

9-month 2003 Results



Hans Peter Ring, CFO

Analysts Conference call – November 6th, 2003

Safe Harbor Statement



Certain of the statements contained in this document are not historical facts but rather are statements of future expectations and other forward-looking statements that are based on management's beliefs. These statements reflect the Company's views and assumptions as of the date of the statements and involve known and unknown risk and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

When used in this document, words such as "anticipate", "believe", "estimate", "expect", "may", "intend", "plan to" and "project" are intended to identify forward-looking statements. Such forward-looking statements include, without limitation, projections for improvements in process and operations, new business opportunities, revenues and revenues growth, operating margin growth, cash flow, deliveries, launches, compliance with delivery schedules, performance against Company targets, new products, current and future markets for the Company products and other trend projections.

This forward looking information is based upon a number of assumptions including without limitation:

- Assumption regarding demand
- Current and future markets for the Company's products and services
- Internal performance including the ability to successfully integrate EADS' activities to control costs and maintain quality
- Customer financing
- Customer, supplier and subcontractor performance or contract negotiations
- Favourable outcomes of certain pending sales campaigns

Forward looking statements are subject to uncertainty and actual future results and trends may differ materially depending on variety of factors including without limitation:

- General economic and labour conditions, including in particular economic conditions in Europe and North America,
- Legal, financial and governmental risk related to international transactions
- The Cyclical nature of some of the Company's businesses
- Volatility of the market for certain products and services
- Product performance risks
- Collective bargaining labour disputes
- Factors that result in significant and prolonged disruption to air travel world-wide
- The outcome of political and legal processes, including uncertainty regarding government funding of certain programs
- Consolidation among competitors in the aerospace industry
- The cost of developing, and the commercial success of new products
- Exchange rate and interest rate spread fluctuations between the Euro and the U.S. dollar and other currencies
- Legal proceeding and other economic, political and technological risk and uncertainties

Additional information regarding these factors is contained in the Company's "document de référence" dated 2nd April 2003. The Company disclaims any intention or obligation to update these forward-looking statements. Consequently the Company is not responsible for any consequences from using any of the above statements.

Content



- 1. Group overview**
2. Operating performance by division
3. Financials

9-month 2003 EADS results



- On-track with plan
- EBIT margin pre R&D = 12.7%
- Positive Net Cash position
- Order-book: world-wide largest fast growing

Resilient and Robust Business



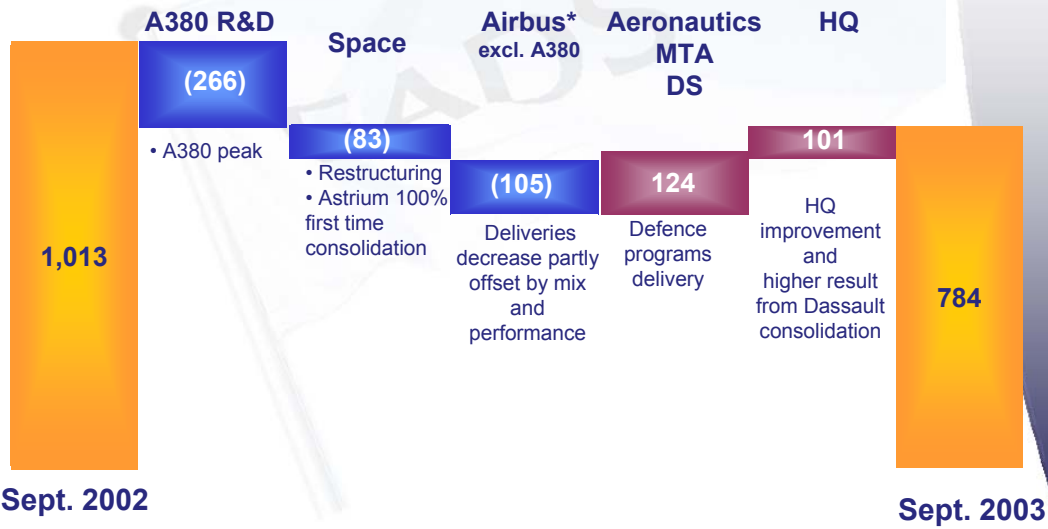
Flexible, Tough Financial Management ...

