EADS

Press Release

On Track: EADS Reports First Quarter (Q1) Results 2012

- Revenues climb 16 percent to € 11.4 billion
- EBIT* before one-off up 109 percent: € 480 million
- Net Income* before one-off(4) increases 156 percent to € 259 million
- Free Cash Flow of € -1.2 billion: deterioration due to phasing of deliveries and on-going production ramp-up
- Airbus defines permanent fix to A380 wing rib feet issues, leading to a one-off charge in the first quarter of € 158 million
- EADS adds close to $ 10 billion of new hedges in the first quarter
- Earnings per Share* before one-off(4) guidance raised to above € 1.85

Leiden, 16 May 2012 – EADS (stock exchange symbol: EAD) delivered a good start to the year with a solid financial performance in the first quarter, particularly thanks to the continued strong commercial momentum. As anticipated, defence markets in the Western world continue to be strained. However, the momentum of EADS' institutional and governmental business in the first three months was encouraging. Order intake(5) in the first three months reached € 12.0 billion. At the end of March, EADS' order book(5) stood at € 526.2 billion. Revenues amounted to € 11.4 billion. The EBIT* before one-off of around € 0.5 billion benefited from good performance in Airbus, Eurocopter and Astrium while Cassidian remained stable. The reported EBIT* amounted to € 0.3 billion. The Net Cash position remained robust at € 10.7 billion.

“Demand for commercial aircraft and civil helicopters remains healthy and our institutional business fared reasonably well despite European budget pressures and an uncertain economic environment. This led to better-than-expected revenues and EBIT* before one-off in the first quarter, which strongly confirms the level of our 2012 performance targets. Moreover, the Airbus team has found a permanent solution to the A380 wing rib feet issues”, said Louis Gallois, CEO of EADS. “As we transition to the new leadership team, management will continue to have its sights set on key programmes, particularly A380, A350 and A400M heading towards the in-service phase. We will also continue to seek a satisfactory outcome to discussions on the future of government programmes.”

In the first three months, EADS' **revenues** increased 16 percent to € 11.4 billion (Q1 2011: € 9.9 billion) with more favourable phasing than in

Q1 2011. The growth in revenues is primarily driven by increased activity across all Divisions. Defence revenues increased by 18 percent. Deliveries continued to be at a high level with 131 aircraft at Airbus Commercial, 72 helicopters at Eurocopter and the 47th consecutive successful Ariane 5 launch.

EBIT* before one-off – 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 € 480 million (Q1 2011: around € 230 million) for EADS and at around € 320 million for Airbus (Q1 2011: around € 160 million). Compared to Q1 2011, the EBIT* before one-off improvement was driven by the profitability of Airbus series programmes combined with A380 improvement despite higher Research & Development and hedge rate deterioration of matured hedges. Favourable mix and pricing at Eurocopter and the contribution of Vizada at Astrium also contributed to the Group's EBIT* before one-off improvement. Finally, the EBIT* before one-off also improved at Headquarters due to positive Group elimination and increased allocation of management fees to Divisions.

During the first quarter, EADS implemented close to $ 10 billion of new hedges at an average rate of € 1 = $ 1.32, which enhances stability of the Group's future financial performance. At the end of March, EADS' total hedge portfolio stood at $ 80.3 billion.

EADS' **reported EBIT*** increased to € 343 million (Q1 2011: € 192 million), driven by the improvement of the EBIT* before one-off. This quarter, the dollar mismatch and balance sheet revaluation had a positive impact on the EBIT* of around € 20 million. The A380 wing rib technical fix is now defined. The implementation of the retrofit fix will have a negative cost impact, which led EADS to take an additional charge of € 158 million as a one-off to cover the repair costs of the 71 aircraft delivered at the end of March.

Net Income rose to € 133 million (Q1 2011: € -12 million), or earnings per share of € 0.16 (earnings per share Q1 2011: € -0.01). The Net Income* before one-off(4) increased to € 259 million (Q1 2011: € 101 million). These increases are mainly driven by the operational improvement reflected in the EBIT*, which is flowing down to the Net Income.

