Financial Statements

EADS Finance B.V.

Amsterdam, The Netherlands

Year ended December 31, 2006

INDEX

REPORT OF THE BOARD OF MANAGEMENT

The board of Managing Directors herewith submits the Financial Statements of EADS Finance B.V. ("the Company") for the Year ended on December 31, 2006.

ACTIVITIES

The Company's main activity is to finance companies and other entities by raising funds through, inter alia, borrowing by way of loan agreements, issuance of bonds, promissory notes and any other evidences of indebtedness, to invest and lend funds raised by the Company, to borrow and to participate in all types of financial transactions, including financial derivatives such as interest- and/or currency exchange contracts.

Activities of the Company have commenced in February 2003, when the first tranche of 1 EUR billion, of a 3 EUR billion EMTN-Programme, was raised for the EADS-Group ("EADS"). In September 2003, the Company has issued its second Eurobond transaction for 500 EUR million under its EMTN-Programme. As additional part of the EMTN-Programme, the Company launched its new Commercial Paper Programme in late February 2004. During the year 2006, the debt volume circulation of the latter program was 5.477,7 EUR million. On December 31, 2006, an amount of EUR 1.137,2 million was outstanding for the Commercial Paper Programme.

The EMTN Programme is a contractual framework which allows EADS to raise debt from the capital markets through dealers by successive issues of notes governed by the same terms. Each issue, however, may bear a different maturity (due between one month to thirty years).

For details on the Company's policies and position with respect to financial instruments we refer to note 16 of the financial statements.

RESULT FOR THE YEAR

The Company's result for the Year ended on December 31, 2006 amounts to a profit of EUR 184.542.

EADS Finance B.V.

BOARD OF MANAGEMENT

Mr. G. Adsuar

Mr. J.A.F. Pons

Mr. A. Drabert

Amsterdam, April 16, 2007

BALANCE SHEETS

(After appropriation of the result of the year)	Note	31/12/2006 EUR	31/12/2005 EUR
Assets			
Non-Current Assets			
Long-term Loans Receivable	3	1.496.040.735	1.495.703.481
Deferred Taxes	4	10.609.538	-
		1.506.650.273	**1.495.703.481**
Current Assets			
Short-term Loans Receivable	5	1.137.224.475	-
Accrued Interest Receivable	6	46.169.516	38.900.038
Positive Fair Value Derivative Instruments	13	-	25.990.283
Cash and Cash Equivalents	7	744.716	7.567.586
		1.184.138.707	**72.457.907**
Total Assets		**2.690.788.980**	**1.568.161.388**
Equity and Liabilities			
Equity attributable to equity holders of the parent			
Issued Capital	8	300.000	300.000
Other Reserves		(1.551)	(1.551)
Revaluation Reserve	9	(30.996.494)	19.755.214
Retained Earnings		449.607	265.065
		(30.248.438)	**20.318.728**
Non-Current Liabilities			
Non-Current Interest Bearing Liabilities	10	1.494.190.078	1.493.268.996
Deferred Taxes	4	-	8.669.554
		1.494.190.078	**1.501.938.550**
Current Liabilities			
Short-term Loans Payable	11	1.137.224.475	-
Accrued Interest Payable	12	46.166.176	45.904.110
Negative Fair Value Derivative Instruments	13	43.456.689	-
		1.226.847.340	**45.904.110**
Total Equity and Liabilities		**2.690.788.980**	**1.568.161.388**

2007-07-02

INCOME STATEMENTS

	Note	January 1 - December 31, 2006 EUR	January 1 - December 31, 2005 EUR
Financial Result			
Income			
Interest	*14*	98.787.115	76.333.447
Ineffective component of the cash flow hedge		583.829	583.829
		99.370.944	76.917.276
Expenses			
Interest	*15*	(99.167.603)	(76.717.206)
		203.341	**200.070**
General Administrative Expenses		(18.799)	(4.248)
Profit for the Year attributable to equity holders of the parent		**184.542**	**195.822**