- **Hedging:** net additions of \$ 5bn => Total portfolio \$45bn at avg. €=0.98 \$
- **Financing:** new bond issue to ensure competitive and flexible access to financial markets, contain customer financing
- **Restructuring:** space restructuring plan well under-way

... while Sustaining Business Momentum

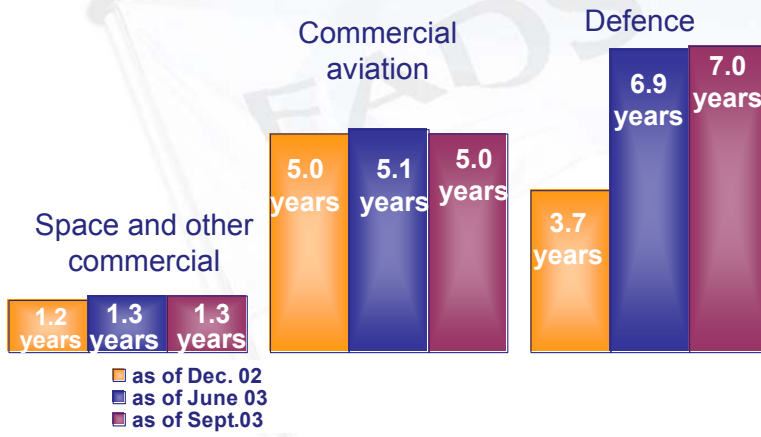
- **Airbus:** 241 a/c orders, 60% market share as of Sept. 30
- **Defence:** Eurofighter Austria, NH90 Greece, Tiger Spain; not yet recorded as of Sept
- **Space:** Defence: Paradigm signed in Oct.
Commercial: 4 satcoms orders since start of 2003 (of which 2 as of Sept.); 30% market share
- **Profitability:** All divisions but Space post a positive Q3 EBIT

Defence businesses improvement, Airbus resilience

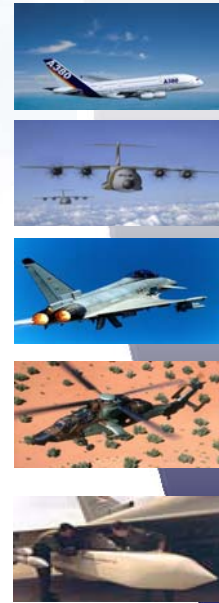


* EBIT pre A380 R&D variation from Sept. 2002 to Sept.2003

Continuing EADS growth momentum



Orderbook
times 2002 revenues,
except for Airbus (times deliveries)



9-month Financial Highlights



in m€	9m 2003	9m 2002
Revenues	18,536 € m	19,996 € m
EBIT*	784 € m	1,013 € m
EBIT pre-R&D expenses	2,345 € m	2,369 € m
FCF before Cust. Financing**	(92 € m)	(204 € m)
New orders	49,453 € m	22,341 € m

in bn€	Sept. 2003	Dec. 2002
Net Cash position	0.4 € bn	1.2 € bn
Total Order book	186.7 € bn	168.3 € bn
of which Defence	41.7 € bn	22.0 € bn

* pre goodwill and exceptionals

** excl. change in medium-term securities and consolidation changes

Content



1. Group Overview
2. **Operating Performance by Division**
3. Financials

Airbus



€ m	9m 2003	9m 2002
Deliveries	199	219
Revenues	12,051	13,750
R&D self-financed	1,308	1,071
in % of revenues	10.9%	7.8%
EBIT*	701	1,072
in % of revenues	5.8%	7.8%
Order book	153,302**	148,898
in units***	1,521	1,492

* pre goodwill and exceptionals

** of which A400M work share €14 bn

*** units of commercial a/c excl. 180 A400M in 2003

• **9-mth EBIT pre-R&D** nearly stable at €2.0 bn despite lower deliveries:

- Productivity improvement
- Better mix

• **EBIT-margin pre-R&D = 16.7%**

• **Revenues** impacted by weaker \$ and lower deliveries, partly offset by better mix

• Low level of **Q3 deliveries** due to specific factors related to documentation or SARS

• **Q3 EBIT** = € 80 m with only 50 deliveries and continuing high R&D (€407m)

• **Order-book** includes 116 A380 and 86 A340-500/600 as of Sept.

