



## News Release

### **EADS confirms price determination for BAE Systems' stake in Airbus**

- Independent expert fixes price to be paid by EADS at € 2.75 billion
- EADS will pay in cash

Amsterdam, 2 July 2006 – The investment bank Rothschild has determined on Sunday, 2 July 2006, that the price to be paid by EADS for BAE Systems' 20 percent stake in Airbus is € 2.75 billion. In accordance with the Airbus Shareholders' Agreement, Rothschild was appointed by EADS and BAE Systems to determine the price in the absence of an agreement between the two parties.

The price determination marks a significant milestone in the Put Option process. The transaction remains subject to BAE Systems' shareholder approval.

BAE Systems exercised its Put Option regarding its stake in Airbus on 7 June 2006. The Airbus Shareholders' Agreement allows EADS to pay the purchase price in cash and/or in EADS shares. The EADS Board of Directors has decided to pay the purchase price in cash.

The price determined by Rothschild refers to BAE Systems' shareholding in Airbus. On 30 June 2006, Airbus had paid a dividend of € 129 million to BAE Systems. Some € 1.2 billion of Airbus' cash is currently on loan to BAE Systems which is repayable at closing.

Airbus UK will remain as a participating employer in the BAE Systems Pension Schemes, and will continue to benefit from a cap on employer contributions until July 2011. Future pension options will also be considered with a view to finding the most appropriate solution for Airbus UK and its employees.

Further steps will be communicated if and when appropriate.

**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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