STATEMENTS OF CASH-FLOWS

	Note	January 1 - December 31, 2006 EUR	January 1 - December 31, 2005 EUR
Profit for the Year		184.542	195.822
(Increase) Decrease Accrued Interest Receivable		(7.269.478)	7.057.770
Increase Accrued Interest Payable		262.066	-
Ineffective component of the cash flow hedge		(583.829)	(583.829)
Amortization Bond Issue Costs/ Interest Disagio		583.829	583.829
Increase short term loans to EADS N.V.		(1.132.202.123)	-
Cash (used for) provided by operating activities		**(1.139.024.993)**	**7.253.592**
Increase in short term borrowings		1.132.202.123	-
Cash provided by financing activities		**1.132.202.123**	**-**
Net Decrease in Cash and Cash Equivalents		**(6.822.870)**	**7.253.592**
Cash and Cash equivalents at beginning of Year		7.567.586	313.994
Cash and Cash equivalents at end of Year	7	**744.716**	**7.567.586**

The Intercompany Account held with the parent company EADS N.V. (see note 7), has been included in Cash and Cash Equivalents. Consequently, the comparative figures in the Statement of Cash-Flows for the year 2005 have also been amended.

The following represents supplemental information with respect to cash flows from **operating activities**:

	January 1 - December 31, 2006 EUR	January 1 - December 31, 2005 EUR
Interest received	86.158.029	83.053.931
Interest paid	(92.962.100)	(75.796.123)

STATEMENTS OF CHANGES IN EQUITY

EUR	Issued Capital	Other Reserves	Revaluation Reserve	Retained Earnings	Total
Balance at December 31, 2003	**300.000**	**(1.551)**	**(8.585.303)**	**19.600**	**(8.267.254)**
Movement effective portion of Interest Rate SWAPS EADS N.V. *(Total income for the Year recognised directly in equity)*			23.066.834		23.066.834
Profit for the Year				49.643	49.643
Total income for the Year			**23.066.834**	**49.643**	**23.116.477**
Balance at December 31, 2004	**300.000**	**(1.551)**	**14.481.531**	**69.243**	**14.849.223**
Movement effective portion of Interest Rate SWAPS EADS N.V. (Total income for the year recognised directly in equity)			5.273.683		5.273.683
Profit for the Year				195.822	195.822
Total income for the Year			**5.273.683**	**195.822**	**5.469.505**
Balance at December 31, 2005	**300.000**	**(1.551)**	**19.755.214**	**265.065**	**20.318.728**
Movement effective portion of Interest Rate SWAPS EADS N.V. *(Total expense for the year recognised directly in equity)*			(50.751.708)		(50.751.708)
Profit for the Year				184.542	184.542
Total income and expense for the Year			**(50.751.708)**	**184.542**	**(50.567.166)**
Balance at December 31, 2006	**300.000**	**(1.551)**	**(30.996.494)**	**449.607**	**30.248.438**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

1. GENERAL

EADS Finance B.V. ("the Company"), incorporated on December 2, 2002 and legally seated in Amsterdam (Le Carré, Beechavenue 130-132, 1119 PR, Schiphol-Rijk, The Netherlands), is 100% owned by European Aeronautic Defence and Space Company EADS N.V. ("EADS N.V."). The financial statements are prepared and reported in euros ("EUR").

The Company's main activity is to finance companies and other entities by raising funds through, inter alia, borrowing by way of loan agreements, issuance of bonds, promissory notes and other evidences of indebtedness, to invest and lend funds raised by the Company, to borrow and to participate in all types of financial transactions, including financial derivatives such as interest- and/or currency exchange contracts.

These financial statements were authorized for issue by the directors on April 16, 2007.

2. ACCOUNTING PRINCIPLES

New Standards, Amendments to existing Standards and new Interpretations
The IFRS rules applied by the Company for preparing 2006 year end Financial Statements are the same as for previous financial year except for those following the application of new or amended Standards or Interpretations respectively and changes in accounting policies as detailed below.

a) New Standards
IFRS 6 Exploration for and Evaluation of Mineral Resources (issued 2004). IFRS 6 became effective beginning of 2006 but is not relevant to the Company's operations.

b) Amended Standards
The application of the following amended Standards is mandatory for the Company as of January 1, 2006, but is not relevant to the Company's operations:

