News Release

EADS 2006 results dominated by Airbus loss

- Revenue growth to € 39.4 billion driven by record deliveries and 30 percent increase in defence revenues
- EBIT* of € 399 million burdened by Airbus loss
- Free Cash Flow resilient at € 2.0 billion, Net Cash Position at € 4.2 billion
- 2007 budget forecasts stable EBIT*, negative Free Cash Flow

Amsterdam, 9 March 2007 – Based on a strong commercial momentum EADS (stock exchange symbol: EAD) displayed revenue growth within all its Divisions. High delivery levels led to revenues of € 39.4 billion – an increase of 15 percent (FY 2005: € 34.2 billion). For the first time the Group hit the landmark of € 10 billion in defence revenues. In 2006, EADS posted an EBIT* (pre goodwill and exceptionals) of € 399 million (FY 2005: € 2.9 billion). The impact of the A380, A350 and A400M combined with the deteriorating weakness of the US Dollar against the Euro pushed Airbus into a loss. It is overcompensated by strong EBIT* of the other EADS businesses.

"Two contrasting observations emerge from our review of 2006: The first is the overall vitality of the Group as measured by significant market accomplishments in all Divisions. The second is an urgent need to implement Power8 and overhaul our Airbus business. It will take some time but Power8 will make Airbus substantially more integrated and efficient," said EADS CEOs Tom Enders and Louis Gallois. "For 2007, our priorities are to drive operational improvements, restore the Group's credibility and build a leaner and more dynamic EADS."

Airbus difficulties overshadowed a remarkable order intake of 790 aircraft, record deliveries of 434 aircraft, the launch of the A350XWB programme and the successful A380 type certification. Eurocopter experienced an outstanding year in a very supportive market environment with an unprecedented level of 615 new orders for helicopters. It recorded a strategic breakthrough with the US Army light utility helicopter UH-72A Lakota order. With a total of 381 helicopters Eurocopter delivered more than ever before. EADS Astrium significantly improved profitability and was awarded important orders for satellites and systems such as SatComBW, a major satellite communication programme in Germany. The Defence & Security

Division enhanced its performance and captured business opportunities in areas such as the secure networks business, thus creating a solid base for further long-term improvement.

The strong increase in **revenues** to € 39.4 billion was supported by all Divisions, in particular by the higher deliveries at Airbus and Eurocopter. The contribution from the EADS Astrium Division came mainly from the ramp-up of Ariane 5 production, Paradigm and ballistic missile development. At EADS Defence & Security, revenues grew due to Eurofighter, the missile business and to contributions from the Professional Mobile Radio business. Passing all A400M milestones (including the one shifted from 2005) led to higher revenues in the Military Transport Aircraft Division.

EADS' total **EBIT*** in 2006 was € 399 million (FY 2005: € 2,852 million). EBIT* was substantially burdened by the impact of A380 delays, A350 related charges, high Research & Development (R&D) expenses and by losses at EADS Sogerma. Additionally, hedges for EADS Group matured at a less favourable average rate of € 1 = US$ 1.12 (FY 2005: € 1 = US$ 1.06). These negative factors were partly compensated by significantly improved contributions from Airbus' series production and the Group's helicopter, defence and space businesses, and a minor contribution from a pension accounting change. The Group's reduced **Net Income** of € 99 million (FY 2005: € 1,676 million), or € 0.12 per share (FY 2005: € 2.11) mainly mirrors the Group's EBIT* development.

Focused on the future, EADS invested over six percent of its revenues in R&D. In 2006, the Group's **self-financed R&D** expenses increased to € 2,458 million (FY 2005: € 2,075 million), caused mostly by Airbus continuing aircraft development programmes and higher Research & Technology (R&T) effort across the Group.

Free Cash Flow including customer financing stayed high at € 2,029 million (FY 2005: € 2,413 million), as an unfavourable working capital development was offset by the increased sell-down of customer financing assets. Free Cash Flow before customer financing amounted to € 869 million (FY 2005: € 2,239 million).

The **Net Cash Position** of € 4.2 billion (year-end 2005: € 5.5 billion) was impacted by the acquisition of BAE Systems' 20 percent stake in Airbus (€ 2.75 billion) and dividend payments. Adjusted for the one-off payment for the Airbus stake it has again improved, highlighting the strength of the underlying recurring business.

EADS' **order intake** amounted to € 69.0 billion (FY 2005: € 92.6 billion). In terms of new orders, Eurocopter set a new record in 2006 (up 39 percent compared to the previous record in 2005), Airbus had its second-best year ever and EADS Astrium another outstanding year.