Customer Financing Exposure under control

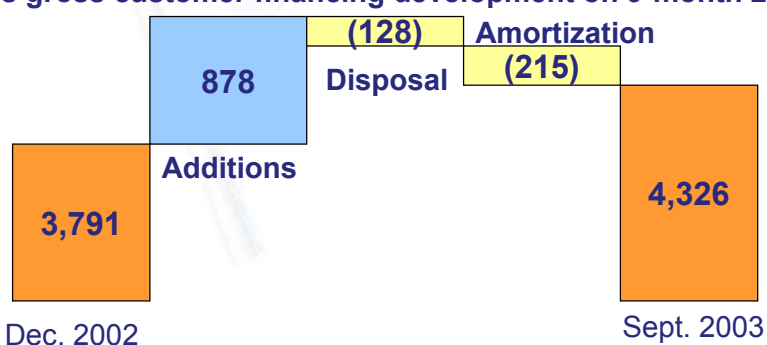


all figures in € m

Figures for 100% Airbus	Sept. 2003	Dec. 2002
closing rate \$/€	1.165	1.049
Total Gross exposure*	3,689	3,581
<i>of which off-balance sheet</i>	784	891
Estimate value of collateral	(2,139)	(2,062)
Net exposure	1,550	1,519
Provision	(1,550)	(1,519)
AIRBUS Net exposure after provision	0	0

* Adjusted for stipulated loss values

Airbus gross customer financing development on 9-month 2003 in \$ m



MTA



€ m	9m 2003	9m 2002
Revenues	410	310
R&D self-financed	15	28
in % of revenues	3.7%	9.0%
EBIT*	(7)	(79)**
Order book	20,429	1,258

* pre goodwill and exceptionals

** 2002 had included € 54 m charge due to Fairchild Dornier insolvency



based on 9m 2003 revenues

- **Revenues** growth triggered by military derivatives
- **EBIT** improvement expected to continue with A400M ramp up. EBIT Positive in Q3
- **Order intake:**
 - A400M € 20 bn
 - US Coast Guard 1st batch € 63 m (2 CASA CN-235 and mission systems)
- One of the 2 contenders for the **UK Air Force's future aerial tanker aircraft (FSTA)**
- Other opportunities for **MRTT** : Germany, Canada, Australia,....

Aeronautics

(new format : excl. Military aircraft)

€ m	9m 2002	
	9m 2003	Pro-forma
Revenues	2,452	2,440
R&D self-financed	50	66
in % of revenues	2.0%	2.7%
EBIT*	112	84
in % of revenues	4.6%	3.4%
Order book	9,719	10,253

* pre goodwill and exceptionals

- **EBIT** improvement driven by Tiger and NH90

- **Eurocopter**: Defence export successes :

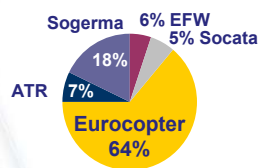
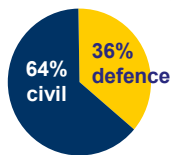
- Greece commits to 20 NH90 and 14 options (€0.7bn)

- Spain commits to 24 Tiger (€1.4bn)

→ both orders not yet included as of Sept. 30

- Groundbreaking of new Eurocopter site in Mississippi (USA)

- Strategic partner in Avic company (China)



based on 9m 2003 revenues

Space

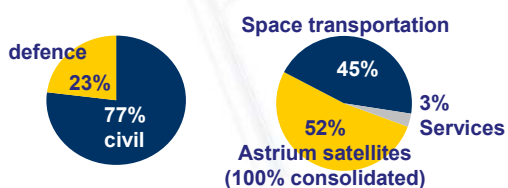
(Astrium 100% consolidated from January 2003)



€ m	9m 2003	9m 2002
Revenues	1,473	1,389
R&D self-financed	39	36
in % of revenues	2.6%	2.6%
EBIT*	(184)	(101)
Order book	4,243	3,445

* pre goodwill and exceptionals

- **Revenues:** Astrium consolidation change (+€244m) and launcher business decrease
- **EBIT** hit by: Restructuring (€88m) and program provision (€76m)
Also, first-time consolidation of 100% Astrium is €(46m).
- **Restructuring:** under-way; eQ4 ~€200m additional charge
- **Target EBIT breakeven in 04**
- **Strong order-book :** 10 civil telecom + 2 military telecom + 16 observation satellites as of Oct. 30
- **Paradigm** deal signed on Oct. 24
- **Ariane :** MoU for 30 launchers worth € 3 bn



based on 9m 2003 revenues

Defence and Security Systems

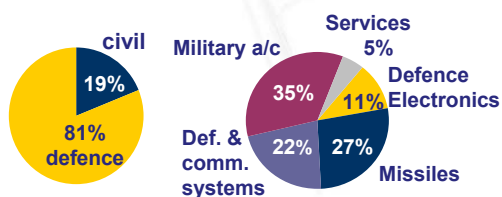
(New format : incl. Military Aircraft)