- IAS 19 Employee Benefits (issued 2004)
- IAS 21 The Effects of Changes in Foreign Exchange Rates: "Net Investment in a Foreign Operation" (issued 2005)
- IAS 39 Financial Instruments: Recognition and Measurement:
  "The Fair Value Option" (issued 2005)
  "Financial Guarantee Contracts" (issued 2005) – This amendment also includes amendments to IFRS 4 Insurance Contracts
  "Cash Flow Hedge Accounting of Forecast Intragroup Transactions" (issued 2005)

c) New Interpretations
The following Interpretations have become effective as of January 1, 2006, but are not relevant to the Company's operations:

- IFRIC 4 Determining whether an Arrangement contains a lease (issued 2004)
- IFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (issued 2004)
- IFRIC 6 Liabilities arising from Participating in a Specific Market—Waste Electrical and Electronic Equipment (issued 2005)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006 (CONTINUED)

New or amended IFRS Standards and Interpretations issued but not yet applied

IFRS 7 "Financial Instruments: Disclosures" was issued in 2005 and becomes mandatory for the Company as of January 1, 2007. The application of IFRS 7 will lead to additional disclosures regarding the significance of the Company's different financial instruments as well as to the disclosure of sensitivity analyses of market risks arising from those financial instruments.

IFRS 8 "Operating Segments" (not yet endorsed) will replace IAS 14 "Segment Reporting" for accounting periods beginning on or after January 1, 2009, and will not be relevant for the Company's Financial Statements.

Amendment to IAS 1 "Presentation of Financial Statements" that introduces new qualitative and quantitative disclosure requirements regarding managing capital has been released in August 2005 and becomes mandatory to the Company as of January 1, 2007.

IFRIC 7 "Applying the Restatement Approach under IAS 29" (issued 2005), IFRIC 8 "Scope of IFRS 2" (issued 2006), IFRIC 9 "Reassessment of Embedded Derivatives" (issued 2006) and IFRIC 10 "Interim Financial Reporting and Impairment" (issued 2006 – not yet endorsed) will become mandatory for the Company for annual periods beginning on January 1, 2007, and are not expected to have an impact on the Company's accounts.

IFRIC 11 "IFRS 2 – Group and Treasury Share Transactions" (issued 2006, not yet endorsed) and IFRIC 12 "Service Concession Arrangements" (issued 2006, not yet endorsed) will become mandatory for the Company for annual periods beginning on January 1, 2008, and are not expected to have an impact on the Company's accounts.

General

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), the accounting standards and interpretations approved by the International Accounting Standards Board ("IASB") as adopted by the European Union (IFRS as adopted by the EU) and in compliance with the financial reporting requirements included in Part 9, Book 2 of the Netherlands Civil Code as far as applicable. The financial statements are prepared on a historical cost basis unless otherwise stated.

Judgements and estimation uncertainty

The preparation of the financial statements in conformity with the Company's accounting policies requires the use of judgement and estimates. Actual results could differ from those estimates. Changes in such estimates and assumptions may affect amounts reported in future periods. The key area requiring application of judgement and estimation is the determination of the fair value of derivatives. Since those instruments are not traded in an active market, the Company uses valuation techniques to determine their fair values. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006 (CONTINUED)

Financial Assets

Financial assets within the scope of IAS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, and available for sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Company determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Long-term and short-term loans receivable and accrued interest receivable are classified as loans and receivables, which are initially recognized on the settlement date at cost, being the fair value of the consideration given and including acquisition charges. Subsequently they are carried at amortised cost using the effective interest method less any allowance for impairment. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

The Group assesses at each balance sheet date whether a financial asset or group of financial assets is impaired. If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (ie the effective interest rate computed at initial recognition). The amount of the loss shall be recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

Cash and Cash Equivalents

Cash and Cash Equivalents consist of cash in bank and cash in the Intercompany Account with EADS N.V., which is available on a daily basis. In prior year the Intercompany Account with EADS N.V. amounting to 7,57 Mio. EUR was classified as current receivable and presented as a separate line item on the face of the balance sheet. The current presentation is in line with the presentation of cash and cash equivalents in the EADS Group. The prior period presented has been adjusted accordingly.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006 (CONTINUED)

Financial Liabilities
Non-current interest bearing liabilities, short-term loans payable and accrued interest payable are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method with any difference between proceeds (net of transaction costs) and redemption amount being recognized in the income statement over the period to maturity. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

Derivative Financial Instruments
The Company uses derivative financial instruments such as interest rate swaps to hedge its risk associated with interest rate fluctuations. Such derivative financial instruments are initially recognized and are subsequently measured at fair value in the balance sheet with changes in fair values recognised in profit and loss.