The finance result amounts to € -143 million (Q1 2011: € -197 million). The interest result of € -73 million (Q1 2011: € -47 million) deteriorated compared to the 2011 level, mainly due to lower interest income related to the lower gross cash level and a reduction of the average interest rate compared to last year. Meanwhile, the other financial result improved by € 80 million to € -70 million (Q1 2011: € -150 million). Important changes come from a revaluation impact of EADS' foreign exchange options and a less negative revaluation impact of US dollar and GBP assets compared to the year before. In Q1 2012, the closing spot rate deteriorated by 5 cents to € 1 = $ 1.34 at the end of March compared to € 1 = $ 1.29 at the end of December 2011, while the year before the deterioration was 8 cents.

Self-financed Research & Development (R&D) expenses increased to € 726 million (Q1 2011: € 650 million), driven mainly by development on the A350 XWB at Airbus and product line investment at Eurocopter. Following the start of the A350 XWB final assembly in April, capitalisation of R&D according to IAS 38 will start in the second quarter.

Free Cash Flow before customer financing amounted to € -1,303 million (Q1 2011: € 208 million). The improvement of the operational performance is weighed down by a deterioration of the working capital. This is mainly due to a strong increase of inventory as EADS continues to ramp up production while deliveries are back-loaded, especially on A380. Customer financing generated cash of € 65 million in the quarter as lessors and banks retained appetite for aircraft assets. The level of capital expenditure increased compared to last year, mainly at Airbus and Eurocopter. Free Cash Flow after customer financing stood at € -1,238 million (Q1 2011: € 309 million).

The **Net Cash position** of EADS amounted to € 10.7 billion (year-end 2011: € 11.7 billion).

EADS' **order intake**(5) increased by 92 percent to € 12.0 billion (Q1 2011: € 6.3 billion), mainly due to the A320neo order intake at Airbus. It also includes an encouraging € 1.8 billion order intake at Cassidian. At the end of March 2012, the Group's **order book**(5) remains strong at € 526.2 billion (year-end 2011: € 541.0 billion), supporting future growth. The Airbus Commercial backlog has been reduced by a negative revaluation impact of around € 13 billion due to the deterioration of the US dollar closing spot rate since the year-end 2011. The defence order book stood stable at € 51.9 billion (year-end 2011: € 52.8 billion).

At the end of March 2012, EADS' workforce consisted of 134,614 **employees**, (year-end 2011: 133,115).

Outlook

For all items apart from Earnings per Share (EPS)* before one-off(4), EADS confirms the guidance given in March 2012 based on an assumption of € 1 = $ 1.35 for year-end closing spot rates.

In 2012, Airbus should deliver around 570 commercial aircraft, including a targeted 30 A380 deliveries. Gross orders should be above the number of deliveries. EADS 2012 revenues should continue to grow well above 6 percent. Group EBIT* before one-off should improve significantly thanks to volume increases at Airbus and Eurocopter, better pricing at Airbus and A380 improvement. With increased confidence EADS expects the

2012 EBIT* before one-off to be above € 2.5 billion. Based on the first quarter achievements and an expected tax rate for the full year slightly below 30 percent, the EADS 2012 EPS* before one-off(4) should now be above € 1.85 (FY 2011: € 1.39).

Going forward, the reported EBIT* and EPS performance of EADS will be dependent on the Group's ability to execute on its complex programmes such as A400M, A380 and A350 XWB, in line with the commitments made to its customers. Based on this EBIT* guidance and the target delivery plan, EADS should continue to generate a positive Free Cash Flow after customer financing and before acquisitions. As it is the most volatile item, especially during uncertain macro-economic times, EADS will give a more precise guidance later in the year.

EADS Divisions: Growth in Commercial Business Continues, Institutional and Defence Business with Encouraging Start to 2012

Airbus consolidated revenues increased by 13 percent to € 7,909 million (Q1 2011: € 7,013 million), mainly driven by the deliveries increase. The Airbus consolidated EBIT* rose 59 percent to € 183 million (Q1 2011: € 115 million).

Airbus Commercial revenues amounted to € 7,499 million (Q1 2011: € 6,707 million). Airbus delivered 131 commercial aircraft. Compared to one year ago Airbus Commercial revenues benefited from a favourable volume and pricing effect. Airbus Commercial reported EBIT* amounted to € 146 million (Q1 2011: € 125 million). In comparison to one year ago, the Airbus Commercial EBIT* before one-off of € 288 million (Q1 2011: around € 170 million) benefited from positive volume and pricing effects as well as from improvement on A380, which were partially reduced by hedge rate deterioration of matured hedges of around € 50 million and higher R&D expenses, particularly for the A350 XWB programme. Revenues at Airbus Military of € 425 million stood stable compared to last year (Q1 2011: € 434 million). Higher revenues on Tanker and Services activity were offset by lower A400M revenues. EBIT* of Airbus Military improved to € 11 million (Q1 2011: € 1 million) mainly due to a phasing of R&D.

