1 billion (i.e. corresponding to € 1.3 billion before one-off's at on-target level), and Cash. These targets have been established in the financial target setting process and have also been overachieved.

Furthermore, the Chief Executive Officer (as well as the other Members of the Executive Committee) is entitled to pension and other benefits as described below.

#### Annual variable remuneration

Each year, variable remuneration in cash can be earned based on the achievement of specific and challenging targets, and is calculated on the basis of two equal components:

- Collective Financial Targets (representing 50% of the annual variable remuneration) to reward Company performance at Group level or Division level (if applicable). EBIT\* and Cash are the financial indicators chosen to measure Company performance in 2011 (EBIT\* weighted at 50%, Cash weighted at 50%); and

- Individual Targets (representing 50% of the annual variable remuneration) to reward individual performance measured against the achievements of individual/team objectives, which also comprise non-financial indicators that are relevant to the Company's long-term value creation and behavioural objectives.

Based on the level of performance, the collective as well as the individual achievements can vary from 0% to 200% of the target variable remuneration. On target achievement at 100% for both individual and collective financial targets would indicate meeting personal and Company performance targets.

#### Long Term Incentive Plans (“LTIP”)

The EADS LTIP consists of performance units and restricted units, and is a general tool for talent retention and promotion of long-term value creation.

Performance units are rights to receive a payment in cash based on the value of the EADS share on the respective vesting dates. They are granted to Group executives based on their hierarchical level. Vesting of these units is conditional upon mid-term business performance. The average vesting period is 4 years and 3 months.

Restricted units are also rights to receive a payment in cash based on the value of the EADS share on the respective vesting dates. They are granted to selected individuals to reward personal performance and potential. Vesting of these units is subject to continued employment of the relevant individual in the Group.

Should the performance criteria be met and/or provided that the executive is still employed by the Company or any of its Group companies, the vesting of the performance and restricted units entitles the executives/selected individuals to four payments in cash between 3.5 and 5 years (average 4 years and 3 months); each payment representing 25% of the vested units.

A minimum of 50% of performance units will vest; 100% in case of on-target performance achievement; up to a maximum of 150% in case of overachievement of performance criteria. Until and including LTIP 2009, the performance criteria has been the cumulative EADS Group EBIT\* of two upfront defined consecutive years measured against the targets set in the respective Operative Planning (OP). Since LTIP 2010, the performance criteria changed to “3 years absolute average Earnings per share” of the EADS Group based on a specific target setting by the EADS Board of Directors.

In case of absolute negative results (cumulative EBIT\* of EADS Group) during the performance period, the Board can decide to review the vesting of the performance units including the 50% portion which is not subject to performance conditions (additional vesting condition).

In addition, and in order to strengthen the alignment of EADS top management with long-term growth objectives, the Board has approved mandatory share ownership rules. Executive

Committee Members must purchase and hold EADS shares equal to a minimum of 20% of the number of vested units. They will have to hold this number of EADS shares until the end of their mandate as an Executive Committee Member.

In November 2011, the Board approved the granting of 2,588,950 performance units on target and 877,750 restricted units to 1,771 EADS executives and selected non-executives.

The proposed 2012 LTIP would be a performance and restricted unit plan, with the same general principles as described above. The plan would offer the granting of about 4,000,000 (or more) performance and restricted units on target. This number of allocations will be strongly dependent on the number of beneficiaries and on the evolution of the share price used as calculation basis at grant date (face value methodology). The value of each unit would be based on an average price of the EADS share at the respective dates of vesting. The grant value of the performance units granted to the Chief Executive Officer will not represent more than 50% of his total target remuneration.

EADS has taken into account the market trend, which is moving from stock options or other equity plans to cash unit plans. The size of the annual EADS LTIP grant will be adjusted to reflect the face value policy decided by the Board of Directors for the different EADS executive categories at target level.

### 3.4.2 Remuneration of the Members of the Board

The amounts of the various components constituting the remuneration granted to the Chief Executive Officer and to non-executive Directors during 2011, together with additional information such as the number of performance units and details of the pension benefits entitlements of the Chief Executive Officer, are set out in “Notes to the Company Financial Statements — Note 11: Remuneration”.

