



## News Release

### EADS: Outstanding 2005 results – higher profitability expected in 2006

- Revenues € 34.2 billion – up 8 percent
- EBIT\* € 2.85 billion – up 17 percent
- Net Income € 1.7 billion – up 39 percent
- Net cash € 5.5 billion – up 39 percent
- Dividend proposal € 0.65 – up 30 percent
- 2006 revenues expected to exceed € 37 billion
- 2006 EBIT\* expected to grow to between € 3.2 billion and € 3.4 billion
- 2006 EPS expected to increase to between € 2.35 and € 2.55

Amsterdam, 8 March 2006 – *EADS* (stock exchange symbol: EAD), a global leader in aerospace, defence and related services, exceeded its financial targets for the sixth consecutive year in 2005. EBIT\* (pre-goodwill and exceptionals) stood at € 2.85 billion for the year, up 17 percent over 2004 with the EBIT\* margin also increasing from 7.7 percent to 8.3 percent.

“EADS achieved its best results ever and will push for further growth as a global leader in the industry. Looking forward, we intend to further strengthen EADS’ profitability and expand in tomorrow’s growth markets,” said EADS CEOs Thomas Enders and Noël Forgeard. EADS published its 2005 results on Wednesday.

The CEOs continued: “The cyclical upturn is lifting our earnings, and we believe the record order book and vibrant customer demand point to sustained high deliveries at Airbus. Profitability at Eurocopter, and at our combined defence and space businesses is also on a clear upward trend. We must, however, remain mindful of the challenges ahead: the weak dollar, the revived competition in the commercial aircraft arena, the ramp-up of new programmes, and stretched resources. Hence we will keep a strong focus on operations to ensure that our businesses deliver the ambitious results shareholders and markets expect.”

### **Strong EBIT\* improvement**

In 2005, EADS clearly outperformed its previous record year. The outstanding result is mainly due to the continued strong revenues and earnings of Airbus as well as of the Group's space and defence businesses. The EBIT\* grew in spite of a less favourable FY 2005 average hedge rate of € 1 = US\$ 1.06 (FY 2004: € 1 = US\$ 0.99).

In 2005, EADS expensed € 2.1 billion on Research and Development (R&D), representing a decline of two percent compared to 2004. In the same period, € 293 million were capitalized, of which € 259 million related to the A380 programme (FY 2004: € 169 million, of which € 152 million was for the A380). EADS' R&D expenditure, remaining high in 2005, reflecting the Group's continued emphasis on technological investment.

Revenues grew by eight percent to € 34.2 billion (FY 2004: € 31.8 billion). Increases were achieved at Airbus, Eurocopter, Space and Defence & Security Systems Divisions. Combined revenues from EADS defence businesses remained at € 7.7 billion (2004: € 7.7 billion), due to a shift of internal revenue recognition on the A400M programme to the first quarter of 2006.

### **Net Income soars**

EADS' Net Income rose sharply by 39 percent to € 1.68 billion (FY 2004: € 1.20 billion), or € 2.11 per share (FY 2004: € 1.50) reflecting the strong operational performance and an increased financial result. It also benefits from a different accounting treatment of BAE Systems' minority stake in Airbus. Revised application of IAS 32 standards required changes regarding the accounting for the put option granted to BAE Systems as a minority shareholder of Airbus (20 percent). These changes contributed € 289 million to Net Income (FY 2004: € 185 million) or € 0.36 to earnings per share (FY 2004: € 0.23). These changes also resulted in the recognition of the put option in the balance sheet as a liability for puttable instruments (€ 3.5 billion). The liability replaces the minority interest for BAE Systems' 20 percent Airbus stake in EADS' balance sheet.

### **Strong increase in cash after continuing investment**

EADS' net cash position was boosted 39 percent to € 5.5 billion (2004: € 4.0 billion). EADS' active cash management policies are prudent and provide flexibility for further business development.

Free Cash Flow (FCF) before Customer Financing was again strongly positive, reaching € 2.2 billion (2004: € 1.8 billion). This performance reflects the positive cash contribution from operations, driven by contributions from working capital, higher Net Income and lower capital expenditures on the A380 development. FCF including customer financing grew even stronger and reached € 2.4 billion (FY 2004: € 1.6 billion) due to the sell-down of customer financing exposure to the financial markets.