Deferred Taxes
Deferred tax assets and liabilities reflect lower or higher future tax consequences that result for certain assets and liabilities from temporary valuation differences between the financial statement carrying amounts and their respective tax bases as well as from net operating losses and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates by the balance sheet date to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period the new rates are enacted or substantively enacted. As deferred tax assets anticipate potential future tax benefits, they are recorded in the financial statements of the Company only when the likelihood that the tax benefits will be realized is probable. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. The Company is part of a fiscal unity headed by EADS N.V. and therefore not subject to current taxes.

Interest income
Revenue is recognised as interest accrues (using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006 (CONTINUED)

For the purposes of hedge accounting, hedges are classified as either fair value hedges where they hedge the exposure to changes in the fair value of a recognized asset or liability; or cash flow hedges where they hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a forecasted transaction. In relation to cash flow hedges which meet the conditions for special hedge accounting, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized directly within a separate component of the Shareholders' Equity ("Revaluation Reserve"), net of applicable deferred taxes and the ineffective portion is recognized in net profit or loss.

When the cash flows that the derivative is hedging materialize, resulting in income or expense, then the associated gain or loss on the hedging derivative is simultaneously transferred from Shareholders' equity to the corresponding income or expense line item. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for special hedge accounting.

3. LONG-TERM LOANS RECEIVABLE	31/12/2006 EUR	31/12/2005 EUR
Long-term Loans to EADS N.V.	**1.496.040.735**	**1.495.703.481**

On February 27, 2003, The Company entered into a loan agreement with effect of March 3, 2003, with EADS N.V., to make a loan available for the principal amount of 1 EUR billion. This loan shall bear interest at the rate of EURIBOR three (3) months with a spread of 102,15 base points per annum from the borrowing date. Interest shall be payable quarterly in arrears each March 3rd, June 3rd, September 3rd and December 3rd commencing June 3rd, 2003 until and including March 3rd, 2010.

The loan to EADS N.V. is repayable on March 3rd, 2010. The fair market value approximates to the fair market value of the "Eurobond 1 EUR billion" (note 10) increased by the negative carrying amount of the interest rate swap being valued at fair market value (note 13).

On September 11, 2003, The Company entered into a second loan agreement with effect of September 25, 2003, with EADS N.V., to make a loan available for the principal amount of 500 EUR million reduced by a disagio of 5.06 EUR million. This Loan originally bore interest at a rate of 5,54% per annum, payable yearly in arrears each September 25th. On February 2, 2006, The Company has changed the interest terms of the loan agreement with effect of December 27, 2005. The amended loan shall bear interest at the rate of EURIBOR three (3) months with a spread of 184,965 base points per annum from December 27, 2005 onwards. Interest shall be payable quarterly in arrears each March 25th, June 25th, September 25th and December 25th commencing March 25th, 2006 until and including September 25th, 2018.

This loan to EADS N.V. is repayable on September 25, 2018. The fair market value approximates to the fair market value of the "Eurobond 500 EUR million" (note 10) increased by the negative carrying amount of the interest rate swap being valued at fair market value (note 13).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006 (CONTINUED)

4. DEFERRED TAXES

The deferred tax asset relates to the temporary difference between the valuation of the derivative financial instruments for financial statements purposes and their respective tax basis. Deferred taxes are recognized as income tax benefit or expense except for changes in fair value of derivative instruments designated as cash flow hedges which are recorded net of tax in the revaluation reserve. In 2006, a positive amount of EUR 19.279.092 has been recognized in equity (2005: negative amount of EUR 2.010.163)

5. SHORT-TERM LOANS RECEIVABLE	31/12/2006 EUR	31/12/2005 EUR
Short-term Loans to EADS N.V.	1.137.224.475	-

The money raised short term through the Commercial Paper Programme, was loaned to EADS N.V. mirroring the conditions applicable to the money raised (see note 11).