€ m	9m 2002	
	9m 2003	Pro-forma
Revenues	2,957	2,793
R&D self-financed	149	154
in % of revenues	5.0%	5.5%
EBIT*	(18)	(42)
Order book	13,527	13,229

* pre goodwill and exceptionals

- **Revenue** : 6% growth due to ramp-up of Missiles +9% and Military Aircraft +12%
- **EBIT** improvement triggered by Defence programs delivery
- Seasonal effects, **Q3 EBIT** positive, Q4 expected to be the strongest, FY03 EBIT expected higher than FY02 EBIT of € 122 m
- **Eurofighter Austria** order to be booked in Q4 2003



based on 9m 2003 revenues

Content



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3. **Financials**

Profit & Loss Highlights



	9m 2003		9m 2002	
	€ m	in % of Revenues	€ m	in % of Revenues
Revenues	18,536		19,996	
self-financed R&D	1,561	8.4%	1,356	6.8%
EBITDA	1,877	10.1%	2,134	10.7%
EBIT*	784	4.2%	1,013	5.1%
EBIT* before R&D	2,345	12.8%	2,369	11.8%
Interest result	(138)	(0.7%)	(77)	(0.4%)
Taxes	(208)	(1.1%)	(323)	(1.6%)
Net income	(124)	(0.7%)	23	0.1%
Net Income*	336	1.8%	493	2.5%

* pre goodwill and exceptionals

Development of Net Cash



in € m	9m 2003	9m 2002
Net cash at the beginning of the period	1,224	1,533
Gross Cash Flow from Operations*	1,099	1,207
Change in working capital	183	(78)
Cash used for investing activities**	(2,003)	(1,751)
of which Industrial Capex (additions)***	(1,328)	(1,414)
of which Customer Financing net additions	(629)	(418)
of which Others****	(46)	81
Free Cash Flow**	(721)	(622)
Free Cash Flow before customer financing	(92)	(204)
Dividend paid	(270)	(506)
Astrium first time 100% consolidation impact	(74)	0
Others	200	265
Net cash at the end of the period	359	670

* gross cash flow operations, excl. working capital change

** excl. change in securities and consolidation changes

*** excl. leased assets and financial assets

**** in 2002 mainly Aircelle disposal

Continuing hedge policy



Approx. 50% of EADS US\$ revenues are naturally hedged by US\$ procurement → at the level of 300a/c a year annual net exposure is in the range of \$10bn

EADS hedge portfolio (US\$ 44.6 bn) as of Sept. 30, 2003



€ vs \$	0.95	0.95	0.97	0.98	0.99	0.98	1.02	1.04	1.13
£ vs \$	1.59	1.54	1.48	1.48	1.47	1.48	1.50	1.53	1.54

Hedge rates applicable to EBIT

Marked-to-market value = €5.8 bn

Remain solid and Enhance growth



- **Confirm 2003 Targets**
 - ✓ **300 deliveries; Revenues** in same range as 2002, based on 1€ = 1.10 \$
 - ✓ **EBIT*** in same range as 2002
 - ✓ **Free Cash Flow** positive pre-customer financing
 - ✓ Restrictive **customer financing**
- **Homework on track: Space restructuring, continuing \$hedge, productivity improvement, Defence order-book delivery**
- **Seize new commercial opportunities**

* pre goodwill and exceptionals



Appendix

Balance Sheet Highlights

in € m	Sept. 2003	Dec. 2002
Assets	51,324	47,400
of which Goodwill	9,415	9,586
of which cash & equivalents, securities	6,300	6,200
of which positive hedge mark-to-market	5,907	2,819
Stockholders' equity	14,536	12,765
of which OCI (Other Comprehensive Income)	4,587	2,452
Minority interest	1,781	1,361
Total provisions	8,284	8,248
of which pensions	3,686	3,392
of which negative hedge mark-to-market	111	161
of which other provisions	4,487	4,695
Deferred tax liabilities & income	5,558	4,734
Liabilities	21,165	20,292
of which financial debts	5,941	4,976
of which European gvts refundable advances	4,845	4,265
Total liabilities and stockholders'equity	51,324	47,400
Closing rate € versus \$	1.17	1.05

EBIT* Calculation



in € m	Sept. 2003	Sept. 2002
Result before financial inc. and income tax	54	368
Income from investments **	137	42
Exceptionals:		
Goodwill amortisation	422	431
Fair value adjustment	171	172
EBIT*	784	1,013

* pre goodwill and exceptionals

** incl. Dassault-Aviation contribution for € 137 m in 2003 (2002: € 68m)
included in 2003 an IAS restatement impact of € 56 m.