### **Dividend proposal up 30 percent to € 0.65 per share**

EADS' 2005 results have confirmed the Group's financial strength. The growth in the dividend reflects EADS' continued success. The Board of Directors is recommending to the Annual General Meeting of shareholders an increased dividend of € 0.65 per share (dividend per share 2004: € 0.50).

"EADS has delivered its strongest financial year ever and our shareholders shall substantially benefit. The outstanding 2005 performance enables us to move our dividend to a higher level. Looking forward, we expect to offer dividend continuity based on the long-term development of the Group," EADS CFO Hans Peter Ring commented.

### **Order intake up 110 percent**

Mirroring the strong business momentum of EADS' operational units order intake more than doubled to € 92.6 billion over the previous year (FY 2004: € 44.1 billion).

At € 253.2 billion, the EADS order book (contributions from commercial aircraft activities based on list prices) grew to a record amount at year-end 2005 (2004: € 184.3 billion). On top, this outstanding EADS order book benefited from a more favourable US Dollar closing spot rate of € 1 = US\$ 1.18 (2004: € 1 = US\$ 1.36) displaying a positive dollar impact on the non-hedged part of the Airbus order book (around € 10 billion). To date, EADS' order book is the strongest in the global aerospace and defence industry.

At the end of 2005, the Group's defence order book stood at € 52.4 billion (2004: € 49.1 billion) which is seven percent up compared to the previous year.

At the end of December 2005, EADS had 113,210 employees (year-end 2004: 110,662).

## **Divisions**

**Airbus** continued to lead the commercial aircraft market in 2005, delivering its best year ever in terms of deliveries, order intake and profitability. The EBIT\* surged to € 2,307 million (2004: € 1,919 million). The increase was mainly driven by higher aircraft deliveries (378 versus 320 in 2004) and benefited from the Route06 cost savings programme mitigating the less favourable US Dollar. Revenues increased by ten percent to € 22,179 million (FY 2004: € 20,224 million). Airbus' EBIT\* margin improved from 9.5 percent to 10.4 percent.

With 1,111 gross orders in 2005, Airbus achieved an all-time record order intake in the commercial aviation industry and as a result outsold its competitor for the fifth year in a row. New aircraft orders were in large part motivated by the rapid growth of commercial aviation in Asia which represents 47 percent of Airbus' order intake. Underlining the strong demand from low cost carriers Airbus sold more than one out of three aircraft in this segment (36 percent) in 2005. The order intake for both the Single Aisle Family (918 units) and the long range aircraft A330/A340/A350 (166 units) were the highest ever for each of those segments. Orders for 20 A380s and seven A300 freighters completed Airbus' order intake. At the end of 2005, the Airbus order book amounted to € 202.0 billion based on list prices. This is an increase of 48 percent over year-end 2004. The order book represents a total of 2,177 commercial aircraft (2004: 1,500).

The A380 is on track for certification, with the first delivery scheduled for the end of 2006. Airbus has already successfully completed close to 1.000 hours of flight testing with its four flying A380s and has received 159 firm orders from 16 customers to date, including three new customers in 2005. Launched in October, the A350 has received 172 firm orders and commitments from 13 customers by the end of 2005.

The **Military Transport Aircraft** Division's EBIT\* grew to € 48 million (FY 2004: € 26 million). This surge reflects the successful operations and the completed restructuring in the previous year. Revenues decreased to € 763 million (FY 2004: 1,304 million) due to a shift of an internal revenue recognition on the A400M programme worth € 539 million to the first quarter of 2006. Since then, the next contractual milestone was successfully passed in February 2006 on schedule. South Africa's and Malaysia's orders for the A400M raised the aircraft's firm orders to 192. Additionally, Chile indicated its intention to purchase up to three A400Ms. The production phase is already underway and the construction of the final assembly line in Seville, Spain is

well advanced. In the medium-light aircraft segment, the Division achieved 16 new orders for its CN-235 and C-295. This includes twelve units for Brazil, which also contracted for the modernization of eight mission aircraft.

The Division's order book increased by five percent to € 21.0 billion (2004: € 19.9 billion). EADS MTA led AirTanker was designated preferred bidder for the UK tanker programme in 2005. In preparation for a US tanker competition, EADS has teamed with Northrop Grumman to supply the most advanced tanker aircraft to the US Air Force. Moreover, EADS has partnered with Raytheon for the tender on the US Future Cargo Aircraft (FCA) programme.