6. ACCRUED INTEREST RECEIVABLE	31/12/2006 EUR	31/12/2005 EUR
Interest Rate SWAPS EADS N.V.	41.898.023	35.976.771
Long-term Loans to EADS N.V.	4.008.864	2.923.267
Short-term Loans to EADS N.V.	262.629	-
	46.169.516	38.900.038

7. CASH AND CASH EQUIVALENTS	31/12/2006 EUR	31/12/2005 EUR
Intercompany Account EADS N.V., Amsterdam	744.716	7.565.892
Deutsche Bank, Amsterdam	-	1.694
	744.716	7.567.586

8. EQUITY

The Company has an authorised share capital of 1,500,000 shares of EUR 1 each. As of December 31, 2006, the issued and paid-up share capital of the Company consists of 300,000 ordinary shares with a par value of EUR 1 each. The Other Reserves include capital tax paid in relation to a capital increase.

9. REVALUATION RESERVE

This amount represents the change in fair value in the reporting Year of the Interest Rate SWAPS (see note 13), for the effective part of the cash flow hedge, net of deferred taxes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006 (CONTINUED)

10. NON-CURRENT INTEREST BEARING LIABILITIES	31/12/2006 EUR	31/12/2005 EUR
4,625% Eurobond EADS Finance B.V., maturing 03/03/2010 fair value EUR 1,008,260,000 (prior year: EUR 1,049,510,000)	998.149.343	997.565.514
5,500% Eurobond EADS Finance B.V., maturing 25/09/2018 fair value EUR 536,055,000 (prior year: EUR 575,310,000)	496.040.735	495.703.482
	1.494.190.078	**1.493.268.996**

The Company has issued an inaugural Eurobond benchmark transaction under the EMTN Programme of 1 EUR billion with value date March 3, 2003. The bond has a maturity of seven years and carries a yearly coupon of 4,625%. The bond matures on March 3, 2010.

The Company has issued a second inaugural Eurobond benchmark transaction under the EMTN Programme of 500 EUR million with value date September 25, 2003. The bond has a maturity of fifteen years and carries a yearly coupon of 5,500%. The bond matures on September 25, 2018.

The Eurobonds have been issued under a guarantee from EADS N.V., the parent company.

The fair values of the Eurobonds were determined using market quotations at balance sheet date.

11. SHORT-TERM LOANS PAYABLE	31/12/2006 EUR	31/12/2005 EUR
Short-term Loans from Commercial Paper Programme	**1.137.224.475**	-

As additional part of the EMTN Programme, the Company launched its new Commercial Paper Programme in late February 2004 to raise money on a short term basis not exceeding one year. Interest rates are based on Euro OverNight Index Average (Eonia). The money raised, was loaned to EADS N.V. mirroring the conditions applicable to the money raised (see note 5).

The Commercial Papers are issued under a guarantee from EADS N.V., the parent company.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006 (CONTINUED)

12. ACCRUED INTEREST PAYABLE	31/12/2006 EUR	31/12/2005 EUR
4,625% Eurobond EADS Finance B.V., maturing 03/03/2010	38.520.548	38.520.548
5,500% Eurobond EADS Finance B.V., maturing 25/09/2018	7.383.562	7.383.562
Short-term Loans from Commercial Paper Programme	262.066	-
	46.166.176	**45.904.110**

13. NEGATIVE FAIR-VALUE DERIVATIVE INSTRUMENTS	31/12/2006 EUR	31/12/2005 EUR
Interest Rate SWAP EADS N.V., 1 EURb, 4,625% (prior year: EUR 14.981.065 positive fair value)	16.443.181	-
Interest Rate SWAP EADS N.V., 500 EURm, 5,50% (prior year: EUR 11.009.218 positive fair value)	27.013.508	-
	43.456.689	**-**

These amounts represent the fair market value at December 31, 2006 of:

- the Interest Rate Swap for which the Company has entered into with EADS N.V. with effect of March 3, 2003. The notional amount of the swap is 1 EUR billion, which expires on March 3rd, 2010. The purpose of the Interest Rate Swap is to swap the variable interest in connection with the 1 EUR billion loan to EADS N.V. (see note 3), into a fixed interest rate of 4,625% per annum.