At the end of December, EADS' **order book** stood at € 262.8 billion (year-end 2005: € 253.2 billion). Contributions from commercial aircraft activities are based on list prices. The order book increase versus year-end 2005 was achieved despite a € 17 billion impact due to revaluation at a less favourable €/US$ exchange rate. The Group's defence order book further increased and stood at € 52.9 billion as of 31 December 2006 (year-end 2005: € 52.4 billion). At the end of 2006, EADS had 116,805 **employees** (year-end 2005: 113,210).

The next meeting of the EADS Board of Directors will make a dividend proposal to the EADS Annual General Meeting.

Outlook

Under its 2007 internal budget, EADS plans its revenues will experience a single-digit decrease (mainly due to the assumed €/US$ rate of 1.30), and its EBIT* will remain roughly stable in 2007.

Adjusted for a stable US Dollar, Airbus revenues would remain level, based on 440 to 450 deliveries through the year, and despite lower contributions from the A400M. Airbus will display another substantial loss in 2007, attributable to charges for the Power8 restructuring, further costs to support the A380 programme, potential A350XWB launch charges, higher R&D expenses, as well as the impact of the worsening US Dollar parity to the Euro.

Meanwhile, helicopters, defence and space businesses should display stable revenues, and should collectively increase their contribution to a combined EBIT* expected to be close to € 1 billion as soon as 2007.

The Free Cash Flow contribution from Airbus in 2007 will lead to a negative Group-wide Free Cash Flow as low as € -1 billion. However, volatility of working capital components can provoke substantial swings in this figure.

Over the medium term, the following factors will drive EADS' outlook:

Deliveries of aircraft are currently expected to continue to grow, albeit at a much reduced rate. Airbus revenues will most likely be affected by a deterioration of mix and of pricing for recent orders, partly due to competitive pressure.

Research and Development expenses are planned to grow gradually, driven by the A350XWB development and increased R&T spending.

In the context of management change at Airbus, and the cost volatility resulting from the recent industrial problems on programmes, the management is working to establish a satisfactory long-term Airbus plan, and it is currently concentrating on the rebaselining of its cost base, to target mid-single-digit EBIT* margins.

All other businesses are expected to collectively grow their revenues and EBIT* contribution over the coming years.

EADS management is committed to restoring Group wide EBIT* margins, although at levels lower than the margin achieved in 2005.

Divisions: Revenues growth supported by all Divisions

The **Airbus** Division delivered a record number of aircraft in 2006 (434 versus 378 in 2005). This led to revenues of € 25,190 million, representing a 14 percent increase compared to the previous year (FY 2005: € 22,179 million).

Airbus accounted for an EBIT* of € -572 million (FY 2005: € 2,307 million). The financial impact of the A380 issues is € -2.5 billion, of which € -1.2 billion for extra costs and loss making contracts, € -0.8 billion in consideration of settlement payments originally estimated to be recognised in outer years and € -0.5 billion for previously unannounced charges related largely to the impairment of A380 Freighter assets and to non-series cost. A350 related charges (€ -0.5 billion), increased R&D and less attractive Dollar hedges are other important contributors to the loss. The EBIT* further includes a € 352 million provision for A400M contingencies to deal with risk and technical challenges in the Airbus work share. However, the other Divisions foresee a positive contribution from the A400M, leading to a reversal of the provision at Group level. The Division's EBIT* was supported by a positive volume effect, the impact of a favourable aircraft mix and higher contribution from the sell-down of customer financing assets.

With 824 gross orders (790 net orders), Airbus achieved its second best year in terms of sales, including 673 Single Aisles, 134 A330s, A340s and A350s as well as 17 A380s. To date, two customers have cancelled their orders for a total of 20 A380s (freighter version). The momentum of the Asia-Pacific market was demonstrated by large order numbers across the entire Airbus portfolio. Among them Airbus received from China an order for 150 A320 Family aircraft and a Letter of Intent for 20 A350XWBs. The Airbus order book stands at an all-time high. At the end of 2006, it amounted to € 210.1 billion (year-end 2005: € 202.0 billion) based on list prices or a total of 2,533 aircraft (year-end 2005: 2,177 aircraft).

Additionally, Airbus prepared the ground for future product portfolio development, when the EADS Board of Directors gave it the go-ahead to launch the A350XWB. The aircraft is a response to market demand and will be extremely efficient and environmentally advanced. Airbus' portfolio was further extended by the launch of the A330-200 freighter aircraft. The technical integrity of the A380 was proven by the successful type certification in December 2006. The first aircraft will be delivered in October 2007.