**Eurocopter** maintained its global leadership in the civil and parapublic sector, while achieving progress in military business and expanding its international presence. EBIT\* grew to € 212 million (FY 2004: € 201 million) while revenues increased by 15 percent to € 3,211 million (FY 2004: € 2,786 million). The higher revenues were mainly due to a strong increase in helicopter deliveries (334 versus 279 in 2004) and the first time consolidation of Australian Aerospace. The lower EBIT\* margin resulted from a less favourable business mix and hedging impact as well as higher R&D expenditure.

In 2005, the Division received new orders for 401 helicopters (FY 2004: 332), 71 percent from outside the European home markets. The NH90 multi-role transport helicopter attracted three new customers: Belgium, New Zealand and Spain. At the end of 2005, the Eurocopter order book amounted to € 10 billion (2004: € 9.1 billion).

The creation of the Eurocopter Spain entity, the building of the new industrial site in Albacete, Spain and the NH90 selection confirmed Spain as Eurocopter's third home market. Significant progress was also made in high-growth Asia. Eurocopter and China agreed on the joint development of a new six-to-seven-ton transport helicopter. In South Korea, traditionally a US dominated market, the government entrusted Eurocopter and KAI with the development of the country's first military utility helicopter. In the US civil market, Eurocopter continued to lead. To develop its North American defence business, Eurocopter teamed up with Sikorsky Aircraft for the US Army's Light Utility Helicopter (LUH) programme.

The **Space** Division made further strides improving profitability and reached a substantially higher EBIT\* of € 58 million (FY 2004: € 9 million). The improvement reflects growth despite a continued difficult business environment, combined with the positive impact of the lower cost base

following the already completed restructuring. Revenues expanded to € 2,698 million (FY 2004: € 2,592 million) with all business units contributing to this growth. Revenues were driven by the delivery of telecommunication satellites and the Ariane 5 production ramp-up as well as the step up in Paradigm service revenues. Five Ariane 5 launchers successfully took off to space, among them two of the new ten-ton version. In 2005, EADS SPACE Transportation fulfilled for the first time its new role as main contractor for the Ariane 5.

Major orders for EADS Astrium include contracts from South Korea covering a multi-mission geo-stationary satellite and from the European Space Agency for an earth observation programme. Germany selected EADS as preferred bidder for its defence satellite communications system. The development of Europe's Galileo satellite navigation system was confirmed with the agreement on the first four satellites. The Galileo contract was signed in January 2006 and will strengthen EADS' space activities. At year-end 2005, the Division's order book stood at € 10.9 billion (2004: € 11.3 billion). The acquisition of Dutch Space, the Netherlands' largest space company, also further enhanced the scale of the Group's space business and made EADS the only space company covering five nations.

**The Defence & Security Systems** Division had a strong year for deliveries and new orders and strengthened its capabilities in growth areas. Driven largely by Eurofighter and missile programmes revenues grew organically by five percent to € 5,636 million (FY 2004: € 5,385 million). EBIT\* decreased to € 201 million (FY 2004: € 226 million). This decrease results from the one-off release of a litigation provision in 2004 and charges for Unmanned Aerial Vehicle (UAV) activities in 2005 and was nearly compensated by a better operational performance.

Substantial contracts included India's order for Exocet missiles, Spain's order for the Taurus air-to-ground missile and an order for Eurofighter self-protection electronics as well as confirmation of the Romanian border surveillance contract. EADS/LFK and MBDA were awarded a part in designing and developing the tri-national Medium Extended Air Defense System (MEADS). The order book rose by seven percent to € 18.5 billion at year-end 2005 (2004: € 17.3 billion) and provides considerable prospects for revenue growth in the years to come.

Adding capabilities in growth sectors, the Division acquired Nokia's Professional Mobile Radio (PMR) business, making EADS a competitive global secure telecommunications player. In addition, EADS and ThyssenKrupp Technologies jointly acquired naval electronics provider Atlas

Elektronik. This significantly strengthens the Group's position in maritime electronics and systems in the future, with no impact in 2005 financial statements. Enhanced integration of the Division's central functions will increase efficiency by creating synergies and cost savings for Defence & Security Systems.