They are summarised below as well:

#### 3.4.2.1 Total remuneration and related compensation costs:

The total remuneration and related compensation costs of the Members of the Board of Directors and former Directors related to 2011 and 2010 can be summarised as follows:

Non-executive Members of the Board of Directors (in €)	2011	2010
Fixed fees <sup>(1)</sup>	1,170,000	1,170,000
Fees for participation in meetings	425,000	520,000

(1) The fixed fees related to 2010 were paid in 2011; the fixed fees related to 2011 will be paid in 2012.

Executive Members of the Board of Directors (in €)	2011	2010
Base Salary	990,000	900,000
Annual Variable Pay (related to reporting period including part paid by EADS N.V.)	1,993,475	1,732,500

The cash remuneration of the non-executive Members of the Board of Directors related to 2011 was as follows:

2011 (in €)	Fixed fees <sup>(1)</sup>	Fees for participation in meetings	Total
<b>Directors</b>			
Bodo Uebber	210,000	90,000	300,000
Rolf Bartke	100,000	45,000	145,000
Dominique D'Hinnin	120,000	45,000	165,000
Juan Manuel Eguiagaray Ucelay	80,000	40,000	120,000
Arnaud Lagardère	100,000	30,000	130,000
Hermann-Josef Lamberti	130,000	35,000	165,000
Lakshmi N. Mittal <sup>(2)</sup>	80,000	30,000	110,000
Sir John Parker	130,000	35,000	165,000
Michel Pébereau	100,000	35,000	135,000
Wilfried Porth	120,000	40,000	160,000
<b>Total</b>	<b>1,170,000</b>	<b>425,000</b>	<b>1,595,000</b>

(1) The fixum will be paid in 2012.

(2) Excluding the fees related to 2010 paid in 2011.

The cash remuneration of the executive Member of the Board of Directors related to 2011 was as follows:

2011 (in €)	Base Salary	Annual Variable Pay related to 2011
<b>Directors</b>		
Louis Gallois	990,000	1,993,475

### 3.4.2.2 Long-term incentives

The table below gives an overview of the performance units granted to the Chief Executive Officer in 2011 pursuant to the LTIP:

	Unit plan: number of performance units <sup>(1)</sup>	
	Granted in 2011	Vesting dates
Louis Gallois	51,400	Vesting schedule is made up of 4 payments over 2 years: (i) 25% expected in May 2015; (ii) 25% expected in November 2015; (iii) 25% expected in May 2016; (iv) 25% expected in November 2016.

(1) Vesting of all performance units granted to the Chief Executive Officer is subject to performance conditions.

### 3.4.2.3 Pension benefits

The 12 Members of the Executive Committee have pension promises as part of their employment agreements. The general policy is to give them annual pensions of 50% of their annual base salary upon reaching five years of service in the Executive Committee of EADS, payable once they reach retirement age.

These rights can gradually increase to 60% after a second term, usually after ten years of service in the EADS Executive Committee. However, in order to reach this 60% replacement ratio the respective Member of the Executive Committee must also have 12 years of seniority within the Group.

These pension schemes have been implemented through collective executive pension plans in France and Germany.

These pension promises have also separate rules e.g. for minimum length of service and other conditions to comply with national regulations.

For the Chief Executive Officer, the amount of the pension defined benefit obligation (*i.e.* the book cash value) amounted to €2.9 million as of 31 December 2011, while the amount of current service and interest cost related to his pension promise accounted for the fiscal year 2011 represented an expense of €0.6 million. This obligation has been accrued in the Consolidated Financial Statements.

Non-executive Members of the Board do not receive pension benefits.

#### 3.4.2.4 Termination indemnity

As part of his mandate contract, the Chief Executive Officer is entitled to a termination indemnity when the departure results from a decision by the Company in case of change in control or change in the Company's strategy. Payment of the termination indemnity is also subject to performance conditions as fixed and assessed by the Board of Directors. The termination indemnity, if applicable, would amount to a maximum of 18 months of annual total target remuneration.

However, this termination indemnity rule is not applicable, since the Chief Executive Officer has reached the age of 65 and is able to retire immediately.