In the first three months, Airbus Commercial recorded 90 net orders (Q1 2011: 1 net order). The global success story of the A320 Family continues: The delivery of the 5,000th single aisle aircraft in February marked a significant milestone for Airbus. The production rate of the A320 Family was also raised from 38 to 40 aircraft per month during the first quarter as continued orders for the new A320neo reaffirmed Airbus' single-aisle Family as the world's most popular aircraft. Norwegian committed for 100 A320neo while AviancaTaca of Ecuador, Spirit Airlines in the US and Kuwait-based

ALAFCO firmed up previous memoranda of understanding for both the A320neo and the A320 current engine option.

Within the freighter market, Airbus booked a repeat order in January for two additional A330-200F freighters by Etihad Airways. In February, Airbus launched an A330 Passenger-to-Freighter conversion programme with Singapore-based ST Aerospace and EADS EFW in Dresden to address growing demand for freighter aircraft. Airbus continues to examine the implementation for an A330 production ramp-up to a rate of 11 aircraft per month in Q2 2014, provided the Emission Trading Scheme issue does not harm aircraft orders.

The A350 XWB programme is advancing. In early April, Airbus started with the final assembly of the first A350 XWB airframe, in line with the schedule. As Airbus progresses towards the next milestones, the programme remains very challenging.

Four A380s were delivered in the first three months (Q1 2011: 4 aircraft), leading to a total of 71 units delivered to seven operators at the end of March. Airbus has now defined a permanent solution for the wing bracket issues and collaborates closely with A380 operators to respond to their operational needs. This final retrofit fix is more complex than initially anticipated in March; therefore, the Group updated the cost for the retrofit solution leading to an additional charge of € 158 million in the first quarter. This charge is now treated as a one-off since the anticipated retrofit costs go beyond the recurring warranty levels. The implementation in production of the final fix will temporarily generate headwind on the year-on-year A380 EBIT* improvement in 2012 and 2013 to account for non-recurring costs and delivery adjustments. Airbus is still targeting 30 A380 deliveries in 2012, which is becoming more challenging with a more back-loaded delivery pattern. General discussions are on-going with customers. However, this should not jeopardise the reaching of break-even by the beginning of 2015.

Airbus Military delivered 4 aircraft in the first quarter, while receiving 5 orders for C295 aircraft. Within the A400M programme, the initial type certification was received from the European Aviation Safety Agency at the end of April. The focus is on the timely delivery of the first customer aircraft, contractually due in early 2013. The Future Strategic Tanker Aircraft (FSTA) programme in the United Kingdom achieved the “Introduction to Service” milestone at the end of January. Meanwhile, the first aircraft made its first operational flight, signalling the start of the FSTA service to the Royal Air Force.

At the end of March 2012, Airbus’ consolidated order book was valued at € 480.3 billion (year-end 2011: € 495.5 billion). The Airbus Commercial backlog amounted to € 460.3 billion (year-end 2011: € 475.5 billion), which comprises 4,396 units (year-end 2011: 4,437 aircraft). It was reduced by a negative revaluation impact of around € 13 billion due to the deterioration of the US dollar closing spot rate since the year-end 2011. Airbus Military's order book amounted to 218 aircraft, equalling € 21.3 billion (year-end 2011: € 21.3 billion).

Revenues at **Eurocopter** increased 46 percent to € 1,199 million (Q1 2011: € 823 million). Deliveries reached 72 helicopters (Q1 2011: 81 helicopters). The Division's EBIT* increased by 110 percent to € 65 million (Q1 2011: € 31 million). The increases in revenues and EBIT* compared to one year ago are mainly due to a favourable mix from more Super Puma deliveries in the first quarter and favourable pricing. The revenues also include a contribution from the Vector Aerospace business consolidation.