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

At EADS Headquarters, EBIT\* improved thanks to a higher contribution from the 46.30 percent stake in Dassault Aviation.

The EBIT\* of Other Businesses (ATR, EADS EFW, EADS Socata and EADS Sogerma Services) accounted for € -171 million (FY 2004: € 2 million) with positive contributions from ATR, EADS EFW and EADS Socata. EADS Sogerma Services' loss widened by € 198 million compared to 2004. This result is due to operational losses, impairment of assets and restructuring. The target is to achieve a turnaround as soon as possible subject to a restructuring plan to be decided in the next month.

Economic growth and the demand for highly efficient regional aircraft led to a recovery in the turbo-prop market. With 80 orders ATR was the global market leader in this segment in 2005. At year-end, the order book amounted to € 707 million.

EADS EFW increased the number of freighter conversions carried out to 14 up from eight in the previous year. In its aerostructures business, EADS EFW also benefited from the ramp-up of Airbus production rates. EADS EFW's order book stood at € 384 million at year-end 2005, mainly related to 43 freighter conversions.

Other Businesses achieved revenues of € 1,155 million (FY 2004: € 1,123 million). At the end of 2005, the order book of Other Businesses strongly increased to € 2.1 billion (2004: € 1.1 billion).

## Outlook 2006

EADS expects its 2006 revenues to grow to more than € 37 billion (FY 2005: € 34.2 billion), powered by the progression of Airbus deliveries and higher volume from its combined defence businesses. Airbus deliveries are expected to grow by at least ten percent in 2006. EADS uses a planning rate of € 1 = US\$ 1.30.

EBIT\* is expected to grow to between € 3.2 billion and € 3.4 billion (FY 2005: € 2.85 billion), mainly under the influence of the higher Airbus volume, but also due to better operational efficiencies across all divisions, despite higher R&D costs and the continuing US Dollar headwind arising from the maturity of less attractive hedges.

Consistent with the strong cash flow generation in 2005, Free Cash Flow before Customer Financing is expected to remain robust in 2006, despite the build up of inventories related to the delivery ramp-up, particularly for the A380.

2006 EPS are expected to grow to between € 2.35 and € 2.55 (FY 2005: € 2.11), based on an expected average of around 795 million shares and on a US Dollar year-end closing rate similar to 2005.

\* EADS uses **EBIT pre-goodwill impairment and exceptionals** as a key indicator of its economic performance. The term "exceptionals" refers to income or expenses of a non-recurring nature, such as amortization expenses of fair value adjustments relating to the EADS merger, the formation of Airbus S.A.S. and the formation of MBDA, and impairment charges.

### **Live-Transmission EADS Annual Press Conference on the Internet**

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Please click onto the banner located on the front page. Following the live transmission, an on-demand version will be available from **1 p.m. CET** onwards.



**EADS – Figures FY 2005**  
(Amounts in Euro)

<b>EADS Group</b>	<b>FY 2005</b>	<b>FY 2004</b>	<b>Change</b>
<b>Revenues</b> , in millions	<b>34,206</b>	31,761	+8%
thereof defence, in millions	<b>7,700</b>	7,694	+/-0%
<b>EBITDA<sup>(1)</sup></b> , in millions	<b>4,365</b>	3,841 <sup>(3)</sup>	+14%
<b>EBIT<sup>(2)</sup></b> , in millions	<b>2,852</b>	2,432 <sup>(3)</sup>	+17%
<b>Research and Development costs</b> , in millions	<b>2,075</b>	2,126	-2%
<b>Net Income</b> , in millions	<b>1,676</b>	1,203 <sup>(3)(4)</sup>	+39%
<b>Earnings Per Share (EPS)</b>	<b>2.11</b>	1.50 <sup>(3)(4)</sup>	+0.61 €
<b>Free Cash Flow (FCF)</b> , in millions	<b>2,413</b>	1,614	+50%
<b>FCF, before Customer Financing</b> , in millions	<b>2,239</b>	1,802	+24%
<b>Dividend per share</b>	<b>0.65<sup>(5)</sup></b>	0.50	+30%
<b>Order Intake<sup>(6)</sup></b> , in millions	<b>92,551</b>	44,117	+110%

