Financial Statements

EADS Finance B.V.

Amsterdam, The Netherlands

Year ended December 31, 2007

Jaarrekening van EADS Finance B.V.
vastgesteld door de algemene vergadering
van aandeelhouders op 30 juni 2008.

mr. P. Keijsers
advocaat van de vennootschap

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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, 2007.

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 2007, the debt volume circulation of the latter program was 4.637,0 EUR million. On December 31, 2007, an amount of EUR 500,7 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, 2007 amounts to a profit of EUR 147.668.

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EADS Finance B.V.

BOARD OF MANAGEMENT

Mr. G. Adsuar

Mr. J.A.F. Pons

Mr. A. Drabert

Amsterdam, June 20, 2008

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BOARD OF MANAGEMENT

Mr. G. Adsuar ____________________

Mr. J.A.F. Pons ____________________

Mr. A. Drabert ____________________

Amsterdam, June 20, 2008

BALANCE SHEETS

(After appropriation of the result of the year)	Note	31/12/2007 EUR	31/12/2006 EUR
Assets			
Non-Current Assets			
Long-term Loans Receivable	*3*	1.496.377.989	1.496.040.735
Deferred Taxes	*4*	16.589.366	10.609.538
		1.512.967.355	**1.506.650.273**
Current Assets			
Short-term Loans Receivable	*5*	500.665.458	1.137.224.475
Accrued Interest Receivable	*6*	46.133.308	46.169.516
Cash and Cash Equivalents	*7*	882.747	744.716
		547.681.513	**1.184.138.707**
Total Assets		**2.060.648.868**	**2.690.788.980**
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*	(48.466.973)	(30.996.494)
Retained Earnings		597.275	449.607
		(47.571.249)	**(30.248.438)**
Non-Current Liabilities			
Non-Current Interest Bearing Liabilities	*10*	**1.495.111.161**	**1.494.190.078**
Current Liabilities			
Short-term Loans Payable	*11*	500.665.458	1.137.224.475
Accrued Interest Payable	*12*	46.120.331	46.166.176
Negative Fair Value Derivative Instruments	*13*	66.323.167	43.456.689
		613.108.956	**1.226.847.340**
Total Equity and Liabilities		**2.060.648.868**	**2.690.788.980**

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INCOME STATEMENTS

	Note	January 1 - December 31, 2007 EUR	January 1 - December 31, 2006 EUR
Financial Result			
Income			
Interest	*14*	114.345.135	98.787.115
Ineffective component of the cash flow hedge		583.829	583.829
		114.928.964	99.370.944
Expenses			
Interest	*15*	(114.749.065)	(99.167.603)
		179.899	**203.341**
G&A Expenses		(32.231)	(18.799)
Profit for the Year attributable to equity holders of the parent		**147.668**	**184.542**

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STATEMENTS OF CASH-FLOWS

	Note	**January 1 - December 31, 2007** EUR	**January 1 - December 31, 2006** EUR
Profit for the Year		147.668	184.542
Decrease (Increase) Accrued Interest Receivable		36.208	(7.269.478)
(Decrease) Increase Accrued Interest Payable		(45.845)	262.066
Ineffective component of the cash flow hedge		(583.829)	(583.829)
Amortization Bond Issue Costs/ Interest Disagio		583.829	583.829
Decrease (Increase) Short term loans receivable		636.559.017	(1.132.202.123)
Cash provided by (used for) operating activities		**636.697.048**	**(1.139.024.993)**
(Decrease) Increase in short term borrowings		(636.559.017)	1.132.202.123
Cash (used for) provided by financing activities		**(636.559.017)**	**1.132.202.123**
Net Increase (Decrease) in Cash and Cash Equivalents		**138.031**	**(6.822.870)**
Cash and Cash equivalents at beginning of Year		744.716	7.567.586
Cash and Cash equivalents at end of Year	*7*	**882.747**	**744.716**

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

	January 1 - December 31, 2007 EUR	**January 1 - December 31, 2006** EUR
Interest received	115.275.510	86.158.029
Interest paid	(115.105.248)	(92.962.100)

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STATEMENTS OF CHANGES IN EQUITY

EUR	Issued Capital	Other Reserves	Revaluation Reserve	Retained Earnings	Total
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 recognized 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 recognized 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)**
Movement effective portion of Interest Rate SWAPS EADS N.V. (Total expense for the year recognized directly in equity)			(17.470.479)		(17.470.479)
Profit for the Year				147.668	147.668
Total income and expense for the Year			**(17.470.479)**	**147.668**	**(17.322.811)**
Balance at December 31, 2007	300.000	(1.551)	(48.466.973)	597.275	(47.571.249)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007

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."). These Company 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 June 20, 2008.