The commercial market momentum has improved significantly compared to last year and the level of cancellations (1 helicopter in Q1 2012) is back to a pre-crisis level. In the first three months, Eurocopter booked 93 net orders (Q1 2011: 99 net orders). Among others, the Division unveiled its new EC130 T2 helicopter at the US Heli-Expo show in February. There, seven launch customers placed orders and commitments for 105 EC130 T2. At the subsequent India Aviation 2012 trade show, contracts for the AS350 B3e, EC135 and EC155 were announced. In addition, Eurocopter recorded another 11 helicopter bookings during Chile's FIDAE event. Other firm orders included 15 medium twin-engine EC175s. The Division bolstered its international footprint with the service entry of the new Dauphin AS365 N3/N3+ full flight simulator at its Singapore facilities, which have become the Asia-Pacific training and MRO hub for all Dauphin helicopters. Eurocopter is continuing challenging discussions with the German government on the future of its key defence programmes, the outcome of which is still open. The Division's order book stood stable at € 13.9 billion (year-end 2011: € 13.8 billion) comprising 1,097 helicopters (year-end 2011: 1,076 helicopters).

Astrium revenues in the first quarter increased 13 percent to € 1,325 million (Q1 2011: € 1,171 million), which is mainly related to the initial inclusion of the acquired Vizada group into the Astrium perimeter. EBIT* increased by 25 percent to € 65 million (Q1 2011: € 52 million). The overall EBIT* improvement, mainly due to Vizada and to first successes from the AGILE transformation programme, was partly reduced by higher R&D, relating to innovation.

Order intake in the first quarter reached € 1.2 billion. New contracts included a Russian order for two telecommunications satellites and a contract in Saudi Arabia for telecom services. Astrium was also awarded a contract by the European Space Agency (ESA) to adapt the Ariane 5 launch vehicle to enable simultaneous launch of four Galileo satellites. The first quarter saw the 47th successful consecutive launch of the Ariane 5, during which it transported the third Automated Transfer Vehicle (ATV) into orbit.

A few days later, the ATV successfully docked onto the International Space Station. Both Ariane 5 and ATV are built by Astrium as prime contractor. The ESA Ministerial Council, due to take place in late 2012, is expected to provide clear perspectives on the future direction of European space programmes. At the end of March 2012, the order book of Astrium amounted to € 14.5 billion (year-end 2011: € 14.7 billion).

Cassidian revenues increased by 5 percent to € 925 million (Q1 2011: € 878 million). The increase reflects a favourable phasing of Eurofighter deliveries. EBIT* stood stable at € 8 million (Q1 2011: € 8 million). Positive volume effects from Eurofighter are offset by higher non-programme-related costs for globalisation and transformation. Cassidian continues to maintain a high level of investment in next generation products and services. Through its transformation programme, Cassidian is maintaining its focus on global growth, particularly in security.

Despite flat European defence budgets, Cassidian generated a significant order intake of € 1.8 billion. It includes an important Eurofighter sustainment contract of around € 840 million, covering fleet support over the next five years. Furthermore, the Division received a sizeable export contract award from India for around € 400 million, based on EADS' 37.5 percent stake in MBDA. Cassidian and Rheinmetall are finalising their agreement to pursue the latter's Unmanned Aerial Systems (UAS) activities together in a separate entity. Additionally, Cassidian announced the creation of a Cassidian CyberSecurity entity, which will commence on 1 July 2012. In a study carried out under contract to Germany's defence procurement agency, Cassidian successfully demonstrated the operational advantages of the Eurofighter's future e-scan radar to enhance the operational capabilities of the Eurofighter. Cassidian continues to closely monitor export opportunities for Eurofighter and on-going developments in India and Switzerland. The Division has also reached an important milestone in the delivery of the latest capability standard ASSTA 3.0 avionics software for the German Air Force Tornado jet fleet. At the end of March 2012, the Cassidian order book rose to € 16.2 billion (year-end 2011: € 15.5 billion).

Headquarters and Other Businesses (not belonging to any Division)

Revenues of Other Businesses rose 47 percent to € 361 million (Q1 2011: € 246 million) mainly due to increased deliveries of CN235 military transport aircraft at EADS North America and slightly higher revenues at ATR. Despite the revenues increase, the EBIT* of Other Businesses decreased to € -6 million (Q1 2011: € -3 million). It was weighed down by a negative mix effect at EADS North America and a temporary negative cost phasing at ATR in the first quarter.

ATR received 2 firm orders in the first quarter (Q1 2011: 25) and delivered 8 aircraft (Q1 2011: 6). The ATR backlog stood at 218 aircraft, which reflects strong demand for regional turboprops in the high fuel price environment. Sogerma's backlog has benefited from the increase in Airbus and ATR production rates. At EADS North America, the LUH programme remains on budget and schedule as it entered its seventh programme year. In March, the U.S Army took delivery of the 200th UH-72A Lakota helicopter, the first production aircraft to be delivered with the new Security and Support Battalion Mission Equipment Package. At the end of March 2012, the order book of Other Businesses stood at € 2.8 billion (year-end 2011: € 3.0 billion).