<b>EADS Group</b>	<b>31 Dec 2005</b>	<b>31 Dec 2004</b>	<b>Change</b>
<b>Order Book<sup>(6)</sup></b> , in millions	<b>253,235</b>	184,288	+37%
thereof defence, in millions	<b>52,363</b>	49,075	+7%
<b>Net Cash position</b> , in millions	<b>5,489</b>	3,961	+39%
<b>Employees</b>	<b>113,210</b>	110,662	+2%

- 1) Earnings before interest, taxes, depreciation, amortization and exceptionals
- 2) Earnings before interest and taxes, pre-goodwill Impairment and exceptionals
- 3) Previous year restated by stock options expense (€ -12 million for EADS Group) according to first time application of IFRS 2
- 4) EADS continues to use the term Net Income. It is identical with Profit for the period attributable to equity holders of the parent as defined by IFRS Rules; Revised application of IAS 32 standards required changes regarding the accounting for the put option granted to BAE Systems as a minority shareholder of Airbus. These changes contributed € 289 million to Net Income (FY 2004: € 185 million) or € 0.36 to earnings per share (FY 2004: € 0.29).
- 5) to be proposed to AGM on 4 May 2006
- 6) Contributions from commercial aircraft activities to EADS Order Intake and Order Book based on list prices

by Division (Amounts in millions of Euro)	EBIT <sup>(1)</sup>			Revenues		
	FY 2005	FY 2004	Change	FY 2005	FY 2004	Change
Airbus	2,307	1,919	+20%	22,179	20,224	+10%
Military Transport Aircraft	48	26	+85%	763	1,304	-41%
Eurocopter	212	201	+5%	3,211	2,786	+15%
Space	58	9	+544%	2,698	2,592	+4%
Defence & Security Systems	201	226	-11%	5,636	5,385	+5%
Headquarters / Consolidation	197	49	-	-1,436	-1,653	-
Other Businesses <sup>(2)</sup>	-171	2	-	1,155	1,123	+3%
<b>Total</b>	<b>2,852</b>	<b>2,432<sup>(3)</sup></b>	<b>+17%</b>	<b>34,206</b>	<b>31,761</b>	<b>+8%</b>

by Division (Amounts in millions of Euro)	Order Intake <sup>(4)</sup>			Order Book <sup>(4)</sup>		
	FY 2005	FY 2004	Change	31 Dec 2005	31 Dec 2004	Change
Airbus	78,254	25,816	+203%	201,963	136,022	+48%
Military Transport Aircraft	1,840	1,176	+56%	20,961	19,897	+5%
Eurocopter	3,522	3,245	+9%	9,960	9,117	+9%
Space	2,322	5,658	-59%	10,931	11,311	-3%
Defence & Security Systems	6,673	8,457	-21%	18,509	17,276	+7%
Headquarters / Consolidation	-1,931	-1,355	-	-11,217	-10,414	-
Other Businesses <sup>(2)</sup>	1,871	1,120	+67%	2,128	1,079	+97%
<b>Total</b>	<b>92,551</b>	<b>44,117</b>	<b>+110%</b>	<b>253,235</b>	<b>184,288</b>	<b>+37%</b>

- 1) Earnings before interest and taxes, pre-goodwill impairment and exceptionals
- 2) ATR, EADS EFW, EADS Socata and EADS Sogerma Services are allocated to Other Businesses which is not a stand-alone EADS Division
- 3) Previous year restated by stock options expense (€ -12 million for EADS group) according to first time application of IFRS 2
- 4) Contributions from commercial aircraft activities to EADS Order Intake and Order Book based on list prices

**EADS – Fourth Quarter Results (Q4) 2005**  
(Amounts in Euro)

<b>EADS Group</b>	<b>Q4 2005</b>	<b>Q4 2004</b>	<b>Change</b>
<b>Revenues</b> , in millions	<b>10,760</b>	10,302	+4%
<b>EBIT<sup>(1)</sup></b> , in millions	<b>753</b>	941 <sup>(2)</sup>	-20%
<b>Net Income</b> , in millions	<b>405</b>	466 <sup>(2)(3)</sup>	-13%
<b>Earnings Per Share (EPS)</b>	<b>0.51</b>	0.58 <sup>(2)(3)</sup>	-0.07 €

