



News Release



EADS' Q1 2009 results reflect strengths but challenges remain

- Order book of € 413 billion – allowing active management of deliveries
- Solid Net Cash position of € 8.7 billion in line with expectations (year-end 2008: € 9.2 billion)
- EBIT* before one-off: € 0.4 billion
- EBIT* of € 232 million, impacted mainly by foreign exchange effects
- Net Income of € 170 million



Amsterdam, 12 May 2009 – EADS' (stock exchange symbol: EAD) first quarter 2009 results demonstrate a continuing solid underlying performance. The strong order book allows active management of deliveries at the expected level although the slowdown of the commercial business is reflected in the weak order intake. Based on under-proportional quarterly deliveries than in the same period of the previous year and less other favourable phasing effects, revenues stood at € 8.5 billion, EBIT* before one-off at € 0.4 billion. First-quarter EBIT* was mainly burdened by foreign exchange effects and an A400M accounting charge. The Net Cash Position remains solid at € 8.7 billion and provides a stable basis for the years to come. EADS is well positioned to face the crisis, although there is limited visibility towards the end of the year and beyond.



Louis Gallois, CEO of EADS said: "Despite the economic challenges, EADS remains robust. We continue to proactively monitor our order book and deliveries and we are improving our efficiency. With regard to the A400M programme, which is a big concern for us, we need to find common solutions on the technical and the commercial frame of the contract to achieve a balanced sharing of the risks with our customers. Nevertheless, even in these tough times, we remain fully committed to investing in our business with a view to the long term. Our successful integration efforts are generating real synergy benefits that go beyond cost savings. The range of skills available across the Group places us in a unique position to offer outstanding solutions for our customers' future needs."



EADS has adjusted its divisional structure. The former Military Transport Aircraft Division is being fully integrated into Airbus and has become – under the name of Airbus Military – the military pole of Airbus. This will strengthen programme management and improve resource allocation. The new organisation is effective as of 2009.

Revenues of the Group amounted to € 8.5 billion (Q1 2008: € 9.9 billion) reflecting under-proportional Airbus deliveries (116 aircraft compared to 123 in Q1 2008), less other favourable phasing effects, negative foreign exchange impacts and lower revenue recognition in the A400M programme. However, revenues improved at Astrium (up 20 percent) and Eurocopter (up 4 percent).

EADS' **EBIT*** for the first quarter of 2009 amounted to € 232 million compared to € 769 million in the previous year. This decrease came mainly from negative foreign exchange impacts and an A400M accounting charge. Before these one-offs, EADS' EBIT* contracted to € 0.4 billion (Q1 2008: € 0.7 billion), mainly impacted by price deterioration on Airbus deliveries, less volume and an unfavourable product mix.

EADS achieved a **Net Income** of € 170 million (Q1 2008: € 285 million), or earnings per share of € 0.21 (earnings per share Q1 2008: € 0.35). **Self-financed R&D** expenses slightly increased to € 562 million (Q1 2008: € 534 million). This reflects Airbus' and Eurocopter's continuing aircraft development programmes.

Free Cash Flow before customer financing stood at € -600 million (Q1 2008: € 1,022 million). The change compared to the same period of the previous year, in which the Free Cash Flow benefited from a strongly favourable seasonal effect, reflects the decrease of gross cash flow from operations representing the lower earnings of the quarter and the deterioration of the working capital. This deterioration is mirroring a build-up of inventories at Airbus due to the mismatch between the current production rates and the under-proportional phasing of deliveries versus the full-year forecast. Despite the currently unfavourable market environment, EADS did not face any real need to support customers in the first quarter on a net basis. Therefore, Free Cash Flow including customer financing amounts to € -585 million (Q1 2008: € 1,079 million). The Group's **Net Cash position** remained high at € 8.7 billion (year-end 2008: € 9.2 billion) giving EADS a robust liquidity base in unpredictable economic times.

The seasonality of EADS' defence and institutional businesses implies that revenue, earnings and cash performance tend to be back-loaded.

Order intake amounted to € 9.3 billion (Q1 2008: € 39.3 billion), clearly reflecting lower commercial aircraft orders at Airbus and Eurocopter but supported by the order for 35 Ariane 5 worth more than € 4 billion and France's order for 22 NH90 helicopters booked in Q1 2009. At the end of March 2009, EADS' **order book** remained at a record high, at € 412.6 billion (year-end 2008: € 400.2 billion), benefiting from a € 13 billion favourable US dollar impact. Orders within the commercial aircraft business are based on list prices. Robust order intake in the defence business led to a stable defence order book of € 54.9 billion (year-end 2008: € 54.9 billion). At the end of March 2009, EADS had 117,198 **employees** (year-end 2008: 118,349).