Non-executive Members of the Board of Directors do not have a termination indemnity.

#### 3.4.2.5 Non-competition clause

A non-competition clause is included in the terms of the Chief Executive Officer's mandate, applicable for one-year starting at the end of the mandate contract, and renewable for another year at the Company's initiative. The clause envisages a compensation equal to 50% of the last target annual salary, defined as the base salary plus the last paid annual variable remuneration.

The application of the clause is subject to a Board of Directors decision.

The Chief Executive Officer has pro-actively renounced the benefit of such compensation, while remaining tied by the non-compete clause; the Board of Directors has agreed to this request.

#### 3.4.2.6 Other benefits

The Chief Executive Officer is entitled to a company car. The value of his company car as at 31 December 2011 is €24,120 (excluding VAT).

### 3.4.3 Employee Share Ownership Plan

EADS supports employee share ownership. Since its creation, EADS has regularly offered qualifying employees the opportunity to purchase EADS shares on favourable terms through Employee Share Ownership Plans ("ESOP").

In June 2011, EADS has invited employees of the Group to subscribe for EADS shares matched with free shares based on a defined ratio. This ratio varied depending on the number

of shares acquired at fair market value by the employees, with a maximum discount of 50% for 10 shares acquired and a minimum of 21% discount for 400 shares acquired. The maximum number of shares an employee could acquire was fixed by the Board of Directors at 400 leading to 507 shares received by the employee. The discount percentage calculation refers to the share price reduction considering the number of shares acquired versus the initial investment.

In France, employees could subscribe their shares through a mutual Fund ("FCPE") forming part of the Group Savings plan.

Non-executive Members of the Board were not eligible for free shares.

#### Future ESOP

The Company intends to implement an ESOP in 2012, subject to approval by the Board of Directors. The 2012 ESOP is expected to be a share matching plan whereby the Company would match a certain number of directly acquired shares with a grant of free shares. The total offering would be up to approximately 3.2 million shares of the Company, *i.e.* up to 0.39% of its issued share capital, open to all qualifying employees (including the Chief Executive Officer). Under the umbrella of ESOP 2012, a dedicated UK tax saving plan (Share Incentive Plan – "SIP") has been deployed in December 2011 subject to the decision of the Board of Directors in May 2012.

Non-executive Members of the Board are not eligible to participate in future ESOP.

### 3.4.4 Policy for loans and guarantees granted

EADS' general policy is not to grant any loan to the Members of the Board of Directors. Unless the law provides otherwise, the Members of the Board of Directors shall be reimbursed by the Company for various costs and expenses, like reasonable costs of defending claims. Under certain circumstances, such as an act or failure to act by a Member of the Board of Directors that can be characterised as intentional, intentionally reckless, or seriously culpable, there will be no entitlement to this reimbursement. The Company has also taken out liability insurance (Directors & Officers – "D&O") for the persons concerned.

## 4. Financial and Other Highlights

EADS' Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

### 4.1 Revenues

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For the full year 2011, EADS' revenues increased 7% to €49.1 billion (FY 2010: €45.8 billion). This growth is driven by volume and mix effects at Airbus and the increase of commercial activity at Eurocopter. These increases more than offset a slight decrease at Astrium and Cassidian. The overall 2011 revenue contribution from the first consolidation of the

major acquisitions was around €300 million, mainly Vector Aerospace and Satair, while the EBIT\* impact was insignificant. Physical deliveries remained high with 534 aircraft at Airbus Commercial, 503 helicopters at Eurocopter and the 46<sup>th</sup> consecutive successful Ariane 5 launch.

### 4.2 EBIT pre-goodwill impairment and exceptionals

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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. In the following, EBIT pre-goodwill impairment and exceptionals is earmarked as EBIT\*.

