



News Release

Revised A380 delivery schedule expected not to impact EADS' EBIT* 2006 outlook

- Resulting EBIT* shortfall to be compensated in 2006 financial year
- Revised A380 delivery schedule will impact profitability in following years

Amsterdam, 13 June 2006 – EADS expects that the revised A380 delivery schedule announced by Airbus will not lead to a change in the Group's 2006 EBIT* guidance due to management actions being taken at Airbus and due to the overall performance of the Group.

Following a detailed review of the A380 production and delivery programme, Airbus revised the A380 delivery schedule for the period 2006 to 2009. According to this plan one aircraft is to be delivered in 2006. In 2007, A380 deliveries will likely be limited to nine. Compared to the initial delivery target there will be shortfalls of five to nine aircraft deliveries in 2008 and of around five aircraft in 2009.

From 2007 to 2010, EADS anticipates annual shortfalls of EBIT* contribution from the A380 programme of about € 500 million relative to the original baseline plan. The shortfalls result from the shift of margin to later years, excess costs tied to the recovery action and the late delivery charges which are to be negotiated with customers. Possible contract terminations under the new timetable have not been taken into account in this estimate.

EADS expects free cash flow shortfalls, relative to the original baseline plan, of less than € 300 million in 2006, increasing to more than € 1 billion in 2008, and decreasing sharply thereafter. To date 15 A380 have been assembled, while production of sections for aircraft serial number 36 has already started.

The financial impacts will need to be validated and updated as certain milestones are passed, such as the outcome of discussions with customers, feedback from the ongoing testing programme of the integrated cabin, and the progress of the recovery action set up by Airbus.

"We have a serious issue with the industrial ramp-up of the A380. We expect Airbus management to fully deliver according to the revised schedule and, if possible, even to improve. We will strongly support the recovery actions. In addition we will look for sources of compensation across the Group", EADS CEO's Tom Enders and Noël Forgeard said.

EADS is a global leader in aerospace, defence and related services. In 2005, EADS generated revenues of € 34.2 billion and employed a workforce of about 113,000. 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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* 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.