The announcement of the Power8 programme lays the ground for strengthening Airbus' competitiveness through sustainable annual cost savings of at least € 2.1 billion from 2010 onwards and around € 5 billion in cumulative cash savings from 2007 to 2010. Additionally, Power8 will optimise Airbus' industrial set-up and drive forward integration to create a "New Airbus".

The **Military Transport Aircraft** Division's revenues surged to € 2,200 million (FY 2005: € 763 million) and EBIT* grew to € 75 million compared to € 48 million in 2005. This growth primarily reflects the achievement of four A400M milestones planned for 2006, as well as the revenue recognition related to a milestone shifted from 2005 to 2006. Further support came from the revenue ramp-up of the Australian tanker programme. The first A330 Multi-Role Tanker Transport (MRTT) aircraft with the new refuelling boom system is scheduled for entry into service in 2009.

For the US tanker replacement EADS and Northrop Grumman will jointly offer the world's most modern refuelling aircraft. EADS is well positioned in the competition for the JCA (Joint Cargo Aircraft) programme and the Group proved its reliability by delivering the first CN-235 for the US Coast Guard's Deepwater programme last year. The order book of the A400M rose by four to 192 aircraft following an order from Malaysia. The medium and light transport aircraft business was further strengthened with orders for 20 new aircraft including twelve C-295 for Portugal for both transport and maritime patrol purposes. The Division's order book stood at € 20.3 billion (year-end 2005: € 21.0 billion).

Eurocopter successfully entered the US defence market and once again confirmed its position as the global leader in the civil and parapublic helicopter market. Delivery of a record 381 helicopters (FY 2005: 334) fuelled the 18 percent revenues growth to € 3,803 million (FY 2005: € 3,211 million). The Division's EBIT* expanded by 21 percent to € 257 million compared to € 212 million in 2005. The EBIT* increase was supported by positive volume effects though constrained by the US Dollar impact, higher selling expenses and costs related to NH90.

In December 2006, Eurocopter started deliveries on two of its major defence helicopter programmes: the first three NH90s were handed over to the German Army and the US Army received the first of up to 322 light utility helicopters (UH-72A Lakota) three months ahead of schedule.

With new orders for 615 helicopters (FY 2005: 401) Eurocopter reached a record level, up 39 percent in value terms compared to the previous year. Receiving 71 percent of these new orders from outside France, Germany and Spain demonstrates Eurocopter's commercial success across the global market. Defence helicopters account for 53 percent of the Division's order intake, among them 43 NH90s purchased by Australia and New Zealand. The order book further increased to € 11.0 billion at 31 December 2006 (year-end 2005: € 10.0 billion) representing a total of 1,074 helicopters (year-end 2005: 840 helicopters).

In 2006, **EADS Astrium** – the renamed Space Division – achieved solid profitable growth in a more favourable business environment. While revenues increased 19 percent to € 3,212 million (FY 2005: € 2,698 million), EBIT* more than doubled to € 130 million (FY 2005: € 58 million). This reflects progress in Ariane 5 production, ballistic missiles, an exceptional year for satellites and the ramp-up of Paradigm services as well as the Division's continued cost improvements and successful restructuring efforts. The Division's highlights include the first flight of the M51 ballistic missile and the delivery of the Columbus space laboratory which is scheduled for ISS installation at the end of 2007. Both satellites and launchers captured substantial slices of their respective markets. EADS Astrium was awarded orders for eight telecom satellites, two of which were for military purposes, together with five earth observation and science satellite orders.

The Ariane 5 ECA performed five successful launches in 2006 while the market demand for launch capabilities is accelerating. The largest ever order book of € 12.3 billion (year-end 2005: € 10.9 billion) confirms the Division's strong position as prime contractor for many of Europe's space activities.

The **Defence & Security** Division improved its operational performance and moved programmes into production. Revenues rose by four percent to € 5,864 million (FY 2005: € 5,636 million) mainly due to Eurofighter ramp-up, solid missile business and new digital radio network business. EBIT* increased to € 348 million (FY 2005: € 201 million) due to operational improvement and a capital gain on the sale of LFK to MBDA which compensated additional restructuring costs mainly at Defence and Communication Systems and Military Air Systems and change of perimeter effects.

In addition to the contract for the digital radio network for German public safety authorities (BOSNet) the Division received substantial orders for secure networks. For the Romanian Integrated Border Security System, a first milestone was successfully achieved. A total of 114 Eurofighter aircraft were also delivered as of year-end. The first Unmanned Aerial Vehicle (UAV) technology demonstrator was in flight and Germany acquired the High Altitude Long Endurance UAV EuroHawk system. The defence electronics business streamlined its product portfolio and experienced growth in its platform-related equipment.