EADS' reported EBIT\* stood at €1,696 million (FY 2010: €1,231 million). At Airbus Commercial, a higher number of deliveries and better pricing more than compensated hedge rate deterioration and higher R&D. The total one-time effects at Airbus were roughly neutral. The negative impact from the A350 XWB provision was more than offset by the effects from the A340 completion and by a positive foreign exchange impact on pre-delivery payments mismatch and balance sheet revaluation. The performance of Astrium, Cassidian and Eurocopter includes around €200 million net in negative one-time items. This is partially compensated by positive one-offs in Other Businesses and Headquarters. The largest proportion is in Eurocopter, which has reported roughly €115 million of negative one-time effects, driven mainly by governmental programmes and by the SHAPE transformation programme. Cassidian booked a net charge of €72 million for restructuring and programmes. At Astrium, a charge of €23 million was booked in the fourth quarter, relating to the AGILE transformation programme.

EBIT\* before one-off (adjusted EBIT\*) – an indicator capturing the underlying business margin by excluding non-recurring charges or profits caused by movements in provisions or foreign exchange impacts – stood at around €1.8 billion (FY 2010: €1.3 billion) for EADS and at around €0.5 billion for Airbus (FY 2010: around €0.3 billion). Compared to 2010, this represents a significant rise, despite an increase in

Research & Development expenses and US dollar headwind. It benefited from good performance in Airbus legacy programmes thanks to volume, mix and price improvements. Also, Airbus Military and especially Eurocopter contributed to the performance improvement, the latter mainly from its commercial series and services activity. The Headquarters EBIT\* before one-off improved in 2011, mainly due to an increased allocation of management fees to Divisions and positive impacts from Group eliminations in the fourth quarter.

Net Income increased by 87% to €1,033 million (FY 2010: €553 million), or earnings per share of €1.27 (earnings per share FY 2010: €0.68). The Net Income before one-off increased to €1,061 million (FY 2010: €603 million). These increases are mainly driven by the operational improvement reflected in the EBIT\*, which is flowing down to the Net Income. Net Income before one-off is the Net Income stripped out of the EBIT\* one-offs. It excludes other financial result (except the unwinding of discount on provisions), the positive one-off in the interest result linked to the termination of the A340 programme and all tax effects on the mentioned items.

The finance result amounts to €-220 million (FY 2010: €-371 million). The interest result of €13 million (FY 2010: €-99 million) improved mainly due to higher interest income related to the good cash performance. The 2011 interest result includes a positive one-time release of €120 million due to the completion of the A340 programme. The other financial result amounts to €-233 million (FY 2010: €-272 million). This line includes, among others, a negative revaluation of EADS' foreign exchange options for around €90 million and the unwinding of discounted provisions for an amount of €-172 million.

Table 1 – EBIT\* and Revenues by Division

By Division (in € million)	EBIT*			Revenues		
	FY 2011	FY 2010	Change	FY 2011	FY 2010	Change
Airbus Division <sup>(1)</sup>	584	305	+91%	33,103	29,978	+10%
<i>Airbus Commercial</i>	543	291	+87%	31,159	27,673	+13%
<i>Airbus Military</i>	49	21	+133%	2,504	2,684	-7%
Eurocopter	259	183	+42%	5,415	4,830	+12%
Astrium	267	283	-6%	4,964	5,003	-1%
Cassidian	331	457	-28%	5,803	5,933	-2%
Headquarters/Consolidation	196	(22)	-	(1,409)	(1,174)	-
Other Businesses	59	25	+136%	1,252	1,182	+6%
<b>Total</b>	<b>1,696</b>	<b>1,231</b>	<b>+38%</b>	<b>49,128</b>	<b>45,752</b>	<b>+7%</b>

(1) The reportable segments Airbus Commercial and Airbus Military form the Airbus Division. Eliminations are treated at the Division level.

## 4.3 Net Cash

EADS' Net Cash position amounted to a solid €11.7 billion (year-end 2010: €11.9 billion) after acquisitions. It also reflects a cash contribution to pension assets of €489 million.

Gross Cash comprises "Non-current securities", "Current securities" and "Cash and cash equivalents". For the Net Cash calculation, "Long-term financing liabilities" and "Short-term financing liabilities" are deducted from the Gross Cash.