2. ACCOUNTING PRINCIPLES

New Standards, Amendments to existing Standards and new Interpretations
The IFRS rules applied by the Company for preparing 2007 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 7 Financial Instruments: Disclosures (issued 2005)
IFRS 7 and the complementary amendment to IAS 1 (see below under paragraph b) became effective January 1st, 2007. Both Standards introduce additional qualitative as well as quantitative disclosure requirements regarding the nature and extent of risk arising from financial instruments. However, they do not have any impact on the classification or valuation of the Company's financial instruments.

b) Amended Standards
The application of the following amended Standard is mandatory for the Company as of January 1st, 2007, but is not relevant to the Company's operations:

IAS 1 Presentation of Financial Statements: Capital Disclosure (issued 2005).
This amendment led to additional disclosures which shall enable users of the Company's Financial Statements to evaluate the Company's objectives, policies and processes for managing capital.

c) New Interpretations
The following Interpretations have become effective as of January 1st, 2007, but are not relevant to the Company's operations:
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)

IFRIC 10 Interim Financial Reporting and Impairment (issued 2006)

IFRIC 7 addresses the application of IAS 29 when an economy first becomes hyperinflationary and in particular the accounting for deferred taxes.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007 (CONTINUED)

IFRIC 8, requires consideration of transactions involving the issuance of equity instruments, where the identifiable consideration received is less than the fair value of the equity instruments issued in order to establish whether or not they fall within the scope of IFRS 2.

IFRIC 9 states that the date to assess the existence of an embedded derivative is the date that an entity first becomes a party to the contract, with reassessment only if there is a change to the contract that significantly modifies the cash flows.

IFRIC 10 requires that an entity must not reverse an impairment loss recognized in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost.
The application of the four Interpretations did not have an impact on the Company's Financial Statements.

New or amended IFRS Standards and Interpretations issued but not yet applied
IFRS 2 "Share-based Payments – Vesting Conditions and Cancellations" was amended in January 2008 and will become effective for EADS on January 1st, 2009. The Standard restricts the definition of "vesting condition" to a condition that includes an explicit or implicit requirement to provide services. Any other conditions are non-vesting conditions, which have to be taken into account to determine the fair value of the equity instruments granted. In the case that the award does not vest as the result of a failure to meet a non-vesting condition that is within the control of either the entity or the counterparty, this must be accounted for as a cancellation. The adoption of amended IFRS 2 will not be relevant for the Company's Financial Statements.

IFRS 3R "Business Combinations" and **IAS 27R** "Consolidated and Separate Financial Statements" (not yet endorsed) were revised and issued in January 2008 and will become effective beginning on or after July 1st, 2009. IFRS 3R introduces a number of changes in the accounting for business combinations that will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. IAS 27R requires that a change in the ownership interest of a subsidiary is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give raise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes introduced by IFRS 3R and IAS 27R must be applied prospectively and will affect future acquisitions and transactions with minority interests, but will not be relevant for the Company's Financial Statements.

IFRS 8 "Operating Segments" (issued 2006) will replace IAS 14 "Segment Reporting" for accounting periods beginning on or after January 1st, 2009. IFRS 8 requires the presentation of information regarding operating segments and follows a pure management approach. The adoption of revised IFRS 8 will not be relevant for the Company's Financial Statements.