As for the **A400M**, the first aircraft is progressing towards first flight. It is now undergoing systems testing, while the second aircraft is complete and about to start systems testing. For the engine, tests are progressing satisfactorily on the flying test bed with eight flights so far, totalling more than 21 flight hours. Static test was completed for the landing gear, while the aircraft's fatigue test is in progress.

The customer OCCAR recently announced that the seven launch nations have agreed to a three-month moratorium period lasting until the end of June 2009. This provides an opportunity for all partners of the programme to agree on the way ahead for a certain number of unresolved issues. Furthermore, it gives room to realign and rebase the contract with conditions acceptable to all parties. During this period, EADS will continue to work with its suppliers and partners to establish a robust timetable including a date for the first flight.

Furthermore, this period opens the negotiation process during which different sets of assumptions will be exchanged. EADS intends to reduce any further potential loss, but all financial consequences of the delays will only be known once the negotiations are finalised. Any estimate in the meantime is inaccurate or incomplete.

From an accounting standpoint, substantial negative income statement impacts may still have to be booked in future periods when costs become estimable or triggering events lead to a return to the estimate-at-completion method of accounting. Potential benefits from current discussions with customers might reduce such impacts, but would only be taken into account once agreed upon by OCCAR and the launch nations.

Due to the continuing high level of uncertainty on the programme, EADS retained the early stage accounting treatment of this programme.** The EBIT* impact of € -120 million for the first quarter in Airbus does not reflect a complete new estimate of the cost-at-completion. Once EADS has more reliable estimates of over-costs, it will revert to the cost-at-completion method.

Outlook

The first quarter of 2009 confirms the trends described at the beginning of the year. The Group's bottom-up analysis of the order book still shows overbooking for the coming years. Nevertheless, this order book and the overbooking are challenged by the deterioration of the macroeconomic and traffic indicators. Therefore, EADS is continuously monitoring the market, its customer base and its suppliers and continues to apply a rolling plan concept. Besides the commercial order book, the Group's solid defence and institutional order book provides a certain level of protection and stability.

EADS expects Airbus to capture up to 300 new gross orders in 2009, even if it is becoming more challenging in the current market environment. Based on a stable delivery assumption and a US dollar rate of € 1 = US\$ 1.39, EADS revenues should be roughly in line with the 2008 level.

Under these assumptions, EBIT* before one-off should be down in 2009 but significantly positive supported by robust underlying performance. Compared to 2008, EBIT* will be negatively impacted by increased Research & Development (R&D) expenses, by significant hedging deterioration, price deterioration, increasing customer financing and support activity costs, partly offset by further Power8 cost savings. Concerning one-off impacts, revised industrial plans to complete the A400M programme could lead to a substantial charge in the first half of 2009, weighing on EBIT*. If and when EADS has an accurate view of the costs in H1, the Group will revert to the cost-at-completion methodology. Any potential positive outcome coming from the negotiation with customers and suppliers will need to be substantiated before being taken into account.

Free Cash Flow for 2009 will reflect some negative impacts from lower customer advance payments at Airbus and some build-up of inventory in the fourth quarter of 2009, reflecting the reduction of the single-aisle production rate. The recently announced cut in A380 deliveries will equally challenge the Free Cash Flow through a build-up of inventory which will be mitigated by production optimization and supply chain management. EADS expects to support its customers in financing their deliveries on a discretionary basis in 2009. The cash consumption of provisions taken over recent years will also weigh on the cash flow. At this stage, with the current level of visibility, EADS is not expecting to consume more than around € 1.5 billion of Free Cash Flow after customer financing in 2009, excluding any potential negative impact of the A400M programme.

Divisions: Robust underlying business

Following the decision to streamline the organisational structure, **Airbus** now includes the former Military Transport Aircraft Division which is now an integral part of Airbus and operates under the name of Airbus Military. Since the beginning of 2009, the new aerostructures companies Aerolia (France) and Premium AEROTEC (Germany) are fully operational and consolidated within Airbus accounts, as is EADS EFW (previously reported under Other Businesses).