Restructuring, Write-off and Disposal Items ... Included in EBIT*

€m	9m 2003	9m 2002
EBIT*	784	1,013
EBIT* margin (% of revenues)	4.2%	5.1%

EADS EBIT* includes the following items

Airbus	Aircelle disposal	-	63
MTA	Asset depreciation	-	(54)
DS	Restructuring	(22)	-
Space	Restructuring	(88)	-
	Asset Depreciation	(15)	(42)
	Loss-making contracts	(61)	(101)
HQ	IAS restatement for Dassault	56	

* pre goodwill and exceptionals

Elements of EADS Net Cash



in m€	Sept. 2003	Dec. 2002
Gross cash	6,300	6,200
Financial Debts	(5,941)	(4,976)
Reported Net cash position	359	1,224
Debts backed by deposit	1,148	1,146
Non-recourse debt	647	749
Net cash position excl. total non-recourse	2,154	3,119
Main minority impact*	427	177
Airbus 20% non-recourse debt	(359)	(379)
Net cash position net of minority and non-recourse	2,222	2,917

* mostly 20% in Airbus and 12.5% in MBDA

Net Income pre Goodwill and Exceptionals



in € m	Sept. 2003	Sept. 2002
Net Income	(124)	23
Goodwill amortisation	422	431
Exceptionals:		
Fair value adjustment on fixed assets	160	163
Fair value adjustment on inventories	11	9
Tax impact on exceptional fair value	(61)	(62)
Minorities on exceptional fair value	(72)	(71)
Net Income*	336	493
EPS* (1)	0.42 €	0.61 €

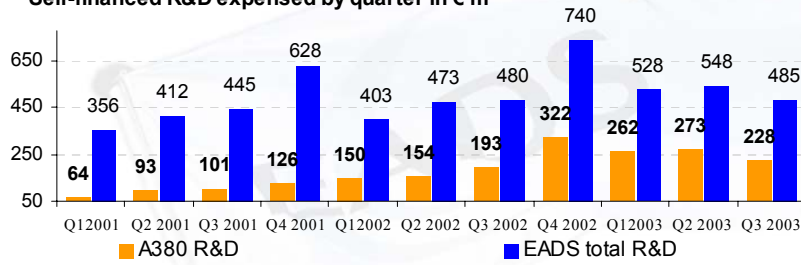
* pre goodwill and exceptionals

(1) average number of shares outstanding: 800,957,248 in 9m 2003 and 805,389,028 in 9m 2002

A380 On-going in Line With Plan

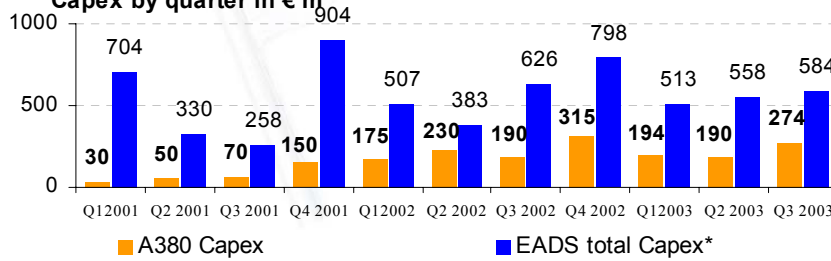


Self-financed R&D expensed by quarter in € m



Cumulative
A380 R&D
= 2.0 €bn

Capex by quarter in € m



Cumulative
A380 capex
= 1.9 €bn

* including leased aircraft and RVG reclassification (2001: 604€m; 2002: 102€m; 9m 2003: €327 m)

Quarterly figures Q3 2003 : All divisions but Space turn to positive EBIT



in € bn	Q3 2003	Q3 2002
Revenues	5.5 € bn	6.0 € bn
EBIT*	0.2 € bn	0.2 € bn
FCF before cust. financing**	(0.4 € bn)	(0.4 € bn)
New orders	6.3 € bn	7.6 € bn