- the Interest Rate Swap for which the Company has entered into with EADS N.V. with effect of December 27, 2005. The notional amount of the swap is 500 EUR million, which expires on September 25, 2018. The purpose of the Interest Rate Swap is to swap the variable interest in connection with the 500 EUR million loan to EADS N.V. (see note 3), into a fixed interest rate of 5,50% per annum.

The fair values of the interest rate swaps were determined using common valuation techniques. The effective portion of the movement of the fair value of the interest rate swaps in 2006 for a negative amount of EUR 70.030.801 (2005: positive amount of EUR 7.283.847) was completely recognized through equity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006 (CONTINUED)

14. INTEREST INCOME	31/12/2006 EUR	31/12/2005 EUR
Long-term Loans to EADS N.V.	64.209.629	59.914.704
Interest Rate SWAPS EADS N.V.	9.743.149	14.035.333
Short-term Loans to EADS N.V.	24.497.083	2.046.124
Amortization of Loan Disagio	337.254	337.254
Current-Accounts Banks	-	32
	98.787.115	**76.333.447**

15. INTEREST EXPENSES	31/12/2006 EUR	31/12/2005 EUR
4,625% Eurobond EADS Finance B.V.	(46.250.000)	(46.250.000)
5,500% Eurobond EADS Finance B.V.	(27.500.000)	(27.500.000)
Short-term Loans from Commercial Paper Programme	(24.496.521)	(2.046.124)
Amortization of Bond Issue Costs	(921.082)	(921.082)
	(99.167.603)	**(76.717.206)**

16. FINANCIAL RISK MANAGEMENT

The Company's principal financial instruments, other than derivatives, comprise long-term Eurobond liabilities and short-term loans from Commercial Paper Programme. The main purpose of these financial instruments is to raise finance for the Company's operations. The Company has various financial assets such as short- and long-term loans receivables and cash, which arise directly from its operations.

The Company also enters into derivative transactions which consist of interest rate swaps only. The purpose is to manage the interest rate risks arising from the Company's operations. It is, and has been throughout the year under review, the Company's policy that no trading in derivatives shall be undertaken.

Interest Rate Risk - The Company uses an asset and liability management approach with the objective to limit its interest rate risk. Therefore the Company uses Interest Rate Derivatives for hedging purposes to fully hedge the interest risk on the variable interest-bearing long-term loans to EADS N.V and to swap the variable interest into fixed interest.

Foreign Currency Risk - The Company is not exposed to foreign currency risks because it has its financial portfolio in Euro only.

Credit Risk - The Company has only one debtor, which is EADS N.V. The maximum credit risk equals the net book value of the respective balance sheet items at balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006 (CONTINUED)

17. NUMBER OF EMPLOYEES AND EMPLOYMENT COSTS

The Company employed no personnel in the Year ended on December 31,2006.

18. DIRECTORS

The Company had no director who received a remuneration.

19. COMMITMENTS AND CONTINGENT LIABILITIES

There are no commitments or contingent liabilities on balance sheet date.

20. RELATED PARTIES

EADS N.V. is a related party as EADS N.V. holds 100% of the shares of EADS Finance B.V. The transactions and outstanding balances relating to EADS N.V. are detailed in the notes. We refer to the comments to long-term and short-term loan receivables, accrued interest receivables, cash and cash equivalents, equity, negative fair-value derivative instruments and interest income.

21. SUBSEQUENT EVENTS

There are not subsequent events to be reported.

OTHER INFORMATION

APPROPRIATION OF THE NET RESULT

According to the Company's articles of association, the annual meeting of shareholders determines the appropriation of the Company's net result for the year.

The board of Managing Directors proposes that the net profit for the year ended 31 December, 2006, amounting to EUR 184,542, be transferred to the retained earnings.

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To: the shareholders and the management of EADS Finance B.V.

AUDITOR'S REPORT

We have audited the accompanying financial statements 2006 of EADS Finance B.V., Amsterdam, authorised for issue on April 16, 2007, which comprise the balance sheet as at December 31, 2006, the profit and loss account, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility
Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the report of the Board of Management in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of EADS Finance B.V. as at December 31, 2006, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the report of the Board of Management is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Amsterdam, May 11, 2007

for Ernst & Young Accountants

F.A.L. van der Bruggen