Airbus' consolidated revenues decreased to € 5,883 million (Q1 2008 adjusted: € 7,430 million) reflecting under-proportional volumes with 116 commercial aircraft deliveries compared to 123 in the same period of the previous year and less other favourable phasing effects. Revenues were further impacted by a negative foreign exchange effect, price deterioration and a lower revenue recognition in the A400M programme. Airbus' EBIT* of € 89 million (Q1 2008 adjusted: € 635 million) was burdened by exceptional foreign exchange impacts and an A400M accounting charge. Before these exceptionals, EBIT* before one-off stood at € 0.3 billion (Q1 2008 adjusted: € 0.6 billion), the decrease reflects price deterioration on the aircraft delivered, lower volume, an unfavourable product mix and increasing support activity costs.

Due to the headwind resulting from the economic crisis, Airbus received 22 gross orders (8 net orders) in the first three months of 2009 for commercial aircraft (Q1 2008: 420 gross orders, 395 net orders), including two more A380s purchased by Korean Air.

In the first quarter, Airbus started construction work on the final assembly line for the A350 XWB in Toulouse. Airbus agreed with a group of Chinese industrial partners to establish a joint venture manufacturing centre for aircraft composite parts in Harbin (China). As of 31 March 2009, Airbus' consolidated order book was valued at € 365.4 billion (year-end 2008 adjusted: € 357.8 billion) based on list prices and benefiting from a favourable US dollar impact. The order book for commercial aircraft amounted to 3,607 units (year-end 2008: 3,715 aircraft).

Revenues of Airbus Military are included with € 456 million (Q1 2008: € 636 million) representing a strong contribution from tanker activities and a recoverable part of A400M costs. In the first quarter of the previous year, the revenues included the Power On milestone of the A400M programme. In line with revenues development, EBIT* stood at € -5 million (Q1 2008: € -1 million). Airbus Military received new orders for four medium and light aircraft from Mexico, Colombia and Thailand. At the end of March 2009, the order book of Airbus Military amounted to € 22.0 billion (year-end 2008: € 22.3 billion).

Eurocopter, the world's leading helicopter manufacturer, increased its revenues by 4 percent to € 758 million (Q1 2008: € 732 million). This follows deliveries of 93 helicopters as well as a stronger service business. Eurocopter's stable EBIT* of € 38 million (Q1 2008: € 37 million) reflects the better mix and higher contribution from support activities. These positive effects were partially offset by higher R&D expenses, therein the new EC175 medium-weight civil helicopter.

Fully in line with Eurocopter's global expansion strategy, the Division acquired 80 percent of its former Japanese partner Euroheli. Eurocopter is now the first foreign helicopter manufacturer in Japan able to carry out direct sales and customer support activities for its entire range of civil and military helicopters. The importance of Asia-Pacific as a market for Eurocopter is further underlined by the opening of a Customer Service Centre in Hong Kong. The aim is to better serve customers in the Asia-Pacific region, where more than 1,200 Eurocopter aircraft are currently in service.

The trend of bookings over the first quarter 2009 has shown a significant slow-down of the market, particularly for light helicopters. The cancellation trend is increasing, however nearly all terminations have been successfully reallocated. Despite low new orders over the first three months, the order book remains strong. On a net basis, the Division sold 66 helicopters compared to 299 last year. New orders include 22 NH90 booked for the French forces and 5 LUH for the U.S. Army. The order book of Eurocopter amounted to € 14.1 billion (year-end 2008: € 13.8 billion), the equivalent of 1,488 helicopters.

Astrium made a successful start to 2009 with revenues up 20 percent to € 904 million (Q1 2008: € 751 million) supported by strong contributions from the satellite business and growth in services. This increase in services as well as higher profitability in satellites and space transportation lifted EBIT* to € 36 million (Q1 2008: € 33 million). However, this growth was partly offset by an unfavourable impact of the declining British pound against the euro in the Paradigm programme and slightly higher R&D.

Astrium was awarded a contract by Arianespace for another 35 Ariane 5 launchers. The order underlines the commitment of Arianespace and the European space industry to the long-term availability, reliability and competitiveness of Ariane 5. In February 2009, the Ariane 5 marked its 29th successful launch in a row. Arabsat selected Astrium to build and deliver two new satellites into orbit. Both satellites are based on the Eurostar E3000 model equipped with different types of transponders. Astrium Services and NavCom Technology Inc. have formed a strategic partnership to deliver precise positioning solutions throughout Europe. Through this alliance, Astrium Services will become the sole European supplier of NavCom's global positioning solutions. At the end of March 2009, the order book grew to € 15.9 billion (year-end 2008: € 11.0 billion).