* pre goodwill and exceptionals

** excl. investments in medium term securities and consolidation changes

	Revenues		EBIT*	
	Q3 2003	change	Q3 2003	Q3 2002
Airbus	3.3 € bn	(16%)	80 € m	198 € m
MTA	0.1 € bn	87%	1 € m	(7 € m)
Aeronautics***	0.8 € bn	1%	53 € m	55 € m
Space	0.5 € bn	(8%)	(53 € m)	(16 € m)
DS***	1.1 € bn	13%	10 € m	(5 € m)
HQ/Eliminations	(0.3 € bn)		101 € m	13 € m
Total EADS	5.5 € bn	(9%)	192 € m	238 € m

***new format (Military Aircraft incl. in DS)

* pre goodwill and exceptionals

Quarterly Revenues Breakdown (Cumulative)



in €m	Q1		Q2		Q3		Q4	
	2003 new format*	2002 new format*	2003	2002 new format*	2003	2002 new format*	2003	2002 new format*
Airbus	3,775	4,646	8,773	9,870	12,051	13,750		19,512
MTA	96	101	268	234	410	310		524
Aeronautics*	686	673	1,613	1,606	2,452	2,440		3,834
Space	403	426	1,008	882	1,473	1,389		2,216
DS*	813	801	1,902	1,856	2,957	2,793		4,770
HQ & Elim.	(253)	(239)	(504)	(474)	(807)	(686)		(955)
Total EADS	5,520	6,408	13,060	13,974	18,536	19,996		29,901

* new format (Military Aircraft included in DS)

Quarterly EBIT* Breakdown (Cumulative)



in €m	Q1		Q2		Q3		Q4	
	2003 new format**	2002 new format**	2003	2002 new format**	2003	2002 new format**	2003	2002 new format**
Airbus	166	396	621	874	701	1,072		1,361
MTA	(11)	(12)	(8)	(72)	(7)	(79)		(80)
Aeronautics**	16	5	59	29	112	84		180
Space	(21)	(33)	(131)	(85)	(184)	(101)		(268)
DS**	(54)	(54)	(28)	(37)	(18)	(42)		122
HQ & Elim.	34	13	79	66	180	79		111
Total EADS	130	315	592	775	784	1,013	0	1,426

* pre goodwill and exceptionals

** new format (Military Aircraft included in DS)

Quarterly Order-intake Breakdown (Cumulative)



in €m	Q1		Q2		Q3		Q4	
	2003 new format*	2002 new format*	2003	2002 new format*	2003	2002 new format*	2003	2002 new format*
Airbus	3,416	1,261	33,174	10,334	37,028	15,446		19,712
MTA	122	61	20,104	214	20,195	290		403
Aeronautics*	706	1,286	1,440	1,982	2,213	2,737		4,095
Space	341	316	779	569	1,246	1,068		2,145
DS*	969	1,031	1,988	1,918	3,239	3,154		5,413
HQ & Elim.	(176)	(147)	(14,295)	(226)	(14,468)	(354)		(760)
Total EADS	5,378	3,808	43,190	14,791	49,453	22,341		31,009

* new format (Military Aircraft included in DS)

A400M contract value of € 20 bn is included in MTA and also in Airbus for about € 14 bn representing its nearly 70% workshare in the programme; this is then eliminated in the line « HQ & elimination ».

Quarterly Order-book Breakdown



in €m	Q1		Q2		Q3		Q4	
	2003 new format*	2002 new format*	2003	2002 new format*	2003	2002 new format*	2003	2002 new format*
Airbus	134,615	151,794	154,428	145,500	153,302	148,898		140,996
MTA	677	1,295	20,476	1,283	20,429	1,258		633
Aeronautics*	10,193	10,560	9,828	10,336	9,719	10,253		10,162
Space	4,401	3,683	4,248	3,492	4,243	3,445		3,895
DS*	13,521	12,889	13,342	12,944	13,527	13,229		13,406
HQ & Elim.	(689)	(677)	(14,581)	(567)	(14,510)	(514)		(753)
Total EADS	162,718	179,544	187,741	172,988	186,710	176,569		168,339

* new format (Military Aircraft included in DS)

A400M contract value of € 20 bn is included in MTA and also in Airbus for about € 14 bn representing its nearly 70% workshare in the programme; this is then eliminated in the line « HQ & elimination ».