* 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.

EADS is a global leader in aerospace, defence and related services. In 2011, the Group – comprising Airbus, Astrium, Cassidian and Eurocopter – generated revenues of € 49.1 billion and employed a workforce of over 133,000.

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Note to editors:

Live-Transmission EADS Analysts Conference Call on the Internet

You may listen to the **Analysts Conference Call** today at 10:00 a.m. CET with Chief Financial Officer Hans Peter Ring on the EADS website www.eads.com.

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

EADS – First Quarter (Q1) Results 2012
(Amounts in euro)

EADS Group	**Q1 2012**	Q1 2011	Change
Revenues, in millions	**11,404**	9,854	+16%
thereof defence, in millions	**2,293**	1,951	+18%
EBITDA [(1)], in millions	**776**	589	+32%
EBIT [(2)], in millions	**343**	192	+79%
Research & Development expenses, in millions	**726**	650	+12%
Net Income [(3)], in millions	**133**	-12	-
Earnings Per Share (EPS) [(3)]	**0.16**	-0.01	0.17€
Free Cash Flow (FCF), in millions	**-1,238**	309	-
Free Cash Flow before Customer Financing, in millions	**-1,303**	208	-
Order Intake [(5)], in millions	**12,004**	6,268	+92%

EADS Group	**31 March 2012**	31 Dec 2011	Change
Order Book [(5)], in millions	**526,178**	540,978	-3%
thereof defence, in millions	**51,913**	52,775	-2%
Net Cash position, in millions	**10,674**	11,681	-9%
Employees	**134,614**	133,115	+1%

For footnotes please refer to page 11.

by Division	Revenues			EBIT (2)		
(Amounts in millions of Euro)	**Q1 2012**	Q1 2011	Change	**Q1 2012**	Q1 2011	Change
Airbus Division (6)	**7,909**	7,013	+13%	**183**	115	+59%
Airbus Commercial	**7,499**	6,707	+12%	**146**	125	+17%
Airbus Military	**425**	434	-2%	**11**	1	+1,000%
Eurocopter	**1,199**	823	+46%	**65**	31	+110%
Astrium	**1,325**	1,171	+13%	**65**	52	+25%
Cassidian	**925**	878	+5%	**8**	8	0%
Headquarters / Consolidation	**-315**	-277	-	**28**	-11	-
Other Businesses	**361**	246	+47%	**-6**	-3	-
Total	**11,404**	9,854	+16%	**343**	192	+79%

by Division	Order Intake (5)			Order Book (5)		
(Amounts in millions of Euro)	**Q1 2012**	Q1 2011	Change	**31 Mar 2012**	31 Dec 2011	Change
Airbus Division (6)	**7,877**	3,748	+110%	**480,322**	495,513	-3%
Airbus Commercial	**7,530**	3,647	+106%	**460,288**	475,477	-3%
Airbus Military	**372**	105	+254%	**21,272**	21,315	0%
Eurocopter	**1,248**	779	+60%	**13,863**	13,814	0%
Astrium	**1,163**	781	+49%	**14,515**	14,666	-1%
Cassidian	**1,806**	821	+120%	**16,178**	15,469	+5%
Headquarters / Consolidation	**-295**	-255	-	**-1,505**	-1,467	-
Other Businesses	**205**	394	-48%	**2,805**	2,983	-6%
Total	**12,004**	6,268	+92%	**526,178**	540,978	-3%

For footnotes please refer to page 11.

Footnotes:

1) Earnings before interest, taxes, depreciation, amortisation 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 owners of the parent as defined by IFRS Rules.
4) Net Income before one-off is the Net Income stripped of the EBIT* one-offs. It excludes other financial result (except the unwinding of discount on provisions) and all tax effects on the mentioned items. Net Income* before one-off is the Net Income before one-off pre-goodwill and exceptionals net of tax. Accordingly, EPS* before one-off is EPS based on Net Income* before one-off.
5) Contributions from commercial aircraft activities to EADS Order Intake and Order Book based on list prices.
6) The reportable Segments Airbus Commercial and Airbus Military form the Airbus Division. Eliminations are treated at the Division level.