Amendment to IAS 23 "Borrowing Costs" removes the option of recognising borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as an expense and therefore requires capitalising such borrowing costs as part of the cost of the asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The not yet endorsed amendment has been released in March 2007 and becomes mandatory to EADS as of January 1st, 2009. The application of amended IAS 23 will result in the mandatory capitalisation of borrowing cost related to qualifying assets and will thus increase the amount of total cost capitalised for qualifying assets, but is not expected to have an impact on the presentation of the Company's Financial Statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007 (CONTINUED)

Amendment to IAS 1 "Presentation of Financial Statements: A revised presentation" has been issued in September 2007 and becomes mandatory as of January 1st, 2009. The amended Standard aims to improve user's ability to analyse and compare the information given in financial statements and therefore requires information in financial statements to be aggregated on the basis of shared characteristics and to introduce a statement of comprehensive income. It has not yet been endorsed by the EU. The adoption of amended IAS 1 will have an impact on the presentation of the Company's Financial Statements.

Amendment to IAS 32 and IAS 1 "Puttable Financial Instruments" were issued in February 2008 and will become effective for EADS as of January 1st, 2009. The amendment to IAS 32 requires certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are met. The amendment to IAS 1 requires disclosure of certain information relating to puttable instruments classified as equity. The adoption of amended IAS 32 and IAS 1 will not have an impact on the Company's Financial Statements.

Amendment to IAS 27 "Cost of an Investment in a Subsidiary, Jointly Controlled Entity and Associates" was issued in May 2008 and will become effective for EADS as of January 1st, 2009. The amendment deals with the cost of an investment in separate financial statements, especially with the recognition of dividends. The adoption of amended IAS 27 will not have an impact on the Company's Financial Statements.

The **omnibus standard** "Improvements to IFRSs" was issued in May 2008 and will become effective for EADS as of January 1st, 2009 or July 1st, 2009 (depending on the issue). The standard deals with 34 amendments to a wide range of existing standards which are intended to remove inconsistencies and clarify wording. The amendments deal either with accounting changes or with terminology or editorial changes that the IASB believes will have minimal impact. The Company is currently assessing if the changes will have any impact on its Financial Statements.

IFRIC 11 "IFRS 2 – Group and Treasury Share Transactions" (issued 2006), **IFRIC 12** "Service Concession Arrangements" (issued 2006, not yet endorsed) and **IFRIC 14** "IAS 19 – The Limit of a Defined Benefit Asset Minimum Funding Requirements and their Interaction" (issued 2007, not yet endorsed) will become mandatory for the Company for annual periods beginning on January 1st, 2008. New IFRIC 11, IFRIC 12 and IFRIC 14 will not have an impact on the Company's Financial Statements.

IFRIC 13 "Customer Loyalty Programmes" (issued 2007, not yet endorsed) will become mandatory for the Company as at January 1st, 2009, but will not have an impact on the Company's Financial Statements.

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007 (CONTINUED)

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.

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 recognized 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 derecognized 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; and
- 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 recognized in the income statement when the loans and receivables are derecognized or impaired, as well as through the amortisation process.

The Company 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 recognized 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 recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized 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. (cash pooling), which is available on a daily basis.

Financial Liabilities
Non-current interest bearing liabilities, short-term loans payable and accrued interest payable are initially recognized 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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007 (CONTINUED)

amount being recognized in the income statement over the period to maturity. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the amortisation process.

A financial liability is derecognized 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 recognized 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 recognized 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 of 25,5% 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 recognized 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).

Hedge Accounting
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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007 (CONTINUED)

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	31/12/2007 EUR	31/12/2006 EUR
Long-term Loans to EADS N.V.	**1.496.377.989**	**1.496.040.735**

On February 27, 2003, The Company entered into a loan agreement with effect of March 3rd, 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 11th, 2003, The Company entered into a second loan agreement with effect of September 25th, 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 27th, 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 27th, 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 25th, 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).

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 2007, a positive amount of EUR 5.979.828 has been recognized in equity (2006: positive amount of EUR 19.279.092)

5. SHORT-TERM LOANS RECEIVABLE	31/12/2007 EUR	31/12/2006 EUR
Short-term Loans to EADS N.V.	**500.665.458**	**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).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007 (CONTINUED)

6. ACCRUED INTEREST RECEIVABLE	31/12/2007 EUR	31/12/2006 EUR
Interest Rate SWAPS EADS N.V.	40.651.282	41.898.023
Long-term Loans to EADS N.V.	5.130.184	4.008.864
Short-term Loans to EADS N.V.	351.842	262.629
	46.133.308	**46.169.516**

7. CASH AND CASH EQUIVALENTS	31/12/2007 EUR	31/12/2006 EUR
Intercompany Account EADS N.V., Amsterdam	881.556	744.716
Deutsche Bank, Amsterdam	1.191	-
	882.747	**744.716**

8. EQUITY

The Company has an authorised share capital of 1,500,000 shares of EUR 1 each. As of December 31, 2007, 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.