The **Defence & Security** Division's revenues amounted to € 934 million compared to € 990 million in the first quarter of 2008. Taking into account the aerostructures carve out of the site in Augsburg, revenues were roughly stable. Growth in revenues at Eurofighter and through PlantCML consolidation were offset by a lower level of export activity in missiles which was particularly strong in Q1 2008. The EBIT* contracted to € 21 million (Q1 2008: € 33 million) following the revenue development and lower contribution from the missiles business.

The Division has won an order to modernize French military identification systems. NATO has awarded the Division a contract to supply the new NATO Deployable Communication and Information System (DCIS). Customers from Brazil, Bulgaria, China and South Africa have ordered the expansion or deployment of digital communication networks. Eurofighter weapon trials were successfully completed in Spain, leading to an improvement of the aircraft's operational capability. The Divisions' market success in radar technologies continued by delivering high-end technologies for the transatlantic MEADS (Medium Extended Air Defense System) programme as well as for Air Traffic Security solutions in the Philippines, Germany and Bulgaria. Spurring its globalization strategy, the Division significantly increased its footprint in the Middle East – particularly by establishing an own entity at UAE, creating an Abu Dhabi based joint venture with the company C4 Advanced Solutions (C4AS) or participating in the export of the COBRA Radar (COunter Battery Radar) to the United Arab Emirates Armed Forces. Only recently, the Division joined forces with the Indian company Larsen & Toubro (L&T), especially fostering its capabilities in the fields of defence electronics. The Division's order book stood at € 16.0 billion (year-end 2008: € 17.0 billion).

Headquarters and Other Businesses (not belonging to any Division):

As of 2009, the composition of Other Businesses differs compared to 2008. Since EADS is holding only a minority stake in DAHER Socata, this unit is consolidated at equity within EADS accounts. Also as of 2009, EADS EFW is consolidated within Airbus accounts. Therefore, Other Businesses now contain ATR, EADS Sogerma and EADS North America.

Revenues of Other Businesses decreased to € 214 million (Q1 2008 adjusted: € 257 million) mainly reflecting changes in the consolidation perimeter. This was partly compensated by the ramp-up in the Light Utility Helicopter (LUH) programme at EADS North America. Other Businesses' EBIT* reached break-even compared to € 9 million in the previous year impacted by a US dollar headwind at ATR and an investment in test and services systems in the US. In the first quarter, EADS Sogerma received an order from Etihad Airways, ATR booked several new support contracts.

On 31 March 2009, the order book of Other Businesses amounted to € 2.3 billion (year-end 2008 adjusted: € 3.2 billion). This significant reduction is explained by the change of consolidation of DAHER Socata.

* 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.

** As the outcome of the A400M construction contract cannot be estimated reliably, EADS can currently not comply with all requirements to account for the contract under the estimate-at-completion accounting methodology. Consequently and in accordance with IAS 11 (Construction Contracts), EADS has suspended the application of estimate at completion methodology accounting ("milestone accounting") and has then recognised contract costs incurred to date as an expense directly in the income statement as well as corresponding revenues as far as such contract costs incurred are expected to be recoverable under the "early stage" method of accounting. The cost-at-completion provision was then updated only to cover additional losses under the contract which EADS was able to estimate reliably.

EADS is a global leader in aerospace, defence and related services. In 2008, EADS generated revenues of € 43.3 billion and employed a workforce of about 118,000. The Group includes Airbus as the leading manufacturer of commercial aircraft, with Airbus Military covering tanker, transport and mission aircraft, Eurocopter as the world's largest helicopter supplier and EADS Astrium, the European leader in space programmes from Ariane to Galileo. Its Defence & Security Division is a provider of comprehensive systems solutions and makes EADS the major partner in the Eurofighter consortium as well as a stakeholder in the missile systems provider MBDA.

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Notes to the editors:

Live-Transmission EADS Analysts Conference Call on the Internet

You may listen to the **Analysts Conference Call** today at 11.00 a.m. CET with EADS CFO Hans Peter Ring on the EADS website www.eads.com.

Please click on the banner located on the front page. A recording of the call will be available later on.