<b>by Division</b> (Amounts in millions of Euro)	<b>EBIT<sup>(1)</sup></b>			<b>Revenues</b>		
	<b>Q4 2005</b>	<b>Q4 2004</b>	<b>Change</b>	<b>Q4 2005</b>	<b>Q4 2004</b>	<b>Change</b>
Airbus	<b>453</b>	540	-16%	<b>6,146</b>	5,809	+6%
Military Transport Aircraft	<b>47</b>	21	+124%	<b>259</b>	765	-66%
Eurocopter	<b>107</b>	100	+7%	<b>1,190</b>	1,054	+13%
Space	<b>48</b>	15	+220%	<b>1,028</b>	946	+9%
Defence & Security Systems	<b>191</b>	303	-37%	<b>2,217</b>	2,181	+2%
Headquarters / Consolidation	<b>22</b>	-28	-	<b>-452</b>	-767	-
Other Businesses <sup>(4)</sup>	<b>-115</b>	-10	-	<b>372</b>	314	+18%
<b>Total</b>	<b>753</b>	941 <sup>(2)</sup>	-20%	<b>10,760</b>	10,302	+4%

The lower EBIT\* in Q4 2005 compared to Q4 2004 is not related to a weaker operational performance; unfavourable effects from weaker US Dollar hedges and Sogerma losses were mitigated by efficiency improvements and volume effects. The lower EBIT\* is related to higher R&D expenditures and one-time effects (mainly the release of a litigation provision in 2004).

- 1) Earnings before interest and taxes, pre-goodwill impairment and exceptionals
- 2) Previous year restated by stock options expense (€ -3 million for EADS Group) according to first time application of IFRS 2
- 3) EADS continues to use the term Net Income. It is identical with Profit for the period attributable to equity holders of the parent as defined by IFRS Rules; revised application of IAS 32 standards required changes regarding the accounting for the put option granted to BAE Systems as a minority shareholder of Airbus. These changes contributed € 43 million to Net Income (Q4 2004: € 36 million) or € 0.04 to earnings per share (Q4 2004: € 0.04).
- 4) ATR, EADS EFW, EADS Socata and EADS Sogerma Services are allocated to Other Businesses which is not a stand-alone EADS Division.

## **EADS highlights In 2005 and on**

Record Airbus sales and progress across commercial aircraft activities:

- The A380 first flight on 27 April launched a new era in commercial aviation. To date, Airbus has received 159 firm orders from 16 customers for the A380. The A380 attracted three new customers in 2005: UPS, China Southern Airlines and Kingfisher Airlines.
- On 6 October, the EADS Board of Directors gave its go ahead for Airbus to launch the A350 airliner family. To date, Airbus has received 172 firm orders and commitments from 13 customers.
- With an order for 150 A320 family aircraft, Airbus received its largest single order since entering the Chinese market. Earlier in 2005, three Chinese airlines signed contracts for the purchase of 30 Airbus aircraft, among them five A380s.
- Southeast Asia's leading low cost carrier AirAsia signed a contract for 60 A320s, plus a further 40 options, making this airline the largest Asia-Pacific customer for the A320 family. In February 2006, India's leading airline, Indian Airlines, ordered 43 Airbus A320 family aircraft.
- In Mobile, Alabama, the groundbreaking for an Airbus Engineering Centre took place in early 2006. In case of a success in the U.S. tanker competition, the KC-30 production site will be co-located there.
- EADS Socata announced a new six-seat TBM 850 which combines light jet cruising speeds with the efficiency of a turboprop.
- ATR's outstanding 2005 order intake of 80 aircraft proves the strong revival of turboprop aircraft in the regional aviation market.

A growing defence business strongly contributes to EADS portfolio balance and revenue growth:

- MEADS, the transatlantic cooperation project for ground-based tactical air defence, entered its Design and Development phase which is scheduled to run until 2013.
- New Zealand selected the NH90 helicopter as a replacement for its Air Force's aging transport helicopters fleet. Spain and Belgium also opted for the NH90 which, to date, has orders from 14 customers.