The Company's main activity is to finance companies and other entities of EADS Group by raising funds from the market and lending those funds to EADS N.V. Any funds raised from the market are covered by guarantee from EADS N.V. Thus the Company does not actively manage its capital.

The Company complies with the capital requirements under applicable law and its articles of association.

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.

10. NON-CURRENT INTEREST BEARING LIABILITIES	31/12/2007 EUR	31/12/2006 EUR
4,625% Eurobond EADS Finance B.V., maturing 03/03/2010 fair value EUR 996,394,000 (prior year: EUR 1,008,260,000)	998.733.172	998.149.343
5,500% Eurobond EADS Finance B.V., maturing 25/09/2018 fair value EUR 503,870,000 (prior year: EUR 536,055,000)	496.377.989	496.040.735
	1.495.111.161	**1.494.190.078**

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007 (CONTINUED)

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

The issued Eurobonds are covered by 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

	31/12/2007 EUR	31/12/2006 EUR
Short-term Loans from Commercial Paper Programme	**500.665.458**	**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 fair value of these short-term loans equals net book value due to their short duration.

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

12. ACCRUED INTEREST PAYABLE

	31/12/2007 EUR	31/12/2006 EUR
4,625% Eurobond EADS Finance B.V., maturing 03/03/2010	38.415.301	38.520.548
5,500% Eurobond EADS Finance B.V., maturing 25/09/2018	7.363.388	7.383.562
Short-term Loans from Commercial Paper Programme	341.642	262.066
	46.120.331	**46.166.176**

13. NEGATIVE FAIR-VALUE DERIVATIVE INSTRUMENTS

	31/12/2007 EUR	31/12/2006 EUR
Interest Rate SWAP EADS N.V., 1 EURb, 4,625%	19.885.943	16.443.181
Interest Rate SWAP EADS N.V., 500 EURm, 5,50%	46.437.224	27.013.508
	66.323.167	**43.456.689**

These amounts represent the fair market value, less accrued interest, at December 31, 2007 of:

- the Interest Rate Swap for which the Company has entered into with EADS N.V. with effect of March 3rd, 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007 (CONTINUED)

- the Interest Rate Swap for which the Company has entered into with EADS N.V. with effect of December 27th, 2005. The notional amount of the swap is 500 EUR million, which expires on September 25th, 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 2007 for a negative amount of EUR 23.450.307 (2006: negative amount of EUR 70.030.801) was completely recognized through equity.

14. INTEREST INCOME	**2007** EUR	**2006** EUR
Long-term Loans to EADS N.V.	86.685.281	64.209.629
Interest Rate SWAPS EADS N.V.	(12.857.924)	9.743.149
Short-term Loans to EADS N.V.	40.180.524	24.497.083
Amortization of Loan Disagio	337.254	337.254
	114.345.135	**98.787.115**

15. INTEREST EXPENSES	**2007** EUR	**2006** EUR
4,625% Eurobond EADS Finance B.V.	(46.144.753)	(46.250.000)
5,500% Eurobond EADS Finance B.V.	(27.479.826)	(27.500.000)
Short-term Loans from Commercial Paper Programme	(40.203.404)	(24.496.521)
Amortization of Bond Issue Costs	(921.082)	(921.082)
	(114.749.065)	**(99.167.603)**

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS

a) 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.

EADS Finance B.V. 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 - EADS Finance B.V. uses an asset and liability management approach with the objective to limit its interest rate risk. The Company undertakes to match the risk profile of its liabilities with a corresponding asset structure. 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007 (CONTINUED)

Sensitivities of Market Risks

The approach used to measure and control market risk exposure within the Company's financial instrument portfolio is amongst other key indicators the value-at-risk ("VaR"). The VaR of a portfolio is the estimated potential loss that will not be exceeded on the portfolio over a specified period of time (holding period) from an adverse market movement with a specified confidence level. The VaR used by the Company is based upon a 95 percent confidence level and assumes a 5-day holding period. The VaR model used is mainly based on the so called "Monte-Carlo-Simulation" method.