EADS – Q1 2009 results

(Amounts in Euro)

EADS Group	Q1 2009	Q1 2008	Change
Revenues , in millions	8,467	9,853	-14%
thereof defence, in millions	1,968	2,029	-3%
EBITDA⁽¹⁾ , in millions	585	1,178	-50%
EBIT⁽²⁾ , in millions	232	769	-70%
Research and Development expenses , in millions	562	534	+5%
Net Income⁽³⁾ , in millions	170	285	-40%
Earnings Per Share (EPS)⁽³⁾	0.21	0.35	-0.14 €
Free Cash Flow (FCF)⁽⁴⁾ , in millions	-585	1,079	–
Free Cash Flow before Customer Financing⁽⁴⁾ , in millions	-600	1,022	–
Order Intake⁽⁵⁾ , in millions	9,328	39,270	-76%

EADS Group	31 March 2009	31 December 2008	Change
Order Book⁽⁵⁾ , in millions	412,629	400,248	+3%
thereof defence, in millions	54,945	54,884	+0%
Net Cash position , in millions	8,745	9,193	-5%
Employees	117,198	118,349	-1%

For footnotes please refer to page 11.

by Division	Revenues			EBIT ⁽²⁾		
(Amounts in millions of Euro)	Q1 2009	Q1 2008	Change	Q1 2009	Q1 2008	Change
Airbus segment ⁽⁶⁾	5,883	7,430	-21%	89	635	-86%
thereof Airbus Military	456	636	-28%	-5	-1	–
Eurocopter	758	732	+4%	38	37	+3%
Astrium	904	751	+20%	36	33	+9%
Defence & Security	934	990 ⁽⁸⁾	-6%	21	33	-36%
Headquarters/ Consolidation	-226	-307	–	48	22	–
Other Businesses ⁽⁷⁾	214	257	-17%	0	9	-100%
Total	8,467	9,853	-14%	232	769	-70%

by Division	Order Intake ⁽⁵⁾			Order Book ⁽⁵⁾		
(Amounts in millions of Euro)	Q1 2009	Q1 2008	Change	31 Mar. 2009	31 Dec. 2008	Change
Airbus segment ⁽⁶⁾	1,792	35,286	-95%	365,412	357,824	+2%
thereof Airbus Military	164	3,836	-96%	21,999	22,269	-1%
Eurocopter	1,016	1,738	-42%	14,082	13,824	+2%
Astrium	5,641	874	+545%	15,877	11,035	+44%
Defence & Security	918	1,313	-30%	15,954	17,032	-6%
Headquarters/ Consolidation	-173	-261	–	-1,002	-2,636	–
Other Businesses ⁽⁷⁾	134	320	-58%	2,306	3,169	-27%
Total	9,328	39,270	-76%	412,629	400,248	+3%

For footnotes please refer to page 11.

Footnotes for pages 9 and 10:

- 1) Earnings before interest, taxes, depreciation, amortization and exceptionals
- 2) Earnings before interest and taxes, pre goodwill impairment and exceptionals
- 3) EADS continues to use the term Net Income. It is identical with Profit for the period attributable to equity holders of the parent as defined by IFRS Rules.
- 4) Previous year adjusted to change in presentation of cash flow
- 5) Contributions from commercial aircraft activities to EADS Order Intake and Order Book based on list prices
- 6) In the context of the full integration of the former Military Transport Aircraft Division into Airbus and the consolidation of EADS EFW within Airbus from 2009 onwards, the Airbus 2008 accounts have been restated accordingly. Additionally, the Augsburg plant is consolidated within Airbus accounts as of 2009.
- 7) As of 2009, the composition of Other Businesses differs compared to 2008. Since EADS is holding only a minority stake in DAHER Socata, this unit is consolidated at equity within EADS accounts. Also as of 2009, EADS EFW is consolidated within Airbus accounts. Therefore, Other Businesses now contains ATR, EADS Sogerma and EADS North America which is not a stand-alone EADS Division. Other Businesses 2008 accounts have been adjusted by the transfer of EADS EFW to Airbus segment.
- 8) Augsburg site's revenues included in 2008 Defence & Security with € 81 million. As of 2009, the Augsburg plant is integrated in Premium AEROTEC.

Safe Harbour Statement:

Certain statements contained in this press release 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 EADS' 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 press release, words such as "anticipate", "believe", "estimate", "expect", "may", "intend", "plan to" and "project" are intended to identify forward-looking statements.

This forward looking information is based upon a number of assumptions including without limitation: assumption regarding demand, current and future markets for EADS' products and services, internal performance, customer financing, customer, supplier and subcontractor performance or contracts 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, North America and Asia, legal, financial and governmental risk related to international transactions, the cyclical nature of some of EADS' 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 "registration document" dated 22 April 2009.