Free Cash Flow for the full year 2011 benefited from good operational performance. Free Cash Flow stood at €958 million (FY 2010: €2,707 million). After customer financing and before acquisitions, the Free Cash Flow of €2,493 million is significantly above expectations thanks to higher order intake and higher than expected deliveries at Airbus, better EBIT\* before one-off

and better than expected cash inflow from government customers. Gross Cash Flow from operations increased compared to one year ago, mainly due to the improvement of profitability before depreciation and provisioning. The working capital includes an inventory increase at Airbus due to the progressive ramp-up on production programmes. The ramp-up in inventories was overcompensated by higher advance payments received at Airbus. Customer financing generated cash of €135 million in 2011 as the lessor and global banking markets continue to be active despite recent concerns. The level of industrial capital expenditure is slightly below the 2010 level. In line with the Group's strategy, EADS pursued some significant acquisitions in 2011 with an overall cash-out of approximately €1.5 billion.

## 4.4 Order Intake and Order Book

EADS' order intake increased by 58% to €131.0 billion (FY 2010: €83.1 billion), driven by the higher level of commercial aircraft orders at Airbus. At the end of December 2011, the Group's order book increased by 21% to a record level of €541.0 billion (year-end 2010: €448.5 billion), underpinning

EADS' top line growth into the future. The Airbus Commercial backlog benefited from a positive revaluation impact of around €15 billion due to the US dollar closing spot rate that has strengthened since year-end 2010. The defence order book decreased to €52.8 billion (year-end 2010: €58.3 billion).



**Table 2 – Order Intake and Order Book by Division**

By Division (in € million)	Order Intake <sup>(2)</sup>			Order Book <sup>(2)</sup>		
	FY 2011	FY 2010	Change	31 December 2011	31 December 2010	Change
Airbus Division <sup>(1)</sup>	117,874	68,223	+73%	495,513	400,400	+24%
<i>Airbus Commercial</i>	117,301	68,210	+72%	475,477	378,907	+25%
<i>Airbus Military</i>	935	152	+515%	21,315	22,819	-7%
Eurocopter	4,679	4,316	+8%	13,814	14,550	-5%
Astrium	3,514	6,037	-42%	14,666	15,760	-7%
Cassidian	4,168	4,312	-3%	15,469	16,903	-8%
Headquarters/Consolidation	(1,233)	(1,409)	-	(1,467)	-1,639	-
Other Businesses	2,025	1,668	+21%	2,983	2,519	+18%
<b>Total</b>	<b>131,027</b>	<b>83,147</b>	<b>+58%</b>	<b>540,978</b>	<b>448,493</b>	<b>+21%</b>

(1) The reportable segments Airbus Commercial and Airbus Military form the Airbus Division. Eliminations are treated at the Division level.

(2) Contributions from commercial aircraft activities to EADS Order Intake and Order Book are based on list prices.

## 4.5 Workforce information

As of 31 December 2011, the EADS workforce was composed of 133,115 employees. The total number of employees compared to 2010 increased by 11,424. This increase in the active workforce is explained by important consolidation changes in the course of 2011.

Eurocopter consolidated the Vector Aerospace Group with 2,419 employees. PFW Aerospace and its 2,155 employees were acquired by Airbus as well as Satair with 377 employees. Furthermore, the ND Satcom Group joined Astrium with 301 and the Vizada/Mobsat Holding with 719 employees.

Additional minor acquisitions and consolidation changes further contributed to this increase in headcount.

In 2011, the workforce consisted of 96.5% full time employees. Depending on country and hierarchy level, the average contractual working time is between 35 and 40 hours a week.

In 2011, 8,238 employees worldwide entered employment with EADS (5,047 in 2010). At the same time, 3,666 employees left EADS (3,213 in 2010).

In total, 92.1% of EADS' active workforce is located in Europe on more than 100 sites.

## 4.6 Dividend policy

Based on an earnings per share (EPS) of €1.27, the EADS Board of Directors proposes payment on 7 June 2012 of a gross dividend of €0.45 per share to the Annual General Meeting of Shareholders (FY 2010: €0.22 per share). The record date should be 6 June 2012.

It is converging towards a pay-out ratio in line with sector and industry peers. From a Board perspective, as the Company is maturing, this policy shall be the orientation for the future.



# Financial Statements – Summary

The Financial Statements 2011 are available on EADS website [www.eads.com](http://www.eads.com) (Investor Relations).