Deriving the statistical behaviour of the markets relevant for the portfolio out of market data from the previous two years and observed interdependencies between different markets and prices, the model generates a wide range of potential future scenarios for market price movements.

The Company's VaR computation includes the Company's external financial debt affecting the Company's profit and loss.

Although VaR is an important tool for measuring market risk, the assumptions on which the model is based give rise to some limitations, including the following:

- A 5-day holding period assumes that it is possible to hedge or dispose of positions within that period. This is considered to be a realistic assumption in almost all cases but may not be the case in situations in which there is severe market illiquidity for a prolonged period.
- A 95 percent confidence level does not reflect losses that may occur beyond this level. Even within the model used there is a five percent statistical probability that losses could exceed the calculated VaR.
- The use of historical data as a basis for estimating the statistical behaviour of the relevant markets and finally determining the possible range of future outcomes out of this statistical behaviour may not always cover all possible scenarios, especially those of an exceptional nature.

The Company uses VaR amongst other key figures in order to determine the riskiness of its financial instrument portfolio and in order to optimize the risk-return ratio of its financial asset portfolio. Further, the Company's investment policy defines for P&L and Revaluation Reserve certain limits on total risk for the portfolio of cash, cash equivalents and securities. The total VaR as well as the different risk-factor specific VaR figures of this portfolio are measured and serve amongst other measures as a basis for the decisions of the asset management committee.

A summary of the VaR position of the Company's financial debt portfolio at December 31st, 2007 and December 31st, 2006 is as follows:

	31/12/2007 MEUR	31/12/2006 MEUR
Interest VaR		
Financial Liabilities	8	6

As all of the Company's external financial debt included in the VaR computation has been lended to EADS N.V. at nearly identical conditions, the interest rate risk of the total portfolio of financial instruments is nearly balanced.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007 (CONTINUED)

Liquidity Risk

The Company's policy is to maintain sufficient liquid assets at any time to meet its present and future commitments as they fall due. The liquid assets typically consist of cash and cash equivalents. In addition, the Company maintains a set of other funding sources. Depending on its cash needs and market conditions, the Company may issue bonds, notes and commercial papers.

In MEUR	Carrying amount	Contractual cash flows	< 1 year	1 – 2 years	2 – 3 years	3 – 4 years	4 – 5 years	> 5 years
Dec 31, 2007								
Non derivative financial liabilities	(2,042)	(2,448)	(576)	(74)	(1,074)	(28)	(28)	(668)
Derivative financial liabilities	(66)	(75)	(58)	(10)	30	(5)	(4)	(28)
Total	**(2,108)**	**(2,523)**	**(634)**	**(84)**	**(1,044)**	**(33)**	**(32)**	**(696)**
Dec 31, 2006								
Non derivative financial liabilities	(2,677)	(3,163)	(1,217)	(74)	(74)	(1,074)	(28)	(696)
Derivative financial liabilities	(43)	(45)	(47)	(8)	(7)	32	(1)	(14)
Total	**(2,720)**	**(3,208)**	**(1,264)**	**(82)**	**(81)**	**(1,042)**	**(29)**	**(710)**

The above table analyses the Company's financial liabilities by relevant maturity groups based on the period they are remaining on the Company's balance sheet to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows, comprising all outflows of a liability such as repayments and eventual interest payments. Non-derivative financial liabilities comprise financing liabilities at amortised cost. Derivative financial liabilities are presented with their market value.

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 book value of the respective balance sheet items at balance sheet date.

In MEUR	Dec 31, 2007	Dec 31, 2006
Receivables, neither past due nor impaired	2,044	2,680

b) Carrying amounts and fair values of financial instruments

The fair value of a financial instrument is the price at which one party would assume the rights and/or duties of another party. Fair values of financial instruments have been determined with reference to available market information at the balance sheet date and the valuation methodologies discussed below. Considering the variability of their value-determining factors and the volume of financial instruments, the fair values

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presented herein may not be indicative of the amounts that the Company could realize in a current market environment.