In the missiles business, MBDA has reinforced its position as a world leading missile systems company. In 2006, MBDA received orders from the French and German defence ministries respectively for 250 SCALP naval cruise missiles and 680 PARS 3 LR weapon systems.

The Division strengthened its position in coastal and maritime surveillance in particular, through the joint acquisition of Atlas Elektronik with ThyssenKrupp, and the acquisition of Sofrelog. As of 31 December 2006, the Division's order book amounted to € 17.6 billion (year-end 2005: € 18.5 billion).

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

Revenues of Other Businesses (ATR, EADS EFW, EADS Socata and EADS Sogerma) strongly improved by nine percent to € 1,257 million (FY 2005: € 1,155 million) driven by all four Business Units. EBIT* accounted for € -288 million (FY 2005: € -171 million). Positive contributions from ATR, EADS EFW and Socata were again more than offset by extended EBIT* losses at EADS Sogerma (€ -351 million). The sale of EADS Sogerma Services' MRO activities to TAT Group was completed on

10 January 2007. The activity remaining at EADS Sogerma consists of seats and aerostructure businesses and two subsidiaries (small engine and landing gear maintenance) for total sales of around € 350 million in 2006.

The year 2006 confirmed the revival of the turboprop market. The regional aircraft manufacturer ATR received 63 new orders in 2006. Based on its order book of 116 aircraft ATR will ramp-up deliveries in coming years. EADS EFW delivered 14 converted freighters and further strengthened its aerostructure business driven by Airbus production rates. A cooperation agreement with Irkut on the future A320 freighter conversion complements EADS' globalization strategy in Russia. Order book for 40 aircraft also confirmed the positive customer response to EADS Socata's TBM 850. At the end of 2006, the order book of Other Businesses totalled € 2.3 billion (year-end 2005: € 2.1 billion).

EADS is a global leader in aerospace, defence and related services. The Group includes the aircraft manufacturer Airbus, the world's largest helicopter supplier Eurocopter and EADS Astrium, the European leader in space programmes from Ariane to Galileo. EADS is the major partner in the Eurofighter consortium, develops the A400M military transport aircraft, and holds a stake in the joint venture MBDA, the international leader in missile systems.

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Notes to the editors:

Live-Transmission EADS Annual Results Press Conference on the Internet

You can view the EADS Annual Results Press Conference today from 10.00 a.m. CET on the EADS website www.eads.com using Windows media format.

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.

Analysts Conference Call

You may listen to the **Analysts Conference Call** today at 12.30 p.m. CET) with EADS CEOs Tom Enders and Louis Gallois and EADS CFO Hans Peter Ring on the EADS website www.eads.com.

Please click onto the banner located on the front page. Following the live transmission, an on-demand version will be available later on.

EADS – Figures FY 2006
(Amounts in Euro)

EADS Group	FY 2006	FY 2005	Change
Revenues, in millions thereof defence, in millions	**39,434** 10,039	34,206 7,700	+15% +30%
EBITDA(1) (4), in millions	**2,033**	4,365	-53%
EBIT(2) (4), in millions	**399**	2,852	-86%
Research and Development expenses, in millions	**2,458**	2,075	+18%
Net Income(3) (4), in millions	**99**	1,676	-94%
Earnings Per Share (EPS)(3) (4)	**0.12**	2.11	-1.99€
Free Cash Flow (FCF), in millions	**2,029**	2,413	-16%
Free Cash Flow before Customer Financing, in millions	**869**	2,239	-61%
Order Intake(5), in millions	**69,018**	92,551	-25%

EADS Group	31 Dec 2006	31 Dec 2005	Change
Order Book(5), in millions thereof defence, in millions	**262,810** 52,933	253,235 52,363	+4% +1%
Net Cash position, in millions	**4,229**	5,489	-23%
Employees	**116,805**	113,210	+3%

1) Earnings before interest, taxes, depreciation, amortization and exceptionals
2) Earnings before interest and taxes, pre goodwill impairment and exceptionals
3) EADS continues to use the term Net Income. It is identical with Profit for the period attributable to equity holders of the parent as defined by IFRS Rules.
4) For 2006, EADS changed its accounting policy from the corridor approach to the equity approach, i.e all actuarial gains and losses are recognized in Balance Sheet as pension provision thereby reducing equity. Therefore, those changes in actuarial gains and losses, which are recognized as expenses under the corridor method, have to be reversed. In 2006, this change contributes € 45 million to EBITDA and EBIT*, € 25 million to Net Income and € 0.03 to earnings per share.
5) Contributions from commercial aircraft activities to EADS Order Intake and Order Book based on list prices