## 1. EADS N.V. – Consolidated Financial Statements (IFRS)

### EADS N.V. – Consolidated Income Statements (IFRS) for the years ended 31 December 2011 and 2010

(in € million)	2011	2010
<b>Revenues</b>	<b>49,128</b>	<b>45,752</b>
Cost of sales	(42,285)	(39,528)
<b>Gross margin</b>	<b>6,843</b>	<b>6,224</b>
Selling expenses	(981)	(1,024)
Administrative expenses	(1,427)	(1,288)
Research and development expenses	(3,152)	(2,939)
Other income	359	171
Other expenses	(221)	(102)
Share of profit from associates accounted for under the equity method	164	127
Other income from investments	28	18
<b>Profit (loss) before finance costs and income taxes</b>	<b>1,613</b>	<b>1,187</b>
Interest income	377	316
Interest expense	(364)	(415)
Other financial result	(233)	(272)
Total finance costs	(220)	(371)
Income taxes	(356)	(244)
<b>Profit (loss) for the period</b>	<b>1,037</b>	<b>572</b>
Attributable to:		
Equity owners of the parent ( <b>Net income (loss)</b> )	1,033	553
Non-controlling interests	4	19
<b>Earnings per share</b>	<b>€</b>	<b>€</b>
Basic	1.27	0.68
Diluted	1.27	0.68

**EADS N.V. – Consolidated Statements of Financial Position (IFRS)  
at 31 December 2011 and 2010**

(in € million)		
<b>Assets</b>	<b>2011</b>	<b>2010</b>
<b>Non-current assets</b>		
Intangible assets	12,745	11,299
Property, plant and equipment	14,159	13,427
Investment property	74	77
Investments in associates accounted for under the equity method	2,677	2,451
Other investments and other long-term financial assets	2,378	2,386
Non-current other financial assets	631	871
Non-current other assets	1,253	1,104
Deferred tax assets	4,309	4,250
Non-current securities	7,229	5,332
	<b>45,455</b>	<b>41,197</b>
<b>Current assets</b>		
Inventories	22,563	20,862
Trade receivables	6,399	6,632
Current portion of other long-term financial assets	172	111
Current other financial assets	1,739	1,575
Current other assets	2,253	1,712
Current tax assets	339	234
Current securities	4,272	5,834
Cash and cash equivalents	5,284	5,030
	<b>43,021</b>	<b>41,990</b>
<b>Total assets</b>	<b>88,476</b>	<b>83,187</b>
<b>Equity and liabilities</b>		
<b>Equity attributable to equity owners of the parent</b>		
Capital stock	820	816
Share premium	7,519	7,645
Retained earnings	471	46
Accumulated other comprehensive income	153	446
Treasury shares	(113)	(112)
	<b>8,850</b>	<b>8,841</b>
Non-controlling interests	20	95
<b>Total equity</b>	<b>8,870</b>	<b>8,936</b>
<b>Non-current liabilities</b>		
Non-current provisions	9,125	8,213
Long-term financing liabilities	3,628	2,870
Non-current other financial liabilities	8,193	8,624
Non-current other liabilities	9,814	9,264
Deferred tax liabilities	1,050	1,195
Non-current deferred income	290	315
	<b>32,100</b>	<b>30,481</b>
<b>Current liabilities</b>		
Current provisions	5,860	5,766
Short-term financing liabilities	1,476	1,408
Trade liabilities	9,630	8,546
Current other financial liabilities	1,687	1,234
Current other liabilities	27,670	25,772
Current tax liabilities	308	254
Current deferred income	875	790
	<b>47,506</b>	<b>43,770</b>
<b>Total liabilities</b>	<b>79,606</b>	<b>74,251</b>
<b>Total equity and liabilities</b>	<b>88,476</b>	<b>83,187</b>