The following tables present the carrying amounts and fair values of financial instruments according to IAS 39 measurement categories as of December 31st, 2007 and 2006 respectively:

In MEUR	Fair Value for Hedge Relations		Loans and Receivables and Financial Liabilities at amortised cost		Financial Instruments Total	
	Carrying amount	Fair Value	Carrying amount	Fair Value	Carrying amount	Fair Value
Dec 31, 2007						
Financial Assets						
Non-current assets	-	-	1,496	1,562	1,496	1,562
Current assets	-	-	548	548	548	548
	-	-	**2,044**	**2,110**	**2,044**	**2,110**
Financial Liabilities						
Long-term and short-term financial liabilities	-	-	(2,042)	(2,048)	(2,042)	(2,048)
Derivative financial liabilities	(66)	(66)	-	-	(66)	(66)
	(66)	**(66)**	**(2,042)**	**(2,048)**	**(2,108)**	**(2,114)**
Dec 31, 2006						
Financial Assets						
Non-current assets	-	-	1,496	1,539	1,496	1,539
Current assets	-	-	1,184	1,184	1,184	1,184
	-	-	**2,680**	**2,723**	**2,680**	**2,723**
Financial Liabilities						
Long-term and short-term financial liabilities	-	-	(2,678)	(2,728)	(2,678)	(2,728)
Derivative financial liabilities	(43)	(43)	-	-	(43)	(43)
Total	**(43)**	**(43)**	**(2,678)**	**(2,728)**	**(2,721)**	**(2,771)**

Financial Assets and Liabilities – Generally, fair values are determined by observable market quotations or valuation techniques supported by observable market quotations.

By applying a valuation technique, such as present value of future cash flows, fair values are based on estimates. However, methods and assumptions followed to disclose data presented herein are inherently judgmental and involve various limitations like estimates as of December 31st, 2007 and 2006, which are not necessarily indicative of the amounts that the Company would record upon further disposal/termination of the financial instruments.

Interest Rate Contracts – The fair value of these instruments is the estimated amount that the Company would receive or pay to settle the related agreements as of December 31st, 2007 and 2006.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007 (CONTINUED)

c) Notional amounts of derivative financial instruments

The contract or notional amounts of derivative financial instruments shown below do not necessarily represent amounts exchanged by the parties and, thus, are not necessarily a measure for the exposure of the Company through its use of derivatives.

The notional amounts of interest rate contracts are as follows, specified by year of expected maturity:

Year ended December 31, 2007	**Remaining period**						
in MEUR	**2008**	**2009**	**2010**	**2011**	**2012-2017**	**2018**	**Total**
Interest Rate Contracts	-	-	1,000	-	-	500	**1,500**

Year ended December 31, 2006	**Remaining period**						
in MEUR	**2007**	**2008**	**2009**	**2010**	**2011-2017**	**2018**	**Total**
Interest Rate Contracts	-	-	-	1,000	-	500	**1,500**

d) Derivative financial instruments and hedge accounting disclosure

The following interest rate curves are used in the determination of the fair value in respect of the derivative financial instruments as of December 31st, 2007 and 2006:

Interest rate in %		**December 31, 2007** EUR	**December 31, 2006** EUR
6 months		4.58	3.85
1 year		4.67	4.00
5 years		4.56	4.13
10 years		4.72	4.20

Hedging activities – Cash Flow Hedges: At December 31st, 2007, the Company has interest swap agreements in place with notional amounts totaling 1,500 EUR million (as at December 31st, 2006: 1,500 EUR million). The swaps are used to swap variable interest in connection with the 1,500 EUR million loans to EADS N.V. (see note 3), into a fixed interest similar to the interest rate on the EMTN-Bonds (see note 10). The hedges were assessed highly effective.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2007 (CONTINUED)

17. NUMBER OF EMPLOYEES AND EMPLOYMENT COSTS

The Company employed no personnel in the Year ended on December 31, 2007.

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 it 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.

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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, 2007, amounting to EUR 147,668, 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 2007 of EADS Finance B.V., Amsterdam, which comprise the balance sheet as at December 31, 2007, 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, 2007, 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, June 20, 2008

for Ernst & Young Accountants

signed by F.A.L. van der Bruggen