- Korea designated Eurocopter as its primary partner for the development of Korea's first military transport helicopter. With China, Eurocopter agreed to develop the new EC 175.
- EADS North America expanded the industrial team for its UH-145 advanced Light Utility Helicopter with the addition of Sikorsky Aircraft. The U.S. Army is planning to acquire more than 300 platforms.
- To pool their naval systems activities, EADS and ThyssenKrupp Technologies jointly acquired Atlas Elektronik.
- The selection of EADS-led AirTanker as preferred bidder by the Royal Air Force marked the Group's breakthrough in the tanker business.
- In the expectation of a tanker competition in the US, EADS joined Northrop Grumman as team mate and principal subcontractor on the KC-30 advanced tanker bid.
- A400M production was launched in January with the first metal cut on a major airframe component.
- South Africa and Malaysia became A400M programme partners. Chile indicated its intention to purchase up to three A400M.
- EADS will supply Brazil with C-295 military transport aircraft and install the Fully Integrated Tactical System (FITS) into the country's fleet of P-3 maritime patrol aircraft.
- The Group will additionally deliver a digital radio network based on the Tetrapol standard to Brazil's Departamento de Policia Federal.
- Spain placed a contract for 43 Taurus missiles destined for the F-18 and Eurofighter aircraft of the Spanish Air Force.
- The German Armed Forces procured mobile radio systems, covering 10,000 terminal devices, accessories and a training facility.
- EADS teamed up with Siemens for the German BOSNET bid, expanded its professional mobile radio (PMR) business through the acquisition of Nokia's PMR activities and founded a new business line Secure Networks.
- The UK Ministry of Defence signed a contract with the ATLAS Consortium for the Defence Information Infrastructure (Future) project to replace numerous individual information systems with a single, more efficient information infrastructure.

- EADS Corporate Research Centre Germany was awarded an innovation prize for its "hyper-sensitive artificial nose" technology sniffing out explosives, drugs or poisonous gases.

**EADS' space business on track for improved profitability:**

- The new, more powerful Ariane 5 ECA was successfully launched twice from the European spaceport in Kourou.
- EADS Astrium successfully launched the first two Inmarsat-4 spacecrafts, the world's most sophisticated commercial communication satellites.
- EADS Astrium won the order for South Korea's first geo-stationary multifunctional satellite and for a communication satellite from Luxemburg's SES Astra.
- EADS SPACE has a key role in the test phase for the new European satellite navigation system Galileo.
- EADS Astrium was selected to build three satellites for ESA's Swarm mission, enabling analysis of the Earth's magnetic field.

**EADS strengthened global citizenship:**

- In the field of humanitarian aid, EADS supported the relief efforts for victims of the tsunami disaster in south-east Asia, hurricane Katrina in the United States and the Pakistan earthquake. When employee's contributions are added, EADS' total donation exceeded € 4 million.
- EADS acquired a 10 percent stake in Russian aircraft manufacturer Irkut to reinforce this strategic partnership

EADS is a global leader in aerospace, defence and related services. The EADS Group includes the aircraft manufacturer Airbus, the world's largest helicopter supplier Eurocopter and the joint venture MBDA, the international leader in missile systems. EADS is the major partner in the Eurofighter consortium, is the prime contractor for the Ariane launcher, develops the A400M military transport aircraft and is the largest industrial partner for the European satellite navigation system Galileo.

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**Safe Harbour Statement:**

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

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

This forward looking information is based upon a number of assumptions including without limitation: assumption regarding demand, current and future markets for EADS' products and services, internal performance, customer financing, customer, supplier and subcontractor performance or contracts negotiations, favourable outcomes of certain pending sales campaigns.

Forward looking statements are subject to uncertainty and actual future results and trends may differ materially depending on variety of factors including without limitation: general economic and labour conditions, including in particular economic conditions in Europe, North America and Asia, legal, financial and governmental risk related to international transactions, the cyclical nature of some of EADS' businesses, volatility of the market for certain products and services, product performance risks, collective bargaining labour disputes, factors that result in significant and prolonged disruption to air travel world wide, the outcome of political and legal processes, including uncertainty regarding government funding of certain programs, consolidation among competitors in the aerospace industry, the cost of developing, and the commercial success of new products, exchange rate and interest rate spread fluctuations between the Euro and the U.S. dollar and other currencies, legal proceeding and other economic, political and technological risk and uncertainties.

Additional information regarding these factors is contained in the Company's "document de référence" dated April 19, 2005.