**EADS N.V. – Consolidated Statements of Cash Flows (IFRS)  
 for the years ended 31 December 2011 and 2010**

(in € million)	2011	2010
<b>Profit (loss) for the period attributable to equity owners of the parent (Net income (loss))</b>	<b>1,033</b>	<b>553</b>
Profit for the period attributable to non-controlling interests	4	19
<i>Adjustments to reconcile profit (loss) for the period to cash provided by operating activities:</i>		
Interest income	(377)	(316)
Interest expense	364	415
Interest received	417	332
Interest paid	(307)	(278)
Income tax expense (income)	356	244
Income taxes (paid) received	(100)	(140)
Depreciation and amortisation	1,884	1,582
Valuation adjustments	(408)	(366)
Results on disposals of non-current assets	(29)	(75)
Results of companies accounted for by the equity method	(164)	(127)
Change in current and non-current provisions <sup>(1)</sup>	230	(219)
<b>Change in other operating assets and liabilities:</b>	<b>1,386</b>	<b>2,819</b>
• Inventories	(1,640)	705
• Trade receivables	447	(345)
• Trade liabilities	806	(40)
• Advance payments received	1,965	1,698
• Other assets and liabilities	(327)	738
• Customer financing assets	246	169
• Customer financing liabilities	(111)	(106)
<b>Cash provided by operating activities</b>	<b>4,289</b>	<b>4,443</b>
<b>Investments:</b>		
• Purchases of intangible assets, Property, plant and equipment	(2,197)	(2,250)
• Proceeds from disposals of intangible assets, Property, plant and equipment	79	45
• Acquisitions of subsidiaries, joint ventures, businesses and non-controlling interests (net of cash)	(1,535)	(38)
• Proceeds from disposals of subsidiaries (net of cash)	18	12
• Payments for investments in associates, other investments and other long-term financial assets	(312)	(190)
• Proceeds from disposals of associates, other investments and other long-term financial assets	77	91
• Dividends paid by companies valued at equity	50	41
Disposals of non-current assets/disposal groups classified as held for sale and liabilities directly associated with non-current assets classified as held for sale	0	0
Change in securities	(378)	(3,147)
<b>Cash (used for) investing activities</b>	<b>(4,198)</b>	<b>(5,436)</b>
Increase in financing liabilities	813	99
Repayment of financing liabilities	(399)	(1,160)
Cash distribution to EADS N.V. shareholders	(178)	0
Dividends paid to non-controlling interests	(5)	(7)
Changes in capital and non-controlling interests	(65)	(48)
Change in treasury shares	(1)	(3)
<b>Cash provided by (used for) financing activities</b>	<b>165</b>	<b>(1,119)</b>
Effect of foreign exchange rate changes and other valuation adjustments on cash and cash equivalents	(2)	104
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>254</b>	<b>(2,008)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>5,030</b>	<b>7,038</b>
<b>Cash and cash equivalents at end of period</b>	<b>5,284</b>	<b>5,030</b>

(1) In 2011, "contribution to plan assets for pensions" is shown in "change in current and non-current provisions" within cash provided by operating activities. Previously, "contribution to plan assets for pensions" was disclosed in cash used for investing activities. It amounts in 2011 to €(489) million (2010: €(553) million and 2009: €(173) million).

**EADS N.V. – Consolidated Statements of Comprehensive Income (IFRS)  
for the years ended 31 December 2011 and 2010**

(in € million)	2011	2010
<b>Profit (loss) for the period</b>	<b>1,037</b>	<b>572</b>
Currency translation adjustments for foreign operations	(25)	119
Effective portion of changes in fair value of cash flow hedges	(365)	(2,983)
Net change in fair value of cash flow hedges transferred to profit or loss	(171)	(201)
Net change in fair value of available-for-sale financial assets	(20)	12
Actuarial gains (losses) on defined benefit plans	(747)	(127)
Unrealized gains (losses) from investments accounted for using the equity method	129	(161)
Tax on income and expense recognized directly in equity	331	1,096
<b>Other comprehensive income, net of tax</b>	<b>(868)</b>	<b>(2,245)</b>
<b>Total comprehensive income of the period</b>	<b>169</b>	<b>(1,673)</b>
Attributable to:		
Equity owners of the parent	163	(1,679)
Non-controlling interests	6	6