by Division (Amounts in millions of Euro)	Revenues			EBIT(1)		
	FY 2006	FY 2005	Change	**FY 2006**	FY 2005	Change
Airbus	**25,190**	22,179	+14%	**-572**	2,307	–
Military Transport Aircraft	**2,200**	763	+188%	**75**	48	+56%
Eurocopter	**3,803**	3,211	+18%	**257**	212	+21%
EADS Astrium	**3,212**	2,698	+19%	**130**	58	+124%
Defence & Security	**5,864**	5,636	+4%	**348**	201	+73%
Headquarters / Consolidation	**-2,092**	-1,436	–	**449**(2)	197	–
Other Businesses(3)	**1,257**	1,155	+9%	**-288**	-171	–
Total	**39,434**	34,206	+15%	**399**	2,852	-86%

by Division (Amounts in millions of Euro)	Order Intake(4)			Order Book(4)		
	FY 2006	FY 2005	Change	**31 Dec 2006**	31 Dec 2005	Change
Airbus	**53,367**	78,254	-32%	**210,115**	201,963	+4%
Military Transport Aircraft	**1,594**	1,840	-13%	**20,337**	20,961	-3%
Eurocopter	**4,885**	3,522	+39%	**11,042**	9,960	+11%
EADS Astrium	**4,354**	2,322	+88%	**12,263**	10,931	+12%
Defence & Security	**5,191**	6,673	-22%	**17,570**	18,509	-5%
Headquarters / Consolidation	**-1,842**	-1,931	–	**-10,809**	-11,217	–
Other Businesses(3)	**1,469**	1,871	-21%	**2,292**	2,128	+8%
Total	**69,018**	92,551	-25%	**262,810**	253,235	+4%

1) Earnings before interest and taxes, pre goodwill impairment and exceptionals
2) Includes EBIT* adjustments at Group level for the A400M provision at Airbus in 2006
3) ATR, EADS EFW, EADS Socata and EADS Sogerma are allocated to Other Businesses which is not a stand-alone EADS Division.
4) Contributions from commercial aircraft activities to EADS Order Intake and Order Book based on list prices.

EADS – Fourth Quarter Results (Q4) 2006
(Amounts in Euro)

EADS Group	Q4 2006	Q4 2005	Change
Revenues, in millions	**11,965**	10,760	+11%
EBIT[(1) (3)], in millions	**-1,027**	753	–
Net Income[(2) (3)], in millions	**-768**	405	–
Earnings Per Share (EPS)[(2) (3)]	**-0.96**	0.51	–

by Division	Revenues			EBIT[(1)]		
(Amounts in millions of Euro)	Q4 2006	Q4 2005	Change	Q4 2006	Q4 2005	Change
Airbus	**6,620**	6,146	+8%	**-1,722**	453	–
Military Transport Aircraft	**501**	259	+93%	**53**	47	+13%
Eurocopter	**1,439**	1,190	+21%	**126**	107	+18%
EADS Astrium	**1,252**	1,028	+22%	**82**	48	+71%
Defence & Security	**2,311**	2,217	+4%	**188**	191	-2%
Headquarters / Consolidation	**-493**	-452	–	**347**[(4)]	22	–
Other Businesses[(5)]	**335**	372	-10%	**-101**	-115	–
Total	**11,965**	10,760	+11%	**-1,027**	753	–

The Q4 2006 EBIT* suffered from charges in the context of the A380 delay, the A350XWB launch and a less favourable hedge rate (Q4 2006: € 1 = US$ 1.13 versus Q4 2005: € 1 = US$ 1.10), higher R&D expenses as well as restructuring impacts at EADS Sogerma and the Defence & Security Division. These burdens were mitigated by a better operational performance mainly driven by higher volume.

1) Earnings before interest and taxes, pre goodwill impairment and exceptionals
2) 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.
3) For 2006, EADS changed its accounting policy from the corridor approach to the equity approach, i.e. all actuarial gains and losses are recognized in Balance Sheet as pension provision thereby reducing equity. Therefore, those changes in actuarial gains and losses, which are recognized as expenses under the corridor method, have to be reversed. In Q4 2006, this change contributes € 12 million to EBITDA and EBIT* and € 6 million to Net Income and € 0.01 to earnings per share.
4) Includes EBIT* adjustments at Group level for the A400M provision at Airbus in 2006
5) ATR, EADS EFW, EADS Socata and EADS Sogerma are allocated to Other Businesses which is not a stand-alone EADS Division.

* 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.

Safe Harbour Statement:

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

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

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

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

Additional information regarding these factors is contained in the Company's "registration document" dated April 26, 2006.