## 2. Company Financial Statements

### Balance Sheet of the Company Financial Statements

(in € million) Assets	At 31 December 2011	At 31 December 2010
<b>Fixed assets</b>		
Goodwill	4,354	4,354
Financial fixed assets	9,802	7,960
Non-current securities	7,103	5,172
	<b>21,259</b>	<b>17,486</b>
<b>Non-fixed assets</b>		
Receivables and other assets	6,362	4,874
Current securities	4,140	5,756
Cash and cash equivalents	3,394	3,199
	<b>13,896</b>	<b>13,829</b>
<b>Total assets</b>	<b>35,155</b>	<b>31,315</b>
<b>Liabilities and stockholders' equity</b>		
<b>Stockholders' equity <sup>(1)</sup></b>		
Issued and paid up capital	820	816
Share premium	7,519	7,645
Revaluation reserves	(1,207)	(989)
Legal reserves	3,544	3,532
Treasury shares	(113)	(112)
Retained earnings	(2,746)	(2,604)
Result of the year	1,033	553
	<b>8,850</b>	<b>8,841</b>
<b>Non-current liabilities</b>		
Financing liabilities	3,090	2,194
	<b>3,090</b>	<b>2,194</b>
<b>Current liabilities</b>		
Financing liabilities	0	29
Other current liabilities	23,215	20,251
	<b>23,215</b>	<b>20,280</b>
<b>Total liabilities and stockholders' equity</b>	<b>35,155</b>	<b>31,315</b>

(1) The balance sheet is prepared before appropriation of the net result.

### Income Statement of the Company Financial Statements

(in € million)	2011	2010
Income from investments	1,010	463
Other results	23	90
<b>Net result</b>	<b>1,033</b>	<b>553</b>

# Useful Information

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## How to attend the meeting

**Hotel Okura Amsterdam,  
Ferdinand Bolstraat 333,  
1072 LH Amsterdam, The Netherlands  
Tel.: +31 (0)20 678 71 11**

### By car

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Hotel Okura is located at about 30 minutes from Amsterdam-Schiphol international airport, right next to the RAI Congress Center.

From all directions, follow Ring Amsterdam (A10). Exit RAI (S109) and turn right at the traffic lights, direction RAI/Centrum (S109).

Follow direction Zuid (S109). After passing the roundabout, take the second street on your right (Scheldestraat). After 500 metres, Hotel Okura appears on your right hand side.

Parking at the Hotel Okura Amsterdam.

### By public transport

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#### From Schiphol Airport

- ① **First itinerary:** Take the train (direct rail link of 15 minutes) to Centraal Station – in the main arrival plaza – and then see the hereafter indications.
- ② **Second itinerary:** Take a stop train, direction Lelystad Centrum, Hilversum or Utrecht Centraal to the first stop (Zuid Station), and then, follow the hereafter indications.
- ③ **Third itinerary:** Take a stop train, direction Hilversum or Almere Oostvaarders to the RAI station, and then, follow the hereafter indications.

#### From Centraal Station – CS

Take the tram number 25, direction President Kennedylaan, to the eleventh stop (Cornelis Troostplein, see the map ▲). Go down the street. After 200 metres, Hotel Okura appears on your left hand side. Walking time: 3 minutes.

#### From RAI Station

Walk in the direction of Europa Boulevard. Go straight away to Europaplein and then to Scheldestraat. After 500 metres, Hotel Okura appears on your right hand side, just after the bridge. Walking time: 10 minutes.

#### From Amstel Station

Take the tram number 12, direction Station Sloterdijk, to the fifth stop (Scheldestraat, see the map ●), or bus number 65, direction Station Zuid, to the seventh stop (Scheldestraat, see the map ●). Walk in Churchillaan for 100 metres, and then turn left in Ferdinand Bolstraat. After 100 metres, just after the bridge, Hotel Okura appears on your right hand side. Walking time: 3 minutes.

#### From Zuid Station

Take the bus number 65, direction KNSM Eiland, to the fourth stop (Scheldestraat, see the map ●). Walk in Churchillaan for 100 metres, and then turn left in Ferdinand Bolstraat. After 100 metres, Hotel Okura appears on your right hand side, just after the bridge. Walking time: 3 minutes.



www.eads.com

### Shareholders Information

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European Aeronautic Defence and Space Company EADS N.V.

Limited liability company (naamloze vennootschap)

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